

## Dr. Andrew McNaughtan, 1954-2003

Supporters of justice and human rights all over the world lost a committed and valuable ally when Australian physician Andrew McNaughtan died unexpectedly at his Sydney home last December. For East Timor, the loss is especially painful, both because of the effective work Andrew did to advance the independence of East Timor, and for the equally effective work he would have done in the future to support human rights and economic independence for this new country.

Andrew was motivated by a sharp sense of justice, and followed his instincts with great skill and analysis. He spent a year in Nicaragua practicing medicine, and later continually helped Nigerians, Indonesians, Acehnese, Papuans, and even Americans struggling for justice. But his greatest commitment was to the East Timorese people. In the few weeks since he died, many of his friends and colleagues have shared memories. Each of us has learned much about Andrew, and all have been struck by the wide range of his work, and the many results it had. Indeed, it is hard to think of any non-Timorese person who contributed more to East Timor's independence than Andrew did.

Although Andrew was Australian, justifiably outraged by his government's support for Indonesia's occupation, he understood the importance of international campaigning and strategy.

Throughout the 1990s, he made repeated visits to East Timor, interviewing and filming people here and making his videos available to key journalists, campaigners and officials around world. Sometimes at great personal risk, he provided documentation which disproved Indonesia's lies. At a time when East Timorese were being arrested and worse for contacting global human rights groups, Andrew shrewdly used his "malai privilege" to do what they could not.

Andrew began adult life as a welder and a motorcycle racer, and after an accident he decided to go to medical school. But his real passion was to fight against injustice, and he found that he could work more effectively for East Timor as a campaigner than by providing health care. He began supporting East Timor in 1992, and became Information Officer for the East Timor International Support Center based in Darwin, and Convenor of the Australia-East Timor Association in Sydney.

Andrew's articulate, strategic and persistent advocacy of East Timor's case with Australian media and

politicians was critical to laying the groundwork for Canberra's belated 1999 conversion to support East Timor. Often using graphic photographs of East Timorese victims, Andrew's videos and publications were used by many activists and journalists and distributed widely, forcing many to acknowledge the crimes

being committed here, the afterimages remaining in their previously willfully blind eyes.

Andrew knew the strategic importance of global solidarity, and he was tremendously helpful to campaigners in the United States and elsewhere who had less access to information and audiovisuals than in Australia. Andrew also participated in the APCET (Asia-Pacific Coalition for East Timor) conferences, and his hand phone played a crucial role in maintaining media contact while the APCET II conference was arrested by Malaysian police in 1996.

Andrew compiled an exhibition of more than 100 photographs to help people understand East Timor's history, and six sets of photographs were shown all over the world. When they were exhibited at Canberra's Parliament House in 1997, the government changed the title from *Your Friends Will Not Forget You* to *A History of East Timor in World War II*, and photos showing events after 1975 were censored, and could only be shown at a local church.

In October 1998, Indonesia was claiming to withdraw troops from East Timor, but people here knew the opposite was happening. From a clandestine resistance member in ABRI's personnel office, Andrew obtained more than 100 pages of Indonesian military documents proving that actual troop deployments were much higher than Jakarta claimed, and increasing. Andrew quietly obtained expert analysis of these documents, and coordinated simultaneous release of the information in London, Washington, Jakarta and Canberra to expose Jakarta's lies at a critical time, putting the global media spotlight on the post-Suharto military occupation.

Andrew was always very generous with his personal funds, and gave tens of thousands of dollars to Falintil and Xanana's work. Before and during the 1999 referendum, Andrew was again in East Timor, providing money and other assistance to enable people targeted by the TNI/militia to escape to safety, and compiling information about the militias to inform the UN, journalists, officials and activists worldwide. A few days before the referendum, he and two Australian colleagues were arrested by Indonesian police in Zumalai after being attacked by militias. Although they were deported



Photo by Vaughan Williams

a few days later, Andrew learned of the vote results while in custody. He observed that his Brimob captors were genuinely surprised that 79% voted for independence despite the Indonesian terror campaign — final evidence of how little Indonesia's occupiers understood the people of East Timor.

Andrew came back to East Timor in late September 1999, and returned several times. He helped InterFET understand the historical and political context, as well as current information, of the country they had just arrived to "save." He worked with Timor Aid, helped Timorese friends with personal problems, and educated himself and many others on new challenges facing East Timor — especially pursuing justice for Indonesian perpetrators of crimes against humanity here, and preventing Australia from stealing the majority of East Timor's oil and gas resources. Among other projects, he worked with journalist HT Lee to produce the video *Don't Rob Their Future: Give them a Fair Go* which is on the OilWeb CD-ROM published by *La'o Hamutuk*.

During 2003, several foreigners who contributed to East Timor lost their lives prematurely, including Dr. Andrew McNaughtan, Father Stefani Renato (a long-term Italian/Japanese supporter of East Timor, since 2000 parish priest in Atsabe, killed in an October automobile accident), Sergio Vieira de Mello, and four Korean PKF soldiers swept away by a river in Oecussi. Each of these deaths are tragic, but we believe those who chose to commit their lives to East Timor's people and nationhood — Andrew and Father Stefani — deserve special recognition.

Since 1999, many have come here to advance their careers, make money, follow orders, or share in East Timor's independence, and their help is welcome. But between 1975 to 1999, there was no material benefit in supporting East Timor. People like Andrew McNaughtan, who gave up their careers and spent much personal money to participate in East Timor's struggle against injustice, are rare treasures who cannot be replaced. Although thousands of East Timorese people suffered more and took greater risks than any solidarity activist ever could, the struggle for their country was, in a sense, forced upon them. Andrew took it on voluntarily, from his deep sense of shared humanity.

Andrew's colleagues were the people of East Timor and others struggling for justice. He was not liked by governments or diplomats — the truths he spoke were often uncomfortable for those in power. But East Timor's independence owes a lot to those truths and to the people who spoke them, more than it owes to institutions and governments who discovered East Timor after the struggle was won.

We hope that East Timor's new government remembers and honors its friends from those long, difficult years, and that it will prioritize celebrating these human relationships over flattering powerful institutions. But even if it doesn't, the people of East Timor — the many who were fortunate to know Dr. Andrew McNaughtan personally and the many more who owe their freedom partly to his work — will treasure him and continue his commitment to justice. ❖

## East Timor-Nigeria Exchange on Petroleum Development

Seven East Timorese activists from six local NGOs are visiting Nigeria during the second half of January to study the oil and gas industry. *La'o Hamutuk* has organized this group, which includes (L-R) Jesuina Soares (*La'o Hamutuk*), Carlos A. B. Florindo (ETADEP), Julino Ximenes da Silva (Perkumpulan HAK), João da Silva Sarmiento (*La'o Hamutuk*) and Liliana E. A. C. Hei (Grupo Feto Enclave Oecusse) standing; Aurelio Freitas Ribeiro (KSI, and Justino da Silva (NGO Forum) in front.

Hosted by Oilwatch Africa and Environmental Rights Action, the East Timorese hope to learn from Nigeria's experience about the negative and positive impacts of forty years of petroleum development. The group will meet with communities in the Niger Delta, government officials, and local NGOs to see how oil and gas operations have affected their environment, politics, living standards, and quality of life, and to see what good and bad lessons East Timor can learn from Nigeria's experiences.

After they return to East Timor, members of the delegation will develop and communicate their understanding to civil society and responsible officials here.



# Oil Money Requires Good Management

by Joseph E. Stiglitz\*

It is sad but true that most natural resource-rich countries do not grow faster or perform in other ways better than those with fewer natural resources do. This observation would seem to contradict the basic laws of economics since more natural resources should provide more economic advantages and opportunities. Economists and other social scientists have worked hard to explain this anomaly and to figure out how these countries can maximize the benefits of their abundant natural resources.

Yet, the failures are legion and continuous. Oil-rich Nigeria has squandered a quarter trillion dollars of oil revenues and is deeply in debt. Two-thirds of the population of Venezuela still lives in poverty. Civil wars, fostered in varying degrees by struggles over control of oil, gas, and minerals, have devastated a host of resource-rich countries.

Part of this instability is explained with simple economics. Natural resource wealth can destabilize exchange rates. It can cause currency appreciation that weakens sectors of the economy not based on natural resources by making it difficult for manufacturers to export or to compete with imports. Meanwhile, the natural resource sector of the economy provides substantial revenues, but does not create employment throughout the economy. The resulting unemployment can give rise to political and social instability.

But the most fundamental problems that many resource-rich nations face are political. Control over natural resource wealth provides leaders with little incentive to share power, and gives leaders the means with which to buy legitimacy rather than earn it through elections. Leaders undertake costly investments to buy political support through job creation with contracts often awarded to well-connected insiders. Because rent seeking and state subsidies direct investment to unviable projects incapable of attracting private financing, many of these extravagant projects fail to lessen the country's dependence on natural resource development. The desire by government leaders to control wealth generated by natural resources often discourages the development of democracy and prompts violent conflict and resistance by those who have not benefited from the resource wealth and who feel shut out of centralized, undemocratic political systems.

To avoid these outcomes, political leaders and citizens need to regard their country's natural resources as the nation's endowment. These resources do not belong exclusively to the current government or generation, but to all citizens and generations. The current government and generation are simply trustees. To use these resources for one's own benefit, leaving future generations impoverished, is to steal their patrimony. Leaders inside and outside of government share a responsibility to promote this sense of stewardship in resource-rich countries.

Transparency of information about revenues received and fiscal accounting standards are key to increasing natural resource management and wealth. National accounting frameworks that do not appropriately take account of the depletion of resources are misleading; they prompt governments to think that the economy is becoming wealthier, when it may be becoming poorer. This false sense of wealth leads to bad decisions.

Even more important is information about what the government receives for oil or other natural resources, how this compares with what other countries are receiving, and how the government uses the funds it receives from the sale of natural resources. Governments should recognize that even in more developed countries major oil companies have tried to minimize their royalty payments by under-reporting the effective price of oil and over-reporting their costs. It was only through hard research that such evasion was detected, for instance, in the State of Alaska, and it was only through even harder prosecution that the oil companies finally agreed to pay the more than a billion dollars that they had avoided paying the state.

Companies have strong incentives to maximize profits and the opacity that surrounds oil contracts and payments can lead to abuse. A few oil companies, most notably BP, however, are setting the opposite example, by willingly publishing what they pay. Such disclosure allows citizens in resource-rich countries to become informed about how much the government receives for the nation's natural resources. It is regrettable that this commitment to good corporate citizenship has not been matched by most other oil companies.

Institutional arrangements like stabilization funds are essential to managing wealth derived from natural resources and ensuring that the money is used to replace the natural resource endowment that is being depleted. Stabilization funds in several countries have helped ensure that public funds are available for the rainy day when they are needed. This is especially important because international arrangements like the IMF, set up at the end of World War II to help finance counter-cyclical fiscal policy, have failed to perform the function for which they were created. The result has been that most developing countries are forced to engage in pro-cyclical fiscal policy, at great cost to the economy and society. Countries today recognize that borrowing is highly risky, and that they must rely on their own resources, especially for stabilization purposes.

There is no issue of greater importance than ensuring the long-run prosperity and stability of resource-rich countries by developing ways to use these resources and the wealth they generate well.

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*\*Joseph E. Stiglitz, a winner of the Nobel Prize in Economics, was chief economist for the World Bank until 2000. He now teaches at Columbia University in the USA. This essay is reprinted with permission from Caspian Oil Windfalls: Who Will Benefit? (Caspian Revenue Watch, 2003)*

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