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The Right to Existence in Developing  
Countries: Basic Income in East Timor\*

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**Abstract** – In this article we consider the potential of a Basic Income (BI) as a mechanism for promoting well-integrated and autonomous social and productive development in newly independent Democratic Republic of East Timor, and for expanding the freedom of this country's population that is struggling to throw off the bitter legacy of colonial and postcolonial dispossession and violence. We briefly outline the main social and economic problems faced by the new Democratic Republic of East Timor. Then we argue that a BI financed by oil and natural gas revenues could play a major role in combating these problems.

**Keywords** – development, domestic economy, financing models, freedom, natural resources.

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In this article we consider the potential of a Basic Income (BI) as a mechanism for promoting well-integrated and autonomous social and productive development in the newly independent Democratic Republic of East Timor, and for expanding the freedoms of its population that is struggling to throw off the bitter legacy of 25 years of colonial and postcolonial spoliation and violence. In 1999 the people of East Timor voted overwhelmingly for independence, whereupon pro-Indonesian militia immediately set out on a campaign of destruction – murdering hundreds, destroying 70% of the country’s infrastructure, and reducing towns to rubble. An international peacekeeping force intervened, after which a United Nations mission took control until independence in 2002, paving the way for an aid-dependent economy. Almost a decade later, East Timor is one of the world’s poorest countries. Security is precarious, mainly because of the as-yet-unaddressed poverty and a 50% unemployment rate; and democracy is seriously impaired. East Timor will continue to rely on outside help for many years; it has been described disparagingly as the “ultimate welfare state” (Mydans, 2000). More than \$US3.5 billion in aid was poured into East Timor via UN and international aid agencies between 2002 and 2006. Most of this aid paid the wages of aid officials and consultants seeking contracts for companies based in the donor countries, and paid for infrastructure and services required for foreign investment.

Food insecurity is widespread in the predominantly rural population, partly due to weather conditions, to insect plagues and, in particular, to improper allocation of the available food grains, either produced or imported, which tend to end up in the hands of profiteers. Little attempt has been made to encourage self-sufficient, ecologically sustainable agriculture or to build up the rural infrastructure that would stimulate local markets and economies. As we show in this article, a BI would constitute a viable way of addressing poverty in these circumstances. First, we briefly explain the idea of socioeconomic independence as a necessary condition for freedom, and we show how the values and aims expressed in East Timor’s Constitution are akin to the republican tradition, a political tradition with considerable presence in contemporary normative debates on BI.<sup>1</sup> Second, we outline the main social and economic problems faced by the new Democratic Republic of East Timor and argue that a BI financed by oil and natural gas revenues could play a major role in combating these problems. Third, we suggest the main options for financing a BI in a poverty-

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<sup>1</sup> See the debate on “Basic Income and the Republican Legacy” in *Basic Income Studies* 2 (2) with contributions by Casassas (2007), Domènech and Raventós (2007), Pateman (2007), Pettit (2007), and White (2007); also Raventós (2007).

stricken country like East Timor. Finally, we highlight how the country's present reality is that of a highly unequal political conflict: with, on the one hand, attempts to impose an externally directed State and, on the other hand, diametrically opposite attempts to construct a solid, autonomous institutional complex that is much more in tune with the actual needs and potential of East Timorese society. In our view, the latter would permit a beneficial model of development, which however requires guaranteeing the right of existence to all East Timorese in the form of a BI.

## 1. Basic Income and the Right to Material Existence

The cornerstone of the republican idea of freedom is that of the absence of material dependence. While classical republican thinkers differ in many respects (Domènech and Raventós, 2007), they share two convictions relevant to poor countries like East Timor. First, being free in the republican sense means not having to depend on any other person for one's material existence. The person who lacks material independence is unfree in the sense of not having his or her "right of existence" guaranteed: she is not a citizen in her own right (*sui iuris*) but lives at the mercy of others because dependence on another party subjects her to an alien regime (*alieni iuris*). Second, republican freedom cannot prevail if property ownership is unequally distributed to an extent that allows property-rich individuals to impose their own conception of the public good upon the republic, effectively curtailing any chance of freedom for the remaining population (Domènech, 2004).

Echoes of the republican ideas of universally guaranteeing the bases of material existence as a *right* appear in the Constitution of East Timor, but remain absent in the discussion of the country's economic, social and political tensions. For instance, the Constitution declares that the State aims "to promote the harmonious and integrated development of the sectors and regions and the fair distribution of the national product."<sup>2</sup> Elsewhere the Constitution calls for sustainable development, gender equality, a participatory democracy, and access to education and good health as being essential for the country's sustainability.<sup>3</sup> But how can this be achieved when the vast majority of the population does not

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<sup>2</sup> Constitution of East Timor: Part I, Section 6, "Objectives of the State," (I).

<sup>3</sup> See in particular, in the Constitution of East Timor: Part II, Title III, Section 50, [1] (gender rights); Part II, Title III, Section 50, [15] (cooperatives and household businesses); Part III, Title II, Section 63, [2] (civil and political rights); Part IV, Title I, Section 139, [1] (equitable use of national resources); and Part IV, Title II, Section 142 (provision of financial resources for economic development). <http://www.gov.east-timor.org/constitution/constitution-Timor-Leste.pdf>.

have access to the material means of existence that would give them the freedom to participate as *sui iuris* citizens? In our view, this dilemma lies at the core of East Timor's many social problems, including urban overcrowding, chronic agricultural underproduction, alienated youth, high unemployment, violence and the very low participation of women in the sphere of paid employment that have led several observers to predict that East Timor is well on the way to failed statehood.<sup>4</sup>

We believe that a BI would be an effective means of establishing a democratic system with the highest possible degree of participation, including the poorest and hitherto most excluded and vulnerable members of society. Because of its universal and unconditional nature, a BI would be effective in constructing a more egalitarian and participative society and in offering republican freedom to everyone. While a BI proposal for a poor country would be primarily concerned with eradicating hunger, starvation and the most extreme forms of poverty, it would also improve general income distribution and would create job and professional opportunities.

Currently, in East Timor, development policy typically takes the form of ill-fated, isolated, precariously funded initiatives that often fail to coordinate with local priorities in terms of the real political, social and productive needs of the different regions. These have an impact on crucial matters such as agrarian reform, cooperative endeavours, local-scale agricultural projects, environmentally sustainable projects, improving the territorial balance between rural and urban areas, security, public education, and health service facilities. The material independence guaranteed by a BI can create the conditions for sustained economic progress precisely in these areas by opening up autonomous collective or individual productive opportunities for the population.

East Timor is particularly handicapped because most members of its (mainly Chinese) fledgling middle class were either killed or fled after the Indonesian invasion in 1975, hence there are virtually no home-grown entrepreneurial activities, leaving the field open for profit-seeking foreign interests. A BI would seem to be the best way of providing an impetus for much-needed autochthonous ventures. BI enables citizens to take initiative and liberates human resources, that are currently wasted, for the public benefit. In short, BI can improve the overall well-being of a society by offering individual freedom: to paraphrase Amartya Sen (1999), real social and economic development can only

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<sup>4</sup> East Timor (Timor-Leste) figures as number 20 on the Failed States Index. See [http://www.fundforpeace.org/web/index.php?option=com\\_content&task=view&id=229&Itemid=366](http://www.fundforpeace.org/web/index.php?option=com_content&task=view&id=229&Itemid=366).

occur in poor countries when there is greater freedom of choice for all members of society. This crucial insight brings us to the specific case of East Timor.

## 2. Why East Timor Needs a Basic Income

East Timor is essentially an agrarian economy: before the massive displacement of 1999, 90% of the population lived in rural areas. It is one of the world's poorest countries, with over 40% of the population living on less than the official poverty line of 55 US cents a day while, in rural areas, this figure is closer to 50%.<sup>5</sup> According to the 2006 United Nations Development Programme (UNDP) report, optimistically titled "The Path out of Poverty," the annual 2004 per capita GDP in East Timor was US\$370, which is marginally over US\$1 a day, but in rural areas the figure was only US\$150.<sup>6</sup> However dire these figures are, they do not reveal the extent of the vulnerability of the most disadvantaged groups: small farmers in insecure or flood- and landslide-prone areas; people without livestock; families with many dependants; street children; female household heads; women without education or living in isolated rural areas; victims of violence, including rape; victims of psychological trauma; homeless and internally displaced persons; and so on.<sup>7</sup>

According to the World Food Programme, "The high food insecurity is apparent in Timor Leste's malnutrition rates, which are some of the highest in Asia. About 47% of children under the age of five are chronically malnourished (stunted) and 43% severely malnourished (underweight). The rate of wasting is about 12% nationwide."<sup>8</sup> The long-term physical and mental effects of this nutritional deprivation constitute both a massive human tragedy and a chronic socioeconomic burden. Infant mortality rates are extremely high: 136 children per 1,000 die before the age of five, and 90 of these die in their first year. Maternal mortality rates are 800 per 100,000 births. Life expectancy is 55 years. The present food crisis in East Timor is not an isolated phenomenon but a generalised food-security problem. Only 3% of rural farmers use commercial

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<sup>5</sup> This does not count petroleum revenues, which were expected to reach a total of \$5,328.6 million (some 94.8% of total revenue) from 2008 to 2012. See "RDTL State Budget for 2009 as Proposed to Parliament: Part 6, Revenue," 9 December 2008, La'o Hamutuk. <http://www.laohamutuk.org/econ/OGE09/08OJE2009Revenue.htm>.

<sup>6</sup> See [http://planipolis.iiep.unesco.org/upload/East Timor/East Timor%20HDR%202006.pdf](http://planipolis.iiep.unesco.org/upload/East%20Timor/East%20Timor%20HDR%202006.pdf).

<sup>7</sup> Some 90,000 houses were severely damaged or destroyed in the militia violence of 1999. In the unrest of 2006, over 100,000 people were made homeless. The total number of internally displaced persons rose to a peak of 70,000 in Dili and about 85,000 in other parts of the country (International Red Cross and Red Crescent, 2007).

<sup>8</sup> See <http://www.wfp.org/countries/timor-leste>.

fertilisers, pesticides, manure or improved seeds, so that their crops are much more vulnerable to locusts, plagues and bad weather conditions.<sup>9</sup>

Rural households have withstood destruction, violence, upheavals and shocks by virtue of basic survival strategies such as hiding in the mountains in times of strife or trading cigarettes, petrol or kerosene in the informal economy in more peaceful times. Street begging is also on the rise. While these strategies may ensure bare-bones existence, they are no basis for community production or sustainable development. Some donors offer targeted microcredit programmes but these can only have partial, discontinuous and insufficient effects because poverty and poverty-related problems are national in scope, socioeconomically structural by nature, and likely to be resolved only if the antipoverty programme is long lasting and comprehensive, as BI is.

In January 2006, the Treaty on Certain Maritime Arrangements in the Timor Sea, signed by Australia and East Timor, provisionally resolved a bitter maritime boundary dispute between the two nations (Scheiner, 2006). One of the smaller deposits, the Bayu-Undan field, began production in February 2005, and the government's budget rose from US\$80 million to almost double that in 2006. It is estimated that this field will generate about US\$250 million per annum over a projected 20-year life span, around US\$5 billion in total. Another area, the Greater Sunrise field, is expected to bring in US\$10 billion in the 30 years of the project's projected life. Seeking to avoid the pitfalls of a sudden sharp rise in revenues (as in Chad and Nigeria), the Alkatiri government established a Petroleum Fund to manage the flow of revenue and curb corruption. The Fund legislation requires that all oil and gas revenue be deposited into a single account. The government can spend only a small fraction of this revenue, depending on gains made by the fund's investments (mainly in low-risk bonds) so that when the oil and gas reserves are exhausted, future generations will still have substantial wealth.<sup>10</sup> The law establishes monitoring organisations to supervise fund management, and periodical reports are issued for public scrutiny.

An East Timor BI partially financed by oil and gas revenues would bring about an immediate distribution of a regular micro-*income* (as opposed to micro-*credits*) received every month without external interference. Consider, for

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<sup>9</sup> East Timor lost 30% of its crops in 2007, the immediate causes being drought, plagues and locusts (the *historical* causes of chronic underproduction still need to be addressed, and would be with a BI). It was estimated that one fifth of the population (220,000) people would go hungry or starve without major food aid (United Nations, 2007).

<sup>10</sup> For an example of funding a BI through a Petroleum Fund, see the discussion on the Alaska Permanent Fund in Section 3.

instance, a BI of US\$30, which would bring recipients considerably above the poverty line in East Timor. For a total population of 1.2 million, the overall annual sum of a universal BI of US\$30 per person per month would be US\$432 million. Another proposal could be a BI of US\$30 for people over 15 years of age (US\$216 million) and US\$15 for children under 15 (US\$108 million), some 50% of the population (UNDP, 2006, p. 8.), a total of US\$324 million. A poverty-line BI paying just over 60 US cents per day for the entire population (US\$20 per month), would cost US\$288 million. With a BI of US\$20, a poor family with 6 dependents would receive a guaranteed monthly income of US\$160 or US\$1,920 per year. In a hamlet of, let's say 20 similar families, this BI would bring in US\$3,200 per month or US\$38,400 per year, a figure which gives an idea of what this income flow might mean for small communities like those in East Timor.

What this could mean in terms of food production is illustrated by a project of cultivating rice with buffaloes in the economically devastated rural area of Uatulari, whose population is about 20,000. The Catalan government financed the project through a Timorese NGO for a total of US\$142,680 from 2000 to 2003 (US\$47,560 per year), or roughly US\$2.38 per person per year. The area achieved self-sufficiency in rice cultivation before the end of the period and was able to supply seeds to nearby areas. Restoring the Uatulari buffaloes is the local equivalent of providing "machinery" for preparing the abandoned rice fields by treading the soil to compact it prior to planting, but this "machinery" also produces manure, milk, meat and hides, has ceremonial significance and reinforces community values because the buffalo is traditionally community property. However, with a change of government in Catalonia, funding stopped and the project never went beyond the successful pilot project stage. A BI of US\$20 per person per month would bring a guaranteed US\$4.8 million into Uatulari every year – about one hundred times what the Catalan Government gave. Clearly, the impact of such a stable source of income would be highly remarkable in terms of successful local development.

According to Tim Anderson (2006), developing countries have to choose between food security and an agricultural development strategy focused on consolidating local production with the generalised development of local market networks, and a policy that is export oriented, which generally means monocropping, concentration of landholding and systemic inequality, not to mention negative environmental effects. Small holdings not only contribute market produce on the local level but also they reinforce food and social security and offer a wider spread of productive livelihoods as well as tending to result in better environmental management. Yet, local production is endangered. As

Marcel Mazoyer has observed, “free trade with its downward trend in real agricultural prices and its price fluctuations will condemn further hundreds of millions of small farmers and agricultural workers to stagnation, impoverishment, migration and hence to unemployment and low wages, especially in developing countries but also to some extent in developed countries” (Mazoyer, 2001, p. 22).

A related problem is that massive migration to the capital Dili in 1999 because of the militia violence has created an enduring problem of urban-rural population imbalance. In particular, the great destructive capacity of traumatised, unemployed and disaffected youth shows that they do not feel included as citizens of the new nation and its constitutional project of constructing a peaceful and economically viable society. Again, 280,000 people were displaced from the country during the postoccupation militia violence, including militia members themselves. Clearly, these people cannot be integrated back into a community that does not exist because it has no productive base. Including the returnees in a BI scheme would go a long way towards reintegrating them and establishing peaceful coexistence, apart from providing them with real membership in society through giving them the material means of existence.

Another marginalised group comprises former FALINTIL<sup>11</sup> guerrilla fighters – men (and some women) who renounced their youth and any educational and employment possibilities they may have had in order to fight for their country’s independence. These people, their widows and dependents, account for some 40,000 people. They are the country’s heroes, yet are economically and socially excluded, and some have now turned to gang violence. In short, a socially inclusive economy based on a universal BI would favour many essential processes of reconciliation, in great part because it would grant everybody the set of material assets that would enable them to redefine their plans and projects, from both autonomous and lifelong perspectives.

A further exacerbating factor is the demographic reality in which the poorest families tend to have the largest number of children. The current fertility rate in East Timor is 7.8 children per woman, the highest in the world.<sup>12</sup> Irrespective of the absence of family planning facilities and basic health education, having more children is regarded as a mechanism for replacing children who die in their

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<sup>11</sup> FALINTIL stands for Forças Armadas da Libertação Nacional de Timor-Leste (Armed Forces for the National Liberation of East Timor).

<sup>12</sup> See World Bank East Timor Country Brief, September 2006.

<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/EASTASIAPACIFICEXT/TIMORLESTEEXTN/0,,contentMDK:20174826~pagePK:1497618~piPK:217854~theSitePK:294022,00.html>.



infancy and thus in effect acts as a form of social insurance or pension plan for parents. That the mother's health is usually greatly undermined by many pregnancies and giving birth in inadequate conditions is a lesser consideration in desperate circumstances. A guaranteed form of social insurance such as a BI would lower the birth rate in the long run, thereby correcting a dramatic skewing towards the young, dependent members of society while also improving the health of mothers and children in particular. Moreover, it would be a highly effective mechanism for abolishing child labour and getting children into classrooms, which *inter alia* would also have long-term effects on health.

All the problems raised above lead us to believe that a BI in East Timor (and developing countries in general) would constitute sound policy compared to any targeted cash-transfer scheme. Targeted cash schemes do not permit articulation of a productive network, of a domestic market or of an independent, well-integrated society. In effect, users of such programmes depend on the will of those in charge of the programmes and, therefore, they are not given the real opportunity of making decisions about their projects in keeping with their actual wishes and needs and the particular circumstances of each local economy. In our view, economic development is much more easily achieved by breaking ties of dependency and promoting the emergence of robust productive projects at both the individual and group levels – projects that are autonomously conceived and planned from within as opposed to being imposed from outside.<sup>13</sup> If development is to be from within, the obvious question then is how to finance it.

### 3. Three Options for Financing a BI in East Timor

In the context of East Timor, we believe there are three main options for financing a BI: changing budgetary priorities, adjusting the income tax structure, or increasing VAT and excise duties on luxury goods such as cars, alcohol or tobacco. These options are not mutually exclusive, and in East Timor a combination of the first and third might be the most feasible choice at present.

Changing budgetary priorities would necessarily involve oil and gas revenues since they account for such a large part of the budget. In the 2006–2007 budget, petroleum revenues represented 92% of the total, an expenditure of approximately US\$400 million. However, the expected revenue from petroleum

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<sup>13</sup> There remains the need for universal health care and free high-quality education, which are as important as a constant income flow in guaranteeing inalienable social standing that affords to individuals and communities the socioeconomic security that ensures their local and national development.

activities is around 215% of planned expenditures, generating a large surplus.<sup>14</sup> The East Timor Petroleum Fund Quarterly stated recently that on 31 December 2006, the Fund had a net asset of approximately US\$1.3 billion. Both fiscal and current account balances in 2006 recorded surpluses of more than 100% of non-oil GDP and these are expected to rise in 2007–2008, reflecting large and growing revenue from offshore oil and gas fields.<sup>15</sup> One pertinent example of funding a BI through a petroleum fund is the Alaska Permanent Fund, created in 1976 (Alaska Permanent Fund Corporation, 1988), which, according to some authors (Vanderborght and Van Parijs, 2005, p. 25), has made Alaska the most egalitarian of all the states in the USA.<sup>16</sup>

The other two options for funding a BI – adjusting the income tax structure and increasing VAT and excise taxes – ensure that higher earners and spenders bear the cost of benefiting the poor. The latter option in particular makes sense in a dual economy like East Timor’s with its high-spending expatriate sector, which has recently increased with the buildup of the UN mission. This should be considered in the context of the fact that, between 2002 and the end of 2006, East Timor received US\$3.5 billion in aid from the UN and international agencies but the bulk of the money went into the wages of aid officials, consultancy fees and contracts with companies based in the donor countries and, in accordance with World Bank criteria, is essentially used for providing infrastructure and services for businesses and foreign investors. Partially financing a BI with higher VAT – except for necessary goods – and excise taxes could stem the flow of resources into foreign hands while countering World Bank, Asian Development Bank and IMF policies that threaten to undermine East Timor’s economic independence.

Critics of the tax reform option might doubt that it would have sufficient impact on the poorest strata in East Timor to count as a genuine option. However, a recent study conducted in Catalonia has demonstrated that a BI funded through a personal income tax is a technically viable option that provides all citizens with a generous BI, but most importantly, it favours the poorest strata (Arcarons et al., 2005; Arcarons and Raventós, 2010; Raventós, 2007). More pertinent in terms of poor-country practicalities is the tax-funded BI proposal in Namibia made by Claudia and Dirk Haarmann (2005). Although the Namibia

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<sup>14</sup> See an Australian Government assessment at [http://www.aph.gov.au/House/committee/jsct/6\\_7\\_february2007/subs/sub9.pdf](http://www.aph.gov.au/House/committee/jsct/6_7_february2007/subs/sub9.pdf).

<sup>15</sup> See World Bank, *East Asia Update*, April 2007.

<http://siteresources.worldbank.org/INTEAPHALFYEARLYUPDATE/Resources/550192-1175629375615/TL-EAP-Update-April2007.pdf>.

<sup>16</sup> For further discussion of BI in Alaska, see the Alaska Permanent Fund Corporation web site: <http://www.apfc.org>.

proposal does not meet the requirement of our definition – that the BI must be above the poverty line so as to adequately satisfy the conditions of material existence of all citizens – it is still expected to reduce absolute poverty levels; reduce inequality and, in particular, help those most in need without establishing a complicated administrative structure; be sustainable and affordable without retarding economic growth; and avoid the negative consequences of alternative poverty-reduction strategies. In general terms, models of tax-based financing involve integrating the BI financing strategy into the taxation system, either by reforming existing taxes and displacing the burden of some taxes onto others, or by creating new taxes. In brief, it means taking more money from the richest members of the society in taxes than what they receive as a BI. Some of the middle-income citizens may pay a little more in taxes but would still benefit overall, while the poorest benefit outright. Nobody would be living below the poverty line.

Just what proportion of East Timor tax revenue could go towards paying a universal BI of US\$30 (at a total cost of US\$432 million) would become clearer with a tax-effort analysis evaluating the country's taxable capacity based on the structural characteristics of the economy and its capacity to raise taxes. Whatever the case, three administrative conditions need to be met in order to implement a BI for all citizens. First, the efficiency of the existing tax system must be maintained or (most likely) improved. Second, an identification system for every citizen or accredited resident must be installed. Third, a smooth, cost-effective BI delivery system is needed.<sup>17</sup> This may be complex but is much less so than is dealing with the chronic social and economic drains of poverty and persistent food insecurity. And it is certainly less complex than trying to solve intractable structural problems by means of conditional programmes that have very costly administration, that are stigmatising and paralysing for beneficiaries and that, in not being preventative, only lead to further problems in their attempts to cure.

#### **4. Hard Choices: What Model for East Timor?**

One alternative diametrically opposite to a BI is the plan of President José Ramos-Horta to establish a tax-free regime along the lines of Hong Kong to ease the way for foreign investors.<sup>18</sup> Ramos-Horta, undeterred by the evident

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<sup>17</sup> For a detailed analysis of the technical and normative challenges to, and of the difficulties of administering a BI system, see De Wispelaere and Stirton (2009).

<sup>18</sup> See Geoff Thompson, "Ramos Horta Pushes for Tax-Free E. Timor," ABC News, 30 June 2007. <http://abc.net.au/news/stories/2007/06/30/1966522.htm>.

differences between Hong Kong and East Timor, proposes using the common-heritage oil and gas revenues to create attractive conditions for foreign investors, thereby establishing a capitalist economy that is more suited to a trading-financier-technocratic-former-city-state-now-Special-Administrative-Region than to an independent democratic republic.

The choices for East Timor are stark – between the crude, socially polarising capitalist model on the one hand and, on the other hand, a model that respects the democratic principles enshrined in its Constitution – principles with origins in the classical republican notions of freedom and citizenship and that have arisen from universal human yearnings and aspirations for freedom, self-realisation and peaceful coexistence in civic life. As is all too clear, when the control of economic activity is confined to the decisions of a few, freedom-throttling market relations are given the highest priority in the organisation of social life. The worst that could happen to East Timor is that its leaders should opt for the expropriating neoliberal model that its president is upholding, even while the Constitution continues to hold out the bright promise of a very different future. It is to be hoped that some leaders in East Timor will strive to fulfil the promises of their Constitution and of some “universal” declarations (for example, the Vienna Declaration of the 1993 World Conference on Human Rights), urging that “poverty is a brutal denial of human rights and...a guarantee of human dignity requires eradication of human poverty and social exclusion” (UN Country Team, 2000, p. 33).

Apart from upholding the need to embrace an idea of freedom based on people’s material existence, especially in poor countries, we have endeavoured to offer a glimpse of what new possibilities and solutions to structural problems might be offered by a BI in East Timor. BI is not a panacea that would solve all the social and economic problems of East Timor, but it would mean much more widely spread opportunities for people to participate in productive activities, enhanced social inclusion within reinforced local communities, greater political participation, and a major reduction of poverty and poverty-related problems.<sup>19</sup> The material independence a BI would confer upon all East Timor’s citizens would increase their options for leading free and autonomous lives as

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<sup>19</sup> These considerations, although made with East Timor in mind, are generally valid for countries that face similar political and economic constraints. Several Latin American and African countries present problems of underdevelopment and dependence vis-à-vis more powerful countries and companies. As in East Timor, these countries have energy resources that, properly managed, could make it possible to introduce measures like BI that would favour the articulation of undominated economies that are in keeping with these countries’ national conditions and social needs. For an exhaustive analysis of BI’s potential for developing countries, with particular attention to Argentina, Brazil, Namibia and South Africa, see the debate section of *Basic Income Studies* 2 (1).

individuals and as community members. BI would thus confer upon East Timor an important instrument to realize republican freedom.

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