

# Ten years on, the myths of East Timor independence stand exposed

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East Timor marked the 10<sup>th</sup> anniversary of formal independence on May 20. A decade on, the tiny island state and its impoverished people remain subject to the diktats of the International Monetary Fund and World Bank and to the intrigues of rival powers vying for influence and control over the Timor Sea's large energy reserves. This situation is a graphic exposure of the promises made by Fretilin and other nationalist groups that the needs and aspirations of ordinary Timorese could be secured through a new capitalist nation state.

The official commemorations pointed to the vast social gulf between ordinary Timorese and the country's wealthy political elite. The *Age's* Lindsay Murdoch reported on May 19: "Ahead of the celebrations, roads from Dili airport where the dignitaries will travel have been resealed, squatters have been moved on [and] sheets of iron have gone up to hide slums and putrid canals."

A coalition of non-government organisations (NGOs) accused Prime Minister Xanana Gusmao of constructing a "Potemkin Village" and committing "extraordinary expenditure" to "removing crumbling roads, impoverished people, curbside markets and some unsightly houses" along the route from Dili airport to the presidential palace where the official ceremonies were held.

Coinciding with the independence celebrations, newly elected Timorese President Taur Matan Ruak was sworn into office. Timorese politicians were joined by Indonesian President Susilo Bambang Yudhoyono, Australian Governor-General Quentin Bryce, Portuguese President Anibal Cavaco Silva, and other foreign officials, including US ambassador Judith Fergin and a representative of Chinese President Hu Jintao.

East Timor remains subservient to and dependent on these regional powers, each of which is manoeuvring in Dili against their rivals for influence. The country is in a geostrategically crucial region, adjacent to some of the world's most important naval trading routes connecting North East Asia to the Middle East and Africa. Beijing has been steadily expanding its role, providing aid for high-profile construction projects such as the presidential palace while also cultivating ties with the Timorese armed forces.

The Obama administration's strategic "pivot" to the Asia-Pacific, aimed at containing and countering China's standing, has resulted in greater US focus on Timor, with stepped up military and diplomatic engagement. Ruak's election as president was welcomed in Washington, as the former Timorese military chief has long standing ties with senior American naval and army commanders.

Even before Washington's renewed focus on Asia, the Australian government had become increasingly alarmed over China's growing role in what it deemed its "patch." In 2006, Canberra, with US backing, intervened militarily in East Timor in an operation that culminated in the removal of Prime Minister Mari Alkatiri. The former Fretilin government's ties with China and the former colonial power Portugal were an important factor in this "regime change."

The episode pointed to where power really lies in "democratic" East Timor. The more than 1,000 Australian troops deployed in the country were given blanket legal immunity from Timorese law. In 2007, Australian troops again played a provocative role during Timor's presidential and parliamentary elections aimed at ensuring that Fretilin did not return to power.

Oil and gas have always been at the centre of Australian imperialism's calculations. In 1998, a BHP executive visited Xanana Gusmao while he was being held in an Indonesian prison and secured a pledge that Australia's claims in the Timor Sea would be upheld by an "independent" East Timor. A year later, when it had become clear that continued Indonesian control over the half island had become untenable, the Australian government of Prime Minister John Howard organised a military intervention to secure the vital interests of the Australian energy companies.

The 1999 military operation received crucial political support from the various ex-left organisations who waged a "troops in" campaign. Socialist Alliance and other outfits agitated for a so-called humanitarian intervention, seizing on post-independence ballot violence organised by the Indonesian military as the pretext.

A decade after formal independence, none of the country's acute economic and social problems have been resolved. The present Gusmao government is the most heavily dependent on energy revenues in the world, with about 95 percent of total public spending coming from the \$10 billion sovereign wealth Petroleum Fund.

Ordinary people have seen no improvement in their living conditions. An estimated 70 percent of Timor's 1.2 million people still live in rural areas, many engaged in subsistence agriculture. The country still experiences what the people refer to as the "hungry season." For several months of the year, there are not enough basic foodstuffs such as rice and corn to feed everyone properly. More than half of all children under the age of five suffer chronic malnutrition.

Many other social and economic indices in East Timor are among the worst in the world. Unemployment is estimated at anywhere between 20 and 50 percent. Basic infrastructure is appalling, with roads and transportation in many parts of the country now worse than under Indonesian rule. Dili still experiences regular electricity blackouts.

At the same time, a small elite has enriched itself since "independence." A report in the *Christian Science Monitor* recently noted: "GDP has expanded by more than 7 percent a year since 2007, but has come at the price of dramatic inflation, growing corruption, and a widening

gap between rich and poor. Humvees and BMWs are the vehicles of choice for the nouveau riche in Dili. Timorese and Indonesians huddle everywhere making deals. Rich wives sport Louis Vuitton handbags, their husbands', flashy gold watches. This new class seeks medical care in Surabaya and Singapore, and they pay cash."

The coalition government led by Gusmao's National Council of Timorese Reconstruction (CNRT) has close ties with various Indonesian military and ex-militia figures, and, allegedly, Indonesian organised crime syndicates. The CNRT is currently under investigation for purportedly accepting large cash donations from various companies in return for lucrative government contracts for construction work and other projects. Large sums are involved—almost half of the government's \$1.8 billion budget this year was allocated for infrastructure development.

The Gusmao government has rapidly increased government spending in recent years through its pro-business projects. According to an analysis by the NGO, La'o Hamutuk, if current trends continue, the Petroleum Fund will be empty by 2022—the 20<sup>th</sup> anniversary of Timor's independence. Within the next six years, La'o Hamutuk predicted, "the state will be unable to cover its budget and pay back existing infrastructure loans, and we will be forced to drastically cut education, health care, public sector salaries, infrastructure maintenance, and all other services."

Amid the worsening social and economic crisis in East Timor, there is an enormous political vacuum. About one-third of the population is under 25-years-old, and many regard the existing political parties and their nationalist rhetoric with distrust and hostility. A genuine struggle against imperialist oppression and for democratic rights and decent living standards requires a turn to the working class in East Timor, Indonesia and internationally and the fight for a socialist program aimed at abolishing the global capitalist system.



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