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Expectations of Development: the Tasi Mane Project in Suai-Covalima

Judith Bovensiepen, Monis Filipe, and Flaviano Freitas

INTRODUCTION AND BACKGROUND

In July 2011, the government of Timor-Leste launched the Strategic Development Plan 2011-2030 (henceforth SDP). It sets out its overall goal, which is to ‘transition Timor-Leste from a low income to upper middle income country, with a healthy, well educated and safe population by 2030’ (SDP 2011: 9). The 226-page long document includes extensive plans to improve education and health, and develop cultural heritage, as well as Timor-Leste’s oil and non-oil economies. One part of the economic development focuses on petroleum, and includes plans for the development of human resources for the petroleum industry, for the establishment of a national petroleum company, and for the so-called Tasi Mane project (SDP 2011: 136-138). The stated goal of this project is to bring petroleum development to Timor-Leste’s shores and to ‘provide a direct economic dividend from petroleum industry activities, supporting infrastructure will be developed on the south coast’ (SDP 2011: 138).

The Tasi Mane project, which is the focus of this article, envisages the development of three industrial clusters on the thinly populated south coast of the country. The idea behind the Tasi Mane project is to develop the coastal zone on the south of the half-island, an area projected to become ‘the backbone of the Timor-Leste petroleum industry’ (SDP 2011: 138). Focusing on three areas along the south coast, the Strategic Development Plan seeks to ‘ensure that required infrastructure is in place to support a growing domestic petroleum industry’ (SDP 2011: 138). In Suai, the planned scheme stipulates the building of a Supply Base including a port, an international airport, a heavy metals workshop, shipbuilding and repair facilities, and a crocodile farm. ‘Suai will become a centre for the petroleum industry in Timor Leste providing services, logistics, fabrications and human resources (SDP 2011: 139).’

In Betano plans include an industrial park housing an oil refinery and a petrochemical plant. The SDP states that in the future, ‘domestic fuels needs such as diesel, gasoline, jet-fuel and asphalts will be able to be provided by this refinery’ (SDP 2011: 139), as well as providing products for export. In Beaco, plans include an industrial complex for an LNG plant (Liquified Natural Gas), a pipeline for natural

gas (presumably from Greater Sunrise fields), a regional airport, and marine facilities for downloading goods. The entire Tasi Mane project, according to the SDP, ‘will commence by 2015 and be completed by at least 2020 (SDP 2011: 139)’. Moreover, there are plans for three new cities – Nova Suai, Nova Betano and Nova Beço – to administer these projects, and a large highway connecting these three industrial clusters (SDP 2011: 139; see also Timor Gap 2015, La’o Hamutuk 2011).

Since the launch of the SDP, the Tasi Mane project has received both praise and criticism. Members of the current government maintain that it will enable economic development and provide employment opportunities to local people. The project is explicitly framed in nationalist terms, since one of its aims is to reduce economic dependency on other countries (by developing a domestic petroleum industry) and involve plans for a pipeline from the disputed Greater Sunrise fields in the Timor Sea to be brought to Timor-Leste’s shores. Kim McGrath (2014) has outlined the long-standing involvement of the Australian government in scheming for Greater Sunrise oil and gas fields.

The Greater Sunrise field lies 450 kilometres north of Darwin, but only 150 kilometres south of Timor-Leste. According to international law, the boundary between both countries should be based on the median line and hence the fields would belong to Timor-Leste (according to the Convention of the Law of the Sea, which Australia ratified in 1994). Despite of this, in 1989, during Indonesia’s illegal occupation of East Timor, Indonesia and Australia signed a resource sharing agreement, which assigned 80% of Greater Sunrise to Australia. This agreement was invalidated when Timor-Leste regained independence and the Timor-Leste has since been in negotiations with Australia over the disputed fields, negotiations that Australia tried to win through quite ruthless means (McGrath 2014). The sense of outrage and frustration at Australia’s continued claims to Greater Sunrise forms part of the motivation for the plans of the Tasi Mane project.

Nevertheless, there are a great number of criticisms of Tasi Mane, both within and outside the country. There are concerns about spending valuable national resources on a petroleum infrastructure program when it is not clear whether the pipeline from disputed Greater Sunrise fields is actually going to come to Timor-Leste. There are several NGOs currently researching and working on this issue, focusing on the negative consequences of petroleum dependency, on land and family conflicts, on environmental problems, and on the project’s effects on cultural heritage

and sacred sites (NGOs include La'õ Hamutuk, Haburas, Fundasaun Mahein, Oxfam, and Timor Aid). The dangers of petroleum dependency (the 'resource curse') and concerns about Timor-Leste's oil not being sufficient to warrant such major investment in petroleum infrastructure have been well-documented. Critics argue that the oil industry is notoriously bad at creating much needed employment opportunities, whereas others are concerned about the top-down nature of the development scheme. Some of the worries expressed with regards to the Special Economic Zone (ZEESM) to be developed in Timor-Leste's enclave Oecussi may similarly be applied to Tasi Mane. Meitzner Yoder (2015) has criticised ZEESM, for example, for being outsider-oriented (i.e. focusing on tourism rather than on local development), for erasing the specificity of place, selectively appreciating cultural heritage, and for relying on spatial re-ordering that neglect the highland region.

In December 2015, the President of Timor-Leste vetoed the 2016 state budget, based on concerns that too much money is attributed to major projects like Tasi Mane and the Oecussi special zone (ZEESM), whilst criticising that not enough is allocated to health, education and agriculture (Inder 2016). However, the parliament reconsidered the budget and decided unanimously not to make any changes.

Despite the concerns with regard to these large-scale development plans, there is widespread enthusiasm and hope attached to the Tasi Mane scheme, both at the local level and in government circles. In this paper, we look in more detail at these hopes and expectations at the local level, focusing specifically on the municipality of Covalima, where the implementation of the project has already started and where the government has begun to take possession of the land, in exchange for what they call 'compensation' in the form of money (3\$ per square meter).

RESEARCH AND METHODS

This paper discusses some of the results from research that was carried out between March and August 2015.¹ The research is part of an ongoing project led by Judith Bovensiepen on the hopes and expectations towards petroleum wealth in Timor-Leste. This article mainly draws on a survey carried out by Monis Filipe, Flaviano Freitas and Judith Bovensiepen in the municipality of Covalima in July 2015. It is also informed by expert interviews and participating and observing events relating to the

¹ This article draws on research funded by the Economic and Social Research Council of the UK (grant number: ES/L010232/1), whom we would like to thank for their generous support.

implementation of the Tasi Mane project. The survey consisted of 50 semi-structured questionnaires, which we carried out in five different locations in Covalima. We were unable to pick a random sample and hence make no claims that our results are representative of the broader population. We chose interviewees mainly on the basis of availability and tried to spread out across the area. All interviews were conducted in Tetum.

We chose the locations in a way that it would provide us with a good cross-section of places affected in different ways by the Tasi Mane project. Of these five places, four were directly affected by the Tasi Mane project, and one was not directly affected (but, there was a noticeable indirect impact). Research was conducted in Fatu Isin (Suco Camenassa), where the Supply Base will be built – and where a large proportion of inhabitants already gave their fields to the government in exchange for monetary compensation – a process referred to as the ‘liberation of the land’. The second place was Sanfouk, (Suco Camenassa), whose residents have also been asked to offer their fields for the building of the Supply Base. In July 2015, 35% of those who agreed to give their land to the Supply Base had already received monetary compensation (144 people), and the next ‘phase’ of payment was just about to begin. Altogether, 350 hectares are affected by the Supply Base in the suco Camenassa, and another 780 hectares will be affected for the building of an industrial estate (in Bele Kasak).

Holbelis (Suco Labarai), the third place in which we conducted research, is an area near the current airport where a proportion of inhabitants will have to move to a new locality since their houses will be affected by the transformation of the existing runway into an international airport. Even though the houses that have to be moved had been identified at the time of research, a place for the resettlement had not yet been agreed. This was different in the Suco Matai, our fourth locality on the other side of the airport, where a new place to resettle has already been identified for the 72 households affected. The fifth place where we carried out our survey was the Suco Suai Loro, which will not be directly affected by the Tasi Mane project, but where the Supply Base was to be built initially.²

The questionnaire was divided into five parts. The first part included an assessment of the socio-economic status of the households we interviewed; the second

² We would like to thank all research participants, and especially the village chiefs of these locations for granting us permission to conduct the research.

part included general questions about the family make-up, inheritance, origin, language and social organisation; the third part looked at the knowledge that the respondents had about the Tasi Mane project and its implementation, the fourth part concentrated on the hopes and expectations research participants had with regard to the project, and in the last part we asked about actual concrete engagement that respondents already had with those charged with the project's implementation (government officials and the national petroleum company Timor Gap).

RESULTS: HOPES AND EXPECTATIONS

Part four of the questionnaire concentrated on how people imagined the future through four main themes: work and education, living in a big city, hopes that oil will be available for future generations, and messages that respondents formulated for their political leaders.

Work and Education

One of the main promises that were made during the 'socialisation' events, during which representatives of the national oil company provided information to the 'affected communities' in Covalima was that the latter would gain work through the Tasi Mane project. Concrete promises were made about the thousands of jobs the project would create. 'Direct' and 'indirect' opportunities were emphasised; jobs were promised as cleaners, drivers, in the tourism industry and other sectors. These promises had clear impact on people, since work was without doubt a major expectation that people had with regards to the Tasi Mane project and with regards to their future. In fact, many respondents suggested that it was their *right* to work for the project, and that their right trumped that of their country men and women, since they gave up their land and/or houses for the project. When asked whether they could imagine working for the Tasi Mane project, 86% of respondents said yes. Interestingly, there was no real difference here between the suco Suai Loro that is not directly affected by the Tasi Mane project and the other affected localities, even though those directly affected tended to emphasise their right to work and the increased necessity for them to find work, as many had lost or were about to lose their fields. Jobs people could envisage doing include working as cleaners, cooks, manual laborers, drivers, in security, as officials working at the airport or the port, as carpenters or in construction.

Research participants were also asked what they were hoping that their children and grandchildren would work as in the future. People rarely specified a particular kind of work, but instead emphasised that they wanted their children and grandchildren to receive a good schooling and then work in what might best be described as an ‘office-job’, i.e. one that did not involve manual labour. 90% of respondents said that they wanted their children to gain a good education. Education was also associated with the hope that they would then have better chances to work for the Tasi Mane project, i.e. for the airport, the Supply Base or elsewhere in the petroleum industry. We encountered a number of families where one or more members were studying abroad in petroleum related courses, specifically with the hope that they would later get jobs working for the Tasi Mane project. In fact, 43% of those who responded that they had relatives living, working or studying abroad also mentioned that these relatives were studying subjects related to natural resource extraction.

Living in a Big City

Research participants were asked two direct questions about how they imagine their district would look like in the future. First, they were asked, ‘how do you think your district will look like in 10 or 30 years from now?’ Then they were asked, ‘what country will Timor-Leste most resemble in 20 years from now?’ The overwhelming majority response to the first question was that Covalima would be a big city, and the association that people had with this big city was almost exclusively a positive one. In fact 26% said that there will be very big changes in the future, while 56% said that Covalima will be like a city, a big, beautiful or good city, or a city like Baukau or Dili. Only a single respondent expressed concern, asking ‘how will this place look like when we have all lost our land and houses?’ The vast majority hoped that the project would lead to better roads and infrastructure and hence raise everyone’s living standards. One man from the suco Matai said: ‘Covalima will be the capital of the oil industry’ [in 30 years from now].

When asked what country Timor-Leste will resemble most in 20 years from now, people mentioned a variety of different countries – often several countries at the same time that were associated with high living standards. The favourites were Australia (with 42% of respondents mentioning it), Indonesia (30%), Singapore and Portugal (22% each), followed by America and England (with 14% each). People

volunteered the names of these countries without the researchers making suggestions or naming countries to choose from.

Oil for our Grandchildren

A highly controversial topic that has led to disputes amongst critics and government officials is the question about how long Timor-Leste's oil will last. In April 2015 the NGO La'o Hamutuk published their analysis that the Petroleum Fund 'will only be able to support Timor-Leste for five to eight years after Bayu-Undan runs out ... until about 2025.' This analysis led to a lot of debate amongst civil society groups, to media reports, and some critical responses from the government. As we show in the next section, there were some critical questions on this particular topic, yet the large majority of respondents were adamant that Timor-Leste was very rich in oil (reflecting the government line). What people think about this question is crucial, not just with regards to how much trust they put into the project, but also with regards to how resources are managed in the present. We asked respondents 'how long do you think Timor-Leste's oil will last?' A large proportion (76%) of respondents estimated that Timor-Leste's oil will last a long time; to be more precise: 40% estimated 50-100 years, 16% over 100 years, 8% 11-49 years, and 12% said 'a long time'. Only 2% (i.e. one respondent) said that the oil would last 10 years or less and one person responded 'a short time'.

Many of those with high estimates said that Timor-Leste's oil will last until 'our children and grandchildren's time'. Others added 'we have a lot of oil', and some living in areas with oil seeps proudly declared 'we are sitting on top of oil here!' Of those who estimated that the oil would last for more than 100 years, one respondent said 1000 years, others several hundred years, 300-400 years, and forever. 26% of respondents said that they did not know or that it depended on how the oil was used (this was something even those who said the oil will last a long time added to their response).

A Message for our Leaders

The final question of the part on hopes and expectations in our questionnaire asked research participants what they would say to those in power if they had the opportunity to express their wishes of the future? They were asked that if they could say something to their political leaders, such as the former Prime Minister Xanana

Gusmao, the Minister of Petroleum and Mineral Resources Alfredo Pires, the current Prime Minister Rui Maria de Araújo, or the Director of Timor Gap Francisco Monteiro, what would they say?

The responses here were quite diverse. They ranged from expressions of deep gratitude towards the leaders that they chose to build the Tasi Mane project in Covalima, to expressions of doubt and reproach: ‘why are you not looking after the poor people?’ one man asked. Eight respondents said that they would ask the government ‘to look after us people’. Whereas good roads, water facilities, toilets and education (school and training) were all concerns mentioned, by far the most significant request (by over 16% of people) was to ask for work for themselves or their children. ‘The government has to look after us people’ one respondent said, ‘Because we are suffering, we have problems. My husband and my children have to work for the Supply Base.’ Several respondents also stressed that the project should go ahead quickly: ‘We want the development to happen fast.’ Another respondent said. ‘Stop all the talking. Don’t just talk, but do it quickly’ was his message for political leaders. One man had a specific question: ‘Our nation is a young nation. How much crude oil do we have? What is the percentage that we have already taken out? And how much longer will our oil last? And if it is a short time, then how will we live?’

CONCLUSION

As our results have illustrated, in the municipality of Covalima, the expectations towards the Tasi Mane petroleum development project are immense and people put a lot of trust into their leaders that they will deliver, that Covalima will be a big and beautiful city, and that they will get work from these developments. Not many of those interviewed were exposed to the criticisms of the project voiced by scholars and activists in the capital city Dili.

Interestingly, such criticisms did not just derive from NGOs, but also from within the oil industry. The idea that people in Suai were ‘sitting’ on top of oil was challenged by two expert interviews we carried out with representatives of the oil industry. Oil seeps, as they can be seen in a number of places in Covalima (e.g. in Suai Loro and Matai), are not actually a sign that there is a lot of oil, we were told. In fact, such seeps may be a sign that the oil reserve has been damaged. Most experts

agreed that further studies would need to be carried out to find out whether Timor-Leste really does have any commercially viable onshore oil or gas reserves.

By contrast, members of the government interviewed, emphasised the need for national unity; they worried that the criticisms towards the project would ‘scare off investors’. The Tasi Mane project has become a politically sensitive and potentially divisive topic, leading some to doubt whether the project will be implemented at all. Rapidly falling oil prices in the international markets further diminish the wealth that the country will be able to gain from current reserves, which further intensifies public debates on how Timor-Leste’s oil wealth should be used. In light of such uncertainties, it remains to be seen whether the expectations and high hopes of ‘affected community’ members will be fulfilled.

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