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Introduction: The Political Dynamics and Social Effects of Megaproject Development

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This special issue examines the political context and social impacts of plans for two state-sponsored megaprojects in Timor-Leste: the Special Zone of Social Market Economy (ZEESM) in the Oecusse enclave, and the Tasi Mane Project stretching along the south coast. Tracing debates about national development models in Timor-Leste back to the Indonesian occupation and transition period to independence, this Introduction situates these projects within contemporary debates about development. We pay special attention to two key aspects: how megaprojects transform people’s relations with the land, a vital source of livelihoods and cultural meaning; and how different ethnolinguistic groups in Timor-Leste are adapting local practice to accommodate change. We conclude by highlighting how megaprojects reflect and affect aspects of life beyond economic development: governance practice, assertion of sovereignty, sensory losses and identity, ritual adaptations and aspirations for the future.

Keywords: Megaprojects; National Development Models; Resource Sovereignty; Land Conflict; Social Change

Approaching the achievement of two decades as a sovereign nation, ordinary people and governing leaders of Timor-Leste continue to seek to improve their lives. This special issue explores how Timorese desires for improved lives affect the identities, aspirations and decisions of people who live near state-supported megadevelopment...
projects that have sprung up since the country regained independence in 1999. These projects propose to bring radical changes into existence, transforming rural subsistence farmers into wage-labouring city-dwellers, who work in oil and gas, in the service industry, or in tourism. Examining the processes of implementing these projects, we probe into public debates on development and highlight the experiences of ‘affected communities’—those who live close enough to megaprojects to experience the projects’ effects on their own land and water, senses, social relations and daily lives. This issue also explores the national and international inequalities and power dynamics within which Timor-Leste’s megaprojects are embedded, and the social transformations that are triggered by these radical infrastructural experiments.

What are the effects of the megaprojects in Timor-Leste on those affected by the schemes? How do state visions of development intersect or conflict with local understandings of prosperity and desires to improve lives? What kind of political and social relations are co-produced through megaproject development?

The focus of this special issue is twofold: it examines the political context and contestations surrounding megaproject development in Oecusse and the south coast; and it examines the local impacts and responses to these projects. Megadevelopment does not only carry impacts or outcomes upon its completion; it has effects before and during the process of envisioning, building and beginning the policy framework and infrastructure initiatives. As this issue shows, even the promise or prospect of megaprojects can impact affected communities, as people anticipate and experience some sensory changes in their environment and have expectations about future livelihoods. With this special issue, we seek to capture some of the changes and challenges of megaproject development in the early stages of their implementation.

**Megaprojects: Timor-Leste’s Current Economic Tool of Choice**

Following centuries of Portuguese colonialism (until 1975), decades of Indonesian occupation (1975–99), and an interim period of United Nations administration (1999–2002), the citizens of Timor-Leste form part of a self-governing nation whose government has prioritised megaprojects and special economic zones as the primary tool for economic development. This special issue focuses on two regions currently being transformed by megaprojects: Timor-Leste’s south coast, and the Oecusse-Ambeno enclave on the western side of northern Timor. Both are sites of disproportionate national investment in infrastructure development, in accord with the 2011–2030 Strategic Development Plan (SDP) that sets forth a vision of Special Economic Zones (SEZ) around the nation (RDTL 2011, 114–116, 154–155) (Figure 1).

The project located along the south coast, called the ‘Tasi Mane Project’, aims to turn this thinly populated region into a large-scale petroleum infrastructure region by 2020. Plans focus on three sites and include, amongst others, a supply base and airport expansion in Suai, an oil refinery in Betano and a Liquefied Natural Gas (LNG) plant in Beaço. The three sites are each to host administrative cities and to be connected by a multilane highway. About one third of the highway has already
been built by a Chinese company, costing US$20 million per two kilometres (La’o Hamutuk 2016), and the Suai airport expansion has been completed. Construction of the supply base, oil refinery and LNG plant have not yet begun. However, land for the projects has been identified and mapped both in Betano and Suai, and most landowners in Suai have received monetary compensation for affected land. The main driver behind the scheme, which could end up costing over ten billion dollars (La’o Hamutuk 2015), is the Ministry for Petroleum and Mineral Resources, though the national oil company TimorGap is charged with its implementation.

In 2013, a Special Zone of Social Market Economy (ZEESM) was declared in the Oecusse enclave, with a fifteen-year cost of US$4.11 billion (Meitzner Yoder 2015). Plans in Oecusse are not designed to develop extractive industries, but use public funds to prepare the district’s basic infrastructure to attract foreign direct investment in as-yet-unspecified sectors. By December 2017, most of the forecast state-funded infrastructure projects were underway in the coastal lowlands, including roads, bridges, government buildings, airport/runway, irrigation systems, medical facilities and a hotel. Accompanying ZEESM was the 2014 designation as a Special Administrative Region (RAEOA), which has been progressively aligning the district’s governance structure, budget and social services, and legal framework with the ZEESM vision.

We designate the arrival of the Tasi Mane project and ZEESM on the national development horizon as ‘megaprojects’ for several reasons. First, spending on these initiatives has been a substantial portion of the national budget and financed by public money (La’o Hamutuk 2017a, 2017b). Second, officials’ rhetoric about the importance of these projects makes clear that these zones are not just development anomalies, but are meant to be core economic development models that will be replicated nationwide.
Third, their effects are pervasive in the lives of proximate residents, affecting local and national economies, landscapes, current and future livelihood possibilities, aesthetic and political components of identity, labour relations and the continuity of residential locations.

Both ZEESM and the Tasi Mane project have been infrastructure-centric, with publicity materials and activities focusing largely on construction at the outset, physically reshaping landscapes in permanent ways. For ZEESM, some legal changes to accommodate potential investors have also been put in place (RDTL 2014a). Significantly, both projects have required or anticipate using substantial tracts of land currently claimed and used by local residents, which has been both a major source of anxiety among residents and the driver for rapid (even hasty) implementation of modern land management technologies. While cadastral development is occurring nationwide, it has been prioritised and accelerated in megaproject regions, to facilitate the administrative simplifications that favour state access to land (cf. Scott 1998).

The megadevelopment projects initiated by the government are largely financed by the Petroleum Fund (PF) established in 2005. At the start of 2016, the balance of the PF was $16.22 billion (La’o Hamutuk 2017a). In order to finance the megadevelopment (and other) projects, the government has been withdrawing funds from the PF above projected sustainable spending levels (La’o Hamutuk 2017b). Withdrawals from the PF have decreased, but in return the government entered into loan agreements with multilateral agencies and foreign governments in order to be able to continue high infrastructure spending (La’o Hamutuk 2017b). The justification for this was that social and economic returns of these projects would outweigh the costs. Heavy investment in infrastructure is intended to boost rapid economic development, provide employment opportunities, create social stability and make Timor-Leste economically independent from international aid and donor money. The 2018 government programme proposes, for example, that the Tasi Mane project will generate 10,000 direct jobs and 50,000 indirect jobs (RDTL 2018). However, so far international investors have demonstrated scant tangible interest in the megaprojects (La’o Hamutuk 2016).

National leaders have pursued megaprojects, despite strong and persistent critiques of this development strategy from academics, international advisers, and domestic analysts (e.g. La’o Hamutuk 2016; World Bank 2016). There has been some scholarly attention to issues of concern in the crucial early stages of these projects’ implementation. Local consultation and participation in the planning process took little account of local knowledge or concerns about the projects’ effects on current residents’ resource access and land-based livelihoods (Cryan 2015a; Fundasaun Mahein 2013; Meitzner Yoder 2015). With a focus on generating national income, the projects gave little attention to the potential for such initiatives to increase social inequalities or to disproportionately impact socio-economically vulnerable people (Meitzner Yoder 2016; Rose 2016).

The articles in this special issue broadly speaking confirm civil society critiques about the potentially adverse social impact of rapid large-scale development projects. They add an ethnographic perspective on the social and political changes and
challenges of megaproject planning in Timor-Leste. Before outlining these in more detail, we situate current megaprojects in public debates about development in Timor-Leste more generally.

Public Debates on Development in Timor-Leste

The process, pace and means of socio-economic development in Timor-Leste have long been subjects of public debate. During the brutal Indonesian occupation, disproportionately high Indonesian government spending in the region for ‘visible development’ of roads, schools, health clinics, electricity generation, and such was intended to win over the East Timorese. Meanwhile, many Indonesians deemed the Timorese insufficiently grateful for the development goodies they received from the Indonesian government and citizenry. As Indonesia left in 1999 after a referendum set Timor-Leste on the path to sovereignty, militias targeted much of this development infrastructure in retaliation, burning or otherwise destroying these symbols of what symbolised progress and modernity.

During the UN-administered transitional administration and in the early years of full independence, building infrastructure for delivery of basic social services was a primary task. High levels of engagement by civil society facilitated the recovery process, as many communities self-organised to provide guidance and feedback on their regions’ needs. Although financial resources concentrated in the capital Dili, many economic development initiatives and infrastructure investments were spread nationwide. The 2011 national strategic development plan represented a deliberate departure from that approach, by proposing six geographically bounded special economic zones with discrete activities and approaches for each zone (RDTL 2011, 114–116; 154–155). The activities in these ‘strategic zones’ was to be based on comparative advantages, and tax and customs laws exemptions were to be developed for these regions. By early 2018, only Oecusse and the Tasi Mane region have seen concrete activities related to their special status.

Engaging with the anthropological literature on techno-politics, Meitzner Yoder (this special issue) analyses the political context in which ZEESM is embedded. Noting that a focus on highly visible infrastructure projects can obscure attention to governance practices, she examines how centralising political authority intertwines both envisioning and implementing a megadevelopment project. Despite the open party politics underlying the creation of ZEESM alongside a special administrative unit (RAEOA), the techno-politics operative in Oecusse work by framing economic development issues as chiefly technical and therefore politically neutral. The dominance of regional planning signals a detachment from the region’s existing resource use, ritual meaning and livelihoods as land is rendered subject to technical considerations.

Setting a development agenda in Timor-Leste has been a polarised and polarising process in the past decade. Forming a new nation entails a lot of work, from drafting new laws to designing and implementing new structures for civil service, in addition to recovery from destructive violence and widespread displacement. Through the UN
Transitional Administration and in the relief-development industry of bilateral aid and INGOs, thousands of expatriates from around the world have worked in positions of government advisors, consultants, program staff, researchers, and other duties. They have offered analysis, international perspectives, judgment, counsel, and written policy for this small nation. In recent years, many Timorese leaders have grown weary or suspicious of the accumulated volume of international intervention and input of a changing cadre of short-term development consultants (Bovensiepen 2016; see also Bovensiepen & Nygaard-Christensen 2018). They have become increasingly frustrated with foreign consultants who warn of the perils of the resource curse, label Timor-Leste a failed state, or critique government initiatives (e.g. Pereira 2014); they may receive warnings about the hazards of oil dependency with the feeling that ‘outsiders don’t want us to develop’ as one of our research participants suggested. As Cryan (2015b) has noted, consultations and advocacy can also diminish over time, and local disengagement can be exacerbated when outsiders are seen to wield disproportionate power.

The current megaprojects are themselves hybrids of East Timorese and foreign influence. The Tasi Mane project is a prominent feature of national economic development policy; some foreign technology and expertise is needed to bring the projects to fruition, and they are subject to international regulations and markets. Since the beginning, key leadership positions of ZEESM have been held almost entirely by East Timorese, most of whom have family linkages to Oecusse. Still, many of the project designs have been produced by foreign consultants from Asia and Portugal, and some project advisors have been international staff with the UNDP. Nevertheless, a unique and important feature of development megaprojects in Timor-Leste is that they are not imposed by external lending agencies, as is sometimes the case with large infrastructure projects (Routledge 2003). The plans for ZEESM and Tasi Mane have not been driven by external private investors, either; rather, they are national strategies to attract foreign direct investment to Timor-Leste, requiring up-front public spending on infrastructure.

In their analysis of the political discourses surrounding the planning and implementation of the Tasi Mane project, Bovensiepen and Nygaard-Christensen (2018), argue that the project is a fundamental aspect of post-conflict state building in Timor-Leste. Contrasting the aspirations for prosperity associated with the project and the pertinent civil society critiques, they highlight the politically productive dimensions of megadevelopment. The Tasi Mane projects embody both the material and ideological processes of state building, while also making some of the fundamental paradoxes and contradictions of this process visible.

Public debates on development in Timor-Leste often represent Timor-Leste’s future as a binary choice between two extremes: high-modernist development or living ‘behind the times’ as subsistence farmers. Those who define modernisation as development caution their opponents not to idealise rural life, which is hard and does not produce sufficient livelihoods for many farmers. Many rural East Timorese, like their urbanised leaders, desire a better standard of living with amenities that will
improve the lives of their families and opportunities for their children; even basic services remain unrealised in many regions. However, for most affected communities, there is not a hierarchy of desires or values; the desire for improved lives and living standards is not automatically associated with a loss or rejection of traditional lifestyles and subsistence techniques (Bovensiepen n.d.). However, the conflicting desires of people living in Timor-Leste’s ‘strategic zones’ might lead them to accept developmental changes without being able to fully anticipate the consequences these changes may have for their livelihoods. This is particularly relevant with regards to land-ownership—a highly controversial topic in Timor-Leste, that is at the centre of debates around megaprojects.

The Matter of Land

In Land’s End, Tania Murray Li (2014) chronicles how the desire to prosper, to attain a life with easier access to food, public services, and consumer goods led subsistence farmers of Sulawesi, Indonesia, to individualise their own common landholdings and to adjust the institutions governing their collective social life accordingly. In this case, villagers undertook these measures to improve their own living conditions on their own accord, without direct corporate or state coercion. Despite high expectations of hoped-for prosperity, rural residents experienced widely divergent economic outcomes, and communities saw the growth of economic inequalities among themselves. The devastation resulting from loss of land and livelihoods, for some people, was compounded by a lack of voice or representation in the political processes that shaped the regional context. Li’s study contains important parallels and lessons for development megaprojects in Timor-Leste.

For largely agrarian societies, like Timor-Leste, the matters of land ownership, distribution, expropriation, collectivisation, access, claims, transactions, and the like are critical to the lives and livelihoods of residents. Mari Alkatiri, appointed by the central government to head ZEESM, argued that residents of the newly declared zone would need to change their view of land, toward something having productive potential and a resource to provide ongoing income (Rttl 2013). This is visible in concrete policies since state-run megadevelopment state acquisition of privately held land (whether individually or collectively owned). Projects ‘need’ this land (Gabitene do Ex Primeiru Ministro Dr. Mari Alkatiri 2013) to be used by corporations or state agencies, to provide some natural resource (e.g. mining, timber), or to erect structures for imported industries, factories, power plants, or refineries that require nothing from the land other than simply space. To date, most of the proposed megaprojects require land for space, but are not dependent on materials that consume the land. In Tasi Mane, the oil/gas resource that is the object of megaproject development comes from the sea (though surveys are currently being carried out to assess the economic viability of onshore resources); in Oecusse, while the nature of the SEZ’s development visions remain undefined, they presumably include some type of
manufacturing or processing industry that requires pavement, structures, and will divert water for its functioning.

Megaprojects require use of land in ways that are dissonant with the ways in which agrarian communities use land for subsistence purposes. In Suai and Betano, land affected by the Tasi Mane project includes plots commonly used for agriculture, forested regions with valuable wood, as well as areas by the sea, which is regularly accessed by fisherfolk. They also include sites that have a ritual significance or that are claimed by the original inhabitants of the region (see Crespi & Guillaud, this special issue). Affected communities will lose access to this land once the projects are fully implemented. Just preceding the public launch of ZEESM in Oecusse in November 2015, some coastal lands were reallocated to accommodations and food venues for visitors (Meitzner Yoder 2016). Locals understood that their community-used land was needed temporarily to accommodate guests coming for the project launch events, but these new features on the landscape have not been dismantled after the event’s conclusion.

Dozens of anthropological studies on Timor emphasise that issues of land are intricately intertwined with multiple aspects of Timorese identity and social life: origin stories are used across Timor to explain and to justify land ownership and access is tethered to specific places (Barnes 2011; Bovensiepen 2015; McWilliam & Traube 2011; Palmer 2015; Rede ba Rai 2013); knowledge and speaking about land and boundaries are highly guarded (Bovensiepen 2014a; Meitzner Yoder 2005); and the health of the land and its human residents are understood to be inseparable (Rede ba Rai 2013; Rose 2017). For these reasons, the radical and wide-spread commoditisation of land to accompany current megaproject development is likely to have effects far beyond matters of subsistence.

Overlapping claims to land from different historical periods have produced a complicated legal situation with regards to land claims (Fitzpatrick 2002; McWilliam, Barnes, & Fitzpatrick 2013). In 2014, the central government launched a national cadastral program that seeks to register all claims (RDTL 2014b). The areas identified for megaprojects are prioritised since land expropriation is a critical first step to their realisation. Brunna Crespi and Dominique Guillaud (this special issue) describe the impact of land expropriation in Suai. They show how the financial compensation for land in Suai-Covalima has intensified or produced a number of local disputes, many of which have their origins in disagreements caused by earlier waves of forced resettlement during the Indonesian occupation. Since there are few official land titles, and because original landowning groups agreed to give land to settlers in the past, the disputes between different communities tend to concern rights for compensation and whether original autochthonous people or current land-users should receive these government funds.

Inter- and intra-communal disputes and compensation payments were prominent issues during Bovensiepen’s fieldwork in Suai (in 2015 and 2017) and in Betano (in 2016). As predicted by Cryan (2015b), the more vulnerable members of society were most affected by these conflicts. A representative of the Suai women’s network
interviewed argued that women often lost the security of land ownership through the compensation process. Many of the areas affected by the Tasi Mane project in Suai and Betano are matrilineal, and land is passed on from parents to their daughters. Bovensiepen observed that when compensation was provided for affected land, in many cases the son-in-law’s name was registered for a given piece of land, and thus had the right to compensation. The representative of the women’s network recounted several recent incidents in Suai where a husband received a large sum of compensation from his wife’s land and subsequently left his wife to take a new wife. Compensation was also paid out to brothers of a land-owning woman, hence weakening matrilineal arrangements. In addition, the representative of the women’s network observed that cases of domestic violence had gone up dramatically since financial compensation from the government for land was received. Whilst matrilineal inheritance does not mean women have political influence or decision-making powers, it does provide women with some additional security.

**Accommodating Change**

Throughout Timor-Leste’s turbulent history, many language groups managed to accommodate radical changes and outside influences, while emphasising the continuity of specific ritual and customary practices. In part, this has been possible due to the significance of the symbolic opposition between indigenous potency and foreign power in many regions of the country. This binary, well-known across Southeast Asia (e.g. Errington 1990), allows ethno-linguistic groups to integrate outside influences, while subordinating them to indigenous logics (see e.g. Traube 1986). In the period after the Indonesian occupation, the emphasis on continuity in the light of radical change has helped people to rebuild their lives, and has enabled the renegotiation of local power relations (Bovensiepen 2015; Meitzner Yoder 2007).

The tension between change and continuity is visible in Michael Rose’s contribution to this special issue. He discusses how Meto ritual speech both reflects and enacts Oecusse highland residents’ facility to incorporate novel elements (such as megaprojects and modern educational practices) into their existing social realities, which are rooted in a spiritually rich landscape. But even as new elements are incorporated into their lives, they are classified as foreign (kase), counterposed to practices which are indigenous or familiar (meto). Indeed, Meto people in Oecussi understand that their encounters with, and acceptance of, foreign elements are ritually mediated by connections with ancestral spirits whose support is necessary for success and good fortune (see also Bovensiepen 2014b).

The classificatory integration of modern or foreign lifestyles into local modes and practices illustrates that for residents affected by megaprojects, development is not a binary choice between modernity and tradition. People are not seeking to replace one mode of life with another but are hoping to realise both through mutual accommodation. This aspiration would suggest an inherently different and slower model of change than the one implicit in megaprojects that seek to replace local livelihoods with more modern infrastructure and consequently with different social and labour relations.
Crespi and Guillaud also highlight how local practices adapt to changing circumstances in their analysis of strategic identities and the adaptation of ritual practices in areas affected by the Tasi Mane project in Suai. On the one hand, they show how the conflicts around compensation for land has instigated a revaluation and strengthening of ritual practices, as these allow local landowners to make claims to land and, by implication, to funds received as compensation. As residents lose access to some of their land, those rituals that reaffirm connections with ancestors and certain sites in the landscapes are strengthened. On the other hand, they show how rituals are creatively adapted to accommodate changing circumstances.

However, megaprojects have an impact not just at the level of ritual practice and symbolic classification. Subtle changes take place in the very fabric of everyday life and perception. Attentive to the ways in which residents of Timor-Leste's south coast connect senses and identity, Prash Naidu (this special issue) explores the place of sensory experience in people's responses to new political and economic influences in their lives and landscapes. Focusing on the olfactory changes instigated by the construction of a power plant in Betano, Naidu shows how new infrastructure disrupts the familiar smells of the sea; how new vehicle sounds and fumes evidence the invisible presence of foreign workers; and how new planning documents and land uses re-envision the land- and seascapes. This analysis illustrates that changes initiated by megaprojects are not always directly visible, yet such projects can have subtle disruptive effects even in the earliest stages of implementation.

Conclusion

While the government focuses on megaprojects as economic instruments, affected communities and nearby residents experience a wide range of non-economic effects from living near these projects. Meitzner Yoder stresses how the emphasis on technological and processual detail in the implementation of ZEESM obscures some of the underlying political dynamics, whilst Bovensiepen and Nygaard-Christensen show how the Tasi Mane projects, as a key technology of state building, bring some of the contradictions of the assertion of sovereignty to the fore. Crespi and Guillaud detail the impact of spatial access and on adapting customary/ritual practice. Rose describes how elders express changing expectations or aspirations for their children's future livelihoods in ways and terms that ground these steps in landed spiritual realities. Naidu focuses on the interrelationship of sensory stability and identity and notes the array of ways in which residents perceive change and also describe their losses and feared outcomes in sensory terms.

Importantly, though, the articles in this special issue demonstrate that there is no simple 'substitution' of old ways with new ways with the coming of megaprojects. Rather, people desire to hold on to 'old ways' and their existing categories to make sense of new people, infrastructure, processes and opportunities. There is an infolding, an accommodation, that does not erase or supplant the pre-existing beliefs or forms of interacting with the land.
Encounters with foreign things—educational systems, sounds and smells, material goods—are not novel. Trade has been going on a long time throughout Timor; cash crops are not new; the market is not new on their cultural horizon, and markets do not destroy any imagined, pristine cultural stasis. But as people make sense of and incorporate new things into their life, Rose (this special issue) reminds us that the megaproject drivers would do well to acknowledge that ‘people have their own ways of embracing, and rejecting, powerful outsiders’. At the same time, as Tania Li’s research in Sulawesi illustrates, residents might not fully anticipate the consequences of the changes they are seeking to accommodate. Such consequences can include the destruction of natural resources, radical changes of livelihoods, loss of personal autonomy through wage labour, insecurity due to loss of land, as well as growing inequality and transformation of gender relations.

These articles demonstrate that megaprojects are part of a development model that can significantly disrupt people’s relationships with the land and with others in the community. Government leaders in ZEESM have consistently and pointedly emphasised that the project is intended to be a model and a laboratory on economic, legal and policy fronts for the nation, and that innovations which prove successful in Oecusse can be replicated elsewhere in the nation. This could mean that some of the tensions generated by this development model could also be rolled out nationally. Construction projects and land expropriation have produced new conflicts or brought former conflicts into relief. As latent conflict is brought to the surface, people are forced into artificially simplified ownership categories that are not congruent to those they currently have; compensation forces people to take positions on norms like shared use-rights. As land is turned into a financial resource, local residents feel major impacts on their relationship with land, both changing existing relationships and fixing them in time, and eroding the inherent flexibility of existing techniques of making land claims.

National history gives evidence of the East Timorese people’s commitment and extraordinary capacity to self-organise and to effect socio-political change on a massive scale. Grassroots political organisation and strong community participation could be considered East Timorese traditions. While these practices are not often considered part of ‘custom’ (which is often unduly restricted to ritual realms), the articles in this special issue demonstrate that there is much space for development models beyond the artificial divide of hypermodernist/traditionalist. Overcoming this binary will move the public debate on Timor-Leste’s development trajectory forward.

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Notes

[1] The enclave’s name has many variations, including Oecusse, Oé-Cusse, and Oecussi; all are found in this issue, sometimes with -Ambeno added.
Parliament accepted the draft plan of the 8th Constitutional Government on 27 July 2018. With regards to the Tasi Mane project, it proposes that the government will participate in the financing of some of these projects, as well as the basic infrastructure, such as the airport and the Suai logistics base. The remaining Tasi Mane projects will be built and developed on a project finance basis and other forms of private investment or mixed investment (RDTL 2018; unofficial translation La’o Hamutuk). Since 2013, the ZEESM formula outlined that the first third of spending would be state funded, and the remaining two thirds would come later from business investors; however, proposed modifications characterise that expectation as unrealistic or ill-suited to the enclave’s situation (UNDP 2017; World Bank 2016). The 8th Constitutional Government plan indicates that ZEESM and RAEOA will be separated, and that the central government will tighten fiscal, governance, administrative and procurement aspects in the region and project (RDTL 2018; unofficial translation La’o Hamutuk).

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