

Social Institutions in East Timor: Following in the Undemocratic Footsteps of the West¹

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Abstract: When East Timor gained its formal independence in 2002, an opportunity existed for the new country to establish innovative participatory practices in governance, defense and its economy. These alternatives are based on the principles and practices of inclusive, deliberative democracy and assume that citizens have the capacity to control their own society. However, East Timor defaulted to *known* systems: representative government, a military force and a market-based economy. The reasons for this institutional conservatism include unfamiliarity with alternatives, influence and example of dominant systems, and the interests of East Timorese elites. © 2003 Portuguese Studies Review. All rights reserved.

Yet the territory has come a long way since 1999. There is a democratically elected government and the United Nations has trained police and transformed the former guerrilla army, which is ready to take over when UN peacekeepers leave in a year or so ... Problems persist, above all economic.²

Introduction

In 2002, East Timor³ became an independent country after centuries of formal Portuguese rule and, since 1975, Indonesian military occupation. During this latter period, people lost their lives, dissidents spent years in Indonesian prisons, or suffered at home whilst hoping for a chance to control their own destiny. Eventually, belatedly, there was “moral outrage in Australia over the shocking events in East Timor in early September 1999.”⁴ The three years that separated those recent “shocking events” and the formal celebration of independence on 20 May 2002 were dominated by large personalities who could have provided the

¹ Acknowledgment: We thank two anonymous referees for valuable comments.

² Jill Jolliffe, *Sydney Morning Herald* (8-9 March 2003), 20.

³ “East Timor” has been used throughout this paper. However, we acknowledge the increasing use of “Timor-Leste” within East Timor and the indigenous preference for this name.

⁴ Richard Woolcott, “What Australia Lost in Timor,” *The Sydney Morning Herald* (8-9 March 2003), 34.

necessary leadership to take East Timor down a path never traveled, toward genuine democratic governance.

East Timor was fortunate to have spokesmen of the calibre of Xanana Gusmão, José Ramos Horta and Bishop Bello. Xanana is known to be “flexible, forgiving and magnanimous” by even the most hardened political analysts.⁵ Clearly he is a President who will think well about “his” people. Unfortunately, Xanana’s prestige and charisma can potentially retard the political maturity of his fellow citizens. Xanana *et al.* are a handful of powerful people—all educated men, many of them with solid reputations for their former activism—who are assuming disproportionate responsibility for, and control of, East Timor’s future.

Given that the buried dream during Indonesian occupation had been to establish a democratic future, what happened to the central role of East Timorese people in the system that was to emerge? True, there were attempts to involve East Timor’s citizens in describing their own future during those crucial years 1999-2002, but these largely took place in workshops and conferences convened by non-government organizations (often with the *imprimatur* of the “large personalities”). These events did not culminate in any binding decisions and the recommendations from such events could be argued to have been of little consequence in the establishment of social institutions. Any suggestions about innovation or sustainable, people-centered democracy met the full force of powerful, aid-dispensing allies who offered limited ideas: Representative government, market-based economies and military defense. Those allies included the United Nations, Australia and Portugal.

Small countries, like typical citizens, are vulnerable to the bullying of powerful elites. This vulnerability was demonstrated during the discussions about the shared Australian/East Timorese oil reserves when the East Timorese Government claimed that it had been bullied “into an unfavourable agreement which will bring its projected oil and gas income down by tens of billions of US dollars from its earlier expectations.” The negotiation process revealed an arrogance of power: “a leaked transcript of one round of negotiations showed a condescending and impatient Foreign Minister, Alexander Downer, offering the inexperienced East Timorese team a ‘tutorial in politics’.”⁶

When opportunities for major institutional change occur due to collapse of an old order, often the model for the new society is simply a replication of the most well-known system and arises from ignorance, or the arrogance of those with either limited vision, or a perceived advantage in maintaining the *status quo*. An example is the collapse of communist regimes in Eastern Europe and the Soviet Union in 1989-1991. To replace state socialism, the “default option”—namely, the option adopted as a matter of course, without serious consideration of the alternative—was a crude copying of western-style systems of representative government and

⁵ Woolcott, “What Australia lost in Timor,” 34.

⁶ *The Sydney Morning Herald* (10 March 2003), 14.

capitalism, though the market system that resulted in Russia lacked the structural supports that made it more viable in the west. Other options existed at the time but were given scant attention except by marginalized groups. One possibility would have been a revamped system of worker self-management.⁷ Ironically, the Russian revolution of 1917 was initially based on workers' control—the collectives of self-governing workers being called *soviet*—but self-management was soon crushed by the Bolsheviks as they exerted their control and fought a war against internal and external enemies in the years 1918-1920.⁸

It is plausible to presume that choosing the default option is most likely when alternatives are little known and the constituency for them is small or fragmented. Revolutions involving both regime change and social structural change⁹ often involve an extended struggle in which leading challengers to the *status quo* espouse or embody dramatically new social relations. Examples include the American revolution led by colonial rebels espousing republican ideals, the Russian revolution led by Bolsheviks espousing Marxism, the Chinese revolution led by Marxists practicing Mao's version of Marxism, and the Iranian revolution led by clerics espousing Islam. However, in many cases the default option prevails despite a lengthy struggle by a mass movement backed by well articulated belief systems. For example, the independence struggle in India led by Gandhi culminated not in a Gandhian alternative of self-governing villages but instead in states—India and Pakistan—in the usual mold.

In the case of East Timor, there was a lengthy struggle backed by a popular movement, seemingly providing a strong basis for promoting new social relations. However, the primary goal of the movement was independence from Indonesia, without systematic discussion and promotion of specific visions of political and economic alternatives. Therefore, when independence was achieved, it was easy to fall into default options for political, economic and defense systems.

When a certain model of society prevails after a period of turmoil and uncertainty, unsuccessful competing models—potentially viable roads not taken—can be called “repressed alternatives.” Analysis of repressed alternatives, though not routine in historical work, can be illuminating. History is often written as if everything that occurred was inevitable, but in practice all individuals have choices and, in some crucial situations, decisions by key leaders and groups can make significant differences. For example, Barrington Moore, Jr. examined in detail repressed alternatives in Germany in the aftermath of World War I, arguing that a

⁷ Gerry Hunnius, David G. Garson, and John Case, eds, *Workers' Control: A Reader on Labor and Social Change* (New York: Vintage, 1973); Ernie Roberts, *Workers' Control* (London: Allen & Unwin, 1973).

⁸ Oskar Anweiler, *The Soviets: The Russian Workers, Peasants, and Soldiers Councils, 1905-1921* (New York: Pantheon, 1974).

⁹ Theda Skocpol, *States and Social Revolutions: A Comparative Analysis of France, Russia, and China* (Cambridge: Cambridge University Press, 1979).

stronger liberal government would have been possible, perhaps preventing the Nazis from gaining power only a decade and a half later.¹⁰

There are a number of reasons why it is hard to introduce, or even to conceive, alternatives that differ significantly from the dominant models.¹¹ One key factor is familiarity: people know about existing systems, often having grown up in them or observed them over decades. If the known system is a key source of problems, dictatorship for example, then it is easier to mobilise people to oppose it than it is to unite people behind unfamiliar alternatives. An additional complication is that there are many alternatives, making it difficult to achieve the necessary unity to adopt a particular course of action.

Another factor is that problems in existing models of society are often seen as stemming from implementation rather than design, in other words from bad apples rather than a rotten barrel. For example, problems in representative government are commonly attributed to corrupt politicians or poor laws rather than to the system of representation itself. Those in charge of new states are likely to believe that they are different, with higher ideals than conventional politicians, and to be unaware of the ways that institutional structures shape the evolution of beliefs and behaviors.

Alternatives often are threatening to elites, not just to dominant elites in long established societies but also to “alternative elites” in social movements and in newly emerging states. Alternative elites are likely to be more interested in getting different people—namely themselves—into conventional systems of power rather than introducing systems that offer them no special role. Paradoxically, it may also be that the “rebel” role, despite its dangers, is more comfortable than the unfamiliar “reformer” or “inquirer” roles that are essential for building new models of society.¹² As a result of these factors—the familiarity of existing systems and roles, neglect of structural determinants and the interests of alternative elites—social alternatives are likely to be neglected and conventional options adopted.

We now look in more detail at three key systems—political, defense and economic systems—in each case outlining the standard model and some alternatives, noting some reasons why East Timor has so readily adopted the standard model.

¹⁰ Barrington Moore, Jr., *Injustice: The Social Bases of Obedience and Revolt* (London: Macmillan, 1978).

¹¹ Brian Martin, “The Difficulty with Alternatives,” *Social Alternatives* 21 (3) (2002): 6-10.

¹² Lyn Carson, “Innovative Consultation Processes and the Changing Role of Activism,” Paper presented at the Australia New Zealand Third Sector Research, Fifth National Conference, University of Western Sydney (2000).

Political Systems

*We would rather be ruined than changed/We would rather die in our
dread/Than climb the cross of the moment/And let our illusions die.*
(W. H. Auden)

The standard model for a political system in the western world is representative government. This system involves citizens voting to elect representatives who then collectively make decisions for the society. The basic decision principle is rule by the majority, though this is sometimes tempered by special requirements, for example a higher percentage of the vote may be required for constitutional change. Representative government is typically associated with a semi-independent legal system to administer the system of laws passed by the government and by a bureaucratic system to administer government-run systems such as taxation, welfare and the electoral system.

Aside from voting, most citizens are removed from the process of decision making in representative government except in a reactive way. Consequently, many citizens have little faith in their leaders and many elected representatives have little faith in the masses or “the mob.”¹³ Recent research also demonstrates that decision makers and constituents see problems quite differently. Decision makers frequently misjudge constituents’ support for or opposition to particular solutions.¹⁴

Representative government is commonly called “democracy,” though it has only a passing resemblance to classical Greek democracy, of which ancient Athens is the paradigm, which involved popular assemblies for decision making and random selection of public officials.¹⁵ “Democracy” means literally rule by the people, not rule by representatives. In systems of representative government, citizens directly participate in decision making only occasionally, for example through plebiscites, citizen initiatives and referenda. For most people most of the time, politics is more like a spectator sport than an experienced reality. Furthermore, inside most workplaces, governance is authoritarian, without even the façade of representation.

It has been argued that representative government was not designed to deliver democracy but instead to maintain ruling elites by making concessions to appease democrats without granting citizen control. Though “[c]onceived in explicit

¹³ Russell Hardin, “The Public Trust,” in Susan J. P. Pharr and Robert D. Putnam, eds, *Disaffected Democracies: What's Troubling the Trilateral Countries?* (Princeton, New Jersey: Princeton University Press, 2000) 31-51; Joseph S. Nye, Philip D. Zelikow and David King, eds, *Why People Don't Trust Government* (Cambridge, MA: Harvard University Press, 1997); Elim Papadakis, “Constituents of Confidence and Mistrust in Australian Institutions,” *Australian Journal of Political Science* 34 (1) (1999): 75-93.

¹⁴ Warren Centre, Community Values Research Report, (Sydney: The University of Sydney, April 2002).

¹⁵ Mogens Herman Hansen, *The Athenian Democracy in the Age of Demosthenes: Structure, Principles and Ideology* (Oxford: Blackwell, 1991).

opposition to democracy, today it is seen as one of its forms.”¹⁶ Indeed, representative government has become so standard that the word “democracy” is often taken to mean nothing else.

Whether the system of government is the original Athenian model or the modern representative model, it is steeped in conflict. Democracy is thought to offer both the expression and resolution of this conflict, usually achieved through persuasion, bargaining and voting.¹⁷ Representative government, like all other political systems, has both a formal and an informal reality. In small intimate circumstances, such as a committee or a town meeting, decisions may be formally made through voting but the reality may be closer to consensus decision making.¹⁸

Imposing an inappropriate model can have some curious consequences. In East Timor before independence, there was a disjuncture between imposed practices and indigenous circumstances:

If the “wrong” person was placed in a particular position by Portuguese or Indonesian forces, coping mechanisms were developed by the Timorese to excuse or explain the election of this person to that role and to maintain the participation of the “correct” person to avoid ancestral sanction. This desire to avoid ... ancestral sanction and maintain communal equilibrium is evident in post-independence East Timor.¹⁹

A cursory glance among the residents of any East Timor village or town with its thirteen districts will indicate that “representativeness” is not an essential principle for the country’s current restricted definition of democracy because elected representatives almost never reflect the diversity of their constituency. Elected members of any parliament are usually older men, better educated than the general population and well connected with ruling elites.

Genuinely democratic alternatives are those that “promote the meaningful participation of all interested individuals and organizations in decision making.”²⁰ Alternatives that satisfy this goal are described as “deliberative designs,”²¹ which can operate at local, regional or national levels of governance.

¹⁶ Bernard Manin, *The Principles of Representative Government* (Cambridge: Cambridge University Press, 1997), 236.

¹⁷ Jon Elster, ed., *Deliberative Democracy* (Cambridge, UK: Cambridge University Press, 1998).

¹⁸ Jane J. Mansbridge, *Beyond Adversary Democracy* (New York: Basic Books, 1980).

¹⁹ Tanya Hohe, “The Clash of Paradigms: International Administration and Local Political Legitimacy in East Timor,” *Contemporary South East Asia: A Journal of International and Strategic Affairs* 24 (3) (December 2002): 569-589 cited by Sarah Joy, “Timor Loro Sae: Conflict Resolution as a Baptism of Fire. A Micro-Level Study into Lasting Solutions For Peace,” Honours Dissertation, (The University of Sydney: School of Economics and Political Science, 2002), 30.

²⁰ The Earth Charter Initiative, <http://www.earthcharter.org/> (28 April 2003).

²¹ John S. Dryzek, *Discursive Democracy: Politics, Policy, and Political Science* (Cambridge UK: Cambridge University Press, 1990); Carolyn M. Hendriks, “The Ambiguous Role of Civil Society in Deliberative Democracy,” Paper presented at Jubilee Conference of the Australasian Political Studies Association, The Australian National University, Canberra (2002). <http://arts.anu.edu.au/sss/apsa/default.htm>

One deliberative design is the deliberative poll, which is an opinion poll or survey of a statistically significant sample of randomly selected citizens who are then invited to gather together to explore an issue in more depth. At the end of the gathering, the participants are again surveyed to determine how their views have changed. Many deliberative polls have been conducted in various countries including Australia, Britain, Denmark and the US. It is a useful consultation technique for exploring complex and sensitive issues, to gauge the informed opinions of an entire population.

A citizens' jury, also known as a policy jury, usually involves 12 to 20 randomly chosen people in a deeply deliberative process that takes place over two or three days. Members listen to expert witnesses and are exposed to considerable information before discussing the issue in depth and moving toward consensus without necessarily achieving unanimity. The planning cell model typically involves a series of simultaneous citizens' panels, thus overcoming the problem of a smaller sample. Because participants are randomly selected, quite diverse constituencies are tapped: educated, uneducated, employed, unemployed and so on.

Deliberative designs rely on informed participants but not necessarily formally educated participants. Education need not precede participatory democracy, instead it occurs simultaneously. Participants are educated *through* the deliberative designs and no special expertise or level of education is necessary. The authors' personal experience has shown that typical citizens can grapple with considerable complexity and can participate effectively in sensible decision making.

Deliberative designs are excellent methods for involving typical citizens in deliberation over policy formulation and reform. Skilled, impartial facilitation is essential with these methods because it is important for the groups of citizens to control their own group processes and not to give away their power to a chair or to dominating group members. Citizens' juries and planning cells have been in operation throughout the world for three decades and have proven to be very robust decision making methods that have withstood repeated evaluation.²²

Deliberative polls and other such participatory mechanisms can be used as supplements to conventional systems of governance, but it is also possible to *replace* representative systems with participatory alternatives. In the spirit of ancient Greek democracy—but going beyond its restriction of citizenship to male citizens—one option is to replace elections with random selection of representative citizens. The result would be a “representative house”²³ whose members would be more typical of the population than the usual houses of representatives, which are usually dominated by wealthy men, often from a relatively few occupations such as the law.

²² Lyn Carson and Brian Martin, *Random Selection in Politics* (Westport, CT: Praeger, 1999).

²³ Ernest Callenbach and Michael Phillips, *A Citizen Legislature* (Berkeley, California: Banyan Tree Books, 1985). Also accessible via <http://www.well.com/user/mp/citleg.html>

Even more participatory is a hypothetical system called “demarchy.”²⁴ In this alternative, rather than a single group of legislators making decisions about all issues, in each local community there are many different groups, each responsible for a single domain of decisions, such as industry, land use, health, education, water, the money system and so forth. The members of each decision-making group would be chosen randomly from volunteers, with rules to ensure a demographically balanced selection, for example an equal number of men and women. A second layer of groups would make process decisions, namely deciding how decisions would be made. Experiences with policy juries and planning cells suggest that demarchy would generate a high level of citizen participation. Although jumping straight into an untested system such as demarchy would have risks, it would be quite possible to try out the approach in modular fashion, by setting up randomly selected decision-making groups to deal with particular sectors such as education.

What are the possibilities and practicalities for East Timor? The cultural appropriateness of these deliberative designs has already been subjected to analysis.²⁵ It is possible to mix-and-match these participatory methods to create citizen-based outcomes on major political issues that would otherwise be inadequately resolved by elected members of parliament. Therefore, in the presence of the default option, representative government, it is still possible for East Timor to exploit its preference for communal equilibrium with deliberative designs that recognize the importance that East Timorese people place on interdependence and peaceful co-existence. They can be adapted to suit East Timor’s population: for example, its educational level, its language diversity and its desire for social change.

Defense Systems

Military forces are normally justified as necessary to defend against external attack. However, many components of military systems, including troops, training and weapons, can readily be used to attack, so that the distinction between military defense and offence is often difficult to make. The offensive potential of military forces can cause other governments to fear attack, rightly or wrongly, leading to the familiar problem of military arms races. Assuming that the purpose of military forces is primarily defense, offensive potential and military races are an awkward side-effect.

Another potential use of military forces is against a country’s own population. The military serves as a final guarantee against challenges to the state and property.

²⁴ John Burnheim, *Is Democracy Possible? The Alternative to Electoral Politics* (London: Polity Press, 1985).

²⁵ For example, Hans-Jorg Seiler, “Review of ‘Planning Cells:’ Problems of Legitimation,” in Ortwin Renn, Thomas Webler and Peter Wiedemann, eds, *Fairness and Competence in Citizen Participation: Evaluating Models for Environmental Discourse* (The Netherlands, Kluwer Academic Publishers, 1995), 141-156.

For example, troops are called in to break strikes in crucial industries and to quell popular uprisings. This can be called the police function of the military.

In many countries, the military's role as guarantor of the state takes over from its role as a defense force, leading to military control or to military-dominated regimes. The most common use of military forces in the world is against a country's own people. The Indonesian massacres of 1965-1966, with hundreds of thousands killed, are a horrific example. The use of military force for internal repression is another "side effect" of military systems, reflecting lack of any satisfactory answer to the old question "Who guards the guardians?" In small and weak countries, the capacity of military forces to defend against more powerful neighbors is extremely limited, leading to suspicions that the only real purpose of having a military is for internal control. For example, Fiji, a remote set of islands, had little to fear in terms of invasion; but in practice, since the 1980s it has suffered repeated military coups and military interventions in politics, with severe adverse economic and social consequences.

Militaries are hierarchical systems based on command and are notoriously male-dominated. Military training is an exercise in obedience to authority. In short, militaries are the antithesis of participatory democracy. Yet military systems are treated as a default option for defense, so much so that the very word "defense" is assumed to be military defense. However, there are alternatives to military defense.

One option is so-called "defensive defense," which relies on technologies that have little or no offensive capacity such as fortifications and short-range fighter aircraft and avoids long-range bombers and missiles. Defensive defense makes a qualitative difference in high-technology societies such as Europe, but for a poor society such as East Timor, any conceivable military system would have little offensive capacity anyway.

Another option is to have no military. There are dozens of small countries that get along fine without troops, relying only on police to maintain social order.²⁶ The most famous example of a country without an army is Costa Rica, where the army was abolished in 1948.²⁷ Many South and Central American countries have suffered from coups and military dictatorships, so the option of simply doing without a military seems worth trying.

East Timor military forces would have little chance of defeating an invasion from Indonesia or indeed from virtually any power with significant naval forces. Although FRETILIN fought a courageous guerrilla struggle against the Indonesian occupation, liberation was achieved primarily through nonmilitary means, including people's action in urban areas and support from solidarity groups internationally.

²⁶ APRED (Association for the study and practice of demilitarisation and non-militarisation), <http://www.demilitarisation.org/> (12 May 2003).

²⁷ Solveig Aas and Tord Høivik, "Demilitarization in Costa Rica: A Farewell to Arms?" in Andreas Maislinger, ed., *Costa Rica: Politik, Gesellschaft und Kultur eines Staates mit Ständiger Aktiver und Unbewaffneter Neutralität* (Innsbruck, Austria: Inn-Verlag, 1986), 343-375.

In the last decade of the struggle, FRETILIN troops avoided initiating action in order to minimize pretexts for Indonesian repression.²⁸

Social defense—also called nonviolent defense or civilian-based defense—is a nonviolent alternative to military defense.²⁹ It relies on popular nonviolent action, including rallies, strikes, boycotts, fraternization, fasts, sit-ins and parallel institutions. Rather than defending territory, social defense is based on defending a way of life. It succeeds by countering the power and undermining the will of the opponent.

In a social defense system, people would be educated and trained in methods of nonviolent resistance. Communication systems would be designed for resilience in the face of attack, including the capacity to contact potential supporters internationally, including in potential aggressor countries. (After the invasion of East Timor, the Indonesian government cut off virtually all external communication. The Australian Government assisted this process by repeatedly seizing a short-wave radio in the north of Australia used for contacting FRETILIN). Citizens would study foreign languages and cultures in order to be better able to mount convincing arguments against aggressors and to win over invading troops. Energy, housing, transport, agriculture and other technological systems would be designed in a decentralized fashion, minimizing the potential for takeover or destruction. Efforts would be made to foster community solidarity to reduce the effectiveness of divide-and-rule tactics by aggressors.

As suggested by this outline, preparing for social defense means developing the capacity of citizens to participate in social action even when there is no external threat. Participation in nonviolent action is possible by women, children, the elderly and people with disabilities, unlike military forces where young fit men predominate. Setting up decentralized systems for communication, energy and other crucial functions enables greater local control. Decision-making systems for social defense must be resilient to the loss of key leaders; such systems put a premium on spreading of leadership skills and tasks, similar to what is needed for participatory democracy. In short, social defense meshes extremely well with participatory processes.³⁰

If social defense has so many advantages, why has it not been adopted anywhere in the world? Part of the explanation is that military defense is the default option: social defense, despite decades of research and promotion, remains largely unknown. In addition, social defense is a threat to the power of elites. In essence, developing a social defense system means giving people skills in action and

²⁸ Chisako M. Fukuda, "Peace Through Nonviolent Action: The East Timorese Resistance Movement's Strategy for Engagement," *Pacifica Review* 12 (1) (2000): 17-31.

²⁹ Anders Boserup and Andrew Mack, *War Without Weapons: Non-violence in National Defence* (London: Frances Pinter, 1974); Robert J. Burrowes, *The Strategy of Nonviolent Defense: A Gandhian Approach* (Albany: State University of New York Press, 1996); Michael Randle, *Civil Resistance* (London: Fontana, 1994).

³⁰ Brian Martin, *Social Defence, Social Change* (London: Freedom Press, 1993).

self-reliance that can be turned against governments and corporations, especially against corrupt, exploitative and repressive ones. The default option of military forces instead gives power to “professionals,” not the people. In several newly independent countries, for example Latvia and Lithuania, popular nonviolent action played a key role in liberation struggles.³¹ Yet on achieving independence, these countries adopted conventional military systems.

Economic Systems

*Faced with the choice between changing one's mind and proving that there is
no need to do so, almost everyone gets busy on the proof*
(John Kenneth Galbraith)

Today the only viable economic system, in the eyes of many commentators, is capitalism, euphemistically called a free market economy. So standard is capitalism that the code word “democracy,” when used by leaders of western governments, describes a package: representative government and capitalist economics. In other words, capitalism is the default option for running an economy and is the presumed accompaniment of representative government.

Capitalism involves private ownership of farms, fields, factories and information, this ownership being backed by the power of the state. The state also plays a key role in regulating markets,³² both by keeping some of them open (such as opportunities to set up McDonald's restaurants and to sell patented pharmaceutical drugs or weapons systems) and keeping some of them closed (such as barriers against Third World farmers selling primary produce in rich countries, laws banning reproduction of songs, and immigration controls preventing laborers taking their labor power to different buyers). As our examples suggest, “free market” is a misnomer: markets are subject to enormous forces, not least at an international level by the World Bank, International Monetary Fund and World Trade Organization, in a way that can generally be characterized as serving the interests of groups with the greatest power.

Capitalism, for a country such as East Timor with a small economy and little development of industry and the information sector, means continued poverty and dependency, at least if the experience of other poor countries over the past half a century is any guide. The only consolation is that many East Timorese are subsistence farmers, for whom market relations are of secondary importance.

Since the collapse of East European regimes in 1989, state socialism has become a discredited model. Before the 1975 Indonesian invasion, FRETILIN was strongly influenced by Marxism but, in the course of the independence struggle, socialist

³¹ Olgerts Eglitis, *Nonviolent Action in the Liberation of Latvia* (Cambridge, MA: Albert Einstein Institution, 1993).

³² Michael Moran and Maurice Wright, eds, *The Market and the State: Studies in Interdependence* (London: Macmillan, 1991).

ideology was subordinated to the cause of national independence. This has meant that the capacity to create a socialist society, of whatever variety, is limited.

The usual model of socialism involves a state-directed economy. But there are alternatives built more around grassroots organization. One option is workers' cooperatives, in which workers collectively make decisions about production and work. The Mondragon workers' cooperatives in Spain offer the best contemporary example. Another option involves economic schemes run by and for local people, such as LETS (Local Employment and Trading System), using information systems to coordinate local exchange of goods and services, of which there are many working examples.³³ A related option is use of local currencies; evidence suggests that suitably designed currencies can greatly stimulate local enterprise.³⁴

A more fundamental challenge to the assumptions underlying capitalism is provided by Gandhian economics, which is founded on principles of community self-reliance, widespread participation in production of the necessities of life, satisfaction only of needs (not wants), trusteeship (looking after resources for the good of the community), non-exploitation and equality.³⁵ There were major movements in both India and Sri Lanka for this sort of alternative, called *sarvodaya*, though they were largely overwhelmed by capitalism.³⁶

Self-help savings groups and credit unions which provide credit (from community generated funds) and savings facilities for the rural population would be a logical alternative to traditional banks, for example in East Timor. Yet more than two years after the independence referendum, these have not developed to any significant degree. While non-government organizations offering micro-credit and savings services exist, they have largely gone about doing their business without any attention or support from either UNTAET or the current government, despite a US\$ 4 million fund provided to the Asian Development Bank in 2000 for promotion of microfinance initiatives.

These are some of the many economic alternatives to the standard versions of capitalism found in most countries today. The fact that such alternatives are so little known is a reflection of the power of the dominant model. Advocates of local currencies or *sarvodaya* do not have lavish budgets or the capacity to send advisers to newly independent states such as East Timor, whose leaders are consequently vulnerable to the influence of governments and international organizations with the usual economic agendas. Is it any wonder, then, that significant economic alternatives have been largely ignored in East Timor?

³³ Richard Douthwaite, *Short Circuit: Strengthening Local Economies for Security in an Unstable World* (Totnes, Devon: Green Books, 1996).

³⁴ Thomas H. Greco, Jr., *Money: Understanding and Creating Alternatives to Legal Tender* (White River Junction, VT: Chelsea Green, 2001).

³⁵ Romesh Diwan and Mark Lutz, eds, *Essays in Gandhian Economics* (New Delhi: Gandhi Peace Foundation, 1985).

³⁶ Detlef Kantowsky, *Sarvodaya: The Other Development* (New Delhi: Vikas, 1980).

Conclusion

East Timor, in becoming an independent country, followed a well-trodden path in its choice of social institutions, adopting standard models of representative government, capitalism and military defense. Indeed, to speak of a “choice of social institutions” is an exaggeration: there was little discussion of options, hence, in a sense, the choice was preordained. To put it another way, there is a tiny repertoire of conventional options for a country’s social institutions, and seldom does thinking go beyond these. The political structure is either representative government or a more authoritarian system (or sometimes authoritarian government with a patina of representation), the economic structure is capitalism with some level of government regulation, and the defence structure is either military or nonexistent. In each case, there is a default option (or maybe two) that is so taken for granted but the existence of social alternatives is invisible. The same applies to most other structures of significance, including legal, technological and bureaucratic systems.

Introducing alternatives in East Timor would have been challenging due to a number of practical obstacles, such as the serious shortcomings in communication and transportation infrastructure that would have made widespread consultation more difficult. But for each such obstacle there are various creative potential solutions. Although practical obstacles are important, there is little evidence that these were what stymied introduction of alternatives. Rather, major departures from default options were apparently hardly considered.

It would be possible to analyze in detail the forces that led to East Timor’s adoption of conventional social institutions, in the process showing the weight of history and thinking on social choices. That is an important task. Our aim, though, is the different one of pointing to roads not taken.

Ironically, the more significant the structure, the less likely it is that alternatives will be considered. For example, within systems of representative government there are many varieties of electoral systems—single and multiple-member electorates; preferential and nonpreferential voting; voluntary and compulsory voting; elections with or without primaries—but there is little substantial variation in the fundamental approach of representation itself.

How can alternatives become real possibilities and not simply impossible ideals? The first step is for alternatives to be seriously discussed. That means basic questions about political, economic and defense systems need to be debated widely, in the same way that debates currently occur about variations within structures. For example, as well as debating how voting might occur—an issue in discussions about representative government—there could be debates covering alternative systems such as consensus building and random selection.

The next step is for social experimentation, namely the systematic testing of social alternatives, to become seen as legitimate and normal. Different regions of a country, or different constituencies, could be offered the opportunity to experiment with different political, economic, defense or other systems, with careful

preparation, monitoring and evaluation by independent social investigators. Treatment of alternatives as experiments avoids the perception that decisions about social structure are an all-or-nothing proposition. By the same token, the default option should also be seen as a social experiment and subject to the same level of scrutiny.

So far, experimentation with social alternatives has remained a marginal activity, usually at the initiative of supporters such as advocates of citizens' juries, local employment and trading systems, and nonviolent action. Advocacy is essential for such alternatives to be treated seriously, but to obtain mainstream endorsement they require legitimacy.

New countries such as East Timor continue to provide promising opportunities for testing social alternatives, but this will come to nought so long as thinking remains restricted to the dominant options.