CHAPTER 1

Introduction: Building the Nation: Legacies and Challenges for Timor-Leste

Sue Ingram, Lia Kent and Andrew McWilliam

Background to the update

Timor-Leste has made rapid progress in its first decade as a new state, casting aside the instability that blighted its early years and achieving strong economic growth and institutional development. During 2012, the nation experienced peaceful presidential and parliamentary elections, the winding-up of the Australia-led International Stabilisation Force, and the completion of the United Nations (UN) peacekeeping mission after 13 years of UN presence. But significant challenges remain for the fledgling nation as it struggles to diversify its economy, implement its ambitious social and economic development plans, and preserve stability in the face of projected declines in petroleum revenues.

To mark this transition and reflect on the road ahead for Timor-Leste, the College of Asia and the Pacific at The Australian National University (ANU) convened an inaugural Timor-Leste Update on 28–29 November 2013. The opening day of the conference was set to coincide with Timor-Leste's national Restoration of Independence Day—the date on which the nation unilaterally declared its independence in 1975 and experienced a short-lived independence of 10 days before the Indonesian takeover that lasted 24 years. Full independence was eventually restored on 20 May 2002, following two-and-a-half years of transitional UN administration.

The Timor-Leste Update was designed with a number of complementary objectives in mind. Firstly, it was intended to contribute to Australia's developing knowledge of and engagement with a close regional neighbour by providing a public forum to discuss recent developments and plans. The Update also aimed to sustain and strengthen relationships between government agencies, civil society organisations and research institutions working on Timor-Leste, while helping to build the profile and capacity of East Timorese researchers and policy analysts.

Highlights of the two-day event included an opening address on Timor-Leste's 'path to prosperity' by His Excellency, Agio Pereira, Minister of State and of the Presidency of the Council of Ministers, entitled 'The Challenges of Nation State Building'. His remarks were underscored by a presentation from Mr Fidelis Magalhaes, Presidential Chief of Staff, Presidency of the Republic of Timor-Leste, who spoke on the topic 'Timor-Leste, Past, Present and Future; Why History Matters'. Their considered remarks provided the platform for a series of presentations by Timorese and Australian speakers around three framing topics:

- trends in economic development
- stability
- active citizenship.

The lively discussions that accompanied the presentations, the high level of interest shown in the proceedings, and strong audience attendance from the academy and government, all pointed to both the success of the Update and support for a continued forum of this kind that facilitates shared understandings and critical debates between the two nations. It is hoped that the Timor-Leste Update will become a biennial event.

Key themes

A number of broad themes ran through the presentations at the Update. They reflect Timor-Leste's remarkable politico-historical journey to independence and the subsequent gradual progress in defining values and building the structural, political and institutional foundations of the newly independent nation. We have identified five key themes, each of which is discussed in detail below:

1. achievements and challenges
2. legacies of the past and future prospects
3. theories of the liberal democratic state versus the *realpolitik* of state-building and participatory democracy
4. national and sub-national governance
5. policy intent and policy action: bold visions, modest progress.

1. Achievements and challenges

‘Achievements and challenges’ was a framing idea for the Update, and was something of a *leitmotif* through the two days of discussions. Timor-Leste has made huge achievements in the 11 years since independence. Stability was quickly restored following the internal divisions and build-up of conflict that came to a destructive head in 2006. Following the 2008 attacks on the president and prime minister, the leadership responded swiftly and effectively within the framework of the constitution, preventing collateral damage to the state and redoubling efforts to strengthen security.

Today, while the country is not conflict-free, episodes of civil discontent are minor in character and do not threaten development or political stability. The last few years have seen effective democratic consolidation, with a maturing of the institutions of the state and an active civil society. The nation is also emerging as a significant player on the international stage: chairing the g7+ forum, which is leading the discourse on the way that the international community engages in conflict-affected states; positioning for membership of the Association of Southeast Asian Nations (ASEAN) in the near future; and chairing the Community of Portuguese Language Countries (CPLP) in 2014.

Nonetheless, serious challenges remain. Timor-Leste is the second or third most petroleum-dependent state in the world, with a downstream risk of petroleum revenue collapse if new fields are not quickly brought on-stream. The state also faces a looming fiscal crisis unless revenue and outlays are brought into line and expenditure from the Petroleum Fund returned to the calculated sustainable level. The prospect of greater fiscal restraint in turn risks a rise in grievances and instability where declining public revenues translate into a paring back of generous social transfers, particularly to veterans, and reductions in public sector employment. The economic and social gulf between urban and rural areas continues to widen, despite a significant increase in social transfers and infrastructure development beyond the capital, Dili. Timor-Leste has experienced rapid population growth since the end of Indonesian occupation, and the population is projected to double in 17 years. However, the burgeoning numbers of school leavers face a weak labour market with little capacity to absorb the growing demand for jobs.

Timor-Leste is also marked by significant gender inequalities, despite constitutional guarantees of equality in all areas of family, social and cultural life and reasonable levels of representation of women in public office. As Laura Abrantes’ presentation at the Update noted, women hold 25 out of 65 seats in the national parliament, equating to 38 per cent of seats—the highest percentage in Asia. In the newly constituted Araujo government, 3 of 17 ministers, 2 of 11 vice ministers and 3 of 9 secretaries of state are women, equating to just over

20 per cent. Nonetheless, the influence of women parliamentarians in lawmaking and oversight arguably remains limited—women hold few of the top executive posts, and the sphere of local politics remains overwhelmingly male dominated. Looking beyond their representation in public life, it is apparent that women remain significantly disadvantaged *vis à vis* men in the private sphere: they are poorer and have a lower literacy rate, have a lower rate of participation in the workforce, and are usually in lower level positions than men. Fertility and maternal mortality rates are among the highest globally. Rates of domestic violence continue to soar. All of this suggests that in Timor-Leste, as in many other societies, the process of translating women's formally guaranteed rights into substantive equality remains an ongoing challenge.

2. Legacies of the past and future prospects

Timor-Leste's past—its history of decolonisation and occupation, of political divisions and violence—informs the present. On the one hand, the strength of Timorese national identity lies in its history. On the other hand, the absence of a shared elite history through the 24 years of Indonesian occupation has set up divisions that are still playing out. There is controversy over what constitutes the 'true' history of the past and who controls that history—a feature most evident in continuing public disputes over historical events and the role of particular identities in relation to them. There is also contestation over who has a place in that history and who should be recognised for their contribution: the claims of FALINTIL (*Forças Armadas da Libertação Nacional de Timor-Leste*; Armed Forces for the National Liberation of East Timor) veterans are being treated very differently from those of other groups in society, for instance women, young people and former members of the clandestine front.

A powerful actor in Timor-Leste's political history that continues to shape the present is the Catholic Church. It was a bulwark for the Timorese people during the Indonesian occupation, a defender of their security and cultural integrity, a crucible for youth activism, and an early and influential proponent of a referendum on Timor's political future. It has continued to play a political role after independence where it perceives a threat to its interests, as in the 2005 demonstrations challenging the government's plan to withdraw religious education from the formal primary school curriculum. Two of the presentations touched on the Catholic Church's continuing role both as a pastoral carer and a service provider to the people.

History also shapes Timor-Leste's democratic development path and the policy and the structural choices that it makes. A number of presentations at the Update highlighted how veterans are becoming a privileged group in society due to the size of veterans' pensions. While Timor-Leste seeks to honour the

struggles of the past, the spotlight is strongly on the future. The country's *Strategic Development Plan*, launched in 2011, charts an ambitious path for the inclusive development of Timor-Leste through to 2030. Its vision is to create a middle- to high-income country with a diversified economy and strong human capital by the target date. Yet there are real doubts whether the vision is achievable, and whether its major focus on infrastructure development—the aspirational Tasi Mane program and the high modernist master plan of the special economic market zone in Oecussi¹—are well conceived. The alternative is to shift investment to Timor-Leste's people, investing in education, nutrition, food sovereignty and manufacture for local consumption. One speaker at the Update called for a greater focus on the children of Timor-Leste, who are its future. That the bilateral relationship with Indonesia is also forward-looking, rather than dwelling on the past, is a source of consternation to those still searching for criminal accountability for the crimes committed during the 24-year occupation.

Just days before the Update was held, Timor-Leste's Prime Minister, Xanana Gusmão, announced his intention to resign mid-term in 2014. The prospect of his imminent departure signalled a profound political transition for the young nation. Gusmão is a towering and revered figure who has led the Timorese people in different capacities—as head of the Resistance, as president and as prime minister—for 30 years. Many Timorese were fearful of a return to instability when he relinquished the helm. In the quest for a new leader, there were calls for a generational transfer of political power, but no clear successor was apparent beyond speculation about a possible move by the President, Taur Matan Ruak, to the prime ministership. An important question discussed during the Update was whether the next generation of leaders could command the same authority and the same commitment to constitutionality as the current leadership, whether they would feel the weight of other, non-democratic narratives that are powerful in the region, and the extent to which a growing engagement with Indonesia would influence public policy.

Gusmão delayed his resignation until 5 February 2015—the precise mid-point of his term—and in the weeks leading up to it he worked to secure the succession, eventually anointing the highly regarded Dr Rui de Araújo from the official opposition party, FRETILIN (*Frente Revolucionária de Timor-Leste Independente*; Revolutionary Front for an Independent East Timor). The move was dramatic: it guaranteed the total overhaul of Gusmão's bloated and underperforming

1 Tasi Mane refers to the development of three industrial clusters and interlinking infrastructure along the south coast of Timor-Leste to support the planned domestic petroleum industry. The Oecussi special economic zone refers to the development of a trade, commerce and tourist hub in the enclave of Oecussi; the initiative is known as the *Zona Especial Economia Sosial Merkadu* (ZEESM; Special Economic Zone for Social Market Economy).

government since constitutionally the resignation of a prime minister triggers the departure of the entire government; it marked the transfer of power from the '75 Generation to the *Jerasaun Foun* (New Generation)²; and it marked Gusmão's own victory over partisan politics, which, ever since his youth, he has regarded with suspicion.

In persuading his own coalition parties to support Araújo, Gusmão encouraged them to put the interests of the state above the interests of the parties. Prime Minister Araújo, in his inauguration speech, echoed this theme, pledging that the national interest would be paramount and committing the members of his government to putting the interests of the people above partisan interests. The president, in his speech at the inauguration ceremony, captured the essence of the political and policy transition underway, describing the transfer of power 'from the generation which has conquered liberation to that which must conquer development'. This is the huge challenge now confronting the country.

3. Theories of the liberal-democratic state versus the *realpolitik* of state-building and participatory democracy

Institutional choices and the drivers of those choices emerged in various ways through the course of the Update as a domain of contest and competition between international policy orthodoxy and endogenous approaches anchored in local context and realities. A decade after independence, there is evident frustration over homilies on good governance by development partners whose own institutions may be less than exemplary. Equally, there is frustration at the criticism of approaches pursued in Timor-Leste that do not adhere to orthodox models of the structure of the liberal democratic state when patently the home-grown approaches work on the ground. 'Democracy' was described as both an end and a means; there is a form of 'democracy *à la* Timor' that arguably works in context, even if it does not always accord with liberal democratic prescriptions. Those prescriptions may sound noble, but they can work against sustainability. Either way, the question of democracy and development remains a lively and contested arena, both within Timor-Leste itself and as a continuing dialogue among critics and interested observers.

Several examples emerged over the course of the Update illustrating the difficulty of striking the right balance between fiscal or policy ideals and shoring up the stability and security of the state. For example, the design

2 '75 Generation refers to the older generation of Timorese leaders who emerged over the period from Portugal's decision to decolonise its territories in April 1974 to the invasion by Indonesian forces in December 1975 and the subsequent armed resistance. *Jerasaun Foun* refers to the younger generation who spearheaded the campaign of civil disobedience of the late 1980s and 1990s that put the question of East Timor back on the international agenda.

and implementation of the 2009 *Pakote Referendum* (Referendum Package) to initiate public works on a massive scale was heavily criticised for bypassing ordinary budgetary approval processes. While there have been allegations that project funds have been manipulated, not implemented, or implemented below standard, others argue that the package was a critical mechanism for stability that necessitated some trade-offs around procurement processes. Similarly, the decision to bring the police and the military together operationally under a joint command following the crisis of 2008 was criticised at the time but has, arguably, proven to be an effective response that is widely endorsed by the population. A third example was the decision to pardon Maternus Bere, the former Laksaur Militia Leader indicted for crimes against humanity for his role in the 1999 Suai Church massacre. Although attracting significant local criticism from human rights groups, this decision can also be understood as a pragmatic response by the Timor-Leste state to larger security interests, and one that signalled the importance of the Indonesia relationship. A fourth example is the collaboration and rapprochement now evident between the government and opposition parliamentary benches. An important point of discussion was where the line should be drawn between liberal democratic templates and *realpolitik*, and how well the benefits of endogenous approaches to nation-state building are understood by the international state-building fraternity. These were flagged as potential areas for research.

A larger, related question that was canvassed as a major political challenge was how Timor-Leste would use its wealth into the future. Two alternative paths were outlined: would the state establish firm rules for all areas of public expenditure with a neutral state apparatus disbursing funds; or would it further entrench a patron–client system that is fundamentally anti-democratic and based around elite interests and political favouritism?

4. National and sub-national governance

Timor-Leste remains two very different worlds: divided between the globalised capital Dili and the isolated and poorly serviced rural hinterland; and between relative wealth and extreme poverty. Troublingly, key indicators suggest that the gap is widening. Several factors were discussed that both informed understanding of and affected developments in these two contrasting worlds. First, gross domestic product (GDP) is a very poor indicator of real per capita incomes as it is dominated by Timor-Leste's oil wealth, much of which is transferred off-shore. Wealth is concentrated in Dili, and distributional inequity across the population is extreme, despite significant levels of social transfer payments since 2008. Distributional inequity mirrors the split between participation in the formal economy and largely subsistence-level rural livelihoods.

That said, there are clear and positive changes occurring across the hinterland, not least with the near completion of the national electricity grid that was rapidly rolled out from 2010. The benefits of lighting and power have extensive multiplier effects, including much more widespread access to communications and the internet, which Timorese, like people everywhere, are embracing with enthusiasm.

The government has also invested extensively in a range of decentralised construction projects, including new health centres, school buildings, road maintenance, and monuments to the nationalist struggle. And despite criticism over tendering processes for these contracts and the quality of construction, most district centres have at least seen a revival of local enterprise and contract services companies.

There remains an ongoing debate about expenditure priorities—in particular, the very large commitments to big-ticket physical infrastructure versus the very modest investments in human services and agriculture—and the beneficiaries of these priorities. The current policy to distribute cheap imported rice at discount retail prices, for example, provides short-term benefits to rural households but inevitably undermines incentives for local rice production to the long-term detriment of East Timorese producers.

Timor-Leste is experiencing a brain and age drain, with young, educated people relocating from the rural areas to the capital seeking further education and job opportunities absent in the regions. Small but significant numbers of young people are travelling overseas for employment, and their remittances are highly visible in upgraded housing stock in rural areas. Social transfers and remittances are also underwriting household expenditures in the districts, but are very unevenly spread, with veterans receiving the lion's share of these publicly funded distributions.

Sub-national governance remains a key systemic question to be resolved, and a critical component of the unfinished agenda of state-building. Earlier enthusiasm and policy discussions around the organisation and implementation of decentralised government have seemingly stalled. The result is that regional government programs and participatory decision-making across the region are constrained and remain heavily dependent on Dili based national level directives.

5. Policy intent and policy action: bold visions, modest progress

A number of presenters commented on the apparent marked disjunction between stated policy intentions of the government and parliament and the decisions actually taken. At the next level down, policies approved are then poorly executed. Institutional capacity and organisation, in its many elements, is the central factor. One aspect highlighted was the insufficient separation of political and technical responsibilities in the implementation of policy. Other organs of state, including parliament and its associated accountability structures, as well as media and civil society, have an active role to play in ensuring that policy translates into effective and responsive service delivery. Recent criticism and controversy over cases of alleged and, in some cases, proven corruption among high officials and ministerial appointments have caused reputational damage to government and politicians among the citizenry. These high-profile cases of apparent conflicts of interest and misappropriation of funds only highlight the need for stronger institutional and public systems of transparency and accountability. Despite its best efforts, the *Comissão Anti-Corrupção* (Anti-Corruption Commission) still struggles for legitimacy and strong political backing.

Contributing papers

We are pleased that the great majority of speakers at the inaugural Timor-Leste Update have been able to prepare written versions of their presentations for this volume. Other than acknowledging the recent change of prime minister, most chapters describe the status quo at the time of the Update. Some authors whose texts were affected by the political transition or the release of more recent data revised their chapters immediately prior to publication. The updated chapters are those by Charles Scheiner, Rui Feijó, Michael Leach, and Saku Akmeemana and Doug Porter, while Cillian Nolan has added a postscript.

The organisation of the book largely mirrors the structure of the conference itself, and while we have sought to encapsulate some of the sentiments and criticism offered by the audience during the Update sessions, we are unable to publish these commentaries within this online book format. For those who are interested, we direct you to the following ANU Timor-Leste website, which provides a number of additional recorded materials and associated discussions: ips.cap.anu.edu.au/ssgm/events/2013-timor-leste-update-follow.

Part One of the volume, *Building a Nation-State in the Shadow of History*, sets the scene for the remainder of the collection. Each chapter reflects on the achievements and challenges of nation-state building and engages, either explicitly or implicitly, with the legacies of history. Agio Pereira's chapter—a revised version of his keynote address—provides an 'actor's perspective' on the challenges of building peace and securing development since the nation's independence. While acknowledging that many outstanding issues remain, Pereira points to the nation's high levels of economic growth; reduced rates of infant mortality and increased life expectancy; improvements in the provision of water, sanitation, and electricity; positive bilateral relations with Indonesia; and Timor-Leste's leadership roles within international forum such as the G7+, as evidence that Timor-Leste has made great strides since 2002.

Complementing this piece, Fidelis Magalhães's chapter similarly reflects on achievements since independence, while also highlighting a number of significant challenges confronting the nation. Key issues include high youth unemployment, high levels of mal- and under-nourishment, poor-quality education, and the growing dependency of segments of the population on cash transfers. Magalhães is more pessimistic in his assessment of the economy than Pereira, pointing out that the increasing level of state expenditure is a serious issue when the country faces a more than US\$1 billion non-oil fiscal deficit each year. More so than Pereira, Fidelis Magalhães engages with the legacies of history, arguing that a number of Timor-Leste's problems—for instance, its lack of human and financial resources—are linked to the underdevelopment of the territory during foreign occupations.

Like Magalhães, Michael Leach tackles the theme of historical legacies. In a reflective piece, Leach discusses the ongoing contested 'ownership' of the national liberation narrative and the 'struggles for recognition' by those who perceive themselves to be excluded. He suggests that not only is there a 'politics of recognition' in Timor-Leste, but there is also a 'political economy of recognition' given that those who can successfully claim veteran status receive significant annual pensions. He notes that the lack of a consensus among political elites about what constitutes the 'true' history of the Resistance also poses difficulties for the writing of a national history curriculum for primary and secondary schools. Leach asks whether the recent rapprochement between factions of the political elite may create more favourable conditions for dealing with controversial issues in the curriculum. He also wonders whether the rise of the post-'75 Generation might transcend the divisions embodied in the leaders of the '75 Generation.

Rui Feijó reflects on key challenges for the consolidation of democracy. Like Leach, Feijó raises the issue of generational turnover, asking what will become of the legacy of Xanana Gusmão and other leaders of the '75 Generation

once they reach the end of their active political careers. He identifies other key challenges including that of managing the nation's wealth in line with democratic precepts and building a decentralised state that will make democracy both more representative and more participatory.

Part Two, Trends in Economic Development, reflects on economic developments at both national and sub-national levels. The first chapter, by Charles Scheiner, a researcher with the civil society think tank *La'o Hamutuk*, is entitled Can the Petroleum Fund Exorcise the Resource Curse from Timor-Leste? The answer presented in compelling detail is a pessimistic one, and points to a range of risks and concerns over the sustainability of the Petroleum Fund itself. Drawing largely on data from the government's own statistical compilations, Scheiner argues that Timor-Leste's currently active oil and gas fields may be dry by 2020 and that the Petroleum Fund may be empty within five years after that. While this should underscore the urgency to develop Timor-Leste's non-oil economy, increase revenue and use public money wisely, Scheiner believes that the Petroleum Fund may have created an 'illusion' of financial security that has allowed difficult decisions to be postponed. Scheiner's presentation at the Update resulted in a lively 'Q and A' discussion, and drew attention to the critical importance of the fund and additional fossil fuel development to the future prospects for Timor-Leste.

The following chapter, by Mr Antonio Vitor, Adviser to the Minister for Public Works, provides a measured account of progress made in the area of infrastructure development. Vitor cautions that infrastructure built prior to 1999 is deteriorating, and that ports, airports, major road networks, and telecommunications urgently need upgrading. While some progress has been made—in particular, in the sectors of rural water supply and sanitation, and electricity—key constraints are limited public sector capacities and capabilities to deliver infrastructure and poor co-ordination between relevant ministries.

The subsequent two chapters focus on economic developments at the sub-national level. World Bank governance specialist Saku Akmeemana, and Douglas Porter, consultant adviser at the World Bank, provide an overview of sub-national spending programs and the pragmatic increase of public expenditure directed to the regions in the aftermath of the 2006 crisis. They offer instructive lessons about the need to balance often competing technical, social, and political priorities, and adjust to changing needs over time. Meabh Cryan tackles the issue of continuing tensions over land use. She draws attention to how the lack of legislation for the resolution of land rights claims, and the increasing demand for land from the state for domestic and foreign investment, is contributing to land deals, alienation and forced evictions. She describes the flawed consultation process surrounding the 2009 draft transitional land law (which was later vetoed by President Ramos-Horta), which was the impetus

for an alternative, civil society-driven process. The civil society consultations highlighted that land holds multiple meanings for East Timorese communities and challenges the government's view that so-called *rai mamuk* (empty land) can be easily appropriated for development purposes.

Part Three turns to the theme of Stability and Social Cohesion. Cillian Nolan offers a detailed and insightful reflection on the post-Xanana political landscape and the role of different influential segments of society in national politics. His chapter offers an excellent entrée to the two chapters that follow, by Catharina Maria and Damian Grenfell, which move beyond a focus on national-level stability issues to offer 'bottom-up' perspectives on achieving peaceful solutions to conflict. Maria's chapter reflects on her experiences as a peace-building practitioner with the *Laletek* (Bridge) Project—a combined effort of the Catholic Relief Services and the Diocesan Justice and Peace Commission of Dili—that encouraged opposing groups to find common ground and collaborate on issues of mutual interest. Her chapter is a reminder that there are no 'quick fixes' to communal conflict and that peace-builders need to invest time and resources in understanding and responding to each local context. Grenfell's chapter is a more conceptual piece that explores possible applications of customary connections and practice as part of the peace-building process. He argues that politics in Timor-Leste, while frequently represented as essentially 'modern' in form, also encompasses 'customary' and 'traditional' systems of power. He suggests that the concept of 'hybrid political orders' might assist those involved in peace-building to better recognise and engage with different kinds of social practices and meanings that coexist in Timor-Leste, allowing practitioners to locate 'sustainable practices amidst the intense pressure of social change in Timor-Leste'.

Part Four is entitled Citizens, Inequalities and Migration. The five chapters presented in this part focus on the challenges of building a society that encourages the participation of its citizens, recognises their diverse experiences, and addresses enduring inequalities. The first chapter, by Adérito Soares, former anti-corruption commissioner, reflects on how the problem of corruption in Timor-Leste might be addressed. Soares argues that, given the difficulties of law enforcement, comprehensive efforts to combat corruption must include public awareness-raising as a critical component. These efforts are needed especially at the subdistrict and district levels, where more and more projects are being initiated.

Turning to the issue of gender inequalities, Lia Kent and Naomi Kinsella highlight the policy discrimination evident in the veterans' valorisation scheme's lack of recognition of women's roles in the Resistance. They are also critical of the way in which the scheme is elevating the status of former male combatants over that of other citizens through the provision of symbolic recognition and material

benefits. This, they argue, is leading to a militarised construction of citizenship in which women's inequality is further perpetuated. Andrew McWilliam explores the continuing disparities and inequalities between the bustling capital of Timor-Leste, Dili, and the majority rural populations. The lure of the city is seeing a continuing rural–urban drift, especially by young people in search of opportunities, and a small but significant number who are pursuing labour migration opportunities and education overseas.

Joanne Wallis's contribution explores the recent and important impacts of cash payments and social transfers to the rural hinterland. She finds that they have been an important mechanism to facilitate and support stability after the 2006 crisis, but have also created a legacy of welfare dependency that will inevitably burden the state with long-term financial commitments. In the final chapter, Pyone Myat Thu examines the complex social politics and legacies of displacement and return that were experienced by many communities in the violence of 1999. Drawing on case studies from Baucau, Thu demonstrates how changing patterns of cross-border communication and kinship networks enable communities to gradually rebuild their lives with minimal government assistance.

Other presentations at the Update

In addition to the papers that appear in this collection as book chapters, the Timor-Leste Update was enriched by the presentations delivered by a number of other invited speakers. James Scambary offered a provocative presentation as part of the panel on economic development trends, casting doubts on the feasibility of the much-vaunted Tasi Mane economic zone development project on the south coast of Timor. Deb Cummins presented a paper on the theme of decentralised development as part of the panel on sub-national development. Drawing on her experience with the Asia Foundation, working with community-driven development initiatives, she reflected on achievements and challenges in this field. Santornino Amaral, also of the Asia Foundation, presented another paper as part of this panel, which reinforced ongoing concerns about inequality of opportunity in the rural areas and highlighted the challenges of effective decentralisation. Ines Martins of *La'o Hamutuk* co-presented a paper with Meabh Cryan examining tensions around land use.

As part of the panel on active citizenship, peace-building specialist Laura Abrantes discussed women's representation in the political arena, and the need for greater opportunities for women to contribute their voices and opinions in public debates and policy development. Parliamentarian Lurdes Bessa discussed the relationship between the national parliament and civil society, arguing that

there are many positive signs that show that civil society is helping to shape decision-making on key pieces of legislation and policy. Jose Neves provided a paper reflecting on the work and challenges of the Anti-Corruption Commission in pursuing its important work supporting transparency and accountability in government and public expenditure. As part of the panel on stability, Nelson Belo offered an analysis of the security sector situation and the role of security forces in the stability of the state. Belo noted that, given the central role of the police and military in previous periods of instability, effective management of the security sector is vital. Last but not least, Gordon Peake provided some pertinent concluding remarks. He commented that the papers presented over the course of the two days highlighted Timor-Leste's growing self-confidence as a nation, and the extent to which, after 13 years of UN presence, East Timorese are making their own decisions (including their own mistakes), and firmly charting their own course. This is, of course, how it should be.

Conclusion

Following the turmoil and destruction in the wake of the 1999 popular referendum, the half-island territory of Timor-Leste emerged as the first newly independent sovereign state of the 21st century. Its democratic credentials established, the country has become a poster state for managing internal conflict and demonstrating strong policy leadership both domestically and internationally. Its windfall oil revenues from the Timor Sea have provided much-needed funding for critical infrastructure and important social transfers for pensioners, the disabled and veterans of the independence struggle. At the same time, the still very significant challenges of nation-building, of developing capable statecraft and participatory democracy mean that Timor-Leste remains a work in progress—one where popular expectations are often frustrated by the incremental pace of progress. The chapters that follow do not attempt to present a straightforward or unified narrative of these developments. Rather, they serve to highlight the richness of public debate and the diversity of views that exists on Timor-Leste's achievements, frictions and challenges.

This text is taken from *A New Era? Timor-Leste after the UN*,
edited by Sue Ingram, Lia Kent and Andrew McWilliam,
published 2015 by ANU Press, The Australian National University,
Canberra, Australia.