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Local Government as an Institutional Connector for Sustainable Regional Development in Timor-Leste: Integrating the Blue Economy, Economic Diversification, and Food Security

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Abstract

This article examines how local government can connect blue economy development, economic diversification, and food security in Timor-Leste. Although each domain has attracted scholarly and policy attention, less is known about the institutional mechanisms through which subnational public institutions connect them within place-based development processes. The study adopts a qualitative narrative literature review of peer-reviewed research and official policy documents published primarily between 2016 and 2026, with foundational sources retained where conceptually necessary. Literature identified through Scopus and Google Scholar was supplemented by relevant Timor-Leste policy materials and synthesized thematically across four domains: local governance, the blue economy, economic diversification, and food security. The synthesis positions local government not as the sole authority over maritime resources, but as an institutional connector operating through vertical coordination, horizontal policy alignment, territorial adaptation, community participation, and accountability. Blue economy activities may broaden productive opportunities through fisheries, aquaculture, coastal tourism, processing, logistics, and related services, while aquatic food systems can contribute to food availability, dietary quality, and livelihoods. These contributions are conditional on clear institutional mandates, administrative capacity, infrastructure, equitable access, and the integrity of marine ecosystems. The article develops a governance-centred conceptual framework linking local coordination with productive diversification and food-system outcomes. As a narrative synthesis, it advances propositions for empirical examination rather than causal estimates.

Keywords: *Local Government, Blue Economy, Economic Diversification, Food Security, Sustainable Regional Development*

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1. Introduction

Sustainable regional development increasingly requires the integration of economic growth, social inclusion, environmental sustainability, and institutional capacity. Place-sensitive development is especially important where territories differ in resources, infrastructure, and institutional capabilities (Churski, 2018; Morisson & Doussineau, 2019; Rodríguez-Pose, 2020). The localization of the Sustainable Development Goals (SDGs) likewise places local institutions at the center of translating sustainability objectives into programs, public services, budgets, and collaborative action (Annan-Aggrey et al., 2021; Krantz & Gustafsson, 2021; Masuda et al., 2021; Perry et al., 2021). Evidence that local-government characteristics are associated with SDG achievement further indicates that institutional conditions matter for sustainable development outcomes (Mutiarani & Siswantoro, 2020). These perspectives suggest that sustainable regional development depends not only on economic resources but also on institutions capable of connecting policies and actors across territorial and sectoral boundaries.

This challenge is particularly relevant to Timor-Leste, where petroleum revenues and public-sector spending have historically shaped economic activity. As petroleum production declines, diversification has become a central condition for long-term economic resilience (IMF, 2024; Scheiner, 2021). The World Bank (2026) similarly identifies the end of Bayu-Undan production as a structural turning point requiring stronger productive firms, exports, skills, and a more diversified economic base. Comparative evidence from resource-rich countries suggests that successful diversification depends not simply on resource availability but on competitive capabilities and institutional conditions that support non-resource sectors (Ross & Werker, 2021). Timor-Leste therefore requires development pathways capable of generating productive activities while strengthening livelihoods, private-sector opportunities, and territorial resilience.

The blue economy provides one potential pathway by framing ocean and coastal resources as foundations for sustainable economic activity. However, the concept remains contested, with interpretations emphasizing economic growth, conservation, social equity, or combinations of these objectives (Keen et al., 2018; Midlen, 2021; Voyer et al., 2018). A sustainable blue economy should therefore balance economic value with environmental protection and social benefits (Cisneros-Montemayor et al., 2019; Patil et al., 2016). Research further demonstrates that blue economy implementation depends on governance capacity, infrastructure, political commitment, stakeholder participation, and cooperation across institutional scales (Benzaken et al., 2022; Cisneros-Montemayor et al., 2019; Wuwung et al., 2022). Blue economy development is thus not merely a marine-resource opportunity but also a governance and institutional challenge.

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For Timor-Leste, this dimension is particularly important because marine activities intersect with fisheries, aquaculture, coastal livelihoods, tourism, and maritime planning. Voyer et al. (2020) found that the country's governance arrangements were broadly compatible with blue economy aspirations but contained gaps in policy coherence and intersectoral coordination. Coastal households also combine fishing with agriculture, livestock, and other activities, indicating that livelihood outcomes are shaped by broader territorial systems rather than fisheries alone (Mills et al., 2017). Recent aquaculture research demonstrates opportunities to combine productive expansion with food and nutrition outcomes through sustainable tilapia production and public-private partnerships (Pant et al., 2024). These findings indicate that marine and aquatic activities can contribute to diversification when connected to wider local production systems and institutional support.

Food security provides a critical bridge between blue economy development and regional welfare. Fisheries and aquaculture can contribute to food availability, nutrition, livelihoods, and resilience, but their potential is weakened when aquatic foods remain disconnected from wider food-system policies (Farmery et al., 2020; Funge-Smith & Bennett, 2019). Research on aquatic food systems similarly emphasizes the need to integrate fisheries, aquaculture, nutrition, and food policy rather than treating them as separate domains (Stetkiewicz et al., 2022). Consequently, marine-sector expansion should be assessed not only through production and investment but also through its contribution to livelihoods and access to nutritious food.

Local government is consequently important as a mechanism for connecting national policy with territorial realities. Local implementation requires coordination among public institutions, communities, producers, markets, and civil-society organizations, while fragmented governance can generate implementation gaps (Perry et al., 2021; Smith, 2022). Recent research on Timor-Leste identifies a multilayered governance structure involving central administration, municipalities, administrative posts, community institutions, and customary authorities, underscoring the complexity of place-based policy implementation (de Mesquita Lima et al., 2026). The role of local government therefore extends beyond administration toward coordination, facilitation, and connection among sectoral and community interests.

The policy context has become especially timely. In 2026, the Government of Timor-Leste approved the Policy and Action Plan for the Promotion of a Resilient and Sustainable Economy of the Sea in Timor-Leste 2025-2035, positioning the sea as a central pillar of sustainable development and linking blue economy development with economic diversification, inclusive growth, and marine-environment protection (Timor-Leste, 2026). The policy framework is accompanied by measures on maritime spatial planning, a satellite account of the sea, and a Blue Economy Working Group, indicating an effort to institutionalize coordination around the emerging blue economy agenda.

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Despite substantial research on local governance, economic diversification, blue economy governance, and fisheries-related food security, these dimensions remain fragmented. Existing studies address SDG localization and local institutional capacity (Annan-Aggrey et al., 2021; Masuda et al., 2021), economic diversification in Timor-Leste (IMF, 2024; Scheiner, 2021), blue economy governance (Voyer et al., 2020; Wuwung et al., 2022), and fisheries and food security (Farmery et al., 2020; Pant et al., 2024). However, limited attention has been given to their integration through local government as an institutional connector. This study addresses this gap through a narrative literature review and thematic synthesis, conceptualizing local government as a connector that coordinates policies, actors, resources, and local implementation across blue economy, economic diversification, and food security to support sustainable regional development in Timor-Leste.

2. Literature Review

2.1 Local Government and Sustainable Regional Development

Local government translates broad development objectives into place-sensitive decisions through planning, service delivery, coordination, and engagement with communities. Place-based policy emphasizes that territorial interventions should respond to differences in local assets, institutional capabilities, and development constraints rather than assume that identical interventions will have uniform effects (Churski, 2018; Morisson & Doussineau, 2019; Rodríguez-Pose, 2020). The localization of the SDGs similarly depends on cross-departmental coordination, stakeholder participation, and the integration of sustainability into municipal planning and implementation (Krantz & Gustafsson, 2021; Masuda et al., 2021; Perry et al., 2021). These studies suggest that local institutions matter not merely because they are geographically closer to communities, but because they can connect policy objectives with local knowledge, resources, and implementation constraints.

In Timor-Leste, this role must be understood within a multilevel institutional landscape. Law No. 23/2021 provides the legal framework for local power and administrative decentralisation, while municipal and community-level arrangements operate alongside central-government agencies and customary institutions (Government of Timor-Leste, 2021; de Mesquita Lima et al., 2026). The coexistence of elected, appointed, administrative, and customary bodies can create opportunities for participation but may also complicate the allocation of responsibilities and the coordination of development priorities. Research on post-conflict governance in Timor-Leste likewise highlights the ambiguities that can arise when formal and informal institutions interact (Smith, 2022). The institutional connector role therefore requires attention to mandates and accountability; it should not be treated as an assumed capacity possessed uniformly by every local institution.

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On this basis, the article conceptualizes local government as an institutional connector: a relational function through which local public institutions align national priorities with local plans, convene actors across sectoral boundaries, incorporate community knowledge into implementation, and relay information about local needs and outcomes to higher levels of government. Four functions are analytically distinguished: vertical coordination across administrative levels; horizontal coordination among sectors and organisations; territorial adaptation and community co-production; and accountability and feedback. This conceptualization does not create a new administrative tier or imply that local authorities hold exclusive jurisdiction over marine resources. It identifies the coordination functions through which local institutions may contribute to integrated regional development.

2.2 Blue Economy and Sustainable Development

The blue economy links the sustainable use of marine and coastal resources with economic growth, social benefits, and environmental protection. However, the concept extends beyond marine-sector expansion because its implementation also involves questions of equity, governance, and ecological sustainability (Cisneros-Montemayor et al., 2019; Voyer et al., 2018). Effective blue economy development therefore requires coordination among sectors and stakeholders to balance economic and environmental objectives (Cisneros-Montemayor et al., 2021; Wuwung et al., 2022).

In Timor-Leste, this governance dimension is particularly relevant. Voyer et al. (2020) found that the country's blue economy potential is constrained by gaps in policy coherence and intersectoral coordination. Recent policy developments have strengthened this agenda through the Blue Economy Policy and Action Plan 2025-2035, which places marine resources within a broader framework of sustainable development and economic diversification (Timor-Leste, 2026). Thus, blue economy development can be understood as a potential pathway for sustainable regional development when supported by effective institutional coordination.

2.3 Economic Diversification and Regional Resilience

Economic diversification is important for reducing dependence on a dominant sector and strengthening long-term regional resilience. For resource-dependent economies, diversification requires the development of productive activities, private-sector capacity, skills, and market opportunities beyond natural-resource revenues (Ross & Werker, 2021). In Timor-Leste, declining petroleum income has increased the urgency of developing alternative sources of growth and employment (IMF, 2024; Scheiner, 2021).

The blue economy offers opportunities to support this transition through fisheries, aquaculture, marine tourism, and other coastal activities. However, its contribution to diversification depends on infrastructure, skills, market access, and institutional coordination. Coastal livelihoods in Timor-Leste also combine fisheries with agriculture

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and other activities, indicating that marine-based development should be connected to the broader local economy (Mills et al., 2017). Accordingly, economic diversification can be strengthened when blue economy activities are integrated into local production and livelihood systems.

2.4 Food Security and Sustainable Development

Food security is closely connected to fisheries and aquaculture because aquatic foods contribute to food availability, nutrition, and household livelihoods. However, their contribution is often limited when fisheries are treated separately from broader food-system policies (Farmery et al., 2020; Stetkiewicz et al., 2022). Sustainable fisheries and aquaculture can therefore support both nutritional needs and local economic resilience when integrated with wider development planning.

In Timor-Leste, Farmery et al. (2020) found that fisheries objectives were considered in fisheries policies, but fish and fisheries were less integrated into broader food policies. Recent aquaculture research also indicates that tilapia production can support food security while creating opportunities for smallholder livelihoods (Pant et al., 2024). These findings suggest that food security should be connected with blue economy and local economic development rather than addressed as a separate policy sector.

2.5 Integrating Local Government, Blue Economy, Economic Diversification, and Food Security

The literature indicates that local government, blue economy, economic diversification, and food security are closely interconnected but are often examined as separate development issues. Local government provides the institutional capacity to coordinate policies and actors, while the blue economy offers opportunities for marine-based economic activity (Krantz & Gustafsson, 2021; Voyer et al., 2020). Economic diversification can reduce dependence on limited revenue sources, whereas fisheries and aquaculture can simultaneously support livelihoods and food security (Farmery et al., 2020; Ross & Werker, 2021).

Based on this synthesis, the study positions local government as an institutional connector that links blue economy development with economic diversification and food security. Such integration can strengthen the contribution of marine resources to sustainable regional development by connecting sectoral policies, local economic activities, and community needs. This conceptual position provides the basis for the framework developed in the subsequent analysis.

2.6 Research Position

Previous studies have examined local governance, blue economy, economic diversification, and food security, but these dimensions are largely discussed separately.

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Research on Timor-Leste has highlighted the importance of policy coordination in blue economy development (Voyer et al., 2020), the contribution of fisheries to food security (Farmery et al., 2020), and the need for economic diversification beyond petroleum dependence (IMF, 2024; Scheiner, 2021). However, limited attention has been given to how these dimensions can be integrated through local government.

This study addresses this gap by positioning local government as an institutional connector linking blue economy development, economic diversification, and food security. The proposed perspective emphasizes coordination among policies, institutions, communities, and economic activities as a pathway toward sustainable regional development in Timor-Leste.

3. Research Method

3.1 Research Approach

This study employed a qualitative approach using a narrative literature review to examine the relationship between local government, blue economy, economic diversification, and food security in supporting sustainable regional development in Timor-Leste. The approach was selected to synthesize relevant theoretical and empirical literature and identify key patterns across the four research themes. The study did not apply a systematic literature review protocol; instead, the literature was interpreted thematically to develop a conceptual understanding of the relationships among the identified dimensions. This approach is consistent with the IJIS guideline, which requires the research method to explain the research approach, data sources, analytical technique, and credibility of the research process.

3.2 Literature Sources and Selection

The literature was obtained from Scopus and Google Scholar, complemented by relevant reports and policy documents from the Government of Timor-Leste and international organizations. The literature was limited to publications from 2016-2026 to maintain current relevance. Selection focused on sources addressing at least one of four themes: local government and governance, blue economy, economic diversification, and food security, with particular attention to studies relevant to Timor-Leste and comparable developing or small-island contexts. Sources were selected based on topical relevance, academic credibility, and their contribution to explaining the relationships among the four themes.

3.3 Thematic Analysis

The selected literature was analyzed using thematic analysis by identifying recurring concepts, findings, and relationships across the selected sources. The analysis was organized into four themes: local government and governance, blue economy, economic

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diversification, and food security. Relevant findings were compared across studies to identify common patterns, differences, and connections among the themes. The final stage involved synthesizing these findings to formulate a conceptual relationship in which local government functions as an institutional connector linking blue economy development, economic diversification, and food security to sustainable regional development.

3.4 Trustworthiness

The trustworthiness of the review was maintained through the use of credible academic publications and official policy documents, comparison of findings across different sources, and consistent application of the predefined thematic categories. The interpretation was developed through repeated comparison and synthesis of evidence to reduce reliance on individual studies and strengthen the consistency of the findings (Snyder, 2019). This process supports a transparent and coherent interpretation of the literature relevant to sustainable regional development in Timor-Leste.

4. Result

4.1 Local Government as a Driver of Regional Development

The literature identifies local government's contribution to regional development primarily through policy implementation, coordination, and adaptation to territorial conditions. Place-based and SDG-localization studies emphasize the need to align national objectives with local planning and to coordinate responsibilities across public institutions and stakeholders (Krantz & Gustafsson, 2021; Perry et al., 2021). In Timor-Leste, this function is complicated by a multilevel structure involving central institutions, municipal authorities, administrative posts, elected community bodies, and customary actors (de Mesquita Lima et al., 2026). Law No. 23/2021 provides a legal basis for local power and administrative decentralisation, but the practical capacity and responsibilities of local institutions should not be assumed to be uniform (Government of Timor-Leste, 2021).

Table 1. Key Roles of Local Government in Regional Development

Aspect	Literature synthesis
Policy implementation	Translating national priorities into locally relevant actions
Coordination	Connecting government institutions, communities, and economic actors
Territorial adaptation	Adjusting development initiatives to local resources and conditions
Institutional integration	Bridging sectoral and administrative boundaries

Table 1 distinguishes four institutional functions through which local government may act as a connector. Vertical coordination concerns the translation of national

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priorities into municipal and community-level plans, while horizontal coordination concerns alignment among sectoral agencies and non-state actors. Territorial adaptation allows local knowledge and livelihood patterns to inform implementation. Accountability and feedback provide channels through which local needs, implementation problems, and distributional effects can be communicated to decision-makers. These functions are analytical categories derived from the reviewed literature; they are not a claim that every municipality currently performs them to the same extent.

The 2025–2035 Policy and Action Plan gives this institutional role a clearer policy context. It places the blue-economy agenda under national leadership and coordination while identifying central and local government, communities, civil society, women's organisations, and private actors as relevant partners (Government of Timor-Leste, 2026). The policy's emphasis on land–sea interaction and community knowledge supports the importance of local participation. At the same time, the national coordination structure means that local government should be understood as a partner in territorial implementation and coordination, not as the sole regulator of marine space.

Taken together, the evidence positions local government as a potential institutional connector between national development priorities and local resources, communities, and economic activities. Its contribution depends on clear mandates, administrative and fiscal capacity, and effective working relationships with national agencies and community institutions. The connector role is therefore an institutional possibility whose effectiveness requires empirical assessment at municipal and community levels.

4.2 Blue Economy as a Basis for Economic Diversification

The thematic synthesis indicates that the blue economy provides opportunities to broaden Timor-Leste's productive base through fisheries, aquaculture, tourism, and other marine-related activities. However, its contribution to diversification depends on policy coherence, institutional coordination, and the capacity to connect marine activities with local economic systems (Ross & Werker, 2021; Voyer et al., 2020).

Table 2. Blue Economy and Economic Diversification

Dimension	Synthesis of findings
Marine resources	Provide opportunities for new productive activities
Fisheries and aquaculture	Support income, employment, and local production
Marine-related sectors	Expand the range of economic activities
Governance	Enables coordination and integration across sectors

Table 2 distinguishes the main activity groups from the mechanisms through which they may contribute to diversification. Fisheries and aquaculture can support production, input supply, post-harvest handling, processing, and distribution. Tourism can create demand for local food, transport, accommodation, guiding, and cultural services.

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Maritime logistics and related services may widen the range of business activities, while ecosystem stewardship protects the natural assets on which many of these activities depend. These pathways are potential mechanisms rather than evidence that all activities are already commercially viable or generate substantial local value added.

The Policy and Action Plan 2025–2035 explicitly places economic diversification within a broader strategy for the sustainable use of marine resources (Government of Timor-Leste, 2026). Its policy portfolio extends beyond fisheries to include tourism, maritime transport, logistics, biodiversity conservation, research, and cross-cutting measures. This breadth creates opportunities for intersectoral linkages, but it also raises coordination demands. In Timor-Leste, coastal livelihoods already combine fishing with agriculture and other income-generating activities (Mills et al., 2017), reinforcing the importance of connecting marine activities with the wider local economy. The policy's stated objectives should nevertheless be distinguished from demonstrated implementation outcomes.

4.3 Blue Economy, Fisheries, and Food Security

The thematic synthesis shows that fisheries and aquaculture can contribute simultaneously to food availability, nutrition, and household livelihoods. However, these benefits depend on the integration of aquatic production with broader food-system and development policies (Farmery et al., 2020; Stetkiewicz et al., 2022).

Table 3. Contribution of Blue Economy Activities to Food Security

Dimension	Synthesis of findings
Food availability	Fisheries and aquaculture increase access to aquatic foods
Nutrition	Fish provides important dietary nutrients
Livelihoods	Marine activities generate income for local households
Food-system integration	Policy coordination determines the broader contribution to food security

The findings in Table 3 indicate that marine-based activities contribute to food security through both direct and indirect pathways. Direct contributions arise from fish production and consumption, while indirect contributions operate through income and livelihood opportunities. In Timor-Leste, however, the integration of fisheries with broader food policy remains limited, reducing the potential for these activities to generate wider food and nutrition benefits (Farmery et al., 2020).

Aquaculture provides an additional opportunity to strengthen this connection. Recent studies on tilapia production in Timor-Leste demonstrate its potential to improve productivity while supporting smallholder livelihoods and food and nutrition security (Pant et al., 2024). Therefore, the contribution of the blue economy to food security is strengthened when production, household livelihoods, and food-system policies are addressed in an integrated manner.

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4.4 Institutional Integration and Sustainable Regional Development

The synthesis indicates that sustainable regional development depends on the alignment of policies, institutions, local economic activities, and ecological objectives. Blue-economy initiatives involve multiple sectors and stakeholders, making coordination essential if economic, social, and environmental priorities are to be pursued together (Benzaken et al., 2022; Voyer et al., 2020; Wuwung et al., 2022). In Timor-Leste, the national Policy and Action Plan provides a strategic framework for this integration, including land–sea interaction, marine conservation, sustainable use, and local participation (Government of Timor-Leste, 2026).

Table 4. Institutional Integration for Sustainable Regional Development

Component	Main function
Policy coordination	Aligning development priorities across sectors
Institutional cooperation	Connecting government and non-government actors
Local participation	Incorporating community needs and knowledge
Resource integration	Linking marine, economic, and social resources

The synthesis indicates that institutional integration determines whether sectoral initiatives can generate broader regional benefits. In Timor-Leste, the current Blue Economy Policy and Action Plan emphasizes coordination between government institutions and relevant partners, while the establishment of a Blue Economy Working Group provides an institutional mechanism for such coordination (Blue Economy Office, 2026; Timor-Leste, 2026).

The findings therefore support an integrated perspective in which local government connects blue economy activities, economic diversification, and food security through policy coordination and local implementation. This integration provides the basis for sustainable regional development by reducing sectoral fragmentation and aligning economic opportunities with community and environmental needs.

4.5 Conceptual Framework for Sustainable Regional Development

The synthesis of the four thematic dimensions indicates that sustainable regional development in Timor-Leste depends on the interaction between local government, blue economy, economic diversification, and food security. Local government functions as the institutional connector that facilitates coordination among policies, institutions, communities, and economic activities. The blue economy provides opportunities for marine-based development, while economic diversification strengthens regional resilience and fisheries and aquaculture contribute to food security (Farmery et al., 2020; Pant et al., 2024; Ross & Werker, 2021; Voyer et al., 2020).

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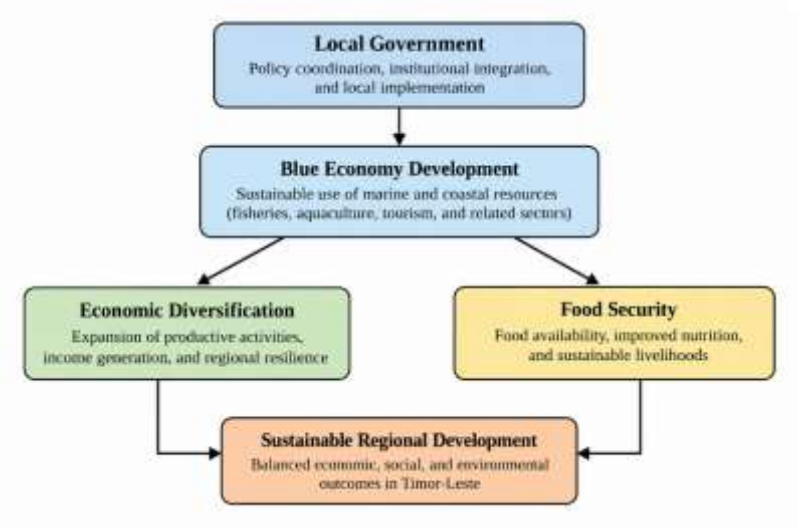


Figure 1. Conceptual Framework Linking Local Government, Blue Economy, Economic Diversification, and Food Security

The framework demonstrates that local government does not represent an isolated development factor but an institutional connector linking sectoral and territorial priorities. This interpretation is consistent with evidence that blue economy implementation in Timor-Leste requires stronger policy coherence and connections among existing institutions (Voyer et al., 2020). The current Blue Economy Policy and Action Plan 2025-2035 further reinforces this integrated direction through mechanisms for maritime planning, policy coordination, and blue economy governance (Blue Economy Office, 2026).

5. Discussion

5.1 Local Government as an Institutional Connector

The findings suggest that the analytical value of local government lies not only in implementing national programmes but also in connecting institutions and interests that operate at different scales. This interpretation is consistent with research on SDG localization, which emphasizes the importance of coordination across administrative boundaries and the integration of sustainability into local planning (Krantz & Gustafsson, 2021; Perry et al., 2021). In Timor-Leste, the complexity of territorial planning and the coexistence of formal and customary institutions make this function especially relevant (de Mesquita Lima et al., 2026; Smith, 2022).

In the blue-economy context, the connector role becomes more demanding because marine-based activities intersect with economic, environmental, and social objectives. Voyer et al. (2020) identify policy coherence and coordination as persistent challenges in

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Timor-Leste's blue-economy governance. The national Policy and Action Plan 2025–2035 responds to this challenge by emphasizing land–sea interaction, cross-sectoral coordination, and participation by local government and communities (Government of Timor-Leste, 2026). The present study extends this discussion by specifying the local institutional functions through which such coordination may be operationalized: vertical alignment, horizontal convening, territorial adaptation, and accountability.

This conceptualization also requires a boundary condition. Local government should not be portrayed as having exclusive authority over maritime space or national ocean policy. The national framework places overall leadership and coordination at the central level, while local institutions contribute to participation, local implementation, and the connection of marine initiatives with territorial development. The connector role is therefore relational and contingent on clear mandates, resources, and working arrangements between central and local institutions. This distinction makes the argument more institutionally realistic and avoids attributing powers to municipalities that may belong to national agencies.

5.2 Blue Economy as a Pathway for Economic Diversification

The results indicate that the blue economy can provide a practical pathway for reducing dependence on a limited economic base by expanding fisheries, aquaculture, marine tourism, and other coastal activities. This finding is consistent with the literature, which emphasizes that diversification in resource-dependent economies requires the development of productive non-resource sectors and stronger local economic capabilities (Ross & Werker, 2021; Scheiner, 2021).

For Timor-Leste, this opportunity is particularly relevant because coastal livelihoods already combine fisheries with agriculture and other income-generating activities (Mills et al., 2017). Therefore, blue economy development should not be pursued as an isolated sector but connected with local production, markets, skills, and supporting infrastructure. Voyer et al. (2020) further demonstrate that policy coherence and coordination are necessary to translate marine resources into broader development benefits.

The findings suggest that the economic contribution of the blue economy depends on institutional integration. Local government can facilitate connections among marine-based activities, local enterprises, communities, and public programs, thereby strengthening the potential for diversification. This interpretation is consistent with Timor-Leste's current Blue Economy Policy and Action Plan 2025-2035, which places economic diversification within its broader blue economy agenda (Blue Economy Office, 2026).

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5.3 Blue Economy and Food Security

The findings show that blue economy activities can contribute to food security through both food production and livelihood generation. Fisheries and aquaculture provide aquatic foods while creating income opportunities for local households (Farmery et al., 2020; Stetkiewicz et al., 2022). In Timor-Leste, however, the contribution of fisheries to food security is constrained by limited integration between fisheries policy and broader food-system policies (Farmery et al., 2020).

Recent evidence on tilapia production further demonstrates that aquaculture can strengthen both food and livelihood outcomes when supported by appropriate production systems and institutional assistance (Pant et al., 2024). This indicates that food security should not be considered separately from economic development. Rather, marine and aquatic activities can create synergies between food availability, household income, and local economic resilience.

The discussion therefore extends the blue economy perspective from resource utilization toward integrated food-system development. Local government can facilitate this integration by connecting fisheries and aquaculture programs with local markets, community livelihoods, nutrition priorities, and regional development planning. Such coordination can increase the contribution of blue economy activities to sustainable regional development.

5.4 Implications for Sustainable Regional Development in Timor-Leste

The findings indicate that sustainable regional development requires integration rather than separate sectoral interventions. Blue economy activities can expand productive opportunities, while fisheries and aquaculture can contribute to food security and local livelihoods. These benefits, however, depend on institutional coordination, policy coherence, and the ability to align marine activities with regional development priorities (Farmery et al., 2020; Voyer et al., 2020; Wuwung et al., 2022).

For Timor-Leste, the implication is that local government should strengthen coordination among public institutions, communities, private actors, and sectoral programs. This role is consistent with the country's Blue Economy Policy and Action Plan 2025-2035, which promotes integrated management of marine resources and links blue economy development with economic diversification and sustainable development (Blue Economy Office, 2026; Timor-Leste, 2026). Economic diversification should therefore be pursued together with food-system development and sustainable resource management.

The study consequently suggests that institutional coordination is the central mechanism connecting blue economy opportunities with broader regional outcomes. Strengthening this mechanism can help ensure that marine-based development generates economic opportunities while also supporting food security and sustainable resource use. This integrated approach provides a more context-sensitive pathway for advancing sustainable regional development in Timor-Leste.

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6. Conclusion

This article examined how local government can connect blue-economy development, economic diversification, and food security in support of sustainable regional development in Timor-Leste. The narrative synthesis indicates that these domains should not be approached as separate policy agendas. Their integration depends on institutional arrangements that connect national priorities with local plans, productive activities, community needs, and ecological conditions.

The article positions local government as an institutional connector operating through vertical coordination, horizontal policy alignment, territorial adaptation and community co-production, and accountability. Blue-economy activities may broaden productive opportunities, while fisheries and aquaculture may contribute to food availability, household livelihoods, and nutrition. These contributions are conditional on clear mandates, institutional capacity, infrastructure, market access, equitable participation, and the integrity of marine ecosystems. The conceptual framework makes explicit that economic diversification and food security are related but distinct outcomes that require coordinated yet differentiated policy responses.

For Timor-Leste, the framework is relevant to the implementation of the Policy and Action Plan for the Promotion of a Resilient and Sustainable Economy of the Sea 2025–2035. Local institutions can contribute by aligning municipal development priorities with national policy, connecting marine activities to local value chains and food systems, and ensuring that community knowledge and ecological safeguards inform implementation. The study offers a conceptual synthesis rather than a causal evaluation. Its propositions provide a basis for future municipal, community, enterprise, and household-level research into how these institutional relationships operate in practice.

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