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## Timor Leste at 20: Progress, Challenges and Prospects

*By Loro Horta*

### SYNOPSIS

*After two decades of independence Timor Leste has achieved remarkable progress in nation building. However, serious problems remain unresolved. These problems could endanger the young nation's future.*



*Timor Leste's military includes women soldiers — pic by Edward Cavanaugh*

## **COMMENTARY**

ON 20 MAY 2022 Timor Leste will mark its 20<sup>th</sup> anniversary as an independent and sovereign nation. Following 24 years of Indonesian occupation the country gained its independence following a United Nations-sponsored referendum, establishing Dili as its capital. At 20 years, Asia's youngest nation has many reasons to be proud of as well as many others to be concerned about.

Upon independence Timor Leste was among the 10 poorest countries in the world and was the poorest in Asia. The departing Indonesian military destroyed about 98 percent of the country's infrastructure. The country had less than 30 medical doctors and no health service to speak of.

### **Two Decades Later**

Two decades later the small Southeast Asian nation has quite a few achievements to be proud of. Today most of the country has power, cell phone coverage and access to the Internet. Timor Leste now has over 1,200 medical doctors. Diseases such as malaria, polio and tetanus have been eradicated. Several countries in Southeast Asia have failed so far to eradicate these diseases after 70 years of independence.

Timor Leste was ranked number 158 in the 2019 United Nations Human Development Index {HDI} having climbed more than 50 places in less than 20 years. Timor Leste's HDI for 2019 was higher than that of Cambodia, Laos and Myanmar.

Upon independence the country had no history of democratic government, having lived under Portuguese colonial rule since 1926, followed by 24 years of Indonesian occupation.

Despite this Timor Leste has been able to build and maintain a vibrant democracy. Elections have been held regularly since independence and the results accepted by all major parties. The country has one of the freest media in the world with Freedom House ranking Timor Leste the freest country in Southeast Asia. Never in Timor Leste's post-independence history has a journalist been arrested.

Timor Leste's foreign policy has been quite successful for a small and young nation. Dili has reconciled with Indonesia and built a close and amicable relationship with its former occupier. In contrast several nations in Asia such as China, Japan and South Korea have not been able to reconcile their differences over past conflicts.

Timor Leste successfully settled its maritime borders with Australia. Despite Australia's massive economic power, its tiny neighbour was able to obtain an agreement beneficial to both sides. Timor Leste has actively contributed to UN peacekeeping efforts in Guinea Bissau and assisted Sao Tome and Principe organise democratic elections.

### **Immense Challenges Ahead**

However, in parallel with its many achievements Timor Leste faces immense challenges. Many of the achievements mentioned above have been possible due to

extensive revenues from oil and gas. Without the billions provided by the energy sector it is very unlikely that the country would have seen such progress. Most estimates suggested that the oil and gas sector accounts for more than 90 percent of the country's GDP.

The country's oil reserves are limited and are likely to run out in the next 10 to 15 years. While successive governments have made the right speeches about the need to diversify the economy, very little has been done. Timor Leste's agricultural sector is deteriorating rapidly due to the country's over-reliance on food imports. The tourism sector is insignificant.

Attempts at attracting foreign investment have floundered due to corruption and extreme red tape. Timor Leste has consistently been ranked among the five worst countries to do business in by the World Bank Ease of Doing Business Index.

While over 10,000 Timorese have received university education abroad since independence, many are migrating to the United Kingdom, Australia, and South Korea in search of a better life. There are no reliable statistics concerning unemployment with some estimates putting it as high as 70% in Dili.

### **Time is Running Out**

While the international community has often praised Timor Leste's democratic freedoms, the country has experienced significant political instability since 2017, with three different governments being formed in three years. Since independence the country's iconic leaders Xanana Gusmao, Ramos Horta and Mari Alkatiri have dominated the political landscape. They are all now in their 70s and given their advancing age, it is likely that they will leave the scene over the next decade.

While many Western observers advocate the need for generational change, as if it would solve all the country's problems, the younger generation lacks enough political support. As such the country runs the risk of facing further political fragmentation once the founding generation vacates the stage.

However, throughout its history Timor Leste has overcome seemingly insurmountable obstacles. It gained its independence against all odds and negotiated successfully with a major power such as Australia and settle its maritime borders with very favourable terms. Unfortunately today the country stands deeply divided.

Whether Timor Leste will continue to prosper will be determined by the ability of the founding generation of leaders to reconcile their differences and use the next 10 years to prepare a new generation of successors. If they fail in this endeavour Timor Leste will have a troubled future. Time is running out. The biggest enemies of Timor Leste are the Timorese themselves.

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