

East Timorese prime minister announces resignation plan

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East Timor's prime minister, Xanana Gusmão, has announced he will resign later this year, supposedly to allow a "new generation" to take control of the tiny state.

In the 1980s, Gusmão became the leader of the guerrilla resistance movement against the Indonesian military occupation of East Timor. In 1992 he was arrested and imprisoned in Jakarta, but seven years later he played a leading role in backing a pro-independence referendum and subsequent Australian-led military intervention, which installed a UN transitional administration that ruled the territory until formal independence was granted in 2002. Gusmão was elected the new state's first president, serving a five-year term before becoming prime minister in 2007.

Gusmão's entire political life is bound up with various manoeuvres with different imperialist powers. During Indonesia's 24-year rule over East Timor, he appealed to the former colonial power Portugal, as well as the US and Australia, even as the latter two powers provided arms and diplomatic backing for Jakarta's brutal rule.

By 1998, when it became apparent to the major powers that continued Indonesian control over the territory in the aftermath of the ousting of Suharto was likely unviable, Gusmão held meetings in his Jakarta prison cell with BHP executives, assuring them that US-Australian energy interests in the Timor Sea would be protected under an "independent" East Timor.

In 1999, Gusmão and other Timorese independence leaders instructed their FALINTIL guerrilla fighters to do nothing to defend the population as the Indonesian military and their local militias went on a rampage after the pro-independence vote. Gusmão's perspective was to create the "humanitarian" pretext for a US-backed Australian intervention, supposedly to protect the

population, that would install him in power.

Gusmão is now retiring 15 years after Australian troops were first sent into the territory. The perspective that underlay his entire career, that of establishing an independent capitalist state, has produced a disaster for the East Timorese people.

The tiny country is the most impoverished petro-state in the world. Oil and gas earnings from the multi-billion reserves in the Timor Sea generate 97 percent of government revenue, and the country's sovereign wealth fund is now worth \$US15 billion. This money has benefitted a tiny elite in the capital Dili, conspicuous in their heavily-guarded mansions and luxury vehicles, while most of the country's 1.1 million people still rely on subsistence agriculture and lack access to basic services, including regular electricity supplies.

East Timor still experiences what is known as an annual "hungry season," when food shortages are widespread, resulting in an estimated 58 percent of all children suffering restricted growth due to malnutrition. Unemployment is rife, especially among the tens of thousands of young people who have moved to Dili in search of employment and opportunities.

One of Gusmão's key roles as first president and then prime minister on behalf of Australian and world imperialism was to ruthlessly suppress all social unrest. In 2006, he worked closely with Canberra in helping instigate violent protests and a military mutiny against the then Fretilin government led by Mari Alkatiri. The Australian government opposed Alkatiri's demands during Timor Sea treaty negotiations, also concluding that he was becoming too close to rival powers Portugal and China, and launched another military intervention. Gusmão used the regime-change operation to claim sweeping authoritarian powers, which he further

extended after becoming prime minister in 2007.

Gusmão's pending retirement will no doubt generate concern in Canberra. Australian military forces sent into Timor in 2006 only withdrew last March, followed by most UN security forces last December. The Australian National University's Joanne Wallis late last year published an article in the Fairfax press warning of potential unrest caused by Timor's extreme social inequality. "Disenchanted young people constitute a ready constituency that can be encouraged to join gangs and engage in criminality and violence," she wrote. "Many of those who inflamed the 2006 security crisis were members of youth gangs, whose experience of poverty, unemployment and marginalisation led them to feel that they have been ignored by their new state."

The Australian foreign policy establishment became alarmed in recent years after Gusmão, installed in office as its man in Dili, indulged in anti-Australian rhetoric and looked to deepen ties with China and other Asian countries.

This shift was triggered by the unresolved issue of the development of the Greater Sunrise oil and gas fields. The Woodside Petroleum-led US-Australian corporate consortium that has the rights over the project refuses to accede to Timorese demands that the gas be piped to Timor for processing there. The stalled project threatens to lead to an enormous crisis for the Timorese state, which now depends on one oil and gas project, Bayu Undan, that may run dry within 10 years and leave the government with no revenue base. The Timorese elite's desperation has resulted in legal action in The Hague against the Australian government for illegal espionage operations during the Timor Sea negotiations as part of its attempt to pressure Canberra into agreeing to its terms for the development of Greater Sunrise.

Gusmão announced his pending resignation without nominating a successor. Canberra is no doubt actively seeking to install a figure aligned with its interests. At stake is not merely the future of Greater Sunrise, and enormous profits for Woodside Petroleum, but the future of a geo-strategically vital territory. Under the US "pivot" to Asia, Australia has joined the drive to militarily encircle China in preparation for a potential war that will involve cutting off China's oil and other imports, which flow through key naval choke points in the Indonesian archipelago not far from Timor. Both

Washington and Canberra aim to prevent any further deepening of ties between the Timorese and Chinese military forces, and keep Timor as a potential base of operations in the event of a Pacific war.

The reported frontrunner in the race to succeed Gusmão is Agio Pereira, Gusmão's chief of staff when he was president between 2002 and 2007, and more recently the country's secretary of state. Pereira has ties with Canberra, having lived in Australia for almost all of the period when Indonesia ruled East Timor, but has recently publicly clashed with the Australian government over the espionage and oil treaty issues.

Fretilin is also manoeuvring. It long ago dropped its opposition to what it formerly described as Gusmão's unconstitutional government, formed in 2007 despite Fretilin receiving the most votes. There have been reports in the Timorese media that the ruling coalition may be replaced with a "grand coalition" of Gusmão's CNRT and Fretilin. Fretilin MP Jose Teixeira told the Fairfax Media that "there is a lot of collaboration amongst the two sets of leaders now" and that a "government of consensus" was possible, including a Fretilin figure as prime minister.

The Australian government would almost certainly oppose such a development if it in any way presented a threat to Canberra's interests. As in the past, the formation of an unacceptable administration could provoke another imperialist intervention into the impoverished state.



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