

The La'o Hamutuk Bulletin

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Articles on maritime boundary talks and consequences of oil development, pages 4-7.

Seven Ways to Meet East Timor's Financial Gap

The 'financial gap' in East Timor is not a gap but a budget deficit over the next four years currently estimated at US\$126.3 million until oil and gas revenues come on stream in 2007. This means that the government won't have enough money to cover its expenses over this period. The most important and immediate consequence is that the government may not be able to afford basic services, which can lead to instability.

Why is there a budget deficit?

A budget deficit is a worrying situation for East Timor, particularly bearing in mind the following factors: the international community has spent a massive amount of money in East Timor since 1999; international experts from the United Nations, aid agencies and international finance institutions ran the country until 2002 and continue to maintain a significant advisory presence; East Timor will soon have access to very lucrative natural resources in the Timor Sea. The two questions are: How can this country bridge the budget shortfall? and Why, at this point, is this country unable to finance its own, modest national budget?

Donors and the East Timorese government identified the budget shortfall more than a year ago. *La'o Hamutuk* reported on future problems for the national budget due to technical problems in the Bayu-Undan field in August last year (See *LH Bulletin Vol. 4, Nos. 3-4*). However, the real reason for the budget shortfall is that East Timor has been prevented from receiving revenues from the Lami-

naria-Corallina oil field, which belongs to East Timor under the United Nations Convention on the Law of the Sea principles. Australia has taken in more than \$1 billion in revenues from Laminaria-Corallina, enough to cover the budget shortfall eight times over. Moreover, as East Timor's oil revenue will come primarily from one field, Bayu-Undan, the country will remain vulnerable to scheduling or production problems with that field.

Some fault needs to be apportioned to the international planners who based East Timor's long term revenue projections on the planned schedule of ConocoPhillips. Oil company schedules are not firm projections. If international advisors understood more about oil industry practice, perhaps East Timor's government could have prepared for the budgetary difficulties and asked donors to extend their support three years ago. In the meantime, the world has undergone enormous changes, particularly the tragic events of 11 September 2001 and the subsequent U.S.-led wars in Afghanistan and Iraq. East Timor is fading in urgency and awareness, and donor priorities now lie elsewhere.

The approximately \$3 billion spent by the international community for the reconstruction of East Timor since 1999 has had a negligible effect on the local economy. A large proportion of the money was not actually spent in East Timor, but instead paid for international Peacekeeping Forces and UN police. Foreign consultants, wages for international staff, foreign contractors and supplies procured from outside of East Timor account for much of the rest.

(Continued on page 2)



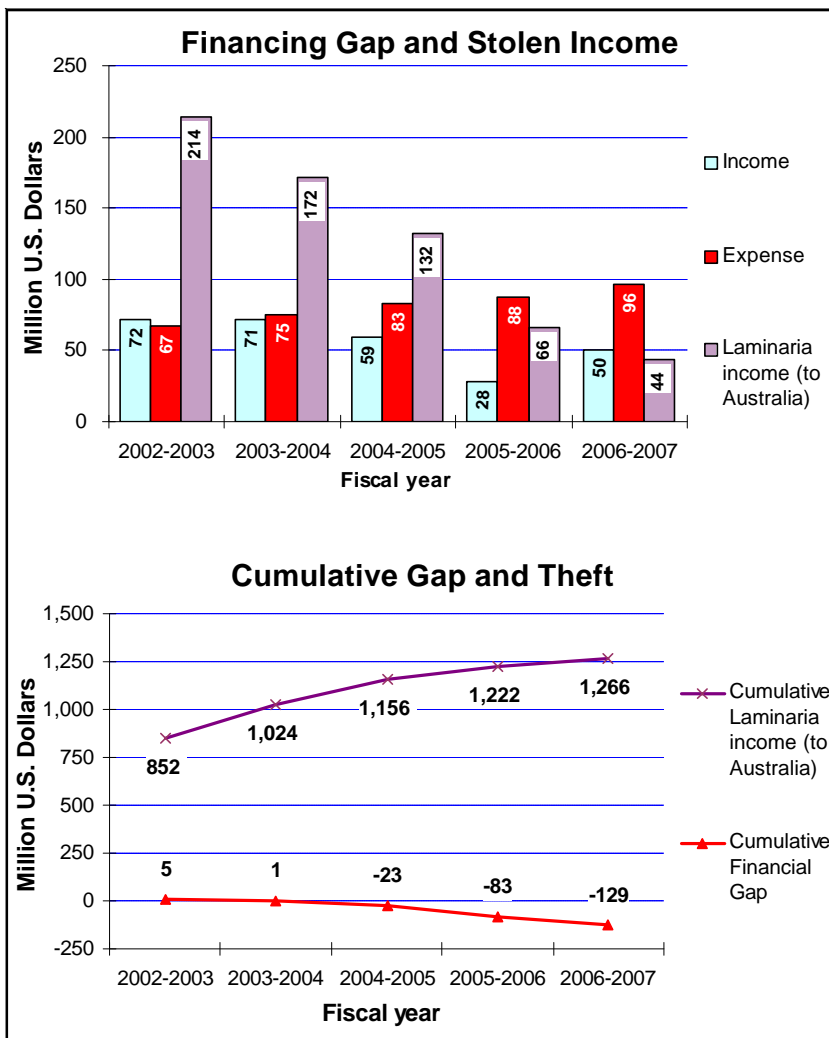
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The upper graph shows East Timor's government's actual and projected annual income and expenses and Australia's revenues from the Laminaria-Corallina oil field. For each year, the difference between left bar (income) and middle bar (expense) represents the deficit -- if expenses are higher than income, the government needs more money. The expense budget increases slightly for each year, as is normal, but the income budget drops from 2004 for the next three, as donor money decreases and revenues from Bayu-Undan construction taxes decline. From 2006 onward, income increases from Bayu-Undan oil production.

The third (purple) bar represents what the Australian government receives from Laminaria-Corallina, in disputed territory but closer to East Timor than to Australia. This declines each year as most of Laminaria's oil has already been sold. Australia received \$638 million between 1999 and 2002, not shown on the graph. East Timor has not received one cent.

The lower graph shows the total budget deficit and Laminaria income, with each year added to the accumulated number from previous years. It is clear that the \$1.266 billion Australia will have stolen from Laminaria by 2007 could pay East Timor's \$129 million budget gap many times over.

The Proposed Options

In this article, we will attempt to analyze the seven methods for closing the gap which have been proposed for discussion by the government and the international financial institutions. No single option is a solution. It is not possible to choose one and leave the rest, and a combination must be applied.

The first suggestion is for the government to reduce the current expenditure budget. Remembering that living costs in East Timor are high, cutting spending would mean reducing the number of civil servants or cutting salaries; the government spends \$27.25 million on 17,150 civil servants, making an average monthly salary of \$132. Further cuts could be made in services like health and education, or by reducing transportation costs. There is not a lot of room to cut government spending without a very negative impact on essential services.

Selling vehicles donated by the UN is the second idea. The government is currently trying to sell 600 Tata Sumos in East Timor for \$1,000-\$3,000 each. It has 400 Land Rovers for sale outside for approximately \$6,000 each. Although the government estimates a revenue of \$4.2 million from vehicle sales, IMF predictions are much lower at \$1 million.

The third possibility is for donors to continue or increase their budgetary support through the World Bank-monitored Transition Support Program (TSP) which commenced in 2002. At the international donors meeting in December 2003, the government urged donors to extend their support for the TSP beyond the initial three year time frame (2002-2005) to 2008.

If donors continue at the requested level of support (\$25 million 2004-5 and \$18 million 2005-6), it will reduce the deficit by \$43 million.

Realigning bilateral and multilateral support according to government priorities as defined in the Sectoral Expenditure Program (SEP) (also called the Sector Investment Program (SIP)) is the fourth option. According to the Register of External Assistance, ongoing and planned bilateral and multilateral projects amounted to over \$230 million.

SEP is a breakdown of necessary investment and expenditure by sector. SEP covers education and training; health; agriculture and livestock; natural resources and the environment; communications; power; transportation; water supply and sanitation; and private sector development. By coordinating bilateral and multilateral donor projects more closely with priorities outlined in the National Development Plan, the government hopes to use donor funds to substitute for some of the expenses currently in the national budget.

The fifth idea is to increase internally generated revenues, currently approximately \$20 million per year. While this might be possible, it is unlikely to have a large impact. The current tax base is small and the government must balance the pros and cons of raising import and export tariffs with the economic impact. Importantly, most highly-paid people who could contribute the most to the national budget through income tax are wage tax-exempt, including UN staff, UN contractors, consultants, diplomats, or international employees of international institutions.

The sixth option is to use oil money from the Timor Sea reserve account, which currently contains \$13.8 million and could increase to \$90 million by 2007. Taxes on Timor Sea operations are already used as part of the government budget, but royalties (rent paid to East Timor for oil and gas extracted and sold) are planned to be saved to provide for future generations. At present, there are no regulations for this reserve, and the money is kept in a separate account in the Banking and Payments Authority, to be transferred into the future oil reserve fund. It is possible to use this money to make up the budget shortfall, but it would be a dangerous precedent, contradicting the government's stated commitment to save and invest East Timor's petroleum entitlement for a time after all the oil has been sold. Without legal protection, the long-term future of East Timor could be squandered to solve a short-term problem.

The seventh possibility is to borrow money, probably from the World Bank or Asian Development Bank (ADB). The IMF can also make loans to cover temporary budget deficits. All loans to poorer developing countries like East Timor have conditions which have to be incorporated into development plans like the World Bank's Poverty Reduction Strategy Paper (PRSP), or ADB's Country Assistance Program.

The World Bank has stated that East Timor would not need a PRSP, since it already has the National Development Plan. However, if East Timor borrows, the World Bank would have much greater influence in the design and implementation of policy to meet priorities in the National Development Plan.

Each year the government defines targets for its actions. The World Bank monitors the government's progress in meeting its targets, as part of the Transition Support Program. Borrowing money would essentially extend this process for the duration of the loan and give the World Bank a much greater say in how the government designs and implements its national budget.

Conclusion

The international community has a responsibility to support East Timor over the long term. For 24 years, the international community enabled Indonesia's brutal occupation — and nations such as Indonesia, Australia and the United States actively supported it. The community of nations has not condemned Australia's bullying tactics in the Timor Sea or intransigence in negotiations on the maritime boundary. The Laminaria-Corallina oil field, East Timorese under international principles, is nearing the end of its productive life. It has already paid over \$1 billion dollars into the Australian

What Do IFIs Want?

International Financial Institutions like the World Bank and ADB have a singular view of development. They prioritize economic growth at the expense of fulfilling social needs. They promote policies to encourage the private sector, such as low domestic taxation, low import and export tariffs and limited labor rights protection mechanisms.

The IFIs encourage private sector companies to provide public goods like health, education, water, infrastructure, and power. The role of the private sector in providing public goods often has a negative impact on the poor and dubious benefits generally (see *Editorial, LH Bulletin Vol. 4. No. 5*).

The IFIs have a 'one size fits all' model of development. They are not open to innovation or ideas that contradict their model. Governments who borrow are limited in their ability to provide creative, locally appropriate solutions to their own development problems. Borrowing means contracting with the IFIs to be the country's 'development policy police' for the duration of the loan. There are examples of countries with excellent health, education and agricultural systems that have developed successfully without the World Bank.

World Bank Loans

The size and term of a loan is decided on a country by country basis. According to World Bank criteria, East Timor is currently able to access \$5 million a year as a grant (currently used for the Transition Support Program) and \$9.3 million per year as a loan. East Timor can choose to borrow its allocation for one year or for several years. For each loan there is an initial charge of 0.75%, followed by annual fees of 0.5% on the outstanding balance. East Timor would not have to pay for the first 10 years, but the loan must be paid within forty years. For more information on World Bank and ADB loans see *LH Bulletin Vol. 4 No 1*.

national treasury. This is East Timor's money and would eliminate the financial gap. If it were available, East Timor would not be facing decisions about cutting essential services or going into debt less than two years after independence. ❖

Who is La'o Hamutuk?

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Drawings for this *Bulletin*: Cipriano Daus (5)

Australia's Distortions

On Australia's national day, East Timor's supporters contacted the Australian government to encourage it to respect East Timor's sovereignty. Australia often replied, explaining their views and distorting the facts. One example is below.



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AUSTRALIA HOUSE
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10 February 2004

Mr Paul Barber
TAPOL
25 Plovers Way
Hants GU34 2JJ

Dear Mr Barber,

Thank you for your letter of 26 January to the High Commissioner stating your views on the negotiation of a permanent maritime boundary between Australia and East Timor. The High Commissioner has asked me to take this opportunity to explain Australia's position and correct some of the erroneous information that has been disseminated on this issue.

Australia acknowledges without reservation our obligations, as set out in the UN Convention on the Law of the Sea, to delimit our maritime boundaries with East Timor. Preliminary talks on a permanent boundary commenced in Darwin in November 2003. International experience shows that settling maritime boundaries can be a complex and time-consuming exercise due to the legal and technical complexity of the issue at stake. Australia approaches this process in good faith.

Although negotiations on a permanent boundary may take some time, East Timor already stands to gain from resource developments in the Timor Sea through legal arrangements in the form of the Timor Sea Treaty which came into force in 2003. It enables the development of Timor Sea petroleum resources without prejudice to the permanent boundary negotiations. This agreement provides East Timor with 90 percent of royalty revenues from resource developments in the Timor Sea and provides the legal certainty required by investors while the issue of a permanent boundary is resolved. Your concerns about potential loss of revenue to East Timor are therefore factually baseless.

Australia's declaration in March 2002 excluding the settlement of maritime boundaries from compulsory dispute resolution by the International Court of Justice and the International Tribunal for the Law of the Sea, reflects our strong view that any maritime boundary dispute is best settled by negotiation rather than litigation. This is precisely the course of action that Australia has now committed to in its discussions with East Timor on a permanent maritime boundary.

Your sincerely,

Traci Williams
Third Secretary

The text of this letter is accurate and complete, the layout is a simulation.

Comment from *La'o Hamutuk*

Most of the erroneous information on this issue has come from Australian officials, including asserting an outdated "continental shelf principle", denying the full extent of East Timor's Timor Sea territory, and applying Australia-Indonesia agreements to East Timor.

The November 2003 meeting took place only after East Timor had repeatedly requested talks for more than a year. At that meeting, East Timor proposed to meet monthly until an agreement was reached. Australia claimed they did not have the human resources to meet monthly, and the next meeting won't take place until April 2004.

International experience shows that other countries whose maritime territory overlaps Australia's -- New Zealand, France and Norway (near Antarctica) -- have been waiting for decades to resolve boundaries by negotiation, even with no oil at stake. When countries want to resolve such issues, they can do it in 2-3 years, as Australia and Indonesia did in 1970-72.

The area covered by the Timor Sea Treaty includes about 40% of the petroleum resources which are closer to East Timor than to any other country, all of which belong to East Timor under Law of the Sea principles. Australia occupies the remaining 60%, and is collecting revenues.

The Laminaria-Corallina oil field is much closer to East Timor's coast than to Australia. It has paid more than U.S. \$1 billion to Canberra since beginning production in 1999, and not one cent to East Timor. The longer it takes to resolve the boundary, the more of East Timor's oil revenue will be pocketed by Australia.

The rule of law, including impartial international legal mechanisms for resolving boundary disputes, exists to protect the small and weak from the predations of the rich and powerful, as well as to support the entire community of states. By closing legal avenues of appeal to East Timor, Australia hopes that "negotiations" between unequal parties will follow the law of the jungle, or will drag on for decades until Australia has harvested all the petroleum in disputed territory.

Maritime Boundaries Slow in Coming

As *La'o Hamutuk* has written before (see, for example, *LH Bulletin Vol. 4, No. 3-4*), the majority of oil and gas resources that should belong to East Timor under international legal principles are under Australian occupation pending agreement on a permanent maritime boundary, and Australia has taken in substantial revenue from them since 1999.

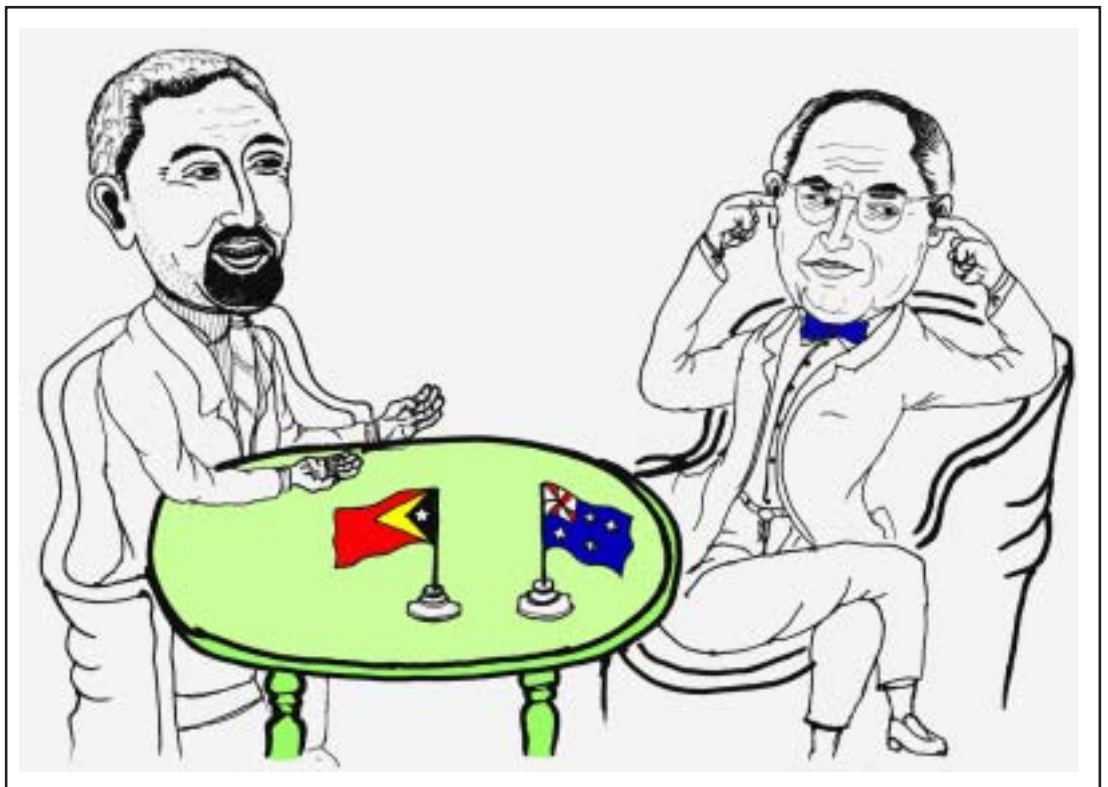
Nearly two years ago, Australia withdrew from participation in legal processes for resolving maritime boundaries, and in October 2002 East Timor's new government asked to begin negotiations. Australia delayed responding until both countries had ratified the interim Timor Sea Treaty and signed an agreement to divide revenues from the Greater Sunrise gas fields 82% in favor of Australia.

The first round of boundary talks took place in Darwin last November 12, more than a year later. East Timor asked for monthly meetings until boundaries are settled, but Australia will only meet every six months, claiming they don't have enough people or money to meet more often. See previous page for Australia's position, and the distortions they tell to defend it.

In December 2003, *La'o Hamutuk* told the Development Partners (Donor's) Meeting: ... the economic stability of Timor Leste requires that we receive full legal entitlement to our resources. We continue to be discouraged by Australia's eagerness to steal our oil and gas, as symbolized by the rapid depletion of the Laminaria-Corallina oil field. This field would belong to Timor-Leste under UNCLOS principles, but Australia has received approximately one billion U.S. dollars from it since 1999, making Timor-Leste the largest foreign contributor to Australia's national budget.

Since Australia's uncooperative approach to the talks, East Timor's government has been encouraging a multi-faceted campaign, as *La'o Hamutuk* and others have urged for several years. Prime Minister Mari Alkatiri has asked Australia to refrain from exploiting petroleum resources or signing new contracts in disputed areas (a request Australia has ignored); East Timorese officials and diplomats are publicly challenging Australia's intransigence; the Prime Minister's Timor Sea Office is reaching out to media and has set up a web site (www.timorseaoffice.gov.tp).

Together with solidarity activists in Australia, the United States and around the world, *La'o Hamutuk* has been encouraging and facilitating a worldwide campaign to pressure and shame Australia into respecting East Timor's nationhood. Just before the November talks, more than 100 organizations from 19 countries wrote to Australian Prime Minister



John Howard, urging his government to set a firm timetable for establishing a permanent maritime boundary within three years, and to treat East Timor "fairly and as a sovereign nation, with the same rights as Australia."

The Australian government replied that "the process [of delimiting maritime boundaries] is long and complex. Based on this experience, the Australian Government does not think it sensible to set an end-date for the process." Australia also "has no plans to revisit its decision in March 2002 to no longer accept the jurisdiction of the International Court of Justice and other dispute settlement mechanisms..."

Many Australian people feel otherwise, and have launched a Timor Sea Justice Campaign, initially in Melbourne. The group is calling on the Australian Government to:

- Immediately negotiate permanent maritime boundaries with East Timor in good faith.
- Respect international law by rejoining legal mechanisms for resolving maritime boundary disputes and agreeing to be bound by their decisions.
- Place all Australian Government revenue from oil and gas fields which are closer to East Timor than to Australia into trust. When permanent boundaries are finalized the trust funds should be distributed according to the entitlement of each country.
- Stop unilateral exploitation of resources in disputed areas.

Australia celebrated its national day on 26 January, the 216th anniversary of the first British settlement in Australia. In East Timor and around the world, people argued and pleaded with Canberra to treat East Timor seriously.

The Oilwatch Network, headquartered in Ecuador, is supporting East Timor's efforts to secure our resource birthright, while simultaneously helping us learn about, and hopefully avoid, the "resource curse" which brings poverty, corruption, destruction and conflict to so many oil-rich nations. *La'o Hamutuk* participated in the Oilwatch biannual gen-

eral meeting in Colombia last September, and worked with Oilwatch to organize the East Timor-Nigeria exchange in January (full report in next *Bulletin*). Together with East Timor's Independent Information Center on the Timor Sea (CIITT), we participated in an organizing meeting for Oilwatch Southeast Asia in Bangkok in February (see report below), and will continue to work closely with this network of the Global South, linking people in petroleum-rich tropical forest countries around the world.

Bayu-Undan, the largest oil and gas field in the Timor Sea's Joint Development Area, began test production in February, although it will be many months before economically significant oil can be sold (see article on Financial Gap, page 1). Over the next few months, *La' o Hamutuk* will continue to monitor activities there, as well as analyze plans to use and save revenues from East Timor's oil entitlement. ❖



Thai Supporters of East Timor mark Australia Day outside the Australian Embassy in Bangkok.

La' o Hamutuk has updated our *OilWeb* CD-ROM with significant new information. More than 200 copies of this invaluable resource have been distributed worldwide. The new edition adds reports from Australia Day actions, on the Australia-East Timor negotiations, the Timor Sea Office website, and many background articles on maritime boundaries, Australia's policies, transparency, oil funds, the "resource curse," corruption, climate change and other relevant issues. It also contains the Bayu-Undan contracts between the oil companies and the Timor Sea Designated Authority, as well as updated financial and technical information about East Timor's petroleum finances and projects. All of the original information, historical and political analysis, audiovisual material, etc. is still on the new edition, which has more than 2,000 files.

Copies are available from our Dili office and a few international distributors: \$2 for campaigners, \$50 for institutions.

The Gas & Oil Industry: Victimized Communities Protest Unmet Promises

In February, Selma Hayati (*La' o Hamutuk*) and Marcelino Magno (representing the Independent Center for Timor Sea Information - CIITT) participated in a meeting of Oilwatch Southeast Asia, a network of civil society groups monitoring the exploitation of natural gas and oil resources. The 8-year-old Oilwatch Network, headquartered in Ecuador and represented in East Timor by *La' o Hamutuk*, unites people from tropical forest countries around the world to resist the negative political, environmental, economic and social consequences of the petroleum industry.

The consultation, organized by the Campaign for Alternative Industry Network (CAIN), Greenpeace Southeast Asia, and Earth Rights International (ERI), was held in Bangkok, Thailand, on 14-16 February, 2004, and was attended by 18 NGOs. Its theme was The Moratorium on Oil and Gas Development. The meeting was also attended by Thai community representatives from the Chana district in Songkhla province, Rayong, Chonburi, Petchaburi, and the Thailand-Malaysia Village Community Alliance who are affected by the Thai-Malaysian gas pipeline project. The two-day meeting discussed important issues from each of the participants' six countries, including the involvement of the military in the petroleum industry, the trans-ASEAN gas pipeline project, alternative energy, environmental issues, and human rights violations caused by oil and gas development.

Many community representatives attended, including the Arakan tribe (from West Burma invaded by Burma in 1784, Britain in 1824, and now under the repressive military junta), who have suffered as a direct result of oil and gas exploitation. They were promised a better life from the gas, but in

reality their rights were violated and they did not get anything. The meeting ended with an excursion to the gas pipeline project on the Thailand-Burma border in Kanchanaburi, where we trekked three kilometers into the forest for almost four hours, to trace the Burma-Thailand-Malaysia pipeline which cuts through the Chana community area.

The following are important issues that the Southeast Asia Oilwatch network will give serious attention to, with the support of the secretariat of Oilwatch International:

Military As Guard Dog for Companies

Thailand, Burma and Indonesia are well-known for using their militaries to safeguard the profitability of the oil and gas industry. Armies have actively participated in the Yadana/Yetagun pipeline project in Arakan, Burma, and the Thailand-Malaysia Joint Development Area (JDA) pipeline project, as well as in Aceh and West Papua in Indonesia. Military involvement begins with preliminary land-clearing and continues all the way to post-development, always in the name of community welfare and national security.

The results of military involvement in these three countries are similar: violence through intimidation, torture, shooting, arrests, sexual abuse within the industrial areas, restriction of movement, forced migration, and an unfair legislation. For example, the Thai military attacked, shot and arrested members of the Chana community in Songkhla province on 20 December 2002; Burma has increased its military presence in Arakan to 30,000 soldiers in 54 battalions; Indonesian troops provide security for the area and operations of ExxonMobil in Aceh and Freeport in West Papua.

Negative Environmental and Social Consequences

“... There is not much that we can still catch in the sea.” So says Horha Sansuwan, a fisherman from Ban Lae village, 500 meters from the Songkhla Sea Harbor in Thailand. Sansuwan testified to the environmental changes resulting from the offshore project, which changed the beach and ocean ecosystem and damaged the local fishing industry. In the meantime, it has also changed the shape of the shoreline from erosion. The Arakan experience also demonstrates that chemicals used by offshore oil projects can severely affect the health of coastal residents.

The development of pipelines and oil and gas industry in coastal areas changed the livelihood and severely reduced community income in communities near the Map Ta Phut Free Trade Zone in Rayong province, Thailand. These communities used to depend on fishing, but since their income fell, most of the younger residents now seek industrial work as laborers. For the past four years, several large industries have severely damaged their health, with fumes and bad smells causing breathing difficulties. What happened to the benefits that the government and business owners promised?

Another example is the environmental changes in the Kanchanaburi area, crossed by the Thai-Malaysia gas pipeline. The damage to the earth and vegetation have caused the elephants to avoid the forests around the area, made protective topsoil vegetation disappear, and done other damage to the ecosystem.

Trans ASEAN Gas Pipeline

The regional economy within ASEAN requires construction of a regional energy network. In an agreement between several ASEAN member states and other industrialized Asian nations like Japan, Korea, Taiwan, and China (ASEAN Action Plan in Energy Cooperation 1999-2004), it was proposed to build a 10,000 km long Trans-ASEAN pipeline through

Indonesia, Malaysia, Singapore, Thailand, and the Philippines. We can predict the impacts of this project after observing the Yadana and Thai-Malaysia pipeline projects: land rights conflicts and environmental damage, both within and on the states' borders.

Alternative Energy

It is important for the government and people of East Timor to think about alternative energy, which could reduce our dependence on oil and gas resources and create environmentally friendly energy. The development of alternative energy can be done by promoting energy conservation and sustainable energy. There needs to be a dissemination of information about alternative energy, and we can take advantage of small scale traditional energy solutions: biogas, mini hydro-electric plants, biodiesel, ethanol, etc. as well as a comprehensive waste management.

One general obstacle for alternative energy development is the dependence on expensive foreign technology. We need to take time to understand the importance of alternative energy, because this is not merely a matter of policy.

Keep Organizing: Lessons for the People of East Timor

The development of oil and gas in the Timor Sea is different from the cases mentioned above. However, East Timorese people can learn good lessons from the experiences of those countries. The local resistance in Thailand, Indonesia, Malaysia, and Burma, built on strong grassroots organization, are a good example. A strong local network and shared community interests can help the East Timorese people be more effective dealing with the maritime boundary issues with Australia. East Timorese people still need to realize that Timor Sea oil and gas is not only an issue for NGOs and the government of RDTL, but is a matter for all of us. ❖

Alisa Manlah: “Welfare? We Did Not Get Anything!”

Her face, always covered by the Islamic hijab, always radiates a smile and her words are firm. Alisa Manlah, a.k.a Rofiah (her Islamic name), is only one of the strong women of Chana who are currently struggling to resist the gas pipeline between Thailand and Malaysia.

A moral responsibility as a Muslim was her preliminary commitment, when she saw with her own eyes how the food stalls in Rayong province, Thailand, became karaoke and underage prostitution sites. From then on, she began to read and search for information, discussing the negative impact of the oil pipeline crossing her village, and organizing herself and her neighbors, together with people from other villages.

Death threats and a government-imposed travel ban did not quench her fire. “The law did not side with us.



The military and the police had helped the oil companies. The companies (Petronas - Malaysia and Petroleum Authority of Thailand - PTT), far stronger than our government, are dictating to the government. We did not get anything. Where is the benefit? This is a matter concerning justice that we are fighting for!” she said sternly.

During a protest on 12 December 2002, 20 of her friends were arrested and scores more were injured by the shots and beatings from 600 policemen. The project is continuing. The eight villages in Songkhla province still resist. Alisa and her friends moved into the jungle to oppose the project, and eventually their camps in the forest forced the project to halt.

“The government will no doubt try to continue with its project, but we will still fight for our rights,” she said.

World Social Forum “Another World is Possible” Mumbai, India 16 to 21 January 2004

More than 70,000 activists, trade unionists, NGO workers, journalists, academics, representatives from social movements, and campaigners for indigenous rights from all over the world descended on Mumbai, India (formerly Bombay) for the fourth World Social Forum.

The World Social Forum is a meeting place for those “opposed to neo-liberalism and to the domination of the world by capital and any form of imperialism, and are committed to building a society centred in the human person.” The World Social Forum is an open space for the free exchange of thoughts and experiences. The



World Social Forum supports human rights and democratic practices as opposed to totalitarianism. It opposes all forms of domination and degradation between human beings. It supports equality and solidarity between all people from gender, ethnic and societal perspectives. It opposes corporatized globalization but promotes internationalism and globalization from below.

This was the first World Social Forum in Asia. It moved to Asia from Porto Alegre, Brazil, to explore parallels and expand links between like-minded groups, and to develop solutions to common problems. India was an excellent location because of its politicized and active population and as the birthplace of one of history's greatest social movements: Gandhi's nonviolent campaign for independence from Britain.

The four days of the World Social Forum were given over to the participating groups to organize their own seminars, panels, conferences, workshops, cultural events, solidarity meetings, rallies and marches. These took place in conference halls, seminar rooms and tents around the exhibition ground. The number and diversity of the events was staggering. Each day 240 events took place during the morning, afternoon and evening with topics ranging from international justice and the impact of globalization on sustainable agriculture to grassroots healthcare and indigenous land rights. In addition, the cultural program included music, theatre, film and documentaries from all over the world.

East Timorese participation

Participants from *La' o Hamutuk* and the International Financial Institutions Study Group (Kelompok Kajian) were Tomas Freitas, Mateus Goncalves, Bencio da Costa Belo and Simon Foster. Other participants from East Timor in-

cluded Ego Lemos from Hasatil, Maria Immaculada from Haburas and Roberto Rigo from KSTL. Delegates from the IFI study group and *La' o Hamutuk* divided into pairs to attend as many events as possible. Below are examples of some of the events.

Conference: Globalization, Global Governance and the Nation State

A panel presented views on how globalization impacts on the nation state. The panelists included academics from India, Europe and South America as well as the former UN High Commissioner for Human Rights, Mary Robinson. Panelists shared diverse views. As an example, Aijiaz Ahmed from India discussed how globalization caused states to become less accountable to their citizens and more accountable to international corporations and investors. Economic liberalization and deregulation obliges states to reduce social protection for citizens, although increasing social problems strengthened the role of the police and internal security forces. Mary Robinson stated that current trade rules were unfair and favored developed countries, but that increased trade could benefit all. Existing multilateral trade bodies and international courts are able to redress the balance.

Seminar: Water Privatization in Asia

The seminar, one of many discussing water privatization, focused on South and Southeast Asia. Participants discussed the privatization of all aspects of the supply and use of water including hydroelectricity. Speakers from the Philippines related how privatization had made water too expensive for many people, with companies reluctant to invest in infrastructure in poorer areas. Whilst many people discussed the nega-

tive impact of water privatization in other countries, Indian participants acknowledged that public management of Indian water was very bad. Other topics included reform of the public sector, public/private partnerships and water as a human right. We attended this seminar to learn more about how people in other countries have developed their water resources in an equitable manner.

Seminar: Male Involvement in Gender Issues

Four speakers from an international coalition called Men Against Violence and Abuse gave presentations on men working to stop gender-based sexual violence. The discussion broadened into men's role in gender issues. Coalition members from Bangladesh, Malaysia, Pakistan and India talked about combating domestic violence through workshops at the grassroots level. Male involvement is important in the complex social and cultural changes needed to reduce gender inequality, particularly as many men perceive changes as an attack on their traditional roles as head of the family and wage earner.

Seminar: Solidarity for East Timor, Aceh and West Papua

Tomas Freitas from *La'ó Hamutuk* spoke on the current situation in East Timor at a seminar organized by Action Solidarity for Asia Pacific. The key issue was the lack of international will in bringing perpetrators of crimes against humanity to justice (See Editorial, *La'ó Hamutuk Bulletin* Vol. 4, No. 2) and the weakness of the domestic judicial system. The second issue was East Timor's current economic situation. As a result of Australian intransigence and bad faith in negotiations in the Timor Sea, East Timor faces a budget shortfall until oil revenues come on line. Australia has taken more than a billion dollars from an oil field which should belong to East Timor under current international legal principles. See pages 3 and 5.

Panel discussion: Post-Conflict Reconstruction

Mateus Goncalves from the Sa'he Institute for Liberation participated in a panel on post-conflict reconstruction with speakers from Cambodia, Afghanistan and Iraq. In East Timor, international agencies have designed institutions of governance and administration since 1999. In particular, international financial institutions played a key role in creating the Banking and Payments Authority and the Ministry of Finance and continue to influence East Timor's economic development. East Timorese feel excluded from the reconstruction process. All panelists emphasized the lack of ownership and control they felt concerning the activities of the international community.

Documentary film: *The Peacekeepers and the Women*

This documentary by German film maker Karin Jurschick examined the link between the UN peacekeepers and trafficking in women and the increased sex trade in Kosovo. The UN authority took a long time to assume responsibility,



Ego Lemos of East Timor's New Cinco do Oriente and HASATIL with Gilberto Gil, Brazil's Minister of Culture, at the World Social Forum.

particularly as clients included UN staff. Calls for action were made from within by UN staffers, in particular an American UN police officer who was sent home after alerting senior staff members. The UN authority later created a specific team to raid suspected brothels. The appointment of a female journalist, formerly very critical of the UN, to head the team gave the appearance of a political rather than real solution. Furthermore, it targeted sex workers, often trafficked and vulnerable, rather than their clients.

Follow up

In February Tomas Freitas and Simon Foster gave presentations at a workshop for farmers groups in Maubara and for *La'ó Hamutuk* staff. The Maubara workshop, organized by Hasatil, was on the last day of three-week training session in sustainable agriculture for farmers groups and NGOs from all over East Timor, including Maubara. The workshop aimed to share ideas and information from the World Social Forum. The discussion centered around globalization and international trade, particularly the influence of transnational corporations in agriculture, as well as the issue of seed patenting and the use of non-monetary exchange systems. The participants agreed on the importance of thinking locally and sustainably and to focus on the needs of people.

The World Social Forum was an opportunity for East Timorese participants to strengthen ties with other activists from Asia, in particular Indonesia. Together with Indonesian activists, East Timorese made plans to organize and participate in an Indonesian Social Forum.

In the current climate, where international financial institutions dominate policy debates and development initiatives from below are often ignored, the World Social Forum plays a critical role in combining the voices and views of international civil society. The World Social Forum remains "vital to creating a global political culture that welcomes open debate, not only as a democratic value, but also as the only way to arrive at the truth and therefore formulating effective strategies and convincing alternatives." We hope that next year more East Timorese activists will be able to participate. ❖

La'ó Hamutuk needs you!

We are looking for both East Timorese and international activists to join our staff collective.

Each staff member at *La'ó Hamutuk* works collaboratively with other staff to research and report on the activities of international institutions and foreign governments operating in East Timor. Staff members share responsibilities for administrative and program work, including our *Bulletin* and *Surat Popular* publications, radio programs, public meetings, advocacy, popular education, coalitions with other East Timorese organizations, and exchanges with people in other countries. Each staff member is responsible for coordinating at least one of *La'ó Hamutuk's* main activities.

For more information about *La'ó Hamutuk*, see back page of this *Bulletin* or our website at www.etan.org/lh.

Requirements

- √ Activist background, experience and orientation
- √ Strong commitment to making the development process in East Timor more democratic and transparent
- √ Commitment to share skills and help build other staffers' capacity
- √ Responsible, with a strong work ethic and willingness to work cooperatively and creatively in a multi-cultural setting
- √ Understanding of and willingness to work against gender discrimination
- √ Strong written and verbal communication skills
- √ Ability to present factual information from investigative reporting
- √ Sound physical and psychological health
- √ Ability to commit to work with *La'ó Hamutuk* for at least one year
- √ Experience as a human rights advocate desirable
- √ Work experience in international development, policy research, and/or international solidarity desirable

Additional requirements for internationals

- √ Fluency in written and spoken English (native speaker preferred)
- √ Strong organizational and computer skills
- √ Knowledge of East Timor's history and politics
- √ Experience living and working in a developing country; interest and capacity to live simply
- √ Fluency in or willingness to learn Tetum
- √ Indonesian and/or Portuguese language skills desirable

Additional requirements for East Timorese

- √ Fluent Tetum and Bahasa Indonesia, and ability to write and translate between these languages
- √ Basic organizational and computer skills, and willingness to expand those skills
- √ Investigating skills, with the ability to write factually and clearly, desirable
- √ English and/or Portuguese language skills desirable.

To apply, please bring the following documents to our office in Farol (next to Perkumpulan HAK and the Sa'he Institute for Liberation) or email them to laohamutuk@easttimor.minihub.org

1. Cover letter explaining your reasons for wanting to work with *La'ó Hamutuk*
2. Curriculum vitae (CV)
3. Two professional references from previous employers or organizations
4. Writing sample about the development process (one or more pages).

Applications will be considered as we receive them. For East Timorese applicants, application deadline 16 April. We also hope to have at least one new international staff member by June.

Women are especially encouraged to apply.

***La'ó Hamutuk* is also looking for an East Timorese staff member with accounting skills. Please apply immediately.**

Editorial

(continued from back page)

The people who suffered with the invasion will suffer even more. In Iraq, the United States has killed with its economic embargo, which starved hundreds of thousands of children to death, and the current foreign occupation denies people their right to determine their own future.

The United States talks about democracy, liberty and human rights, but in reality the U.S. has installed and supported many dictatorships around the world, like Saddam Hussein in Iraq and Suharto in Indonesia, closing its eyes to human rights violations inflicted by these governments, including against the people of East Timor. For many decades, the United States trained soldiers from military dictatorships in Latin America, Indonesia and other countries how to better torture their people.

Because of all this, we understand the United States' concept of "liberation." Using this concept, the United States supported Suharto's invasion of our country on 7 December 1975, and continued its support throughout the occupation by his brutal military regime until 1999. During 24 years of illegal occupation, more than 200,000 people were killed or disappeared; many children lost their parents and other members of their families. Today we see our friends in Iraq suffering the same fate.

Last year, we East Timorese joined people around the world who love peace and justice in our cry not to invade Iraq. The United States refused to listen, and pursued its disastrous invasion. Today, we again join with people worldwide to demonstrate that we are still against the illegal and deadly occupation of Iraq.

We are angry that the United States will not leave Iraq by June 2004, because we know that there will be many more victims. Therefore, in order to promote true democracy and peace in Iraq, and to stop the ongoing killing of Iraqi and other people, we demand:



- √ The United States and its coalition to immediately withdraw from Iraq, allowing the people of Iraq to decide their own future.
- √ The United States to abandon its illegitimate policy of pre-emptive war, and to respect international laws against aggressive or invasive war, and help to create a peaceful world environment.
- √ The International Community, through the United Nations, to create an international tribunal to prosecute and punish those who directed the invasion of Iraq, similar to the international tribunal which needs to be created to try Suharto and others for their crimes against humanity in East Timor.

Dili, 20 March 2004

International Day Against Occupation of Iraq

La'o Hamutuk, Sahe Institute for Liberation (SIL), Judicial System Monitoring Program (JSMP), HAK Association, Timor-Leste Journalists Association (AJTL), Arte Moris, Hametin Sustainibelidade Agrikultor Timor-Leste (HASATIL), Dai Popular, National Movement Against Violence (MNKV), Men's Association Against Violence, (AMKV), NGO Forum Secretariat, Mirror for the People (LABEH). ❖

Listen to La'o Hamutuk's Radio Program

Interviews and commentary on the issues we investigate -- and more!

In Tetum and Bahasa Indonesia

Every Saturday at 11:00 am on Radio Timor Leste and Radio Timor Kmanek

Editorial: The United States Must Respect Iraqi Sovereignty and Global Peace

More than fifty East Timorese, accompanied by a few international supporters, peacefully demonstrated on 20 March against the continuing United States occupation of Iraq, as part of a worldwide day of protest. This statement was read in front of the United States Embassy in Dili.

One year ago today, the United States, supported by the United Kingdom, Australia and so-called Coalition Forces, invaded Iraq to find Saddam's weapons of mass destruction which they claimed threaten peace and stability worldwide. However, by invading Iraq the United States and its allies refused to respect the sovereignty of the Iraqi people, especially the right of the people to determine their own future. The invasion and subsequent illegal occupation of Iraq took place after the U.S. and its allied forces ignored the cries of more than 10 million people around the world who protested the impending invasion. They also defied the United Nations that did not agree to use force in Iraq, but suggested the continuation of peaceful negotiations and inspections to see if Iraq had any weapons of mass destruction.

Hans Blix, chief of the UN investigation team prior to the U.S. invasion, said his team had not found any weapons of mass destruction in Iraq, discrediting the main reason the United States used to support their invasion. However, the United States and its allies went on to oppress and kill the people of Iraq, especially their innocent children and women. Recently, U.S. president George Bush admitted that the occupying forces have not found any weapons of mass destruction, but he continues to argue that Saddam Hussein supported and protected terrorist organizations such as Al-Qaeda, even though there is no evidence to support this statement.

After the occupation forces in Iraq arrested Saddam, Bush said that he had saved the people of Iraq from Saddam's regime and therefore he assumed responsibility to free the people. But how can a war-monger liberate the people of Iraq?

The current situation in Iraq is that many people have already died from the occupation, and many more will die.

(Continued on page 11)



What is La'o Hamutuk?

La'o Hamutuk (*Walking Together* in English) is an East Timorese non-governmental organization that monitors, analyzes, and reports on the principal international institutions present in Timor Lorosa'e as they relate to the physical, economic, and social reconstruction and development of the country. *La'o Hamutuk* believes that the people of East Timor must be the ultimate decision-makers in this process and that this process should be democratic and transparent. *La'o Hamutuk* is an independent organization and works to facilitate effective East Timorese participation. In addition, *La'o Hamutuk* works to improve communication between the international community and East Timorese society. *La'o Hamutuk's* East Timorese and international staff have equal responsibilities, and receive equal pay. Finally, *La'o Hamutuk* is a resource center, providing literature on development models, experiences, and practices, as well as facilitating solidarity links between East Timorese groups and groups abroad with the aim of creating alternative development models.

La'o Hamutuk welcomes reprinting articles or graphics from our *Bulletin* without charge, but we would like to be notified and given credit for our work.

In the spirit of encouraging greater transparency, La'o Hamutuk would like you to contact us if you have documents and/or information that should be brought to the attention of the East Timorese people and the international community.