

**Community-Based Tourism in Timor-Leste: A Collaborative
Network Approach**

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ABSTRACT

This thesis discusses the concept of community-based tourism (CBT), as an alternative approach to tourism development. CBT emphasises the central role of local communities in relation to tourism and places a stronger emphasis on the role of community development than is evident in other forms of tourism. To date few CBT projects have been successful in delivering socio-economic benefits for local communities. A review of the relevant tourism and community development literature indicates that collaborative networks may provide a viable means of assisting CBT to achieve greater benefits for local communities. The researcher proposes alternative network configurations and applicable CBT attributes. CBT has been developed in parts of rural Timor-Leste and offers a potential basis for developing sustainable forms of tourism. Timor-Leste is an oil dependent fledgling island nation and advocates of CBT confront a number of challenges. Using a multi-stage qualitative research approach, the present thesis explores stakeholder perceptions of the potential to establish a CBT network within Timor. The researcher adopts a constructivist approach to knowledge and the thesis is informed by critical theory, grounded theory, action research and elements of Delphi study methodology. It was found that the research participants were in broad agreement that CBT offers considerable potential for developing sustainable tourism and that the establishment of a network can address challenges such as lack of knowledge, funding and marketing. The thesis evaluates the range of research participants' views about how the network structure might be developed. The potential CBT model is explored from the perspectives of neo-liberalism, neo-colonialism, social economy and community development. The research findings have particular applicability in the case of developing states, where tourism is only moderately developed.

REZUMU

Tese ida ne'e diskute kona-ba konseitu turizmu komunitariu (CBT), hanesan aprosimasaun prinsipiu alternativa ba dezvoltamentu turizmu. CBT foka liu ba papel xave comunidade lokal nian iha relasaun ho turizmu no foka forte liu ba dezvoltamentu comunidade kompara ho forma turizmu seluk. To'o ohin loron projetu CBT uitoan deit mak susesu hala'o ninia atividade sosio-ekonomiku ne'ebe fo benefisiu ba comunidade lokal. Revista livru sira ne'ebé iha relevante ho turizmu no dezvoltamentu komunitariu indika katak rede kolaborativa bele fornese estratéjia viabel ida hodi asiste CBT atu atinji benefisiu bot ba comunidade lokal. Bazeia ba revista ne'e, peskizador proposta forma konfigurasau alternativa no CBT atribuí ne'ebé aplikavel. CBT dezvoltolve tiha ona iha area rural iha Timor-Leste no fornese baze potensial ba dezvoltolve forma turizmu sustentavel. Timor-Leste nasaun foun ne'ebe depende ba mina, tan ne'e advokasia ba CBT hetan dezafiu barak. Aprosimasaun ne'e uza metodu kualitativu multi-faze no explora persepsaun husi parseiru sira ne'ebé iha potencia atu estabelese rede CBT iha Timor-Leste. Peskizador uza aprosimasaun konstruktivista ba konhesimentu, no tese ne'e forma uza teoria kritika, teoria fundamentada, asaun-peskiza no komponente sira husi estudu metodu Delphi nian. Peskiza ne'e deskobre katak partisipante sira ne'ebé participa iha peskiza ne'e konkorda katak CBT fornese duni potencia signifikante ba dezvoltamentu turizmu sustentavel no katak estabezelementu rede ne'e bele rezolve dezafiu sira mak hanesan ema laduun iha konhesimentu nantoon, laiha fundu no laiha promosaun. Asuntu prinsipal iha tese ida ne'e hakarak atu hetan opiniaun husi partisipante sira kona-ba oinsa estrutura rede ne'e bele dezvoltolve. Modelu potencia husi CBT ne'e explora opiniaun husi perspetiva neo-liberalizmu, neo-kolonializmu, ekonomia solidaria no dezvoltamentu komunitariu. Rezultadu peskiza ne'e aplika liu-liu iha nasaun ne'ebé sei dezvoltolve hela ka nasaun ne'ebé dezvoltamentu turizmu foin iha nivel moderadu.

STUDENT DECLARATION

“I, Denis Tolkach, declare that the PhD thesis entitled Community-Based Tourism in Timor-Leste: A Collaborative Network Approach is no more than 100,000 words in length including quotes and exclusive of tables, figures, appendices, bibliography, references and footnotes. This thesis contains no material that has been submitted previously, in whole or in part, for the award of any other academic degree or diploma. Except where otherwise indicated, this thesis is my own work”.

Signature

A solid black rectangular box used to redact the student's signature.

Date 27.03.2013

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TABLE OF CONTENTS

<i>ABSTRACT.....</i>	<i>2</i>
<i>STUDENT DECLARATION</i>	<i>4</i>
<i>ACKNOWLEDGMENTS</i>	<i>5</i>
<i>TABLE OF CONTENTS.....</i>	<i>6</i>
<i>LIST OF FIGURES</i>	<i>11</i>
<i>LIST OF TABLES.....</i>	<i>12</i>
<i>GLOSSARY.....</i>	<i>13</i>
<i>ACRONYMS</i>	<i>14</i>
<i>MAP OF TIMOR-LESTE.....</i>	<i>16</i>
<i>CHAPTER 1. SETTING THE SCENE.....</i>	<i>17</i>
<i>1.1. Introduction.....</i>	<i>17</i>
<i>1.2. Problem identification</i>	<i>19</i>
<i>1.3. Contribution to knowledge</i>	<i>19</i>
<i>1.4. Statement of significance.....</i>	<i>20</i>
<i>1.5. Research approach</i>	<i>21</i>
<i>1.6. Thesis outline.....</i>	<i>22</i>
<i>CHAPTER 2. TOURISM AND DEVELOPMENT.....</i>	<i>25</i>
<i>2.1. Introduction.....</i>	<i>25</i>
<i>2.2. Poverty and international development.....</i>	<i>26</i>
<i>2.3. Community development</i>	<i>32</i>
<i>2.4. Tourism development and poverty alleviation.....</i>	<i>35</i>
<i>2.5. Tourism, neo-liberalism and neo-colonialism</i>	<i>38</i>
<i>2.6. Tourism and social economy.....</i>	<i>46</i>
<i>2.7. Community-Based Tourism.....</i>	<i>51</i>
<i>2.8. Summary.....</i>	<i>57</i>

CHAPTER 3. COMMUNITY-BASED TOURISM NETWORKS.....	58
3.1. Introduction.....	58
3.2. Collaboration in Community-Based Tourism.....	58
3.3. What is a network?	59
3.3.1. Classifying networks	61
3.3.2. Networks research	63
3.4. Collaborative networks: the missing link for effective Community-Based Tourism?	65
3.5. Attributes of a Community-Based Tourism network.....	69
3.5.1. Guiding principles	69
3.5.2. Network attributes	75
3.6. Alternative CBT network concepts	85
3.6.1. Affiliations	86
3.6.2. Incorporated associations	87
3.7. Summary.....	89
CHAPTER 4. TIMOR-LESTE.....	91
4.1. Introduction.....	91
4.2. Tourism in Small Island Developing States.....	91
4.3. Overview of Timor-Leste	94
4.3.1. Geo-political and historical overview	94
4.3.2. Demographics.....	100
4.3.3. The economy	103
4.3.4. Foreign aid and development	109
4.4. Tourism in Timor-Leste	110
4.4.1. Does Timor-Leste need tourism?	112
4.4.2. Does tourism need Timor-Leste?	114
4.4.3. Government and tourism development	115
4.5. Community-Based Tourism in Timor-Leste	118
4.6. Summary.....	121

CHAPTER 5. RESEARCH DESIGN AND APPLICATION.....	123
5.1. Research design.....	123
5.1.1. Research stages	129
5.1.1.1. <i>Initial stage</i>	130
5.1.1.2. <i>Exploratory workshop</i>	132
5.1.1.3. <i>Exploratory interviews</i>	133
5.1.1.4. <i>Evaluation interviews</i>	134
5.1.1.5. <i>Roundtable discussion</i>	135
5.1.2. Sampling and participants backgrounds.....	135
5.2. Application of the research design	136
5.2.1. Exploratory stage participants	137
5.2.2. Evaluation stage participants.....	141
5.2.3. Methods of analysis.....	144
5.2.4. Specifics and limitations of study	147
CHAPTER 6. EXPLORATORY FINDINGS	151
6.1. Introduction.....	151
6.2. Workshop findings.....	152
6.2.1. Tourism in Timor-Leste	152
6.2.2. Community-Based Tourism	154
6.2.3. Community-Based Tourism networks	156
6.2.4. Variations between stakeholder groups.....	158
6.3. First round interview findings.....	158
6.3.1. Tourism in Timor-Leste	159
6.3.2. CBT in Timor-Leste	164
6.3.3. Perception of CBT networks	165
6.3.4. CBT network attributes	170
6.3.4.1. <i>Guiding principles</i>	171
6.3.4.2. <i>Governance</i>	173
6.3.4.3. <i>Network functions</i>	177
6.3.4.4. <i>Management</i>	181
6.3.4.4. <i>Relationship with other tourism and community development</i>	181
6.3.4.6. <i>Network morphology</i>	185
6.3.4.7. <i>Further comments from research participants</i>	189
6.4. Discussion	198
6.4.1. Tourism network model that can maximise local community benefits	198

6.4.2.	CBT network model from tourism and development perspectives	201
6.4.3.	Stakeholder perceptions of the organisation and management of CBT	209
6.4.4.	Stakeholders attitudes that influence development outcomes	213
6.5.	Summary	216
 CHAPTER 7. EVALUATION OF THE EXPLORATORY RESEARCH FINDINGS .. 219		
7.1.	Introduction.....	219
7.2.	Interview findings	220
7.2.1.	Participant responses to the proposed network	221
7.2.2.	Involving all actors and achieving consensus	223
7.2.3.	Information access and capacity building	227
7.2.4.	Funding.....	230
7.2.5.	Power balance	232
7.2.6.	Network development suggestions and barriers.....	235
7.2.7.	Leadership	238
7.2.8.	CBT branding.....	240
7.2.9.	Communities-specific comments	242
7.2.10.	Government-specific comments.....	244
7.2.11.	Sustainability	245
7.3.	Roundtable discussion outcomes	246
7.4.	Discussion and amendments to CBT network model	249
7.4.1.	Steering committee formation	251
7.4.2.	Recruitment of the management team.....	253
7.4.3.	Funding strategy	254
7.4.4.	Development of standards and principles	255
7.4.5.	Development of operational plans.....	257
7.4.6.	Launch of the network.....	260
7.4.7.	Theoretical discussion of the final CBT network model.....	262
7.4.7.1.	<i>Timor-Leste CBT network model and neo-colonialism.....</i>	<i>263</i>
7.4.7.2.	<i>Timor-Leste CBT network model as part of social economy</i>	<i>266</i>
7.4.7.3.	<i>Timor-Leste CBT network contribution to sustainable development....</i>	<i>268</i>
7.4.7.4.	<i>Timor-Leste CBT network contribution to community development</i>	<i>269</i>
7.5.	Summary.....	271

CHAPTER 8. CONCLUSIONS AND IMPLICATIONS.....	273
8.1. Introduction.....	273
8.2. Research results	273
8.2.1. Summary of the research and implications for Timor-Leste.....	273
8.2.2. Possible applications of the research outside Timor-Leste	280
8.2.3. Discussion of the methodology	282
8.2.4. Reflection on the research	284
8.3. Future research directions	285
8.4. Summary.....	286
REFERENCES.....	288
APPENDIX 1. WORKSHOP QUESTIONS AND RESULTS.....	327
APPENDIX 2. INTERVIEW QUESTIONNAIRE	330
APPENDIX 3. CBT NETWORK DESCRIPTION	337
APPENDIX 4. CBT NETWORK SUMMARY.	339
APPENDIX 5. SUMMARY OF FINDINGS: PRINCIPLES OF A CBT NETWORK FOR TIMOR-LESTE	341
APPENDIX 6. QUESTIONS FOR EVALUATION STAGE.	344
APPENDIX 7. PHOTOGRAPHS OF TIMOR-LESTE’S ATTRACTIONS.....	346

LIST OF FIGURES

Figure 3.1. Possible configuration of the system.....	73
Figure 5.1. Research design	124
Figure 5.2. Stakeholder groups represented in the exploratory workshop.....	138
Figure 5.3. Stakeholder groups represented in the exploratory interviews.....	140
Figure 5.4. Changes of the research sample.....	142
Figure 5.5. Stakeholder groups represented in the evaluation interviews	143
Figure 6.1. Desirable type of tourism.....	160
Figure 6.2. Perceived network benefits.....	169
Figure 6.3. Preferred guiding principles of the CBT network	171
Figure 6.4. Network organisation.....	173
Figure 6.5. Types of tourism business to be involved into the CBT network	174
Figure 6.6. Organisation of governing and management bodies.....	175
Figure 6.7. General functions	177
Figure 6.8. Tourism functions	178
Figure 6.9. Community development functions.....	180
Figure 6.10. Provision of training and education	181
Figure 6.11. Management of resources and sources of funding	182
Figure 6.12. Marketing and promotion	183
Figure 6.13. Relationship with other tourism and community development initiatives	184
Figure 6.14. Timeframe for duration of the CBT network.....	185
Figure 6.15. Minimum number of members and time required to establish a network	186
Figure 6.16. Density and reachability	187
Figure 6.17. Geographical distribution	188
Figure 6.18. Preliminary network structure	203
Figure 6.19. Preliminary network development process	209
Figure 6.20. Relationship between groups of stakeholders and the CBT network	213
Figure 7.1. Steering committee formation.....	252

Figure 7.2. Recruitment of the management team	253
Figure 7.3. Funding strategy.....	255
Figure 7.4. Development of principles and standards.....	257
Figure 7.5. Development of operational plans	259
Figure 7.6. Final structure of CBT network	262

LIST OF TABLES

Table 2.1. Social economy characteristics	49
Table 3.1. A model of the business network lifecycle	64
Table 3.2. Modes of network governance	70
Table 3.3. Guiding principles of CBT networks and their alternative applications	74
Table 3.4. The governance attributes of CBT networks	76
Table 3.5. The management attributes of CBT networks.....	79
Table 3.6. Possible functions of CBT networks	80
Table 3.7. External recognition of the network	83
Table 3.8. Attributes that constitute network morphology	84
Table 4.1. Formal and working languages literacy in Timor-Leste.....	101
Table 4.2. Number of accommodation providers across the districts of Timor-Leste	111
Table 6.1. Preferred type of tourism development	152
Table 6.2. Prospective benefits of a CBT network	156
Table 6.3. Centralisation of a CBT network	157
Table 6.4. Suggestions for future tourism development	157
Table 6.5. A CBT network for Timor-Leste – guiding principles and attributes.....	193
Table 7.1. Prospective participant roles in the network	222

GLOSSARY

Tetum	English
Aldeia	Sub-village
Chefe do suco	Chief of village
Foho	Literally ‘hills’, the term used in Tetum to refer to rural areas
Ita Nia Rai	Literally, ‘Your Land’, a USAID land reform project
La’o Hamutuk	A non-government organisation also known as Timor-Leste Institute for Development Monitoring and Analysis
Liurai	Traditional leader/king
Mala’e	Foreigner
Suco	Village
Timor-Leste	East Timor
Tasi feto	Literally ‘female sea’, in Tetum refers to the North or the northern coast of Timor
Tasi mane	Literally ‘male sea’, in Tetum refers to the South or the southern coast of Timor

ACRONYMS

ABV	Australian Business Volunteers
ACTUAR	Asociacion Costarricense de Turismo Rural Comunitario (Costa Rican Association of Rural Community Tourism)
APEC	Asia Pacific Economic Cooperation
APODETI	Popular Democratic Association of Timor
AusAID	Australian Government Overseas Aid Program
AYAD	Australian Youth Ambassadors for Development
CAVR	Commission for Reception, Truth and Reconciliation in Timor-Leste
CBT	Community-Based Tourism
CBTI	Community benefit tourism initiatives
CIA	Central Intelligence Agency
CIDAC	Centro de Intervenção para Desenvolvimento Amilcar Cabral (Intervention Centre for the Development of Amilcar Cabral)
CST	Certificación Para La Sostenibilidad Turística (Certification for Sustainable Tourism, Costa Rica)
DMO	Destination Management Organisation
ETAN	East Timor & Indonesia Action Network
FEPTCE	Plurinational Federation of Community Tourism of Ecuador
FONGTIL	Forum of Non-Government Organisations Timor-Leste
FRETILIN	Revolutionary Front of Independent Timor-Leste
GDP	Gross Domestic Product
HDI	Human Development Index
HPI	Human Poverty Index
IMF	International Monetary Fund
IPRIS	Portuguese Institute of International Relations and Security
JED	Jaringan Ekowisata Desa (Village Ecotourism Network, Indonesia)
MSG	Melanesian Spearhead Group
MTCI	Ministry of Tourism Trade and Industry (following the elections of July

2012 the Ministry has been divided into Ministry of Tourism and Ministry of Commerce, Industry and Environment)

N-ACT	North Andaman Coast Community Tourism
NGO	Non-Government Organisation
OECD	Organisation for Economic Co-operation and Development
PD	Democratic Party of Timor-Leste
PERMATIL	Permaculture Timor-Leste (NGO)
PPT	Pro-Poor Tourism
PWC	Post-Washington consensus
SEFOPE	Secretariat of State for Vocational Training and Employment
SIDS	Small Island Developing States
SMTE	Small and medium tourism enterprises
SNV	Netherlands Development Organisation
STCRC	Sustainable Tourism Cooperative Research Centre
ST-EP	Sustainable Tourism – Eliminating Poverty
TL-CCI	Timor-Leste Chamber of Commerce and Industry
TQM	Total Quality Management
TVH	Timor Village Hotels
UDT	Democratic Union of Timor
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development Program
UNWTO	United Nations World Tourism Organisation
USA	United States of America
USAID	United States Agency for International Development
WTTC	World Travel and Tourism Council

MAP OF TIMOR-LESTE



Source: Ecoral Technologies, n.d.

CHAPTER 1. SETTING THE SCENE

1.1.Introduction

There is an increasing emphasis on improving tourism outcomes for host communities through collaborative approaches to tourism development. This often refers to stakeholder theory, suggesting that sustainable development requires the establishment of communication and stakeholder partnerships (Dodds, 2007; Simpson, 2008). Whilst the stakeholder mix will vary from one destination to another, several groups are frequently mentioned: governments at various levels, the private sector, non-government organisations (NGOs) and local communities (Sautter and Leisen, 1999; Simpson, 2008). Collaboration between these groups is particularly important in the case of developing countries. It has also been suggested that government should play a major role in developing tourism (Ashley, 2006). However, evidence from island destinations, including Timor-Leste (Cabasset-Semedo, 2009) and Samoa (Scheyvens, 2002) has demonstrated that communities benefit most from the adoption of a decentralised approach to tourism product development. In summary, there is no consensus in the literature about the roles different stakeholder groups should play, and the route that tourism development should take.

Some recent subjects of active debate in the tourism literature have included proponents of sustainable tourism, the socio-economic impacts in tourism destinations, capacity building, tourism policy development, and counteracting the unsustainable practices of multinational corporations (Dodds, 2007; Goodwin, 2009; Moscardo, 2008; Simpson, 2008). Drawing upon empirical data the Pro-Poor Tourism Partnership (2007) has observed that community benefit dimensions are under-represented within the literature. An examination of the list of UNWTO Sustainable Tourism – Eliminating Poverty (ST-EP) projects (2012a) shows that there are also geographic gaps in addressing development issues through tourism. For example, few of the listed ST-EP projects are in Small Island Developing States (SIDS), despite the prevalence of political instability and environmental issues in many islands and the commonplace dependency on tourism (Scheyvens and Momsen, 2008).

The concept of community-based tourism (CBT) has been proposed as an alternative approach to tourism development. Its proponents advocate maximising the benefits of tourism to local people and achieving community development objectives through building community capacity and empowerment (Rocharungsat, 2008). First formulated by Murphy (1985), CBT remains a young concept. In its brief history CBT has achieved limited success and CBT initiatives typically rely on external funding for an extended period and attract limited consumer demand (Goodwin and Santilli, 2009; Lapeyre, 2011; Mitchell and Muckosy, 2008, Weaver, 2012). There is a continuing need to investigate how CBT can be better managed and to what extent it can address community development goals. One constructive approach may be to develop networks, linkages and collaborations between CBT projects in order to foster the dissemination of knowledge and best practice, capacity building, information exchange and promotion (APEC Tourism Working Group and STCRC, 2010; Gilchrist, 2009; Stronza, 2008; Taylor, 2011). There is an evident need to establish CBT networks that are responsive to local contexts, benefit host communities and espouse empowerment aims.

The proposed research addresses the gaps identified above and focuses on Timor-Leste, one of the world's most recently established nations and least developed small island states. Timor-Leste has evident potential because its natural resources appeal to tourists – sea, beaches, tropical climate, wildlife and rich culture. Timor-Leste is developing as a niche tourism destination, and in regional areas (all localities outside the capital Dili) CBT is one of the main manifestations of development. On this basis the researcher has determined that CBT will be the focus of the present study, with a particular emphasis on its role in rural development within Timor-Leste and strategies that may assist CBT to succeed. In the Timor-Leste context all areas located outside the two major urban centres (Dili and Baucau) may be described as rural communities or *foho* (hills) in the local Tetum language (Silva, 2011). As represented in the thesis, research which extends understanding of the current state of CBT in Timor-Leste, and its prospective future directions offers the prospect of benefitting host communities that are impacted by future CBT developments in other equivalent SIDS destinations.

1.2.Problem identification

The proposed research aims to identify suitable principles and structures for a prospective CBT network that offers optimum benefits for the community. The main research aims are as follows:

- To explore alternative collaborative models for the development of a tourism network to maximise local community benefits in an emerging destination, based on the Timor-Leste experience.
- To identify the most appropriate CBT network model from the perspective of tourism representatives and community development practitioners.
- To explore stakeholder perceptions about how CBT should be organised and managed in Timor-Leste.
- To gain insights into prevailing stakeholder attitudes which are likely to influence development outcomes, and assess the readiness of stakeholders to engage in cooperative activities.

One research outcome is a set of recommendations for building collaborative arrangements between stakeholders to ensure that the benefits of tourism development flow to local residents. The thesis also discusses CBT from the perspectives of tourism and community development. It explores the relative merits of ‘top-down’ or ‘bottom-up’ approaches to yield benefits for local residents. A further research outcome is the intention to improve the socio-economic circumstances of Timorese participants in tourism.

1.3.Contribution to knowledge

The research reviews the CBT concept and the extent to which CBT initiatives have achieved success to date and examines the market and financial feasibility of CBT, and the challenges and opportunities for enhancing the concept. A review of the tourism and community development literature relevant to CBT provides for a broader perspective on CBT. The present research contributes to the ongoing debate about the role of tourism in general and of CBT in particular in achieving development goals. The research focuses on

tourism in SIDS generally, and on the Asia-Pacific region in particular with an emphasis on Timor-Leste, as there is limited knowledge about tourism development in this developing island destination, and the research will contribute to a greater understanding of the potential use of CBT in this setting.

The development of a CBT network structure and development process for Timor-Leste advances the understanding of issues and benefits of networking and coordination of CBT initiatives generally. While many authors have acknowledged the benefits of networks, there is a lack of research concerning CBT network models. An interdisciplinary approach is a valuable addition to enhancing knowledge of issues regarding networking, clustering and collaboration for both tourism and community development studies.

1.4.Statement of significance

The research not only contributes to theoretical knowledge, but also has practical implications. It provides recommendations and practical materials for CBT network development, which if implemented should improve the socio-economic circumstances of Timorese participants in tourism-based activities. The research explores options for collaborative tourism development in Timor-Leste, and identifies a model for a national CBT network that yields benefits for local communities. The research brings together people from various backgrounds and provides grounds for communication between interested parties. Through the involvement of different stakeholders, the research analyses existing differences and assists in overcoming disagreement between the parties involved, in order to develop a practical and implementable model. The development of a model is also a learning experience for stakeholders, and has allowed them to shape and refine their views about organisational aspects associated with building a strong national CBT product. In addition to theoretical goals, the research addresses management and organisational issues associated with tourism planning and development in Timor-Leste. Nevertheless, the results of such research should be considered with caution, as often stakeholders, including local residents, may be overly enthusiastic about tourism in the initial stages of development, as identified in tourism area life cycle literature (Butler, 2006; Haywood, 2006; Johnson *et al.*, 1994).

1.5. Research approach

An iterative, multi-stage, mixed method qualitative research approach has been used. Constructivist epistemology, grounded theory, critical theory, action research methods and a Delphi study approach provide a theoretical framework for the research design. The multistage approach has been used in similar community-based tourism research studies undertaken in northern Canada (Stewart, Jacobson and Draper, 2008) and in Latin America (Stronza, 2008). The research approach used has been identified as the most appropriate due to the investigative nature of this study and the aims of the research. The study consists of initial, exploratory and evaluation stages, and this approach enables relatively accurate modelling without gathering a significant amount of statistical data in an environment where such data is difficult to obtain (Jennings, 2010). Each subsequent stage seeks verification of the previous findings. The multi-stage approach also allows for dissemination of interim results back to research participants to encourage ongoing assistance and participation. Publicly available contact details, business directories and snowballing (recruiting future research participants amongst the acquaintances of the current participants) are used to recruit key informants.

The initial phase consists of reviewing background information on CBT, and Timor-Leste and an initial visit to Timor-Leste to gain a better understanding of the current situation in the country through observation and informal interviews with some stakeholders. Exploratory research comprises a workshop and interviews. An initial Timor-Leste-based workshop was held as part of the Victoria University – National University of Timor Loro'sae conference in 2011. Stronza (2008) used a similar style of workshop in her research to recruit prospective participants, and understand the overall dynamics between stakeholders on CBT related issues. The workshop is used for communication with conference participants who had an interest in the topic. Representatives from stakeholder groups also received personal invitations. Discussions during the workshop are based around the same questions as addressed in the questionnaire (see Appendix 2), although participants are not required to complete the questionnaire.

Prior to and following the conduct of the workshop, key informants in Timor-Leste and Australia are interviewed individually. Seven key informants are involved in this workshop and a semi-structured interview, and this provides interviewees with an opportunity to reflect on the workshop, and allowed for a focus on the issues that the researcher needs to cover. The semi-structured interviews were flexible enough to explore some of the issues in more depth, to create more objective answers and provide clarification (Jennings, 2010). Workshops and interviews are commonly combined in the conduct of social science research to triangulate data and compare group dynamics with individual responses (Michell, 1999).

During the evaluation stage, key informants recruited during the exploratory stage were asked to assess a proposed community-based tourism network model that emerged from the analysis of data collected in the workshop and exploratory interviews. The questions that arose are primarily of an evaluative nature, and aim to understand whether there are any gaps in the of proposed CBT network structure. Some questions specifically address issues that required clarification, such as the optimal construct of relationships between stakeholders. Other questions are related to implementation of the proposed CBT network (see Appendix 6). Consequently, the researcher organised a roundtable discussion representing the findings of the research to representatives of various stakeholder groups and discussing possible ways to advance the establishment of the CBT network.

1.6. Thesis outline

Chapters Two to Four represent the literature review component of the research where the review themes are determined as an outcome of the preliminary research. Chapter Two reviews the literature related to poverty and tourism development, and provides a discussion of the ongoing issue of poverty in least developed countries. The chapter subsequently poses the question of whether tourism development is capable of alleviating poverty. It then critiques tourism as a neo-liberal and neo-colonial activity. Finally, the chapter sets a narrower context for the present research on CBT by focussing on SIDS. The CBT concept with its associated challenges is critically reviewed and the chapter concludes

with the proposition that CBT should be enhanced through collaborative and interdisciplinary development.

Chapter Three introduces the value of collaboration between different individuals in the tourism sector for successful CBT development. Firstly, CBT collaboration is examined. Next the concept of a network is defined and reviewed from its current use in community development and tourism. Furthermore, CBT network attributes are identified from a literature review and review of existing CBT networks. These attributes are not only network specific, but also include management and organisational attributes and guiding principles to include in the design of a formal CBT network. The chapter concludes with a description of two contrasting prospective CBT networks as examples of how a CBT network model can be arranged and described, based on the previously mentioned attributes and principles.

Chapter Four takes the literature review in a different direction and focuses on Timor-Leste, where the empirical part of the research has been undertaken. The chapter provides general information about the historical geo-political and socio-economic situation. The information that is provided aims at setting a context for the present research. Although, considering the rich history and culture in Timor-Leste, it is impossible to provide a comprehensive review. The episodes described and discussed have value as a means of communicating to readers the context in which the research is set. The literature review concludes in Chapter Four.

Chapter Five describes the research design. The chapter starts by outlining theoretical approaches that influence the present research, and then describes the various stages of the investigation. Furthermore, the sampling techniques and the background of participants are provided. The analysis methods are described and the specific limitations discussed for cross-cultural social science research, in one of the least developed countries.

Chapter Six covers the findings of the second stage of the research starting from the workshop undertaken as part of the *Knowledge, Attitudes and Skills for Timor-Leste's*

Development conference. Following the workshop findings the outcomes of individual interviews are outlined, and comparisons are drawn between the workshop and interview outcomes. Within the discussion section the workshop and interview findings are reconciled with prior reviewed literature. This section provides a higher level of abstraction of collected data in order to develop a CBT network structure, and the phases for its development. Finally, the roles of various stakeholders are discussed, and this concludes the second stage of the research.

Chapter Seven reflects on the participant observations about the evaluation of the proposed CBT network, and analyses the changes that are necessary to enhance the prospects of consensus between stakeholders, to increase the chance of a successful implementation of a CBT network that will benefit local residents. Chapter Eight generalises the findings of the present research and identifies how CBT networks can be structured and developed outside Timor-Leste. Recommendations for the development of the CBT network in various settings conclude the research.

CHAPTER 2. TOURISM AND DEVELOPMENT

2.1.Introduction

The following chapter reviews the literature of major topics relevant to the present research. The chapter is structured in such a way as to represent the debates occurring in Timor-Leste over the future development of the country and the tourism sector. Therefore, the global debates on the relationship between tourism and poverty alleviation, and the role of CBT and other alternative ways of tourism development are discussed. It starts by discussing the meaning of poverty, since the thesis is based on a case of Timor-Leste, where poverty is an issue of utmost importance, and then provides a critique of the past and present international efforts to alleviate poverty. Firstly, the concept of international development is introduced based on economic growth. Consideration of the top-down and bottom-up approaches to community development are discussed. Such discussion contributes to further understanding of the motivations to develop CBT in less developed countries.

Subsequent sections are focused on the ability of tourism to alleviate poverty and to become an instrument of community development. Poverty alleviation and Pro-Poor Tourism are discussed as means for achieving this. The criticism that Pro-Poor Tourism is still based on a neo-colonialist and neo-liberal agenda is considered in the next section. Neo-liberalism in the research refers to free-market reforms that lack consideration of social issues, especially in the developing world (Ball and Bellamy, 2003; Boas and Gans-Morse, 2009), while neo-colonialism is the re-emergence of the colonial set of relations between the newly independent developing states and the former metropolis (Hall and Tucker, 2004). CBT, which was briefly introduced in Chapter One is discussed in depth in light of the issues of poverty alleviation, neo-colonialism and neo-liberalism. Additionally, CBT is discussed in relation to social economy, a sector that is composed of the non-profit organisations that aim to resolve social issues. The chapter ends with suggestions for re-conceptualisation of CBT and strengthening of CBT through collaboration.

2.2.Poverty and international development

Poverty is a complex concept and there are many approaches to measuring and combating poverty. Poverty is concerned with the availability of resources for people to meet their current needs, and also refers to human development, inequality and vulnerability (Coudouel *et al.*, 2002). The World Bank is one of the leading international organisations involved in reducing poverty, and it defines poverty as living below the national poverty line. A national poverty line is a monetary expression that results from surveying subgroups of citizens in relation to their incomes. Prior to implementing the national poverty line concept, the World Bank commonly defines living on less than US\$1.25 per day at 2005 international prices as extreme poverty and moderate poverty as living on US\$2 (The World Bank, 2011). In Timor-Leste a national poverty line is estimated to be US\$ 0.88. Approximately 41% of the population lived below this level in 2011 (Timor-Leste Government, 2011).

The United Nations is another international organisation involved in poverty reduction. This is evident through its Millenium Development Goals which are reflected in the work of several United Nations agencies. The United Nations Development Program is one such organisation (UNDPa, 2011), which has designed Human Development Indices, and issues yearly Human Development Reports. It uses separate poverty indices for developing (HPI-1) and for Organisation for Economic Co-operation and Development countries (OECD), (HPI-2). HPI-1 consists of the probability of not surviving to the age of 40, level of adult literacy, use of improved water sources and percentage of children underweight. HPI-2 includes surviving to the age of 60. It also concerns literacy, measures the percentage of population living under the poverty line, and looks at long-term unemployment (UNDPa, 2011).

It is evident that both approaches aim to define poverty through measurement, and this approach is consistent with the mission of these international organisations, and their stated international development priority - alleviating chronic poverty in developing countries. Another approach that extends the material side of poverty relates to nutrition (Gregory *et al.*, 2011). Other poverty definitions derive from social studies and philosophy. Studies

that can be classified under these broad headings define the poor as people who are deprived of opportunities relative to others in society, or people who are excluded from normal activities. Other measurements of poverty include restrictions on freedom, dignity, autonomy, public voice, power and representation (Akindola, 2009; Baulch, 2006; Callan *et al.*, 1993; Green and Hulme, 2005; Zhao and Ritchie, 2007).

The two approaches to understanding poverty – material on the one hand, and social exclusion and inequality on the other – have also been defined as absolute and relative poverty. Absolute poverty regards human beings as individuals that tend to compete, while relative poverty considers people as social beings that tend to cooperate (Akindola, 2009; Unwin, 2007). Akindola's (2009) study in Nigeria offers a 'poor' perspective on the definition of poverty. Local residents consider poverty in terms of lack of money, inability to meet basic needs, poor standards of living and lack of empowerment. Lack of drinking water, healthcare and pension allowance are among the specific poverty-related issues. Unwin (2007) suggests that in order to eliminate absolute poverty manifest through income, health and nutrition, the issues of relative poverty should be addressed. Nevertheless, it is challenging to combine the individualist and collectivist perspectives on human nature in solutions for poverty.

International development organisations dealing with poverty reduction and/or eradication engage in the design and implementation of various poverty alleviation programs and strategies. Such thinking suggests that the world is developing on a linear trajectory, where every country aims to reach the position of the most advanced Western countries (Sheppard and Leitner, 2010). The idea that through modern technology and knowledge, poverty can become part of history is widely debated (Easterly, 2008; Unwin, 2007). The United Nations' Millennium Development Goals are one of the most ambitious sets of targets. Such initiatives set out goals to reduce the number of people suffering from hunger and living on a limited amount of money (less than US\$1.25 per day). The strategies used for reaching the goals are inclusion of the poor into the economy, provision of health and education, implementing socially responsible practices across economies and changes in the distribution of wealth (United Nations, 2001a). Therefore, poverty alleviation and

elimination initiatives of organisations such as the United Nations and the World Bank deal with poverty as a national, regional and international issue.

In 2010 all aid flows as listed by the OECD totalled US\$ 509.026 billion (OECD, 2012b). This figure includes Official Development Assistance, Other Official Flows and Private Flows. OECD governments alone spent US\$ 133.5 billion in 2011 (OECD, 2012a). Tourism sector figures in the OECD statistics show that US\$ 146 million was committed to tourism through Official Development Assistance. To compare whether the international community spends a lot on aid, the following figures can be used: the total budget of Timor-Leste in 2012 is US\$ 1.763 billion (in which case all aid flows are the equivalent of 289 Timorese budgets) (Ministerio das Finanças, 2011), while the 2012 US budget has expenditure of US\$ 3.796 trillion (7.46 times larger than the total aid flow in 2010) (Office of Management and Budget, 2011). The difference in scale between the financial resources at the disposal of OECD economies and the least developed countries is evident, and from this data it could be suggested that large economies and development agencies do not consider closing the gap between the developed and the developing worlds as a priority. However, the issue of development should not be limited solely to the discussion of the scale of financial aid.

Poverty alleviation requires innovative and creative solutions that seldom come from large organisations with central planning approaches. Therefore, Easterly (2008) criticises the central planning approach that seems to dominate international organisations and their pro-poor and aid programs. The top-down planning approach lacks accountability and is hardly a solution to problems, while large-scale programs are difficult to assess. There is often no feedback loop from the poor, on outcomes for donor programs, so that ill-designed programs continue to be replicated. Critics of aid and top-down development suggest that poverty alleviation is a slow process during which the poor must work with limited means, to become aware of what can, and ought to be done (Easterly, 2008). There are often too many unknown variables to make a link between the intervention, the impact it had, and what would occur if intervention had not occurred. Randomised controlled trials might be a part of the solution to such problems (Duflo and Kremer, 2008). Banerjee and He (2008)

attempt to find a correlation between the performance of the World Bank and Asia Development Bank development programs, and their future support for the same programs. The authors cannot find reliable performance information, and the correlation between performance and support is indecisive. Moreover, they conclude that while some programs are difficult to measure, development banks do not aspire to gathering hard performance evidence and decision-making is based largely on personal beliefs.

Sachs (2006, 2011) is one of the best known commentators on poverty alleviation and has been an advisor to the UN Secretary-General. His approach to ending poverty is largely based on economic growth. One specific approach mentioned is financing poverty alleviation through taxing the rich US population (Gregory *et al.*, 2011; Henwood, 2006). The idea is that enough public spending and aid in impoverished countries can end poverty. Sachs' approach is focused on the economic rather than on the socio-cultural and historic aspects of poverty. Moral grounds of poverty alleviation are omitted and much of the discussion is based around countries rather than people, while his solutions may not be appropriate for the poor who do not live in the poorest countries (Henwood, 2006; Unwin, 2007).

Such approaches to eliminating poverty appear flawed since they do not deal with the conditions creating poverty, and suggest that solutions to poverty do not require lifestyle change for the rich and powerful. Sachs' approach focuses on absolute poverty and pays little attention to relative poverty, which is based on inequality and exclusion (Unwin, 2007). The international aid approach is widely criticised because it has not been fulfilling its promise. Simply increasing the amount of aid will only make poverty reduction less efficient, since it will be increasingly difficult for developing countries to implement programs. Lack of human and social capacity within aid recipient countries will remain a major constraint. The links between intervention and outcomes remain unclear (see Aidwatch, n.d. for examples; Anderson, 2011; Easterly, 2008; Unwin, 2007). Easterly (2008) notes that, while various donor countries and organisations understand there is something wrong with the aid system, they consistently seek additional aid to achieve development goals, at times contradicting themselves within the same reports.

Some developing nations have become reliant on foreign aid and development programs and have seen up to forty years of foreign aid intervention. What is supposed to be a temporary solution to improve impoverished nations, becomes a parallel state that sets up its own units in health, education, security and other sectors. In addition, the proliferation of international development programs by different agencies in each developing country creates extra difficulties in coordination of their work and avoiding duplication of programs. Meanwhile, governments become responsive to the interests of donor organisations instead of their own citizens, and some public servants use the opportunity to work for an aid agency instead of government because of the higher prevailing salaries. Ironically, a donor sponsored empowerment program may contribute to disempowerment (Moss *et al.*, 2008; Knack and Rahman, 2008).

While at first sight it appears that international organisations such as the World Bank and UN are attempting to eliminate poverty, and bring fair and equitable development to the less developed countries, these organisations and their approach to development have been widely criticised. The World Bank provides loans for various developing countries. However, these loans often lack accountability and enforcement of conditions. Additionally, the World Bank and International Monetary Fund (IMF) have been accused of favouring countries aligned or ‘friendly’ with major international powers (Anderson, 2011; Kilby, 2009).

Poverty alleviation programs are driven by a neoliberal approach to economics and the idea that free liberalised market systems and small governments lead to economic prosperity, and thus alleviate poverty. This is manifest in the so-called ‘Washington consensus’ during the 1970s. (Unwin, 2007). In the late 1990s the concept was revised to become the ‘Post-Washington consensus’ (PWC). This approach acknowledges the state as an important institution that has a role to play in financial market regulations, infrastructure and technology development and promotion of equality. Nevertheless, the Post-Washington Consensus does not aim to change relations of power and proposes only domestic reforms, rather than a change in the international economics and trade system, which in turn results in multiple failures over time (Öniş and Şenses, 2005; Sheppard and Leitner, 2010).

Interestingly, Sachs (2006), who has been involved in liberalisation of the post-Soviet Russian economy, comments that Western-style democracy does not necessarily ensure elimination of poverty in the country, and argues against the policies imposed on less developed countries by some Western powers in their self-interest, explicitly naming the USA (Henwood, 2006; Unwin, 2007).

In cases where political persuasion does not play a major role, the personal gain for advocates of a certain type of development represents another obstacle for rational decision-making. The ongoing budgetary support of programs in which advocates are dependent, is often preferred to efficiency of budget spending. It may be suggested that for individuals in development organisations, their own and public ignorance about the impact and efficacy of development programs may be beneficial. Possibly, the incentive for evaluation is low if it is easy and cheap to persuade the public that programs work without providing hard evidence, or if the altruism motive for implementing the program is low (Morduch, 2008; Pritchett, 2008). While the poverty elimination debate is often shaped by economic growth, poverty should perhaps be treated as a consequence of inequality, and the causes of inequality and its historical context should be debated. The ethics of development is an important issue that is rarely mentioned explicitly in the poverty alleviation literature (Unwin, 2007).

While international development programs are heavily criticised, innovative ideas on how to help less developed countries keep appearing. It appears that such ideas are often linked to networking, small-scale, decentralised programs with a focus on local needs, accountability to the beneficiaries, experimental local reforms instead of universal blueprints and elements of market forces for allocation of funds (Easterly, 2008). The present research considers the above definitions of poverty and various approaches to alleviating it, as well as their shortcomings. The research considers poverty as the result of inherent inequality and social exclusion. The absolute poverty that is manifest through the application of a monetary value appears to be a limited view of the issue. As a multidimensional phenomenon the relative poverty perspective appears more aligned to the

aims of the present research where, as Akindola (2009) noted, poverty is a result of a person's incapacity to live a valuable life.

Considering the difficulty of identifying the 'poor', the present research focuses not just on the poor, but on the rural communities that lack access to services and have comparably low standards of living. This is based on the development reports from Timor-Leste that acknowledge the difficulties that people of Timor-Leste face (UNDP, 2011b; UNDP, 2006). Themes of poverty alleviation, financial independence of communities and improvement of standards of living through tourism are also central to this research.

2.3. Community development

The alleviation and eradication of poverty have been objectives of most community development programs, and since theories of poverty vary, community development takes different forms (Bradshaw, 2007). The following section aims to describe terms such as 'community' and 'community development'. The term 'community' is widely contested and has been used in a variety of ways (Brent, 2004; Shaw, 2008). It is an elusive and paradoxical concept, which is often proposed as a means of resolving seemingly intractable social problems (Brent, 2004). The term 'community' suggests a geographic locality with a degree of autonomy, a group with shared interests and needs or a group of people with a sense of common identity (Swanepoel & De Beer, 2006). Phillips (1993) provides the following definition of community:

"A community is a group of people who live in a common territory, have a common history and shared values, participate together in various activities, and have a high degree of solidarity" (Phillips, 1993, p. 14).

The author then argues that no community in human history has complied in full with this definition and that a fully-cohesive community which shares common values, common history and common activities cannot exist, especially in the modern age of mobility. Such definition of a community overlaps with the definition of culture. The distinction between a community and a culture may be made if community is considered to be a group of people, while culture is a symbolic rather than a material phenomenon. Moreover, a culture

may be defined in terms of a single language, while community can comprise people from different linguistic backgrounds (Baldwin *et al.*, 2005). Since a community as defined above can be rarely found in practice, it may be more appropriate to interpret a community through the lens of perception or experience. Such an approach has given a rise to the term ‘sense of community’, and according to McMillan (1996) a sense of community is as follows:

“A spirit of belonging together, a feeling that there is an authority structure that can be trusted, an awareness that trade, and mutual benefit come from being together, and a spirit that comes from shared experiences that are preserved as art” (McMillan 1996, p. 315).

The sense of community may not be restricted by place, for example in the case of a virtual community. Bradshaw (2008) argues that in the modern age it is more appropriate to define community in terms of individuals tied together by solidarity, and shared norms through global networks. One tangible form that community as a place might take is a local neighbourhood. However, in modern industrial societies where traditional social structures are being transformed and people of different needs and interests are being required to live together, a local neighbourhood is not necessarily a community. Nevertheless, such places provide settings for human interactions and are an important element of community (Brent, 2004). Furthermore, as a result of policy related decisions communities may be artificially constructed, managed or deconstructed (Shaw, 2008; Swanepoel & De Beer, 2006).

The view that a community is in opposition to industrial and capitalist social order is popular since the emergence of the ideas of commune and communitarianism. However, this viewpoint may idealise community, rather than critically assess its role in exclusion and oppression. The idea of a community boundary, if it is considered as a geographical location, already divides society (Shaw, 2008). Brent (2004) argues that community may be fostered by the sense of a common enemy and may lead to internal divisions. Indeed a strong community identity may be a consequence of exclusion and oppression (Cain & Yuval-Davis, 1990; Gilchrist, 2009). Communities are always incomplete, divisive and changing. The idealistic view which holds that community brings equality, empowerment,

security, solidarity and co-operativism, is therefore contested (Brent, 2004; Shaw, 2008). The present thesis adopts an interpretation of community as a social structure and identifies local residents of the destination as the intended beneficiaries of CBT.

The ambiguity of the term ‘community’ leads to differences of opinion about the meaning of community development. Community development may be based on the existing social order or may attempt to bring about change. It aims to improve the standards of living of those who belong to the community, and since communities consist of different groups of people, the task of community development is to identify common needs and address them in the interests of the entire locality (Brennan, 2004). Community development often aims at empowering the oppressed within a particular group (Swanepoel & De Beer, 2006). Nevertheless, it often finds itself operating within conservative realities, and may not actively contest the existing set of relationships.

Arguably institutionalised professional community development as opposed to activist, radical community development further hinders the opportunity to bring about substantial social change (Ledwith, 2011). For example, even the World Bank – a traditionally neoliberal organisation which has a history of controversial policies and programs – has declared the necessity for consultation with and empowerment of the ‘poor’ in the developing world. However, it has been criticised for failing to convert the rhetoric into action, on the basis that consultation with communities does not necessarily result in programs that communities want to see (Schilcher, 2007). Institutional community development may adapt to the circumstances, while a radical approach would transform power relations leading to exclusion and oppression (Mayo, 2011; Shaw, 2008).

Institutionalised community development operates through enhancement of local institutions and environment for small business, entrepreneurial efforts and other locally based economic activity (Brennan, 2004). Since market and neoliberal policies drive development, community organisations are influential in promoting the virtues of self-help and of reducing reliance on government (Taylor, 2011). In a liberalised economic environment this is very challenging as poorer communities have less bargaining power compared with multinational corporations (Schilcher, 2007). Community development

practitioners may find themselves operating on the ground between the necessity to adapt to top-down formal structures and policies, and bottom-up aspirations for an equal and just society (Swanepoel & De Beer, 2006; Shaw, 2008). In neo-colonial terms a community development practitioner may become a developer, and the community becomes those to be developed and the categories used by development practitioners may be imposed upon colonised people (Hall and Tucker, 2004).

2.4.Sustainable tourism development and poverty alleviation

International organisations and researchers have noted the importance of tourism for development, and especially poverty alleviation (Byrd, 2007; Yilmaz and Gunel, 2009). In 2010 international tourism receipts reached US\$ 919 billion, while the share of international tourist arrivals accounted for by developing countries grew to 47% (UNWTO, 2011). The economy of tourism is one of the world's largest, and generates income which benefits communities and the environment. Such an approach to tourism has also become widely accepted as potentially sustainable economic development. "Sustainable tourism also means that tourism development does not generate serious environmental or socio-cultural problems" (UNWTO, 1998, p. 14). Often the tourism product is not something artificially created; rather it draws upon the appeal of the natural, cultural and historic heritage of the destination. Preservation of these resources is important for the destination and requires planning and sustainable development (International Council on Local Environmental Initiatives, 1999). Tourism is also an activity that supports the socio-economic development of rural areas around the globe by diversifying rural economies, providing linkages between different economic sectors, generating employment, increasing the value of physical environment and local culture (Sharpley and Sharpley, 1997; Telfer, 2002).

It is widely believed that less developed countries which possess natural attractions and cultural or historic assets, can benefit from tourism. However, tourism development may lead to negative as well as positive impacts, and the former are very evident in the case of some well established and iconic "sun, sea and sand" destinations, such as Malta and Mallorca (Dodds, 2007). Increasing awareness of the range of prospective impacts has led

to an appreciation of the need to adopt a planned approach to tourism development and sustainability. Most of the existing interpretations of sustainable tourism have focussed on the physical environment with fewer researchers emphasising the prospective community benefits. The United Nations World Tourism Organisation (UNWTO) (2004) views sustainable tourism as tourism development which maintains a suitable balance between environmental, economic and socio-cultural dimensions. However, there is unresolved debate about what constitutes sustainable tourism and the extent to which genuinely sustainable tourism destinations are achievable.

The proponents of sustainable tourism argue that it assists the sustainable development process by bringing about changes that will improve living conditions for future generations (Liu, 2003). However, the terms ‘sustainable development’ and ‘sustainable tourism’ are associated with multiple definitions and different conceptual implications (Sharpley, 2000). The sustainable development concept has been criticised as overemphasizing an economic paradigm and for prioritising sustainable economic growth over the maintenance of biodiversity (Banerjee, 2003). The conceptualisation of nature as a commodity is a related concern (Börner *et al.*, 2010; Kosoy and Corbera, 2010; Pascual *et al.*, 2010; Vatn, 2010). In a similar fashion sustainable tourism may emphasise sustaining tourism growth rather than bringing greater benefits for the environment and host communities (Sharpley, 2000).

The United Nations World Tourism Organisation advocates the role of tourism as a tool for poverty alleviation and launched the ST-EP (Sustainable Tourism for Eliminating Poverty) program in 2002. The UNWTO currently lists over 100 ST-EP projects in 51 countries. Timor-Leste has one project listed on the ST-EP website titled “Capacity Building for Tourism Employees in Dili”. It is financed by the Macau government, commenced in December 2011 and is scheduled to run for one year, with no further details currently available (UNWTO, 2012). UNWTO efforts to alleviate poverty through tourism appear to be encouraging, if one overlooks the fact that the organisation’s primary mandate is to ensure the economic growth of tourism. The question one might ask then is whether the poor or tourism comes first. The efforts of international tourism organisations appear to be

limited to ensure no disruptions and major industry change (Schilcher, 2007). This process appears to resemble the change from the Washington consensus to the Post-Washington Consensus – reforms to neo-liberalism to include elements of strengthening institutions and a people-centred focus, while at the same time not disturbing current organisational relations (Öniş and Şenses, 2005; Sheppard and Leitner, 2010).

Initiatives such as ST-EP projects have been often defined as Pro-Poor Tourism (PPT). PPT is “tourism that generates net benefits for the poor” (Goodwin, 2009, p. 91). It employs a number of different strategies to alleviate poverty particularly by changing the distribution of wealth, providing business and employment opportunities, education and equality (Goodwin, 2009). Similar to CBT, PPT aims to bring maximum benefits to local people. However, the difference between CBT and PPT is that PPT is not restricted to tourism set within a community and is not a niche type of tourism (Mitchell and Ashley, 2010). Views about PPT have been divided. While PPT advocates claim that the approach is qualitatively different from other types of tourism, the critics point out that it does not solve the north-south divide and does not address the socio-economic divide within communities. Nor does it solve the issue of power imbalance. Thus PPT does not alleviate exploitation and does not attempt to change political/economic systems. The advocates of PPT propose a fair partnership in relations between the stakeholders. They acknowledge the current dominance of paternalistic attitudes between government, private sector and the poor. As evident by donor organisations involved in ST-EP projects (UNWTOa, 2012), poverty alleviation through tourism is often undertaken by international NGOs. The involvement of the international agencies raises questions about the top-down nature of such projects and whether they genuinely engage with the desires and needs of communities and countries where PPT is developed. One of the recent publications on how to alleviate poverty through tourism, the Manual on Tourism and Poverty Alleviation (UNWTO and SNV, 2010), considers local government and destination level organisations as its primary audience. Nevertheless, it lacks consideration of cultural differences, and offers little opportunity for the poor to voice themselves. It appears that despite many valuable suggestions made in the manual, it still considers poverty alleviation as something that is done to poor rather than the poor can do themselves.

Despite increasing international interest in reaching measurable development goals and alleviating poverty through tourism, many projects focussing on delivery of benefits to the poor have been either economically unsuccessful or marginally successful. Failed projects often lack market focus and have minimal involvement from the private sector (Goodwin, 2009; Harrison, 2008; PPT Partnership, 2007). There is often a gap between short-term projects and long-term master plans and policies (Ashley, 2006). One of the limitations of adopting a project-based approach is the applicable timeframe: projects are finite and the available finance covers a defined period of time. Continuity of operations and the provision of sustainable benefits to the poor cannot be guaranteed in the longer term, if instruments for ongoing support have not been developed during the timeline of the project (Goodwin and Santilli, 2009; Harrison and Schipani, 2007).

It may be suggested that in cases where short-term projects are part of a long-term plan supported by a policy framework, the outcomes of project work have a greater prospect of achieving sustainability (Kimbu and Ngoasong, 2013; Tolkach *et al.*, 2012). Another challenge is the implementation of PPT, with successful implementation of such programs dependent on a wide range of internal and external factors. However, international aid proponents focus only on availability of resources (Sachs, 2006), while it may be suggested that stakeholder collaboration, pragmatism, market demand and external factors (e.g. political and social environment, unforeseen events) are among the crucial factors that contribute to PPT success (Ashley and Haysom, 2006, Tolkach *et al.*, 2012).

2.5.Tourism, neo-liberalism and neo-colonialism

As is the case with many types of tourism, PPT also faces an ideological challenge. Modern tourism is a neoliberal and a neo-colonial concept according to its critics, who suggest that it uses destination lands and communities in the same way as colonial powers. Local citizens may be oppressed by being unable to participate in decision-making and not owning the land, which once was theirs. PPT and CBT are viewed as better options, but still conforming to neoliberal views in cases where policy environment favours free-market economy and economic growth over equity concerns (Schilcher, 2007). These concepts are often introduced by foreigners and international donor organisations to the locals with

paternalistic attitudes. In order to receive donor funding, communities may have little choice, but to allow the development to happen in the way that it is planned by outsiders (Butcher, 2010).

The neoliberal ideal is the market economy, which is unregulated by government and unaccountable to society. In neoliberal settings people act in their personal economic interests and individual wealth is seen as the purpose (Golob *et al.*, 2009). The advocates of neo-liberalism would point to a free market as the optimum model for economic development generating wealth and spreading freedom, while the ‘trickle down effect’ spreads economic prosperity widely among whole population. From a neo-liberal viewpoint an economic failure may be considered as a consequence of government interference. The principles of neo-liberalism are: free markets, unfettered international trade, low taxes, low government spending and little government regulation. After the collapse of the Soviet Union and the market-oriented reforms in China, the neoliberal model of economic development became absolutely dominant (Golob *et al.*, 2009; Mowforth and Munt, 2008; Steger and Roy, 2010).

Despite absolute dominance, there are many critics of the neoliberal economy, especially among development scholars. Discontent with the dominant neoliberal Post-Washington consensus paradigm has grown dramatically since the 2008 global financial crisis (Sheppard and Leitner, 2010). In the developing world the World Bank and IMF has managed to pressure governments into implementing neoliberal policies, such as privatisation and tax reforms, while international trade agreements and the supposedly ‘free’ market are criticised for favouring the developed countries (Easterly, 2008; Sheppard and Leitner, 2010). Additionally, Easterly (2008) criticises the UN for cooperating with corrupt governments.

Sheppard and Leitner (2010) suggest that there is a consensus between many economic policy-makers and international institutions that neoclassical theory, capitalism and globalised markets can in principle deliver benefits to all, and this is the theory that economists should follow. However, imperfect information leads to imperfect competition, regulations that are biased towards multinational corporations based in the developed

countries, and politically motivated interventions are the causes of problems in the developing world. However, the civil society and academics of Marxist, feminist, postcolonial and postmodern persuasions experiment with non-capitalist alternatives (Sheppard and Leitner, 2010).

Modern tourism in general is perceived as negative by some social scientists. Perceived negative impacts are often connected to commoditisation and to the destruction of authentic local culture, and tourism is seen as a major part of neo-liberalism, neo-colonialism and globalisation (Wallace, 2009, p.7). Bianchi (2002) suggests that the political economy of tourism should be thoroughly studied. Such discourse has to go beyond cultural dimensions and engage critically with the political and economic aspects of power (Bianchi, 2009). Hall (2010) argues that due to the managerial focus of the research, and sources of funding available to researchers, it is considered inappropriate to debate power relations. Tribe (2008) calls for more critical research in tourism suggesting that challenging the *status quo* would benefit tourism.

Some critics of neo-liberalism suggest that it does not result in less government involvement, but changes the type of government involvement into markets and trade (Hall and Michael, 2007). In some less developed countries government decisions are made in favour of the multinational resort developers rather than local entrepreneurs, as tax cuts are provided for large developers. These large scale developers often do not create links with local industries and normally import produce, employ foreign staff, may not offer career growth for local residents and send profits out of the country (Scheyvens, 2011). Tosun (2000) notes that the exercise of local control over tourism development is progressively eroded, as an institutionalised industry structure emerges in the destination.

Often development is undertaken in the developing countries by international organisations from a Western neo-liberal point of view, which contradicts the traditional and customary lifestyle of people living in the developing countries. Local customs are then represented by development advocates as impediments to development. Instead of creating ways of improving livelihoods based on traditions and culture, experts often suggest radical changes to the existing system. One such example evident in many Pacific countries is land reform

(Scheyvens and Russell, 2012b; Trau, 2012). The custom of communal land has been suggested as the reason for economic deprivation in some countries. However, Anderson (2006a) suggests that land reform and the registration of customary owned lands are driven by 'special interest groups' who would like to access this land. Concerns over land dispossession as a result of reform designed and subsidised by foreign aid agencies are raised in various media. Examples include Timor-Leste, where the 2007-2012 president Jose Ramos-Horta vetoed three land laws written with the assistance of USAID (La'o Hamutuk, 2012a); Papua New Guinea (Anderson, 2006a; Davidson, 2009; Porter, 2010) and Vanuatu (Bismark Ramu Group and The Vanuatu Cultural Centre Land Desk, 2011; Garrett, 2011). In both Papua New Guinea and Vanuatu land reform is championed by AusAID. Thu (2012) argues that focus on land ownership and land titles rather than on access of local residents to land has the potential to spark conflicts and displacements, and that land title laws alone have little chance of resolving land tenure issues in a post-colonial setting.

The proponents of liberalism and neo-liberalism regard tourism as a catalyst of modernisation and economic development. It generates jobs, encourages foreign exchange and accelerates the adoption of modern ways of life by people from traditional cultures (Schilcher, 2007). The last point is based on the assumption that traditional ways of life contribute to poverty and other social issues. In this context the multidimensional definition of poverty based not only on economic solvency, but also on empowerment, education and human rights appears more appropriate. However, this may be overlooked and tourism development is viewed only as means to achieve economic growth (Schilcher, 2007). Tourism then becomes an instrument of neo-liberalism as it contributes to the free movement of capital, labour and consumers. This is not only the case for multinational corporations because small-scale independent local businesses may be drawn into the global economic system (Schilcher, 2007; Trau, 2012).

Similarly PPT does not offer a framework different from the neoliberal approach to development, because PPT fits well within the capitalist market model (Scheyvens, 2011; Schilcher, 2007). In relation to the example of land reform, tourism development can take

two different paths: lease of land for resort development (often by overseas based businesses) or development of tourism within customary land and in negotiations with the landowning community. The first strategy may lead to alienation of land owners from their land. The second strategy is assumed to be an impediment to foreign investment. Scheyvens and Russell (2012b) illustrate that communally owned land can still attract investment within an appropriate legislative framework, which secures the rights of lessee and landowning communities, and with an oversight body that ensures fair negotiation, both the community and the tourism developer can benefit. Nevertheless, the lease of land, even if it is still under customary land ownership deprives the community of access. In traditional Asia/Pacific cultures, land is not a commodity – people have a strong cultural link to that land, therefore access of traditional owners to their land should be preserved (Anderson, 2006a).

However, the focus of international organisations appears to be on the economic aspects of development, without an in-depth understanding and careful consideration of the socio-cultural aspects. However, gradually, the discussion around tourism and development is shifting towards viewing tourism in a social context rather than an economic context, as more research is done on the relationships between different actors in tourism. The topics of human rights, social responsibility and complexity of human interactions in the tourism context have been growing in importance (Scheyvens, 2011). Nevertheless, the strategies to alleviate poverty through tourism should not be extremely protectionist, as this may result in negative economic growth and as such inhibit human and social development as well as economic development (Schilcher, 2007). It may be assumed that rather than a traditional view of the neoliberal–protectionist continuum of development, the strategies to alleviate poverty through tourism should accommodate a variety of views from a broad range of disciplines and consider all the criticism, to construct new approaches to tourism. The destination-specific factors, such as the scale of development, potential types of tourist products should be considered as well in order for these initiatives to be commercially viable.

In developing countries which are often former colonies of Western powers neo-liberalism is usually accompanied by neo-colonialism. Neo-colonialism refers to modern involvement in the internal affairs of sovereign states by a foreign government and international agencies as well as by multinational corporations. Neo-colonialism replaces the traditional colonial system, under which a colony was controlled and governed by the foreign administration. In neo-colonialism, countries have nominal sovereignty, but they conform to foreign ideologies and economic models, which result in foreigners having more actual power than locals. Usually, the control over colonies is indirect and ensured through economic and monetary mechanisms. However, military pressure may also be applied (Hall and Tucker, 2004).

Neo-colonial discourse exists within postcolonial studies. Postcolonialism may refer to a position against imperialism, colonialism, Eurocentrism and confront current economic thinking. Considering the variety of topics covered by postcolonial studies, contradictions are unavoidable (Hall and Tucker, 2004). Nkrumah (1965), one of the architects of the term neo-colonialism, describes it as the last and the worst form of imperialism because the imperial powers do not have any responsibility over their actions in the colony. Many former colonies suffer from deregulation of trade and unequal positions of local producers against multinational corporations. Neoliberal policies pushed by international organisations and the developed countries are one of the contributors to socio-economic issues arising in the developing world. A globalised world driven by neo-colonialism and neo-liberalism attempts to exploit cost differences to reduce costs of production, and therefore increase profits. This cost competitiveness potentially leads to a race to the bottom, and contributes to poverty and other social and environmental issues (Jaakson, 2004).

Tourism plays a significant role in a neo-colonial globalised world. International tourism by definition involves activities between actors in different countries. This is a perfect fit for advancing the globalised economic system. Even small-scale community-based tourism and eco-tourism can be vanguards of globalisation (Hall and Tucker, 2004; Schilcher, 2007). Many tourists prefer to go on holidays to the former colonies of their homeland.

That brings back the set of attitudes and behaviours which were prevalent during colonial times: the use of colonial heritage as sights, commoditising local culture as exotic entertainment, and paternalistic attitude towards locals. The culture in a tourism destination is often commoditised to the extent that it loses its real meaning for local residents (Gibson, 2010; Hollinshead, 2004; Mowforth and Munt, 2008).

The heritage of colonial towns manifest in old buildings may have no interest for local residents. This may occur, for example, because the understanding of heritage in the local tradition is not connected to buildings, but to land and family ties. Additionally, the history of colonisation may not be perceived as significant. However, local authorities are encouraged to conserve the old colonial buildings to attract tourists from the core of former empires (Fisher, 2004). In this way Western tourists in former colonies hold the power to re-define and 'package' local people. This is combined with the business necessity whereby tourism provides an easy-to-understand communication that develops a superficial imagery of a destination mixed with the history and culture of local people (Hollinshead, 2004).

The structure of mass tourism represents a new plantation economy that operates in the colonial periphery around the interests of a metropolis, is controlled by the metropolis, and favours metropolis-based companies and periphery-based elites (Hall and Tucker, 2004; Mowforth and Munt, 2008). The power relations and the motivations of contemporary tourists to visit developing countries and some of the poor communities are embedded in the vision of 'unspoilt' locations. Another factor that attracts tourists to less developed countries is price. However, a cheap holiday for tourists often means a low wage and lack of labour rights for locals. The local residents are often deprived of enjoying access to land, beach and ocean and at the same time are expected to be satisfied with low level hospitality and tourism jobs with limited opportunities to become managers or owners of tourist facilities (Scheyvens, 2011).

Control over tourism development is often manifest by the power exerted by overseas tour operators over tourism distribution channels, and therefore over tourism flows (Van Der Duim and Caalders, 2008). The start-up capital for development of resorts to attract

relatively rich foreign tourists is often absent in the developing countries. Tourism development has to rely on multinational corporations to develop hotels and attractions. Consequently, tourism development proceeds under the control of foreign investors, and according to their worldviews and cultural perceptions. The result is also a significant leakage of revenues from the local economy (Akama, 2004; Jaakson, 2004; Scheyvens, 2011).

The blame for negative impacts on local communities is placed mostly on conventional mass tourism. Britton (1987) provides six alternatives to conventional tourism based on the scale of development and type of ownership. Arguably, small scale locally owned initiatives will deliver better outcomes for local communities. Gonsalves (1987) develops the concept of alternative tourism based around tourist experience. Contemporary alternatives to mass tourism have been formed as a product differentiation from sun, sea and sand tourism. Consequently, forms of alternative tourism including CBT receive a share of criticism as attempts to extend tourism geographies for the sake of industry growth, rather than to improve the livelihoods of host communities or to preserve the environment (Blackstock, 2005; Hall, 2007; Harrison, 2008; Schilcher, 2007; Trau, 2012; Wheeler, 2003). In the analysis of ethical tourism, which by definition has to be based on ethics and moral grounds for tourist encounters with hosts, Gibson (2010) highlights contradictions within the concept. For example, ethical pro-poor tourism may involve 'authentic' experience of poor village life, that village dwellers may not feel comfortable showing, because such encounters may be intrusive.

One example of neo-colonialism within the tourism industry is suggested by an analysis of the Lonely Planet guide book about Timor-Leste by Callahan (2011). Lonely Planet guidebooks are primarily targeted at independent travellers with the objective to provide information for a traveller to design his/her own route within the destination, available accommodation and sights. In terms of Timor-Leste, the book mainly targets an Australian audience, which is perceived to be interested in remaining examples of Portuguese colonial architecture. However, the Portuguese influence is perceived as a past experience, which is not returning. According to Callahan (2011) the style and the content of the book are

supportive of the growing influence of Australia in the newly independent Timor-Leste. Callahan (2011) suggests that Australia rather than being a postcolonial partner relates to Timor-Leste as a neo-colonial power. It has to be acknowledged that Timorese society has been transformed over centuries by various interventions, colonisations and diasporas including those of Portugal, Indonesia and Australia. The term 'hybrid identities' can be used to some extent in relation to the people of Timor-Leste rather than portraying it as a purely traditional society (Hall and Tucker, 2004; Hollinshead, 2004).

The example presented by Callahan (2011) shows that rather than finishing colonisation at some point in time and engaging with Timor-Leste from a post-colonial point of view, large powers continue relating to a less powerful state from a position of superiority. Hollinshead (2004) suggests that tourism can actually play a positive role in the process of former colonies culturally decolonising themselves. Tourism provides a platform for postcolonial societies to embrace their non-Western heritage and gradually build or re-build their own ways of knowing and world understanding.

Tour operators and tour managers will have to increase awareness of the political context in which they are operating and also embrace a function of interpreters of non-Western cultures and knowledge. However, the power to change tourism to be responsible and equitable is ultimately with the tourists, as the industry must respond to their demands (Jaakson, 2004). Responsible or ethical tourism should not be understood as a type of product, but a process that allows for equitable power relations between all parties involved in tourism development, with a focus on a wide distribution of benefits among host communities, rather than on private profits.

2.6. Tourism and social economy

Johnson (2010) views CBT in the context of the social economy which has also been referred to as the solidarity economy or third sector. The thesis utilises these terms interchangeably. As evidenced by Carvalho *et al.* (2008) some organisations in Timor-Leste share this view. Social economy represents public-sector non-profits, market-based social organizations, and civil-society organizations. However, CBT has been criticised for dispersal of neo-colonialism and economic globalisation (Blackstock, 2005). This section

discusses social economy as a perceived alternative to the suggested neoliberal globalised economy, and aims to establish characteristics that a tourism enterprise should have, to be perceived as part of social economy. Embracing principles of social economy may well be a way for tourism to break away from conforming to neo-liberalism and neo-colonialism. The term social and solidarity economy has roots in French: *l'économie sociale et solidaire*. The term was first used by French academics in the eighteenth century (Nitsch, 2000). Currently, the term social economy is being rediscovered in the Anglophone academic world. This is often attributed to the institutionalisation of social economy in the French-speaking Canadian province of Quebec, and the subsequent interest in the phenomenon from the rest of Canada (Smith and McKittrick, 2010).

The concept of a social enterprise that constitutes social economy has a variety of definitions. It commonly has an explicit social goal that resembles the non-profit sector, but employs entrepreneurial and creative methods that resemble commercial enterprise (Galera and Borzaga, 2009). Organisations that form social economy do not represent government, though they are not profit-seeking, but aim to achieve social objectives. Social economy is not based around achieving political power as in the public sector, nor on profit making. Instead interpersonal relationships, ethics and trust are prevalent (Golob *et al.*, 2009). In particular, the social economy is people-centred and aims at strengthening social cohesion, promoting civic participation and providing employment and financial opportunities for those who are disadvantaged by the labour market and by the public sector (Lukkarinen, 2005; Vidal, 2010). Co-ownership and self-management are at the core of the solidarity economy, which contrasts with more common industrial relations based on employment, salary and little involvement by workers in decision-making.

Solidarity enterprises often take the form of associations, cooperatives, community projects, and family-based enterprises. In some cases self-organised workers of a bankrupt business take it over, and such a worker-run business then becomes part of the solidarity economy as well (Azzellini, 2009; Lechat, 2009). Participants in the solidarity economy often need networking and coordination, especially to advocate their agenda to government. By example, the rise of this movement led to the establishment of a Secretariat of the

Solidarity Economy within the Ministry of Labour of Brazil (Lechat, 2009). Lechat (2009) suggests that solidarity enterprises are easier to organise in rural areas, due to a longer tradition of cooperation between farmers, and less urgency about ensuring economic success. The solidarity economy may be considered as a different way to do business, as opposed to the neoliberal globalised model or state planned economy (Neamtan, 2002; Satgar, 2011).

It is difficult to measure the size and impact of the social economy, since it takes a variety of different forms and varies by country. It is frequently ignored by both the private and the public sectors (Lukkarinen, 2005). Amin (2009) describes the practice of social economy as 'extraordinary ordinary'. It is challenging to work within the sector and the skills necessary to succeed are somewhat similar to the private or public sector, and as such the social economy should not be romanticised. The solidarity economy often requires external support either from NGOs or government. Government is also responsible for appropriate legislation to define and to regulate the solidarity economy (Azzellini, 2009; Lechat, 2009). Proactive government, ongoing support and institutionalisation through policy can help to spread social economy in Canada (Brock and Bulpitt, 2007; Mendell and Rouzier, 2006; Quarter *et al.*, 2009; Smith and McKittrick, 2010).

For example, the term social economy has been used in the 2004 budget of Canada to demonstrate the government's support for the sector. Nevertheless, a variety of terms that describe social economy are used throughout Canada, and the choice of terms appears to be attributable to the governing political party (Smith and McKittrick, 2010). It is estimated that social economy contributes 4.4% to the Canadian GDP and employs 6% of the population, thus representing an important economic sector (Uluorta, 2008). Social economy has also been on the rise in Latin America. This may be attributed to the recent failures of neo-liberal governments in the region, and subsequent spread of socialist governments, most notably in Venezuela, Bolivia and Ecuador, and a long history of social movements (Aponte Garcia, 2009; Riggirozzi, 2010). However, social economy is not necessarily a socialist construct as it can be used to reduce government spending on social

services. Social economy has also a variety of intangible benefits that are not considered in economic indices. Uluorta (2008) provides the following characteristics of social economy:

Table 2.1. Social economy characteristics

Fields	Characteristics
Structure	<ul style="list-style-type: none"> • formal, as social economy networks are institutionalized; • informal, as social economy networks come together temporarily as assemblages, and then transform or disperse.
Network form	<ul style="list-style-type: none"> • households; • cooperatives; • charities; • voluntary organizations; • informal community-based organizations; • non-government organizations (NGOs).
Ownership	<ul style="list-style-type: none"> • self-governing; • governance and ownership premised on democratic participation models; • negotiated relations of production predicated on cooperation, conflict and compromise.
Activity	<ul style="list-style-type: none"> • direct involvement in the production and distribution of goods and services to a market most often to ensure social reproduction; • examples include care work within the household and environmental reclamation within communities.
Aims	<ul style="list-style-type: none"> • social reproduction; • economic activities, monetised or otherwise, seeking a viable rate of return on production and distribution without compromising social goals; • local capacity building; • enhancement of social values;

	<ul style="list-style-type: none"> • addressing emergent risks; • enrichment of the quality of life for both recipients and producers of goods and services.
Productivity	<ul style="list-style-type: none"> • explicit fusion of paid and non-paid labour; • technologies and production techniques.
Profits	<ul style="list-style-type: none"> • may not be applicable due to non-commodification or legislative prohibition; • re-invested to expand quality and/or quantity of goods and services delivered; • distributed as profit sharing to stakeholders.
Economic status	<ul style="list-style-type: none"> • in juxtaposition to the market and state economies; • economies as co-evolutionary with each implicated by the other.

Source : Uluorta, 2008.

Social economy can be two-fold: on the one hand it can bring about social change, while on the other hand it may contribute further to the reduction of government responsibility for provision of public services. The social economy concept is sometimes viewed as mitigating the negative impacts of neoliberal policies by delegating responsibility for and costs of the social sector from governments to the citizenry. Coupled with the characteristics of the liberalised economy this approach may diminish responsibility on the part of government for the provision of public services. Such approaches are aligned with the neoliberal view of development (Ledwith, 2011; Taylor, 2011). However, the prominence of cooperatives and worker associations within the social economy challenges the prevailing neoliberal approach to structuring industrial relations. A more radical approach to the social economy advocates broader social change on the part of the oppressed (Azzellini, 2009; Lechat, 2009; Satgar, 2011). Golob *et al.* (2009) suggest that the replacement of the neo-liberal economy with a social economy, that is based on general interest to resolve social issues, has to come from within the private sector, supported by

the government and civil society. Corporate social responsibility policies may represent the first step in the paradigm shift (Golob *et al.*, 2009).

Tourism, in particular CBT, may represent either an institution-based spreading of the Western capitalist worldview, or be an instrument to combat discrimination, and progress social justice. How an individual initiative approaches tourism development may be identified on the basis of development processes, funding, and relationships between stakeholders. The tourism initiative in Corumba, Brazil, represents an example where tourism is seen as part of the social economy. The development is primarily focused on development of the local economy through the organisation of fishing co-operatives with the aim to improve the living standards of local residents. Tourists represent the market and additional income activities for the fishermen. The development of co-operatives requires capacity building support from academia and state and national level government bodies (Mariani and de Oliveira Arruda, 2011).

2.7. Community-Based Tourism

CBT emphasises the central role of local communities in tourism and has a larger correlation with community development than other forms of tourism. Well-managed CBT has the potential to address all three aspects of sustainability: economy, society and environment (APEC Tourism Working Group and STCRC, 2010). As a concept, CBT is related closely to so-called 'alternative tourism' (Gonsalves, 1987), which is built around the idea of experiential, as opposed to mass tourism. In Gonsalves' (1987) opinion ideally alternative tourism should transform mass tourism practices. The majority of CBT initiatives are small scale, rural or regional, and are at least partially owned and managed by a community committed to delivering community benefits. CBT aims to support community development and to improve the livelihoods of local residents. In some instances tourism initiatives in community settings are 'top-down' and in others 'bottom-up'.

It is important to distinguish between what may be described as 'institutional community development', which is commonly 'top-down' and is developed by development agencies

and does not challenge the status quo, and the radical, activist, bottom-up community development that aims at bringing about genuine social change (Brennan, 2004; Ledwith, 2011; Mayo, 2011; Shaw, 2008; Swanepoel and De Beer, 2006; Taylor, 2011). Based on the previous discussions within this chapter, it may be suggested that top-down approaches to tourism development should not be considered as CBT. Such examples impose tourism onto a community and impede resident empowerment. Optimal CBT should be based on the bottom-up and solidarity principles of development, which are closely aligned with more radical approaches to community development.

CBT owes a strong legacy to the idea of community participation in tourism development (Murphy, 1985) and to Schumacher's (1973) proposition that 'small is beautiful'. Community participation and stakeholder cooperation in tourism planning has evolved in the context of sustainable approaches to tourism and negative resident perceptions of tourism (Dodds, 2007; Ioannides, 1995; Murphy, 1985; Reed, 1997). Community inclusion and participation in tourism development has now become a major area of contemporary tourism research. The extent to which communities participate in tourism development raises various concerns, such as the extent of understanding of tourism within the community, community capacity to participate in the tourism industry, community empowerment, involvement of local citizens in the policy development process and also the concept of community-based tourism (CBT) (Rocharungsat, 2008; Sakata and Prideaux, 2013). There are two prevailing views about the community impacts of tourism development. On the one hand, tourism can have negative consequences on the socio-cultural characteristics of local citizens. This includes the degradation of local culture, loss of community identity and social degradation. On the other hand, tourism may be named a possible facilitator of community development by providing interactions between local citizens and tourists, empowerment, bringing equality and job opportunities (Simpson, 2008).

Community attitudes towards tourism have been the subject of extensive research. At times tourism development plans lead to conflict, though community members, who initially oppose development, can become its most passionate advocates (Murphy and Murphy,

2004). It should be acknowledged that participatory tourism development is the subject of considerable debate, especially in relation to stakeholder collaboration and the power relations between stakeholders. Power is typically distributed unequally between the various stakeholders who are participating in tourism development. Neutralising the negative effects of the unequal distribution of power is a significant challenge for tourism development (Butcher, 2010; Mair and Reid, 2007; Jamal and Getz, 1995; Reed, 1997; Sakata and Prideaux, 2013; Tosun, 2000; Van Der Duim and Caalders, 2008; Zapata *et al.*, 2011).

Schumacher's (1973) ground-breaking work has greatly influenced attitudes to development, since it argued in favour of smallness of scale and overturned the prevailing orthodoxy that large enterprises produce better outcomes than their smaller-scale counterparts. Schumacher argues that the context of 'small' involves people-centred development that is easy to manage, efficient, empowering, benefits the wider population and provides a sense of ownership. This philosophy challenges larger-scale industrial-type development, which tends to make unsustainable use of resources, potentially benefits the minority and is hierarchical. CBT is usually represented by small-scale enterprises and may represent and follow the 'small is beautiful' philosophy. In recent years there has been mounting criticism of small-scale tourism development generally, and of alternative and CBT tourism in particular, as a direct or indirect consequence of the 'small is beautiful' philosophy. It has been argued that small is not always 'beautiful' and that there is no guarantee that it will achieve positive social and economic outcomes (Butler, 2011; Harrison, 2011; Weaver, 2011).

Legal ownership and management practices vary greatly, while some CBTs are fully community owned, others enter partnerships with NGOs or private organisations. Legally CBT can be registered as a private company, cooperative, trust or joint venture. This is determined by the applicable legal system within the jurisdiction (APEC Tourism Working Group and STCRC, 2010). Based on organisational structure CBT initiatives can belong to different sectors of the economy: social economy, private sector or public sector (Johnson, 2010). Simpson (2008) introduces the concept of community benefit tourism initiatives

(CBTI) instead of CBT, arguing that the type of ownership and management, and even participation of the community in decision-making, should not be a decisive factor, since delivering benefits to community has higher significance. However, another seemingly more common view is that the local community should actively participate at all stages of the planning and development process (Blackstock, 2005; Johnson, 2010; Murphy and Murphy, 2004).

The links between tourism businesses and local suppliers and also interactions between local hosts and visitors are an important part of the CBT concept. Common attributes of CBT include the following:

- Aiming to benefit local communities, particularly rural or indigenous peoples or small town residents, contributing to their wellbeing and the wellbeing of their cultural and environmental assets;
- Hosting tourists in the local community;
- Managing a tourism scheme communally;
- Sharing the profits/benefits equitably;
- Using a portion of the profits/resources for community development and/or to maintain and protect a community cultural or natural heritage asset (e.g. conservation); and
- Involving communities in tourism planning, on-going decision making, development and operations (APEC Tourism Working Group and STCRC, 2010).

The development of CBT aims to provide communities with income, creating opportunities for environmental conservation, preserving culture, actively participating in decision-making and management of resources, and empowerment. It also provides employment and opportunities for community capacity building. Through host-visitor communications, tourists benefit from CBT through learning about local culture, traditions and nature; therefore, enhancing the overall value of their travel. CBT combines community development and the tourism business. This implies that on the one hand the community has to understand the goals they are seeking and can achieve through CBT, and on the other hand, what tourists expect and will gain from visiting the community (APEC Tourism

Working Group and STCRC, 2010). Murphy and Murphy (2004) suggest that both local residents and visitors should be able to achieve the maximum benefits through tourism based on harmonious host-tourist interactions. Therefore, a balanced approach should be adopted for tourism development, considering the needs and desires of visitors, local residents and tourism businesses.

It is argued that alternative tourism and CBT create tourism products, which bring maximum positive impacts for local communities, though this has its critics. Small-scale alternative tourism is sometimes viewed as elitist and bringing insufficient economic contribution to local citizens (Theobald, 2005). Blackstock (2005) identified three dimensions where CBT is failing to address the community development agenda:

- Lack of intent to transform the community;
- Failing to acknowledge community heterogeneity; and
- Lack of local control and local empowerment, as CBT is constrained by national and global tourism development.

According to a number of commentators, CBT initiatives provide minimal economic benefits and exhibit long-term dependency on support from external agencies (Goodwin and Santilli, 2009; Lapeyre, 2011; Mitchell and Muckosy, 2008; Moscardo, 2008; Sakata and Prideaux, 2013; Weaver, 2012). Furthermore, CBT can create tension between groups within the community, since community members often have disparate opinions. Community inequalities may lead to an unequal distribution of benefits. Community members, who benefit most, may experience jealousy from others who are less fortunate. Furthermore, tensions may arise between neighbouring communities, where one community has received assistance to establish a tourism enterprise and 'neighbours' have not (Belsky, 1999, Simpson, 2008).

Many CBT initiatives are managed by international NGOs (Goodwin and Santilli, 2009; Johnson, 2010; Moscardo, 2008; Rocharungsat, 2008; Zapata *et al.*, 2011). This approach has been critiqued by Butcher (2010) who concluded that it may limit and even retard empowerment within less-developed countries. Lacking the capacity to assess proposals

locally may lead to an over-reliance on overseas-based consulting expertise (King and Pearlman, 2009). Such an approach contradicts the basic principles of community participation, and Trau (2012) argues that to make CBT a competitive product support mechanisms and networks are required, but not in a 'top-down' approach of large international organisations. Butcher (2010) argues that community participation advocates prioritise local interests above national interests. However, the community may not only represent a local group, but be a national community and actively participate in national development.

The above issues raise the need for a re-conceptualisation of alternative forms of tourism, which benefit local communities. An associated question arises: is there any development value in tourism? It has been noted that most alternative tourism initiatives do not provide major benefits and often have a long-term dependency on external support (Goodwin and Santilli, 2009; Moscardo, 2008). Moreover, the tourism sector in general as well as CBT is vulnerable to external shocks, change of tourist tastes and seasonality. In the context of CBT, this suggests that the community should not rely exclusively on tourism, but combine it with other activities (APEC Tourism Working Group and STCRC, 2010). For example, CBT and agriculture enhance the livelihoods of rural communities through value adding (McKenzie and Lemos, 2006). CBT may receive stronger support if the community is reassured that tourism will not impact negatively on existing businesses and activities, but rather will fit into an existing structure (Murphy and Murphy 2004).

Despite the significant criticisms from both community development and economic perspectives, it is the view of the author that CBT and PPT concepts should not be abandoned, since they are relatively new and in a state of continuous development. The interest of various stakeholders in socio-cultural issues associated with tourism development keeps growing. This is evident through, for example, the increasing number of academic publications (Lu and Nepal, 2009) and the UNWTO's ST-EP projects (UNWTO, 2012a). Interest in CBT extends across disciplines and has been explored from a community development perspective (Blackstock, 2005), and from the perspective of environmental conservation (Kiss, 2004). An interdisciplinary approach to CBT, which

encourages collaboration and looks at adapting best practices of community development, environmental conservation and economic sustainability, should advance this concept, and yield community benefits.

2.8.Summary

This chapter discusses the major concepts which position the present research in relation to poverty alleviation, international development and tourism development. It discusses the existing criticisms of neoliberal and neo-colonial structure of international development and tourism. Since PPT and CBT are intended to benefit local communities, they are mentioned specifically. It has been acknowledged that CBT and PPT often do not achieve their objectives due to a lack of community awareness, education and support. They can instead spread a globalised neoliberal economy to new geographies and enrich those who are already wealthy. The issue of power relations is discussed throughout the chapter. The bargaining position of the 'poor' is acknowledged as being rather weak compared with multinational corporations and international organisations. Even in the case of PPT and CBT there is a limit to local empowerment and freedom of choice, because many community development initiatives are restricted to the rules of aid and development companies, and tourism is no exception. In the current poverty alleviation discourse, poverty is also characterised by lack of freedom and empowerment. Ironically, poverty alleviation initiatives may limit freedom of local communities to choose solutions.

As is shown, financial independence is critical for CBT and PPT initiatives, but so far few have broken even or been profitable. The solidarity or social economy as a third way of developing the economy (the first two being a private sector and a nationalised government-run economy) is discussed as an option for CBT. The more radical approach to CBT is favoured by authors over the self-help neoliberal construct, that is often manifest by community-based initiatives implemented by international community development institutions. Solidarity is a term that suggests collaboration between a group of individuals and integration of their objectives and activities. Therefore, the following chapter aims to understand how collaboration between, and networks of, CBT initiatives can help achieve community development goals.

CHAPTER 3. COMMUNITY-BASED TOURISM NETWORKS

3.1.Introduction

The present chapter advances the earlier discussion about tourism as an instrument for development and the criticisms encountered by all types of tourism including CBT. It examines the prospects of adopting a collaborative network-based approach to overcoming the issues confronted by CBT initiatives. The chapter reviews the principles and attributes that have been viewed as being integral to a CBT network, and also examines alternative approaches to establishing a collaborative network approach to development. The chapter starts by introducing the concept of collaboration for tourism development. Concepts including networks and clusters are then discussed as forms of collaboration. The value of networks is demonstrated by the review of theoretical and practical literature in community development, business and tourism. The relevance of networks for CBT is then discussed and the guiding principles of a network are outlined. Furthermore, network attributes and alternative approaches are proposed. It has to be noted that some constructs of networks may be more beneficial for emancipation and community development than others. Therefore, two contrasting CBT network alternatives are proposed based on the principles, attributes and a review of currently operating CBT networks.

3.2.Collaboration in Community-Based Tourism

Collaboration can bring substantial benefits to tourism planning and development, especially in environmentally and socially sensitive areas. Benefits of collaboration between various stakeholder groups in tourism planning in general have been widely acknowledged (Bramwell and Lane, 2000). Additionally, apprehension towards tourism by local residents can be reduced through collaboration. Jamal and Getz (1995, p.188) define collaboration in CBT as follows: “collaboration for community-based tourism planning is a process of joint decision-making among autonomous, key stakeholders of an inter-organizational, community tourism domain to resolve planning problems of the domain and/or to manage issues related to the planning and development of the domain”. Among the various PPT and CBT-related initiatives, little progress has been achieved so far in

collaboration between stakeholders interested in tourism development, which benefits local communities and the poor (Ashley and Haysom, 2006).

Ashley and Haysom (2006) studied the challenges of achieving collaboration between private sector and PPT initiatives. Furthermore, Van Der Duim and Caalders (2008) note that out of 24 small-scale tourism initiatives only three had linkage to tourism distribution channels. Integration into distribution channels is among one of the problems encountered by PPT and CBT. Moreover, the attitudes of major tourism companies towards local communities are often paternalistic, which undermines the possibility of the development of genuine partnerships (Ashley and Haysom, 2006; UNWTO and SNV, 2010). Van Der Duim and Caalders (2011) suggest that advocacy is needed to create links and networks between small-scale tourism initiatives and major tourism stakeholders, such as international tour operators, to attract tourists to PPT destinations. Collaboration through networks of CBT initiatives and between groups of stakeholders appears to be a strategy for increasing the success rate of CBTs.

3.3.What is a network?

‘Network’, ‘networking’ and ‘clusters’ are among the terms often used to describe linkages and collaboration between different entities, including individuals, NGOs and businesses (Jarillo, 1988; Michael, 2007; Lynch and Morrison, 2007; Scott *et al.*, 2008; Svensson *et al.*, 2005; Todeva, 2006). However, the definitional side of these terms is rather poor. The definitional confusion is also related to other terms used to describe linkages between entities, such as ‘partnerships’, ‘alliances’, ‘cooperation’ and ‘collaboration’. The term ‘network’ is often used to describe socially constructed intangible links between different entities, such as businesses (Lynch and Morrison, 2007; Svensson *et al.*, 2005). Giarchi (2001) notes that the term ‘networks’ has become widespread and almost synonymous with the term ‘community’. For the purposes of the present investigation a ‘network’ describes formal relationships between several actors that have been adopted consciously and purposefully. In some circumstances, the existence of prior informal relationships may prompt the formation of a more formal network.

Various disciplines have identified an increasing level of interest in networks and networking has grown rapidly during recent years, due partly to advances in information and telecommunications technology. The latter has improved information flows and contributed to the creation of new opportunities for linking different actors (Gilchrist, 2009; Todeva, 2006). The interdisciplinary nature of networks, as a communication bridge between interpersonal, social and economic domains, constitutes their strength (Todeva, 2006).

Networks develop horizontal linkages between communities and vertical linkages between different institutions including NGOs, governments at different levels and international organisations (Berkes, 2004). Community-based initiatives can benefit from networking through the sharing of information and knowledge, training, capacity building and enhanced advocacy (Bradshaw, 1993; Gilchrist, 2009; Venter and Breen, 1998). A more fundamental argument for inter-community networking is that individual community-based initiatives are generally incapable of changing structures, since they are embedded within existing structures (Taylor, 2011). Using Schumacher's (1973) language, this suggests that 'small is beautiful if networked'. While not undermining the sense of ownership and participation, well-networked community-based initiatives have a greater chance of changing the status quo. Wheeler *et al.* (2003) notes that business networks have the potential to reconcile corporate social responsibility, sustainable development and a stakeholder approach, since a networked economy places higher value on intangible values of knowledge, capacity and innovation.

Lynch and Morrison (2007) note that a network, which represents a structure of linkages between different members, delivers benefits to members through networking. The way in which a network is used to achieve goals through relations between members is crucial. While networks may be defined by the strength of ties and coordination of activities, the dynamics of social relations between network members is what determines success. A common basis for the development of any type of linkage between several entities is trust. Even competing businesses have to develop a sense of trust between them, if they adapt a network or cluster approach to achieving common benefits (Lynch and Morrison, 2007).

Furthermore, other interpersonal and contextual factors contribute to organisation and the structure of a network. These aspects include: ideas, logic, norms, rules, knowledge, technology, skills, money and texts. The culture or cultures within which networking occurs affects the processes and outcomes, and the cultural approach to networks deals with the development of understanding how cultural aspects influence networks (Todeva, 2006).

3.3.1. Classifying networks

Lynch and Morrison (2007) have distinguished between a cluster and a network. Networks tend to be more structured and coordinated collaborations than clusters. While clusters are based on shared values, common interests and encourage reciprocity, the decision-making is independent and competition remains within the business world. In contrast, networks are based on achieving common goals, restricted membership, and contractual obligations. This makes networks a more structured approach to collaboration, which eliminates competition between members. Michael (2007) suggests that there are stronger forces for clustering and collaborating among tourism businesses in niche markets and rural settings. As noted by Karlsson (2008), clustering has a variety of definitions, and the following are three definitions that signify various approaches to clustering (Karlsson, 2008, p.2):

- “The classical model of pure agglomeration, referring to job matching opportunities and service economies of scale and scope, where externalities arise via the local market and local spill-overs.
- The industrial-complex model, referring to explicit links of sales and purchases between firms leading to reduced transaction costs.
- The club model, also referred to as the social-network model, which focuses on social ties and trust facilitating cooperation and innovation.”

The third definition is relevant to this study because the term ‘network’ is often defined similarly. Lynch and Morrison (2007, p. 43) define ‘networks’ as “social structures that enable the operators of small firms to build the level of trust necessary for them to share in the development of the local tourism product”. Clustering offers the opportunity to benefit tourism businesses economically, since multiplier and accelerator effects apply. It assists

the development of local tourism products, creates an authentic and recognisable sense of place which can be further developed into a tourism destination. The social benefit from clustering is the greater ability of a community to direct development and economic growth. Positive outcomes may be achieved in situations where clustering is unstructured and policy support is absent. However, to ensure sustainable development it is suggested that government support should be sought, although government actions should be transparent (Hall and Michael, 2007).

There is a distinction between inter-organisational and intra-organisational networks. While inter-organisational networks connect several entities, intra-organisational networks connect elements within a single entity. In the contemporary world inter- and intra-organisational networks co-exist to provide effective work within the organisation, but can achieve more through collaborating with partner-organisations. Total Quality Management (TQM) systems, for example, are based on quality evaluations and assurance within a firm's sub-unit. However, the principles of TQM are replicable for other sub-units and firms through knowledge sharing, which is one of the aspects of networks (Todeva, 2006). Inter-organisational networks can be either vertical or horizontal. A vertical network is based on a supply chain, while members of horizontal networks are firms operating within the same industry. Industry districts stand out as networks which drive the change of economic structure, as powerful industrial networks can define the economics of an area. In this case the members of the network both co-operate and compete (O'Donnell *et al.*, 2001). Another approach to classifying networks is based on their formality, where:

- Formal networks have a defined set of actors and objectives, where social interactions occur based on the formal objectives;
- Semi-formal networks have a defined set of actors, however formal objectives and social interactions are of equal importance;
- Informal networks have mainly social and information exchange purposes without any defined goals or set of actors.

(Lynch and Morrison, 2007).

3.3.2. Networks research

Network theory and actor-network analysis brings further difficulties to the task of understanding what may be considered as a network, and how this differs from networking. Most of network theory literature concentrates on analysing the dynamics of relationships between different actors within a special locale, possibly virtual. In community development, network theory is often used to describe the dynamics within a community, and the relations between different groups of stakeholders: a traditional leader, local authority, private sector, public sector, local residents (Gilchrist, 2009). The research on networks has the following foci:

- Linkages of a single focal actor to external actors;
- Twofold relationship between actors;
- Group analysis of several actors, which are directly and/or indirectly connected to each other; and
- Network research assumes a finite set of actors between which relationships are analysed.

(O'Donnell *et al.*, 2001).

One of the most researched aspects of inter-organisational links is joint ventures. This is usually a dyadic relationship between actors, participating in decision-making over a jointly owned entity. Much research on networks relates to the description of the actors within networks and the existing ties, and actor-network approach is dominant in network studies. This approach is not found suitable for the proposed research, since established links are rather weak and unstructured, so the focus is on the opportunity to establish a future structured network. Many research networks are presented in rather static form and the dynamism of the network development has not been yet fully covered. A cultural approach identifies that networks evolve and transform through interactions with the internal and external environment. More research is needed on the process of network building with recommendations for practical implementation (O'Donnell *et al.*, 2001). In the tourism

literature, the dynamism of networks has been presented through a life cycle approach. For example, Caffyn (2000) identifies six phases of a partnership lifecycle: pre-partnership, take-off, growth, prime, deceleration (stagnation) and ‘after-life’. Another example by Morrison *et al.* (2002 in Gibson *et al.*, 2005) is provided in Table 3.1:

Table 3.1. A model of the business network lifecycle

	Start-up	Growth	Reinvention
Benefits	Conceptual benefits of membership	Demonstrable achievements of network and valued benefits of membership	Ongoing achievements of network and valued benefits through membership
Core	Hub organization/ network entrepreneur	Broader membership	Reinvigorated membership
Membership	Enthusiast and enlisted members	Broader membership	Enlarged membership
Objectives	Fuzzy – idealistic	Concrete	Revised
Resourcing	Goodwill or core funding	Attracting resources	Sustainable resourcing

Source : Gibson *et al.*, 2005, p. 88.

Networks are less often used to describe structured collaboration between different localities than within a single location. However, this approach is used in the current study. While it is acknowledged that the dynamics of relations between different actors within one community can play a significant role, the collaborative network approach in this study

refers to the development of formal structured partnerships and cooperation between several CBT initiatives in Timor-Leste.

3.4.Collaborative networks: the missing link for effective Community-Based Tourism?

The study of networks is an emerging area within the tourism literature (Beaumont and Dredge, 2010), and the importance of networking for small and medium tourism enterprises (SMTEs) has been widely recognised. For example, small tourism firms have limited capacity to undertake promotional activities single-handedly and must rely on tourism networks for branding and broader destination marketing (Costa *et al.*, 2008; Dredge, 2006; Novelli *et al.*, 2006). Other research approaches to tourism networking have included policy development (Dredge, 2006; Kokkranikal and Morrison, 2011), the development of tourism routes and achieving cohesive destination brand management (Croes, 2006; Meyer, 2004; Scott *et al.*, 2008).

While a collaborative network approach may be beneficial, the associated outcomes may upset the balance of power and the processes resulting from stakeholder involvement. CBT networks may involve three layers of collaboration. The first level of networking occurs within a community. However, it is important to acknowledge the heterogeneity of many communities. The various groups within an individual community may experience complex power relations (Blackstock, 2005). Where a community is cohesive, a CBT structure may have the capacity to embrace all local residents (Bursztyn *et al.*, 2003; Mendonça, 2004; Schärer, 2003). To avoid complexity and to mitigate any intra-community tensions, it may be preferable to work with institutions and organisations that already have a stake in community initiatives rather than attempt to hear the voices of everyone within the wider social group (Belsky, 1999; Berkes, 2004; Simpson, 2008). Power inequalities and the politics that can occur within communities may also lead to a patchy distribution of the benefits of development (Mansuri and Rao, 2004; Weaver, 2012). Tensions may also arise between neighbouring communities, where one receives assistance from government or an international organisation to establish tourism enterprises, whereas 'neighbours' do not, and are unable to launch such enterprises (Belsky, 1999; Simpson,

2008). Despite some suggestions described above, there is a lack of literature that provides guidelines on overcoming issues of community participation in tourism development. This may be due to the necessity to assess each case individually, since community structures and issues within them differ.

The second level of networking occurs between the community and other associated stakeholders. A community must negotiate its way through various stakeholders to reap the desired benefits of CBT. As identified by Gibson *et al.* (2005) private, public and voluntary organisations operate in separate worlds and have different worldviews and priorities. As an activity, CBT combines commercial operations and community development and is reflective of the inherent tension between these two domains. This tension is exacerbated by involvement of the public, private and voluntary sectors. In cases where CBT is imposed by external stakeholders as a strategy to improve community livelihoods, it may be desirable to abandon the development entirely. Governments at all levels are key stakeholders for the purposes of CBT development, while policies and decisions at all levels of government are driven by political, ideological or personal agendas, which may lead to the exercise of unwelcome power over communities (Reed, 1997).

Local governments may be of particular importance since they possess resources and are connected to other local stakeholders. Local authorities also exercise control over land development and will have self-interest in retaining power (Reed, 1997; Timur and Getz, 2008). By way of contrast local governments lack the authority in certain settings and may rely on central governments (Butcher, 2010; Mowforth and Munt, 2008). As providers of funding for CBTs, government and international non-government organisations also exercise power (Butcher, 2010; Mansuri and Rao, 2004). International NGOs may attempt to implement projects according to their preferred practice, rather than adhering to community desires. Further, considering that effective marketing will be required to attract a steady flow of tourists, tour operators and other private sectors play a major role in determining the success of CBT initiatives (Van Der Duim and Caalders, 2008). Another

challenge to empowering the powerless within a community is that the private sector is profit-driven and hence less concerned with prospective community benefits.

There is a third level of networking between the various CBT initiatives. Any network that represents multiple CBTs in different locations will need to be developed in a structured way and take account of established relationships. The various CBT initiatives within such networks may be based on divergent organisational models and participant views about CBTs, and certain forms of network may be more beneficial depending on the circumstances. Beaumont and Dredge (2010) and Dredge (2006) have argued that network characteristics should be understood in the context of tourism policy development and planning, rather than being left to evolve naturally. The form, functions and structure of a network, should relate to guiding principles such as increasing visitation, training and capacity and advocating to government and other stakeholders on behalf of community needs. In order to understand the various types of CBT network, and provide insights into how such networks can best be developed, a conceptualisation of key attributes and alternative approaches is proposed.

CBT networking can bring a number of benefits:

- Creating a common foundation for future CBT development in the area;
- Advancing training and capacity building;
- Providing collaborative marketing opportunities;
- Encouraging information and knowledge exchange;
- Increasing effectiveness of CBT advocacy to government; and
- Providing access to additional resources (APEC Tourism Working Group and STCRC, 2010; Gilchrist, 2009; Stronza, 2008; Taylor, 2011).

Hall and Michael (2007) also argue that increasing economies of scale are among the benefits of clusters. This means reducing the costs of running businesses and offering more products to cover different market needs. In the business world, liberal deregulation policies have led to an increase in networks, as globalisation has created links between different actors (Todeva, 2006). However, it is also through networking that communities

can protect local businesses and resist the pressures emanating from national and multinational corporations. The above CBT-specific benefits are similar to those associated with networking, as described in the tourism literature, where the importance has been recognised of networking to small and medium tourism enterprises (SMTEs) (Costa *et al.*, 2008). For example, small tourism firms often have limited promotional opportunities and must rely on destination branding. However, the brand will depend on the quality of the individual firms, so that cooperation, consultation and monitoring are required to ensure the quality of the tourism product (Croes, 2006). Organisations can benchmark the quality of their products and services through a network, while a network may also facilitate management of any differences, in order to deliver consistent quality to tourists. This is particularly relevant in the case of sustainable tourism and ecotourism destinations (Kozak and Nield, 2004).

It has been found that community solutions are often complex, and cannot be resolved by tackling the problem from one direction, so networking and collaboration are important for community development (Wolff, 2010). Information dissemination is a critical benefit mentioned in the literature, while all the listed CBT network benefits also apply to other community-based initiatives (Bradshaw, 1993; Venter and Breen, 1998). Moreover, some aspects of networking, which business may perceive negatively, such as resource sharing, reduced autonomy and increased dependence, provide little threat to community development initiatives, as the competitive motive is absent (Provan and Milward, 2001). However, Zhang *et al.* (2009) argues that cooperation and competition are not necessarily mutually exclusive within tourism. Rather they can be placed along a continuum in which the relationship between entities can move towards cooperation or competition depending on the circumstances. In rural settings the issues associated with community development can be identified from an analysis of the characteristics of peripheral areas, such as remoteness from mass markets, lack of internal linkages, lack of opportunity for training and education, migration flows, a greater interventionist role by government, lack of information flows within the periphery and from the periphery, and an underdeveloped resource base (Hall and Michael, 2007).

3.5.Attributes of a Community-Based Tourism network

The following section proposes guiding principles and attributes that are applicable to CBT networks through a literature review of the fields of community development, tourism planning and CBT. Furthermore, this section draws upon information about alternative network principles and structures that are available on websites and in relevant publications. Whilst some attributes are specific to networks, various organisational attributes have been included, recognising that structure plays an important role in determining power relations and distribution, as well as network outcomes. It is considered unrealistic that any single principle or attribute defines power relations within the network and its outcomes. Though little theoretical research has been undertaken to date about CBT network models, the importance of networking between stakeholders in a single location and also between locations has been acknowledged (APEC Tourism Working Group and STCRC, 2010).

3.5.1. Guiding principles

Based on the discussion in the previous section, it may be concluded that general tourism network models will also be applicable to CBTs. A tourism network has several governance options. These are identified by Beaumont and Dredge (2010) and are largely based on the modes of network governance published by Provan and Kenis (2008) as presented in Table 3.2.

Timur and Getz (2008) suggest that amongst the various destination stakeholders, destination management organisations (DMOs) and local government bodies hold the greatest power, due to access to resources and dependence of the destination stakeholders on local government and DMOs. Such power discrepancies may be negative in a network environment. There are often strong differences between the positions of the public and private sectors, resulting from their roles and their capabilities.

Table 3.2. Modes of network governance

Local tourism governance modes (Beaumont and Dredge 2010)	Network governance modes (Provan and Kenis 2008)	Description
Council-led	Lead organisation-governed	A network led by a single most dominant participant
Participant-led	Participant-led	No designated governance entity, instead a shared participation in the governance
Local tourism organisation governed	Network administrative organisation	A separate governing entity, which is responsible for coordination of the network; a highly centralised and structured type of network

The public sector typically focuses on benefits to the wider public, and cannot implement necessary policies single-handedly, while the private sector cares primarily for the economic benefit of each business, and therefore lacks the joint effort to collaborate and coordinate work to benefit all interested parties (Svensson *et al.*, 2005). Determining the roles of network members is of high significance for tourism planning and development, to exclude a doubling of responsibilities or overlapping. In some cases a dependence on local or regional government and their dominance can negatively affect tourism development by making it inefficient, biased, and bureaucratised and limit the involvement of other stakeholders (Yang and Wall, 2008). The tourism planning and development literature has generally concluded that stakeholders should have input to benefit destination development, so it can be viewed that a top-down attempt by government to establish a collaborative

network between tourism enterprises may be “an attack on local democracy” (Saxena, 2005, p. 283).

Todeva (2006) identified three types of interdependency in networks: resources, activities and actors. Some networks keep resources independent, while other networks pull resources together, which creates a resource dependency between network actors as resource exchange and investment in activities are used to achieve network goals (Todeva, 2006). Miyakuni and Stoep (2006) identify different types of linkage within tourism destinations: physical and visual, cognitive and visual, economic and promotional. From a business perspective, centralised or hierarchical structures often lead to complexity in decision-making and to inefficiency, and it may also be unsuitable for operating in a rapidly changing environment. In cases where this occurs, mechanisms to divert decision-making to semi-autonomous units should be considered. Flexibility of organisational structure has often been achieved using matrix models. The matrix units are coordinated through both hierarchy and function on the basis of both vertical and horizontal links. A matrix model is often employed in companies, which depend on innovation. As networks grow, several types of organisational structure may be employed to ensure efficiency constituting a complex network, based on the following:

- Lateral referrals and integrating mechanisms;
- Dispersion of the skills across the network;
- Shared values and normative integration;
- Dynamic strategy-structure adjustments; and
- Balance between horizontal and vertical integration.

The complexity of relations within the network grows as informal linkages occur, based on workflow or friendships. Such informal relations form the basis for developing a culture and informal community, based on common history, values and territory. The informal links reinforce the network effect by creating symbiotic relationships of mutual interdependence.

When viewed as a set of guiding principles, a network can take a variety of forms in terms of organisation, governance, management structure, functions and morphology. Networks may be described and classified using the following guiding principles: interdependence, level of integration and centralisation. Bonetti *et al.* (2006) proposes a model of tourism networks based on two factors, namely interdependence and centralisation. Interdependence may be defined as the strength of linkages between network members (Bonetti *et al.*, 2006; Gilchrist, 2009; Keast *et al.*, 2004; Kokkranikal and Morrison, 2011). Low interdependence results in independent decision-making, whereas high interdependence involves the setting of common objectives, establishing trust and a willingness to co-operate. In cases where some participants are better resourced, the network structure has to ensure an absence of manipulation and equal representation for all parties (Ansell and Gash, 2008; Taylor, 2011). The exercise of interdependence correlates with the level of integration between network members. In contrast to interdependence, integration may have policy implications, and affect overall network structures, though not direct relations between network members. Leutz (1999) classifies the level of integration as ranging from weak at one end to strong at the other, and these may be considered under the headings: linkage, cooperation and a fully integrated network.

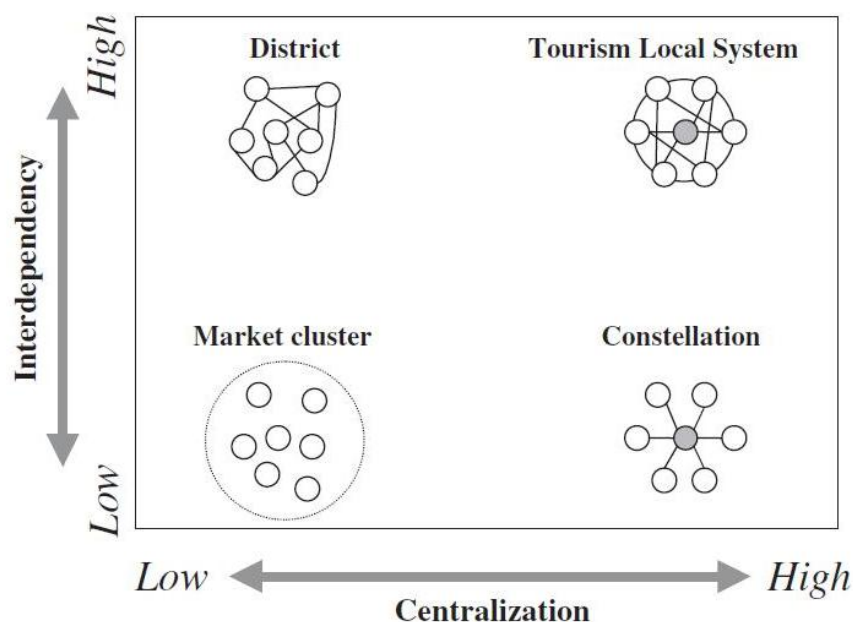
Centralisation implies the existence of an overall governing body for network members, while a collaborative network may involve an element of both vertical hierarchy and horizontal cooperation between participants. The absence of a governing body leads to a flat structure (Bonetti *et al.*, 2006; Bingham and O'Leary, 2006; Kokkranikal and Morrison, 2011; Todeva, 2006). The extent to which centralised systems are efficient is the subject of considerable debate. Flat networks are an appealing model for radical community development, since they appear to be more democratic and empowering. However, an absence of structure does not necessarily produce equality of participation, and may simply mean that the most active network participants achieve their desired outcomes. In the absence of a clear structure, accountability becomes an issue (Ife, 2001; Gilchrist, 2009; Kimbu and Ngoasong, 2013; Miller, 2004), while autonomy and bottom-up decision-making are desirable for tackling specific local issues, each community forms

part of a larger system and will need to be regulated if prospective negative impacts on others are to be avoided.

Based on a model proposed by Bonnetti *et al.* (2006), networks can be divided into the following groups:

- Market cluster (low interdependency, low centralisation);
- District (high interdependency, low centralisation);
- Constellation (low interdependency, high centralisation); and
- Tourism local system (high interdependency, high centralisation).

Figure 3.1. Possible configuration of the system



Source : Bonetti *et al.* 2006, p. 122.

A market cluster is informed by exchange theory, while a local tourist system is based on resource dependency theory (Murphy and Murphy 2004, p. 122). The market cluster has weak ties between actors which are located in the same market, and the district signifies a network without a leader or central body, but where actors are highly interdependent. A

constellation approach results in the central governing body having strong links with other actors, while these actors only have connections with the central body and not with any other actor. A tourism local system implies high interdependencies between the actors and the existence of a central body. Taking the other relevant literature into account the Bonetti *et al.* (2006) framework can be expanded. For example, Table 3.3 was collated by the researcher and represents guiding principles and their alternative application based on the reviewed literature.

Table 3.3. Guiding principles of CBT networks and their alternative applications

Attributes	Alternative approaches	Source
Integration (strength of collaboration).	a. Fully integrated. b. Cooperation. c. Linkage.	Gilchrist, 2009; Keast <i>et al.</i> , 2007; Leutz, 1999.
Interdependence (dependence on other members of the network, including mutual trust).	a. High. b. Low.	Bonetti <i>et al.</i> 2006; Gilchrist, 2009; Kimbu and Ngoasong, 2013; Kokkranikal and Morrison 2011; Powell, 1990; Taylor, 2011.
Centralisation (existence of a central governing body).	a. Centralised, has a single central power. b. Decentralised, each member is independent.	Bonetti <i>et al.</i> , 2006; Bingham and O’Leary, 2006; Gilchrist, 2009; Ife, 2001; Kimbu and Ngoasong, 2013; Kokkranikal and Morrison,

		2011; Murphy and Murphy, 2004; Todeva, 2006.
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3.5.2. Network attributes

In addition to interdependence and the level of integration and centralisation, other organisational attributes can be defined in modelling a collaborative network. All network characteristics may be divided into three groups: actor characteristics (members/nodes), characteristics of relationships and characteristics of the structure. The opportunity for everyone involved in the network (starting from frontline staff) to participate in decision-making and feel a sense of ownership represents one of the challenges. Furthermore, a more theoretical clash of the concepts may appear, as the network may restrict the independence of empowerment for each CBT initiative leading to greater collective benefits. A model CBT network can be also affected by pragmatic issues, resource requirements, the necessity to fit within the specific legal framework, and ease of implementation. The necessity of effective communication, appropriate leadership and enthusiasm are among other factors, affecting the success of the network, which are also relevant to individual CBT initiatives (Murphy and Murphy, 2004).

The network will assist in addressing a key component of developing tourism communities, as defined by Weaver (1986): the community, attractions and special events and the tourist market. The community includes public services, infrastructure, labour resources and leadership. The attractions and special events segment manages attractions and promotes them to the tourism market. The tourist market represents those willing to purchase the tourist product sold by the community. Appropriate standards must be achieved to ensure tourist demand. The key attributes of a CBT network can be identified through a review of the literature on community development and tourism networks and by undertaking a content analysis of publications arising from existing CBT networks. Each attribute involves several alternative dimensions. CBT planners should make informed decisions

about the form a CBT network should take, by selecting the most suitable approach for each network attribute.

The allocation of roles amongst participants, especially in the case of leadership and facilitation can also feature significantly in the achievement of network objectives, and in managing power relations between the various actors within a network (Keast *et al.*, 2007). The factors which are likely to influence the success of a network include effective communication, appropriate leadership, clear purpose and structure, enthusiasm, inclusivity and availability of resources (Gibson and Lynch, 2007). These are also relevant to individual CBT initiatives (Murphy and Murphy, 2004). Network flexibility can be impeded when restrictions are imposed on which organisations can join and which cannot. A summary of governance attributes, alternative approaches and sources of information is presented in Table 3.4. In cases where the source is applicable to a specific alternative approach, it is assigned with the same letter as a corresponding approach.

Table 3.4. The governance attributes of CBT networks

Attributes	Alternative approaches	Source
Network organisation	<p>a. Single entity tour operator, accommodation, food and beverage and other services provider;</p> <p>b. Federation, which oversees the overall strategy and advises network members on certain actions. However does not have decision-making power on behalf of individual members;</p> <p>c. Forum, which strengthens the CBT by organising seminars and conferences. It provides knowledge, information and training for members.</p>	<p>a. Asociacion Costarricense de Turismo Rural Comunitario, 2011; Multilateral Investment Fund, 2006;</p> <p>b. Trejos and Chiang, 2009; REDTURS, 2011;</p> <p>c. The Lao National Tourism Administration, 2011.</p>

Type of tourism related business involved (vertical/horizontal integration)	<ul style="list-style-type: none"> a. Tour operator; b. Accommodation provider; c. Events / attractions / tourism activities organiser; d. Food and beverage provider; e. Crafts and souvenirs supplier; f. Farming; g. All of the above; h. Any type of organisation, which can prove value for tourism; i. Other combination of the above. 	<p>Asociacion Costarricense de Turismo Rural Comunitario, 2011; Multilateral Investment Fund, 2006; Trejos and Chiang, 2009; Todeva, 2006.</p>
Board of directors	<ul style="list-style-type: none"> a. No board of directors is needed; b. Government department acts as a board of directors; c. Representatives of the participating communities form board of directors; d. An NGO takes on the role of director; e. Private investors form board of directors; f. A combination of the above. 	<p>Beaumont and Dredge, 2010; Simpson, 2008;</p> <ul style="list-style-type: none"> b. Sustainable Tourism Network, Nepal, 2011; c. Asociacion Costarricense de Turismo Rural Comunitario, 2011; Bursztyn <i>et al.</i>, 2003; JED, 2011; Mendonça, 2004; Schärer, 2003; d. Multilateral Investment Fund, 2006; Trejos and Chiang, 2009;

		Tucum, 2011.
Organisational structure, central management	<ul style="list-style-type: none"> a. An NGO manages the network; b. While the network is owned by participating communities, it is managed by a team of tourism professionals; c. Representatives of each community take on the managing role in turn for a specific period; d. Network is managed by government officials. 	<ul style="list-style-type: none"> Beaumont and Dredge, 2010; Keast <i>et al.</i>, 2007; a. Tucum, 2011; b. Asociacion Costarricense de Turismo Rural Comunitario, 2011; c. Stronza, 2008; d. Sustainable Tourism Network, Nepal, 2011.

CBT network structures may be affected by pragmatic issues such as resource requirements, adherence to the prevailing legal framework and ease of implementation, while power relations between the various actors are largely a reflection of financial and human resources. This issue has been discussed extensively in the literature (Butcher, 2010; Goodwin and Santilli, 2009; Zapata *et al.*, 2011). Where communities lack knowledge and access to capital, expertise and funding may be required from external donors. Although this approach brings with it the danger of ‘donor dependency’ in terms of finances, coordination, promotion and training (Butcher, 2010; Goodwin and Santilli, 2009; Zapata *et al.*, 2011). Various options for the management of CBT networks are presented in Table 3.5.

Table 3.5. The management attributes of CBT networks

Attributes	Alternative approaches	Source
Training and education	<ul style="list-style-type: none"> a. Done on sight by managing body; b. Outsourced to NGOs; c. Outsourced to registered education providers. 	<p>APEC Tourism Working Group and STCRC, 2010; Moscardo, 2008; Swanepoel and De Beer, 2006.</p>
Resource Management	<ul style="list-style-type: none"> a. All resources are pulled together; b. Finances are kept separately and decided upon by individual members, financial assistance to one member can be provided by other members if necessary; c. All resources are kept separately. 	<p>Ansell and Gash, 2008; APEC Tourism Working Group and STCRC, 2010; Dredge, 2006; Gilchrist, 2009; Provan and Milward, 2001; Saxena, 2005.</p>
Marketing and promotion	<ul style="list-style-type: none"> a. All marketing research and promotion is undertaken through the network (e.g. sales forecasts, web-site, and publicity); b. The network has its own website with information about members and publishes brochures; however other marketing and promotion activities have to be undertaken by members; c. All marketing and promotion activities have to be undertaken by individual members. 	<p>Novelli <i>et al.</i>, 2006; Saxena, 2005;</p> <ul style="list-style-type: none"> a. Asociacion Costarricense de Turismo Rural Comunitario, 2011; Trejos and Chiang, 2009; b. REDTURS, 2011; c. Sustainable Tourism Network, Nepal, 2011.

Sources of funding and other network-specific resources	a. External AID agency; b. International NGO; c. Government funding; d. Network members (possibly loan); e. Local NGO; f. Managing company.	Butcher, 2010; Dale and Newman, 2010; Goodwin and Santilli, 2009; JED, 2011; Multilateral Investment Fund, 2006; Simpson, 2008; Tucum, 2011; Zapata <i>et al.</i> , 2011.
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The functions that are assumed by a CBT network will vary on the basis of financial and human resources. These functions may be considered under the broad headings of tourism specific, community development specific and general functions. The needs of the members should determine the prioritisation of the tourism and community development functions. General functions relate to the way in which a network operates and will depend on the guiding principles of the network. The summary of the functions that a CBT network may perform is provided in Table 3.6.

Table 3.6. Possible functions of CBT networks

Attributes	Alternative approaches	Source
General functions	a. Management of the network members (similar to a headquarters-branch management relationship in a corporation); b. Providing strategic vision and goals; c. Advising members for decision-making; d. Imposing decision-making.	APEC Tourism Working Group and STCRC, 2010; Asociacion Costarricense de Turismo Rural Comunitario, 2011; Bursztyn <i>et al.</i> , 2003; Cooprena, 2011; Community-Based Tourism Institute, 2011;

Tourism specific functions	<ul style="list-style-type: none"> a. Reservations and booking; b. Sales; c. Marketing, analysis of market trends; d. Promotion; e. Collection and dissemination of information on CBT initiatives; f. Dissemination of information to tourists; g. Capacity building and training for tourism; h. Encouragement of links between individual members and other tourism businesses; i. Playing a role of a major stakeholder in tourism; j. Participating on behalf of CBT network in international CBT and ecotourism events; k. Assisting in infrastructure development; l. Lobbying government on interests of CBT; m. Lobbying government on interests of network member communities. 	<p>Garrett, 2008; Gilchrist, 2009; JED, 2011; La Ruta Moskitia, 2011; Mendonça, 2004; Multilateral Investment Fund, 2006; REDTURS, 2011; Schärer, 2003; Sustainable Tourism Network, Nepal, 2011; The Lao National Tourism Administration, 2011; Trejos and Chiang, 2009; Tucum, 2011.</p>
Community development specific functions	<ul style="list-style-type: none"> a. Environmental education in communities; b. Promotion of sanitation and health practices; c. Other adult and informal 	

	<p>education;</p> <p>d. Encouragement of links between individual members and other development initiatives;</p> <p>e. Playing the role of an important development organisation;</p> <p>f. Monitoring fair distribution of profits;</p> <p>g. Monitoring sustainable environmental practices in communities;</p> <p>h. Monitoring achievement of Millennium Development Goals in communities;</p> <p>i. Assisting in infrastructure development;</p> <p>j. Lobbying government on the interests of network member communities.</p>	
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Recognition and understanding of the network on the part of external stakeholders is equally as important as for internal stakeholders (Murphy and Murphy, 2004). Relationships with NGOs, as well as with other sectors of tourism are important because of the need to build bridges between community development objectives, and tourism as a business. A number of options are outlined in Table 3.7. Close ties with the relevant NGO or with other tourism businesses in the region may be impractical because the values and/or objectives of the organisation are incompatible with CBT.

Table 3.7. External recognition of the network

Attributes	Alternative approaches	Source
Relationship with other community development initiatives	<ul style="list-style-type: none"> a. Unrelated; b. May participate in other initiatives on a local level; c. The network aligns its work with national development goals and priorities. 	Blackstock, 2005; Murphy and Murphy, 2004.
Relationship with other tourism businesses	<ul style="list-style-type: none"> a. Unrelated; b. Individual network members decide whether to establish links with other tourism businesses; c. Only through government (e.g. Department of Tourism); d. Close ties with other tourism businesses. 	Murphy and Murphy, 2004; Multilateral Investment Fund, 2006; Trejos and Chiang, 2009; Van Der Duim and Caalders, 2008; Zapata <i>et al.</i> , 2011.

More technical and descriptive attributes are summarised under the heading ‘network morphology’. This includes the applicable timeframe for network development and whether or not the network is intended to be permanent (Bingham and O’Leary, 2006). The concepts of density and ‘reachability’ are often used in network analysis to describe the strength of ties between network members. Unequal strength in the relationship between network members may require the provision of additional actions to ensure the accessibility of information to all members (Bodin *et al.*, 2006; Robertson *et al.*, 2012). As was discussed previously CBT networks can arise at different levels, ranging from local to national, and such variety is indicative of alternative geographical spreads for the network. Table 3.8 summarises the various attributes which define the morphology of the network.

Table 3.8. Attributes that constitute network morphology

Attributes	Alternative approaches	Source
Timeframe	a. Temporary; b. Permanent; c. Permanent with temporary collaborative relations encouraged between several members to achieve specific goals, if necessary.	Bingham and O’Leary, 2006; McGuire, 2006.
Minimum membership for the establishment of the network (size)	a. 2; b. 3; c. 5; d. 10; e. Other.	Todeva, 2006; Wellman and Berkowitz, 1988.
Time to establish the network	a. 6 months; b. 1 year; c. 2 years; d. Other.	Multilateral Investment Fund, 2006; Van Der Duim and Caalders, 2008.
Density (number and strength of dyadic ties)	a. High; b. Medium; c. Low.	Bodin <i>et al.</i> , 2006; John, 2011; Lynch and Morrison, 2007; Todeva, 2006 .
Reachability (ease of contacting/reaching one member of the network by another)	a. High; b. Medium; c. Low.	Bodin <i>et al.</i> , 2006; Granovetter, 1973; Robertson <i>et al.</i> , 2012; Todeva, 2006;

member)		Valente and Foreman, 1998.
Geographical distribution	a. Local; b. Regional; c. National; d. International.	Ledwith, 2011; Lynch and Morrison, 2007.

It is noted that alternative choices in one of the attributes may affect other attributes, and ultimately shape the future of the network. It is notable that attributes such as the alternatives of building relationships with external actors are more independent. The following section discusses how the choices of provider principles and attributes may affect the outcomes of a CBT network.

3.6.Alternative CBT network concepts

Of the existing examples of community-based tourism networks, most are located in South-East Asia and Latin America. These networks may be conceptualised on the basis of attributes and alternative approaches, as presented in Tables 3.3-3.8. They may be divided into two: ‘affiliations’ and ‘incorporated associations’, though there are significant differences between the networks that constitute these two groups. Depending on the alternative approaches chosen for each attribute as described in Tables 3.3-3.8, a CBT network may be located on a continuum between decentralised, low-integrated ‘affiliations’ and centralised fully integrated ‘incorporated associations’. The term ‘affiliation’ refers to a type of network, which has weak links between members and where the principal function is information sharing about best practices. On the other hand, ‘incorporated associations’ are fully integrated centralised networks, which form a single legal entity and which represent a public-benefit, non-profit corporation.

Through an analysis of existing CBT networks, that may be suggested as best practice, and the tourism and community development literature, and with reference to the CBT network attributes noted in Table 3.3-3.8, the two different approaches may be conceptualised under the following headings: affiliations and incorporated associations.

3.6.1. Affiliations

A network strengthens CBT by regularly organising seminars and conferences, which provide knowledge, information and training for members. Moreover, it disseminates publications on CBT best practice, develops training manuals, and connects individual businesses in order to enhance CBT product development (Community-Based Tourism Institute, 2011; REDTURS, 2011; The Lao National Tourism Administration, 2011). Any organisation or individual with an interest in CBT can become a member of the network. Although the network is permanent, temporary collaborative relations are encouraged where necessary between several members to achieve specific goals (The Lao National Tourism Administration, 2011). Network functions include: information dissemination to members and tourists, capacity building, advocacy of tourism as a legitimate component of development, encouragement of cooperation between network members and other tourism and/or community development initiatives (Community-Based Tourism Institute, 2011; Garrett, 2008; REDTURS, 2011). An affiliation is more concerned with advising and monitoring network members, than with imposing decisions. A common network website may be used as a platform for conducting network-related business such as communications with tourists, network members and external partners (REDTURS, 2011). Representatives of each community take on the role of chair, on a rotational basis for a specific period. The network is governed in the interests of local communities, and the network governing body should provide its management as a tourism platform on the one hand, and as a community development initiative on the other. From a tourism perspective it should develop links between businesses, represent community-based tourism within the wider tourism and business community, and monitor the current situation of each member. Furthermore, the network is responsible for marketing and promoting the organisation. It also attempts to stimulate tourist arrivals for the benefit of each network member (Garrett, 2008).

From a community development perspective, it builds the capacity of CBT initiatives by providing knowledge that delivers benefits to local communities equitably. The community representatives take responsibility for building the capacity of local residents to participate in tourism, by organising workshops and training during scheduled seminars and

conferences. Tourism and/or community development practitioners are invited to provide capacity building activities onsite with such activities including workshops and the provision of training for housekeeping, food and beverage, front office, tour guiding and craftsmanship (Community-Based Tourism Institute, 2011; REDTURS, 2011). All resources are maintained separately and all decisions are made individually by network members. However, network members may seek advice from peers on any issue and this ensures the right of members to request confidentiality. All of the financial sources required to sustain the network are drawn from network members (possibly through securing a loan).

The network provides members with the freedom to decide whether or not to enter into relations with other community development initiatives at the local level. Similarly, links with other tourism businesses may be established locally. These observations confirm the independence of decision-making for network members, noting that each community owns and manages CBT based on local circumstances (Community-Based Tourism Institute 2011; Garrett, 2008).

3.6.2. Incorporated associations

This network model represents a fully integrated, interdependent and centralised system. A central governing body overlooks and manages all aspects of the organisation as a whole and of each member (Asociacion Costarricense de Turismo Rural Comunitario, 2011; Cooprena, 2011; La Ruta Moskitia, 2011; Tucum, 2011). Decision-making is limited at the level of each community and must align with overall network strategy. Another guiding principle of such networks is the strong links and interdependence between members (Tucum, 2011). The network operates as a single entity and organises tours for visitors. It also manages accommodation, food and beverage and other services, and develops tours connecting participating communities through various itineraries (La Ruta Moskitia, 2011). A central governing body ensures that all parts of the itinerary are properly managed and deliver appropriate quality for visitors. Community-based tour operators, accommodation and food and beverage providers and event organisers can join the network (Asociacion Costarricense de Turismo Rural Comunitario, 2011; Cooprena, 2011). Based on the main

business of the network, tourism functions include reservations, sales, marketing and promotion, fully-integrated and centralised management of all members, training and controlling the performance of each network member and association in general. Measuring success in the organisation combines profitability with community development objectives. Indicators of social, cultural, environmental and economic success should be included in the reporting systems (La Ruta Moskitia, 2011; Tucum, 2011).

It is crucial that profits are distributed fairly and deliver benefits to participating communities. The material benefits to communities should also result in infrastructure development and address community needs (La Ruta Moskitia, 2011; Tucum, 2011). The association takes responsibility for building the capacity of local residents to participate in tourism, and when appropriate, staff should also receive formal tourism education (Asociacion Costarricense de Turismo Rural Comunitario, 2011; Cooprena, 2011). The governing board of directors is comprised of representatives from each community, and oversees network operations and provides strategic direction. It also monitors equitable distribution of profits and the development of the network and growth of prosperity in participating communities. The board of directors and the managing body take decisions on which communities, businesses or organisations can be accepted as network members (La Ruta Moskitia, 2011; Tucum, 2011). A national NGO might assume the role of the central executive and would govern the network in the interests of the community. The NGO must be able to manage the network as a tourism business on the one hand, and as a community development initiative on the other. Since financial resources are pooled, decisions are made collectively and the resources to sustain the network come from the managing NGO (La Ruta Moskitia, 2011).

Since this CBT network perceives itself as a community development initiative, it aligns its work with national development goals and priorities, and builds NGO relations with the government in order to address development issues as appropriate (Tucum, 2011). On the other hand, the network plays a role within tourism of the country or region within which it is located, securing a position as a tourism development stakeholder. This implies building close ties and developing mutually beneficial relations with other tourism businesses. Such

initiatives should enable the CBT to achieve integration with the wider development vision. The links to community development and to other tourism ventures assist the network in lobbying on behalf of CBT products through the wider tourism, as well as lobbying for development priorities within member communities. The network is permanent, and is to remain for an unspecified period (Cooprena, 2011; La Ruta Moskitia, 2011; Tucum, 2011; Asociacion Costarricense de Turismo Rural Comunitario, 2011; see also Appendices 3-4 for examples).

The issues associated with the creation of a strong national CBT product can be divided into two: local or individual project issues and national or regional network issues. Much has been written about the development of individual CBT projects, including the necessity of training and the development of linkages to other community development and poverty alleviation initiatives (Moscardo, 2008). However, it is less obvious how to construct relations between multiple CBT projects within a country. What has to be considered for collaboration between several projects to be successful? What roles should various stakeholder groups play? How to ensure that individual communities remain owners of individual CBT products within the network? This research addresses these questions through a discussion of the most beneficial CBT network model for Timor-Leste.

3.7. Summary

The chapter has reviewed the concept of networks and has suggested it as a viable strategy to achieve a higher success rate for CBT initiatives. It also provides a set of alternative principles and strategies for the network. As is the case with community development, CBT networks may provide a genuine instrument to empower the oppressed, to challenge the social order and to benefit the powerless (Bursztyn *et al.*, 2003; Mendonça, 2004; Schärer, 2003). It can also be used to progress a self-help approach to development, where the community mediates between the state and the market. In the latter case it is likely that the poor will receive some improvement in their livelihoods. However power relations are likely to remain unchallenged (Butcher, 2010).

The outcomes of a CBT network may be affected by its structure, and it is argued that network members should enjoy sufficient integration to allow them to develop common goals. It is acknowledged that intense integration may lead the network to become restrictive and disempowering (Gilchrist, 2009; Yang and Wall, 2008). A network should develop through a natural process based on trust, rather than as an imposition by an external agency (Kimbu and Ngoasong, 2013). An external agency may play a funding and capacity building role, especially concerning the set-up and day-to-day management of CBT initiatives (Van der Duim and Caalders, 2008). These considerations are also important for the present research, as they justify an action research aimed at suggesting an idea of CBT network development, while at the same time not imposing the network upon the stakeholders. Both literature and the present research acknowledge that the community role should have primacy in CBT networks, while expectations should be realistic. Tourism cannot be a panacea for all of the problems that are encountered in community settings, and other network attributes associated with functions and morphology in particular will vary, according to the availability of resources, prevalence of local circumstances and current level of cohesion and communication within a particular locality (Murphy and Murphy, 2004). This chapter concludes the review of theoretical concepts that have assisted the development of the present research. The following chapters will provide background on Timor-Leste, the country where the research was conducted, the research design, findings and discussion.

CHAPTER 4. TIMOR-LESTE

4.1.Introduction

While some information about Timor-Leste has been provided in previous chapters, the present chapter will systematically review the Timor-Leste history. Considering the rich history, culture and various current Timor-Leste geo-political situations, all aspects cannot be reviewed. The present chapter focuses on issues that are particularly relevant for the topic of tourism, CBT and networks in Timor-Leste. The chapter first sets Timor-Leste in the context of small island developing states (SIDS). The outline of specifics of tourism development in SIDS provides an argument that the research findings will be applicable for other settings. The chapter discusses Timor-Leste's history and its geo-political situation, while an overview of the Timor-Leste economy provides a context for the future place of tourism. Tourism in Timor-Leste is reviewed from both the current state of tourism development and the benefits for national development. Following the review of tourism in general is a section devoted specifically to CBT.

4.2.Tourism in Small Island Developing States

Timor-Leste is listed by the United Nations (UN) as one of 38 Small Island Developing States (SIDS) – all members of the UN. Besides the UN member SIDS, another 14 non-members and associate members of regional commissions are considered in this category. Of the total SIDS group twelve states, including Timor-Leste, are the least developed countries. Most SIDS are located in the Caribbean and the Pacific regions, while some SIDS are located in the Indian ocean and off the Atlantic coast of Africa (United Nations, 2010). Therefore, SIDS comprise of a variety of cultures and historic backgrounds. The economic growth and development also varies greatly, which is evidenced by the dispersion of the UN Human Development Index (HDI) – Singapore (ranked 26th) and Barbados (ranked 47th) have a high human development, while countries like Timor-Leste (147th), Haiti (158th) and Guinea-Bissau (176th) have low human development (UNDP, 2012). However, there are also commonalities, for example, generally SIDS have a

colonial past, while many of them are still not sovereign states and have some form of foreign administration.

Traditionally, the economies of SIDS are dependent on the trade of agriculture and mining products, such as sugar, bananas, timber and gold. In recent history, small islands have been used for some controversial activities, such as nuclear tests (Marshall Islands), phosphate mining (Kiribati, Nauru) and processing asylum seekers (Nauru). SIDS often have to use creativity to generate income, for example, the economy of Tuvalu largely depends on the sale of the internet domain *.tv* and the Federal States of Micronesia sell the *.fm* internet domain (Harrison, 2004). Some of the SIDS are known as 'tax havens' for their financial flows and service regulations, and many foreign merchant ships are also registered in the SIDS to reduce operating costs, where this practice is known as 'flags of convenience' (Harrison, 2004).

The economic development of SIDS relates to the availability of a natural resource base and a strong service sector, while manufacturing plays a limited role. To some extent 'islandness' affects the ability of SIDS to compete with other countries, as it implies higher transportation and communication costs, with small economies of scale being an important factor (Britton, 1983), making them extremely vulnerable to external shocks. Additional significant issues affecting these countries include political instability, environmental issues and natural disasters (Scheyvens and Momsen, 2008). The Asia-Pacific region provides many examples of such events, for example, in 2006 Fiji experienced its third coup in 25 years; the situation in Timor-Leste, Papua New Guinea and the Solomon Islands has only recently stabilised; earthquakes, tsunamis and rising sea levels also affect the whole region. Furthermore, SIDS are subject to political and economic pressures from larger states that control foreign trade. Regional cooperation and regional trade agreements are common in SIDS to cope with economic and political pressures. Policy-making has also been affected by environmental and climate change issues (Croes, 2006; Read, 2004).

Tourism plays a significant role in many Small Island Developing States, and is one of the few economic sectors in these countries. Arguably, with a better developed tourism sector SIDS could enjoy a higher level of overall development (Croes, 2006; Scheyvens and

Momsen, 2008). However, this should not be considered as given, considering that tourism has been often historically developed in SIDS as a colonial economic activity, tourism development may not coincide with national development goals (Britton, 1983). Therefore, effective and appropriate government policies are required to maximise benefits from tourism development in SIDS (Sharpley and Ussi, 2012). Some SIDS have a high dependency on tourism, for example, tourism receipts constitute 50.23% of Cook Islands GDP and 19.7% of the GDP of Samoa (UN ESCAP, 2010). The World Travel & Tourism Council forecasts that in the period 2010-2020 the top ten countries with the largest contribution of tourism to their national economy will be Small Island Developing States (WTTC, 2010). Some of these countries are also the least developed, for example the Maldives and Vanuatu (United Nations, 2010). Although, tourism provides more market demand for the producers of goods, it allows for increased prices domestically, and competitively demands increased quality.

Traditionally there have been several major constraints for tourism development in SIDS, such as poor air links, a limited resource base and a lack of human capacity (Britton, 1983). Allegedly, most tourist businesses in the emergent destination of the Solomon Islands were originally owned by expatriates of European descent and provided services only to Europeans, thereby denying access to Pacific Islanders (Harrison, 2004). Therefore, the extent to which tourism assists development and alleviates poverty is questionable. While the lack of infrastructure and facilities limits the opportunity for mass tourism development in some of the SIDS, alternative forms of tourism have become more widespread. Increasing environmental concerns and demand for sustainable tourism products amongst visitors have also contributed to change. In some cases, small-scale alternative tourism may represent the only viable option, although it often succeeds only through stakeholder collaboration and a strategic planning approach (Harrison, 2004).

Despite ST-EP listed projects in SIDS, which are aimed at alleviating poverty through tourism, there has been an emergence of research debating whether tourism helps development in such destinations, particularly in the South Pacific. However, there is still a lack of empirical evidence and case studies to confirm a position (Cheer, 2010). There has

been some growth of community or family owned accommodation in order to attract tourists, such as village stays in the Solomon Islands or beach *fales* in Samoa. However, such businesses are not always successful as there is often a lack of infrastructure and understanding of tourism management (Scheyvens, 2002). Tourism also develops differently in SIDS settings, with many examples of local culture and attitudes towards tourists playing an important role in the success of tourism development. Furthermore, traditional land ownership may restrict access for transnational corporations (Harrison, 2004). The political situation, government regulations, external environment, destination marketing and other factors may also affect the success of tourism development. Croes (2006) suggests that moving away from mass tourism to delivering unique niche products assists in generating higher economic returns, while cooperation is needed to eliminate intermediaries in distribution channels. The environmental fragility of many small island states also suggests that small eco-friendly enterprises provide more benefits, while there is also a need to increase participation of local citizens in tourism and create opportunities for them to own tourism businesses. A common vision within the tourist destination, and a strategic planning and development approach may assist the formation of sustainable tourism practices, which may be achieved through community-based initiatives (Fotiou, Buhalis and Vereczi, 2002).

4.3. Overview of Timor-Leste

4.3.1. Geo-political and historical overview

The situation of Timor-Leste also known as East Timor with the official name of Republica Democratica de Timor-Leste stands out among the other least developed SIDS, as this is a very young country which became independent only in 2002. Timor-Leste is located on the east part of Timor Island, while the western part of the island is part of Indonesia and forms the province of Nusa Tenggara Timur. Timor Island is located 640 km northwest of Darwin, Australia, and is a part of the Lesser Sunda Archipelago (CIA, 2012). The Banda Sea lies to the north of Timor and the Timor Sea on the south. The Banda Sea is referred to as ‘female sea’ in local Tetum language (*tasi fetu*) and the Timor sea is the ‘male sea’ (*tasi mane*). Such characterisation is due to the fact that the north coast is calm, while more

waves and storms occur on the south coast. The whole territory of Timor-Leste is around 14,500 km², nevertheless it has an enclave – Oecussi, which is located in the west of Timor island, surrounded by the Indonesian province of West Timor and is accessible from the rest of Timor-Leste only by sea (Molnar, 2005).

Little is known about Timor-Leste's history prior to Portuguese colonisation. Stone tools and rock paintings have been found on the island and dated to 11,500 years BC. These first groups are assumed to be of Australoid or non-Austronesian origin. The island of Timor is considered one of the routes for human migration to Australia. Some of the rock paintings are present in the caves close to scenic Tutuala beach, which is becoming a relatively well known destination, while another archaeological site is en route to Mt Ramelau – the highest point in Timor-Leste. The appearance of agriculture on the island dates back to around 3000 years BC and is associated with the arrival of the Austronesian peoples (Fox, 2003; Glover, 1972; Glover, 1969; Molnar, 2005). Later representatives of other language groups presumably arrived from the Malay Peninsula and are similar to the groups inhabiting Borneo, Sunda and the Moluccas islands. There was no single nation built in Timor prior to colonisation by Europeans. Timor was separated into small chiefdoms which represented different cultures and languages where the major linguistic groups were Bunaq, Tetum and Kanak. Some chiefdoms had an affinity with the powerful Wehale kingdom. The people of Timor traded with seafarers from China and Java, with the main trade item being sandalwood (Molnar, 2005).

The first contact with Portuguese explorers was made in present-day Oecussi in the early XVI century. Dominican priests introduced Roman Catholicism, while Timor Island was gradually colonised. By the early XVII century the rivalry between the Dutch and Portuguese colonisers intensified leading to continuing wars between the two countries on the island. Nevertheless, neither the Dutch nor the Portuguese managed to assert their power over the whole of Timor. Since the middle of the XVIII century the island was divided in half between the Dutch and the Portuguese. The borders were formalised in 1859 and the definitive border was drawn in 1916. Nowadays this border divides Indonesian West Timor and Timor-Leste (Fox, 2003; Gunn, 1999; Molnar, 2005). During

World War II Portuguese Timor was drawn into the war by Japanese and Australian intervention. Australian troops arrived on Timor-Leste breaking Portuguese neutrality. Consequently, Japanese forces invaded the island and the Timorese suffered high losses while collaborating with the Australians to fight the Japanese. To some extent these events prevented the Japanese from invading Australia (Australian War Memorial, 2012; Dennis *et al.*, 2008; Fernandes, 2012; Gunn, 1999). Following the end of World War II Portugal continued its administration of Timor-Leste with some infrastructural developments that stimulated tourism, such as Baucau airport. For the first time the Portuguese government made explicit funding allocations for the development of tourism and tourism infrastructure in the Third Development Plan (1968-1973) (CAVR, 2005; Gunn, 1999). During the last years of Portuguese rule, tourism started appearing in Timor-Leste with around 5,000 international visitors in 1972 (Cabasset-Semedo, 2009).

The Carnation Revolution in Portugal in 1974 brought about an end to colonial rule. The revolution in Portugal brought not only independence to former colonies, but also armed conflicts. For example, the post-independence period in Angola and Mozambique were marked by civil wars. During the Cold War of the time the Soviet Union and the USA supported opposing parties during these conflicts. After Portugal withdrew from Timor-Leste three political forces appeared in Timor: the Democratic Union of Timor (UDT), the Revolutionary Front of Independent Timor-Leste (FRETILIN) and the Popular Democratic Association of Timor (APODETI). UDT and FRETILIN both sought self-determination and independence of Timor-Leste, while APODETI was a minor party for integration with Indonesia. During early 1975 conflicts emerged between UDT and FRETILIN. UDT was opposed to the left-wing ideology of FRETILIN, that later resulted in a short civil war. In September that year Indonesian forces started making incursions into Timor-Leste (Dunn, 1996; Harsgor, 1980; Ramos-Horta, 1987).

In October Indonesian military forces attacked Balibo – a town on the border between East and West Timor and executed five Australian journalists who were in the town. Consequently, Balibo is now widely known to the Australian public and many Australians who go to Timor-Leste to visit Balibo (Saul, 2009). FRETILIN proclaimed independence

on 28th of November, 1975 and Indonesian troops moved into Timor-Leste on December 7th of the same year, resulting in a repressive occupation. The Indonesian government used APODETI in an attempt to justify the annexation on the grounds of following the wishes of the majority of Timorese (Dunn, 1996; Harsgor, 1980; Ramos-Horta, 1987). The occupation lasted 24 years and resulted in at least 102,800 deaths, while another estimation of conflict-related deaths is 183,000 (CAVR, 2005).

The USA and Australia were both supportive of the Indonesian occupation. The USA viewed the emergence of another left-wing state with the right to vote in the United Nations as problematic. At the time the USA was troubled in Vietnam and Suharto's Indonesian dictatorship was an important regional ally. Australia perceived good relations with Indonesia as a guarantee of security of its northern sea borders. Despite the involvement of the Soviet Union in the civil wars in Angola and Mozambique, it did not provide support for Timor-Leste (Burr and Evans, 2001; Fernandes, 2004; Simons, 2000). The common history of former Portuguese colonies in Africa and Timor-Leste has also been strengthened by the fact that some Timorese fled occupation to Mozambique and also established a diplomatic front of resistance in the African nation (Amal, 2010).

During the first decade of occupation there was little room for tourism development as protests and civil unrest continued. Jakarta gained full control over the territory by 1989 and opened Timor to the world, and between 1989 and 1991 3,000 international visitors came to Timor-Leste. Many of them were NGO workers and journalists travelling on tourist visas, and these travellers exposed the situation in Timor-Leste to the world. With the change of government in Indonesia in 1998 came the opportunity for an independence referendum, which took place on 30th of August 1999, and resulted in a majority vote of 78.5% for independence. This sparked another wave of violence, and resulted in the displacement of 550,000 people (CAVR, 2005) and the destruction of 70% of the island's infrastructure (Pushkina and Maier, 2012).

Consequently, the United Nations Transitional Administration in East Timor mission (UNTAET) established a temporary government and restored peace. The UN mission also had the task of establishing government institutions differentiating the UN mission in

Timor-Leste from many other peacekeeping missions, where the only task was to restore peace, and where government institutions already existed, for example, the UN operation in Mozambique 1992-1994 (United Nations, 2001b). The UN has been criticised for assuming the role of the state and for allowing only limited participation of the local population in state-building (Pushkina and Maier, 2012). The UN involvement led to the arrival of many foreign workers from international development, non-government and humanitarian organisations needing accommodation. This resulted in the construction of hotels and restaurants. Arguably, tourism in Timor-Leste started with the UN mission (Cabasset-Semedo, 2009). The United Nations handed over power to a local government in 2002.

From 2002 to May 2005 the UN operated the Mission for Support of East Timor (Pushkina and Maier, 2012). With the departure of a large number of foreign workers following the end of the UN mission, occupancy of hotels and restaurants decreased drastically (Cabasset-Semedo, 2009). In 2003 there were 41 hotels and 60 restaurants in Timor-Leste, by 2006 only 4 hotels and 5 restaurants were operating, according to the government's official statistics (Ministry of Tourism, Trade and Industry, 2010c). Timor-Leste experienced another crisis in 2006-2007 related to political differences between the East and West of the country. The crisis started with allegations of discrimination by the military in the West and spread to the rest of society. Stabilising the situation required a new UN peacekeeping mission: the United Nations Integrated Mission in Timor-Leste (United Nations, 2006). The crisis was finally ended after the 2007 elections, when a new IV government was formed with Jose Ramos-Horta as president and a former president Kay Rala Xanana Gusmao as prime-minister (Hicks, 2009).

Since the resolution of the crisis of 2006-2007, Timor-Leste developed rapidly, only disrupted by an assassination attempt on the then president Jose Ramos-Horta in 2008. 2010 has been recognised as a significant year for Timor-Leste ending the post-conflict era of Timor-Leste nation building, and moving to a development phase. However, it was still considered to be a failed state according to the Failed States Index of 2010, but was removed from the list in 2011 (The Fund for Peace, 2012).

Infrastructure, food safety, human resources development and the justice system are among the development priorities for Timor-Leste. These factors to some extent constrain the country's socio-economic growth, because considerable national and local policy still has to be developed and implemented. External and unforeseen events could change the situation significantly. The limited information available and difficulties regarding funding also reduce the possibility of objective assessment of the country's progress and forecasting of its future (IPRIS, 2011). Since the security situation was stabilised, Timor-Leste has been gradually taking control over policing and defence from United Nations forces. The defence and police training programs have been a priority of the Timorese government. Timor-Leste recognises its geopolitical situation as a result of being placed between two significant countries in the region: Indonesia, which invaded Timor-Leste, and Australia, which quietly supported the invasion. This creates extra pressures to insure independence and sovereignty (IPRIS, 2011).

Timor-Leste's presidential and parliamentary elections took place again in 2012. Former chief of the defence forces Taur Matan Ruak (translated from Tetun as 'two sharp eyes') has become the new president of the country, replacing Jose Ramos-Horta. Taur Matan Ruak was supported by prime-minister Xanana Gusmao, who later the same year secured another term in the office. The political party of Xanana Gusmao, CNRT, gained the majority of seats in the parliament and formed a coalition government with two 'minor' parties: Democratic Party (PD) and Fretilin. As a result of the parliamentary elections FRETELIN remains in opposition for another five years (Australia Network News, 2012). Following the generally peaceful and democratic conduct of the elections, the United Nations peacekeeping mission has ended its operations in Timor-Leste. Most of the UN staff have been withdrawn, with a small team remaining to finalise the withdrawal, and this has put around thousand Timorese formerly employed by the UN out of job (UN News Centre, 2013). The Australian-led International Stabilisation Force was also withdrawn from Timor-Leste in December 2012 (BBC, 2012b).

Indonesia and Australia are currently the largest partners of Timor-Leste. However, a number of other countries have formed close political and economic ties. Among them:

members of the Association of Southeast Asian nations, Portugal and members of the Community of Portuguese Language Countries, especially Brazil, the USA, the European Union, New Zealand and Japan (IPRIS, 2011). China has become an increasingly important investor in Timor-Leste, particularly in construction and infrastructure and has also offered a series of ‘gifts’ to the Timor-Leste government, such as a presidential palace and the building of the Timorese Defence Force headquarters. In fact China was one of a small number of supporters of Timor-Leste independence during the Indonesian occupation. Despite this, some analysts are concerned about the growing influence of China in Timor-Leste and in the Asia/Pacific region generally (Davis, 2011; Everingham, 2010). China’s influence is also seen to be rising in the former Portuguese colonies in Africa, including Angola and Mozambique. China is viewed as an alternative to US hegemony, and China is now a preferred partner for large infrastructure and development projects, because it completes these projects more cheaply and faster.

Timor-Leste also has a medical student training program in Cuba, which has provided 700 scholarships for Timorese, more than any other country, and has a commitment to train 1,000 doctors. The government of Timor-Leste visits Cuba frequently to acquire knowledge of various aspects of governance and economy. Tourism development is one of the items on the agenda (Cuba Embassy in Timor-Leste, 2012). The Melanesian Spearhead Group has also accepted Timor-Leste as an observer at its events. There are many commonalities between the Melanesian states in Timor-Leste in geography and geo-policy, economics, culture and other areas (MSG Secretariat, 2011). Timor-Leste is also an active member of ‘g7+’ – a forum of conflict affected and fragile states (The g7+ of Fragile and Conflict-Affected States, 2012).

4.3.2. Demographics

The best document reviewing the demographics of Timor-Leste that provides up-to-date and detailed information is the 2010 census (National Statistics Directorate and United Nations Population Fund, 2011). According to this source Timor-Leste’s total population in 2010 was 1,066,409 with 70% of the population living in rural areas. The statistics show rapid urbanisation with 234,026 people living in the capital, Dili. Foreign citizens living in

Timor-Leste account for about one per cent of the population. Annual population growth is estimated to be 2.4%. The last census was conducted in 2004 when the growth rate was 3.2%. The nation is young with 41% of the population fourteen years old or under. The employment rate has slightly decreased in Timor-Leste from 91.5% to 89.6% since 2004. The rate of labour force participation (excluding subsistence farming) is 46.4%. Both employment and labour force participation rates are lower among urban residents and women. Overall 65.9% of households have access to safe drinking water with the rate among the urban population higher than in rural areas. Access to modern amenities, such as electricity, TV, phone and fridge is higher among the urban population with only 19% of the rural population having access to electricity. Some 63% of the population are engaged in agriculture and 90% use firewood for cooking, which is an environmental threat (National Statistics Directorate and United Nations Population Fund, 2011).

One of the controversial issues for Timor-Leste is the choice of formal and working languages: Tetum (the widely spoken local language) and Portuguese are the official languages of Timor-Leste with Indonesian and English recognised as working languages (Assembleia Constituinte, 2002). There are also sixteen local languages from two language groupings, Austranesian and non-Austranesian, plus numerous dialects (Taylor-Leech, 2007). The 2010 Census (National Statistics Directorate and United Nations Population Fund, 2011) published the following literacy statistics for the four official and working languages:

Table 4.1. Formal and working languages literacy in Timor-Leste

	Total	Urban	Rural
Speak, read, and write in Tetun			
Total	56	80.9	44.6
Male	61.3	83.4	50.3
Female	50.9	78.0	39.1
Speak, read, and write in Portuguese			
Total	25.2	40.1	18.3

Male	29.0	42.8	22.1
Female	21.4	37.0	14.6
Speak, read, and write in Bahasa Indonesia			
Total	45.3	74.1	31.8
Male	50.0	77.2	36.5
Female	40.5	70.6	27.3
Speak, read, and write in English			
Total	14.6	24.7	7.6
Male	17.0	32.8	9.1
Female	12.3	26.2	6.2

Source : National Statistics Directorate and United Nations Population Fund, 2011.

These statistics show a surprisingly quick change, especially in Portuguese literacy as previous statistics showed that only 10% of the population was literate in Portuguese, while 90% of the population under 35 years of age was literate in Indonesian (Leach, 2006). The language policy is controversial, especially amongst overseas commentators. It is suggested that adopting Portuguese as an official language holds back development (Brady, 2012), and occasionally senior Timorese politicians have to respond to such criticism (Ramos-Horta, 2012). Portuguese was important during the colonial period and also during the resistance to Indonesian occupation. The latest initiative to overcome literacy and education issues is the use of local languages that are spoken in families as languages of instruction (Brady, 2012). Considering that the majority of international tourists arriving to Timor-Leste will have knowledge of English rather than any other official or working language of Timor-Leste this issue is important. This is not to say that Portuguese should be dropped or that other changes in language policy are essential. Perhaps the rise of Brazil's economy, which overtook the UK in 2012 as the sixth largest economy (BBC, 2012a), may prove beneficial for other Portuguese speaking countries in terms of international relations and trade (Ramos-Horta, 2012), although this seems unlikely.

4.3.3. The economy

Timor-Leste has seen rapid economic growth in recent years. The 2011 estimate of GDP growth is 7.3%, which is the world's 18th highest result (CIA, 2012). Despite the trend, the absolute GDP numbers per capita are still low (US\$3,100) and the United Nations Human Development report ranks Timor-Leste 147th out of 169 ranked countries in its Human Development Index (UNDP, 2011b). This index includes life expectancy at birth, literacy, education enrolment rates and GDP per capita. It is estimated that 41% of the population lives in poverty (UNDP, 2011b). However, estimates of the percentage of the population living in poverty vary greatly. The World Bank's World Development Indicators state that in 2007 72.8% of the population lived below the poverty line of \$2 dollars per day (so called 'moderate poverty'). Absolute poverty is defined as living on less than \$1.25 per day with 37.2% of the Timor-Leste population living in absolute poverty in 2007 (The World Bank and National Statistics Directorate, 2008). The UNDP poverty index estimates that using monetary standards only 37% of the population live below the poverty line. However, if the multidimensional poverty index is used and this also considers health, education and standards of living, the number rises to 68.1% (UNDP, 2011b).

The economy of Timor-Leste depends largely on offshore resources: oil and natural gas, and agriculture (coffee and rice). Since oil was first discovered in 1972, the extraction of oil and natural gas in the Timor Sea has been a controversial and politicised issue. There have been claims that Australia did not protest Indonesia's invasion of Timor-Leste due to perceived convenience of dealing with Indonesian politicians in managing the oil extraction. The Australian and Indonesian governments subsequently reached a special agreement on the seabed boundary, which moved the border closer to the island of Timor, giving more possession of the seabed to Australia. Portuguese Timor was not a party to that agreement. This issue has become known as the 'Timor Gap' (Molnar, 2005; Nicolau and Scheiner, 2005).

Usually, seabed boundaries are determined by international maritime law, which states that the exclusive economic zone of a sea boundary for every country extends to 200 nautical miles from the shore. If two countries are located closer than 400 nautical miles, then the

boundary is determined by the median line (United Nations, 1982). The median line between Timor-Leste and Australia is south of any of the discovered oil fields, therefore if there were no special agreements, all the oil would be in the territorial waters of Timor-Leste. After the independence vote of Timor-Leste, the Australian government has advocated special agreements with the newly independent country. Agreement was reached, and resulted in the Timor-Leste exclusive economic zone in which all of the revenues go to Timor-Leste, and the Joint Petroleum Development Area where revenues are shared between Australia and Timor-Leste. The agreement prohibits Timor-Leste from discussing any changes to the seabed boundary for 50 years (Nicolau and Scheiner, 2005). The agreement has resulted in continuous debate about its ethical righteousness. Some argue that Australia has pushed Timor-Leste to conform to the special agreement using financial aid as a tool (ETAN, 2005; Nicolau and Scheiner, 2005).

The national economy has started to experience both benefits and downsides from its natural resources. Oil revenues are invested in the Petroleum Fund, which was established in 2005. The first withdrawals from the Petroleum Fund started in mid 2008. Money was transferred into the Consolidated Fund of Timor-Leste for expenditure (National Directorate of the Petroleum Fund, 2009). As of December 2012 the fund held assets of US\$11,775.35 million (Banco Central de Timor Leste, 2012). It is expected that the oil and natural gas resources will provide a total wealth of US\$26 billion. Ensuring that the fund is used for the greatest possible benefit of the people, as well as implementing the best suitable model for wealth creation from the oil and gas industry, is a government priority.

Government spending of the Petroleum Fund has been growing rapidly and unsustainably from 2008 and peaked in 2012 with US\$1,495 million allocated from the Petroleum Fund to the 2012 budget, making Timor-Leste one of the most oil-dependent countries in the world. A further withdrawal of US\$787 million is planned in the 2013 budget. Additional US\$444.35 million will be carried over from the previous year's Infrastructure Fund, which in essence is made up of the previous year's Petroleum Fund withdrawal (La'o Hamutuk, 2013; Ministerio das Finanças, 2013). There have been accusations of the government breaching the Petroleum Fund law, which restricts the amount possible to withdraw within

a single year (La'o Hamutuk, 2012b). An aid watchdog NGO La'o Hamutuk (2012b) suggests that if such spending continues the Petroleum Fund will be empty by 2022. Moreover, there has been a disagreement with Woodside, an Australian oil extraction company, about the development of a new oil field, named the Greater Sunrise. The issue is the placement of the refinery, which Woodside argues can only be economic as an offshore refinery, while the Timorese government advocates locating a refinery in Timor-Leste (Duffy, 2011). Some commentators have suggested that the economic and public policy situation in Timor-Leste resembles a 'resource curse' in that the oil money seems to feed inequality and the rise of an elite class. While the government has become wealthy, the way that it spends its wealth raises concerns. There is growing criticism over the efficiency of spending on government-funded projects. At the same time little attention is paid towards developing other sectors of the economy, for example agriculture or tourism. At times the government also makes comments suggesting that the major line of thinking is that there is a lot of money in the fund that will last for a very long time, which is not the case considering current levels of spending (Dunn, 2011; La'o Hamutuk, 2012b; Neves, 2011a; Thaler, 2011).

The oil extraction has generated little employment for Timorese residents so far, especially in terms of highly-paid skilled jobs (IPRIS, 2011; La'o Hamutuk, 2012b), with 63% of the population still employed in agriculture. However, 55% of GDP derives from the service sector, compared with 27% from agriculture (CIA, 2012, National Statistics Directorate and United Nations Population Fund, 2011). Farming in Timor-Leste is primarily used for subsistence purposes. In addition, coffee is grown in Timor-Leste and it is the country's main non-oil export, but there is a limited opportunity for farmers to add value to the product. The normal practice in the coffee trade is to export dried coffee beans, with roasting and grinding in the import country, based on the standards of the coffee producer. Coffee has also been subject to unfair international trade practices. The USA is one of the main importers of Timor-Leste's products mostly due to involvement and support for the coffee industry (IPRIS, 2011). It is noteworthy, that the coffee producing districts of Timor-Leste have seen higher rates of poverty than other districts (The World Bank and National Statistics Directorate, 2008).

Similar to many other countries Timor-Leste is attempting to ensure an absence of malnutrition and starvation, with several approaches. One is education on food nutrition including education on what constitutes a balanced meal, and the options people have to ensure that they have enough food (Timor-Leste Government, 2011; UNDP, 2011b; World Vision Australia, 2009). Unfortunately, there is a lack of knowledge about substitutes for the most popular food choices. For example, since Indonesian occupation rice has become a staple crop to the extent that a large population of Timorese has rice with all meals every day. Such dependency on rice provision has led to ‘rice starvation’ on occasions, when there is no substitute to avoid hunger when rice is unavailable (Guttal, 2008; Moxham, 2005). Another approach employed in Timor-Leste is the food security concept, which ensures that risk of malnutrition is reduced by government purchases of the most important foods. In the case of Timor-Leste this results in larger imports of some staple foods. For example, in recent years the Ministry of Tourism, Trade and Industry has been purchasing rice and distributing it across the country to ensure all citizens have enough food (Gabinete do Primeiro-Ministro, 2008). At the same time the government is planning to improve agriculture productivity, and estimates that potential basic crop production (maize and rice) is at least three times higher than the current output (Timor-Leste Government, 2011).

Food security policies have been criticised by farmers around the world, because the purchases of large quantities of food, primarily benefit multinational food corporations involved in international trade. An alternative to food security is the food sovereignty concept advocated by PERMATIL a Timorese NGO. Internationally, food sovereignty is best known from La Via Campesina – an international organisation of farmers. The main principle of food sovereignty is making sure that each community can feed itself, by having a right to determine which crops to grow, and how to organise agriculture, livestock and fisheries systems, to reduce the influence of international market forces on farmers and agriculture practices. PERMATIL has also developed guidelines for applying permaculture principles in Timor-Leste, and provides training to farmers interested in permaculture. While the ways to achieve sufficiency of food in the country may differ, all the stakeholders understand how vital it is, and that is why the government intends to become self-sufficient in rice over the next five years (La’o Hamutuk, 2011a; La’o Hamutuk,

2011b). However, the population growth rate of 2.4% makes the task of achieving food security even more challenging (IPRIS, 2011).

As evidenced by the revenue flows from oil and programs in agriculture and food security, the government plays a very important role in Timor-Leste. According to The Heritage Foundation and The Wall Street Journal (2012) government spending dominates the economy with government spending equal to 108.7% of total domestic output, which is the highest rate in the world. La'o Hamutuk (2012b) suggests that the Timorese non-oil economy is stagnant with half of the labour outside agriculture employed in the public sector (SEFOPE, 2010). Business regulations in Timor-Leste are rather strict and it is considered difficult to start and operate a business. In 2012 Timor-Leste was ranked 168th for ease of running a business (The World Bank and The International Finance Corporation, 2012; The Heritage Foundation and The Wall Street Journal, 2012). At the same time Transparency International (2011) has ranked Timor-Leste 143rd in its Corruption Perception Index. There are increasing concerns about corruption as larger amounts of money become available from oil extraction. The allegations of corruption are becoming widespread in the press (Interpeace, 2012; Powles, 2012) and Ramos-Horta, the president of Timor-Leste 2007-2012, has accused the fourth government (2007-2012) of mismanagement and corruption (Murdoch, 2012).

In the 2013 budget expenditures stand at US\$1,647.6 million, or slightly smaller than the 2012 budget of US\$1,763 million. However, the 2012 budget was a 28% increase on the 2011 budget (La'o Hamutuk, 2013; Ministerio das Finanças, 2013; Timor-Leste Government, 2013). Such expenditure is made possible because of withdrawals from the Petroleum Fund. For example, in 2012 the government withdrew US\$928.9 million from the Petroleum Fund in excess of Estimated Sustainable Income (US\$665.3). Domestic non-oil revenues in 2013 represent only US\$146.3 (8.9% of budget). Therefore, the non-oil fiscal deficit in 2013 stands at US\$1,501.3 million (La'o Hamutuk, 2013; Ministerio das Finanças, 2013; Timor-Leste Government, 2013). The justification for the high withdrawals from the Petroleum Fund is a need for rapid infrastructural development. In 2012 the Timor government obtained its first international loan of US\$33.1 million, to be

spent on road construction. In 2013 infrastructure development comprises 49% of budget allocations, while 15% of the budget is allocated for benefit spending (veteran benefits, housing and social security). The expenditure on governance is 12%, with the same on education and health. It is expected that government spending on the single Tasi Mane petroleum infrastructure project will be more than two thirds of the budget allocated to all education and health services (US\$144 million on Tasi Mane project compared to US\$211 million on all health and education). The development of the economy and agriculture is only 4% of the 2013 budget (La'o Hamutuk, 2013; La'o Hamutuk, 2012b; Ministerio das Finanças, 2013; Ministerio das Finanças, 2011).

However, the larger budgets may not prompt significant outcomes if the money is not spent. For instance, in 2011 the government managed to spend 84% of the allocated budget (Ministerio das Finanças, 2012). The estimated budget execution for 2012 is around 79% (La'o Hamutuk, 2013). As there is a lack of infrastructure and skilled labour, local production is low as evident from domestic revenues in the budget, and from a comparison of government expenditure with GDP (Ministerio das Finanças, 2011; The Heritage Foundation and The Wall Street Journal, 2012). This also results in a large difference between exports and imports, with the Export-Import deficit in 2010, excluding oil, at US\$994 million (La'o Hamutuk, 2012b).

While there are agencies that promote microfinance and local products, it is difficult for Timorese businesses to compete with foreign products in price and quality. For example, despite agriculture occupying most Timorese, food is generally imported (CIA, 2012). The availability of government and international aid support also conflicts with the growth of economically viable businesses, as many Timorese opt to work with government and international NGO projects, rather than develop businesses (La'o Hamutuk, 2012b). One form of business organisation that has grown in Timor-Leste is cooperatives. It is seen as a traditionally acceptable form of organisation, as the Timorese people are socially oriented and in the past close cooperation has helped them to survive Portuguese colonisation and the Indonesian invasion. It is suggested that family groups work better, as they reduce

tensions associated with leadership and wealth distribution (Direcção Nacional das Cooperativas, 2008).

4.3.4. Foreign aid and development

Foreign aid has played a large role in the development of Timor-Leste. In ten years since independence of Timor-Leste over US\$5 billion has been received (Neves, 2011b). However, in 2009 the then president Jose Ramos-Horta made critical statements about where aid money flows and claimed that by 2009 \$3 billion out of the reported aid funds from Australia to Timor-Leste never reached the Timorese economy. A large proportion of aid is spent on donor domestic companies, procurement outside of Timor and the salaries for non-Timorese. La'o Hamutuk (2009) argues that only ten per cent of aid reached the local economy during 1999-2009, which amounts to 550 US\$ million out of US\$ 5.5 billion (La'o Hamutuk, 2009). This contributes to the debate about aid efficiency worldwide (Anderson, 2011). The involvement of international organisations such as the International Monetary Fund (IMF) and the World Bank in Timor-Leste development has also seen criticism, since these organisations have previously been known for advocating neoliberal policies in the developing world, and helping multinational corporations rather than local residents.

Geographically located between two large countries, Indonesia and Australia, Timor-Leste has external pressures that may affect internal affairs. As previously mentioned one example is the seabed boundary between Timor-Leste and Australia (Molnar, 2005; Nicolau and Scheiner, 2005), and another more recent example, is the proposed Australian refugee processing centre in Timor-Leste. The Timorese parliament has voted against it, and the plan for a Timor refugee centre was eventually dropped (ABC, 2011).

The United Nations mission to Timor-Leste plays a major role in developing the nation. The primary achievement of the UN mission was security. In 2010 the United Nations employed 3,825 people, of whom around 2,000 were Timorese. The United Nations withdrew completely from Timor-Leste at the end of 2012, and this is expected to have an economic impact. The United Nations has been a high ranking employer for Timorese,

providing skilled employees with relatively high salaries. Former president Ramos-Horta has called for discussion on how to maximise benefits for Timor-Leste from the Timorese UN staff after 2012 (Everingham, 2012). Besides direct employment, UN staffing has encouraged the growth of service industries, since most of the UN staff rent accommodation or stay in hotels and dine out. Timor-Leste has already seen a downfall in hotel occupancy and in the number of restaurant visitors, when UN forces left after the independence in 2002. A planned and smoother transition for the service industries is needed to avoid repeating this mistake. It is expected that tourists will take the place of United Nations staff in providing demand for these services. However, current high prices on flights to Timor-Leste, accommodation and food prices in Dili have affected tour purchase decisions so far, while the absence of infrastructure makes travelling to more affordable regional areas difficult. The difference in prices between the capital Dili and the rest of the country is significant.

4.4.Tourism in Timor-Leste

According to statistics provided by the Timorese government Timor-Leste had 85,777 visitors in 2010, of which 28,824 were tourists, 21,903 - workers, and 943 travellers were in transit. There is a large group of people, whose purpose of visit to Timor-Leste has not been stated. The number of visitors to Timor-Leste has grown by 4.95%, while tourist arrivals have grown by 10.18% from 2009. Interestingly, in official statistics the number of hotels has gone down from 26 in 2008 to 15 in 2009 to only 10 in 2010 (Ministry of Tourism, Trade and Industry, 2010c). The World Bank publishes different statistics, stating 40,000 international tourist arrivals to Timor-Leste in 2010 with 44,000 arrivals the year before (The World Bank, 2012a). Nevertheless, tourism receipts grew in 2010 to US\$21,000,000 compared to US\$13,000,000 in 2009 (The World Bank, 2012b). These figures suggest that on average a tourist generates US\$525.

The accommodation directory of Tourism Timor-Leste counts 103 accommodation providers made up of thirty eight guest houses, forty four hotels, three apartment rentals, four motels, ten room rentals at restaurants, two villas and two beach resorts (Tourism

Timor-Leste, 2012a). Table 4.2 provides the distribution of accommodation across the districts of Timor-Leste:

Table 4.2. Number of accommodation providers across the districts of Timor-Leste

District	Number of accommodation providers
Dili	38
Baucau	12
Lautem	12
Ainaro	11
Oecussi	6
Covalima	5
Manufahi	5
Viqueque	5
Bobonaro	4
Ermera	2
Manatuto	2
Liquica	1
Aileu	0
Total	103

Source : Tourism Timor-Leste, 2012a.

Prices and types of accommodation vary greatly from US\$10 per night at backpacker hostels to US\$145 at luxury resorts (Tourism Timor-Leste, 2012a). The Ministry of Tourism Commerce and Industry provides statistics of registered accommodation properties in previous years, which state that there were seventy nine accommodation units in Timor-Leste in 2008 and only thirty nine in 2009. There were 399 people employed in hotels and 558 people employed in restaurants in 2009 (Ministry of Tourism, Trade and Industry, 2010b). Unfortunately, available data is rather limited and at times contradictory. However, it is clear that tourism is only starting to develop and it is not possible to use the statistics available to predict future trends of tourism development in Timor-Leste.

4.4.1. Does Timor-Leste need tourism?

Further diversification of the economy is needed and both the government of Timor-Leste and various international organizations regularly mention tourism as one of the development priorities (Timor-Leste Government, 2002; Timor-Leste Government, 2011; UNDP, 2006). However, this development has to be not only economically viable, but also environmentally and socially sustainable, while Cabasset-Semedo (2009) states that sustainable and socially responsible tourism has been a priority in Timor-Leste since independence. The local residents of Timor-Leste consider that tourism can bring benefits to their communities if they take the necessary initiative. This proactive approach may lead to empowerment of people, and help communities rather than aid agencies and foreign investors to determine the future of the country.

In this case tourism is an instrument of achieving community development goals of education, health, human rights and environmental sustainability. Revenues from tourism may generate income for the local communities to be self-sufficient in their needs. Tua-Koin eco-village is one example of how this can be achieved, where the revenues from guests, who stay at the lodge, support a library in a near-by village, three kindergartens and a school. It also advocates environmental conservation by the local residents, because the vast majority of projects in Tua-Koin are economically self-sufficient and do not rely on external financial support (Carvalho *et al.*, 2008).

Such understanding of tourism as provided by Cabasset-Semedo (2009), leads towards a type of tourism development different from the usual mass tourism destinations. Traditionally, tourism destinations in the developing world were developed by foreign investors and multi-national corporations, who built resorts and offered tours and cruises. The economic benefits of their operations reach locals through the tax system and direct expenditure. However, often governments offer tax cuts, such as in Fiji, for large tourism developers (Scheyvens, 2011), which creates concern to what extent local residents benefit from tourism. Furthermore, the amenities created for tourists are often not accessible to locals. The socio-cultural and environmental benefits of large-scale tourism have raised a number of concerns as well (Dodds, 2007). On the other hand, local communities may not

have the capacity to control large-scale tourism businesses or to manage them in a way that will create tourist satisfaction and generate profits. In many developing countries small-scale tourism and hospitality businesses represent a more viable option, which can both generate income and reserve the right for local residents to own and manage businesses (Scheyvens and Russell, 2012a).

Besides tourism, there is little apparent opportunity to diversify the economy. Agriculture is the largest sector of employment, but it struggles to generate income as is evident by an export-import deficit (CIA, 2012). The United Nations and Aid agency workers have for some time provided demand for retail services. However, many international programs are scaling down and the UN has withdrawn peacekeeping and police staff in the end of 2012. Services and construction (besides government contracts) may have a significant downturn after international agencies leave the country (Everingham, 2012). Manufacturing and industry does not currently provide for a large percentage of employment in the country and arguably is not competitive due to the lack of a resource base and small local economy (Kingsbury, 2012).

There is also a large discrepancy between Dili and regional Timor-Leste (Silva, 2011). The population of Dili has grown in the last six years by a third (National Statistics Directorate and United Nations Population Fund, 2011) and tourism may provide job opportunities for young Timorese in rural areas and reduce urbanisation. Tourism may be important for the preservation of culture, as Timor-Leste has strong differences between cultures in different districts. Moreover, infrastructure development around the country is in various states of development, and while it is possible to suggest that large-scale resort development may take place around Dili, it is unlikely to occur in most other areas around the country, as there are still extensive problems with roads, electricity and fresh water (National Statistics Directorate and United Nations Population Fund, 2011). All of the above stresses that sustainable community-based tourism, which depends on independent and small-group tourists, is an opportunity for Timor-Leste to provide sustainable income for regional communities, preserve the culture, take care of environment and reach some development goals.

4.4.2. Does tourism need Timor-Leste?

Tourism relies on tourist demand, and therefore it is also important to find out, why tourists would want to visit Timor-Leste, if at all. The major tourism attractions of Timor-Leste are based around nature and the rich culture of the country. As Timor-Leste is situated within the Corral Triangle, snorkeling and diving is one of the most popular tourism activities. For example, Dive Timor Lorosae is the premier PADI 5 star scuba diving centre, opened by an Australian expatriate in 2002. The Tourism Timor-Leste website features trekking as another activity available for tourists, while historical and cultural assets are also advertised for tourists, including a mixture of various cultures such as: Portuguese, Indonesian and indigenous Austronesian and Melanesian. The history of Portuguese colonisation and resistance to Indonesian occupation is another attraction specific to Timor-Leste (Dutta, 2012; Rose, 2012; Tourism Timor-Leste, 2012b; see Appendix 7 for photographs of Timor-Leste's attractions).

As Australia is one of the largest markets for Timor-Leste there are several opportunities to specifically attract those interested in Australian history. During World War II Australian troops were fighting the Japanese in Timor-Leste, and the Timorese supported the Australians (Australian War Memorial, 2012; Dennis *et al.*, 2008; Fernandes, 2012; Gunn, 1999). Secondly, the Balibo tragedy, where five Australian journalists were killed by invading Indonesians, is one of the important events in recent Australian history (Saul, 2009). There is only one large tour operator that offers group tours to Timor-Leste from Australia, Intrepid Travel. It is a fifteen day tour starting from AUD\$2,430 and among the activities on the tour are visiting village markets and farms, hiking, introduction to traditional craftsmanship, snorkelling, diving and wildlife watching (Intrepid Travel, 2012). There are several local tour operators in Timor-Leste, mostly owned and managed by foreign nationals. The tourism sector lacks cohesion, which is evidenced by the lack of industry associations.

Return flight tickets from Darwin to Dili are rather expensive: starting from AUD\$400 for a one and a half hour flight (Airnorth, 2012). The accommodation and food in Dili is also quite expensive (Timor-Leste Hotels, 2012) due to the large number of staff from

international organisations and advisors, who can afford higher prices. This has been one of the driving forces of inflation and food prices are high, because most of the food is imported. Further pressure on prices derives from the fact that Timor-Leste uses the US dollar as its currency. However, there is a significant difference in prices between Dili and other areas of Timor-Leste. Accommodation in Dili at around US\$65 per night would compare to a community-based eco-lodge at US\$15 per night (Timor-Leste Hotels, 2012). A similar comparison could be made with food prices.

While there is a lack of tourism statistics it may be suggested that current tourists in Timor-Leste are student groups, volunteers, employees of international NGOs, academics, former overseas activists in Timor-Leste independence movement. Mostly these tourists come from Australia, but also from Portugal, other European countries and Japan. Future possible markets are young tourists from Australia, other South-East Asian countries, possibly from Europe. It may be suggested that long-haul tourists would visit Timor-Leste along with other countries in the region as part of their itinerary, and would not stay only in Timor-Leste.

The high prices create difficulties for Timor-Leste to attract tourists. If the tourism product of Timor-Leste is not differentiated from other destinations in the region, lack of infrastructure and higher prices will make tourism in Timor-Leste virtually impossible. However, it is possible to attract tourists who are independent and small-group adventurers, seeking the experience of history (especially Portuguese and Australian influences), culture (traditions and regional differences) and nature (trekking and diving). It is also possible to suggest a more expensive Timorese tourism product can be competitive, subject to high quality of service, convenience of transportation, and access to amenities.

4.4.3. Government and tourism development

At the moment Timor-Leste still does not have a tourism policy, which makes the Strategic Development Plan the document with the most detailed description of the government position on tourism development. The Strategic Development Plan 2011-2030 is a document that lays down vision for the long-term development of Timor-Leste (Timor-

Leste Government, 2011). Tourism is mentioned as an important economic activity alongside the petroleum industry and agriculture. It identifies eco-tourism, adventure tourism, cultural tourism, religious tourism and event tourism as major types of tourism that are suitable for development in Timor-Leste. The tourism industry is likely to develop around the rich cultural and historic heritage and natural assets of the country. However, there is no mention of community-based tourism in the Strategic Development Plan. The closest reference to CBT is a section on village based accommodation as a model to attract cultural tourists. Interestingly, cultural tourism and village based accommodation appear in the Culture and Heritage section of the Social Capital part of the Strategic Development Plan, and not under the Tourism section of the Economic Development part.

The objectives of tourism development as given in the Strategic Development Plan include creation of income in the national and local economies, stimulating employment, increasing the number of businesses and decreasing regional economic imbalances (Timor-Leste Government, 2011). The focus of the government is on differentiating Timor-Leste from mass tourism and finding suitable tourism niches. It is clear that nature and rich cultural background will determine the formation of the unique tourism product of Timor-Leste, while sustainability will be considered a priority. However, lack of empirical data and research, as well as an absence of market analysis limit the possibility of making conclusions upon how successful Timor-Leste as a tourism destination can be, and to what extent tourism can positively impact on development in the country. However, recently several research projects have been undertaken in Timor-Leste on the subject of tourism, two of them have been completed. These research projects deal with sustainable tourism and pro-poor tourism development. Stakeholder collaboration is the major recommendation in both completed studies (Coimbra, 2012; Wollnik, 2011).

The former Minister of Tourism, Trade and Industry (2007-2012), Gil Alves, in his Speech at the 1st International Institute for Peace through Tourism European Conference acknowledged that development has to be rational and controlled, and therefore the legal system has to be developed in the area of tourism development regulation. Furthermore, he

stated that from the eight Millenium Development Goals, tourism directly contributes to four goals:

1. Ending poverty and hunger;
2. Gender equality;
3. Environmental sustainability; and
4. Global partnership.

Opportunities for entrepreneurship and the increased use of local goods, as well as a high variety of job opportunities and economic and cultural exchange were mentioned among the benefits of tourism development. The Minister in his speech also emphasised the need for support of local initiatives and creating links between the various actors of government, industry, community and other interest groups (Alves, 2008).

Gaps in Timorese legislation are still significant and may provide opportunities for unjust practices. Carter *et al.* (2001) published Development of Tourism Policy and Strategic Planning in East Timor and identified as ‘immediate’ issues:

- experience in tourism,
- tourism related infrastructure,
- trained tourism workers,
- tourism training facilities,
- organised internal transport suitable for tourists.

As is evident by the Strategic Development Plan most solutions for these issues are yet to be implemented. One of the proposed initiatives is the development of a polytechnic institution in Lospalos in the east of the island. In order to assist the development of tourism, the government plans to develop new public policies on land, environmental protection and tax incentives (Office of the Prime Minister, 2010). The land and tax reforms should be carefully designed as suggested by the experience of other countries in the Pacific (Anderson, 2006b; La’o Hamutuk, 2012a; Scheyvens, 2011). The government also plans to create a National Tourism Centre with delegations in the districts of Timor-Leste to ensure regional development (Presidency of the Ministers’ Office, 2007). Large

investments have been made recently to develop infrastructure including the road network and electricity (Ministerio das Finanças, 2011). However, there is no mention of organising internal transport suitable for tourists in the Strategic Development Plan. Moreover, the plan does not discuss public transport. Since restoration of independence Timor-Leste has become safe for tourists. However, due to media and travel advisories in many developed countries, the perception of Timor-Leste as a dangerous place has not faded away, which concerns tour operators (Carlos and Carlos, 2011), and results in a lower number of visitors and lower foreign investment.

In May-June 2010 the Minister of Tourism, Trade and Industry visited Brazil, Spain, Portugal and Cuba and discussed human resource development, poverty alleviation, and sustainable tourism development. In Madrid, the Minister visited the United Nations World Tourism Organisation. As Timor-Leste is a member of the organisation it will seek further primarily technical support for the development of tourism. From the list of countries visited, close ties with the Spanish and Portuguese-speaking countries are evident (Ministry of Tourism, Trade and Industry, 2010a) and it can be suggested that Timor-Leste is looking for experience and models of tourism development from these countries. Timor-Leste also cooperates with other Asian countries regarding tourism development. One such example is the UNWTO ST-EP project financed by the Macau government and aimed at developing a trained workforce in Dili's tourism sector (UNWTO, 2012b). Despite Australia being a primary tourist market for Timor-Leste, intergovernmental initiatives regarding tourism are lacking between the two countries. However, individual Australian organisations currently have or had in the past tourism projects in Timor-Leste, such as study tours (e.g. Charles Sturt University, 2011) or volunteer projects (e.g. Australian Business Volunteers (ABV, n.d.)).

4.5. Community-Based Tourism in Timor-Leste

Community-based tourism and ecotourism have been promoted in Timor-Leste since 1999. The then National Council President Xanana Gusmao (current prime-minister of Timor-Leste) expressed his opinion on tourism development as follows:

“A beautiful country like East Timor, with its determined and heroic history, must not be promoted through a tourist industry which creates a small modern world of luxury hotels, but rather we should accelerate the creation of conditions for ecotourism as a means to promote the unique identity, personality and character of our people, with a dimension of more humane relationships between people” (Xanana Gusmao, 1999 in Carter *et al.*, 2001, p. 38).

In 2009 at the First International Tourism Conference in Timor-Leste both Prime-Minister Xanana Gusmao and Minister of Tourism, Trade and Industry Gil Alves again acknowledged community-based and ecotourism as types of tourism that should be developed in order to bring maximum benefits to the community and mitigate the negative impacts of tourism on culture, local people and the environment. Gil Alves has encouraged visitors to explore the nature of Timor-Leste, visit rural communities and learn about the culture (Ministry of Tourism, Trade and Industry, 2009). The government encourages joint ventures and foreign investments into tourism. However, they also urge that projects have to be carefully selected in order to ensure the environmental and socio-cultural sustainability of Timor-Leste (Ministry of Tourism, Trade and Industry, 2009).

There are several hotels and destinations in regional Timor-Leste, which are eco-friendly or community-based. One such destination is Atauro Island, which has two eco lodges and three guest houses. The best known is Tua Koin Eco-Village, which is run by a non-government organisation Roman Luan and has a primary goal of delivering benefits from tourism profits to the community. Tua Koin was the first community-based tourism initiative in Timor-Leste that opened shortly after the restoration of independence (Carvalho *et al.*, 2008). Unfortunately, it has been closed from 2011 due to a land dispute. Another community tourism initiative is Valu-Sere Cooperative in Tutuala at the eastern tip of Timor-Leste and a part of the Nino Konis Santana National Park. The cooperative provides accommodation, organises tour guides and spends revenue on infrastructure (Haburas Foundation, 2011; Ministry of Tourism, Trade and Industry, 2009).

Another initiative worth mentioning is Timor Village Hotels (TVH), which is located in Loihunu, Viqueque, and offers accommodation and tours. Its mission is helping the

community to benefit from tourism development. While TVH was established in 2006 and had a vision of creating a network of accommodation units around the country with the purpose of ensuring community benefits from tourism, the progress appears to be slow, as there is only one location mentioned (Timor Village Hotels, 2010). Canossian Sisters mission in Baucau, the second largest town in Timor-Leste, is an example of a non-for-profit organisation, which is involved in tourism development indirectly. It provides a wide range of skill training programs for young women from rural areas including a hospitality and tourism course. Graduates are supposed to be able to return to their communities and start their own enterprise. The mission also provides accommodation for visitors and attempts to supply hospitality businesses with products produced by students, such as soap and palm oil (ETAN, 2007). The Government's Community Tourism initiative supports family and community group owned hospitality and tourism enterprises, including financial assistance, and the areas where such enterprises have appeared, are namely Liquiça (West of Dili), Com (North-East coast) and Maubisse (in the central mountain region) (Ministry of Tourism, Trade and Industry, 2010b). The Haburas Foundation and the Spanish Agency for International Development Cooperation have also supported a community-based tourism project in the Liquiça district.

The Haburas Foundation together with the Ministry of Tourism, Trade and Industry launched in June 2012 a book and a DVD that maps community-based tourism potential in five districts of Timor-Leste, and will be used as a reference for future community-based tourism development (Business Timor, 2012). As there are attempts to build strong community-based tourism product in various areas of the country (Atauro Island, Tutuala, Loihunu), Timor-Leste presents an opportunity to provide insights into how CBT can be developed and managed, and what can be achieved through it. While there is also an interest from government and non-government organisations in developing CBT, it is still far from becoming a strong or specific feature of the national tourism product. One of the strategies to achieve this goal is to diffuse the experience of Tua Koin and Valu-Sere through networking. Different models of networking should be explored to find the optimal way for different stakeholders to coordinate and collaborate. Both the community

development and tourism literature will be explored to understand criteria for building a CBT network.

Barrett and Thwaites (2010) suggest the following in order to ensure the sustainable development of community-based tourism in Timor-Leste:

- Long-term strategy which ensures the future success of the CBT implementation throughout the country.
- Creation of a registry of regional and rural CBT tourism establishments for government to better coordinate tourism development and promotion.
- Creation of a National CBT Board, which will forge cooperation between the key stakeholders and will coordinate relevant policies, infrastructure and support for CBT through regular meetings.
- Implementation of planning and zoning for tourism with large scale developments constrained to Dili and Baucau, to ensure the cultural integrity of smaller communities and to protect the character of community tourism.
- Build partnerships for local capacity building based on the experience of NGOs and focus on raising the awareness of tourism impacts and tourist expectations.
- Deliver tour guide training programs in communities, which are willing to participate in CBT.
- Provide hospitality training scholarships for staff at rural CBT establishments to be trained in Dili.

4.6.Summary

Chapter Four concludes the literature review for the present research. It has provided an overview of Timor-Leste history, geo-politics and economy. It is evident that diversification of the Timorese economy is required. The majority of Timorese are employed in subsistence farming and not all of them participate in additional money

generating activities. Oil revenues have fuelled government budgets in recent years. However, the oil will finish and tourism can become one of the economic sectors that can contribute to development. Nevertheless, contribution by tourism to local development varies depending on the type of tourism developed. Community-based tourism has already emerged in Timor-Leste and it may bring considerable economic and social development to rural Timor-Leste. It is necessary to research further stakeholder perceptions of CBT in Timor-Leste; whether establishing a collaborative network is perceived a viable strategy to improve the success rate of CBT, and if so, how a network can be developed and structured.

CHAPTER 5. RESEARCH DESIGN AND APPLICATION

5.1. Research design

This study followed a constructivist philosophy approach to knowledge, where meaning is specific to time, culture and other factors, and constructed through interaction (Crotty, 1998; Patton, 2002). The constructivist approach is used frequently in social science research, and was found relevant for the present research because CBT development in Timor-Leste was studied primarily through an examination of the perceptions of different groups of stakeholders.

During the early stages of the research, the extent to which CBT development in Timor-Leste is representative of other cases was unknown, and it was the particular context of Timor-Leste that has shaped the research. The approach here differentiates intrinsic case studies from instrumental case studies, in that intrinsic case studies are undertaken due to the interest in a particular case that may not necessarily be representative of other cases (Stake, 2000). Most of the research describes and analyses the particular case of CBT development in Timor-Leste with the instrumental value of the present research presented only in Chapter Eight by means of generalised recommendations and broader contribution to the theory of CBT network development. However, the research was case-based, and also considered previous theoretical knowledge. This approach to case study combined both induction and deduction and has become known as abduction. In abduction, a single case is interpreted through an overarching pattern. Abduction considers the existing theory to explain the case, but then the results of the case adds new elements or ideas to the existing theory in the later stage of research (Alvesson and Skoldberg, 2009; Patton, 2002).

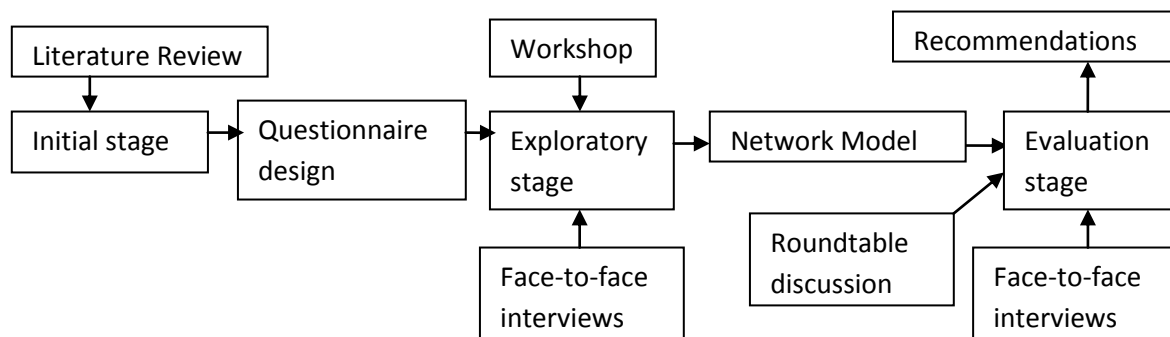
The research was influenced by several methodological approaches, namely: critical theory, grounded theory, Delphi study and action-based research. These methods have been integrated in and applied to the present research to a various degrees since all can be applied to constructivist research, which recognises that meaning is context specific. Critical theory dictated an emphasis on community empowerment, while aspects of grounded theory informed the overarching design of the data analysis. The conduct of a

multi-stage action-based research added additional dimensions to the research. While the present research should not be classified as a Delphi study, the Delphi study methods assisted in formation of the data collection approach and action-based research aimed to undertake activities that would disseminate knowledge back to research participants and the wider community, including Timorese tertiary education students.

Network theory played a prominent role in the research and is discussed in section two of Chapter Three. However, the lack of current communication between stakeholders and the focus on future network development did not allow for the conduct of network analysis. As a consequence, network theory is not mentioned as part of the research design.

The research used a qualitative methodology, with a view to gaining deeper understanding into issues relating to CBT development in Timor-Leste. In particular it focused on expert perceptions about establishing a CBT network. An iterative, multi-stage, mixed method qualitative research approach should enable relatively accurate modelling without requiring significant statistical data (Jennings, 2010), which was unavailable in Timor-Leste because of its short tourism history. As evidenced by the discussion in Chapter Four, Timor-Leste is experiencing a rapid change, and in such conditions statistical data that could have been collected by the researcher during the fieldwork would be unlikely to produce any reliable answers for research questions regarding the significance of CBT development for the future of Timor-Leste, and whether a collaborative network can bring higher benefits to the communities that participate in CBT. Figure 5.1 represents the research design for the study.

Figure 5.1. Research design



Since there was no theory concerning the choice of preferred network strategy, the investigation used aspects of grounded theory. Grounded theory is often adopted, where a researcher lacks in-depth knowledge of the subject to develop new theory. However, Goulding (2002) suggests that a lack of knowledge about the subject may lead to superficial findings. On this basis a literature review about community-based tourism has been conducted prior to data collection. The grounded theory approach adopted in this research states that generating theory enables the prediction and explanation of behaviour, and is practically applicable and verifiable in present and future research, from newly derived data about the subject which has not been previously explored. An important aspect of grounded theory that was considered in the present research design was the equal importance of theory for empirical research, and the importance of empirical information for theory development in the second stage of the research. The multi-stage research approach has also been influenced by grounded theory as it requires the progressive refinement of the findings leading to recommendations (Charmaz, 2000). The refinement of the findings and gradual abstraction leads to the narrowing of the literature that is to be reviewed and included, in order to assist the development of later theory. Since there was little previous knowledge about tourism in Timor-Leste and CBT networks, the focus on empirical data using grounded theory was a suitable option.

The present research was also influenced by critical theory, especially in the approach to literature review, and some of the later analysis of the data, which provide a reflective assessment of the society. The current situation confronting Timor-Leste is based on historical and socio-political events, and cannot be considered to be natural or unchangeable (Alvesson and Skoldberg, 2009; Kincheloe and McLaren, 2000). The enduring Portuguese colonisation, World War II, Indonesian occupation and the subsequent UN intervention involving foreign nations and international organisations have affected contemporary Timor-Leste (see Chapter Four for details on Timor-Leste history). The literature review, data collection and analysis were undertaken with a critical view towards the current development processes in Timor-Leste. The practical aim of the research was to provide a strategy for strengthening CBT development, as a tool to aid in the development of local empowerment and economic independence. Such an aim was representative of

critical theory and particularly of the critical-constructive dichotomy, which besides critiquing a situation and issues it creates, aims to provide solutions (Alvesson and Skoldberg, 2009; Kincheloe and McLaren, 2000). However, the adoption of such agenda should be treated with caution. The extent to which someone is capable of emancipating others is limited, if at all possible, without substituting the desires of those to be emancipated by the desires of the one who is emancipating. The ‘oppressed’ must emancipate themselves, or in this case the search for independence in politics and economy must be driven internally. The process can be facilitated and options and alternatives can be presented to the ‘oppressed’, but they must do the follow-up. Critical theory research is sometimes perceived as lacking an empirical focus and detailed methods of data collection and analysis (Alvesson and Skoldberg, 2009). This perspective seems to contradict grounded theory, which gives paramount importance to empirical material. The present research combined the elements of the above mentioned theories and was empirically based on interviews with experts and a critical literature review. The critical themes were explored mainly in terms of CBT power relations, and the approach taken was that the method should serve the humanistic purposes of the research so that the purpose dominates techniques and procedures (Kincheloe and McLaren, 2000).

Initially, a Delphi study technique was considered as a means of conducting the present investigation. A Delphi study is qualitative and uses expert knowledge to arrive at group consensus about a problem through iterative rounds of questioning (Donohoe and Needham, 2009). Delphi studies have been used for various purposes, especially in settings where a future scenario is modelled in conditions of limited statistical data (Linstone and Turoff, 2011). Scenario development is a common method in strategic planning, and often requires the use of several methods, is typically multidisciplinary and seeks a practical and implementable set of actions (Durance and Godet, 2010; Postma and Liebl, 2005). Commonly, Delphi studies include three rounds, in which experts, who are unaware of each other, answer questions. Each round should bring the group closer to consensus. Between the rounds the researcher interprets the views of the experts and iterates the questionnaire (Jennings, 2010).

The Delphi approach is controversial and academic publications often attempt to 'demystify' Delphi studies (Donohoe and Needham, 2009; Powell, 2003). The critique of the method often refers to the unclear and ad-hoc design of Delphi studies. In many cases the approach is altered by the researchers to suit their purposes, and to overcome pragmatic issues (Donohoe and Needham, 2009). In acknowledging such constraints, the present research has not fully adopted the Delphi technique, even though the research developed a set of future actions through multiple rounds of expert consultations involving three stages. The first stage concerned the exploration of research opportunities and issues surrounding tourism in Timor-Leste and cannot be described as the first stage of a Delphi study. This initial stage of research has been described by Stewart and Draper (2009) as 'Stage 0', because the stage provides the researcher with clearer direction for the research and aids formulation of the research question. Here there were only two stages in which a future scenario can be developed and a consensus achieved about the model. The number of stages was constrained by the available resources.

A two stage Delphi study is a more risky endeavour, and a larger number of stages inherently reduces risk, since lack of consensus can undermine the recommendations and make the outcomes inconclusive. Another common characteristic of Delphi studies, namely the lack of awareness of experts of each other, was deemed inappropriate for this study (Powell, 2003), because the practical aim of the study was collaboration between different stakeholders, so it was perceived as beneficial to bring together at least some of the experts in a workshop setting to assist the collaborative process. This created the risk that opinions could be altered under the pressure of an authority or group. A snowball technique (recruiting future research participants amongst the acquaintances of the current participants) was also used as part of the sampling, and on this basis some participants would be aware of others and could have speculative views about their opinions.

The research also exhibited elements of action research, as determined by the critical approach. Action research generally uses participatory processes to instigate change into existing structures or organisations. It perceives that knowledge has to have validity and value for the participating individuals, and in this way action research is based on real-

world contexts and research solutions to specific problems. Action research and critical theory can be complementary. However, one does not necessarily imply the use of the other. Critical action research aims to assist research participants to the point that they themselves question their current situation, and change behaviours to improve their situation (Kemmis, 2001).

The criteria differentiating action research approaches are the extent to which importance of theoretical development is emphasized, and the relationship between the researcher and the object(s) of the research (Jennings, 2010; Kemmis and McTaggart, 2000). The problem-based approach of action research has been criticised. Ludema *et al.* (2001) suggest that through critique and an exclusive focus on negatives, the capacity of researchers to produce innovative ways of overcoming the issues faced by societies is constrained. Instead, the research question and the theme should be positive. Such an approach, focused on solutions rather than problems has been termed appreciative enquiry. An appreciative enquiry method has four stages: appreciating, envisioning, co-constructing and sustaining (Jennings, 2010; Ludema *et al.*, 2001).

The present research was largely focused on envisioning and co-constructing. Through interviews with research participants, it envisioned the possibilities of strengthening CBT through possible collaboration and co-constructs potentially valuable and practical forms of networking. During the data collection the researcher was also a participant in discussions around how to enact change and build collaboration between different CBT initiatives. The research focused on solving a particular problem; namely the inefficiency of CBT, through a collaborative network approach. However, the present research did not extend to implementing changes to current structures, since this would disempower communities, whom the research was supposed to benefit.

The substitution of desires and understanding of participants can at times be replaced by those of the researcher, and this risk is the most potent criticism of action research (Kemmis and McTaggart, 2000). As part of co-learning between the researcher and the research participants the discussions should assist participants to envision options for future CBT development, and improve the livelihood of relevant communities without involvement

from the researcher. The action research approach adopted in the present research was consciously limited, since the researcher did not belong to any of the communities or organisations that participated in this research and was not a Timorese national, it was considered inappropriate to lead the development that should bring benefits to communities. However, it was considered as ethical, to work with participating communities and organisations on generating options for their development, and letting participants decide what further action should be undertaken.

5.1.1. Research stages

The research has been conducted without a clear temporal division between the literature review, data collection and data analysis. These three elements affected each other throughout the conduct of the research: the literature review could affect data collection design, collected data could be analysed and lead to further data collection, and analysis could also affect further literature that has to be reviewed. The absence of temporal distinction between the phases of research was guided by the grounded theory approach (Charmaz, 2000).

The initial phase included a literature review, familiarisation with the Timor-Leste context, its current situation, and a visit to Timor-Leste to meet stakeholders. This stage assisted in the development of the research question. At the exploratory phase data collection comprised a workshop conducted in Timor-Leste, face-to-face in-depth interviews in Timor-Leste and in Australia and an email distribution to relevant stakeholders. Participants were asked to share their perceptions about the future of tourism in Timor-Leste, CBT and the collaborative network approach to CBT development. The CBT network was then developed and communicated to and evaluated by the same research participants. Based on the outcomes, CBT network development guidelines were proposed for Timor-Leste and potentially other places. During all stages of the research, participants were asked to comment on their preferences for CBT network development, both as a community development initiative, and as a tourism product including:

- Technical feasibility – is the model feasible from the point of view of available financial, technical and human resources?
- Marketing and financial feasibility – is the model feasible by bringing the most suitable type and number of tourists to each location, and generating adequate profit? and
- Does the model build community capacity to participate in tourism?

Additionally, from a community development perspective:

- Does the model maximise the benefits for socio-cultural development (empowerment, community development, poverty alleviation)?
- Does the model meet environmental conservation? and
- Does the model minimise the negative impacts of tourism?

Through the conduct of the literature review (Chapter Two) these areas were found to be important for the objective assessment of community-based tourism (Goodwin and Santilli, 2009; Moscardo, 2008). The following is a detailed description of the various stages of the research.

5.1.1.1. Initial stage

The initial stage consisted of a literature review, gathering background information and visiting Timor-Leste to scope the study. The literature review provided some historic background. However, since the situation in Timor-Leste was rapidly changing and the country has seen rapid growth following stabilisation of the political situation in 2008, it was considered insufficient to scope the research based solely on the literature. Neither official documents, nor newspaper articles were able to provide coherent information about the situation and future needs of Timor-Leste, or the potential of the country for tourism. Visiting Timor-Leste and meeting stakeholders as well as observing and experiencing the country was considered to be the only way to develop meaningful research questions, based on the current Timor-Leste realities. Stewart and Draper (2009) call this stage ‘Stage 0’ in their research.

The most appropriate method for this stage was observing, listening and asking questions (Hardy, 2005). According to Marshall and Rossman's (1995) classification the researcher was an outside observer (or an 'onlooker' according to Patton (2002)), if the participants were considered to be communities and organisations visited. At the same time the research was about tourism and the researcher was basically a tourist in this case travelling to the country and familiarising himself with the typical 'touristy' places. From such a perspective the observation was participatory as the researcher was engaged in tourist activities when researching tourism. This was determined by the fact that the time spent at each site in Timor-Leste was short (maximum three days) and by the tourism development nature of the research. However, the time spent could not allow for the emergence of a holistic view of each community and organisation (Patton, 2002).

At this stage the interviews were informal and unstructured (Fontana and Frey, 2000). Questions were general and aimed to start a conversation with participants leading to the emergence of tourism development issues. The questions included: respondent background, background of the organisation he/she was part of, its role in tourism, perceptions of the current situation in tourism in Timor-Leste, and preferences for directions in future tourism development in Timor-Leste. The findings of this stage formed themes covered in the literature review, such as poverty and tourism, community-based tourism, and collaborative networks.

It was observed that some organisations, especially NGOs did not communicate with each other, even though an exchange of ideas would contribute to the efficiency of their programs. While contacts were established between various stakeholder groups, there was a lack of communication and knowledge about each activity of each group of stakeholders. The representatives of stakeholder groups could potentially have spent many years without meeting to discuss issues of CBT. These observations provided the basis for the aim of the research (see p. 8). There is no separate section to represent the findings of the initial stage of the research. Information collected during this stage is integrated throughout the text.

5.1.1.2. *Exploratory workshop*

The primary data were partly collected during a workshop that was undertaken as part of *Knowledge, Attitudes and Skills for Timor-Leste's Development*, a conference organised by Universidade Nacional Timor-Loro'sae and Victoria University. Discussions conducted in a workshop setting were chosen as a preferred method for data collection, since group discussions have been used successfully in previous research about community participation in tourism in developing countries (Stronza, 2008). The development related agenda of this conference meant that the gathering brought together representatives of various stakeholder groups with an interest in tourism, including government, non-government organisations, private sector, academics and students. Moreover, the tourism literature identifies that input from a variety of stakeholder groups is needed to foster sustainable tourism (Dodds, 2007; Moscardo, 2008).

The benefits of group discussion included possibilities for the researcher to observe group dynamics and the opportunity for various stakeholder groups to present their position and learn about various views on the matter (Jennings, 2010). The one and a half hour workshop took place within the Agriculture and Rural Livelihoods stream of the conference, which was a suitable forum, since CBT is often developed in rural areas as a strategy to generate local employment, and provide a larger market for local goods. The session enabled thirty nine people to participate through voting via audience response devices, and display the results on power point slides (Banks *et al.*, 2010). The software could register multiple responses where suitable (e.g. "desired types of tourism"). Respondents were able to see the results of the survey instantly and to discuss the outcomes. Audience members were also able to provide comments on their responses. Workshop participants were asked to engage in the research only if they felt that they had expertise and/or an interest in tourism development in Timor-Leste, therefore not everyone attending the session was taking part in the discussion. The data was recorded through the audience response system and voice recorder. Besides a tool for data collection, the workshop had an awareness raising purpose, since it was expected that people of various backgrounds would attend the workshop. Some participants in the interviews were recruited after the workshop. The presence of participants from various backgrounds, and reliance on

the self-identification of participants in terms of their knowledge of tourism development in Timor-Leste formed limitation for this part of data collection.

5.1.1.3. *Exploratory interviews*

The interviews formed two groups, face-to-face and e-mail interviews and were semi-structured in nature. E-mail interviews were conducted in cases where it was not possible to meet face-to-face, due to the 'interviewees' place of residence or their location during the period allocated for interviews. The interviews were conducted in Timor-Leste during a month-long field trip and in Melbourne prior to and after the trip to Timor-Leste. A questionnaire (Appendix 1) was used for both in person and e-mail interviews. A professional translation into Tetum was used, where interviews were conducted with Timorese respondents not possessing English language skills. The questionnaire was divided into two parts. The first part used open-ended questions related to the background of participants and their views on tourism, CBT and CBT networks in Timor-Leste. If participants felt that a CBT network represents a prospectively beneficial strategy for CBT in Timor-Leste, they were presented with the second part. Otherwise, they were asked about the reasons for their negative perceptions towards CBT or CBT networks and the interview was terminated.

The second part represented a table of key CBT network attributes and respective alternatives. Respondents were asked to choose an option for each of the key network attributes listed in Appendix 2. The respondents were not restricted to the alternatives provided and could suggest other options, and they were not restricted to a single answer. In several cases respondents suggested an ideal situation, in which certain alternatives would look preferable, but would comment that it may be more practical to follow a particular alternative. The approach used in the questionnaire combines a qualitative methodology with certain quantification of data through multiple choice questions related to attributes of networks. A similar approach to construct future scenarios was used by Liggett *et al.* (2011) when researching the future of Antarctic tourism. Liggett *et al.* (2011) used voting questions in order to form perceptions towards future policy regarding tourism operations in Antarctica.

Several questions used in the interviews were the same as in the workshop. These included:

- preferred type of tourism;
- benefits of a collaborative network for CBT;
- network centralisation;
- network integration; and
- types of tourism businesses, that would be accepted into the network.

The data was recorded through field notes and a voice recorder.

5.1.1.4. Evaluation interviews

The design of this stage of the research was largely dependent on the outcomes of the exploratory research, which posed a question to participants, namely whether a CBT network could help strengthen CBT in Timor-Leste, and through it improve the livelihoods of rural Timorese, and if so, how to structure and establish this network, the attributes that characterise it and what functions it should carry out. If the majority of participants responded to the CBT network idea negatively, the research would require significant alteration. Given the original ‘Stage 0’ did recognise CBT as a significant potential study area, this stage of the research was allowed to progress in the format that is outlined. A conceptualisation of a CBT network model, which should be the most beneficial for Timorese communities, was based on the most popular responses of the research participants, enriched by the literature and by examples from other countries. The network that is based on the most popular answers also has a practical purpose of increasing the chances of consensus between the various actors.

The network was then refined in the second round of interviews. The findings were presented mostly to the same research participants to provide an opportunity for feedback using the materials noted in Appendices 3-5, namely a CBT network description, a CBT network summary and principles of a CBT network for Timor-Leste. The interview also attempted to determine the extent to which participants agreed with the outcome, and were ready to participate in the establishment of the network selected by the majority of

respondents. The practical aims of the research, and the fact that some of the research participants changed their workplace, meant that some new participants had to be recruited. The questions for the evaluation stage were noted in Appendix 6. All materials were translated into Tetum. This approach to analysis of developing a network model and recommendations was based on a scenarios approach, which develops a scenario of future development based on collected data. Richins (1997) argues that such an approach, where stakeholder perceptions of current and future tourism development are examined, helps to shape future tourism policies and planning. It was then suggested that the approach to establishing a CBT network is applicable to other similar settings, while community-based initiatives cannot be replicated, the general approach and principles are applicable under certain circumstances.

5.1.1.5. Roundtable discussion

A roundtable discussion took place at the end of the third stage of the research in Dili, Timor-Leste, and brought together several representatives from various sectors. The majority of the participants and/or organisations they represented had previously shown great interest in a CBT network, and also had the capacity to facilitate implementation of the network. Several aims were pursued through the roundtable discussion. Firstly, it was the last opportunity to present the findings in Timor-Leste and the roundtable discussion was based around the information gathered during the evaluation stage. Secondly, there was a practical aim to gather representatives of various sectors to discuss the topic together, and see whether there were significant differences of opinion. Furthermore, the discussion was meant to start the process of planning for implementation of the network.

5.1.2. Sampling and participants' backgrounds

Purposive sampling was used to identify the research participants, including likely future participants in a CBT network. The participants represented stakeholder groups which were identified as significant for tourism planning and development, such as: government, NGOs, the private sector, community representatives, academics and education providers. The panel of participants included people of various backgrounds, with an interest or expertise in achieving development goals through tourism in Timor-Leste, including those

likely to participate in a CBT network in Timor-Leste. Among them: NGOs involved in the setting up CBT cooperatives, vocational education providers of hospitality and tourism, relevant government departments, academics involved in Timor-Leste and tourism research, private sector representatives involved in CBT and ecotourism, all with a knowledge of tourism in Timor-Leste.

Contacts were identified using a variety of sources including business directories Tourism Timor-Leste website, Build Local Markets Timor-Leste business directory, academic, government, non-government organisations and industry publications. Further contacts were found through asking participants to suggest prospective research participants, whom they regarded as appropriate for the research. In the case of village chiefs in communities that had CBT, it was impossible to find contacts prior to arrival in the community. Upon arrival the researcher could ask local residents the location of the office or house of the village chief. In almost all cases the researcher knew someone else from that community, and it is possible that these connections helped establish trust and good intentions. The limitations of telecommunication access in Timor-Leste inhibited the opportunity to pre-arrange all interviews prior to the researcher's arrival. In the next phase of the investigation, the researcher evaluated the findings and made necessary amendments to the model to represent the majority of responses. Consequently, the reworked model was evaluated by the same research participants. This stage was undertaken through email and semi-structured interviews. After collecting feedback, the model had a final iteration to develop a final theory for CBT network development.

5.2. Application of the research design

Considering the fact that Timor-Leste's tourism in general, and CBT in particular, was in its infancy, the population for the research was small. The research design dictated that the research participants should possess sufficient information about the current state of CBT development in Timor-Leste. From a total of fifty seven potential respondents approached during various stages of research, eleven did not take part at any stage (19% non-response rate). Three of them were employees of NGOs in Timor, another three represented non-CBT tourism businesses, and five were academics. All except one NGO worker were non-

Timorese nationals. The non-responses could be motivated by the time constraints on the part of potential participants, and besides the timing issue, the lack of response from the academics might be motivated by a lack of recent involvement in Timor-Leste. The lack of representation of the academic viewpoint in the research was the only concern regarding the non-responses.

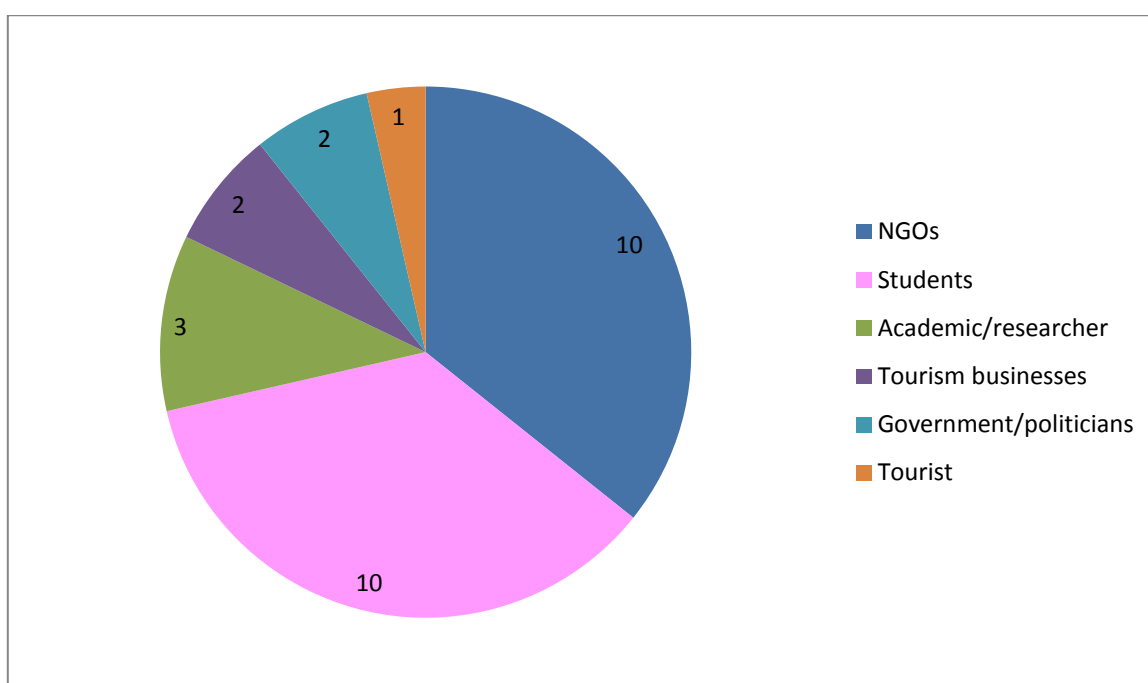
Nine respondents participated in all three stages, while thirty two participate in two stages. The initial stage of informal interviewing included eleven people, nine of whom (82%) were interviewed again during the exploratory and evaluation research phases. Six non-Timorese were either residents of Australia or Asia, and five were Timorese nationals, and four participants representing NGOs, three were participants in CBT initiatives, another two were from government and two people were from the private sector. Among those who were not interviewed again, one participant was hospitalised at the time of data collection and a colleague was interviewed instead. Another participant did not respond to invitations to meet again.

5.2.1. Exploratory stage participants

The exploratory stage was divided into two parts: workshop and interviews. The workshop had thirty nine respondents who used the audience response devices to participate. The actual number of responses to each question varied between twenty five and thirty four. The two largest stakeholder groups who were represented at the workshop – NGOs (ten respondents) and students (ten respondents) - accounted for two thirds of the participants (refer to Figure 5.2). Students were included into the sample due to the action research process of transferring knowledge about the CBT as one of the opportunities for future development in rural areas of Timor-Leste. Additionally, considering the youthful population of Timor-Leste it was perceived valuable to obtain the student perspective on CBT. Since, the workshop was part of a development conference it would also be inappropriate to exclude one group. The NGO category included respondents involved in tourism, social justice and rural development projects. Some private sector tourism enterprises (two respondents), government representatives (two respondents) and academics (three respondents) were also represented. One participant identified himself as

a 'tourist'. It could be argued that those with travel experience within Timor-Leste merit inclusion within the sample, since they may hold strong opinions about what is required to enhance tourism in Timor-Leste and they bring a 'consumer' perspective to the discussion. Most of the student participants were studying tourism. Unfortunately, the community leaders who were on the invitation list did not attend the workshop, since the gathering was held in Dili. This points towards possible problems for face-to-face communication, should a CBT network be established.

Figure 5.2. Stakeholder groups represented in the exploratory workshop



Thirty nine key informants were interviewed as part of the exploratory stage, of whom seven were workshop participants (eighteen per cent). Eighteen represented tourism businesses, of whom nine are involved in the operation of community-based tourism initiatives. The CBT participant group consisted of respondents who had supervisory responsibility or who played a leading role in cooperatives and were owners or managers of village-based accommodation. Six out of ten CBT representatives were Timorese. Within this group some Timorese had difficulty understanding concepts relating to collaborative network attributes and discussing future opportunities. One respondent, who was involved

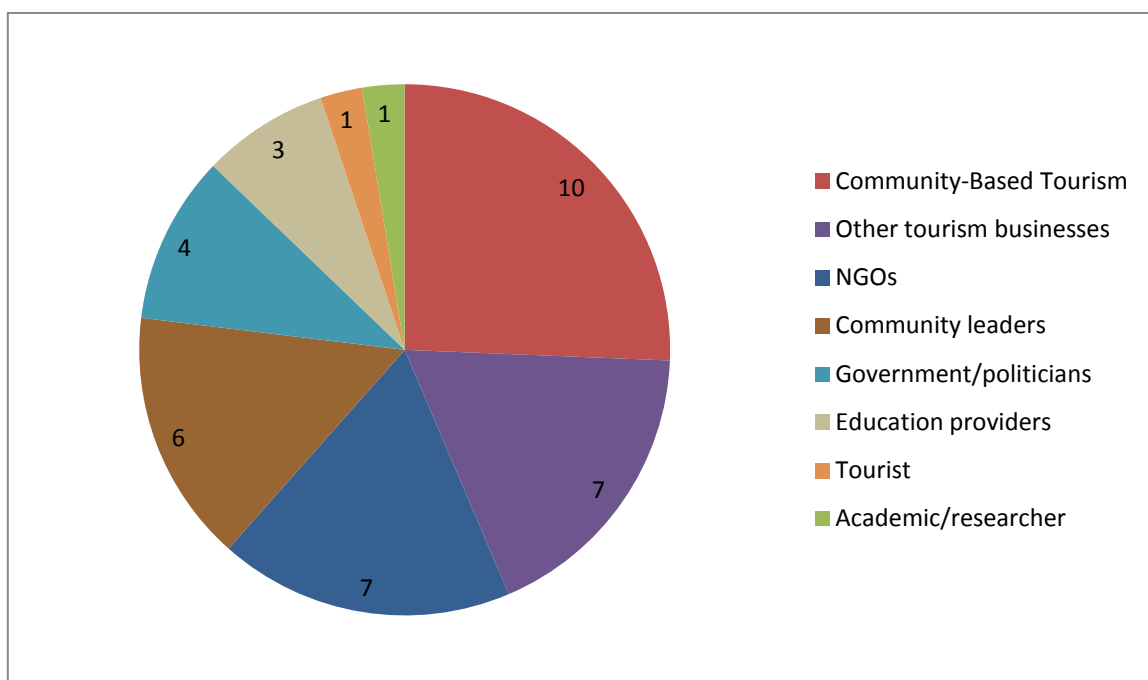
in a CBT accommodation initiative, struggled to express opinions and discuss future possibilities. The stakeholder group 'Other tourism businesses' was represented by private sector tourism operations including hotels, tour operators and a diving organisation. Out of seven respondents six were non-Timorese, while the Timorese respondent had spent a long time living abroad, and one non-Timorese respondent had spent a long time in Timor-Leste.

Seven key informants were working with Non-Government Organisations (NGOs). This group was represented by four Timorese and three foreign nationals and represents a mixture of national and international non-government organisations, most of which contributed to CBT and ecotourism. A further six respondents were represented by community leaders or local officials represented by *chefes do suco* (chiefs of villages) and by subdistrict administrators. All were from communities where CBT was already established or where development was planned. The distinction between these two positions is that the *chefe do suco* is elected by community members and sub-district administrators are appointed by central government, and this results in a greater degree of independence from central government on the part of *chefe do suco*. The education providers were represented by two Timorese nationals and by one foreign national, and all were involved in training and education for tourism or hospitality.

The government perspective was represented by three respondents who were employed in different government departments. All were employed in positions relevant to tourism development. A further participant was not currently in the government and represents those opposed to the governing party. Out of four respondents, two were expatriates, and could have had a position towards tourism development that reflected their personal cultural backgrounds, rather than the specifics of Timor-Leste traditions and history. A further respondent described his interest in tourism from the perspective of an expatriate/domestic tourist. The motive of that participant was that expatriates living in Dili had little access to information about tourism and while they had the financial means to travel around the country, there were insufficient options. Another respondent was a researcher who had developed a framework for coral reef management that considered prospective effects of tourism. All respondents had some knowledge of tourism in Timor-

Leste generally, and of CBT in particular. Figure 5.3 represents the different stakeholder groups.

Figure 5.3. Stakeholder groups represented in the exploratory interviews



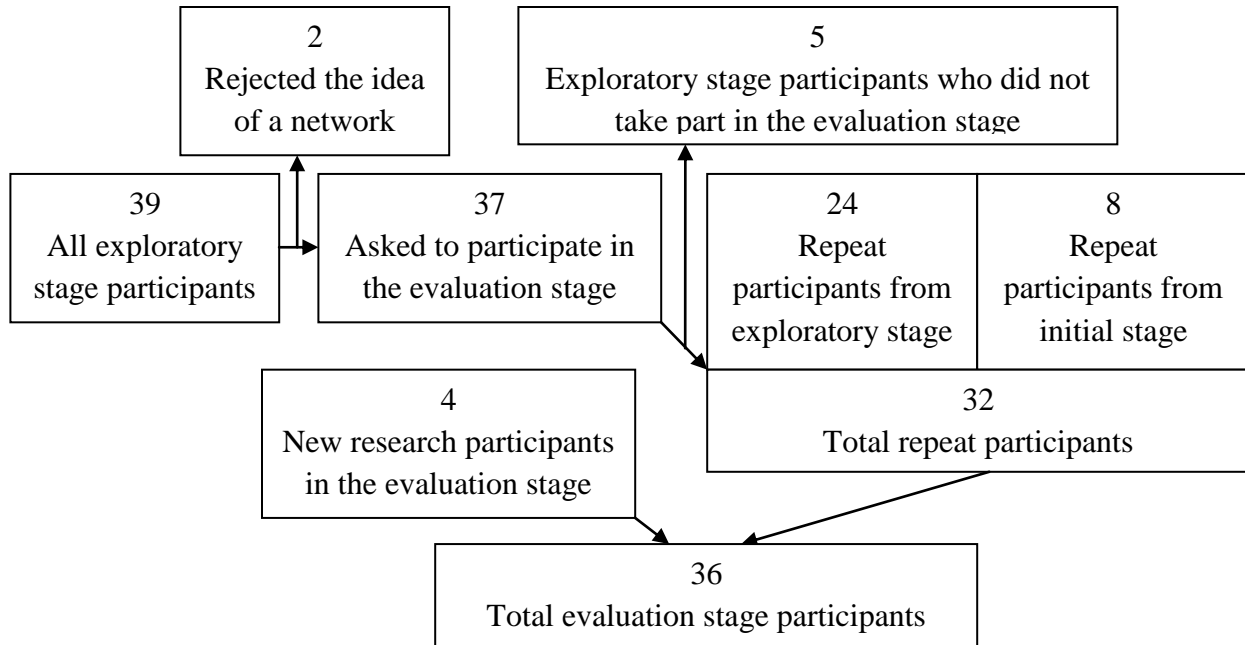
Slightly less than half of the key informants were foreign nationals (46%) involved in tourism or related occupations within Timor-Leste. Foreign nationals who participated in the research were not homogenous and came from Australian, Asian, European and Latin American backgrounds. Considering that tourism was not a primary specialisation for most respondents (the range of occupations included: agriculture, environmental sustainability, public servants, accountancy, arts and culture), the group could be described as diverse. However, it is noted that most foreign nationals who participated in the research were from OECD countries. The difference between the economic and cultural background and experience of these respondents could have affected the responses. It was considered important to involve expatriate community in the research, since most of the tourism companies appear to be foreign owned or managed. Moreover, Timor-Leste has a large foreign presence of international agencies and advisors to government, therefore views of various expatriate specialists should be considered.

The various Timorese nationals who responded had a range of backgrounds, including some who lived abroad through the period of the Indonesian occupation, received some education abroad (in Indonesia, UK, Australia, Macau) or had never been outside Timor. Some Timorese respondents had limited experience of travel, even within Timor-Leste and had seen no examples of CBT in other parts of Timor-Leste. Tourism and hospitality is a new industry for Timor-Leste and a high percentage of Timorese respondents had backgrounds in other occupations (including: teaching, environmental and social justice NGOs, agriculture and engineering).

5.2.2. Evaluation stage participants

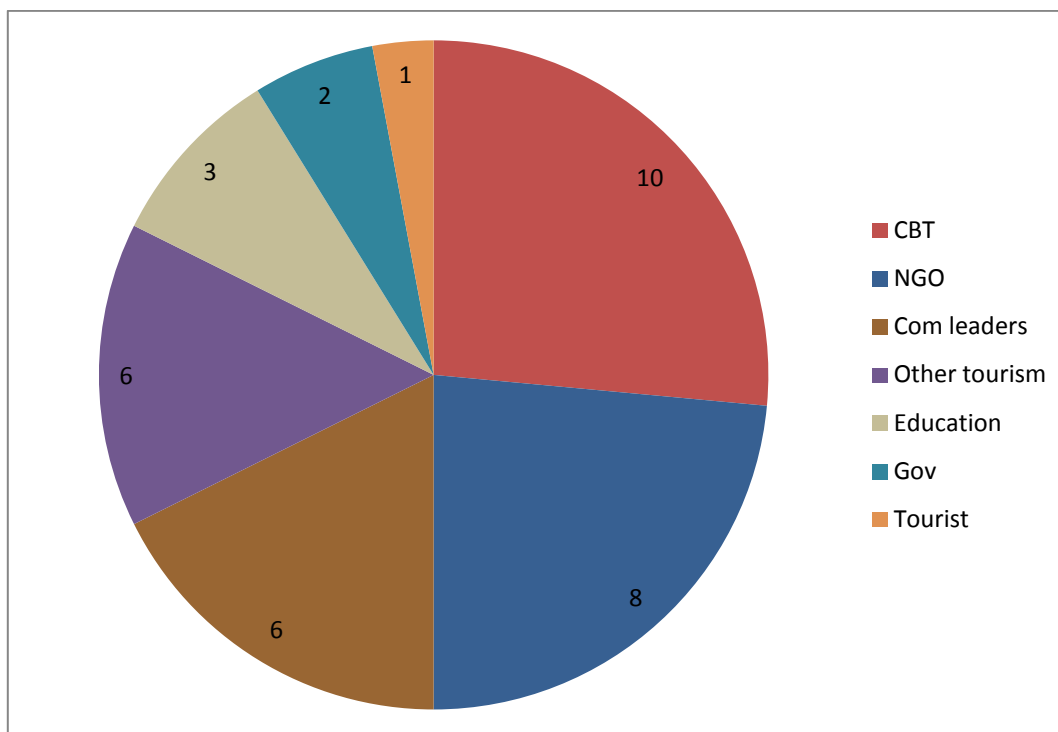
Thirty six respondents participated in the evaluation stage of the research. Out of thirty nine exploratory stage respondents thirty seven were asked to participate in the evaluation stage of the research. The aim of this stage of the research was to refine the proposed model, gather information about perceived implementation challenges and to get a higher consensus on how a network should be developed and operated, thus not requiring participation of those respondents who did not agree with the network approach at all. Out of the thirty seven participants thirty two (6%) participated in the exploratory stage. Eight participants also participated in the initial stage of the research (73% of the initial stage participants). Five persons who participated in the exploratory stage did not participate in the evaluation stage. Figure 5.4 presents the changes of research participants graphically:

Figure 5.4. Changes of the research sample



The reasons provided for non-participation are lack of time, non-presence in the country (either Australia or Timor-Leste) and change of workplace. One participant did not feel comfortable participating in the research, because she was starting a PhD thesis in tourism and had been advised by the supervisor not to share thoughts on the matter with other research students. Four new respondents were recruited to participate in the research. Two new respondents were representatives of the same organisations that participated in the exploratory stage, but the person previously interviewed was no longer with the organisation. In other cases research participants suggested to interview representatives of other organisations, due to new developments that took place in Timor-Leste since the exploratory research occurred, for example registration of a tourism association named Tourism Centre Timor-Leste. Figure 5.5 provides the division of research participants by stakeholder group.

Figure 5.5. Stakeholder groups represented in the evaluation interviews



There is a slight change in representation of the various stakeholder groups. NGOs were represented by one more person than in the previous exploratory stage, whereas non-CBT tourism had two fewer representatives. The government was also represented by two respondents less than in the exploratory stage. The sole academic/researcher, who participated in the exploratory stage, did not participate in the evaluation stage. One CBT representative and one other tourism representative were not contacted for the evaluation stage as they did not agree with the idea of forming a network. Twenty respondents were Timorese (56% of respondents) and sixteen were foreign nationals (44% of respondents). Among the two respondents who were not contacted again, since they did not support the idea of a network, one was Timorese and another was a foreign national. Only one Timorese could not participate in the evaluation stage, while four foreign nationals did not take part in this stage of the research. Three out of four newly recruited participants were also foreign nationals. Overall, considering that the evaluation stage of the research was taking place during the celebrations of the tenth anniversary of Timor-Leste's independence (busy tourism period), prior to parliamentary elections and nine months after the

exploratory stage the objectives of recruiting the same participants, or at least representatives from the same organisations, were reasonably well achieved.

5.2.3. Methods of analysis

The research was based on a qualitative approach using a critical-constructivist approach, grounded theory and elements of action research and Delphi study. The present research was context specific in terms of place, time, the backgrounds of research participants and the researcher. It seeks an understanding of processes, structures and contexts, rather than trying to establish universal truths (Alvesson and Skoldberg, 2009). The analysis methods were chosen based on the approach to the research and its aims. The research related to ‘the discovery of regularities’: identification of elements and connections between them through content analysis and grounded theory (Miles and Huberman, 1994). Content analysis and grounded theory analysis can be used to evaluate comments and feedback from participants about CBT, and expectations of CBT.

The aforementioned methods of analysis are used in social research to analyse free-flowing text. One representation involves answers to open-end interview questions. Using these approaches text is reduced through coding techniques, data is structured and categorized and links are established (Jennings, 2010; Stepchenkova, Kirilenko and Morrison, 2009; Patton, 2002; Ryan and Bernard, 2000). One of the main purposes of content analysis in this study was the categorisation of data into key themes. It has been used to develop a matrix representing the answers of respondents as ‘unit-by variable’, to quantitatively analyse some findings (Ryan and Bernard, 2000). The use of a multi-stage iterative research design assists in the analysis of data, and the refining of emergent concepts, while assuring a higher level of accuracy (Charmaz, 2000).

During the exploratory stage of the research open coding was used in searching for themes including stakeholder perceptions of tourism, CBT and networking. The codes were organised into categories. For example, the benefits of a CBT network would be coded into marketing and promotion, training and lobbying government based on the answers of the participants. The collected data was categorised on the basis of participant identifications with stakeholder groups, and whether a participant was a Timorese national or a foreign

resident. Some of these categories were pre-structured by the researcher based on the topics covered in the questionnaire (see Appendix 1). Other categories were not preconceived, such as those relating to local context for collaboration, historical perspective on tourism associations in Timor-Leste, the process of establishment of a CBT network, and relationships between the stakeholder groups. Some categories were *in vivo* (established by participants), while others were *in vitro* (established by the researcher) (Alvesson and Skoldberg, 2009; Miles and Huberman, 1994; Patton, 2002; Ryan and Bernard, 2000).

Following open coding, axial coding was used to connect the open coded material for the development of a network establishment process and network structure. This stage identified interrelations between the categories from the collected descriptive data. Selective coding was used to ensure that the collected data and its analysis helped to solve the main research question of whether CBT could deliver benefits to communities, and how the benefits could be maximised (Goulding, 2002; Patton, 2002; Sarantakos, 2005). The criticism of high fragmentation of data by objectivist notions of grounded theory was accepted. Flexible constructivist understanding of grounded theory was found to be more relevant for the purposes of the present research (Charmaz, 2000). It was perceived that the participant stories were more informative where the full story of each participant was taken into account along with coding of the quotes.

Though the CBT network was modelled on a majority of responses, responses which did not fit the model were also acknowledged. These may be considered as negative cases, and such negative cases should be integrated and presented to readers in order to represent the research more objectively (Ryan and Bernard, 2000; Patton, 2002). The reasoning of participants, whose responses were different to the majority, were explained, and the diversity of responses enriched the findings.

Considering that the present research looked into the future, elements of scenario based analysis were also included. A scenario in its wide sense was a narrative about the future. Following Stewart's (2003 and 2008) proposal, the research accommodated the context in which the scenario was developed; used a non-exclusive approach to data collection;

understood the links between the data and all of the knowledge provided by it; integrated data into a scenario, which required elimination of inconsistency and distortions; the findings were communicated back to participants. A number of Postma and Liebl's suggestions for scenario development (2005) were included throughout the research study, and especially during the two stages of interviews, as follows:

- use of concrete examples;
- use of representative events;
- use of easily recalled supporting evidence;
- ask the decision makers to project themselves into the situation;
- ask the decision makers to predict how they would act (and feel) in the scenario;
- consider participants' prior experience with the target event;
- use of plausible explanations;
- use of causal arguments; and
- ask participants to explain outcomes.

One of the common suggestions not implemented, is the development of alternative scenarios. Usually, scenarios are developed based on several driving factors and uncertainty around how they will develop into the future. Consequently, the scenarios presented back to interested parties represent for example realistic, optimistic and pessimistic scenarios. In the present research this was deemed to be inappropriate, since the aim of the research was to develop a scenario that would be acceptable by the participants as the most probable and would maximise the benefits for local residents.

In the discussion section of Chapter Six, the findings are further interpreted to represent the phases of network development (see Figure 6.19), its structure (see Figure 6.18) and possible challenges. Analytic induction was primarily used for model development, since a model had to be generated as a generalised concept from the specifics of the individual responses, which were often more relevant to a specific community, and acceptable to respondents. Construction and deconstruction helped explain constraints and influences, which determined certain responses (e.g. sub-district administrators are civil servants,

which implement the policies and programs developed by higher ranked government, and this limited their freedom to express their own thoughts and ideas) (Sarantakos, 2005). Moreover, the discussion section of Chapter Six (see p. 151) correlated empirical findings with theoretical literature and the literature of existing CBT examples. This was necessary as both grounded theory and critical theory call for the use of different information sources (Creswell, 2009). Consideration of the existing similar CBT networks was particularly important for understanding how network elements could be linked.

The same interview analysis techniques were used during the evaluation stage. The only difference was that while exploratory stage findings followed the structure of the questionnaire, data gathered in the evaluation stage was grouped and represented by themes, rather than by the questions, since there was a significant overlap between the themes covered in various questions. The information was open coded and then axial coded to create interrelations between the data, and then further abstracted to represent a suitable model for Timor-Leste. A higher level of abstraction was required to develop a theory from empirical data, and this process was crucial for grounded theory (Alvesson and Sköldbberg, 2009). Successful implementation and operation of CBT networks guiding principles and processes were discussed through identification of variables that may affect planning.

The influence of action research was stronger in the evaluation stage, since the questions focused on the practicality of the CBT network and possible inhibitors to its development. The use of multistage scenario development allowed for enrichment of the scenario in the present research during the evaluation stage. Because this research involved human participants, interviews were designed to comply with the requirements of Victoria University's Human Research Ethics Committee. Upon completion participants were provided with a summary of the research in recognition of their participation.

5.2.4. Specifics and limitations of study

The research has been conducted in Australia and Timor-Leste by a Russian researcher in fulfilment of a degree offered by an Australian university. This created a complexity and

possibly tension between the multiple co-existing worlds and ways of knowing. Every attempt had been made to conduct research ethically and in accordance with the guiding principles for conducting research in island and indigenous places, based on Quanchi (2004) and Hayward (2005). The research was conducted in accordance with principles and standards of a Western way of knowing, which may contradict traditional Timorese understandings of the world. While the research was not conducted in a single community, tribe or language group, it was important to understand the complex history of Timor-Leste, on which current political and socio-economic processes were based. There was no attempt to alter the lifestyle or understanding of the Timorese worldview. During the course of the research the researcher attempted to co-construct a possible development path based on what had already occurred in Timor-Leste, and initiatives such as CBT that Timorese people appeared to already embrace.

This research was constructivist, with elements of grounded theory, action research and critical theory, and also adopted reflexive methodology as proposed by Alvesson and Sköldbberg (2009). The research was based on interviews, which were an interpersonal communication between the researcher and the participant. In this context the information about the researcher available to participants may influence their behaviours and responses, and this in turn affects the research findings. The Russian background of the researcher was known to the majority of the participants and in some cases participants clearly associated Russia with Leninism, communism and opposition to the USA. This might have tempted some participants to express ideas that in their interpretation would be favoured by the researcher.

The researcher's interpretation of the data collected was also shaped by his previous life experiences. As Steedman has suggested (1991, p. 53): "Knowledge cannot be separated from the knower". The fact that the researcher did not represent any organisation or government besides the university could have benefitted the present research as the research participants were free to express their views without being afraid of offending any organisation. The process of interviewing was developed to ensure that research

participants did not feel that the research served purposes of neo-colonisation (Jennings, 2010).

The research is undertaken in one of the newest and poorest countries in the world: Timor-Leste. Due to the destruction of much of the infrastructure by militias after the referendum vote, it was sometimes difficult to reach certain locations. One destination was impossible to reach due to these issues. There was no resulting major impact on the study. Due to the interdisciplinary nature of the research, key informants came from a variety of backgrounds. As the Timor-Leste tourism market was predominantly Australian, Australian informants have been a prominent feature of the research, and it was found that some Timor-Leste government officials and industry representatives were also from Australian backgrounds. This may have had a certain implication on the outcomes of the research, since the perspectives of respondents from different backgrounds may vary.

The conduct of qualitative community-based tourism research in a less-developed country is subject to power relations. Domestic and international relations played a role in the present research. The political system in Timor-Leste was highly centralised with most of the economic development currently occurring in Dili. This drove migration from regional areas to Dili. Community-based development calls for decentralisation and delegation of social functions from government to communities, and therefore, the topic was somewhat sensitive to domestic politics. Also, there was a long history of relations between Timor-Leste and Australia. For example, in World War II battles on Timor soil played a significant role in stopping the advance of Japanese forces into Australia, and if there had been no intervention during that time from Australia, Portuguese Timor may have avoided conflict, due to Portuguese neutrality (Fernandes, 2012).

When Indonesia occupied Timor-Leste in 1975, Australia did not oppose this and according to some accounts supported Indonesian occupation, while after the restoration of independence, Australia has shown significant interest in Timor-Leste's natural resources (La'o Hamutuk, 2012b). Australia has also been accused of fuelling Timor-Leste's 2006 crisis (Anderson, 2006b). Given this complicated history of relations between Australia and Timor-Leste, and taking into account the fact that the present research was conducted

at an Australian institution, there could be subjectivity in the responses of Timorese participants. Power relations were recognised as part of this research based on the framework provided by Hall (2010, p. 44).

Different languages belonging to various groups are spoken in Timor-Leste, with Tetum being a lingua franca. Some information could have been misinterpreted since the researcher is not a native Tetum and Portuguese speaker. Combined with the necessary representation of the results in English, this may have had some impact on the interpretation of the research findings by the readers. No specific search for English-speakers was undertaken during the research, and most respondents did possess sufficient English knowledge to provide the necessary information. Professional translation of all materials and questionnaires into Tetum proved invaluable, and consistency and logicity of responses in Tetum were assessed during interviews to recognise misunderstanding. This was achieved by seeking confirmation to statements made by research participants and checking whether responses were contradictory of each other. The research was limited to identifying the prospective model for a CBT network in Timor-Leste and did not have the goal of addressing the issues within each community regarding tourism (see Chapter One). Consequently, power relations within communities were not addressed. However, internal issues of each individual CBT might have undermined the prospects of establishing a network or of building a successful network. Nevertheless, the research aimed to reflect the needs and wants of Timorese, who were living in the regional areas outside Dili, and seeking ways for tourism to contribute to improving their livelihoods.

CHAPTER 6. EXPLORATORY FINDINGS

6.1.Introduction

This chapter provides the outcomes of the first stage of primary data collection, which gathered stakeholder perspectives on the establishment of a CBT network as a strategy for strengthening current CBT initiatives, and providing support for communities which would like to develop CBT. The data collection process included two activities: a workshop conducted during a development-focused conference held in Timor-Leste, and e-mail and face-to-face interviews with respondents in Australia and Timor-Leste. The workshop and the majority of interviews were conducted during the same trip to Timor-Leste. The structure and questions for both workshop and interviews were designed prior to the trip, and were based on the outcome of the initial stage of the research.

The workshop brought together people from a variety of backgrounds who were interested in tourism and/or rural development. While some participants were invited to attend the workshop, it was also intended to engage with a wider audience of those who may not have considered tourism generally and CBT in particular, as a part of Timor-Leste's development. It was also an exercise to raise awareness about CBT in Timor-Leste. The extent of the knowledge of the topic and engagement that workshop participants would show was unpredictable. The workshop focus was broader than that of interviews and the time was limited. The interviews included questions based specifically around the principles and attributes of a CBT network, which would appear to benefit Timorese residents. Nevertheless, background and general questions were included about respondent perceptions of tourism. The CBT network questions included principles and attributes, with the alternatives described in Chapter Three (see Tables 3.3–3.8 and Appendices 1, 2).

The interview respondents were more representative of CBT experts and practitioners, and represented various stakeholder groups involved in the development of CBT. The presumption of their extensive knowledge or relevant experience formed the basis for a much deeper analysis of issues and opportunities for CBT network development. It was expected that there might be gaps in understanding of some tourism-related or

development-related concepts. To some extent the workshop and interviews were experimental and a learning activity for both the researcher and the participants.

6.2. Workshop findings

The workshop was undertaken as part of the *Knowledge, Attitudes and Skills for Timor-Leste's Development* conference, and took place on the 4th of July 2011 at the National Convention Centre, and lasted for an hour and a half. Thirty nine participants were provided with an opportunity to participate via audience response devices. The participants were self-identified based on their own perception of knowledge of tourism and interest in it. Anyone in the audience could also provide comments. Only limited information about the current state of tourism in Timor-Leste has been provided in order to avoid influencing workshop participants. Participants were asked multiple choice questions, which were followed by discussion. The topic of the workshop was the establishment of a collaborative network as an option for strengthening community-based tourism (CBT) in Timor-Leste. Participants were asked to state the stakeholder group with which they identified. The following questions identified the type of tourism that participants considered most suitable for Timor-Leste development, and the future place of CBT in Timor-Leste. The second part of the workshop was focused on issues of CBT, and whether a collaborative network was viewed as a suitable means for strengthening CBT.

6.2.1. Tourism in Timor-Leste

The following questions discussed the current position of tourism in Timor-Leste and its potential role in national development (Appendix 1). Respondents were asked to choose the types of tourism that they feel are most appropriate for development in Timor-Leste. They were able to select one or more options, and the results are outlined in Table 6.1

Table 6.1. Preferred type of tourism development

Eco-tourism	21	29.2%
Cultural/historic tourism	18	25.0%

Community-based tourism	14	19.4%
Adventure tourism	10	13.9%
Business tourism	4	5.6%
Volunteer tourism	4	5.6%
Sun, sea and sand mass tourism	1	1.4%
Totals	72	100%

The types of tourism receiving strongest support (Ecotourism, Cultural/Historic tourism, Community-Based Tourism and Adventure Tourism) could be used to construct a national tourism concept, brand and products which combine these types of tourism. Such an approach would allow for product diversification within the context of overall brand cohesion. Small groups were identified as the most suitable form of travel within Timor-Leste. It was widely agreed that whatever the type of tourism that is developed across the nation, community needs should be addressed and local communities should be assisted. A subsequent question related to the type of tourist that respondents would most favour, and the most commonly cited type was middle-aged, upper class visitors with travel experience, who wish to learn about the nature and culture of the places they visit. The following types shared equal second position:

- Youths and backpackers who may be willing to make a contribution to development, and
- Young and middle aged well-off visitors looking for extreme adventure.

The preferred types of tourist were consistent with the preferred type of tourism that was referred to previously, with upper-class well-off tourists looking for nature, culture or adventure experiences accounting for just over half of the responses. Nevertheless, all tourists arriving in Timor-Leste were expected to be responsible travellers, who would be aware of cultural and natural issues. Responsible travellers may be more willing to accept

certain compromises in terms of comfort arising from the currently embryonic stage of the tourism product, and service development in Timor-Leste. Nevertheless, to be able to satisfy these tourist types, Timor-Leste will need to offer high quality products and this strategy could be risky in terms of attracting significant tourist numbers, and satisfying their demands.

It is evident that future tourism products should be tailored to meet the needs of different market segments including the appropriate level of comfort required in both reaching and travelling around the destination. This may have further implications for marketing and promotion. Of the various responses 11.8% chose 'other type of tourist' leading to discussion about the importance of domestic tourism. For travel within Timor it was notable that there was a substantial population of foreign workers and volunteers, as well as a growing Timorese middle class, and although these groups had greater familiarity with Timorese customs, they were generally ignored by tourism promotions. Expatriates and Timorese could be easier customers to handle because of their familiarity with the local language. Many foreign residents of Dili had limited knowledge of what they could do, because interpersonal connections and word-of-mouth were the major sources of information. It was suggested that at the early stage of tourism development in Timor-Leste, domestic tourism merits greater attention, and may subsequently pave the way for international tourism.

6.2.2. Community-Based Tourism

The next component of the workshop focussed on the current and prospective role of CBT in Timor-Leste. Most respondents acknowledged that CBT tends to progress slowly and encounters many problems. Other responses were split equally between rapid progress, steady growth and those who have not heard about CBT. During subsequent discussions, the following challenges were associated with the progression of CBT:

- 1) Lack of access to vocational education and training;
- 2) Limited management skills and knowledge of CBT within communities;
- 3) Lack of ongoing support for CBT , with a prevailing short-term project orientation;

- 4) Lack of financial opportunities, since over 30% of the population lives below the poverty line and the financial credit system is still developing;
- 5) The absence and unsatisfactory state of physical infrastructure (roads, electricity, and telecommunications);
- 6) Intra-community conflicts, due to jealousy; and
- 7) Conflicting land use priorities between agriculture, industry, recreation and nature conservation.

Most respondents expressed scepticism about the prospects for the future success of CBT. While it was widely agreed that CBT will continue to grow in Timor-Leste, almost half of the respondents suggested that other types of tourism will become relatively more important and that CBT may progress no further, or may cease to exist. Only a quarter of responses expressed confidence that CBT will become a major tourism product for Timor-Leste. According to just over ten percent of respondents, tourism will not become a major industry in aggregate terms. Some participants expressed surprise when they were presented with the aggregated responses to this question, which showed scepticism about the future of CBT in Timor-Leste.

Some plausible explanations from the participants were as follows. Relative to smaller scale rural-based tourism located away from Dili, Dili-based urban-style tourism may emerge as a tourism product on a more substantial scale. Participants may also prefer various other types of tourism (as identified earlier), such as cultural/historical tourism, ecotourism and adventure tourism. Another explanation could be that participants were pessimistic that the preferred types of tourism will form the basis for major tourism products in Timor-Leste. Instead they viewed it as more likely that other less desirable types of tourism will be developed, for example sun, sea and sand tourism (sometimes called 'mass tourism'). The participants' concerns over sun, sea and sand tourism were similar to those mentioned earlier in the literature review, for example lack of local control over the foreign developers, land tenure issues, sending of profits offshore by foreign-owned companies and employment of local residents into low-level positions without career prospects (Hall and Tucker, 2004; Liu, 2003; Mowforth and Munt, 2008; Scheyvens

and Russell, 2012b; Trau, 2012; Van Noorloos, 2011). Other comments identified that communities would be interested in operating tourism businesses, provided they receive support.

6.2.3. Community-Based Tourism networks

A CBT network linking existing and planned CBT initiatives was proposed as a strategy to strengthen CBT in Timor-Leste. Only one respondent suggested that there are no benefits from a prospective CBT network. Table 6.2 lists the benefits gathered through the literature review, as assessed by participants.

Table 6.2. Prospective benefits of a CBT network

Training and capacity building for active participation in tourism	21	25.3%
Marketing and promotion	15	18.1%
Improving and ensuring CBT standards	15	18.1%
Information exchange	11	13.3%
Advocacy to government	9	10.8%
Resource sharing	9	10.8%
Other	2	2.4%
No benefits	1	1.2%
Total	83	100%

Other prospective benefits proposed by two participants were:

- 1) Satisfied tourists;
- 2) The sense of solidarity that is engendered through community collaboration;

- 3) Enhancement of creativity and entrepreneurship, leading to product diversification;
 - 4) A strengthening of the capacity of organisations to cooperate for the common good;
- and
- 5) Setting standards or codes of practice.

The participants identified CBT as contributing to skills development and training, which was earlier defined as one of the issues confronting CBT initiatives in Timor-Leste. Sharing of resources may contribute to a reduction in financial barriers to CBT development, which was another issue identified by participants in the workshop.

The following questions focused on prospective principles in the literature to underpin a network. Centralisation was identified as a major network principle. There were also various options regarding who forms the directorate to oversee the development of a network strategy, including: non-government organisations (NGOs), government, community representatives and private investors. The results are presented in Table 6.3.

Table 6.3. Centralisation of a CBT network

Representatives of the participating communities form a board of directors	16	51.6%
Government department acts as a governing body	8	25.8%
Private investors form a board of directors	3	9.7%
An NGO takes on the role of director	2	6.5%
Decentralised, each member is independent	1	3.2%
Other	1	3.2%
Totals	31	100%

More than half of the responses expressed a preference for a centralised board of directors made up of community representatives. Most participants acknowledged the centrality of

communities in CBT. The participants preferred a medium level of integration between members of the network, which was represented by the concept of ‘co-operation’. This approach implies an alignment of strategic goals and organisations in undertaking joint promotions and training. The other two options: full integration and linkage received less support. Participants were asked to choose the types of tourism-related businesses most suited for network membership. These included: tour operators, accommodation providers, event organisers, food and beverage providers, souvenir supplies and farmers. Participants expressed a preference for flexibility in determining which organisations are admitted as members.

6.2.4. Variations between stakeholder groups

Participants across different stakeholder groups expressed similar preferences for types of tourism, types of tourists, and the current status and future of CBT. The opinion that community representatives should form the board of directors prevailed across all stakeholder groups with the exception of students, who expressed a preference for government controlled network development. The results by stakeholder groups may be unrepresentative due to the small samples for groups other than NGOs and students. However, it was encouraging that there was minimal variation across stakeholder groups. This suggested an opportunity for interest groups to collaborate in order to support responsible tourism development, focusing on developing cultural, historic and natural attractions as tourism products. This approach should encourage communities to participate actively in tourism and could benefit communities across Timor-Leste.

6.3. First round interview findings

Two types of interview were undertaken: thirty six face-to-face and three by e-mail. E-mail interviews were conducted in cases where it was impractical to meet face-to-face, due to the interviewee’s place of residence or their location during the period allocated for interviews. The interviews were conducted in Timor-Leste during a month-long field trip and in Melbourne before and after the trip to Timor-Leste. The length of interviews was between thirty minutes and two hours. The themes covered in the interviews were as

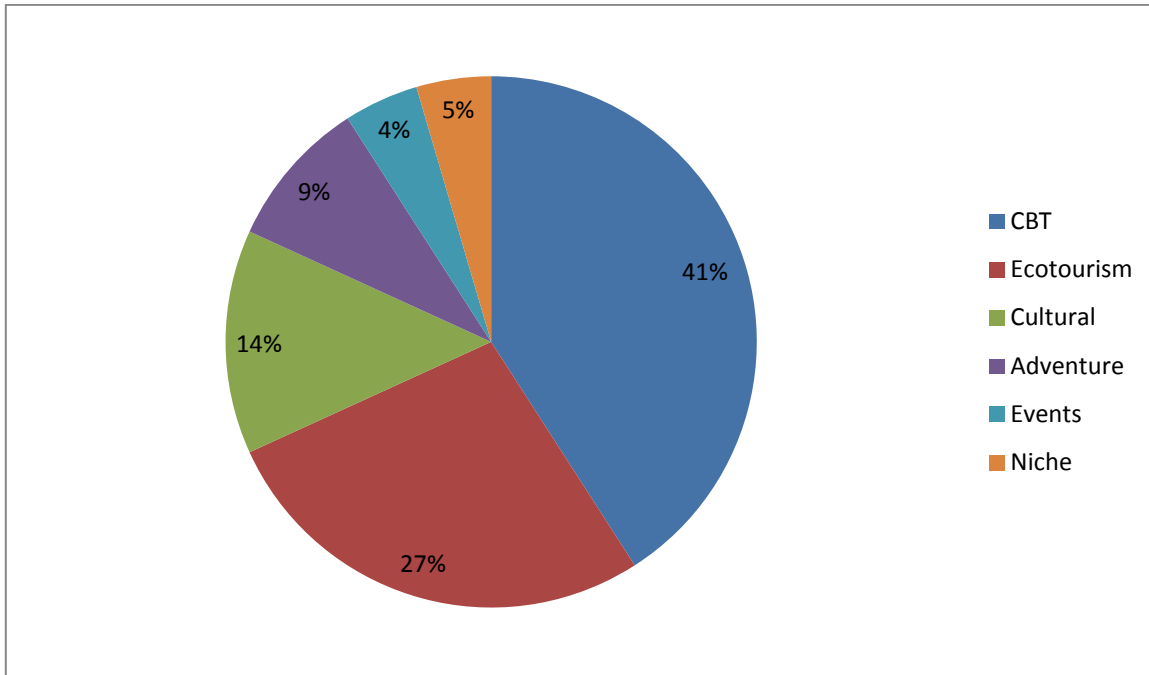
follows: tourism in Timor-Leste and its perceived benefits for Timorese residents, perception and previous experience of CBT, perceived value of CBT networks, preferences of structure, and the activities of a CBT network in Timor-Leste. Despite the fact that the workshop participants preferred other types of tourism to CBT, the interviews still focussed on the CBT at this stage, since there could be differences in preferences between the workshop participants and the interviewees.

6.3.1. Tourism in Timor-Leste

In an open question about perceptions of tourism, participants indicated that tourism is a sustainable development opportunity for Timor-Leste. Eight respondents specifically mentioned that tourism could contribute to the economy of Timor-Leste. Two respondents commented that this might occur by generating employment, while another three view tourists as a potential market for local products. Eight respondents suggested that tourism would help to preserve the physical environment, while the impacts of tourism on culture were discussed by seven respondents.

Depending on the type of tourism developed, local culture and traditions could be preserved and strengthened, or deteriorated. Most respondents indicated that to achieve positive impacts on local culture, small-scale culturally and socially sensitive tourism should be developed. Some respondents suggested that large scale developments do not take culture into account. One response suggested that “the [Timorese] people should drive what kind of tourists they want to attract to Timor-Leste”. Social benefits and the preservation of historic objects were mentioned by five respondents. It may be concluded that when considering tourism as an industry to be developed in Timor-Leste, a triple-bottom line of factors should be considered, where tourism is viewed as an industry with potential benefits for the economy, environment and society. Figure 6.1 illustrates the preferences of research participants towards the type of tourism suitable for Timor-Leste.

Figure 6.1. Desirable type of tourism



Eighteen respondents expressed a preference for CBT over other types of tourism for Timor-Leste (blue segment of Figure 6.1). Three respondents specifically mention a cooperative model with a further twelve referring to ecotourism (red segment of figure 6.1). Cultural tourism was mentioned by six respondents (green segment of Figure 6.1) and a further four prefer adventure tourism (purple segment of Figure 6.1). Responses varied between different stakeholder groups, though CBT and ecotourism were more frequently mentioned across the groups. Adventure tourism found support from foreign nationals, while no Timorese respondents mentioned it. CBT operators showed overwhelming support for CBT and ecotourism, and representatives of other tourism businesses had almost equal support between various options including CBT, ecotourism, cultural and historical tourism, adventure tourism and backpacking. Moreover, two respondents from the ‘other tourism’ group suggested that it was more important to have quality tourism products. Some NGOs, and government representatives and community leaders referred to the cooperative organisation of tourism.

Respondent preferences for CBT were stronger in interviews than in the workshop. Workshop participants preferred eco-tourism and cultural/historic tourism. On the basis of response rates community-based tourism was ranked third. A possible explanation may be that since most respondents were approached for interview because they had CBT related experience, and were aware of the research focus on CBT, their responses reflected a degree of bias. The responses may be unrepresentative of the perceptions of tourism related organizations across Timor-Leste. Another explanation is the participation of students in the workshop, since this stakeholder group was not represented in the interviews. Student respondents express less support for CBT. This may be attributable to the lower awareness amongst the younger generation of CBT and rural development, and in the value of community participation. Lastly, the focus for workshop respondents may have been on the outcomes of tourism for local people, rather than a focus on organisational and management structures. Furthermore, CBT was variously defined and can be narrowly focussed on the provision of homestays, or cooperatively run accommodation units. This may result in lower levels of support for CBT.

It was evident that most respondents prefer Timor-Leste to be a niche destination focused on its rich history, culture and natural environment. One respondent suggested that: “I haven’t heard of community-based tourism as being a specific target or specific goal, but definitely pretty much everything that is done in Timor is done community based”. Several respondents suggested that the type of international tourists who are willing to visit Timor-Leste at this stage of the country’s development, are likely to expect nature and culture-based tourism products to be below the quality of what prevails in more established destinations. They would accept certain restrictions on comfort in the context of their expectation of an adventurous trip. Certain standards of hygiene and safety are nevertheless expected.

Respondents made a number of suggestions about the potential future for tourism development in Timor-Leste. These suggestions together with the respondent’s nationality and stakeholder group identification are presented in Table 6.4.

Table 6.4. Suggestions for future tourism development

Suggestion	Stakeholder group	Timorese/Foreign national
Consider traditional knowledge and develop industries based on existing social structure and practices;	NGO	Timorese
Analyse the experience of other countries in tourism development and avoid any mistakes (e.g. Bali - at least three people noted Bali as the type of destination they did not want Timor-Leste to become, due to the perception of overdevelopment and presence of unsustainable practices);	NGO, CBT, Other Tourism	Timorese and Foreign national
Understand opportunities and threats for tourism development from the position of various economic factors, such as oil revenues, presence of UN and AID workers as tourism products consumers and limitations of being a post-conflict small island developing state (e.g. logistics, limited supply, high costs including air fares);	Other Tourism	Foreign national
Implement industry regulation;	NGO	Timorese
Ensure that all tourism facilities are clean and safe;	Other tourism	Foreign national
Focus on direct outcomes for local citizens, and spread economic benefits widely within (or among) communities;	NGO, community leaders, CBT, Other tourism	Timorese, Foreign national
Evaluate success not only in terms of income generated, but also culture	NGO	Timorese

preservation and awareness and environment conservation;		
Have a promotion and awareness-raising campaign about tourism attractions both inside and outside Timor-Leste (4 respondents);	Government, Other tourism	Timorese, Foreign national
First develop Dili as a tourism destination to attract higher visitor numbers, and then spread tourists outside into the regions.	Other tourism	Foreign national
Develop tourism in a sustainable manner that will ensure that culture and nature are protected;	NGO, Community leaders, Other tourism, Government	Timorese, Foreign national
Use tourism as a means for cross cultural communication and exchange of ideas	Community leaders	Timorese
Develop customised training courses;	Other tourism	Foreign national
Develop more tourist activities;	Other tourism	Foreign national
Not to be overly ambitious; and	Other tourism, Government	Timorese, Foreign national
Develop tourism gradually over time, especially a CBT network, as one respondent put it: “you’ll have to take it in baby steps”.	Other tourism	Foreign national

Respondents identified several major issues as constraints on tourism development. One of them was the perceived security issues in the country. Respondents pointed out that it was difficult to attract larger tourist numbers to Timor-Leste, since the country had a negative image in the mass media. Respondents also made reference to the Australian Government travel advisory, which was perceived as unjustly strict and as not reflecting the current situation. Eleven respondents mentioned human resource related issues, such as education, training, lack of leadership and lack of initiative. Many Timorese may not fully understand

the concept of tourism and what is involved in tourism management, since many have not had an opportunity to travel, apart from visiting friends and relatives. Six respondents pointed out that lack of physical infrastructure, such as roads, electricity, water and telecommunications, restricted opportunities for tourism development. Related to this was the problem of sharing information and delivering it to tourists and spreading the knowledge of tourism around communities, and these information issues were raised by four people. Another problem mentioned by two respondents was a lack of access to finance. The issues above were also raised by the workshop participants.

6.3.2. CBT in Timor-Leste

The researcher identified that CBT initiatives in Timor-Leste align with a number of models. Two initiatives have resulted in cooperatives, where each member participates in the management of accommodation and may also guide local tours. Members were divided into groups and worked in turn. Proponents of this model suggested that it was ‘anti-capitalist’ and had a direct effect on the broader population, consistent with the principles of economic solidarity. Another model was based on a concentration of guesthouses within a particular area. A guesthouse may be viewed as representing a private business. However, community benefits were associated with family-based ownership of most guesthouses. The third CBT model was based around the management of accommodation by an NGO. The community directed its work through the operations of a board of community representatives and the NGO was accountable to the community. There were designated people within the NGO, who were working primarily on the tourism initiative, while others could have been less involved. Another Timor-Leste CBT model was a private business operated by an overseas-based director, who had a written or verbal agreement with the community where the business operation was located. Wherever possible this business employed local workers and sourced products locally. The relationship with the community was maintained through a *chefe do suco* (village chief).

When asked about their experiences or perceptions of CBT, most key informants (25) responded positively. They identified CBT as a beneficial model for local communities and acknowledged its potential to bring economic development to participating communities.

CBT was also viewed by some respondents as an umbrella model for nature-based, cultural, historic and adventure tourism. Two respondents had neutral responses about their experiences/perceptions of CBT, and only one expresses an openly negative attitude towards CBT by stating the following: “I have been to a couple of community run places in Timor. Both don’t really run that well as I don’t think anyone has a large enough interest in them to make it really happen. I am not that convinced on the community model for running tourism”. This respondent was a foreign national who used to run a guesthouse in Timor-Leste. His comment referred specifically to the cooperative model of CBT suggesting that it is inefficient. This model may prove ultimately unsustainable since most community group projects were externally subsidised and were not economically viable.

Sixteen respondents identified problems associated with CBT development in Timor-Leste, the majority of which were mentioned in the workshop. Such problems were primarily related to those constraining any tourism development in Timor-Leste. They included a lack of training, information, infrastructure, access to finance and government support. Among the CBT specific issues, jealousy amongst community members was identified by six respondents. Culture and the need of the Timorese to adapt to the requirements of tourism were mentioned by three respondents. These responses suggested that while most stakeholders were supportive of CBT, they also had concerns about the current state of CBT in Timor-Leste. The general support suggested that CBT should be viewed as important for Timor-Leste’s tourism development. However, the existing issues suggested that innovative CBT approaches should be found to progress the concept.

6.3.3. Perception of CBT networks

The idea of a collaborative network connecting CBT initiatives generated a positive response amongst key informants. Thirty seven respondents suggested that a network would help CBT in Timor-Leste (95% of responses), while only two respondents were negative towards this idea. The explanation of this negative perception of CBT networks by these respondents was based on the fact that tourism was a competitive industry. The owner of a guesthouse, registered by the government as a ‘community tourism project’ mentioned that the government should regulate the industry, develop standards, provide

information to tourists and tourism businesses, provide training and develop infrastructure. Due to the competitive nature of tourism a collaborative network between CBT initiatives was not perceived as being beneficial. Even though the guesthouses in the area were thought of by the government as part of the community-based tourism concept, this individual guesthouse owner perceived himself as a private businessman rather than as a part of a wider community.

Attempts at setting up tourism networks as associations have not been successful so far. There was an attempt to establish an eco-tourism association on the island of Atauro prior to the 2006/07 political crisis. The area has several accommodation operators and a local eco-tourism NGO. A constitution and regulations for the association have been written, but the association has never materialised. A committee comprising island residents was established, but there have only been four or five meetings. Momentum was lost with the crisis and the initiative had not attracted the attention of the island residents again. As an NGO representative commented subsequently: “you can’t force people”.

Several earlier attempts were made to create an industry-wide tourism association of Timor-Leste in Dili. Up to 2012 these initiatives have been largely unsuccessful due to the reluctance of certain actors to contribute to the association and interpersonal relations between the relevant parties. One issue was the division of Timorese business society into English-speaking and Portuguese-speaking groups. It has also been noted that there are divisions between expatriate communities, namely Timorese who remained in Timor through the Indonesian occupation, and Timorese who fled Timor-Leste and have now returned. One expatriate suggested that Timorese tried to avoid foreign involvement, which ultimately hindered tourism development. In the words of one participant: “It was like ‘I don’t like him or I don’t like them’... Far too many reasons not to connect, which seem to completely overwhelm the imperative need to connect”. Respondents generally agreed that divisions have to be overcome and that a network should be inclusive of a variety of groups. Personal interests may dominate the professional interests, and present another impediment to the efficient organisation of a network.

Some of those who become involved in tourism do so from an entrepreneurial impetus, wishing to keep everything under their own control. On this basis they may not collaborate effectively. Personal interests arguably lead to some of the conflicts within communities with existing community-based tourism. Networks may encounter even more conflict since they involve dealing with representatives from different communities and regions, while all members may not impact equally on the network, as some will be more active than others. Responsibility to an external body may foster positive attitudes and help overcome interpersonal tensions, so a clear statement of mission, vision and importance of the network needs to be made, and communication should occur in a transparent way. The Timorese are independent minded and an outside initiative may be greeted with caution. Long established community isolation may also be a barrier for communication and coordination of activities between communities. This view of potential issues between communities was mentioned more often by non-Timorese, while several Timorese respondents stated that they are ready to cooperate with other communities and with different groups of stakeholders for the common good. Any organisational network should take this historic and cultural context into account.

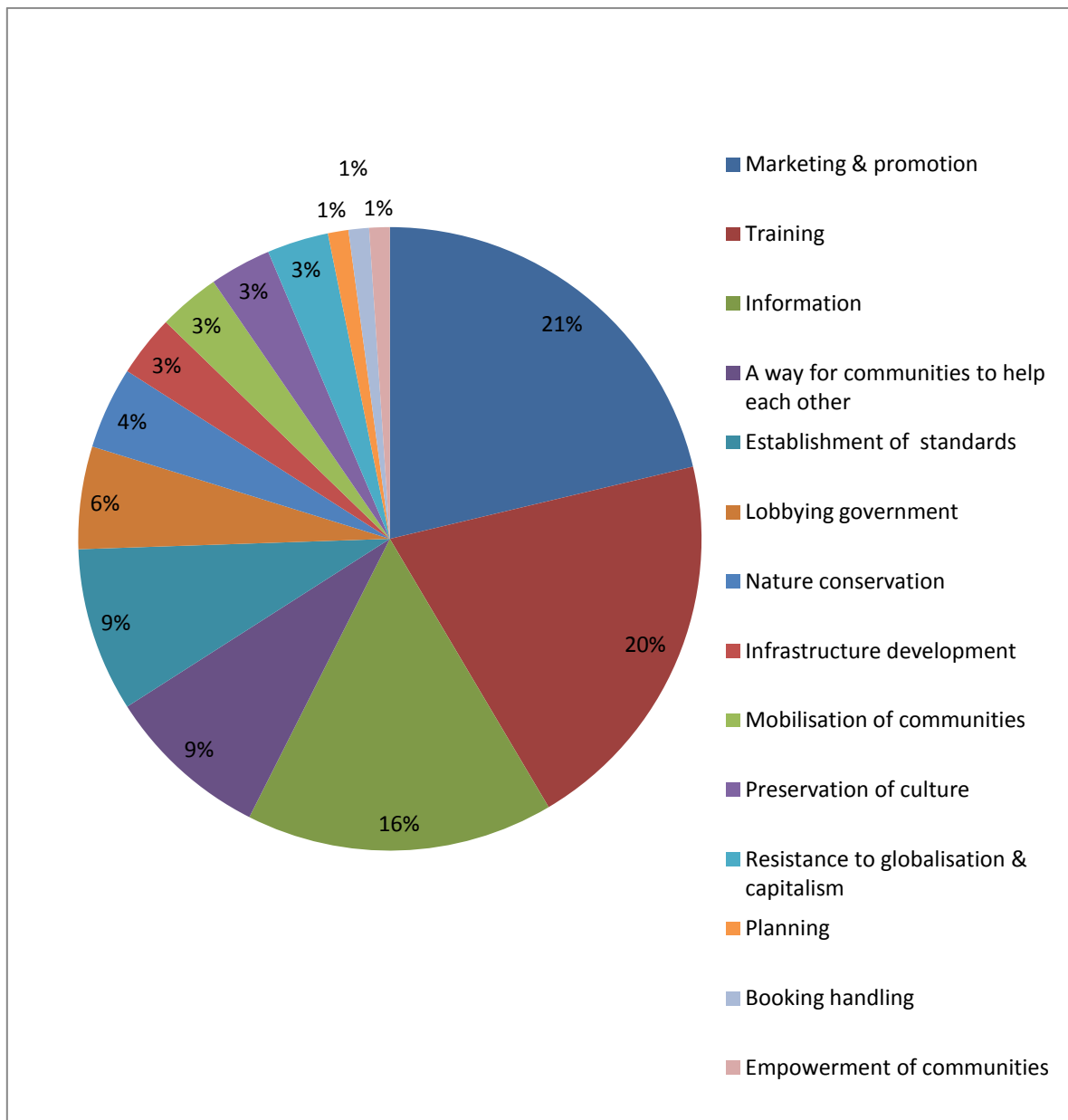
Key informants identified several potential benefits of CBT networking, and based on participant comments, a network could represent different types of collaboration including virtual space, social networking online, publishing promotion material or organising bookings through a single website. Depending on the form of the network, the benefits and outcomes would differ. A networking process was recognised by participants as dynamic, and as requiring flexibility to respond efficiently to trends and issues in order to maximise outcomes. In the opinion of participants a network has to be well-organised and have good leadership, and the leader has to have the expertise, time and necessary energy to manage the network over the longer-term.

A network should also be inclusive of various stakeholder groups. Eight respondents highlighted the importance of government involvement, and another eight respondents point toward the prospective benefits of NGO involvement, while several respondents expressed a degree of scepticism about the progress that has been made by government and

NGOs towards CBT development. Government representatives suggested that government would support new tourism initiatives after they come into existence and would assist the network. However, it was expected that initiatives emerge from entrepreneurs and communities free of government involvement as opposed to being created and imposed by the government. Three respondents also acknowledged the importance of academic/research involvement in CBT network development. There was no great variation observed between stakeholder groups in terms of the above comments. Nevertheless, representatives of each stakeholder group would give a higher role in CBT development to their group.

One NGO had already started work on the facilitation of a CBT network, assisting local community cooperatives to develop small-scale CBT accommodation and create CBT tourism products, including tours. A cooperative run in Dili is planned to disseminate information, and also provide a market for agriculture and the craft products of participating communities. The cooperative in Dili plays a central organisational role, with training provided to communities for participating in tourism activities, and part of any profits generated going back to community members, and part invested into cooperative developments. This could form the basis for a larger CBT network, or else become a sub-unit of the network. Another NGO attempted to develop a local (subdistrict level) tourism association, developing rules and standards of tourism applicable within the subdistrict, but it has not succeeded in implementing the rules for a variety of reasons, including the 2006-2007 political crisis. Despite these past failures, research participants identified a number of potential network benefits as illustrated by Figure 6.2.

Figure 6.2. Perceived network benefits



Across all the stakeholder-groups information sharing, training, mutual support, marketing and promotion were acknowledged as possible network benefits (the four largest segments of Figure 6.2). A similar group of benefits were more strongly acknowledged in the workshop. The exception was training which was ranked first and the establishment of standards which was rated third. Mention of other possible benefits was rarer in both interviews and the workshop and varied across groups. In terms of network benefits some

differences occurred between different respondent groups, with Timorese respondents mentioning the creation of the ‘solidarity economy’, anti-globalisation and empowerment of communities. This was evidence of a focus on community benefits. Foreign nationals mentioned quality of tourism products and were mindful of tourism satisfaction. In addition to the already mentioned benefits by other stakeholder groups, community leaders mentioned national park management and infrastructure development, and one government representative mentioned the benefits of environmental conservation.

Of a total of thirty nine responses, twenty nine (74%) agreed that their organisation or they personally would be interested in participating in the organisation or/and operation of a CBT network. It was apparent that the capacity of their involvement could vary greatly. Several NGOs suggested that their role was to facilitate community development, rather than participate in decision-making. Community leaders agreed that they need to play a central role in network development, while government representatives offered support to pro-active communities, with an interest in participating in CBT, wishing to see them take the initiative. The government also had a responsibility to regulate tourism, including CBT. Tourism businesses which were not directly involved in CBT business management saw themselves as facilitators and trainers, with the main task of these organisations being to ensure that tourist expectations were met. Education providers saw their role as providing education for those who would like to be involved in any type of tourism. A certain level of customisation of the curriculum will be necessary to address the specifics of tourism development in Timor-Leste. There was also an opportunity to design intensive courses to accommodate the needs of CBT, though ongoing support would be needed to ensure the sustainability of such initiatives.

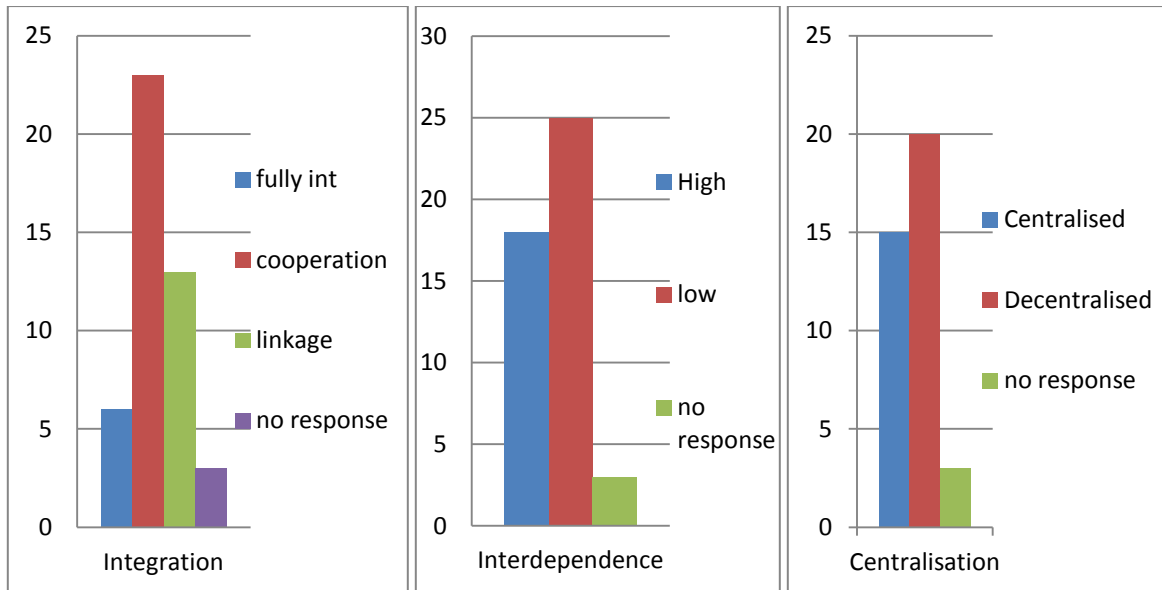
6.3.4. CBT network attributes

Key informants were presented with a table containing a variety of CBT network attributes. Several alternative approaches were proposed for each attribute. The thirty nine key informants were asked to choose their preferred approach in the case of each attribute and to provide comments.

6.3.4.1. Guiding principles

The first three attributes dealt with guiding principles governing the network: level of integration, interdependence and centralisation, and the preferences of the research participants in relation to these guiding principles were provided in Figure 6.3.

Figure 6.3. Preferred guiding principles of the CBT network



The left section illustrates that most interview respondents suggested cooperation as a preferred option, which replicated the results of the workshop. This recognised the necessity of a certain degree of coordination and alignment of activities between network members. However, it did not diminish their independent decision-making. Due to communication difficulties and the long distances involved, a fully integrated model may also be impractical, and this also resulted in a preference for a low level of interdependence between network members, as evidenced by the middle section of Figure 6.3. Six respondents note that they would prefer to start with low interdependence and progressively increase the intensity as network members become more confident about each other, and as common standards are achieved.

The right section of the third figure of Chapter Six presents a slight majority of responses in favour of a decentralised network. However, the majority of respondents made comments

throughout interviews, which would suggest a degree of centralisation or coordination of various activities, such as training, following a common set of standards, organisation of seminars and joint marketing. Similarly, centralisation was acknowledged as potentially beneficial in the workshop. The centralisation of operations across different communities was seen as a negative because the community should have sovereignty over its activities, and it was also suggested that Timorese have an independent mindset, and that it would be difficult to impose management decisions. Two respondents prefer a decentralised system, but also suggesting that an organising central committee or secretariat would be necessary to carry out network activities. A medium level of integration ('co-operation' according to Leutz (1999)) would suggest the existence of a central organising body, with no decision-making powers over each community, but carrying out network functions such as strategy development, marketing and promotion, training, branding and standards development.

Three foreign nationals, based both in Timor and overseas, suggested benefits from a centralised fully integrated model, pointing towards the benefits of single large funding, standards, opportunities for staff exchange, training opportunities and branding. However, it was not the most common response amongst foreign nationals. Timorese respondents expressed a stronger preference for cooperation at a medium level of integration, while foreign nationals were more divided between the two: 'co-operation' (ten responses) and 'linkage' (eight responses). In contrast with the overall responses, CBT representatives gave equal support for both centralised and decentralised models of a network, and similar results came from the NGOs and education providers. Workshop respondents also preferred some level of centralisation with a medium level of integration of activities. A loose network was preferred by community leaders, and this could suggest the aspiration of community leaders and their respective communities to be independent and self-sufficient. Similarly, government representatives leaned towards a loose decentralised linkage model of a network.

Figure 6.4. Network organisation

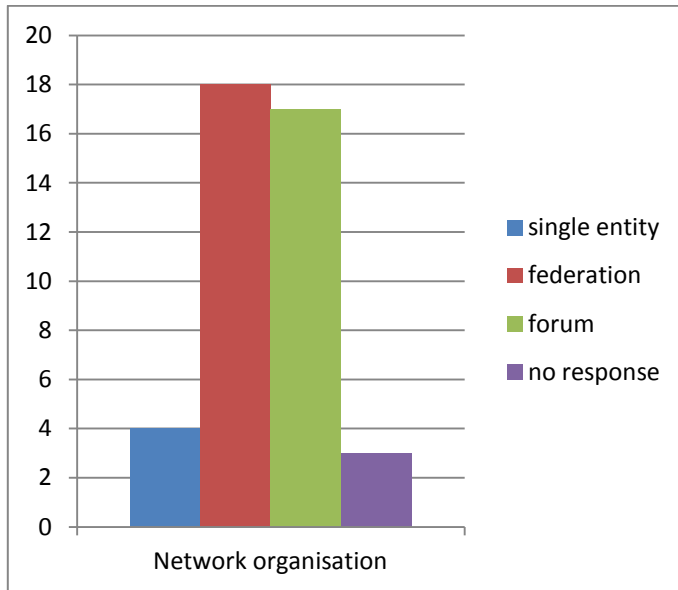
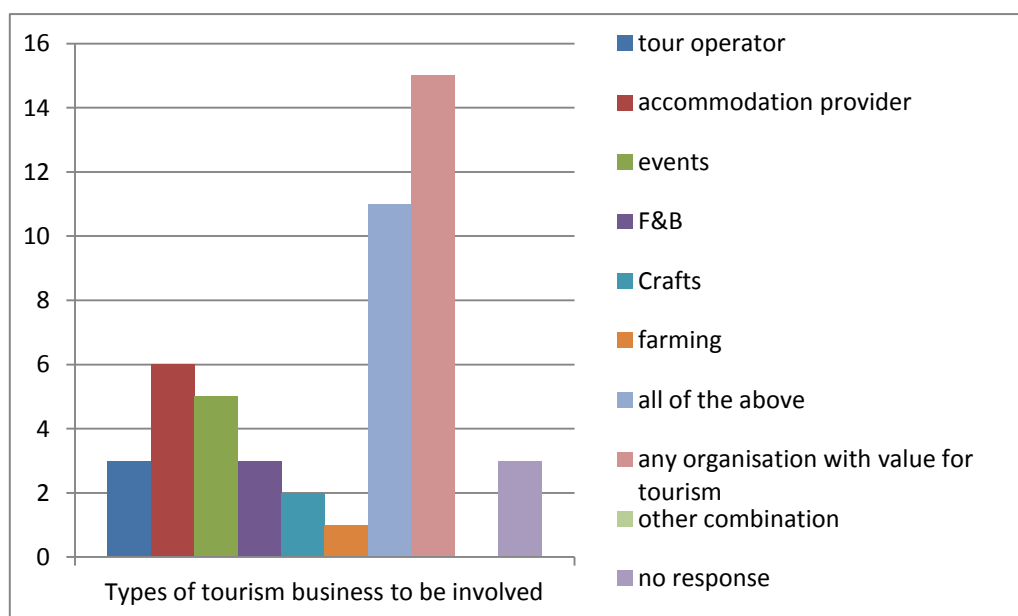


Figure 6.4 provides respondent preferences towards network organisation. The responses about how the network should be organised were split equally between ‘federation’ and ‘forum’. Four respondents suggested that either the ‘federation’ or the ‘forum’ approach would be acceptable. Federation was a more supported option amongst CBT representatives, NGOs and education providers. With reference to the choices that respondents made in relation to guiding principles, it may be suggested that this form of network organisation should include a forum to organise conferences and seminars. However, strategic goals should be set by the network, thus steering CBT development. Some respondents were sceptical about the extent to which low integrated forums would be able to strengthen CBT, and as stated by one respondent: “forum is just a waste of time”. A flexible approach should be adopted to make changes to the network structure and operations as appropriate.

Among the non-Timorese tourism operators outside of CBT, a single entity model found stronger support compared with other stakeholders, who ranked the ‘federation’ model equal first. This would lead to representation of the network as a single entity business, and

could assist in standardisation of the tourism product quality, increase efficiency through economies of scale and also through reducing the amount of negotiation needed between CBT initiatives. As a consequence, if this model was chosen, some imposition of decision-making on members of the network will be necessary, to ensure that a cohesive product was offered from each location and each CBT initiative. Some respondents preferred small scale accommodation units, while others suggested that larger scale development should occur to prepare for future tourist flows, since tourism arrivals were growing and tourism was seen as the second industry for Timor-Leste after petroleum. Large scale development should also be undertaken with agreement from local communities, and this would include a partnership contract specifying rights and responsibilities of a hotel development business and the community. Such a contract could be temporary and include improvement of community standards of living, local employment and training as the managing company's responsibilities.

Figure 6.5. Types of tourism business to be involved into the CBT network



As evident by the pink and light blue columns of Figure 6.5, twenty six interview respondents proposed a flexible approach towards those who could be accepted into the network, and workshop participants also supported such an approach. Of the different tourism related businesses which could become part of network, foreign nationals attached

greater importance to accommodation providers. Timorese nationals gave stronger support for event organisers, in particular sporting and cultural events. This may be attributed to the sporting and cultural events promoted by the former president Jose Ramos-Horta. It was suggested that the type of business with which a member was involved in, was less relevant than the impact of the business on the community, and it was also suggested that the involvement of too many organisations would make it difficult to manage the network.

Figure 6.6. Organisation of governing and management bodies

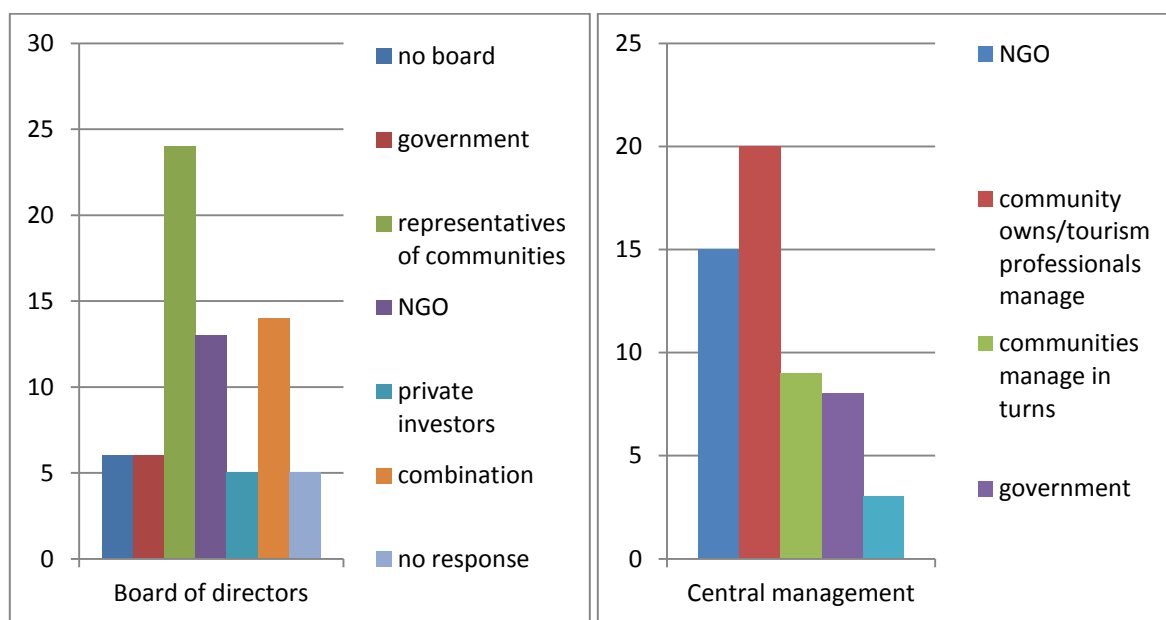


Figure 6.6 presents participant responses to governance related questions. The central role of the community was acknowledged by most respondents in both interviews and the workshop, and the community should provide a board of directors to decide the strategic objectives of CBT in Timor-Leste. This would empower communities to participate actively in their own development, set out achievable goals and overview CBT development in Timor-Leste. The second most common response was a combined approach, which would designate government, NGOs and the private sector in various roles.

It may be viable to form a board of directors from among community leaders with government, NGO and private sector representatives acting as advisors without voting

powers. The governance model chosen should prevent power struggles between board members. The inclusion of a government option in directorate or management provoked some comments about the government from participants, with one village chief noting the following: “An NGO helps us, but liaison with the central government is minimal”. However, another participant criticised the way international NGOs operate: “Most of the trainers or NGOs, when they come to work with the community, they bring all people from overseas. They have good ideas, they say to build this and that and then they train. But after they left, no one [in the community] understands... what the objective is. Local context is very important”.

The preferred management approach was a model that would leave ownership of CBT with communities, but would employ tourism professionals. Nevertheless a common question arose from several participants: “Who is paying the professionals?” The results varied across different groups. More foreign nationals suggested that an NGO could manage the network. Timorese respondents supported options of tourism professionals or community representatives to take the role of management. The majority of NGO group responses indicated stronger support for NGO roles in the CBT network than the overall results, while the ownership of the network through a board of directors was viewed as a community role, while NGOs saw themselves as managing the network, providing training and funding the network. This should allow CBT to deliver tourism products which will meet tourism expectations.

One participant suggested that a contract should be developed to build partnerships between communities and tourism professionals, to form a CBT network managing company. This contract would recognise ownership by the community over the land where the relevant CBT enterprise was occurring, and describe the training and employment responsibilities of a management company. The contract would have to be signed by all community members, or at least by representatives of each family (or household). The contract would have a timeframe of 10-15 years, so that by the expiry date a managing company would have prepared the community to manage the CBT enterprise autonomously. The partnership relations between communities and tourism professionals would need to be

described in detail to prevent the emergence of governance issues. It was noted that power relations should be managed in order to prevent a single person or group from having more power and control than others.

6.3.4.3. Network functions

Figure 6.7. General functions

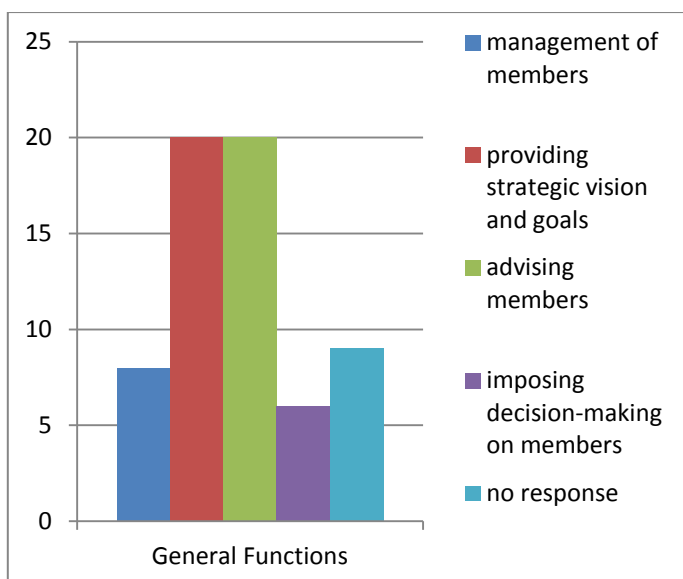
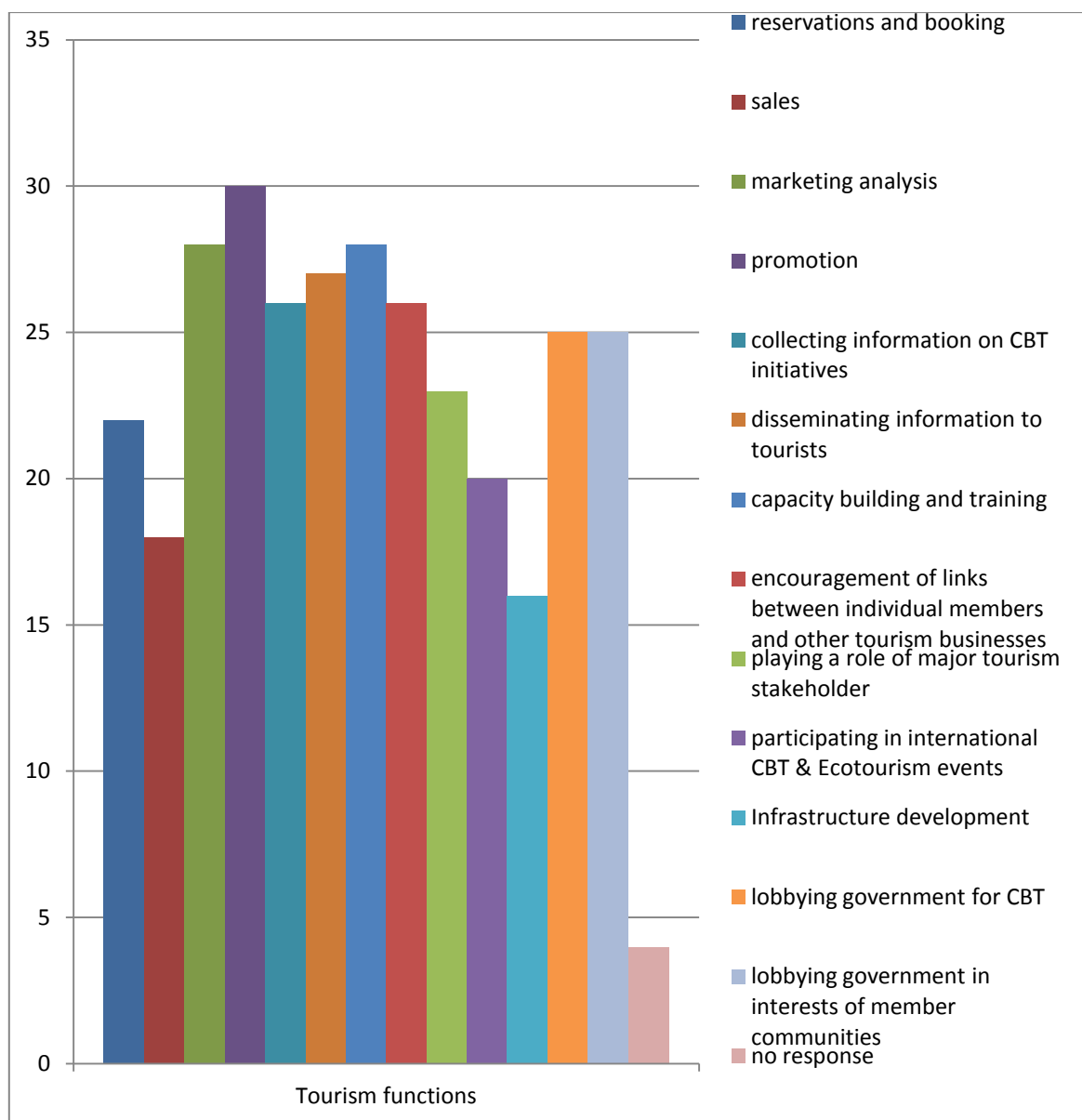


Figure 6.7 provides participant perceptions about the general functions of the desired CBT network. The main activities of the network should evolve around the facilitation of CBT initiatives across localities rather than direct operations. In accordance with selected guiding principles and governance, the respondents chose ‘providing strategic vision and goals’ and ‘advising members’ as the general network functions. Strategic vision and goals were more important general functions for foreign nationals, while Timorese preferred the advisory function. Three respondents suggested that the network should attempt to engage communities with tourism and explain the benefits and issues associated with tourism. Four respondents suggest that the functions have to be discussed within the group, once the network has been formed. It was important that the network has community support through a bottom-up approach.

Besides the general functions a number of tourism and community development specific functions have been identified and discussed by the research participants, as presented in Figure 6.8.

Figure 6.8. Tourism functions



Most tourism functions were supported by key informants. Only two functions were supported by less than half of the respondents: sales and infrastructure development (red and light blue columns in Figure 6.8). Centralised sales were possibly perceived as difficult

to handle through a network, considering communication difficulties, while infrastructure development was viewed as a government responsibility. Since a considerable amount of the revenue from the exploration of natural resources in the Timor Sea was available, the government could invest money into infrastructure development that would stimulate growth of sustainable industries. Interestingly, the most popular function, namely 'promotion' (dark purple graph in Figure 6.8), was also viewed by a majority of respondents as a responsibility of government generally and of the Ministry of Tourism, Trade and Industry in particular. Timorese respondents would also like a network to handle bookings (dark blue column in Figure 6.8), and this probably was related to a lack of capacity or infrastructure to handle bookings over the internet (or even emails). Timorese respondents were more responsive to the idea of attending international CBT and ecotourism conferences (purple column in Figure 6.8). It was also expected that the government of Timor-Leste would promote the country through the establishment of a marketing organisation.

The functions, which would be implemented by a network, would depend on the knowledge, skills and resources of members and partner organisations. The number of functions should be limited to the most important ones if resources are limited. One participant suggested the following: "I'd be looking at the creation of codes of practice or standards and training as two key areas. But reservation and sales, those sorts of things, would be left to individual businesses". Considering both the benefits of a network mentioned by participants along with their selection of tourism functions, the main areas of network activities should be: marketing and promotion, collection and dissemination of information about CBT to communities and tourists, training, fostering links between businesses and lobbying government.

Figure 6.9. Community development functions

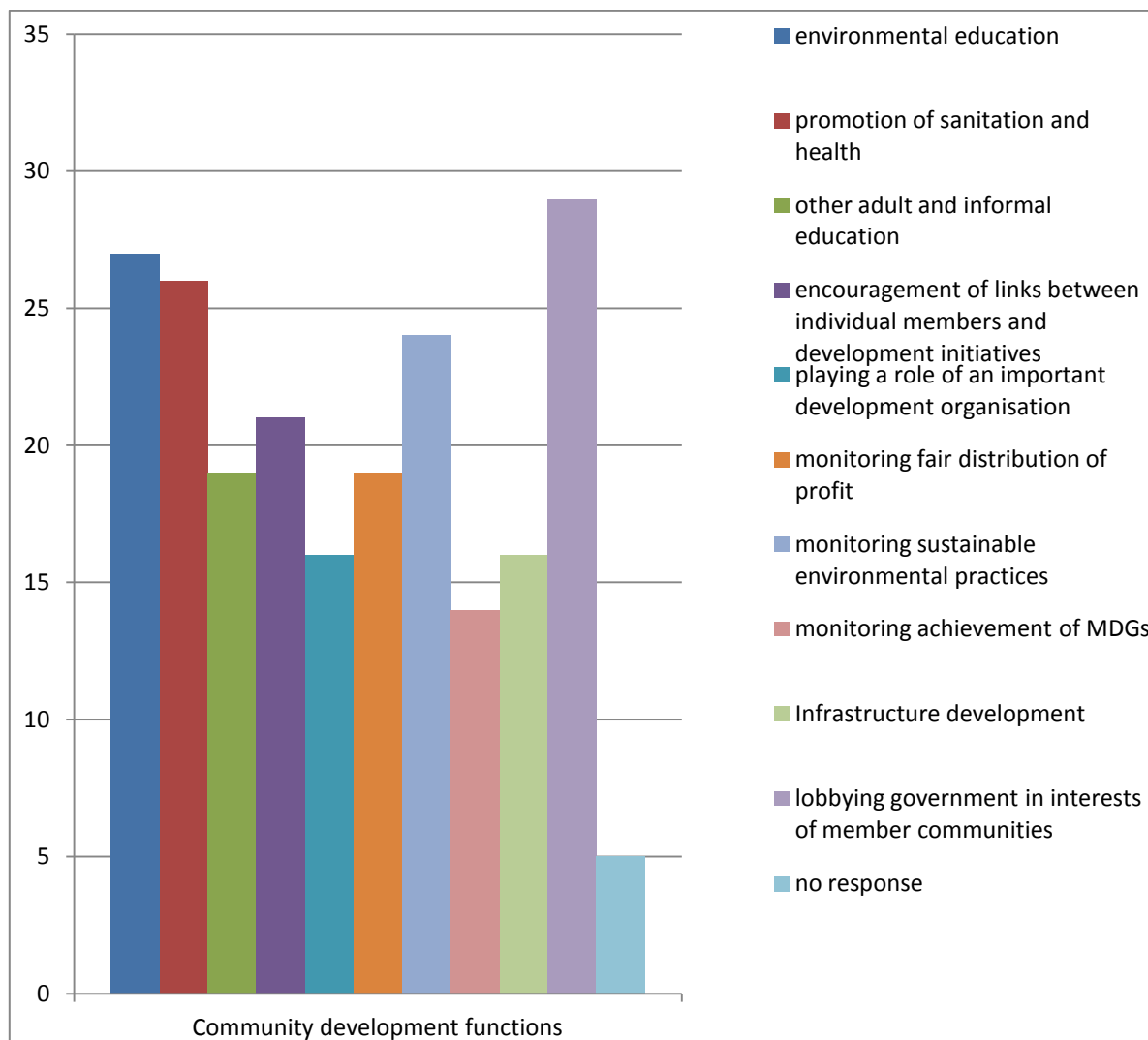


Figure 6.9 shows that community development functions receive relatively less support from key informants. Two respondents suggested that they were secondary to the main business of the network, which was based around delivering tourism products. Since it could pose certain difficulties to undertake all of these functions, they should be outsourced to appropriate NGOs and government agencies. As one participant said: “They have to be CBT specialists and support CBT. Community development was very important. They need to outsource it: link up to NGOs. With things like sanitation, they could set standards and educate members about standards, but not to do community development”. The importance of lobbying issues of member communities to government gained the largest

support (light purple column in Figure 6.9), followed by environmental sustainability and sanitation and health promotion roles (blue and red columns on the left side of the Figure 6.9). Environmental sustainability was an important issue for Timor-Leste due to deforestation, rising sea levels, deterioration of the coast line and preservation of flora and fauna including the coral reef and a number of endemic animals. This suggests that any development in Timor-Leste should carefully address environmental risks and contribute to environmental sustainability including through the education of staff and the community, while a high level of sanitation and hygiene is crucial in hospitality and tourism, since tourists consider these as basic needs.

6.3.4.4. *Management*

Management issues identified for the purposes of this research include provision of training, management of resources, sources of network funding and marketing and promotion functions. Figure 6.10 illustrates participant preferences towards the provision of training and education.

Figure 6.10. Provision of training and education

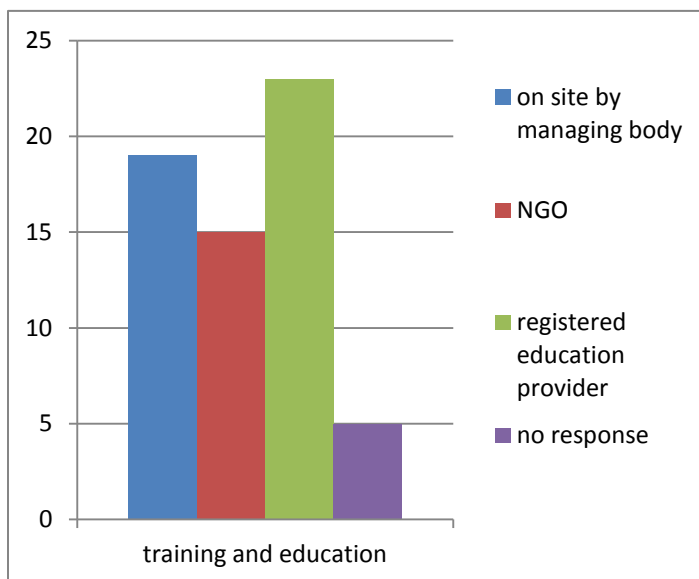
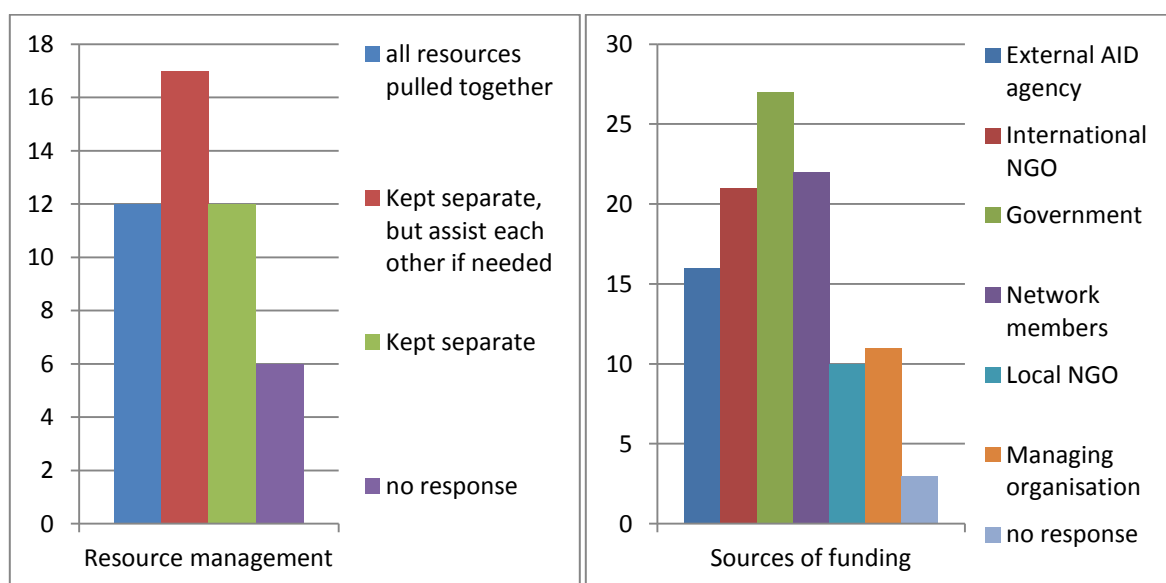


Figure 6.10 provides participant responses to the question of who should provide training and education to members of the network. Responses were divided, with twelve

identifying a combination of the above as their preferred option. One respondent suggested the following: “It is more of the question of what is it, that you’re teaching and what is the best way to teach that, as opposed to the question: who does that”. Several respondents saw that ongoing on-site training should be provided by management to ensure sustainable CBT development. However, those managers would need to be trained first by registered education providers to implement training on-site. The benefits of learning about tourism and receiving qualifications from a registered education provider were appreciated by most respondents. It was also noted that several providers of vocational education and training in Timor-Leste are legally NGOs. Some respondents suggested that NGOs may be suitable for providing training as they are generally more effective at communicating with rural communities.

Figure 6.11. Management of resources and sources of funding

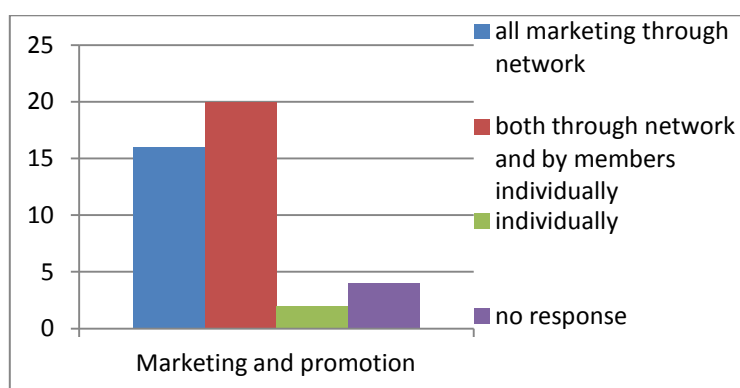


The two graphs provided Figure 6.11 are linked, since the question of pooling resources collectively was discussed primarily in terms of financial resources. As evident by the left section of Figure 6.11 several key informants acknowledged that more integration of resources may bring more benefits. On the other hand, this approach was more difficult to manage and may be impractical. Two respondents suggested a gradual movement towards the integration of resources, while another two respondents suggested a partial integration

of resources. One option is to have a unified pool of human resources, but to keep finances separate. Contradicting some suggestions about maintaining the independent spirit of local communities, community leaders accepted the idea of pooling resources together. Interestingly, a fair distribution of profits was noted as one of the community development functions that the network could undertake.

The right section of Figure 6.11 provides the funding options preferred by the research participants. Three respondents suggested forming a fund for the business of the network. Five respondents suggested membership fees as an instrument of ongoing network funding. Two respondents suggested that while it would be preferable for communities to self-fund projects, at the moment there was insufficient money available within households, so external funding was needed to establish and deliver income to communities before they are able to pay any fees. Later on the fee may be tied to the turnover and profitability of member businesses. Three respondents pointed out the danger of dependency on an external organisation, if external funds were acquired, and in the case where external funding was needed, there should be no power over the decision-making and no ownership right by any donor organisation or person. Funding the CBT network was generally viewed as a government responsibility, though twenty seven respondents identified that different sources of funding may be suitable. It may be concluded that the conditions of the funding were more important than its source. A combination of sources can be used for different purposes and at different points in time. However, a goal to acquire financial independence and self-sufficiency of the network and its members should be established.

Figure 6.12. Marketing and promotion



Throughout the interviews, marketing and promotion was identified as the main reason for forming a network. As evident from Figure 6.12, thirty four responses were in support of some form of joint marketing. Three respondents supported both ‘all marketing and promotion is undertaken through the network’ and ‘the network has its own website and publishes brochures; however other marketing and promotion activities have to be undertaken by members’. It appears that it would be preferable to have inclusive non-restrictive marketing and promotion, whereby members participate in joint promotional campaigns, but can also undertake promotional activities independently.

6.3.4.5. Relationship with other tourism and community development

Figure 6.13. Relationship with other tourism and community development initiatives

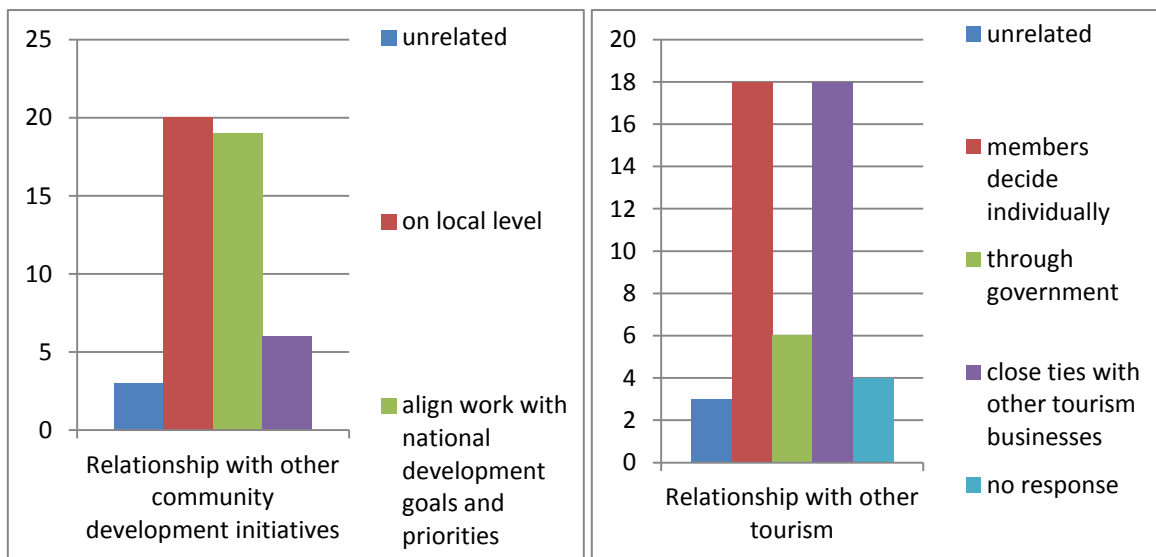


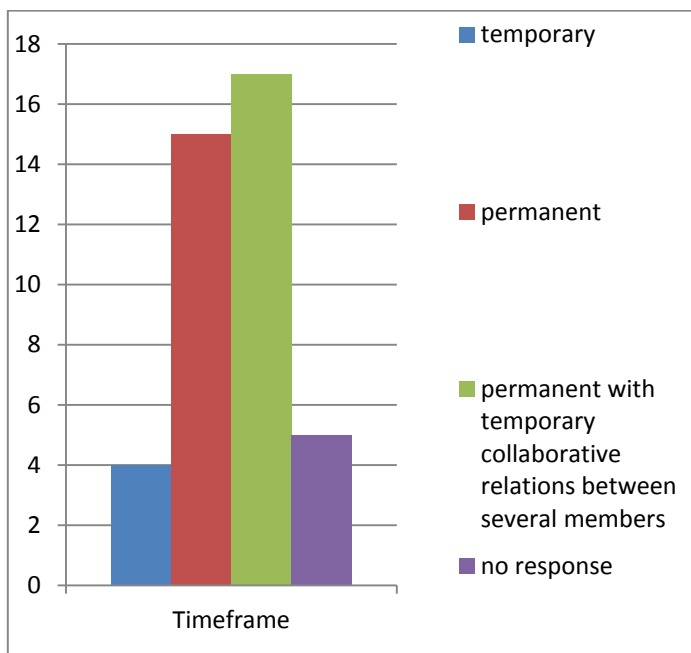
Figure 6.13 demonstrates preferences by the research participants toward a CBT network relationship with other tourism and community development initiatives. As evident from the left section of Figure 6.13 relations between CBT and external actors should mainly occur locally, and it is perceived that community development initiatives are more efficient when networked locally. The right section of Figure 6.13 suggests that for tourism development a whole of destination approach will be beneficial, resulting in ties between various tourism initiatives. Two respondents suggested close cooperation with government, while another two respondents noted that any relations should be based on

shared values. It is also important for the network to remain independent if ties are developed with other organisations.

6.3.4.6. Network morphology

The network morphology questions generally received few responses, due to the difficulty of suggesting the form of a network, its number of participants or timeframe, without identifying members, their location, means of communication and current situation. A network would evolve and change over time depending on the outer environment and actions of its members. It is difficult for the respondents to predict how fast a network would emerge and how many organisations would be ready to participate. Some participants felt they did not have the right to comment on these questions, because they do not represent a community or CBT. One participant commented as follows: “Better ask prospect participants. The decision should be up to the members”.

Figure 6.14. Timeframe for duration of the CBT network



As evident by the two central columns of Figure 6.14, most respondents suggested that the network should be permanent, with no set period for the operation of the network. Furthermore, the network should evolve over time and only if it stops adding value to its

members should it cease to exist. The network will be likely to experience a certain lifecycle based on the external and internal environment. Since a network is based predominantly on human interaction, the enthusiasm of people involved will play a major role in the evolution of the network. The network may need rejuvenation after a certain period of time. Strong collaborative relations should be encouraged between several network members, forming groups unified by their operations or location, while all other members are less integrated.

Figure 6.15. Minimum number of members and time required to establish a network

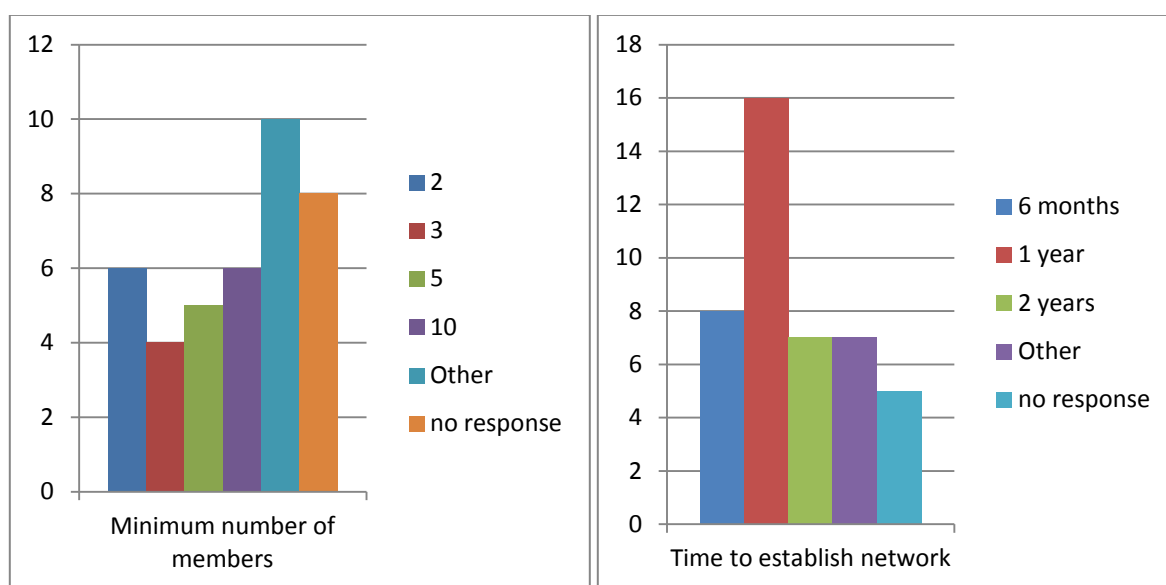


Figure 6.15 provides answers to two questions related to perceptions of how many members are necessary to consider a network established (on the left), and how much time the process of establishing the network is likely to consume (on the right). Several respondents were unsure about the minimum membership threshold for the establishment of a network, as it has to be representative of CBT initiatives. It will depend on how many CBT initiatives come into existence by the time the network is implemented. Other answers included: ‘more than ten members’ by four participants, one participant suggested ‘six members’, another respondent suggested that the network should be representative.

The timeframe necessary to establish a network varied greatly from ‘tomorrow’ to within three years. One research participant suggested the following: “It is not a long process... It

depends. If we have the same idea, we can start already. That's because the trust is there". A year was the most common answer, which reflects that if a process takes too long, enthusiasm diminishes. On the other hand, the decisions should not be rushed, and distances between communities as well as telecommunication difficulties may constrain the speed of development.

Figure 6.16. Density and reachability

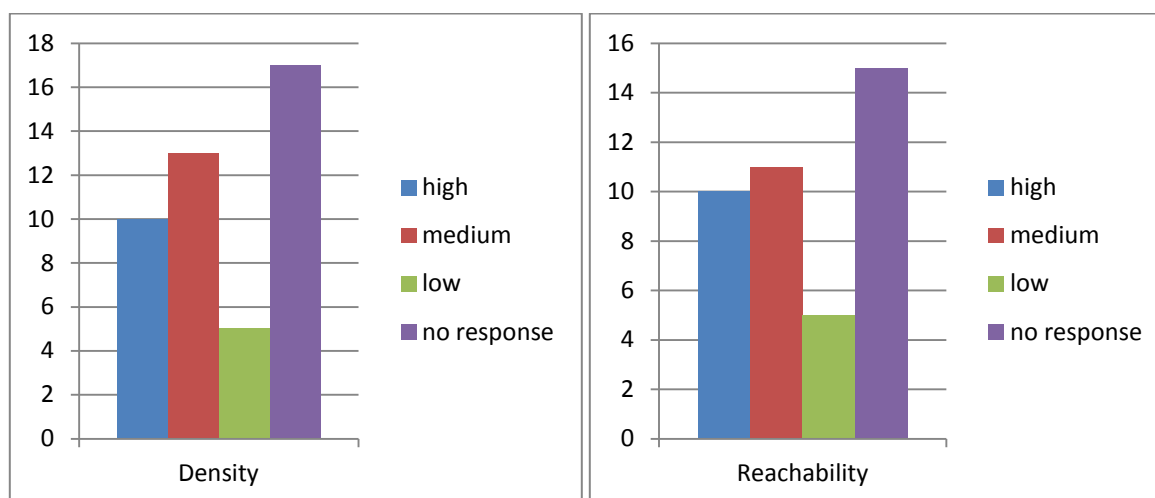
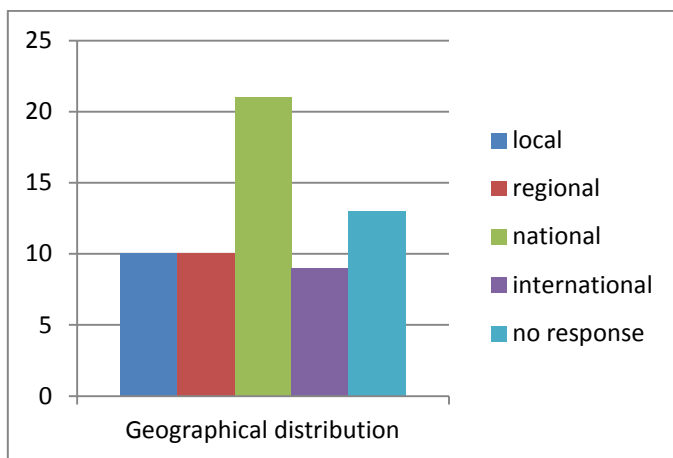


Figure 6.16 refers to the answers regarding the levels of density and 'reachability' that a Timor-Leste CBT network is likely to have. Density is the number and strength of ties between each pair of actors in the network and 'reachability' is the ease of contacting/reaching one member of the network by another member. Three respondents suggested high density and 'reachability' as desirable, while also impractical due to current difficulties associated with road conditions and telecommunications. Moreover, Timorese are not used to strong links between communities as historically they were quite isolated. A number of respondents did not consider the density or 'reachability' either possible or important to consider at this stage.

Figure 6.17. Geographical distribution



Most respondents considered that a network should be national in its coverage (green column in Figure 6.17). This does not mean that there should be equal representation from all districts. However it does not constrain the network to a certain geographic location. It should not be expected that every operator will be interested in joining the network due to a variety of personal and business preferences. Some respondents suggested that a multi-layer network would be more efficient, which would include strong local ties, less integration within a region and only information and experience sharing on the national level. A network could also start from several pilot areas and then develop over time. The evolution of a network would depend on how individual CBT initiatives develop. An example of a regional network would be the earlier mentioned eco-tourism association on the island of Atauro, which has been unsuccessful so far. The towns of Com and Maubisse have been subjected to the establishment of a number of guest houses through a government project, and each community could establish a local network for the benefit of all the guesthouses within the local area. The Timor-Leste Strategic Development Plan (Timor-Leste Government, 2011) has also selected three zones: Eastern, Central and Western. This can also become part of network development, where local networks and individual operators are united within the zones.

The morphology section had a higher rate of non-response from participants. This can be explained by two reasons, the more speculative questions about the size of the network and

the timeframe, as well as the specific attributes used to analyse existing networks. Comments by participants show that they did not want to speculate about these aspects of a future network, since it cannot be known what the network will look like and which organisations will participate in its establishment. Another explanation is the extensive number of questions in the interviews. One participant provided the following comment: “A lot of questions. Not a joke.” Among the broader questions, which were asked in the earlier sections of the interview, the perceived importance of the morphology section, could have been low, resulting in a lower response rate.

6.3.4.7. Further comments from research participants

The next five years will be crucial for the future of Timor-Leste and may largely decide the longer-term national outlook. The budget, which is largely based on oil revenues, should be spent carefully, as those revenues are derived from a non-renewable asset. The extraction of natural resources does not provide jobs for the majority of Timorese and therefore does not directly contribute to their livelihoods. Since the oil revenues are spent by government, Timorese citizens have to rely on government programs for infrastructure development, services provision and food supply, and this may have the effect of disempowering communities. Two respondents mentioned a reduction in crops as one of the possible outcomes of climate change which threatens a majority of the Timorese population (70% are currently involved in agriculture). Most respondents acknowledged the importance of government involvement in forming future CBT within Timor-Leste and expected support for a network, if it is to be established.

Good planning is necessary for achieving sustainable tourism development. The decisions upon which the network is based should not be rushed, but rather thought through and thoroughly discussed with various stakeholders. The support of communities, their active position and readiness to take initiative is necessary, and it has been acknowledged that at a national level CBT can only work if it is effective at a micro level. Human resources are a key to successful CBT development. Improvements in infrastructure would also significantly benefit a CBT network. CBT should be built from both bottom-up and top-down approaches. The experience of other countries should be explored, and in the

interviews, reference was made to Thailand (Community-Based Tourism Institute, which helps communities to develop CBT), Bhutan (focus on happiness instead of economic growth), Indonesia (mainly negative references to Bali), and Cuba (planned tourism development with careful zoning).

Network development needs to be well documented and partnership relations should be developed through contracts. Power relations must be well-managed to ensure balance within the community, and the dominant position of the community over other stakeholder groups. Three respondents mentioned that opposition to capitalism and globalisation should be implemented in the actions of the network. One participant suggested the following: “Together under one network we are strong to fight the globalisation. If we fight it separately, we will lose. The development will lose”. In this sense a network would be part of a ‘solidarity economy’, which considers human development, fair distribution of opportunities and profits and environmental protection over financial profit. Together, under an umbrella of a network, communities may feel more power to resist large developments by multinational corporations in the country, which some Timorese may perceive as a threat to lifestyle, culture and the role of the indigenous people.

The development of a network will largely depend on the individuals involved. Furthermore, leadership is needed to implement a network. It may prove challenging to find a leader or a group of leaders, who would take on the responsibility of organising various stakeholders into a beneficial network. Such leaders should possess a diversity of skills necessary to work with communities and develop tourism. It was suggested that such leaders should be Timorese as foreigners may have limited understanding of the cultural and historic background of not only Timor-Leste as a whole, but also of individual regions. A foreign leader of the network may also impose Western ideas and concepts, which are not relevant for Timorese society. Among Timorese, it may be difficult to find someone who possesses the necessary expertise, resources and willingness to lead a network, and it could be that a dual leadership with a Timorese person and a foreign national is the most practical model. However, the roles have to be clearly defined, since the majority of respondents place a high value on government assistance in the development of a CBT

network, and government funds to pay network administrators could be provided to keep the network operating. One research participant stated that such an approach has been taken in the state of Victoria, Australia, where administrators of regional tourism boards are paid by the government.

One respondent suggested not limiting tourism development to small-scale businesses, but rather building larger establishments to accommodate larger numbers of tourists, as it is suggested that Timor-Leste will be able to attract a large number of visitor arrivals in the future. Another respondent suggested that investigation of tourism demand was needed to determine whether there was already a higher demand than Timorese tourism businesses could currently provide for, especially among local and expatriate Dili residents. Word of mouth (including through social media) was recognised as a powerful marketing tool by at least seven respondents, and should be utilised to provide information on tours and activities in the districts available for expatriates and Dili residents.

Tourism may be the future second largest income generator for Timor-Leste and the largest employer of Timorese people. However, it will take time to occur, as it takes time for a new generation to grow used to the concepts of customer service and hospitality. The term hospitality had different meanings to respondents. Some acknowledged the Timorese people as naturally hospitable, their hospitality being presented by their willingness to help guests in the community: offer them coffee or some food, or invite them to stay. This meaning of hospitality can be also referred to as hospitableness. The other meaning of hospitality as mentioned by the respondents refers to commercial hospitality: standards of service, punctuality in responding to customer requests and pricing. The respondents acknowledged the lack of hospitality skills of Timorese in this commercial sense of the term.

The following is the structure of what activities could take place at different stages of network development, based on the researcher's interpretation of comments by the various participants:

- 1) Roundtable discussions with representatives of various stakeholders with community leaders having a central role. This could include village chiefs from villages, where CBT has been already established, government representatives from the tourism department, representatives of several local NGOs, which work with CBT initiatives, and tour operators, who include CBT destinations in their tours. An outcome of the discussions should be a strategy for further development of collaboration with a schedule of future meetings.
- 2) Establishment of a group of individuals responsible for future activities of the network. It may need to be registered as an NGO, focusing specifically on CBT and sourcing funding necessary for activities of the group.
- 3) Development of a code of practice. It should define CBT for Timor-Leste and the standards and principles of operation.
- 4) In cooperation with education providers, establishment of a CBT training program. It should be customised for Timor-Leste and be flexible enough in order to respond to the specific needs of individual communities.
- 5) Initiation of a marketing and promotion strategy to attract a sufficient number of tourists to Timor-Leste, who would appreciate nature- and culture-based tourism and deliver economic, environmental and social benefits.
- 6) Further development of the network would depend on the outcomes of steps undertaken.

One respondent made the comment that the proposed network attributes are thorough and comprehensive. It was noted that the research is relevant and timely, although implementation will be challenging due to the cultural and historic circumstances of Timor-Leste. Another respondent stated that this research should prove beneficial for future CBT development in Timor-Leste, and that through the interview process, the respondent himself has learnt a lot about the opportunities for CBT development. Based on the alternatives listed in Tables 3.3–3.8, the CBT network guiding principles and alternatives as selected by the majority of participants are listed in Table 6.4.

Table 6.5. A CBT network for Timor-Leste – guiding principles and attributes

Attributes	Alternative approaches
Guiding Principles	
1. Integration (strength of collaboration)	Cooperation – medium level of integration.
2. Interdependence (dependence on other members of the network, including mutual trust)	Low.
3. Centralisation (existence of a central governing body)	Decentralised decision-making, but a secretariat exists to coordinate and undertake network actions.
Governance	
4. Network organisation	Federation, which oversees the overall strategy and advises network members on certain actions, strengthens the CBT by organising seminars and conferences. However, does not have decision-making power on behalf of individual members, but it provides knowledge, information and training for members.
5. Type of tourism related business involved (vertical/horizontal integration)	Any type of organisation, which can prove value for tourism.
6. Board of directors	Representatives of the participating communities form the board of directors. A combination of government, other private sector, NGOs and education are

	represented on the board and engaged with community representatives on the board. However, power over the network is solely with community representatives.
7. Organisational structure, central management	While the network is owned by participating communities, it is managed by a team of tourism professionals.
Management	
8. Training and education	Official training and education certificates should be encouraged. Priority should be with what should be taught, rather than, who should do it.
9. Resource management	Finances are kept separately and decided upon by individual members, financial assistance to one member can be provided by other members if necessary. The secretariat will need an operations fund.
10. Marketing and promotion	The network has its own website with information about members and publishes brochures; however, other marketing and promotion activities have to be undertaken by members. The network should have a website. Information should be distributed and enquiries responded through secretariat's office.
11. Sources of funding and other network-specific resources	<p>The priority should be given to conditions of funding (independence of decision-making), rather than to organisation that provides funding. Several option seem to be more appropriate:</p> <ul style="list-style-type: none"> International NGO; Government funding; Network members (membership fee could be established in longer term).

Network functions	
12. General functions	<p>Providing strategic vision and goals.</p> <p>Advising members for decision-making.</p>
13. Tourism specific functions	<p>Different priority, depending on resources available (1 – high priority, 2 – medium, 3 – low):</p> <ul style="list-style-type: none"> 1 Marketing, analysis of market trends; 1 Promotion; 1 Collection and dissemination of information on CBT initiatives; 1 Dissemination of information to tourists; 1 Capacity building and training for tourism; 1 Encouragement of links between individual members and other tourism businesses; 1 Lobbying government on interests of CBT; 2 Lobbying government in interests of network member communities; 2 Playing a role of a major stakeholder in tourism; 2 Reservations and booking; 3 Sales; 3 Participating on behalf of CBT network in international CBT and ecotourism events; 3 Assisting in infrastructure development.
14. Community development specific functions	<p>Different priority, depending on resources available (1 – high priority, 2 – medium, 3 – low):</p> <ul style="list-style-type: none"> 1 Environmental education in communities;

	<p>1 Promotion of sanitation and health practices;</p> <p>1 Lobbying government on interests of network member communities;</p> <p>2 Encouragement of links between individual members and other development initiatives;</p> <p>2 Monitoring sustainable environmental practices in communities;</p> <p>3 Playing the role of an important development organisation;</p> <p>3 Monitoring fair distribution of profits;</p> <p>3 Other adult and informal education;</p> <p>3 Assisting in infrastructure development;</p> <p>3 Monitoring achievement of Millennium Development Goals in communities.</p>
External recognition	
15. Relationship with other community development initiatives	<p>May participate in other initiatives on a local level.</p> <p>The network aligns its work with national development goals and priorities.</p>
16. Relationship with other tourism businesses	<p>Individual network members decide whether to establish links with other tourism businesses.</p> <p>Ties with other tourism businesses should be based on common values.</p>
Network morphology	
17. Timeframe	<p>Permanent with temporary collaborative relations encouraged between several members to achieve specific goals, if necessary.</p>

18. Minimum membership for the establishment of the network (size)	No need to predetermine, as this will be a part of network evolution process.
19. Time to establish the network	No need to predetermine, as this will be a part of network evolution process.
20. Density (number and strength of dyadic ties)	No need to predetermine, as this will be a part of network evolution process.
21. Reachability (ease of contacting/reaching one member of the network by another member)	No need to predetermine, as this will be a part of network evolution process.
22. Geographical distribution	National.

6.4. Discussion

The following discussion examines the results of the exploratory stage of the research based on the originally stated aims of the research to identify suitable principles and structures for a CBT network that delivers the highest possible community benefits, with reference to the literature. It then provides recommendations for further CBT development of Timor-Leste. Furthermore, this section prepares the material for the next phase of the research study, which evaluates recommendations based on the perceptions of the research participants.

6.4.1. Tourism network model that can maximise local community benefits

Research participants identified several prospective niches for tourism in Timor-Leste: ecotourism, cultural and historic, adventure tourism and CBT. Tourism products within these niches could be complementary and create a distinctive Timor-Leste tourism brand, that would differentiate Timor-Leste from other destinations in the region and thus be able to attract certain tourist segments that are interested in the unique culture and nature of Timor-Leste. The lack of support for sun, sand, sea style mass tourism was probably due to awareness of other tourism destinations, where environmental and social problems have been attributed to mass tourism (Dodds, 2007; Ladkin and Bertramini, 2002; Wallace, 2009). Considering the low current tourism demand, mass tourism may be understood in terms of the type of tourists that are attracted, and the activities that they take part in, i.e. beach resort tourism. Experienced responsible travellers and adventure tourists are likely to enjoy visiting Timor-Leste and at the same time have little negative effect on the environment and culture. This may divide the tourism market into two groups and differentiate tourism products: products for high yield small group travellers and budget adventure products. A careful communication strategy needs to be developed directed at relevant market segments, since the current state of tourism development may not match visitor expectations.

The Strategic Development Plan (Timor-Leste Government, 2011) does not specifically mention CBT, though reference is made throughout the plan to community capacity building in economic development including in rural areas. It also was not perceived by workshop participants as being of major importance for future tourism development in

Timor-Leste. It was placed third among tourism types with almost twenty percent of responses. However, in interviews CBT was the preferred tourism type with forty percent of responses. This may be explained by the focus of workshop participants on the outcomes of tourism for local residents rather than a focus on organisational and management structures. Furthermore, the definition of CBT varies and in some views may be quite narrow. For example, it may be restricted to provision of homestays, or cooperatively run accommodation units. It was possible to spend more time with research participants on the optimal form of CBT in the face-to-face interviews rather than in the workshop.

The respondents were presented with a variety of options to construct a preferred network model. A number of respondents during interviews noted the difference between what is desirable and what is practically achievable. The conflict between what is achievable, and an idealistic view of tourism development, is noted in other cases of CBT network development (Mendonça, 2004) and the broader PPT and CBT related literature (Ashley, 2006; Murphy and Murphy, 2004). Tourism cannot be viewed as a salvation of all development problems, and balance is needed in order not to withdraw necessary human resources from farming or other traditional activities. Tourism can be a value adding tool or a compliment to agriculture and traditional activities and one of several strategies to bring development (Garrett, 2008; Trejos and Chiang, 2009). One of the research participants also stressed this point: “community-based tourism should not be considered a panacea”.

In terms of benefits, respondents showed almost equal acknowledgement of economic, social and environmental benefits expected from CBT development. The importance of the sustainability agenda in tourism is widely acknowledged (Dodds, 2007; Goodwin, 2009; Moscardo, 2008; Simpson, 2008; UNWTO, 2004). This is especially important in cases of SIDS (Fotiou, Buhalis and Verczi, 2002; Harrison, 2004; Scheyvens, 2002). The theme of sustainable development in economic, environmental and social terms is also central to the Timor-Leste Strategic Development Plan (Timor-Leste Government, 2011). In relation to tourism it is reflected in the aim of the development of micro and small tourism businesses.

However, it is important that the sustainability theme goes beyond rhetoric and is implemented, considering the ambiguity of the ‘sustainable tourism’ term and ongoing academic debate about its actual meaning and implementation, so ensuring that tourism development has little negative impact on the environment and has positive socio-cultural and economic outcomes may be difficult (Gössling, 2009). Costa Rica is a relevant example in the developing world, where sustainable tourism took the form of eco- and community-based tourism (Aylward *et al.*, 1996; Rivera and De Leon, 2005; Van der Duim and Caalders, 2008). It has also been mentioned by some of the participants as a possible example for Timor-Leste.

The focus of this research is on the positive long-term outcomes for the Timorese. What type of tourism brings the most positive outcomes for the local residents and especially for the poor has been a subject of considerable debate, especially in the pro-poor tourism literature (Hall, 2007; Scheyvens, 2011). The issue of benefits can be viewed from the point of participation by local communities in tourism planning and development, although higher levels of participation do not necessarily provide increased economic benefits (Simpson, 2008). High participation and empowerment of the community to take charge of their future is also seen as an ethical approach to tourism development (Blackstock, 2005; Johnson, 2010; Murphy and Murphy, 2004).

The tension between economic outcomes and empowerment is even more relevant in terms of CBT networks. A network of CBT initiatives may be restrictive of the power that individual initiatives have (Butcher, 2010; Van Der Duim & Caalders, 2008; Wearing *et al.*, 2010). The option of a highly structured hierarchical network has been proposed to the respondents as a single entity centralised organisation. The majority of respondents declined this option, although it is somewhat popular with the non-Timorese private sector representatives. A single entity representing all CBT with full control of all CBT in Timor-Leste may have highly beneficial economic outcomes for those Timorese who are involved. The standard cohesive service provided by a single organisation would be easier to market to tourists and may provide better opportunities for training and efficient management of CBT initiatives, although the caveat may be in the power relations. Who will control a hierarchical structure? What will be addressed: interests of individual communities, or financial outcomes?

As argued by Van Der Duim and Caalders (2008) it is likely that a higher level of power will lie with overseas tour operators and their local agents, as opposed to communities. Understandably, tour operators have to ensure that tourists receive the level of service expected, and have a pleasant stay at the destination, so the balance between community needs and tourist needs and wants are provided. The network will be a valuable mediator between these two perspectives as shown in the cases in Costa Rica, the Czech Republic and Mexico (Holland *et al.*, 2003; Suarez Rodriguez and Arcudia Hernandez, n.d.; Trejos and Chiang, 2009; Van Der Duim and Caalders, 2008).

The chosen structure of respondents, where representatives of communities assume the role of the directorate, and tourism professionals take on the management of the network, but are responsible to communities, could stimulate empowerment and participation of communities in tourism development and let communities decide their future. Direct participation of the community through the organisation of a residents association and a council has seen success with CBT in Ceara, Brazil (Bursztyn *et al.*, 2003; Mendonça, 2004; Schärer, 2003), while the expertise of tourism professionals is required to create a competitive tourism product (Beaumont and Dredge, 2010; Holland *et al.*, 2003; Wearing *et al.*, 2010).

6.4.2. CBT network model from tourism and development perspectives

This section first provides a summary of the network based on the majority of responses. From the described model, theoretical and practical aspects of such a network structure are discussed and suggestions from the literature and existing CBT network examples are provided. The respondents of both workshop and interviews preferred a medium level of integration and low level of interdependence of members (Bonetti *et al.*, 2006; Gilchrist, 2009; Kokkranikal and Morrison, 2011; Leutz, 1999). Workshop and interview participants had a preference for a network without direct decision-making on behalf of members in terms of sales, booking and how to operate an initiative, while a central body is perceived to be valuable (Bonetti *et al.*, 2006; Bingham and O’Leary, 2006; Gilchrist, 2009; Todeva, 2006).

The results of both interviews and the workshop show that the network needs to have a single strategy, single set of standards and common objectives, and the network management team should provide advice to members. It may also fulfil the

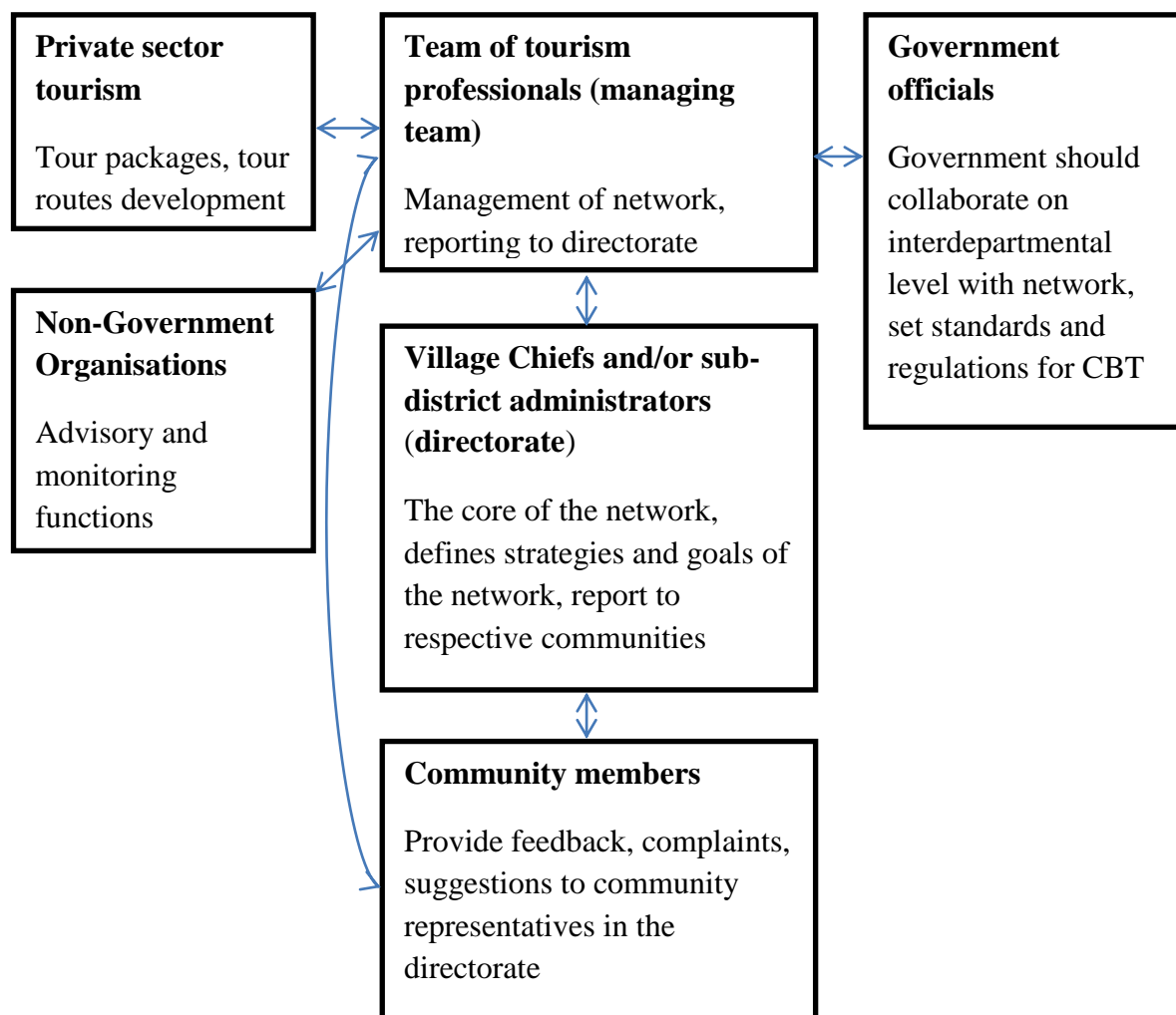
responsibilities of a forum, organising seminars, conferences and providing knowledge sharing opportunities. The network is flexible in terms of the types of CBT initiatives it includes, reflecting an inclusive approach, with representatives of communities forming the directorate which decides the strategy and objectives of the network. Other stakeholders, such as government, private sector and NGOs can participate in the directorate meetings without the right to vote. Tourism professionals need to manage the activities of the network, but not be involved in the management of its members, so the management team is responsible to the directorate. There appears to be no exact equivalent of this structure elsewhere, although several existing networks have similar organisational structures. Asociacion Costarricense de Turismo Rural Comunitario and Red Indigena de Turismo de Mexico are governed by an assembly of participating communities, managed by a team of tourism professionals and assisted by an external assessor (Asociacion Costarricense de Turismo Rural Comunitario, 2011; Red Indigena de Turismo de Mexico, 2011).

There should be a separate fund for the network activities, and the source of funding at least at the primary stage will have to be external: possibly from an international NGO or government. However, the donor is expected to have limited ability to control the operation of the network (Butcher, 2010; Dale and Newman, 2010; Multilateral Investment Fund, 2006; Zapata *et al.*, 2011). A mechanism of assistance between network members in terms of financial or human resources needs to be further developed. An assistance fund could possibly be created under management of the network. Cooperative marketing could be conducted by the network management team, with members not restricted to marketing only through the network but able to undertake their own marketing and promotion activities (Novelli, *et al.*, 2006; Saxena, 2005; Trejos and Chiang, 2009).

The network functions could include at least: marketing and promotion; collecting information on CBT and disseminating information on CBT in Timor-Leste to tourists; capacity building and training; lobbying government for CBT and in the interests of participating communities; environmental, sanitation and hygiene education. This model appears to resemble the following existing examples: ACTUAR and Cooprena and Costa Rica (Multilateral Investment Fund, 2008; Multilateral Investment Fund, 2006; Trejos and Chiang, 2009), North Andaman Coast Community Tourism (N-ACT)

in Thailand (Garrett, 2008), Red Indigena de Turismo de Mexico (Red Indigena de Turismo de Mexico, 2011), Tucum network in Ceara, Brazil (Bursztyn *et al.*, 2003; Mendonça, 2004; Schärer, 2003; Tucum, 2011). Each of these cases has some differences and none of them can be simply replicated, because all CBT networks evolve in a local context. The identified networks also have reservation and sales functions, which are not recognised as a first priority by research participants. Figure 6.18 provides the structure for stakeholder collaboration derived from the data analysis.

Figure 6.18. Preliminary network structure



Community members, are represented in the lower part of Figure 6.18 and would assume several roles, because individual CBT initiatives are operated by representatives of communities. These initiatives may operate as a cooperative, private enterprise or an NGO. Those directly involved in the CBT will require training sessions organised by the network. Direct communication between CBT initiatives and through a network

management team need to be supported, and this may relate to tourist referrals or contacting other CBT networks on behalf of tourists to place or confirm reservations. A wider community also needs to be consulted since an inclusive participatory model has been acknowledged as beneficial (APEC Tourism Working Group and STCRC, 2010; Bursztyn *et al.*, 2003; Mendonça, 2004; Schärer, 2003; Stronza, 2008). The directorate, illustrated at the centre of Figure 6.18 represents communities and sets the agenda for CBT development, and it is the core of the network as it determines the strategies and goals of the network. The directorate would consist of representatives of communities, which have CBT. Village chiefs and/or sub-district administrators would represent their communities, since they are formal leaders. On the other hand, a community nominee other than the village chief may be a good option in order to diversify power in the community, since centralisation of local power can become a significant issue in Timor-Leste (Cummins, 2010). An example of a nominee structure is apparent in Brazil (Bursztyn *et al.*, 2003; Mendonça, 2004; Schärer, 2003).

The determined direction and strategic vision of CBT development will then be implemented by the managing team of tourism professionals, illustrated in the top central box of Figure 6.18. The team would undertake promotional activities, arrange training of CBT practitioners through village exchange or visits of trainers, publish network-related and CBT-related documents to advocate CBT to government and assist with its regulation (APEC Tourism Working Group and STCRC, 2010; Community-Based Tourism Institute, 2011; Maldonado, 2007). Such practices have been implemented in some CBT networks in Asia and Latin America (Garrett, 2008; Trejos and Chiang, 2009). As evident from Figure 6.18, the management team will report to the directorate, and all the actions of the management team are to be aimed at achieving the goals set by the directorate. The relations between the two must be carefully managed, especially in terms of the expectations of the directorate. Realistic goals have to be set (Ashley and Haysom, 2006). However, the managing team must also achieve the best possible outcome and justify its actions to the directorate (Ife, 2001; Gilchrist, 2009; Miller, 2004).

One of the important tasks of the managing team is to assure demand for CBT in Timor-Leste. Private sector links can be explored to develop tour packages and routes, and links with external private sector operators can be set up based on common values (Van

Der Duim and Caalders, 2008). At the local level, destination management is important to create a cohesive image of the destination. Therefore, links at the local level need to be strong between organisational members of the CBT network and those who are not (Baggio *et al.*, 2010; Scott *et al.*, 2008). This team of professionals will have to base their work on consultation with other stakeholders, most importantly community representatives. Private sector, civil society and government representatives could form advisory groups. External funding must be sought, and the project team will need to have expertise in tourism, economic development, natural resource management and culture (Red Indigena de Turismo de Mexico, 2011; Red Pakariñan, 2010).

National NGOs will assume two roles: advisory and monitoring. The advisory function entails assisting the managing team in working with communities. The managing team has to create or foster collaboration on a community development agenda with relevant NGOs, while some NGOs will be relevant for training in communities. International NGOs with CBT experience may be contacted for management assistance. NGO involvement has been found valuable in the CBT network literature (Bursztyn *et al.*, 2003; Garrett, 2008; Holland *et al.*, 2003; Mendonça, 2004; Schärer, 2003; Suarez Rodriguez and Arcudia Hernandez, n.d.; Trejos and Chiang, 2009; Van Der Duim and Caalders, 2008). Since it is highly likely that international funding will be required consideration of existing links to international partners in Timor-Leste working with CBT projects is needed, for example with Centro de Intervenção para Desenvolvimento Amílcar Cabral (CIDAC) based in Portugal (Carvalho *et al.*, 2008). The progress of the network can be externally monitored and evaluated based on economic, socio-cultural and environmental sustainability measures. The importance of monitoring has been recognised in the literature (Dieke, 2005; United Nations, 2003).

Interdepartmental government collaboration with the CBT network will assist in developing the communities of Timor-Leste. Government can set standards and regulations around the operation of the CBT, and a committee may be formed to interact with the network managing team and directorate. Support from government for rural tourism through policies and special bodies has been evident among the existing examples (Holland *et al.*, 2003; Maldonado, 2007; Multilateral Investment Fund, 2006; Wearing *et al.*, 2010). Development of such policies and a position in government,

which would cater specifically for tourism as a tool for rural development could be a part of advocacy to government.

The groups of stakeholders described by Figure 6.18 resemble actors mentioned in the sustainable tourism literature (Dodds, 2007; Sautter and Leisen, 1999; Simpson, 2008). Throughout interviews there were no significant differences in opinion between various groups for most questions, and the benefits of collaboration were well-known by different actors in both interviews and the workshop. Most responses were consolidated into a single structure enriched by the individual responses. It is notable that there was still no fully functioning tourism association in Timor-Leste, although the latest attempt to form such an association has been promising. An association of tourism and hospitality operators called Tourism Centre Timor-Leste was registered in April 2012, but was not operational at the time. Research participants acknowledged the challenges encountered in forming an association at local, regional or national level. The power relations between groups of stakeholders have to be carefully managed to avoid manipulation of the community opinions and use of one or a group of stakeholders for their own benefit (Hall, 2010; Van Der Duim and Caalders, 2008; Wearing, Wearing and McDonald, 2010). For example, such a threat could be from the private sector, if it has direct control over CBT development.

Most threatening, would be the land rights issue. Since Timor-Leste has largely preserved customary land ownership, the land is largely unregistered. Land disputes are common in Timor-Leste not due to customary land tenure, but due to claims of land by government or Indonesians and the Portuguese, who lived in Timor-Leste before independence. Timor-Leste has a rich history of displacements and resettlements that occurred throughout Portuguese colonial rule and Indonesian occupation as well as during the 1999 and 2006 conflicts (Thu, 2012). A large land reform is occurring in Timor-Leste aimed at registering land ownership and modernising the system of land tenure. This reform started as an USAID project and is now known as 'Ita Nia Rai' (translation from Tetum: 'Your Land'). The involvement of USAID has been controversial. The government of Timor-Leste also drafted the Land Law and Expropriation Law in order to regulate land tenure and make it possible to expropriate land for development projects. These laws are aimed at accelerating development and making Timor-Leste more attractive for foreign investment, but they have encountered

some resistance from Timorese nationals (Henriques *et al.*, 2011; La'o Hamutuk, 2010; Timor-Leste Government, 2011). Jose Ramos-Horta in his capacity as president vetoed the land reform laws in 2012 (La'o Hamutuk, 2012). Considering the large number of competing land claims from different periods of history, a land registration law is unlikely to resolve land access-related issues. Land ownership is often only part of a larger inter-community or intra-community conflict and may not be looked at in isolation (Thu, 2012).

The threat of losing community land is one of the issues in Ceara, Brazil, and CBT there has become one of the tools to strengthen the community and resist external involvement in the community's development, since CBT provides economic outcomes and other community projects operate through resident associations and council (Bursztyn *et al.*, 2003; Mendonça, 2004; Schärer, 2003). As evident from the interviews, some private sector representatives preferred a more authoritarian hierarchical network model than the rest of the interviewees.

Beaumont and Dredge (2010) identify three alternatives for local tourism governance: lead organisation-governed network, participant-governed network or network administrative organisation. The participant responses suggested a structure, which can be perceived as a combination of a network administrative organisation and participant-governed network. A separate administrative body run by tourism professionals is suggested to coordinate the network activities. Despite the need for a body to undertake day-to-day management activities, the respondents suggested that vision and strategic goals can be set by the representatives of participating communities. One of the characteristics of participant-governed networks is a higher decentralisation and lower formality of the structure. It is also closely related to a bottom-up 'grassroots' approach. This approach is relevant to the current research, since respondents suggest that community representatives should play a central role in the network, which has to be flexible and have no central management decision-making on behalf of individual CBT initiatives in participating communities.

Setting clear rules and membership are also mentioned by the participants. This is a characteristic of more formal network administrative organisations, and it is suggested that a balance needs to be maintained between the two models, as on the one hand the

network should have ‘grassroots’ focus and be flexible to respond to the changing needs of participants and inclusive, in cases where new CBT initiatives arise. Openness of the network to sharing knowledge, vision and strategies with other stakeholders can be considered, as tourism in Timor-Leste is in its early stages and government and civil society need to be aware of CBT development opportunities.

Beaumont and Dredge (2010) argue that the network efficiency may be hindered by inclusiveness. Based on the responses gathered for Timor-Leste, inclusiveness plays a more important role, since nation-building and development of a cohesive society is a priority. On the other hand, professional advice, coordination and cohesion are needed to ensure appropriate standards of tourism products and services and better training and marketing outcomes. The inherent tension between the flexible and stable approach to network governance is acknowledged in the literature (Beaumont and Dredge, 2010; Provan and Kenis, 2008). Evolution of networks is accepted, as structures may have to change to adapt to changing environments and the changing objectives of the network (Baggio *et al.*, 2010; Carvalho and Giglio, 2011). The theme of flexibility is also evident in interviews. Considering, that CBT has taken different forms in Timor-Leste, reconciliation of these CBT initiatives into a single network can pose difficulties.

From a practical point of view, the network structure as identified appears to be implementable since similar networks have been identified in Brazil (Bursztyn *et al.*, 2003; Mendonça, 2004; Schärer, 2003), Costa Rica (Trejos and Chiang, 2009), Mexico (Red Indígena de Turismo de México, 2011) and Thailand (Garrett, 2008). However, several factors, may possibly impact on the success of network implementation.

A significant factor identified by the interviewees is leadership. An enthusiastic ‘champion’ often helps to achieve the objectives. This has been evident in PPT (Ashley and Haysom, 2006; Tolkach *et al.*, 2012) and in the tourism planning literature (King and Pearlman, 2009), and the inability to sustain enthusiasm within communities can also hinder tourism development (Ashley, 2006). The different views and attitudes of the involved stakeholders can be managed, and this may especially be an issue between donor organisations and local residents. As Grenfell (2011) identified, some attitudes of foreign workers towards the Timorese are paternalistic and inappropriate, also a lack of

resources, especially human resources and financial assistance may delay implementation (Ashley and Haysom, 2006; Halstead, 2003).

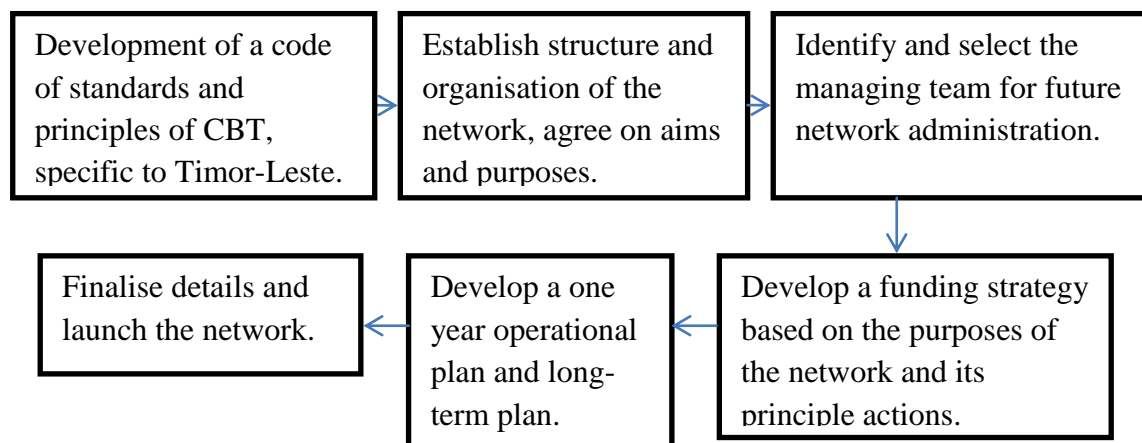
Other uncontrollable factors include the political situation. This is especially relevant to Timor-Leste, since the latest instability in the country occurred as recently as 2008, with an attempted assassination of the president. In 2006 a conflict occurred between the eastern and western parts of Timor-Leste. Any news about insecurity in Timor-Leste will also significantly harm tourism demand. Research participants acknowledge the bad security image of Timor-Leste, which does not necessarily reflect the current situation in the country.

The success factors identified in a CBT network initiative may also be relevant, including the following: traditional family values and close ties within the community; the outside threat of land expropriation that unite communities; social capital within the community, including knowledge, values, culture, sense of solidarity; understanding of civil rights; and effective participative management practices from planning, through to evaluation (Mendonça, 2004). Challenges of CBT network implementation were further investigated during the evaluation stage.

6.4.3. Stakeholder perceptions of the organisation and management of CBT

The focus of this section is on the process of establishing a CBT network. It also looks at the broader perspective of CBT management, and Figure 6.19 presents the expected phases of network development:

Figure 6.19. Preliminary network development process



The development process as presented in Figure 6.19 starts from the top left box, and in the first phase involves the development of a code of practice and principles, since the participants of both the workshop and interviews mentioned a lack of CBT standards in Timor-Leste. Since CBT takes various forms it is difficult to define. Based on community participation CBT is generally small-scale and is considered an alternative to mass tourism. However, the theme of empowerment and participation has been strongly debated (Butcher, 2011; Simpson, 2008). CBT has been linked to the 'solidarity economy', and therefore to the cooperative movement (Johnson, 2010; Mendonça, 2004). At the same time the importance of links to global tourism have been acknowledged (Van Der Duim and Caalders, 2008; Wearing *et al.*, 2010).

This debate occurs in Timor-Leste as it does in other parts of the world. Some participants had no issue with CBT in Timor-Leste becoming part of the world industry influenced by the global market, while others saw CBT as opposed to capitalism and to the negative effects of globalisation. Considering that a cohesive destination image and collaboration between all involved is beneficial for destination development, it would be valuable to identify definitions and standards that are inclusive and allow different models to co-exist. In 2011, there were only eight CBT initiatives in Timor-Leste accommodating four different approaches that have been described previously. Even though technically collaboration between two actors is a network, such collaboration will have little effect.

Considering earlier identified similarities to Costa Rica, the Costa Rica Sustainable Tourism guidelines and certification system can be an example for Timor-Leste (Certificación Para La Sostenibilidad Turística (CST), 2011). Another example is the participatory standards development of sustainable tourism in Thailand, which took Global Sustainable Tourism Criteria as a reference and developed Thailand-specific standards, through participation of communities, tourism operators and the Community-Based Tourism Institute (Richards, 2009). The standards development process was funded by the European Union through the Green Travel Market, and the standards were developed to be relevant for the current needs and circumstances of Thailand. It was also considered that sustainable tourism has to prepare responsible travellers, who

will have little negative impact on host destinations, so briefing tourists on how to behave responsibly is acknowledged as being the responsibility of tour operators (Richards, 2009).

The process of the establishment of a network could then be undertaken at several levels. The first involves establishment of a policy framework, definitions and terms of reference. Since the government of Timor-Leste is planning to develop tourism as a major industry (Timor-Leste Government, 2011), it will have to create strong policies and regulations to control development, and sustainable tourism standards can become part of the policy. At the same time a number of respondents noted that to date government has been inefficient in developing rural areas and tourism. This is similar to the situation of Prainha do Canto Verde, Brazil, where local residents took the initiative to start a CBT to minimise the adverse effects of mass tourism, and control their land and activities within the area. Residents felt that their land rights were being threatened and that the government could provide little assistance (Schärer, 2003). This led to the creation of the Residents Association, which started to play a central role in the participative development of the area (Mendonça, 2004). An NGO was formed to assist in resolving issues of community, and achieve goals of cultural and lifestyle preservation, while having economic independency.

A steering committee should be formed to lead to the formation of the network, and this committee should include representatives of different stakeholder groups. It would be beneficial if the tourism professionals, who form the managing team, administer the work of the steering committee, and if no tourism professionals have joined the steering committee, one task will be to recruit such a managing team. At this time a legal registration should be established for the network, and as several existing examples show, an NGO may be the appropriate legal definition of such an organisation. There appears to be little contradiction with an NGO conducting business activities, such as marketing, as in earlier examples marketing has been the focus of CBT NGOs in Costa Rica and Thailand (Richards, 2009; Trejos and Chiang, 2009).

The next step is to agree on the structure and organisation of the network, its aims and purpose. Different opinions were expressed towards the geographic distribution of the network ranging from local to national and international levels. For example, in

Ecuador CBT development is organised on four levels: community projects, provincial organisations, regional networks and FEPTCE (Plurinational Federation of Community Tourism of Ecuador), where FEPTCE is a national body representing ninety CBT initiatives (Ushca, 2005). Such aspects of a multilayered network may be required later, if new CBT initiatives appear in Timor-Leste. At first, a CBT network could cover only a small number of locations, where CBT has been developed.

The establishment of international links has become an objective of Cooprena – a non-profit NGO organisation representing a network of CBT communities with the office in the capital of Costa Rica (Multilateral Investment Fund, 2008; Multilateral Investment Fund, 2006). International linkages and networks appear to be less integrated for REDTURS (2010), and appear later in the development of networks. In Thailand international links were developed for marketing purposes. Nine Thai tour operators, nine UK tour operators and fifteen representatives of local Thai communities developed tour packages cooperatively (TTRweekly, 2008). As strategic decisions are being made in relation to definitions, standards and the objectives of the network, an appropriate funding strategy has to be developed. As several research participants mentioned, all partnerships should be based on common values, and should not constrain the independence of the network.

When decisions are made about definitions and terms of reference, structure of organisation, objectives and funding organisations, two plans are needed. Although the participatory model has to be preserved at this point, the development of plans may become more a management responsibility. A long-term plan will have to be prepared to identify the development of the network in the medium- long-term and identify steps to achieve the objectives. This will also be the basis for funding proposals (Multilateral Investment Fund, 2008; Multilateral Investment Fund, 2006). A short-term operational plan is also needed describing the activities to be undertaken, including for example, a training program, an exchange program, a promotion program, schedule of meetings within the network, between the network and government and between the network and all other stakeholders. The conclusion to the establishment of the network is to finalise all the documentation for the network and resolve any technical issues. From this point the network should be officially launched and start its operation based on the developed plans.

6.4.4. Stakeholders attitudes that influence development outcomes

Each group of stakeholders in Timor-Leste has its own network organisation: Timor-Leste Chamber of Commerce and Industry (TL-CCI) for the private sector, FONGTIL – forum of NGOs, interdepartmental meetings for government, and meetings of *chefes do suco* for local governance. For the CBT network certain actors within each stakeholder group will be relevant as show in Figure 6.20.

Figure 6.20. Relationship between groups of stakeholders and the CBT network

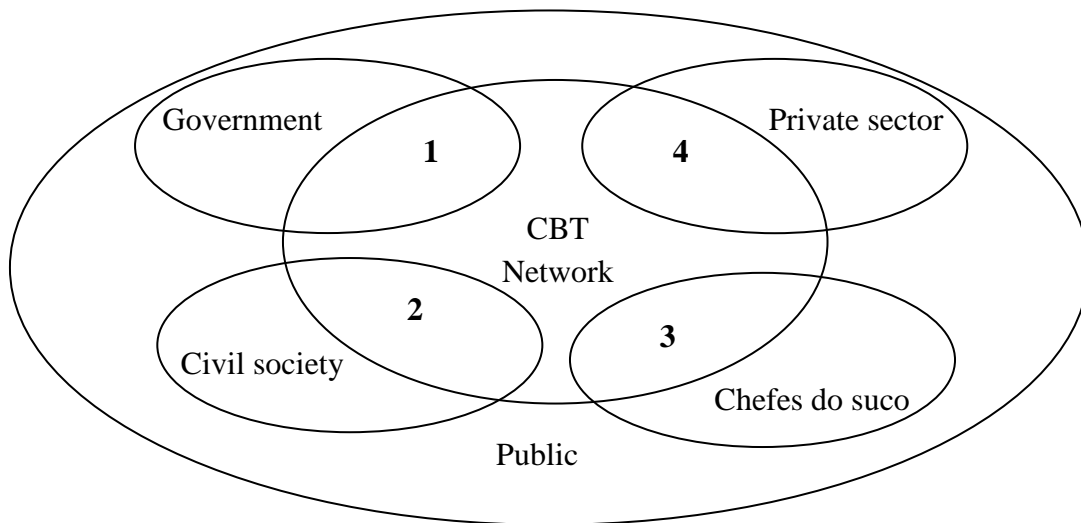


Figure 6.20 illustrates the four stakeholder groups, parts of which will interact with the CBT network. The specific stakeholders belonging to these groups are as follows:

1. The tourism Department and CBT relevant government departments, such as the Department of Rural Development and cooperatives, Ministry of Infrastructure, Department of Environment, Ministry of Agriculture and Fisheries. It would be beneficial to have an interdepartmental committee.
2. NGOs working in communities, where CBT exists and with CBT relevant NGOs, such as Roman Luan and the Haburas Foundation.
3. Chefes do suco in communities, where CBT exists (Tutuala, Loihunu, Com, Maubisse, Atauro, Maubara).
4. Tour operators, hotels and other tourism related businesses working with CBT initiatives in Timor-Leste.

Positive partnership relations between CBT relevant stakeholders are of great importance, since stakeholder cooperation leads to enhanced outcomes in tourism development (Ashley and Haysom, 2006; Halstead, 2003). CBT-relevant stakeholders within each group may also be under pressure from non-CBT stakeholders within their respective groups, which may undermine the achievement of CBT objectives. Most stakeholders acknowledged that tourism needs to aim at improving rural livelihoods and improve the socio-economic situation in Timor-Leste. Nevertheless, some differences emerged between groups of stakeholders, for example, the private sector would prefer to see a more centralised and more integrated network, NGOs prefer to play a higher role in CBT development than other stakeholders suggest, and some Timorese nationals consider a network as part of resistance to the advance of capitalism in Timor-Leste. The instruments to resolve most potential problems may be found, since, as shown throughout the discussion, similar issues have previously occurred in other countries. These can be used for Timor-Leste as valuable case studies.

According to some respondents from various stakeholder groups, the Timor-Leste government is inefficient, although the same participants also suggested that the government should play a central role in CBT development. Inefficient and weak governments have been criticised in the literature (Ashley, 2006; Bursztyn *et al.*, 2003; Mendonça, 2004; Schärer, 2003). Lack of initiative, policy and capacity to regulate tourism may lead to negative tourism impacts (Scheyvens, 2011). The reasons for some negative views of government can be explained by high expectations on the part of stakeholders and a lack of government capacity, especially human resources. Strong advocacy of CBT to government and even possible creation of government officials or an office responsible for CBT relations may help to address this issue. In Brazil, the movement for the solidarity economy managed to achieve the establishment of a Secretariat of the Solidarity Economy within the Ministry of Labour (Lechat, 2009). A CBT network can itself provide a platform to resolve some issues between government and stakeholders.

Some research participants criticised NGOs generally, and international NGOs in particular, and claimed that some of their work lacks local context and therefore delivers low benefits (Mansuri and Rao, 2004). International aid, including aid to Timor-Leste, receives strong criticism (Anderson, 2011), and as previously mentioned, relations of

power also favour international organisations (Butcher, 2010; Hall, 2010; Van Der Duim and Caalders, 2008; Wearing *et al.*, 2010). While there is still a lack of coordination of activities between various organisations in Timor-Leste, the guiding principle of international NGOs working with national and/or local organisations improves the contextual relevance of NGO related work. Among the CBT initiatives, the Timorese Haburas Foundation has established good relations with the Portuguese CIDAC and also Portuguese Cooperation (Cooperação Portuguesa). Such established partnerships improve the chances of successful CBT network development. Therefore, it is anticipated that collaboration between a CBT network and NGOs will to some extent resemble existing connections.

Chefes do sucos have to resolve the majority of issues within the village context. Even though there is also a village council, most decisions are ultimately taken by the *chefe do suco*. Unless there is also a *liurai* (traditional leader) present, the *chefe do suco* is the only source of power in the village. Research participants raised concerns that the benefits of CBT will be taken by *chefe do suco* and family rather than distributed widely within the community. This could create a division within the community and exacerbate existing divisions by creating local elites (APEC Tourism Working Group and STCRC, 2010; Belsky, 1999; Simpson, 2008). One research participant provided an example of a distribution model used in South-East Asia, where money from tour groups is put into a community fund, and the expenditure of the fund is decided in community meetings. It works best in well-developed cohesive communities. Besides possible inequality, it should be anticipated that the *chefe do suco* may not have enough time to actively participate in the development of a network, since they are the only authority responsible for village development, and the success of local participation will be dependent on ‘local champions’. It may be debated whether such ‘local champions’ can be trained or they have to be natural leaders or entrepreneurs. Furthermore, *chefe do suco* are often a political figure, even though in local elections candidates cannot attribute themselves to any political party. Political events, and tensions between supporters of different political parties may also undermine the outcomes of *chefes do suco* participation in the network, and it is beneficial for the network to distance itself from politics, and rather focus on the management of CBT.

The private sector in Timor-Leste is rather weak. It is also fragmented between foreign and local entrepreneurs. Based on the interviews there is some level of suspicion among civil society and community representatives towards the private sector, especially foreign entrepreneurs and investors. However, it is incorrect to assume that the private sector is homogenous. To date Timor-Leste tourism appears to be rather conscious of the issues of Timor-Leste, such as poverty, a low level of education, demographic issues, health problems, negative security image, lack of policy framework in various spheres, physical infrastructure constraints, and tourism contribution to economic development. Among the claims made by tourism operators about their active participation in promoting Timor-Leste as a tourism destination, is their training and employment of local staff. Employment and especially migrant employment has become a controversial issue in Timor-Leste in recent years. Some hotels and restaurants employ migrant workers, appearing to prefer them to Timorese, and this issue is more prevalent in Dili rather than in rural areas. Since CBT focuses on local control over tourism development it is unlikely to be affected negatively by migration. It may be seen as a government responsibility to control the private sector and it also appears that a cohesive community is able to negotiate with private sector beneficial outcomes (Bursztyn *et al.*, 2003; Mendonça, 2004; Schärer, 2003; Van Der Duim and Caalders, 2008).

Agreement about most issues across different stakeholder groups suggests that it may be possible to bring various stakeholders together and to facilitate the development of a CBT network co-operatively, for the benefit of communities. The real commitment to achieving greater outcomes for Timorese will be tested through the planning and development process of the CBT network. All mentioned stakeholders will have to accommodate some trade-offs, and the ability of stakeholders to cooperate in good faith for the common good will determine whether the CBT development will succeed in assisting the country's development.

6.5.Summary

Following methodological guidelines from the research of Stronza (2008) and Stewart and Draper (2009), the exploratory stage of data collection has resulted in rich commentary from respondents regarding the questions raised. The combination of

workshop and interviews provided a sufficient amount of information to achieve most of the stated aims of the research. The respondents provided a variety of views on the role of tourism in development, the role of CBT in Timor-Leste's future and the idea of a formal network to strengthen CBT. The overwhelming majority of respondents were optimistic about the establishment of a network, despite the failure of previous collaboration attempts.

It was impossible to predict the outcomes of this stage of research, as the exploratory nature of it suggests. Considering the complex history of Timor-Leste and recent East-West divisions among the Timorese, which led to the 2006/07 crisis, the idea of collaboration between parts of the country could have been greeted with greater scepticism among the Timorese nationals, than was the case. The research design appeared to be comprehensive and covered most aspects of CBT development in Timor-Leste. The development of standards and codes of practice were an aspect of tourism networks that were overlooked during the research design stage, and the workshop and interview participants had clearly articulated the need to develop such standards. The respondents provided insights and suggestions around the phases of network development and more depth for the research.

The guiding principles and attributes of the network as presented by participants appeared to be comprehensive, and no other attributes or alternatives were found from the interviews. Some political divisions emerged during the interviews, with tourism often perceived as a liberal postcolonial activity (Wallace, 2009), and some Timorese nationals stressed, that a CBT network can resist the advancement of global capitalism in Timor-Leste. While this research was not originally thought of as ideological or political, its course has revealed that CBT can be a bridge between tourism and community development, and should consider ideological differences, especially in the politicised context of Timor-Leste.

The overwhelmingly positive commentary about a CBT network suggests that this research is valuable and develops in both theoretical and practical ways. Nevertheless, some criticism of a network approach to CBT has also been evident in this chapter, notably the tension between collaboration and competition in tourism, or the low quality of CBT products in Timor-Leste. The criticism should be taken into consideration

if/when a network is being implemented. Confirmation from participants is required about the ideas considered in the discussion. The outcomes of the exploratory stage of research should be disseminated among participants in order to conduct the research ethically, and the model and phases of the network development have to be evaluated.

CHAPTER 7. EVALUATION OF THE EXPLORATORY RESEARCH FINDINGS

7.1.Introduction

This chapter presents the findings of the evaluation phase of the research. Following the preliminary results and the development of relevant models, this section has multiple academic and practical purposes (see Appendices 3-5). One is to discuss the presentation of the research findings to participants. Many participants were located in rural Timor with little access to telecommunications. Presenting the results personally was the only way to reach the communities that the research aims to benefit. The ethical considerations that have been described by Stewart and Draper (2009) were also taken into account.

Providing feedback on the research was crucial for refining the proposed network model and strategy development and for producing outcomes which have both scholarly and applied significance. The researcher wished to assess the extent to which consensus can be reached amongst people from diverse backgrounds, especially in the complex Timor-Leste environment. Would participants be willing to change their opinions to align with the majority? Would they participate in implementing the network? Would they be committed to the idea? The researcher also aimed to refine some of the questions that remained after the exploratory research, which could generally be described by one question: how and by whom should the initiative be implemented? The questions that were posed to participants are provided in Appendix 6.

This stage of the research consists of two components. Firstly, interviews were organised with participants from the exploratory stage. Where it was impractical to contact those who had participated in the exploratory stage, new participants were recruited to represent the same organisations. Recruitment of new respondents was also helpful because of some new developments within Timor-Leste, such as the formation of the Tourism Centre Timor-Leste (a tourism association) that came into being after the exploratory stage. Secondly, a roundtable discussion was organised by the researcher to present the initial findings from the evaluation stage to research participants. The discussion started the process of implementing a CBT network prompting a more action

oriented approach to research. The various theoretical constructs that were formulated during the exploratory stage and based on consensus about the establishment of a CBT network were intended to take the form of practical actions. Another opportunity to disseminate the findings presented itself during this stage of research, namely guest lectures to Timorese students at two educational institutions in Dili. Considering the youthful population of Timor-Leste, providing knowledge to students is likely to be important for ensuring a sustainable future for the nation and contributing to the action aims of the research. This chapter presents the findings of the evaluation stage interviews that were undertaken followed by a summary of the round table discussions (see Appendix 6). Subsequent amendments and refinements are provided to the CBT network model.

7.2.Interview findings

Thirty six interviews were undertaken as part of the evaluation stage, with one of these using email and the remainder being conducted face-to face. The interviews ranged from twenty to seventy minutes, exclusive of the time needed to present the findings from the previous stage. The researcher began the interview by presenting the preliminary findings (see Appendices 3-5), allowing participants to have enough time for reading (the research findings were often provided by e-mail prior to interviewing), and explaining the model representation with a view to capturing the main points (based on the figures in Appendix 4). Participants asked for clarification in several cases.

The interview commenced after a research participant confirmed that the results were clear and that he/she was ready to start. Firstly, feedback was sought on the proposed model. The feedback might concern the theoretical construct or practical implications of the model. The opportunity for feedback was not restricted to identifying gaps, but also provided a chance to raise any concerns or to suggest CBT network priorities. The next section of the interview process concerned the implementation of the proposed model, any prospective challenges to the model, and the role that a participant might play in the implementation and operation of the network. One question asked specifically about the prospects of achieving a consensus between representatives of all the stakeholder groups. The next section of the interviews concerned two aspects of the

results: the guiding principles of the network and the governance. One principle to be addressed is maintaining a balance between the community and tourism industry perspectives towards development of the CBT network. The remaining questions asked respondents to identify specific aspects that will ensure successful development of the network, namely sources of funding and recruiting a management team (the exploratory stage of research demonstrated a preference for a team of tourism professionals to manage the activities of the network).

As mentioned in Chapter Five the findings are presented as a series of themes, since there was a significant overlap between the responses provided for each question. The themes are presented in order of the number of comments from the most to least frequently mentioned. Several subthemes were evident, and the grouping of subthemes is undertaken *in vivo* based on participant responses (as opposed to *in vitro* grouping, where the researcher defines the themes). Some subthemes may be relevant to multiple themes, but are allocated to the most applicable one based on the content and context in which it is covered by research participants. The identified themes are presented in the section below in descending order of the number of comments provided by participants.

7.2.1. Participant responses to the proposed network

Firstly, participants were asked their thoughts about the proposed CBT network model. Twenty nine commented positively about the network and suggested that such an initiative could bring substantial benefits to rural communities in Timor-Leste and stimulate tourism development. Five participants responded that this type of network is important for developing the Timor-Leste national economy (usually referred to by the research participants as ‘local economy’) and for strengthening CBT. Four participants specifically commented that the network appears to be clearly presented. Three participants were cautious in their responses, suggesting that the network proposal “looks good on paper”, but may be difficult to implement. A further three participants had a different idea about the structure of the network. Their ideas concerned the capacity of CBT entrepreneurs to develop and participate in a network mainly due to lack of capacity. One participant suggested that in the form presented, a network will not develop a competitive CBT product and that close foreign supervision will be required for an extended period. Another participant called for an inclusive

participative approach that will ensure discussions with all actors involved in CBT. The approach of this participant represented a social and community development oriented perspective towards CBT, while the first participant had a clear tourism-oriented perspective.

The community development and tourism-oriented perspectives were often in counterbalance during interviews. In some cases participants managed to consider both perspectives with a view to generating viable scenarios for CBT network development. Five research participants could not identify any gaps in the model and suggested that it was sufficiently comprehensive and detailed. In their view the preliminary model reflects the complexity that surrounds cooperative approaches to development. Research participants were asked about the role that they would perform in the implementation and operation of the network. The responses are provided in Table 7.1.

Table 7.1. Prospective participant roles in the network

Advisor/facilitator	19
Member	7
Initiating the network (steering committee)	5
Use services	4
Promote	4
Link to other sectors of local economy	3
Not interested	1
“There are other more suitable organisations”	1
No time / other commitments	1

Most of the research participants viewed themselves as potentially occupying an advisory or facilitation role. The number of such advisors was higher than the number of research participants representing CBT initiatives that would like to become members of the network, with three participants unlikely to participate in the network in any role. Only five respondents would like to be directly involved in initiating the network. Seven participants would promote the network or link it to other organisations with a similar focus. A further four participants would make use of the services of the network. The various research participants provided comments accentuating particular

aspects of the prospective CBT network. These themes are considered in subsequent sections of this chapter.

7.2.2. Involving all actors and achieving consensus

Most participants expressed the view that the network needs to be developed through ongoing discussions with a broad representation of all stakeholder groups. This theme had the largest number of related comments (159 comments) and was discussed almost equally by both Timorese and foreign nationals, while only two participants did not make a comment relevant to this theme. There were no obvious differences of opinion between the stakeholder groups, while some subthemes were discussed more by either Timorese or foreign nationals.

The most frequently mentioned subtheme was that the network requires broad representation with extended discussions in order to be implemented successfully (35 comments). Participants mentioned stakeholder groups that could be involved in network development in some way as follows (in descending order): government, communities, NGOs, international organisations, education providers, private sector tourism, media and church representatives. Among these groups government and communities were discussed separately as many comments related specifically to these groups. Considering that tourism is primarily a private sector activity, the lack of any explicit mention of the private sector by participants is unexpected.

Additionally, it was suggested that two new stakeholder groups be represented. The basis for involving representatives of media into the network was to acquire publicity for the network initiative and to promote CBT. Also a church representative was suggested by a foreign national who observed that priests in Timorese communities play the role of a power broker and can resolve issues and conflicts within communities. Two foreign nationals asserted that all influential stakeholder groups need to be represented in the directorate, and the outcome of the broad involvement in the network development process is supposed to be an inclusive model, that is beneficial for all involved. Participants concluded that it was important for all stakeholder groups represented in this research to be involved in the network development as each of them

was required to achieve the best possible outcome for sustainable tourism development in Timor-Leste.

Ongoing effective communication was the second most common subtheme with slightly more comments about this matter being proposed by foreign nationals than by Timorese. In the opinion of two research participants the scheduling of regular meetings would ensure ongoing communication between stakeholders. Communication is indeed an issue in Timor-Leste, because many communities feel isolated, and the cost of telecommunications makes phones and especially internet inaccessible for a large proportion of the population. Bad roads and issues with other physical infrastructure also contribute to isolation on the part of communities that are located outside Dili. Moreover, there is an issue of language and ethnic groups populating Timor-Leste, with different levels of Tetum, and stakeholder preferences may be directed at those from the same ethnic background. Six participants noted that cultural diversity is difficult to manage as well as diversity in stakeholder groups.

Another widely discussed subtheme was that the network should be established on the premise of common ground, vision and goals. This is a particular concern for Timorese (18 comments versus 6 by foreign nationals). NGO representatives commented more frequently about this issue than other groups. Establishing common ground, vision and goals was mentioned as a solution to achieving consensus between all the parties that will be involved in CBT network development. If common interests and shared goals between participants are absent it will be very challenging to progress the network. One participant noted: “the opinion of the majority has to be adopted”. Another two foreign nationals called for coordination of the activities, and a further three participants suggested that shared responsibility and sense of ownership are required to progress the network development.

Communication of the purpose of the network, its vision and mission, as well as the roles envisaged for various actors, needs to be clear, and eight comments were made about the issue of clarity, mostly by Timorese. The concern about clear communication was especially relevant for residents in rural Timor-Leste for whom tourism is an unfamiliar concept. It is necessary that rural residents who are the intended

beneficiaries of the CBT network should have a clear understanding of the terms and concepts used in all the materials, and that they clearly understand both the benefits that the network will bring and also the limitations.

Three Timorese nationals stressed that the model must be participative, while one NGO representative specifically disagreed with the representative model proposed. He noted that: “If you create a national network, which doesn’t connect to communities, you create another mechanism of bureaucracy... Representative, representative, representative are taking out the ideas, demands and expectations from communities... In the end of the day there will be not much difference from the parliament. For example, on CBT policy debate a government could call on all the private sector to consult and invite communities to participate. No need to create one or two representatives”.

From the present research perspective it is likely to be very problematic to arrange consultation with all of the relevant organisations at the same time. In one of the sub districts of Timor, where an NGO had the idea of developing an ecotourism association, it was difficult to organise meetings with communities and organisations involved in CBT, as described below:

“First time, we sent out invitations couple of weeks in advance and everyone forgot about it. Second time, we sent invitations just couple of days in advance, but we did not take into account that there is a big market in one of the villages on a same day, so the turnout was low again. This time we again spoke to village chiefs, they reassured that the time is good, but we will have to see what the turn out will be like”.

Three foreign nationals suggested starting from a small group that would become the most involved in CBT and grow over time. Another foreign national suggested calling the network ‘national’, but providing more support to those communities and entities that are delivering a better product. The view of these three participants was that some quick successes have to be achieved for the network to be valued by external organisations, for other CBT initiatives to want to join and for more communities to try to establish CBT. These first members are likely to be the CBT initiatives that are

currently implemented in Atauro Island (Dili district), Tutuala and Com (Lautem district), Maubisse (Ainaro district) and Maubara (Liquica district). According to 2011 Household Income and Expenditure Survey (National Statistics Directorate, 2013) these are not the poorest districts of Timor-Leste. Some of the poorest districts have lack of access due to road conditions or lack of tourist attractions. Therefore, if the goal is to have some quick successes it would be inappropriate to try to reach these districts through a CBT network, despite the urgency for development of those areas. Consequently, the network should be extended to assist the least developed areas, considering there are tourist attractions.

Five respondents also mention that to create a network, communities and other stakeholders need to be willing to participate. As discussed in Chapter 6 previous attempts to establish a national tourism association (a national tourism association named Tourism Centre Timor-Leste was finally registered in 2012) and a regional ecotourism association was unsuccessful due to reasons related to interpersonal relations and political instability. Five comments were made by participants about the necessity to be tolerant and to build trust between stakeholders with a view to improving the chances of success of a CBT network. Based on these comments it may be suggested that if stakeholders trust each other and see the benefits from networking they will be more willing to participate. Six participants, both Timorese and foreign nationals, suggested that building relations between people and socialising is an important part of building a network. These comments suggested that informal networking has to occur to ensure success of the network.

Eleven comments urged to consider existing links between stakeholders, and to develop a CBT network based on what already exists. Some participants specifically mentioned organisations that have been involved in CBT development, such as the Haburas Foundation. This NGO has helped to organise two CBT initiatives, while a third was under construction. The Haburas Foundation is developing a network that will connect these three CBT initiatives with a cooperative in Dili, which then links to travel agencies outside Timor-Leste to attract tourists. Extending CBT network development based on the progress of the Haburas Foundation may be an optimal way to progress the network implementation. However, the Haburas Foundation strongly advocates a

cooperative model, and considering that there are other tourism models that have been developed in Timorese communities that could become part of a CBT network, tensions may arise over the vision of the Haburas Foundation.

Another important organisation to consider is the newly-registered tourism association the Tourism Centre Timor-Leste. It is expected that 120 operators will join the association. One participant expressed the opinion that a CBT network could be a subsidiary of the Tourism Centre Timor-Leste, which could ease the implementation and the related bureaucracy as Tourism Centre Timor-Leste is supported by the Timorese government. On the other hand, the Tourism Centre Timor-Leste is a private sector organisation and their vision may be at odds with the rural and community development agenda of CBT. The previous experience of developing tourism associations could be considered to avoid past mistakes.

7.2.3. Information access and capacity building

The second most popular theme mentioned by all except three participants was information access and capacity building. They acknowledged the lack of understanding of tourism by local residents, issues of information access and the necessity of training and education. A total of 104 comments related to this theme.

Lack of understanding of tourism is one of the challenges faced by tourism development in Timor-Leste, since tourism is a new concept for the Timorese. As described by research participants, most of the population have never travelled for leisure, let alone worked in a tourism enterprise. Several foreign residents commented on the lack of a “culture of tourism”, including the following:

“I was asked by one of the Timorese students: why do foreigners like to travel when they have holidays? And I thought that was very revealing that Timorese don’t understand at all what we want to achieve, when we go to their village”.

Another foreign national suggested the following: “They don’t understand why would you leave the security of your village to go somewhere you don’t know. There is no culture of travelling here”. A Timorese participant responded to the comment about the

culture of travelling in a following manner: “It’s not because they don’t have a culture to travel, just their economic capacity is not enough. It’s same as we see in Areia Branca (a tourist area in Dili): initially there were many-many ‘malae’ (foreigners), but now Timorese are going out there, because their economic capacity is increasing”.

One foreign national suggested that the understanding of tourism could be increased by taking a Timorese resident who is interested in developing CBT on a tour from one district to the one he/she has never been to, or even better overseas. Following the trip certain questions could be asked to help reflect on the experience. For example, what he/she enjoyed, what was expected, what could be improved in the place visited, what were his/her needs and desires while on the tour. Those who understand the concept of tourism and the way it operates may also still lack knowledge about CBT and how it differs from other forms of tourism, and how to develop a network of CBT initiatives may be even less clear.

It is generally agreed by participants that there is a lack of capacity to develop such a network. This capacity problem is especially focussed around discussions about who could lead the network development. Participants did not mention individuals who might initiate the network. Instead, reference was made to organisations or even stakeholder groups, for example government or NGOs. Regarding the network structure presented to research participants, which included the management team of tourism professionals and a directorate, one participant suggested the following:

“This is the directorate that may own the network, but would not know what to do with it. Maybe you have to think about the term used for this group... The people in the management team have to be very good to manage all this”.

Other participants were concerned whether the Timorese can understand the needs of tourists and how to provide good tourism experiences. If tourists do not enjoy their visit and CBT in Timor-Leste cannot offer a competitive product, CBT generally and the CBT network in particular will not be economically sustainable.

Ongoing training and education are required to develop the skills necessary to operate any tourism enterprise including CBT. One foreign national suggested specialised

training: tour guiding, housekeeping, and cooking. Education is also required to create the ability within communities to understand the tourism potential within the area, how better to manage the community to respond to tourist demands and also how to organise the community. As one village chief suggested: “We need someone to come and show us what we can do to attract tourists and get more income from them”.

A number of education providers appeared to provide tourism courses, although the practical value of these courses and their applicability to CBT and rural development may be questionable. One participant suggested that education providers could be included into the network structure. At the same time it was not only the Timorese who would require education, as four participants also suggested that tourists themselves have to be educated on how to behave ethically and responsibly in Timor-Leste. They suggested that prior to arrival or upon arrival tourists might need to be provided with information about local customs and culture and about what constitutes appropriate behaviour.

Information access is another issue, and there is a general criticism by participants that too much power and knowledge is concentrated in Dili. The flow of information out of Dili into districts is also considered to be quite low. Further, considering that most people and transport move to and from Dili rather than between the districts, information exchange between the districts appears to be difficult. It is noted that those who participate in CBT initiatives in districts generally do not travel or keep in touch with CBT initiatives in other districts. A few trips have been organised, for example by the Haburas Foundation, but it does not appear to be an ongoing practice. Several research participants noted that information and contact exchange between CBT initiatives was necessary, especially to provide tourists with information about where they could go, where they could stay and to book rooms, tours or meals for tourists at other CBTs.

Three tourism sector representatives, two NGO representatives and two representatives of education institutions, that include both Timorese and foreign nationals, stated the need to use local knowledge and local context in developing CBT. Moreover, the research respondents suggested that a CBT network development process needs to

respect local customs and the way things are done in each community, and that it is more appropriate for the network to have different local structures instead of imposing the same one in each community.

7.2.4. Funding

Funding is the third most prominent theme of discussion. Most of the commentary considers the question that asks participants about appropriate sources of funding for the proposed CBT network (74 comments). An additional twenty five comments were from fifteen respondents related to funding but in response to five other questions. Views on the funding issue are divided into two major groupings: external funding and self-funding through CBT initiatives. Fifty three comments supported various options for external funding, while twenty one supported the self-funding concept. The common argument for external funding was that Timorese residents involved in CBT have inadequate means to support the network. As suggested by the representative of the tourism association, commercial operators also lack the capacity to finance a network of commercial tour operators for effective network operations.

Proponents of self-funding argued that without investing into the network, the members would have less interest and consequently would contribute less to the success of the CBT network. In their opinion self-funding, as is the case with all types of investment, should ensure that members have a sense of ownership and responsibility for the network. Twelve respondents suggested that both approaches are applicable. Most of these participants suggested that initially external funding is necessary and at later stages, when CBT is well established in Timor-Leste and there is a constant flow of tourists, self-funding instruments should be implemented and external funding reduced. Considering the arguments that have been provided in defence of self-funding and external funding, it may be concluded that CBT initiatives need to invest in the network in order to build a sense of ownership, but not necessarily fund all the activities. Therefore, self-funding and external funding can be complementary: CBT initiatives can contribute with what they can afford, while external funding can provide for the additional funding necessary for efficient tourism development.

There are also different sources of funding suggested by the participants within these two groups. For external funding the most popular option was government funding (28 comments). The second most common response was funding by international organisations (13 comments). Organisations named include the UNWTO, foreign aid agencies and Australian Youth Ambassadors for Development. Six comments were made in support of funding from non-government organisations. Funding from tour operators received support from two participants. Another two participants proposed fundraising events and donations to generate revenue. One participant suggested that fines for damage to the environment from tourist activities could also contribute to CBT network funding. Self-funding options included two approaches: membership fees for CBT initiatives or surcharges on tourist products and services. However, one participant raised concerns about whether a surcharge will be effective, because some tourist segments are very price sensitive. Proponents of the surcharge (six participants) noted that the kind of tourists that are interested in CBT and ecotourism will be willing to contribute to initiatives that will result in improvements to local livelihoods; and that adding several extra dollars into the pricing will not be a problem, especially if the reasoning is communicated to tourists.

There were some differences evident between stakeholder groups in relation to funding. Only two CBT representatives supported the self-funding idea (one Timorese and one foreign national), while most participants from this group supported government and/or international organisation funding. This may be attributed either to the knowledge of CBT participants that they have insufficient resources to sustain the network, or their lack of willingness to devote the relevant funds. Out of six 'other tourism' representatives, five (four foreign nationals and one Timorese) suggested that government could provide funding, while three participants also refer to the self-funding option. Representatives of NGOs were the strongest supporters of self-funding by CBT initiatives, which may be attributable to the community development goals of NGOs and their stated interest in developing cohesive communities that were independent and capable of deciding their own future. Community leaders viewed government as being responsible for financing the CBT network. All education sector representatives preferred mixed financing from both external sources and members themselves, rather than relying on one source. Research participants from the

government suggested that government funding may be obtained for a CBT network. Overall, no substantial differences were evident between the opinions of Timorese and foreign nationals.

7.2.5. *Power balance*

Funding has a close relationship to another theme covered by research participants: power relations (88 comments from 29 participants). One respondent commented on this relationship as follows:

“In the perfect world money come down from heaven and there is no accountability and you can just roll out what you are trying to do, but it’s never like that. Some of the NGO moneys are more like that than the government money. It has the advantage of being less related to the local politics, but then it has also its weakness, as it does not relate back to local politics”.

The source of funding to some extent affects any project and while eight participants explicitly suggested that the prospective CBT network should be independent, some raised concerns that reliance on external funding will threaten this independence. One participant asked:

“Is this a government program? Who tells who what to do? Is it communities standing up to the government and saying ‘hey, government, we’re doing community-based tourism here... where is our electricity, water and sanitation’... or you have government coming down to them and saying ‘you should be doing this and that’?”.

A variety of subthemes were covered in relation to power balance. Complex power relations are likely to occur in a CBT network development process as a result of involvement by different groups of stakeholders, each of which has interests. Nevertheless, as previously indicated (see section 7.1.2) research participants would prefer to involve all stakeholders in the development process. The majority of power balance related comments were made in answer to the question about managing community expectations and at the same time preventing any disadvantage to local residents as a result of tourism development (34 comments).

Sixteen participants suggested that the network should manage the relationship between tourism and communities to ensure that both sectors have opportunities for development. The respondent opinions may be summarised as the follows: while a network should be able to ensure that tourism is profitable, it has to balance economic benefit by the private sector with employment opportunities for local residents, ensure that wishes of communities in terms of how their land is developed for tourism are met, and mitigate negative environmental and social impacts.

Six participants suggest that monitoring is a function of government, arguing that the government should implement and enforce laws that will maximise benefits for local residents. However, several examples made by the participants suggested that government capacity for conflict resolution between stakeholders requires improvement. Two foreign nationals mentioned that intra-community conflict resolution might become another function for the CBT network.

According to the process of network development as presented to participants, discussions between representatives of different stakeholder groups will be required to establish the network. These discussions will allow stakeholders to see how their interests will be met through participation in a CBT network. Four participants noted that everyone must be able to voice their opinions equally to build a consensus about how the network should be developed. Furthermore, three participants mentioned fairness of representation and operations. One participant suggested that social class and subordination need to be avoided, while another participant notes the following:

“[CBT network] can be easily corrupted and direct tourism in someone’s relatives business interests and not be independent. It will need some sort of clear anticorruption framework”.

Two other participants warned about possible conflicts of interest, and some ways of reducing such risk are suggested as: involving overseas partners in management; to ensure that different ethnicities and geographical areas are represented; ensuring transparency, especially in terms of financial flows and recruitment; designing clear contractual obligations for each party; limiting tenure of the management team; electing

the directorate; and enabling all involved to monitor each other. Four participants raised the question of who is going to decide which organisations and/or individuals can participate in the network, and which cannot. The question of who assumed responsibility for organising the network in a fair and transparent manner, that will align interests of all the stakeholders, is of major importance.

Another issue related to the question of involvement of village chiefs in network activities. Originally, the majority of the exploratory stage participants suggested that village chiefs may be represented as part of the directorate. Four participants opposed this idea: three of them are foreign nationals and one is Timorese. The arguments put forward by foreign nationals were about conflict of interest and consolidation of power in the hands of village chiefs. Village chiefs in Timor represent the highest local authority and often they take advantage of their power. Considering that most chiefs are men, women's rights are of concern. The motivation by the Timorese participant was different. He suggested that village chiefs were too busy with other duties and will not have enough time to participate in the network. Interestingly, another participant who represented CBT explicitly noted the importance of chiefly involvement. The role of village chiefs could be limited, but due to Timorese culture it would be necessary to involve village chiefs in some capacity at least during the preliminary development of the network.

The theme of power balance was primarily mentioned by foreign nationals. A specific focus of this group of participants was on managing the relationship between communities and the tourism sector and on restricting the power of different stakeholders in the directorate and management team. The theme received higher importance among four stakeholder groups: CBT, other tourism, NGOs and community leaders. However, education providers and government rarely commented on this issue. While CBT representatives and NGOs commented on different aspects of power relations, other tourism sector and community leaders focussed specifically on the relationship between communities and the economic sector. This hints to the tension between local residents, who are not necessarily involved in tourism, and tourism development.

7.2.6. Network development suggestions and barriers

Sixty six comments were made by participants regarding the organisation of the network and its structure. The network development discussion gathered comments that discuss both the external environment in which the network is to be developed, and internal nuances that may assist or hinder the development. Within this context external environmental factors were those that cannot be easily influenced by stakeholders of the CBT network. The greatest concern associated with external environmental factors was the state of physical infrastructure and telecommunications. Thirteen comments were made regarding this subtheme. Research participants were concerned with the constraints that the current unsatisfactory state of infrastructure poses for tourism development. Bad roads limit travel to some rural areas of Timor-Leste and extend the time required for travel. According to research participants the state of the roads adds stress for travellers and contributes negatively to their experience. Limited electricity also creates problems for tourists and for tourism entrepreneurs. Expensive telecommunications with limited coverage create reservation and booking related issues. All of these limitations are also applied to the network concept, since communication is of central importance.

Pragmatic issues of infrastructure affected the choices of some participants regarding the level of integration and interdependence between members. Two participants suggested that it was impractical to have high interdependence, since more face-to-face and tele-communications would be required. Another external factor mentioned by one foreign national was political instability. Since most participants envisaged a substantial role for government in developing the CBT network development, political will can either help to establish or constrain the network. Political instability will reduce tourist flows and consequently will postpone any tourism development in the country.

Land tenure regulation was another external issue mentioned by three participants. Customary and modern laws that apply to land tenure may create difficulties for individual CBT initiatives, and this has already been evident in practice. For example, one ecolodge has been closed for almost a year due to disagreements between the landlord and the managing NGO. As explained by several research participants familiar

with the situation, the landowner used to work at the NGO and agreed to lease his family land for construction of an ecolodge that the NGO would manage. The contract agreement was signed for ten years from 2001 to 2011. However, when the contract expired the landowner did not want to extend it, even for higher rent.

The researcher was privy to two explanations for the landowner motivations. First it was alleged that the landowner was disappointed, when the NGO could not pay him during the political crisis in 2007. There were no tourists arriving at the ecolodge at the time and the NGO was in financial trouble. The second version was that the landowner got a better rent offer from a private person. While the dispute continues the ecolodge is closed. This has a negative impact on the tourism dependent community and on the tourism financed NGO activities. One foreign national suggested that this situation was rather common in cases where there was an agreement to extend lease contracts, but where the extension did not proceed. Another participant explained the Timorese relationship to the land as follows:

“The land is not owned by anyone, but it is used by the community. And community can invite you to do something on their land. But then at some point they may decide to take it back. So the idea of building something on the land that can be taken away from you does not appeal to foreigners”.

Participant comments on internal challenges and options included a variety of subthemes from suggestions of structure and considerations for the network development process, to more philosophical and attitudinal remarks. Five participants stated that the purpose of the CBT network was to develop the local economy and not specifically tourism: to provide a market for local goods, to provide employment and to stimulate development. These participants suggested that the ultimate goal of developing the local economy must be remembered throughout the network development process. Two participants noted that this needs to be kept in mind when defining the CBT, as this should be consistent with the goal of local economic development.

Seven participants, including six Timorese, suggested that the network could be built from the local level up to the national level. This means that the initial local networks would be developed within communities (or between several closely located communities) where tourism was already established, and with the advantage of this head-start, these local networks would be united into a national network. One participant noted that intervention could depend on the circumstances of each community. Despite the fact that tourism is a new phenomenon for Timor-Leste some areas are more developed than others. For example, one participant pointed out that Atauro Island has multiple low-scale accommodation options, and in this setting a local network could be organised and be represented by elected persons at the national level. Another participant suggested that all districts should be represented. However, two other participants suggested an initial trialling of the network in a small group.

One participant suggested that a single link from the national to international level would be sufficient. Another participant stated that resources available to develop CBT and the CBT network in particular must be considered in the decision-making. Two other participants noted that practical and technical issues would affect the network development process. The following suggestion was made to the researcher: since there are several phases involved in the development of a CBT network, each phase could be provided with its own organisational structure. This suggestion has merit since research participants suggested that the network must be flexible and to evolve over time (see Chapter Six).

Six participants noted that the network has to progress continuously. Reflecting on previous experience two Timorese participants suggested that little has been achieved through previous tourism development initiatives. Three Timorese nationals and one foreign national also noted that a slow pace of development should be accepted. These comments combined suggest that in order to succeed the network must constantly progress, even if this occurs at a slow pace. Some participants made the following suggestions on how to achieve this: strong governance, flexibility of structures, development of clear rules and development plans, a network based on the current 'real' situation in Timor-Leste and international tourism market, and to not avoid difficult questions.

The ‘reality’ concept appeared in the comments of seven participants, mostly foreign nationals. It can be interpreted as follows: the information about tourism ventures need to be truthful, complete and reliable; and the pricing must consider the quality of products offered and be competitive with other destinations in the region. One foreign national also suggested that CBT should be developed exclusively on a commercial basis. Two foreign nationals suggested that close supervision, most likely by foreign experts, would be required to create competitive tourism products. Involvement by women and championing women rights were mentioned by three participants. One foreign national noted that ultimate success would depend on a sense of optimism among the people involved. Another participant concluded that the success would rely on the individuals involved. Overall, these themes unite many different subthemes and comments that were made by all stakeholder groups proportionate to their size. Differences of opinion between Timorese and foreign nationals were mentioned throughout the section in relation to subthemes.

7.2.7. Leadership

Following a comment from the previous section that the success of the CBT network depends on individuals, this section will discuss the leadership theme. Forty nine leadership related comments were made by the research participants, with some suggesting the characteristics necessary for ‘champions’ to establish and manage the network. Nine participants commented that leadership was one of the implementation challenges for the network. Additionally, two participants noted that achievement of consensus amongst stakeholders would depend on the leadership skills of those initiating the network. Three participants noted that well-established leadership skills would be required for the professionals who form part of the management team. Discussions within this theme can be divided as follows: the number of personnel required for the management team; background of candidates for management team positions; and professional and personal skills necessary for the management team.

Several participants expressed an opinion that the number of people involved in the management team would depend on the resources available. In the words of one participant: “You’re likely to have a management team of one”. Two foreign nationals suggested that one person could be a full-time paid manager, while other management

team members could be part-time employed. One respondent also suggested that the professionals forming the management team could be on secondment from other organisations. Three participants suggested involving students and/or young Timorese into the network activities. Another three participants, all foreign nationals, suggested involving volunteers. There are a number of overseas volunteers working in Timor-Leste with their organisations providing funding for these programs, therefore running the network development as a volunteer program could potentially solve problems of both funding and leadership. The effectiveness of volunteer programs is doubted by several other participants, who would prefer to see employed professionals in the management team. One participant also noted the following: “Don’t get a fresh graduate to do this”.

A large number of comments regarding, who should be involved in the management team were around the nationality of the network managers. Five research participants, who were all foreign nationals, expressed the idea that a foreign national would have to manage the network. A number of reasons were covered by these participants, including the following: lack of expertise among the Timorese, favouritism of Timorese towards their ethnicity and/or region and lack of discipline. Three participants (two Timorese and one foreign national) preferred a Timorese manager. Considering cultural nuances, language barriers and necessity of complex negotiations, a Timorese, in the view of these research participants, may have a higher chance of successful mobilisation of communities to develop CBT and integrate dispersed initiatives into a network.

Four participants (three foreign nationals and one Timorese) suggested that the management team could include both foreign nationals and Timorese. Foreign nationals would transfer the knowledge about tourism development to Timorese counterparts, which in turn could effectively communicate benefits of a CBT network to various stakeholders. Foreign professionals could also possess knowledge about the standards that are required to develop a successful tourism destination and know the preferences of target market segments. However, as suggested by one participant effective communication within Timor-Leste between the CBT initiatives and communities could be achieved only by Timorese. Another Timorese participant

expressed the opinion that it does not matter where these tourism professionals come from.

Thirteen participants suggested that those employed in the management team should possess knowledge about tourism and have experience in undertaking similar projects of establishing a CBT network. Five participants suggested that knowledge of the country should be a recruitment criterion. Four participants noted that the management team could be recruited among those already involved in CBT in Timor-Leste. Long-term commitment was another criterion proposed by four research participants. Other comments made regarding the skills desired in the management team members were about personal rather than professional skills. Ten research participants (seven foreign nationals and three Timorese) mentioned one or several of the following personal traits: proactive attitude, enthusiasm, emotional intelligence, ability to build relationships and ability to learn. Five participants also mentioned communication skills, and a further one participant specifically mentioned that ability to listen is important for initiatives like a CBT network. Two participants also noted that the management team should not be involved in this initiative because of money.

Research participants were also asked to suggest candidates for the leadership role. The absolute majority of answers to that question can be described by the following quote: “the potential candidates... who knows where you can find them?” None of the research participants expressed interest in leading the development of the network. The comments about leadership were made by all the representatives of the ‘other tourism’ stakeholder groups and by the education sector. In comparison, the proportion of the comments from CBT and community leaders was small. The absolute majority of comments in this theme, thirty four, were made by foreign nationals compared to eleven comments by Timorese respondents.

7.2.8. CBT branding

Forty seven comments were received from twenty seven research participants regarding the role of the network for the development of a nationally cohesive and complete CBT brand. The majority of responses in this theme were made by foreign nationals (thirty comments by foreign nationals and seventeen by Timorese). A large number of

comments were made by representatives of CBT and other tourism sectors and NGOs. This can be explained by the fact that these groups have been more exposed to tourism and were likely to have gained knowledge about the importance of marketing and promotion. Thirteen comments, all from foreign nationals, referred to the necessity of raising the standards of tourist facilities and services to be able to meet visitor expectations and compete internationally. This may be explained by the lack of exposure of Timorese to the international tourism market. The views on standards expressed by the participants can be expressed by the following quote:

“They got away with having things that are pretty ordinary, because there’s been a huge demand from the UN and others, like that place... where they don’t change the sheets, but there is just nowhere else that one can go, so even if it’s disgusting there, you still have to stay, whereas normally the market forces determine that if place is no good, no one stays there, and that will be the case soon”.

The reliability of bookings is another subtheme in discussions around the CBT brand. A tourism sector’s representative expressed the following concern:

“Maybe [standards development] can start with a very small amount of assessment. This would go as much to the physical structure of the place as well as to the reliability of the communication and bookings systems, which we find as a major failing. We book, we confirm, we book, we confirm, we show up and they gave away rooms”.

One participant suggested that the network will have to perform a sales and reservations function on behalf of individual CBT initiatives. Nine comments were made by participants suggesting not to forget the tourist perspective and to ensure that the CBT development responds to the needs and wishes of tourists. These comments reaffirmed that expectations of visitors should be met in order to maximise benefits for local residents. In the opinion of respondents who approached the CBT from a tourist perspective, the network will help in creating appropriate tourist products and services that will result in greater visitor satisfaction and will attract larger tourist numbers to Timor-Leste tourists.

Two participants noted that ethical and responsible tourists should be targeted. Marketing tools might be able to help attract those segments of the tourism market that

will be more environmentally-friendly and culturally sensitive. Four participants saw the marketing and promotion role of the network as one of its key functions. This function has to include promotion of Timor-Leste as a responsible tourism destination to both international markets and to those living and working in Timor-Leste.

Seven participants, five of them Timorese, suggested that areas with high potential for CBT development could be mapped. The mapping of a CBT potential project has been completed by NGO Haburas Foundation in June 2012 (Business Timor, 2012). The outcomes of the mapping exercise will allow understanding of which areas have a potential to be developed into CBT destinations and may attract government and NGO support for communities to get involved in CBT. Six participants expressed an opinion that the CBT network could lobby tourism, especially CBT, to other stakeholder groups. Lobby activities, in the opinion of participants, would include advocating appropriate regulations and policies from the government that will ensure higher benefits for local residents from tourism activities. As expressed in section 7.2.5, the relationship between communities and tourism has to be carefully managed. The CBT network can then lobby community interests to the tourism sector and investors. Five participants expressed the view that a CBT network will be able to create a cohesive and ‘complete’ CBT brand in Timor-Leste. In their opinion, joining dispersed CBT initiatives will help to create itineraries that will provide a variety of activities and experiences to visitors. At the same time a network can create a distinct and recognisable brand.

7.2.9. Communities-specific comments

The following two sections discussed the comments that specifically address two stakeholder groups: communities and government. Forty comments were made in relation to communities by twenty three respondents. The number of comments is divided proportionally into the number of Timorese and foreign nationals who participate in the research, with more comments coming from community leaders and from other tourism sector representatives. This may hint again to the conflict between the industry and Timorese communities. The comments that were received were either expressing perceptions about characteristics of Timorese communities, or discussing what rights and responsibilities should be delegated to them.

Eight participants, five of them Timorese, suggested that the network management team will have to work with communities around Timor-Leste mobilising and inspiring them to start or further develop tourism. One participant noted that so far government and NGOs have not managed to inspire communities, and communities appear to be represented as passive actors who require external motivators to stimulate activities of community residents. Three research participants (two Timorese and one foreign national) expressed the concern that Timorese people generally lack initiative. Another three comments were made suggesting that Timorese lack discipline. One foreign national expresses the following opinion in relation to this:

“People do work very hard, particularly on their own initiatives, on their own farms. But people who work in organisations don’t have a culture of working hard. There is not this kind of entrepreneurship in private industry or government that we ought to make the best contribution we can in order for the organisation to go ahead... And it’s related to the idea from Indonesian occupation that if you put your head up, you’ll be in trouble. So, there is practice to do as little as possible in order to be not noticed”.

Six participants, five of them Timorese, agreed that mentality or culture in Timor will have to adapt. According to these participants, Timorese will have to adjust to reap the benefits in the modern world, to be more open, pro-active and entrepreneurial.

Participants suggested that the network managers will have to work closely with communities. Seven participants, of whom five were foreign nationals, urged not to promise too much to the communities in terms of the outcomes of CBT development. This is necessary to keep expectations realistic rather than raise them too high and then find that community residents are disappointed by the outcomes. Four participants (including three foreign nationals) noted that communities need to see the benefits of CBT. Two participants specified that some positive outcomes need to be achieved in the short-term to strengthen the positive image of the CBT network. The same two participants supported the idea of starting small, and trialling a small number of more successful communities. One participant expressed the following opinion:

“The developments are not going to happen equally, it’s about making smart decisions about where it’s going to sprout. I’d put my energy into a small number of villages... I’d keep the program national, but I’d put some effort only into a couple of places... I wouldn’t say that to the outside world... But I’d try to get some quick wins in the first four years of operation”.

Another participant made the following comment: “Nothing succeeds like success... If it works, more people will start getting involved”. Five participants, mostly Timorese, suggested focussing CBT network development in communities which express an interest in the idea. These comments relate to the idea that CBT development cannot be based on a top-down approach. Four Timorese participants suggested that communities could be involved in the management of the network. One of these participants suggested that the whole community can be involved in a variety of CBT network-related roles. On the contrary, one foreign national questioned involvement of communities as such, and suggested that it is CBT initiatives, who have to be involved, not whole communities.

7.2.10. Government-specific comments

Thirty three comments were made by nineteen research participants regarding the government role in CBT development. The majority of these participants believed that the government should have a central role in CBT network development. Twenty eight comments were made almost equally by foreign and Timorese nationals suggesting that government should be persuaded to implement the CBT network and take a key role in CBT development. Eight participants suggested that one of the implementation challenges was to get the government ‘on board’. However, government representatives that participated in the research suggested that the project is of interest, and can be facilitated by the government.

Two participants expressed the opinion that government representatives could be involved in the management team. As indicated earlier most respondents also expressed their preference for government funding of the CBT network. However, three foreign nationals urged not to allow government to seize control of the CBT and only allow facilitation of the network development. Five research participants suggested that the

CBT network idea could be promoted to various government leaders. One participant expressed the following opinion: “Initially the line of attack should be to engage government... It’s a pity that Ramos-Horta (president of Timor-Leste in 2007-2012) is not there, because his little tourism events department would’ve loved this”.

Another participant suggested the following action to promote the idea: “Write a project idea with costings. Then float it around and not just to government, but through other people too. It may take a long time, depends on the perspective of president or prime-minister”. The above comments suggested that getting one of the key persons from the government ‘on board’ may be a key factor for successful network implementation.

7.2.11. Sustainability

Eighteen comments were made by eleven participants about the sustainability of the CBT network. In previous sections some comments related to this theme have been already mentioned, such as the perception that previous tourism-related projects were short-lived and delivered less than promised. The short-term focus of these projects and their reliance on external resources were seen as weaknesses by research participants that provided comments on this theme. Research participants suggested that plans for ongoing long-term operation need to be made, and this appears to depend on the human and financial resources committed to the CBT network.

Four participants suggested that long-term commitment to the CBT network could be one of the recruitment criteria for management team positions. Another possible solution is structured training and planned knowledge of transfer from those committed to the network for the short-term to those who will continue with its management. The continuation of knowledge necessitates assurance. Some research participants expressed concerns over the funding, since it is likely that the network will require external funding, securing ongoing financial support will be necessary for sustainability of the network. In the opinion of eight research participants, commitment to the network is required from representatives of all stakeholder groups, and this was perceived as one of the implementation challenges.

The theme of long-term commitment and sustainability was discussed more by foreign nationals. As one foreign national suggested, it is less common for the Timorese to

think in a long perspective, since for a long time during the Indonesian occupation the Timorese were not able to plan for the future and had to focus on immediate survival. All the themes presented above will be further discussed in section 7.4 and reconciled with earlier findings and the literature.

7.3. Roundtable discussion outcomes

A roundtable discussion about opportunities for the establishment of a Community-Based Tourism Network has been organised by the researcher at the National Tourism Directorate, Ministry of Tourism Commerce and Industry (MTCI) on 25th of May 2012 (see Chapter 5, section 5.1.1.5 for description). Five personnel of the National Tourism Directorate including the director were present. One person from the creative activities unit of the Presidential Office also joined the discussion (the unit in charge of organising major events, such as Tour de Timor and Dili Marathon). Representatives of three non-government organisations (NGOs), which are involved in developing tourism in rural areas also attended the meeting. However, there was only one representative of private sector tour operators, despite that the invitations were sent to three other companies. One company did not manage to send a representative due to unforeseen circumstances, another had all staff occupied on tours, the third one did not respond. Tourism business appear to have their resources stretched at that period of the year (end of May) as it is considered high season. The discussion was based on the findings of the research to-date and was aimed at starting the process of planning and implementation of the Community-Based Tourism Network.

The first part of the discussion focuses on explaining the idea of the network, since some participants have not previously participated in the research. Participants agreed that a Community-Based Tourism Network should aim at joining tourism initiatives in rural Timor-Leste to provide sustainable and ongoing support for promotion of these initiatives (including cross-promotion), training and professional development. It should also create opportunities for coordination and develop a common strategy for a CBT in Timor-Leste. Moreover, the network may provide a platform for sharing experiences.

Participants stated that the objective of the network is development of local economies in rural Timor-Leste. All those present at the roundtable discussion agreed that the CBT

Network is a strategy worth implementing, and fits within the government's commitment to developing rural areas and creating a marketplace for local entrepreneurs and cooperatives. Nevertheless, representatives of MTCI noted that the government alone would be unable to implement this strategy. Commitment from rural tourism initiatives, the private sector (through Tourism Centre Timor-Leste, a new national tourism association) and civil society involved in community-based tourism development is required. According to MTCI joining together different sectors and collaborating effectively is a requirement for the implementation of the network.

The participants agreed that involving various sectors is challenging but necessary. The CBT network is a long-term strategy and rapid progress could not be expected, because various barriers will be encountered. One of these is explaining the concept to rural tourism operators and to the local authorities, as this is a long learning process. Furthermore, since the idea of a CBT network is a rural development strategy it is crucial to have the commitment of communities. Other sectors can facilitate the development, but the willingness of people in rural areas who have an involvement in tourism to participate and take ownership and responsibility is highly important. Clear and ongoing communication was another requirement expressed by participants. Considering that the CBT network aims to join tourism initiatives in the districts, telecommunication and face-to-face meetings (which will require transportation) are imperative. An NGO representative noted that even considering the rich variety of partners within each organisation, it could be possible to exchange contacts and reach the organisations necessary for achieving success.

The government of Timor-Leste, in particular the National Tourism Directorate, was prepared to start the process of planning and implementing the network. Representatives of the Directorate expressed willingness to take on the role of meeting organiser with representatives of various stakeholder groups and of establishing a commission or a board to develop and refine the implementation plans. One discussion has to be about defining terminology, such as 'community-based tourism'. Since the primary aim of the network is to strengthen tourism in rural Timor-Leste and the network involves various stakeholders, participants agree that it is important to accommodate everyone and adopt an inclusive approach. Consequently, terms, such as

community-based tourism, may require careful selection of individuals in order to ensure that everyone is included.

Another important characteristic of the network development process is flexibility and the capacity to adapt to changing situations. Non-government representatives present at the discussion welcomed the willingness of the National Tourism Directorate to start the process and facilitate the development of the network. Government involvement in the process is crucial, though as noted by one of the government representatives, the government should not dominate the process. Furthermore, interdepartmental collaboration will be necessary for government to start this initiative. Firstly, a plan has to be developed by the National Tourism Directorate with broader Ministry of Tourism, Commerce and Industry involvement about how the development of a network can proceed. Budgeting will then be required to raise funds from the Ministry of Finance. Another means of raising funds is from the Tourism Centre Timor-Leste and from the partners of participating NGOs.

However, in the opinion of the participants, it is community-based tourism operators who in the end will have to invest into the network and keep it operating sustainably. External funding is required at the first stage of the network development and later should not be depended on for the ongoing operation of the network. Involvement of community representatives in to the CBT network development requires cooperation with the Ministry of State, since the Timorese government established a linear structure of power from ministries to districts, subdistricts and *sucos* (villages). The Ministry of State in this structure is responsible for delegating the power from the central national government to regional areas. The involvement of all levels of power may mean high bureaucracy and slow progress. In relation to this challenge, an industry representative suggested starting from a smaller group of people, and when the network is established to grow it exponentially. Participants expressed concern that the elections that took place in July 2012 could affect the future policies and priorities of the government. Among the results of the election was that Xanana Gusmao remained as prime-minister, while some ministers and the government structure have changed. Instead of a Ministry of Tourism, Commerce and Industry a separate Ministry of Tourism emerged. The minister responsible for tourism also changed from Gil Alves to Francisco Kalbuadi Lay (former Timor-Leste football official). Considering the possible changes not only

to government, but also to other stakeholders, the following comment made by an NGO representative appears important: “it is important not to depend on one party, but everyone to be proactive”.

The roundtable discussion was productive, and it was agreed by the participants that the outcomes of the present research can serve as a reference for future network development. Even though the research was incomplete at the time of the discussion, participants expressed their view that it had already produced valuable information. A general consensus on the importance of the CBT network and importance of starting the process of collaborative development of this network has been reached. This is a first meeting to discuss the initiative and it created a constructive exchange of ideas. Participants agreed that it is important to keep meeting, developing plans, refining them, implementing and assessing the results.

7.4.Discussion and amendments to CBT network model

The evaluation stage of the research has proved to be a valuable addition to the results. It further enriched the data and allowed testing of whether the research was moving in the correct direction, as perceived by participants. This stage of the research was better aligned with action research characteristics, especially the roundtable discussion. The research participants were asked to consider the possibility of implementing the suggested CBT network, the challenges that are likely to be faced and the ways these challenges may be overcome. In the previous stage of the research only three out of thirty nine participants disagree with the idea of a CBT network. At the evaluation stage only one participant would refuse to participate in the CBT network, if it was to be implemented. The absolute majority of research participants agreed that the CBT network as presented – at least in theory – can be a positive and helpful entity.

Three participants did not agree with the model presented (see Appendices 3-5), while other participants suggested some non-fundamental changes. Many of the comments provided by participants repeat and reinforce ideas that they have expressed in previous interviews. Respondent views about the guiding principles of the network and its governance were divided during the exploratory stage of research about how centralised and interdependent it should be, and whether the organisation should represent a forum or a more integrated ‘federation’. In the evaluation stage the preliminary model based

on a 'federation' concept with a dual centralised body of directorate and management team did not receive much questioning from the supporters of the forum.

Based on the comments provided by interview participants and also in the roundtable discussion it was suggested that the network will evolve and change over time and therefore the way it is governed and managed will also evolve. Participants again highlighted the necessity of training, marketing and promotion, establishing communication between tourism businesses and tourists and lobbying the government in the interests of CBT and communities. The main challenges of the CBT network establishment can be expressed as the following: human resources, financial resources, involvement of all stakeholders, leadership, long-term commitment, managing expectations and communication. These factors to a large extent are similar to the Pro-Poor Tourism implementation factors (Ashley and Haysom, 2006, Tolkach *et al.*, 2012). Government was perceived as the main source of funding for the network and a highly important stakeholder for this development. Similar opinions were expressed by participants at the exploratory stage. Geographic distribution of the network that was considered appropriate by the participants needs to be based on the current level of tourism development in communities and the interest of communities in developing or further advancing tourism in their locality.

One of the intentions of the evaluation stage was to find one or two key people who would be interested in taking on a leadership role in implementing the network. These people have not been found. Research participants would refer collectively and ambiguously to different groups and will not suggest that they know a person or several people capable and willing to implement the network. Often research participants said 'we' or 'they', and talk about 'civil society' and 'government' rather than about more specific bodies, such as individual organisations and government departments. The majority of research participants in the interviews suggested what the researcher was supposed to do with the network, putting the responsibility of its implementation on the researcher. Some comments would suggest that the CBT network model presented was seen as a subjective idea of the researcher, rather than a reflection of ideas collected from a range of stakeholders with diverse backgrounds. Moreover, the overwhelming number of participants who suggested they could be advisors or facilitators may highlight little commitment to network development.

Considering all of the results presented in this chapter the network development process can be broken down into phases, and a separate structure could be necessary for each. These are as follows: steering committee formation, recruitment of the management team, funding strategy, development of standards and principles, development of the operational plans and launch of the network. The following sections of this chapter propose and discuss each of the various phases.

7.4.1. Steering committee formation

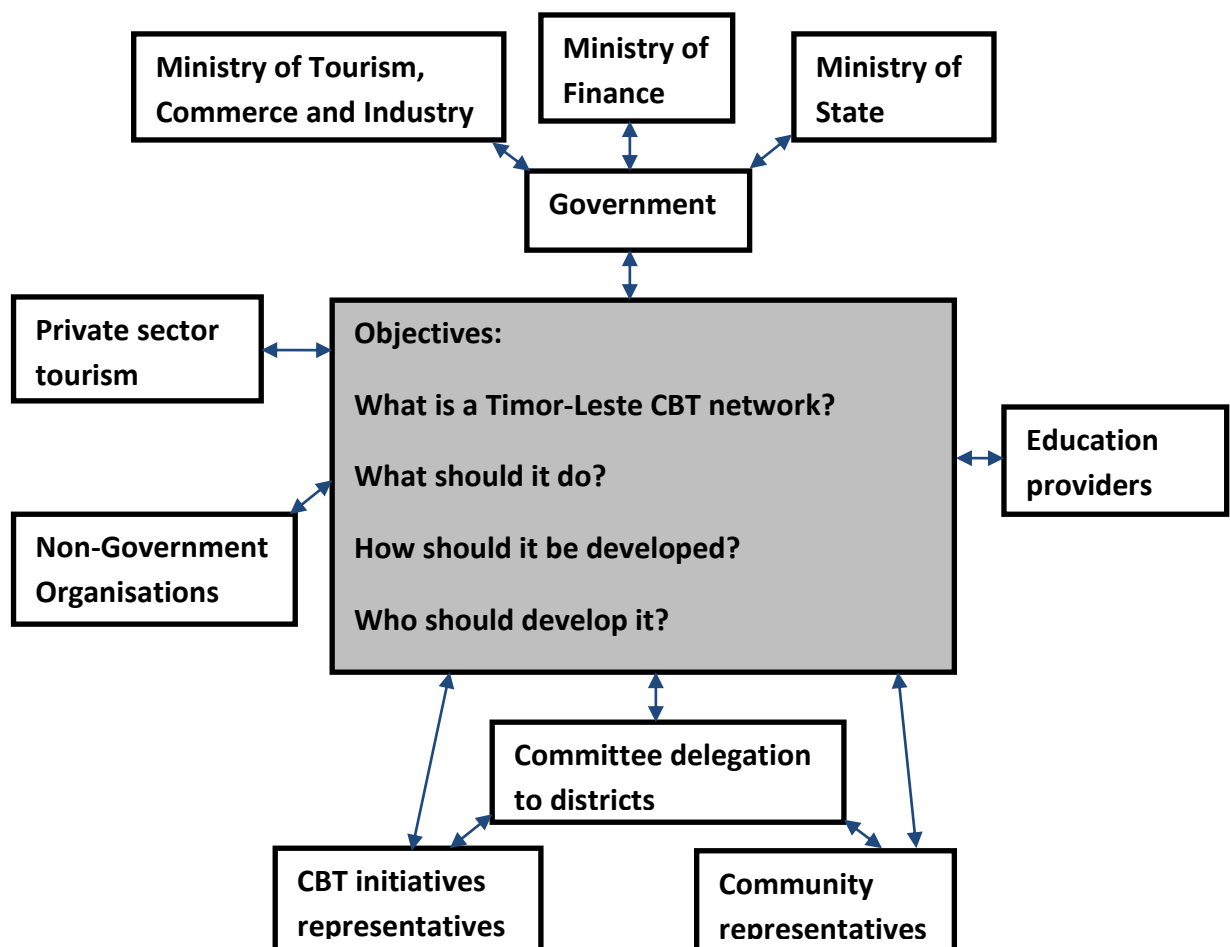
The first phase of the network development requires the establishment of a steering committee, which has to discuss and agree on the guiding principles of the network and how it should proceed. It will have to establish the terms of reference and define the concepts that will be used, such as community-based tourism or network. The adopted definitions should be clear, easy to understand and relevant to Timor-Leste. The objectives of this phase are to identify what the CBT network is, what it is supposed to do and how it can be developed.

Especially important is to identify organisations and individuals that are able to add value to the network. The steering committee can be a continuation from the May roundtable discussion. Since the Department of Tourism agreed that it can ‘kick off’ the network development process, further meetings can be located at the Ministry and be facilitated by the department staff. As indicated in section 7.3 since collaboration is required among the wider Ministry of Tourism, Commerce and Industry (where Department of Tourism is located), Ministry of Finance and Ministry of State, representatives of these ministries should also be invited to participate in the committee. As the research participants agreed to an important role for government in the CBT network development process, this approach fits with the wishes of the participants. Locating a tourism network within a government body has also been practiced in other countries, for example in Nepal (Sustainable Tourism Network, 2011).

During the early stages of development the committee can be represented by all stakeholder groups identified in the present research. The experience of organising a roundtable discussion in Dili has shown that attracting stakeholders from other districts is extremely difficult, but nevertheless very important. If that cannot be achieved, representatives of the steering committee will need to visit the districts, discuss the

agenda for upcoming meetings with the CBT and/or community representatives and present the results back to the steering committee. Communication with the districts is important for the empowerment of rural areas – which are the intended beneficiaries –, employing a bottom-up approach to development and also creating accountability. These factors have been previously discussed in the relevant literature (Bursztyn *et al.*, 2003; Gilchrist, 2009; Bursztyn *et al.*, 2003; Mendonça, 2004; Miller, 2004; Schärer, 2003; Van Der Duim and Caalders, 2008). The agenda for each meeting needs to be concrete and have specified objectives. In-between the meetings the committee members will have to undertake activities to progress development to the next level, before the next meeting occurs. This is to avoid ‘going in circles’, as expressed by one participant, and ensure that the development is progressing. Figure 7.1 describes this phase of the network development process.

Figure 7.1. Steering committee formation



7.4.2. Recruitment of the management team

Recruitment of the management team can occur at the later stages of the work of the steering committee. Considering various responses made by research participants it is likely to require two full-time staff: one foreign national with expertise in CBT in developing states and one Timorese who has been involved in CBT in Timor-Leste, has an extended knowledge of culture and traditions in different parts of the country and is able to communicate effectively with different ethnic groups and foreign nationals. Knowledge exchange between the two must occur. While it is expected that the foreign national will be able to transfer knowledge to the Timorese in terms of CBT network development and management, the foreign national will have to learn about Timor-Leste from the Timorese counterpart. These two managers can then employ other team members.

Considering the involvement of education providers, the idea of an internship program for students of tourism to participate in the network development and administration voiced by some participants appears logical. Students from various parts of the country can also contribute to the network, as they know local languages and are familiar with the attractions in the area. The steering committee will have to discuss the selection criteria and a source of funding for the appointments. While candidates may be suggested by members of the committee, the selection and recruitment process has to be transparent and democratic, as some of the research participants suggest. This is necessary to ensure that the best suitable candidates are chosen. A possible selection and recruitment process is represented in Figure 7.2.

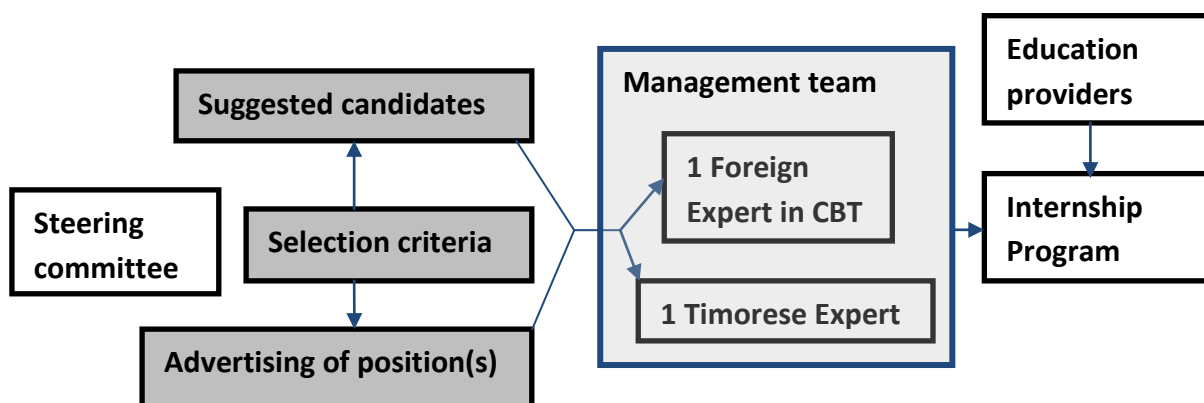


Figure 7.2. Recruitment of the management team

A network development process requires not only technical knowledge and a transparent selection process, but most importantly the building of relationships. In a setting such as Timor-Leste, stakeholder diversity represents a great challenge, as some participants noted. Candidates for managing the network have to unite people from various ethnic and socio-economic backgrounds to work together and to trust each other. Trust has been mentioned in the literature as one of the components necessary for networks to succeed along with transparency, absence of manipulation and equality of stakeholders (Ansell and Gash, 2008; Gilchrist, 2009; Kimbu and Ngoasong, 2013; Robertson *et al.* 2012, Taylor, 2011). Besides the formal relations between stakeholders, the managers should also be able to build informal relations, or so-called weak ties (Gilchrist, 2009; Granovetter, 1973). Moreover, the relationship between the Timorese and the foreign managers should be based on mutual trust and respect, and not be transformed into the foreign national being a supervisor for a Timorese assistant.

7.4.3. Funding strategy

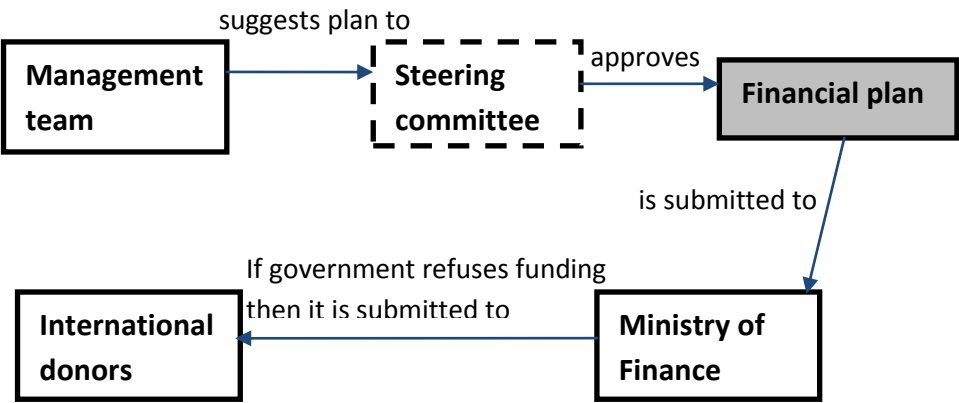
Funding is likely to become a topic of extended debates from the very start of the network development process. Preliminary costs will have to be calculated by the steering committee and the funds to recruit the management team will have to be sourced in the early phases. A detailed funding strategy is likely to be developed after the recruitment of the management team by the CBT expert and his Timorese counterpart. The developed plans with costs for each phase of further implementation of the network and first several years of operation will have to be negotiated first with the Ministry of Finance, since in the opinion of the representatives of the Directorate of Tourism, the government may be able to finance the network, subject to budget allocation from the Ministry of Finance. If government funding is not secured, the management team will have to source funding from international organisations as a second funding option indicated by the research participants.

The conditions of funding from either government or international organisations must be carefully analysed in order to protect independence of the network. While the network requires external facilitation, it has to protect its autonomy. The issue of autonomy of CBT developments has been extensively covered in both interviews and

academic literature (Butcher, 2010; King and Pearlman, 2009; Sakata and Prideaux, 2013; Van der Duim and Caalders, 2008; Zapata *et al.*, 2011). At this stage the functions of the steering committee will be gradually transforming into a consultative, while the operational side of the CBT network development will be delegated to the management team. Secured funding will lead to registration of the network as a legal body. This legal body may be registered as a non-governmental organisation or an autonomous government agency.

The network should also be a non-profit organisation and redistribute profits towards network activities. One of the Timorese participants of the research expressed a concern that there are too many NGO networks in Timor-Leste already. In the opinion of that participant many of them are in direct competition with each other to win grants and acquire external funding from government and donors. By spending their energy on this competition and the search for grants, less time is spent on achieving the objectives of the organisation. The suggested CBT network can easily fall into that trap. Therefore, as another research participant suggests the financial plans have to include transition from external funds to self-funding to secure sustainability. This phase of the development is expressed in Figure 7.3.

Figure 7.3. Funding strategy



7.4.4. Development of standards and principles

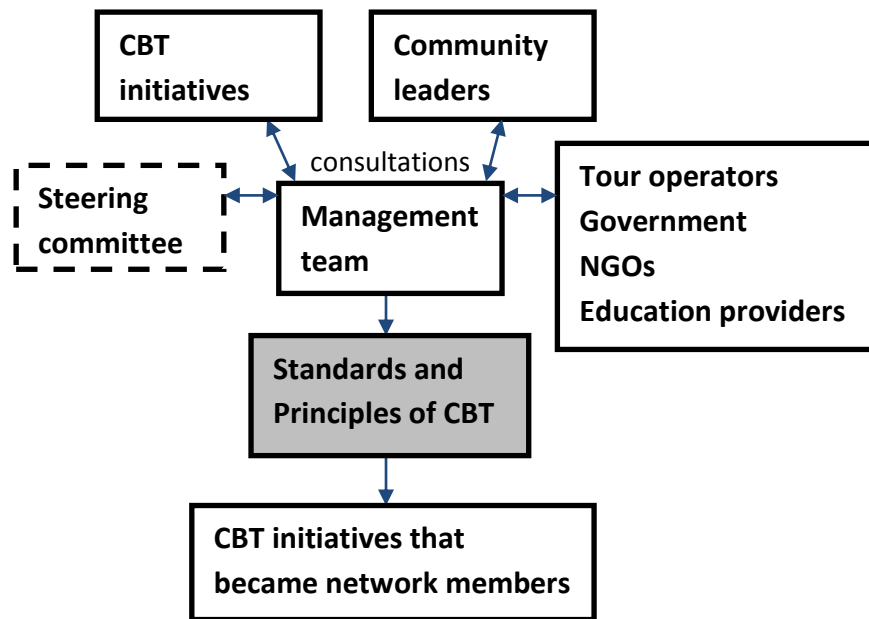
When the funding is secured and the management team is recruited, development of standards and principles may commence. Close collaboration between all stakeholders is required for this phase of the network development. The standards need to meet tourist expectations, and be achievable by CBT entrepreneurs. The standards can be

developed using the materials from other CBT and ecotourism organisations, such as CBT-I (Community-Based Tourism Institute, 2011) or Costa Rica Sustainable Tourism certification program (Rivera and De Leon, 2005). As one of the participants noted: “If something similar has been done somewhere else, no need to reinvent the wheel”. Achieving the task of developing standards and principles will transform the structure of the network once again.

At this stage the management team takes on the responsibility of communicating with all stakeholders, not only the steering committee. The CBT initiatives are also to be closely consulted, and community mobilisation will occur to participate in the network and develop further CBT in their localities as part of the consultations. It is envisaged, that due to a number of factors such as lack of knowledge, economic hardship and local traditions, communities may be passive in the first phases of development. However, at the present phase the management team will have to work closely with communities to develop appropriate standards and principles, which reflect the desires of local residents and the tourism sector.

In the early phases of network development it would appear that involvement of community leaders in consultations is appropriate. Nevertheless, meetings in the districts must be moderated in order to hear the voices of those directly participating in the CBT, not just village and sub-village chiefs. Each of these consultations will have to be adjusted to the current situation with CBT development in each location. As expressed earlier, some communities have advanced more than others and are based on different models of CBT. The standards and principles developed will ultimately lead to the set of conditions for admission of members into the network. The network members will have to agree to these standards with the assistance of the network management team. This phase of the network development is illustrated in Figure 7.4.

Figure 7.4. Development of principles and standards



7.4.5. Development of operational plans

The next phase, after the standards and principles of CBT are agreed on by the stakeholders, is the development of operational plans for the first year, and for a longer-term (three or five years). The first year will see the transition of the network structure from the steering committee into the directorate. In the previous stage of this research it was suggested that only community representatives will be involved in the directorate. This statement has raised concerns from various participants who suggest that the lack of knowledge about CBT may undermine the decisions made in the directorate.

Most Timorese respondents from CBT and community leaders stakeholder groups suggested that external involvement is necessary, and some respondents suggest that the Timorese lack initiative and need to be 'pushed' to develop their economic activities. Such comments have to be treated with care as local residents should be able to determine what is good for themselves. From the participants responses and the literature covered in Chapter Four it is possible to conclude that Timor-Leste is to a large extent reliant on foreign aid and workers. The comment that one participant made, suggesting "no consultants" to be involved is a reflection of that. It may as well be that community representatives now rely on external help to solve many issues, which could be resolved locally. The lack of knowledge argument appears to justify the lack of

involvement of local residents in planning and development of various initiatives. Although, a CBT network fits this type of activity, it may be more appropriate to not 'push' a community into any initiative that it is not interested in, because it is an internal process to realise the benefits of an activity, and to choose to participate in it.

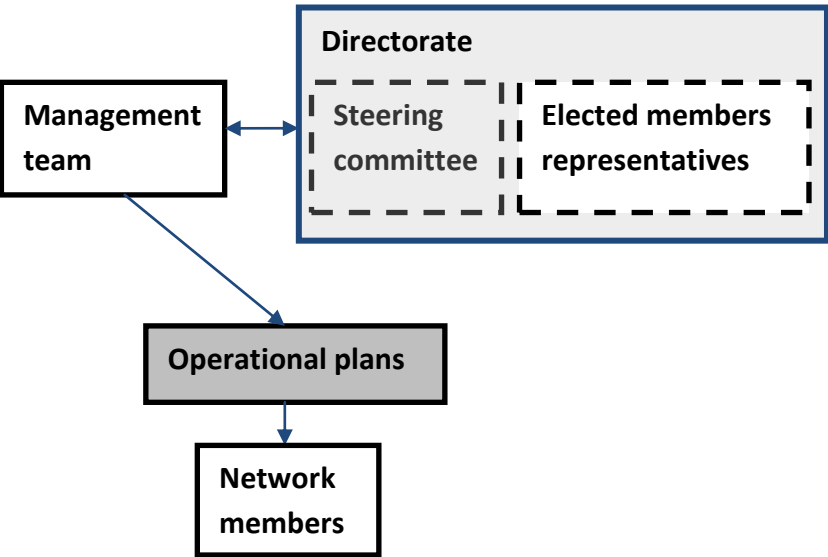
Both one year and longer-term plans should introduce a schedule of the following activities: training, marketing and promotion, meetings and seminars and an exchange program. It is noted by participants that an exchange program for CBT practitioners to travel around the country and see the developments that have occurred in various communities would be highly beneficial. This exchange program could allow local residents who have rarely travelled to other parts of the country to experience other communities and other ways of doing CBT. Since the network at this stage will be registered and will have some registered members, it can start running promotion activities on their behalf. The training necessary will be determined by the standards and principles developed during the previous phase.

It is required that all members conform to these standards and principles to protect the brand of CBT in Timor-Leste. This may seem to be a strict statement reinforcing top-down development and readjustment of communities to the wishes of tourists. However, tourism is a service industry where guests have to be satisfied in order to ensure return visitations and to receive good reviews and recommendations of the destination. This relationship can be made mutually beneficial for both hosts and guests if the following trade-offs are negotiated: hosts receive economic benefits, cultural exchange, preservation of nature and culture; and guests receive good rest, new positive experiences and learn about nature and other cultures (APEC Tourism Working Group and STCRC, 2010; Croes, 2006; Murphy and Murphy, 2004). According to the comments of the research participants, marketing and promotion activities can start from setting up a web-page and designing a brochure that provides information about CBT initiatives in Timor-Leste. It is vitally important that network members are aware of each other, have each other's contact details and do cross-promotion between them, by 'handing over' guests of one initiative to another one. Moreover, regular face-to-face meetings should help build trust between members and develop a sense of solidarity.

This phase of the network development will help ensure that the democratic grounds of network operation are set when mobilised communities interested in CBT enrol their CBT initiatives as members. Representatives of CBT initiatives that will form the directorate have to be chosen by those involved in the respective CBT initiatives. Membership fees may be set that are aimed at committing CBT initiatives to contribute to the success of the network. Membership fees at this stage are unlikely to be a large contribution to the funding, and rather have a symbolic meaning of providing a contribution for a common goal.

The membership fees could possibly be based on the financial situation of members. For example, a membership fee can be set up as a percentage of the annual profit. However, this can have negative consequences, since some CBT initiatives would try to appear less successful than they really are. The network should be based on the premise of ownership of the network by CBT initiatives, where the management team provides the necessary expertise to successfully develop CBT, government provides financial support in order to fulfil its obligations of economic development of the country, and other stakeholders participate for their mutual benefit. As expressed by the research participants both in the exploratory and evaluation interviews, flexibility and openness should be among the principles of the network to determine membership and involvement of stakeholders in various roles. The structure of the network at this stage of its development is illustrated by Figure 7.5.

Figure 7.5. Development of operational plans



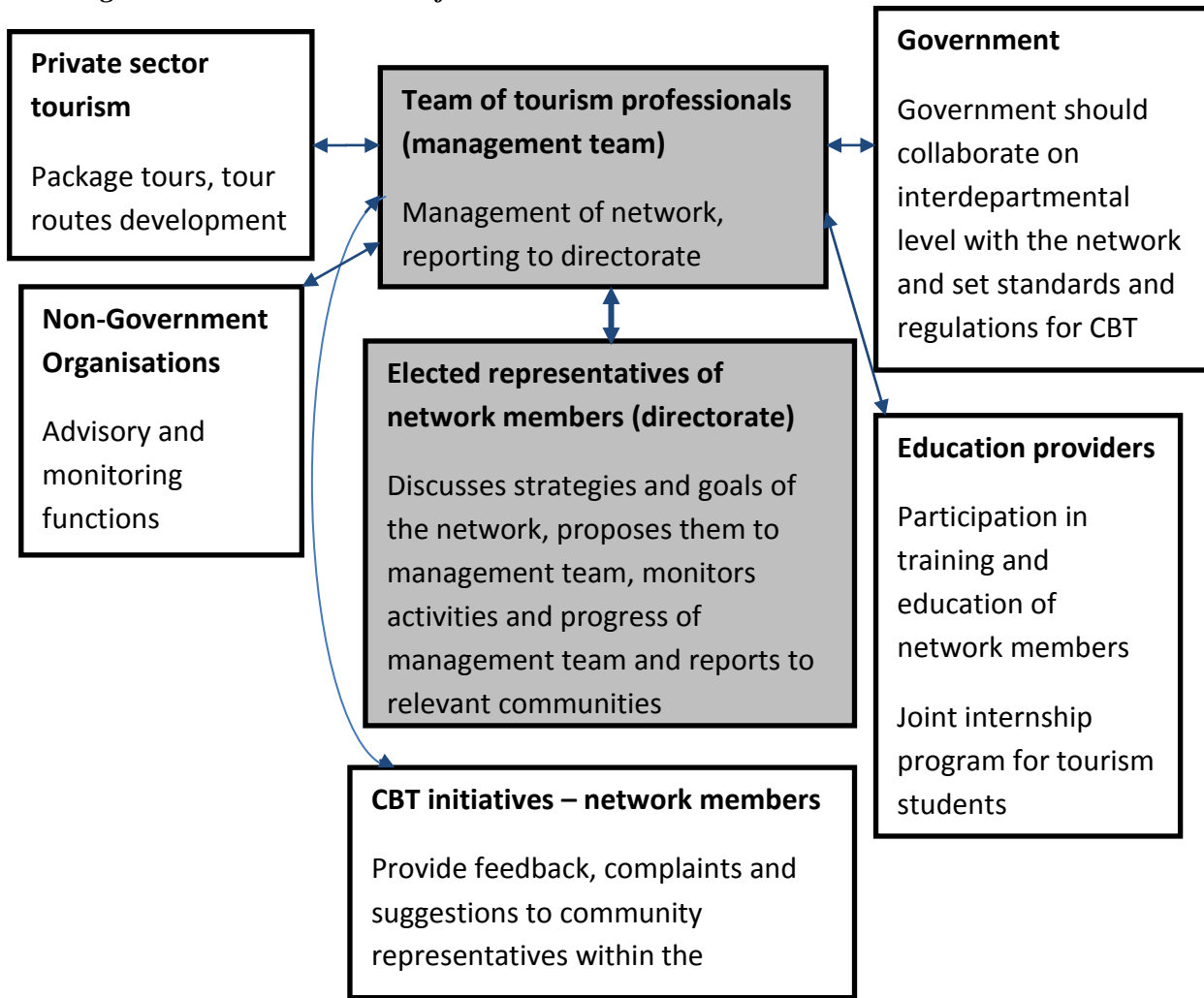
7.4.6. Launch of the network

This phase will finalise all the documentation necessary for operation of the network. Processing legal and financial documentation may require extended periods of time in Timor-Leste as some research participants indicate. If some areas of the development are delayed due to bureaucracy, attempts should be made to advance other aspects of the network development process. It has been indicated by research participants and previous research (Ashley and Haysom 2006, Tolkach *et al.*, 2012) that keeping communities enthusiastic is important and in order to do that visible progress should be ongoing, and the benefits should be visible to the participants. This phase concludes the implementation of the network changing its status from developmental to operational; therefore the steering committee can be either reformed or disintegrated. If agreed by the network members and the management team, the committee members can be integrated into the directorate. Otherwise representatives of other stakeholder groups can be invited to participate in the network meetings or can be granted a status of observers. In order to gain publicity an official launch event may be organised, and it could be an opportunity to create stronger links between all involved.

The network structure during this phase will be transformed into the structure reminiscent of the one derived from the exploratory stage of the research. Several changes have been made to that model according to the comments of participants. One of them is the inclusion of education providers. Considering the importance of training and education for the development of CBT in Timor-Leste, it was decided to specify education providers as a separate stakeholder group. Education providers would work with the management team to provide adequate training to network members to raise standards of CBT and further develop administrative, management, service and maintenance skills of those involved in the CBT. Another program that education providers could organise together with the management team is a joint internship program for tourism and hospitality students, which will be aimed at helping the management team to administer the network, and will provide practice opportunities for hospitality and tourism students in Timor-Leste, who may not be from communities with CBT.

Another change is that village chiefs are not mentioned in the directorate. Instead, elected representatives of network members are to form the directorate. This is due to the debate that surrounds extending the power of village chiefs in their communities. Nevertheless, it would be culturally insensitive to avoid any involvement of village chiefs into the CBT network. They should be informed and where appropriate consulted. The functions of the directorate as described in the structure are changed from: “Core of the network, defines strategies and goals of the network and reports to relevant communities”, to: “discusses strategies and goals of the network, proposes them to the management team; monitors activities and progress of the management team and reports to relevant communities”. Such changes result from the comments provided by both CBT and other research participants, that there is a lack of knowledge about tourism in general, and CBT in particular. Therefore, the directorate on its own may not be in a position to define the most appropriate strategies and goals. These should be the subject of broader consultations and discussions with the management team, regarding what is realistically achievable. A monitoring function is added as some research participants suggested that the work of the management team should be transparent, and monitored to ensure that the network is operated in the interests of communities. Another category changed in the final network structure, namely “community members” is replaced by “network members”. CBT initiatives are considered to be network members as opposed to whole communities. All the above changes reflect the comments of the research participants.

Figure 7.6. Final structure of CBT network



7.4.7. Theoretical discussion of the final CBT network model

Previous sections of this chapter have dealt mostly with the practical side of the network development on which research participants commented. These technical and practical descriptions of the network development process are justified by the action research approach taken. One of the aims of the research is to help residents of Timor-Leste, especially from rural parts of the country, to benefit through tourism development, and the design of the network is based on the majority of research participant responses. If the network is to be implemented, various stakeholders (many of which were part of the present research) have to come to a consensus, therefore it was important to develop a network based on stakeholder perceptions.

It is implausible that a CBT network in Timor-Leste can be developed without broad involvement by various groups, mostly due to the lack of resources and expertise. This section will discuss how the model constructed, based on the majority of responses fits with the theoretical concerns described in Chapters Two, Three and Four. Among them: concerns of negative impacts of neo-colonialism and neo-liberalism, defining CBT as part of the social economy (or solidarity economy) sector, contribution of tourism towards sustainable development and achieving community development goals of empowerment, and improvement livelihoods through CBT.

7.4.7.1. Timor-Leste CBT network model and neo-colonialism

Neo-colonial relations between the more economically developed metropolises and underdeveloped peripheries are made possible by globalisation of the world economy, as economies of countries across the globe become intertwined (Mowforth and Munt, 2008; Steger and Roy, 2010). Tourism has been considered one of the contributors to globalisation and the spread of neo-colonialism because some tourism destinations continue to depend on former metropolises (Michael and Hall, 2007; Scheyvens, 2011; Wallace, 2009). Conventional mass tourism based around sun, sea and sand has been a specific focus of the criticisms of negative impacts of neo-colonialism on developing countries (Hall and Tucker, 2004; Mowforth and Munt, 2008). In contrast, CBT is meant to represent an alternative that maximises the benefits of local residents from tourism by empowering them to determine if and how tourism is developed in their community, by providing the links to the local economy, meaningful employment, and result in improvement of living standards (APEC Tourism Working Group and STCRC, 2010; Rocharungsat, 2008).

Nevertheless, CBT has been criticised as a concept that aims to further spread tourism geographically and that conforms to a neo-liberal and neo-colonial model, while at the same time not attracting sufficient market demand and income (Blackstock, 2005; Goodwin and Santilli, 2009; Hall, 2007; Harrison, 2008; Lapeyre, 2011; Mitchell and Muckosy, 2008; Schilcher, 2007; Wheeler, 2003). Through the CBT, the tourism and community development literature review it is identified that a network can help communities successfully develop CBT and empower communities to self-determine their future and improve their livelihoods (for examples see APEC Tourism Working

Group and STCRC, 2010; Baggio *et al.*, 2010; Beaumont and Dredge, 2010; Bonetti *et al.*, 2006; Gilchrist, 2009; Provan and Kenis, 2008). Networks can be constructed in various ways, and therefore have a potential for different outcomes. In the light of these considerations, the CBT network model that results from the present research is discussed.

The model presented above has been based on the majority of answers provided by research participants, who were both Timorese and foreign nationals and represented various stakeholder groups with different interests and goals concerning CBT. This approach has been taken in order to identify the most plausible CBT network model that is likely to be implemented and contribute to sustainable development of regional Timor-Leste. Involvement of a large number of stakeholders of various backgrounds requires consideration of some trade-offs. CBT as with any tourism has to consider the preferences of customers, and for the local residents this means adjusting to the preferences and the culture of foreign tourists. Tourists also have to be educated about what is culturally appropriate behaviour, however the higher burden of cultural adjustment is likely to be on the local communities. Although the structure of a CBT network is supposed to keep the tourism development controlled by local residents, at least partially, local culture will be commoditised and despite research participant suggestions to select more responsible tourism segments through marketing, the relationships, and attitudes between visitors and hosts are likely to be reminiscent of those in other tourism destinations.

Two other factors may contribute to the neo-colonisation of Timor-Leste through a CBT network. One of them is the reliance on external funding, at least in the first stages of development. Even in the case of funding from the government the empowerment agenda of a CBT network may be put at risk. As expressed in Chapter Four, considering the fact that the Timor-Leste state has been largely organised by the institutions put in place during the United Nations administration, it can be debated whether Timor-Leste is independent or rather embedded into a globalised world. If the external funding comes from international organisations, then it may be subject to the criticism that foreign aid has faced recently: lack of accountability, inefficiency, imposition of development and top-down planning (Banerjee and He, 2008; Easterly, 2008; La'o Hamutuk, 2009). Whether external funding comes from the government or

international organisations, it may create a sense among those involved in CBT that they do not have to develop economically viable enterprises.

The developed CBT model does not intervene into the management of each member CBT initiative, and moreover it attempts to be inclusive. Therefore, it does not distinguish between family-owned, NGO managed or cooperative-based CBT initiatives. The network as presented has a limited influence on each CBT initiative and cannot dictate the principles, values and processes on which each initiative is based. Therefore, business models of some initiatives can potentially negatively impact communities, in which they are based. However, it is envisaged that the CBT network will promote solidarity economy principles and values, similar to those of the cooperative movement (Amin, 2009; Azzellini, 2009; Johnson, 2010; Lechat, 2009; McDonnell *et al.*, 2012; Neamtan, 2002; Satgar, 2011). These principles are: voluntary and open membership, democratic member control, member economic participation, autonomy and independence, education and training, cooperation and concern for community (McDonnell *et al.*, 2012). It has been previously suggested by Collins *et al.* (2007) that networks can change organisational behaviour of enterprises. An example is a sustainable business network that aims to help small and medium enterprises adopt sustainable practices. Similar approach can be used in a CBT network to convert private-owned profit motivated rural tourism enterprises into social enterprises where social objectives are prevalent.

Another concern is the involvement of a foreign expert into a management team. Motivated by the lack of expertise, a large proportion of research participants suggest that the network will have to employ a foreign expert to manage the network. To some extent the whole construct of the CBT network with external funding and foreign expert involvement is reminiscent of the foreign development programs that have received an extended amount of criticism for being inefficient, insensitive to local context and biased (Easterley, 2008; Kilby, 2009; Knack and Rahman, 2008; Moss *et al.*, 2008; Öniş and Şenses, 2005; Sheppard and Leitner, 2010; Uniwin, 2007).

While CBT is aimed at providing opportunities for independence for local residents, existence of a foreign manager may create subordination, where the less informed Timorese are dependent on the decisions of the foreign expert. To some extent such a

model is reminiscent of colonial economies (Hall and Tucker, 2004). This is subject to the personality of the chosen foreign expert and the functionality of the directorate. As a result the choice of a project champion and independent monitoring of the project implementation and operation are important factors that will determine whether a CBT network provides opportunities for Timorese self-determination, empowerment, independence and better livelihoods. These challenges have been previously acknowledged in the PPT literature (Ashley and Haysom, 2006).

Tourism is based around servicing tourists. If they are of foreign origin, then the host communities have to culturally adjust and ensure that tourists' expectations are fulfilled. This creates tensions between the industry and communities, which is evident in comments by the research participants. The CBT network can help reduce this tension and manage the relationship between the tourism sector and host communities. Nevertheless, the CBT model that has resulted from the present research can also become a subject of imposition of neo-colonialism onto communities. This will depend on the funding sources and the individuals involved in management and governance of the network. The CBT network development process also does not strictly follow a 'bottom-up' approach that would see communities and grassroots organisations leading the development. It combines a 'top-down' development approach through such elements as a steering committee formation, and consequently mobilises CBT initiatives and communities in order to create participation that in the longer-term would put CBT initiatives at the centre of CBT network operations.

7.4.7.2. Timor-Leste CBT network model as part of social economy

Social or solidarity economy is also known as a third sector and represents another way of doing business besides private-owned or government-owned enterprises. It includes non-profit organisations, cooperatives and worker-owned companies (Amin, 2009; Azzellini, 2009; Johnson, 2010; Lechat, 2009; Neamtan, 2002; Satgar, 2011). It is closely aligned with the cooperative movement (McDonnell *et al.*, 2012; Satgar, 2011). As discussed previously a CBT network has limited influence over how every member of the network operates, for example whether all employees have part-ownership in the initiative. Instead, principles on which the CBT network as a whole is based can be described from the perspective of the solidarity economy.

The network represents a non-profit organisation, which exists to benefit not only member organisations, but also communities of rural Timor-Leste in which the CBT initiatives operate by stimulating economic development. This concern for the community and the non-profit nature of the network complies with social economy philosophy (Johnson, 2010; *et al.*, 2012). Furthermore, the network, as evident from the research participants comments, should have an educational focus, which is also a characteristic of social economy enterprises (Johnson, 2010; *et al.*, 2012).

The network is supposed to be owned by participating CBT initiatives. The ownership and responsibility for the organisation in social economy usually comes through economic participation, which in the current network model would take the form of membership fees. As previously described in the first stages of network development, it is unlikely to be financed by the members, and even in the long-term membership fees could play a symbolic rather than financial role.

One of the participants has noted that “in the perfect world” an organisation would be able to work independently of the source of funding, however this does not occur in practice and the operation of the network will be adjusted depending on the vision and interests of the financing body. The preference of research participants was to obtain finances from the government, which has the potential to convert the CBT network, into a government program that endangers the independence and autonomy of the network and therefore may result in it being a public sector entity rather than a part of social economy (Johnson, 2010; McDonnell *et al.*, 2012). However, if the relationship between the source of funding and the network is carefully managed, the network can still have autonomy (Azzellini 2009; Lechat, 2009). Externally financed networks such as the Tucum network in Brazil and N-ACT in Thailand can be used as examples (Bursztyn *et al.*, 2003; Garrett, 2008; Mendonça, 2004; Schärer, 2003).

Research participants proposed that the directorate is democratically elected from the participating CBT initiatives and has limited tenure. Establishment of democratic processes for collective management over the enterprise is another characteristic of social economy organisations (Azzellini, 2009; Neamtan, 2009). In order to ensure that this principle is adopted in the CBT network, not only the directorate has to be democratically elected, but also the recruitment of the management team should be

transparent and merit-based. Involvement of students and the intended transfer of knowledge from the foreign manager to the Timorese counterpart contribute to the fulfilment of the collective management principle. Nevertheless, these principles can be written on paper in the code of rules of the network, but not be used in practice. External monitoring, which is one of the functions that NGOs may play in the development of the network, as illustrated by the network structure, should ensure that the network operates under the principles and set of rules developed throughout the implementation process. It may be concluded that the CBT network can be considered a part of the social economy, if autonomy from the source of funding is maintained, and transparent and democratic processes are implemented into governance and management practices.

7.4.7.3. Timor-Leste CBT network contribution to sustainable development

Sustainable development is often described by the triple-bottom line of economic, socio-cultural and environmental outcomes, rather than only economic outcomes (Liu, 2003; Sharpley, 2000; UNWTO, 2004). The role of the tourism sector in sustainable development has been heavily debated, and related debates are whether ‘small’ tourism delivers better outcomes than ‘big’ (Butler, 2011; Harrison, 2011; Weaver, 2011; Scheyvens and Russell, 2012b), whether ‘local’ is better than ‘multinational’ (Akama, 2004; Jaakson, 2004; Scheyvens, 2011), ‘alternative’ tourism is better than ‘mass’ (Hall, 2007; Harrison, 2008; Schilcher, 2007; Wheeller, 2003). CBT usually fits within ‘small’, ‘local’ and ‘alternative’ tourism.

Such terms as ‘sustainable development’ and ‘sustainable tourism’ can have various interpretations. The criticism of the largely accepted paradigm that constitutes ‘sustainable development’ is that it is still based on the economic consumerist model that undermines social and environmental issues (Banerjee, 2003). Interestingly, during the exploratory stage of the research more participants were inclined to discuss the environmental and social benefits of tourism, such as improvement in the perceived importance of the environment by local residents, and using cross cultural communication to exchange ideas. During the evaluation interviews the focus shifted towards the economic benefits of tourism. One of the suggestions by research participants was to establish standards and principles of operations, which could be

based on such frameworks as the Certification for Sustainable Tourism in Costa Rica (Rivera and De Leon, 2005), that would include economic, environmental and social aspects of tourism development.

The main objective of the CBT network is to contribute to the development of the local economy and to improve the livelihoods of communities in regional Timor-Leste. From this point of view the socio-economic benefits of tourism, not only monetary ones, are a priority of the network. Mass tourism has not been popular among the respondents, which is evident by the findings of the exploratory stage. It has been perceived as benefitting large corporations rather than small-scale enterprises and local communities. Possibly, the lower quantity of comments during the evaluation stage on social and environmental outcomes of CBT network development was the result of participants' perception that the commitment to environmental and social aspects of sustainable development was clearly stated, while the issue of ongoing financial sustainability of the network required further discussion.

Banerjee's (2003) criticism of sustainable development as a growth strategy based on consumerism applies to some extent to the CBT network, as it has to work towards increasing the number of visitors to Timor-Leste. However, it is unlikely that this increase in visitor numbers will be unsustainable. Even though, there is no reliable statistics on how many tourists visit Timor-Leste for leisure and explore the country outside Dili, there is a considerable amount of extra-capacity, which is evident by some respondent comments about a lack of tourists. According to the official statistics, only around 28,824 tourist visas have been issued in 2010 (Ministry of Tourism, Trade and Industry, 2010c). In comparison to the country's population of over one million people, this is not a large number. It may be concluded that the CBT network appears to fit into the principles of sustainable development based on the comments of the research participants and the literature.

7.4.7.4. Timor-Leste CBT network contribution to community development

The CBT network model that is a result of this study has a strong focus on education and training. Community capacity building for participation in tourism has been extensively discussed by research participants and is manifest in concerns about the lack of knowledge about ways of maximising community benefits from tourism, about

possible linkages of CBT to other spheres of local economies and ensuring wide participation in the development of CBT. Lack of skilled human resources hinders not only the tourism sector, but also overall development of Timor-Leste. The necessity of education and training that builds the capacity of local communities to meaningfully participate in tourism is acknowledged in the literature (Moscardo, 2008; Murphy and Murphy, 2008; Stronza, 2008). The CBT network's collaboration with education providers should enable processes that will make education and training more accessible and relevant.

Access to water and sanitation is among the issues in Timor-Leste, where one third of the population does not have access to safe drinking water (National Statistics Directorate and United Nations Population Fund, 2011). As indicated by the research participants, development of CBT and the standards that are required for water and sanitation by foreign tourists can also stimulate the development of water and sanitation infrastructure. Infrastructure development may occur in communities, where tourism is being developed, as a result of advocacy initiatives of the CBT network to the government. The research participants indicate that tourists are likely to be interested in nature and the culture of Timor-Leste, which would increase the perceived value of the physical environment by the communities; and consequently, local residents will be more likely to preserve it. Other community development functions are not seen by the respondents as a high priority. It was suggested that the network would be more efficient if community development functions are delivered by other NGOs, while the CBT network focuses on CBT. The range of functions that the CBT network will be able to carry out will be dependent on the resources available.

The CBT network is aimed at empowering local residents to take development in their own hands. However, as discussed earlier their participation can be limited, subject to the individuals employed in the management team and to the conditions of funding. Since CBT has to conform to the tastes of tourists and be linked to international distribution channels, it is unrealistic that the network will provide Timorese communities with full independence (Butcher, 2010; Van Der Duim and Caalders, 2008; Zapata *et al.*, 2011).

Nevertheless, it is likely to provide a level of freedom, higher than the dependence on international donor organisations. The network is likely to contribute to the improvement of the socio-economic situation of communities with participating CBT initiatives. It can attract infrastructure development, provide meaningful work opportunities, and diversify economies from an agricultural base that currently employs 63% of the population of all Timor-Leste. It can create space for cross cultural exchange and appreciation of the physical environment. On the other hand, it can lead also to intra-community conflicts, which the network may or may not be able to mediate (Moscardo, 2008; Stronza, 2008). It is unlikely that whole communities will benefit equally from CBT development, and the differences between households may create jealousy, as research participants indicate.

It may be concluded, that the network is likely to achieve some community development objectives through strengthening CBT in regional Timor-Leste. That includes development of various skills by community members involved in CBT, development of infrastructure and a higher level of community independence from outside sources. There are also certain caveats that have to be acknowledged: possible dependence on the source of funding, dependence on the network management team and intra-community conflicts. These issues will have to be carefully managed.

7.5.Summary

This chapter has discussed the outcomes of the evaluation stage of the research which concluded the data collection and analysis. Firstly, results of the evaluation stage were provided. Subsequently these results were incorporated to adjust and further develop the CBT network development process and structures in accordance with the comments of research participants. Finally, the outcomes of the CBT network development were discussed from theoretical perspectives discussed in the literature review.

This stage of the research has created certain expectations by, and a sense of excitement in some research participants. Over the time that the research was taking place the researcher has built relationships with the research participants. While this research has not aimed at implementing a CBT network, the results appear to have contributed to the discussions between stakeholders on how to develop one. A large majority of research participants have agreed on the necessity of such a network and agreed on the basic

principles and governance structures. Further details on how to develop and operate the network will depend on the individuals involved and the resources available.

The fact that it was possible to organise a roundtable discussion has high practical value and also has contributed to the present research as an academic work. Several research participants during both the exploratory and the evaluation stages suggested that it would be highly valuable, but also a very challenging exercise to get people of various backgrounds to sit together and discuss this topic. The outcome of the discussion was positive considering that the participants managed to agree on many issues.

Nevertheless, both the interviews and the roundtable discussion created several questions including: who will lead the network development and how to mobilise people from rural areas. Some participant comments made reference to the researcher developing the network, and only five research participants suggested they could be involved in the steering committee. None of the participants indicated an interest in being one of the managers of the network. Government officials from the Tourism Directorate indicated that involvement of community leaders in the network would require coordination with another Ministry, which may create bureaucracy. Considering the lack of resources in the districts and poor infrastructure, necessary involvement of communities will be difficult to achieve. The positive responses and the sense of enthusiasm that have been evident in some research participants' comments may have occurred due to the novelty of a CBT network idea. As models of tourism life cycle suggest, stakeholder attitudes towards tourism development may be the most positive during the initial stages of development, and with time enthusiasm may diminish, especially amongst local residents (Butler, 2006; Haywood, 2006; Johnson *et al.*, 1994).

Overall, the developed CBT network is likely to assist in developing regional Timor-Leste economically and in the long-term provide opportunities for autonomy, self determination and improved livelihoods. Achievement of other community development objectives, such as health, sanitation and education, are likely to be collateral outcomes of the CBT network. Empowerment and independence remains a concern due to the nature of tourism as an international economic activity and due to the necessity of external involvement into CBT network development, which in turn results from a lack of knowledge and financial resources in currently operating CBT initiatives.

CHAPTER 8. CONCLUSIONS AND IMPLICATIONS

8.1.Introduction

This chapter concludes the thesis, after summarising the results from each stage of the research. Moreover, it suggests how the results can be applied elsewhere and discusses the validity of the applicable methodology. Limitations of the study are discussed within this section. A separate extended section on the limitations of study can be found in Chapter Five. This Chapter then presents a researcher's reflection on the experience. The consequent section suggests directions for further research. This includes research in Timor-Leste, research on CBT networks and research on tourism and development.

8.2. Research results

8.2.1. Summary of the research and implications for Timor-Leste

The present research aimed to explore alternative collaborative models for the development of a tourism network that would yield maximum benefits for communities of Timor-Leste, and has developed the process and structure for the implementation and operation of the network. The research discussed the CBT network from the perspectives of community development and tourism. It placed the proposed CBT network within broader development issues, such as neo-colonialism and sustainability. The research was undertaken in three stages: initial research, exploratory research and evaluative research; and used a constructivist approach to knowledge and qualitative methodology combining grounded theory, critical theory, action research and elements of Delphi studies.

The data collection during the initial stage comprised observations and unstructured interviews, which shaped the literature review and the research objectives. The exploratory stage of the research consisted of a workshop and interviews. A workshop was conducted as part of a conference, where the following themes are explored:

- Perceptions of tourism development, including the type of tourism that is perceived to be the most potentially beneficial for Timorese communities;
- Perceptions of CBT development in Timor-Leste; and

- Reaction towards an idea of organising a CBT network.

Thirty nine participants were involved in the workshop, and there were also thirty nine respondents in the interviews, expanding the number of interviews from the eleven initial interviews. The background of the research participants represents the diversity of the stakeholders involved in CBT development in Timor-Leste. The research aimed as much as possible to involve the same research participants throughout the research.

The first part of the exploratory interviews was similar to the workshop, while the second part asked research participants to choose which principles, attributes and functions the network should have (see Appendix 2). Based on the responses provided it was concluded that most participants considered a CBT network an important tool to further develop CBT in the country, and through it to improve the livelihoods of Timorese living in rural communities.

The evaluation stage consisted of thirty six interviews, with four new research participants recruited. The data collection concluded with a roundtable discussion that involves ten participants. The evaluation stage required research participants to reflect on the developed CBT network model, and to further comment on how this network could be implemented.

The initial stage of the research provided the researcher with a deeper understanding of Timor-Leste culture and the current socio-economic situation which was necessary to develop an appropriate design for the research, generate relevant questions and provide useful answers. Timor-Leste is a young post-conflict nation that has a natural beauty, cultural and historic richness and optimism. Despite extended dependence on oil revenues ten years after independence it still encounters poverty, lack of health, sanitation, education and basic infrastructure. It also appears to be a very fragmented country where communities live in isolation and organisations that work on similar issues enjoy little communication and coordination. Based on such observations the research questions were formed. This stage also stimulated discussion on tourism and development issues as part of the literature review, including CBT, PPT, social economy perspectives and an international development critique.

The exploratory stage confirmed that CBT is viewed in Timor-Leste as a type of tourism that can deliver higher benefits to local communities than other conventional types of tourism. The perception of CBT that the participants had, is that CBT is a form of organisation of tourism enterprises, ensuring that a community has ownership and is involved in its management. This differentiates CBT from ecotourism or adventure tourism that are not based on a governance model, but around the products offered. As such, it can be concluded that CBT in Timor-Leste can offer ecotourism, adventure tourism and cultural tourism products. Similar to other destinations mentioned in this research tourism products that fit within CBT and are either already implemented in Timor-Leste or considered suitable by the research participants are management of eco-lodges, or guesthouses, provision of guided nature walks, and maintenance of trails, demonstration of local culture through the menu offered to tourists, cultural performances, craft products, demonstration of heritage sites (for examples see Community-Based Tourism Institute, 2011; COOPRENA, 2011). The importance of attracting domestic tourists, including the expatriate community, was pointed out during the workshop and several interviews.

The idea of joining current and future CBT initiatives through a network received overwhelming support (thirty seven participants out of thirty nine). Participants pointed to the needs of ongoing training, development of standards, joint marketing and effective government lobbying in the interests of CBT, and communities that have CBT. It was considered that a network should have a medium level of integration resulting in common objectives and goals, but not intervening into the day-to-day operations of each member. Organising regular meetings, seminars and workshops should be part of a network operation.

Research participants agreed that a central body is required to coordinate the network activities, consisting of a directorate formed by representatives from CBT initiatives (this was clarified at the evaluation stage) and a management team employed to administer the network. The network would have a high priority to develop CBT as a distinctive tourism product of Timor-Leste that meets visitor expectations, while leaving the control over the development to Timorese. Non-tourism functions, such as access to water and sanitation, adult education and achieving Millennium Development Goals receive lower priority. Research participants suggested that the network should be

flexible and inclusive. A variety of businesses and initiatives could take part, as long as they share the same values.

The evaluation stage of the research assessed whether the research participants consider the network model, resulting from the exploratory stage, as useful and plausible for implementation. This stage asked for clarification about various aspects of the proposed model and seeks further comments and suggestions about the implementation of the network. The majority of research participants approved the CBT network model and did not find theoretical gaps in it, however research participants were more guarded in judging whether it could be implemented. A variety of factors can undermine the implementation and operation of the network, and these factors can be grouped as follows (represented in descending order of the number of comments):

- Involving all actors and achieving consensus;
- Information access and capacity building;
- Funding;
- Power balance;
- Other barriers to success of the CBT network (e.g. land tenure, continuous progress, maintaining enthusiasm);
- Leadership;
- CBT branding;
- Mentality and attitudes of communities;
- Government support; and
- Sustainability.

At this stage of the research, issues of knowledge and training became very important. The lack of expertise in CBT, and tourism in general in Timor-Leste motivated a significant proportion of research participants to recommend the appointment of a foreign expert as a manager of the network, who would have a Timorese counterpart. Research participants also placed high importance on the involvement by government in the CBT network development, and in financing its development. The views divided around how the network would receive ongoing finance. Some participants suggested that a CBT network cannot be self-financed. Others suggested that the autonomy of the network would be endangered if government or international organisations provided

ongoing funding. In the ideal situation CBT enterprises would be able to develop a fund to establish and maintain network activities, however in practice they currently do not have such financial capacity. This is at least partly due to current lack of tourists, which in turn is one of the reasons that a CBT network is required. Therefore, external funding should be sought in the first stages of network development with aim to use membership fees when the network is operational and tourist numbers are improved. This led to the conclusion that a set of rules and principles needed to be established, to maintain a power balance between various groups of stakeholders, including financial supporters.

All groups would receive benefits from a successful network: improved livelihoods for communities as a result of higher tourist flows and infrastructure development, political gains for the government for stimulating development of rural areas, new destination and new business opportunities for the tourism sector, and higher recognition for NGOs and education providers. However, individually these organisations lack the human or financial resources needed to develop a successful CBT network. While involvement of all stakeholders is important it is also important that the network is developed based on principles of trust, equity and transparency. Moreover, clear operational roles, and rules and means of effective communication need to be established in order to maintain a power balance and ensure the success of the network. This would require leadership, which appears to be lacking at this stage amongst the research participants. The most active role appears to be with the Directorate of Tourism in the Timorese government. That is compatible with the participants desire to involve government into the network development, although it could also jeopardise the independence of the CBT network. Timorese communities are considered to be passive by both the Timorese and foreign participants, and it is suggested that this mentality has to change. Nevertheless, the government capacity is rather limited to undertake a leadership role, similarly to other stakeholders. Based on the outcomes of the interviews it may be concluded that most organisations work at the limit of their capacity and cannot stretch the resources any further. Especially, that is relevant for qualified and experienced human resources. Since tourism is a very young sector in Timor-Leste neither government nor other organisations have an extended experience in tourism planning and development. Nevertheless, the fact that it was impossible to identify one or two leaders (concrete

persons, not organisations) was unexpected, and would represent the primary issue that has to be resolved if CBT network is to be established.

Furthermore, the evaluation stage provided details for the development of the network. It would start from forming a steering committee from representatives of various stakeholder groups, which can be a continuation of the roundtable discussion that took place as part of this research. The steering committee would need to define the terms of references and objectives of the network, and engage with CBT initiatives in regional Timor-Leste and other community leaders. Another role of the steering committee is to recruit a management team that is likely to consist of one foreign expert and one Timorese, with internships or other education programs designed in collaboration with education providers to support the management team. External funding should be sought by the management team and the steering committee to finance the implementation of the network. The steering committee together with the management team and existing CBT initiatives should develop a code of standards and principles of CBT operation that are achievable in Timor-Leste, and able to meet tourist expectations.

Due to a lack of infrastructure and telecommunications, involvement of regional CBT initiatives into network development will be challenging, but gradually representatives of CBT initiatives could form the directorate. When the governance of the network is established and funding is secured, the network can become a registered legal body, most likely an NGO, and can start issuing membership to CBT initiatives. A membership fee can be established and kept low in order to provide CBT initiatives with a sense of ownership and responsibility. The funding strategy should be established with the intent that in the longer-term, budgeting of the network will shift from external funding to self-sustaining funding. Consequently, a first year plan and a longer-term plan for the network need to be designed by the directorate and the management team. These would include training, marketing and advocacy activities, concluding the implementation of the network. The operational role of the management team is likely to be administration of the network activities, liaison with the network members and other stakeholders, since it is unrealistic that two persons would be able to undertake all the required activities themselves. For example, as some participants suggested it would be more beneficial to collaborate with different organisations in certain areas of expertise, such as sanitation and hygiene.

The CBT network model can be discussed in the view of issues of neo-colonialism, social economy, sustainable development, and community development. CBT is a type of tourism, and as such it is based around satisfying visitors, either domestic or international, and often host communities have to adjust to tourist preferences. Nevertheless, tourists should also be educated on how to behave responsibly and in a culturally appropriate manner. Since CBT is part of overall tourism it has to connect to tourism distribution channels, market itself and deliver a quality product. It may be suggested that to some extent CBT advances neo-colonialism, based on the dynamics between overseas tour operators, tourists and host communities.

Power is ultimately in the hands of tourism sector, not the host communities as Van Der Duim and Caalders (2008) illustrate. Furthermore, the CBT network model has two caveats which have to be carefully managed: external funding and the management team. The source of funding is likely to affect the development of the network, and a foreign manager may impose his vision on to local communities, who have less knowledge about tourism, and hence use the CBT network in his interests. At the same time a Timorese manager may be biased towards his linguistic group.

The principles of a proposed CBT network are based around community benefits and knowledge exchange principles. The values of a network and the way it is structured are reminiscent of a social or solidarity economy. However, the proposed model of the CBT network limits the influence the network has over operations of each CBT initiative. At the same time research participants prefer a flexible and inclusive approach to the network. Therefore, while the network can be classified as part of social economy, each CBT initiative may or may not be a social enterprise, for example private sector guesthouses may have a higher focus on profit-making. However, the network may be able to persuade these guesthouses to transform their operations to spread their benefits more widely across the community.

The proposed CBT network is able to contribute to sustainable development through stimulating the development of the local economy, and raise the perceived value of the physical environment and local culture by the local residents. The CBT network is likely to contribute to community development objectives as a collateral result of CBT

development that would include basic infrastructure development, access to water and sanitation and training and education.

The present research did not aim to implement a CBT network, rather it aimed to explore the perceptions of various groups of stakeholders, as to whether CBT can become a successful tourism brand in a developing setting with the support of a network, and if so, how to develop and structure such a network. The results have practical implications, as the proposed CBT network development process and structures can be transformed into a plan and be implemented. A roundtable discussion could be the start of the steering committee described in the first stage of the network development process. The research also found that it was possible to reach consensus between all the stakeholders involved in CBT development.

8.2.2. Possible applications of the research outside Timor-Leste

While Timor-Leste history and geography appear unique, it can be argued that the issues faced by Timor-Leste are similar to other SIDS and post-colonial states that possess tourist attractions (Ashley and Haysom, 2006; Croes, 2006; Fotiou *et al.*, 2002; Gibson, 2010; Hall and Tucker, 2004; Harrison, 2004; Hollinshead, 2004; Jaakson, 2004; Scheyvens and Momsen, 2008; Scheyvens, 2011). The results of the present research suggest that CBT may be a valuable model for sustainable tourism that focuses on maximising the benefits for local communities in developing countries. It is unlikely that local communities will have full control over their tourism development, as trade-offs will need to be negotiated between the expectations of tourists and tour operators and host communities.

It is unlikely that successful CBT initiatives can be developed individually without the support mechanism, proposed by a CBT network. Lack of human and financial resources play a crucial role in the development of CBT, and without the ability to reach tourist markets, either domestic or international, CBT initiatives cannot generate the necessary income. In developing country settings, where tourism is in an initial stage of development, discussions with all groups of stakeholders are necessary to develop the most appropriate form of network that will create CBT products that meet tourists expectations, and at the same time bring sustainable development to host communities.

Government may play a crucial role in these discussions and also in the financial support of the network. A transition plan from external funding to a self-sustaining financial model is necessary to secure the long-term operation of the network and to develop a sense of ownership and responsibility over the network in participating CBT initiatives. Leadership is another factor which may determine the outcomes from the CBT network development process. Whether the network is developed will depend on the existence of one or several individuals that are able to communicate effectively with all stakeholders, and able to bring these stakeholders to a consensus on the CBT network development process. Moreover, knowledge of tourism and of local culture is necessary.

It is unlikely that an initiative to develop a CBT network would come from the existing CBT initiatives themselves, due to their isolation and lack of knowledge about such opportunities. This justifies an element of a 'top-down' approach used by government and representatives of other stakeholder groups to initiate the network development process. However, it is necessary to ensure that these stakeholders mobilise existing CBT initiatives to take an active part in the development process, and that the CBT initiatives in the later stages of the network development process take on ownership of the network, while the initial group of stakeholders remains in a consultative role.

As presented in Chapter Seven the CBT network development process should include the formation of a steering committee with representatives of all stakeholder groups in order to establish the terms of reference and the overall objectives. Following, a management team should be sought to manage the network. Consequently, a budget needs to be discussed between the steering committee and the management team and funding sought. At the same time the principles and standards of CBT have to be developed by the management team together with the steering committee and existing CBT initiatives. When funding is secured and the standards and principles of the CBT are developed, the network can be legally registered and start accepting CBT initiatives as network members. Representatives of the CBT initiatives will form a directorate that provides an opportunity to own the network and discuss the objectives and goals of the network. The management team and the directorate can then work on the development of operational plans for the first year of operation and for a longer-term, that will

consider changes to the network structure that secure its CBT and financial independence.

8.2.3. Discussion of the methodology

The methodology used in this research is found to be appropriate for the aims. The multi-stage construct of the research allowed the researcher to identify a meaningful research question that would contribute to the body of knowledge, and at the same time, would be relevant to the issues faced by communities in Timor-Leste. Furthermore, multi-stage research helped to explore relevant issues in more depth, confirm the findings with the research participants and refine them based on the suggestions of the participants. A constructivist approach to knowledge allowed the development of a model of CBT network that is appropriate for Timorese communities in their current situation. The chosen epistemology lead to the use of a qualitative methodology that allowed interaction between the researcher and research participants as well as between research participants themselves (during the workshop and the roundtable discussion). The methods used for data collection consist of interviews, a workshop and a roundtable discussion. This approach to the research was inspired by previous tourism research undertaken in indigenous communities in Canada (Stewart and Draper, 2009; Stewart, Jacobson and Draper, 2008) and in Latin America (Stronza, 2008).

The theoretical background to the research was informed by grounded theory, critical theory, action research and Delphi studies. Grounded theory was used as the researcher had no predisposition to views about how tourism could be developed in a setting like Timor-Leste. A brief literature review was undertaken before the initial trip to Timor-Leste and as the result of the observations and interviews from that trip, a theory started to form. Grounded theory also allowed refinement of the theory of a CBT network development and analysis from theoretical perspectives. Through the analysis of the findings various categories emerged that allowed for the establishment of a CBT network development process that has the potential to be replicated in other settings. However, this will need further verification through empirical research.

Critical theory allowed the analysis of the underlying issues that determine the outcomes of tourism development, and determine the community development focus of the present research. An action-based research approach was used to suggest how the

current unsatisfactory status of Timor-Leste's development can be changed, considering various existing factors. The research acknowledges that there are caveats in the proposed CBT network development model, and that it will not resolve all the issues that rural communities face in a developing country setting. However a CBT network has the potential to deliver benefits to communities and is practically implementable.

The Delphi study approach was considered, but not fully applied due to the possibility of research participants not reaching a consensus. Pragmatic issues of travel costs and time constraints would not allow for the conduct of more rounds to be undertaken than the three research stages, where the initial research stage would not count as the first round of a Delphi study, and rather be considered as 'Stage 0'. However, it was important to refine the findings through multiple stage research and to seek some consensus among the participants with a view to developing a model upon which they would be more likely to agree. As described in this research and also noted in the literature (Ashley and Haysom, 2006), involvement of all stakeholders, and reaching a consensus among them, was important for ensuring sustainable development. The methodology used was also culturally appropriate and helped to establish trust amongst research participants. It also demonstrated that the researcher was not aimed solely at data collection, but was also interested in delivering the results back to participants. One of the issues arising from this research was the role of the researcher. On the one hand the aims of the research were partly related to community empowerment, the importance of the stakeholder collaboration and a necessity for trust between the stakeholders has been mentioned throughout the thesis. On the other hand, the researcher had the opportunity to influence the decisions of stakeholders, therefore possibly limiting the empowerment aim. However the balance could be achieved if the researcher or other external agents limit their role to provision of information and ideas, letting the stakeholders decide how they want to proceed. For example, Van der Duim and Caalders (2008) justify capacity building role of external agents in CBT.

The financial limitations not only affect the number of trips, but also the length of each round of data collection and the means of transport used. With additional funding it would be possible to stay in Timor-Leste longer and seek more interviews. However, it is believed that all major stakeholders were interviewed and that the results are not affected by the sample size. The researcher travelled by public transport in Timor-Leste

and that further complicated reaching some destinations. Language was another issue in Timor-Leste and the researcher learnt Tetum, the lingua franca of Timor-Leste. Whilst not fluent, the researcher managed to communicate with Timorese research participants and present findings in Tetum in two lectures at tertiary education institutions in Timor-Leste. The forms used in the data collection, including consent forms and questionnaires, were professionally translated, and aided the conduct of the present research. It should nevertheless be acknowledged that Tetum is not the researcher's native language and he does not possess any knowledge of the other local languages of Timor-Leste, nor does he understand the widely used Indonesian language. English is not spoken by some Timorese participants, while for other Timorese participants, it is likely to be their fourth or fifth language, and for the researcher English is also a second language. The researcher has intermediate knowledge of Portuguese and that aided the research. Considering all of the above, there is a slight possibility that some data might have been misinterpreted, and financial constraints did not allow hiring an interpreter.

8.2.4. Reflection on the research

The present research had a profound impact on the researcher as both an academic, and as a person, since Timor-Leste is a country that challenges world views. The meaning of development is unclear when one sees how development agencies operate, and how they are perceived by locals. Independence is another term which appears vague after visiting Timor-Leste. One tourist described the political status of Timor-Leste to the researcher as follows: "The country is in a state as close to the invasion as it could be without anyone formally invading it". While many observations and conversations were not part of the present research as they were not covered by approval of the ethics committee and a consent form, informal conversations had an impact on the study. The ability of the 'experts' and 'consultants' to bring development is questionable, and the wide gulf between the expatriate community and the Timorese is difficult to comprehend, given the expression of good intentions.

Adding to this situation is the perception of many Timorese, as expressed in interviews and informal conversations, that they require external help either from the central government or from overseas. It is perceived that this will allow them to remain passive observers of the development of their own community. This can be explained by five centuries of colonisation, where the Timorese never had an opportunity to think about

what they really want and how to obtain it. Arguably, this situation currently remains the same with the assistance of a highly centralised government, UN mission and a large number of international development organisations.

At the same time it can be noted that the Timorese are optimistic, and that Timor-Leste offers genuine alternatives in an increasingly homogenised world. Timorese society manages to combine traditional and modern ways of living, which can be confusing for foreign nationals, but which appear clear to the Timorese. Timorese people appear to the researcher as welcoming and hospitable which is a great achievement for people who have been repressed for five hundred years and experienced direct violence and hunger from 1975 to 1999. The research allows the researcher to develop a deeper understanding of international development, of community development issues and to learn about Timorese culture. It has also improved the researcher's intercultural communications skills. The research relevant skills developed include the research design, analysis of qualitative data, written and oral communication skills.

8.3.Future research directions

Directions for further research can be grouped as follows: research in Timor-Leste, CBT-related research and international development research. Further research in Timor-Leste should analyse current non-CBT networks. These networks can be analysed based on the principles and attributes of networks that are outlined in Chapter Three. The list of tourism functions presented in this research should be substituted by the functions relevant for that network. The analysis of networks can aim to assess models of networks that are likely to deliver the best outcomes in certain conditions. Such research can complete the analysis of networks in different spheres within a single country. If the findings of such research point towards a preference for a certain model, attempts should be made to replicate the research in other similar countries.

Tourism-related research in Timor-Leste could attempt to establish appropriate means of national statistical data collection. As noted in Chapter Four, statistical tourism data are practically nonexistent in Timor-Leste. Marketing research will be important to understand how to brand a new post-conflict small island developing state to attract higher numbers of tourists based on currently existing tourism products, and consider which other products and facilities would be valuable for tourist segments interested in

visiting Timor-Leste. The aim of the research should be to analyse how to break negative perceptions towards a post-conflict nation. This could also be a comparative study with other post-conflict countries that are attempting to develop tourism.

CBT-related research could focus on replicating the present study in other destinations and verifying the outlined conclusions. Such research would assess whether the present findings could be generalised. Existing CBT networks can be further researched to identify the success factors, and strengthen the development of future CBT networks. The meaning of success in relation to CBT networks will have to be established first. International development research based on the present findings could also focus on further research into classification and success factors of networks, aimed at achieving specific development goals. Further interdisciplinary research is required to understand how to develop networks in various settings and in various disciplines, and whether the development process is similar in all cases. Such research could also contribute to debate about whether networks can be consciously structured, or appear organically.

8.4.Summary

The present research has used multi-stage qualitative research in order to explore stakeholder perceptions about the value of CBT in Timor-Leste and whether CBT is viewed as a type of tourism that can maximise benefits to local communities. Since most research participants expressed positive attitudes towards CBT, they were asked whether a network would strengthen CBT in Timor-Leste, and if so how should it be developed and structured, which principles it must follow and which attributes it must have. An overwhelming majority of participants agreed that a CBT network would be beneficial for Timor-Leste, and that it would have focus on training, marketing, strengthening communication between CBT initiatives, and lobbying government in the interests of CBT and participating communities. The network would have a medium level of integration and low interdependence, resulting in common objectives and some common activities, such as meetings and workshops. However, day-to-day operations would remain independent. The network would have a central body consisting of two parts: professional management team of one foreign tourism expert and one Timorese national; and a directorate which consists of representatives of member CBT initiatives. The network should focus on developing CBT, and it would assist achieving community

development objectives through income generation, attracting infrastructure development and providing access to information and training.

The network is likely to be externally funded at first, with the preference of research participants towards government funding. The conditions of external funding need to be carefully managed to ensure autonomy. When members start generating more income, the network can be funded through membership fees. The management team also has to be unbiased and controlled by the directorate to ensure higher benefits for members. The development of the network must involve a diversity of stakeholders involved into a steering committee that would establish terms of references and objectives of the network, and would ensure that interests of all stakeholders are considered. Consensus among all groups of stakeholders was considered important by research participants to achieve sustainable development through a CBT network.

Through the implementation process rural CBT initiatives could be mobilised and gradually the ownership of the network could be passed on to them. Nevertheless, for an extended period a steering committee may be necessary in a consultative role, since Timorese residents involved in CBT perceive that they lack knowledge about tourism. Such network development can be interpreted as initiation of the network through a 'top-down' approach with a further transformation of it into a 'bottom-up' initiative controlled by community groups. As with any tourism development, CBT could be subject to criticism to some extent as an advancement of neo-colonialism. However, it is envisaged that CBT can be a necessary stimulus to developing the local economy in rural communities, and that it is also socially and environmentally sustainable.

A CBT network would be based on values and principles of social economy, putting local communities at the forefront of its agenda. Further research is needed to attempt to replicate the approach used in the present research in relation to non-CBT networks in Timor-Leste and CBT-networks elsewhere in developing, post-conflict or indigenous societies. Other tourism-related research in Timor-Leste could include branding research and development of means for collecting statistical data. It is anticipated that the findings of the present research make a valuable contribution to the academic body of knowledge, and also helps the development of successful a CBT that will bring benefits to the people of Timor and other countries.

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APPENDIX 1. WORKSHOP QUESTIONS AND RESULTS

1.) Introductions: Which group do you belong to?	Responses	
Student	10	35.71%
NGO	10	35.71%
Government	2	7.14%
Private business	2	7.14%
Researcher/academic	2	7.14%
Education provider	1	3.57%
Other	1	3.57%
Community leader	0	0%
Totals	28	100%

2.) Preferable type of tourism as a major brand?	Responses	
Eco-tourism	21	29.17%
Cultural/historic tourism	18	25%
Community-based tourism	14	19.44%
Adventure tourism	10	13.89%
Business tourism	4	5.56%
Volunteer tourism	4	5.56%
Sun, sea, sand mass tourism	1	1.39%
Other	0	0%
Totals	72	100%

3.) Preferred tourists? (multiple choice)	Responses	
Middle-aged upper class visitors with travelling experience, who wish to learn about nature & culture of the places they visit	16	31.37%
Youths and backpackers, who may be willing to contribute to development	10	19.61%
Young and middle aged well-off visitors looking for extreme adventure	10	19.61%
Lower/middle class visitors looking for a relaxing budget holiday	6	11.76%
Other	6	11.76%
Businessmen attending seminars, conferences etc.	3	5.88%
Totals	51	100%

4.) The status of community-based tourism in Timor-Leste	Responses	
Encounters a lot of problems, but progressing slowly	17	60.71%
Progressing rapidly	3	10.71%
Experiencing steady growth	3	10.71%
Have not heard about it	3	10.71%
No progress	2	7.14%
Totals	28	100%

5.) The future of Community-Based Tourism in Timor-Leste?

	Responses	
It will continue growing, but another type of tourism will become more important	12	44.44%
Likely to become a major tourism product	6	22.22%
Timor-Leste's economy continues to develop, community-based tourism will cease to exist	4	14.81%
Tourism in general will not be of major importance for Timor-Leste economic development	3	11.11%
It will not progress any further, another type of tourism will become more important	2	7.41%
Totals	27	100%

6.) Benefits of a collaborative network for community-based tourism? (multiple choice)

	Responses	
Training and capacity building to participate in tourism	21	25.30%
Marketing and promotion	15	18.07%
Improving and ensuring standards of CBT	15	18.07%
Information exchange	11	13.25%
Advocacy to government	9	10.84%
Sharing resources	9	10.84%
Other	2	2.41%
No benefits	1	1.20%
Totals	83	100%

7.) Centralisation (multiple choice)

	Responses	
Representatives of the participating communities form board of directors	16	51.61%
Government department acts as a governing body	8	25.81%
Private investors form board of directors	3	9.68%
An NGO takes on the role of director	2	6.45%
Decentralised, each member is independent	1	3.23%
Other	1	3.23%
Totals	31	100%

8.) Integration (multiple choice)

	Responses	
Cooperation (e.g. secretariat oversees the strategy and provides advice to members)	14	56%
Fully integrated (e.g. members form a single body, such as a tour operator or homestay chain)	6	24%
Linkage (e.g. forum, where knowledge is shared)	5	20%
Totals	25	100%

9.) Participants (multiple choice)	Responses	
All of the above	13	38.24%
Any type of organisation, which can prove val...	10	29.41%
Other combination of the above.	5	14.71%
Accommodation provider	2	5.88%
Events / attractions / tourism activities org...	2	5.88%
Food & beverage provider	1	2.94%
Tour Operator	1	2.94%
Crafts and souvenirs supplier	0	0%
Farming	0	0%
Totals	34	100%



APPENDIX 2. INTERVIEW QUESTIONNAIRE

Community-Based Tourism (CBT) in Timor-Leste: A Collaborative Network Approach

This study is being conducted by a postgraduate student researcher Denis Tolkach as part of a Doctor of Philosophy course at Victoria University, Melbourne, Australia under the supervision of Professor Brian King and Mr Michael Pearlman from the Faculty of Business and Law.

The research aims to explore various options for establishing a collaborative community-based tourism (CBT) network that will maximise the benefits flowing to local communities in Timor-Leste as an example of an emerging destination. Community-based tourism is an alternative form of tourism, which aims to maximise benefits to local people and achieve community development objectives by building community capacity and empowerment. A CBT network is a collaborative or partnership relationship connecting several CBT initiatives. A collaborative CBT network may represent an open forum for individuals and organisations concerned with CBT, which organises monthly meetings in order to help promote CBT and to strengthen cooperation between the private and public sectors within tourism. Another example of a CBT network is a registered tour operator which offers tour packages to member communities and operates an online reservation system. It has a board of directors comprised of community leaders and a professional management team.

The research aims to identify the most favourable characteristics of a national CBT network from the perspective of tourism sector representatives and community development practitioners. The research also aims to explore the perceptions of various stakeholder groups on how future CBT should be organised and managed in Timor-Leste. This will assist in understanding the possible issues for community-based tourism development in the country. The researcher will make recommendations about prospective roles for and collaboration between stakeholders to ensure that the benefits of tourism development flow to the local population.

We would be grateful if you would complete the following questionnaire. The questions are open-ended so that we can gather more in-depth information about community-based tourism. It will take approximately 50-60 minutes to complete.

1. Please provide some brief background about your professional interests, experience and affiliations. What is your interest in tourism and community development in Timor-Leste, if any?

2. In your opinion, what type of tourism, if any, can deliver greatest benefits to local communities within Timor-Leste? Please state why you believe this to be the case?
3. What is your experience of community-based tourism and what do you think of it?
4. Do you think that the establishment of a community-based tourism network will strengthen the development of community-based tourism in Timor-Leste? If yes, how?
5. What is the most important benefit that a network could deliver for CBT development in Timor-Leste? Please outline what you think the goals/and/or objectives of the network should be.
6. Would your organisation have an interest in participating in the network at its formative stage?
7. Please examine the following list of prospective attributes of a community-based tourism network. Choose one (or several if you prefer) of the options for each attribute, to best reflect an effective community-based tourism network for Timor-Leste.

The following table represents the options for each key attribute of the network, based on the existing CBT networks. Please select the most preferable approach for each key attribute that would constitute the desirable network model

Attributes	Alternative approaches
Guiding Principles	
1. Integration (strength of collaboration)	a. Fully integrated b. Cooperation c. Linkage
2. Interdependence (dependence on other members of the network, including mutual trust)	a. High b. Low
3. Centralisation (existence of a central governing body)	a. Centralised, has a single central power b. Decentralised, each member is independent
Governance	
4. Network organisation	a. Single entity tour operator, accommodation, food and beverage and other services provider. b. Federation, which oversees the overall strategy and advises network members on certain actions, however does not have decision-making power on behalf of individual members. c. Forum, which strengthens the CBT by organising seminars and conferences. It provides knowledge, information and training for members.
5. Type of tourism related business involved (vertical/horizontal integration)	a. Tour operator b. Accommodation provider c. Events / attractions / tourism activities organiser d. Food & beverage provider e. Crafts and souvenirs supplier f. Farming g. All of the above h. Any type of organisation, which can prove value for tourism i. Other combination of the above.
6. Board of directors	a. No board of directors is needed b. Government department acts as a board of directors c. Representatives of the participating communities form board of directors

	<ul style="list-style-type: none"> d. An NGO takes on the role of director e. Private investors form board of directors f. A combination of the above
7. Organisational structure, central management	<ul style="list-style-type: none"> a. An NGO manages the network b. While the network is owned by participating communities, it is managed by a team of tourism professionals c. Representatives of each community take on the managing role in turn for a specific period d. Network is managed by government officials
Management	
8. Training and education	<ul style="list-style-type: none"> a. Done on site by managing body b. Outsourced to NGOs c. Outsourced to registered education providers
9. Resource management	<ul style="list-style-type: none"> a. All resources are pulled together b. Finances are kept separately and decided upon by individual members, financial assistance to one member can be provided by other members if necessary c. All resources are kept separately
10. Marketing and promotion	<ul style="list-style-type: none"> a. All marketing research and promotion is undertaken through the network (e.g. sales forecasts, web-site, and publicity). b. The network has its own website with information about members and publishes brochures; however other marketing and promotion activities have to be undertaken by members. c. All marketing and promotion activities have to be undertaken by individual members.
11. Sources of funding and other network-specific resources	<ul style="list-style-type: none"> a. External AID agency b. International NGO c. Government funding d. Network members (possibly loan) e. Local NGO f. Managing company
Network functions	
12. General functions	<ul style="list-style-type: none"> a. Management of the network members (similar to a headquarters-branch management)

	<ul style="list-style-type: none"> relations in corporation) b. Providing strategic vision and goals c. Advising members for decision-making d. Imposing decision-making
13. Tourism specific functions	<ul style="list-style-type: none"> a. Reservations and booking b. Sales c. Marketing, analysis of market trends d. Promotion e. Collection and dissemination of information on CBT initiatives f. Dissemination of information to tourists g. Capacity building and training for tourism h. Encouragement of links between individual members and other tourism businesses i. Playing a role of a major stakeholder in tourism j. Participating on behalf of CBT network in international CBT and ecotourism events k. Assisting in infrastructure development l. Lobbying government on interests of CBT m. Lobbying government in interests of network member communities
14. Community development specific functions	<ul style="list-style-type: none"> a. Environmental education in communities b. Promotion of sanitation and health practices c. Other adult and informal education d. Encouragement of links between individual members and other development initiatives e. Playing a role of an important development organisation f. Monitoring fair distribution of profits g. Monitoring sustainable environmental practices in communities h. Monitoring achievement of Millennium Development Goals in communities i. Assisting in infrastructure development j. Lobbying government on interests of network member communities
External recognition	
15. Relationship with other community development	<ul style="list-style-type: none"> a. Unrelated b. May participate in other initiatives on local level

initiatives	c. The network aligns its work with national development goals and priorities
16. Relationship with other tourism businesses	a. Unrelated b. Individual network members decide whether to establish links with other tourism businesses c. Only through government (e.g. Department of Tourism) d. Close ties with other tourism businesses
Network morphology	
17. Timeframe	a. Temporary b. Permanent c. Permanent with temporary collaborative relations encouraged between several members to achieve specific goals, if necessary.
18. Minimum membership for the establishment of the network (size)	a. 2 b. 3 c. 5 d. 10 e. Other
19. Time to establish the network	a. 6 months b. 1 year c. 2 years d. Other
20. Density (number and strength of dyadic ties)	a. High b. Medium c. Low
21. Reachability (ease of contacting/reaching one member of the network by another member)	a. High b. Medium c. Low
22. Geographical distribution	a. Local b. Regional c. National d. International

8. Do you have any other comments on the model?
9. Are you aware of any organisations that you feel should be part of the proposed network?
10. Do you know anyone else who would be interested in participating in this investigation? If so, please pass on an invitation to prospective respondents whom you regard as appropriate. These prospective participants can then respond directly to the researchers.

Thank you for your participation

APPENDIX 3. CBT NETWORK DESCRIPTION

Preliminary Community-Based Network Model

The model of the community-based tourism (CBT) network described in the project summary and table (attached) presents the responses received from the research participants. The aim of this stage of the research is to feed back the information that has been collected to date to participants and to evaluate the proposed network for any gaps and inconsistencies and to assess the feasibility of implementation in Timor-Leste.

It was found that participants prefer a medium level of integration and a low level of member interdependence. The results showed that the network should have a single strategy, common objectives and a single set of standards. The network should also fulfil the responsibilities of a forum, organising seminars and conferences and providing opportunities for knowledge sharing. It is preferred that the network is an advisory body without direct decision-making in relation to sales, booking and day-to-day operations of network members. However a centralised body is perceived as having value for coordination purposes. It is envisaged that the centralised body will be represented by a directorate and by a management team. Community representatives form a directorate which determines the objectives and strategic directions of the network. Other stakeholders, such as government, the private sector and NGOs can participate in directorate meetings and can provide advice, though would not possess voting rights. Tourism professionals would manage the activities of the network and provide advice to its members, but not be involved in the management of the operations of members. The management team is responsible to the directorate. The relationship between the directorate and the management team is crucial for the success of the network. While there appears to be no exact replication of this structure in existence, several networks do have somewhat similar organisational structures. Asociacion Costarricense de Turismo Rural Comunitario and Red Indigena de Turismo de Mexico are governed by an assembly of participating communities, managed by a team of tourism professionals and evaluated by an external assessor.

There should be a separate fund to support the network's activities. During the early stages at least, funding will be needed from external sources: possibly from an international NGO or from government. The donor should however have limited ability to control the network operations. A mechanism of assistance between network members in terms of financial

and/or human resources should be further developed. An assistance fund might be created under the auspices of the management of the network. Though cooperative marketing should be conducted by the network management team members are not restricted to marketing through the network and have the capacity to undertake their own marketing and promotions. The network functions should include at least: marketing and promotion; collecting information on CBT initiatives generally and disseminating information on CBT in Timor-Leste to tourists; capacity building and training; lobbying government for support of CBT initiatives and advocating the interests of participating communities; environmental, sanitation and hygiene education. This model resembles the following existing examples: ACTUAR and COOPRENA in Costa Rica, North Andaman Coast Community Tourism in Thailand, Red Indigena de Turismo de Mexico, and Tucum network in Ceara, Brazil. Each of these cases has some differences and none can be replicated simply. All CBT networks should evolve in a manner that is consistent with the local context.

APPENDIX 4. CBT NETWORK SUMMARY.

Establishing a Community-Based Tourism Network in Timor-Leste

Community-based tourism (CBT) is an alternative form of tourism, which aims to maximise benefits to local people and achieve community development objectives by building community capacity and empowerment. A CBT network is a collaborative or partnership relationship connecting several CBT initiatives.



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Aim of this project summary

This summary provides the basis for a discussion about the opportunity to establish a community-based tourism (CBT) network in Timor-Leste and aims to evaluate the prospects for implementing the proposed network.

Previous research has shown that the majority of stakeholder group representatives consider the prospect of a network as a viable strategy for strengthening CBT in Timor-Leste. The project summary presents the views of a majority of the respondents about the phases of the future network development and its possible structure.

What tourism should be developed in Timor-Leste?

Research participants identified several prospective tourism niches, which could assist the people of Timor-Leste: nature-based, cultural and historic, adventure tourism and CBT. Tourism products within these niches could complement one another and create a distinctive Timor-Leste tourism brand. At the same time CBT appealed to respondents as a strategy for pursuing sustainable development (with a focus on socio-cultural, environmental and economic benefits for communities). Nevertheless, tourism should not be viewed as a panacea for development ills and resources should not be withdrawn from other activities, such as agriculture in favour of tourism.

Despite the capacity of CBT to bring benefits to Timor-Leste, it currently faces several challenges:

- Lack of access to vocational education and training
- Limited management skills and knowledge of CBT within communities
- Lack of ongoing support for CBT - a short-term project orientation prevails
- Lack of financial opportunities
- Lack of physical infrastructure and its unsatisfactory state
- Intra-community conflicts
- Conflicting land use priorities

What is a CBT network for Timor-Leste?

A CBT network managed by tourism professionals can bring together individual CBT initiatives, such as Tua Koin (Atauro), Valu Sere (Tutuala), Village Hotel (Loi'hunu), Community tourism (Com and Maubisse) etc., government departments, NGOs (e.g. Haburas & Roman Luan), the private sector (e.g. Eco Discoveries, Intrepid Travel) and education providers (e.g. ETDA & DIT).

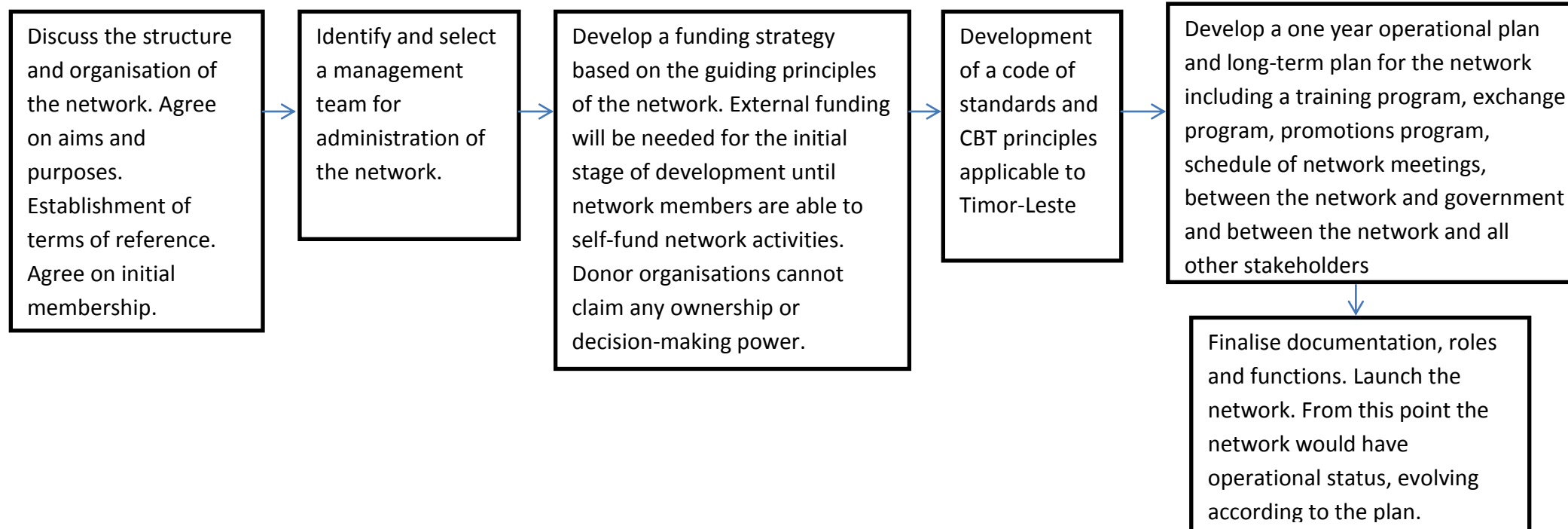
What would a CBT network do?

- Marketing and promotion;
- Collecting information on CBT generally and disseminating information on CBT in Timor-Leste to visitors;
- Capacity building and training;
- Lobbying government to support CBT and advocating on behalf of the interests of participating communities;
- Environmental, sanitation and hygiene education.

Principles of a CBT network for Timor-Leste

- The network should be built upon a spirit of trust and solidarity.
- The network should operate through cooperation and discussion.
- The network should set common CBT goals and objectives.
- It should aim towards what is achievable.
- The network members should be able to achieve those objectives overcoming differences of background and opinion.
- The network should be inclusive, not exclusive.
- The network should be flexible and should evolve in response to changing circumstances.
- It should have a medium level of integration.
- It should incorporate a central body.
- The central body should have no direct decision-making power over network members.
- The network should help empower communities, not disempower them.

Network development process



Similar CBT networks elsewhere in the world

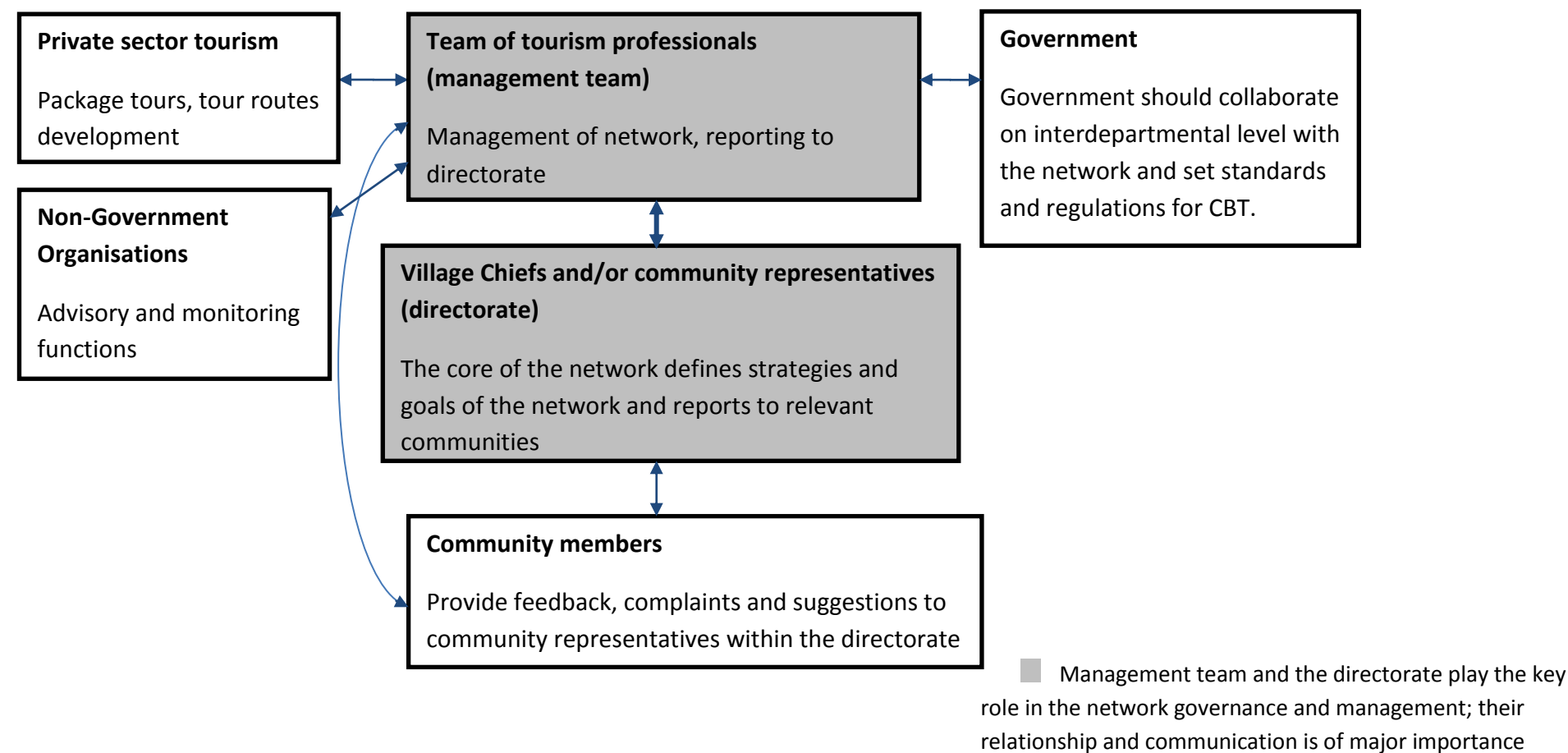
COOPRENA, Costa Rica

Formed by 19 members, COOPRENA organises and markets the tourism products offered by its members in Costa Rica. Rural Community Tourism in Costa Rica project aims are:

- Development of competitive community tourism products, operated by cooperatives and organisations within the social economy sector;
- Development of quality tourism services through the development of a CBT manual, training courses and workshops
- Marketing and commercialisation activities including marketing research and development and implementation of marketing strategy
- Implementation of information technology for booking and sales of tours
- Dissemination of information on CBT, the developed manual and network model.

Website: <http://www.turismoruralcr.com/>

Possible network structure



North Andaman Community Tourism Network (N-ACT), Thailand

Formed by 10 communities, N-ACT fosters community-based tourism to supplement sustainable livelihoods for local communities. N-ACT is facilitating:

- Group and individual capacity building through training, study trips, product enhancement, and learning tools
- Stakeholder communication resulting in cooperation among communities, businesses, NGOs, and government
- Development of promotional materials, marketing activities, and private sector outreach resulting in new customers
- Strengthened connections between community tourism, conservation efforts, and poverty alleviation
- Knowledge products to encourage replication of successful community tourism development methods

Website: <http://www.andamancommunitytourism.com/>

Other links: CBT-I, Thailand (<http://www.cbt-i.org/>); JED, Indonesia (<http://www.jed.or.id/>); La Ruta Moskitia, Honduras (<http://www.larutamoskitia.com/>); Red Pakariñan, Ecuador (<http://www.redpakarinan.com/>); REDTURS, Latin America (<http://www.redturs.org/>); Tucum, Brazil (<http://www.tucum.org/>)

APPENDIX 5. SUMMARY OF FINDINGS: PRINCIPLES OF A CBT NETWORK FOR TIMOR-LESTE

Attributes	Alternative approaches
Guiding Principles	
1. Integration (strength of collaboration)	Cooperation – medium level of integration
2. Interdependence (dependence on other members of the network, including mutual trust)	Low dependence on other members of the network, while the level of trust should increase with time
3. Centralisation (existence of a central governing body)	Decentralised decision-making, but a centralised body exists to coordinate and undertake and coordinate network activities
Governance	
4. Network organisation	The network should have a single strategy, common objectives and a single set of standards. The network should fulfil the responsibilities of a forum, which organises seminars, conferences and provides knowledge sharing opportunities. The preference is for the network to be an advisory body without direct decision-making by one centralised body in relation to sales, booking and day-to-day operations of network members.
5. Type of tourism related business involved (vertical/horizontal integration)	Any type of organisation, which can prove of value for tourism
6. Board of directors	Village chiefs and/or representatives of the participating communities form the directorate A combination of representatives of government, private sector, NGOs and education may be represented at the directorate and be engaged with community representatives, however power over the network is solely with community representatives
7. Organisational structure, central management	While the network is owned by participating communities, it is managed by a team of tourism professionals

Management	
8. Training and education	Official training and education certification programmes should be encouraged. Priority should be with what should be taught, rather than, who should do it.
9. Resource management	Finances are kept separately and decided upon by individual members. Financial assistance to one member can be provided by other members if necessary. The centralised body will require funding for its operations.
10. Marketing and promotion	The network has its own website with information about members and publishes brochures; however other marketing and promotion activities can be undertaken independently by members. Information should be distributed and enquiries responded through the management team office.
11. Sources of funding and other network-specific resources	<p>Priority should be given to the conditions of funding (independent of decision-making), rather than to the organisation that provides funding. Several options seem to be appropriate:</p> <ul style="list-style-type: none"> • International NGOs • Government funding • Network members (membership fees could be established in longer term)
Network functions	
12. General functions	<p>Providing strategic vision and goals</p> <p>Advising members and decision-making</p>
13. Tourism specific functions	<p>Priorities, depending on the resources available (1 – high priority, 2 – medium, 3 – low):</p> <p>1 Marketing, analysis of market trends</p> <p>1 Promotion</p> <p>1 Collection and dissemination of information on CBT initiatives in Timor-Leste and generally</p> <p>1 Dissemination of information to tourists</p> <p>1 Capacity building and training for tourism operations</p> <p>1 Encouragement of links between individual members and other tourism businesses</p> <p>1 Lobbying for government support of CBT</p> <p>2 Playing a role as a major stakeholder in tourism</p> <p>2 Reservations and bookings</p> <p>3 Sales</p> <p>3 Participating on behalf of the CBT network in international CBT and ecotourism events</p>

	3 Assisting in infrastructure development
14. Community development specific functions	<p>Priorities, depending on the resources available (1 – high priority, 2 – medium, 3 – low):</p> <p>1 Environmental education in network communities</p> <p>1 Promotion of sanitation and health practices</p> <p>1 Advocating the interests of participating communities to government</p> <p>2 Encouragement of links between individual members and other development initiatives</p> <p>2 Monitoring sustainable environmental practices in communities</p> <p>3 Playing a role as a community development organisation</p> <p>3 Monitoring fair distribution of profits</p> <p>3 Other adult and informal education</p> <p>3 Assisting in infrastructure development</p> <p>3 Monitoring achievement of Millennium Development Goals in communities</p>
External recognition	
15. Relationship with other community development initiatives	<p>May participate in other initiatives on a local level</p> <p>The network aligns its work with national development goals and priorities</p>
16. Relationship with other tourism businesses	<p>Individual network members decide whether to establish links with other tourism businesses</p> <p>Ties with other tourism businesses should be based on common values</p>
Network morphology	
17. Timeframe	Permanent with temporary collaborative relations encouraged between several members to achieve specific goals, if necessary.
18. Minimum membership for the establishment of the network (size)	No need to predetermine, as this will be a part of network evolution process.
19. Time to establish the network	No need to predetermine, as this will be a part of network evolution process.
20. Density (number and strength of dyadic ties)	No need to predetermine, as this will be a part of network evolution process.
21. Reachability (ease of contacting/reaching one member of the network by another member)	No need to predetermine, as this will be a part of network evolution process.
22. Geographical distribution	National

APPENDIX 6. QUESTIONS FOR EVALUATION STAGE

We would be grateful if you would answer the following questions. They are open-ended so that we can gather further suggestions and reflections from research participants about the findings and about the proposed CBT network.

1. How do you feel about establishing such a network?
2. Have you noticed any gaps or inconsistencies in the proposed model?
3. Do you think that this network is capable of being implemented effectively?
4. What challenges do you think its implementation may face?
5. If such a network is implemented, what role can you imagine for yourself or for your organisation?
6. What changes do you think are required to increase the chances of consensus amongst all interested parties, and the chance of successful implementation?
7. Do you have specific comments about the guiding principles of the network?
8. Do you have specific comments about the governance of the network?
9. How can the network ensure that community aspirations are realistic and at the same time ensure that communities are not exploited?
10. How should the team of professionals be recruited? Who should they be? How can they build relationships with village representatives? How should their functions and powers be kept within manageable bounds? Can you suggest any potential candidates?

11. What specific funding opportunities might exist to support a proposed start-up?

12. At first the network will not cover the entire nation. Which geographic areas do you perceive as the most important to involve from the start?

13. Do you have any other comments/observations/suggestions?

Thank you for your participation

Any queries about your participation in this project may be directed to the student researcher:

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APPENDIX 7. PHOTOGRAPHS OF TIMOR-LESTE'S ATTRACTIONS

Government Palace, Dili



Museum of Timorese Resistance, Dili



St. Peter and St. Paul celebration, Atauro Island



Sacred House: Uma Lulik, Tutuala



Prehistoric cave paintings, Tutuala



Jaco Island, Tutuala



Mountain town of Maubisse



Mt. Mundo Perdido ('Lost World'), Loi'hunu



Australia Flag House, Balibo



Portuguese Fort, Balibo



Source: Author