Even set against its long history of misery, 2006 was one of Timor-Leste’s worst years. While there have been other years in which more people have died and in which its physical infrastructure has been more destroyed, 2006 saw, if not the ending of a dream, then the harsh realization that the value of independence was only as good as its political community made it. In 2006, Timor-Leste’s political community tore itself apart, setting in train an internal conflict that had scope to run well beyond the year’s end, and which threatened to relegate the country to the status of just another post-colonial failed state.

Timor-Leste’s descent into factional conflict and the related forced resignation of its Prime Minister reflected the type of political chaos that has affected many newly post-colonial states, in which competition for power overwhelmed a fragile and still fragmented political environment. So much had been hoped for and invested in Timor-Leste by the international community, by the United Nations, and not least by the people of Timor-Leste themselves, yet so little was shown to have been achieved.

Despite the change of prime minister, with the ascendance of the popular Foreign Minister Jose Ramos-Horta, the establishment of a UN police presence, along with continuing external military support from some 3,000 foreign troops, violence and destruction continued, entrenching a regional divide that challenged Timor-Leste’s future.

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Before the Crisis

Prior to the crisis, the state had been moving along at a steady, if slow, pace towards achieving a series of its development goals. Timor-Leste’s most pressing issue was poverty. At around US$366 per capita GDP (corrected for purchase pricing parity) Timor-Leste was the poorest country in the world, although with a slightly better Human Development Index ranking of 140 of 177 states. Such poverty underpinned and exacerbated all other social and political tensions. Against this backdrop, Timor-Leste’s Fretilin government, led by Mari Alkatiri, had made several sound development decisions, in particular avoiding external debt, seeking local food security and bringing down inflation. Alkatiri also led difficult negotiations against Australia for the best possible deal from the Timor Gap oil and gas field. The income from oil and gas receipts increased from US$649.8 million in June to US$847.1 million in September and was invested in interest-bearing US government bonds, returning 8.37 per cent in 2006. The economy had moved from negative to positive growth by 2005, if still at low levels and off a low base, education was developing and medical services had been considerably expanded, if somewhat controversially by importing Cuban doctors.

However, the government of Timor-Leste also made some poor decisions. According to the World Bank, corruption was becoming a problem. The government’s dismissal of these concerns, in particular in relation to the letting of government contracts to Alkatiri’s brother to build roads and supply weapons, and the Interior Minister and close Alkatiri ally, Rogerio Lobato, being involved in smuggling, alienated many Timor-Leste citizens and the international community, upon which the country still significantly relied.

Despite destructive riots in late 2002 and the activities of quasi-criminal political organizations such as Committee for the Popular Defence of the Democratic Republic of Timor-Leste (CPD-RDTL), Sagrada Famiglia, and Colimau 2000, the government had exercised considerable restraint by not proscribing them, although there was some persecution of Colimau 2000 members. However, the government and its institutions had been noted for a tendency towards authoritarian responses as well as incompetence in the face of serious challenges to state authority. More importantly, the government also interpreted expressions of alternative perspectives as disloyal and potentially seditious. This lack of acceptance of legitimate dissent and a loyal opposition was perhaps its greatest political failure. By way of illustration, the opposition Democratic Party head, Fernando de Araujo, and other party members reported harassment by individuals associated with then Interior Minister Rogerio Lobato, who was otherwise claimed to have established his own security apparatus and to have illegally armed non-state groups. Later,
De Araujo said a gang allegedly working for Alkatiri had threatened him with death, and his home was one of the first to be burned in the violence following the events of 28 April.

This lack of tolerance and respect for the legitimacy of dissenting or alternative views, or the notion of a loyal opposition, which increasingly marked Alkatiri’s relations with the Opposition, was also reflected in the poor relations between Alkatiri and President Xanana Gusmao. In 2002, Alkatiri said that he believed Fretilin could win up to 90 per cent of the vote in the 2001 elections, while Gusmao said he preferred a vote closer to 50 per cent in order to create a viable opposition and hence a balanced democracy. This marked out the competing political styles of the two leaders. Gusmao campaigned for non-Fretilin candidates to provide a balance against Fretilin, creating further friction with Alkatiri. It also indicated that Alkatiri was more committed to Fretilin dominance than to successful plural politics.

While the split between the President and the Prime Minister was most apparent from this time, it actually reflected a much deeper and older division within Timor-Leste’s elite politics. In particular, during the early 1980s, the military wing of Fretilin under the leadership of Xanana Gusmao modified its political position to become more inclusive and less traditionally Marxist. By 1984 the party had split between hard-liners and “pragmatists” and in 1987 Gusmao formally separated Falintil from Fretilin, and made it the armed wing of a more widely encompassing resistance movement, the National Council of Maubere Resistance (CNRM). The ideological split of this time continued to be echoed in post-independence period, especially in 2006, and underpinned the friction between various political actors.

Despite the warm embrace by the Timor-Leste people of electoral politics, the Fretilin government under the leadership of Alkatiri tended towards an “economic development first” model in which democratization was sacrificed on the altar of claimed material benefit, or at least state unity. It has been proposed that many earlier post-colonial states had abandoned democracy in the face of popular demands for economic improvement, set against a fractured and incoherent polity. In this approach, a confluence of ruling party and state was often evident. The claimed trade-off between economics and politics usually reflected more the particular ideological perspectives or corruption on the part of the ruling elite than it did any clear economic benefit.

In the case of Fretilin, the party that had started with a Marxist wing in 1975, had by 1999 embraced the free market as an economic principle. However, a group within Fretilin led by Alkatiri and therefore sometimes associated with
expatriates who had lived most of their exile in Mozambique, retained top­
down, highly centralized organizing principles often associated with bureaucratic
authoritarianism. This was contrasted with a less dominant “reformation” faction
within Fretilin, which unsuccessfully challenged Alkatiri for party leadership in
April 2006. Along with an increasing tendency towards authoritarian responses
to political dissent, with its limited tolerance of opposing political views, Timor­
Leste’s government appeared to be sliding towards one-party status. Having begun
its political life as a successful plural democracy, by the beginning of 2006 the
state was heading towards a crisis.

The Events of April–May
There had been long-standing disquiet within Falintil-FDTL (Armed Forces for
the Liberation of Timor-Leste–Timor-Leste Defence Force) over a range of issues,
including their status vis-à-vis the police (Policia Nacional de Timor-Leste–PNTL),
general pay and conditions, a lack of clear purpose, and disenchantment with
civilian politics. There were also divisions within Falintil-FDTL, primarily
between members of the organization who had participated in the struggle for
independence from Indonesia, and those who had since been recruited. Broadly
defined, the older members were primarily located in the east of the country, in
Battalion II based in Bacau, while the newer recruits were largely located in the
west, in Battalion I based in Metinaro near Dili.

In February 2006, 591 soldiers from the Battallion I went on strike after
claiming grievances were being ignored by the government. Their grievances,
outlined in a petition signed by 159 soldiers and sent to Gusmao as well as other
leaders, centred on alleged discrimination, particularly concerning promotions and
accommodation.

After consultation between the Prime Minister, the Defence Minister, and
the commander of Falintil-FDTL, the government ordered the troops back to
barracks. They refused and on 17 March were sacked for desertion. While soldiers
cannot ordinarily go on strike, the government sacking them appeared to be an
ill-considered response to a potentially volatile situation, as noted by President
Gusmao. The government’s refusal to listen to the striking soldiers’ grievances
was consistent with ignoring other expressions of concern. The government’s
response was, at best, legalistic, at a time when it should have been sensitively
political. In particular, Alkatiri could have called on President Gusmao to mediate
the problem. But because of his antipathy towards the President over their diverging
political orientation he did not do so.
Just days before it broke, there was little overt sign of the impending storm. The sacked soldiers then came to Dili, and on 28 April staged a protest that also included unemployed youths and members of the organization Colimau 2000. The protest quickly turned into a riot, the police were claimed to be unable to control it and at that point Alkatiri ordered in soldiers. They were ordered to shoot, which resulted in five deaths and a large number of wounded. There were claims, and some evidence, that rioters and others were shot while trying to flee.

The “rebels” went into the nearby hills, along with thousands of others, including de Araujo and his family. “Loyalist” soldiers were sent to disarm one of the groups of sacked “rebels” on 23 May. After ignoring requests from the rebel commander, Major Alfredo Reinado, to desist, they were fired on by the “rebels” and two soldiers and three others were killed. Fighting quickly descended into attacks in Dili, the arming of youth gangs, and attacks by “loyalist” soldiers against the police. Violence and destruction, primarily in Dili but also affecting regional centres, was increasingly located around a division between local gangs identifying themselves as deriving from the west of the country, as opposed to those who derived from the east. Up to 150,000 people were forced from their homes or fled them in fear, creating serious problems with food security and sanitation. As the wet season began towards the end of the year, 67,000 were still displaced, many without homes to return to.

Poor relations between the F-FDTL and the police, which descended into open violence at this time, stemmed from the poor human rights record of the police. Though cleared of wrong-doing, many of them had served as police under Indonesia and many also came from the west of Timor-Leste, enjoying higher pay and better conditions. In addition, some especially from the Border Patrol Unit (Unidade de Patrulhamento de Fronteira, or UPF) were corrupt. Soldiers had attacked the police headquarters and then, under a UN-brokered surrender, the police laid down their weapons and came out. They were then fired upon, with 10 being killed and 27 wounded. In total, 37 people were killed in the violence of this period.

After these events, there was widespread recognition that the United Nations had withdrawn from the country too much and too soon after helping establish the Timor-Leste state, as it was not yet sufficiently established and that it was consequently unable to deal with the issues that now arose. There was also significant criticism of Australia, and to a lesser extent the United States, wanting to remove Alkatiri as prime minister. However, the greatest threat to Alkatiri’s leadership had come from within his own party, which lost a motion
of no confidence in his leadership following a public show of hands that was later the subject of a legal dispute.

On 30 May, following media reports that the Interior Minister Rogerio Lobato and the Defence Minister Roque Rodrigues were arming unofficial groups, the two ministers were charged with related offences at Lobato was charged with arming an illegal gang. A television report in Australia claimed evidence that Alkatiri had also been involved in arming illegal gangs, and on 26 June he bowed to intense domestic and international pressure and resigned as Prime Minister. Fretilin put forward three names for alternative prime minister to President Gusmao, who chose his long-time ally, Foreign Minister and Alkatiri opponent, Jose Ramos-Horta as Timor-Leste’s new Prime Minister. Following the split within Fretilin in the 1980s, Ramos-Horta had resigned as a member of the party, which made his appointment particularly bitter for many of the hard-liners remaining in Fretilin.

After staying at a hill-top hotel in Maubisse, on 25 July Reinado and his supporters were arrested by Australian troops, but on 30 August he and 55 others staged a mass break-out from prison in the suburb of Becora. At the time of writing they were still at large and believed to be hiding in the west of the country.

The subsequent UN report into the violence rooted its cause in high-level institutional failure, criminal acts by a number of leading figures, and at least a failure of decision-making by Gusmao and Alkatiri. The report found that President Xanana Gusmao made provocative statements during the crisis and should not have directly communicated with rebel troops. But despite some media allegations, there was no evidence to support claims that he was directly implicated in the events. However, the report found that rebel leader Major Alfredo Reinado and his men committed criminal acts by killing two government soldiers and others.

The UN report also found that then Prime Minister Alkatiri did not directly distribute weapons illegally to civilians, but had knowledge of the distribution and failed to stop it. The report also found that Alkatiri, in particular, bore responsibility for calling out troops to confront protesters on 28 April, which led to the fatal shooting of five protesters and the wounding of many others. However, the report also found that claims of 60 more being killed on the outskirts of Dili were unfounded. Senior figures were directly implicated in the distribution of weapons. Police Commander General Paulo Martins illegally distributed weapons within the police, while sacked Interior Minister Rogerio Lobato, Defence Minister Roque Rodrigues, and Defence Force Chief Taur Matan Ruak also illegally armed civilians. A number of charges against these individuals were recommended by the report. The UN findings provided further impetus to the International Crisis
Group (2006) report that recommended that Gusmao and Alkatiri retire from politics to allow a new, untainted, and hopefully more competent generation of political leaders to come through.

Although gang violence and some destruction continued sporadically, there was an escalation of gang fighting in October 2006, with eight people being killed in the last week of the month in fighting between rival gangs. Dili airport was closed for 24 hours due to the violence just outside a refugee camp nearby. FDTL commander, General Taur Matan Ruak, who had been named by the United Nations as having illegally distributed guns to civilians, said the violence was politically motivated, aimed at destabilizing the Fretilin government and creating a “government of national unity” and called for the army to be released from the barracks to deal with the violence. At the same time, there was a mounting campaign against Australian troops in Timor-Leste, with claims being made that they had taken sides in the conflict and calling on them to be put under the administration of a UN-led force. This was strongly denied by the Australian Defence Force Chief and Prime Minister Ramos-Horta, who said that different gangs made such accusations against both Australian and Portuguese forces depending on which force had directly confronted which gang.

The violence that continued to destabilize Timor-Leste was based around a complex of issues and organizations that had begun to harden into distinct factions following the events of April–May. At one level, the violence was linked to martial arts clubs and quasi-political organizations. A report on the violence estimated that up to 70 per cent of Timor-Leste’s men belonged to one of the clubs, including Dili’s Setia Hati and Korka, which is aligned with Fretilin. According to the author of a report on the violence, “since the political crisis began six months ago, the gangs have become larger, more violent and their behaviour more disturbing.” Particularly disturbing was the finding that some of these gangs were affiliated with leading political figures and had infiltrated the security forces, while others were based around quasi-political organizations, some with pro-Indonesia militia links or led by former resistance fighters, such as Colimau 2000, CPD-RDTL, Orsnaco, and Sagrada Famiglia. Other gangs were based on affiliation with mystical organizations, churches, youth associations, ethnicity, locality (bairo), and criminality.

As Scambary has noted, Timor-Leste’s grinding poverty, property disputes, and turf wars over criminal activities directly contributed to gang violence, along with contentions over which groups most greatly contributed to the independence struggle. However, gang conflict also had historical antecedents, including...
Looking Backward, Looking Forward

Despite Ramos-Horta's appointment as Prime Minister, gang violence and destruction continued in Timor-Leste, primarily in Dili. The United Nations and Australia argued about the organization and leadership of the international military presence, with Australia opposing a UN-led military mission. The rationale for this opposition was unclear, although Australia has not been favourably disposed towards the United Nations for wider political reasons. An international police, eventually under the auspices of the United Nations, meanwhile, took over almost all responsibility from the PNTL, which had functionally ceased to exist, ahead of that organization's restructuring and retraining. Joint UN-PNTL patrols resumed in November, but the police force remained weak and unstable.

There was also a refocusing of international effort in Timor-Leste and at least in public some of its leaders recognized they had made mistakes. Ramos-Horta said: "If anything, we should blame ourselves for not being able to solve our own problems." However, there was also reluctance by some to accept responsibility for events, and to blame others. In particular, Alkatiri claimed that the Catholic Church was behind the "conspiracy" to oust him, and that it had allied itself with "illegal groups" to do so. Timor-Leste had not quite become a failed state, but it was starting to look as though successful statehood, even at modest levels, was much further away than anyone had imagined it might be, and that the extent of the task in restoring its previous, if inadequately supported, sense of security would take years rather than months.

After Indonesian forces withdrew from Timor-Leste, the fledgling state had to begin to build from political fundamentals. These were only partially established by the time the United Nations began to wind down its presence in Timor-Leste in 2003, and the process of political development was still under way when the 2006 crisis arose, demolishing faith in the existing polity and in their sense of nation.

The most basic criterion for national unity is a common language. The people of Timor-Leste developed their sense of unity in opposition to the occupying Indonesians through the common use of the Indonesian language, and the increasing use of Market Tetum (Tetum Praca) via church services. The government's
adoption of Tetum Praca as a national language helped unify the state. However, its adoption of Portuguese as Timor-Leste's official language was divisive.\textsuperscript{45} Beyond language and other cultural markers, national unity was slowly being constructed around a recognition of and commitment to common civic values.\textsuperscript{46} The people warmly embraced democratic voting, with more than 90 per cent voluntarily and consistently going to the polls. But the Fretilin government, which came to power with a 57.4 per cent majority (55 of 88 seats), was seen by many in Timor-Leste as being combative, distant, and largely unaccountable,\textsuperscript{47} even according to members of the party.\textsuperscript{48} There was as a result of police corruption and brutality — and allegations of pro-government thugs — an absence of a sense of rule of law.\textsuperscript{49} At the time of the May crisis, the idea of rule of law and notions of justice were still not well understood in Timor-Leste. Justice was often taken into the hands of aggrieved parties, who acted directly, while notions of revenge were also well entrenched.

Beyond this, around half of the government cabinet members had spent some or most of their exile in Mozambique,\textsuperscript{50} which despite offering them sanctuary, education, and employment, retained a poor reputation for democratic practice (until 1992 it was a one-party state, and was only a democracy in the most procedural of terms thereafter), respect for rule of law, or the separation of powers between the executive and the judiciary.\textsuperscript{51} Not surprisingly, the government itself stepped outside of legal bounds in asserting its political claims, especially in relation to the parliamentary opposition,\textsuperscript{52} while the police have developed a reputation for unlawful brutality.\textsuperscript{53}

As the crisis eased following the intervention of international troops and police, the constitution continued to be respected. Although Alkatiri claimed he was the victim of a "coup", his resignation and the appointment of a new cabinet was within constitutional guidelines and he had resigned voluntarily, if under great pressure. That Fretilin continued to dominate the cabinet, as the majority party in parliament, indicated that there had not in fact been a coup, but rather a conventional ("bourgeois") political accounting for the events of April–May.\textsuperscript{54}

As a set of functional institutions, Timor-Leste's bureaucracy had been developing but, even under Indonesia, institutional capacity was poor\textsuperscript{55} and, despite the development of a post-1999 depleted workforce, remained at low levels.\textsuperscript{56} Capacity building remained a critical component of overall development,\textsuperscript{57} and appeared to require continued international assistance.

Two key state institutions that had clearly failed were the PNTL and the F-FDTL. The police failed primarily in employing torture, rape, excessive
detention, and other illegal methods against suspects and ordinary civilians. The F-FDTL failed both through the rebellion of soldiers from the west, and those "loyalists" who shot unarmed police on 25 May and armed civilians. Since its creation on 1 February 2001, the F-FDTL has been a source of antagonism and muted threats against the government, growing tension including earlier attacks against the PNTL and the site of internal and inter-district disputes, culminating in the events of April–May 2006.

As a consequence of these events, the PNTL effectively collapsed as an organization. Falintil-FDTL was too small to be effective against Timor-Leste's most probable aggressor, Indonesia, but too large to be affordable for the poor state. Falintil-FDTL consumed 8 per cent (around US$18.5 million) of the national budget (US$230 million in 2006). However, as prime minister, Ramos-Horta continued to endorse its existence.

Beyond formal security institutions, there remained a significant legal and security threat arising from local gangs, self-defence groups, and the creation of politico-criminal organizations, notably based around former Falintil veterans including the above-noted Sagrada Familia, CPD-RDTL, Colimau 2000, and the *isolados* (individuals). Colimau 2000, CPD-RDTL, and Sagrada Familia also had links to former 1999 militia members, while Colimau 2000 members were also alleged to be involved in the violence and destruction in Dili in April 2006. The motives of these groups remained ambiguous, with agendas that ranged from opposition to the state or state institutions to criminal activity, paramilitary organization, and even religious association. Even the governing party, Fretilin, seemed to believe that the party had a direct role in maintaining state order.

Perhaps where the political society was weakest was in the social acceptance of political and legal institutions, their lack of "embeddedness", and in exchanging social or informal codes for formal codes. Timor-Leste has a parliamentary democracy, but there was little respect within it, or indeed outside, for the right to hold dissenting opinion (despite this being guaranteed by the constitution). Channels to accept the expression of grievances were required to be open and receptive in order to make such a process work. These channels were compromised by violence, at best difficult to access, often excessively formal and sometimes uncommunicative, for reasons of government arrogance, institutional weakness, and language barriers.

As important as understanding and accepting ways in which grievances could be legitimately communicated, there was also a lack of not just tolerance of difference, including of language and region (overstated though the latter was), but also of political association and history. In particular, the people of Timor-
Leste were notable for the capacity to know not just the political allegiance of a particular individual, but the allegiance of their parents and often grandparents, this lineage then being assumed to determine successive allegiances.

Finally, from a history of social and communal violence, from before Portuguese colonialism to after Indonesia, the people of Timor-Leste had not yet learned that only official state institutions could legitimately employ violence. The corollary to this was that the state must be competent, behave lawfully and as benignly as possible, and itself only use violence legitimately, and only as a last resort. For the country to avoid becoming a failed state, it needed to achieve greater material development. But at least as importantly, Timor-Leste needed to further develop its sense of cohesive national identity and shared political purpose, and establish and embed the institutions which support such political purpose. At the end of 2006, this remained a distant goal.

Notes

1 There were more than 900 UN police by the end of October 2006; intended to grow to 1,600 by the end of the year.
4 “Timor Leste Data Profile” (World Bank, Washington, DC, 2005); “Paul Wolfowitz in Conversation with Journalists in Dili” (World Bank, Washington, DC, 10 April 2006).
5 “Fifth Petroleum Fund Quarterly Report” (Banking and Payments Authority of Timor-Leste, Dili, 9 November 2006); “Assets in East Timor’s Oil Fund Total US$847 Million in September” (Macauhub Economic Information Service, Macau, 11 November 2006).
13 According to his wife, Jacqueline Siapno, personal communication, 12 June 2006.
18 The source of the order was still being investigated at the time of writing.
20 The terms that were being used to describe the geographic split, loro manu and loro sa’e, were incorrect and refer to west Timor-Leste and Timor-Leste, respectively, not the western and eastern parts of Timor-Leste itself. More accurate terms to describe the division within Timor-Leste were kaladi (westerners) and frakli (easterners).
24 Such criticism ranged from some Australian academics and activists to members of Fretilin close to Alkatiri and various comments from Portugal, which was seen by some as in opposition to Australia in Timor-Leste.
25 Based on discussions with journalists there at that time.


33 A. Houston, “Timor Leste Allegations” (Department of Defence Media Mail List, CPA 282/06, 29 October 2006).

34 M. de Queiroz, “East Timor on the Precipice”, Inter Press Service/Asia Times, 30 October 2006.


37 Following the Indonesian occupation, pre-existing landownership was disrupted, as it was again as a consequence of the widespread destruction and loss of records in 1999.


39 These gangs are known as Moradores.


45 La’o Hamutuk, ”Portuguese Aid, Community Empowerment Project”, La’o Hamutuk Bulletin 3, no. 7 (October 2002) (1/2); S. Inbaraj, “East Timor: Language, Currency


Discussions with Timor-Leste people in Dili and Bobonaro district between 2002 and 2005.


J. Fox, “East Timor: Facing the Future”, ASEAN Focus Group, Asian Analysis, Canberra, Australian National University, June 2002.


According to Fernando de Araujo, Dili, June 2005, and further personal communication, April 2006.


Discussion with senior bureaucrats of Timor-Leste, Dili, June 2005.


62 “East Timor Prime Minister Says Former Members of Pro-Indonesian Militias Linked to Violence”, Associated Press (Dili), 3 June 2006.


64 1st Meeting of the Central Committee following the 2nd National Congress of Fretilin, 4 June 2006, point 9.
