

Abstract

While there is broad agreement among scholars and practitioners on the importance of ‘good governance’, ‘the rule of law’ and ‘effective institutions’ for ensuring positive development outcomes, we have a much poorer understanding of how such goals should be realised. Whether informed by modernisation theory, Marxist perspectives or neoclassical assumptions, the prevailing imperatives guiding the work of development actors—from international agencies to national line ministries and local non-government organisations—tend to produce reforms that encourage (and in some cases actively require) rapid, linear, technically driven transitions to pre-determined end-state institutional forms deemed to be global ‘best practice’. Drawing on two very different cases from Indonesia and Cambodia, we outline an alternative, more process-oriented approach that focuses on building ‘interim institutions’—that is, formal or informal institutions conceived of in terms of their potential to engage with and incrementally transform the political economies within which they exist. Successful interim institutional approaches, we suggest, are hybrid in their nature; they are based on local knowledge but promote principles of rule-based, transparent and accountable decision making towards an end-state which emerges through a process of equitable political contestation (‘good struggles’), and is thus largely unknowable *ex ante*. A key goal of development assistance strategies should be to support the emergence of interim institutions which can both facilitate and be transformed by such contests.

Keywords: Interim institutions, Political contestation, Development processes, Rule of law, Local knowledge

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