The Analysis of Cross-Border Potensial Economic Development Strategies

Jauhari Effendi, Sri Kurniati A., Sudirman S., Agustinus Semiun

Department of Environmental Studies, Post Graduate Studies, University of Nusa Cendana, Kupang, Indonesia

Department of Electrical Engineering, Science and Engineering Faculty, University of Nusa Cendana,

Department of Electrical Engineering, Science and Engineering Faculty, University of Nusa Cendana,

English Language Education, Faculty of Teachers Training and Educational Sciences, University of Nusa Cendana

Abstract: The major purpose of this study was to analyze the potency of frontier region of Belu, the province of East Nusa Tenggara (NTT) with Timor-Leste as the strategic opportunity for regional, national and international economic development. Descriptive method and empiric approach are used to analyze the development by mean of comparing process in theoretical model based on several cases in other countries that succeeded or failed to develop cross border areas. The result shows that the cross boder areas of Belu (of Republic of Indonesia) Batu Gede (of Timor-Leste) has potencies that can be develop such as agriculture, commerce, service and tourism areas. These can be seen in the commodity interaction that had been increasingly exported from Indonesia to RDTL until the last few years that is since 2006, such as oil commodity, plantation product, fishery product, industrial and diligences product, and mixed goods. The main products of NTT exported to Timor-Leste are construction materials, electronic goods, kitchen condiments, mattress generator, cement, drought fish, onions, vegetables, mixed goods and oil. On the contrary, commodity imported from Timor-Leste to Indonesia significantly increases until the last few years, such as green beans, candlenut, coffee seed, copra, beef and cow’s skin. The data show that commercial activities based on the potencies motivate the desire of the citizens to grow up marketing activities that in turn can lead to making public economy in frontier areas.

Key word: Potency Region, Economic, Frontier Area.

INTRODUCTION

Inter-state cooperation in all aspects in terms of promoting economy between two neighboring countries have been proved successful and resulted with mutual benefits. German and Polish, the Eastern European countries for example, have practiced a cooperation with westerns in automotive sector (Bernaciak, M., 2010). Bernaciak reports that German and Polish have benefitted more from western counterparts rather than from local ones. However for such kind of cooperation needs legal concerns in legal dimensions particularly for countries which are restrictive in laws, as has been reported by Crockin (2011). He reports the importance of legal dimensions for Turkey and Italy to cooperate in global cross-border reproductive care (CBRC) to avoid vulnerability between the citizens of both countries. Differently from what Crockin reports, Sinkovics, et al. (2010) have reported the importance of cross-border relationship and performance in terms of import-export management. He comes to conclude that behavioral dimensions in cross-border exchange relationship should be well managed for satisfied import-export performance. To shortly conclude, legal dimensions and good behavioral performance are sine qua non for good cooperation in cross-border area of two different countries to help advance successful economic activities. In relevance with this, Lan (2012) stresses the importance of network education in the era of economic globalization. In this case education plays very important role in terms of legal dimensions and behavioral performance to maintain cooperation.

Until the last few years, the cross-borders as presented have been a main topic continuously considered and discussed in international and local district level (Hamid, 2003). He reports successful development activities already done in some border areas. He claims that the inter-states border areas are strategic areas for growing regional and national economics that in turn can pop up public production activities and public earnings that lead to public prosperity of the people in border areas.

The mutual cooperation situation presented above is also to be dealt with in this article, but prior to the main discussion the researchers would like to describe the points why cooperation as such is also important to be practiced in cross-border area of Indonesia and Timor-Leste, to grow up the prosperity of the people particularly in the border of the two countries.
The researchers observed that the cross-border region between Indonesia and Timor-Leste is strategic to
grow up international commercial activities that can give mutual profits. Such activities can make the border
area also potential to become a center for regional advance, only if a number of sectors, especially industries,
commerce, and tourism and hospitality have been well managed to create good opportunities to improve
productive activities that can later generate various multiplier effects, as also stressed by Mukti (2003).

As reported by Ihwanuddin (2005) the Indonesia government have made a number of policies to develop
Indonesia’s frontier area, Belu of NTT province, including: (1) increasing and maintaining security, (2)
providing social and culture frontier facilities for the improvement of social and cultural relations between two
countries, (3) improving public social economy condition through empowering public economy, and (4)
improving the availability of basic facilities for refugees and local society. Meanwhile, the area development
strategies are: (1) empowering the frontier public, (2) managing the frontier institution, and (3) managing
defense and security system. These are in line with the National Long Term of Development Plan 2004-2005,
where the frontier area development was the one of commitment and policy. Developing Indonesia’s frontier
areas including small islands is to make global equal or balanced development that can be enjoyed by all
nations.

Therefore, economics development in frontier areas must be done equally by managing security aspect that
often rises as critical issues in these areas, by managing legal exploitation activities of natural resources by
foreigners such as illegal login and illegal fishing, that still often happen and cause degradation of environment.
In addition, creating equality in culture or customs between societies in both countries and equality in economic
factor can cause positive mobility of citizens across the borders; but such case needs special precise handling
over to avoid the growth of crisis potency dealing with transnational crimes. This could be in line with the
importance of building organizational capabilities of the society into non-market system (Lawton, T. et al,
2013). Their study stresses the cooperation of management teams of two bordered countries in organizing and
developing divergent political capabilities for many purposes, among other is to avoid crimes.

In relevance with such cooperation, the East Nusa Tenggara, as the bordered province of Indonesia and
Timor-Leste should have been on the same agreement with or commitment on strategies or policies in terms of
building cooperation in a number of aspects, to mention some are government, legislation, and cultures, that are
very important for investment in basic physical facilities such as roads, ports, healthy water, electricity, and so
on. The same commitment is also important for economic growth like trade areas, industry, tourism etc. for the
life promotion of the society in the cross-border areas.

However, based on the problem identification, until recently there has not been a clear, comprehensive, and
integrative concept, but the partial one applying sector approach to develop the cross-border area between
Indonesia and Timor-Leste. In addition to this, there is still minim of budget for infrastructure facilities
development to advance economic activities of the people in the cross-border area. The last one is that the cross-
border area is found fragile of conflict practices such as illegal login, and badly social practices. These factors
have impact on the real life practices that can be categorized as academic values in terms of the integration of
space management and bad functional coordination, economic values dealing with expensive price of primary
needs, and social values dealing with bad social practices in the cross-border area such as conflicts because of
theft and illegal logins.

Based on the background above, this paper presents the potency of frontier regency of Belu, East Nusa
Tenggara province, especially in Passage Border Post I or PBP I Montaain (Republic of Indonesia) – Batu Gede
(Timor-Leste) which are strategic for regional, national, even international economic development. This paper
aims to present a model of cross-border development applying a number of theoretic approaches that are fixed to
area empiric conditions. It is hopefully that there will be an option out of several models of development in
cross-border areas like: center growth, transit, research station and nature tourism, as well as agronomy. Each
model presents strategy of how to build several components like: PBP, dry port, natural environment and
cultural tourism area, aquaculture, bounded zone, industrial area, and welcome plaza. These are the main
economic components need to be developed for the neighbor country marketing to grow up.

MATERIALS AND METHOD

The research was conducted during a year in a cross-border area that is the area between Belu regency of
East Nusa Tenggara and Timor-Leste. To be more precise, the research location was PBP I Motaain as sample
of Republic of Indonesia and Batu Gede of Timor-Leste.

In terms of handling over the problems presented in the background of this article, the researchers have
planned a development scheme as the road map in three sequential years, 2012, 2013, and 2014. The 2012
scheme concentrates on the analysis of existing condition including space design, infrastructure, activity, and
institutional systems. The aim is to design a model agreed with a certain theory and fixed with the development
of the cross-border area. This article, as to present under point C, is about the research report of the 2012
scheme. The scheme 2013 and 2014 deal with respectively, the analysis of functions of certain areas in the
cross-border that might be the first choice to begin the development of transportation infrastructure sectors to push the business and economic practices of the people in the cross-border, and the analysis of the existing condition for the model of development planed in the 2012 scheme to be applied.

The research applied interview survey to obtain primary data and documentary technique to obtain secondary data from some related institutions. The results of data analysis were the primary and secondary data presented in the final report in addition to the data obtained from Statistical Head Office (SHO). The primary data obtained were processed by means of descriptive statistics. The secondary data by means of documentary technique deals with collecting, studying and noting documents, etc. related to problems of the research. Then the data are presented in tables (systematic data tabulation), graphic or map. The focus is on potency of district, public’s economy condition, public’s social cultural, local wisdom, national defense, and security condition.

Data analysis techniques used in this research are quantitative and qualitative analysis, as presented next. Quantitative data obtained were processed with analysis tool to get result or needed information from the data processing. The final results of the quantitative analysis have to be confirmed by qualitative interpretation and description.

Qualitative analysis is a descriptive analysis of the collected data, by interpreting the existing condition or relations; by paying attention on what has happened and what will happen, before making interpretation and conclusion. This research uses descriptive analysis generally applied in every analysis step, that is: to get an option of frontier region development as a process by comparing theoretical models, that are successfully applied or failed to be applied, in other countries in developing their cross-border areas.

Result:

Based on the research problems or research aims, this section contains the description of (1) state mainland border, strategic position of the cross-border area, economy of the citizens, agriculture, stockbreeding, forest, mining, fisheries, traders and facilities and infrastructures, to be sequentially presented next.

The state mainland border in West Timor with RDTL included three sub-province areas; they are Sub-Provience of Belu through 149.9 Km (from Motaain in the north until MotaMasin in the south). The border in Enclave Ambenu area with Sub-Provience of Kupang is through 15.2 Km and Sub-Provience of North Timor Tengah through 114.9 Km. The total frontier line in Sub-Provience of Belu, TTU and Kupang crosses as long as 268.8 Km.

![Fig. 1: Map of Cross-border Belu (of Indonesia) and Batu Gede (of Timor-Leste)](image)

The Strategic Position of Belu Frontier Area of Province in Regional Context is explained next. Belu is one of the regencies in East Nusa Tenggara Province Indonesia, which is very strategic, because it’s verging to
Republic Democratic of Timor-Leste, bordered by Ombai Strait in the North, Timor Sea in the South, RDTL country in the East, and regencies of Timor Tengah Utara and Timor Tengah Selatan in the West.

The weather in the frontier region is tropic where the rainy season starts from November to March and dry season from April to March. The rainfall reaches at 644.58 per year, and the temperature is ranging from 24° – 34°C. The region morphology is hilly with the degree of inclination of ≥ 50% Alluvial, mixture Alluvial with Lithosol also mixture Mediterranean, Rendzina and Lithosol. The geographic location ranges at 124° – 126° BT and 0.9° – 10° LS, while the width of area is 2,445.57 Km².

The regency of Belu directly bordered with two districts of Timor-Leste region, that is, Bobonaro and Kovalima districts. The land borderline with RDTL area is across 149.9 Km from north in Sub-District of East Tesifeto area in the south to Sub-District of East Kobilima area. The administrative region of Belu regency includes 9 frontier sub-districts consisting of 8 sub-districts right in the frontier areas, that is, districts of East Tesifeto, Lasialat, Raihat, Lamaknen, South Lamaknen, West Tesifeto, Nanaet Dubesi and East Kobilima; and 1 enclave district bordered by Oekusi sea district of Kakuluk Mesak. These frontier districts have 36 frontier country sides and 27 prop frontier country sides.

Table 1: District Lists and Frontier Countryside in Sub-Province of Belu

<table>
<thead>
<tr>
<th>No.</th>
<th>District</th>
<th>Frontier countryside</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>East Kobilima</td>
<td>South Alas, North Alas, Kotabiru, Alas</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>East Tesifeto</td>
<td>Silawan, Tulukadi, Sadi, Sarabau, Takirin, Dafala</td>
<td>Priority Local I</td>
</tr>
<tr>
<td>3</td>
<td>Raihat</td>
<td>Asumanu, Tohe, Maumutin</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Atambua City as PKSN</td>
<td>Fatuketi, Dualaus, Jenhu, Kenebibi</td>
<td>Priority Local II</td>
</tr>
<tr>
<td>5</td>
<td>Lamaknen</td>
<td>Lamaksenulu, Makir, Mahuitas, Kewar, Maudemu</td>
<td>Priority Local III</td>
</tr>
<tr>
<td>6</td>
<td>Lasialat</td>
<td>Lasialat, Maneikun, Badaaok, Fatulotu</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>South Lamaknen</td>
<td>Henes, Lamaknaru, Loununa, Lutharato, Sisifatuberal, Debululik</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>West Tesifeto</td>
<td>Lookue</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Nanaet Dubesi</td>
<td>Fohoeka, Nanaenoe, Nanaet</td>
<td></td>
</tr>
</tbody>
</table>

Source: Belu in Number 2010, Bappeda Belu

In terms of economy, the major citizens in frontier region of Belu-RDTL work in dry and wet land farming sector spreading over the most areas of East Tesifeto, Lasialat, Raihat, Lamaknen and Kakuluk Mesak Sub-District. Farms yielded were paddy, corn, peanut, green bean, cassava, onion, and hard plant such as candlenut, candle nut tree, and coconut. Besides farming, the additional income was gained from informal sectors including trading needed goods, household crafting like weaving that is a handicraft done by woman to add their income. The general view of Domestic Earnings Average of Gross towards work field in Belu Sub-District can be seen in Figure 2, while economy growth in five years from 2006 to 2011 can be seen in Figure 3.

Fig. 2: Proportion of Domestic Gross Earnings Average to Work Field

From the agriculture side, the farming field in countryside area and frontier region includes rice field and dry land. The rice field was at countryside in Sub-District of East Tesifeto, Lasialat, Raihat, Lamaknen and Kakuluk Mesak, while dry lands were almost in every country side in frontier sub-districts. Rice fields get its irrigation from rivers crossing the frontier region and haven’t been optimally exploited for rice field because of the lack of adequate irrigation system. Commodities produced include: paddy, corn, green bean, peanut, cassava, onion. The farm condition and rice productivities in the late 5 years can be seen in Figure 4.
The stockbreeding field in frontier region sub-district was a potential area for developing stockbreeding effort which is one of district prime commodities. Animal types that developed were: cow, buffalo, goat, pig, chicken and duck spreading over in all sub-districts and frontier countryside. These are along with district government program that is, providing prime cow seed in form of Created Insemination.

Forest condition in frontier region as most forest’s problem is the uncontrolled logging as a direct effect by the increase amount of people living in frontier region after 1999 conflicts. Reborn or replanting efforts had been done but still in sporadic way. Total amount of forest area in Belu Sub-District is 70,996.46 ha or about 29.03% of the area. For example is Wemer forest in Middle Malaka Sub-District (prop frontier sub-district) had been exploited about 3000 Ha and forest in frontier region hadn’t been measured convincingly. Managing forest by society is more concern on benefit intake without the replanting efforts. The prime forest results are: sandalwood, teak wood, tamarind and candlenut.

Mining area in frontier region is located in sub-district of East Kobalima, Nanaet, Duabesi and Kakuluk Mesak, Tasbar, Raihat, Lamaknen. Mining type consists of: manganese, gold, marble, limestone coral sand that spread in several places, that is (1) Manganese, spreading in Belu Sub-Provience. Area wide reached to 600,000,000 m², (2) gold, in Lamaknen, Raihat, West Tesifeto, East Tesifeto and Raimanuk Sub-District, (3) marble, spreading in Raimanuk, Laenmane, East Malaka, West Tesifeto, West Atambua and KakulukMesak Sub-District, and (4) coral limestone, in West Tesifeto Sub-District. Areal wide of 64,187,500 m², volume reached to 1,408,651,831 m³.

In terms of fisheries, the frontier region of RI – RDTL has sea resources either in north or in south area. In the north area there is a beach belonging to the Sub-District of West Tesifeto and Kakuluk Mesak. Sea and beach in these areas became income source for frontier citizens, especially those who live in East Tesifeto Sub-District area. Potencies available in these areas are milkfish fishpond, and fish catch potency among other are: tuna, shark, mackerel, trevally fish, grouper fish, lobster, shrimp and baby fish while cultivation fishery are: milkfish, golden fish, sea-grass, and sea-cucumber.
Trading is one of a number of policies of the government of East Nusa Tenggara Province given priority on sociological and economics development in frontier region through trades (Heyn Peter Ahab, 2011), concentrating on building facilities and infrastructure. The first target already achieved is a traditional market in the frontier region in order to decrease the number of goods smuggling into both countries. The commodities exported from Indonesia to RDTL are oil and gas commodity, plantation products, fishery products, industrial and handicraft products also mixed goods. Some other main products are building material, fast food, textile, furniture, soap, office stationery, electronic goods, kitchen flavor, mattress, generator, cement, drought fish, onion, vegetables, mixed goods, also oil and gas. Meanwhile, the commodities imported from Timor-Leste to Indonesia are like green bean, candlenut, seed coffee, copra, crosscut cow and cow skin. Some other main products from East Nusa Tenggara exported to Timor-Leste are building material, fast food, textile, furniture, soap, office stationery, electronic goods, kitchen flavor, mattress, generator, cement, drought fish, onion, vegetables, mixed goods, also oil and gas. Because of the policy, until the last few years, particularly from 2006 to 2009, it shows that there is a significant increase value of export to Rp 14,866,203.69,- in 2006, to Rp 14,390,411.67,- in 2007, to Rp 41,598,147.02,- in 2008, and to Rp 29,526,503.67,- in 2009, on the Indonesian side. Similarly, the imported commodities from Timor-Leste to Indonesia in this last few years increases to Rp 38,719.62,- in 2006, to Rp 149,205.95,- in 2007, to Rp 921,448.16,- in 2008, and to Rp 124,487.16,- in 2009. The increase values presented indicate that the trade activities, especially export from Indonesia to RDTL, have resulted in the development of markets that have led to the increase of people’s economics activities in frontier region.

Facilities and infrastructures deal with the factors that business activities can work. First, is border Gate and Border Post. Belu – RDTL frontier region has 3 border gates in Motaain, Turiskain and Motamasin. Besides that there are twenty six Border Security Posts also built spreading over in frontier sub-districts and country sides. Motaain border gate located in West Tasifeto Sub-District is the very complete border gate that has immigration facility, customs, quarantine and safety management of border gate, and been constructed according to immigration regulations. Second, Halwen is an Airport of Belu Sub-Provience located in Atambua a capital city of Belu regency, with the runway about 1,200 m long, so it only can be landed by Cassa and ATR 48 aviation type to and from regencies in East Nusa Tenggara Province. The development of Halwen Airport is planned to become a collecting airport with minimum 1,400 m long of runway, carried out as an effort to handle the high increase volume of air transportation users, and as a security defense for Hercules airplane (C 120) to land. Third, is Atapupu Sea Port and Gurita Bay Ferry Crossing Port, in Sub-District of Kakuluk Mesak. Atapupu Sea Port is a special port for goods and material that can be anchored by small tonnage of ship, while Gurita Bay Ferry Crossing Port served only a local crossing route between Belu regency and Alor regency. The development planning concentrates on those ports: Atapupu Port is to be developed as a collecting port for regional, even international voyage path, and Gurita Bay Ferry Crossing Port is e planned to increase the frequencies everyday and its number of routes, so that more occupants can make use this transportation as often as possible. The Atapupu Port and Gurita Bay Ferry Crossing Port can transform the cross-border area, Motaain of Indonesia and Batu Gede of Timor-Leste, an interface place for international business networks like Taipei City in the cross-border successfully transformed itself into global business network as reported by Hsu (2005). Fourth is the steam energy power station to serve and increase the need of electricity energy, in East Nusa Tenggara, especially in Belu regency, in terms of giving reliability to Java, Bali and Nusa Tenggara, there have been build a steam energy power station with 4 x 6 megawatt power in Dualaus Sub-District on Kakuluk Mesak district. The last one is Haekesak Irrigation Area located in Raihat district (including 11 other Irrigation Areas nearby sub-districts) bordered with RDTL country. The total potential width of Haekesak Irrigation Area is 3,400 Ha. Damaged tertiary canal is 870 m, and broken off canal is 300 m. Generally the potential condition of land and sea owned by frontier area of Belu and district of Beluplan within the years of 2011 – 2031 can be seen in table 3.2 below.

<table>
<thead>
<tr>
<th>No</th>
<th>Frontier Area Space Potency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Potency</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Agropolitan area of Haekesak, covers:</td>
</tr>
<tr>
<td>a.</td>
<td>Agropolitan area of Haekesak covers: District of Raihat, District of East Tasifeto, District of Lasiolat, District of Lamaknen, District of South Lamaknen and District of West Tasifeto;</td>
</tr>
<tr>
<td>b.</td>
<td>Agropolitan area of Haekesak consists of:</td>
</tr>
<tr>
<td>1.</td>
<td>Agriculture of wetland field crop covers irrigation area of Haekesak and its surroundings;</td>
</tr>
<tr>
<td>2.</td>
<td>Horticulture agriculture, avocados fruit, star fruit, watermelon, Soe'straingerine, big orange, guava, jackfruit, papaya, pineapple, banana, salak, marquisa, soursop, bread-fruit, and vegetables like; cabbage, mustard, onion, garlic, potato, carrot, long bean, big chili, chili, tomato, eggplant and spinach water;</td>
</tr>
<tr>
<td>3.</td>
<td>Plantation covers kopak plantation, walnut, coconut, coffee, cashew, cacao, areca, tobacco, vanilla, and sapphire.</td>
</tr>
<tr>
<td>2</td>
<td>Fishery areas of freshwater conducting, covers:</td>
</tr>
<tr>
<td>District of Lamaknen of 4 Ha area; District of Raihat with a width of 30.5 Ha; District of Lasiolat with a width of 7 Ha; District of East Tasifeto with a width of 6 Ha; District of West Tasifeto with a width of 3.5 Ha; District of Kobalima with a</td>
<td></td>
</tr>
</tbody>
</table>
3. **Fishery catches area in public water territory, covers:**
   - a. Fishery catches area in water territory of public intended pointed around HaekritEmbung in District of TasiTetoTimur;
   - b. Fishery catches area in water territory of public intended pointed around in SiraniEmbung in District of East TasiTeto.

4. **Effort area for breeding, covers:**
   - a. Effort area for main breeding which is expansion center that is effort area for breeding of Sonis Laloran / Bakustulama in District of West TasiTeto with a width of approximately 500 Ha;
   - b. Effort area for other breeding supporting main area is Sadi area in District of East TasiTeto with a width of approximately 300 Ha covers Sadi village, Sarabau village, Bauho village and Manleten village with varieties livestock of horse, cow, buffalo, goat, pig, chicken, and duck.

5. **Strategic area of industry and commerce of inter-states RI-RDTL, covers:**
   - a. Expansion area I consists of District of Raihat, District of Lasiolat, District of Lamaknen and District of South Lamaknen with expansion center in Haekesak / District of Raihat;
   - b. Expansion area II consists of District of East TasiTeto and District of Kakuluk Mesak with special expansion center of commerce in Lakafehan and industrial estate in Kenepami Countryside / District of Kakuluk Mesak;
   - c. Expansion area III consists of District of West TasiTeto and District of NanaetDubesi with expansion center in Kinbana / District of West TasiTeto;
   - d. Expansion area IV consists of District of Kobalima and District of East Kobalima with expansion center in Rainawe / District of Kobalima as strategic area of industry and commerce of inter-states RI-RDTL; and
   - e. PKSN ATAMBUA and PKLP Betun / District of CenterMalakaas distribution of goods and inter-states service RI-RDTL.

6. **Strategic area with angle of culture and social importance, covers:**
   - a. Tourism culture area, covers:
     1. Custom House of Matabesi in District of West Atambua;
     2. Custom House of LoeGatal in District of Lamaknen;
     3. Custom House of Nualain in District of South Lamaknen;
     4. KsadanTakirin in District of East TasiTeto;
     5. Countrified custom of Fatuketi in District of Atambua Town; and
     6. Fortress Makes in District of Lamaknen.
   - b. Tourism nature area, covers:
     1. Lakaan Mount and Lesutili Waterfall in District of Lamaknen;
     2. Source of water We Bot and bat cave Toheleten in District of Raihat;
     3. Ommission cave of king Dubesi Nanaet and We Babotok Pool / Halimea in District of West TasiTeto.
   - c. Artificial tourism area, covers:
     1. SiraniEmbung and Embung Haekrit in District of East TasiTeto;
     2. Maria Queen Dualilo Cave in District of Kakuluk Mesak;
     3. Tirta Swinning Pool in District of South Atambua.

7. **Mining allotment area, covers:**
   - a. Allotment area of Mining of nickel metal mineral spread over in District of Kakuluk Mesak (Maudemu countrysides), secondary gold (placer) spread over in District of Lamaknen, District of Raihat, District of West TasiTeto and District of East TasiTeto, copper spread over in District of Lamaknen and District of Kakuluk Mesak;
   - b. Allotment area of Mining of non-metal mineral of asbestos spread over in District of Kakuluk Mesak, gypsum in district of East TasiTeto and District of Lamaknen;
   - c. Allotment area of mining of gas and oil in District of Kobalima, West TasiTeto, Nanaet Dublesi, and East Kobalima;
   - d. Allotment area of mining of manganese metal mineral spread over in all district in sub-province region except in District of West Malaka; and
   - e. Allotment area of mining of marble stone in District of West TasiTeto, Atambua, Kakuluk Mesak, Stones (batulempung) in District of Lamaknen, Atambua, East TasiTeto, West TasiTeto, cobble (batugamping) spread over in District of West TasiTeto, stone semi jewel and district quartz crystal of Raihat and District of Kakuluk Mesak; and sand and stone times spread over in all district.

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**Sea Potency**

1. **North coast area, covers:**
   - a. North coast area, District of KakulukMesak with a width of approximately 47 Ha;
   - b. North coast area, District of North TasiTeto with a width of approximately 3 Ha.

2. **North coast maritime tourism area, covers:**
   - a. Maritime tourism area: Gurita Bay Beach, Afluik Beach, Sukaerlaran Beach, White Sands Beach and Susuk Pool in District of KakulukMesak;
   - b. Maritime tourism area: Motaain Beach (Frontier Timor Leste) in district NorthTasiTeto;

3. **Minneapolitan Area**
   - a. Minneapolitan area of fishery catches in water territory along the northern coast line 32, 22 km, including Kakuluk Mesak and East TasiTeto district and centered on the base fish landing (PPI) Atapupu.
   - b. Minneapolitan area of fishery area of freshwater which consisting of Kakuluk Mesak district to mine 100 ha cultivation area.
   - c. Fishery commodities referred to point a and b above including many kinds of fish: tuna, skipjack, mackerel, alu-alu, geraging, red snapper, white snapper, grouper mud, coral grouper, grouper pond, coral trout grouper, grouper duck, cendon, milkfish, tetengkek, mackerel, mullet, song, kobi, canned fish, npi, knives fish, terubuk, lemuru, lemadang, lencah, nangka, kurisi, swanggi, tobacco, flying fish, kwee, gutter, Pinjal, Jenaca, splash, gerot, selanget, rabbit, trevally, sole, anchovy, paperek, sting-rays, manyung, bumbangan red fish, bramundi, yellow fish, shark, screens, machetes, carpels tilapia, catfish, and seaweed.
Discussion:

The planning of area is a geographic planning which is considered proper for planning and implementing any development plans to solve the area problems. According to Jayadinata (1999:16), the application of the concept of formal (homogeneous) and functional (polarized) can be effective if only in integration with the concept of planning. The integration can result with two approaches, territorial and functional approaches. The territorial approach for the planning of a formal area according to Friedmann and Weaver deals with the planning of a formal area applying territorial approach oriented to integrated mobility of human resource and natural resource considered as historical characteristic of development in a certain area, while, the functional approach according them is a planning of an area oriented firstly to locations where economic activities of the people are practiced, and secondly to arranging good city system in terms of all activity centers and networking. This kind of planning, very much, functions a lot for all social groups tied by the same needs in social classes, trade companies, and so on.

Because of the nowadays global impact, big cities as well as strategic areas in Indonesia will grow up and can change into only one area system by which the cities and the areas intended, are tied only in a balancing system and in a mutual interdependency. Globalization and regionalization can cause not only social, spatial, and economic transformation of two metropolitan cities, but also the existence of cases in a number of cities categorized as secondary urban cities, particularly in areas that are facing the acceleration of industrialization (Riyadi, 2002:3).

Globalization process can lead to borderless geographies impact. In relation with this impact, Kenichi Ohmae (1996:28) says that the most important cartographic condition in the old economy mapping is of: reserved locations for raw materials, energy sources, rivers, sea harbors, train routes, streets, and national border areas. Contrastively, these all are changed by an outstanding reality in new economy mapping, that is, the presence of TV satellite, radio signal coverage, and geographic coverage of newspapers and journals. According to the classic theory of Adam Smith, the economic activities occur in locations restricted by political limits and nation borders.

Further, according to Gonzalez (2001), new functions of an area begin with the so called “gearing down” process. This model is characterized by functional and spatial distinctions of the border areas, and by the change of area political functions to areas of economy development. The relationship between territories and globalization can be regarded as two coin-sides: the first side stimulates the formation of single world space but with mutual interdependency between new economy and culture, while the other side needs reconstruction of the condition of existing territories, laborers, and of a new geographical development with plus-minus areas to a factor of opportunity and challenge.

Similarly, the potential border areas that have a number of commodities and infrastructures need special attention to developed as centers of regional, national and international economy. In relevance with this, Kuncoro (2004) says that recently, the role of sub-national areas, regencies or administrative cities, is very important to motivate economic activities in certain locations. This is in line with the study reports, for example by Rodriguez-Pose (1998) in social-economic change that stresses the importance of new areas and their roles as economy actors in the new configuration of spatial development pattern. Then Ohmae (1995) contends that in the borderless world, the region state will replace nation-states, that is becoming gates for global economic practices.

Then, Porter (1990) seems to question the role of a nation as a relevant unit analysis. He says that, the competitors in many industries including industry clusters, successful in international level, in fact are only found in cities or several areas in a country. Prior to this, Porter and Sovell (1998) stressed the importance of technology roles, organization strategies, and economy geography in the process of innovation and efforts of maintaining competitive advantage of companies continually. Porter (Porter, 1990) himself contends that grouping industry geographically in degrees in a nation play an important role in determining the sectors possessing competitive advantage in international level.

Therefore, the application of theoretical model in developing border area, that is, a model obtained through local empirical experiences as well as enriched by other empirical experiences in several countries must be based on the available pontencies in the areas of the countries. The analysis of theoretical model on the lesson learned is done by applying approach based on the cases that have happened or are happening in border areas (Wu, 2001: 28-33). He claims that the cultural closeness and economic complementariness are dominant factors to support interaction to happen in various border areas. From the several lessons learned intended, an option can be selected that, the cross-border area of Belu can be advanced by means of planning approach by prioritizing the development of infrastructure led regarded as investment before starting the economic activities. The main reason why such option is selected is because of the increase of information technology on one side, and globalization demand that leads to gradually high intensity of interaction for the purpose of cooperation between two bordered countries, on the other. The other reason is, there is economic transition which is marketing-oriented, because of several cases that happened during the bordered-area development, like the ones happened in cross-border areas between Hongkong and Shenzhen, Poland and German, and Thailand and its.
neighbor countries. For such cases, it needs the roles of government or multilateral institutions in planning the
development of areas which have no or do not have significant economic values yet. This is because of the areas
to be developed, geographically are isolated, or because of political and security reasons that make the areas not
easy to develop. *Tumen River Development Zone and Hongkong-Shenzhen Special Economic Zone (SEZ)* are
the two examples where this model was successfully applied.

**Conclusion:**
The frontier area Belu of (RI)-Timor- Leste has some potency which can be developed by government to
become agriculture, commerce, service and tourism and hospitality area. Through theoretical approach and
based on the condition of empirical frontier area Belu - Timor Leste, especially focus on PBP I Motain (RI)
and Batu Gede (Timor Leste), hence expansion of the area can be done through approach planning to priority
the infrastructure led as investment before economic activity is start. Thus, developing the cross-border area of
Indonesia and Timor-Leste under a cooperative system of both countries to promote the economic status of the
people in cross-border area is a kind of cross-border merger for financial market integration performed by US
acquirers, as reported by Francis, *et al.* (2008).

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