Sustainable Destination Management in Timor-Leste

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Abstract

The *destination* became the main competitive unit in the tourism sector, and is defined as "as a tourist product and then as a specific supply involving a set of resources, activities and actors of a territory" (Manente & Minghetti 2005, p. 230). Further, *sustainable destination management* is defined as the joint management of a destination in consideration of the concept of sustainable development, and can be seen as the key tool for accomplishing a sustainable tourism development.

This study tackles the *status quo of sustainable destination management in Timor-Leste*. The fact that the tourism sector in Timor-Leste is still at a grassroots level must be understood as a huge chance to choose a 'right' pathway of tourism development, always bearing in mind that misguided developments cannot easily get adjusted in future.

The analysis focuses on *five categories of sustainable destination management* according to Dwyer & Kim (2003): [1] Organization of destination management, [2] destination planning and development, [3] destination marketing management, [4] human resource development, and [5] environmental management.

Regarding the *organizational structures*, the analysis leads to the tough but inevitable conclusion that Timor-Leste from a supply side point of view cannot be referred to as a destination, mainly due to the poor cooperation of its stakeholders and the absence of a strong steering entity. Against this background, the term management is inappropriate, as obviously is the notion sustainable.

A major problem in terms of *planning and developing* the destination lies in the huge discrepancy between the outlined vision and the strategies and actions undertaken to achieve this high-flying target: Tourism is officially prospected to be the countries second most important economic sector by 2030. In contrast, the strategies to achieve this ambitious goals are totally inappropriate, as they only imply actions that focus on small-scale and thus labor-extensive projects in the area of community-based tourism or ecotourism. A major obstacle in this context is that many of the destination's stakeholders still understand *sustainable tourism* as a niche-concept instead of considering it a concept that should underly all all kinds of tourism from niche to mass markets and all levels of tourism planning and management.

Abstract

Due to the lack of an integrated product, the current *marketing activities* focus on marketing the country, not the destination.

Regarding the *development of human resources*, it has to be stated that the number of apprenticeships is limited, while the courses offered only focus on low-skilled jobs in the area of cleaning and serving.

As there exists a huge awareness of the importance of vital natural resources for the future development among the destination's stakeholders, the Government put serious emphasis on environmental issues since independence. Nonetheless, almost all facets of *environmental management*, such as the designation and management of protected areas, are still in its infancy.

Against the background of the findings of the status quo analysis, it seems likely that the Government sooner or later will make concessions towards investors that are on the country's doorstep already, as more and more young Timorese put an increasing pressure on the labor market. This bears the risk of a future tourism development dictated by a couple of foreigners that downgrade the Timorese to an oft-quoted generation of waiters and cleaners.

In order to keep the control in Timorese hands, in the final recommendations the author calls on the destination's stakeholders to finally be proactive. As a guiding concept he suggests his pragmatic *Shrinking Triangle of Sustainable Destination Management in Timor-Leste*. This model is based on a *mainstreaming sustainability approach* that combines the advantages of (mostly foreign) large-scale developments with the basic principles of the concept of sustainable tourism, in order to finally bridge the gap between visions and reality, and without neglecting essential sustainability issues at the same time.

Keywords: *Destination, Management, Sustainability / Sustainable Development, Tourism,*
Timor-Leste / East Timor

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List of Acronyms and Abbreviations

Acr. / Abbr.	Meaning	Remarks / Translation (if expedient)
AFC	Australian Conservation Foundation	
ASEAN	Association of Southeast Asian Nations	
ATTL	Associação de Turismo de Timor-Leste	Tourism Association of Timor-Leste (suspended in early 2008)
AYAD / AusAID	Australian Youth Ambassadors for Development / Australian Agency for International Development	
CBT	Community-Based Tourism	
CCI	Chamber of Commerce and Industry	Founded in 2010
CIDAC	Centro de Informação e Documentação Amilcar Cabral	Portuguese NGO
CNRT	Congresso Nacional da Reconstrução Timorense	National Council for Timorese Reconstruction
CTID	Centro Treino Integral e Desenvolvimento Colegio Canossa, Baucau	Canossian Skills Training College, Baucau
DCs	Developing Countries	According to UN definition[*]
DCA(s)	Development Cooperation Agency / Agencies	
DIT	Dili Institute of Technology	School for Vocational Training in Dili
DMO(s)	Destination Management Organization(s)	
EIA	Environmental Impact Assessment	
ETDA	East Timor Development Agency	Timorese NGO
ETP	Escola Tecnica Profissional Maria Mazzarelo, Venilale	Maria Manzarello Technical School, Venilale
FReTiLIn	Frente Revolucionária do Timor-Leste Independente	Revolutionary Front for an Independent Timor-Leste
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit	German Agency for International Cooperation
INTERFET	International Force for East Timor	1999 to 2000

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[*] For a detailed list which countries the UN counts to this category see UNPAN (w/o year).

IPAD	Instituto Português de Apoio ao Desenvolvimento	Portuguese Institute for Development Support
LDCs	Least Developed Countries	According to UN definition[*]
MTCI	Ministério de Turismo, Comércio e Indústria	Minstry of Tourism, Trade and Industry
NDP	National Development Plan	Endorsed immediately after independence in 2002
NDT	National Directorate of Tourism	Direcção Nacional de Turismo
NGO(s)	Non Governmental Organization(s)	
OP	Office of the President	Presidência da República
PATA	Pacific Asia Travel Association	
RDTL	República Democrática de Timor-Leste	Federal Democratic Republic of Timor-Leste
SDP	Strategic Development Plan (2011-2030)	Plano Estratégico de Desenvolvimento (2011-2030)
TLTC	Timor-Leste Tourism Center	Successor of the ATTL
UDT	União Democrática Timorense	Timorese Democratic Union
UN	United Nations	
UNDP	United Nations Development Programme	
UNEP	United Nations Environment Programme	
UNMISET	United Nations Mission of Support to Timor-Leste	2002 to 2005
UNMIT	United Nations Integrated Mission in Timor-Leste	Since 2006
UNTAET	United Nations Transitional Administration in East Timor	1999 to 2002
UNWTO	United Nations World Tourism Organization	
US AID / DAI	United States Agency for International Development / Development Alternatives Inc.	Some projects of US AID in Timor-Leste are executed by DAI (private company)

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[*]   For a detailed list which countries the UN counts to this category see UNPAN (w/o year).

Prologue: Tourism in Timor-Leste in 1999

A UN plebiscite was held in 1999 in which 80% of the people of Timor-Leste voted for independence from Indonesia.

In the lead up to and in the aftermath of the plebiscite, Indonesian-influenced militias and military killed 1,500 people, wounded thousands and destroyed much of the country's infrastructure.[1]

By this time, the Australian journalist John Tomlinson wrote a poem on 'tourism' in Timor-Leste (cited in TOMLINSON 2008, p. 2):

Visit Militia City,
admire their home-made guns,
count the dead
from your hotel bed;
daughters, mothers, sons.

Tour the burnt out suburbs,
fondle a hand grenade,
bury a battered body –
democracy, militia-made.

You can bathe in blood and gore.
Shoot the fleeing by the score.
See freedom delayed
and justice betrayed.
There is a whole lot more.

We'll show you Kopassus[2] compassion.
You can dig an unmarked grave.
Teach you how to kill the wounded.
It's cheap you'll save
and save.

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[1] For more information on the history of Timor-Leste see Section 4.3.

[2] *Kopassus* is an Indonesian Army special forces group.

1   Introduction

A New Paradise – Yet Another Paradise Lost?

Putting Timor-Leste on the Map

Tourism is one of the world's most important economic sectors. Despite worldwide economic crises, more and more people travel into almost every corner of the earth, often searching for new and unique experiences and places – or, considering a metaphor often used in terms of marketing – *paradises*.

In recent years travel magazines started to notice the potential of Timor-Leste,[3] one of the world's newest nations, to become one of the new paradises in Southeast Asia, a region where tourist arrival numbers keep on growing faster than anywhere else in the world:

> *"Here in Asia, places such as Vang Vieng in Laos, Myanmar's Bagan and Papua New Guinea are no longer the untouched lands they used to be. They are now awash with backpackers clutching their beloved guidebooks and poking at their iPhone apps. Real escapism and adventure might seem hard to find. But it does exist – in the newest country of Southeast Asia, Timor-Leste, which declared its independence in 2002" (TORR 2011).[4]*

The Past is Still Present

It is impossible to talk about tourism in Timor-Leste without recalling its cruel history and the terrible shape of the country in 1999, when the Indonesian occupants finally left the territory and the UN took over the authority for the following three years:

> *"Witness the many destroyed buildings still standing today – and the numerous challenges, such as strengthening of institutions, agriculture, health, education, etc." (CABASSET-SEMEDO 2009, p. 213).*

Even after independence the country did not come to rest. A complex ethical / political conflict in 2006 was followed by violent turmoils connected to the presidential and parliamentary elections in 2007, as well as assassination attempts on both the Prime Minister and the President in 2008.

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[3]   The official names under the constitution are *República Democática de Timor-Leste (RDTL)* in Portuguese, and *Repúblika Demokrátika Timór Lorosa'e* in Tetum, the country's second official language. *The International Organization for Standardization (ISO)* states *Timor-Leste* as the official short name. This definition is adopted by the UN, various national standard organizations and international NGOs. Only Australia still uses *East Timor* as a matter of protocol. However, the officially used demonym is *East Timorese*. In this study the short form *Timorese* is also commonly used.

[4]   Other informative articles than the recent one of TORR (2011) were published by BOWDEN (2010), BLINDA (2006) or NOBLE (2005).

Only Small Steps Forward – and Still Manifold Problems Ahead

Despite these crises Timor-Leste has made notable improvements, especially regarding the socioeconomic development. None the less, the country's economy is still highly dependent on government spending financed by oil and gas revenues, and assistance from international donors. Private sector development is almost absent due to human capital shortages, and both infrastructure and resources are lacking in urban and rural areas. The only noteworthy commodity is coffee. Unemployment and underemployment combined are estimated to be as high as 70%, half of the country's population lives below the poverty line of one US$ per day, and food security remains low. Additionally, Timor-Leste has one of the youngest populations and one of the highest fertility rates worldwide, thus an increasing number of young graduates puts pressure on the labor market.

Tourism as a Tool for Sustainable Development?

Against this background tourism by the Timorese Government is considered as a key means to develop the country's economy and to fight poverty, as for instance outlined in the *Strategic Development Plan (SDP)*[5] (RDTL 2011b), an overall 20 year vision on the further development of Timor-Leste:

> *"With Timor-Leste's natural beauty, rich history and cultural heritage there is great potential to develop tourism as a major industry to underpin our economic development. A successful tourism industry will contribute income to the national and local economies, create jobs, build businesses and improve regional economic imbalances" (RDTL 2011b, p. 141).*

This vision addresses some economic key elements of *the concept of sustainable development*. This concept was taken up by the tourism sector in the aftermath of the *Rio Earth Summit* in 1992.[6] It does not only emphasize economic, but also ecological and sociocultural sustainability:

> *"Sustainable tourism […] is economically viable but does not destroy the resources on which the future of tourism will depend, notably the physical environment and the social fabric of the host community" (SWARBROOKE 1999, p. 14).*

While *sustainable tourism* at the beginning was mainly understood as an alternative form of tourism appealing only to a niche-market, in recent years the awareness rose that the concept addresses all kind of tourism stakeholders operating in any market from niche to mass. Hence, making tourism more sustainable means taking the known positive and negative impacts and needs into account in the management and development of tourism on all levels of authority.

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[5]   The official version is in Portuguese: *Plano Estratégico de Desenvolvimento 2011-2030* (RDTL 2011a).

[6]   Official name: *United Nations Conference on Environment and Development (UNCED).*

Tourism in Timor-Leste is still at a grassroots level, thus from the consumer's point of view in a phase of exploration. Considering the concept of sustainable tourism, on the supply side this must be understood as a huge chance to pursue an adjusted and cautious development of the tourism sector, preventing negative impacts of uncontrolled growth often seen in destinations all over the globe – always bearing in mind that

> "hardly a last paradise has been discovered than everyone converges on it so fast that it quickly becomes a paradise lost" (IYER 1988, p. 30).

Managing Tourism: The Concept of Destinations

A sustainable tourism development must be pursued at the level of *destinations*. The destination became the main competitive unit in the tourism sector – "in the tourism market, it is destinations that compete, not individual firms" (RITCHIE & CROUCH 2000, p. 1) – and accordingly the main unit in terms of tourism development and management.

Although the destination is "a fuzzy concept" (MANENTE & MINGHETTI 2005, p. 230), the literature has, over time, defined the concept as both a system of attractions and the geographic area that encompasses them, identified on the basis of the range of needs of their clients. Hence, it is a demand-orientated concept that

> "from the supply side [...] can be defined [...] as a tourist product and then as a specific supply involving a set of resources, activities and actors of a territory" (MANENTE & MINGHETTI 2005, p. 230).

As products, activities and attractions are provided by various stakeholders, the destination can be understood as a system in which actors are linked by mutual relationships with specific rules, and where the action of each other influences those of the others. There is need for a coordinated, joint management of the destination to pursue the overall objectives: Achieving and maintaining competitiveness and thus socioeconomic prosperity.

Destination Management and Sustainability

Among others RITCHIE & CROUCH (2003, p. 49) argue that

> "every destination must examine its ability to maintain all dimensions of sustainability [...] if it is to develop and preserve true competitiveness. [...] Competitiveness without sustainability is illusionary."

Based on this understanding, *sustainable destination management* means the joint management of a destination in consideration of the concept of sustainable development, i.e. the awareness of tools and techniques of sustainability within the tourism sector, such as participatory processes, area protection plans or codes of conduct. Or, in other words: Sustainable destina-

tion management can be seen as the key tool for accomplishing a sustainable tourism development.

1.1 Research Objectives

This awareness consequently leads to the central question of this study, again considering the famous metaphor mentioned above: Is Timor-Leste a new paradise – another paradise that is presumably lost?

In order to answer this question, the study's major objective is to *analyze the status quo of sustainable destination management in Timor-Leste.*

The analysis focuses on the *five constituent parts (or subcategories) of sustainable destination management* according to the works of DWYER & KIM (2003):

- organization of destination management,
- destination planning and development,
- destination marketing management,
- human resource development, and
- environmental management.

To provide a thorough apprehension of the destination Timor-Leste and its management, the *basic conditions of tourism development* (e.g. economic environment, security, resources / potential of tourism, general and tourism infrastructure, etc.) are also considered at the beginning of the analysis.

Based on the findings of the analysis, there finally can be drawn conclusions, also regarding the perspectives of tourism development in Timor-Leste. Furthermore, there can be derived final recommendations.

Another, more implicit objective of this study, is to familiarize the reader with Timor-Leste's unique culture and history, since the country is still fairly unknown in the so-called Western World (with the exception of its huge neighbor Australia).

1. 2   Methodology

The five subcategories of destination management serve as a framework for the analysis of the collected data. For any of these subcategories there are outlined key analytical questions.

The qualitative-empirical analysis, which uses the technique of a *qualitative content analysis* according to Mayring (2010), mainly bases on 31 in-depth interviews with various destination stakeholders in Timor-Leste that provide different perspectives on the topic of interest. The interviews were conducted by means of semi-structured interview guidelines that focused on the key elements of destination management, but left space for personal interpretations and reflections of the respondents.[7] The interviews were supplemented by the means of participatory observation and an analysis of existing articles, brochures, as well as scientific literature on tourism in Timor-Leste.

Precise explanations on both the field research and analytical methodology are given prior to the analysis.

Finally, for a concise summary of the analysis, the strategic planning method of a *SWOT analysis* is used to evaluate the current strengths, weaknesses, opportunities and threats of / for sustainable destination management in Timor-Leste. This method allows it to easily draw conclusions as well as to derive final recommendations.

1. 3   Stage of Research

As destinations became the most important competitive unit in the tourism sector, this scenario has prompted deep reflection in the academic world, giving rise to a number of studies which make up the so-called *destination management stream*. Through the years, various issues related to destination management have been released, focusing on planning and development (Ahn, Lee & Shaker 2002; Haugland et al. 2011), the life cycle of a destination (Butler 1980; Breakey 2005), or destination marketing (Buhalis 2000; Pike 2008; Kozak, Gnoth & Andreu 2010). Another issue often addressed is the one about the destination's competitiveness (Dwyer & Kim 2003; Ritchie & Crouch 2000, 2003; Mazanec, Wöber & Zins 2007). More recently, attention has increasingly been drawn to strategic management issues (Sheehan & Ritchie 2005; Sainaghi 2006).

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[7]   See the guidelines for the interviews in the appendix and a list of all interviewees under references.

However, the academic literature in its vast majority draws upon experience in western contexts.

All these different terms in the context of destinations already indicate a major problem: Ambiguity exists regarding the term destination and related terms. Neither can there be found a general, universally accepted definition of the term destination, nor precise explanations on what (sustainable) destination management means or what its constituent parts are.

Accordingly, there is no such thing as a model or framework to analyze the status quo of sustainable destination management. Works on sustainable destination management issues tend to provide guidelines for further management activities (UNWTO 2007; CLIMPSON 2008) rather than helping investigate current problems and difficulties. For analysis purposes the above mentioned framework, basing on the works of DWYER & KIM (2003) on destination competitiveness, is therefore used. This model interprets destination management as the catalyzer towards its overall objectives, destination competitiveness and socioeconomic prosperity.

From an academic point of view, tourism in Timor-Leste is more or less still a closed book: While FRIESE (2006) only provides a sketchy analysis of surrounding conditions and essential problems for tourism development in Timor-Leste, both MALTA (2003) and ROCHA (2007) focus on the niche-market of ecotourism as a development opportunity. The study of BARRETT & THWAITES (2010) and the ongoing research of TOLKACH, KING & PEARLMAN (2011a, 2011b) both consider the community-based tourism (CBT) approach and thus another small-scale product.[8] DUTRA, HAWORTH & TABOADA (2011) investigate participatory tourism planning on the local level of a small Timorese village, while VONG, DE VILLE & SILVA (2011) give an updated overview of the country's main constraints and potentials for tourism. Only CABASSET-SEMEDO (2007, 2008, 2009) puts the Timorese tourism development in a broader context and emphasizes the influence of the "era of sustainable development" (2009, p. 213). Although she already considers some aspects of sustainable destination management, this field of research field still lacks a holistic and in-depth approach.

1. 4   Structure and Contents

In order to elaborate on the outlined objectives, a better understanding of the interconnections between global tourism trends, the concept of sustainable tourism and the destination concept is essential. In Chapter 2 these related theoretical areas are linked by means of secondary infor-

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[8]   Both the ecotourism and the CBT concept are presented in Subsection 2.2.2.

mation (literature review). Afterwards, the constituent parts of a sustainable destination management are outlined as a framework for the analysis of the collected data, mainly based on the works of Dwyer & Kim (2003) (Chapter 3).

Chapter 4 presents Timor-Leste's current political and socioeconomic situation and challenges. It also provides information on geography and history, aiming to establish a basic understanding of the fact that Timor-Leste in many respects is a totally unique country.

Prior to the analysis, Chapter 5 provides the reader with a short review of the essential findings of the previous three chapters, followed by precise explanations of both the field research and analytical methodology (Chapter 6).

The key findings of the extensive analysis of sustainable destination management in Timor-Leste (Chapter 7) will by summarized using a SWOT matrix in Chapter 8, seeking to finally draw conclusions and derive recommendations in Chapters 9 and 10.

Table 1 (see following page) illustrates the outlined structure of the paper, taking into account the objective of each chapter as well as its base of information (primary / secondary data).

1. 5   Note from the Author

It should be emphasized that this study does not have the intention of denouncing any public authority, organization, company or private person, nor of labeling any involved destination stakeholder *good* or *bad*. It rather seeks to draw attention to the field of sustainable destination management and to provide recommendations for the actors involved in tourism development in Timor-Leste.

May this tiny country and its proud people remain such an impressive attraction for future visitors.

Part	Part Title	Ch. No.	Chapter Title	Objective(s)	Based on
A	**Introduction**	1	Introduction	Introduce to research objectives, methodology, structure of paper	
B	**Fundamentals for the analysis**	2	Tourism, Sustainable Development and Destination Management: Theoretical Background	Define and describe key terms used within the study	Literature review
		3	Sustainable Destination Management: A Framework for the Analysis	Outline a framework for the analysis	
		4	Timor-Leste: A Country Between Post-Conflict Traumata and State-Building	Present the country's geography, history, and current political and socio-economic challenges	
C	**Review**	5	Review of Previous Chapters	Briefly summarize the explanations of the previous three chapters	Content of the previous Chapters
D	**Analysis**	6	Methodology	Outline both the field re-search and the analytical methodology	Literature review
		7	Analysis: Sustainable Destination Management in Timor-Leste	Analyze the status quo of sustainable destination management in Timor-Leste using the framework outlined in Chapter 3	Collected data: Field study + secondary information
		8	Summary of Findings (SWOT Matrix)	Summarize the findings of the analysis using a SWOT matrix	Findings of the analysis
E	**Conclusions and Recommen-dations**	9	Conclusions	Draw final conclusions re-garding the study's objec-tives and methodology derive recommendations	Findings of the analysis
		10	Recommendations	Derive final recommendations	Conclusions

The left side of the table shows **THEORETICAL** spanning Parts B–C, and **EMPIRICAL** spanning Parts D–E.

Tab. 1: The Paper's Structure and Contents

2 Tourism, Sustainable Development and Destination Management: Theoretical Background

Tourism is one of the world's most important economic sectors. Despite worldwide economic crises, more and more people travel into almost every corner of the earth, often searching for new and unique experiences and places. Some authors describe the emerging tourism as the most obvious form of globalization (e.g. MOWFORTH & MUNT 2009). Thus, tourism can be especially important for developing countries due to its potential to increase economic growth (ADERHOLD et al. 2006, pp. 2-10 & 25-30).

In the mid 1990's the "buzzword" (BEYER 2006, p. 127) *sustainability* was taken up by the tourism sector, in particular due to the revived involvement of the international development cooperation in the field of tourism promotion (BEYER, HÄUSLER & STRASDAS 2007, pp. 18-19). It is particularly important for developing countries to aim at an adjusted, long-term development of the tourism sector in order to achieve stable economic growth, and to prevent typical negative impacts rapidly extending tourism could cause:

> *"Like other economic sectors, tourism is not beneficial per se, but rather bears risks as well, such as the overexploitation of natural resources and the erosion of social structures and cultures"* (GTZ 2008, p. 2).

In the last two decades, the steady development of tourism brought to light the issue of *destinations* as the main competitive unit in the tourism sector: "In the tourism market, it is destinations that compete, not individual firms" (RITCHIE & CROUCH 2000, p. 1). However, the term destination refers broadly to an area where tourism is a relatively important activity of various stakeholders, and is hard to define ("the destination is a fuzzy concept"; MANENTE & MINGHETTI 2005, p. 230).

The following sections draw a more vivid picture of the concept of destinations and related terms such as *the destination life cycle*, *destination competitiveness* and – of course – *destination management*. They also shed light on tourism as a global phenomenon with emerging markets, especially in so-called *developing countries (DCs)* and *least developed countries (LDCs)*, as well as on the implications of the concept of sustainable development for the tourism sector. Based on these theoretical explanations, the framework of sustainable destination management for the analysis of the collected data is outlined in the following Chapter 3.

2. 1   Tourism: A Global Phenomenon with Emerging Markets

Tourism is both a social and an economic phenomenon. The development of tourism is interlinked with the emergence of affluent societies in industrialized countries. Tourism has moved from being a luxury to a product of mass consumption, accessible to a broad spectrum of population. The rapid growth of demand for tourism in recent decades is based on a constellation of economic dynamics, political liberalization, technological progress as well as value shifts in society. This process is often referred to as *the democratization of travel* (BIERNAT 2004, pp. 35-37).

Obviously, the tourism phenomenon is very complex – as Figure 1 depicts – and thus hard to describe or define.
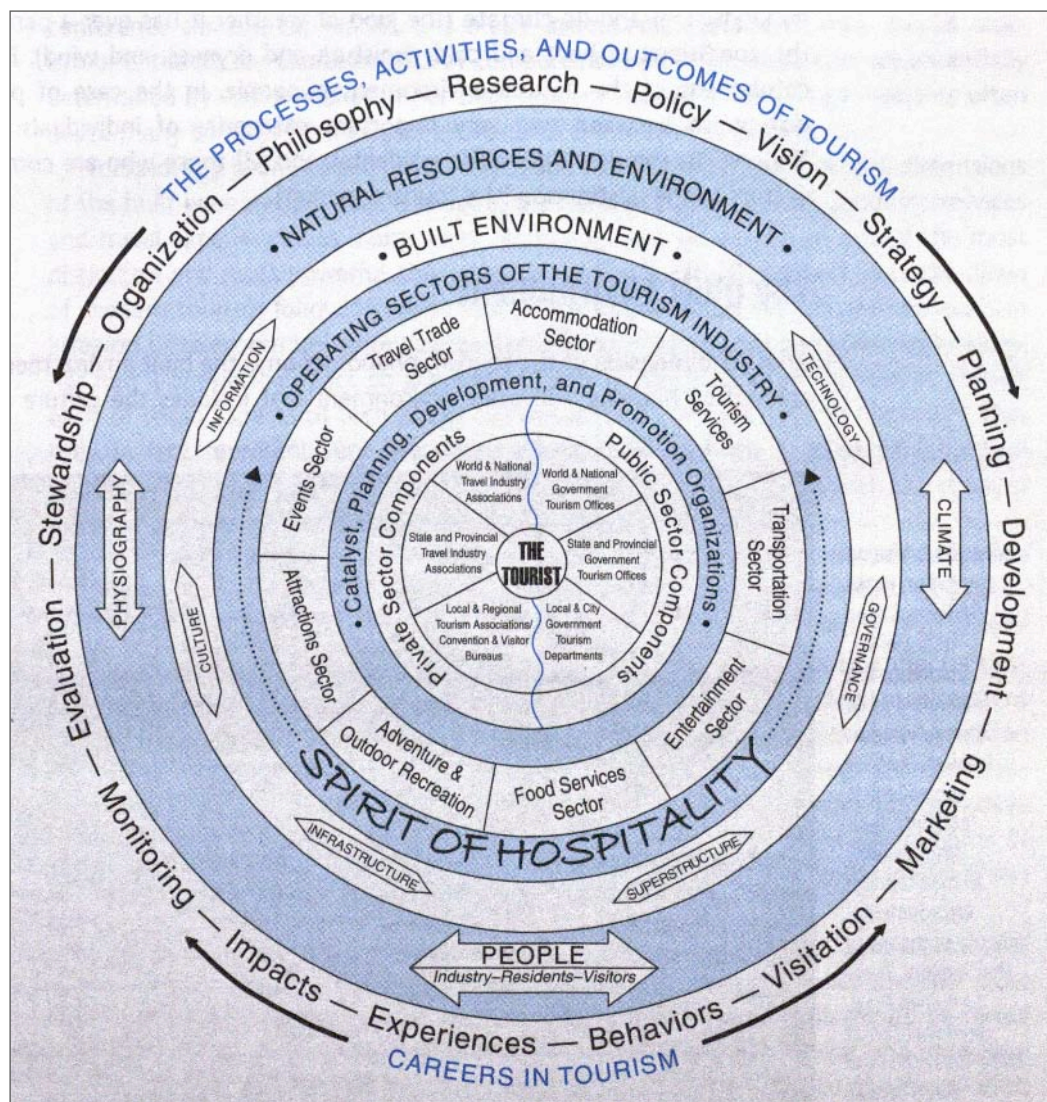
Fig. 1: The Tourism Phenomenon: Components of Tourism and Tourism Management
(GOELDNER & RITCHIE 2006, p. 14)

However, in the following the author aims to draw up an appropriate definition of tourism. In addition, this chapter presents different forms of tourism in relation to tourist market trends, as well as current trends in global tourism demand with a special focus on emerging markets.

2.1.1 Definition of Tourism

A single *definition of tourism* does not exist. Many definitions have been used over the years. Some of them are universal and can be applied to various contexts, while others fulfill a specific purpose (WEAVER & LAWTON 2010, p. 2).

Not only MCINTOSH & GOELDNER (1986, p. 4) mention that "any attempt to define tourism and describe fully its scope must consider the various groups that participate in and are affected by this industry[9]". Based on this perception, GOELDNER & RITCHIE (2006, p. 5) suggest a definition that places tourism into a broad stakeholder context.[10] This definition got slightly modified by WEAVER & LAWTON (2010, p. 2):

> "*Tourism may be defined as the sum of the processes, activities, and outcomes arising from the relationships and the interactions among tourists, tourism suppliers, host governments, host communities, and surrounding environments that are involved in the attracting, transporting, hosting and management of tourists.*"

A noteworthy aspect in this expanded definition is the *tourism dynamic*, i.e. the inclusion of transportation as well as the management process which marks the core theme of this study. *Surrounding environments* for example include origin governments, tertiary educational institutions and NGOs, all of which play an even more important role in tourism. Figure 2 visualizes these stakeholders as members of an interconnected network with possibilities for interaction among any two or more components within the system.

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[9] This study does not take into account the ongoing debate whether or not tourism can be referred to as an industry. Thus, the terms *tourism sector* and *tourism industry* in this work are used synonymously to describe tourism especially as an economic phenomenon and activity.

[10] According to FREEMAN (1984, p. vi; cited in SHEEHAN & RITCHIE 2005, p. 713) stakeholders are broadly understood as "any group or individual who can affect and is affected by the achievement of a corporation's purpose". In case of this study the destination constitutes the corporation.
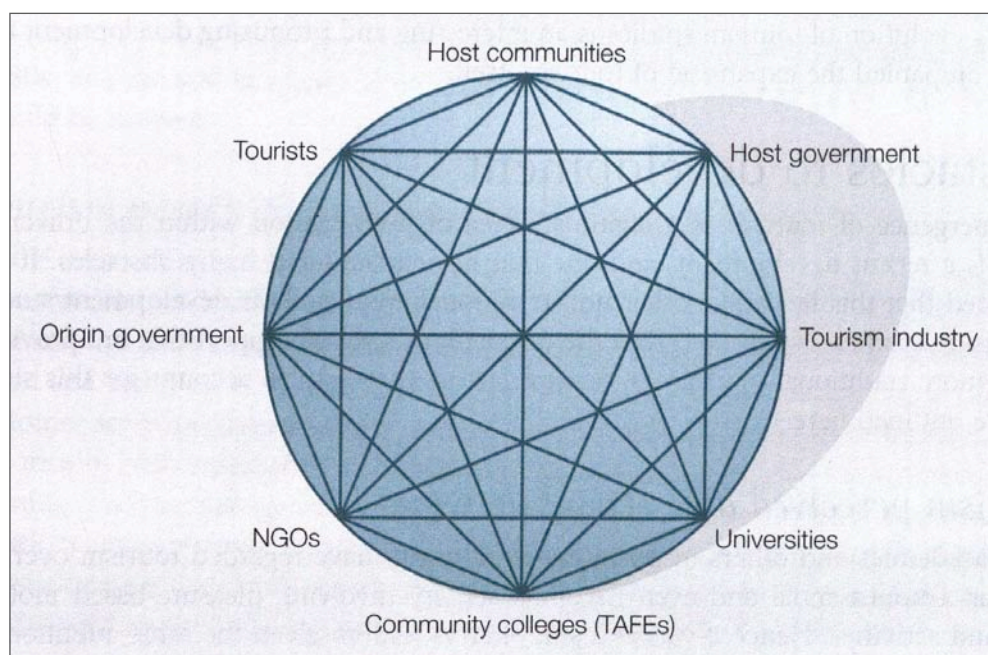
Fig. 2: The Tourism Stakeholder System[11]
(WEAVER & LAWTON 2010, p. 3)

The UNWTO uses another definition for their statistical investigations:

> *"Tourism comprises the activities of persons traveling to and staying in places outside their usual environment for not more than one consecutive year for business, leisure and other purposes" (cited in GOELDNER & RITCHIE 2006, p. 7).*

The term *usual environment* tends to exclude trips within the area of residence, frequent and regular trips between the workplace and the place of residence, and all other community trips based on a routine character.

On the basis of the UNWTO definition it is possible to distinguish between certain forms of tourism (GOELDNER & RITCHIE 2006, p. 7):

[1] *International tourism*:

[a] *Inbound tourism:* Visits to a country by non-residents.

[b] *Outbound tourism:* Visits by residents of a country to another country.

[2] *Internal tourism*: Visits by residents and non-residents of the country of reference.

[3] *Domestic tourism*: Visits by residents of a country to their own country.

[4] *National tourism*: Internal tourism plus outbound tourism = the resident tourism market for travel agents, airlines and other suppliers.

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[11] TAFEs stands for *Technical and Further Education Colleges* in Australia. These public colleges are engaged in further education and vocational training and constitute an alternative to the 39 Australian universities. Some of the TAFEs offer courses in tourism management, hospitality or related fields of study.

In the case of DCs and LDCs, including Timor-Leste, the focus lies on *inbound tourism* as an important opportunity for economic development, because other forms of tourism typically remain low due to poor socioeconomic conditions.

The complex phenomenon tourism can be analyzed with a *systems approach*[12] as well. Attempts in this field have been made since the 1960's with growing importance over the years:

> *"What is really needed to study is a systems approach. [...] It can examine the tourist firm's competitive environment, its market, its results, its linkages with other institutions, the consumer, and the interaction of the firm with the consumer. In addition, a system can take a macro viewpoint and examine the entire tourism system of a country, state or area and how it operates within and relates to other systems such as legal political, economic, and social systems"* (MᴄIɴᴛᴏsʜ & Gᴏᴇʟᴅɴᴇʀ 1986, p. 14).

It is obvious that the analytical possibilities of a systems approach are multifarious. Lᴇɪᴘᴇʀ (2004; cited in Wᴇᴀᴠᴇʀ & Lᴀᴡᴛᴏɴ 2010, pp. 20-22) argues that a systems approach should help to clarify and organize complex phenomena that are otherwise to difficult to describe or analyze. Therefore, his basic model places tourism within a framework that requires at least five interrelated core elements and gives a first understanding of which role destinations play within this system (see Fig. 3):

- at least one tourist,
- at least one tourist generating region,
- at least one transit route region,
- at least one tourist destination (or hosting region), and
- a travel and tourism sector that facilitates movement within the system.

Due to the segmentation into three regions – *generating, transit and hosting region*[13] – the model neglects domestic tourism, but is useful to describe typical international tourism structures: The primary flow within this system are the movements of tourists between their residence and a destination, by way of a transit region, and within the destination. Other flows involve the exchange of goods and information, consequently the model considers an array of interdependent external environments. The experience of a tourist, for example, is facilitated (or impeded) by the political system, which provides (or not provides) a good accessibility to make the experience possible. Tourism systems in turn influence these environments, for example by stimulat-

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[12] "A system is a group of interrelated, interdependent and interacting elements that together form a single functional structure" (Wᴇᴀᴠᴇʀ & Lᴀᴡᴛᴏɴ 2010, p. 20).

[13] In the model the terms *tourist destination region* and *hosting region* are used and understood similar to *destination*. The latter is illuminated in detail in Section 2.3.

ing a destination's economy. The manifold impacts of tourism, both positive and negative, on a host destination are explained in Sections 2.2 and 2.3.
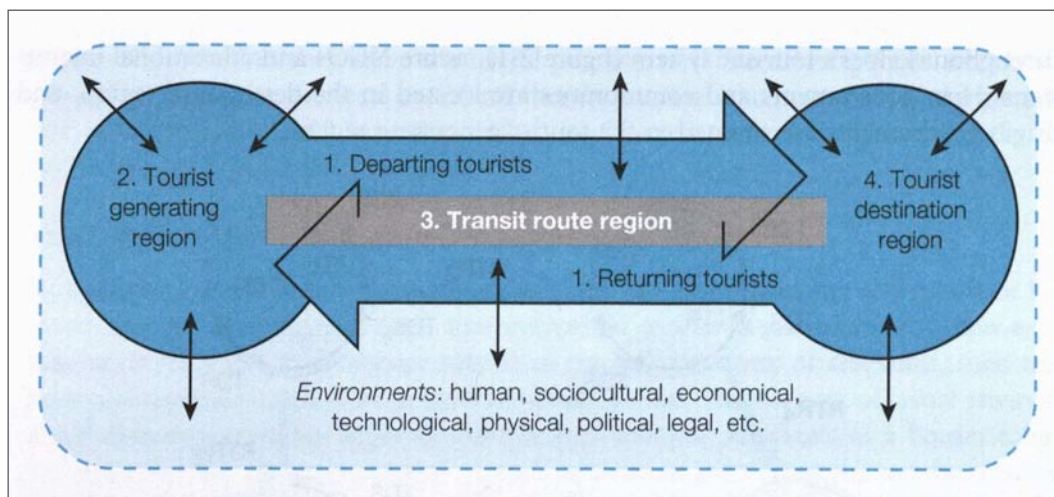
Fig. 3: A Basic Whole Tourism System
(Weaver & Lawton 2010, p. 21; adapted from Leiper 2004)

2.1.2 Trends in Tourism Consumption Behavior

Following the outlined differentiation of forms of tourism, it is obvious that a person whose travel experience occurs outside of the usual country of residence can be classified as an *international tourist*. Other approaches do not only take into account spatial criteria in order to subdivide tourists into market segments, but also consider temporal and – first and foremost – purposive criteria.

Steinecke (2006, pp. 31-67) provides a typology of tourists,[14] but at the same time remarks that it has never been harder to differentiate tourists: The new tourism consumer is defined by aspirations towards time efficiency, flexibility, multi-optionality, extraordinary experiences, personal development, safety, and more quality for less money (Steinecke 2006, pp. 299-303). Moreover, the new tourist is open to combine several contradictory lifestyles and consumption patterns among or even within single journeys. This *hybrid consumption*, where mass-production is combined with individual customization, makes it more and more difficult to categorize tourists and to classify them with regard to distinct market segments. This phenomenon is often referred to as *the markets of one* (Kreisel 2007, pp. 74-85; Weaver & Lawton 2010, p. 153).

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[14] For the analysis of the collected data on sustainable destination management in Timor-Leste (see Chap. 7) a more precise explanation of this or other typologies is not essential.

Following this argumentation, it makes sense to regard current trends in tourism consumption behavior without trying to classify any market segments. In recent years several key trends emerged (STEINECKE 2006, pp. 307-310):

- more long-haul trips,
- more frequent but shorter trips,
- more mobility during trips, and
- growing demand in nature- and culture-based activities
  (*green travellers* and *responsible travellers*; *moralizing markets*)

The growth in long-haul trips to a great extent is based on the journeys from the traditional source markets Europe and Northern America to the other continents, and this trend is distinctly and visibly in the following global tourism statistics provided by the UNWTO.

2.1.3 Global Tourism Trends / Statistics[15]

After a slight decline in 2009 in the aftermath of the worldwide economic crisis beginning in 2008, worldwide tourism is back at the 2008 pre-crisis peak level. Between January and August 2010, international tourist arrivals increased by 7% in comparison to the same period of the year 2009 (UNWTO 2010, p. 1). In 2009 some 940 million international tourist arrivals were counted, and the tourism receipts have reached approximately US$ 919 billion (UNWTO 2011, p. 1).

In view of an estimated average annual growth rate of 4.1% between 1995 and 2020, current forecasts like the *UNWTO Tourism 2020 Vision* expect international arrivals to reach nearly 1.6 billion (see Fig. 4).[16] Some 0.4 billion will be long-haul travelers, which means that long-haul traveling in particular shows a growth rate that is above the average (5.4% in comparison to 4.1%). Europe will still be the top region of tourist arrivals, but its market share will decline from 59.8% to 45.9% (UNWTO 2011, p. 11).

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[15] This chapter only presents current (statistical) trends in global tourism. For detailed information on the history of tourism from pre-modern tourism (Mesopotamia, Egypt) to modern contemporary tourism see WEAVER & LAWTON (2010, pp. 47-72).

[16] The UNWTO is currently undertaking a major update of its long-term outlook with the project *Tourism Towards 2030* (UNWTO 2011, p. 11).
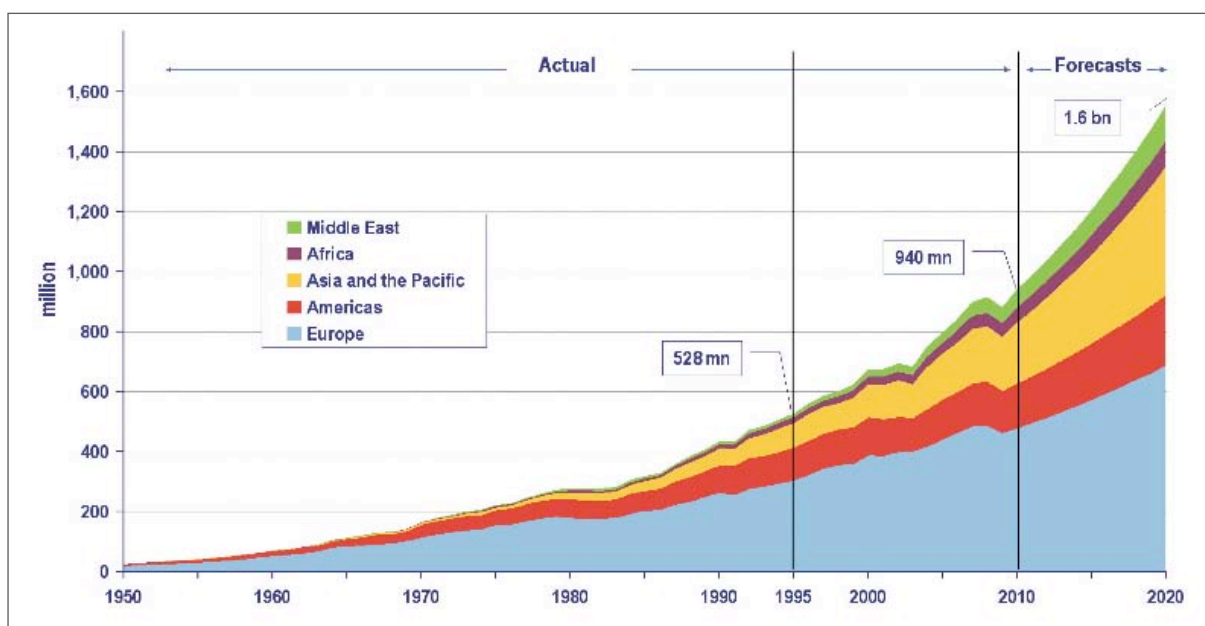
Fig. 4: International Tourist Arrivals by Region (in million)
(UNWTO 2011, p. 11)

The amount of tourists traveling to so-called DCs and LDCs[17] has increased continuously over the past decades. The UNWTO counted 271 million registered arrivals of foreign leisure and business travellers in DCs and LDCs in 2004, representing a market share of 36% (in comparison to 11% in 1978) (ADERHOLD et al. 2006, p. 11).

Figure 4 also shows that the *Asia and the Pacific Region*[18], a region with a high share of DCs and LDCs, is expected to be the region with the highest annual growth rate (6.2%) in international tourist arrivals over the next nine years, leading to an estimated market share of 25% in 2020 (a considerable increase from 14.4% in 1995). For the subregion of Southeast Asia the current rates are even higher than the predicted average: Vietnam (+34.8%), Singapore (+22.3%), Cambodia (+17.3%), Philippines (+16.7%), Thailand (+12%) and Indonesia (+10.7%) all recorded double-digit growth in 2010.[19] Against the background of the analysis of destination management in Timor-Leste, the development of tourism in Indonesia is of particular interest: 2010 around 7 million international tourist arrivals were recorded (UNWTO 2011, p. 7). Some 2.5 million of these tourists arrived at the island of Bali (BANDA PUSAT STATISTIK 2011), at present the only place in Indonesia which is connected with Timor-Leste by plane.[20] Another 1.85 million visitors were

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[17] DCs and LDCs according to UN definition; see UNPAN (w/o year) for a detailed list.
[18] For a list of all countries the UNWTO counts to this region see UNPAN (w/o year).
[19] For more information on challenges and new directions in Southeast Asian tourism see the collection of papers edited by HITCHCOCK, KING & PARNWELL (2009).
[20] See Subsection 7.1.4 for more information on the accessibility of the destination Timor-Leste.

recorded in the capital Jakarta (Badan Pusat Statistik 2011). In comparison, those islands of the Indonesian archipelago which are situated even closer to Timor-Leste than Bali (e.g. Sumbawa and Flores) only have a small number of arrivals and cannot be described as tourism hotspots of Indonesia (see Subsec. 7.1.4).

Although tourism in most DCs and LDCs is still characterized by comparatively low intensity, its economic importance becomes obvious when looking to an economic core indicator: The share of tourism revenues in total service and trade revenues in 2000 was 43.3% in DCs and even 70.9% in LDCs (Aderhold et al. 2006, p. 19).[21] However, often only a small amount of tourism revenues remains in the country visited. Various studies estimate this so-called *leakage* as high as 50% in DCs (AKTE 2010).

But tourism is not only a question of economic advantages and disadvantages, respectively positive and negative impacts. From a sustainable, holistic point of view, it also affects the ecology and socioculture. These aspects are discussed in the following.

2.2 Sustainable Development and Tourism

In the mid 1990's the discourse on *sustainable development* also reached the tourism sector. Nowadays the overall objective of *sustainability* is widely accepted.[22] This section introduces the reader to the concept of sustainable development and its implications for the tourism sector.

2.2.1 The Concept of Sustainable Development

The concept of sustainable development refers to the wise use and conservation of resources in order to maintain their long-term viability. As resources can either be environmental, economical or social / sociocultural, sustainable development strategies seek to embrace all three aspects at the same time. It is important to understand that these three dimensions of sustainable development are in many ways interdependent and can be both mutually reinforcing or competing with each other. Delivering sustainable development means establishing a balance between these dimensions.

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[21] Data based on the *UNWTO Tourism Poverty Alleviation Study* (UNWTO 2002).

[22] The terms sustainable development and sustainability are commonly used interchangeably, though *sustainability* sometimes is understood as the overall, normative specified objective of a *sustainable development* (Stallworthy 2002).

The concept was defined in the *Brundtland Report*[23] (WCED 1987, p. 54) as

> *"development that meets the needs of the present without compromising the ability of future genera-tions to meet their own needs"*,

and gained a wider public and political recognition in the late 1980's. It was subsequently endorsed by the UN at the *Rio Earth Summit* in 1992 and the *Agenda 21*, the plan of action which emerged from this conference, as well as in the plan of implementation from the *World Summit on Sustainable Development* (Johannesburg, 2002) (UNEP & UNWTO 2005, pp. 8-9; WEAVER 2006, pp. 9-10).

2.2.2 The Concept of Sustainable Tourism: From Niche to Mainstream

The concept of sustainable development was taken up in the tourism sector around the Rio Summit. At the beginning, especially organizations of the international development coopera-tion involved in the field of tourism promotion in DCs and LDCs saw the new form of *sustainable tourism* as an alternative form of tourism in response to the perceived costs (i.e. the negative impacts; see Tab. 1) of mass tourism (MILLER & TWINING-WARD 2005, p. 27). Thus, sustainable tourism was strongly linked to (or often confused with!) other alternative forms and concepts of tourism such as *soft tourism*, *responsible tourism*, *community-based tourism (CBT)* and especially *ecotourism* (STRASDAS 2009, pp. 30-33; SWARBROOKE 1999, pp. 13-14).[24]

Based on this initial comprehension as a new alternative form of tourism, sustainable tourism was (and unfortunately is still) often seen as a particular kind of tourism

> *"appealing to a market niche that is sensitive to environmental and social impacts, serviced by partic-ular types of products and operators, and usually – in contrast with high volume tourism – implying small in scale. This is a dangerous misapprehension"* (UNEP & UNWTO 2005, p. 11).

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[23] The *Brundtland Commission*, formally the *World Commission on Environment and Development (WCED)*, named after its Chair Gro Harlem Brundtland from Norway, was convened by the UN in 1983. The commis-sion was created with the goal to address growing concerns about the deterioration of the human environ-ment and natural resources, when the *UN General Assembly* recognized that environmental problems were in fact occuring globally. Thus, establishing policies for sustainable development was declared common in-terest of all nations.

[24] As both the CBT and the ecotourism approach play a significant role in destination planning and develop-ment in Timor-Leste (see Sec. 7.5), there shall be given brief definitions: *Ecotourism* generally is defined as "responsible travel to natural areas that conserves the environment and improves the well-being of local people" (TIES 2010). *CBT* can be interpreted as "a form of tourism in which a significant number of local people has substantial control over, and involvement in its tourism development and management. The major proportion of the benefits remains within the local economy" (HÄUSLER & STRASDAS 2003, p. 3).

Furthermore, as MOWFORTH & MUNT (2009, p. 103) remark,

> "in the field of tourism, the term sustainability can be and has been hijacked to give moral rectitude and 'green' credentials to tourist activities."

In order to calm the waves, various researches have argued that the term *sustainable tourism*, and all related terms like *sustainable tourism development* or *sustainability in tourism*, mean simplified no more or less than *(developing) tourism that is based on the principles of sustainable development*. Thus, the overall objective is to make all tourism more sustainable, especially mass tourism (STRASDAS 2009, p. 38). Obviously, the crux of the matter is that the term sustainable tourism "should be used to refer to a condition of tourism, not a type of tourism" (UNEP & UNWTO 2005, p. 11).[25]

WEAVER & LAWTON (2010, pp. 302-305) give several reasons for the adoption of the former small-scale concept within the mass tourism sector. These include:

- ethical considerations,
- the growth of the so-called green traveller and responsible traveller markets,
- the (long-term) profitability of sustainability, and
- the suitability of larger corporations to adopt sustainable practices.

Based on the understanding that sustainable tourism describes a condition, it seems impossible to find a more precise definition than what SWARBROOKE (1999, p. 14) suggests based on the Brundtland definition of sustainable development:

> "Sustainable tourism [...] is economically viable but does not destroy the resources on which the future of tourism will depend, notably the physical environment and the social fabric of the host community."

Similar to this definition, the UNEP & UNWTO (2005, p. 12) specify sustainable tourism in their guidelines for tourism policy makers as

> "tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities."

Making tourism more sustainable means taking into account these impacts and needs in the management, planning, development and operation of tourism on all levels of authority. Therefore, the concept addresses all kind of tourism stakeholders operating in any market from niche to mass. The *German Agency for International Cooperation (Deutsche Gesellschaft für Internationale Zusammenarbeit, GIZ)* refers to this process as *mainstreaming sustainability* (GIZ 2011).

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[25] In his extensive work on sustainable tourism, WEAVER (2006) presents the entire history from a small-scale concept to the understanding that the concept should underly all types and forms of tourism.

Table 2 lists possible economic, ecological and sociocultural impacts of inbound tourism on host destinations.

Positive Impacts	Negative Impacts
Economic	
- growth in revenues - growth in tax revenues - high employment and income effect - higher wages in tourism regions - multiplier effects for other economic sectors, *linkages* for the regional economy - infrastructural development / improvements …	- outflow of revenues to external investors and owners, *leakages* - high dependancy on external stakeholders 'monoculture tourism': high vulnerability to economic crises (excessive) labor migration to tourism regions - precarious income situation due to seasonality …
Ecological	
- possibility of refinancing of protected areas (e.g. national parks) through entrance fees / local taxes - the opportunity to raise awareness in both tourists and residents for the importance of a stable ecological system *(awareness building)* …	- high land consumption: - forest clearance - soil sealing - displacements of animals - increasing traffic: - increasing greenhouse gas emissions - increasing noise pollution - increasing water consumption - increasing waste accumulation - loss of biodiversity …
Sociocultural	
- modernization of social structures - social exchange between hosts and tourists - higher level of education due to special requirements (e.g. knowledge of languages) - improvements in current building stock - preservation of important monuments - realization and pride of cultural specifics …	- feeling of heteronomy and inferiority - polarization of social structures due to income inequalities - acculturation: - reproduction of foreign behavior patterns - loss of traditional way of life - loss of languages / dialects - increasing level of prices due to demand by well-funded tourists - increasing crime rate due to: - alcohol and drug abuse - corruption and prostitution …

Tab. 2: Possible Impacts of Inbound Tourism on Host Destinations
(own description based on various references[26])

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[26] ADERHOLD et al. (2006, pp. 25-42); BEYER, HÄUSLER & STRASDAS (2007, pp. 19-23); SHAW & WILLIAMS (2002, p. 45); VORLAUFER (1997, pp. 127-170 & 209-232); WEAVER & LAWTON (2010, pp. 212-265).

The outlined holistic understanding of sustainable tourism also sheds light on a paradox: Scientific literature on sustainable tourism tends to focus on a sectorally specific interpretation instead of using the sustainable development material. This separation of tourism from a broader understanding of sustainable development is "not only poor, but potentially damaging the concept, however conceived" (MILLER & TWINING-WARD 2005, p. 27). Finally, this simplified approach seems to be a necessity in order to enhance the appeal of the concept for tourism stakeholders. Or, in other words: A certain degree of pragmatism is needed to 'operationalize' the concept of sustainable tourism.

At the end of the day, however, it needs to be understood that an overall sustainable development is not one of several options – it is the only one. For this reason sustainable tourism can be an important contributor to an overall sustainable development (LOTTER 2010, pp. 79-116; GTZ 2008; see Fig. 5).
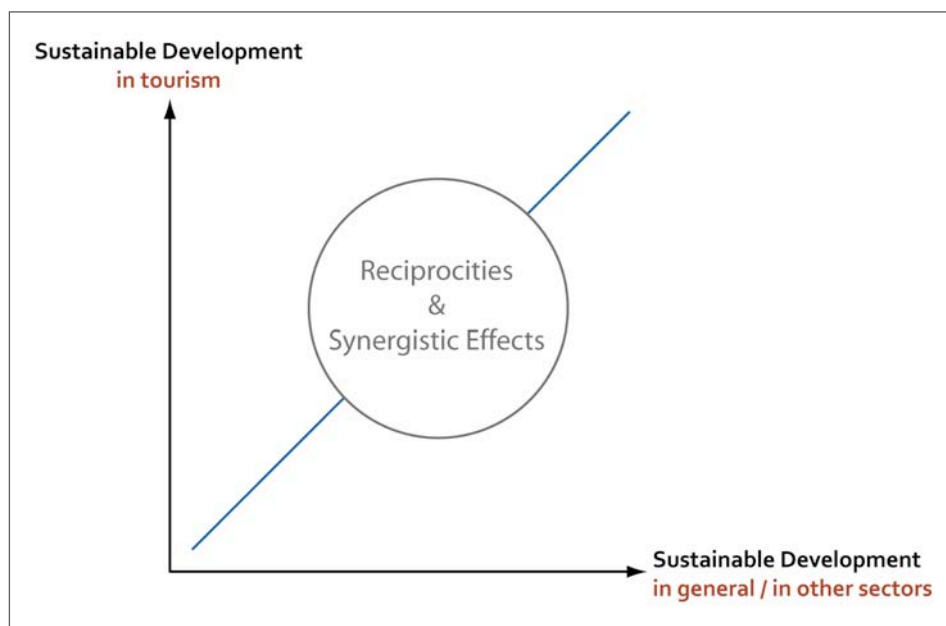
Fig. 5: Sustainable Tourism Development – Overall Sustainable Development: Reciprocities and Synergistic Effects[27]

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[27] Figures without any further reference were developed and designed solely by the author.

2.2.3 Tools and Techniques of Sustainability in Tourism

The following list (see Tab. 3) presents tools and techniques to enhance sustainable development in tourism. Each tool or technique refers to one or more dimensions of sustainable development, and will be important for the following discussion on sustainable destination management (see Sec. 2.3), since any sustainable management approach needs to take into account these means. Each of the partly interlinked groups is briefly presented below.[28]

Tools and Techniques of Sustainability in Tourism	
Area Protection	**Consultation and Participation Techniques**

• categories of protected area status:
  ○ national parks
  ○ wildlife refuges and reserves
  ○ biosphere reserves
  ○ …
	• meetings!
	• public attitude surveys
	• stated preference surveys
	• involvement of local communities

Industry Regulation	**Codes of Conduct**
• government legislation • professional association regulations • international regulations and control • voluntary self-regulation • corporate social responsibility (CSR)	• for the tourist • for the industry • for the hosts: (governments, communities) • best practice examples
Visitor Management Techniques	**Sustainability Indicators**

• zoning
• visitor dispersion
• channelled visitor flows
• restricted entry
• vehicle restriction
	• resource use
	• local production
	• access to:
	  ○ basic human needs
	  ○ facillities
	  ○ decision-making process
	• diversity of natural and cultural life

Environmental Impact Assessment	**Footprinting and Carbon Budget Analysis**
• overlays • mathematical models • cost-benefit analysis	• holiday footprinting • carbon emissions trading • personal carbon budgets / carbon offsetting
Carrying Capacity Calculations	**Fair Trade in Tourism / Labeling**
• physical carrying capacity • ecological carrying capacity • environmental carrying capacity • limits of acceptable change	• fair trade value chains (e.g. FTTSA initiative) • labels / certification focusing on eco-friendly or socially acceptable tourism products / activities

Tab. 3: Tools and Techniques of Sustainability in Tourism
(according to MOWFORTH & MUNT 2009, pp. 109-118)

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[28] If not otherwise cited, the following explanations are based on the works of MOWFORTH & MUNT (2009, pp. 109-118).

Area Protection

Although it is seldomly used in relation with tourism, the designation of an area of land as a national park or some other category of protected area can be seen as a tool of sustainable tourism: Nature and culture are preserved and consequently remain a tourist attraction. Of course, regulation in terms of visitor management techniques is essential (see below), but then again tourist entrance fees can contribute to the founding and further protection of natural tourist sights.

Industry Regulation

Regulation in the tourism sector can be manifold. It can come from local or national governments in the form of planning restrictions, laws relating to business attractions or international bodies in the form of agreements or guidelines to governments. In recent years, the industry tended to promote voluntary self-regulation, and *Corporate Social Responsibilty (CSR)* became the buzzword.[29] At the end, it is important to keep in mind that

> *"the tool of regulation is clearly one which allows specific groups to take control of the industry. The argument around regulation represents a power struggle between different interest groups. So should the industry be regulated, presumably by a branch of government? Or should it be left to regulate itself voluntarily?" (MOWFORTH & MUNT 2009, p. 112).*

Visitor Management Techniques

In general, a large variety of visitor management techniques can be found. Worthy of mentioning is the use current trend to restrict the use of motorized vehicles. Another interesting technique is the use of different pricing schemes for national and foreign visitors, which aims to promote the willingness of local participation as an intrinsic aspect of sustainable development.

Environmental Impact Assessment (EIA)

An EIA is an assessment of the possible positive or negative impact(s) that a proposed project may have on the environment, concerning natural, social and economic aspects. It has been described as "among the foremost tools available to national decision makers in their efforts to prevent further environmental deterioration" (SNIFFEN 1995; cited in MOWFORTH & MUNT 2009, p. 113). Tools and techniques of EIA are generally prescribed by statutes and regulations and vary

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[29] In their extensive work on CSR in tourism MONSHAUSEN & FUCHS (2010) present the political and economic framework for CSR in the tourism sector and provide examples of CSR activities in practice. They finally formulate eight demands addressed to the public and private sector on how to shape CSR in tourism in future.

between countries.[30] Hence, as EIA is not an exact science, results depend on the choice of inputs and assessment can be qualitative and quantitative. For these reasons, results tend to be subjective and can easily be manipulated.

Carrying Capacity Calculations

According to the general definition of MATHIESON & WALL (1982; cited in BAUMGARTNER 2008, p. 73)

> *"carrying capacity is the maximum of people who can use a site without unacceptable alteration in the physical environment and without an unacceptable decline in the quality of experience gained by visitors."*

Carrying capacity calculations in tourism became popular in the late 1990's, with the focus lying on ecological or environmental carrying capacities.[31] These can be identified by a large number of ways.[32]

Consultation and Participation Techniques

Participation of local communities is one of the key elements of the concept of sustainable development. In the field of tourism, participation is regarded as central to pro-poor and people-focused development approaches. As MOWFORTH & MUNT (2009, p. 114) emphasize,

> *"techniques which allow for consultation (of those people affected) are still young in their development and subject to problems of definition and interpretation. They are vulnerable to the type of distortion and bias which is introduced in the selection of inputs. They can also be hijacked to give an appearance of consultation with local people while in reality it is only consultation with so-called 'experts'."*

Despite ongoing discussions as to which approach is the right one in terms of consultation and participation, the inclusion of local communities became essential in the engagement of *development cooperation agencies (DCAs)* in the field of tourism,[33] especially with regard to the often applied CBT approach (see Subsec. 2.2.2).[34]

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[30] LOHANI et al. (1997, Chap. 3) provide an overview of basic environmental impact assessment techniques, with the goal to promote their use especially in DCs and LDCs.

[31] The focus on environmental / ecological carrying capacities arose from the initial common understanding that sustainable tourism is a new form of alternative, eco-friendly tourism; neglecting the other two pillars of sustainable development, economic and sociocultural sustainability (see Subsec. 2.2.1 & 2.2.2).

[32] See BAUMGARTNER (2008, pp. 73-79) for more information on different carrying capacity approaches.

[33] BEYER (2002, pp. 142-146) presents various approaches on how to let local communities participate in tourism projects of DCAs.

[34] Since the end of the 1990's, CBT projects became extremely popular among DCAs (HÄUSLER 2006, pp. 210-211). However, as the number of unsuccessful projects increased in recent years, researchers and planers began to challenge this approach (HÄUSLER 2006; GOODWIN & SANTILLI 2009).

Codes of Conduct

In the 1990's different codes of conduct were established to be used in the tourism sector, mainly by international organizations and NGOs. While the huge majority of these codes is voluntary, they all attempt to influence attitudes and behavior of all kind of tourism stakeholders. Some of the most famous ones are the *Lanzarote Declaration* by the UNWTO & WTTC (1995), the *CSD-7 Declaration* by the *7th session of* the *UN Commission on Sustainable Development* (UNCSD 1999) and the *Code of Ethics* (UNWTO 1999).

These codes of conduct cater for a wide range of issues, but their common denominator is the goal to raise awareness of the necessity of a sustainable development approach in tourism. However, a number of problems arise with the use of these codes:

- the widespread misuse as marketing tool,
- the codes often remain 'empty phrases',
- the ongoing debate on regulation or voluntary self-regulation within the tourism sector, and
- variability between codes / need for coordination.

Sustainability Indicators

According to the Agenda 21, the measurement of sustainable development is mandatory (UNCED 1992, Chap. 40). Sets of indicators aim to easily describe the complexity of sustainability and to monitor the developing process (Baumgartner 2008, p. 100).

A variety of approaches on how to measure sustainability in tourism can be found. These approaches use a large number of different indicators, focus on specific geographical levels (local / regional / national) and put varying emphasis on the different pillars of sustainable development.[35]

Rein (2009) focuses on sets of sustainability indicators on the level of destinations, but realizes that the practical implementation of the theoretical models is challenging and therefore remains scarce.

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[35] Spittler & Atmanagara (2002) present some of the most famous sets of indicators for measuring sustainability in tourism.

Footprinting and Carbon Budget Analysis

The *ecological footprint* is a means of combining environmental impacts in one single indicator. While there are various methods of calculation, this tool was initially invented by the *World Wildlife Fund (WWF)*. It is a standardized measurement of the demand for natural capital that may be contrasted with the planet's ecological capacity to regenerate, the amount of biologically productive land and sea area necessary to supply the resources a human population consumes, and to mitigate the associated waste. As a result it is possible to estimate how much of the earth (or how many earths) it would take to support humanity if everybody followed a given lifestyle. For 2006, humanity's total ecological footprint was estimated at 1.4 planet earths. In other words: Humanity uses ecological services 1.4 times as fast as the earth can renew them (GFN 2010).

Some researchers applied the principle of this technique to the tourism sector, for example HUNTER & SHAW (2006; cited in MOWFORTH & MUNT 2009, p. 116), who calculated a footprint for international air travel to a number of DCs and LDCs. Their results enforced the ongoing discussions about the incompatibility of sustainable tourism and long-haul flights (SCHMIED 2004; LUGER 2007).

A sustainability technique which has been employed by a number of companies in recent years is the possibility to sell carbon offsets. The companies provide funding for projects that reduce carbon dioxide (CO_2) in the atmosphere, for example through forest restoration, in order to offset flight emissions. Companies offering this service[36] receive funding from a range of transport or tour operators which pay a small amount for each client who uses their services (such as flights) which add emissions to the atmosphere (STRASDAS 2007).

Fair Trade in Tourism / Labeling

> *"Fair trade is a challenge to traditional economic theory and practice in that it seeks to set a price for a product based on principles other than those of pure profit maximization and on practices other than seeking the lowest cost of production in so-called efficient markets" (MOWFORTH & MUNT 2009, p. 117).*

Recently, efforts have been made to develop and promote fair trade tour packages. The initiative *Fair Trade Tourism South Africa (FTTSA)*[37] aims to achieve a fair share of revenues for all stakeholders up and down the tourism value chain. The first tours for South Africa have been

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[36] The most successful German company in this field is *Atmosfair*. Their website *(www.atmosfair.de)* provides further information on carbon offsetting, both in German and English.

[37] For more information on the FTTSA initiative see *www.fairtourismsa.org.za*, as well as the theses of AL-SAHHOUM (2008, pp. 56-83) and SURMEIER (2010).

sold to tour operators in Switzerland and Germany in autumn 2010, but FTTSA is willing to co-operate with agencies from other countries as well.

In general, there has been a large number of labels which focus on the environmental or social issues of tourism enterprises since the beginning of the 1990's.[38] The purpose of these labels is similar to those of the various codes of conduct outlined above. Many authors highlight the use as a marketing tool (Lund-Durlacher 2007, p. 144).

2. 3   The Concept of Destinations

Approaching the topic of sustainable destination management requires, first of all, a definition of the term *destination*. Thereafter, it is necessary to shed light on various key terms in the context of a destination, such as *the destination life cycle* or *destination competitiveness*. On the basis of these definitions and explanations, it is then possible to formulate general goals and tasks of *destination management*.

2.3.1 Definition of Destination

Compared with tourism companies, such as tour operators, the structures of destinations are very complex and hard to define. This results in a large number of definitions for the term destination and its components.

Generally, the term destination is used to denote

> *"the place set for the end of the journey; i.e. a geographical area (a location, a resort, a region, a country, etc.) where the traveller intends to spend some time away from home" (Manente & Minghetti 2005, p. 229).*

From an economic point of view, a destination is even more than a mere geographical place: "Destinations are amalgams of tourism products, offering an integrated experience to consumers" (Buhalis 2000, p. 97). In other words: A destination includes all elements of the local tourism supply chain, such as accomodation and gastronomy, entertainment and leisure-time amenities, information, transportation, etc. While all these services may be delivered by different suppliers,

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[38]   For a general overview see Lund-Durlacher (2007).

> *"tourists perceive the destination or the service offered in the context of a destination, as a whole. The package of services is often impossible to separate from the the geographical place. Destination and product are thus identical" (KELLER 2000; cited in MANENTE & MINGHETTI 2005, p. 229).*

As BRITTNER-WIDMANN (2003, p. 121) puts in, this common demand-orientated understanding of a destination makes it difficult to define its size. For this reason there is a number of approaches on how to delimit destinations.

Most commonly used is a model which takes into account the distance between the destination and the visitor's place of origin (FREYER 2011, pp. 260-261). Figure 6 illustrates this relation. KLOIBER (2008, p. 14) gives a good example of how the size of a destination varies depending on the tourist's perception:

> *"While a German tourist, for example, would consider a specific region within the country (Northern Sea, Black Forest) a destination, tourists from other countries (e.g. Americans or Japanese) would consider a wider geographical space like Europe as their destination. A visit to the Black Forest for them would only be part of the superior destination."*
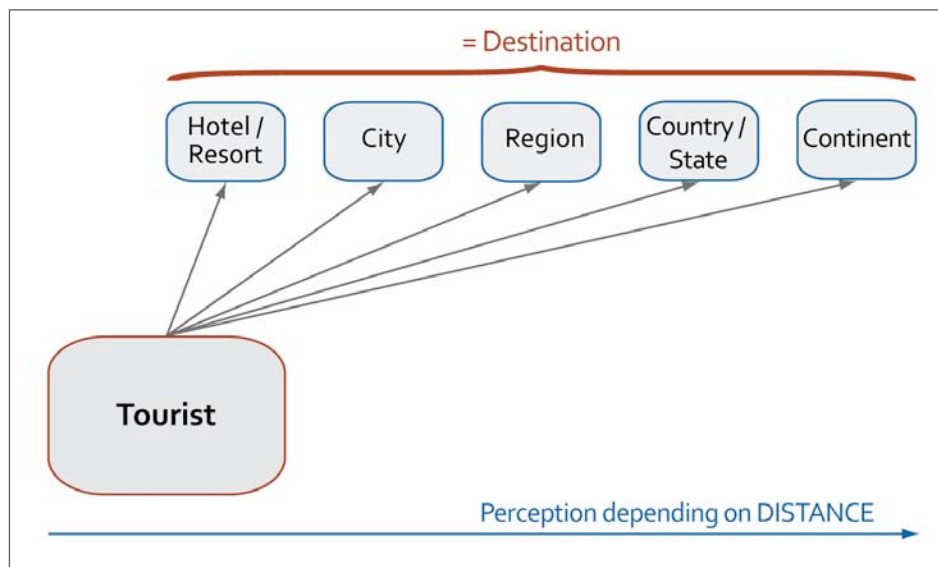
Fig. 6: Delimitation of Destinations Based on the Tourist's Perception
(according to BIEGER 2008, p. 58)

EISENSTEIN (2010, p. 15) remarks that the relation between distance to and size of a destination is not set in stone, and that the latter also depends on the purpose of a journey. By trend it can be stated that the more focused a travel's purpose, the smaller the destination.

For the supply side the destination became the most important unit in terms of competitiveness (see Subsec. 2.3.3). The paradox is that in order to 'operationalize' the demander-delimited destination for the supply side, it is necessary to consider a destination extremely general as "a country, state, region, city or town which is marketed or *markets itself* as a place for tourists to

visit" (Beirman 2003, p. 2). Based on this point of view, the concept gets somehow turned around: The tourism stakeholders on the supply side tend to *provide an integrated experience* to the consumer, and try therefore to be *perceived* as a destination. According to this understanding, a destination may best be captured by the definition of Manente & Minghetti (2005, p. 230):

> "*From the supply side, the destination can be defined [...] as a tourist product and then as a specific supply involving a set of resources, activities and actors of a territory [...].*"

It is fairly self-explanatory that those destinations providing a similar *tourist product* or *tourist experience* are in direct competition to each other. In order to remain competitive, a certain degree of coordination between the stakeholders – the joint management of their destination – is required. These two aspects, *destination competitiveness* and *destination management*, are discussed in the Subsections 2.3.3 to 2.3.5, together with Butler's (1980) concept of a *destination life cycle*. For a more comprehensive understanding, it is helpful to shine a light on the term destination from a systems approach.

2.3.2 Understanding the Destination as a System

As well as for the tourism phenomenon as a whole (see Subsec. 2.1.1), it is also possible to describe destinations with a systems approach. This can be useful in order to understand the destination from a multidisciplinary perspective. Manente & Minghetti (2005, p. 230) synthesize various contributions into a simpler *definition of a destination system*, which already briefly outlines the necessity for a joint destination management:

> "*[A destination system is] a group of actors linked by mutual relationships with specific rules, where the action of each other influences those of the others so that common objectives must be defined and attained in a co-ordinated way.*"

Bieger (2008, pp. 61-63), who characterizes the destination as an enterprise, suggests a framework in which the system destination is related to other environments, for example the natural or the economic environment with the consumer market (see Fig. 7). Inside the system several groups and departments are interlinked.

Bieger (2008, p. 62) also provides a simplified comparison between a destination and a common enterprise (see Tab. 4).
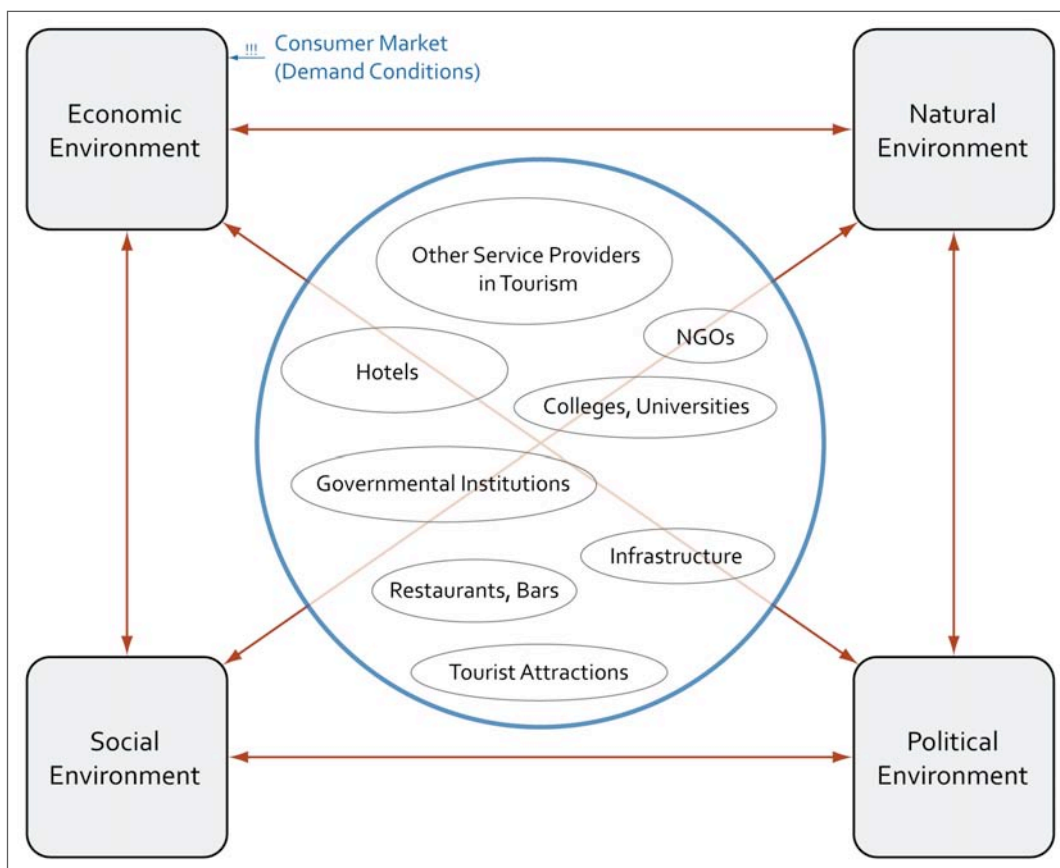
Fig. 7: The Destination as a System
(according to Bieger 2008, p. 61 ; modified)

	Destination	Common Enterprise
Leadership		
Institutions	• political institutions • various forms of organization[39] • stakeholders consultations • …	• general assembly • board of administration • executive board • departments
Measure of Success		
Medium term objective	• competitiveness	• competitiveness
Quantification	• most common: revenues, visitor numbers	• value added
Core resources	• nature, culture, vertical intelligence	• capital, patents, competences

Tab. 4: Comparison between a Destination and a Common Enterprise
(based on Bieger 2008, p. 62)

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[39]   See Section 3.1 for more information on organizational structures of destinations.

While the leadership, or the institutional / organizational structure in a common enterprise generally is clearly defined, there are no absolute authorities within a destination a priori. Also there is no single, significant indicator for success like the value added of enterprises. Not least, the system destination is much more open than a private enterprise: Core resources are of collective nature, and its use is not only determined by decision processes of tourism stakeholders. The influence from other environments therefore is considerably higher for destinations than for enterprises (Bieger 2008, p. 62).

2.3.3 Destination Competitiveness

As already mentioned before, the destination nowadays is commonly seen as the main strategical competitive unit in the tourism sector, especially in inbound tourism (Bieger 2008, p. 56). Therefore it is important for each destination to ensure and enhance its *competitiveness*.

According to d'Harteserre (2000, p. 23), destination competitiveness is "the ability of a destination to maintain its market position and share and / or to improve upon them through time".

A little more detailed than this general definition, Dwyer & Kim (2003, p. 374) state that

> *"destination competitiveness would appear to be linked to the ability of a destination to deliver goods and services that perform better than other destinations on those aspects of the tourism experience considered to be important by tourists."*

Destination competitiveness can be seen as a concept that encompasses differences in prices coupled with productivity levels of various components of the tourism sector, exchange rate movements, and qualitative factors affecting the attractiveness of a destination (Dwyer & Kim 2003, pp. 374-375).

The most detailed work undertaken by tourism researchers on destination competitiveness is that of Ritchie & Crouch (2000, 2003). They widened their approach by using a sustainable perspective. In order to remain competitive, a destination's development must be sustainable, not just economically and not just ecologically, but socially, culturally, and politically as well: "Competitiveness without sustainability is illusionary" (Ritchie & Crouch 2003, p. 49). They focus on long-term economic prosperity as the measure by which destinations can be assessed competitively. Therefore the most competitive destination is that which most effectively creates sustainable well-being for its residents (and not for foreign investors!).

RITCHIE & CROUCH (2000, 2003) concentrate on competitive variables in the area of destination policy, planning and management, while other tourism researchers address aspects like price competitiveness (DWYER, FORSYTH & RAO 2000) or marketing competitiveness (BUHALIS 2000). DWYER & KIM (2003) in turn use a holistic approach. Their model of destination competitiveness is partly modified to serve as a framework for the analysis of sustainable destination management in Timor-Leste and therefore is presented in detail in Chapter 3.

2.3.4 The Destination Life Cycle

The perception of destinations as competitive units is also based on the understanding that destinations, just like products and enterprises, run through different phases of a *life cycle*. BUTLER (1980) proposed a model of the life cycle of a tourist destination, which is still widely accepted and used in the research area on developmental stages of destinations.[40/41] This model (see Fig. 8) basically consists of six phases defined by their characteristics (description according to BREAKEY 2005, pp. 70-72; BUHALIS 2000, p. 105):

[1] *Exploration:* Few adventurous tourists; individually planned itineraries; irregular visiting patterns; interest in nature / culture; close interaction with local people; minimal effect on social, cultural and physical environments; use of local facilities.

[2] *Involvement:* Increased tourist numbers; start of the provision of tourist facilities; some advertising; start of tourist market and season; interaction stays high; some changes in social life of locals; pressure on public sector to provide infrastructure.

[3] *Development:* Tourists' numbers rapidly increase to equal or exceed local population; clear and different tourist market; extensive advertising and links to the generating region(s); loss of local control through increased foreign-owned facilities, and regional / national planning and provision of infrastructure; use of migrant labor.

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[40] Butler himself edited two volumes which consist of articles by leading tourism researchers. The first book (BUTLER 2006a) contains articles by researchers who have used and modified the original model. In the second book (BUTLER 2006b), researchers who have reviewed the original model shed light on their own theoretical / conceptional positions and models.

[41] However, some researchers challenge this model, for instance BREAKEY (2005, p. 2): "The way tourism destinations change is not understood and is far from predictable. In retrospect the pro-posed models of destination development from the early 1980's can be seen as artefacts of scale as they provide a theoretical pattern of overall destination growth at the macro level without the fluctuations, changing trends, and seasonality found at the more detailed micro level. [...] Consequently the applicability of the models is limited as they smooth over significant events and periods of stability and rapid growth."

[4] *Consolidation:* Growth rate declines; tourism now a major economic sector; heavy advertising aiming to extend tourist season and market(s); some opposition to tourism; clear recreational business districts; old facilities have deteriorated.

[5] *Stagnation:* Tourist capacity reached / exceeded; reliance on repeat visitation and conventions; surplus hotel capacity and changes in ownership; focus on the package tourist; new developments peripheral to the existing destination; established, but out-of-fashion image; social, environmental and economic problems.

[6] *Post-Consolidation:*

[a] *Degradation / Decline:*

Lost; vacationers decline; reliance on week-enders and day visitors; high property turnover and conversion of many facilities; increased local involvement.

[b] *Relaunch / Rejuvenation:*

Complete changed in the attractions and image; combined public and private sector efforts; a new tourist market is found, often a special interest group.
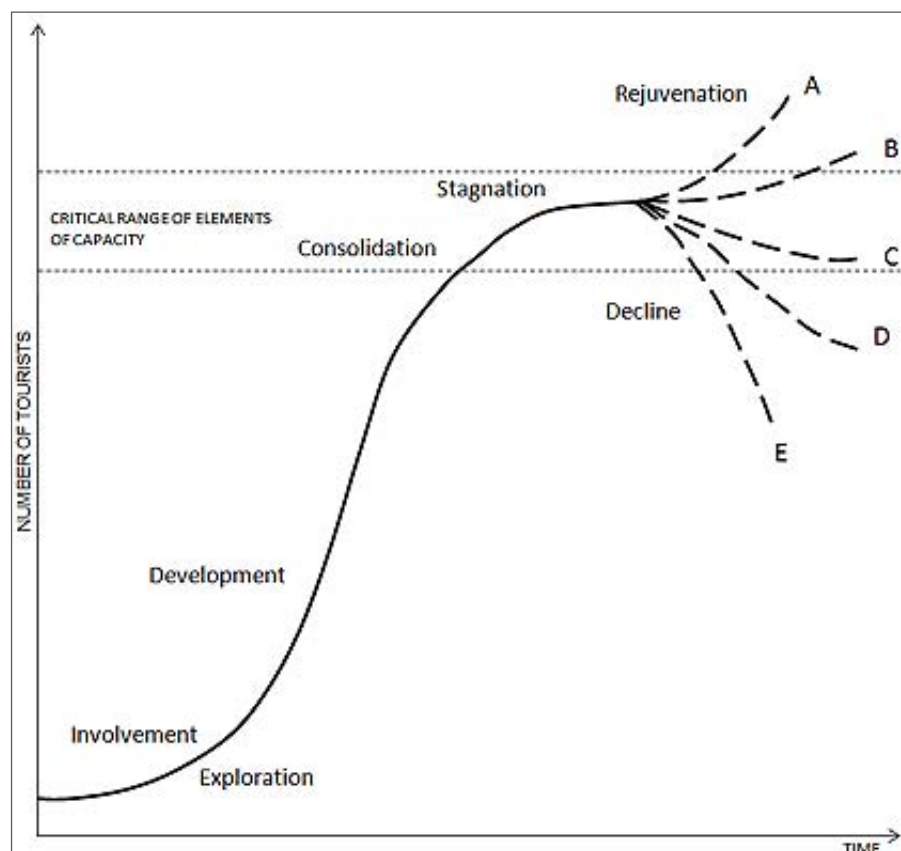
Fig. 8: Life Cycle of a Destination
(Butler 1980, p. 7)

It is fairly evident that to some extent destination competitiveness also means an extended product life time (D'HAUTESERRE 2000, p. 23). To extend this product life time and remain competitive, different destination management tasks (or activities) are required in each phase. In the following these tasks are outlined by taking into account common goals of destination management.

2.3.5 Destination Management: Goals and Tasks

The term *management* is not only related to businesses, but also to institutions such as destinations. KASPAR (1995, p. 42) defines the term as follows: *"Gestalten, Lenken und Entwickeln von zweckorientierten sozialen Systemen."*[42]

Considering the previously discussed aspect of destination competitiveness, the *overall objective* of destination management can be expressed in a simplified manner as to *remain competitive*. In this case the social system is the destination, respectively the network of its stakeholders. Particular goals underlying this overall objective can be multifarious and vary in each destination. Common objectives are (KLOIBER 2008, p. 17):

- strengthening tourism as an economic sector,
- development of joint visions and strategies and securing their implementation,
- decreasing competition thinking between stakeholders and strengthening the 'sense of belonging together',
- using joint creative and innovative potentials,
- increasing readiness for private and public investments,
- qualification of (political) decision makers,
- exchange of information and networking,
- enhancing / ensuring quality of services and infrastructure, and
- safeguarding natural resources and biodiversity.

As goals of destination management may vary, there also is no common understanding of the specific tasks in order to achieve these goals. In general, tasks are rendered more precisely within case studies or theoretical models on destination management. Hence, the specific tasks under investigation in the analysis of sustainable destination management in Timor-Leste (see

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[42] Rough translation of the definition: "To shape, to guide and develop a purpose oriented social system."

Chap. 7) are presented in Chapter 3 within the outline of a framework based on the works of
DWYER & KIM (2003) on destination competitiveness.

BIEGER (2008, pp. 107-110) tries to provide at least a task framework in his *pyramid model of integrated management in tourism*, which is based on the works of KASPAR (1995, pp. 46-48). The
model consists of three vertical and three horizontal dimensions. From the horizontal perspective, the management concept is divided into the following dimensions:

[1] *Normative management* is dealing with the overall objective / vision, principles,
norms and policies. In this context, a joint vision / comprehensive guideline should
provide orientation and sense to all destination stakeholders.

[2] *Strategic management* is dealing with the conception and formulation of concrete
activities and expected results, and should be oriented towards the overall vision, i.e.
the pre-defined objectives and goals.

[3] *Operative management* is dealing with the identification and controlling of ongoing
concrete activities.

The vertical dimensions include:

[a] *Activities*, which according to the vision have been formulated in strategic concepts.

[b] *Structures*, which on the upper level are defined in constitutes / statutes and put in
practice by the respective organizational structure and management system.

[c] *Human behavior*, which includes the aspects such as cooperative culture, capacities
and performances as well as the ability to react to problems.

In order to realize a *sustainable destination management* the importance of strategic planning
methods is emphasized by UNWTO and tourism experts. According to BEYER (2006; cited in
KLOIBER 2008, pp. 19-20) a sustainable planning approach is based on four principles:

- conception,
- integration,
- cooperation, and
- information.

Conception means the elaboration of a joint vision. The aspect of *integration* focuses both on
vertical and horizontal integration: Tourism should feature as a component of the respective development plan (e.g. a regional development plan) and should harmonize with the planning / ac-

tivities of superior geographical levels. A certain degree of *cooperation* between stakeholders interested in or affected by tourism development is required to realize sustainable planning and managing. Not least, a transparent *information policy* among all relevant stakeholders helps to increase the understanding for sustainable management approaches.

These four principles, as well as the dimensions of the pyramid model, also are reflected in the works of Dwyer & Kim (2003), although not addressed that explicitly.

3   Sustainable Destination Management: A Framework for the Analysis

The previous theoretical explanations lead the author to a *definition of sustainable destination management* in simple terms: Sustainable destination management means the joint management of a destination in consideration of the concept of sustainable development, i.e. the awareness of tools and techniques of sustainability within the tourism sector (as outlined in Subsection 2.2.3). Or, in other words: Sustainable destination management can be seen as the key tool for accomplishing a sustainable development within the tourism sector.

For the analysis of (sustainable) destination management there does not exist any model focusing on the status quo situation. Instead, recent literature on destination management has focused on providing guidelines for planners and managers (UNWTO 2007; CLIMPSON 2008). Therefore it is necessary to consider slightly older models of destination competitiveness, which generally include destination management as a major component. Using large parts of the RITCHIE & CROUCH (2000, 2003) framework, DWYER & KIM (2003) developed an *integrative model of destination competitiveness* (see Fig. 9). In can be seen as a holistic approach of determinants and indicators for the evaluation of the relative strengths and weaknesses of a destination and its management. Their model is based on the idea that competitiveness, and furthermore socioeconomic prosperity, are the overall objectives of a sustainable destination management. Another important aspect is the specific understanding of the relation of competitiveness and sustainability outlined by RITCHIE & CROUCH (2003, p. 49):

> *"Every destination must examine its ability to maintain all dimensions of sustainability […] if it is to develop and preserve true competitiveness. […] Competitiveness without sustainability is illusionary."*

Despite the major categories *competitiveness* and *socioeconomic prosperity*, the model is subdivided into the following main categories:

- resources,
- situational conditions,
- demand conditions, and
- destination management.

The latter is seen as the key element or catalyzer in order to achieve the overall objectives.
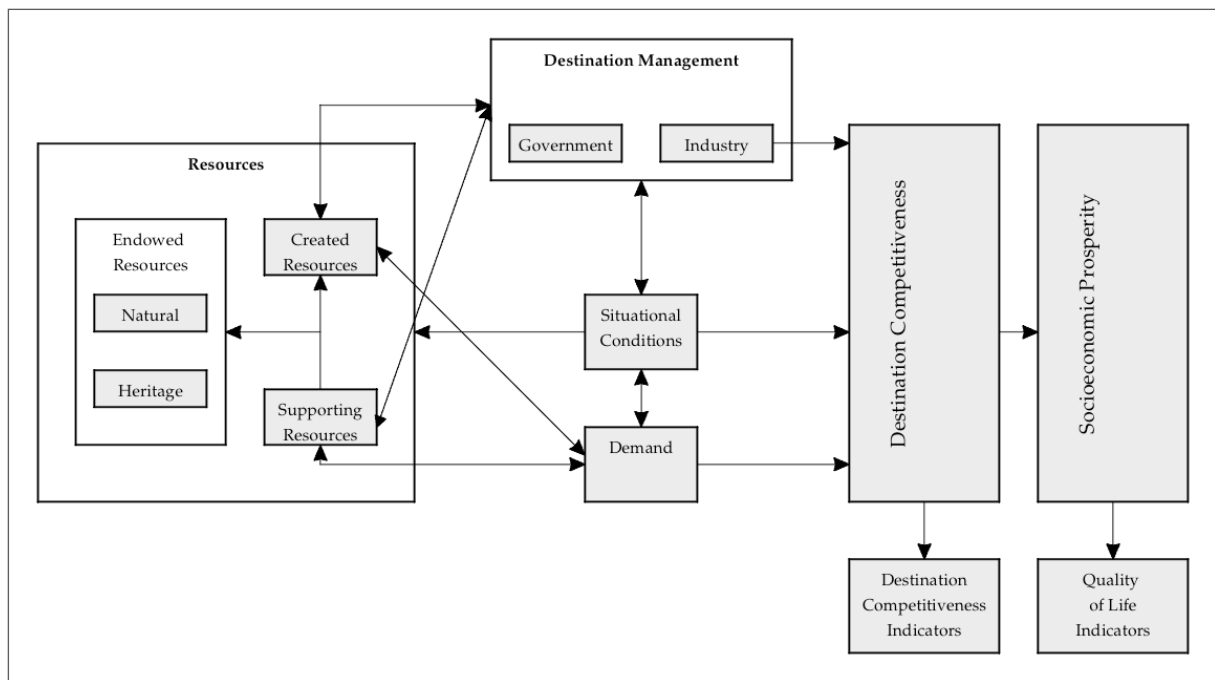
Fig. 9: A Model of Destination Competitiveness
(DWYER & KIM 2003, p. 378)

Resources can be subdivided into three types: *endowed*, *created* and *supporting*. Endowed resources, in turn, can be further divided into *natural* (mountains, lakes, beaches, rivers etc.), and *cultural or heritage* (cuisine, handicrafts, language, customs etc.). Created resources include tourism infrastructure (hotels, gastronomy, special events, available activities), while supporting resources (or enabling factors) include general infrastructure and the accessibility of a destination.

Under *situational conditions* there can be subsumed forces from the external environment which have an impact on destination management and competitiveness, such as:

- competitive (micro-) environment (capabilities, strategies of firms, firm rivalry),
- global (macro-) environment (economic, political, sociocultural, technological),
- destination location,
- price competitiveness in comparison to competing destinations (accommodation prices, air fares), and
- safety / security.

The *demand conditions* undoubtedly also are an essential determinant for a competitive destination. This category includes aspects like visitor statistics or the profile of the typical visitor of the destination.

It is argued that an analysis of the current strengths, weaknesses, opportunities and threats of / for destination management in Timor-Leste would be useless without a basic idea of the *conditions and resources of tourism development*. Therefore, the main aspects of the categories situational conditions, resources and demand conditions are presented at the beginning of the analysis of sustainable destination management in Chapter 7. Not only for reasons of readability, but also due to the limits of this paper, the main aspects addressed in these three mentioned categories are reorganized and simplified as follows (see Tab. 5):

- The three categories situational conditions, resources and demand conditions are combined to form one category, namely *basic conditions*.
- Some of the original model's more extensive aspects cannot be taken into account in the modified model:
  - competitive (mirco-) environment,
  - global (macro-) environment, and
  - market ties.
- Some other aspects are analyzed within one of the subcategories of destination management (see the following page):
  - tourist preferences / awareness of destination / destination image
    - → to be considered within the *destination marketing management* category
  - quality of service / hospitality
    - → to be considered within the *human resource development* category

Model of Destination Competitiveness of DYWER & KIM (2003)	Modified Model for the Analysis of Sustainable Destination Management in Timor-Leste

Resources
 	
Endowed Resources
• natural resources
• cultural / heritage resources
 	
Created Resources
• tourism infrastructure
• special events
• range of available activities
• entertainment
• shopping
 	
Supporting Resources (Enabling Factors)
• general infrastructure
• quality of service
• accessibility of destination
• hospitality
• market ties
 	
Situational Conditions
 	
• destination location
• competitive (micro-) environment
• global (macro-) environment
• security / safety
• price competitiveness
 	
Demand Conditions
 	
• tourist preferences
• awareness of destination
• destination image
	Basic Conditions of Tourism Development in Timor-Leste
	
	Demand Conditions
	• tourism in Timor-Leste from a historical perspective
	• recent demand / statistical data
	• outlook / trend
	• customer profile / dependency on expatriates
	
	Resources / Potential of Tourism
	• natural resources
	• cultural / heritage resources
	
	Infrastructure
	• general infrastructure
	• tourism infrastructure
	  ○ accommodation facilities
	  ○ gastronomic facilities
	  ○ range of available activities
	  ○ entertainment
	  ○ shopping
	  ○ special events
	
	Destination Location
	• accessibility
	• competing destinations / price competitiveness
	
	Safety / Security

Tab. 5: Comparison of the Model of DWYER & KIM (2003) and the Modified Model for the Analysis Regarding the *Resources* and *Conditions*

As already mentioned, *destination management* is the key element within the model of DWYER & KIM (2003). Destination management factors

> *"can enhance the appeal of the core resources and attractors, strengthen the quality and effectiveness of the supporting factors and best adapt to the constraints imposed by the [basic conditions]"* (CROUCH & RITCHIE 1999, p. 149; cited in DWYER & KIM 2003, p. 379).

The destination management category consists of the following subcategories:

- organization of destination management,
- destination planning and development,
- destination marketing management,
- human resource development, and
- environmental management.

These strongly intertwined subcategories will serve as a framework for the analysis of the collected data. Their components and key questions in the following are presented in more detail.[43]

Before doing so, it is essential to mention that the presented model only differentiates between two large groups of stakeholders in charge of destination management (*government* and *industry*). For analysis purposes the differentiation is extended as follows: The industry group is understood as *tourism services / attractions* and distinguished into *accommodation facilities / gastronomy*, *tour operators* and *transport companies*. The various *NGOs and DCAs* that are engaged in tourism development in Timor-Leste represent another important group of stakeholders, as well as *schools / universities offering tourism courses* and *advocacy groups* (see Sec. 6.1).

3.1 Organization of Destination Management

It is obvious that the outlined objectives, tasks and strategic planning principles require a certain level of *organization* between the destination's stakeholders. Hence, comprehension and willingness to cooperate are essential prerequisites for an effective sustainable destination management. But how can the cooperation between the various stakeholders of a destination be organized coherently?

> "*The fragmented structure of local firms combined with the clients' perception of the district [i.e. the destination] as a single 'product' have traditionally favored the development of Destination Management Organizations [DMOs]*" (SAINAGHI 2006, p. 1054).

DMOs consist of participating structures led by local authorities, with the involvement of local NGOs, communities and indigenous representatives, academia, and local chambers of commerce. This may be local tourism boards, councils or development organizations. The network of local tourism businesses (hotels, attractions, transportation services, service providers, such as guides and equipment rentals, restaurants, etc.) are also a significant part of a destination. BUHALIS (2000, p. 108) notes that DMOs

> "*have overall responsibility for the entire destination product and through incentives and policies facilitate the development of products, and create local partnerships for the delivery of seamless experiences.*"

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[43] Mainly based on the paper of DWYER & KIM (2003), the following Sections 3.1 to 3.6 also take into account recent literature on any of the five subcategories' aspects.

As both Bieger (2008, pp. 136-142) and Eisenstein (2010, pp. 17-18 & 107-111) point out, there is an infinite number of approaches on how to organize a DMO. Accordingly, there is no common understanding or precise differentiation regarding this term and related terms such as *tourism organization*.

However, in the extensive literature on DMOs three typical representative structures of DMOs can be found (Bieger 2008, pp. 136-142):

[1] *Public entities*:

The DMO is a department of the public administration. While there might be advantages like secured financing, the participation of the private sector typically remains low and decisions are influenced by political interests and possibly lack transparency.

[2] *Associations:*

The most common structure in Europe. Its foundation and registration as a private entity is generally simple. Advantages are a high stakeholder participation and high transparency. Slow participatory processes and the need to ensure financial means (dependent on subsidies and membership fees) constitute major challenges of this structure.

[3] *Private entities:*

E.g. stock companies. While the major advantage is the transparency and efficiency of decision-making structures, the biggest disadvantage is the lack of opportunity of the public society to participate in decision-making processes. Therefore the importance and acceptance of this structure remains low.

The analysis focuses on the *three major aspects of the organization of destination management* particularly important (Dwyer & Kim 2003, p. 387-398):

- coordination,
- provision / share of information, and
- monitoring and evaluation.

3.1.1 Coordination

> *"There is an increasing recognition of the importance of [...] effective coordination and support between all involved parties as crucial to achievement of sustainable tourism and hence destination competitiveness" (Dwyer & Kim 2003, p. 388).*

Haugland et al. (2011, p. 269) point out that a good *coordination* does not only benefit the destination as a whole, but also the single stakeholders:

> *"The success of individual actors, as well as the success of the entire destination, is dependent on efficient coordination and integration of individual companies, resources, products and services."*

In general, it is the primary function of a DMO to serve as a coordinating body between the numerous public and private stakeholders of a destination. Correspondingly, the analysis focuses on the following key questions:

- How does the coordination between public and private stakeholders work?
- Which attempts of cooperation have already been made?
- Can an 'institutionalized' form of cooperation already be found, such as regular meetings or consultations?
- Can any of the typical DMO structures be found emerging?
- If not, does it seem possible to establish such a structure in the near future?
- Is there any kind of cooperation between the destination's stakeholders at all?
- Is there at least any willingness to cooperate?
- How do / can local communities participate?

3.1.2 Provision / Share of Information

> *"Destinations that gather and use information effectively can improve their competitive position. An effective use of information systems can provide managers with the information required for understanding customer needs, and for appropriate new product development and marketing in both the private and public sectors (Dwyer & Kim 2003, p. 388).*

Information can be subdivided into two categories: First, information that is internal to the destination like visitor statistics; and second, research results providing the information basis to enable a destination and its stakeholders to adapt to current market conditions, for example tourist satisfaction studies, studies on the environmental impact of tourism activities, information tracking the attitude of the local population towards tourism, etc. It is obvious that the provision / the share of information strongly relates to the level and quality of coordination between the stakeholders.

Key questions for the analysis are:

- Is there any share of information between the destination's stakeholders?

- If so, who is concerned with providing the information – public or private stakeholders?

3.1.3 Monitoring and Evaluation

"Strategic scanning and monitoring […] is an integral part of policy and strategy formulation, including the need to systematically evaluate the effectiveness of major policies and strategies that have been previously implemented in efforts to enhance destination competitiveness" (Dwyer & Kim 2003, p. 389).

The key question for the analysis is:

- Are there any tools for monitoring or evaluation in use?

It is evident that the results can be enhanced by a good share of information between the stakeholders (Faulkner 1997; cited in Dwyer & Kim 2003, p. 389).

3. 2 Destination Planning and Development

The terms *planning* and *development* cannot be easily defined and separated. Newsome et al. (2002, p. 147; cited in Dwyer & Kim 2003, p. 387) use the fairly common definition that

"the basic task of planning is to visualize the area, that is the product, as visitors and managers wish it to be in the future."

Accordingly, development is the process following the planning (or visioning), and consists of the formulation of clear strategies and actions (initiatives, activities, etc.) (see Fig. 10).

I. PLANNING
Outlining Visions
Key Question:
How do we want our destination
(area, product) to be in the future?

- -

IV. MONITORING & EVALUATION
Using tools of monitoring
and evaluation

>>> re-adjusting
Visions, Strategies or Actions!

II. DEVELOPMENT
Formulating Strategies
Key Question:
Which strategies help us to achieve
our visions?

III. ACTION
Developing precise and clear
- *intiatitives*
- *activities*
- *laws / regulations*
- *...*
(and according budgets!)

Fig. 10: Destination Planning and Development: From Visions to Actions

An efficient planning is based on clearly defined responsibilities and accountabilities. Furthermore,

> *"tourism planning requires an understanding of the meaning of sustainable development and the guiding values for promoting sustainable development. It requires that communities be made to be sufficiently aware of [...] the tourism industry and its impacts as well as the various processes to integrate and engage in participatory planning, consensus building, and conflict resolution among all stakeholders. It is important to consider which sustainable development principles can be implemented through community control and which need to be implemented through controls at higher level"* (DWYER & KIM 2003, p. 386).

It can be argued that in the 'Western World' today the overall objective of sustainable development is widely accepted in theory and practice, but that the knowledge of this concept still remains low in DCs in LDCs, especially in rural areas. Thus, one of the most important steps for implementing a sustainable destination planning and development is to establish a basic understanding of the concept among all stakeholders, or, ideally, to jointly develop sustainability guidelines tailored to the destination.

Another essential element in terms of planning and developing a destination is a critical analysis, or audit, of the destination's existing tourism resources and capabilities. This audit should cover the supply side, but also take into account the demand side and the community's attitude towards tourism. This analysis is highly important in order to determine the strengths and weaknesses of the industry, and to highlight opportunities for further development in consideration of current market trends. Likewise, such an audit also builds the basis for tailored marketing activities (see Sec. 3.3).

One of the most interesting questions regarding the concept of sustainable tourism, with its strong emphasis on the objective of improving socioeconomic conditions for local people, is if and how local activities are supported in Timor-Leste, for example by public funding programs. Another important aspect is how the sector can protect itself from domination by and dependence from foreign investors (e.g. by laws, regulations).

Key questions of the analysis are:

- Is there an overall vision for further tourism development in Timor-Leste?
- What means (strategies and actions) are used to achieve this goal?
- Has a study on the destination's resources and capabilities already been conducted?
- Is there a basic understanding of the concept of sustainable development?
- Can any distinct sustainability guidelines be found for the entire destination?

3. 3   Destination Marketing Management

"Marketing is a culture, an organizational function and a set of processes for creating communicating, and delivering value with customers and for interacting in a network of relationships in ways that benefit the organization, its customers and other stakeholders" (Gummeson 2008; cited in Kozak, Gnoth & Andreu 2010, p. xx).

This network-orientated definition, which was developed at the *Advances Tourism Marketing Conference* in Valencia (Spain) in 2007, already shows the importance of the *marketing category* for destination management. Not only Murdaugh (2005, p. 29) interprets destination marketing as the principal function and scope of destination management.

Enhancing the appeal of a destination includes a program of various marketing activities. These efforts may focus on increasing awareness of the existence of the destination as a first, essential step, and then optimise the way the destination is perceived by different demographic, psychographic and behavioral market segments. Relevant activities include:

- marketing research:
  - identification of promising target markets (thematic / geographical)
  - identification of the destination's uniqueness (possible competitive advantage)
- destination branding / image:
  - development of a strong and unique destination image
  - creation of a high level of destination awareness
- product development: development of attractive, competitively priced tour packages tailored to customer needs (destination = product / area; see Subsec. 2.3.1)
- marketing tools / activities:
  - advertising (printed materials, website, etc.)
  - improvement of public relations and media publicity
  - representation at travel trade fairs
  - alliances with neighboring destinations (joint marketing)
  - development of events

Recent literature on destination marketing has focused on the development of a unique and strong destination image, a process also often referred to as *destination branding* (Morgan, Pritchard & Pride 2011; Kozak, Gnoth & Andreu 2010, pp. 57-110; Pike 2008, pp. 173-216). The overall objective of destination marketing should be to create a unique destination image that is "the sum of beliefs, ideas and impressions that people have of a place" (Kotler et al. 1993; cited

in Dwyer & Kim 2003, p. 385), and thus "influence[s] the decision process of prospective visitors" (Uysal et al. 2000; cited in Dwyer & Kim 2003, p. 386).

The key questions for the analysis in terms of destination marketing management are:

- Has sufficient marketing research been undertaken?
- What are the identified main target markets (thematic / geographical)?
- What marketing tools are pursued in Timor-Leste?
- Who is pushing these activities?
- Which image / brand gets transported to the customers? To what extent is this image / brand unique? Is there a particular, strong image of the destination Timor-Leste?
- Are there any destination products, e.g. tour packages, available?

3. 4   Human Resource Development

Human resources are one of the most important elements of any economic sector, ever more so than in a predominantly service-based sector such as tourism. As David (2001; cited in Dwyer & Kim 2003, p. 389) points out, the human resource function is critical for the performance of any organization. Hence, "human resources are a central factor in achieving competitiveness" (Bueno 1999, p. 321; cited in Dwyer & Kim 2003, p. 389). At the same time,

> *"the tourism industry worldwide is characterized by ambiguous attitudes to investment in human capital, inflexible employment practices and an unsustainable approach to human resources development" (Baum & Jithendran 2010, p. 267).*

The key questions for the analysis are:

- Are there any colleges / schools offering tourism management or hospitality courses?
- Do there exist partnerships / exchange programs with foreign colleges / schools?
- On which jobs does the education focus (low / high-skill)?
- How high is the chance for alumni of finding a job within the tourism sector?
- How are the working conditions (payment, labor rights)?

3. 5   Environmental Management

> *"Resource stewardship is an increasingly important function of destination managers in both the private and the public sector. This recognizes the importance of long-term 'sustainable competitiveness' that acknowledges the stewardship of ecological, social and cultural resources" (Dwyer & Kim 2003, p. 390).*

This subcategory of destination management especially takes into account the intergenerational perspective outlined in the concept of sustainable development. Not only Hassan (2000, p. 239) links the environmental performance with the economic performance of a destination: From his point of view it is critical for future destination development plans to be compatible not only with market needs, but also with environmental integrity, in order to maintain the destination's economic viability in the long-term. Dwyer & Kim (2003, p. 391) argue that

> *"in the tourism industry all firms benefit from environmental preservation, and the costs of environmental policy to tourism firms individually may well be substantially below the benefits obtained through additional visitor expenditures generated as a result of maintenance of a clean environment."*

This awareness is strongly linked to the understanding of the overall concept of sustainable development, which considers the ecology as one of the three pillars of sustainability (see Subsec. 2.2.1 & 2.2.2), and the knowledge of managing tools and techniques in terms of area protection, EIA or carrying capacities (see Subsec. 2.2.3).

Key questions for the analysis are:

- How important are environmental issues on a social and political level?
- How can the relation between tourism use / development and environmental issues be described? Are there any latent conflicts of objectives?
- Which tools and techniques of environmental management are already in use (e.g. protected areas, special laws, visitor management techniques, EIA)?
- Which internal tools / techniques do tourism service providers use (e.g. own water sanitation systems, solar panels)?

3. 6   Summary / Critique

Figure 11 illustrates the outlined framework for the analysis of the collected data. As highlighted before, the five subcategories of destination management are strongly interlinked. However, it can be argued that the organization of destination management is the most important of these categories, as it can be regarded as a hub between the other four elements that all re-

quire a certain degree of coordination, provision / share of information and monitoring / evaluation.

The outlined framework obviously also has some weaknesses or disadvantages. The model of Dwyer & Kim (2003) on which it is mainly based is a holistic, and thus extensive approach, taking into account manifold indicators (or aspects): Unfortunately,

> "the authors refrain from expressing unmistakably whether their comprehensive system of 'indicators' (1) is meant to be reflective and therefore intended to operationalize destination competitiveness, or (2) proposes formative indicators or first-order factors preceding competitiveness in an either definitional or causal sense. The conclusion then could make some readers a little desperate by saying that 'there are a myriad of indicators that can be employed at any given time'" (MAZANEC, WÖBER & ZINS 2007, p. 87).

Another downside is that most of the aspects addressed by the key questions cannot be measured by 'hard' measures, i.e. quantitative data. Thus, the measurement of the status quo of sustainable destination management tends to be subjective, because it is mainly basing on the author's interpretation of the collected data following the central question: *Can this be regarded as sustainable or not?*
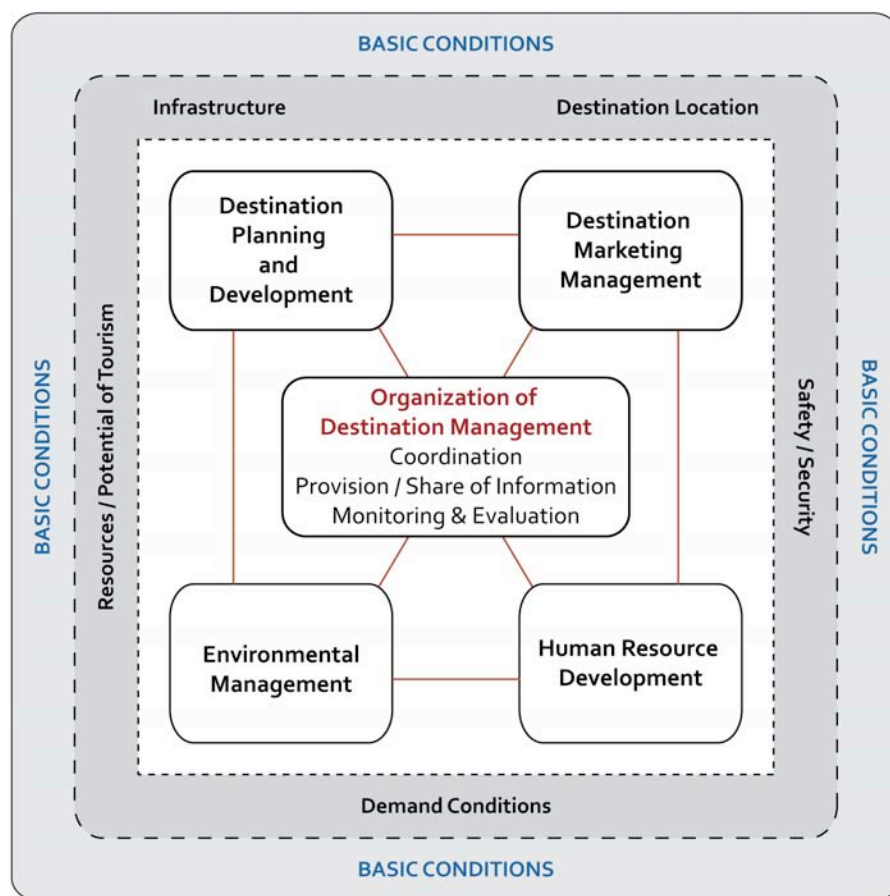
Fig. 11: Modified Model / Framework for the Analysis

Eventually, such equivocalities seem to be the trade-off one has to accept when choosing a holistic approach. However, it is argued that at this early stage of tourism development in Timor-Leste a more narrow framework / approach would only lead to sparse results for the outlined research objectives. Hence, the presented framework is considered a consensus between a more precise and clearly defined model of destination management and the special conditions of developing tourism in Timor-Leste.

4 Timor-Leste: A Country Between Post-Conflict Traumata and State-Building

The Southeast Asian Democratic Republic of Timor-Leste is one of the world's newest nations, and – with the exception of its neighbor Australia – still fairly unknown in the so-called Western World. After more than 400 years as a Portuguese colony, followed by 24 years of violent occupation by Indonesia, it finally became a sovereign state in 2002.

As the former Secretary General of the UN, Kofi Annan (2004; cited in Fleschenberg 2006, p. 141), emphasizes,

> "*the challenges of post-conflict environments necessitate an approach that balances a variety of goals, including the pursuit of accountability , truth and reparation, the preservation of peace and the building of democracy and the rule of law.*"

This chapter not only presents Timor-Leste's current political and socioeconomic situation, but also the challenges "between post-conflict traumata and state-building" (Fleschenberg 2006). Furthermore, it provides general information on geography and history, in order to establish a basic understanding of the fact that Timor-Leste in many respects is a totally unique country.

4.1 Geography

Timor-Leste is located about 500 km from northern Australia in the Lesser Sunda Islands at the eastern end of the Indonesian Archipelago (see Fig. 11). It includes the eastern half of the island of Timor, the nearby islands of Atauro and Jaco, as well as Oecusse (or Oecussi), an enclave on the northwestern side of the main island, within Indonesian West Timor. To the north of the island are the Ombai Strait, Wetar Strait and the Greater Banda Sea, to the south is the oil-rich Timor Sea.

The Lesser Sunda Islands are an archipelago of hundreds of oceanic islands spanning about 1,700 km between the Sunda Shelf (of the Eurasian Continental Plate) to the western Sahul Shelf (of the Indo-Australian Plate). The Sahul Shelf connects Australia, the Aru Islands and Papua. Sumatra, Java, Borneo and Bali are united by the Sunda Shelf. The Lesser Sunda Islands itself are divided into two groups of arcs: The Inner Banda Arc Islands with the mostly volcanic islands of Lombok, Sumbabwa, Flores, Alor, Atauro, Wetar and the Banda Islands; and the Outer Arc Islands, which include the islands Timor, Roti, Semau and Tanimbar. The island of Sumba is considered a continental fragment.
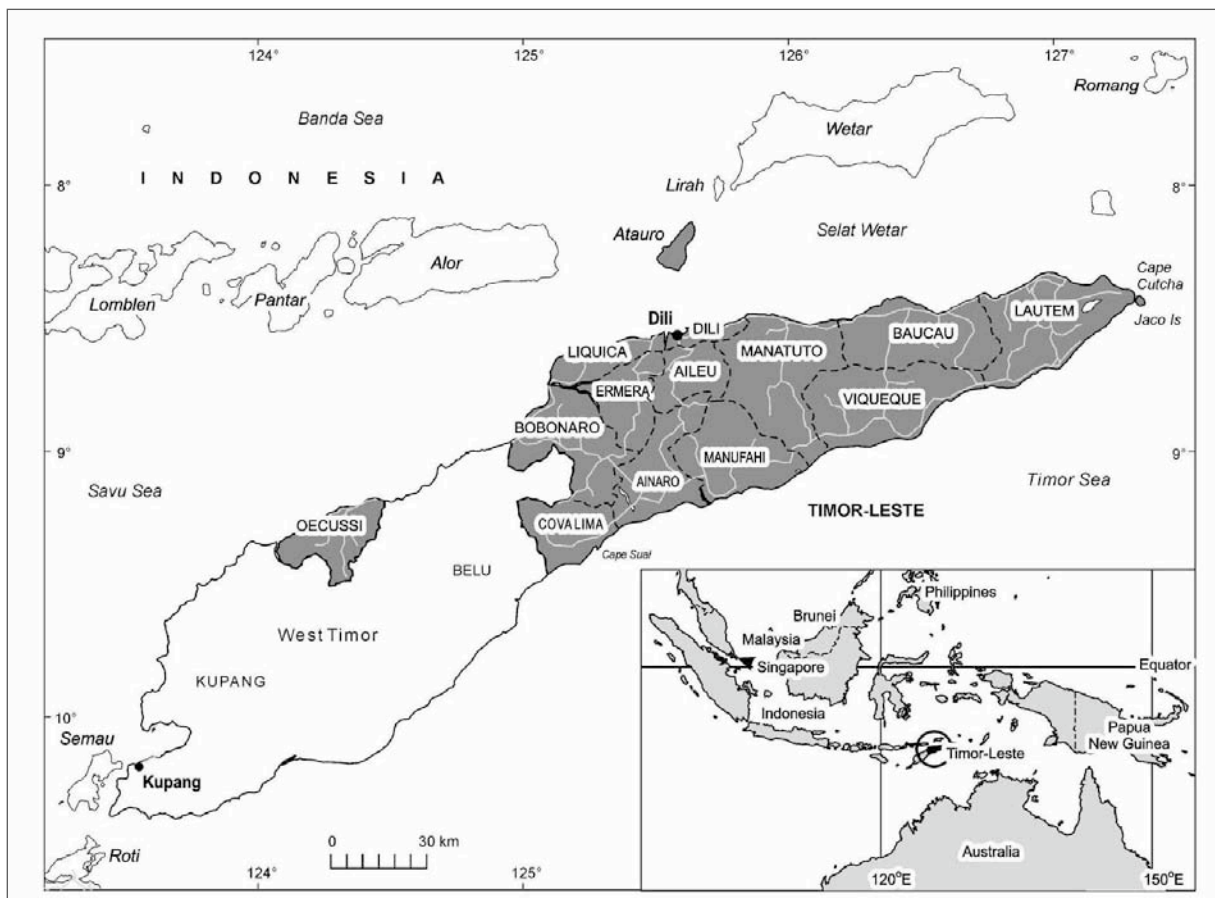
Fig. 12: Timor-Leste and its Districts / Box: Location of Timor-Leste in Southeast Asia
(McGregor 2007, p. 60)

Like all major continental islands of Southeast Asia, the Timor Island was part of the Gondwana super-continent. The origin of the Outer Arc Islands is controversial, but it is commonly agreed that they were formed by continent-continent collision. The Australian Continental Shelf is moving north. Probably, Timor emerged after the low-density continental margin of Australia began sinking (i.e. was conducted) below the Eurasian Plate about 4 million years ago. The island was uplifted rapidly about 2 million years ago and has risen about 700 m during the past 200,000 years (Trainor et al. 2008, pp. 16-17; Hamson 2004, pp. 3-7).

The coral reefs offshore (especially on the northern coastline of the island) are part of the so-called Coral Triangle, a 6 million km² expanse of land and sea that encompasses Indonesia, Malaysia, the Philippines, Papua New Guinea, Solomon Islands, and Timor-Leste (see Fig. 13). The Coral Triangle is often referred to as the epicenter of the world's marine biodiversity due to the comparatively good state of health of the reefs (The Nature Conservancy's Coral Triangle Program 2008).
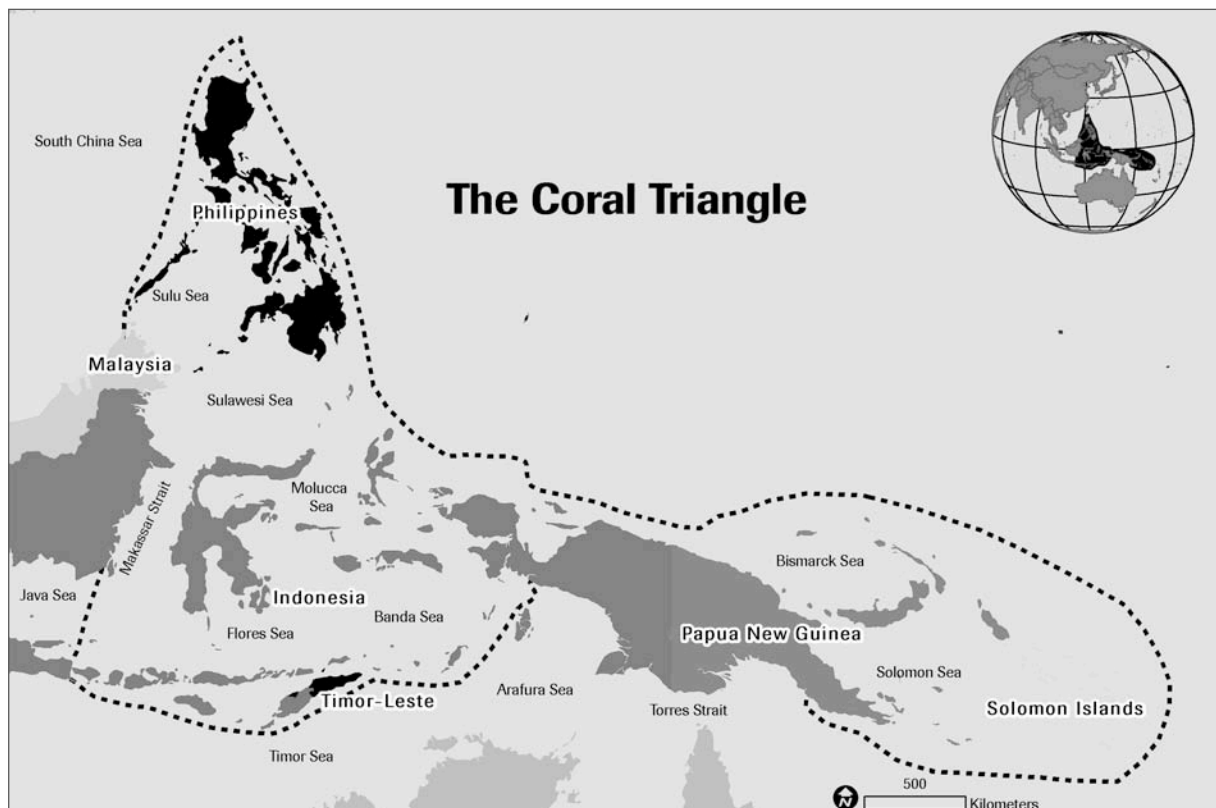
Fig. 13: The Coral Triangle: Countries and Boundaries
(THE NATURE CONSERVANCY'S CORAL TRIANGLE PROGRAM 2008)

The country is about 260 km in length and up to 80 km wide and covers an area of 14,874 km²
(CIA 2011). The landscape mainly consists of mountainous regions generally surrounded by nar-
row flat planes. Nearly half of the land area has a slope of 40% or more (MONK, FRETES & REKSODI-
HARJO-LILLEY 1997, p. 52). The highest point is Mount Ramelau (also known as Tatamailau), rising
to 2,963 m above sea level. The northeast corner of the enclave Oecusse, which is also very
mountainous and irregular, reaches 1,561 m above sea level (Nipane Peak). Since Atauro be-
longs to the Inner Banda Arc, it consists of highly eroded volcanic remnants of marine origin
(TRAINOR et al. 2008, p. 17).

Most of the country's soils are derived from limestone and metamorphosed marine clay and
tend to be infertile and brittle. The steep slopes are mainly covered with thin soils, which have a
low water holding capacity and are easily eroded. Better soils can only be found in river valleys,
flat lands and along the southern coast (GOVERNO DE TIMOR-LESTE 2008, pp. 4-5)

Rainfall varies greatly across the country, from as low as 500 mm/annum along the northern
coast to as high as 2000 mm/annum in the mountains. The island of Timor is influenced by the
Asian monsoon system, and therefore shows two distinct rainfall patterns: The Northern

Monomodal Rainfall Pattern which is responsible for the wet season beginning in December, lasting four to six months. This pattern affects most of the northern side of the country. The second monsoon pattern is the Southern Bimodal Rainfall Pattern which provides a longer wet season (seven to nine months) and affects the southern part of the country. The latter entails two rainfall peaks that generally occur in December / January and May / June. During these times, torrential rain storms are frequent and cause a high degree of surface runoff and increased soil erosion (GRANTHAM et al. 2010, p. 18).

There is typically limited seasonal variation in temperature on this tropic island. KEEFER (2000; in BARNETT, DESSAI & JONES 2005, p. 4), points out that in any given place within the country the monthly mean temperatures vary no more than 3°C between the coolest months of July and August to the warmest months of October and November. The average temperature during rainy seasons ranges from 29°C to 35°C, dry season temperatures vary from at least 20°C up to 33°C, depending on the altitude.

The Timor Island is part of the Walleacean Biographic Region. This region is recognized as an important region for its unique and diverse biodiversity. Despite its global significance, many of the regions' islands have not yet been the subject of biological research. The limited access to Timor-Leste during the Indonesian era (see Subsec. 4.3.2) and the following periods of ongoing disturbance after the independence (see Subsec. 4.3.3) have been obstacles for extensive research. Those studies conducted on the island of Timor characterize it as low in overall species richness, but with a high level of endemism (TRAINOR 2010).

Forest and woodland of several structural types are the predominant original vegetation throughout much of the country. Tall evergreen forest grows in areas with high moisture, while semi deciduous and tropical dry forests can be found in areas with a more arid climate. Montane forest is found above 1,000 m (in some areas at a lower level), where it occurs in mosaics with treeless areas characterised by low vegetation. Some distinct vegetation types are found along the coast, including beach forest and coastal strand habitats. Woodlands and savannas occur extensively along the north coast up to low-mid altitudes. These include savanna woodlands with an open, low over-storey dominated by *Eucalyptus alba*, palm and / or acacia. Open forest dominated by medium to tall *Eucalyptus urophylla* is found at higher altitude (GRANTHAM et al. 2010, pp. 19-20; PEDERSEN & ARNEBERG 1999, pp. 14-19).

4. 2 Administrative Division, Demography and Cultural Diversity

Timor-Leste is divided into 13 administrative districts *(distritos)* (see Fig. 12), which are divided into 65 subdistricts *(subdistritos)* and further subdivided into 442 *sucos* (large settlements or clusters of villages). The capital Dili lies on the north coast of the island within the district of the same name. The whole district counts approximately 235,000 inhabitans, which is around 22% of the country's population of circa 1,060,000 (census 2010; NST & UNFPA 2010, pp. 4-5).

The population growth rate is around 2.4% (2010), which leads to a predicted population doubling time of a relatively short period of 29 years (i.e. by 2039; NST & UNFPA 2010, p. 4). With 5.7%, Timor-Leste has one of the world's highest total fertility rates. Almost 34% of the population is younger than 15 years, the median age is 22.5 years. In the last few years, the live expectancy rapidly increased up to 68 years (CIA 2011).

Timor-Leste's ethnic diversity is extraordinary, with some 16 ethnic groups speaking indigenous languages. Most of the groups are of Austronesian origin, while there are four groups of predominantly Melanasian-Papuan origin. The largest ethnic group is the *Tetum* (around 250,000), whose language is one of the country's two official languages (the other being Portuguese). Tetum is the *lingua franca* and spoken by 60% of the population as their first language, and by 20% as their second language. Due to its replacement by *Bahasa* during the Indonesian occupation (see Subsec. 4.3.2) Portuguese is only spoken by 10% of the people. Both Bahasa, which is understood by over 40% of the population, and English are listed as official working languages (MRG 2007).[44]

Illiteracy is still a huge problem and hinders development. The illiteracy rate[45] is around 58%, but in some districts like Ermera or Bobonaro it is as high as 65% (UNOCHA 2008, p. 7).

Due to the Portuguese colonization, the population is predominantly Roman Catholic (more than 90%), although animism still underlies much of the Christianity. There are sizable Muslim and Protestant minorities, and in Dili there is also a Chinese-Buddhist community (MRG 2007).

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[44] The government's choice for Portuguese as one of official languages in 2002 nowadays remains controversial, especially with regard to the education policy. For instance, it is officially required to start teaching Portuguese already in primary school, but currently only a minority of the teachers is able to speak the language themselves. See Taylor-Leach (2009) and Quinn (2007) for further information on current issues and challenges in language planning in Timor-Leste.

[45] Illiterate: Anyone of six years and older who is unable to read and / or write any of Timor-Leste's four languages, i.e. Tetum, Portuguese, Bahasa and English.

4. 3   History: From Centuries of Foreign Rule to Independence[46]

"If East Timor's history were a novel, it would be an entertaining read. The tragedy, of course, is that it's all true" (BERKMOES & SKOLNICK 2008, p. 8).

4.3.1 The Portuguese Colony

Timor-Leste was under colonial rule for 400 years. The Portuguese reached the Timor Island on the coast of what is today called the Oecusse enclave in the beginning of the 15th century. Officially, Portuguese rule is said to date from 1556, when the first settlement in Lifau in Oeccuse was established. It was not until the 1700's that a governor was installed in Dili, which was declared as the colony's capital in 1769. At about the same time, the Dutch showed increasing interest and claimed some western parts of the island. By 1859, the two colonial powers had gradually divided the island between them. Western Timor became Dutch, and the eastern part of the island became Portuguese. Oecusse as the first Portuguese settlement remained under Portuguese control, but was henceforth an enclave surrounded by the Dutch. The definitive border was drawn in 1916 and today separates independent Timor-Leste from Indonesian West Timor (see Fig. 12).

Not until the end of the 18th century did the Portuguese begin a more efficient exploitation of the island's resources. After sandalwood, the main resource for export, became almost extinct, the colonial power introduced other commodities like coffee, sugar cane and cotton. However, the country remained largely undeveloped with an economy based on barter trade far into the 20th century.

During World War II, the Japanese briefly occupied Timor from 1942 to 1945, mainly for geo-strategic reasons. After the Japanese surrendered, the Portuguese and Dutch came back to reclaim their colonies. Whereas Western Timor – after the Dutch withdrew – finally became part of the new independent Republic of Indonesia in 1949, the Portuguese managed to regain control over the eastern part. Portugal did not simply govern Timor-Leste by direct rule, but also took into account the traditional power structures. This left the traditional society almost intact.

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[46]   This chapter summarizes various extensive works on the history of Timor-Leste until the independence in 2002: DUNN (2004), MOLNAR (2010) and KINGSBURY (2009). For an informative, slightly more detailed summary than provided in this chapter see UNDP (2002). Additionally, references to literature on specific historical events are mentioned in the footer text.

Portugal seriously tried to develop the colony's economy through three successive five-year plans. Although achieving annual economic growth rates of more than 6%, the economic and social conditions remained poor, and subsistence agriculture largely prevailed.

In 1974, the transition to more democracy in Portugal resulting in the *Carnation Revolution* and the end of the dictatorial *Estado Novo* (New State), had an impact on all their colonies. For the first time, Timorese were allowed to form political parties. After violent turmoils between the two main parties, the UDT and FReTiLIn, the latter finally declared Timor-Leste as the independent RDTL on November 28 in 1975. By this time, the Portuguese administration had already left.

4.3.2 The Indonesian Occupation

The first RDTL was short-lived: Only ten days after the declaration of independence from Portugal, Indonesia launched a massive invasion. Within months the Indonesians occupied and declared Timor-Leste their 27th province.

During the following 24 years of occupation an estimated 100,000 to 250,000 Timorese lost their lives in the hostilities and the disease and famine that followed. Unlike the Portuguese, the Indonesians favored brutal, direct rule.

The *Santa Cruz Massacre* of 1991 is considered to be one of the turning points in the country's history. During a commemoration of the death of a young resistance leader at the Santa Cruz cemetery in Dili, Indonesian troops suddenly opened fire and killed more than 200 people. In 1992, the resistance leader Xanana Gusmão was captured and imprisoned. Four years later, Bishop Carlos Belo of Dili and José Ramos-Horta, FReTiLIn's UN representative, were awarded the Nobel Peace Price. Due to the events of the 1990's the situation in Timor-Leste became the focus of international attention for the first time.

A serious economic crisis and increasing social protests throughout whole Indonesia in 1998 finally lead to the replacement of President Soeharto, who had ruled the country with an iron hand since 1967. New President Habibie offered more autonomy to Timor-Leste, but it was still supposed to remain a province within the Indonesian Republic.

After all, with Portuguese and Australian leadership the international community managed to prepare a referendum for the Timorese on self-rule and independence in 1999. On August 30th the Timorese voted for independence with an overwehlming majority (78.6%).

One of the darkest points in the history of Timor-Leste followed this referendum. The Indonesian armed forces and pro-integration militia gangs responded to the outcome with harsh brutality, rampaging and plundering all across the country. The violence resulted in some 1,500 deaths. Around 250,000 people were forced to resettle in refugee camps in West Timor, another 250,000 searched for shelter in the mountains of Timor-Leste. The capital of Dili and nearly all other towns were all but destroyed:

> *"At the end of 1999, East Timor was a strange land. There was no government, no official language or currency, no system of law, no media, and no shops or schools. Not only was the country physically plundered and raped, but also no former structure existed which could be used as a base for rebuilding" (ANONYMOUS; cited in TROWBRIDGE 2002, pp. 104-105).*

The violence ended with the arrival of a multinational force (INTERFET) which was authorized by the UN Security Council and under Australian command. This task force mission was followed by the UNTAET as an integrated, peacekeeping operation responsible for the administration of Timor-Leste on its way to independence. Almost immediately the UN troops succeeded in restoring peace, and within weeks the last Indonesian troops departed. Remarkably, there had not been any violent encounters between the Indonesian troops and the UN peacekeepers.

In 2001, two years after the referendum, Timor-Leste held its first elections for political representatives. After having elaborated a new constitution, independence finally was declared on March 24, 2002. It became the first new sovereign state in the 21st century. Former FReTiLIn-leader Xanana Gusmão became first President (hence head of state), and Marí Alkatiri, a long-time leader of FReTiLIn returning from exile in Mozambique, was elected the first Prime Minister.

4.3.3 Post-Independent Tensions

Since the independence, Timor-Leste has often been referred to as a *failed state*, one featuring increasing corruption, economic stagnation and social unrest. The reason for these negative connotations lies in the various crises during the last decade.

For example in December 2002, Dili was devastated by riots because of the poor economic situation in the country (see Sec. 4.4). Without any viable industry and no employment potential,

Timor-Leste had to rely almost entirely on foreign aid (see Sec. 4.5). By this time, the UNTAET mission was followed by the smaller UNMISET (2002-2005).

Another crisis began in 2006 as a conflict between soldiers over discrimination within the military, and expanded into violent turmoils throughout the entire country.[47] Now that the common enemy Indonesia had left, old regional / political tensions regained importance. The exact motives of the outbreak of the crisis, however, have remained unclear and controversial to this day. Prime Minister Alkatiri dismissed one third of the army in March 2006, which led to even more unrest and a serious political crisis. After months of rioting, more than 150,000 people had fled and thousands of homes had been destroyed. Over again, large international forces from the UNMIT, Australia and other countries returned to ensure peace. The crisis ended with the resignation of Alkatiri, who finally assumed political responsibility for the crisis' breakout.

The 2007 elections led to the replacement of the former FReTiLIn monopoly by 14 political parties. Despite having the most votes (29%), FReTiLIn was not able to form a coalition. Xanana Gusmão's splinter party CNRT (24,1%), however, succeeded.[48] Gusmão was voted Prime Minister, and José Ramos-Horta became President. The elections itself proceeded without any civil unrest, but in the aftermath FReTiLIn supporters rioted and damaged in Dili and across the nation. Tens of thousands joined over 100,000 others still living in refugee camps.[49]

"Rebels go wild" (BORGERHOFF 2008, p. 1): After having made serious progress towards normalcy, President Ramos-Horta was critically wounded in an assassination attempt on February 11, 2008. Prime Minister Gusmão also faced gunfire in a contemporaneous attempt, but escaped unharmed. The failed coup apparently was committed by Alfredo Reinado, a renegade soldier who already had been involved in the crisis of 2006/2007. He died in the attack. In the aftermath of the attack the country remained calm, mostly due to the huge popularity of the President.[50] Since, Timor-Leste has made serious political and socioeconomic improvements, which helped to stabilize and pacify the country.

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[47] For detailed analyses of the crisis of 2006/2007 see CURTAIN (2006) and SCAMBARY (2009).

[48] For the results of both the presidential and parliamentary elections see LEACH (2009, pp. 221-227).

[49] In her dissertation, DEWHURST (2008) examines the causes of enduring violence in post-conflict countries using the case of Timor-Leste. She argues that violent civil unrest operates "within a culture where the practice of violence is not condemned, resulting in the perpetuation of violence on all levels of society" (DEWHURST 2008, p. 2). Hence, when conflictive issues arise again, the country is vulnerable to the risk of violent turmoils.

[50] SACHSE & SCHMITZ (2008) provide a detailed analysis on the attempts and their threat to the young Timorese democracy.

4. 4   Actual Political and Socioeconomic Situation and Key Challenges

Timor-Leste is still a fragile democracy and on its arduous path to political consolidation. Due to the growing spectrum of political parties the unicameral Timorese parliament often is not able to make decisions or to obtain a consensus. Currently, there are twelve political parties in the parliament (SALDANHA 2008). Both parliamentary and presidential elections are scheduled for spring 2012 and – with respect to the crisis in 2006/2007 – are seen as a milestone on the way to stabilization and consolidation (KINGSBURY 2011).

It is obvious that the main political challenges are strongly linked to the country's socioeconomic situation. Timor-Leste is one of the poorest countries in the world, with a basic income similar to those of countries in Sub-Saharan Africa. Both urban and rural areas often lack the infrastructure and resources needed. Unemployment and underemployment combined are estimated to be as high as 70%. Half of the country's population lives below the poverty line of one US$ per day. However, since independence the *Gross Domestic Product (GDP)* has grown rapidly (6.1% in 2010) to 2,600 US$ per capita in 2010 (CIA 2011). Based on data from 2010, Timor-Leste's *Human Development Index (HDI)*[51] value is 0.502, which puts it into a medium human development category. The country is rated number 120 of the 169 countries reporting in the 2010 HDI ranking. Timor-Leste's HDI ranking is now above other Southeast Asian countries such as Laos (122), Cambodia (124) and Myanmar (132). At the time of its independence the HDI was only 0.375. Much of the progress can be attributed to soaring oil and gas revenues since 2005, when major projects in the *Joint Petroleum Development Area* that Timor-Leste shares with Australia (often called the *Timor Gap*) had started.[52] The Government set up a special petroleum fund in 2005 to facilitate the sustainable use of its revenues over the long term. This fund replicates the Norwegian model, which is based on the principle of only use interests from its petroleum revenues and solely investing those in low-risk assets (BOCK 2006, p. 20). Petroleum fund assets reached 6.9 billion US$ in 2010 (UNDP 2011b, pp. 29-31).

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[51] The HDI is an average measurement of basic human development achievements in a country. As with all average values, the HDI does not provide a means for assessing inequality in the distribution of human development across the population at the country level. For more information on the HDI see UNDP (2011a).

[52] During the last decade ongoing debates on definitive sea boundaries have strained up the relationship between Australia and Timor-Leste. International NGOs and journalists criticized Australian politics in that matter as greedy and repressive, for example COTTON (2005), NICOLAU & SCHEINER (2005) and CLEARY (2007).

The economy is dependent on government spending (financed by these petroleum revenues) and assistance from international donors (see Sec. 4.5). Private sector development is lagging due to shortages with regard to human capital and an inefficient regulatory environment. The only noteworthy export product is coffee, which at least provides seasonal jobs or low additional incomes for up to 250,000 Timorese. The majority of the Timorese still practices subsistence agriculture (UNDP 2011b).

Currently Timor-Leste is striving to become the 11th member of the ASEAN. However, some of the member states have concerns over the still unstable political situation and low human resources of Timor-Leste. Therefore the application process may take several more years (SEBASTIAN 2011).

In late spring 2011 the new SDP (RDTL 2011b), a concept for the further development of Timor-Leste during the next 20 years, was launched. The plan focuses on three key sectors: Agriculture, tourism and petroleum / gas. It includes a program for improving agricultural productivity, and for achieving the goal of food security by 2020. Furthermore, it contains visions of the leverage of Timor-Leste's natural beauty, rich history and cultural heritage in order to develop tourism as a major industry.[53] The plan also sets new directives for economic policies to support private sector development and build the finance industry in Timor-Leste.

As Timor-Leste seems to be looking ahead, there are still some controversial carryovers from the past. "No piece without justice?" (MAUS 2010, p. 31) is an often cited head note in this context: The key question is if and how persons which committed serious crimes during the era of Indonesian occupation should be brought to justice. While high-ranked politicians tend to ignore the topic and look into the future, for many Timorese an intense prosecution of the culprits is a personal matter of concern.[54] Many political observers emphasize the importance of this desire:

> *"If this desire for justice is ignored or thwarted, there is burning grievance or anger that will manifest itself in other forms. […] Justice is not an end in itself but a means for preventing future violence, allowing a society to heal by coming to terms with the past" (COOMARASWAMY 2004; cited in FLESCHENBERG 2006, p. 146); "Reconciliation must be based on justice. Reconciliation will not be possible without justice" (GUTERRES 2004, p. 37; cited in FLESCHENBERG 2006, p. 153).*

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[53] The vision on tourism development will be outlined and analyzed within the analysis of sustainable destination management in Timor-Leste (see Chap. 7); more precisely in Section 7.5 on destination planning and development.

[54] Since independence, several national and international tribunals have been implemented. Their success, however, remained limited. For more information on these tribunals see FLESCHENBERG (2006) and STANLEY (2009).

4. 5 Involvement of the International Development Cooperation

"Asia's newest nation [...] has an unenviable track record of two Australian-led military stabilization missions, five UN missions,[55] and a vast humanitarian and international response over the course of the past decade" (LOTHE & PEAKE 2010, p. 427).

When Indonesia withdrew from Timor-Leste in 1999, governments all over the world promised to assist the new nation to build a viable state, with lasting peace and stability. In the following decade the country received more than 5 billion US$ (NEVES 2011). Main international donors are Australia and Portugal. The Norwegian *Scanteam Report* reveals that 82% of total assistance was given through bilateral cooperation. Furthermore, a high number of national and international NGOs is present in Timor-Leste (NORAD 2007, p. 98), and the UN remains the key actor. Temporarily the UNMIT consisted of more than 3,000 people (UNMIT 2011).[56]

Foreign aid to Timor-Leste can be divided into four phases (classification based on LOTHE & PEAKE 2010; NEVES 2011; NORAD 2007):

[1] *Resolving the humanitarian and emergency situation* (1999-2002).

[2] *State-building:* Strengthening the capacity of state institutions and the delivery of core public services (2002-2006).

[3] *Emergency response* due to the 2006/2007 crisis: Peace-keeping and security sector reform (2006-2010).

[4] *Pre-electoral phase:* Preparations of 2012 elections and withdraw of the UNMIT.

The 2006 crises shifted the international focus from development assistance back to emergency response, because the trauma of displacement and internal violence "had set the development clock back" (LOTHE & PEAKE 2010, p. 434). Ever since, the country has made big efforts to achieve stabilization and security, apart from the failed assassination attempts on both the President and the Prime Minister in 2008. As mentioned before, the upcoming presidential and parliamentary elections in 2012 are seen as a milestone on Timor-Leste's way to stabilization, but most current appraisals are optimistic that the elections will remain calm. While many development agencies are currently aiming to facilitate the electoral process, the UNMIT is preparing to withdraw from Timor-Leste after the elections (KINGSBURY 2011).[57]

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[55] For a summary of the various UN missions in Timor-Leste see NORAD (2007, pp. 20-22).

[56] Without other present UN agencies like the UNDP.

[57] The UN Security Council extended the actual UNMIT mandate until February 26, 2012 (UN Resolution 1669). However, as KINGSBURY (2011) points out, the mission certainly will not withdraw before the end of the elections scheduled for spring 2012.

Both Timorese and foreign researchers criticize the ineffective use of the foreign aid the country has received:[58] Several surveys estimate that only out one of ten US$ spend in Timor-Leste enters the Timorese economy, whereas the rest "leaves the country to pay for international consultants, imported goods from other countries, military operations, and so on" (NEVES 2011). Also the motivation for foreign aid has often been questioned:

> *"Theoretically, the donors are motivated by humanitarian reasons to give assistance to Timor-Leste because Timor-Leste is the poorest country in Asia. But in reality, bilateral aid has been used as a tool to promote donors' interests, such as regional stability and to advance markets, support donors' domestic economies, advance their culture, and create conditions that our government has to obey. In the end this is what we call 'tied aid'" (NEVES 2006, p. 16).*[59]

Despite the ongoing discussions on ineffectiveness and the 'moral aspect' of foreign aid, it is obvious – and to some extent also the critics agree – Timor-Leste at this stage of development would not be able to sustain itself without international assistance (BORGERHOFF & SCHMITZ 2008, p. 10; HUGHES 2009). Hence, Timor-Leste still seems on a "countdown for real independence" (LUNDSTROM 2011).

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[58] Some polarizing articles are *"Addressing symptoms but not causes"* (LOTHE & PEAKE 2010), *"Where Has All the Aid Gone?"* (NEVES 2011), and *"The paradox of aid in Timor-Leste"* (NEVES 2006).

[59] PIETSCH (2010), for instance, focuses on the engagement of Australia and characterizes the Australian policy as an aggressive form of imperialism aiming to defend economic and strategic interests in the region.

5   Review of Previous Chapters

In terms of *tourism and the concept of sustainable development* the previously illustrated theoretical background emphasized that:

- Tourism is a global phenomenon with emerging markets in DCs and LDCs, and thus a promising development option for many of these countries.
- The concept of sustainable development gained importance in the tourism sector in the 1990's.
- *Sustainable tourism* at the beginning was more understood to be an alternative form of tourism or a niche-market rather than a concept underlying all kinds of tourism from niche to mass markets and all levels of tourism planning and management.

The explanations on the *concept of destinations* highlighted that:

- Although the destination is a demand-orientated concept, it is nowadays the main unit in terms of management on the supply side.
- Accordingly, destinations nowadays are the main competitive unit in the tourism sector.
- Destinations are defined as "a tourist product and then as a specific supply involving a set of resources, activities and actors of a territory" (MANENTE & MINGHETTI 2005, p. 230).
- The general objectives of destinations generally are achieving and maintaining *competitiveness / socioeconomic prosperity*.
- In order to achieve these objectives it is necessary to establish *destination management* structures; i.e. a joint management incorporating all kinds of tourism stakeholders.
- The destination concept and the one of sustainable development are strongly linked: *"competitiveness without sustainability is illusionary"* (RITCHIE & CROUCH 2003, p. 49).

A precise definition of the term *sustainable destination management* does not exist. In simple terms it can be stated that sustainable destination management effectively means the joint management of a destination in consideration of the concept of sustainable development, i.e. the awareness of tools and techniques of sustainability within the tourism sector (as outlined in Subsection 2.2.3). Or, in other words: Sustainable destination management can be seen as the key tool for accomplishing a sustainable development within the tourism sector.

A model of destination competitiveness by DWYER & KIM (2003) was modified by the author for the purpose of outlining a framework for the analysis of the collected data.

This model regards destination management as the catalzyer towards destination competitiveness.

Sustainable destination management consists of five subcategories:

- organization of destination management,
- destination planning and development,
- destination marketing management,
- human resource development, and
- environmental management.

For each subcategory the author formulated key questions (see Sec. 3.1 to 3.5) which for readability reasons are repeated at the beginning of each subcategory in the analysis.

Since it can be argued that an analysis of the current strengths, weaknesses, opportunities and threats of / for destination management in Timor-Leste would be preposterous without having a basic idea of the country's potential and conditions for tourism development, the *basic conditions* will be presented at the beginning of the analysis as well.

Being a holistic approach, the outlined framework obviously also has some weaknesses or disadvantages, but it is safe to say that at this early stage of tourism development in Timor-Leste a more narrow framework / approach prospectively would have only led to sparse results regarding the outlined research objectives. Hence, the presented framework is interpreted as a consensus between a more precise and clearly defined model of destination management and the special conditions of the fledgling tourism industry in Timor-Leste.

The previous chapter introduced *Timor-Leste*, and highlighted what the author means by 'special':

- The country is located on the outskirts of Southeast Asia.
- Its history is marked by occupation and repression – first by the Portuguese, then by the Indonesians.
- The decade after the independence in 2002 was characterized by various violent turmoils and crises.

Regarding the country's *political and socioeconomic situation and challenges*, it was pointed out that:

- Despite the riots, the country has made significant political and socioeconomic improvements.
- However, the economy still highly depends on oil and gas revenues and foreign aid / assistance.
- The country also shows the typical characteristics of DCs and LDCs, for example high birth and illiteracy rates, a young population and high unemployment.

Against this background, tourism seems to be a promising sector for economic development. In terms of a sustainable development of the destination Timor-Leste, a responsible use of natural, cultural and social resources is vital.

The following chapters analyze on which 'part of the way' the destination's stakeholders currently are towards a sustainable management. In conclusion, it is then possible to identify urgent need for action as well as to derive recommendations.

6   Methodology

The approach for collecting relevant information regarding the study's research objectives consisted of the following three parts (see Fig. 14):

- an analysis of existing articles, brochures, as well as scientific literature on tourism in Timor-Leste *(secondary information)*,
- *qualitative research* based on semi-structured interviews with various groups of destination stakeholders, and
- *participatory observations* obtained during the field study.
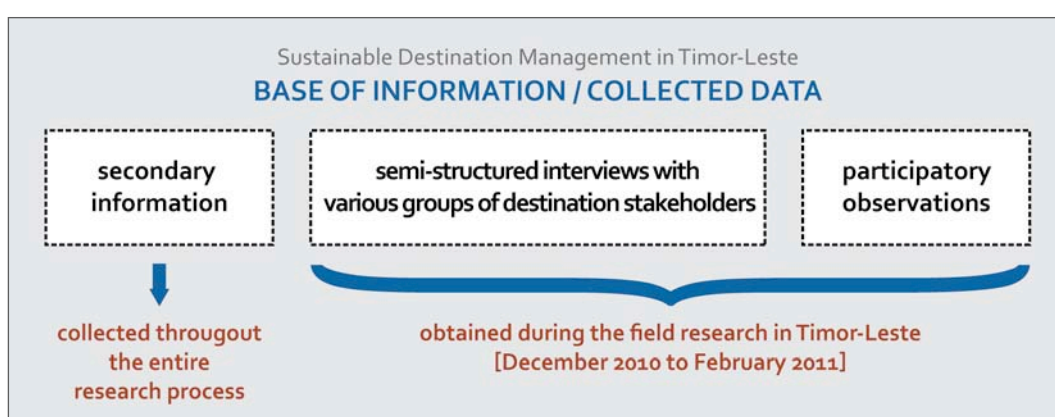
Fig. 14: Base of Information / Collected Data for the Analysis

This chapter sheds light on the study's methodological approach. The author employed different methods for the field research in Timor-Leste (December 2010 to February 2011), and for the analysis of the overall collected data respectively.

Methods invariably reflect the environment in which a research is conducted. Timor-Leste presents a number of challenges to researchers, as for example HOLTHOUSE & GRENFELL (2007, p. 8) point out,

> *"including constraints imposed by limited communications and transportation infrastructure; a culture that emphasizes embodied relationships and personal familiarity; a relatively low level of official documentation; a scarcity of printed material from non-government sources such as media; and, similarly, limited supply and accessibility of locally held archival material. Finally, [...] the diversity of languages in Timor- Leste can add a further layer of logistical challenges."*

None of these factors make quality research impossible, but they do necessitate a flexible, creative and persistent approach on the gathering of information.

6. 1 Field Research Methodology

Considering the semi-structured interviews, the first step was to identify the relevant stakeholders with regard to the research objectives. Therefore the model of exploring and identifying relevant destination stakeholders by Sheehan & Ritchie (2005) was taken into account. This model builds on an empirical survey among 91 destination managers to explore the importance of different groups of stakeholders in terms of destination management.

Due to the special conditions in Timor-Leste – the tourism sector is only beginning to develop, and state-building is also still in progress – the list of Sheehan & Ritchie (2005, p. 721) was adapted and summarized as follows:

- Group A: State / Public Authorities / Government
- Group B: Universities / Colleges offering Tourism Courses
- Group C: Advocacy Groups
- Group D: Tourism Services / Attractions:
  - Subgroup D1: Accommodation Facilities / Gastronomy
  - Subgroup D2: Tour Operators
  - Subgroup D3: Transport Companies
- Group E: NGOs / DCAs / UN Agencies
- Group F: Community / Residents

The study of Sheehan & Ritchie (2005) is based on findings gathered in a 'western context', thus in their results the role of NGOs or DCAs engaged in tourism remains low. It can be argued that these organizations currently play an important role in the development of tourism in Timor-Leste (e.g. in terms of 'start-up aid') and can therefore be considered a group of important destination stakeholders.

The qualitative approach applied is justified by the explorative character of this study. Since there is almost no precedent research on issues related to sustainable destination management in Timor-Leste (see Sec. 1.3), the method of interviewing the destination's most important stakeholders appeared most suitable to sketch out the essential relations of this subject area.[60]

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[60] At this point the author will not elaborate on the general advantages and disadvantages of qualitative and quantitative research methods. Comparisons can be found in basic textbooks on qualitative research approaches in social sciences; for instance see Brüsemeister (2008, pp. 21-34) or Kelle & Erzberger (2009). Jennings (2010, pp. 204-206) lists pros and cons of qualitative empirical interpretation especially in tourism research.

The method of semi-structured interviews was chosen for various reasons. The interview guidelines prepared for any of the stakeholder groups A to E centered on the key elements of destination management as outlined in Chapter 3,[61] so that the application of corresponding deductive categories in the analysis could already been taken into account (see Sec. 6.2). In addition, the guidelines left room for personal interpretations and thoughts of the respondents. Furthermore, they allowed a certain amount of openness, and thus promised further findings apart from the pre-formulated categories and analytical key questions.

Contacts to some of the preferred stakeholders could already be established prior to the journey to Timor-Leste. Due to the poor availability of communication means outside the Timorese capital Dili some stakeholders could only be contacted in person. Either way, the willingness of the contacted stakeholders to take part in the interviews was high, and all interviewees gave helpful assistance in contacting other relevant experts ('snowball effect').

All in all 31 interviews were conducted and ranged in length significantly between five minutes and two hours. The following tables list the various groups and subgroups of stakeholders as well as the quantity of interviews conducted.[62/63] The goal was to sample the whole range of tourism services 'from low-end to high-end' (for example budget accommodations as well as premium hotels in the capital Dili), as well as all kinds of different services along the tourism value chain, ranging from the access (airlines) to activities (e.g. dive operators) to hotels / gastronomy.

Group --------- Group Name	Group A	Group B	Group C	Group D	Group E
	State / Public Authorities / Government	Universities / Colleges offering Tourism Courses	Advocacy Groups	Tourism Services / Attractions	NGOs / DCAs / UN Agencies
	[4]	[2]	[2]	[16]	[7]

Tab. 6: Groups and Numbers of Interviewed Destination Stakeholders

[61]   For more information on the guidelines for the interviews see the appendix.

[62]   It is essential to mention that many of the interviewed experts often represented more than one (sub-) group of stakeholders. A local NGO, for instance, developed and established a small community-based tourism project, and is currently still in charge of the day-to-day business. Therefore the interviewed director of the NGO represented two groups of stakeholders at the same time: *NGOs* and *Accommodation Facilities*. The quantities listed in Tables 6 and 7 are based on the statements of the interviewed experts, who were asked to name their *primary* function / group of stakeholders.

[63]   For more information on all interviewees see the list in the references.

Group D Tourism Services / Attractions	Accommoda-tion Facilities / Gastronomy	Tour Operators	Transport Companies
[16]	[11]	[3]	[2]

Tab. 7: Subgroups and Numbers of Interviewed Destination Stakeholders in Group D: Tourism Services / Attractions

Group F *(Community / Residents)* was not considered for the interviews. In order to understand the physical, social, cultural, and economic contexts of the local residents, as well as their attitudes towards tourism / tourists – and thus to develop a familiarity with the cultural milieu – the method of *participatory observations* was applied, a qualitative method rooted in traditional ethnographic research.[64] This method was employed during several visits to CBT projects as well as in everyday situations throughout the entire stay in Timor-Leste. The main reason for choosing this method was the lack of knowledge of any of the local languages.[65]

6. 2 Analytical Methodology

For the analysis of the collected data the author reverted to the *qualitative content analysis* according to MAYRING (1983; 11th edition 2010[66]). This method has its roots in communication theory and became more and more famous in tourism research during recent years (JENNINGS 2010, p. 85).

Qualitative content analysis consists of several techniques for systematic text analysis. Since this method can be applied to all sorts of (recorded) communication (transcripts, discourses, protocols of observations, documents, …), it seemed to be the most apt technique for the analysis of the collected data. Content analysis examines not only the manifest content (i.e. themes and main ideas) of material, but also context information as latent content. In addition, the analysis of formal aspects of the material can be one of its aims as well. Hence, qualitative content analysis is defined as

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[64] As this method only played a minor part during field research, it will not be described in detail at this stage. For a good introduction see MACK et al. (2005, pp. 13-28).

[65] The interviews with stakeholders of groups A to E were conducted in English, Portuguese, German or Dutch.

[66] MAYRING (2010) is the most extensive and up-to-date publication on this analytical approach, which initially was founded in 1983, but thus far only has been published in German. For a (slightly older) summary in English see MAYRING (2000).

> *"an approach of empirical, methodological controlled analysis, following content analytical rules and step by step models, without rash quantification" (MAYRING 2000, p. 2).*

For qualitative content analysis there is a wide array of procedures available to researchers. Two approaches, however, are central: *Inductive category development* and *deductive category application*. While in the first approach categories are deducted step by step by working through text material, the latter uses pre-formulated, theoretically derived aspects and categories of analysis, and subsequently connects them with the text material. The qualitative step is the methodologically controlled application of a category to a text passage.

Given that the analysis uses the framework outlined in Chapter 3, the deductive approach was applied to the collected data; i.e. the five subcategories of sustainable destination management represent the five main categories (or codes) for the analysis. The formulated key questions for each category to some extent stand for the analytical subcategories (or subcodes). In order to keep the analysis open to findings beyond these deductive (sub-) categories, the method of inductive subcategory development was also applied. Figure 15 illustrates the combination of deductive (sub-) category application and inductive subcategory development used by the author.

All interviews were digitally recorded and transcribed by paraphrasing statements.[67] Interviews conducted in Portuguese, German and Dutch were directly translated into English during this working step. Transcripts were organized by using the described coding system. Prior to any further investigation every statement was attributed to one out of the five main thematic codes. Within these key areas, data was further grouped into coherent subcodes.[68] The text material of the transcribed interviews was supplemented by participatory observations (notes in a 'research diary') and an analysis of existing articles, brochures, as well as scientific literature on tourism in Timor-Leste.

For a concise summary of the analysis' findings a tool for strategic planning, namely the SWOT analysis, was applied. Taking into account strengths, weaknesses, opportunities and threats, this method allows it to easily identify areas with urgent need for action.

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[67] This working step was supported by using the reliable software *f5*, which can be downloaded free of charge at *www.audiotranskription.de*. The software only runs in German at this stage.

[68] This coding of the text material was supported by the use of the software *TAMS (Text Analysis Markup System)*, an open source qualitative analysis tool. For more information and download options see *www.tamsys.sourceforge.net.*
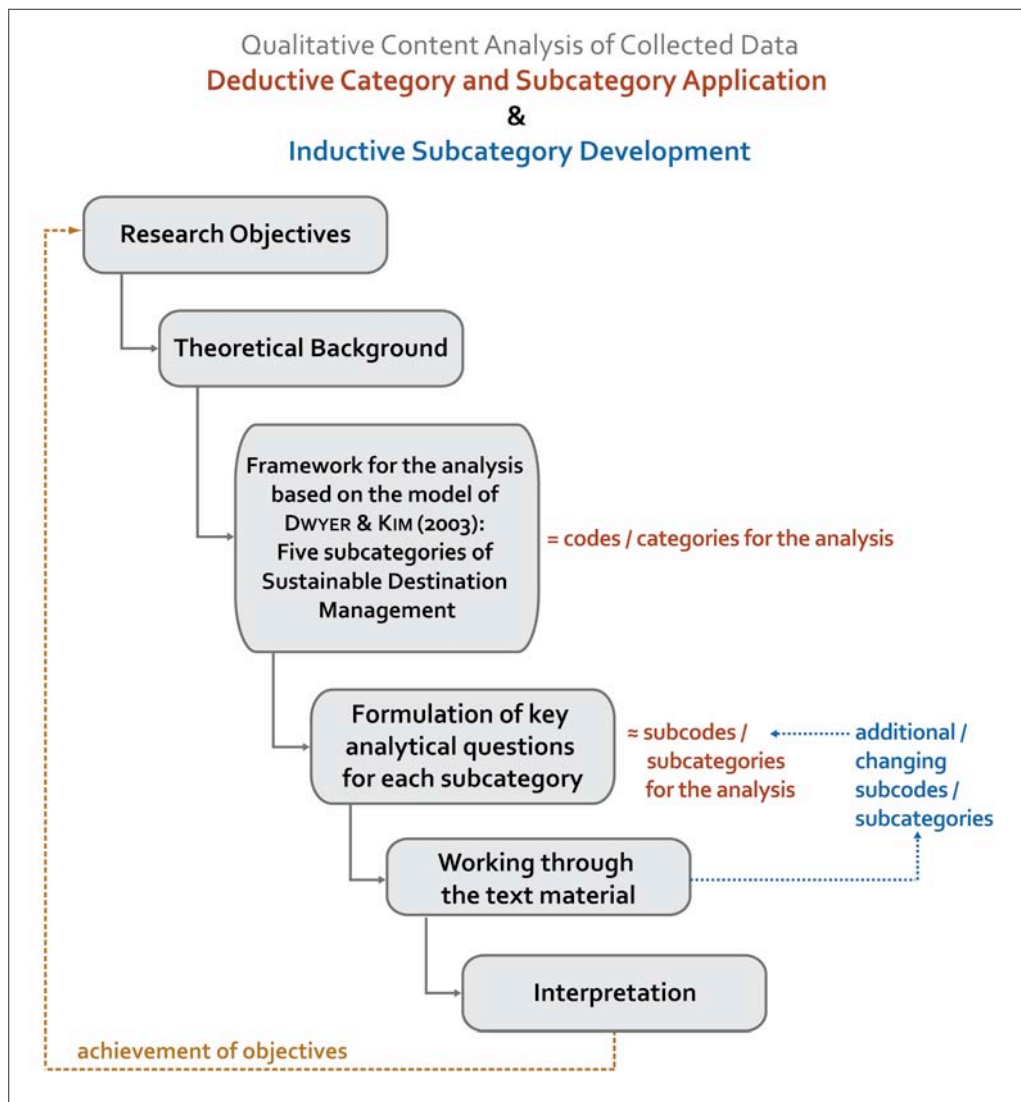
Fig. 15: Qualitative Content Analysis of Collected Data

7   Analysis: Sustainable Destination Management in Timor-Leste

> *"If we are not to be an aid-dependent country in the future, we must be proactive. If we don't take the initiative, external investors will determine our tourism future, with profits leaking offshore. Our communities will merely be employees, not owners" (PRIDEAUX & CARTER 2003, p. 459; cited in CABASSET-SEMEDO 2009, p. 216).*

> *"I've seen negative consequences of tourism. Do we want to become like Pattaya [Thailand]? No. Do we want tourists who cause collateral damage? No. We want responsible tourism – travellers who come to enjoy our natural resources, and whereby we're able to create employment for our people to feed themselves" (President RAMOS-HORTA; cited in LIM 2011).*

Considering the concept of sustainability, the early stage of tourism in Timor-Leste has to be understood as a huge chance to pursue an adjusted and cautious development, preventing the negative impacts of uncontrolled growth often seen in destinations all over the globe. Against the background that sustainable destination management can be seen as the key tool for accomplishing a sustainable development within the tourism sector, this chapter analyzes the current situation of sustainable destination management in Timor-Leste, following the question: Is Timor-Leste another paradise – another paradise presumably lost?

7. 1   Basic Conditions of Tourism Development in Timor-Leste

The structure of the analysis is based on the framework outlined in Chapter 3 (see Fig. 10)., which means that prior to the analysis of the five subcategories of destination management, there will be briefly shed light on the *basic conditions of tourism development in Timor-Leste* as outlined in Table 5.

7.1.1 Demand Conditions

Tourism in Timor-Leste from a Historical Perspective

Timor-Leste as a tourism destination has never advanced beyond the *involvement stage* of BUTLER'S (1980) destination life cycle (see Subsec. 2.3.4). The first modern tourists arrived in 1963, and in 1972 the country welcomed some 5,000 international tourists, predominantly from Australia (ALDEIA ALVES 1973, p. 46; cited in CABASSET-SEMEDO 2009, p. 214). Most of them were 'alternative' tourists, making a stopover on the so-called hippie trail from Europe to Australia (WHEELER 2004, p. 16). Large-scale tourism investments were planned by Australian and Japanese companies prior to the 1975 Indonesian annexation. However, after 1975, all main economic

sectors were under Indonesian monopoly (various sources; cited in CARTER et al. 2001, p 28). The result was a stagnation as well as a failure of the local people to gain experience in tourism enterprises.

Recent Demand / Statistical Data

Nowadays, despite the expatriates of the many NGOs, DCAs and UN Agencies that use the tourism infrastructure, there are only few adventurous tourists visiting the country, most of them with individually planned itineraries (CABASSET-SEMEDO 2008, pp. 4-6). The number of visitors on tourist visas for the year 2010 was as high as 28,824, indicating a growth of 144.5% in comparison to 2006 (11,787) (see Fig. 16).

Between 2006 and 2009 total foreign arrivals at Dili Airport grew from 13,655 to 44,131, an increase by 223.2%. Besides Australia (11,207 arrivals), other important source markets were Indonesia (5,443), Portugal (4,501), China (1,991) and Malaysia (1,956) (CITRINOT 2010).
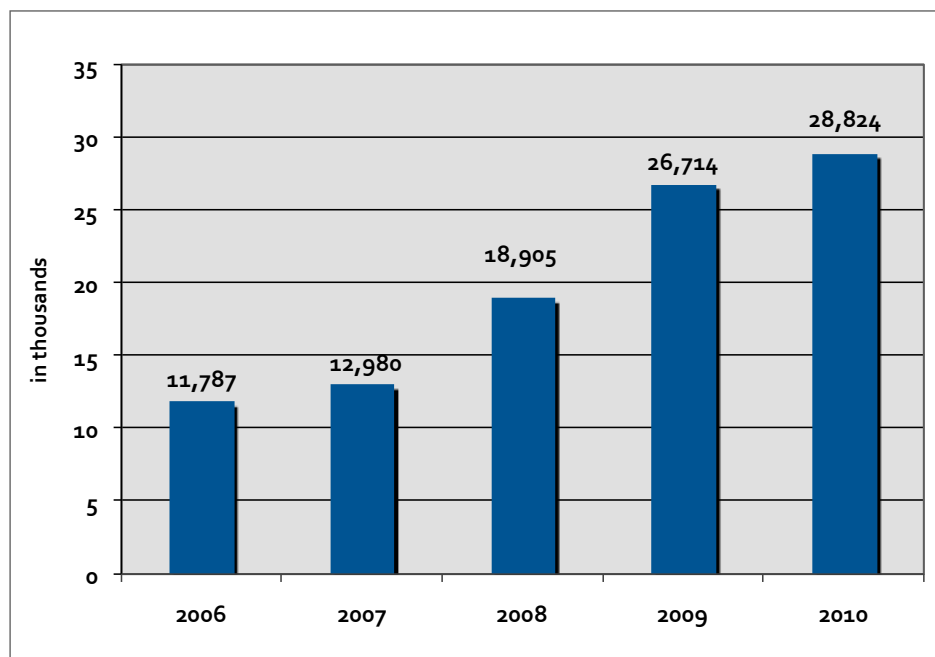
Fig. 16: Number of Visitors on Tourist Visa 2006-2010
(Sources of Data: MTCI 2010; RDTL 2011b, p. 142)

It has to be mentioned that these numbers supposably include a significant amount of international staffs, or even people interested in business activities, that are visiting the country for a short period of time only and do not apply for the proper visa, as Timorese immigration prac-

tices and policies are still in the development stages.[69] This argumentation can get underpinned by the aspect that the collapse of the tourism sector in the turmoils of the 2006/2007 crisis described by the entrepreneurs (see Subsec. 7.1.5) is not reflected in the statistical data. Hence, with the current data it is not possible to differentiate tourists from any other international arrivals, nor to observe seasonality patterns of tourist arrivals. The latter aspect is picked up by MARIA NORONHA (ECO Discovery, Interview D2.2)[70]:

> *"Most of the customers plan for the dry season, because in wet season, it's too hard to travel to the districts due to the poor road conditions. So our high season is between February / March and November. Plus, there are some people coming around Christmas to visit relatives working in Timor-Leste."*

Outlook / Trend

Despite the lack of clear statistical data, many of the interviewees reckon a trend since the country came to ease after the crises in 2006/2007 and 2008:

> *"We definitely are on a trend. Look at the statistics, we have exponential growth, although it is quite hard to say who's a pure tourist and who's not. But I – and also friends of mine that are engaged in tourism – percept that there's a true trend of growing tourist numbers underneath that. In fact, we have an absolute historical peak at the moment"* (FreeFlow Diving, ANN TURNER, Interview D1.7).

Questioned to give a personal outlook to the future, also with regard to the security situation and the upcoming elections (see Subsec. 7.1.5), MARIA NORONHA (ECO Discovery, Interview D2.2) gives interesting insights:

> *"I'm actually quite scared of next year to be honest. Not because of the elections; I'm actually terrified about the growing number of tourists that are coming. Because since 2008, we have seen the business growing so much that we actually had to turn people away. We just couldn't handle it anymore. This is why I'd like to see other operators growing as well. I would really appreciate competition to improve my services and my performance."*

This confidence was exuded by almost all interviewees. After the turmoils of the last years, people tend to have a new spirit of optimism regarding the future of tourism in Timor-Leste.

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[69] Between 2003 and 2005 3,000 to 4,500 foreign visitors were estimated to arrive annually *only* for tourism purposes (UNWTO & UNDP 2007, p 21). During the two month of field research in Timor-Leste, the author only met seven persons that came to Timor-Leste *only* for tourism purposes and did not have any relationship with friends or relatives living and working in Timor-Leste.

[70] The interviews conducted during the field research generally are cited by providing the following information: Name of Institution / Organization / Company – Full Name – Interview Reference No. (according to the list of interviewees; see references).

Customer Profile / Dependency on Expatriates

No survey has been conducted yet on the tourists that come to Timor-Leste. According to the information provided by the interviewees and recent articles on tourism in Timor-Leste, the majority of people traveling to Timor-Leste – the 'pure tourists' – come on individually planed itineraries or organize some tours to the districts with the help of tour operators. Many of the people that are visiting the country are interested in diving (CABASSET-SEMEDO 2009).

ANN TURNER (FreeFlow Diving, Interview D1.7) points out why the destination is appealing to so-called *backpackers*:

> "*This place still has a lot of 'cred' for backpackers, it's kind of a sexy destination. Because Thailand or even Cambodia and Laos are now more or less mainstream. Backpackers need that element of spice, so Timor-Leste is a fashionable, sexy backpacker destination.*"

But, as most of the interviewees remark, Timor-Leste is not a typical backpacker destination as such:

> "*There are thousands of backpackers floating around Southeast Asia, but only very few decide to come to Timor-Leste. Why? Mainly for two reasons: The first is the high level of prices for flights, accommodation, food – just everything. The second reason is that Timor-Leste virtually is located at the periphery of Southeast Asia and not part of any typical backpacker trail*" (East Timor Backpackers, DAN CONROY, Interview D1.9).

The aspects of the destination's accessibility and its price competitiveness are discussed below (see Subsec. 7.1.4).

Currently three foreign companies offer tours to Timor-Leste, working together with the local tour operators: *Intrepid Travel*, *World Expeditions*, and *Timor Adventures*, which are all located in Australia. While Intrepid Travel already toured the country before the crises, the latter two just entered the market recently (2011, respectively 2010). This is another indicator for the trend perceived by many of the destination's stakeholders.

Of course, much of the tourism infrastructure is used by expatriates living in the country. While some of the interviewees admitted that up to an estimated 90% of their clients are expatriates or at least tourists related to people working and living in Timor-Leste (e.g. Hotel Timor, TIAGO BARRATA, Interview D1.10), other businesses (e.g. Eco Discovery, MARIA NORONHA, Interview D2.2) "don't rely on them at all". However, it is quite evident that the imminent withdraw of the UN (see Sec. 4.5) and a couple of NGOs and DCAs will have *some* impact on the tourism infrastructure, especially on the accommodation facilities and restaurants (see Subsec. 7.1.3). SEAN FERGUSON-BORELL (OP, Interview A3) argues that

> *"it certainly will have a big impact, especially in Dili. The face in Dili will completely change. Like in 2004, when the UN pulled out the first time and a lot of bars and restaurants closed and hotels were running at 30 to 40% occupancy. There is no market to come in and sweep up the demand of the expatriates. I think it's going to be a time of 'reshuffle' in Timor, especially in Dili. Whatever already is established out in the districts already operates on such a low level of business that they will be able to sustain themselves until the situation changes. But there will be a period of adjustment, and probably it will not be a quick one. There will be a gap between all of these thousands of UN and aid workers and a slight, slow upstream of real tourism."*

Other stakeholders are a little bit more laid-back regarding the decrease of expatriates, like ANN TURNER (FreeFlow Diving, Interview D1.7) or SULISTI VONO (Com Beach Resort, Interview D1.3), who nonetheless see the need of strategic planning on the part of the Government to minimize the estimated gap.

7.1.2 Resources / Potential of Tourism

Natural Resources

A 2005 situation analysis conducted by the UNWTO and the UNDP identified strengths, weaknesses, opportunities and threats to tourism development in Timor-Leste. Refraining from conducting an in-depth analysis, the study concludes that the strengths mainly are the country's excellent climate, undisturbed marine and coastal resources and pastoral mountain landscapes (UNWTO & UNDP 2007). These results correspond to the country's highlights mentioned in recent magazine articles (TORR 2011; RICKARD 2011; O'NEIL 2011; OELRICH 2008), as well as to the evaluation by local tourism stakeholders:

> *"We have some of the cleanest reefs in the world, they are absolutely gorgeous. There is only one small area in this country where the water is a bit polluted, and that's right here in Dili. Outside of Dili it has got the most beautiful creatures in the world. We've got some of the nicest nudie branches and some of the rarest shrimp in the world... We've got so many animals. And consider the mountains, our nice landscapes. For me, it's the island of paradise"* (ATTL, GINO FAVARO, Interview C1).

Cultural / Heritage Resources

The UNWTO / UNDP report also mentions the Portuguese heritage buildings and the country's culture(s) and history as possible future attractions, but without going into detail. This fact indicates that cultural and heritage resources play a minor role in the awareness of tourism planners, and even of other stakeholders like tour operators, who focus more on nature-based activities and itineraries.

In contrast, it is argued that in terms of a unique destination brand or image (see Sec. 3.3) the immense cultural diversity and inimitable history (see Sec. 4.2 & 4.3) need to be regarded as a key potential for the further development of a really unique destination. Not only DAVID DYER (US AID / DAI, Interview E5) remarks that

> *"despite the very special history and culture of Timor-Leste, the country looks quite the same as Indonesian West Timor. You can't tell that you are in a different country! So why should the development and promotion of tourism only focus on the natural resources?"*

This controversial aspect is discussed in detail in Section 7.6 on destination marketing management.

7.1.3 Infrastructure

General Infrastructure

An intact infrastructure, especially in terms of a reliable road network, is vital for tourism activities throughout the country. Post-independence, Timor-Leste was faced with the challenge of damaged road surfaces. Road conditions deteriorated further in subsequent years due to a lack of maintenance. Thus, road connectivity is poor and the quality of the roads is also substandard. A detailed study showed that 44% of the paved roads and 89% of the unpaved roads were in decayed condition (ADB MANILA 2005; cited in UNDP 2011b, p. 81).

In recent years, the Government – assisted by several donors – has prioritized the improvement of the infrastructure, with the focus of expenditure on roads and bridges. Improving the road network alone, however, will not solve connectivity and accessibility, unless road transport services are also improved. Almost all passenger and freight services are privately owned. The Government has passed several laws, for instance on fares, but these are often ignored and the quality of service provided remains poor. It is hoped that an improved network and enforcement of regulations will result in more competitive fares and improved transport services in rural areas (UNDP 2011b, pp. 81-82). Improvements in this area are crucial for tourism development outside of Dili (FRIESE 2006, p. 46; RDTL 2011b, p. 141), as well as an adequate supply of water and electricity are – issues that both remain problematic, too.

Tourism Infrastructure

As many of the accommodation and gastronomic facilities, especially those in Dili, subsist on the long-term residence of expatriates assigned to Timor-Leste, it is hard to speak about a pure tourism infrastructure. This problem is reflected in statistics, too: While Citrinot (2010) states that Timor-Leste's tourism industry has 16 hotels with 807 rooms, which recorded 97,000 overnights in 2009, the *Ministry of Tourism, Trade and Industry (Ministério de Turimso, Comércio e Indústria, MTCI)* (2010) counts 39 newly registered hotels only in 2009. A study conducted in 2006 sums 1,329 rooms all over the country (UNWTO & UNDP 2007, p. 40). It is obvious that the practice in collecting data varies significantly.

Regardless the question wether businesses are focusing on tourism or not, it has to be stated that outside of Dili the quality of accommodation and gastronomic facilities remains low. Facilities of international standard can only be found in Suaí, Maliana, Com and Baucau (Cocks 2011; Cabasset-Semedo 2009, p.222; see Fig. 17). However, due to the presence of the expatriates the price performance ratio is comparably poor, even in upscale hotels:

> *"The hotel rates are inflated by the international expatriates here, and mostly they don't care, because their organizations pay their rents. And another point is that hotels having a lot of long-term clients – and that's the majority – are not interested in tourism at all" (Eco Discovery, Maria Noronha, Interview D2.2).*

The influence of expatriates on the hotel rates could be observed in 2006, when the UN decided to send another mission (UNMIT; see Sec. 4.5) to stabilize the turbulent country:

> *"Look at the top-end hotels here in Dili. In 2005, after the UNMISET had left, the prices started to settle. When the UNMIT came in in 2006, the price of hotel rooms went up about 25%, if not more" (FreeFlow Diving, Ann Turner, Interview D1.7).*

Tiago Barrata, the Manager of *Hotel Timor*, the biggest of the few top-end hotels in Timor-Leste (Interview D1.10), admits:

> *"In terms of business, times of turmoil are even better than a stable situation. The more trouble, the more important the people who come to visit and help the country."*

With regard to available tourism activities throughout the country it can be stated that, disregarding the diving which can be arranged by one of the three international dive centers in Dili, "activities are pretty much do-it-yourself" (Cocks 2011, p. 135). Activities organized by one of the two major tour operators *(Eco Discovery* and *Timor MEGA Tours)* include trekking, cycling or sport fishing.
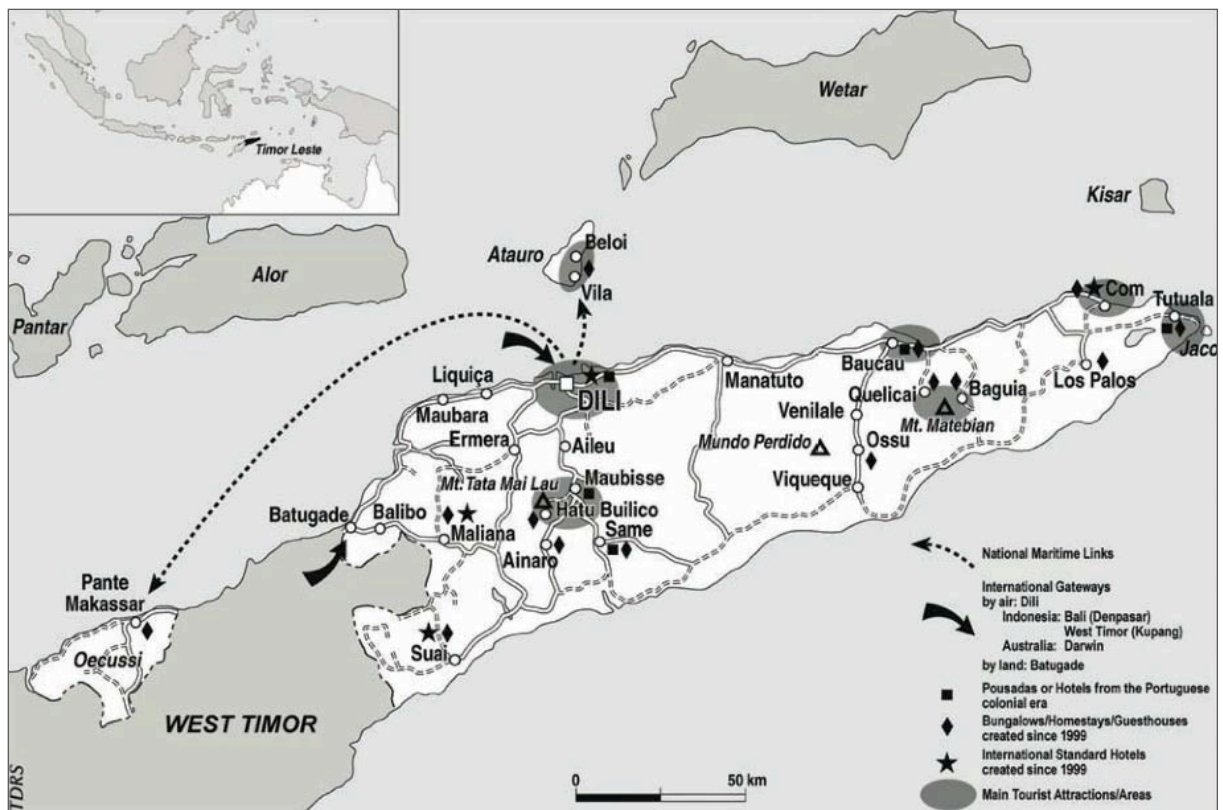
Fig. 17: Accommodation Facilities in Timor-Leste
(CABASSET-SEMEDO 2009, p. 222 / note that air connections
mentioned in the map are not up-to-date; see Tab. 8)

In Dili there can be found some facilities meeting the needs of 'westernized' tourists, such as several music bars or a brand-new shopping mall (Timor Plaza). It is also rumored that a casino will be established in the next couple of years. President José Ramos-Horta (Interview A1) has been a driving force behind many of the international events implemented in recent years, like the *Dili Peace Marathon*, the *Dive Photo Contest* and especially the *Tour de Timor*:

> "*We want to show the world that we are a peaceful country, and above all that this tiny island is one of the most beautiful spots on earth.*"

As the events against this background can be seen as a means of destination marketing, their role and importance is analyzed in the accordant category (see Sec. 7.4).

7.1.4 Destination Location

Accessibility

The accessibility of Timor-Leste from other countries improved during recent years, but is still limited. Neglecting the Oecusse enclave, there is only one official entry point to enter Timor-

Leste by land (on the northern coast of the Timor Island next to the town of Batugade). As of 13 April 2010, tourists are required to obtain a written permission to cross the land border between Indonesia and Timor-Leste. It is no longer possible to get a tourist visa on arrival at the overland crossing from Indonesian West Timor (with the exception of Indonesian and Portuguese nationals). The Government changed this visa policy without any prior notice:

> *"Some of my clients virtually got stuck at the border. And since the visa became such a complicated issue, a lot of individual travellers decide not to travel to Timor-Leste"* (East Timor Backpackers, DAN CONROY, Interview D1.8).

Coming to Timor-Leste by air facilitates the issue of entering the country, as every traveller gets a 30-day visa on arrival that can get extended up to 90 days.[71] However, the air connections are limited, although competition slightly increased this year due to new airlines that entered the market. Only three airports are accessibly from Dili's Nicolau Lobato International Airport by direct flights: Singapore (flight time: 3h.), Denpasar (Bali, Indonesia; 1h.), Darwin (Australia; 1,5h.) (see Tab. 8). CITRINOT (2010) points out that these poor air connections

> *"are, in fact, Timor's biggest headache, as access is crucial to bring more tourists into the country. [...] Surprisingly, beside the Bali air connection there are no flights to other parts of Indonesia, neither to Jakarta nor Surabaya – which could act as international gateways – or even Kupang in West Timor."*

Compared to the general level of flight prices in Southeast Asia, flying from and to Dili is quite expensive. Even if there are two airlines operating a route, the competition settles down quickly. There seems to be sort of a tacit agreement on the prices.[72]

Air Timor recently bought a Cessna 2008B Caravan 14-seater and plans to offer domestic flights to the towns of Suaí, Baucau and to the Oecusse enclave. The price will be around 50 US$ per flight (one way). SYED ABDUL RAHMAN BIN AHMAD, Air Timor's Operations Manager in Timor-Leste (Interview D3.2), admits that

> *"these domestic flights are designed to serve the international staff working in Timor-Leste. Maybe its an option for tourists, too, but our focus are definitely the employees of the numerous organizations."*

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[71]   This information is likely to change. For up-to-date information see the website of the Immigration Service of Timor-Leste *(Serviço de Migração de Timor-Leste)*: *http://migracao.gov.tl*.

[72]   See also the author's article on new developments and trends on the flight market in Timor-Leste published in the newsletter no. 1/2011 of the *German East Timor Society (DOTG e.V.)*: WOLLNIK (2011).

Carrier	Route	Registered Office	Frequency	Price Range (return flight)	Website
Air North	Dili - Denpasar (Bali, Indonesia)	Darwin (Australia)	8x weekly	420 - 1100 US$	www.airnorth.com.au
Air Timor*	Dili - Singapore	Dili (Timor-Leste)	1x dailly	around 880 US$	www.air-timor.com
Batavia Air	Dili - Darwin (Australia)	Jakarta (Indonesia)	2x weekly	200 - 400 US$	www.batavia-air.com
Merpati Nusantara	Dili - Denpasar (Bali, Indonesia)	Jakarta (Indonesia)	1x daily	160 - 500 US$	www.merpati.co.id
Timor Air**	Dili - Darwin	Dili (Timor-Leste)	1x daily	475 - 750 US$	www.flytimorair.com

* *Air Timor* is a so-called *full lease charter* and thus rents the aircraft as well as all kinds of personnel and services (except the staff at the airlines' Dili office) from the Singaporean *Silk Air*.

** *Timor Air* is a full lease charter of *Vincent Aviation*, New Zealand. It can be seen as the first national carrier of Timor-Leste, as the Government of Timor-Leste holds a 10% share.

Tab. 8: Airlines Operating from Dili's Presidente Nicolau Lobato International Airport
(As at November 2011; information collected by the author)

Tourism only plays a subordinate role in the airlines' strategic activities, both on international and domestic routes. In general, however, the last two years showed slight improvements, as not only ANN TURNER (FREEFLOW DIVING, Interview D1.7) perceives. She observed that the Australian *Air North* "moved its focus from being just a bus that delivers construction or aid workers" towards a more balanced marketing approach that includes some small activities of marketing Timor-Leste as a holiday destination.

Competing Destinations / Price Competitiveness

As already outlined, air fares and hotel rates are comparably high due to the presence of a large number of expatriates. This situation is often referred to as a *bubble economy*. The general price level also remains high because almost every product needs to be imported to Timor-Leste, which is especially problematic for the more upscale hotels that try to provide 'western standards' to their customers:

> "*The most difficult thing in Timor-Leste in terms of running a top-end hotel is the case of yogurts. This may sound funny, but it's quite easy to explain: We have to import them from Australia, Singapore or Indonesia, thus we have to plan a long time in advance. After the order you have to wait for three weeks, because the yogurts come by ship. That means that when they arrive they usually are valid only two or three more days. So you can never react if anything changes without prior notice. That's a small example, but it's typical for Timor*" (Hotel Timor, TIAGO BARRATA, Interview D1.10).

Detailed studies on the price competitiveness of the destination Timor-Leste are still lacking, but is is evident that the country is one of the most priciest places in Southeast Asia:

> *"Compared to other Southeast Asian locations, East Timor has never been really cheap – not in the Portuguese era, not in the Indonesia era and certainly not during the UN interregnum. As the UN numbers have wound down and media interest faded, costs have dropped, although they remain higher than in neighboring Indonesia or Australia, since most things have to be imported. East Timor's relative cost is compounded by a simple lack of of facilities and infrastructure – if there's only a very limited supply of accommodation available, the choice may be only at the extremes" (WHEELER 2004, p. 9).*

The high level of prices is one major disadvantage in the competition with neighboring destinations. As Figure 18 illustrates, the *Bali Province*[73] is certainly the biggest competitor in the region, with almost 2.5 million foreign guests a year.[74] The Indonesian islands that are located closer to Timor-Leste cannot be described as tourism hotspots: Although constantly growing since 2003 (1,500), the *East Nusa Tengara Province* that includes the western half of the Timor Island only counts 9,500 foreign guests a year (BADAN PUSAT STATISTIK 2011). Thus, as FRIESE (2006, p. 46) highlights, Timor-Leste is located in the tourism outskirts of Southeast Asia. Though quite close to Timor-Leste, Australia as a 'westernized' country offering a totally different product cannot be regarded as a direct competitor.

Fig. 18: Number of Guests in Indonesian Provinces Neighboring Timor-Leste (2010)
(Source of Data Indonesia: BADAN PUSAT STATISTIK 2011; guests in registered hotels only /
Source of Data Timor-Leste: RDTL 2011, p. 142; total arrivals on tourist visa)

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[73] Considering the Indonesian provinces as destinations seems likely due to the fact that every province has its own tourism department. These departments can be considered to be DMOs. Currently, the *Indonesian Ministry of Culture and Tourism* seeks to reorganize and improve these DMO structures (DMO INDONESIA INITIATIVE 2011).

[74] Note that the indicated numbers in this abstract only take into account guests in classified (i.e. registered) hotels. Thus, the total number of foreign guests may vary, especially in areas mainly providing homestay facilities (e.g. *South East Sulawesi Province*).

At the end, however, the interesting question in terms of competitiveness is not only how many visitors a destination generates, it is the question if and how the *tourism product* (facilities, activities) offered by a destination distinguishes itself from the competitors' product, and how such a product is marketed. These issues are elaborated in Section 7.6 on destination marketing management.

7.1.5 Safety / Security

> *"When you talk about the development of our tourism sector, you need to consider the security situation. Without security there's no development. For tourism, security is the prerequisite number one"* (NDT, José Quintas, Interview A1).

Concerns over the country's unsafe image due to various violent events around and after independence (see Subsec. 4.3.3) negatively affect decisions to travel to Timor-Leste. Travel advisory warnings, primarily in Australia, create doubts and render travel insurance invalid. Additionally, warnings on disease risks like dengue, malaria, or intestinal disorders due to poor hygiene standards, drainage / sewage and waste disposal contribute to the country's poor image.

Gino Favaro (ATTL, Interview C1) outlines the relationship between peace and tourism:

> *"It's a catch twenty-two: You need peace to have tourism. And you need tourism to establish continuos peace. Peace and security allow the people to come in with confidence, they want to feel safe in their destination."*

For this reason he argues that the UNMIT should not end after the elections in 2012:

> *"Having the UNMIT is like having a security guard in this country. If you have a security guard, he's usually not very efficient because he could fall asleep at 90% of the time, particular on nightshift. But if you don't have any security guard, then you are open for someone to jump your fence. I mean to say: As long as the UN is here, there is a sense that everyone will have peace and harmony."*

However, it is also argued that the UN presence hampers tourism development, for instance by Tessa Koppert (UNDP, Interview E6):

> *"As long as the UN is here, I don't see a boom in tourism. Is is obviously not a typical tourist destination as long as the UN is taking care of the security."*

That reputation in terms of tourism can be broken over night proved the crisis in 2006, when the small tourism industry all of a sudden disappeared.[75] Ann Turner (FreeFlow Diving, Interview D1.7), who runs a dive center in Dili, recalls the impact of the crisis on the emerging sector:

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[75] At the same time, the country and especially its capital Dili increased their reputation as 'a place to be' for so-called *danger zone tourists* (Adams 2006, pp. 221-226).

> *"I always remember me saying: 'This is our breakthrough year!' We had travel wholesalers for the first time, and travel journalists who published a lot of nice articles. And everything disappeared over night!"*

Some businesses even got affected directly, for example the small bungalows at the beach close to Baucau, run by José Maria Borges (Baucau Beach Bungalows, Interview D1.2). During the turmoils, three of his four simple beach bungalows got burned by masked burglars, which made him and his family losing their livelihood. The consequences of such experiences in terms of economic activities in tourism are still perceptible:

> *"I always try to encourage the people in the districts outside of Dili to set up own small businesses like homestay-places, restaurants, or even simpler food stalls. But they are still cautious of investing in tourism, because they are scared of a new crisis that could cut off the number of tourists again" (Eco Discovery, Maria Noronha, Interview D2.2).*

Obviously, the fragile security situation also refrains foreign investors from engaging in Timor-Leste. Not only in tourism, but in business in general (Rahil 2009). This is why the upcoming elections in 2012 are interpreted to be milestones for the future development of Timor-Leste: It seems likely that if the elections go off without a hitch, there definitely will start large foreign investments.

Although the Timorese history teaches that violence can occur on short notice (see Subsec. 4.3.3), the majority of interviewees is cautiously optimistic about next year's elections, while all agreeing on one point:

> *"If there is another crisis like 2006/2007 this will be the end for tourism here. I can't remember anyone engaged in tourism withdrawing during this big crisis, but they certainly will, if there is another one" (FreeFlow Diving, Ann Turner, Interview D1.7).*

7. 2   Organization of Destination Management: Coordination

- How does the coordination between public and private stakeholders work?
- Which attempts of cooperation have already been made?
- Can an 'institutionalized' form of cooperation already be found, such as regular meetings or consultations?
- Can any of the typical DMO structures be found emerging?
- If not, does it seem possible to establish such a structure in the near future?
- Is there any kind of cooperation between the destination's stakeholders at all?
- Is there at least any willingness to cooperate?
- How do / can local communities participate?

Box 1: Key Questions: Organization of Destination Management: Coordination

To answer these key questions, it is essential to examine the destination's primary stakeholders (State / Public Authorities, Advocacy Groups, Tourism Service Operators, and NGOs / DCAs) and analyze their basic roles and functions.

7.2.1 The National Directorate of Tourism (NDT)

The UNWTO and the UNDP conclude in the final report of their *Sustainable Tourism Sector Development and Institutional Strengthening Project* that

> *"a prerequisite to tourism sector development is the existence of strong, well-informed national institutions [...] to undertake the large number of tasks required to prepare for, initiate and operate Timor-Leste's tourism sector" (UNWTO & UNDP 2007, p. 24).*

NDT's mandate officially includes the following tasks (UNWTO & UNDP 2007, p. 24):

- creating a national tourism board (to act as a tourism marketing arm),
- establishing tourism information facilities in Dili town, airport and seaport,
- sustaining professional development program,
- providing environmentally sustainable plans for identified tourism assets,
- instituting sanitation / waste management regulations for tourist facilities,
- setting up a performing arts centre, and
- founding a tourism training centre.

It is quite evident that this mandate addresses key issues of the other four subcategories of sustainable destination management, especially in terms of destination planning and development (see Sec. 7.5) and destination marketing (see Sec. 7.6).

Due to manifold constraints, the NDT currently is not able to carry out its mandated tasks and to serve as a coordinating body between the destination's stakeholders. The main problem is funding (see Tab. 9). During recent years the budget grew to the million range, but still remains at a level that is too low to perform the outlined tasks. This major obstacle is acknowledged by the destination's stakeholders, for instance by JIM RICHARDS (World Hotel Link Timor-Leste / Jim's Getaway Travel, Interview D1.8):

> "Of course, the NDT has a very small budget. It's too low to get into any serious action. I think the NDT focuses a lot on marketing the country at travel marts to the outside market – and that's as much as they do, as much as they can do."

Currently the NDT has a permanent staff of 15, basically working in two departments: *Promotional Marketing* and *Infrastructure and Policy*.

> "When you compare the number of staff to Indonesia, it's ridiculous. We are really small. And it's not just the number of staff: Also in terms of capabilities, we have really poor quality. I don't want to step on someone's toes, but that's how it is. And that's why I keep on informing our Minister to reform our structure" (NDT, JOSÉ QUINTAS, Interview A1).

Year	Annual Budget in US$	Source of Data
2001	41,000	CITRINOT (2010)
2002	- no data available -	
2003	49,000	CABASSET-SEMEDO (2009, p. 218)
2004	56,000	CABASSET-SEMEDO (2009, p. 218)
2005	- no data available -	
2006	248,000	CABASSET-SEMEDO (2009, p. 218)
2007	- no data available -	
2008	1.002,000	GOVERNO DE TIMOR-LESTE (2011)
2009	955,000	GOVERNO DE TIMOR-LESTE (2011)
2010	4.608,000[*]	GOVERNO DE TIMOR-LESTE (2011)
2011	1.838,000	GOVERNO DE TIMOR-LESTE (2010, p. 51)
Note: All stated budgets are ex-ante; i.e. the budgets the Government approved in advance.		
[*] Outstanding value due to the funding of the *Tour de Timor* and the *Dive Photo Contest* (CITRINOT 2010). These and other events usually get funded by the *Office of the President (OP)* (see Subsec. 7.2.2).		

Tab. 9: Tourism Budget in Timor-Leste

The UNWTO & UNDP (2007, pp. 24-27) project outlined a possible reorganization and strengthening of the NDT and its staff. However, as prospected within the same study,

> "NDT's structural expansion and obtaining more resources are threatened by a lack of appreciation by the National Government of the role of tourism in Timor-Leste's economy" (p. 24).

Considering this negligence, it is quite surprising that the Government's new SDP (RDTL 2011b) states tourism to become the second most important economic sector despite oil and gas (see Sec. 7.5):

> "As a Timorese national, I have to say that I feel ashamed. We have this great potential here. Thus, tourism should be recognized as a great economic opportunity that is 'renewable'. But the Budget of the NDT is just absurd. Sometimes our little local NGO has a bigger budget than the NDT. How can they develop tourism with a budget of only a million? If we see tourism as the second most important economic sector, the Government should provide a way greater budget" (Haburas, Demetrio do Amaral de Carvalho, Interview E7).

Since the country's independence the tourism desk two times got 'shuffled' and newly arranged due to the ever-changing structure of the Government's departments. Since 2007 it is named NDT and under the responsibility of the MTCI,[76] which is criticized by many of the destination's stakeholders:

> "Tourism is not a stand-alone entity, no ministry. Look at the structure of the MTCI: It has a tremendously large profile – and tourism starts going lower and lower down the scale. As long as tourism is a sector that's not dealt with at the level of ministries, there's just no pull. If the Government wants an effective structure, they need to build a stand-alone entity" (OP, Sean Ferguson-Borell, Interview A3).

Against this background it is obvious that at this stage a DMO structure with the NDT as the co-ordinating body and steering entity is unrealistic.

7.2.2 The Office of the President (OP)

At first sight the OP seems to be way more proactive than the NDT. The President implemented an *Event Unit* in order to set up various events, aiming to improve the countries bad reputation:

- Timor-Leste Fishing Competition (2009),
- Tour de Timor (2009, 2010, 2011),
- Dili Marathon (2010, 2011),
- Dive Photo Contest (2010),

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[76] From 2002 to 2005, the tourism desk was connected to the *Ministry of Development and Environment* in the *State Secretary of Tourism, Environment and Investment*. Government changes in 2005 led to the placement of the section, now named NDT, under the *Ministry of Development*. After the elections in 2007, the desk was finally placed under the responsibility of the MTCI (Cabasset-Semedo 2009, p. 218).

- Sail Timor-Leste (Darwin to Dili; 2010, 2011), and
- Com Fishing Festival (2011).

The *Tour de Timor* is the biggest and most famous event, with up to 400 mountain bike riders from different countries, mostly Australia though.[77]

The role of these events as a key means of destination marketing is discussed in the according Section 7.6. In terms of coordination between the destination's stakeholders the questions of interest are why the Event Unit is not under the responsibility of the NDT, or at least any other Governmental department, and how the cooperation between the Event Unit and the NDT functions. SEAN FERGUSON-BORELL, the Manager of the Event Unit (Interview A3), answers as follows:

> "The President is a very proactive person. He has a lot of international experience and is a goal-getter: When he wants to do something, he gets it done. And the Government is still learning how to be a Government, wether it is opposition or the Government itself. The advantage of the OP are the President's good connections and his ability to form such units on his own. It's not necessarily the best way to do policy, but you need some things to be started right now."

JOSÉ QUINAS (NDT, Interview A1) confirms the impression that the Event Unit of the OP acts virtually autarkic, and that there is "only very little cooperation" between the two departments. Not least, it is a strange fact that the funding of the Event Unit relies to some 50% on the Government's budget (annual seed funding). In 2009, a significant amount of the costs for organizing the Tour de Timor got defrayed by the NDT, which therefore received an outstanding budget (see Tab. 9). The two consecutive years, the funding was handled within the OP, including some creative strategies: For instance, the President used his good international relationships to ask for donations as well as technical and logistical assistance for the realization of the event.

The events are generally acknowledged to be a successful marketing tool, especially the Tour de Timor (see Sec. 7.6). Hence, the Event Unit seeks to establish the nascent events in the next few years – and that sheds light on a problematic issue: As the President might change in the 2012 elections,[78] the future of the whole Unit remains unsafe:

> "We have no idea what will happen if the president changes. We plan on a year-to-year-basis, that is the only way we can operate" (OP, SEAN FERGUSON-BORELL, Interview A3).

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[77] For more information on the event see COCKS (2011, pp. 23-25) or the event's up-to-date website: *www.tourdetimor.com.*

[78] As at the end of November 2011, Ramos-Horta did not decide yet if he will candidate for another election period or not. A decision is expected to be made in January 2012. However, it seems likely that he will refrain from a re-election to seek for an international post within the UN (WAHYONO 2011).

All in all, the Event Unit is far away from being referred to as a sustainable institution. Its embedment in, respectively the cooperation with, the NDT is poor, and the funding is a permanent issue.

7.2.3 Advocacy Groups

The *Tourism Association of Timor-Leste (Associação de Turismo de Timor-Leste, ATTL)* was established in 2003 with the objective of uniting tourism operators to work towards developing the tourism sector in Timor-Leste. During its existence from 2003 until early 2008, the ATTL never had more than 20 entrepreneurs under its umbrella.[79] There are two possible reasons: On the one hand, this low number of members may refer to the low interest of accommodations and gastronomic facilities in tourism and their focus on the community of expatriates mentioned by the majority of the interviewees (see Subsec. 7.1.3). On the other hand, there existed an ongoing dispute between the ATTL and a splinter group around the head of Eduardo Massa, the Portuguese owner of Timor MEGA Tours, who kept on trying to unite the Portuguese owned businesses:[80]

> *"The history of tourism associations is a history of conflict, basically between the lusophone and the anglophone contingent. It is my personal understanding that Eduardo Massa does not allow foreign businesses in his association. For me, they are separatists. I don't really understand the logic behind that. I think it is pure simple prejudice, a political agenda" (FreeFlow Diving, ANN TURNER, Interview D1.7).*

However, the NDT always regarded the ATTL to be the the industry's voice:

> *"Of course, the ATTL has always been our 'organization of choice'. Because they showed interest in pushing things forward, they were proactive. Not like the group around Mr. Massa: They just seemed to observe what's happening, but never sought cooperation" (NDT, JOSÉ QUINTAS, Interview A1).*

The ATTL was engaged in four main areas (FAVARO & FAVARO 2008, p. 188):

- lobbying and consultation,
- information and communication,
- destination promoting and marketing, and
- tourism development.

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[79] There does not exist any precise data on the number of members (ATTL, GINO FAVARO, Interview C1).

[80] Note from the author: Almost every of the interviewees was asked for the name of Eduardo Massa's organization, but no one was able to answer the question – not even the Manager of Massa's business, Cosmi Sanchez (Timor MEGA Tours, Interview D2.1). Unfortunately, Eduardo Massa stayed in Portugal during the time of research in Timor-Leste.

In terms of lobbying and consultation, and therefore in terms of cooperation, the organization was very active in the first years of its existence. In 2003/2004, when the Government was drafting its tourism policy by outlining visions (see Subsec. 7.5.1), the ATTL assisted the NDT to host public meetings or stakeholder consultations. Furthermore,

> "we, that usually meant Vicente Ximenes, Ann Turner and me,[81] went to almost every conference on draft legislation in any area somehow related to tourism. We put in many recommendations on how to change these legislations and their conditions. We estimate that some 70% of these suggestions were taken on board – for the benefit of the country. We had no personal gain out of it, but a lot of gain for the Timorese in general, and especially for those that are not in a position to put in such recommendations, to whatever reason. The organization worked on behalf of those people" (ATTL, GINO FAVARO, Interview C1).

After two or three years, however, the head of the organization more and more tired of this, as ANN TURNER (FreeFlow Diving, Interview D1.7) confesses:

> "Two years we did nothing but going to workshops, especially Gino Favaro and me. Finally, we got a bit tired of it because nothing ever seemed to change."

ANN TURNER (FreeFlow Diving, Interview D1.7) especially attended workshops that treated the development of human resources in the tourism sector and fought for establishing certain standards for the education of the students participating the few tourism schools / courses throughout the country. Unfortunately without any success:

> "Every time I went to these workshops and I said: Look, my staff needs to have these skills. [...] But they just looked at me if I was crazy. And my suggestions never made it through the final documents. This is why I stopped going to these workshops on education and training."

This and other aspects of human resource development in tourism are discussed in detail in the according Section 7.7.

At the end of 2007, the organization virtually ceased to exist due to the withdraw of the three initiators, but also due to the 2006/2007 crisis that let tourism fell behind on the political agenda. There were no successors in sight. This is somehow typical for Timor-Leste, where activism and initiative strongly depend on the people, and not on an organization's structure, as the majority of the interviewees emphasized. At the end, it is not only a question of personal dedication:

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[81]   Vicente Ximenes and Ann Turner both were Vice-Presidents of the ATTL. Both were interviewed in the context of this study, but mainly due to their current positions: Vicente Ximenes is the Vice-President of the *Chamber of Commerce and Industry (CCI)* and the Chamber's contact person for tourism (Interview C2). Ann Turner runs a dive centre in Dili and occasionally worked as as a consultant for the NDT as well (Interview D1.7).

"It cost my companies a lot of money.[82] *We put a lot of personal money in, and only got very little support from the Government. After five years of dedication and putting money in, I was tired and happy to resign"* (ATTL, GINO FAVARO, Interview C1).

In early 2008, US AID / DAI started an initiative to get going a succeeding association of the idle ATTL, called the *Timor-Leste Tourism Center (TLTC)*, but this attempt failed. The reasons of failure remain vague due to the reticency of the involved stakeholders – it seems that they do not want to add too much fuel to the flames.

GINO FAVARO (ATTL, Interview C1) describes the process of changeover of the ATTL to the TLTC as follows:

"US AID / DAI came to us as the former head of the association. They said that they wanted to help us to revive the ATTL and to increase the number of members. Of course we accepted, because it was our interest to establish a strong and sustainable organization, even though Ann, Vicente and me personally did not want to be that active anymore. Then they wrote to all tourism entrepreneurs in Dili to set up a new organization. This is why I got mad with them. If you want to come to the door of our tourism association, and then decide to invite the entrepreneurs to set up a new one without sending us a copy of this letter – what the hell are you wasting your time talking to us for? This was the changeover of the ATTL to this TLTC. Then they helped the TLTC a little bit with some promotion, but all of a sudden they left. There was an intend to destroy, not to develop. Why? I don't know."

Questioned on the changeover, DAVID DYER (US AID / DAI, Interview E5) does not want to take a clear stand. Regarding the formation of the TLTC, he assesses that

"we tried to facilitate the formation of the TLTC, but rapidly arose that they just tried to get financial support. But without the few constituent companies putting in any financial means, we decided to drop this activity. This was certainly one of the reasons. There were a lot of others, too."

Disregarding the questions what the precise reasons of failure might be, and who might be responsible, the result of this dispute is a lack of a functioning tourism association. In fact, the TLTC still exists, but is "not vital" at the moment, as the representant of the association, ROBERT CREAN (Compass Charter's, Interview D2.3) admits. One major reason for this disfunction is, again, the lack of financial means. Plus: The mentioned separation into lusophone and anglophone stakeholders is still continuing, which is a situation that causes discontent, especially at the NDT. Over again, ANN TURNER (FreeFrow Diving, D1.7) calls on the stakeholders to unite to one association:

"People here need to understand that you can have one huge association. But what you can see here is that most of the people that set up an association want to retain control of it. The true nature of associations isn't properly understood here. Most associations – not only in tourism! – tend to function as cartels rather than organizations for the common good; tend to serve private interests. But again: You need a sustainable funding to run a transparent association, and that includes someone who is occupied full-time."

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[82] Gino Favaro also runs a hotel and a gas product business in Dili.

Maria Noronha (Eco Discovery, Interview D2.2) strongly agrees: "Not having a single, functioning association is a shame for our country!"

The CCI was established in April 2010, after a couple of years of preparation within the *Timorese Business Forum (Fórum dos Empresários de Timor-Leste, FETL)*, but at this early stage it does not play any important role for the tourism sector due to its focus on the oil and gas industry. However, its Vice-President Vicente Ximenes (Interview C2) promises improvements in the near future, i.e. to seek to lend substance to the development of tourism. But, as he admits, "this might take a while, because tourism is not acknowledged as a business priority yet."

7.2.4 Tourism Service Operators

The low interest of entrepreneurs in engaging in a tourism association strongly relates to their low interest in tourism in general: The majority of the accommodation and gastronomic facilities serves the expatriates, and therefore does not regard tourism as an important business opportunity (see Subsec. 7.1.3).

Even the imminent withdraw of the UNMIT and some DCAs and NGOs does not seem to bother the entrepreneurs:

> "I think a lot of these businesses are not any long-term investments anyway. Some of these investors, regardless of whether they are Australian, Malaysian or even Timorese, are only interested in making money with the expatriates in a short-term. Tourism is not a focus for them, it's not regarded as a possible business opportunity for the times after the withdraw. From our point of view it's hard to deal with, but that's just the way it is" (EcoDiscovery, Maria Noronha, Interview D2.2).

Everyone tries to make business on his own. There is only very little cooperation between them. Only the two major tour operators seek for cooperation with hotels and restaurants throughout the country – obviously for the sake of their businesses. Very often they find themselves in competition with the expatriate community:

> "It happened a lot of times that we could not get any rooms although we made a reservation in advance. They just gave the rooms to some expatriates that appeared a little bit earlier" (Timor MEGA Tours, Cosmi Sanchez, Interview D2.1).

Jim Richards (World Hotel Link Timor-Leste / Jim's Getaway Travel, Interview D1.8) faces the same problem. He keeps on developing an online booking platform[83] to "unite all sort of accom-

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[83] This project is part of the world-spanning *World Hotel Link* initiative which has its headquarter in Hanoi, Vietnam. Between 2008 and 2010 the Timorese franchise was supported by the *International Finance Cooperation (IFC)* (financial and technical support). For more information see *www.timorleste-hotels.com* and *www.whl.travel*. The initial phase of the project was also facilitated by the engagement of the ATTL.

modation all over the country", but the interest of the hotels generally remains low:

> "Everyone is lucky with the status quo of his business. Every one operates on its own, and that's it. There's no cooperation at all!"

DAVID DYER (US AID / DAI, Interview E5) explains this behavior as follows:

> "That's the state of business here in Timor-Leste. No one wants any serious competition. Those who are in business know the manifold impediments, but they know how to get around and are not anxious to remove those impediments. They are used to adapt to the circumstances, but they are not used to cooperate to finally jointly challenge these circumstances – because most of them are afraid of losing their share of the market."

This perception leads to an express request, straight to the point formulated by ANN TURNER (FreeFlow Diving, Interview D1.7):

> "The people here need to understand that it is better to make the whole tourism pie bigger than to make your slice of it bigger."

Anyway, first of all it seems necessary to show the importance of tourism as a promising business opportunity to all those hotels and restaurants that currently mainly attend to the expatriates. Otherwise, there cannot even be spoken of pure destination stakeholders.

7.2.5 NGOs and DCAs

Besides the UN Agencies (UNWTO and UNDP), whose engagement is discussed in the context of destination planning and development (see Sec. 7.5), various DCAs as well as local and international NGOs have been engaged in tourism projects since independence, like (selection):[84]

- US AID / DAI (United States),
- IPAD (Portugal),
- CIDAC (Portugal),
- AFC (Australia),
- AYAD / AusAID (Australia),
- Haburas (Timor-Leste),
- Roman Luan (Timor-Leste), and
- Ba Futuru (Timor-Leste).

Of course, many projects of various other NGOs and DCAs in other economic areas also addressed issues relevant to tourism development due to its manifold links. Taking into account

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[84] Please note the list of acronyms and abbreviations prior to the main body of text.

the tourism-specific projects only, it becomes apparent that the majority focuses on small-scale CBT or ecotourism initiatives. In this field, the local NGO *Haburas*, the country's biggest NGO in terms of nature conservation, took over quite an important role, and also cooperated with the Government (DE BLAS & PRIOR 2004; OELRICH 2008).[85/86] DEMETRIO DO AMARAL DE CARVALHO, the President of Haburas (Interview E7), outlines the pragmatic relationship between the organization and the Government:

> *"Obviously, we criticize the Government a lot. But we also recognize our role part as one very important entity to bring forward issues of environmental protection or ecotourism. We are critical, but we do not want to hamper any progress."*

The various CBT or ecotourism initiatives give some parts of the rural population the opportunity to participate in tourism development, and, first of all, to deal with the unknown tourism phenomenon:

> *"The awareness of tourism is very low. This is why we are planning to run sort of a 'tourism awareness campaign' in the rural districts. We need to explain the people what tourism is all about, and that tourists don't come with the purpose to disturb and disrespect local culture. But you always have to keep in mind that even nowadays foreigners still might be regarded as occupants or intruders."*

Besides these small-scale initiatives only US AID / DAI targeted issues relevant in terms of linking the destination's stakeholders (as outlined in the prior Subsection) or destination marketing (production of small giveaways like postcards and posters).

Due to the focus on separate niche-projects of the NGOs and DCAs, even the cooperation between these entities remains poor:

> *"Of course, every project is driven by good intentions. But it seems like everyone works on his own. I would like to see a more coordinated approach between all these aid agencies, in terms of which agency focuses on which project – and how all these projects stick together and follow a certain, common ideal. That would be perfect"* (AYAD / AusAID, PETER BARETT, Interview E4).

7.2.6 Key Findings: Weak Institutions, Poor Cooperation

At this stage, it does not seem likely that any typical DMO structure can emerge in the near future. The NDT is not able to lead the way, mainly due to its budget constraints, while the OP only focuses on international events and operates autarkic. The industry itself, i.e. the tourism service operators, only cooperate very poorly, and a functioning tourism association that could

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[85] Haburas published two extensive works on their understanding of an ethical ecotourism in Timor-Leste; see DO AMARAL DE CARVALHO et al. (2007) and DO AMARAL DE CARVALHO & CRUZ (2008).

[86] The role of CBT / ecotourism projects in terms of the planning and development of the destination is discussed in Subsections 7.5.2 and 7.5.2.

serve as a coordinating body between the NDT and the single entrepreneurs is currently lacking. Furthermore,

> *"It's not just the question of dealing with the Government, it's also the question of dealing with possible donors that are interested in tourism development, researchers, or whoever else is interested in tourism in Timor-Leste" (FreeFlow Diving, ANN TURNER, Interview D1.7).*

An aggravating factor is that many of the entrepreneurs are concentrating on the community of expatriates rather than seeing tourism as a budding business activity. Against the background of the imminent withdraw of the UN and some NGOs and DCAs, this disregardful behavior is all the more incomprehensible. Not only the entrepreneurs' acceptance of tourism needs to grow: For many of the Timorese in rural districts, tourism is a totally new phenomenon. Thus far, only few communities have the opportunity to acquaint themselves with this phenomenon within CBT or ecotourism projects of NGOs / DCAs. These organizations only cooperate weakly, and mainly focus on such niche-projects.
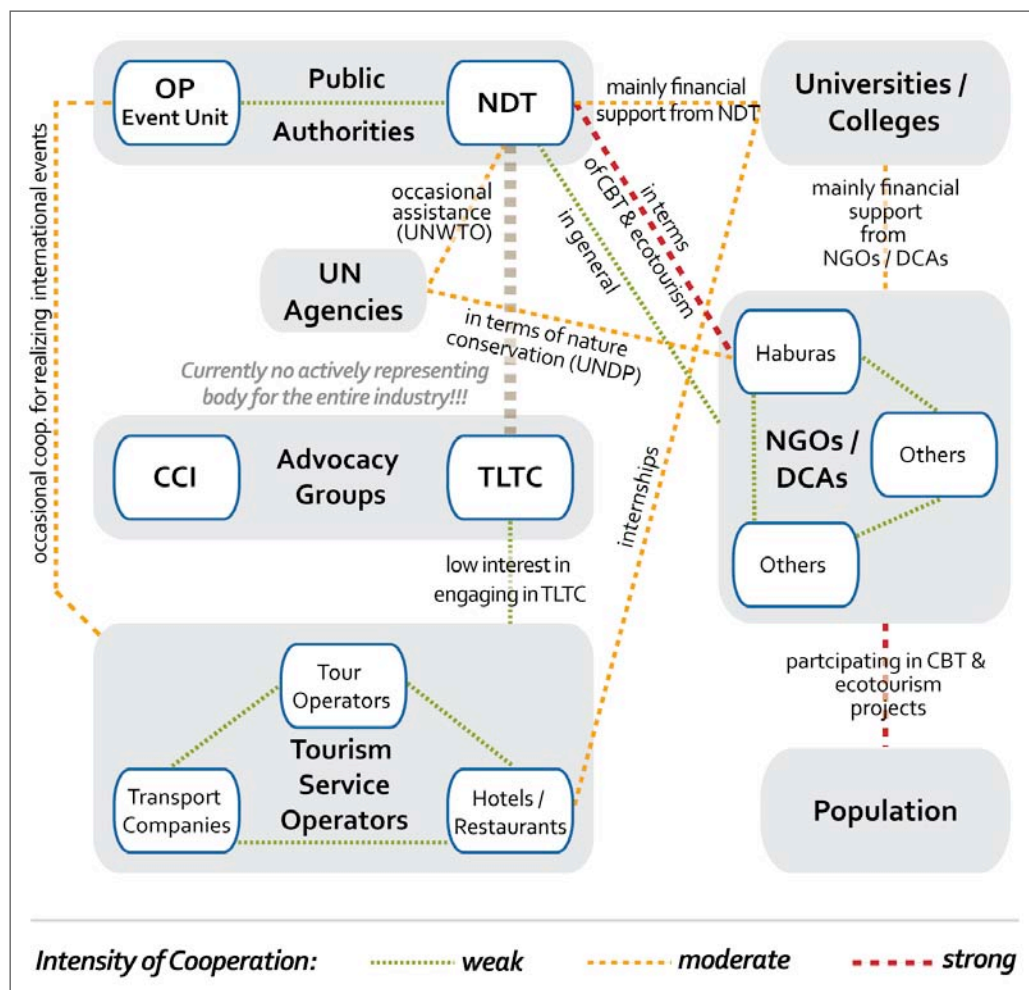
Fig. 19: Coordination between the Destination's Stakeholders

All in all – taking into account the importance of the organization of destination management as a critical factor of success for the manifold tasks in the other four areas of destination management – the outlined status quo of cooperation and the implicit low sense of being one destination is a major obstacle for an integrated, successful and sustainable management of the destination. Jim Richards (World Hotel Link Timor-Leste / Jim's Getaway Travel, Interview D1.8) puts it aptly: "We are a million miles away from being one destination that's able to offer an integrated product!"

7. 3   Organization of Destination Management: Provision / Share of Information

- Is there any share of information between the destination's stakeholders?
- If so, who is concerned with providing the information – public or private stakeholders?

Box 2: Key Questions: Organization of Destination Management: Provision / Share of Information

Regarding the poor status of cooperation, it is quite evident that there is only very little sharing of information among the destination's stakeholders.

The only information that is gathered frequently is visa statistics. As already pointed out, these statistics, which are available online, only have a limited informative value.

Research results, like tourist satisfaction surveys, studies on the environmental impact of tourism activities or information that tracks the attitude of the local population towards tourism, are still lacking. At this stage, the Timorese universities and colleges are not engaged in the field of tourism research, while studies obtained by international researchers tend to focus on general obstacles and potentials or the CBT approach (see Sec. 1.3). Without more specific studies on the aspects mentioned above, it is almost impossible for the destination and its stakeholders to adapt to current market conditions.

Many of the interviewees did not even know anything about the current strategies or actions of the NDT or the role of tourism outlined in the SDP. At the same time, the NDT does not have any precise information of the state of the entrepreneurs' businesses; for example how the occupancy rates are, how the actual ratio between expatriates and pure tourists is, etc. As a last consequence, these circumstances show that the NDT tries to lead and develop a sector without knowing its most urgent needs and problems.

7. 4 Organization of Destination Management: Monitoring and Evaluation

> • Are any tools for monitoring or evaluation in use?

Box 3: Key Question: Organization of Destination Management: Monitoring and Evaluation

Equal to the situation of information dissemination, there do not exist any institutionalized means to systematically evaluate the effectiveness of major strategies and actions. This lack of monitoring or evaluation tools mainly corresponds to the fact that the NDT is currently stuck on the level of outlining mere visions and is not able to get into serious action. This dilemma is discussed in the next Section.

7. 5 Destination Planning and Development

> • Is there an overall vision for further tourism development in Timor-Leste?
> • What means (strategies and actions) are used to achieve this goal?
> • Has a study on the destination's resources and capabilities already been conducted?
> • Is there a basic understanding of the concept of sustainable development?
> • Can any distinct sustainability guidelines be found for the entire destination?

Box 4: Key Questions: Destination Planning and Development

7.5.1 Ambitious Visions

Being asked to give some information on the Government's efforts in terms of tourism planning and development, NDT's Director José Quintas (Interview A1) highlights:

> "*The most important thing is that we have to learn from our references. We need to develop step by step and should be careful. A good planning is very important, and we have the chance to develop tourism in a sustainable way. Tourism should contribute to the local economy. There is a lot of potential for tourism in Timor-Leste.*"

The ideal of a sustainable tourism development underlying this statement is not a new one, and the idea that tourism has to play an important role in the country's development is also quite old.

Early Directions for Tourism Devlopment

In the lead up to and in the aftermath of the referendum in 1999, there were held several conferences on the perspectives of economic development in Timor-Leste. Tourism was formerly considered at four of them (CARTER et al. 2001, p. 38):

- Strategic Development Planning for East Timor Conference, Melbourne (Australia), 5-9 April 1999,
- East Timor Reconstruction: Review of the Past and Perspectives for the Future Conference, Tibar (Timor-Leste), 30 May - 2 June 2000,
- East Timor Reconstruction Conference: Strategic Planning Conference for Rebuilding East Timor, Brisbane (Australia), 20-21 July 2000, and
- Timor Aid Conference on Sustainable Development in East Timor, Dili (Timor-Leste), 25-31 January 2001.

These planning conferences provided a first avenue for expressing ideas on the role of tourism in the country's development. The documents produced for the conferences[87] formed the basis of many policies of the CNRT, the council of Timorese politicians that was in charge of preparing the country's full independence after the presence of the UNTAET.

As CABASSET-SEMEDO (2009, p. 216) emphasizes,

> "*the main goals of the policies of the economic development planned by the CNRT seemed at the time to be the building of a market economy with the help of the local private sector and of foreign investments, and the urgent development of rural areas through the increase of existing agricultural resources and the diversification, owing mostly to tourism, of rural economies.*"

The theme of sustainable tourism was expressed consistently through these conferences, but generally understood as a small-scale tourism product rather than a concept underlying all sorts of tourism projects on all levels of size (see Subsec. 2.2.2). However, these considerations showed the influence of the concept of sustainable development and the concern to favor a kind of tourism which would primarily benefit the Timorese nationals and not any foreign investors.

While involved in the country's reconstruction in terms of physical and institutional tasks, the UNTAET authority did not implement any tourism policy (CABASSET-SEMEDO 2009, pp. 216-217).

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[87] All of the documents were written by a team around Vicente Ximenes and the Australian Professor Bill Carter from the University of Queensland. Papers published were: XIMENES & CARTER (1999, 2000), XIMENES, CARTER & PRIDEAUX (2000) and CARTER & XIMENES (2001). All of these papers can be found in the appendix of CARTER et al. (2001).

Tourism has also been identified as one of the key means to reach general development and to fight poverty in the first *National Development Plan (NDP)*, prepared before the full independence in early 2002 (NDP Planning Commission 2002). However, the sections relating to tourism development refrain from formulating clear strategies and actions. Instead, the overall objective is "to build a tourism industry that generates employment and maintains culture" (NDP Planning Commission 2002, p. 249), which is extremely vague. Hence, it can be noted that there has been a huge discrepancy between the designated role of tourism for the country's future economic development and the addressed strategies and actions.

Seeking for International Assistance after Independence

Almost a year after independence a conference named *Turismo em Timor-Leste: Vias para o Futuro* took place in Dili (24-25 April 2003). This seminar focused on Timor's tourism potentials as well as marketing possibilities and the country's major competitors. In the course of this event, Timor-Leste joined both the UNWTO and the PATA. The reasons for these campaigns were obvious: The country wanted to change its image as a place of trouble and aimed to put its name on the international map of tourism (Malta 2003, p. 1).

Regarding the fact that there have only been *very poor tourism facilities* after independence (see Subsec. 7.1.3), this strategy of promoting the country seems somehow paradox. However, tourists as such were not the main target group. Instead, in the first instance, the strategy aimed to attract foreign investors to finally *build up* a vital tourism industry. It should be considered that

> *"you can have very good promotional material within a month by hiring an external consultant. Just pay him 50,000 US$ to produce this and that, then send him to all these international trade fairs – but what do you want to promote? You can't only promote the country itself, you have to promote a product and a sector which delivers this product. First and foremost, you need to plan and develop the sector!" (Haburas, Demetrio do Amaral de Carvalho, Interview E7).*

The foreign investment should generate the infrastructural improvements needed by the country. A first draft of a foreign investment law therefore was established in May 2005. These efforts contributed to the feeding of constant rumors in the Timorese media, seeing the imminent arrival of huge projects like resorts or even a casino on the island of Atauro.

> *"However, next to these enticement efforts, fundamental questions such as those regarding ownership titles, banking credits, insurance for companies, etc. remained unresolved" (Cabasset-Semedo 2009, p. 219).*

While potential foreign investors hesitated due to these hampering conditions, the Government also tried to promote local entrepreneurship, as for instance shown by a law on internal investment. However, both bore very little connection to tourism (Cabasset-Semedo 2009, p. 219). With the beginning of the huge turmoils in 2006 (see Subsec. 4.4.3) all efforts and initiatives suddenly lapsed anyway.

Tourism Planning after the Crisis

The discrepancy between the NDP and actions undertaken in reality – not only in the tourism sector – resulted in the development of a rebuilt document of the new Government, the *Programme of the IV Constitutional Government* (Presidency of the Council of Ministers of RDTL, 2007). Once more tourism was stated to be one of the key means to initiate economic development,

> "not only because of the revenues it generates, including labor absorption, but also because of the development associated thereto: restaurants, hotels, entertainment, the Dili and Baucau airports, transports, as well as other, varied infrastructures" (Presidency of the Council of Ministers of RDTL, 2007).

The document addressed various issues considering the concept of sustainable development / sustainable tourism, such as the importance of the protection of vulnerable areas (e.g. the coral reefs) or the participation of the people to ensure "that the Timorese become partners and beneficiaries" (Presidency of the Council of Ministers of RDTL 2007) in the process of developing tourism. As before, there were only expressed very broad objectives instead of any precise strategies and related actions. At least there existed awareness that there should be sort of a *National Tourism Strategic Plan* in order to further design and execute the visions of the Government's program. All in all, the efforts undertaken after the crisis did not push tourism development to a level of clear strategies and actions.

The Stategic Development Plan (SDP)

In 2011 the new SDP got endorsed by the National Parliament of Timor-Leste. The plan is

> "a twenty year vision that reflects the aspirations of the Timorese people to create a prosperous and strong nation. The plan has been developed to inspire change, to support bold collective action and to plan for a better future" (RDTL 2011b, p. 8).

The plan prospects tourism to be a major contributor to the national economy by 2030, and thus at the outset once again names the possible economic benefits of tourism:

"With Timor-Leste's natural beauty, rich history and cultural heritage, there is great potential to devel-op tourism as a major industry to underpin our economic development. A successful tourism industry will contribute income to the national and local economies, create jobs, build businesses, and improve regional economic imbalances" (RDTL 2011b, p. 141).

According to the SDP, the initial development of the sector should focus on areas identified as having comparative advantages for reasons of accessibility, density of tourist offerings and an existing track record of success:[88]

[1] The *Eastern Tourist Zone*, expanding eastwards from Dili to the eastern tip of the island at Tutuala / Jaco, focusing on nature-based activities (diving, swimming),

[2] the *Central Tourist Zone*, including the capital Dili as well as the island of Atauro and the Maubisse region south of Dili, focusing on urban tourist experiences (dining, shopping, entertainment), and

[3] the *Western Tourist Zone*, encompassing a loop from Dili along the great northern coast road to Balibo, before traveling to Maliana and the mountain areas of Bobonaro and back through the coffee plantations of Ermera and on to Dili via Tibar, focusing on the history and culture of the local communities.

The *Central Tourist Zone* can be interpreted as a base for further activities throughout the entire country, while the *Eastern Tourist Zone* definitely seems to be the region of major future interest:

"This zone will be a highlight of Timor-Leste's tourist offerings and showcase pristine tropical beaches and stunning mountain scenery, and offer adventure trekking, historical Portuguese architecture and local village culture" (RDTL 2011b, p. 145).

The *Western Tourist Zone* with its rugged mountains and dark-sand mountains somehow plays a minor role. This fact indicates that the focus of tourism development still lies on the *three typical 'S' of tourism: Sea, sun and sand*. It is evident that this focus is far away from being referred to as an innovative and unique strategy.

The plan mentions that Timor's natural beauty helps to "differentiate Timor-Leste from mass market tourist offerings and appeal to the growing market segment seeking boutique and unique experiences and locations" (RDTL 2011, p. 142). In the awareness of the ongoing growth of the so-called *green and responsible traveller markets* (see Subsec. 2.1.2), the following markets should be targeted:

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[88] For a spatial illustration of these three areas see the *Main Tourist Attractions* category in Figure 17.

- ecotourism,

- marine tourism,

- historic and cultural tourism,

- adventure and sports tourism,

- religious and pilgrimage tourism, and

- conference and convention tourism.

Once again, the SDP comes to a stop after naming these main target markets. Neither precise activities or initiatives, nor related budgets have been outlined. Thus, the SDP in comparison to its precursor is not really a step ahead. One reason for this awkward circumstance seems likely: It is the NDT's poor budget (see Subsec. 7.2.1):

> "We have this vision outlined in the SDP. And we know what we want to look at; for instance at CBT, because we want our people to participate in the development. But if we want to take it to the next level, again, we need to talk about the challenges that we are facing at the NDT: Human resources and budget constraints" (NDT, José Quintas, Interview A1).

Considering these constraints, it has to be put into question wether or not the SDP's overall target by 2030 is a realistic one:

> "Timor-Leste will have a well developed tourist industry attracting a large number of international visitors, contributing substantially to national and local community income and creating jobs throughout the nation" (RDTL 2011b, p. 150).

Even the targets by 2015 seem very ambitious, as for instance the goal to establish tourism information centers in Dili, Los Palos and Baucau.

With this ambitious vision, the Government itself puts the NDT into an uncomfortable situation: On the one hand, the formulated targets raise the expectations of both the destination's stakeholders and the population that is seeking for employment opportunities. In contrast, the human and monetary resources are far from being sufficient.

Against this background, the permanent emphasis on the concept of a sustainable development – that can be found in almost every report or interview with José Quintas (e.g. RICKARD 2011) or its precursor José Teixeira (e.g. DE BLAS & PRIOR 2004) – can be interpreted as a strategy to take the wind out of the stakeholders' sails:

> "People have criticized the Government and said it is anti-development. That's not the case. We're pro development, we're pro progress, but we're pro sustainable development and a sustainable progress" (TEIXEIRA; cited in DE BLAS & PRIOR 2004).

Anyhow, constantly adhering to the concept of sustainable development over the years has helped to establish a basic understanding of its principles among the destination's stakeholders. For instance, some 85% of the interviewees mention the aspect of participation:

> *"We, the Timorese ourselves, have to develop our tourism sector. It needs to be our industry, an industry of our proud nation" (CTID, Madre Candida de Castro, Interview B1).*

7.5.2 From Visions to Strategies

Being trapped between high expectations and manifest constraints, it seems likely that the NDT currently relies on the results of the study conducted by the UNWTO & UNDP (2007) when being asked more precisely on their strategy to achieve their high-flying visions. This project aimed to "assist the NDT to set up proper conditions and guidance to realize the full potential of tourism in Timor-Leste" (UNWTO & UNDP 2007, p. 7). A SWOT analysis conducted in 2005 was followed by an extensive work on strategic tourism planning in Timor-Leste.

The first part definitely is the most extensive work on the country's potential and resources. However, in terms of cultural and heritage resources it remains sketchy (see Subsec. 7.1.2), as with regard to the current demand conditions. In general, the focus of the study yet again lies on 'sea, sun and sand' or other nature-based activities.

Accordingly, the study concludes that

> *"the main focus of short-term tourism development should be on marine and coastal tourism resources – coral reefs and the aquatic life they support. Dive tourism – both boat dives and shore-dives – is already well established in Dili area and there is potential for expansion. [...] Due to the fragile nature of both the natural resources and the social structure of Timor-Leste, and the limited national capacity in tourism development, it is recommended that tourism development proceeds slowly, concentrating on developing a few core tourism attractions, with high quality tourism products, aimed at small numbers of tourists, seeking new, quality experiences" (UNWTO & UNDP 2007, p. 7).*

José Quintas (NDT, Interview A1) admits:

> *"We don't want any mass tourism. We need to develop step by step, but in a proper way. We have to develop, but in a careful and sustainable manner. In the districts, we want the majority of hotels and restaurants to be in Timorese hands, and there should be a remarkable amount of CBT and ecotourism initiatives. In Dili, we want a couple of hotels that serve the international standards. But these should be small-scale, too – 'boutique-style'."*

To put it simply: The statement above can be seen as the status quo of a tourism strategy in Timor-Leste. This strategy is not only extremely vague; considering the outlined vision and targets, it must be allowed to ask the question: What or where are the precise initiatives, activities, laws or regulations derived from that strategy? Indeed, the study of the UNWTO & UNDP (2007)

formulates precise actions, but at the same time highlights that "the burden of funding many of the actions will fall on the Government" (UNWTO & UNDP 2007, p. 8). Needless to say that the study for the most part ended up in the drawer.

Engaging in the same area, a research team under the auspices of the *Charles Darwin University (CDU, Australia)* in 2008/2009 conducted a report on *Coastal and Marine Ecotourism Values, Issues and Opportunities on the North Coast of Timor-Leste* (EDYVANE et al. 2009a). This report was part of the *Timor-Leste Coastal / Marine Habitat Mapping for Tourism and Fisheries Development Project*.[89] The primary objective of the project was to identify coastal-marine ecotourism opportunities and management issues along the north coast. It included a natural-coastal heritage survey of the north coast, a case study on dive-based coral reef tourism,[90] and an ecotourism stakeholder workshop. This project for the first time seriously sheds light on the country's cultural and heritage resources. However, the study tends to focus on small-scale initiatives and refrains form formulating precise actions.

7.5.3 Lack of Actions / Conflicts of Objectives

The constant lack of clear actions raises the question how the obviously favored small-scale approach can get reconciled with the outlined visions in the SDP. There arise three imminent and interlinked conflicts of objectives:

- sustainable development vs. need for action,
- small-scale vs. large-scale developments, and
- foreign investment vs. local ownership.

These conflictive issues are briefly discussed in the following.

Sustainable Development vs. Need for Action

As hinted above, the emphasis on a sustainable and slow tourism development stands in sharp contrast to the high pressure on the labor market:

> *"Just take a look around. There are thousands and thousands of young people without a job. Tourism certainly is an opportunity for these people that don't have any opportunities and education, and*

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[89] This project was a joint cooperation between the NDT, the ANU, the Australian Government and the *Australian Institute of Marine Science*. In total, it consists of six reports. The overall objective of the project was to collect and analyze coastal and marine data to support coastal and marine spatial planning and the management of natural resources in Timor-Leste. The latter aspect is considered in Section 7.8.

[90] This part was elaborated by TIBIRICA (2009) as part of her Master's Thesis.

don't have access to change that yet. If not in tourism, where else should they find work in Timor? I don't see any alternatives" (OP, Sean Ferguson-Borell, Interview A3).

David Dyer (US AID / DAI, Interview E5) adds for consideration that the impact of the imminent UN withdraw might not only have a significant impact on the tourism sector (see Subsec. 7.1.1), but on the Timorese economy and the job situation in general:

"Consider the bubble economy run by the expatriate community. Maybe every bigger household employs four or five Timorese, like a housekeeper, gardener, driver, or security guard. So a lot of income is associated with these expatriate households that certainly will decrease, whether this will happen fast or slow. Thus, the economy has to grow and those dollars and jobs have to be replaced, too. And most likely they can be replaced through tourism. Why? Because with the exception of coffee, Timor doesn't produce anything in any significant quantity. It doesn't process anything; it doesn't assemble; it doesn't manufacture anything. Against this background, tourism is one of the sectors that always comes up because it has the opportunity for multiple jobs."

Recalling the fact that the young nation is vulnerable to the risk of violent turmoils in case of arising conflictive issues (Dewhurst 2008; see Subsec. 4.3.3), this situation must be understood as a possible risk for the country's stability:

"Peace and security continue with further investment in tourism, because it allows people to have jobs. It allows them to be proud people that are able to send their kids to school; that are able to improve their quality of life. But when they can't see where they can earn the next dollar from, you get problems. Then they are protesting about the basic necessities of life, which is just fair enough. But this might cause serious trouble" (ATTL, Gino Favaro, Interview C1).

Small-scale vs. Large-scale Developments

As mentioned, the NGOs and DCAs are focusing their activities on the area of CBT or ecotourism initiatives. Some of the projects even got little support from the NDT (see Fig. 20). Accordingly, tourism research in Timor-Leste thus far mainly concentrates on this area (Malta 2003; Rocha 2007; Barett & Thwaites 2010; Tolkach, King & Pearlman 2011a, 2011b). Furthermore, the media uses such projects as a trigger for their stories (Noble 2005; Oelrich 2008; Nisbet 2011). Generally, the initiatives are interpreted as stories of success or best practice models.

Without wanting to judge on the success of these initiatives, it has to be stated that even if there could be established a functioning network between all single projects, as suggested by Tolkach, King & Pearlman (2011a, 2011b), this does not help to provide sufficient employment opportunities:

"All these projects are worth honoring. But we have to be realistic in a sense that such models are not applicable throughout the entire country. A CBT project in every second village would not make any sense. And even if there was one, this wouldn't help to ease the job situation either" (AYAD / AusAid, Peter Barett, Interview E4).
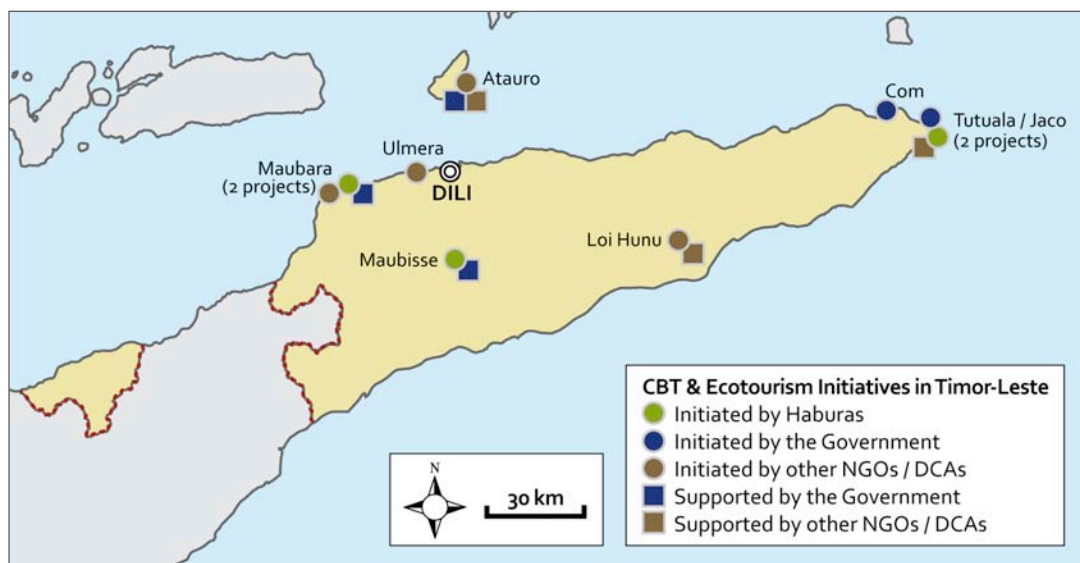
Fig. 20: CBT and Ecotourism Initiatives in Timor-Leste

Nonetheless, the report of EDYVANE et al. (2009a, p. 65) comes to the conclusion that

> "*coastal-marine ecotourism, as a labor-intensive industry, has significant potential to generate local incomes and long-term employment for coastal communities in Timor-Leste.*"

This quote again exposes the core of the problem: The report is a very good audit of the destination's resources and potentials for coastal and marine ecotourism, and it also outlines 33 strategic management issues targeting identified priorities. Pushing coastal-marine ecotourism might also benefit the coastal communities, but it is definitely not the 'labor-intensive industry' that is needed to provide a sufficient amount of job opportunities for the huge and constantly increasing number of unemployed people, especially in and around Dili. The idea that such a small-scale approach could provide sufficient opportunities is unrealistic and a wishful thinking.

Based on this awareness, it is not surprising that the arrival of large-scale developments is about to happen, as constant rumors in the media presage (CITRINOT 2010; CALACOURAS 2009; CROCK 2009). Plans for a Singaporean Hotel named *Pelican Resort* on the coast west of Dili are already on the drawboard. However, essential questions like land ownership or insurance issues still remain unsolved. In the eyes of ANN TURNER (FreeFlow Diving, Interview D1.7) the delay in is

> "*a sign that this project will not happen. But anyway, there will come other investors with big developments based on long-term leases. I think by 2030, the whole coastline east of the center of Dili will be wall-to-wall five-star resorts.*"

And HEINZ-JOSEF HEILE (GIZ, Interview E3) assents that

> "*there might be huge obstacles for investors, but I guess that if the investors arrive with a lot of cash in their hands, the Government will find a way to deal with such problems.*"

Foreign Investment vs. Local Ownership

It is quite evident that the question of small-scale or large-scale developments is also a conflict of foreign investment versus local ownership:

> "In Timor-Leste, there are some families with a lot of money. But their focus doesn't lie on tourism, they invest in oil and gas. The small people who that like to engage in tourism just don't have enough money. And the Government is already looking for foreign investment – of course. There is nothing wrong about it, but I think it somehow plays an unfair part on the local people, because they cannot compete" (Eco Discovery, Maria Noronha, D2.2).

In the SDP, the Government emphasizes the strong role of the Timorese people in future tourism development (RDTL 2011b, p.144). In contrast,

> "governmental intervention is necessary to avoid 'neo-colonialism' through tourism, i.e. tourism controlled by large foreign campaigns, which limits the income flowing to the local economy" (Tibirica; cited in Edyvane et al. 2009a, p. 77).

In fact, the Timorese Government evokes such a process by a very appealing foreign investment law that, for instance, includes tax incentives (Trade Invest Timor-Leste 2008). Considering the situation on the job market, this behavior of the Government is comprehensible. However, strangely enough questions on the imminent foreign investments fall on deaf ears at the NDT: It was not possible to elicit any statement of José Quintas, the Director of the NDT (Interview A1), who strongly adheres to the outlined small-scale strategy. Gino Favaro (ATTL, Interview C1) explains this behavior as follows:

> "Mr. Quintas is a very smart person. But he is not a Minister; in fact, as the Director of the NDT, he is just a technical person. Of course he wants to push a pure sustainable development approach, but he doesn't have to bear the brunt."

7.5.4 Key Findings: Ambitious Visions, Ambiguous Strategies – and Poor Actions

Since independence, tourism is outlined to become a major pillar of the Timorese economy. The new SDP states tourism to become the second most important economic sector despite oil and gas. Accordingly, the overall target by 2030 sees tourism "contributing substantially to national and local community income and creating jobs throughout the nation" (RDTL 2011b, p. 150). This ambitious vision is accompanied by a lack of clear strategies seeking to achieve this vision. The actual strategy can be summarized as 'focusing on small-scale initiatives'. This focus is not objectionable per se; it just does not suit to the outlined vision. Moreover, there are lacking any precise and clear actions, obviously due to the budget constraints of the NDT. Figure 21 depicts the struggling process of destination planning and development in Timor-Leste.
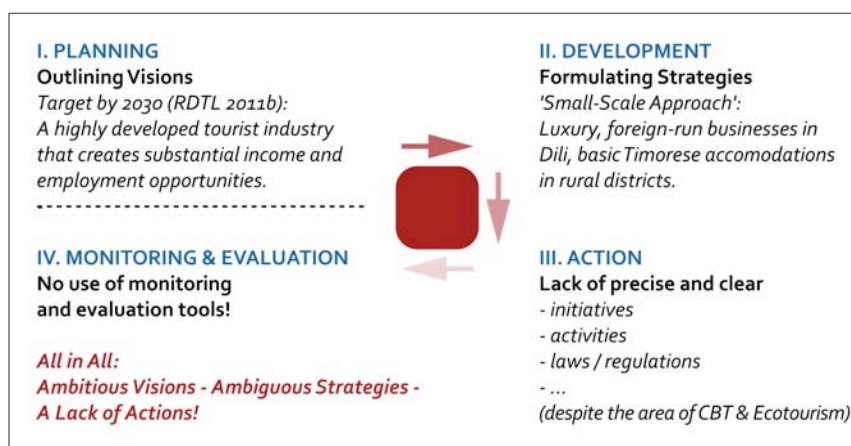
Fig. 21: The Status Quo of Destination Planning and Development in Timor-Leste

Regarding the pressure on the labor market, it seems likely that the Government seeks for foreign investments, even in the area of large-scale developments. As PETER BARETT (AYAD / AusAid, Interview E4) highlights,

> *"there is nothing wrong with large-scale developments in general, as long as they take place in appropriated areas and respect the rights of the Timorese people, for instance if a project is planned on land owned or inhabited by locals."*

Many of the interviewees raise concerns over a possible impatience of the Government that might lead to misguided developments, and therefore call for consciousness:

> *"The Government should show some patience to do things properly. I presume that they are liable to foreign investors knocking on their door. They run the risk of letting these very savvy, crafty mega-resort builders come in, although they are not yet prepared for dealing with them. In my opinion, you shouldn't marry the first guy you kiss"* (FreeFlow Diving, ANN TURNER, Interview D1.7).

Finally, it is remarkable that the NDT still endeavors to promote a small-scale approach, while large foreign developments are on the country's doorstep already. This behavior exposes a core problem detected throughout the field research: The vast majority of the destination's stakeholders understands the concept sustainable tourism still as the small-scale and niche-approach it used to be understood in its early days (see Subsec. 2.2.2). Furthermore, some of them even regard ecotourism as a "labor-intensive industry" (EDYVANE et al. 2009a, p. 65), which is just out of touch with reality.

7. 6   Destination Marketing Management

- Has sufficient marketing research been undertaken?
- What are the identified main target markets (thematic / geographical)?
- What marketing tools are pursued in Timor-Leste?
- Who is pushing these activities?
- Which image / brand gets transported to the customers? To what extent is this image / brand unique? Is there a particular, strong image of the destination Timor-Leste?
- Are there any destination products, e.g. tour packages, available?

Box 5: Key Questions: Destination Marketing Management

7.6.1 Marketing Research

> "*You shouldn't spend the first marketing dollar until you've clarified your visitor markets and their potentials" (BOATRIGHT; cited in MURDAUGH 2005, p. 31).*

Unfortunately, no in-depth research on identifying possible consumer markets based on demographic (age, income, educational level) and psychographic (interest, desire, attitudes) profiles has yet been conducted. According to the SDP (RDTL 2011b, p. 142), there should be targeted various markets that can get attributed to the so-called responsible and green traveller markets (see Subsec. 2.2.1), such as marine tourism or religious and pilgrimage tourism.

Quite similar, the UNWTO & UNDP (2007, p. 39) state that

> "*diving, snorkeling and other forms of marine and coastal tourism (traditional sun and sand) based on Timor-Leste's coral reefs and diverse aquatic life, are the core tourism assets, on which to focus tourism marketing. [...] Given the available attractions and activities, the main market for Timor-Leste tourism is adventure and dive tourism.*"

Australia is acknowledged to be the future core source market, in addition of the growing markets of Singapore and Malaysia (UNWTO 2011). In the long-term, also China might play a significant role, as for instance SEAN FERGUSON-BORELL (OP, Interview A3) predicts:

> "*We have more and more Chinese that invest in the oil and gas sector as well as in the building industry. I think once they start to invest in hotels, there might come a lot of Chinese tourists, too. Of course, there needs to be a good air connection by then.*"

In regard of the lack of marketing research, it seems likely that there does not exist a specific marketing strategy including precisely outlined activities or tools. Hence, the situation of destination marketing is quite similar to the one of destination planning and development elaborated above: There exists a basic idea of which markets should be targeted, but clear strategies and

activities are lacking. However, the NDT tries to bring forward various marketing activities, while the private entrepreneurs, if interested in marketing at all, pursue to market their business and not the destination as a whole. Due to the poor cooperation of the destination's stakeholders (see Sec. 7.2), there does not exist a collaborative approach on destination marketing.

In the following the focus lies on presenting the NDT's marketing activities, always bearing in mind the question: Are these activities sufficient to establish a unique image or brand?

7.6.2 Marketing Tools / Activities

Trade Fairs

Right after independence, the Timorese officials focused on trying to put the country's name on the map of international tourism, and therefore also sought assistance from the UNWTO and PATA (see 7.5.1). Changing the image of the country and rendering it visible on the international scene became priorities at the time:

> "*The Government was heavily trying to change the public's perception of Timor-Leste from that of a war-zone to a holiday destination; because after independence, the approach was to downplay the bad reputation the country had, and this is why the history in terms of tourism promotion was somehow neglected. But this happenend quite deliberately so to say: Look, we are the world's newest nation, just screw the history, the past doesn't matter*" (FreeFlow Diving, ANN TURNER, 1.7)**.**

One of the first actions undertaken was the presentation at several trade fairs, for instance at the *PATA Travel Mart* in Singapore in 2003. Since then, the Government managed to present the country at a variety of trade fairs in Asia, Australia and even Europe. This was made possible due to occasional assistance by the ATTL, as well as the support by international donors.[91] Trade fairs attended are:

- Darwin Travel Expo (Darwin, Australia; 2001),
- PATA Travel Mart
  (various venues in Southeast Asia; participated almost every year year since 2003),
- ITB (Berlin, Germany; 2006),
- Beijing International Tourism Expo (Beijing, China; 2007),
- International Ecotourism Exhibition and Award Tourism Conference
  (Nanchang, China; 2007),

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[91] For instance, the first participation at the *PATA Travel Mart* in Singapore was made possible by the aid of the Government of Macau (BOEY 2006; cited in FRIESE 2006, p. 47).

- ADEX Dive Expo (Singapore; 2008),
- Shanghai International Expo (Shanghai, China; 2010), and
- Tourism Fair BTL (Lisbon, Portugal; 2010).

As already mentioned, the emphasis on attending trade fairs remains controversial. It is criticized that the Government focuses on marketing activities instead of planning and developing the destination at first. Indeed, this focus on marketing raises an interesting question: *How* does the NDT present the destination Timor-Leste – a destination that is still at a grassroots level? Which tools are in use? What kind of image gets transported to the customers?

Printed Materials

Thus far, the only printed giveaways provided by the NDT are small brochures (see Fig. A1 in the appendix).[92] Equipped with the *Turismo de Timor-Leste* logo, they may look attracting. The problem is, again, that these leaflets only focus on presenting the potential of the destination Timor-Leste, but not the destination itself:

> "*Timor-Leste has significant potential for growth. Our unspoiled beaches, rich history and spectacular landscapes have already begun to draw small numbers of travellers. [...] Our country has a unique opportunity to build a tourism sector, respecting the social and environmental integrity of the country whilst making a significant contribution to its development" (MDE 2004).*

Obviously, these words try to target the customer markets outlined above. However, recalling the comprehension that "destination and product are [...] identical" (KELLER 2000; cited in MANENTE & MINGHETTI 2005, p. 229), the absence of an integrated destination product that could target the customers directly leads to a harsh conclusion: The NDT does not try to promote the *destination* Timor-Leste, it promotes the *country* Timor-Leste.

The few printed materials that are in circulation use the slogan *The World's Newest Nation* (see Fig. A1). Despite the fact that Timor-Leste indeed is not the newest nation anymore,[93] this slogan confirms the conclusion drawn before: In this vain, it may be possible to attract attention. Without having any destination product to offer, however, the initial attention is mostly worthless – with the exception of individual travellers (backpackers), that come on their own and also create their destination product on their own.

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[92] The brochures were developed in 2004 with the support of IPAD, but are still in circulation today. By this time, the Government's tourism department was connected to the *Ministry of Development and Environment* in the *State Secretary of Tourism, Environment and Investment* (see Subsec. 7.2.1).

[93] Consider, for instance, Montenegro (independent since 2006).

Tourism Information Centers

Without visiting any of the trade fairs, it is virtually impossible to pick up some of the brochures in any foreign place. But even in Timor-Leste, searching for information is challenging due to the fact that a tourist information center is still lacking. Occasionally, some of the material is given to a couple of bigger bars and restaurants. All in all, collecting information on location requires a lot of own initiative and inquiring.

Website

The NDT thus far never had a convenient and informative website.[94]

> *"Over the years, we made various attempts to set up a functioning homepage. We've got some help from international experts a couple of times, but once they are gone, it is difficult for us to maintain the site" (NDT, José Quintas, Interview A1).*

Since January 2011, the site is even completely offline, due to "some technical problems". Considering the fact that "today, the World Wide Web has surpassed all other media conduits as the consumer's most popular source for travel news and information" (Murdaugh 2005, p. 40), the absence of a convenient internet presence is of consequence with regard to a sustainable marketing of the destination. The few websites of the private entrepreneurs can neither be denoted to be state-of-the-art. Currently, the most convenient website for collecting travel information about Timor-Leste is the one of Jim Richards (World Hotel Link Timor-Leste / Jim's Getaway Travel, Interview D1.8),[95] who decries this circumstance:

> *"You have to consider the objective of our project: It is to unite all sort of accommodation all over the country. We focus on the hotels. Of course, we want to be the number one platform for bookings in Timor-Leste, and therefore provide some additional information, too. Nonetheless, there should be another website providing general, but essential information on traveling to Timor-Leste."*

Alliances

Being asked on possible marketing alliances, for instance with the *Nusa Tenggara Timor Tourism Department (NTT)*, whose headquater is located in Kupang (West Timor), José Quintas (NDT, Interview A1) reacts defensively. He admits that thus far there "does not exist any exchange of information". Heinz-Josef Heile (GIZ, Interview E3) sees the reason for this fending behavior in the country's history:

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[94] The NDT's website is *www.turismotimorleste.com*.

[95] *www.timorleste-hotels.com*

> *"In my opinion, the Timorese want to prove that they are able to develop their country on their own. They might not have such a behavior towards Australia or Malaysia, but towards Indonesia, as the former occupier, they certainly have this state of mind."*

International Events

The engagement of the OP in terms of promoting various international events has already been outlined in Subsection 7.2.2. Their role as a successful marketing tool is generally acknowledged by the destination's stakeholders:

> *"The events help us to show the beauty of the country to the rest of the world. People for the first time recognize Timor-Leste as a beautiful island, and not as a place of trouble" (Timor Tour & Travel, ADUR-RAHMAN SOEWARJO, Interview D3.1).*

However, MARIA NORONHA (Eco Discovery, Interview D2.2) puts into consideration that the events

> *"impact a lot on our image in the rest of the world. [...] But as these events have no sustainable bene-fit for the local economy, I don't see them as an important thing happening to Timor. And it did not have any real benefit for the tourism industry, as well: Eco Discovery is one of the two major tour operators in this country – and we did not have any business related to these events."*

Media Coverage and Public Relations

The events help the country to get positive international media coverage, especially in Aus-tralia.[96] ANN TURNER (FreeFlow Diving, Interview D1.7) perceives that the reporting recently has motivated a lot of Australians to visit their neighboring country:

> *"What we have seen was that 2010 has been the year of the Australian tourists. I'm sure that this is due to the media coverage of the events, and also because of the financial crisis: Mainly Australians now prefer to travel regionally, because they can't afford to go Europe. Guess what: Timor-Leste is a little bit of Europe in Asia and it's right on their doorstep. This is another reason why we should work more on developing and promoting our cultural resources."*

Despite the coverage of the events, there is a constantly increasing number of articles on Timor-Leste as a travel destination (see Chap. 1). Over again, these articles tend to present the country itself as the new 'place-to-be' "before the crowds arrive" (O'NEIL 2011).

Currently, there is no person at the NDT that is solely responsible for public relations with journalists that are active in the target markets, neither thematically (ecotourism, dive tourism, etc.), nor geographically (Australia, Singapore, etc.) (UNWTO & UNDP 2007, p. 43).

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[96] See, among others, GOSFORD (2009).

7.6.3 Key Findings: Marketing the Country, not the Destination

An in-depth research on identifying possible target markets is still lacking. While the emerging markets of green and responsible travellers are acknowledged to be the main thematic target markets, Australia, Singapore and Malaysia are the ones from a geographical perspective.

Due to the poor cooperation among the destination's stakeholders (see Sec. 7.2), there does not exist a collaborative approach on destination marketing. The public authorities (NDT and OP) focus their initiatives on attending trade fairs and promoting international events, while the use of other tools like printed materials or web marketing remains poor. This emphasis leads to a paradox: It is tried to put the country's name on the international map of tourism, but the country is promoted, and not the destination. An integrated product that could be offered to interested customers is still lacking.

The existing tools use the approach of presenting Timor-Leste as *The World's Newest Nation*. This slogan is not only outdated, it only helps to transport a catchy image of the destination in the short-term. Furthermore, considering the absence of a destination product, such an image is only useful to attract backpackers that are curious to arrive before the masses.

Over again, there lies a focus on presenting the countries natural beauty (sea, sun, sand) instead of concentrating on what really is Timor-Leste's competitive advantage: Its culture and history.

All in all, there needs to be put into question why the public authorities try to proceed to the second step of marketing before they adequately finished the first one of developing and planning the destination. However, one needs to keep in mind that the promotion efforts are "not only for tourists, but also for investors" (NDT, José Quintas, Interview A1) – but investors also seek for more information going beyond a general introduction to the countries tourism resources and potentials, such as information on tax incentives, land lease, etc.

7. 7   Human Resource Development

- Are there any colleges / schools offering tourism management or hospitality courses?
- Do there exist partnerships / exchange programs with foreign colleges / schools?
- On which jobs does the education focus (low / high-skill)?
- How high is the chance for alumni of finding a job within the tourism sector?
- How are the working conditions (payment, labor rights)?

Box 6: Key Questions: Human Resource Development

7.7.1 Employment in Timor-Leste's Tourism Sector

The only study on *direct employment* in Timor-Leste's tourism sector was extrapolated using few data compiled by the ATTL and the NDT. Direct employment in November 2006 was estimated to be as high as 1,638 (see Tab. 10).

Highly debatable is the fact that the category *Skill / Semi-Skill* is not described any further. Therefore, it remains unclear what kind of education or training employees of this category received.

The number of 1,435 staff in the hotel sector presents remarkable 88% of all employees in the tourism sector, but this high percentage may relate to the high number of expatriates living in condominium-style hotels (see Subsec. 7.1.3).

Area	Total	Level of Managers	Level of Supervisors	Skill / Semi-Skill	Others
NDT	12	4	3	3	2
Education & Training	26	2	5	19	0
Hotels	1,435	86	158	789	402
Restaurants	103	36	0	36	31
Tour and Travel	50	10	0	20	20
Souvenir Shops	12	0	0	6	6
Total	**1,638**	**138**	**166**	**873**	**461**

Tab. 10: Estimated Direct Employment in Timor-Leste's Tourism Sector
(UNWTO & UNDP 2007, p. 47)

It has to be remarked that these numbers do not provide any information about the quality of employment. Neither the working conditions (working hours, salaries), nor the question of full-time and year-round employment, respectively part-time and / or seasonal work, are tackled.

The official minimum wage for a full-time position in Timor-Leste is as high as 120 US$ per month. Most of the interviewed entrepreneurs estimate it to be generally lower in reality, although most of them affirmed paying this minimum wage and making efforts to employ their workers full-time and not only on seasonal or occasional basis.

There is no data available on indirect employment connected to business activities in the tourism sector, i.e. the *linkages* tourism development stimulates (see Subsec. 2.2.2). Based on the fact that despite some sorts of fruits and vegetables nothing is produced inside Timor-Leste and almost all goods need to be imported, it is argued that the *indirect employment* of tourism activities is quite low, maybe with exception of the so-called *tourism front liners* (taxi drivers, airport personnel, shopkeepers).

The study also does not provide any information on *ownership structures* of the businesses, or the ratio of foreign to local employees respectively. Based on the author's perception during the field research in Timor-Leste and the information provided by the interviewees, it can be stated that – with the exception of a few family-owned homestay-places and restaurants in the local villages – the control of hotels, restaurants and most other types of tourism enterprises in Timor-Leste is largely in foreign hands or owned by well-heeled Timorese repatriates that cannot be considered pure Timorese in this context. However, many of the Chinese, Australian and Portuguese investors are long-time residents that hold dual citizenship. While the management level is dominated by Australian or Portuguese expatriates, the supervisory or technical positions are performed by other groups of foreigners, mostly immigrants from other countries in Southeast Asia. Timorese virtually only hold low-skilled positions. Without neglecting the fact that foreigners and repatriates certainly have better financial conditions to engage in tourism, a lack of human resources is not only complained by all interviewees, but also obvious while traveling (as a 'westernized' customer) throughout the country.

7.7.2 Urgent Need for Improvements

Almost every interviewee consulted complained about the lack of human resources in tourism:[97]

> *"One of the biggest obstacles for tourism development is definitely the poor local capacity to deliver hospitality, hotel services or tourism activities. There hasn't been developed any form of 'hospitality culture' yet, even in the most swankiest, most expansive and up-market hotels in Dili. Delivering real hospitality is one of the biggest challenges here"* (AYAD / AusAid, PETER BARETT, Interview E4).

In theory, the staff in Timor-Leste needs to speak four languages: English, Portuguese, Tetum, and Bahasa (see Sec. 4.2), which is almost impossible for young Timorese as the educational system is still in its set-up period (NICOLAI 2006).

There is not only a lack of human resources at the level of lower-skilled jobs, even at the public authorities (i.e. the NDT), like the following extract of the author's diary of the field research in Timor-Leste indicates:

> *"I tried to call the NDT this morning to ask for a meeting with the National Director of Tourism, but the lady on the phone only responded in Tetum, which for me was too hard to understand. I decided to pay a visit to the office in the afternoon. Surprisingly, I got big difficulties to express my request at the office, too, because no one – four or five people were milling around the office – could speak any proper English or Portuguese. Luckily some businessman gave me the Director's mobile number in the afternoon so that I could contact him personally"* [January 26, 2011].

The language difficulties are certainly a major obstacle at the NDT. However, the UNWTO & UNDP (2007, p. 24) also challenged the technical knowledge of the NDT's staff. By this time, only half of the office's staff held an academic degree, mostly from Indonesian universities.

7.7.3 Tourism Education and Training Institutions

Since independence, several national and international institutions and organizations challenged the poor state of human resources by implementing various courses in the field of tourism education and training. However, the majority of the courses were nonrecurring initiatives or only take place occasionally (mainly depending on the situation of funding). Thus, the overall capacity of apprenticeships is limited.

At the stage of the field research, the following institutions offered courses on a regular basis:[98]

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[97] In 2006, the *Dili Institute of Technology (DIT)* conducted a survey of the situation of human resources in hotels and restaurants by questioning the entrepreneurs. Despite several inquiries, both on location and per email, it was not possible to receive the results of the survey.

[98] Please note the list of acronyms and abbreviations prior to the main body of text.

- CTID (Baucau),
- ETP (Venilale), and
- ETDA (Dili + courses in the rural districts).

All the courses run by these institutions tend to focus on practical knowledge in the area of hotel and restaurant services. As the content of the courses offered is quite similar, there is shed light on the course at the CTID as a typical example.

Case Study: The CTID in Baucau

The CTID was founded around independence and is run by the *Canossian Sisters*.[99] Besides other courses, mainly in the area of domestic management, a hotel- and restaurant management course was implemented in 2004 with the major objective to prepare graduates for the day-to-day hotel and restaurant activities. Over the years, the length of the course increased from three month (2004) to ten months (2010 and 2011), latterly including three months of internship in a hotel or restaurant.

The course caters to 20 to 30 students per year, which have to apply for the training positions. The monthly fees are 10 US$ per student, plus the costs for the obligatory school uniforms. The college gets occasional funding from the Government and is currently seeking to get approved as an official public vocational training centre. In addition, DCAs occasionally provide technical assistance. As the CTID is in hand of an order, it is only open to female students, while the other institutes mentioned above also receive male students.

The course encompasses six areas of activity:

- front office (reception desk and reservations),
- food service,
- food production (cooking),
- housekeeping,
- laundry, and
- bar.

In addition, there are given language courses in English and Portuguese, as well as basic training in computer handling. Many of the destination's stakeholders criticize the emphasis on cleaning, cooking and serving:

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[99] In Timor-Leste it is common that education and training centers are in hand of religious orders.

> *"In my opinion, all these courses focus very much on hospitality training, but not on real tourism activities. I have the impression that a lot of people at the Government don't really understand the difference. Tourism is all about activities, it's not just about where you sleep. In fact, that's sometimes one of the least important things. Some people live to eat, some people eat to live. We need Timorese that can swim, that know how to drive properly. They don't know how to sail, or windsurf, or how to rock-climb. We need to educate them for activities, and not only for services"* (FreeFlow Diving, Ann Turner, Interview D1.7).

Other interviewees claim for education on a management level as well:

> *"In Timor-Leste, you can find soldiers and a generals, but there are no lieutenants: If one of the few rich Timorese businessmen invests in tourism, he would be a general. And all the staff in the restaurant, bar, housekeeping – these would be the soldiers. But what we really need in this country are Timorese lieutenants, graduates that are capable of managing a hotel – or a least the sections of a big hotel, like the restaurant or the reception desk. We need Timorese managers"* (Hotel Timor, Tiago Barrata, Interview D1.10).

As a first reaction, the MTCI latterly send six scholarship students to study tourism management at the *University of Estoril* in Portugal (MTCI 2011). This might be a first step to provide higher tourism education to a few Timorese, even though in a foreign country.

The quality of the courses in Timor-Leste is still fairly limited, as "these schools do not turn out graduates that are employable" (US AID / DAI, David Dyer, Interview E5). However, this circumstance not only relates to the quality of the courses but even more to the poor level of education in general (Nicolai 2006, p. 24). Or, to phrase it differently: How should it be possible for the participants to compensate their learning deprivation in only a year? Additionally, it has to be mentioned that the destination's stakeholders, although being highly critical, generally honor the efforts made:

> *"Considering the lack of resources, even of hardware such as kitchen equipment, the schools are doing a fantastic job. The students that come to Dili for their internships are blossoming up. The initiatives are very important for the self-development of the people, they gain a lot of self-confidence"* (ATTL, Gino Favaro, Interview C1).

On-The-Job Training

However, against the background of the absence of a certain educational standard, it seems likely that on-the-job-training is the only possibility to qualify personnel for any further duties and responsibilities:

> *"We have trained all our staff on our own, because their educational background is various. None of them had a higher education or any experience in the tourism sector"* (Eco Discovery, Maria Noronha, Interview D2.2).

In regard to the participants of any of the tourism courses, Tiago Barrata, the Manager of the upscale Hotel Timor (Interview D1.10) points out that

> *"the problem is that the young people that come here do not have an idea of any international standard of serving or attending our clients, even if they ran through one of these courses. The courses don't have any standard, that is what we keep on complaining."*

7.7.4 Key Findings: Towards a Generation of Waiters and Cleaners?

A general lack of human resources in tourism is acknowledged by all of the destination's stakeholders.

The overall estimated direct employment in the tourism sector currently performs at a low level. Thus, tourism cannot be referred to as a remarkable job generating sector. However, by trend it can be stated that Timorese virtually only hold low-skilled positions, while the companies are in foreign hands, or at least owned by Timorese repatriates that, for the most part, return from Australia.

Once more recalling the SDP, the tourism sector is supposed to become a major future employer in Timor-Leste (RDTL 2011b, pp. 142-152). As the sector nowadays is still in the fledgling stages, the current demand for specially skilled personnel is still very low, as it is the capacity of apprenticeships in this area:

> *"It's sort of a 'chicken and an egg situation': Without tourists it's hard to train properly, but without training and proper services, more tourists don't really want to come"* (OP, Sᴇᴀɴ Fᴇʀɢᴜꜱᴏɴ-Bᴏʀᴇʟʟ, Interview A3).

However, some institutions are already engaged in the field of tourism and hospitality training. These courses mainly focus on activities that are generally referred to as low-skilled jobs, like serving or housekeeping. These initiatives, which are mainly run by religious orders or national NGOs, generally get honored by the destination's stakeholders. Nonetheless, it is criticized that the courses do not meet a certain standard and do not generate graduates that are employable. Moreover, the stakeholders demand courses that also concentrate on the area of tourism activities, like rock-climbing or sailing, or even more basic requirements like driving skills, instead of focusing mainly on cleaning and serving.

While the stakeholders inquire for structural improvements of the courses, the young people first and foremost request an increase in the number of apprenticeship, even if their future prospects appear limited at the moment.

Considering the imminent arrival of foreign large-scale investments (see Subsec. 7.5.3), many of the interviewees raise concerns over the future chances of the Timorese people, and

"presume that most of the people will end up cleaning the toilets in foreign-owned hotels. That's something I don't want to see happening, but under the actual conditions I suspect it will happen! Well, if you got 250 toilets to clean I guess it's employment, but... I want to see the Timorese on the front desk, I want to see them running the hotels – for my sake some foreigners may own them, but the Timorese should run them!" (FreeFlow Diving, ANN TURNER, D1.7).

SEAN FERGUSON-BORELL (OP, Interview A3) also spreads pessimism:

"Once you start getting vibrant young people engaging in tourism that are capable of managing their own people, then you are really going to start some action. But except of small community-run places I don't expect that to happen" (OP, SEAN FERGUSON-BORELL, Interview A3).

7. 8   Environmental Management

- How important are environmental issues on a social and political level?
- How can the relation between tourism use / development and environmental issues be described? Are there any latent conflicts of objectives?
- Which tools and techniques of environmental management are already in use
  (e.g. protected areas, special laws, visitor management techniques, EIA)?
- Which internal tools / techniques do tourism service providers use
  (e.g. own water sanitation systems, solar panels)?

Box 7: Key Questions: Environmental Management

7.8.1 Environmental Issues in Timor-Leste

Timor-Leste does not have any laws yet that apply to environmental issues. Under the constitution of Timor-Leste, it is only stated that the laws introduced during Indonesian times (prior to 1999) shall apply in Timor-Leste as well, as long as they do not conflict with human rights issues (XIMENES 2011, p. 3). Furthermore, protection of the environment, preservation of natural resources and safeguarding of sustainable livelihoods are guaranteed under the constitution, although "with almost no more details than that" (CABASSET-SEMEDO 2009, p. 215). Despite lacking applicable laws, the engagement of various NGOs, DCAs and UN Agencies (mainly the UNDP) has resulted in a a remarkable commitment by the Government in order to maintain the country's natural richness (TRAINOR 2008, p. 32).

Nonetheless, it seems likely that almost all facets of protected area management, planning and administration need to be developed from scratch. Based on a protected area law outlined during the UNTAET, the Timorese Government is now taking the opportunity to develop perma-

nent areas of protection. Hence, priority sites have been identified. As various studies have shown, there is a concentration of rich sites for wildlife in the extreme east of Timor-Leste. In 2007, the Government declared this area as the *Nino Konis Santana National Park*,[100] covering 123,590 ha, including 67,930 ha of terrestrial habitat, and 55,660 ha of marine habitat (see Fig. 22) (Trainor et al. 2008, pp. 34-35).
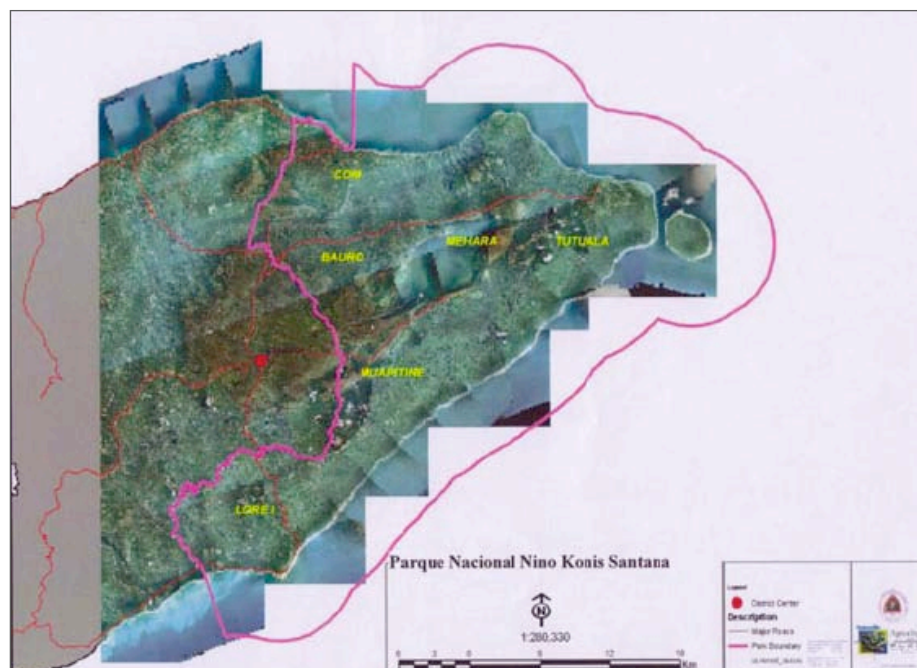
Fig. 22: Boundaries of the Nino Konis Santana National Park (including Marine Park)
(Edyvane et al. 2009b, p. 32)

However, efficient park management structures are still lacking, as the study of Edyvane et al. (2009b) highlights. Accordingly, there are no such things as visitor management techniques for the tourists that come to visit Tutuala with its two CBT / ecotourism initiatives (see Fig. 20), with the exception of fees tourists have to pay for the boat charter to the opposite Jaco island. However, it remains unclear if these fees are exclusively used for means of nature conservation, or if they directly support the local community.

The study of Edyvane et al. (2009b) also exposes further key management and planning issues, but over again their implementation is a long time coming mainly due to the Government's budget constraints. Another reason for this delay are inefficient structures of duties and responsibilities within the Government:

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[100] *Nino Konis Santana* has been one of the major resistance leaders during the Indonesian occupation.

> *"Making significant progress is not that easy, because it is very difficult to coordinate between the different ministries that all have their own busy schedule – and so many ministries or other departments of the Government are relevant in terms of biodiversity and nature conservation. They basically all follow the same objectives. You can segregate their scopes on a conceptual level, but in practice it is always overlapping" (UNDP, Tessa Koppert, Interview E6).*[101]

Despite the exchange with the Government as part of their environmental advocacy work, the country's most influential NGO, *Haburas*, also concentrates on the area of environmental education. Furthermore, they are involved in small-scale initiatives, such as projects on sustainable community fishing, or the mentioned CBT projects.

The UNDP is currently focusing their work on a *National Biodiversity Strategy and Action Plan (NBSAP)*. This project includes a stock-taking of the biological resources in Timor-Leste in order to finally set up a database containing information on all sorts of biodiversity in Timor-Leste. Based on this database, recommendations on further actions and activities in terms of nature conservation for the Government shall be derived.

Another focus of the Government lies on the improvement of the fresh water supply, primarily in rural areas, as a lack of water in the dry season is considered to be the most important environmental constraint for the whole country (Ximenes 2011, p. 4).

All in all, this small selection of areas of activity proves that there has been an emphasis on environmental management issues since independence. Initiated by NGOs, DCAs and UN Agencies, the Government jumped on the environmental bandwagon.[102] This commitment helped to raise the awareness of the Timorese people, who, according to the vast majority of the interviewees and the author's observations during the field research, have a basic understanding of the importance of vital natural resources for the country's future development.

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[101] Indeed, for the majority of issues at least two ministries are relevant: The *Ministry of Agriculture and Fisheries (Ministério de Agricultura e Pescas)*, and the *Ministry of Economy and Development (Minstério de Economia e Desenvolvimento)*.

[102] As this Section focusses on environmental issues related to tourism development, no more information on general projects and initiatives can be given at this stage. For more details see McWilliam (2003, 2007), Grantham et al. (2010), Edyvane et al. (2009a, 2009b), all containing a wide range of further references. Also consider the website of the UNDP in Timor-Leste: *www.tl.undp.org*.

7.8.2 Tourism and Environmental Issues

Against the background of the early stage of development of Timor Leste's tourism sector (see Subsec. 7.1.1 & 7.1.3), typical conflicts of objectives between environmental protection and the development of tourism (see Tab. 2) are not as exigent as in many other destinations around the globe. Of course, in Dili, which is dominated by a range of bigger hotels, there occur problems that are somehow typical for capital cities in DCs and LDCs; for instance air pollution, insufficient sewage systems or a poor waste management. However, these problems are generally considered a result of the unplanned growth of the city in recent years, and not exclusively related to the slowly increasing tourism sector (XIMENES 2011).

Nonetheless, the various CBT and ecotourism initiatives throughout the country (see Fig. 20) try to place emphasis on the fact that tourism is not beneficial per se, but rather bears risks as well – especially with regard to its possible ecological impacts. DEMETRIO DO AMARAL DE CARVALHO, (Haburas, Interview E7) hopes that the projects help to raise the awareness that

> *"the development of tourism is a tightrope walk. Of course, you need natural resources to offer tourist activities, but it is very easy to destroy them rapidly."*

The various initiatives try to lead the way by implementing own integrated recycle systems (see Fig. A2 in the appendix), composting toilets, or by only using regionally produced commodities and solar energy.

However, up to now, these efforts in general did not rub off on the entrepreneurs running the larger hotels and restaurants in Dili, with the exception of an independent energy supply, as some companies installed solar panels recently.

The imminent arrival of foreign large-scale investments (see Subsec. 7.5.3) raises the question of whether environmental issues will be adequately considered throughout the entire process of planning and building. Officially, "a precise EIA is mandatory for all bigger building projects" (NDT, JOSÉ QUINTAS, Interview A1). However, a precise formulated law on EIA is still in discussion and therefore waiting for approval by the Council of Ministers. The draft suggests an EIA process that includes an EIA impact statement (prospected impacts of the building activity), as well as an EIA management plan (calculated impacts for a period of 20 years, specifications on how these impacts will be managed) (LAO HAMUTUK 2011). It is highly criticized that the final decision to approve or reject a development proposal shall be up to a responsible Minister only, and therefore the whole process would lack public participation and transparency. As examples from

the energy sector have recently shown, the issue of an appropriate EIA bears a lot of potential for future conflicts (Teixeira 2010).

Yet again, the destination's stakeholders suspect impatience and non-transparency on the part of the Government, all the more as the majority identifies the country's natural resources to form the basis of future tourism development in Timor-Leste:

> *"If environmental assessments are not taken seriously, the development will harm and destroy the country's characteristics. That is the worst case scenario. The biggest risk here is killing the goose that lays the golden egg" (FreeFlow Diving, Ann Turner, Interview D1.7).*

7.8.3 Key Findings: Tourism and Environment – Yet a Peaceful Relation

Due to the engagement of various NGOs, DCAs and UN Agencies since independence, the Government put serious emphasis on environmental issues. This commitment also helped to raise an ecological awareness of the Timorese people. Nonetheless, almost all facets of environmental management, such as the designation and management of protected areas or a well-grounded EIA of proposed buildings activities, are still in its infancy.

At present, this is not an awkward circumstance: As a result of the early stage of tourism development, typical conflicts of objectives between tourism and the environment did not come up yet; also due the fact that the current activities in the area of CBT and ecotourism place great emphasis on environmental issues.

Considering the large-scale foreign investments that are on the country's doorstep already (see Subsec. 7.5.3), concerns have been raised that the Government could be impatient and therefore might neglect taking sufficient care of possible environmental impacts.

Against this background, it seems likely that the smooth relationship between tourism and environment will change as soon as larger development projects strive to start.

8   Summary of Findings (SWOT Matrix)

The following matrix summarizes strengths, weaknesses, opportunities and threats (SWOT) of / for the current status of sustainable destination management in Timor-Leste. In each of these four classes, the results are ordered according to the five subcategories of sustainable destination management:

- organization of destination management (ODM),
- destination planning and development (DPD),
- destination marketing management (DMM),
- human resource development (HRD), and
- environmental management (EM).

In order to provide a comprehensive understanding, the major findings with regard to the *basic conditions (BCs)* of tourism development in Timor-Leste are also briefly mentioned within the matrix.

Based on this summary, it is possible to finally draw conclusions and derive recommendations in the following Chapters 9 and 10.

	+++ Strengths +++	--- Weaknesses ---
BCs	• slowly increasing demand (visitor numbers) • mix of resources / potential: natural resources and cultural / heritage resources	• poor infrastructure (general and tourism infrastructure) • limited accessibility • high level of prices • focus on / dependency on expatriates

ODM	• possibility for various communities / villages to participate in CBT & ecotourism projects
	• awareness of the unacceptable situation at the NDT
		• no (emerging) DMO structure
		• weak institutions / organizations:
		  ○ NDT: lack of resources
		  ○ OP: exclusive focus on events
		  ○ no active tourism association
		• poor cooperation / low interest:
		  ○ entrepreneurs focus on expatriates, not on tourists (short-term thinking)
		  ○ everyone on his own, fractious industry
		• no share of information, no monitoring
		• all in all:
		  ○ no sense of being a destination
		  ○ poor cooperation is a major obstacle for the tasks in the other four areas

DPD	• remarkable efforts in the area of CBT and ecotourism • awareness that tourism is one of the few promising economic activities • basic understanding of the principles of the concept of sustainable development among all destination stakeholders	• lack of strategies and actions to achieve the high-flying targets → huge discrepancy between visions and actions undertaken so far • regarding sustainable tourism as a small-scale concept
DMM	• constantly attending international trade fairs put the country's name on the international map of tourism • appealing to independent travelers (backpackers)	• lack of in-depth research on promising target markets • no integrated destination product → marketing the country, not the destination • focus on '3 S' (sea, sun and sand) • no sustainable image / brand
HRD	• courses help the participants to develop their personality and to gain confidence	• lack of human resources at all levels • limited number of apprenticeships for the few courses • courses focus on low-skill jobs only • courses do not generate employable graduates → on-the-job training is still required • no certain standards of education / training • generally bad prospects for graduates of the courses
EM	• in general: high awareness of the importance of vital natural resources, both within the society and on a political level • tourism development and environmental protection at present are no conflictive issues • CBT and ecotourism projects put high emphasis on environmental aspects	• tools and techniques of EM are still in the development stages (EIA, protected areas)

	+++ Opportunities +++	--- Threats ---
BCs	• promising future source markets: Singapore, Malaysia, maybe China → dependent on air connections	• fragile security situation • unexpected high impact of the imminent UN withdraw on the tourism sector
ODM	• manageable range of destinations stake-holders → new attempts to unite stakehold-ers might be auspicious	• increasing ruthlessness if the tourism sector continues growing and new competitors enter the market

DPD	• visions of the SDP pledge the Government to sooner or later get into any serious action
	• shift the focus to cultural / heritage resources (uniqueness / competitive advantage)
		• rising conflicts of objectives:
		  ○ sustainable development vs. need for action (high unemployment!)
		  ○ small-scale vs. large-scale developments
		  ○ foreign investment vs. local ownership

DMM	• same as in terms of DPD: shift the focus to cultural / heritage resources (uniqueness / competitive advantage) • alliances with neighboring destinations that also perform on a low level (e.g. West Timor)	• any longer marketing the country without developing any product any longer might finally disappoint potential customers
HRM	• a couple of new (foreign) investments with strict legislations in terms of the amount of Timorese employees, their salaries, etc. • implementing certain standards and improving the cooperation between the courses' contents and the entrepreneurs' needs	• creation of a 'generation of waiters and cleaners' • no chances for Timorese graduates on the labor market due to influx of (better educated) international workers
EM	• tourism development could help to facilitate the establishment of tools and techniques of EM, for instance by local taxes, entrance fees to protected areas, etc.	• rising conflicts of objectives between tourism use and environmental protection

Tab. 11: Findings of the Analysis (SWOT Matrix)

9   Conclusions

The findings of the extensive analysis enable to draw final conclusions with regard to the study's research objectives (see Sec. 1.1). In the first place, it is possible to illuminate the actual state of sustainable destination management in Timor-Leste, while also challenging the applied research methodology and formulating issues for further research. After these explanations, there can be given an outlook regarding the future of tourism development in Timor-Leste, following the question: Based on the status quo, what is likely to happen within the next years?

9. 1   Status Quo of Sustainable Destination Management in Timor-Leste

The definition that

> "the destination can be defined [...] as a tourist product and then as a specific supply involving a set of resources, activities and actors of a territory" (MANENTE & MINGHETTI 2005, p. 230)

already detects significant drawbacks, as there cannot be found any integrated destination product jointly developed and marketed by the destination's stakeholders in Timor-Leste. The major reason for this absence lies in the poor cooperation between the actors. The NDT at least tries to act as a coordinating body. However, their financial and human resources are far away from being sufficient to fulfill the manifold tasks and responsibilities of a typical DMO. For several years the ATTL, the most active of the various and splintered tourism associations, could at least partly fill this huge gap. Since the organization ceased to exist in early 2008, no active advocacy group is likely to come up the horizon. Despite the fact that the tourism entrepreneurs still are splintered in anglophone and lusophone contingents, the establishment of a new and vital tourism association is also hampered by a lack of interest of many of the destination's entrepreneurs, as the majority of them tends to focus on the large community of expatriates, and thus cannot even be named tourism entrepreneurs or tourism service operators.

Nonetheless, the Government puts a huge emphasis on the development of the tourism sector – at least on paper: In its SDP tourism is stated to become the country's second most important economic sector, creating plenty of jobs in Dili as well as in the rural districts. This vision is foiled by a lack of clear strategies and actions in reality. Only in the area of CBT and ecotourism projects a remarkable progress can be observed, since it receives support from the Government, but also from national and international NGOs and DCAs. Considering the high-flying targets,

however, the focus on such small-scale initiatives cannot be referred to as being expedient or appropriate.

The situation of destination marketing management is quite similar to the one of destination planning and development, as it also is 'all hat and no cattle'. Since independence, the NDT's (respectively its precursive departments') focus lies on promoting the country at a noteworthy range of international travel trade fairs as *The World's Newest Nation*. Despite the fact that this slogan is not up-to-date anymore, it is only catchy in the short term and at the end only appeals to individual travelers, due to the lack of a product that could be marketed. Overall, the *country* is marketed – not the *destination* Timor-Leste.

Irrespective of whether one is analyzing the marketing of the destination or its planning and de-velopment, its stakeholders tend to concentrate on the natural resources and according tourism activities that can be subsumed under the three typical 'S' of tourism: Sea, sun, and sand. It can be argued that this focus definitely cannot be considered innovative, especially when taking into account the country's unique culture and history, even though the latter is characterized by repression and violence. At this point, there needs to be referred to Cambodia, a country that impressively proved how to market its percussive history: In 2010, 2.4 million tourists (UNWTO 2011, p. 7) visited the country that started from scratch not much more than a decade ago.

The development of human resources focuses on jobs that are mainly categorized as low-skilled (serving, cleaning, cooking). The standard of offered courses is low, as the entrepreneurs reveal that most of the graduates are not directly employable. Hence, on-the-job training is the only possibility to qualify staff for specific duties and responsibilities. Regarding the limited number of apprenticeships, this is the only way for many Timorese to gain a foothold in the tourism sec-tor anyway. However, at the end, there needs to be a certain demand for employees within the tourism sector. At this early stage of tourism development this demand cannot be perceived.

Among the destination's stakeholders, both on the level of Government and within the society, there exists an remarkable awareness of the importance of vital natural resources for the future development of the country. Tools and techniques to protect these resources, however, are still in the development stages.

The analysis of the status quo of sustainable destination management leads to the tough but inevitable conclusions that:

- Timor-Leste from a supply side point of view *cannot be referred to as a destination*, mainly due to the poor cooperation of its stakeholders as well as the lack of any integrated product;
- the term *management* against this background of low cooperation and a lacking steering entity is *inappropriate*, as obviously is the notion
- *sustainable*.

9. 2 Critique of Methodology

The drawn conclusion may appear rigorous, as one needs to keep in mind that tourism development in Timor-Leste takes place in the context of a nation facing tremendous challenges at the same time – the country was devastated not more than ten years ago. This awareness calls the applied methodology heavily into question, as it appears somehow unfair and inadequate at this early stage of the country's tourism development. Indeed, many of the efforts made since the time of the UNTAET could not be honored within the applied framework, because the implicit central question underlying the analysis was of absolute nature: *Is this sustainable or not?* It seems likely that the applied model based on the works of Dwyer & Kim (2003) cannot be combined smoothly with destinations that, referring to Butler's (1980) *life cycle model*, are still in a phase of *exploration* or *involvement*. Furthermore, it needs to be considered that the model of Dwyer & Kim (2003) draws upon experience in western destinations. Thus, it tends to be biased towards the situation in destinations in DCs and LDCs, as the standards of what sustainability in the context of destination management stands for are implicitly raised.

However, the approach enabled to detect manifold drawbacks in the five categories of sustainable destination management. As research on tourism development in Timor-Leste is still an unknown quantity, this holistic approach helped to get a comprehensive understanding of the current situation. At some stages the analysis may have appeared somewhat superficial – but as Tourism in Timor-Leste develops from a grassroots level, there does not even exist a surface or an in-depth level of research yet. Or, in other words: The analysis just took the current picture.

Using a clearly differentiated approach with five categories, however, also led to some discomfort in the process of writing, as many aspects recurred among different categories. In theory, the categories' aspects, indicators or key questions might be easy to separate. In practice, however, they strongly overlap.

9. 3   Issues for Further Research

The various disadvantages and equivocalities entailed in the applied framework shed light on to the fact that status quo models of sustainable destination management in DCs or LDCs are still lacking – just as according guidelines for planners. Especially the absence of the latter is an intolerable situation, as two central lines of argumentation that underlie this thesis need to be considered: Firstly, sustainable destination management can be seen as the key tool for accomplishing a sustainable development within the tourism sector. Secondly, tourism development in many of the DCs and LDCs is still in its early days, implying the choice of manifold pathways of development, bearing in mind that misguided developments cannot easily get adjusted in future.

Regarding the results of the analysis of sustainable destination management in Timor-Leste, the author calls for proactive planners instead of more researchers tackling the status quo. What Timor-Leste really needs is action, in order to shape a flourishing and sustainable future development of its tourism sector. In the following, the argumentation for this call for action gets underpinned by an outlook that is based on the status quo elaborated above.

9. 4   Outlook: Perspectives of Tourism Development in Timor-Leste

Coming to the perspectives of tourism development in Timor-Leste, the initial question should be raised again: Is Timor-Leste another paradise – another paradise presumably lost?

Considering the findings of the status quo analysis, it seems likely that foreign large-scale investments will enter the country sooner or later. The crucial question at this point is: Will this process be based on a common understanding, or will the investors dictate the future development and virtually conquer the country, like in many other countries all over the globe?

As plans are on the drawboard already, some projects might start within the next two or three years, always provided that the country remains stable in context of both the presidential and

parliamentary elections upcoming in spring 2012. Taking into account that the destination planning and development, as well as the environmental management, are still in their early stages, it is to be feared that the Government might be very complaint in the negotiations with potential investors.

While some of the destination's stakeholders are already facing the reality of the arrival of large-scale investments, and just call for a certain amount of consciousness, others still adhere to the strategy of promoting small-scale initiatives in the area of CBT and ecotourism. Of course, projects in this area for the time being will remain an essential component of Timor-Leste's tourism sector. Accordingly, independent travelers will still present an essential group of tourists coming to Timor-Leste. The pressure on the labor market, however, virtually forces the Government to be proactive in terms of labor-intensive large-scale projects if it is to maintain the country's stability.

The crux of the matter is that all the destination's stakeholders need to change their mind: They need to understand that the concept of sustainable tourism, respectively the one of sustainable tourism development, is not to be set in stone as a concept focusing on small-scale initiatives only. This is why the author calls for a paradigm shift and therefore leads over to the final recommendations.

10   Recommendations

Face the Reality: Mainstreaming Sustainability!

Step 1: Need for a Paradigm Shift!

The destination's stakeholders need to overcome their understanding that *sustainable tourism development* is tantamount to small-scale initiatives, such as CBT or ecotourism projects, as such an understanding is "a dangerous misapprehension" (UNEP & UNWTO 2005, p. 11). *Sustainable tourism* refers to a condition, and not a certain type of tourism. Plus: *Sustainable tourism* is a concept that should underlie all kinds of tourism from niche to mass markets and on all level of scales. The German GIZ refers to this awareness as *mainstreaming sustainability*, which "means to rise the challenge of a mass tourism market" (GIZ 2011). Or, to put it differently: The major target is to *design the development as sustainable as possible* under the prevailing circumstances: This is, in case of Timor-Leste, primarily the high pressure on the labor market. The concept needs to be seen from a pragmatic point of view rather than a normative concept. Suggestions on what a *mainstreaming sustainability concept* would imply for a sustainable destination management in Timor-Leste are given in Step 3, which would be preposterous without

Step 2: Destination Awareness!

The stakeholders finally need to realize that, if it is to seriously develop the country's tourism sector, the only chance is to *perform as a real destination*: "The people here need to understand that it is better to make the whole tourism pie bigger than to make your slice of it bigger" (FreeFlowDiving, ANN TURNER, Interview D1.7). Especially the entrepreneurs that currently focus on the expatriate community need to see reason that tourism is a promising opportunity for future business – and at this point it is up to the Government to give prove: Both the financial and human resources of the NDT need to be significantly increased, in order to finally establish an institution that could function as a coordinating body, or, at best, even as a typical DMO that could take over of the essential tasks of a sustainable destination management. Without this emphasis on the side of the Government, the huge gap between the outlined visions and the status quo of tourism in Timor-Leste will not shrink.

Considering the engagement of the various NGOs and DCAs, it is argued that they should also shift their focus from niche-projects to the question if and how they could facilitate the process

of establishing sustainable destination management structures, for instance by implementing a *tourism forum* that unites the stakeholders on a regular basis. At the end, however, the awareness for the advantages of a joint management needs to emerge among the stakeholders themselves.

Step 3: Get into Action!

Based on established cooperative structures, the other four areas of destination management could be tackled, always bearing in mind the *mainstreaming sustainability approach*. To clarify the approach's essence, its implications for the other four categories are briefly outlined in the following.

In terms of *destination planning and development* more foreign large-scale investment would be appreciable to create job opportunities. These investments should be combined with *strict stipulations* investors need to meet. For instance, a certain minimum wage should be determined, as well as precise regularization of the working hours, etc. As a generation of waiters should not be created, *systems of quota* need to be introduced. These systems should also include the management level, following the argumentation of ANN TURNER (FreeFlow Diving, Interview D1.7) that "the foreigners may own them [the hotels], but the Timorese should run them!"

To meet certain international standards, the stakeholders should put high emphasis on the *development of human resources*. Firstly, the *capacity of apprenticeships* needs to be increased tremendously, for instance by the creation of a *national tourism school* offering courses that meet certain international standards, both in the area of low-skilled jobs like serving or cleaning and on a management level. As especially the implementation of management courses might be a long-time coming, the NGOs and DCAs could support this target in the meantime by implementing scholarship programs that send Timorese to foreign universities.

Large-scale foreign investments always bear a lot of risks for the *environment*. As tools and techniques of environmental protection are still in its infancy, the only advice at this stage can be to bridge this gap as fast as possible and before crossing a point of no return, always keeping in mind that the natural resources are acknowledged to be the core of the countries tourism potential.

The latter aspect leads over to the *marketing of the destination*. The arrival of large-scale investments implies a focus on tourists mainly looking for rest and relaxation, thus the actual state of

concentrating on the three typical 'S' of tourism (sea, sun and sand) seems justified. However, various studies have shown that even this type of tourist is generally interested in one or two-day trips that focus on a destination's history and its cultural specificities (e.g. Aderhold et al. 2006, p. 89). To serve this *hybrid consumption*, the current marketing approach should be widened by a focus on the country's cultural and heritage resources. In fact, these aspects are even more important than showing that the country has beautiful beaches and a deep-blue sea, as it is argued that such prospects are regarded as basic requirements by tourists that are interested in visiting the region. Or, to ask in a provocative manner: Why should a tourist that wants to vistit a Southeast Asian island choose the destination Timor-Leste against the background that its accessibility is poor, the price level is comparably high, and the service might not meet international standards? The *Timorese culture and history* need to be regarded as the *key potential for creating uniqueness*, and thus a competitive advantage. At the end, however, marketing the country's history and culture must not remain empty phrases; i.e. in the area of planning and developing the destination according tourist activities and attractions need to be built.

Step 4: The Shrinking Triangle of Sustainable Destination Management in Timor-Leste

Successfully implementing such a mainstreaming sustainability approach would come along with the establishment of sustainable destination management structures. Conclusively, this thesis combines these two aspects in a *Shrinking Triangle of Sustainable Destination Management in Timor-Leste* (see Fig. 23) that should be regarded as a generator of inspiration. This model calls for *dedication*, *realism* and *pragmatism*, while establishing a balance between its three dimensions *visions*, *strategies / actions* and *sustainability issues* (in particular environmental and socioeconomic topics). In this context, a sustainable management is regarded as a mediator between these dimensions. The strategies and actions need to be adjusted to the visions (and vice versa), while both of these dimensions need to care about fundamental sustainability issues. Constantly achieving an equation between the dimensions leads to a significant reduction of conflictive issues over time – for this reason the model is associated with the notion *shrinking*.

At the end, Madre Olga (ETP, Interview B2) cuts right to the chase of the matter: "We, the Timorese, need to prepare ourselves for tourism, and not the other way round." Provided that the destination's stakeholders finally become proactive in an cooperative and transparent manner, there is still the chance that Timor-Leste will remain a unique paradise – a paradise that does not refuse a certain, appropriate progress.
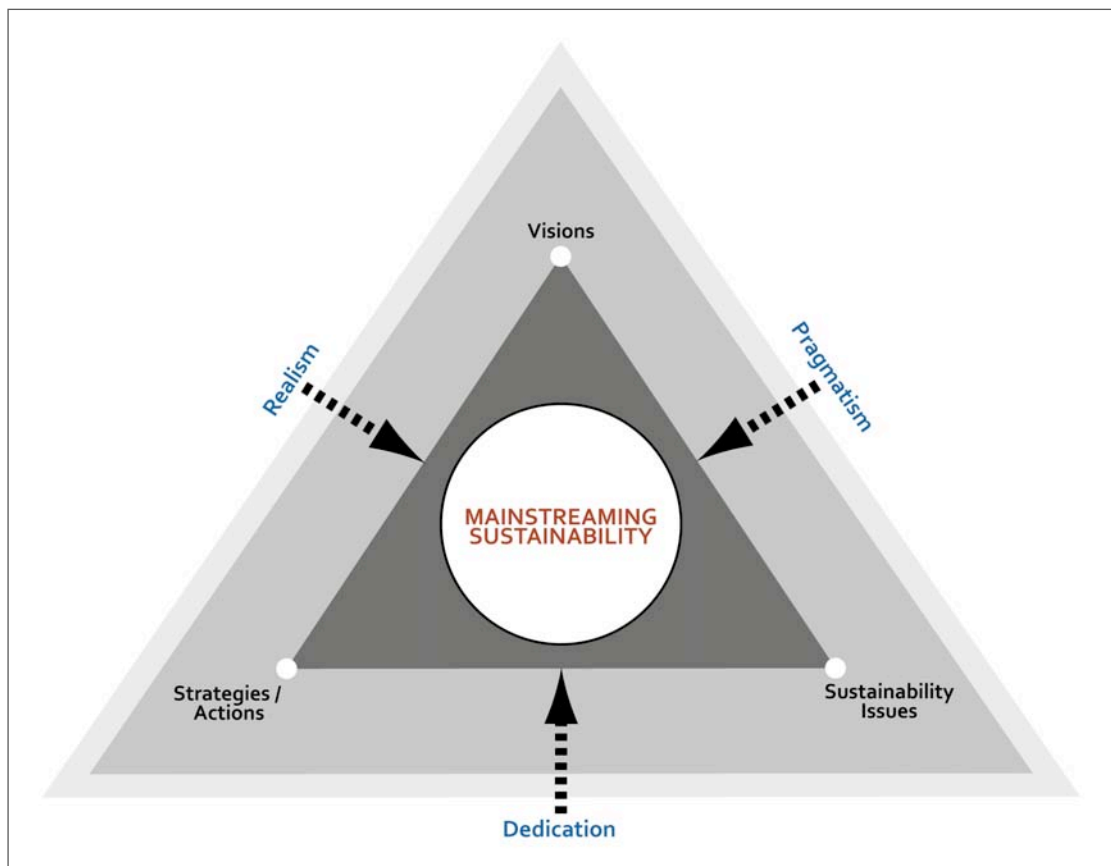
Fig. 23: The Shrinking Triangle of Sustainable Destination Management in Timor-Leste

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List of Interviewees

Ref.	Date	Institution / Organization	Name	Function / Position
Group A: Public Authorities / Government				
A1	27-Jan-2011	NDT – National Tourism Directorate (Direcção Nacional do Turismo)	José Quintas	Director
A2	01-Feb-2011	Trade Invest Timor-Leste	Secundino Moreira	Aministration & Finance
A3	03-Feb-2011	OP – Office of the President (Presidência da República)	Sean Ferguson-Borell	Assessor International / Manager Event Unit
A4	07-Feb-2011	President of RDTL	José Ramos-Horta	President of RDTL
Group B: Universities / Colleges offering Tourism Courses				
B1	08-Feb-2011	CTID – Centro Treino Integral e Desenvolvimento Colegio Canoss, Baucau (Canossian Skills Training College, Baucau)	Madre Candida de Castro	Director
B2	09-Feb-2011	ETP – Escola Tecnica Profissional Maria Mazzarelo, Venilale (Maria Manzarello Technical School, Venilale)	Madre Olga	Director
Group C: Advocacy Groups				
C1	22-Jan-2011	ATTL – Associação de Turismo de Timor-Leste (Tourism Association of Timor-Leste)	Gino Favaro	Former President (organization suspended)
C2	28-Jan-2011	CCI – Chamber of Commerce and Industry	Vicente Ximenes	Vice-President
Group D: Tourism Service Operators				
Subgroup D1: Accommodation Facilities / Gastronomy				
D1.1	27-Dec-2010	Pousada de Baucau	Abilio Belo Freitas	Managing Director
D1.2	27-Dec-2010	Baucau Beach Bungalows	José Maria Borges	Owner
D1.3	28-Dec-2010	Com Beach Resort	Sulisti Vono	Manager
D1.4	29-Dec-2010	Lakkumore Traditional House	Albina da Costa	Employee (sister of owner)
D1.5	29-Dec-2010	Valu Sere Bungalows	Justino Sanchez	Member of the running community
D1.6	20-Jan-2011	One More Bar	Gil Roy Fawcett	Owner
D1.7	21-Jan-2011	FreeFlow Diving	Ann Turner	Co-Owner
D1.8	26-Jan-2011	World Hotel Link Timor-Leste / Jim's Getaway Travel	Jim Richards	Operator / Co-Owner

D1.9	27-Jan-2011	East Timor Backpackers	DAN CONROY	Co-Owner
D1.10	02-Feb-2011	Hotel Timor	TIAGO BARRATA	Manager
D1.11	14-Feb-2011	Arte Moris Cultural Center	GABRIELLE GANSSER	Founder / Manager
Subgroup D2: Tour Operators				
D2.1	31-Jan-2011	Timor MEGA Tours	COSMI SANCHEZ	Supervising Manager
D2.2	01-Feb-2011	Eco Discovery	MARIA NORONHA	Co-Owner / Manager
D2.3	02-Feb-2011	Compass Charter's	ROBERT CREAN	Co-Owner
Subgroup D3: Transport Companies				
D3.1	25-Jan-2011	Timor Tour & Travel	ADURRAHMAN SOEWARJO	Office Manager (Dili Office)
D3.2	04-Feb-2011	Air Timor	SYED ABDUL RAHMAN BIN AHMAD	Operations Manager Timor-Leste
Group E: NGOs / DCAs / UN Agencies				
E1	08-Jan-2011	Roman Luan	MARCELO BELO SUARES	Director
E2	28-Jan-2011	Ba Futuru	SIERRA JAMES	Program Manager / Co-Funder
E3	01-Feb-2011	GIZ – Deutsche Gesellschaft für Internationale Zusammenarbeit (German International Development Cooperation)	HEINZ-JOSEF HEILE	Project Manager 'Employment Promotion for Youths'
E4	08-Feb-2011	AYAD / AusAID – Australian Youth Ambassadors for Development / Australian Agency for International Development	PETER BARETT	Capacity Builder
E5	10-Feb-2011	US AID / DAI – United States Agency for International Development / Development Alternatives Inc.	DAVID DYER	Chief of Party
E6	15-Feb-2011	UNDP – United Nations Development Programme	TESSA KOPPERT	Project Manager Biodiversity
E7	16-Feb-2011	Haburas	DEMETRIO DO AMARAL DE CARVALHO	Founder / Director
In total: 31 interviews, approx. 22 hours of record keeping.				

Appendix

Find the following documents attached:

- Guidelines for Interviews with Actors of Group A – State / Government / Public Authorities
- Guidelines for Interviews with Actors of Group B – Universities / Colleges offering Tourism Courses
- Guidelines for Interviews with Actors of Group C – Advocacy Groups
- Guidelines for Interviews with Actors of Group D – Tourism Services / Attractions
- Guidelines for Interviews with actors of Group E – NGOs / DCAs / UN Agencies
- Figures:
  - Fig. A1: Cover of a Brochure Published by the NDT
  - Fig. A2: Recycling System at the Tua Koin Eco-Village on Atauro Island

For an explanation on the differentiation of the destination's stakeholders into various groups see Chapter 6.

The guidelines for the interviews with the destination's stakeholders were developed according to the manual provided by HELFFERICH (2005, pp. 158-168). They focused on the key elements of destination management, but left space for personal interpretations and reflections of the respondents. While a few of the conducted interviewees referred strongly to the guidelines, the majority was quite loose and therefore shed light on a lot of new and interesting topics and insights.

Guidelines for interviews with actors of Group A – State / Government / Public Authorities

Central Question / Thematic block To some extent more a storytelling prompt; parts can be discussed in flexible order.	Check: Mentioned or not? Memo for possible inquiries – only if not mentioned by the interviewee her- / himself!	Concrete Questions – obligatory; in this formulation! Demand in an appropriate moment.
Short introduction of my person and my research interest Not to many specialized knowledge at the beginning – interviewee should not be overstrained!		
Part I: **Introduction** At the beginning please give some information on your person, your position and the institution and its main duties, responsibilities and fields of activity!	• duties and responsibilities of institution • personnel structure (foreign expertise?) • disposable budget	
Part II: **Organization of Destination Management** Do you work together with other institutions and tourism stake-holders? If so, what are the main areas you are cooperating in?	• cooperation with other institutions and stakeholders • means of monitoring / evaluation • provision / share of information	• What does the term *destination* mean to you?
Part III: **Destination Planning and Development** What are your main tools and techniques in the field of planning and developing the destination?	• actual and former official documents • overall vision for tourism development • role of tourism in overall economic development • strategies • concrete actions and activities • possible impact of imminent UN withdraw on tourism sector	• How would you define the terms *sustainability* and *sustainable tourism*?
Part IV: **Destination Marketing** Please outline your efforts in terms of marketing Timor-Leste as a destination!	• tourism potential of Timor-Leste • marketing activities • target / source markets • creation of an own brand / image? (uniqueness)	• Please describe in your own words: What do you think is special about Timor-Leste, especially in comparison to competing destinations?
Part V: **Human Resources Development** How do you asses the status quo of human resources in Timor-Leste?	• possibilities for the Timorese to engage in tourism (low-skill vs. high-skill) • public efforts in the field of HRD	

Part VI: **Environmental Management** How are nature conservation and tourism linked to each other on the level of the Government? How would you describe the relation between tourism development and issues of environmental protection?	• significance of environmental issues in tourism development in Timor-Leste • public efforts in protection and conservation • activities linking tourism development and protection / conservation • concrete means of protection / conservation in terms of tourism (e.g. mandatory EIA)	
Part VII: **Final question – *Vision 2030*** The *Strategic Development Plan* outlines a vision of the stage of tourism in Timor-Leste in 2030. It is forecasted a flourishing economic sector that offers a lot of employment opportunities to the Timorese. I would like to know: What is your personal vision of tourism in Timor in 20 years from now?	• importance of tourism in comparison to other economic sectors • more a mass tourism or still a niche destination? • owned and run by Timorese or based on foreign investment?	
Inquiry Is there any issue that has not yet been addressed and that you want to discuss? Do you have any questions on my research project?		

Guidelines for interviews with actors of Group B – Universities / Colleges offering Tourism Courses

Central Question / Thematic Block To some extent more a storytelling prompt; parts can be discussed in flexible order.	Check: Mentioned or not? Memo for possible inquiries – only if not mentioned by the interviewee her- / himself!	Concrete Questions – obligatory; in this formulation! Demand in an appropriate moment.
Short introduction of my person and my research interest Not to many specialized knowledge at the beginning – interviewee should not be overstrained!		
Part I: **Introduction** At the beginning please give some information on your person, your position and the institution as a whole!	• history of institution • courses offered / contents • personnel structure (foreign expertise?) • disposable budget / funding	
Part II: **Organization of Destination Management** Do you work together with other tourism stakeholders? If so, what are the main areas you are co-operating in?	• cooperation with other institutions and stakeholders • share of information • evaluation of success of the courses?	• What does the term *destination* mean to you?
Part III: **Destination Planning and Development** What do you think about the Government's plans and actions regarding the future tourism development?	• right approach or meander? • possible impact of imminent UN withdraw on tourism sector	• How would you define the terms *sustainability* and *sustainable tourism*?
Part IV: **Destination Marketing** How do you think Timor-Leste can put its name on the map of tourism?	• tourism potential of Timor-Leste • target / source markets • creation of an own brand / image (uniqueness?) • favored marketing tools / ac-tivities (in general)	• Please describe in your own words: What do you think is special about Timor-Leste, especially in comparison to competing destinations?
Part V: **Human Resources Development** How do you asses the status quo of human resources in Timor-Leste? *(likely to be linked with Part I)*	• possibilities for the Timorese to engage in tourism (low-skill vs. high-skill) • chances of course graduates • capacity of apprenticeships • enough emphasis on the side of the Government?	

Part VI: **Environmental Management** How would you describe the relation between tourism development and issues of environmental protection?	• significance of environmental issues in tourism development in Timor-Leste • role of environmental aspects within the courses • own initiatives	
Part VII: **Final question – *Vision 2030*** The *Strategic Development Plan* outlines a vision of the stage of tourism in Timor-Leste in 2030. It is forecasted a flourishing economic sector that offers a lot of employment opportunities to the Timorese. I would like to know: What is your personal vision of tourism in Timor in 20 years from now?	• importance of tourism in comparison to other economic sectors • more a mass tourism or still a niche destination? • owned and run by Timorese or based on foreign investment?	
Inquiry Is there any issue that has not yet been addressed and that you want to discuss? Do you have any questions on my research project?		

Guidelines for interviews with actors of Group C – Advocacy Groups

Central Question / Thematic Block To some extent more a storytelling prompt; parts can be discussed in flexible order.	Check: Mentioned or not? Memo for possible inquiries – only if not mentioned by the interviewee her- / himself!	Concrete Questions – obligatory; in this formulation! Demand in an appropriate moment.
Short introduction of my person and my research interest Not to many specialized knowledge at the beginning – interviewee should not be overstrained!		
Part I: **Introduction** At the beginning please give some information on your person, your position and the organization and its main duties, responsibilities and fields of activity!	• history of organization • duties and responsibilities of organization • personnel structure (foreign expertise?) • funding	
Part II: **Organization of Destination Management** How do you work together with the Government on the one side, at the tourism entrepreneurs on the other one? How do you facilitate the exchange between these two actors? What are the main areas you are working in? *(likely to be linked with Part I)*	• cooperation with Governmental institutions • cooperation with tourism entrepreneurs • personal assessment: high influence? • provision / share of information	• What does the term *destination* mean to you?
Part III: **Destination Planning and Development** What do you think about the Government's plans and actions regarding the future tourism development?	• right approach or meander? • fearing foreign investments? • possible impact of imminent UN withdraw on tourism sector	• How would you define the terms *sustainability* and *sustainable tourism*?
Part IV: **Destination Marketing** How do you think Timor-Leste can put its name on the map of tourism?	• tourism potential of Timor-Leste • target / source markets • creation of an own brand / image (uniqueness?) • favored marketing tools / activities (in general)	• Please describe in your own words: What do you think is special about Timor-Leste, especially in comparison to competing destinations?
Part V: **Human Resources Development** How do you asses the status quo of human resources in Timor-Leste?	• possibilities for the Timorese to engage in tourism (low-skill vs. high-skill) • chances of course graduates • capacity of apprenticeships • enough emphasis on the side of the Government?	

Part VI: **Environmental Management** How would you describe the relation between tourism development and issues of environmental protection?	• significance of environmental issues in tourism development in Timor-Leste	
Part VII: **Final question – *Vision 2030*** The *Strategic Development Plan* outlines a vision of the stage of tourism in Timor-Leste in 2030. It is forecasted a flourishing economic sector that offers a lot of employment opportunities to the Timorese. I would like to know: What is your personal vision of tourism in Timor in 20 years from now?	• importance of tourism in comparison to other economic sectors • more a mass tourism or still a niche destination? • owned and run by Timorese or based on foreign investment?	
Inquiry Is there any issue that has not yet been addressed and that you want to discuss? Do you have any questions on my research project?		

Guidelines for interviews with actors of Group D – Tourism Services / Attractions

Central Question / Thematic Block To some extent more a storytelling prompt; parts can be discussed in flexible order.	Check: Mentioned or not? Memo for possible inquiries – only if not mentioned by the interviewee her- / himself!	Concrete Questions – obligatory; in this formulation! Demand in an appropriate moment.
Short introduction of my person and my research interest Not to many specialized knowledge at the beginning – interviewee should not be overstrained!		
Part I: **Introduction** At the beginning please give some information on your person, your position and the company in general!	• history of company • impact of 2006/2007 crisis • personnel structure (foreign expertise?) • range of services • customer profile • seasonality	
Part II: **Organization of Destination Management** Do you work together with other tourism stakeholders? If so, what are the main areas you are co-operating in?	• cooperation with other stakeholders • cooperation or competition? Or both? • member / supporter of an ad-vocacy group? • share of information	• What does the term *destination* mean to you?
Part III: **Destination Planning and Development** What do you think about the Government's plans and actions regarding the future tourism development?	• right approach or meander? • feared of possible foreign competitors? • possible impact of imminent UN withdraw on tourism sector	• How would you define the terms *sustainability* and *sustainable tourism*?
Part IV: **Destination Marketing** How do you think Timor-Leste can put its name on the map of tourism?	• tourism potential of Timor-Leste • target / source markets • creation of an own brand / image (uniqueness?) • favored marketing tools / ac-tivities (in general) • own marketing tools / activities	• Please describe in your own words: What do you think is special about Timor-Leste, especially in comparison to competing destinations?
Part V: **Human Resources Development** How do you asses the status quo of human resources in Timor-Leste?	• possibilities for the Timorese to engage in tourism (low-skill vs. high-skill) • chances of course graduates • capacity of apprenticeships • enough emphasis on the side of the Government?	

Part VI: **Environmental Management** How would you describe the relation between tourism development and issues of environmental protection?	• significance of environmental issues in tourism development in Timor-Leste • own initiatives / emphases in terms of environmental issues	
Part VII: **Final question – *Vision 2030*** The *Strategic Development Plan* outlines a vision of the stage of tourism in Timor-Leste in 2030. It is forecasted a flourishing economic sector that offers a lot of employment opportunities to the Timorese. I would like to know: What is your personal vision of tourism in Timor in 20 years from now?	• importance of tourism in comparison to other economic sectors • more a mass tourism or still a niche destination? • owned and run by Timorese or based on foreign investment?	
Inquiry Is there any issue that has not yet been addressed and that you want to discuss? Do you have any questions on my research project?		

Guidelines for Interviews With Actors of Group E – NGOs / DCAs / UN Agencies

Central Question / Thematic Block To some extent more a storytelling prompt; parts can be discussed in flexible order.	Check: Mentioned or not? Memo for possible inquiries – only if not mentioned by the interviewee her- / himself!	Concrete Questions – obligatory; in this formulation! Demand in an appropriate moment.
Short introduction of my person and my research interest Not to many specialized knowledge at the beginning – interviewee should not be overstrained!		
Part I: **Introduction** At the beginning please give some information on your person, your position and the organization, considering its main areas of activity!	• history of involvement in Timor-Leste • local or international organization? • general strategy approach • approach and in terms of tourism promotion • projects in the area of tourism promotion → success?	
Part II: **Organization of Destination Management** How do you work together with other organizations and tourism stakeholders? What are the main areas you are cooperating in?	• cooperation with other destination stakeholders, especially other NGOs / DCAs (coordinated approach?) • provision / share of information	• What does the term *destination* mean to you?
Part III: **Destination Planning and Development** What do you think about the Government's plans and actions regarding the future tourism development?	• right approach or meander? • are the organization's projects in tune with this approach? • possible impact of imminent UN withdraw on tourism sector	• How would you define the terms *sustainability* and *sustainable tourism*?
Part IV: **Destination Marketing** Please outline your efforts in terms of marketing Timor-Leste as a destination!	• tourism potential of Timor-Leste • marketing activities • target / source markets • creation of an own brand / image? (uniqueness)	• Please describe in your own words: What do you think is special about Timor-Leste, especially in comparison to competing destinations?
Part V: **Human Resources Development** How do you asses the status quo of human resources in Timor-Leste?	• possibilities for the Timorese to engage in tourism (low-skill vs. high-skill) • chances of course graduates • capacity of apprenticeships • enough emphasis on the side of the Government?	

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Part VI: **Environmental Management** How would you describe the relation between tourism development and issues of environmental protection?	• significance of environmental issues in tourism development in Timor-Leste • emphasis on environmental issues within own projects	
Part VII: **Final question – _Vision 2030_** The _Strategic Development Plan_ outlines a vision of the stage of tourism in Timor-Leste in 2030. It is forecasted a flourishing economic sector that offers a lot of employment opportunities to the Timorese. I would like to know: What is your personal vision of tourism in Timor in 20 years from now?	• importance of tourism in comparison to other economic sectors • more a mass tourism or still a niche destination? • owned and run by Timorese or based on foreign investment?	
Inquiry Is there any issue that has not yet been addressed and that you want to discuss? Do you have any questions on my research project?		

Figures
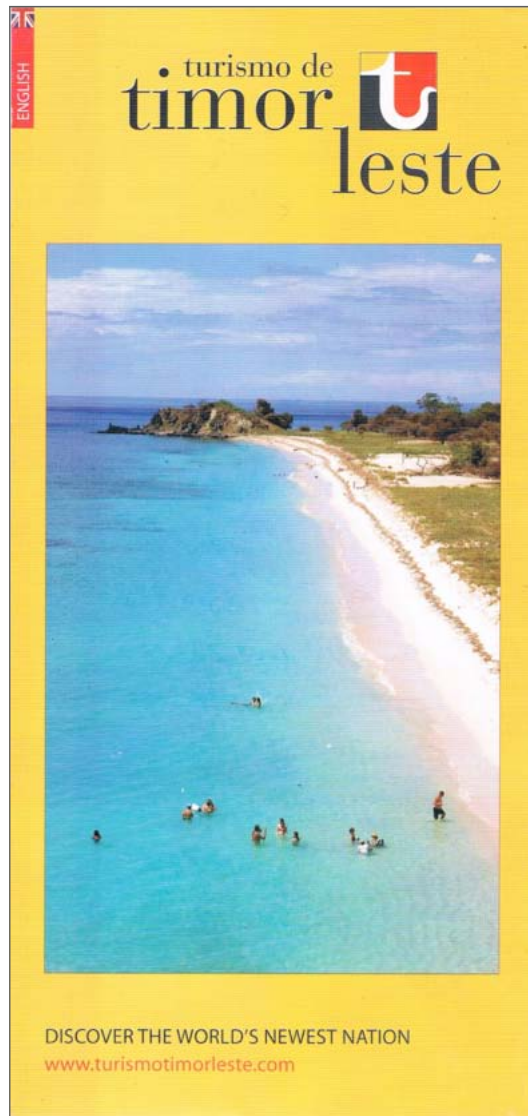
Fig. A1: Cover of a Brochure Published by the NDT
(MDE 2004; still in circulation)

Fig. A2: Recycling System at the Tua Koin Eco-Village on Atauro Island
(own photograph)

Selbstständigkeitserklärung (Statutory Declaration)

Ich erkläre Eides statt, dass ich meine Diplomarbeit *Sustainable Destination Management in Timor-Leste* selbstständig ohne unerlaubte Hilfe angefertigt und mich dabei keinerlei anderen als der von mir ausdrücklich bezeichneten Quellen und Hilfen bedient habe.

Die Diplomarbeit wurde in der jetzigen oder einer ähnlichen Form noch bei keiner anderen Hochschule eingereicht und hat noch keinen sonstigen Prüfungszwecken gedient.

I declare in lieu of an oath that I have written this diploma thesis on *Sustainable Destination Management in Timor-Leste* myself and that I have not used any sources or resources other than stated for its preparation. I further declare that I have clearly indicated all direct and indirect quotations.

This diploma thesis has not been submitted elsewhere for examination purposes.

     Marburg, 21ˢᵗ of December 2011