



E-Paper

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# **In Quest for Change in Timor's Politics**

**By Guteriano Neves**

 **HEINRICH BÖLL STIFTUNG**  
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Current politics in Timor centers on personalities, history, and using 'oil money' as the solution to problems – it cannot cope with the rapidly changing the world and its domestic development challenges. Changing its way of doing politics and the way society is being governed is imperative to address structural issues in Timor's development and maintain the relevancy and legitimacy of democratic institutions.

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## **In Quest for Change in Timor's Politics**

### **Timor's political development**

Timorese are going to vote again for their parliament representatives this year. Scheduled for 21 May 2023, this election is taking place at a critical moment. The country is facing complex and delicate development problems, namely high poverty and vulnerability, individual deprivation, a widening urban and rural divide, unsustainable economic growth, social injustice, poor public finance management, as well as costly state bureaucracy, amongst other matters. These issues are not unique to Timor; nor are they new to Timor's public. They are widely discussed and acknowledged across the political spectrum and will continue to be discussed. However, when it comes to solutions, it is increasingly obvious that the changing political dynamics and the very basics of governance strategy is imperative to drive and to sustain the structural and institutional changes.

Despite political tensions, democratic institutions remain intact. The elections are free and fair with a peaceful transfer of power. Freedom House categorizes Timor-Leste as a 'free' country with a score of 72 out of 100. It regularly holds elections to elect the President and members of parliament, political parties are generally free to operate, minorities are well represented, the budget is more accessible, and there is more media freedom too.

The challenge for Timor-Leste's democratic institutions does not lie in its commitment toward the democratic principles and values; but how the democracy can function well to deliver economic and social development as well as better services for the people. These are important issues for ordinary Timorese as it affects their daily lives.

At this point, democratic institutions increasingly are perceived to fail in providing long-term solutions for these structural and systemic issues that hinder long-term development challenges. Some evidence such as social media posts, informal conversations, and reports claim that the political elites are only interested in the power struggle and personal rivalry among themselves, not the well-being of the people. Youth and university student movements, such as Alianca Nacional Maubere (AMN) (Maubere National Alliance) is one such organization that openly criticizes how power is being exercised. They claim that "elites use the power to access the resources and accumulate the resources for their own benefit." Although these are perceptions, to a certain degree, they have some validity. Common examples popularly used are different privileges enjoyed by state officials while in office, lifelong benefits for the members of the state's officials once they are no longer serving office, widely known as Lei Pensaun Vitalisia [1], and the decisions of the parliament to acquire a car for every member every term.

The political uncertainty over the last five years has reinforced this perception. It is primarily caused by the failure of the political elites at the top level to find common ground. It has also caused a deep rift among major political powers. Although this is primarily based on the different interpretation of the power structure based on the constitution, the impacts are tremendous. It drove the economic downturn, killed the momentum for economic development, and diverted public attention from more important issues for development. The rivalry between political elites is deepening, and has affected the functioning of the democratic institutions like Parliament or President of the Republic. These institutions to a certain degree have been captured by party interests, thus putting the legitimacy of these institutions into question.

In the meantime, the political parties are seen as the vehicle for its members to acquire jobs in the public sector and achieve some power; but not to provide long-term solutions for the country's social and economic development. These perceptions are recognized by President Horta, in his recent message delivered to the nation on the upcoming election.

The elites' political discourse during electoral campaigns – either presidential or parliamentary – also has been focusing on individual or party historical greatness and less about policy and programs. It is highly divisive and dominated by the 'old guard'. Instead of offering alternative solutions, the political narratives exploit the failure of others, and blame each other for the country's own problems, which they – the political elites themselves – are part of. This trend intensified leading to the upcoming election. Social media, and particularly Facebook, has become a battleground to launch personal attacks on each other.

### **Development policy on the sidelines**

The direct consequences of the current political dynamic is that it undermines the quality of democracy, and the relevancy of the democracy toward social and economic well-being of the people. Because political rhetoric primarily focused on the historical greatness of the individuals, party or certain groups, it sidelines more important issues like poverty and youth unemployment, the gap between urban and rural living, economic dependency on petroleum, and vulnerability due to climate change.

Although the policymakers are well-aware of the 'fiscal cliff' [2], and the real danger and risks ahead, it is not reflected in the policy prescription. Timor's policymakers are already accustomed to spending easy money as the solution to everything; a situation which was described as an "addiction to oil". This manifests in terms of promoting policies that have political gains and brings short-term benefits to the people, but incur extremely high costs in the long run, particularly in the context where the resources are increasingly scarce. Instead of promising long-term solutions that will enable people to be active citizens, political elites exploit the vulnerability of the

population, particularly the rural poor and unemployed youth by promising short-term benefits such as cash or handouts.

When it comes to long-term development, oil continues to dominate the country's long-term vision and dream. One example of that is how the development of Greater Sunrise [3], an oil and gas project between Timor and Australia, is being presented to the public. The development of Greater Sunrise is also so attractive to the media and makes headlines in the news. Looking at the way this project is discussed and presented, or the way the media frames the issues, there is an expectation that the development of Greater Sunrise will provide a 'magic solution' to multi-faceted development issues that Timor-Leste is facing. This makes the development of Greater Sunrise become the determinant issue in the upcoming election.

Outside of the oil, the discourse on the policy tends to be superficial, abstract – and to a certain extent – even fantasy. Jargon like 'social justice', or more contemporary terms like 'inclusive growth', 'human-centered development' or 'economic diversification' are echoed by all parties; but they are meaningless when it comes to policy choices, program implementation, targets, costs, and timelines. Important issues like economic diversification, job creation and improving human capital have always been part of political campaigns in the last decade; it is still unclear how to deliver so much in a time when the resources are scarce. It is hard to see if there is clear understanding about what the term 'economic diversification' really entails, and how to deliver it in such a complex and uncertain context.

Once the party is in government, the parties' elites do not transform their mindset and behavior from being a party official to governing for the whole society. Rather than improving the quality of public goods and services, they prioritize the expansion of the party's clientelism through the distribution of public contracts or positions in public office. This results in the growing size and the cost of the public sector. All major political parties who have been part of government over the past fifteen years, to a certain degree, adopt the same strategy when it comes to the governing strategy and to maintaining power. Political parties more and more serve as the vehicles for its members to achieve employment than to provide solutions for the problems faced by ordinary citizens and developing the quality of public goods and services.

These political practices and the governance strategy have a huge implication for the country's long-term development trajectory. It undermines the healthy functioning of state sovereign bodies. It partly contributes to increasing the cost of the state bureaucracy, undermines the quality of public spending and the provision of public goods and services. It undermines the promotion of meritocracy in public administration, mismanagement of public resources and inefficiency in public spending. And it makes it even harder to change the direction of the country.

## Learning from its own experiences: the limitations of oil money

If there is a good experience for the country – in fact, all segments of Timorese society – to learn from, it is its own experience over the last five years. The failure of the political elites to put the interests of the country and its people have incurred high opportunity costs for the nation as a whole. Political uncertainty (that the country is still going through) has killed the momentum for the country's development trajectory and is also directly responsible for the series of economic contractions since 2017. This is the time to educate political elites that it is absolutely normal and even encouraged to have different views; but they should also learn how to build a common understanding among them on critical development challenges that the country is facing and work together at some point, via reaching consensus and other negotiations. Democracy is not only about differences but also the ability to find common ground.

Beyond that, Timorese elites also need to learn about the complexity of the world, and governance. The impacts of the COVID-19 pandemic and recent Russia-Ukraine war exposed various forms of vulnerability at various levels of the country. Given that it highly depends on imported goods to satisfy domestic demands, rising prices occurred because of the disruption of the global supply chain, impacting the country's low income families greatly. Timor-Leste is also very vulnerable to climate change, and it has already experienced the destruction of public and private infrastructure, the destruction of rural livelihoods, erosion, and similar. These should be a momentum to remind Timorese political elites on the complexity of governing society in the globalized and integrated world.

Oil can give money, but not development. Timor-Leste's own experiences since independence shows that Timor-Leste is another victim, rather than being able to live up to its own fantasy of opportunity. Oil money tends to lead us to believe that because oil gives easy money, this can be easily translated into development and well-being of the people. Unfortunately, this has not been the case. Oil indeed gives money to the government, but as our own experiences have shown, money alone cannot solve multifaceted and complex problems like poverty, unemployment, social and economic divides, and malnutrition. Addressing these problems requires more than just pouring money into the economy and society, but holistic and integrated policy frameworks, changing institutional frameworks, economic incentives, and addressing administrative bottlenecks.

Unfortunately, oil has captured much of our attention and it has imprisoned us. It continues to shape our vision and imagination of the future. It has given us a comfort zone, and way of life that we do not want to change, although we are aware of how unsustainable it is. It continues to shape our governance and policy frameworks. At some point, it limits the framework of thinking from policymakers to think more creatively and innovatively.

More importantly, the country is also experiencing rapid demographic change, driven by a large and growing number of youths. Timor-Leste has one of the highest youth populations in the world.

Despite the difficult circumstances they are facing, many young people have successfully overcome the odds and establish themselves in society. Many of the young people have taken opportunities overseas and being exposed to different cultures via overseas study and exchange, participating in places with employment opportunities, such as the United Kingdom, Australia, and South Korea.

Technology and information have also contributed to transforming society by enabling youth to learn about what is happening around the world. Young people also take advantage of social media platforms to play positive roles in society, such as being social influencers, social media motivators, social entrepreneurs, trainers and educators, writers, advocates, and similar. Many youths have been taking initiatives and risks to start their own business, and providing different business models to society. They have become a source of inspiration, as they appear in various settings to share their experiences, hardship, and inspirational message to their peers. Taking advantage of social media platforms, many also have created their own space to express their ideas and views on a wide range of issues in Timor-Leste. A recent study by The Asia Foundation captures some of them. One interesting finding of the report is that "youth participants care about social issues such as social justice, gender equality, education, employment, and mental health." They also participate in advocacy related to gender equality and LGBTIQ+ rights, people with disabilities, labor rights, social justice, and movements for anti-defamation law. In brief, the youth are not out of context for social issues in Timor-Leste, and they have created their own platform to be active citizens.

### **The quest for political change**

For these reasons, it is imperative that the parties' elites, and society in general, reflect and change its direction. The starting point is that the political elites need to change their ways of doing politics. The quest for political change is vital to move away from historical narratives, based on personalities, and provide long-term solutions to some of the structural and systemic development issues that the country is facing. The government also has to realize that the country is facing more complex problems that cannot be addressed simply by spending more money. President Ramos Horta already called for the country's attention by reminding all political parties about the importance of the next five years for the future of the country. He called for parties' leaders to be able to make the distinction between parties' interests and national interests.

The starting point is that the parties' elites need to acknowledge that the world is changing. Despite its smallness, Timor is part of the world; it is uncertain, complex and very volatile. The recent pandemic, the impacts of the war in Ukraine, and Cyclone Seroja are just examples of that. At the domestic level, Timor's demographic structure is also



changing. This means that its political institutions need to adapt to this reality in its governance strategy. Without it, Timor-Leste's political institutions are facing the risk of losing its relevancy to ordinary people's lives. This could undermine the legitimacy of the state's institutions, which is an adversary to the state-building process.

Secondly, the parties' elites need to offer more realistic, pragmatic and clear policy choices. In fact, it can impact development adversely if it is not wisely managed. They need to take the issue of the looming fiscal cliff seriously. Ignoring this basic fact can lead the country into a catastrophic situation. Within that context, the government also needs to make some efforts to rationalize its spending, and significantly reduce unnecessary spending. This can be achieved through imposing certain fiscal rules to contain temptation posed by easy money, contain the growing numbers of autonomous agencies, state-owned enterprises, and reallocation of public resources toward more productive sectors, or programs that have greater impacts on the lives of the people with less cost.

Thirdly, political elites need to be aware of issues like the fiscal cliff, poverty, various forms of inequality, youth unemployment, the urban-rural gap, and climate change posing significant threats to the country. Therefore, rather than exploiting the vulnerability of the poor and vulnerable groups for sympathy, the party's elites need to offer long-term solutions that will give the means to citizens to be active contributors towards development. Policy options should move away from treating vulnerable groups as passive citizens who need the state's assistance. The policy should enable citizens to sustain their lives, being independent citizens, and contributing to the state, not the other way around.

Finally, the current political dynamic calls for more active roles of civil society groups. This context involves students, youth groups, non-governmental organizations, the media, academics, and religious groups, all who are outside of the political party structure. These groups need to play the role of checks and balances, and can be an extra-parliamentary control on the way political elites exercise their power, holding the parties' elites accountable. They need to provide more balanced information based on evidence and long-term horizons, provide more realistic policy choices, and inform their citizens on the real situation that the country is facing. These roles are more crucial in a situation where the state institutions like Parliament is perceived to fail in exercising their checks and balances role.

Overall, as the country confronts delicate and complex challenges, it requires not only political will and moving beyond empty slogans, but also real courage from the political elites to make difficult decisions in a moment when the country needs it most.

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*This E-paper is a personal opinion and does not represent the opinion of any institutions that the author is affiliated with.*

*The views expressed by the author are not necessarily those of Heinrich Böll Stiftung.*

## Notes

[1] *Lei Pensaun Vitalicia* is a law approved by the Timorese parliament that guarantees lifelong pensions and benefits for the member of state sovereign bodies such as a member of Parliament, member of Government, President of the Republic, and the President of the Supreme Court of Justice. It includes a monthly salary, overseas medical treatment, and more, depending on the level and duration of service.

[2] In the Timor's context, the 'fiscal cliff' refers to a situation where the Petroleum Fund is running out, therefore the government will not have enough financing sources to finance its spending and obligations. This will force the government to cut its spending massively and significantly affect the economic cycle of Timor-Leste.

[3] Greater Sunrise is an oil and gas field located approximately 450 kilometers northwest of Darwin and 150 kilometers south of Timor-Leste. The development of this project is not clear yet.

## Author's Profile



Guteriano Neves is an independent policy analyst Based in Dili, Timor-Leste. He earned a Master of Public Policy from the Crawford School of Public Policy at the Australian National University. In 2012, he worked in different institutions, such as the Ministry of Foreign Affairs, La'o Hamutuk, the Dili-based Magazine TALITAKUM as a journalist, and the Institute of Public Policy in Washington as an intern.

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