

## **Change or no change in Timor-Leste?**

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### ***Presidential elections out of the way, the next big test is July parliamentary polls to see who controls the country's formidable oil and gas reserves***

When incumbent Jose Ramos-Horta lost the March first round of Timor-Leste's largely peaceful presidential election, some saw it as the end of an era for Timorese politics that began with the country's independence from Indonesia in 2002.

Ramos-Horta, along with Fretilin leader Mari Alkatiri and Prime Minister Xanana Gusmao, have dominated the politics of the country, also known as East Timor, since independence, with the top jobs of prime minister and president passing between the trio, who have been sometimes comrades, sometimes rivals.

The new President is former army chief Taur Matan Ruak – a man from the same resistance fighter leadership that fought in the jungles against Indonesia's elemental 1975-99 occupation, which by some estimates killed a third of Timor-Leste's people.

Although the new President doesn't have Ramos-Horta's international profile, his personal prestige as army head and ex-jungle fighter (Ramos-Horta spent much of the Indonesian occupation era overseas) – as well as Fretilin's party machine strength – meant that Ramos-Horta was knocked out of the race in the first round with 21 percent of the vote.

Taur Matan Ruak is a *nom de guerre*, meaning “two sharp eyes,” a sobriquet he acquired after joining Timor's Falintil resistance fighters in 1975. Born Jose Maria Vasconcelos, he won 26 percent of the vote in the first round in March, but last Monday, support from Xanana Gusmao prompted a jump to 61 percent in the run-off against Francisco 'Lu-Olo' Guterres, a Fretilin candidate who also finished a distant runner-up to Ramos-Horta in the 2007 Presidential elections.

Fernanda Borges is leader of the National Unity Party (PUN), which has three seats in the current parliament. She laments that “there is also a real perception from the campaign that only those who fought in the military resistance have earned the right to lead or govern the country.”

The 2007 elections were held less than a year after 2006 violence brought the country to the verge of civil war, with a tenth of the population displaced and with disaffected army cadres on the loose in the hills of central Timor. Less than a year later, the leader of the army 'petitioners' as they came to be known, attempted to assassinate Ramos-Horta and Gusmao in dawn attacks on Dili's outskirts.

The election was peaceful – though admittedly the much more important and potentially-divisive parliamentary contest lies ahead, scheduled for July 7. Timor-Leste expert Damien Kingsbury, who led the Australia Timor-Leste Friendship Network Observer Mission as polls watchdog, says “this process, if successful through the next round of parliamentary voting, will formally mark democratic consolidation in Timor-Leste.”

Australia will phase out its current 400 soldier stabilization mission in the country while the UN, which ran the half-island country as protectorate from 1999-2002, will leave in 2013.

Timor-Leste will then be on its own, and whatever attention the tiny half-island nation manages to maintain from the outside world will focus on how its newly-elected political leadership uses the country's oil and gas windfall to curb ongoing poverty, in a country labeled by the International Monetary Fund as the "most oil-dependent economy in the world."

Despite, or perhaps because of almost US\$10 billion in oil and gas largesse, as well as around US\$6-8 billion in overseas aid, most Timorese live in poverty, while most of the energy earnings are being banked to ensure there are funds once the wells run dry, an initiative that has won widespread international praise.

Edward Rees is a former adviser to Ian Martin, previously UN Special Envoy to Timor-Leste. Looking ahead to the July elections, he reminds that the presidency is a largely ceremonial position, and that real power is vested whoever can form a government after the parliamentary vote. The winners will gain access not only to the government, however, but to the oil money. "The big game will be decided. It is for control over a 10 billion USD and growing Petroleum Fund," he tells Asia Sentinel.

The main opposition Fretilin party - out of office since 2007 - will likely campaign by accusing Xanana Gusmao's administration of corruption. The Xanana-Taur Matan Ruak alliance ensured an easy win for the latter in the presidential elections, but, as president, Taur Matan Ruak should raise uncomfortable questions with his allies, according to Fernanda Borges. "At least six Ministers have been accused of corruption and there is reluctance to act in a decisive way on their suspension in accordance with our Constitution," she says.

However, going by the "Lu-Olo" presidential election result, Fretilin will not win enough seats to form a government on its own, and the same is likely to be true across the board, and accordingly, rumors of Ramos-Horta's political demise could be premature, to paraphrase Mark Twain.

He has not said if he will run in the parliamentary vote, but either way, he could still be kingmaker come July 7, and has already said he will support the Democratic Party - part of Xanana's current coalition government and led by fellow first-round Presidential loser and Fernando 'La Sama' de Araujo - in the parliamentary vote.

What this could mean for parliamentary arithmetic come voting time is unclear for now. Deakin believes "the real question will be whether Jose Ramos Horta's support of the Democrats in the parliamentary elections translates as a larger bloc of votes than they would ordinarily have".

Ramos-Horta's backing is unlikely to help the Democrats win enough votes to form a single-party government. But this could give them enough seats and sway to beat both Fretilin - which won the most votes of any party in the 2007 election and the National Congress for Timorese Reconstruction (CNRT) party led by current Prime Minister Xanana Gusmao.

In turn this could put 'La Sama' in a strong position to become Timor-Leste's next prime Minister, a post held briefly by Ramos-Horta during 2006-7, meaning a break from the past for Timor-Leste. But for now the shortest odds are on a return to office for Xanana Gusmao. "CNRT is clearly now in an advantageous position with TMR's win", says Borges, adding that her own party hopes to win 6-10 seats, enough, she feels, to enable PUN join whatever coalition emerges after July 7.

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