

East Timorese government realignment shuts Xanana Gusmão out of power

Patrick O'Connor
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The East Timorese government has widened the multi-party coalition on which it is based, securing the support of 41 out of the 65 parliamentarians.

The new alignment marks a shift—earlier this year the government was on the verge of being thrown out of office, and former president and prime minister Xanana Gusmão was poised to become prime minister again. Now, however, Gusmão's political coalition has collapsed and he and his National Congress for Timorese Reconstruction (CNRT) party have been shut out of power.

Gusmão had been a senior minister, and the CNRT a coalition participant, in the government of Prime Minister Taur Matan Ruak. In January CNRT parliamentarians voted down the government's budget in a bid to force an early national election, which is not due until 2023. Gusmão announced that the CNRT had formed a new alliance with the smaller Democratic Party and KHUNTO formation, giving it a parliamentary majority. In February, Prime Minister Ruak submitted his resignation to President Francisco Guterres.

Before this was accepted, however, East Timor recorded its first cases of coronavirus, from March 21, and a state of emergency, which remains in place, was declared on March 28. The country has fortunately avoided widespread infection, with a total of 24 confirmed cases, none of them active any more. East Timor's borders remain closed, although the land border with the Indonesian province of West Timor is a porous one and there are escalating infections across Indonesia.

For the government, the state of emergency appears to have bought it time. Last month Ruak announced that the Democratic Party and KHUNTO were abandoning Gusmão's coalition and joining the

government, together with Fretilin, the largest party represented in the parliament. The government plans on passing the annual state budget by the end of July.

In addition to losing all its ministries, the CNRT lost the post of parliamentary president (equivalent to speaker). Amid chaotic scenes on May 18-19, including parliamentarians flipping over tables and throwing objects at each other, the ruling coalition parties installed Fretilin's Aniceto Guterres Lopes as the new parliamentary president.

Gusmão and the CNRT have attempted multiple legal challenges, including one seeking a fresh national election, but all have been defeated.

The sudden reversal of fortune for Gusmão has raised tensions in Timor's capital Dili. In 2006, then President Gusmão helped instigate a violent split within the Timorese military as a means of ousting the Fretilin-led government. He worked closely with the Australian government, which seized on the coup attempt to stage a military intervention to force the removal of Prime Minister Mari Alkatiri and consolidate his grip on power.

Last month, the Association of Black Brigade Combatants, an organisation of some anti-Indonesian resistance fighters aligned with Gusmão, threatened to demonstrate and occupy the parliament. The US embassy issued an alert warning American citizens that the demonstration would be illegal and likely met by police "out in force," adding that people should exercise increased caution "due to crime and possible civil unrest."

Police are securing a road leading to Mari Alkatiri's residence, which was burned down in the 2006 crisis. Gusmão continues to travel around the country campaigning against the government.

Unlike in 2006, it does not appear likely that his bid

for power will be backed by Australian imperialism.

Before he quit the government, Gusmão focussed on developing the Timor Sea's untapped Greater Sunrise reserves. He spent \$650 million buying out stakes held by multinational energy giants ConocoPhillips and Shell. At the same time, he led the Tasi Mane infrastructure mega-project centred around oil refining facilities on East Timor's south coast that were being constructed in anticipation of oil and gas being piped there from the untapped Greater Sunrise reserves in the Timor Sea.

Australia's Woodside Petroleum, backed by Canberra, has refused to agree to piping the oil and gas to Timor, insisting that either a floating facility be built or that the energy is piped to Darwin, in northern Australia, where existing processing facilities could be used.

Amid the protracted standoff, Gusmão proceeded with his construction projects. Hundreds of millions of dollars were spent on an airport, port facilities, multi-lane road highways—none of which have been used. It is widely understood in Timor, however, that those with the right political connections have enriched themselves via state contracts and kickbacks.

While in opposition, Fretilin criticised the Tasi Mane project as an extravagance. The party also condemned what it deemed excessive public expenditure that threatened the viability of Timor's sovereign wealth fund. The fund was built up through revenues from the Bayu-Undan gas field, with the first Fretilin-led administrations after formal independence in 2002 imposing austerity budgets despite Timor's enormous poverty and lack of social infrastructure.

The newly-reforged government will almost certainly move to slash public spending, and likely rein in the large construction projects promoted by Gusmão. The coronavirus crisis has triggered an economic shock to the country, compounded by the global collapse in oil and gas prices.

East Timor's sovereign wealth fund is worth around \$US16 billion and provides the vast majority of the Timorese state's revenues. Bayu-Undan, however, is nearly dry, and without the exploitation of Greater Sunrise the state will be threatened with outright collapse.

There have been recurring rumours of Chinese interest in either financing or directly constructing

pipelines from Greater Sunrise to Timor.

For the Australian government, the worst outcome of the protracted Timorese political crisis would be to lose influence in the strategically located state to Beijing. Earlier this year South Australian Centre Alliance Senator Rex Patrick spoke in parliament to describe East Timor as a "stationary aircraft carrier" to Australia's north and warned of the danger that China would move to establish a military base there (see: "East Timor's coalition government collapses").

Further Australian state intrigue and manoeuvring in Dili can be expected.



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