Multiple realities: 
the need to re-think institutional theory

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Introduction

It has been well documented that in Timor-Leste the process of democratisation has involved, and continues to involve, building liberal-democratic institutions over the top of pre-existing customary governance structures and norms. As a result, there is now significant overlap where lisan and state law coexist, and it is part of everyday local reality to interact with different institutional structures at different times. This experience is not limited to Timor-Leste: numerous studies have been done, particularly in Africa, describing similar dynamics. In most cases, such meetings of worlds wherein ‘state-based’ and ‘customary’ governance interact tend to be viewed by policy- and law-makers as two analytically separate ‘sets’ of institutions that interact in various ways—resulting in various outcomes that either support or run against their overall normative agendas. However, while we can analytically separate lisan and state-based governance for academic purposes, within communities this coexistence is not experienced as two separate ‘spheres’ of governance. Rather, the reality is that the twin requirements of lisan and state-based governance are navigated simultaneously on a daily basis, as community members use the resources at hand in order to fill communal needs and to pursue individual agendas.

One of the challenges in discussing the interaction of lisan and state-based law and governance is that the concepts are not directly comparable. Lisan goes well beyond a legal or governance system, also encompassing moral and spiritual dimensions. As such, attempting to define it in Western terms becomes a complex philosophical question that is fraught from the start. Nonetheless, despite arising from quite different worldviews, there is also significant overlap between lisan and state-based governance as both systems have developed to regulate the same areas of communal life, but in different ways. As explored throughout this article, this simultaneous navigation of lisan and state-based governance can only be conceptualised properly if we recognise the adaptive nature of local governance, giving due recognition to the importance of local politics in shaping these dynamics.

The various forms of hybrid governance that exist in East Timorese communities hold important implications for how we understand institutions and the process of institutionalisation—and, by extension, how we approach
the various challenges of state-building, development and democratisation. Most contemporary approaches to state-building, development and democratisation draw on an understanding of institutionalism that is best described as functional. This approach to institutionalism has at its core the understanding that if one can get the legal and policy frameworks right so as to address a technically complex task (not dissimilar to a mechanical problem), then particular societal outcomes will follow.\footnote{Often, the presumption is that what is needed is to simply import Western ideas of ‘good’ governance in order to address the problems of developing societies. Such approaches can be seen, for example, in good governance theory, and before then, in law and development and modernisation theory—each of which rely on the application of technocratic solutions across different cultural and social contexts. However, these approaches have been strongly condemned by others who place greater emphasis on the need for cultural specificity in state- and institution-building. As these critics have pointed out, while technocratic interventions have often been extremely expensive, the introduced institutions have largely failed to ‘stick’ and produce sustainable results within recipient societies. This debate, wherein some have placed faith in the power of formal institutions to create predictable results, but to the dismay of others who have pointed out the many ideological and practical flaws, has formed part of a larger policy cycle that has played out since decolonisation.}

This article is based on seven months’ research conducted by the author, living in the villages of Venilale and Ainaro from 2008 to 2009. This is supplemented by approximately eight months’ fieldwork conducted between 2010 and 2012 throughout the districts of Baucau, Viqueque, Ermera, Manatuto, Suai and Dili, investigating various aspects of local governance. Throughout this article, I argue that many of the practical problems that have been pointed out can be traced back to a functional understanding of institutionalism, which focuses on the outcomes of institutional interventions without paying due attention to the complex process of institutionalisation. In particular, the functional institutional framework is limited in two key respects. First, it does not recognise the place of customary governance and \textit{lisan} at the local level. At best, it categorises customary governance as ‘informal’, which fails to reflect the reality of life in an East Timorese village and which can render important obligations and interactions essentially ‘invisible’ to policy-makers. And second, by conceiving of institutions as something that people are subject to, rather than actively engaging within, this understanding of institutionalism fails to recognise the reality of power, politics, agency and oppression within local governing arrangements. These limitations have meant that important governance challenges at the local level have not been adequately recognised by many policy-makers and analysts.

\textbf{The hybridity of local governance}

Across the villages of Timor-Leste, local governance is a complex melding of customary governance, state-based governance, and many other networks
and relationships that have evolved to fill different needs in the community. These ‘types’ of governance are by no means static. Rather, they come together in various hybrid forms that then structure how local authority is obtained and maintained, how that authority is exercised and shared, and what impact this complex governance environment has on broader power relations within the suku (village). The form that this hybridity takes can vary significantly from one suku to the next, and in many cases it is highly dependent on the decisions that are made by local leaders as they strategically engage with each other and with their community.

This is not to say that local governance can simply be reduced to these daily decisions made by local leaders. There are very real constraints that are placed on local leaders as they carry out their function in the community—in particular the constraints that are conferred by lisan and the requirement that they govern according to East Timorese law. However, the ways in which institutions are accessed and implemented cannot be separated from the social context. To acknowledge the importance of local politics is therefore not to diminish the importance of institutions as constraining and guiding forces—but rather, to recognise that our understanding of the function of institutions needs to catch up with the messy reality of people’s daily lives.

This messy reality can be seen, for example, in the evolving relationship between customary and state-based forms of political legitimacy for the position of xefe suku (village chief). According to the law of Timor-Leste, eligible voting members of the suku vote for their xefe suku and other suku council members every four years. The position of xefe suku is therefore described as one which is ‘modern’ and ‘democratic’, and it is common to hear explanations that ‘in Portuguese times we had the liurai, but now we are independent, the xefe suku is voted in democratically’. However, in the context of local politics this observation only tells part of the story, as lisan continues to play an important role in legitimacy for local leadership.

A previous study conducted by Cummins and Leach has shown that at local government level, the combination of democracy and lisan has resulted in three hybrid modes of authority: two ‘co-incumbency’ models and an ‘authorisation’ model. These three models each reflect different routes through which communities have sought to fulfil both customary and democratic ideas of legitimacy, as they vote for the xefe suku candidate who is best able to fill their various political, economic, spiritual and social needs. The two co-incumbency models identified are a strict co-inheritance approach and a traditional house candidate approach. According to the first approach, those who are legitimated through lisan to rule as liurai are routinely elected by community members into office as xefe suku, effectively creating a hereditary system that is legitimated through elections and which parallels the traditional inheritance of authority in the liurai family line. This can be seen, for example, in suku Uai Oli in Venilale, and suku Uma Wa’in Kraik in Viqueque. However, this mode of co-inherited traditional and
modern authority appears to be fairly rare. More common is the ‘traditional house candidate’ approach, through which those who are from the liurai’s uma lisan are elected into office as xefe suku. This model of local authority is common in many suku in Timor-Leste, satisfying customary ideas of legitimacy while also allowing a broader pool of candidates to choose from. A third model, termed an ‘authorisation’ model, has evolved in a number of suku for elected xefe suku who are not from the liurai’s uma lisan. In these suku, there is a local ceremony following election into office in which the elected xefe suku receives a blessing from relevant customary leaders to recognise his/her right to govern as suku chief. While symbolic in nature, these mechanisms have important practical implications as they ensure that the community will put trust in their elected xefe suku.

A fourth category, but one which is not really a ‘model’, is where xefe suku have been elected into office without satisfying customary ideas of legitimacy. In these cases, fieldwork indicates that it is extremely difficult for xefe suku to carry out their work as community authorities. Even with mechanisms of traditional legitimisation in place, an elected xefe suku must be careful to adhere to a separation of powers between customary and modern authority. The three integrated models are not static, but rather are part of an evolving system of local governance in which communities are endeavoring to meet all of their needs—including the spiritual need to observe lisan. As time goes on, it is likely that particular communities will move from one category to another, and it is also likely that they will explore other models of hybrid local governance.

These contemporary dynamics reflect the continuing importance of lisan, as well as the diversity of approaches and the flexibility of communities in ensuring that their governing structures fit the twin demands of lisan and liberal democracy. However, conventional institutional theory fails to account for these complex interrelationships between customary and state-based institutions—and the impact that this has on people’s lives. At best, customary institutions tend to be categorised as ‘informal institutions’, a residual category which also includes various customs, traditions, sanctions, taboos, and societal codes of conduct, and which are contrasted with the ‘formal institutions’ of state-based law and constitutionalism. However, the current reality is that customary governance via lisan is in fact highly formalised and is central to local governance in the majority of East Timorese villages. This is particularly so given the lack of state influence and investment in many communities.

Viewed from within an East Timorese suku, customary institutions are significantly more than a ‘resource bank’ for state-based institutions to draw upon. They structure relations within a community through the imposition of obligations—and failure to meet those obligations that are often spiritual in character will result in serious penalties such as crop failure, the spread of disease or even death. The formal character of institutional structures
can be clearly seen in practice if one changes the question of ‘what are the governance structures in place?’ to ‘how are people actually governed?’ For most people in East Timorese communities, *lisan* is their primary source of governance, law and authority.¹⁹

As institutional theory forms the bedrock of contemporary understandings of law, democratisation, development and state-building, this then has flow-on effects for how we approach the challenges of state-building and democratisation and how we formulate law and policy. The difficulty in recognising the formality of customary institutions can be put down to a failure of perspective; the very language of political theory makes it difficult to look beyond the overarching liberal institutions of the state. As critical theorist Robert Cox argues, ‘theory is always for someone and for some purpose’ and as such ‘all theories have a perspective’.²⁰ Institutionalist theories tend to be created from the perspective of those outside looking in—the academics and the policy-makers. Given this, the categorisation of traditional institutional structures as informal and modern institutional structures as formal, ties in with existing political categorisations that explain particular relationships and interactions within the state. These are ‘problem solving theories’, designed to ‘make these relationships and institutions work smoothly by dealing effectively with particular sources of trouble’.²¹ However, while this approach may be useful to explicate particular economic and political problems from the perspective of the state, this conventional dividing up of reality does not reflect the reality of power and authority as it is experienced from within an East Timorese *suku*. As discussed in the following section, such an approach does not take into account many different local factors that contribute to the process of institutionalisation.

**From functionalism to process-driven**

It is clear that classic institutional theory has some serious limitations when it comes to conceptualising governance in East Timorese communities. There are two main reasons for this. First, as discussed previously, there is a failure within classic institutional theory to acknowledge the formality of customary governance institutions, and their subsequent importance in shaping local governance arrangements together with state-based institutions. And second, most accounts of institutionalism that feed into discourses on development, democratisation and state-building fail to acknowledge the fluidity of local governance, and the importance of local politics in determining the ‘balance’ that is found between *lisan* and state-based governance.

As discussed in the previous section, East Timorese communities have developed various hybrid models through which they endeavour to meet the twin requirements of customary and state-based governance. This applies to how local authority is obtained and maintained, how that authority is exercised and shared, and how local leaders are ultimately made accountable for their decisions back to the community. In the vast majority of cases, these hybrid models have not been introduced by policy- or law-makers or other...
‘external’ actors, but rather have formed as a result of local politics as the community has used the resources at hand to solve their problems. In some situations, these hybrid models have been developed by local authorities as a deliberate strategy to solve recurring problems in the community. In other situations, the model has come about more as a result of the many small, daily decisions that are taken by local leaders when doing their work. The common feature in all of these situations is that there is little attention paid to whether the resources that are used to solve a particular problem fall in the realm of ‘customary’ or ‘state-based’ governance. Rather, the guiding principles are whether the methods used will be embraced by the community (whether they will be legitimate), and whether they will be sufficient in solving the problem (whether they will be effective). Very often, these solutions will involve a complex melding of customary and state-based institutions, drawing on the worldview of both and attempting to influence—but also being determined by—the realities of rural communities where there is still limited state ‘reach’.

It is important to note that the practical results that are produced by these hybridised systems of governance are not always fair. Like politics everywhere, local politics in the villages of Timor-Leste are underpinned by an uneven access to power and resources. As local elites engage with each other and with those they govern, they draw on existing power bases and resources, interacting strategically with each other and making important decisions that shape their governance environment. As such, there is also a ‘shadow side’ to these politics as existing inequalities are reproduced and legitimated in state-based institutions as they are incorporated into the local political environment. This tendency can be seen, for example, in considering how domestic violence cases are dealt with and understood in the village context. While domestic violence legislation passed in 2010 provides more comprehensive protection for domestic violence victims, recent fieldwork in Suai, Dili and Baucau indicates that many victims continue to be discouraged from accessing the formal legal system. However, a key point of success in Suai has been the ongoing, active engagement of xefe suku by local domestic violence stakeholders including the parish nuns, encouraging them to refer domestic violence cases to the police and/or prosecutor’s office. In this context, it has been clear that local elites’ strategic interactions have been more important for shaping outcomes than the specified intent of policymakers in the designing of institutions—and this is even more the case when considering the impact on those who already lack power.

The importance of local elites’ strategic interactions opens new avenues for understanding how different models of hybrid governance are formed in the suku of Timor-Leste. As described earlier, functionalist accounts of institutionalism tend to focus first on the form and content of institutions, and then look to see the results that they have in shaping individual and communal behaviour. However, critical theorists’ accounts of institutionalism are somewhat different. According to Cox’s analysis of the process of
institutionalisation, there is a constant dialectic between ideas, institutions and material capabilities—and the stronger the correlation between these three categories, the greater the level of institutionalisation, depicted as follows:

![Diagram showing the dialectic between Ideas, Material capabilities, and Institutions](image)

Figure from Robert Cox, ‘Social forces, states and world orders: beyond international relations theory’, 1981, p. 136.

This effectively means that institutions must be ‘in step’ with people’s worldview and understanding of how things should be done, but institutions also influence change in the realm of ideas. Equally, institutions must be backed up by material capabilities, but they also guide the distribution of power and resources in any given setting. And ideas and material realities also influence each other. By focussing on the dialectic between institutions, ideas and material capabilities, the emphasis is shifted from questions of the effects that institutions have on communal behaviour to how they are engaged with by the community—with an acknowledgment that this is part of an ongoing process. In other words, the community context influences what institutions do, how they work, and what ultimate impact they have. And the influence of institutions, in turn, becomes part of the community context. It is intimate, and it is messy. And it demands a different way of thinking about institutions and institutionalisation.

This demand for a new way of thinking about institutions becomes even more pressing when we consider the postcolonial context of coexisting customary and state-based institutions. As discussed previously, the various hybrid models of local governance that exist in the suku of Timor-Leste have been developed as a natural part of local politics, sometimes as a deliberate strategy to solve recurring problems in the community, other times as a result of the many small, daily decisions that are taken by local leaders when doing their work. A common feature of these different hybrid forms is that the relevant question is not whether a particular institution falls in the realm of ‘customary’ or ‘state-based’ governance, but rather whether it will be an effective and legitimate response to the problem at hand. Sometimes
a problem can be solved using only customary or state-based institutions; other times, it will require the engagement of both. An adaptation of Cox’s depiction of institutionalisation, incorporating this messy coexistence, would therefore look something like this:

Representing the interrelationship between institutions, ideas and material capabilities in a typical suku (author’s own design).

In this schema, there is an ongoing dialectic between ideas and material capabilities as they influence—and are influenced by—both customary and state-based institutions. While customary and state-based institutions are analytically separate, they are also operating in the same local political environment, and have indirect but nonetheless significant influence on how the other is interpreted and applied. This has important implications for how policy is formulated for East Timorese communities. This is because, as explored in the final section, the theories that we use to describe the world can also shape how we see the world. And in turn, how we see the world determines which social arrangements are considered ‘relevant’ to politics, and which are not. When theory and policy adequately reflect the lived experience of community members, this can help to shape these social interactions and makes the relationship between individuals and the state more coherent. Crucially, however, when theory and policy do not reflect community realities, this can render specific governance challenges effectively ‘invisible’ to law- and policy- makers.

**Shaping local governance**

For the majority of law- and policy-makers operating from a framework of Western, liberal thought, the importance of institutional theory has been premised on the functionalist understanding that institutions can be built to
shape communities, and to pursue normative aims that fall variously under the headings of development, democratisation and state-building. However, it is clear that many models that incorporate an understanding of institutions fail to recognise, or at least ignore, the inherently political processes that determine how institutions are incorporated into the local governance environment, and the ultimate impact that they have. Equally, they fail to recognise the importance of coexisting customary and state-based institutions, and what this means when considering institutionalisation at the local level. As discussed in the previous section, a critical theory approach can more effectively capture these dynamics. However, such an approach demands a very different way of thinking about institutions—one which is more nuanced, but also more humble in what is demanded of institutional interventions.

This approach recognises that institutions certainly work to shape individual and communal behaviour—but that they are also in turn shaped by the surrounding environment. This means that as state-based institutions are incorporated into the local governance environment, they are interpreted locally so that they do not clash with pre-existing ways of doing things. In the villages of Timor-Leste, given the lack of state ‘reach’ to many villages and the importance of customary governance, this means that state-based institutions tend to be interpreted so that they are in accordance with *lisan*. Sometimes, this means that existing understandings of the legitimate distribution of power and resources in a community are replicated into the new, state-based institutional form—for example, where those with customary authority are routinely elected to leadership positions. Other times, when institutions have been introduced with the specific intention of challenging existing distributions of power and resources, they may be sidelined or ignored by large sections of the community. These dynamics can give a deceptive picture of the relative success or failure of institutional interventions. In situations where state-based institutions mirror existing relationships and distribution of resources according to *lisan*, they can appear quite strong but are in fact parasitic on customary governance arrangements. By contrast, where state-based institutions are built to challenge existing governance arrangements, they may in fact be slowly working but appear to be failing. Alternatively these institutions may be captured by local elites who subvert them for a use that is contrary to the original policy intent.

Such complicated dynamics can be observed when examining the institution of *konsellu suku* (village council), a local governing body directly elected into office by eligible voting members of the *suku*. The *konsellu suku* was formed through Decree Law in 2004, and is comprised of one *xefe suku* (village chief), a *lia-na’in* (traditional dispute mediator), *ferik/katuas* (elder), a *xefe aldeia* (subvillage chief) for each *aldeia*, two women’s representatives and two youth representatives—one man, one woman. The exact number of *konsellu suku* members varies according to the number of *aldeia* (and therefore *xefe aldeia*) in the *suku*. However, while the *konsellu suku* is a relatively new body, key institutional figures on the council are also important leaders through *lisan*,

an authority structure that has continued from pre-colonial times. While they are now voted into office and have some new responsibilities according to East Timorese government requirements, these authority figures are not ‘new’ to the community; they have well-established roles in the community that are supported by *lisan* and the broader social environment. It is therefore of no surprise that despite its newness, the *konsellu suku* appears to be fairly well institutionalised across Timor-Leste—particularly given the limited state resources that have been available to this body.

However, varying from one *suku* to the next, the apparent institutionalisation of *konsellu suku* appears to have mostly come about where arrangements have been closely aligned with customary institutions, entering into a symbiotic relationship with the distribution of material power and value systems that are already entrenched within the community. It is only where the state-based institutions have departed from these entrenched customary relationships that the relative fragility of the ‘state institution’ of *konsellu suku* has become apparent. So, for example, problems have occurred for elected *xefe suku* who do not come from the *liurai’s uma lisan*, and so cannot claim legitimacy through *lisan*. While they were able to claim sufficient community support to be elected into office, they have had many challenges in maintaining their authority between elections.23

Equally, the experience of introducing gender quotas to encourage women’s participation on the *konsellu suku* can only be described as fraught. While there are three women holding reserved seats on each of the 442 *konsellu suku* across Timor-Leste, there is no defined role for them through *lisan* and the state has not given sufficient support to institutionalise their role as local leaders. Within East Timorese village culture it is rare for women to take on politically active roles, and this state of affairs is also supported through *lisan* which reserves for male authority figures the power to resolve disputes through *nahe biti bo’ot*.24 While this is an important source of authority for other *konsellu suku* members, the women’s representatives have been unable to participate, much less take a leadership role. As a result, they have been largely inactive in their roles—a source of frustration for all concerned. In many cases, this has undermined support for women’s political participation, as other *konsellu suku* members and community members have blamed them for not taking their responsibilities seriously.25 In most analyses, this lack of participation has been put down to a lack of capacity. However, this fails to recognise the local structural issues that have led to their disempowerment—which carries the danger that interventions are misdirected towards capacity development when what is needed is an integrated approach that is designed to give these women leaders real decision-making power at the local level.

The experience of women’s representatives on the *konsellu suku* illustrates an important feature of local governance. As Cleaver notes in her examination of social capital, inequalities have a way of reproducing themselves through differing engagement with, and access to, institutions.26 This is particularly
so in the context of coexisting customary and state-based institutions, as the balance that is found between them is formed as a natural part of local politics. While also endeavouring to satisfy the twin requirements of lisan and East Timorese law, these decisions tend to mirror existing power relationships in the suku—and those who are less powerful are then subject to those decisions. It is through this process that existing power inequalities are reproduced through both state-based and customary institutional forms, as can be seen in the above example of women’s representatives on konselu suku. However, this structural feature of local governance has been largely ‘invisible’ to policy-makers, as functional accounts of institutionalism do not provide the right tools to analyse these interactions.

**Conclusion**

Whether or not it is explicitly stated, most approaches to state-building, democratisation and development rely on a functional understanding of institutionalism, which focuses on the *outcomes* of institutional interventions, without recognising the local political *process* of institutionalisation. There are a number of reasons for this, including the demands of donors that programs be clearly designed so that they meet defined policy aims. However, as explored in this article, this approach to institutionalism fails to capture the intricacies of the local political environment—and as such misses some important clues on how to recognise, and then address, specific governance problems that arise during the process of institutionalisation.

Fieldwork demonstrates that it is through everyday local politics that customary and state-based institutions are engaged, wherever possible, to be mutually supportive. This has a direct impact on the implementation of state-based institutions in East Timorese villages, which tend to rely on pre-existing customary structures, with the result that existing distributions of power and resources are also replicated through state-based structures. As such, the process of institutionalisation is not as simple as either community ‘acceptance’ or ‘rejection’ of state-based institutions. Rather, it is a complex process that is negotiated by the local leaders as they use existing resources to meet community needs, and to pursue individual political agendas. This process, which also involves the reproduction of existing inequalities across institutional ‘spheres’ does not, however, imply institutional ‘failure’. Rather, it indicates the complexity of the local governance environment and the many different factors that are required for institutionalisation to take place. The challenge is for ‘outsiders’ to take these complexities seriously.

For policy-makers, this means that simply comparing those state-based institutions that have been successfully institutionalised with those that challenge existing power inequalities can give a false impression, where the first is indicative of institutional ‘strength’, and the second of institutional ‘fragility’. If policy-makers fail to recognise the complexity of local politics and governance, this carries the danger that those institutions that could make a positive impact on East Timorese communities—such as promoting
women’s political participation—are treated as a ‘lost cause’. However, by viewing governance through the lens of local politics, it becomes clear that customary institutions are not static. Rather, they too are subject to change, and since independence East Timorese communities have proved remarkably adaptive to the changing governance environment. Recognising the intimate, messy process of institutionalisation as it is played out through local politics therefore gives another avenue for policy development, which moves closer to the political reality as experienced in East Timorese communities. This requires that we move away from simplistic, functional understandings of institutions to consider the importance of process in institutions, and institutionalisation.

Endnotes


2 *Lisan*: Traditional law; ethical system encompassing a worldview that recognises still-sentient ancestors. Often referred to by the Malay/Indonesian term *adat*.


11 *Liurai*: King, or royalty; from Tetun ‘lord of the land’.


13 Fieldwork conducted in Venilale from July 2008 to February 2009.

14 Fieldwork conducted in Viqueque in May 2011.

15 *Liurai’s uma lisan*: the sacred house and family of the liurai.

16 D. Cummins and M. Leach, ‘On democracy old and new’.

17 See for example, D. North, ‘Institutions’ p. 97.


21 *ibid*, pp. 128–9.

22 Interviews with domestic violence victims and local stakeholders, conducted by the author in Dili, Baucau and Suai from March to June 2012.

23 D. Cummins and M. Leach, ‘On democracy old and new’.

24 *Nahe biti*: A woven mat upon which people sit to discuss and resolve issues in the community. A *nahe biti bo’ot* is a large mat, to resolve larger problems, and *nahe biti ki’ik* is a smaller mat for smaller problems.
