

East Timor: Xanana Gusmao's coalition government in crisis

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The Social Democratic Association of Timor (ASDT) formally withdrew from Prime Minister Xanana Gusmao's government last month, leaving the coalition administration on the verge of collapse. Fretilin, the largest parliamentary party, has called on President Jose Ramos-Horta to call early elections or simply dissolve the government and ask the opposition to form a new coalition.

ASDT President Francisco Xavier do Amaral signed a joint agreement with Fretilin on May 1 to enter a "solid coalition" to lead the next government. The joint statement condemned the Gusmao government for being "full of nepotism and corruption". Amaral subsequently declared that his commitment to join Fretilin in the next government did not mean the ASDT would no longer remain in the ruling administration. On May 27, however, he announced that Gusmao had failed to respond to his demands for the replacement of Minister of Commerce and Tourism Gil da Costa Alves and State Secretary of Environment Abilio Lima, and the appointment of ASDT personnel as district administrators in the regions where the party received a large vote at the last election.

As a result, Amaral declared in a public statement, the party would withdraw from the government. "The ASDT Party is no longer responsible and no longer participates in the decisions taken by the AMP [Parliamentary Majority Alliance] government, as the AMP government has shown no consideration for the views expressed by the ASDT Party."

The withdrawal of the ASDT from Gusmao's government threatened to leave a minority administration with 32 seats in the 65-member parliament (Gusmao's CNRT party has 18 seats, the Democratic Party 8, and the Social Democratic Party 6). However, two UNDERTIM party parliamentarians, led by former Falintil guerrilla leader Cornelio "L-7" Gama, formally joined the government in response to the ASDT's alliance with Fretilin. Further complicating the parliamentary balance of power, two ASDT parliamentarians have publicly rejected Amaral's decision to withdraw, and have suggested they will remain as independent members.

Whatever the immediate outcome of the various political manoeuvres in Dili, the ASDT's withdrawal from the coalition is symptomatic of the mounting crisis wracking the Gusmao government.

Since coming to power in August last year, Gusmao has presided over the deepening impoverishment of the East Timorese population. Rising inflation, particularly in necessities such as fuel and rice, has pushed even more people into poverty, making a mockery of Gusmao's pre-election pledge to lead a "government of the poor". These issues featured prominently in the ASDT's public statement on its withdrawal from the coalition: "The political dynamics as a result of the impact of the economic crisis, such as the constantly rising price of everyday basic necessities have made the Maubere [Timorese] people unhappy and lose confidence in the AMP government."

The Gusmao government's first budget slashed taxes for corporate investors while cutting food rations for internal refugees and reducing pensions for former guerrilla fighters. These measures, which will further exacerbate the extreme levels of social inequality throughout Timor, have generated intense opposition. The budget is yet to be formally approved by the parliament, and the legislative ratification process may trigger the ruling coalition's collapse.

Gusmao's assumption of authoritarian powers under the "state of siege" imposed after the February 11 events this year—when President Ramos-Horta was seriously wounded and former major Alfredo Reinado killed—did nothing to consolidate his rule. The "state of siege" has since been lifted. No official investigation into Reinado's alleged dual assassination or coup attempt has been formed, and Dili is awash with rumours implicating Gusmao himself. The *World Socialist Web Site* has previously raised the question as to whether the prime minister set Reinado up for assassination, possibly with the assistance or foreknowledge of Australian personnel. The rebel soldier had publicly threatened to reveal Gusmao's alleged instigation of the 2006 split in the military that triggered another Australian military intervention and the eventual bringing down of the

Fretilin government. Moreover, just four days before Reinado's death, President Ramos-Horta had indicated his support for holding early elections, a move that Gusmao stridently opposed.

Canberra is undoubtedly monitoring the political situation in Dili with increasing concern. More than 900 Australian and New Zealand soldiers remain stationed in East Timor, and there is every possibility that they may, again, directly intervene. The former Howard government expended considerable resources in orchestrating a protracted "regime change" operation against Mari Alkatiri's Fretilin government in 2006. Alkatiri's administration had sought closer ties with both Portugal, the former colonial power, and China, the rising regional force, to counterbalance Australia's influence. This was anathema to foreign policy strategists in Canberra, who regard the oil-rich state as a critical component of Australia's "sphere of influence". Gusmao's installation as prime minister last year—despite his CNRT party winning just 18 seats, compared to Fretilin's 21—was viewed as a means of ensuring the Australian government's continuing domination, amid intensifying rivalries between the major regional powers.

Now, however, it is widely recognised that the political ground is shifting beneath Canberra's feet.

An *Australian* feature article published on May 17, titled "St Xanana's halo, and power, slipping", saw a rare acknowledgment in the Australian media of mounting opposition to the Gusmao government. "Things have changed much for Kay Rala Xanana Gusmao, once regarded as a god-like figure for his resistance to Indonesian rule," the piece noted. "He has been stoned by youths, ambushed, abused and accused of being pro-Indonesian and of running a corrupted, incompetent government. The halo has slipped and Gusmao is fighting—and, for his many supporters, not hard enough—to retain his authority. Once seen as the only possible legitimate leader of his country, all that is being stripped away. Gusmao looks—or is being made to look—like any other leader, routinely accused of arrogance and indecisiveness."

The article also made first mention of the fact that Mari Alkatiri has claimed to have photographic evidence suggesting the alleged February 11 attack on Gusmao's convoy was faked. (See "East Timor: Former PM Alkatiri claims alleged assassination attempt on Xanana Gusmao was faked")

"Some claims against Gusmao tend towards the extraordinary," the *Australian* noted. "Fretilin leader Mari Alkatiri has said he was never ambushed by rebels in February—that the whole thing was a stunt. Other allegations arrive from mystery sources in your inbox. One is that Gusmao, when he led Falintil, the anti-Indonesian guerrilla

force, co-operated with the Indonesian military to 'neutralise' more radical members of his own resistance. There is a heavy campaign afoot to bring Gusmao down. Justified or not, it appears to be having an effect."

Fretilin is now promoting itself as the only party capable of containing social unrest. "Timor-Leste has entered a new institutional crisis, which must be resolved quickly if the country is to regain stability and security," Fretilin's Assistant Secretary General José Reis declared in a press statement released on May 31. "We always believed the AMP would not last, and in less than a year we can see that its slim majority has now been eroded by the withdrawal of ASDT. That's why we pushed for the creation of a government of grand inclusion, with a prime minister chosen with the consensus of all parties, but with government posts being selected in proportion to parliamentary seats held."

In office from 2002 to 2006, Fretilin maintained a pro-business regime whose policies differed little from the free-market program espoused by both Ramos-Horta and Gusmao. Today, six years after formal "independence" was granted, East Timor remains among the poorest nations in the world. Like Gusmao, Fretilin has no solution to the social crisis. Its offer to head a "government of grand inclusion"—involving Gusmao's CNRT and its right-wing parliamentary allies—underscores the absence of any principled differences within the Timorese ruling elite and the absence of any party representing the genuine interests of the country's working class and rural masses.



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