

# East Timorese prime minister resigns, “national unity” government formed

Patrick Kelly  
10 February 2015

Xanana Gusmão has formally resigned as prime minister of East Timor, as part of a wider political realignment within the country’s ruling elite. Gusmão nominated as his successor Rui Araujo, of the formerly opposition party Fretilin, with other Fretilin members to join a new “national unity” government.

Gusmão announced last year that he planned to resign. He served as East Timor’s first president from 2002, following the granting of formal independence to the previously Indonesian-occupied half-island. In 2007 he was installed as prime minister, after collaborating the previous year with an Australian-instigated military intervention that led to the ousting of the Fretilin government of Mari Alkatiri. Gusmão’s resignation, more than two years before the end of his second term in office, comes amid escalating economic and social crisis in East Timor

More than 15 years after the Australian military led a bogus “humanitarian intervention” into the statelet in 1999, the claim that the social interests and democratic rights of the Timorese working class and rural poor could be advanced through the formation of a separate capitalist nation state stands exposed as a cruel illusion.

Despite the government reaping billions of dollars in oil and gas revenues—Timor’s energy reserves are the country’s only significant natural resource and source of economic activity—the vast majority of ordinary people remain in desperate poverty. Mass unemployment, especially for young people, wracks the capital Dili, while in rural areas much of the population remains confined to a subsistence existence. A report released late last year by the International Food Policy Research Institute found that Timor trailed only Burundi and Eritrea in having the most widespread hunger of any country. The report also noted that Timor has high levels of underweight children under 5, more

than one in three, similar to Niger and Yemen.

At the same time, a narrow Timorese elite has emerged that has amassed enormous personal wealth through lucrative government contracts and related dealings with transnational oil and gas companies.

Now, however, this elite confronts the threat of state bankruptcy and collapse. Only one significant oil and gas project has been developed since so-called independence—the Bayu-Undan field in the Timor Sea, which delivers more than 90 percent of government revenue. This field is due to run dry within the next decade. The far larger Greater Sunrise field remains undeveloped, amid an ongoing standoff between the Timorese government and Woodside Petroleum, which is backed by the Australian government, over where any tapped oil and gas should be processed. Dili is demanding a processing plant be constructed in Timor, while Woodside is holding out for either a pipeline to Australia or a floating facility in the Timor Sea.

The dispute has coincided with far reaching shifts in the international energy market, driven by the rise of natural gas fracking operations in the US and other countries. The recent plunge in the world oil price has fuelled concerns in Timor that the Greater Sunrise project will be rejected as insufficiently profitable by Woodside and the minor consortium partners, America’s ConocoPhillips and Anglo-Dutch Shell.

In its desperation to get Greater Sunrise started, Gusmão last year quietly suspended a crucial legal case in The Hague’s International Court of Justice. The case was an attempt to overturn a 2004 treaty that divided the Greater Sunrise resources between Timor and Australia, despite the vast majority of the reserves lying outside Australia’s lawful territory. Behind closed doors, negotiations are underway between the Australian and Timorese governments.

The escalating economic crisis has driven the rapprochement between Fretilin and Gusmão. Previously bitter enemies within the ruling elite have now closed ranks, attempting to shore up their common class interests.

In 2006, Fretilin leader Mari Alkatiri denounced then President Gusmão for his role in triggering a split in the Timorese armed forces and instigating anti-government riots that provided the pretext for Australian military intervention. After the 2007 elections, in which Fretilin won the most seats in parliament but were denied the opportunity of forming a coalition administration, Mari Alkatiri accused Gusmão of heading an “illegal government.” In 2008, Alkatiri accused Gusmão of staging a so-called assassination attempt against himself, and also suggested that “rebel” soldier Alfredo Reinado had been set up as part of Gusmão’s efforts to bolster his grip on power.

Now all this has been put aside. In February 2013, Gusmão and Alkatiri announced a “new political arrangement,” in which Fretilin would collaborate with the ruling parties in the country’s parliament and in return would be consulted in different areas of government decision making. For the last two years, Fretilin has effectively functioned as a government party, approving Gusmão’s budgets and voting for other legislation—including numerous anti-democratic laws promoted by Gusmão. A media bill unanimously endorsed by the parliament last year ordered journalists to “promote public interest and democratic order” and “encourage and support high quality economic policies.”

Gusmão appointed Alkatiri chief of the Oecuse region, which is to be developed as a cheap labour “Special Social Market Economy Zone,” attracting investment from transnational textile and other manufacturers. Alkatiri’s evolution, from resistance leader to sweatshop-foreman-in-chief, underscores the utter bankruptcy of bourgeois nationalism.

Alkatiri is now set to play a more prominent role, although he reportedly promised Gusmão that he would not seek to again become prime minister. With Gusmão’s resignation, the “restructuring” of the government is likely to incorporate several Fretilin ministers.

There is no doubt that the imperialist powers are manoeuvring to shore up their interests amid the

political realignment in Dili. Canberra ousted Alkatiri in 2006 because he was regarded as too closely aligned with Portugal and China. Gusmão was installed as the Australian government’s man—though he has since sought to manoeuvre with rival powers, using a turn to China and other countries as leverage in the Greater Sunrise dispute. In April last year, both Gusmão and Alkatiri spent a week in China, seeking closer economic and diplomatic relations.

Gusmão’s nominated successor, however, Rui Araujo, has close ties with Canberra and Washington. Previously completing a medical degree in New Zealand, Araujo was installed as deputy prime minister for a period in 2006 after Alkatiri resigned as prime minister. A US diplomatic cable, sent from the Dili embassy on July 10 that year and later published by WikiLeaks, lauded Araujo for his “intelligence and sincerity [and] technical and managerial skills,” adding that he “has a good relationship with the Embassy and USAID.”



To contact the WSWS and the Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**