CHAPTER 15

Rural–Urban Inequalities and Migration in Timor-Leste

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Introduction

Inequalities between urban and rural Timor-Leste have been a persistent feature of the social landscape from colonial times. Many of these disparities reflect the asymmetric political and economic dynamics that distinguish urban centres of power and financial influence, especially the capital Dili, from the scattered, impoverished countryside where near subsistence agriculture and inevitably limited state services prevail. Socially, too, under Portuguese rule, the old status distinctions between *assimilados* (*civilizados*; assimilated)¹ and *indígenas* (natives) or worse (*salvagem*; savages) spoke to a perceived social gulf between advanced and educated urban modernity over and against the primitive and unenlightened rural hinterland (Roque 2012). If today these regimes of place-making between *cidade* (town) and *foho* (country) have been reworked and revised under Indonesian occupation, and the subsequent achievement of independence, echoes of these discriminatory spatial categories are, nevertheless, reinscribed through differential access to economic opportunity and services of state (Silva 2011).

These persistent inequalities can also be measured in statistical terms. In 2012, for example, the population of Timor-Leste stood at 1,154,625, and 70.4 per cent of citizens were classed as rural dwellers. They include a majority of the

¹ As Silva (2011: 159) notes, ‘assimilated’ were those who adopted Christianity, spoke Portuguese and consequently were considered free from the taint of *usos e costumes* (custom and traditions).

vulnerable 50 per cent of the population living on less than US\$2 per day—most of whom are highly dependent on the marked seasonal variations of the tropical monsoon climate. By contrast, some 57.8 per cent of urbanites in Dili occupy the highest wealth quintiles compared to just 8.7 per cent in rural areas (National Statistics Directorate (Timor-Leste) 2010: 27–28). As a result, some 91 per cent of urbanites enjoy safe drinking water, while just 57 per cent of their rural counterparts receive a similar level of service (National Statistics Directorate (Timor-Leste) 2010: xx). Rural areas have high rates of child mortality (8.7 per cent of children under five years of age) and much lower literacy levels (44 per cent of those >15 years) (National Statistics Directorate (Timor-Leste) 2010: xvii). Children in urban areas are almost four times more likely to be enrolled at secondary school than their peers in rural areas (National Statistics Directorate 2011).

In recent years, funding efforts by the national government to improve living standards beyond the urban concentrations have had positive impacts. New schools; well-stocked village health clinics; the roll-out of electricity transmission services; and the expansion of social payments to pensioners, veterans and village labour projects have made substantial contributions to improving rural household well-being. But inequalities persist, and one visible response to endemic levels of rural poverty has been a sustained rural–urban drift, both from the hinterland to district townships and from the remote uplands to the buzz and bright lights of the city, especially to Dili, the national capital, and especially by young people disenchanted with the prospects of a lifetime of subsistence agriculture and the overly familiar confines of home communities.

Some of these hopefuls move in search of better education opportunities and vocational training. Others respond to the lack of rural employment opportunities, and the drudgery of swidden agriculture.² All embrace their youthful desires to engage and consume the attractions of modernity, away from prying eyes of parents and neighbourly kin. This migratory trend can be appreciated in the 33 per cent increase of the Dili population (58,296) since 2004—a figure that represents 40 per cent of the overall population increase of the Timor-Leste population over that period (National Statistics Directorate (Timor-Leste) 2011). The lure of the city and the perceived freedoms and possibilities it presents has been a striking feature of post-independence East Timor, and one that is unlikely to diminish anytime soon.³

2 The lack of support for agricultural development has meant that in the 2014 national Budget just 2.2 per cent (US\$34 million) has been allocated to the sector, undermining its economic and agronomic prospects.

3 Indeed, internal migration has been a sustained feature of the history of Dili, especially from the early 20th century. Guterres (2003: 4) notes that on the eve of the Second World War and the subsequent Japanese invasion, the population of Dili was just 12,000 people, which grew to 30,000 by 1975, and over 100,000 during the Indonesian occupation. See also Ranck (1977), who argued that Dili was a migrant city even before the Indonesian invasion in 1975, with as much as 75 per cent of the population composed of rural migrants.

As in the past, migration pathways to the city are closely associated with kinship and broader affinal networks, which rural householders draw on in urban centres to access temporary accommodation and networks of patronage (see Ranck 1977; Field 2004). This trend was given greater impetus in the months and years following 1999, when thousands of squatters took up residence in abandoned Indonesian housing, especially in the western parts of Dili. Over time, the sustained pattern of urban drift has seen the emergence of a distinctive residential make-up in the capital, as Scambary makes clear:

East Timor's patterns of rural–urban migration over the past three decades have produced diverse hybrid micro-societies, in that they maintain aspects of traditional village systems such as clusters of kinship groups and vestiges of traditional authority, but in abbreviated form, sharing space with other kinship groups in highly heterogeneous societies reminiscent of more established urban and industrialised societies (2013: 3).

These concentrations of familiar social relations built around extended networks of kinship and alliance to source communities in the rural hinterland have been an important enabling mechanism to facilitate migration to the city and corresponding circular patterns of return.⁴ But the reality of urban life for most young migrants is frequently disappointing, and despite inclusion in urban networks of support and patronage, youthful aspirants still face the reality of inconsistent itinerant work, endemic, high youth unemployment, and strong competition for a limited number of jobs. The absence of manufacturing industries with constrained private sector investment leaves little room for absorbing the steady stream of high school graduates who enter the employment market every year—an impact estimated to be more than a quarter of the youth population aged 15–29, or nearly 15,000 young people per annum (Thu and Silva 2013). The result is a complex urban dynamic of competitive adaptation among socially aligned networks, the rise of youthful political discontent, the spread of opportunistic petty crime, alcohol consumption, drug use and gang hooliganism (see Scambary 2012; Kostner and Clark 2007).⁵

In this challenging environment, there are opportunities for bright and connected young people, but similarly, there are, perhaps, many more who struggle to secure pathways to successful urban livelihoods, and whose dreams end in disillusion and failure. As Guterres (2003: 192) has observed in his study of Timorese migrants to Dili, some of whom found the transition eventually untenable: '(r)ural life may not be exciting, but it is relatively easy and provides

4 Scambary (2013) has highlighted the dynamic, mobile and heterogenous character of the membership of many urban communities, as seasonal factors and continuous visits between hinterland settlements and the city by school students who may return for vacations, or people who participate in religious and ceremonial events.

5 The impact of these dynamic processes reaching a destructive high point in the 2006 crisis in East Timor when the fragility of the new nation was exposed (Scambary 2009).

a safety net for those who fail in the city'. It is noteworthy in this respect that, despite the continuing movement of people to the towns and cities, the rural population of East Timor itself continues to grow. At an estimated average growth rate of around 2.5 per cent per annum, the rural population is projected to top one million by 2020. This compares with nearly double the rate of urban population growth (4.83 per cent) to over half a million (UNESCP 2010).

International migration

The possibility of realising aspirational futures among young rural migrants to the city remains elusive and a significant challenge for government policy and Timorese society alike. However, since the historic achievement of independence, a growing cadre of young Timorese have found new pathways to comparative prosperity through international labour migration. Some of these pathways have been promoted and sponsored through bilateral government programs with regional countries such as Malaysia, South Korea and Australia. In the case of South Korea, for example, East Timorese labour migrants are included among the 15 countries that have signed a memorandum of understanding with South Korea to take up temporary labour opportunities, mostly for unskilled employment, and all subject to annual quotas (Yoon and Jung 2013: 16). In 2012, for example, 485 East Timorese obtained work contracts, but these numbers are dwarfed by migrant workers from other countries in Asia for the same year, such as Indonesia (6,110), Vietnam (6,853) and Cambodia (8,047) (Yoon and Jung 2013: 17).

Timor-Leste has also been included in Australia's Seasonal Worker Programme, directed mainly at Pacific Island communities. It is designed to enhance employment opportunities for low-skilled, unemployed workers, and to satisfy demand in the horticulture and tourism sectors for low paid, seasonal workers (DEEWR 2013). The pilot program was initiated in 2012, and some 50 East Timorese have participated in work placements, which is a reasonable beginning. But recent evaluations suggest that regulatory complexity for approved employers, and cost advantages of employing European backpackers on working holidays over East Timorese workers, limits the effectiveness and scope of the present program (Thu and Silva 2013). That said, for participants, the exercise has been rewarding. According to Thu and Silva (2013), in 2012–13, a sample of Timorese seasonal workers earned between AU\$10,000 and AU\$18,000 in their five- to six-month period of contractual labour in Australia. These figures are well above any comparable remuneration that they may have secured in Timor-Leste. Reportedly, these earnings provide a range of livelihood benefits to participants and their families back home.

Formal work exchange agreements enacted through bilateral agreements clearly offer labour opportunities for young, low-skilled East Timorese workers, but in terms of addressing problems of domestic under-employment, the results to date have been underwhelming and limited in scope. Far more significant has been the dramatic rise of informal temporary labour migration of young hopefuls who have left Timor-Leste seeking shiftwork and low-skill factory jobs in Western Europe, especially the United Kingdom (UK). Key to this unexpected and surprising development over the previous decade has been the ability of East Timorese to secure Portuguese passports and thus eligibility to work in the European Union. The origins of what is now a thriving chain of migration derive from the pioneering travel of former student activists in the 1990s, who gained political asylum through embassies in Jakarta to escape state persecution following the repercussions of the Santa Cruz Cemetery massacre of students in Dili (1991). Following the remarkable achievement of independence and the decision by the Government of Portugal to automatically recognise all East Timorese born before 20 May 2002 as Portuguese citizens with associated entitlements, a path was opened to international travel and access to employment in the European Union (McWilliam 2012).

Since the end of Indonesian occupation, large numbers have accessed the migration pathway to the UK, drawn from many corners of Timor-Leste, including the rural hinterlands and towns where family networks and contacts in Portugal have been instrumental in sponsoring initial participants (see McWilliam 2012). Estimates of the number of participants are difficult to gauge. Shuaib (2008), in one study, estimated that up to 800 young Timorese were leaving for overseas work every year, and while his study was undertaken when the Global Financial Crisis (GFC) was beginning to be felt in Europe, the flow of Timorese labour migrants heading overseas has continued unabated. Young men make up the majority of travellers, but young women are well represented—many joining their brothers or cousins along well-versed networks of kinship and family. These days, thousands of East Timorese workers are dispersed around the UK, employed in a variety of low-skill jobs: shiftworkers in food packing factories (for example, Tesco and Sainsburys) and manufacturing, meat processing in Northern Ireland, cleaning, security and night porter work, car detailing, and restaurant services. Most live in group houses, sharing expenses and experiences, and keeping in touch with distant relatives and friends through the modern miracles of Skype and social media such as Facebook. The streams of Instagram images exchanged among relatives and friends in cyberspace offer insights into a cosmopolitan modernity involving travel and adventure, which encourages younger siblings and their friends back home to emulate their success. And if, in reality, the images often mask less desirable and unfulfilling aspects of life in the UK—the cold, grey weather, homesickness, isolation, gambling losses,

and discrimination—there is no shortage of would-be labour migrants waiting for news of their passport and support from sponsors who might facilitate their journey to a ‘better’ life.

Remittance livelihoods

For most young Timorese migrants, the primary goal of overseas work is to generate savings to support their families in Timor-Leste and to build a financial stake to secure their own futures back home. Deirdre McKay (2007) has referred to the practice of remittance payments as monetised expressions of care and obligations to family, and the evidence is clear to see in certain contemporary settlements in Timor-Leste, where the bulk of new house construction is funded directly through remittance transfers from sons or siblings diligently putting away a sizeable portion of their wages to support their families at home. Los Palos in Lautem District is a case in point, where large numbers of its young people are now working and living in the UK, and, in certain areas of the town, such as the Aldeias of Ira Ara and Lere Loho, there is a widespread building and renovation boom underway (McWilliam 2012). Financial transfers from committed savers are enabling many young families to fast-track the construction of new cinder block housing and signal their success to their neighbours and wider community. Maria Da Costa, for example, while living with her parents and young daughter, has been able to construct a completely new house to lock-up stage in just over 12 months, using the money her husband, Marito, transfers each month (US\$500) from his job in a local library in Oxford. His proficiency with English and a tenacious savings ethic has achieved something they didn’t think possible when he embarked on his journey. There are many similar stories, and they highlight one reason for the popularity of international labour migration to Europe for young East Timorese.

Not all people who make the journey are disciplined savers, of course, and there are numerous stories of migrants and *suaka politiku* (asylum seekers) who have spent years overseas but fail to generate savings or send proceeds of their efforts to their families in need. Gambling, partying and spending-up means that there may be little left over to remit back home. Across the UK, including the towns and cities where East Timorese settle for work, there are typically numerous gambling and sports betting outlets (Ladbrokes, 888sport, Elite and Skybet, among others) that are more than ready to relieve bored shiftworkers of their weekly incomes. Gambling for young Timorese has a strong social aspect—they can gather after their shifts to put a few pounds through the digital roulette machines, bet on the results of English football matches, or chance the quick-

pick lotteries. Rumours of big wins among Timorese players that circulate among migrant groups and local Timorese networks is often enough to keep young people feeding the machines.

For those who sustain their commitment to family and their savings targets, the flow of remittances through Western Union wire transfers are making significant contributions to community livelihoods. Funds are regularly directed to support everyday expenses and contributions to lifecycle rituals of kin and affines. In addition to new house construction and improving the material conditions of life, savings and capital are also directed to supporting parents, siblings, spouses and children for everyday consumption needs and associated costs. Where possible, participants also seek to build a financial stake for future trading or microenterprises on their return home. According to Shuaib's study of those receiving remittances, some 45 per cent of households used the transfers to support daily household consumption, 41 per cent for housing improvements, 30 per cent for school fees, and 10 per cent for loan repayments. Most were also saving a portion of these funds to direct to education expenses (75 per cent), housing improvements (35 per cent), weddings and funerals (18 per cent), and business investment (10 per cent) (Shuaib 2008: 209). These findings are highly consistent with more recent personal research on which this chapter is based, and point to a growing significance of remittances for livelihood support and everyday consumption.

The role of remittance in supporting the education of younger siblings to attend high schools in Dili and further afield in neighbouring Indonesia is a further important feature. This objective has long been a factor in Timorese rural–urban migration, as Ranck pointed out in his survey of Dili in the 1970s. Then he noted that urban adaptation through education was a key element of migration success, and 'all the network sets show an obviously over-riding concern for education' (1977: 235).

Furthermore, and despite Timor-Leste's tumultuous past, Indonesia has become an increasingly attractive destination for young East Timorese seeking to secure vocational training and educational qualifications. Drawing in part on earlier pathways for education forged by young East Timorese during the Indonesian period (Bexley 2009), the new transnational education migration is driven by a pragmatic parental assessment of relative costs and benefits, as well as the familiarity of Indonesian educational institutions, language and attendant cultural values. Although supporting children in school or university in Indonesia is expensive for the average East Timorese family, lower living costs in Java and the perceived quality of education services can make the total package a cost-effective option. Bexley has noted, in 2009 at least, that the Timor-Leste embassy in Jakarta estimated there were some 3,500 East Timorese studying in Indonesia, and the number is likely to have increased since then (Bexley 2009).

Young East Timorese appear to be enthusiastic participants in the process, related in part, no doubt, to the popularity of Indonesian pop music and *sinetron* (televised soap operas) that have huge followings in Timor-Leste and contribute in no small way to contemporary experiences of modernity and the shaping of youthful values and aspirations (see also Ostergaard 2005).

Patterns and prospects for labour migration

In his 2008 survey of 105 East Timorese households receiving remittance flows, Shuaib made a number of striking observations that speak to the growing importance of transnational labour migration and the export income it generates. Among these findings, he noted, for instance, that:

1. 'Households with members working overseas are better off financially by many multiples than households pursuing local employment'.
2. Western Union electronic transfers remitted some US\$370,000 per month into Timor-Leste (2008), predominantly from the UK. This amounted to an estimated US\$5 million per annum in 2008 now likely to be significantly higher.⁶
3. The value of inward remittances to Timor-Leste makes migrant labour the country's second largest non-oil export after coffee.

These observations point to the growing importance of this livelihood option for many young East Timorese disillusioned with unemployment and the limited livelihood options in their hamlets of origin or on the dusty streets of the towns and cities. Labour migration to the distant UK is providing a bounteous and unexpected source of income and remittance flows to thousands of beneficiary households, whose member's lives have been materially enriched through the practice. Despite the impact of the GFC, especially in Western Europe, the slowdown has had limited effect on the outward flow of Timorese recruits. Their willingness to tackle low-skilled, menial and factory line work means that they can still access the comparatively higher wage opportunities on offer in the UK. If the macro-economic impact of these remittances remains relatively small in an economy so heavily dependent on oil revenues—estimated to be just 1.4 per cent of non-oil GDP in 2006 (Shuaib 2008: 195)—the revenue flow is only likely to grow, and, over time, contribute a sustained source of economic support for multiple Timorese households with members overseas. Like its regional neighbours in the Pacific and Southeast Asia, labour migration is likely to provide an important and continuing source of supplementary

6 The sum included transfers of funds through the established banks in Dili, such as ANZ Bank and the Portuguese *Caixa Geral de Depósitos* trading as BNU.

income for many years to come.⁷ Its broadly democratic nature also contributes to expanded education opportunities for many young Timorese and to breaking down the historical class inequalities that have persisted between rural and urban residents for generations.

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⁷ In this regard, Shuaib (2008: 195) highlights the significant contribution of inward remittances to regional neighbours such as Sri-Lanka and the Philippines (both 10 per cent of GDP), Samoa (26 per cent), Tonga (42 per cent) and Fiji (7 per cent).

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