TOURISM AND EMERGING ISLAND ECONOMIES

An understanding of stakeholder perspectives in Timor-Leste

[Received November 10th 2016; accepted July 12th 2017 – DOI: 10.21463/shima.12.1.12]

Sara Currie
<sara.currie@alumni.unimelb.edu.au>

ABSTRACT: This article analyses the potential for tourism development in the young island nation of Timor-Leste, arguing that tourism could provide an important source of economic revenue, employment and cultural exchange. However, tourism can be a ‘double-edged sword’ and its successes are not always guaranteed. This article identifies that while Timor-Leste’s stakeholders wholeheartedly support tourism, they have concerns about its development, preferring a community-based or ‘pro-poor’ model. Further, tourism decision-making in Timor-Leste is centralised and current government action does not align with tourism planning or stakeholder wishes. To date there has been limited research on community support for tourism in small-island developing economies; this article, therefore, provides a timely addition to the literature.

KEYWORDS: Timor-Leste, tourism, stakeholders, tourism planning, government planning, small island nations.

Introduction

There are contrasting perspectives on the impact of tourism on small island nations. One view maintains that tourism has multiple benefits, including cultural revival and economic diversification, building on the existing assets of poor rural communities with few other growth options (Ishii, 2012; Scheyvens, 2007; Briedenhann, 2011). For small island nations, tourism has been credited with providing independent economic growth and increased standards of living (Pratt, 2015). A second perspective, however, suggests that tourism often provides little economic return for local residents and instead forces them to tolerate many of its unwanted effects (Ishii, 2012). Tourism has been criticised for negatively influencing local economies, damaging the natural and physical environment and eroding traditional values of host communities (Sinclair-Maragh and Gursoy, 2015). While it has the potential to bring economic and social benefits, tourism can adversely impact the culture and sense of identity of ethnic groups, particularly in a world where altruism is secondary to profit (Yang, 2011, Chok et al, 2007).

This article analyses the potential for tourism development in the half-island nation of Timor-Leste. It argues that while tourism could be of vital importance to the future prosperity of Timor-Leste — an oil-dependent nation struggling to diversify its economy — the risks and implications of promoting a nation for tourism must first be considered. This article focuses upon the views of Timor-Leste’s tourism stakeholders, analysing their perceived value and concerns in growing a tourism industry and their aspirations for how it could ideally evolve. This work attempts to provide a timely addition to the current discourse, given that while literature on host communities’ attitudes towards tourism has...
been increasing, very few scholars have studied community support for tourism in small island developing economies (Nunkoo and Gursory, 2012). This suggests a gap in the current research, given that residents’ support for tourism is likely to be different between developing and developed nations, and between various regions in the world. This article not only elucidates stakeholder views towards tourism, but also develops an understanding of the unique situation of tourism planning in Timor-Leste. This contributes to the current discourse of the nuances and complexities inherent in sustainable tourism development in small island nations.

Research Context: the island nation of Timor-Leste

Timor-Leste is a half-island nation, situated just 640km northwest of Darwin, Australia, and 100km southwest of Java, Indonesia. Its territory includes the exclave of Oecussi, reachable direct from Timor-Leste only by sea, and the islands of Atauro and Jaco. The capital of Timor-Leste, Dili, is located on the north coast. The first Europeans arrived in the 1500s, though it was not until 1859 that a treaty divided the traditional Timorese kingdoms between the Dutch and the Portuguese, the latter claiming the eastern half of the island, to become known as Timor-Leste. Portugal’s interest in Timor-Leste was largely based on resource extraction, principally sandalwood, and they had little interest in development beyond the trading points (Guterres, 2007). Minimal effort was placed on improving the livelihoods of indigenous inhabitants and as a result the nation remained almost entirely at pre-colonial levels of development (Kingsbury, 2009). In 1974 when the so-called ‘Carnation Revolution’ brought an end to Portuguese colonial rule, the departing colonial power left little in the way of infrastructure or community development and Timor-Leste was in a precarious position for independence and economic sustainability (Carter et al, 2001).

![Figure 1: Map of Timor-Leste (Source: United Nations, 2013).](image-url)
On 28th November 1975, Timor-Leste was declared an independent state. Just nine days later Indonesia launched a full-scale military invasion, with the tacit approval of Australia and the United States, to annex the new nation. The repressive Indonesian occupation lasted 24 years and reached every village of Timor-Leste, profoundly influencing the lives of its people. Conflict-related deaths numbered as many as 183,000 across the war (CAVR, 2005), with an estimated 100,000 lives lost in the first year alone (Gomes, 1999). Despite growing international criticism of Indonesian abuses, and continued resistance, little concrete action was taken by the international community. International pressure mounted across the 1990s and finally, on 30 August 1999, a referendum was held in which 78.5% of Timorese rejected the Special Autonomy offered by Indonesia and chose independence. On May 20, 2002 Timor-Leste became an independent nation, making it, at that time, the youngest country in the world.

Timor-Leste’s population is estimated to be nearly 1.3 million people and overwhelming Catholic, at 96.9%, with a gender breakdown of 49% female to 51% male (CIA, 2017). The population is extremely young as a result of a low birth rate during the occupation years, with an estimated 42% of the population currently 14 years and younger, and 62% aged 24 years or younger (CIA, 2017). Such a skewed age structure means that the need for both education and job creation is high (Lundahl and Sjoholm, 2008). The country’s most recent census, conducted in 2010, found that the rate of employment had in fact decreased from the 2004 census, dropping from 91.5% to 89.6% in 2010. The greatest decrease occurred among women and in rural areas (Ministry of Finance, 2010).

The country’s economy depends largely on offshore resources – oil and natural gas – as well as agriculture – predominantly coffee and rice. At present, 63% of the population is occupied in agriculture. However, 55% of GDP derives from the services sector and only 27% from agriculture (Ministry of Finance, 2010), as farming in Timor-Leste is primarily used for subsistence. Coffee is currently Timor-Leste’s main non-oil export, but there is little opportunity for farmers to add value to the product, as roasting and grinding usually take place in the export country (IPRIS, 2011). There are claims that coffee has been subject to unfair international trade practices and, indeed, World Bank findings show coffee producing districts have traditionally seen higher rates of poverty (The World Bank and National Statistics Directorate, 2008).

Timor-Leste has the second-highest petroleum dependency in the world (La’o Hamutuk, 2013) at 95% of state revenues, just lower than South Sudan. Since oil was first discovered in the Timor Sea in 1972, the extraction of oil and natural gas has been a politicised and controversial issue, with a dispute over the current seabed boundary that currently enables Australia to share revenues from oil extraction (La’o Hamutuk, 2015). Timor-Leste’s Petroleum Fund provides a finite source of income for the nation, however, the Timorese government has consistently withdrawn money from the Fund at more than a sustainable rate. Unless this pattern of spending changes, commentators suggest the country is likely to run out of money earlier than expected – potentially within the next decade (Scambary, 2017).

Foreign aid has played a large role in the development of Timor-Leste, with over US$5 billion donated across the first ten years of independence (Neves, 2011). However, a large proportion of aid money is spent on procurement outside of Timor and salaries for non-Timorese. NGO La’o Hamutuk (2009) argues that only 10% of aid reached the local economy between 1999-2009, amounting to only US$550 million. It has also been suggested that the availability of government and international aid support conflicts with
the growth of economically viable businesses, as many Timorese choose to be employed on aid-funded projects, as opposed to developing their own venture (La'o Hamutuk, 2012).

According to the Heritage Foundation and the Wall Street Journal Index of Economic Freedom (2015) business regulations are strict and Timor-Leste is ranked 167th out of 186 countries for its economic freedom. The report concludes that the regulatory environment is burdensome and costly, the formal labour market is underdeveloped and the government uses exhaustible oil revenues to fund food, power and fuel. Furthermore, there are increasing concerns about corruption, as larger amounts of money become available from oil extraction. Timor-Leste is ranked 133rd in Transparency International’s 2014 Corruption Perception Index (Transparency International, 2014). While tourism can provide a much-needed source of economic diversity, allegations of corruption and aid dependency suggest that investment in the current climate will be challenging.

Timor-Leste and Tourism

Tourism is frequently promoted by the government of Timor-Leste as an important economic growth strategy due to its ability to diversify the economy, decrease regional economic imbalances and provide employment and foreign exchange inflows. Timor-Leste is an ideal candidate for tourism, as it lies within the ‘Coral Triangle’, one of the world’s most biodiverse areas of coral and reef fish, and ‘Wallacea’, an area rich in unique flora and fauna. It is also a historically interesting nation, boasting traditional arts and crafts produced by the country’s diverse and ancient indigenous groups, while more recent history, including Portuguese colonisation and the history of the Indonesian resistance, also provide tourism appeal.

However, annual immigration statistics suggest that under 50,000 leisure tourists arrive into Timor-Leste each year (Immigration Office Timor-Leste, 2016), which is tiny compared to near-neighbour Bali, which attracts a over four million visitors annually (Bali Government Tourism Office, 2016). Challenges to tourism in Timor-Leste are numerous and include cost, accessibility, limited infrastructure and hospitality. Food and accommodation in Dili are expensive, due to the large number of international staff and advisors who can afford higher prices, as well as the reliance on imported goods. A further challenge is simply encouraging people to visit, with current Australian Department of Foreign Affairs and Trade advice for visitors to the country to “exercise a high degree of caution... because of the uncertain security situation” (smarttraveller.gov.au, 2017), deterring potential tourists, despite the nation now being largely safe and peaceful. Further, there has been limited tourism planning to date and the country works without an official tourism strategy.

Such challenges are not insurmountable, particularly if a tourism policy and destination marketing strategy are developed and public funds are allocated to the coordinated development of a tourism industry. With a steadily decreasing Petroleum Fund, the government of Timor-Leste is continually advocating tourism as the most likely industry to solve the nation’s economic woes. Indeed, the creation of a tourism industry is often regarded as a panacea for developing nations - a social and economic “cure all” (Chok et al, 2007) and a “passport to development” (Dann, 2002: 236). The latter reflects the manner in which tourism has been considered as an inclusive industry that can build on the natural and cultural assets of poor rural communities with few other growth options (Scheyvens, 2007; Briedenhann, 2011). For small island nations, tourism development is considered a
viable alternative for economic growth, particularly given the extent to which it can be identified to help preserve of local culture and the environment (Sinclair-Maragh and Gursoy, 2015), improve basic infrastructure such as roads, airports and utilities and support the local population to gain income and employment (Pratt, 2015).

However, there is a lack of empirical evidence to suggest increased tourism does indeed lead to increased benefits for the poor (Chok et al., 2007) and a number of authors have been unable to establish any positive link between tourism and economic growth (eg, Seetanah, 2011). Tourism in the developing world is sometimes seen as a ‘double-edged sword’: while local communities may increase their income or livelihood, the majority of benefits tend to flow out of them with real power and decision-making residing outside community control. This often leaves local people as the objects of development but not the subjects of it (Mitchell and Reid, 2001). This can also be problematic from an environmental perspective, given any increase in tourism volume will necessarily have a corresponding increase in negative impacts (Chettiparamb and Kokkranikal, 2012).

For Timor-Leste, a nation only 15 years old and struggling with issues of corruption, resource and aid dependency and the misuse of public funds, the further development of its tourism industry will be by no means easy. Further, as the literature suggests, a tourism industry developed without sufficient planning and expertise, may in fact see an increase in negative consequences and economic benefits flowing only to the already wealthy. This article, therefore, focuses on the views of Timor-Leste’s tourism stakeholders to ascertain whether a tourism industry is wanted and to understand their aspirations and concerns for its development. This article takes the perspective that internal stakeholders should not be treated as customers who need to be convinced to endorse tourism (and, through that, suffer its unwanted consequences) but rather considered important stakeholders and consulted on their interests and ideas (Nunkoo and Gursoy, 2012).

Research Method

Research for this article was undertaken across a five-year period while the author was living in Timor-Leste and working in the tourism industry. Through a qualitative, iterative approach, the researcher conducted exploratory and semi-structured interviews with tourism stakeholders across Timor-Leste, followed by three focus groups to generate discussion and debate. Across the five-year period, a total of 94 interviews were conducted with 56 separate tourism stakeholders. The research sought to better understand stakeholders’ views on the development of a tourism industry, including their hopes and concerns, as well as analyse any differences in perspective between stakeholders from different tourism industries. Through extensive secondary and observational research, the project also sought to understand differences between stakeholder aspirations for tourism and current tourism policy and planning in Timor-Leste.

Primary research participants were selected through a purposive sampling process, as the researcher was already well-established in-country and had access to tourism stakeholders at all levels, including the President and the Minister for Tourism. A diverse sample of stakeholders across all major tourism industries was attained, including the private sector (hotels, tour operators and airlines), government, NGOs and education. It was also important to ensure geographic representation, to fairly depict the tourism climate outside the capital of Dili. Participant nationality also provided an important distinction and the author ensured suitable representation from expatriates (or foreigners working in tourism...
in Timor-Leste), Timorese nationals and Timorese nationals who had spent more than five years based overseas (termed Timorese expatriates). It is not uncommon for Timorese to have spent in excess of five years overseas given the 25-year occupation of their country. As Steedman (1991: 53) suggests, “knowledge cannot be separated from the knower” and thus this article acknowledges a number of limitations in its method. As the researcher was already a tourism stakeholder herself at the time of her research, she began with a strong passion for Timor-Leste and desire to see tourism succeed. Therefore, the observations and reflections contained in this article, while developed as objectively as possible, are likely to have been analysed through this lens. While the researcher was not overtly aware of this potential bias, it is possible that, through an understanding of her background in Timor-Leste, respondents were inclined to share a view they felt might be more compatible with her own. To accurately represent the views of Timorese tourism stakeholders, this article has included many quotes verbatim and every effort has been made to minimise researcher bias and convey data both accurately and sensitively.

Stakeholder response to tourism

There was unanimous agreement from Timor-Leste’s tourism stakeholders that an increase in tourism would be positive for Timor-Leste. In fact, a majority of stakeholders could not over-emphasise the importance of tourism to their nation, many exclaiming: “We need tourism”. This supports Chok et al’s (2007) contention that the idea that tourism can solve a country’s economic woes – and hence its social, political and environmental problems – is pervasive. The response is not surprising, however, given all stakeholders consulted were already part of the Timor-Leste tourism industry. Overall, the potential benefits of tourism, as cited by the nation’s stakeholders, fell into three main categories, concerning – the economy, employment and cultural exchange. These were then analysed to better understand stakeholders’ perceived advantages and risks.

Economy

Stakeholders cited economic factors as the main advantage of growing the tourism industry. As outlined, the country’s economy depends largely on offshore resources, oil and natural gas, which provide a finite source of income that will be exhausted within the next decade. A Timorese expatriate stakeholder, working for a local NGO, explained: “Now, almost in every corner, and every stage of the political domain, people always think about oil. But oil will dry someday” (Dili, March 2015). Many respondents talked about the sustainability of tourism as an industry; something that could provide long-term and sustainable income. Tourism is believed to offer a viable development option in countries with few competitive exports (Chok et al, 2007), supporting Maragh and Gursoy’s contention that “many developing island countries cannot avoid the perceived growth potential tourism development presents” (2015: 145). At the same time, while all stakeholders spoke optimistically about economic gains, more than 50% offset this perceived benefit with concerns. This opinion was most prominent from NGO stakeholders, many of whom argued it is essential to ensure economic benefits do, in fact, flow to local communities. A foreign expatriate NGO stakeholder warned:

*There are people in the tourism industry who are big corporations and their sole, number one concern is profit, at all cost. They have zero regard for*
Timorese, zero regard for the environment, zero regard for culture or heritage or anything. They want to make money. And they will make products that make money for them, at all cost. (Dili, December 2013).

A negative consequence of tourism is that it can relegate the host community to providing ancillary, low profit services, while international investors take the majority of profits offshore (Ximenes and Carter, 1999). Thus its success lies not only in its economic benefit but also on the wellbeing of the local community (Gunn, 1993). This suggests that while tourism has the potential to bring economic benefit to Timor-Leste, government management will be essential to ensure adequate policy is in place to protect tourism revenue and Timorese livelihoods. Ultimately, as a prominent Timorese NGO and monitor explains, Timor-Leste’s people and economy will only benefit if foreign investments are properly regulated and if Timorese laws oblige them to share their profits (La’o Hamutuk, 2017).

Employment

Employment was also seen as an advantage of developing a tourism industry in Timor-Leste. At present, the rate of unemployment in Timor-Leste is just over 10% but of those employed, 63% are involved in subsistence activities such as farming (Ministry of Finance, 2010). This suggests that job creation could be a valuable consequence of increased tourism. A foreign expatriate in the private sector argued that: “Tourism would definitely be the biggest employer of any industry in this country. In full swing it could employ 10% of the population” (Dili, March 2015). Indeed tourism is often referred to as the world’s largest employer and touted as a good “pro-poor strategy” for its employment-generating abilities (Chok et al, 2007).

As already outlined, Timor-Leste has a very young population as a result of the occupation years. With such an influx of locals to the job market, it is imperative for socio-economic stability that there is ample employment, which at present there is not. A Timorese government stakeholder suggested: “We have many young generations, but after school they have no jobs. This is a way to create the job for them, by doing the activities for the tourists” (Dili, November 2013). A foreign expatriate government stakeholder added: “It’s nice work. What would you rather do – throw stones at cars or teach foreign chicks how to windsurf?” (Dili, November 2013). A high rate of youth unemployment can increase risk of political instability (Azeng and Thierry, 2013) and, therefore, for a nation such as Timor-Leste, already suffering from an unstable history, tourism can play a vital role in reducing youth unemployment.

The idea of employment was also important to stakeholders for cultural reasons. A foreign expatriate, owner of a hotel currently employing local staff, explained: “People are happy here, the reason they are happy is that they know they have a job” (Liquica, October 2014). Further, it was also felt that tourism could provide something previously unavailable to many Timorese: a career path. This in turn could allow for a more skilled workforce and a more developed culture of tourism, which is a current weakness of the nation’s tourism product when compared to neighbouring Asian locations such as Bali. For employers, this would mean easy access to experienced staff, as opposed to constantly training new employees, as is often currently the case. The same stakeholder argued:
You're starving and you need money so you'll do any job. And you're not going to sit back and think about the bigger picture and think ‘well where do I want to be in 10 years’, you think ‘well I need money now, I need food now for today’. But that’s one of the ways if they could develop the tourism industry, then people can start to see working as more of a career path and less of a job. (Liquica, November 2013).

Another advantage of employment through tourism is its portability to the districts of Timor-Leste, which, as a private sector stakeholder explained: “stops the rural drift from the villages to the big city” (Dili, November 2013). If business could be taken back to the districts, young people could stay with family and their community, among stabilising influences such as traditional leaders and the church. A government stakeholder explained: “Because once they’re cut lose from that, then they’re rudderless and prone to getting into bad company in Dili” (Dili, November 2013). An expatriate government stakeholder termed the rural drift as the “sugar bowl” or “honey pot” effect and explained that if the younger people can return to the districts for a job in tourism, Dili may potentially experience less conflict and unrest. She argued: “We don’t need warriors, we need tour guides” (Dili, November 2013). However, balanced with the advantages of increased employment through tourism, a number of NGO stakeholders also raised concerns. A Timorese expatriate explained:

We want a tourism that facilitates the communities to run, to manage so they can feel that they are the owner of the place and they are the real beneficiaries of that. So as struggling people, at the end they can feel that this is their independence; I can manage, I can run and I get the benefit. What we don’t want is a tourism that local people, they are a stranger in their own places. Or they are there but they are working as a cleaning service for a foreign five-star hotel, but with a manager from Indonesia or Singapore or Malaysia. (Aileu, December 2013).

This suggests that while employment through tourism is possible, for it to truly benefit the Timorese people it is important that a majority of jobs new jobs go to local Timorese and that measures are in place to protect worker’s rights. Tourism resources controlled by foreigners will generally aim to increase their own profits, as opposed to contributing to the wellbeing of the communities in which they operate (Buzinde et al., 2010). This is not to say that foreign investment in Timor-Leste will be not be necessary but rather that for a tourism industry to provide real jobs for the Timorese people, sound policy will be crucial to ensure jobs stay onshore and the work contributes to the quality of life of Timorese, as opposed to just their income. Further, government support and funding of local tourism entrepreneurs will be important to encourage businesses and initiatives (Cabasset-Semedo, 2009).

Cultural Exchange

Timor-Leste’s stakeholders also argued that cultural exchange is an important benefit of tourism, as it could help preserve and celebrate the nation’s cultural traditions. Many stakeholders spoke with excitement about presenting their country and culture to international tourists. A Timorese education stakeholder explained: “We want tourists to see the real condition of Timor-Leste” (Dili, October 2014). Similarly, a Timorese tourism student spoke with excitement about foreigners “coming to learn what Timor is all about” (Baucau, December 2013). An expatriate, a Portuguese national, suggested the power of
tourism to grow tolerance and cultural understanding was also important. He explained: “I always say that tourism is the industry of peace, because it not only brings people together, foreigners and locals so we get acquainted and know each other, but because we share, we share our culture and share the richness” (Dili, December 2013). While tourism can lead to greater awareness of, and pride in, the nation’s history and tradition (Engelhardt, 2005), a number of stakeholders, primarily from the NGO sector, cautioned that such advantages occur only if it is well-planned and managed. Culture and tradition are important to the people of Timor-Leste. While experiencing the depth of Timorese cultural tradition could prove fascinating for many tourists, the risk, as discussed, is that promoting cultural attractions for tourism can result in cultural commodification (Yang and Wall, 2009). A tourism industry that packages Timorese cultural traditions could, in fact, have a damaging impact on the nation’s culture. A Timorese expatriate NGO stakeholder explained:

Land is not just space that you can measure with metres or can quantify in dollars, but it’s about my ancestor’s graves, it’s about my traditional house, my ritual places there. Every year I will be there to pray to say grace to my ancestors. This is the meaning. We need other people to know that. We welcome visitors, as many as possible, to see that is our identity, but we don’t want one day to visit their place, to have to ask permission of other people. We don’t want to be a visitor to our own place. (Aileu, December 2013).

Island nations are particularly vulnerable to what has been termed “cultural realignment” through tourism because they need to differentiate themselves in the market. Therefore, culture becomes a differentiating factor, a product, or an added attraction but, in the process, is likely to become commodified (MacLeod, 2013). Not only is Timor-Leste particularly vulnerable being a small island nation, its history is also characterised by a continued struggle to achieve autonomy from foreign control — from the Portuguese, the Japanese and, more recently, from Indonesia (Carter et al, 2001). Encouraging yet another influx of foreigners could potentially even further damage cultural tradition and cause yet another spate of cultural realignment. A local NGO stakeholder explained: “People coming from around the world, they have their own culture, and often they want to influence ours” (Dili, March 2015). Similarly, in their study of the village of Beloi on Atauro Island, Timor-Leste, Dutra et al. (2011) warned that if not managed properly, tourism in Timor-Leste could result in changing local traditions and lifestyle.

Cahyanto et al (2013) emphasise the importance of exploring the local landscape and its unique meaning as a first step in rural tourism development. The challenge, they assert, is that local communities often lack the authority to determine which of their landscape features should be displayed for tourism, which means that tourists’ preference, as opposed to that of the host community, dictate how environmental resources are used. In many instances, multinationals have overdeveloped resources in developing countries and taken little responsibility for their abuses once business is withdrawn (Zhao and Li, 2006). A local private sector stakeholder argued that: “Tourists take nothing away — just memories and photos. It’s one of the cleanest forms of income for any country” (Dili, November 2013), while a foreign expatriate education stakeholder suggested: “You can’t just open your doors to everyone and expect nothing to change” (Dili, March 2015). This does not necessarily suggest stakeholder opinions were divided but rather that the type of tourism promoted in Timor-Leste could significantly affect a positive or negative impact on Timorese culture and tradition. This enforces the idea that if managed well, tourism can lead to cultural exchange. If executed poorly, tourism may lead to cultural dominance, cultural commodification and, at its worst, become a form of imperialism (Sinclair-Maragh and Gursoy, 2015).
Because of recent history, Timor-Leste is in the position of being able to develop a tourism industry that can learn from the experience of its neighbouring destinations, avoiding many of the negative consequences of tourism and maximising its benefits (Ximenes and Carter, 1999). For many stakeholders, this means taking control of tourism development and its potential impact upon their culture. A Timorese expatriate NGO stakeholder explained that in Bali, for instance:

*Before Kuta and Sanur were internationally occupied, most Balinese they were ‘rich’. They had land, they had space, but now they have no space, even no house to live. They don’t get anything; only the big companies like the travel agencies, the diving companies, tour operators, they get the money. Not the community. We don’t want Jaco to be a Kuta in Bali. We are afraid that the complaints of the Balinese will repeat here in the future. The real owner of the resources will become the everlasting observer, watching other people come and take their resources and leaving them with nothing.* (Aileu, December 2013).

This discussion yet again suggests that government support and planning will be essential to ensure tourism maximises the benefits of cultural exchange and minimises the negative impacts. As Chok et al., (2007) argue, given that altruistic motives cannot be relied upon to guide tourism to the benefit of the poor, the onus lies on political commitment to enable tourism development to meet this aim.

**Government planning for tourism**

Alongside understanding stakeholders’ aspirations and concerns in relation to growing tourism in Timor-Leste, it was also important to understand how these reconciled with current government opinion and tourism planning. An analysis of perceived economic, employment and cultural exchange benefits found that while stakeholders saw value through tourism, they were also looking to the government to ensure the potential negative impacts were minimised. In asking stakeholders about the type of tourism they hoped to build for Timor-Leste, the consensus was that starting small and simple may be the best policy for the nation’s emerging tourism industry. A Timorese expatriate government stakeholder explained:

*If you open the door without any security guards in front everyone comes in and does what they want to do. We really don’t want to be Bali or Singapore or Phuket – but just enough to get people going. Enough food on the table and clothes on their back and send the kids to school. That’s a positive thing for us.* (Dili, December 2013).

Stakeholders across all industries suggested that tourism must be sustainably developed and managed for it to truly benefit the people of Timor-Leste, with the terms “community-based” and “nature-based” frequently discussed.

The General Director at the Ministry of Tourism supported this outlook, explaining that his main focus was attracting “low impact” tourists, indicating that revenue should not come at the expense of environmental or cultural degradation. He explained: “If a lot of people come to Timor-Leste they have no space for moving around, we’re using a lot of water, then it’s quite difficult for us. Therefore, we are not targeting quantity of the people, but more
spending, quality of the tourist” (Balibo, October 2013). This is congruent with stakeholder opinions about the type of tourists the country should aim to attract. As a Timorese education stakeholder suggested: “I think if we go for travellers, versus tourists, that’ll benefit more with our culture and ecosystem” (Dili, March 2015). Conversely, the Tourism Minister was far more concerned with tourist numbers: “Let’s say 28 million tourists to Thailand. If I can get 5%-10% of Thailand tourism that’s a big number for us. Let’s say seven million tourists to Indonesia; if I can get 10% that’s also a big number.” (Dili, November 2013). He also suggested a strong focus on infrastructure development, which, although not an issue in itself, does suggest a different focus to the stakeholder contingent. He explained: “So what we need now is to build a good airport, port, road, infrastructure, hotel and facilities” (Dili, October 2014). This finding not only demonstrated a lack of strategy within the Ministry, given that two of its highest Officers held opposing views on the vision for growing tourism in Timor-Leste, it also suggested that the desires of the country’s tourism stakeholders may not be facilitated by the Minister.

The Minister’s opinion is congruent with claims that the government is following a “build it and they will come” model which is averse to current planning and endorsed by a few well-positioned investors (Marx, 2016). In the exclave of Oecusse, a special economic zone is being created which will see the development of a manufacturing and tourism hub, including new mega-resorts of hotels and casinos. The project has already received $500 million in public funds across the last three years (La’o Hamutuk, 2017) and has shown little regard for feasibility studies, such as the source of investors and tourists (Scambary, 2017). While the project is not led by the Ministry of Tourism, the Minister of Tourism is one of its chief advisors. Concerns were evident from stakeholders across all sectors contacted during the research, with many complaining that government planning does not reflect government action and there is a lack of transparency. An expatriate tour operator asked: “What is the government is looking at? We are not getting any clear picture. What is the policy of this government? What are they targeting? There are no guidelines. So how can we move ahead – which direction are we going?” (Dili, January 2014). A lack of transparency in tourism planning is particularly concerning, given, as Scambary (2017) argues, the East Timorese government is highly centralised and power lies in the hands of a few key decision makers.

While the government largely has control of the direction of the Timor-Leste tourism industry, a number of NGO partners work closely with the Minister to help ensure the sustainability of the industry and economic benefits for local Timorese. A Timorese expatriate NGO stakeholder explained: “Sometimes it’s not easy, at the political level we face Ministers, the people in the government they have different policy and approach. Because they speak mostly on the interest of who has more money. We try to speak on the side of who has nothing” (Aileu, December 2013). It is feasible that if local communities participate in the tourism industry, particularly the decision making process, a trickle-down effect might benefit local residents (Ishii, 2012). A collaborative and consultative approach to tourism development is always advisable, if it can be managed, however this may be problematic for Timor-Leste, given the country’s inherent power structures.

Conclusion

This article has analysed the potential for tourism development in Timor-Leste. It has adopted a stakeholder-led approach to better understand their hopes, aspirations and concerns for growing the tourism industry. As a post-conflict nation, struggling to diversify...
its economy, tourism could provide a vital source of economic growth, employment and cultural exchange for Timor-Leste. This article has found that stakeholders are united in their desire for a tourism industry, however also mindful of the potentially negative impacts on their nation. While tourism can bring much-needed economic growth and diversification, foreign investment must be regulated and profits shared to ensure Timorese people reap substantial benefit. Similarly, while tourism can increase employment and provide a career-path for Timor-Leste's young population, development must be managed to ensure jobs stay onshore and conditions for local Timorese are favourable. The analysis also found that while tourism can bring cultural exchange it must be managed carefully to avoid the erosion and commodification of traditional culture.

Overall, while stakeholders were positive about the growth of a tourism industry in Timor-Leste, the research found that development must be managed with care to mitigate the negative consequences of tourism. The onus will lie with government to ensure the tourism industry is grown slowly and sustainability – a challenge that may prove difficult given the current Tourism Minister’s desires to simply grow numbers. Essentially, this article found that while government planning generally tends to align with stakeholders wishes, government action in fact appears to be adverse. Current plans for mega resorts in the exclave of Oecusse and a focus on growth as opposed to sustainability appear to be taking tourism development in a different direction to stakeholder wishes. For Timor-Leste, the question remains as to the extent that economic gains will compensate for the negative impacts of tourism that may be suffered by its people.

BIBLIOGRAPHY


Currie: Tourism and Emerging Island Economies/ Timor Leste

Shima Volume 12 Number 1 2018
- 139 -
Carter, R.W, Prideaux B, Ximenes V, et al. (2001), Development of Tourism Policy and Strategic Planning in East Timor, Australia: The University of Queensland, School of Natural and Rural Systems Management Occasional Paper v8 ni


Currie: Tourism and Emerging Island Economies/ Timor Leste


Marx, S (2016) Timor-Leste’s Non-Oil Economy Must Look to Tourism, Dili, Timor-Leste: The Asia Foundation


Neves, G (2011) ‘Timor: Where has all the aid gone?': www.fpif.org/articles/timor_where_has_all_the_aid_gone - accessed 4th May 2017


Shima Volume 12 Number 1 2018
- 141 -
Currie: Tourism and Emerging Island Economies/ Timor Leste


