# Permanent Mission of the Republic of Indonesia to the United Nations



666 THIRD AVENUE NEW YORK, N. Y. 10017

ECONOMIC AND SOCIAL DEVELOPMENT

IN EAST TIMOR

# ECONOMIC AND SOCIAL DEVELOPMENT IN EAST TIMOR

Since the integration of East Timor into the Republic of Indonesia on 17 July 1976, the Central Government has paid particular attention to the socio-economic development as well as the administrative organization of the Province in order for it to catch up with the development of the other provinces of Indonesia.

In the field of administration and in conformity with Government Regulation no. 19 of 1976 the status of East Timor is designated as a Province/Level I Region, administered by a Governor. The Province consists of 13 Kabupaten/Level II Regions (districts), and 64 Kecamatan (sub-districts). A Kabupaten is headed by a Bupati and Kecamatan by a Camat. Each Kecamatan consists of a number of villages, each of which is headed by a village Head. There are 1,717 villages in East Timor.

At the provincial level, there are several Government organizations, including the Regional Territorial Secretariat, the Regional Revenue Service, the Regional Social Service, etc. There are also a number of vertical institutions which represent the Ministries of the Central Government (Jakarta), such as the Regional Office of the Ministry of Health, the Regional Office of the Ministry of Agriculture, the Regional Office of the Ministry of Information, Regional Office of the Ministry of Education and Culture, the Regional Office of the Ministry of Manpower and the Regional Office of the Ministry of Religion. To assist the Governor in planning, a Regional Development Board (BAPPEDA) was established by Governor decision No. 106 of 1980 as well as a Regional Inspectorate to carry out inspections/audits.

The administrative aparatus in East Timor comprises 10,050 civil servants, of which 8,047 are East Timorese representing 80% of the total. The

Government has built 3 Bupati Offices, 60 Carnat (Head of District) Offices, 62 buildings for Camat staff and 262 buildings for departmental staff. Training of civil servants has been given priority and by 1982/83 all provincial - and district - level staff had completed training courses in the fields of government policy, finance and planning. Other courses and vocational trainings—were held for the various personnel at levels commensurate with their respective function and competence.

In the field of economic and social development the Government has set priority in five sectors: <u>agriculture</u>, <u>public health</u>, <u>education</u>, <u>communication</u> as well as the <u>administrative apparatus</u> of the provincial government including law enforcement. Development efforts are also directed toward creating business opportunities, cooperatives and local industrial expansion. Hence, the Government's development programs in East Timor are directed toward the following goals:

- To increase food production and export commodities through rehabilitation, extensification, intensification and diversification of food producing areas, to promote animal husbandry, fisheries and efforts to preserve natural resources and the environment.
- 2. To rehabilitate and expand land, air and sea communications, as well as telecommunications and meteorology, particularly land communications.
- 3. To rehabilitate and expand facilities and infrastructures at all levels of public and private education.
- 4. To increase health and medical facilities such as through the establishment of hospitals, clinics and public (rural) health centers, by increasing the number of 'doctors and medical personnel as well as by initiating programs of preventive health care.

5. To increase income and the standard of living by stimulating the business environment and local industrial development.

## Financing Government Administration and Development

From fiscal year 1976/77 to fiscal year 1984/85, East Timor received a budget totalling Rp.278,647,165,660.00 (approximately US\$361,576,066.00) for the administration and development of the province. The distribution was as follows:

Inpres projects (Special projects established by Presidential Decision) received Rp.99,913,470,000.00; sectoral projects received Rp.113,999,232.000.00 and the routine budget for administration was Rp.64,705,463,650.00. The budget for East Timor represents the highest per capita budget of all provinces of Indonesia.

SUMMARY OF GOVERNMENTAL EXPENDITURES IN THE PROVINCE OF EAST TIMOR INCLUDING SECTORAL, INPRES AND ROUTINE

BUDGETS FROM 1976/77 TO 1984/85

(in '000 Rupiah)

No.	Fiscal year	Sectoral	Inpres	Routine	Total in Rp.	Total in US \$ (approximately)	
1.	1976/1977	232,750	551,991	1,475,600	2,260,341	5,318,449.41	
2.	1977/1978	3,500,000	3,359,650	3,261,642	10,121,510	23,815,317.64	
3.	1978/1979	4,333,456	3,997,000	3,134,490	11,464,964	26,976,385.88	
4.	1979/1980	7,517,176	5,152,250	3,150,000	15,820,026	25,312,041.60	
5.	1980/1981	12,415,687 '	9,087,521	6,954,372	28,457,580	45,532,128.00	
<b>5.</b>	1981/1982	11,213,208.25	14,884,621	8,435,500	34,532,330.25	55,251,728.00	
<b>'</b> .	1982/1983	28,220,943.76	19,113,880	8,846,752	56,181,581.76	57,919,155.67	
3.	1983/1984	22,871,356.50	20,825,937	9,432,046.30	53,156,364.80	54,800,375.25	
9.	1984/1985	23,694,654.50	22,940,774	20,015,061.35	66,650,485.85	66,650,485.00	
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	Total	113,999,232.01	99,913,470	64,705,463.65	278,647,165.66	361,576,066.45	

#### <u>Agriculture</u>

According to the 1980 census, almost 90% of the people in East Timor are involved in the agricultural sector. Hence, a major development effort is concentrated on food crop production, plantation crops, livestock husbandry and fisheries. In the Fourth PELITA (Fourth Five Year Plan 1984 - 1989), agricultural development is being directed toward increased food production including rice, maize and secondary crops as well as horticulture through means of rehabilitation, intensification, extensification and diversification. It is expected that by 1990 East Timor will not only be self-sufficient in food crops but will even become an exporter of a small surplus. In fact, the districts of Ainaro, Bobonaro, Covalima, Baucau, Manatuto and Liquica have already achieved surplus food production.

These positive results are due to Government efforts to rehabilitate the agricultural infrastructure and facilities, to train farmers in modern farming methods and to provide them with all necessary farming implements, seeds, fertilizers, etc.

In the development of the agricultural infrastructure, old irrigation systems were rehabilitated while new ones were built and cultivable areas expanded. In the district of Bobonaro, for example, a major irrigation system was built to irrigate around 10,000 hectares of rice fields. Under another development project, an irrigation system was built in Baucau, capable of irrigating almost all of the local rice fields.

Under the agricultural intensification program over 4,000 hectares of land in the districts of Bobonaro, Baucau and Manatuto are today producing 4 to 4.5 tons of rice per hectare as compared to the one ton produced before intensification. In addition, food crop pilot projects have been established in Manatuto, Manufahi,

Aileu, Maliana and Baucau, to assist farmers in stepping up production. Also, several areas which were not food-producing areas before are now cultivating rice and corn such as Maliana, Suaia, South Viqueque and Natarbora.

The increase in rice production is, inter alia, due to the increase in the farming skills of the people. In this context, mention must be made of the positive results derived from the program initiated by the Government to bring in 100 expert farmers from Bali to East Timor. The Balinese farmers have been placed alternately among the East Timor farmers so that the latter could learn more efficient methods of cultivation. Besides these efforts, a number of East Timor farmers have been sent to Yogyakarta (Java) to learn farming skills.

The Government has also developed an agricultural extension program that provides farmers with agricultural implements, improved seeds, pesticides and fertilizer. Apart from these efforts farmers are extended low interest loans, which are made available by Bank Rakyat Indonesia (People's Bank of Indonesia) through the BIMAS (Mass Guidance) program.

In addition to the Government's efforts, international organizations such as UNICEF, IRC (Indonesian Red Cross), ICRC and the Catholic Relief Service (CRS) are participating in rehabilitation and development of the agricultural sector. Through the East Timor Agricultural Development Program, the CRS has assisted in the restoration of agricultural areas and in providing agricultural machinery such as 20 MF 4-Wheel Drive tractors equipped with weeding and ground breaking equipment.

In support of the agricultural mechanization program the CRS maintains a Centre located at Raimate, where it conducts workshops and training courses in equipment maintenance, cultivation and in marketing of crops. The East Timor

Agricultural Development Program will operate for 5 years at a cost of US \$5,000,000.

Plantation crop production, especially coffee, is yet another area receiving special attention. The major development effort is in replanting plantation crops and in the diversification of crops with a view to increasing the income of the people. By 1980 over 1,000,000 Arabusta coffee seedlings and 1,000,000 clove seedlings have been distributed to the population. The local Agricultural Office also has a program for cultivating coconut tree seedlings and experiments have been carried out in Lautem and Viqueque Districts to seed sugarcane. Also, plans have been put in place to open sugarcane plantations covering an area of 10,000 hectares.

The extent of plantation crop cultivation in East Timor is as follows: coffee -44,560 hectares; coconut - 47,715 hectares; cinnamon - 2,517 hectares; kapok -8,569 hectares; areca - 34,690 hectares; and clove - 590 hectares.

Efforts have also been made to increase the cattle herds and to train cattle farmers. The government has supplied, inter alia, 4,512 Bali cows, 1,500 drought master cows, and 2,800 water buffaloes. In addition, the CRS has imported 300 Bali cows to Raimate.

There is a special pilot project in Bobonaro to increase cattle breeding. Under this project the cows delivered in 1978/79 numbering 1,500 multiplied to 3,823 by 1982/83. Moreover, all cattle in East Timor have been vaccinated to protect them from diseases.

The total number of livestock in East Timor as of 1983 is: 39,705 cows (400 of which are milch cows), 40,229 water buffaloes, 21,584 horses, 202,242 pigs, 74,062 goats, 17,751 sheep and 314,835 chickens.

With regard to fisheries, the Government has extended to East Timorese fishermen technical guidance, credit as well as the construction of fish markets. In 1984 the Government provided credit amounting to Rp.352,000,000 (approximately US\$352,000) to fishermen under the Kredit Pola Bimas Program. The Government has also undertaken the development of fresh water fish cultivation. In 1983 Rp. 97,000,000 (approximately US\$97,000) was alloted for fresh water fish industries, such as the construction of a 2 hectare Local Fish Development Center in Same and the rehabilitation of fish ponds. In 1983/84 there were 47,799 sq. metres of fish ponds in the province.

DEVELOPMENT OF FOOD PRODUCTION IN EAST TIMOR
DURING PELITA III

· (in tons)

No.	Commodities	1979	1980	1981	1982	1983	1984
1,	Rice	16.521	23.874	28. 183	29.771	29.863	33.572
2.	Corn	31.360	34.888	49.241	56.445	31.649	45.265
3.	Mongo Beans	1.380	442	296	163	1.374	1.672
4.	Peanuts	346	685	898	942	1.279	1.582
5.	Soya Beans	44	27	68	51	1.279	1.597
6.	Cassava	76.000	41.387	40.782	17.396	13.231	16.880
7.	Sweet Potatoes	1.248	4.620	4.158	2.233	5.498	7.146

# DEVELOPMENT OF PLANTATION CROP PRODUCTION: IN EAST TIMOR DURING PELITA III

(in tons)

No.	Commodities	1979	1980	1981	1982	1983	
1.	Čoconut	8.895,5	8.877,6	8.895,6	8.903,6	8.934	
2.	Coffee	5.008,5	6.678	5.012,25	6.691,5	8.515,31	
3.	Cotton	8.395,5	8.395,5	8.400,5	8.398,5	8.398,5	
4.	Areca-Palm	8.395,5	1.472	1.472	8.733	8.733	
5.	Candlenuts	916,5	945,9	961	945,9	948	
6.	Sandalwood	254,5	265,5	254,5	262,5	262,5	
7.	Clove	•	<u>.</u>	-	•	0,05	

DEVELOPMENT OF FISH PRODUCTION IN EAST TIMOR DURING PELITA III

(in tons)

No.	Commodities	1979	1980	1981	1982	1983	
1.	Salt water fish	236,3	359,2	380,2	397,3	495,3	
2.	Fresh-water fish		-	-	•	•	
	TOTAL	236,3	359,2	380,2	397,3	495,3	

# DEVELOPMENT OF PLANTATION CROPS IN EAST TIMOR AND RATE OF EXPORT DURING PELITA III

(in tons)

No.	Commodities	1979		1980		194	1981		1982 1983		3
		Р	ε	P	ε	Р	ε	Р	ε	Р	E
1	Coffee	5.008,5	2.5 10	6.678	5.597	5.012,25	3.547	6.691,5	2.968	8.515,31	5.505
2.	Coconut	8.895,5	240	8.877,6	23	8.895,6	-	8.903,6	•	8.934	-

Note: P = Production

E = Export

#### Land, Sea and Air Transportation

Prior to integration, the transportation network in East Timor was virtually non-existent, as evinced by the fact that there was only one asphalt road, a 21 km stretch in Dili, and a total length of only 60 meters of bridgespan. As this sector is essential to the development of all other sectors, the Government early on placed high priority on the development of transportation networks. By March 1984

over 2,957 km of roads and 1,000 meters of bridges have been constructed. Today there are asphalt roads linking Dili with the District capitals of Baucau, Ermera, Liquica and Manatuto. By the end of PELITA IV all roads linking Dili with the district capitals will have been asphalted. The expansion of the road system was followed by a 400% increase in the number of motorized vehicles in the period from 1976 to 1984. In 1984, motorized vehicles numbered 5,626, consisting of 850 sedan cars, 578 jeeps and pick-ups, 582 trucks, 75 buses and 3,541 motor-cycles. Moreover, a public transportation network has been established in East Timor. PN DAMRI (a state owned transportation company) operates numerous bus-lines including regularly scheduled routes such as between: Dili-Ermera-Atsabe; Dili-Manatuto-Baucau-Viqueque; Dili-Liquica-Maubara; and Maliana-Balibo-Batugede-Atambua. In addition to PN Damri, 2 private bus companies also operate their own fleets.

With regard to sea transportation, Dili has the largest harbour in the province, possessing a pier which can accomodate ships up to 5,000 ton dead weight. On an average, 4 ships call at Dili harbour each week to meet the needs of East Timor and to export produce from East Timor. The facilities at Dili also function as an inter-island harbour and gateway for trade with foreign countries. Besides Dili harbour, there are a number of local harbours such as at Lautem and Laga on the northern coast and Betano and Aleam Bata on the southern coast, which are served regularly by a pioneer shipping line.

Air transportation is also an important means to link East Timor with the rest of Indonesia as well as for intra-island transport. The Komoro Dili Airport, which was completed in 1981, is the major gateway to and from East Timor by air. The Garuda Indonesian Airways has two daily routes, Jakarta-Denpasar-Kupang-Dili

and Surabaya-Denpasar-Kupang-Dili. Besides Kornoro Airport, there are pioneer airports in various districts. Since April 1983 the Merpati Nusantara Airlines has operated a pioneer flight twice a week to Kupang-Dili-Maliana-Covalima. In addition there is an airport in Baucau capable of serving aircraft of the DC 10 type.

### Trade, Cooperatives and Industry

In the context of organizing the economy of East Tirnor, the Government, through the Department of Trade, has established rules and regulations regarding licences for business, to assure the stable and equitable distribution of essential goods, much of which must be imported from other parts of Indonesia. Hence, every organization or business which operates in the public goods and services sector must possess a SIUP (Business License for Trade).

When the regulation was issued in 1980, 67 SIUPs were granted to businesses. By the end of 1982, 282 SIUP licenced businesses were in operation and by the end of 1983 as many as 868 SIUPs had been issued. In this regard particular attention has been directed toward the economically less advantaged, with a view to up-grading their business skills. Special steps have been taken to improve managment, finance and other skills relevant to business. To this end Trade Consultations Bureaus have been established in a number of towns such as Dili, Maliana and Baucau, which provide their consultative services free of charge.

In support of economic growth, many banks have been opened in East Timor such as Bank Pembangunan Daerah (Regional Development Bank), Bank Dagang Negara (State Trading Bank) and Bank Rakyat Indonesia (Indonesian People's Bank).

Cooperatives are yet another important element in expanding economic growth particularly for the average East Timorese. Cooperatives have been

established through Governmental guidance programs on the district and sub-district levels. Activities are directed toward: providing credit, marketing, distribution of basic commodities (especially rice, sugar, salt, saltfish, frying oil, kerosene, flour and soap).

By 1983 there were 118 cooperatives, consisting of 60 Village Cooperatives, 56 Civil Servant Cooperatives and 2 Women's Cooperatives. Moreover, all employees involved in the administration of cooperatives are provided training in order to increase their management skills.

At this point of East Timor's development, industrial growth is directed toward creating facilities for processing agricultural products and increasing handicraft production (basketry, traditional weaving, jewelry, etc.). Additional efforts are being made to expand the salt, prepared food and beverage industries as well as the smithery and building materials industries. To this end vocational training is provided in building and construction, craftsmanship, mechanics and electricity, weaving and sewing.

Under the "Bipik" program (Guidance and Promotion of Small Industries), the Government is expanding local industries particularly in the production of agricultural implements, fertilizer and processing of agricultural products. During 1983/84-80 East Timorese underwent vocational training through the "Bipik" program after which they were provided the necessary equiptment to establish their own enterprises.

#### Public Health and Nutrition

Stress in the public health sector has been on building health facilities and increasing the number of medical personnel. While before integration there was

only one hospital in East Timor, at present there is a hospital in every district capital and each sub-district has a Public Health Centre headed by a doctor. In addition, 101 Auxiliary Health Centres and two pharmacies have been constructed and 26 mobile clinics are in operation. Health personnel consists of 71 general physicians, 5 specialists – 1 gynaecologist, 1 surgeon, 1 pediatrician and two internists, 8 dentists and 3 pharmacists. The physicians are assisted by 1,665 paramedics. The 84 doctors operating in East Timor represent the highest ratio of doctors to population than any of the other Indonesian Provinces (i.e. better than 1: 7,000, while for example Java has a ratio of 1:23,000.)

To increase the number of skilled nurses, a Nursing School was opened in Dili in 1980, with 30 student nurses enrolled the first year. In 1983 the school graduated 27 nurses. In 1983 the capacity of the Nursing School was expanded to 80 student nurses and it is expected to graduate 75 to 80 nurses every year from 1986 onward.

Much attention has been devoted to the eradication of diseases. Tens of thousands of East Timorese have been treated for malaria, tuberculosis, elephantiasis and yaws. Efforts to prevent various diseases include the spraying of thousands of homes to prevent malaria, as well as an extensive immunisation program for children and, pregnant women to prevent tuberculosis, diptheria, tetanus, etc.

In the field of sanitation, 160 reservoirs of fresh water, 3,751 wells with handpumps, 140 sewers and 1,600 family latrines have been built.

## Village-Development

One of the problems faced in promoting economic and social

development is that some of the villages are so small, consisting of only a few houses scattered and isolated in the mountainous country-side, that they should more aptly be called "hornesteads" rather than villages. By and large these people are among the most destitute and, because of the inaccessible terrain, have not been able to benefit from the various development programs. Therefore, the Government has initiated an ambitious Model Village ("Desa Binaan") Development Program to encourage the people to change from their backward way of life. The Program, which is wholly conceived within our National Development Plan, entails the establishment of 223 model villages, with 200 families in each village. Furthermore, reference to the setting-up of these villages does not always imply the creation of new villages. In some cases the idea is to merge several isolated homesteads into one (larger) locality or village, or to designate one existing village in a given locality as the "nucleus" village for the surrounding area. The choice of these nucleus localities was strictly for their geographic placement and economic/developmental potential.

Within the concept of the "model village" development it is being planned that the program would provide these villages with the following basic amenities and/or public services: low-cost housing, clean/sanitary water supply, public health unit, public school(s), places of worship, one-year subsidy for food, agricultural development support (seeds, fertilizers, farm implements, agricultural extension services, produce storage facilities, etc.) the building of village and rural roads. The cost of construction of a single village will be Rp. 300,000,000 (approximately US \$300,000). The schedule for construction of the 223 Model villages is: 50 in 1984/85, 50 in 1985/86 and 123 in 1986/87. At the present time, a number of these model villages have already reached the stage of completion, e.g.

in <u>Caiuri</u> and <u>Otolare</u>, approximately 6 kilometers from the town of Laquisa. The entire programme is coordinated by the Department of the Interior and implementation is entrusted to the Governor/Provincial Government of East Timor.

## Law Enforcement in East Timor

The primary objectives and principles as contained in the Basic Guidelines of State Policy and Indonesia's Five-Year Development Plans have always guided the Government apparatus in implementing the development efforts as well as in dealing with law enforcement in East Timor.

Due process of law is guaranteed, even for the remnants of the ex-Fretilin. They will be tried and in fact many have been and are being tried for criminal offences in public, civil courts, in accordance with Indonesian criminal law and procedures (and in full conformity with Articles 10 and 11 of the Universal Declaration on Human Rights). Each defendant may retain on his own the services of legal counsel, or in the case of inability to pay lawyers' fees, the defendant is provided free counsel through established legal consultant groups. Each defendant may also avail himself/herself of sworn translators/interpreters. The right of a defendant to appeal to a higher court, i.e. the High Court and subsequently to the Supreme Court, is assured by law.

From December 1983 to March 1985 157 persons have been tried on charges based on Article 110 section I juncto Article 106 of the Indonesian Criminal Code. Sentences handed down so far consist of prison terms ranging between 2 months and 17 years of which 132 received sentences of less than 7 years while 25 received sentences of more than 7 years. In addition, 50 detainees were released on

April 27, 1985 on the Court's determination of a lack of evidence for trial. So far, none of those convicted have opted to take recourse to appeal, although this right has been made explicitly clear to them by the panel of judges at each sentencing.

It should further be noted that the proceedings have been widely reported by the national press as well as some foreign news media. Moreover, henceforth an ICRC representative will be able to attend all trials.

The use of torture and other forms of ill-treatment in interrogating suspects is contrary to the State Philosophy, the Pancasila, to the basic values of the Indonesian people and to specific national laws and regulations, particularly Law No. 14 of 1970 on the Basic Provisions concerning Judicial Power and Law No. 8 of 1981 on Criminal Law Procedure. The use of torture and other forms of ill treatment in the interrogation of suspects is subject to disciplinary action and prosecution. The Indonesian Government has also intensified efforts to prevent any torture and ill-treatment from occurring.

As part of the constructive approach of the Indonesian Government in its effort to promote peace and security in the province of East Timor, President Suharto has since 1977 offered general amnesty to the remaining members of FRETILIN. As a result, the vast majority had decided to accept the offer. They have been reintegrated into society and the Indonesian Government has promoted their active participation in the development of East Timor. The offer of general amnesty is still standing for the remaining few remnants of FRETILIN.

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The significant strides being made in the development of East Timor

province have been confirmed by reports of humanitarian organizations already in East Timor and distinguished foreign visitors who are unbiased and neutral observers of the situation.

Arnong the many foreign governmental and non-governmental dignitaries and other visitors to East Timor since integration, who have made extensive tours of the province and who generally praised the development efforts of the Government are, inter alia: the former Prime Minister of Australia, Mr. Gough Whitlam, the Foreign Minister of Solomon Islands, H.E. Dennis Lulei, the Foreign Minister of Western Samoa, H.E. Lauofo Meti, the United States Congressional Delegation (Congressmen Lester Woff, John Myers and Henry Hyde), the Australian Parliamentary Delegation (M.P.'s W.L. Morrison, J.D.M. Dobbie and M.D. Cross, Senators G.D. Mc-Intosh and D.J. Mac Gibson), the Federal Republic of Germany Parliamentary Delegation (H. Hupka, H.U. Klose, D. Kleinert, V. Neumann and O. Regenspurger), Representatives of the International Committee of the Red Cross, the United Nations Children Fund, the Catholic Relief Services and scores of foreign journalists representing various international news media.

East Timor and its people have emerged out of 400 years of colonial domination. It is realized that the legacy of centuries of colonialism and the ravages of civil war that preceded its emancipation into independence through integration cannot be overcome in a few years. However, the facts and figures that reflect rapid economic and social development, as depicted in the preceding pages, are eloquent testimony that the people of the province of East Timor with the assistance of their fellow Indonesians and their national government are working hard and are making significant progress toward the goal of achieving economic and social parity with the other provinces of the Republic of Indonesia.

New York, June 1985.