



THE SOCIAL IMPACT OF THE CURRENT ADMINISTRATIVE PROCESSES FOR VETERANS PAYMENTS

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Methodology

Through interviews and focus group discussions (FGDs) conducted with veteran payment recipients, ex-combatants organizations, community leaders and government officials including representatives of the Ministry of Social Solidarity, the Commission for Tribute, Supervision of Registration and Appeals (CHSRR) and Secretary of State for Veteran Affairs, Belun identified in this brief core issues that trigger conflict around the topic of veterans' payments. The field research was conducted in the districts of Ainaro, Baucau, Dili, Lautein, Manatuto, Manufahi and Vikéké between July and September 2011. In total, there were 173 participants in the FGDs (62 women and 111 men) and 63 interviewees (28 women and 35 men). Additionally, this brief was informed by a literature review on the subject of veterans' transfers, which drew from experiences abroad, media monitoring, and Belun's Early Warning, Early Response incident monitoring data.

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This policy brief captures the current policy context surrounding veterans' payments, community and key stakeholders perspectives, as well as conflict monitoring data from Belun's EWER system. Electronic versions of this brief and the full report are available for download, in Tetun and English, on Belun's website: www.belun.tl/en/publications.

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Introduction

The question of how to recognize those who participated in the resistance movement is both sensitive and essential for Timor-Leste. The government must balance multiple priorities, responding to the needs of various groups and their competing demands. Indeed, providing recognition for those who fought for independence must be tempered with the provision of broad-based social assistance to the entire population. In Timor-Leste, the disarmament and demobilization of former resistance members is nearly complete. However, reintegration remains a protracted and ill-defined process. Since 1999, the Timorese government has sought to address this issue and develop various policies in response to the needs of its 'veterans'.¹

Beginning with the first constitutional government, and through multiple rounds of policy development and revision, Timorese legislators have made considerable progress in attending to the needs of National Liberation Combatants (CLNs), through the elaboration of a channel for social assistance to veterans and providing recognition to those who participated in the armed front. Individuals with more than 15 years of "exclusive dedication"², along with those disabled in the conflict and the families of those who were killed, have been prioritized in the awarding of military decorations and pension payments. The government has also sought to demonstrate its gratitude for individuals who contributed 4-7 and 8-14 years of exclusive dedication, through the bestowing of medals and payments. However, challenges and tensions have emerged in relation to the payment system and the public's limited understanding of the social assistance laws.

Furthermore, defining who is a veteran and determining the best means of recognizing their contribution, either through decorations or payments, remain fraught. The pension program has created new divisions amongst community members since some individuals have received considerable amounts of money while others continue to wait for medals and pensions. A significant issue has also arisen around whether those receiving payments are recognized as legitimate beneficiaries by their communities. Such concerns have the potential to create conflicts amongst veterans and within communities.

With these issues in mind, Belun believes that practical and straightforward initiatives can help to ease tensions and better prepare communities and families to respond to disputes arising from veterans' social assistance payments. Suggestions include improving the comprehension of the veterans' law, finding creative solutions for distributing veteran's transfers and offering tools to deal with problems of social jealousy.

¹ In this report, the term "veteran" is used generally to refer to those who participated in the armed or clandestine fronts of the Timorese resistance movements; it does not refer directly to the legal definition of "veteran" as established in Article 8 of Law No. 9/2009, 29 July. This broader usage corresponds with the self-identification of most interviewees and focus group discussion participants.

² "Exclusive dedication" ("dedicação com carácter exclusivo", Law No. 3/2006, 12 April) requires that potential recipients only count those periods of time in which they were exclusively serving the resistance and not engaged in other work or study.

Key Issues & Recommendations

Key Issue 1: The Marginalization of Women and *the Clandestinos*

How to recognize the contribution of individuals that participated and suffered as part of the resistance struggle – but were not necessarily active in the formal armed resistance – is a particularly challenging policy area for the state. Because pensions are linked to a person’s “rank” within the structures or organizations of the resistance and years of exclusive dedication, members of the armed front (FALINTIL) are the primary beneficiaries of assistance, which further entrenches the economic and political power of one group to the detriment of others, and effectively undermines the development of an inclusive post-conflict national identity.³

Communities have raised concerns that members of the clandestine movement, particularly women who played an active role in the resistance, and the victims that suffered abuse during the occupation, have not received adequate recognition. With regards to female victims, a recognition campaign has already been initiated. However, efforts need to be sustained to ensure that this process does not lose momentum and is completed in a timely fashion. Indeed, many female victims are not brave enough admit to those abuses, are worried about public shaming and require the assistance and support of women’s organizations.

Recommendations

- The Direção Nacional dos Assuntos dos Combatentes da Libertação Nacional (National Directorate for National Liberation Combatants Affairs – DNACLN) of the Ministry of Social Solidarity (MSS) should foster a discussion on how to acknowledge clandestine organizations and women who contributed to the struggle, through the establishment of a working group on the recognition of the clandestine front in the resistance.
- The Sekretaria Estada ba Promosaun Igualdade (Secretary of State for the Promotion of Equality – SEPI), women’s organizations, and the leadership of the resistance group Organizasaun Popular da Mulher de Timor (Popular Organization of the Timorese Women – OPMT) should identify female victims of the Indonesian occupation (who suffered from torture, sexual abuse and other forms of violence), and should pressure the state to provide social assistance for their needs (e.g. trauma counseling services).
- SEPI, OPMT, and women’s organizations should continue to organize gender equality promotion campaigns and reinforce the notion that widows and daughters of martyrs are also entitled to receiving benefits.⁴

Key Issue 2: Verification, Disbursements and Complaints – Weaknesses of the Veteran Pensions’ System

How can verification be improved? How are veterans’ pensions administered? Are there effective complaint channels put in place? Some of the complex issues faced by policymakers include how to verify the number of years of contribution for each veteran as well as the role of the newly formed Comissão de Homenagem, Supervisão do Registro e Recursos, (Commission for Tribute, Supervision of Registration and Appeals – CHSRR) as the overseeing entity for the verification process. Indeed, some veterans remain dissatisfied with the representativeness of the CHSRR, which has been accused of lacking professionalism and manipulating data.

The distribution process raises concerns about the security of beneficiaries, as veterans may be quite elderly and experiencing health problems. According to Belun’s data, some have had various accidents while walking considerable distances to receive their benefits due to the limited transportation options to the distribution points. Moreover, in a number of cases individuals wanting to rob or mislead recipients have exploited this vulnerability.

³ Kent & Wallis 2014/13. *Timor-Leste’s Veterans’ Pension Scheme: Who are the Beneficiaries and Who is Missing Out?*

⁴ Article 26 of Law No. 3/2006 grants the right for a “survival pension” to widows, orphans, elderly parents or siblings of a deceased veteran.

Recommendations

2.1. Verifying Data

- The DNACLN along with the CHSSR should continue the accountability measures of verifying the recipient data in existing databases so as to improve the efficiency of the MSS' veterans' pensions system. In 2014, the 5th verification phase has revoked about 600 pensions for individuals that had either falsified documents (usually increasing the number of years of exclusive dedication) or were receiving the payments in lieu of a veteran who had already died.⁵
- The Secretary of State for Veteran Affairs should evaluate the success of the previous rounds of verification and apply "lessons learnt" when designing the verification process for the next round of registrants.
- The Secretary of State for Veteran Affairs should also conduct regular, independent evaluations to review the CHSRR's performance. In case it continues to meet difficulties, the composition of the CHSRR should be reconsidered and steps should be taken to ensure that their assignment is conducted more transparently.

2.2 Payments' Processes

- MSS should inform and coordinate with community police in order to monitor banks and travel routes during the distribution of veterans' pension payments to ensure security of beneficiaries.
- MSS through the Secretary of State for Veterans, the Ministry of Finance (MoF) and banks should come together to develop a clear timeline for the distribution of veterans' payments, which can then be shared to all beneficiaries, thus minimizing delays. Indeed, many focus group participants identified not knowing the date and location of payments in advance as the most urgent challenge to be addressed in the disbursement process.
- Banks should guarantee that once funds from the government are transferred, individual beneficiaries can access them accordingly to the timeframe published by the Secretary of State for Veterans (on the 15th of each month) and avoiding making unnecessary trips.
- Create a unique identification system for social assistance programs disbursed by the MSS. In 2008, the Ministry of Justice began issuing a national identity card but the rollout has been slow and erratic with just 30,000 IDs issued as of June 2014. Linking the program beneficiary database with national ID system will enable the better management of veteran's payments.⁶
- Increase and improve communication between the MoF and the MSS so as to avoid inconsistencies in their respective databases of transfer recipients.

2.3 Complaints' Channels

- MSS should form a consultative committee composed of representatives from MSS, participating banks and MoF in order to address problems encountered by beneficiaries.
- DNACLN and banks should ensure that beneficiaries are able to directly file and receive complaints regarding payments. Beneficiaries should be entitled to clear responses for technical issues without having to go through the local authorities, which are often unable to satisfactorily answer their enquiries.
- MSS, through its consultative committee involving MoF and banks, should use the list of complaints to identify pervasive issues related to technical problems in banks and databases. Following this assessment, cases could be more readily addressed and claimants provided with clear information concerning their status.
- MSS, through its consultative committee involving MoF and banks should better inform beneficiaries about the complaints mechanism, and the process for responding to technical problems confronted by beneficiaries in the receipt of their pensions.

⁵ Timor Post. 16 June 2014. *Governu Kua Pensaun Veteranus*.p.1.

⁶ World Bank. 2013. *Timor-Leste - Social Assistance Public Expenditure and Program Performance Report*, p.64-65. Report No: 73484-TP. Social Protection and Labor Human Development Sector Unit East Asia and Pacific Region.

- Additionally, MSS, through its consultative committee should create channels for anonymous complaints about potential cases of fraudulent payments claims, so that the consultative committee can investigate cases according to the reality of what happened during the resistance.⁷
- DNACLN teams should verbally explain the relevant laws⁸ to individuals who do not fully understand the definitions of who is eligible for veteran's payments. In Timor-Leste, the literacy rate for adults is only 51%. Furthermore, there is a diversity of local languages, which can be a barrier to communication.

Key Issue 3: Social Impact of Veterans Payments on Community Cohesion

The minimum wage in Timor-Leste is set at \$115/month, although often this floor wage is not respected in the large informal sector. Since veterans payment are only disbursed to less than 2.5% of the population and vary between \$230-\$750/month depending on the extent of one's involvement in the resistance movement, receiving such a hefty sum can trigger tensions both within the family of the recipient and between fellow veterans.

Indeed, family members might disagree on how the pension should be distributed or spent and tensions might arise among veterans who disagree over the legitimacy of others' claims to certain levels of benefits. In sum, large cash injections into communities can provoke disputes when mechanisms are not in place to support beneficiaries in making sound investment decisions (family support, sustainable business or community activities).

Additionally, in the context of veterans' programs, where payments are intended to express gratitude, tensions are exacerbated as administrative hurdles lead to serious criticism from the major veteran and clandestine group lobbies, which limits the potential for successful reintegration.

Recommendations

- CHSRR should make the contents of the law No. 9/2009 accessible to community members and to families of veterans, helping them understand the law and the eligibility requirements for recipients.
- MSS should provide mediation teams to resolve disputes, both between veterans and within families over the disbursement and allocation of payments.
- The DNACLN should find alternatives to financial payments to recognize individuals' contributions to the resistance struggle, such as targeted social services (e.g. health, education, water sanitation) or assistance in job creation. For example, veterans' agricultural or business cooperatives could be established for those who live in the same aldeia (hamlet). Moreover, it would be beneficial to favor the most vulnerable veterans: those who are poor, disabled, or unemployed.
- MSS, collaborating with the Ministry of Commerce, Industry and Environment through the Secretary of State for Industry and Cooperatives as well as the Secretary of State for Support and Promotion of the Private Sector through the Institute for Business Development, should offer money management skills trainings for pension beneficiaries so that they can make profitable long-term investments with the money received.
- Increase the transparency of the verification process so as to minimize social jealousy emanating from the perceived opacity of the verification criteria. Consultations by the CHSRR at the district and sub-district levels could serve as the basis for the registration, verification and payment processes, thus facilitating the selection of actual veterans. The CHSRR could also encourage the involvement of veterans and members of the OPMT in the vetting process at the aldeia level, as they possess the most knowledge on the subject.
- Belun recognizes the commendable government efforts to facilitate the establishment of Konsellus Veteranu Distritál (Veteran District Councils – KVDs) and recommends that KVDs develop grassroots mediation capacities so that the understanding of the law on veterans' payments can be extended to the public.
- KVDs should assume a role in providing civic education to beneficiaries and their communities about the purpose of the payments system and the verification processes.

⁷ Doing so would reduce the use of 'popular justice. Some individuals feel ashamed of their past experiences and suffering under Indonesian occupation. Intimidation could also prevent people from stepping forward publicly to reveal the truth.

⁸ The relevant laws are: Law No. 3/2006 of 12 April and Law no. 9/2009 of 29 July

Key Issue 4: Resistance Histories – Combining Different Narratives of the Struggle

It is important to embrace the different accounts of resistance, acknowledging the complexity of the contributions to the struggle.⁹

Recommendations

- To understand the resistance's structure from top to bottom, KVDs should oversee the development of a list of individuals who made secret contributions to the resistance movement despite also working for the Indonesian government, military or other institutions. Recognizing all of those who supported the resistance movement in some manner would reduce the accusations of treason made by the public and promote social harmony.
- The Office of the President of the Republic should form a national research team, including academics and veterans, to conduct a nationwide research project at the aldeia level on the multiple accounts that coexist among different geographic, political and social groups. Based on the accounts collected, the team should write an accurate and complete history of the struggle that would then serve as a reference and educational tool to prevent historical narratives from being usurped for political or social gain.
- Such a social history project could utilize books, film, theater, websites, and social media to spread the message to the population. Moreover, this research should be linked to efforts of the OPMT to document resistance history, as well as the current efforts to disseminate the "Chega!" report.¹⁰
- The Government, through the Post-CAVR Technical Secretariat and civil society should continue its efforts to develop policy and programs that follow the recommendations made through by the "Chega!" report, in order to support continued research, support formal justice processes and reparations and provide assistance to victims.¹¹ The Museum of the Resistance in Dili is an important initiative for remembering those who participated in the struggle. Although Timor-Leste is a post-conflict country, where recent history is a sensitive topic, there is a "duty to remember"¹² the resistance struggle.
- It is equally important to temper the "duty to remember" with forward-looking mentality. Because of their respected position within Timorese society, veterans could have an active role in promoting long-term development. Using the resistance spirit of "A Luta Continua," the government should leverage the veterans' influence to build a sustainable future for Timor-Leste.

Conclusion

Although the veteran's payment program has been in place since 2008, in order to minimize the potential for tensions and violent conflict arising from the process, a number of key issues must be addressed. The contributions of previously marginalized groups to the independence struggle should be acknowledged, the transfer distribution system should be perfected by verifying the recipients' database and strengthening the banking network, and social jealousy – which results from the income inequality created by the payments and exclusive history of the resistance movement – should be addressed. Together, these actions are essential to reducing transfer-related conflicts and increasing the overall efficiency of the veterans' payment system.

⁹ For example, a person could have supported the resistance by pretending to be a double agent, a stratagem to mislead the Indonesians. In this case, the individual should be categorized as a veteran or combatant according to their actual contribution in the conflict.

¹⁰ "Chega!" Report, post-CAVR (Commission for Reception, Truth and Reconciliation) Technical Secretariat: Dec 2005, Balide, Dili

¹¹ Interview with Director of the post-CAVR Technical Secretariat, 18 September 2012, Balide, Dili

¹² The "duty to remember" refers to a state's moral responsibility to keep alive the memory of past atrocities, helping in the victims' healing process, and so as to avoid that such events are repeated in the future.

Timor's oil wealth must benefit all citizens

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In the 2014 fiscal year, the Government paid \$88 million in public transfer payments for pensions to veterans and former resistance fighters; a staggering 40% of the total subsidies included in the general state budget for the year. Spending on veterans has grown rapidly since 2008, ballooning around the 2012 general election period before shrinking slightly in 2013 and 2014. However, allocations to veterans remain a major component of the budget and play a significant role in the finances of the state. In addition to cash transfers, veterans also qualify for other forms of government assistance, including health treatment in foreign countries and priority access to contracts for certain state 'emergency' projects. Between 2010 and 2012, veterans were awarded around \$78 million in government contracts.

In 2013, La'ó Hamutuk gained access to an internal government document which outlined the official plan for spending on veterans' assistance until the year 2112. Assuming a minimum monthly wage of \$151.80, it is estimated that this policy will cost between \$2.8 billion at reference case, and \$7 billion at the costly case. However, with the likelihood of a rising minimum wage and with more veterans registering for the payments, this cost could in fact double. This would mean that approximately 25% of Timor-Leste's oil wealth (excluding the disputed Sunrise field) would be used to the exclusive benefit of veterans.

State spending is heavily reliant on the oil and gas industry. This year, 93% of state revenue will be drawn from petroleum production incomes and investment returns on the state's Petroleum Fund. Concerningly, Bayu-Undan and Kitan, the two off-shore gas fields which have been delivering these revenues are expected to dry up within the next six years.

The reality is that Timor-Leste's wealth is very limited, and at a time when over half the population is still living under the poverty line, the distribution of such a large amount of state wealth amongst such a small group of beneficiaries is a significant injustice. The state must work hard to reduce poverty and to achieve economic equality and social justice for all of its citizens.

Unfortunately, we have not yet succeeded in preparing and developing a renewable economy to replace the finite oil and gas incomes which will be exhausted within the next six years. Timor-Leste is heavily import dependent and has failed to develop local industries, to prioritize sustainable development, or achieve inclusive growth. This is a clear signal that Timor-Leste has fallen victim to the resource curse. The window of opportunity for overcoming this challenge is rapidly passing. Once the oil money has dried up, it will already be too late to make the required shift in economic policies and priorities, to secure a prosperous, sustainable and equitable future for the country.

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