

EAST TIMOR 2012

ELECTIONS IN THE TENTH YEAR OF INDEPENDENCE

Jan Woischnik / Philipp Müller

Many people in East Timor approached the election year of 2012 with apprehension and unease. They feared a new eruption of violence if their country's fragile stability was once again put to the test. Fortunately their fears proved unfounded. Apart from a few incidents, both the two rounds of the presidential elections on 17 March and 16 April and the parliamentary elections of 7 July 2012 passed off peacefully and were properly conducted. The new president of the youngest and poorest country in South-East Asia is the independent José Maria de Vasconcelos, alias Taur Matan Ruak. The post of prime minister continues to be held by Xanana Gusmão of the National Congress for Timorese Reconstruction (CNRT). In the tenth year of its independence East Timor is therefore taking a further step on the road towards democracy, and in light of this the withdrawal of the United Nations Integrated Mission in Timor-Leste (UNMIT) and the International Stabilisation Force (ISF) at the end of the year therefore seems possible.

PRESIDENTIAL ELECTIONS

The independent José Maria de Vasconcelos, who took the *nom de guerre* Taur Matan Ruak in the struggle for freedom, was only the runner-up in the first round of the elections on 17 March 2012. However, in the run-off on 16 April 2012 he achieved a clear victory over his opponent Francisco Guterres, alias Lú-Olo, of the left-wing party the Revolutionary Front for an Independent East Timor (Fretilin). According to the provisional results Taur Matan Ruak took 275,441 (61.23 per cent) of the votes, while Lú-Olo took only 178,386 (38.77 per cent).



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Taur Matan Ruak, who for ten years – until last October – was the commander of the East Timorese army – was supported in the election campaign by the government party CNRT and hence also by Prime Minister Gusmão. He was born in 1956 in Baguio sub district, Bacau district, in the east of East Timor. In 1975, at the age of only 19, he joined the Armed Forces for the National Liberation of East Timor (Forças Armadas da Libertação Nacional de Timor-Leste, Falintil), the military wing of the resistance to the Indonesian occupying forces. In 1998 he became their commander.

Taur Matan Ruak will be a self-assured president who will exploit the opportunities of his office to the full extent. Having spent many years as a military commander, he is used to giving orders and will not take kindly to being reined in. In the final stage of the election campaign he spoke out in favour of a system of government presided over by a powerful president. The current system, by contrast, has many of the features of a parliamentary democracy – even though the president is directly elected by the people. This means that President and Prime Minister are highly likely to fall out with each other over areas of competence. It is to be hoped that Taur Matan Ruak will not seek to debate the introduction of a new system of government. Ten years after independence, the majority of state institutions in East Timor have only recently managed to set themselves on a firm footing; others, such as the Supreme Court and the Court of Auditors, have not yet been established. In view of this, East Timor needs further stabilisation and consolidation rather than premature reform.

Most of the presidential candidates were at pains to ensure a fair and transparent election campaign. In public they called repeatedly for peaceful elections and also for monitoring by East Timorese and international civil society. Only occasionally was harsher rhetoric heard. This contrasted with the campaign that preceded the last presidential elections in 2007, which was conducted on a significantly more aggressive footing. At those elections, shortly after the national crisis of 2006, the security situation was also extremely tense.

While the majority of the candidates had the backing of political parties, they saw themselves as independent. The focus was on the individual and his political charisma. As a result the election campaign was only to a very limited extent issue-based. The candidates' image and popularity were what mattered. The strongest candidates in 2012, as in the previous elections in 2007, were members of the country's familiar political elite. Almost all have held key roles within the independence movement. Vasconcelos' most important rivals for the office of president were:

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José Ramos-Horta

Foremost among the other candidates was the former president and holder of the Nobel Peace Prize José Ramos-Horta, who after long deliberation announced only in January that he would be standing again. He states that this decision was taken primarily in response to a petition urging him to run for a second term of office that was signed by over 100,000 members of the public. Ramos-Horta did not win in the 2007 elections until the second round, but he emerged with an absolute majority of 69 per cent. After the first round a number of smaller parties voiced their support for him. Although Ramos-Horta himself is independent, he was backed in 2007 by Conselho Nacional de Reconstrução do Timor (CNRT), the party of the serving and re-elected prime minister Xanana Gusmão. For some time there was speculation about whether this collaboration would continue in 2012, in part because – despite the shared past of Gusmão and Ramos-Horta within Fretilin – there were frequently differences of opinion between the two men. CNRT finally announced on 24 February that it would now be supporting the candidacy of Taur Matan Ruak. No reasons for this were given, but observers assume that a significant cooling of the personal relationship between Gusmão and Ramos-Horta is behind the decision. In addition, Ramos-Horta had repeatedly attracted attention through his public criticism of the government's work and his sympathy for proposals originating from the ranks of Fretilin – a further possible reason for CNRT's rejection of him.¹

1 | Conversation between the authors and Henri Myrntinen, 27 Jul 2012.

Francisco Guterres (Lú-Olo)

Ramos-Horta's strongest rival from 2007, Francisco "Lú-Olo" Guterres of the Fretilin party, also stood again in the elections. In 2007 he had taken the most votes in the first round. Ruak's candidacy was the crucial challenge for him, since Ruak also had many supporters among Fretilin voters. In the run-up to the election Guterres was optimistic; on the basis of his past election results he believed until the end that the victory could be his.

José Luís Guterres (Lugo)

Another candidate to emerge from the Fretilin milieu was José Luís Guterres, also known as "Lugo". He has been Deputy Prime Minister since 2007 and could count on the votes of the Front for the National Reconstruction of East Timor (Frente Mudança), a group that split off from Fretilin and was registered as a separate party in 2011.

Fernando de Araújo (Lasama)

As the final promising presidential candidate, Fernando "Lasama" de Araújo entered the race. As a result of his active role in the resistance and his position as Speaker of the East Timorese parliament, Lasama is well-known to the public. He is President of the Partido Democrático (PD), the country's third-strongest party.²

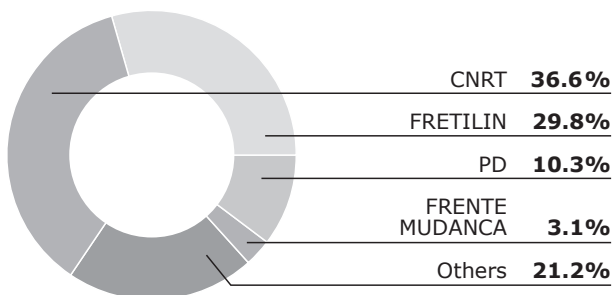
PROGRESS AND RESULTS OF THE PARLIAMENTARY ELECTIONS: CNRT WINS, FRETILIN STAGNATES

While presidential elections ushered in a new head of state, there has – at least at first glance – been no change to the leadership of the government in 2012. At the elections to East Timor's national parliament on 7 July 2012, the centre-right party CNRT – the party of the serving prime minister and hero of the struggle for independence from Indonesia, Xanana Gusmão – emerged the clear winner. With 36.6 per cent of the votes (172,908 votes) it triumphed over

2 | Other candidates whose prospects were not as good were Francisco Xavier do Amaral, who died during the election campaign, and Francisco Gomes, Abílio de Araújo, Rogério Lobato, Manuel Tilman, Lucas da Costa, Maria do Céu da Silva Lopes and Angelita Pires.

its closest rival, the left-wing Fretilin party, which drew 29.8 per cent or 140,904 votes. In third place was the PD with 10.3 per cent (48,579 votes) of the votes cast. A year after splitting from Fretilin, Frente Mudança took 3.1 per cent (14,648 votes), narrowly beating the three-per cent threshold and hence being represented in parliament for the first time.

Fig. 1

Election results (in per cent)

Source: Official result.

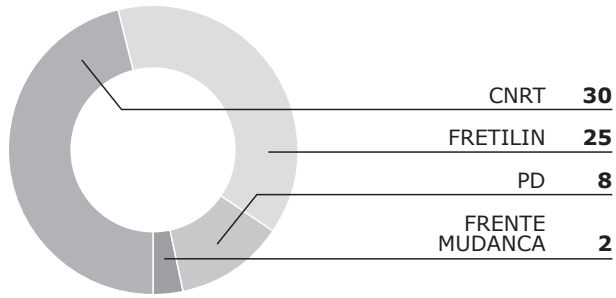
Twenty one parties had vied for a seat in parliament, but only four managed to clear the three-percent hurdle. In 2007 six had been successful. With regard to the distribution of seats in parliament, East Timor's election law stipulates that the votes cast for parties that fail to surmount this barrier are assigned pro rata to the parties that make it into parliament. According to the official final result and the count of all votes cast, this results in a distribution of the 65 seats in the national parliament as follows: CNRT 30 seats, Fretilin 25 seats, PD eight seats and Frente Mudança two seats.

Regardless of the outcome of the coalition negotiations, CNRT was thus the clear winner of the parliamentary elections. Prime Minister Gusmão missed his self-declared goal of an absolute majority by three seats, but his announcement during the election campaign should probably be viewed more as an attempt to mobilise his own supporters than as a serious political intention. What is certain, on the other hand, is that with this election Fretilin has fallen

further behind its strongest rival CNRT. Even though the once-proud independence party increased its share of the vote by 0.8 percentage points in comparison to the 2007 elections, the gap between the two major parties has nevertheless widened.

Fig. 2

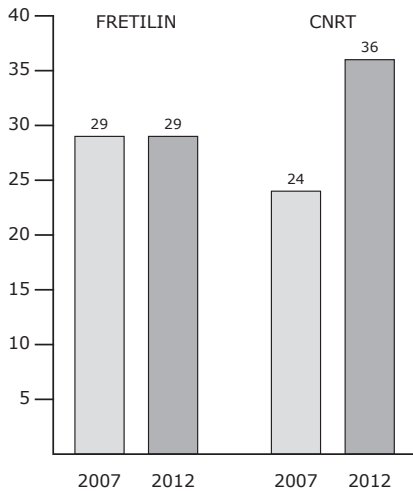
Distribution of the seats in parliament (65 in total)



Source: Official result.

Fig. 3

Comparison of CNRT and Fretilin, Parliamentary elections 2007/2012



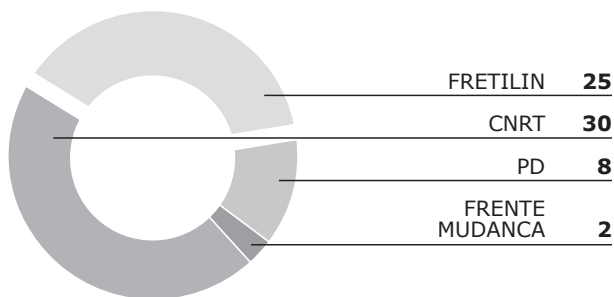
Source: Diagram by author.

HIGH TURNOUT A POSITIVE SIGNAL

Of the 645,624 registered voters in East Timor, 482,792 actually voted. This corresponds to a turnout of 74.8 per cent,³ although irregularities in the registration process mean that turnout is repeatedly described as being over 80 per cent. While democracy theory has come up with various ideas on the relationship between voter turnout and the democratic nature of a state, in the case of East Timor the high turnout can be viewed as beneficial for the country's democratic development. In view of the sometimes long and arduous journeys that were necessary, the determination of the country's nationals to have their say at the ballot box cannot be overestimated. To cast their vote, people had to make their way back to their home village – a lengthy and expensive undertaking for many. That so many were prepared to exert such effort is an impressive illustration of the importance attached to the elections and hence of the people's interest in democratic influence, in political participation and ultimately in their country's future form and the way in which it develops.

Fig. 4

Composition of the coalition



Source: Diagram by author.

3 | Cf. "Acta de apuramento provisório dos resultados nacionais da eleição parlamentar da república democrática de Timor Leste, 7 de Julho de 2012", Comissão Nacional de Eleições, 17 Jul 2012, http://cne.tl/includes/publications/Akta_Nasional_ho_Asinatura.pdf (accessed 24 Jul 2012).

FORMATION OF THE GOVERNMENT: CNRT LEADS A TRIPARTITE COALITION

Shortly after the election, the secretary general of CNRT, Dionisio Babo, let it be known that his party was planning an extraordinary national party conference to discuss the coalition options. The decision was not long in coming: on 15 July 2012 Prime Minister Gusmão announced that CNRT, PD and Frente Mudança were to form a coalition. During the election campaign the PD had already committed itself to a continuation of the governing coalition, and since its split from Fretilin in 2011 Frente Mudança, under its top candidate José Luis Guterres, was prepared to take any action that would result in its former travelling companion being politically weakened. While nothing has changed in the upper echelons of government, the composition of the government majority is no longer the same as it was after the last parliamentary elections in 2007. Then, too, CNRT was the strongest force in the coalition, but it was a coalition consisting of five parties. This time the two small parties ASDT and PSD have failed to make it into parliament.

Immediately after the election the possibility of CNRT and Fretilin forming a large government of national unity was also discussed in some quarters. The churches, in particular, wanted to see the country adopt a politically united approach to the challenges it would face. Monsignor Basilio do Nascimento, bishop of Bacau diocese, appealed to politicians not to plunge the country anew into violence and conflict, but to work together to create a peaceful future. However, ideas of this sort were soon dropped, probably on account of personal animosities. The cleft in the relationship between Gusmão and Alkatiri, the general secretary of Fretilin, appears unbridgeable. From Gusmão's perspective on the power politics involved, the inclusion of Fretilin would in any case have made no sense: the coalition would have taken on board a partner much more powerful than either PD or Frente Mudança. These tactical considerations aside, a large coalition consisting of CNRT and Fretilin would also have meant a vanishingly small opposition, formed of PD and Frente Mudança; the PD feared this would have driven parliament to the brink of

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meaninglessness.⁴ By contrast, the current makeup gives the governing coalition a comfortable majority but also provides a weighty opposition that can and will fulfil its task of monitoring the government effectively and responsibly. Fretilin has already demonstrated this in recent months and years and has supported important reform plans put forward by the government. In addition, one of the reasons Fretilin will have to be a reasonable opposition player is that the most important argument for boycotting the work of the government is no longer valid.

Unlike in 2007, the party with the largest proportion of the vote is now also leading the government. At the last parliamentary elections Fretilin took the most votes – 29 per cent – but failed to form a functioning governing majority: the president eventually assigned the task of forming a government to CNRT, which successfully hammered out a coalition with PD and ASDT-PSD. In Fretilin’s eyes this was a breach of the constitution, because the strongest party in parliament was not the one to form and lead the government. The outcome of the recent parliamentary elections renders this somewhat dubious argument obsolete.

ANALYSIS OF THE ELECTION: ECONOMIC ISSUES DOMINATE THE ELECTION CAMPAIGN

The central issue of the election campaign was without doubt the country’s economic development with its aims of tackling poverty and improving the living conditions of the population. According to the UN, 40 per cent of people in East Timor still live below the poverty line, despite the fact that since independence the economic circumstances of most have improved to at least some extent. The country’s infrastructure is inadequate; in rural areas only a third of the population have electricity and running water. In the healthcare sector there is a shortage of doctors and medical facilities, and there is a need for improvement in education, since fewer than half of the East Timorese complete the six years of primary education.

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4 | Cf. interview of the authors with a top functionary of the Partido Democrático, 11 Jul 2012.

The various parties accordingly drew up strategies for further economic development that were launched at the election campaign events. The fact that differing proposals for solving the country's economic problems were put forward gives cause for hope, because it demonstrates how the parties have elaborated their programs, evolved distinctive approaches and boosted their skills in recent years.

The main instrument for tackling poverty and promoting the country's development is the National Petroleum Fund, into which revenues from the oil and gas industry flow. The parties' economic pronouncements centred largely on ways of handling and using the money in this fund, which now amounts to 10 billion U.S. dollars. CNRT was in favour of using even more money from the fund to drive forward long-term development projects such as expansion of the transport network and of water and electricity grids. Motorways, new ports, an international airport and gas pipelines would be constructed. Not only in the election campaign but also in the legislative period that preceded it, CNRT had in the National Development Plan put forward a strategy for increasing government expenditure in these areas. In addition, CNRT has campaigned for loans from abroad as

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a means of furthering the country's development. Fretilin spoke out vigorously against this form of foreign development aid and wanted to see the money in the Petroleum Fund being used more carefully. During the election campaign events, the CNRT-led government was repeatedly criticised for having been too extravagant with East Timor's monetary reserves; if expenditure remained at this level, it was said, the country's entire financial resources could be squandered within ten years. Instead of long-term investment, Fretilin advocated policies of a populist hue, for example promising to use the money from the fund to boost incomes or to give unemployed Timorese at least 150 hours of work a month in government projects. In a similar vein, Fretilin announced that if it won the election it would increase payments to women who choose to go into further education.

The supporters of the Partido Democrático, which was founded in 2001, are predominantly young, reform-oriented East Timorese who have found their political home here. It is therefore not surprising that the PD, under its top candidate Fernando “Lasama” de Araújo, identified the youth of East Timor as its principle target group in the election campaign and hence promised changes such as more educational assistance and grants for the country’s school and university students.

While CNRT staged the election campaign appearances of its top candidate, Gusmão, with accompanying music and entertainment, the Fretilin candidates –

Alkatiri and Guterres – campaigned in the streets and from door to door, handing out roses to the public. Both parties can perhaps be criticised for focusing on the personality of their top candidates and on their achievements in the struggle for independence from Indonesia.

Apart from economic development, other issues important to the country’s future – such as internal security and the need to tackle corruption – featured only rarely. Fretilin did attempt to attack the governing CNRT for its policies, pointing out that inflation had risen to 18 per cent since the CNRT came to power and that as a result of the high level of expenditure there was a risk that the financial resources of the Petroleum Fund would be used up too quickly. In addition, Fretilin claimed that few people had benefited from this large-scale spending; much of the money had been swallowed up by corruption, nepotism and clientelism. In the end, though, this strategy of Fretilin was unsuccessful and resulted in Alkatiri’s party suffering a bitter defeat at the hands of the CNRT.

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THE CNRT’S ELECTION SUCCESS: POPULAR ECONOMIC POLICY, ADVANTAGE OF INCUMBENCY AND WEAKNESS OF THE COMPETITION

The outcome of the elections shows that voters have opted for continuity and certainty and rejected the experiment of a Fretilin-led government. This preference for certainty and stability derives from the fruitful economic policies of the Gusmão government in recent years. The founding of the CNRT by Gusmão in 2007 has given rise to a party

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that in its recent years in government has furthered the country's development in many areas by increasing government spending of the resources in the Petroleum Fund. Many more now have access to money than was the case at the start of independence. As a result, securing a livelihood has become easier, despite the fact that the majority of the population continue to live in relative poverty. The announcement of the CNRT's intention to continue this policy of high government expenditure has encouraged voters to put their trust in the party's work for another term. Gusmão, who is often referred to as the "father of development", was able to give a creditable assurance that he remained the right man to oversee the country's economic upturn.

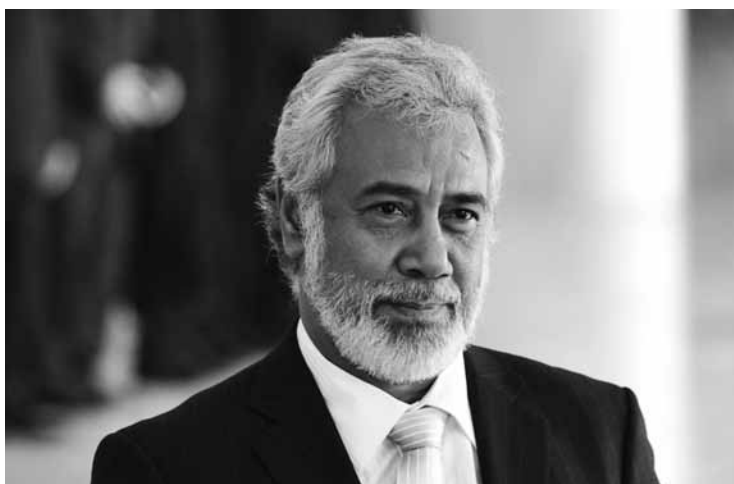
From 2006 until 2008 the country experienced a period of unrest; after attempts to assassinate the prime minister and the president East Timor was on the brink of civil war. It was Gusmão who subsequently brought about a slow but steady improvement in internal security, with the result that there were no major incidents of politically motivated violence during the presidential and parliamentary elections. After decades of displacement, struggle for independence and disputes between rival political groups, nothing is more ardently desired by the people of this crisis-ridden country than political stability. No one embodies this guarantee of security more than Prime Minister Gusmão; it is therefore not surprising that the party strategists focused the election campaign on him as an individual and utilised his charisma and social standing in the battle for votes.

There is another reason for CNRT's successful performance that is also closely linked to Gusmão's personality and his political work: the weakness of the rival parties. A glance at the regional results of the parliamentary election shows that CNRT made by far the most significant gains in the districts of Aileu and Ainaro (respectively 25 per cent and 32 per cent increases by comparison with 2007).⁵ This makes CNRT the main beneficiary of the major losses suffered by the small parties: both districts were former

5 | E-mail communication between the authors and Professor Michael Leach, Swinburne University of Technology, 23 Jul 2012.

strongholds of ASDT and PSD, which on this occasion – in contrast to 2007 – failed to make it into parliament. Prime Minister Gusmão surely bears much of the responsibility for this development, for in the preceding months and years he had made a major contribution to the negative public image of the two coalition parties by taking their ministers to court on the grounds of suspected corruption.

CNRT's runaway success in the polls is no doubt also partly due to Taur Matan Ruak's support in the presidential election campaign in the spring. CNRT had at an early stage spoken out for the independent Taur Matan Ruak, who is particularly popular with younger East Timorese who have little time for the old elites. CNRT's decision to back Taur Matan Ruak was therefore a skilful move and a good way of appealing to younger voters. As the parliamentary elections were to reveal, this was indeed a shrewd tactic. East Timor has always had a very high birth rate (currently seven children per woman); at every election there is a significant increase in the number of new voters. The enormous increase in CNRT's votes by comparison with 2007 is largely attributable to this segment of the population. Here, too, CNRT's strength is partly the result of Fretilin's weakness. In the presidential election campaign Fretilin, under the leadership of Alkatiri, had sided with then incumbent and Nobel Peace Prize holder José Ramos-Horta – a move that in hindsight would turn out to be inept.



Prime Minister Xanana Gusmão is considered an anchor of political stability. | Source: Antonio Cruz, Agência Brasil (CC BY).

GRANDE DAME FRETILIN: QUO VADIS?

With the two elections and the planned withdrawal of the UN mission, 2012 is not only a crucial time for the further political and economic development of East Timor – it could also prove a fateful year for the once-proud Fretilin party, a party committed to the struggle for independence. Without doubt it marks the temporary climax of the rapid decline of a party that had always campaigned for the country's independence and was therefore of major importance in the collective memory of East Timor. Having lost two elections in one year, the party is now confronted with a political conundrum for which a solution strategy has not yet been devised. After Fretilin-backed José Ramos-Horta failed to win the presidential elections in the spring, the supporters of Lú-Olo and Alkatiri were forced to look on as the popularity among the voters of the strongest political opponent, CNRT, jumped by 12 per cent. The

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disappointment and frustration that resulted from the events of 2007 are also still deeply felt. Fretilin emerged from the parliamentary elections as the strongest party but failed in its handling of the subsequent coalition negotiations and therefore ultimately had to bow to a CNRT-led government majority. Fretilin also had to deal with the secession of the Frente Mudança. The fact that this new party has made it into parliament at the first attempt can only increase the frustration and anger of Fretilin supporters, which has suffered its greatest losses in the districts in which Frente Mudança was strongest (Baucau and Oecusse).

There are various reasons for these individual trends and the overall growing loss of political significance that they represent for Fretilin. In the case of the parliamentary elections, Fretilin's weakness was due in no small part to the strength of its rival, CNRT. In the ranks of Fretilin there was nothing to trump CNRT's successful economic policy of recent years.⁶ Structural weaknesses have also become apparent, particularly in three areas. Firstly, Fretilin is often

6 | In absolute terms Fretilin's showing did not deteriorate; the percentages remained virtually identical, but given CNRT's 12 per cent increase Fretilin's importance declined in relative terms.

viewed as old, backward and behind the times. In East Timor people are still proud of the successful struggle for independence from Indonesian occupation; equally important, though, is the need for an economically prosperous and politically stable future.⁷ The public – influenced in part by the positive outcomes of recent years – regard CNRT as more capable of shaping the country's future destiny. Secondly, the culture of patronage and nepotism within Fretilin is no longer mutely accepted. Other parties are also tainted by this culture, but in Fretilin it is considered to be particularly prominent. This is a systemic obstacle to the emergence of a new generation of politicians – not a promising scenario for the desperately needed renewal of the party at the level of both individuals and issues. In the days immediately after the parliamentary elections no decisions on the consequences for particular people have yet been taken. It remains to be seen whether Alkatiri will draw the right conclusions about the future of individuals from the election defeat. There is as yet no sign of any lively discussion within the party of the reasons for the failure and the future of those responsible. Thirdly, while Fretilin is traditionally well organised in rural regions and the districts, this is not the case everywhere. On this occasion Fretilin achieved a slight improvement in its results in the western part of the island, but the organisation is now far removed from its original status as the people's party.

The culture of patronage and nepotism within Fretilin is a systemic obstacle to the emergence of a new generation of politicians. A renewal of the party at the level of both individuals and issues is desperately needed.

The loss of importance described above has no impact on internal security and the further democratic development of the country. On account of the size of its membership and the still considerable public support that it enjoys, Fretilin remains a key player in the mix. If frustration with the election defeat were to escalate into violence, this would have serious consequences for the country as a whole. The next few months and years will reveal whether the party leaders will recognise their responsibility and act accordingly for the common good. After Gusmão announced his coalition plans there were in fact isolated incidents of rioting, destruction and vandalism, but from the information available it would appear that the leaders of Fretilin

7 | Cf. author's interview with Monika Schlicher, Watch Indonesia, 16 Jul 2012.

were not involved. Fretilin's behaviour in parliament since 2007 is also ground for cautious hope that the party and its representatives will continue to pursue a responsible opposition policy. In light of these developments the future of Fretilin remains an exciting issue in the island nation's internal politics.

AFTER THE PARLIAMENTARY ELECTIONS: STAGNATION IN EAST TIMOR?

The resounding election victory of the incumbent Prime Minister, Gusmão, and the resulting continuity at the top levels of government lead one to conclude that the political situation in East Timor does not differ significantly from the scenario that has prevailed over the last few years.

Analysis of the election results reveals that East Timor is characterised by sometimes regrettable features of stagnation but also by remarkable dynamic processes.

In Xanana Gusmão, the country still has at its head a prime minister who has been in charge of the country's destiny since its independence – first as president and since 2007 as prime minister – and whose social standing, as well as his recent successes, is still largely due to his time as a member of the resistance fighting the Indonesian occupation. However, analysis of the election results reveals that East Timor is characterised by sometimes regrettable features of stagnation but also by remarkable dynamic processes.

Firstly, it is clear that the parties have become better at addressing people's needs. As the elections have shown, the people of East Timor are increasingly focusing their attention on a few key political positions and demands. Of 21 parties that entered the election, four actually obtained seats in parliament; all the others fell at the three-percent hurdle. This reflects an initial consolidation of the party system, which is accompanied by refinement of the parties' programmatic profiles. These are positive steps in a country's democratic development, which is traditionally expressed partly through the role of the parties as the representatives of the people's interests.

It is also encouraging that the elections do not appear to have triggered any significant incidents. Considering that from 2006 to 2008 the country was on the brink of civil war, this absence of violence can by no means be taken for

granted. The satisfactory security situation is an important condition for the planned withdrawal of the international UN peacekeeping force at the end of the year. Initial responses from within the United Nations confirm that the timetable is likely to be adhered to. The greatest threat to the country's internal security no longer comes from politically motivated violence but from petty and juvenile crime.



The UN's UNMIT mission is planned to be pulled out at the end of this year. | Source: Martine Perret, United Nations Photo (CC BY-NC-ND).

At the same time – as the elections have illustrated – there are persistently unchanging features that continue to determine the country's political reality. These include the failure to appoint new people to positions within the political parties; there is instead a tendency to hold on to established figures. Successful as CNRT was in focusing the election campaign on its top candidate, Gusmão, as a person, this cannot but raise major questions about the party's future prospects. Gusmão is now 66; even he will at some point fade from the political scene. As yet, no successor has emerged. Fretilin's situation is similar. Alkatiri and Francisco "Lú-Olo" Guterres have systematically suppressed any discussion of potential successors. It is doubtful whether the renewed election defeat will have any implications for either of them, since their position within the party has to date been unassailable.

The lack of renewal of either people or structures has its origin in a fundamental feature of East Timor. Political legitimacy and authority are still largely dependent on having been involved in the resistance to the Indonesian occupation (1975-1999). Almost without exception, successful politicians – from the president and prime minister to various ministers – are people who played a key part at the time of the movement for independence from Indonesia. This makes it difficult for aspiring members of the younger generation to move into responsible political positions. It remains to be seen whether the example of the PD, which is taking a growing number of younger politicians on board, will spread.

CONCLUSION AND OUTLOOK

Gusmão's new cabinet,⁸ which began work in August 2012, is the first government since the achievement of independence in 2002 that has had to tackle the further democratic consolidation of the country without large-scale assistance from the international community. However, the largely peaceful course of all the election rounds in the 2012 election year is grounds for hope that East Timor will continue to develop successfully even after the conclusion of the UN mission. By comparison with the crisis-ridden years between 2006 and 2008, state and society appear to be sufficiently well consolidated, so that as things stand at present, a further outbreak of violence and chaos seems relatively unlikely.

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However, the limited likelihood of a relapse into disorder should not blind us to the fact that this small island nation will face major challenges in the coming years. One of the key issues that the new government will need to address is that of further economic development and hence the use of the National Petroleum Fund. Its tasks will be to ensure that the funds acquired from the country's finite resources

8 | At the time of final editing of this article, the members of the cabinet have not been named. Once the names have been announced they can be viewed on the website of the Indonesia and East Timor office of KAS, <http://kas.de/indonesien/de/publications/31582> (accessed 24 Jul 2012).

are invested sustainably,⁹ to tackle poverty, promote rural development¹⁰ and improve basic health care and education while at the same time keeping an eye on government expenditure; this will call for something of a balancing act.

Additionally, the country is also in danger of disappearing completely from the purview of international attention if the UNMIT mission of the United Nations and the International Stabilisation Force (ISF) withdraw as planned at the end of 2012. The withdrawal is a reflection of the improved security in the country. However, it does not mean that all of East Timor's problems and challenges are therefore resolved. Rather, international involvement will continue to be crucial in the coming years, especially in the areas of promoting the rule of law, tackling corruption and developing state institutions.

Article current as at 23 July 2012.

9 | In the short term, pressure on government funds is likely to be reduced, because an agreement with Woodside Petroleum on exploring and using the oil and gas reserves in the Greater Sunrise gas field could bring billions into the fund.

10 | Cf. Direcção Nacional de Estatística, "Highlights of the 2010 Census", <http://dne.mof.gov.tl/census/index.htm> (accessed 24 Jul 2012).