

## East Timor, 17 years on: a troubled past, a fragile future

Although East Timor is doing much better than it was, it is still very fragile. And the Timor Sea dispute could undo much of the progress that has been made.

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On this day, 17 years ago, in the small town of Balibo, as elsewhere in East Timor, voters queued from before dawn to vote on whether their country would become independent. Afterwards they fled into the hills to await the coming storm. Pro-Indonesian militias already ruled the town, directed by the Indonesian army.

In following days, women who had not escaped were lined up in what is known as the “kissing house” and systematically raped. Local residents and others were murdered. As elsewhere, the town was razed.

Seventeen years later, Balibo is a very different place, doing well by East Timorese standards. The town has just celebrated a religious festival, and its streets are still garlanded with decorative bamboo arches and flowers. Children flow to and from its schools, and its recently rebuilt kindergarten is inundated with toddlers.

In 1975, Australian-based journalists the “Balibo Five” filmed invading Indonesian warships off the coast a few kilometres from an old Portuguese fort. It is now restored and turned into a small hotel, restaurant and gallery, providing employment and putting money into the local community.

The “Flag House”, at the junction, is where in 1975 journalist Greg Shackleton daubed the word “Australia” and a makeshift Australian flag in the vain hope of saving the lives of himself and four colleagues from the Indonesian invaders. This building has been refurbished as a working memorial to these journalists. It now houses a women’s craft shop and learning centre and a new dental clinic one of the very few in the country equipped and staffed by Australian volunteers.

While the rest of the town has been rebuilt, the “kissing house” and the house where the Balibo Five were murdered remain abandoned. Locals believe one is a place of unresolvable evil and the other where ghosts should be respected.

Like Balibo, East Timor is now a different place it was in the period immediately after the vote for independence. Despite unmet expectations, inept government and elite tensions spilling over into violence and destruction in 2006, the country has rebuilt and stabilised.

Infant and maternal mortality, life expectancy and so on, once among the worst in the world, have been halved. For much of East Timor, its painful past is increasingly behind it. The country is the best

it has ever been.

Yet that simple claim belies many avoidable problems. For many East Timorese, change has been uneven, especially outside Dili, where most East Timorese still live.

The earlier improvement to local lives stalled years ago at still globally poor levels. Starvation is less common, but malnutrition is not. Access to drinkable water remains scarce. Government priorities overwhelmingly favor expensive and often poorly conceived and executed infrastructure projects over education and healthcare.

East Timor set up one of the world's best sovereign wealth funds to ensure that its economic future could be sustained by income from money invested from oil and gas reserves. Yet government spending vastly exceeds sustainable withdrawals, and the Timor Sea oil fields are running out. At current rates of spending, East Timor will be bankrupt within a decade.

East Timor claims that Australia has robbed it of resources in an area of the sea that should rightfully belong to it. This dispute returned to arbitration in The Hague yesterday.

What prompted the current Timor Sea dispute was East Timor's insistence that liquid natural gas (LNG) from the still untapped Greater Sunrise field be processed in East Timor. When that claim was rejected by project partner Woodside Petroleum, the Timor Sea dispute took on its current form.

There is now little international interest in the Greater Sunrise LNG field, given the fall in LNG prices, East Timor's on-shore processing demands and perceptions that the East Timorese government could be an unreliable investment partner. Along with production lead times of several years, the doubtful Greater Sunrise option does not look like the answer to the country's looming economic problems.

Slashing government spending on infrastructure projects appears to be the only way for East Timor to avoid economic collapse. Such decisions will cut into many of the improvements that at least some East Timorese have enjoyed. And, as the country goes to elections next year, it is unlikely that major parties will promise less rather than more.

East Timor has never looked better, and many of its improvements have been real and important. But this small and fragile country has only just begun to emerge, and its future is again uncertain.

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