

Twenty years after independence vote

East Timor's mass poverty, unemployment belie promises of "national liberation"

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On August 30, the small state of East Timor commemorated the 20th anniversary of the referendum vote in favour of formal independence from Indonesia, which invaded and annexed the former Portuguese colony in 1975.

Official festivities for the anniversary were held amid mass unemployment and some of the most extreme poverty anywhere on the planet. The notoriously corrupt local elite used the opportunity to flaunt their designer jewellery and luxury vehicles, while representatives of the imperialist powers that continue to dominate East Timor, particularly Australia and the US, were warmly embraced.

Timor's capital Dili was again converted into a Potemkin Village. Ahead of the 2012 independence commemorations, iron sheets were used to conceal slums and polluted canals from the eyes of visiting dignitaries travelling on the road from Dili airport. This time, government buildings around the fireworks display were reportedly given fresh coats of paint.

The anniversary served to underscore the failure of the nationalist political perspective behind the drive for Timorese independence that culminated in the 1999 referendum and 2002 formal assumption of sovereignty. Two decades on, contrary to the promises of Fretilin and other proponents of "national liberation," it is clear that the creation of the new capitalist state did nothing to advance the social interests and democratic rights of the Timorese working class and rural poor.

The majority of Timor's 1.4 million people live in severe poverty. Many people remain dependent on subsistence farming, with a "hungry season" endured annually. According to a Global Hunger Index survey released last month, East Timor is the tenth worst country for hunger suffering in the world, narrowly behind war-ravaged Afghanistan and Sudan. Almost 50 percent of all Timorese children are stunted due to malnutrition.

Even in Dili and the major towns, basic services are lacking, including access to clean water, sanitation, health,

and education. Literacy levels are just over 50 percent. Power blackouts are regular occurrences in the capital, while much of the country remains without electricity.

Mass unemployment has badly affected young people, with 75 percent of the population under 35 years-old. Tens of thousands of youth have emigrated and do factory and meatpacking work in Britain and Europe, cleaning and other menial work in South Korea, and fruit picking and onerous farm work in Australia. Remittances from overseas workers constitute Timor's second largest "export."

Oil and gas remain the state's critical resource and the source of the wealth amassed by a tiny ruling elite over the last 20 years.

Energy resources extracted from the Bayu Undan gas field in the Timor Sea have generated about \$20 billion in revenues for the Timor-Leste Petroleum Fund since 2004. Portions of this sovereign wealth fund, mainly interest payments, have financed about 90 percent of all government spending. While only a pittance has been allocated to basic social services, hundreds of millions have been spent on the state's military, police, and government apparatus. Untold wealth has been lost through corrupt public infrastructure and service tenders.

The very basis of "independent" East Timor is now in question, however, with the Bayu Undan field due to run dry within the next two to three years. The Timor-Leste Petroleum Fund is already stagnating, with its value steady at \$US16 billion over the last four years.

The entire Timorese elite has staked its future on the future development of the enormous Greater Sunrise gas field. Backed by the opposition Fretilin party, Prime Minister Taur Matan Ruak's government hopes to raise billions in funding to begin extraction from the Timor Sea, piping gas to Timor for the first time, thereby developing a long-term gas refining industry in the country.

Billions of dollars have already been invested in this gamble. The Timorese state recently bought out the Greater

Sunrise stakes owned by ConocoPhillips and Shell for \$485 million and \$413 million respectively. The American and Dutch energy giants had opposed the proposed pipeline to Timor, demanding instead that existing pipelines to northern Australia, and refineries in Darwin, be utilised. The same demand is still being issued by Australian company Woodside, which has a 33 percent stake in the Greater Sunrise project.

The Australian government has backed Woodside's refusal to cooperate with Dili's plans for a Timorese pipeline and refinery, consistent with the gangster politics that has characterised the stance of successive Labor and Liberal governments towards East Timor. From the Whitlam government's green light for Indonesian invasion in 1975, to the illegal 1989 Timor Gap treaty negotiated by the Hawke government with the Indonesian junta, and the 1999 post-referendum military intervention by the Howard government, securing control over Timor's lucrative energy resources has been the driving imperative.

The referendum anniversary has seen renewed promotion of the Australian military operation in 1999 as a selfless "humanitarian intervention." In reality, as is well documented, Canberra made active preparations to deploy troops in the lead up to the independence vote. After violence orchestrated by the Indonesian military escalated after the vote was announced, pseudo-left organisations in Australia led "troops in" demonstrations, creating the political conditions for the Howard government to launch a military intervention.

Far from defending innocent people, Australian troops did not arrive until well after the worst of the violence and Indonesia had been pressured by Washington to rein in the pro-Jakarta militias.

The military operation was designed to give Canberra maximum leverage in determining the composition and policies of the new "independent" state. Australian provocations and dirty tricks included illegal espionage acts, like the 2004 bugging of the Timorese cabinet office by spies posing as aid workers. Instead of the architects of this operation being prosecuted, the whistleblower who revealed the crime is now being prosecuted in a secret trial (see: "Australia: Whistleblower trials proceed despite outcry").

The East Timorese elite has sought to court other powers, especially China, to offset Australian dominance. China has made prominent investments, including of several government buildings in Dili. The Timorese government has also publicly suggested that China may be willing to invest the more than \$15 billion required to construct a gas refinery plant and undersea pipeline to the Greater Sunrise field.

In response, the Australian government has stepped up its pressure. Prime Minister Scott Morrison visited Dili for the

1999 anniversary last month, the first visit by an Australian head of government in 12 years. Morrison exchanged diplomatic notes activating a new Timor Sea energy sharing deal that will see Australian imperialism grab even more of Timor's resources—between 20 to 30 percent of all Greater Sunrise gas revenues, even though the field lies entirely in Timorese territory.

Morrison announced that Australia would pay to connect East Timor to fibre optic internet, via an Australian cable system. As with similar recent deals in the South Pacific, Canberra's aim is to shut out China's Huawei corporation and retain for itself and the US-led "Five Eyes" alliance full spying capability over the region's internet service. Morrison also revealed a "new maritime security package," involving a new wharf at the Hera Naval Base on East Timor's north coast and two Australian-paid Guardian-class patrol boats.

These measures form part of the broader preparations by US and Australian imperialism for war against China. East Timor—near the critical Lombok and Sunda Straits through the Indonesian archipelago—is on the strategic front line.

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