

**Instituto Nacional de Ciências e Tecnologia de
Timor-Leste**



**Final Scientific Report
INCT 2024**

*“Cultural Influences on Family Income and Expense
Management in Timor-Leste (Study Case in Urban and
Rural Areas)”*

Principal Investigator:

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October 2024

Instituto Nacional de Ciências e Tecnologia de Timor-Leste



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(Study Case in Urban and Rural Areas)”*

Knowledge Area: Economics, Finance, and Public Policy.

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“Cultural Influences on Family Income and Expense Management in Timor-Leste (Study Case in Urban and Rural Areas)”

Knowledge Area: Finance

Year of Completion: 2024

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Abstract

This research investigates the cultural influences on family income and expense management in both urban and rural areas of Timor-Leste. By focusing on five key municipalities-Oecusse, Lautem, Baucau, Bobonaro, and Dili-the study explores how traditional practices, social structures, and local customs shape financial behavior across diverse regions. Using a qualitative research methodology, the study relies on in-depth interviews with key informants, including village chiefs, traditional leaders, women's and men's representatives, and heads of households. These informants offer insights into the socio-cultural factors that guide household income allocation, expense priorities, and savings strategies.

The analysis reveals distinct cultural dynamics between urban and rural areas, particularly in how communities adhere to traditional practices such as dowry (*barlake*), community obligations, and extended family support systems. In rural areas, income and expense management often reflect collective decision-making influenced by local customs, while urban households show a gradual shift towards more individualistic financial practices. Gender roles also play a significant part, with women often responsible for managing household expenses and savings, albeit within culturally defined limits.

This research contributes to the understanding of how cultural factors impact financial management at the household level in Timor-Leste, providing valuable insights for policymakers, financial institutions, and development programs aimed at improving economic stability and promoting sustainable financial practices. The study concludes with recommendations to tailor financial literacy programs and microcredit initiatives to the cultural context of both rural and urban households in Timor-Leste.

Keywords: Cultural, family income, expense management, urban, rural areas, dowry, household, financial practices, Timor-Leste

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Lists of Abbreviations

FGD	Focus Group Discussion
IFRS	The International Financial Reporting Standards
INETL	National Institute of Statistics of Timor-Leste
IRS	Internal Revenue Service
NGOs	Non-Governmental Organizations
SAR	Special Administrative Region
STEM	Science, Technology, Engineering, and Mathematics

1. INTRODUCTION

1.1 Contextualization

In Timor-Leste, a small island nation nestled in Southeast Asia, cultural traditions and societal norms play a pivotal role in shaping various aspects of family life, including income and expense management. Within this dynamic cultural landscape, practices such as dowry, *lia mate* (mourning rituals for the death of family members), *lia moris* (celebrations including weddings and parties), and *fetosan umane* (community contributions for cultural and traditional events) significantly influence the economic behavior of families residing in both urban and rural areas. These cultural phenomena, observed in municipalities like Dili, Bobonaro, Oecusse, Baucau, and Lautem, are not only deeply ingrained in Timorese society but also impact financial decision-making processes, household dynamics, and resource allocation strategies. The study of Khan et al. (2023) supports these phenomena by acknowledging that although most people are against dowries, they continue to be practiced in contemporary metropolitan cultures in spite of financial difficulties. Respondents to the current study recommended that actions be taken by the state as well as the elderly to reduce the burden. The pressure to meet dowry demands can also lead to financial strain and abuse for both the bride and her family (Singh, 2023). In addition to that, Tyagi et al. (2023) study the impact of cash dowry expectations on household finances and girls' education, finding that dowry obligations limit funds for education, particularly in costly STEM fields.

McWilliam's (2011) study on marriage exchanges in Timor-Leste reveals a complex network of reciprocal payments and gift-giving between the bride and groom's households. Symbolically masculine goods, such as buffalo and swords, are exchanged for symbolically female gifts like pigs and woven cloths, reflecting cultural values and gender roles. The economic implications of these exchanges, including the substitution of traditional bride wealth items with currency, highlight the interplay between cultural practices and economic decisions.

Additionally, Marselina et al. (2023) shed light on the significant costs associated with traditional ceremonies in Indonesia, illustrating the financial burden these cultural practices can impose on families. In Timor-Leste, domestic pigs hold cultural and economic significance, being used as exchange gifts and for ceremonial purposes (Hunter et al., 2022). The management of pig

marketing systems, varying from the sale of pigs at weaning to mature aged pigs, further underscores the economic intricacies of cultural practices in household economies.

This research seeks to understand how cultural influences shape income and expense management across the urban-rural divide in Timor-Leste. Urban areas, like Dili, tend to be more exposed to formal employment opportunities and market-driven consumption, resulting in financial behaviors that are more restrained, especially regarding spending on cultural ceremonies. For example, some informants from Dili exhibited a more reluctant posture toward such spending, likely due to the financial pressures of urban living and exposure to different cultural norms.

In contrast, in rural areas, such as Lautem, subsistence agriculture and strong community-based support systems are prevalent. These systems often prioritize cultural obligations, such as ceremonies, where spending remains an integral part of social and communal life. Interestingly, even within urban settings in municipalities like Lautem, there is a noticeable trend toward spending less on cultural ceremonies compared to rural areas. This contrast highlights the influence of economic conditions, community expectations, and other factors like education and exposure to diverse cultures, which shape financial behaviors differently in urban versus rural contexts.

In sum, this research takes into account not only the differences between urban and rural settings but also the impact of other factors, such as education and cultural exposure, which may alter traditional financial practices. Through qualitative research methods, including interview, focus group discussion and participant observation, this study seeks to understand the life experiences and perceptions of individuals and families regarding the intersection of culture and economic practices.

By illuminating the cultural underpinnings of family income and expense management in Timor-Leste, this research intends to inform context-specific approaches to economic empowerment and sustainable livelihoods. Insights gained from this study will be valuable for policymakers, development practitioners, and community stakeholders in promoting cultural and gender-sensitive interventions that support the economic well-being of families across the country (Kumar,2020).

1.2. Theoretical Framework

1.2.1. Cultural

Cultural refers to the ideas, customs, social behavior, and artifacts that characterize a particular society or group. It encompasses a wide range of human activities and expressions, including language, art, religion, rituals, traditions, and values. Cultural aspects are passed down through generations and shape the identity and worldview of individuals and communities (Keesing, 1974).

According to Merriam-Webster, "cultural" pertains to "the ideas, customs, and social behavior of a particular people or society" and reflects the collective practices and norms that define a group's way of life (Doniger, 1999).

Spencer et.al (2012) defines culture as "the social behavior and norms found in human societies" and explains that it includes knowledge, belief, art, law, morals, customs, and any other capabilities and habits acquired by humans as members of society.

In *Cultural Anthropology: A Toolkit for a Global Age*, the term "cultural" describes shared meanings and practices that influence social interactions. Modern anthropologists define culture as the complete set of knowledge, beliefs, arts, morals, laws, customs, and behaviors learned in society (Wright, 1998).

Psychology Today explains culture as "the set of shared attitudes, values, goals, and practices that characterizes an institution, organization, or group" and emphasizes its role in influencing behavior and social interactions (Lonner, 1994).

Culture emerges from the dynamic interplay of human activities and the boundless creative capacity of the human mind. It encompasses a rich tapestry of elements, including reason, beliefs, arts, customs, and much more (Marselina et.al 2023). In the words of Panginja (2020), culture is an embodiment of shared values and a unified mindset within a society. It arises when a community comes together, finding common ground in their social lives. This collective consciousness enables the growth of distinct characteristics, often expressed through cherished activities and traditions that are nurtured and celebrated by the community. Culture is a vibrant tapestry of beliefs, customs, and practices that evolves and is collectively embraced by a group of people. Passed down from generation to generation, culture embodies the essence of a community's way of life. It functions as a self-sustaining system, as it encompasses a comprehensive set of behaviors that persist

independently, without relying on other systems for continuity. By reflecting the norms, values, and behaviors of its adherents, culture serves as a profound expression of identity and collective heritage (Ramadhan et.al 2023).

1.2.2. Cultural Practices

Merriam-Webster defines cultural practices as "the habitual or customary activities of a group of people, including their traditions, rituals, and daily routines." This definition highlights how these practices are integral to the social fabric of a community (Doniger, 1999).

According to *Encyclopaedia Britannica*, cultural practices encompass "the social behaviors and norms that characterize a particular group or society." These practices include rituals, ceremonies, and everyday habits that are passed down through generations (Britannica, 1993).

Rituals and ceremonies are formal, often religious or spiritual, practices that mark significant events or transitions in life. These can include birth ceremonies, weddings, funerals, and religious rites. *Encyclopaedia Britannica* explains that rituals are symbolic actions that express and reinforce cultural beliefs and values.

Festivals and celebrations are communal activities that honor cultural, religious, or historical events. Examples include national holidays, religious festivals, and traditional feasts. According to *The Balance*, these events serve to strengthen community bonds and preserve cultural heritage.

Customs and traditions are habitual practices that are passed down through generations. These include daily routines, traditional crafts, and special customs related to food, dress, and social interactions. *Cultural Anthropology* defines these as practices that form the daily life and social behavior of a community (Keesing, 1965).

1.2.3. Definition of Dowry and Brideprice

According to *Merriam-Webster*, dowry is defined as "money, goods, or estate that a woman brings to her husband in marriage" and is a traditional practice in many cultures (O'Connor, 2015).

The *Encyclopaedia Britannica* explains that dowry is "a transfer of parental property, wealth, or money at the marriage of a daughter" and has been a common practice in various cultures around the world, often reflecting social and economic conditions.

In *The Oxford Companion to Family and Local History*, dowry is described as "a form of wealth transfer from the bride's family to the groom or the groom's family" and provides historical insights into its role in marriage arrangements across different societies (Duckett, 2009).

The Law Dictionary defines dowry as "a sum of money or property given to the groom by the bride's family" and discusses its legal implications and variations in different legal systems systems (Rao, 1973). In Siwan Anderson's article "The Economics of Dowry and Brideprice," dowry is typically defined as a transfer of parental property or wealth to the groom or his family at the time of marriage, while brideprice refers to a payment made by the groom or his family to the bride's family as part of the marriage arrangement. Anderson also highlights the different economic dynamics involved in each practice, with dowry often being seen as a form of financial support for the groom's household and brideprice as a compensation to the bride's family for the loss of her labor and potential contributions. Both practices reflect broader social and economic structures within various cultures (Anderson, 2007).

1.2.3.1. Dowry/Brideprice Practice

- a) **Traditional Dowry:** Traditional dowry involves the transfer of money, property, or other valuables from the bride's family to the groom's family as part of the marriage arrangement. This practice has been prevalent in many cultures, including South Asian societies, where it often includes items like cash, jewellery, and household goods. According to *Encyclopaedia Britannica*, traditional dowry systems have historically been used to support the new household and establish the bride's status in the marriage.
- b) **Dowry/Brideprice in South Asia:** In South Asian cultures, dowry is a significant practice with deep historical roots. The dowry system in countries like India, Pakistan, and Bangladesh often involves substantial financial or material contributions from the bride's family. This practice is sometimes associated with social status and family prestige. *The Oxford Companion to Family and Local History* provides a detailed overview of the dowry system in South Asia, highlighting its impact on family dynamics and social structures.
- c) **Dowry/Brideprice in the Middle East:** Anderson (2007) notes that brideprice is prevalent in some Middle Eastern cultures, linked to compensation and influencing women's perceived value. She discusses dowries as financial security for women, affecting their marital status. Economic factors, social structures, and legal frameworks also shape these practices and their impact on gender roles and family dynamics. This is often seen as a way to ensure financial stability for the couple and is sometimes tied to cultural and religious

practices. *Encyclopaedia of Islam* explains how dowry practices in the Middle East are influenced by Islamic law and local customs. Anderson (2007) emphasizes the complex interplay between economic incentives and cultural traditions in shaping marriage practices in Europe and highlights how these practices were influenced by factors such as inheritance customs, economic conditions, and social norms. She notes that dowries were more common in certain European societies comparing to brideprice, reflecting property and family status.

- d) **Dowry/Brideprice in the in Timor-Leste:** In Timor, marriage is fundamentally a contract between families, making it more of an "alliance between two families" (Pereira, 2020). The terms of this alliance are negotiated by the uncles of the bride and groom. As part of Timorese marriage rituals, valuable gifts are exchanged between the families, a practice known in Tetum as *barlake*. These exchanged items must hold equal cultural symbolism, though the objects from the bride's family are considered symbolically superior, as her lineage is believed to represent the sacred source of life. The *barlake* given to the bride's family signifies respect, adds value to the bride, and enhances her status. Failing to provide a *barlake* is seen as disrespectful to the bride's parents. The exchange of these valuables is rarely completed in a single event but rather unfolds through various ceremonies over the course of the marriage. This ongoing exchange gives the bride's family a degree of influence over how their daughter and her children are treated. Beyond the material exchanges, obligations also extend to rituals throughout life, including funeral rites (Niner, 2012). Timorese people emphasize that *barlake* is not disrespectful to the bride, nor does it limit her freedom to choose a spouse. In fact, the exchange of gifts serves to honor the bride, affirm her value, and elevate her social status (Silva, 2019).
- e) **Modern Dowry Practices:** Contemporary dowry practices are evolving in response to changing social norms and legal reforms. In some regions, dowry systems are being reformed or challenged due to issues related to gender equality and economic fairness. *Merriam-Webster* discusses modern interpretations and adjustments to dowry practices in light of contemporary values and legal changes (Merriam-Webster). Anderson (2007) explores the varied evolution of marriage payments like dowry and brideprice across regions, influenced by economic development, urbanization, and social norms. While some

areas see a decline in traditional practices, others maintain them for cultural reasons, reflecting broader societal changes affecting gender roles and family structures.

- f) **Legal Aspects and Reforms:** In several countries, legal reforms have been introduced to address issues associated with dowry practices, such as dowry-related violence and discrimination. For example, laws in India have been enacted to prevent dowry harassment and protect women's rights. *The Law Dictionary* provides insights into the legal aspects of dowry and the reforms aimed at regulating this practice (The Law Dictionary).

1.2.4. Mourning Definition

Mourning refers to the process of expressing grief and sorrow following the death of a loved one. It involves a range of emotional, psychological, and cultural responses and practices designed to honor the deceased and help individuals cope with their loss. Mourning can include rituals, ceremonies, and personal reflections, and it often varies depending on cultural, religious, and personal beliefs (Marrone, 1998).

According to Merriam-Webster, mourning is "the act of sorrowing or expressing grief over someone's death" and includes the various ways in which people grieve and remember those who have passed away (Morley, 2023).

Psychology Today defines mourning as "the process of adapting to the death of a loved one," emphasizing that it involves emotional and psychological adjustments and can vary greatly among individuals and cultures (Neimeyer et.al 2002).

Encyclopaedia Britannica describes mourning as "the customs, rituals, and practices observed by a community or individual in response to a death." It highlights how mourning practices are influenced by cultural, religious, and social factors (Britannica, 1993).

In *Death, Society, and Human Experience*, the term mourning is discussed as "the culturally specific practices and rituals carried out by individuals and communities in response to death," including ceremonies, dress codes, and periods of mourning (Kastenbaum, 2009).

The Oxford Dictionary of the Christian Church explains that mourning often includes religious ceremonies and practices designed to honor the deceased and provide solace to the bereaved (Cross, 2005).

1.2.2. Income

Merriam-Webster defines income as "a gain or recurrent benefit usually measured in money that derives from capital or labor; also: the amount of such gain received in a period of time".

According to the Encyclopaedia Britannica, income is "the return in money from one's business, labor, or capital investment" and includes wages, salaries, interest, rent, and profits.

Investopedia defines income as "the money a person or entity receives in exchange for their labor or investment".

The International Financial Reporting Standards (IFRS) define income as "increases in economic benefits during the accounting period in the form of inflows or enhancements of assets or decreases of liabilities that result in increases in equity, other than those relating to contributions from equity participants" (Adzis et.al, 2011).

Income can be defined as the total amount of money or resources earned or received by an individual or household over a specific period. It includes both monetary and non-monetary forms of compensation and is often used as a measure of economic well-being. According to Shuani (2016), household income can be categorized into three types: Real Income, Money Income, and Psychic Income. Money Income: Money income refers to the purchasing power an individual or household possesses over a specific period. It encompasses all forms of earnings received by a family in exchange for goods or services. This includes wages, profits, salaries, rent, interest, pensions, gifts, dividends, royalties, securities, and other monetary forms of income. Real income represents the quantity of consumer goods, services, and public goods available during a given time frame. It encompasses both consumer goods and producer items. Real income is an indicator of the actual material resources accessible to a family or individual. Psychic income refers to the happiness or satisfaction derived from utilizing one's actual and financial resources. It is an intangible and subjective concept, as it varies from person to person. Psychic income is also referred to as enjoyment income, as it encapsulates the joy and fulfillment experienced by an individual or family through the proper utilization of their real and monetary income. Psychic income is unique to each individual, influenced by personal preferences, values, and aspirations. It represents the non-monetary benefits and well-being derived from the use of resources over a specific time period (Altman & Lamontagne, 2004).

1.2.2.1. Types of Income

- a) **Earned Income** refers to the income that individuals receive from employment or self-employment activities. This type of income encompasses wages, salaries, bonuses, tips, and commissions. It is directly linked to the work performed by an individual and is typically subject to income tax. According to the Internal Revenue Service (IRS), earned income includes all taxable income and wages received from working (Holbrook & Stafford, 1971).
- b) **Business Income** is the revenue generated from engaging in business activities. This includes profits earned from operating a business, as well as income derived from the sale of goods and services. Business income reflects the operational success of a business entity and is critical for assessing its financial health. As described by Investopedia, business income is a type of earned income and is classified as ordinary income for tax purposes.
- c) **Investment Income** is the income accrued from investments. This includes interest earned from savings accounts, dividends received from stocks, and earnings from bonds. Investment income represents the financial returns generated by deploying capital into various investment vehicles. The Balance notes that investment income is derived from the act of investing money to generate returns.
- d) **Rental Income** is the money earned from renting out property. This can include residential, commercial, or industrial property rentals. Rental income is a consistent source of revenue for property owners and is often used to supplement other forms of income. According to Nolo, rental income refers to earnings from property leases and is subject to specific tax regulations.
- e) **Capital Gains** are the profits earned from the sale of assets or investments at a higher price than the original purchase price. This includes gains from selling stocks, real estate, or other investment assets. Capital gains are a key indicator of successful investment strategies and are often subject to capital gains tax. Investopedia explains that capital gains are realized when an asset is sold for more than its purchase price.
- f) **Royalty Income** is earned from permitting others to use intellectual property, such as patents, trademarks, copyrights, or natural resources. This type of income is typically generated through licensing agreements and provides a recurring revenue stream to the

intellectual property owner. Investopedia defines royalty income as payments made to the legal owner of a property for the right to use that property.

- g) **Pension and Retirement Income** refers to the funds received from pension plans, retirement accounts, or social security benefits after an individual has retired from active employment. This type of income is designed to provide financial support during retirement years. Investopedia highlights that retirement income generally includes various forms of payments from pension plans and other retirement savings.
- h) **Transfer Payments** are government-provided benefits that do not require a direct exchange of goods or services. These payments include unemployment benefits, welfare payments, and social security benefits. Transfer payments are designed to provide financial support to individuals in need and are a crucial aspect of social welfare systems. Investopedia describes transfer payments as payments made without goods or services being received in return.

1.2.3. Family Income

Family income, as defined by Investopedia, refers to the "combined income of all members of a household," including earnings from employment, investments, and other sources. This concept extends beyond wages to encompass diverse financial contributions, providing an overall picture of a household's financial resources. Similarly, The Balance describes family income as "the total income received by a family unit, including wages, salaries, business income, rental income, and investment returns," emphasizing the household's capacity to manage expenses and save for the future (Muhammad, 2015). The U.S. Census Bureau offers a broader perspective, defining family income as the sum of all income earned by family members from various sources, serving as a key metric in demographic and economic research to assess living standards and poverty levels.

Different types of income contribute to family income. Earned income, the most common form, includes wages and salaries from employment or self-employment. Investopedia highlights that this type of income represents the compensation received for labor or services. Investment income, as explained by The Balance, consists of earnings from financial investments such as interest from savings accounts, dividends from stocks, and capital gains. Rental income, defined

by Nolo, refers to earnings from property leases, which can be an essential income source for property owners. Pension and retirement income, as noted by Investopedia, supports families during retirement and includes payments from pension plans, retirement accounts, or social security benefits. Transfer payments, explained by Investopedia, are government benefits such as unemployment benefits and welfare, intended to provide financial support without requiring direct compensation. Lastly, royalty income, as described by Investopedia, is earned through licensing intellectual property, including patents and copyrights.

Research supports the influence of family income on various life outcomes. Studies from the UK demonstrate that low income affects children's educational outcomes even when controlling for family background and ability (Gregg & Machin, 2000; Hobcraft, 1998). In the U.S., research shows that family income positively influences educational attainment, though the strength of this effect varies (Mayer, 1997; Houston et al., 2001; Levy & Duncan, 2000; Clark-Kaufman et al., 2003). Income's impact on children's success can be seen in investments in education-related resources such as books, toys, and cultural outings (Gregg et al., 2004).

Several factors influence family income, including education, employment, and family structure. Human capital theory posits that education significantly impacts earning potential, as those with higher educational attainment typically earn more (Becker, 1993). Employment status and job characteristics, such as industry and occupation, also play a role in determining income. Blau and Kahn (2000) highlighted the importance of labor market participation and wage disparities in shaping family income. Family structure is another crucial factor; marriage, as Waite and Gallagher (2000) argue, often leads to greater economic stability due to pooled resources and shared expenses. However, cohabitation has emerged as an alternative family structure, showing mixed economic outcomes (Lichter, Qian, & Mellott, 2006).

The economic challenges of single-parent families have been well-documented. Edin and Kefalas (2005) found that low-income single mothers face significant barriers, including limited access to quality education and employment, which restricts their earning potential. Policy interventions like welfare support and tax credits aim to alleviate these challenges but often fall short due to eligibility restrictions and benefit inadequacies (Meyer & Cancian, 1998). McLanahan and Percheski (2008) noted that these disadvantages often persist across generations, limiting children's future economic mobility.

Family structure also affects financial stability through mechanisms such as dual incomes, economies of scale, and resource sharing. Biblarz and Raftery (1999) argue that two-parent families benefit from the financial advantages of dual incomes, while single-parent families face increased childcare costs and fewer opportunities for shared expenses. Additionally, two-parent households are better positioned to invest time and resources into their children, improving their long-term economic prospects (Amato, 2005). These dynamics underscore the crucial role family structure plays in shaping economic outcomes.

1.2.4. Expense

An expense refers to the financial cost or outlay incurred by individuals, households, or businesses in order to obtain goods, services, or assets. It represents the financial burden required to maintain daily operations, secure benefits, or achieve desired outcomes. In accounting terms, expenses play a critical role in the financial performance of an entity as they directly affect profitability and equity.

According to Maisur (2023), as cited by Supriyono (2011:14), expenses are defined as costs that are consumed or incurred with the goal of generating income (revenues) within a specific accounting period. This concept emphasizes the relationship between expenses and the revenue-generation process, wherein expenses are necessary investments for producing income. Without incurring these costs, it would be difficult for businesses to operate and for individuals or households to maintain their financial standing.

Raja Adri Satriawan Surya, in his Financial Accounting book based on IFRS standards (Maisur, 2023), expands this definition by describing expenses as a reduction in economic benefits during an accounting period. These reductions take the form of an outflow or depletion of assets, or the assumption of liabilities. This results in a decrease in equity, though it does not include distributions to capital investors. In this sense, expenses lead to a decline in the overall financial position of a business or household, as they deplete resources without corresponding gains in equity.

Moreover, Soemarso (2013:29) elaborates on this by explaining that expenses are the measurable outflows of goods or services. These are compared against income to calculate profit. In simple terms, expenses are the costs that a business or household must bear in order to maintain operations, and they are essential for determining profitability. Soemarso's definition highlights

that expenses not only lead to a reduction in net assets but are also linked to the utilization of economic resources aimed at generating income or fulfilling tax obligations. By reducing net assets, expenses reduce the financial capacity of the business or individual, but they are critical for sustaining the cycle of income generation and compliance with government-imposed obligations.

1.2.5. Expense Management

1.3. The Relationship among Variable

1.3.1. The Relationship between Culture and Income

Traditions play a vital role in a society's culture, passing down values, beliefs, and practices from one generation to the next. In contrast, economic growth refers to the increase in the production of goods and services within a specific country or region. Traditions have significant potential to contribute to economic growth in several ways. Firstly, cultural traditions often serve as major attractions for tourism. Events such as festivals, traditional ceremonies, arts and crafts, and local culinary specialties are examples of cultural heritage that can draw both domestic and international tourists. By promoting and preserving these traditions, communities can generate income from the tourism sector, which subsequently boosts the local economy. Secondly, traditional economic practices can be crucial assets in local economic development. For instance, traditional agriculture or local crafts may serve as primary sources of livelihood for certain communities. By enhancing and modernizing these practices to align with market demands, communities can unlock their economic potential, leading to increased incomes and improved living standards.

Research conducted by Purba and Kemal (2023) highlights the influence of the "Songgot" tradition within the Tanjung Balai community on the income of "Sembako" traders at the Tanjung Balai city market. The presence of grocery traders in Tanjung Balai significantly affects this tradition, as their products experience high demand during the "Songgot" traditional events, leading to an increase in traders' income. The study recommends that efforts be made to preserve more traditional "Songgot" events. It suggests that organizers source food ingredients and other supplies from traditional markets or local traders within the Tanjung Balai city market. This is particularly important as modern private minimarkets, which often offer various discounts, are becoming more prevalent.

Research by Ramadani and Qommaneeeci (2018) examined the economic impact of the Kenduri Sko (harvest feast) in the Kerinci region. Their findings reveal that the Kenduri Sko has had a positive effect on local economic conditions and the incomes of residents. This influence is observed not only during the event itself but also in the community's daily life. Traditionally, Kenduri Sko was primarily attended by relatives, friends, and coworkers. Today, however, it attracts a significant number of tourists from both domestic and international locations. The event features a variety of unique cultural activities organized by the community, which greatly benefits the local populace. Although organizing Kenduri Sko requires substantial investment, it effectively boosts tourist interest in Kerinci. This surge in visitors has further stimulated the development of tourism in the area, enhancing both natural and cultural tourism opportunities.

According to Ulandari and Helvira (2023), marriage within the Sambas Malay community encompasses not only cultural and social values but also has a significant economic impact. The expenses incurred by wedding hosts can stimulate various sectors, including food services, hospitality, and creative industries associated with weddings. This study is classified as field research and employs a descriptive method with a qualitative approach. Data collection involved observation, interviews, and documentation, while data analysis included collection, reduction, and conclusion formulation. The research aims to investigate and elucidate the productive, consumptive, and distributive values inherent in the inter-pakatan marriage traditions of the Malay community in Pemangkat District, Sambas Regency. The findings indicate that the productive value of these marriage traditions contributes significantly to the economy, particularly through the roles of culinary interpreters in skill development, traditional food marketing, and related business opportunities. Furthermore, the consumptive value associated with these marriage traditions has a broad economic impact, notably through increased demand for local culinary offerings, such as chicken and staple food vendors, as well as wedding supplies and services. Additionally, the distributive value observed in the inter-pakatan marriage traditions highlights practices of sharing and solidarity within the Sambas Malay community.

1.3.2. The Relationship between Culture and Expense

Dowry-related violence significantly undermines women's agency in their marital lives. This research delves into the critical factors perpetuating the dowry system in rural Bangladesh.

Findings indicate that unemployment, poverty, illiteracy, the perception that dowries elevate women's status, aspirations for wealth, and women's socioeconomic standing all play substantial roles in sustaining the dowry practice. Interestingly, parents of educated daughters tend to show less inclination towards dowry payments. To eradicate the dowry system, it is essential to foster public awareness at both family and community levels. A policy should be established that discourages marriages involving dowry demands to safeguard brides. Mass media-such as radio, television, newspapers, and social media-can be instrumental in raising awareness and protecting these women. Promoting women's education and enhancing their economic status through diverse skill development programs that enable income-generating activities are effective strategies to combat the dowry system. Government bodies, NGOs, and various voluntary organizations must implement impactful programs, policies, and ensure the effective enforcement of existing laws to eliminate the dowry practice from society (Tasnim & Sharmin, 2024).

Research by Minggu (2022) highlights the significant role of *belis* in traditional Lio marriages. It serves as a mandatory condition for marriage; without *belis*, a religious marriage cannot be officiated. Additionally, *belis* acts as a reflection of a woman's social status, as its amount is often determined by her family. This practice can inadvertently affect the status and roles of women within society. However, the *belis* system can also lead to complications. For instance, if the demanded *belis* is excessively high, couples may resort to elopement, which can result in unwed pregnancies. Furthermore, the *belis* tradition can perpetuate injustice towards women, leading to instances of violence. Many women who suffer from such violence may feel unable to speak out about their experiences. To address domestic violence against women, there are customary sanctions within the tradition, known as *wale*. This ceremony is conducted in a traditional home, aimed at restoring the dignity of a wife who has suffered abuse at the hands of her husband.

Mr. Jero Gede Dwija I Wayan Mustiada, a pastor and religious figure, explains that the cost of funds for a cremation ceremony is influenced by the number of sawe (corpses) involved. Each sawe owner typically spends around 10 million, which is significantly less than the 80 million that individual cremations can cost. This sentiment is echoed by Mr. I Ketut Sumerthajaya, S.Pd, M.Sc, a Parisada and traditional leader, who also notes that the expenses depend on the number of sawe

participating. Therefore, a higher number of sawe is beneficial as it reduces overall costs; mass cremation is more economical than individual cremation. Additionally, Mr. I Kadek Swita, a community member, emphasizes that mass cremation greatly assists the community by alleviating the financial burden associated with cremation ceremonies. Individual cremations can be prohibitively expensive for many families, particularly those with limited resources. In contrast, mass cremation provides an essential solution, allowing the community to manage expenses while ensuring that the process of honoring and cleansing the spirits of their ancestors proceeds smoothly (Sumiati et.al, 2022).

1.2 Problem Statement

In Timor-Leste, cultural practices and social norms play a crucial role in shaping family income and expense management. Despite economic development efforts and poverty reduction policies, the influence of traditional values on modern financial behaviors remains underexplored. This research examines how cultural factors affect financial decision-making within families across urban and rural areas, focusing on income generation, budgeting, saving, and spending practices. By exploring the impact of cultural beliefs on the use of formal financial services, such as savings accounts and microcredit, the study aims to provide insights for policymakers and financial institutions to develop culturally sensitive financial education and tailored products that meet the unique needs of Timorese families.

1.3 Research Question

How do cultural practices in Timor-Leste impact family income and expense management, and how do these impacts differ between urban and rural households?

1.4 Objectives

1.4.1 General Objective

The general objective of this research is to investigate the cultural influences on family income and expense management in Timor-Leste, with a specific focus on urban and rural areas. By exploring the ways in which cultural practices shape patterns of income generation and expenditure priorities, the study aims to provide a comprehensive understanding of the socio-cultural determinants of financial decision-making within families in Timor-Leste.

1.4.2 Specific Objectives

1. To identify and analyze the cultural practices and traditions that influence income generation within families in Timor-Leste, including dowry, *lia mate*, *lia moris*, and *fetosan umane*.
2. To identify and analyze the cultural practices and traditions that influence family expenses in Timor-Leste, including dowry, *lia mate*, *lia moris*, and *fetosan umane*.

1.5 The Importance of Research

The importance of this topic cannot be overstated, especially in the context of Timor-Leste, where cultural traditions are deeply ingrained in the fabric of society and exert a significant influence on economic behaviors. By exploring how practices such as bride price, the *fetosan umane* shape patterns of income generation and expenditure priorities, this research seeks to shed light on the socio-cultural determinants of financial decision-making.

Moreover, the comparative study between urban and rural areas adds another layer of complexity to the analysis, highlighting the diverse socio-economic contexts within which families operate. Understanding the unique challenges and opportunities faced by families in different settings is crucial for designing targeted interventions and policy measures that address their specific needs and aspirations.

By uncovering the cultural underpinnings of family income and expense management in Timor-Leste, this research not only enriches our academic understanding of the intersection between culture and economics but also holds practical implications for fostering inclusive development strategies that empower communities and promote sustainable livelihoods. Ultimately, our personal and professional motivations converge in the pursuit of knowledge that contributes to positive social change and equitable economic development in Timor-Leste and beyond.

1.6 Research Limitation

1. Cultural Diversity and Regional Variations:

- Timor-Leste is characterized by diverse cultural practices and languages, which vary significantly across regions. The study's focus on specific areas, such as Oecusse, Lautem,

Baucau, Bobonaro and Dili, may not fully capture the entire spectrum of cultural influences on family income and expense management across the country. As a result, the findings may not be entirely generalizable to other regions with different cultural backgrounds.

2. **Self-Reported Data:**

- The research relies heavily on self-reported data from participants through interviews and surveys. This approach may introduce biases, such as social desirability bias, where respondents might overstate or understate their financial behaviors to align with perceived cultural norms or expectations.

3. **Limited Access to Financial Records:**

- Many households in rural areas that we did not have access to their financial records or that they do not maintain financial records for their income and expenses could hinder the accuracy of data analysis and interpretation especially in understanding the precise financial behaviors and decision-making processes within these families.

4. **Language Barriers:**

- The study involves collecting data from participants who speak different languages and dialects, which some challenges in Oecusse and Bobonaro in communication and accurate interpretation of responses. Although efforts were made to use local translators, there is a risk of losing nuanced meanings during translation, which could affect the validity of the findings.

5. **Temporal Limitations:**

- Cultural practices and financial behaviors are dynamic and may change over time due to external factors such as economic shifts, policy changes, or social influences. The study's cross-sectional design captures data at a specific point in time, which may not fully reflect long-term trends or evolving cultural influences on financial management.

6. **Sampling Constraints:**

- The study's sample size and selection are constrained by logistical and resource limitations, particularly in remote or inaccessible areas. This constraint may lead to a

sample that is not fully representative of the broader population, potentially affecting the generalizability of the results.

7. Focus on Rural and Urban Comparisons:

- While the study aims to compare cultural influences on financial management between urban and rural areas, there may be variations within these categories themselves (e.g., differences between different rural communities). The broad classification of "urban" and "rural" may overlook important intra-group differences that could provide more nuanced insights.

1.7 Research organization

This research is composed of the following sections: In the first section, it primarily focuses on the introduction, which looks specifically at the research problem and its objectives to achieve or provide solutions to the referred research problem. In the second section it discusses the geographical location covered in 5 municipalities, such as Oecusse, Lautem, Baucau, Bobonaro and Dili. In the third section, the research methodology is addressed. This research applied a qualitative methods approach to investigate the cultural influence on family income and expense management in rural and urban areas in Timor-Leste. The qualitative methods approach allows for a comprehensive understanding of the topic by qualitative data collection through interviews and analysis techniques. In the fourth section, the discussion revolves around data analysis and the presentation of research results that are based on the research objectives. Finally, in the last section, conclusions and recommendations derived from this research are presented.

1.8 Geographical Location

The geographical location for the study " Cultural Influences on Family Income and Expense Management in Timor-Leste (Study Case in Urban and Rural Areas)" are Oecusse, Lautem, Baucau, Bobonaro and Dili.

Map of Oecusse is shown below:

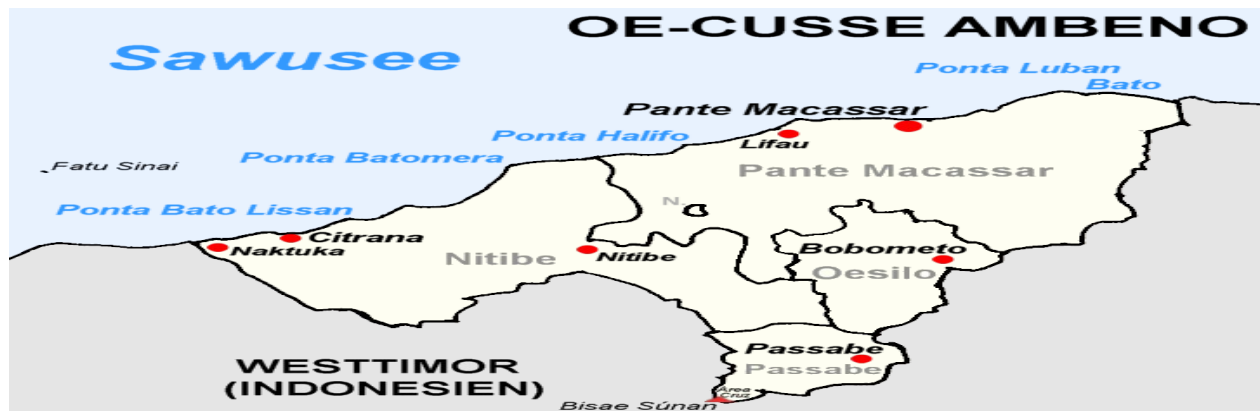


Figure 1. 1 Map of Oecusse (Source,portal.municipio.gov.tl,2024)

Oecusse, also known as Oecusse-Ambeno, is an exclave, municipality, and the only Special Administrative Region (SAR) of East Timor. Oecusse is located on the north coast of the western portion of Timor, separated from the rest of East Timor by West Timor, Indonesia. The capital of Oecusse is Pante Macassar, also called Oecussi Town or formerly Vila Taveiro in Portuguese Timor. Originally, Ambeno was the name of the former district, with Oecussi as its capital.

Oecusse is surrounded by West Timor, Indonesia on all sides except the north, where it faces the Savu Sea. West Timor, which is part of the province of East Nusa Tenggara, separates Oecusse from the rest of East Timor.

The Oecusse Special Administrative Region (SAR) has a total area of 813.6 km² (314.1 sq mi). It is completely surrounded by Indonesian territory, except to the north, where it faces the Ombai Strait, which is part of the Savu Sea.

Geographically, the rest of East Timor is located 58 km (36 mi) east of the easternmost tip of the Oecusse SAR. By road, the distance is more than 70 km (43 mi). At its westernmost extremity, the Oecusse SAR extends to the Indonesian regency of Kupang. To the east and south, it borders the North Central Timor Regency of Indonesia. The SAR's land border is approximately 300 km (190 mi) in length, and its coastline is about 50 km (31 mi) long. There are several border crossings connecting Oecusse to West Timor, Indonesia, including:

- Bobometo (Oesilo) - Napan (Indonesia)

- Citrana (Nitibe) - Oipoli (Indonesia)
- Passabe (Passabe) - Haumeni Ana (Indonesia)
- Sacato (Pante Macassar) - Wini (Indonesia)

Four administrative posts (formerly sub-districts) make up Oecusse: Nitibe, Oesilo, Pante Macassar (capital: Pante Macassar), and Passabe. There are a total of 18 sucos, or villages, composed of the administrative posts.

According to the 2022 Census, Oecusse had a population of 80,685 people consisting of 40,991 men and 39,694 women. The only indigenous language spoken is Meto, and the Atoni Pah Meto (often just referred to as the Meto) are the majority ethnic group. In West Timor, Indonesia, the Meto people likewise make up the majority of the population.

Map of Lautem is shown below:



Figure 1. 2 Map of Lautem Municipality (Source, <https://descentralizasaun.wordpress.com/distritos-2/lospalos>)

Lautem is a municipality located in the eastern part of Timor-Leste, bordering the Timor Sea and Arafura Strait to the east, the Timor Sea to the south, Baucau Municipality and Viqueque Municipality to the west, and the Strait of Wetar to the north. The municipality has 6 administrative

posts: Lospalos, Lautem, Iliomar, Luro and Tutuala which encompass a total of 34 districts and 151 villages. Lautem has a total population of 70,022 people comprising 35,164 women and 34,858 males and a population density of 36.90 per square kilometer across an area of 1,816.7 square kilometers. The main languages spoken in Lautem are Tetun, Fataluku, Makasa'e, Makalero, Sa'ane, and Macoa. Lautem is the eastern most municipality of Timor-Leste and is known for its natural and cultural attractions that are of interest to travelers.

The name "Lautem" has its own unique meaning and origin within the municipality. The name is derived from the Fataluku language, which is one of the main languages spoken in the region. The name is composed of two Fataluku words: "Lau" and "Tem/Teinu". According to historical accounts, the ancestors of the region referred to this land as "Lauteinu" or "Lauteira". In the Fataluku language, "Lau" means "Tais", which is a traditional woven cloth. "Teinu/Teira" means "Lulik", which refers to something sacred or spiritually significant. Therefore, the name "Lautem" reflects the cultural and historical significance of this land, with its roots in the Fataluku language and the traditions of the local people.

Before the Portuguese established their authority in Lautem, the region already had a traditional system of governance in place. In 1698, the Portuguese government, under Governor António Coelho Guerreiro, began to intervene in the traditional authorities in Timor, including in Lautem. On April 20, 1859, Governor Afonso de Castro established 11 districts in Timor, and Lautem became a district known as the District of Faturó, with its headquarters located in Lautem. This district was composed of the kingdoms of Sarau and Matarupa. After World War II, Governor Oscar Ruas changed the military command and transformed the district into a Civil Circuit, consisting of the civil administrative posts of Lospalos, Iliomar, Lautem, Luro, Tutuala, and Loré. During the Indonesian occupation, Lautem was eventually designated as a district and in an independent Timor-Leste became a municipality.

Map of Baucau is shown below:

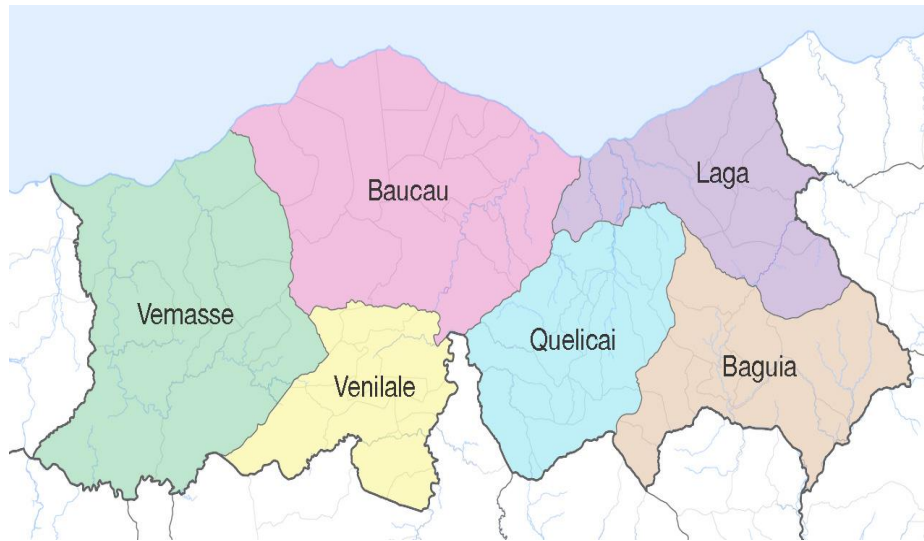


Figure 1.3 Map of Baucau Municipality (Source: <https://descentralizasaun.wordpress.com/distritos-2/baucau>)

Baucau is one of the municipalities of Timor-Leste, located in the eastern part of the country. It borders the Municipalities of Lautem (east), Viqueque (south), Manatuto (west), and the Timor Sea (south). This municipality has six administrative posts: Baguia, Baucau, Laga, Quelicai, Vemasse, and Venilale, which are further divided into 59 villages. In demographic terms, the total population of the Baucau municipality is 134,878 made up of 66,761 women and 68,117 males (Census 2022), with a population density of 83.98 people per square kilometer, covering an area of 1,504.2 square kilometers. The population speaks various local dialects, mainly Tetun, Makasa'e, Waimu'a, Midiki, Kairui, and Naueti. Baucau municipality has a diverse landscape, consisting of large coastal areas, plateaus, and mountains. Its capital, also called Baucau, is the second-largest city in Timor-Leste. During the Portuguese colonial period, it was known as the city of Salazar and has since carried a rich Portuguese cultural heritage, including colonial houses, old markets, churches, and other institutes located in the old city.

The name "Baucau" originates from the local Waimu'a dialect, where the word "Akau" means "pig." Over time, this transformed into "macau," which the Portuguese government then officially named as "Baucau," a name that has remained. Additionally, some people refer to Baucau using the name "Wailia-Wailewa," which means "Great Spring of Water." This name comes from the large springs of water located under large trees in the Wailia area.

Historically, Baucau was governed by its own traditional authority before the arrival of the Portuguese government and its establishment in the region. In 1698, the Portuguese government, through Governor António Coelho Guerreiro, established posts throughout Timor to intervene in the traditional authorities. On April 20, 1859, the Portuguese Governor established 11 Districts throughout Timor-Leste. At that time, the municipality of Baucau became a district, called Vemasse, made up of Vemasse, Fatumarto, and Venilale.

In 1908, Governor Celestino da Silva transformed Baucau into a Military Base. Later, in 1920, Governor Paulo de Sousa Gentil returned the districts to civil districts, which consisted of the five civil administrative posts of Baucau Vila, Baguia, Laga, Vemasse, and Venilale. In 1974, Baucau became a Board of Directors, grouping the administrative posts of Baucau Vila, Baguia, Laga, Vemasse, Quelicai, and Venilale.

Map of Bobonaro is shown below:



Figure 1. 4 Map of Bobonaro Municipality (Source,portal.municipio.gov.tl,2024)

Bobonaro is a municipality of Timor-Leste, located in the western part of the country. It borders the municipalities of Ermera and Ainaro (east), Covalima (south), Indonesia (west), and Liquiça (north). The municipality has 6 administrative posts: Atabae, Balibo, Bobonaro, Cailaco, Lolotoe, and Maliana, which include a total of 50 districts. Demographically, Bobonaro has a total

population of 106,639, 53,704 males and 52,935 women make up this group (Census 2022) and a population density of 72.38 people per square kilometer, covering an area of 1,380.82 square kilometers. The population speaks the languages of Tetun, Bunak, and Kemak.

Like other municipalities, Bobonaro also has its own unique meaning for the name of the municipality. The name "Bobonaro" was originally used during the Portuguese colonial era. Before the Portuguese arrived in Timor, the area was known as Bobonaro, using the Bunak and Kemak languages, which were the dominant languages in the Bobonaro District. In the Bunak language, the name "Bobonaro" is composed of two words: "Ho" and "Nalu". "Ho" means "blood" and "Nalu" means "taan/taha", which together translates to "Place for blood taan (life)". In the Kemak language, the name "Bobonaro" is made up of "Bobo" and "Naru". "Bobo" means "hide" and "Naru" means "long", which translates to "long hide" – a safe place to hide for a long time. So, the name "Bobonaro" has deep cultural and linguistic roots, reflecting the history and significance of the region before and during the Portuguese colonial era.

The Timorese resistance movement was extremely strong against the Portuguese rule from 1720 to 1913 in Balibo, Marobo, Cailaco, and other parts of the municipality. The Liurai (traditional ruler) Dom Aleixo and Chief Lacu-Mal from Cailaco led a major revolt against the Portuguese. The biggest revolt took place in Cailaco in October and December 1726. During the Indonesian occupation, the population of Bobonaro Municipality suffered greatly from 1975 to 1999. Before invading Dili in 1975, the Indonesian forces invaded Batugade, Balibo, and Maliana in October and November, and later invaded Atabae. In 1975, the Indonesian forces killed five international journalists in Balibo, making this site infamous worldwide. On October 18, 1975, the Indonesian forces carried out an assault with cannons, bazookas, and mortars on Company 20 on Alto Lebos island in Lolotoe, destroying many Falintil (Timorese resistance) fighters. On September 8, 1999, the Indonesian military killed 47 people at the Maliana Police Station, and similar incidents occurred in other municipalities. Meanwhile, Timorese women and youth played crucial roles in supporting the resistance, providing food and medicine. Figures like Regina and Maria Tapo were known for their guerrilla activities, fighting and killing Indonesian forces with weapons. The Bobonaro municipality has a long and turbulent history of resistance against foreign occupation, with the local population paying a heavy price for their struggle for independence.

Map of Dili Municipality is shown below:



Figure 1. 5 Map of Dili Municipality (Source, Wasianga F, 2022)

Dili Municipality is located along the north coast of the island of Timor, approximately 60 kilometers east of the border with West Timor. Dili is the largest city and capital of East Timor, and is the focal point of the municipality, serving as the economic and governmental center of the country.

Geographically, the Municipality of Dili is diverse. In addition to its coastal roads and beaches, the municipality extends south into rugged mountainous terrain. The total area of the Municipality of Dili is 368.12 km². The municipality is bordered to the south by the Municipality of Aileu, to the west by the Municipality of Liquiça, to the north by the Sea of Savu, and to the east by Manatuto. Included within the municipality is the island of Atauro, located approximately 30 km north of the city of Dili.

Administratively, the Dili Municipality is home to five sub-districts, namely Vera Cruz, Dom Aleixo, Nain Feto, Metinaro, and Cristo Rei. The areas of each sub-district are listed as follows: Vera Cruz and its area 32.77 km², Nain Feto 5.15 km², Metinaro 91.24 km², 33.12 km² of Dom Aleixo, 65.33 km² of Cristo Rei, and 241 villages of 31 Sucos. The population of Dili is 324,738 being composed of 159,973 women and 164,765 males according to demographics (Census 2022).

2. Methodology

2.1 Research Methodology

This study employed a qualitative research design to explore the cultural influences on family income and expense management in Timor-Leste. Qualitative methods are well-suited for capturing the nuances of cultural practices and understanding individuals' perspectives in depth.

2.2 Key Informants

Table 1. 1 .Key Informants

	Name	Position	Municipalities	Suco	Cultural
1	Delfino Sole	Xefe Suco	Oecusse	Lifau	Patrilinear
2	Ver onica Nono	Representative for Women	Oecusse	Lifau	Patrilinear
3	Ajuvi Oki	Representative for Men	Oecusse	Lifau	Patrilinear
4	Antonio Atolan	Lian Nain	Oecusse	Banafi	Patrilinear
5	Ermelindo da Conceição	Lian Nain	Oecusse	Costa	Patrilinear and Matrilinear
6	Ananias do Carmo Elo	Head of the Family	Oecusse	Bobometo	Patrilinear
7	Lucia Tolu	Housewife	Oecusse	Abani	Patrilinear
8	Herminio Hornay	Lia-Nain	Lautem	Iliomar	Patrilinear
9	Tomas	Xefe Aldeia	Lautem	Natura/Kuluhun	Patrilinear
10	Lourenço de Jesus	Lia Nain	Lautem	Natura/Kuluhun	Patrilinear
11	Amena da Costa	Xefe Familia	Lautem	Natura/Kuluhun	Patrilinear
12	Moises Marcelo Soares	Xefe Familia	Lautem	Natura/Kuluhun	Patrilinear
13	Julião da Costa	Representative for Men	Lautem	Natura/Kuluhun	Patrilinear
14	Paulo Jeronimo	Xefe Familia	Lautem	Natura/Kuluhun	Patrilinear
15	Napoleão Ximenes	Representative for Men	Lautem	Lore	Patrilinear
16	Mario Tavares	Lia-Nain	Lautem	Laivai	Patrilinear
17	Jaime da Costa	Xefe Suco	Lautem	Laivai	Patrilinear
18	Fernanda Viera da Costa	Village Delegate	Lautem	Laivai	Patrilinear
19	Alberto da Costa Gama	Head of Family (Veteran)	Lautem	Laivai	Patrilinear
20	Luis Freitas da Costa Cruz	Xefe Aldeia Titulari	Lautem	Laivai	Patrilinear
21	Isabel dos Santos Gama	Head of Family (Veteran)	Lautem	Laivai	Patrilinear
22	Isabel de Jesus	Head of Family (Widow)	Lautem	Laivai	Patrilinear

23	Carlito Pereira	Administrator of Tutuala	Lautem	Tutuala	Patrilinear
24	Previous Administrator of Tutuala	Lia Nain	Lautem	Tutuala	Patrilinear
25	Deolinda	Representative for Women	Lautem	Tutuala	Patrilinear
26	Francisco da Costa Freitas	Lia Nain of Uma Liurai	Baucau	Vemasse	Patrilinear
27	Manuel Francisco Rodrigues Gusmão	Xefe Suco	Baucau	Bahu	Patrilinear
28	Arlinda de Fátima	Social affairs official	Baucau	Bahu	Patrilinear
29	Pedro da Costa	Lia nain	Baucau	Bahu	Patrilinear
30	Deonísio Tomás	Youth representative	Baucau	Bahu	Patrilinear
31	Palmira Baptista	Secretary (Head of Family)	Baucau	Bahu	Patrilinear
32	Maria Imaculada Soares	Xefe Aldeia Anaulo	Baucau	Bahu	Patrilinear
33	Manuel Magrasia Dasi	Xefe Suco	Bobonaro	Lahomea	Patrilinear
34	Norma Bemvindo	Head of family	Bobonaro	Bunak	Matrilinear
35	Joaninha Francisca	Housewife	Bobonaro	Bunak	Matrilinear
36	Pedro Januario	Xefe Aldeia	Bobonaro	Lahomea	Patrilinear
37	Francisco Soares Ana Mota	Youth leader	Bobonaro	Kemak	Patrilinear
38	João da Conceição	Lia Nain	Dili	Uma Lisan Leobesi (Karketu) Manleuana	Patrilinear
39	Jorge Pereira	Head of family	Dili	Manleuana	Patrilinear

These key informants represent a diverse cross-section of Timor-Leste's population, offering valuable perspectives on how cultural influences shape family income and expense management across different regions of the country.

2.3 Data Collections Techniques

The study used purposive sampling to select participants from urban and rural areas of Timor-Leste. We aimed for diversity in terms of socio-economic backgrounds, age groups, and cultural affiliations to ensure a comprehensive representation of perspectives.

For data collection, a variety of qualitative techniques were employed. Firstly, semi-structured in-depth interviews were conducted with individuals and families to delve into their experiences, beliefs, and practices concerning income generation and expenditure management. These interviews were audio-recorded with participants' consent to ensure accuracy in data collection. Additionally, focus group discussions (FGDs) were organized with community members of local leaders (*lia nain sira, household and local authority*) to foster dialogue on cultural norms, values, and traditions influencing financial behaviors within families. FGDs offered a platform for exploring shared cultural perspectives and community-level dynamics.

Furthermore, researchers undertook participant observation in both urban and rural settings to observe firsthand daily life activities, cultural rituals, and economic practices within families. This approach provided contextual understanding and served as a valuable complement to interview data, enriching the overall qualitative analysis.

2.3 Data Analysis Techniques

For the analysis of the data collected through these interviews, we employed a comprehensive qualitative approach consisting of thematic analysis and the constant comparative method. These methods were well-suited for exploring the complexities of cultural influences on financial behaviors in both urban and rural settings.

1. Thematic Analysis:

- **Verbatim Transcription:** All recorded interviews and focus group discussions (FGDs) were meticulously transcribed verbatim. This ensured that every detail, nuance, and expression was captured accurately.
- **Identification of Themes and Patterns:** Through thematic analysis, we systematically examined the transcribed data to identify recurring patterns, themes, and relationships. These themes shed light on how cultural influences impacted family income and expense management in different contexts.
- **Contextual Understanding:** The themes that emerged were deeply rooted in the cultural contexts of the participants, providing a comprehensive understanding of their financial behaviors and decision-making processes.

2. Constant Comparative Method:

- **Comparative Analysis Across Groups:** Using the constant comparative method, we compared findings across different participants and groups, particularly between urban and rural settings. This method enabled us to identify similarities, differences, and unique themes that emerged within different cultural contexts.
- **Iterative Refinement:** The analysis was iterative, meaning that as new data was collected and analyzed, it was continuously compared with existing data. This iterative process enhanced the rigor and validity of our findings, ensuring that our conclusions were robust and reflective of the diverse experiences of the participants.

By employing these qualitative methods, our research provided a nuanced and detailed understanding of the cultural influences on family income and expense management in Timor-Leste. The focused use of interviews and the gathering of key informants ensured that our data was rich, contextually grounded, and reflective of the lived experiences of both urban and rural populations. This approach ultimately led to findings that were both meaningful and applicable to the broader context of financial management within Timorese families.

3. Data Analysis and Discussion of Results

3.1 Data Analysis

3.1.1. Regional Differences

❖ Oecusse:

Cultural and Historical Context

Oecusse, an enclave in the western part of Timor-Leste, stands out with its distinct cultural identity shaped by its geographic isolation and historical ties to Portugal. These factors have nurtured a rich tapestry of traditional practices, many of which continue to play an essential role in the daily lives of the people. As one of the most culturally conservative regions in Timor-Leste, Oecusse is known for its communal living and social cohesion, which have been maintained through generations.

One of the significant cultural elements in Oecusse is the prevalence of community-based financial practices, reflecting the deeply rooted sense of mutual support. Among these practices, collective savings groups-akin to Indonesia's *arisan* or rotating savings and credit associations-are commonly observed. These systems rely on trust and social bonds, where community members contribute to and benefit from pooled resources. Such structures not only provide financial security to participants but also reinforce social cohesion, fostering a collective responsibility for economic well-being.

Oecusse's geographic isolation has also contributed to the preservation of these traditional financial systems, as formal financial institutions are often less accessible compared to other parts of Timor-Leste. The region's reliance on these systems has been a buffer against external economic pressures, particularly in times of financial instability. Additionally, these communal practices reflect a broader cultural emphasis on solidarity and interdependence, where individual success is often viewed as a collective achievement.

The historical ties to Portugal have further influenced the cultural framework of Oecusse, embedding certain aspects of Portuguese customs within local traditions. This blend of local customs and external influences has created a unique socio-cultural environment where traditions such as Lia-Nain (traditional leadership) play a key role in decision-making, including in economic matters.

As modern development efforts continue to unfold in Oecusse, these traditional systems coexist with newer forms of financial management, including microcredit schemes and government-driven empowerment and financial inclusion programs. However, the cultural resilience of collective financial practices demonstrates the ongoing relevance of traditional economic systems in Oecusse's evolving socio-economic landscape.

This combination of traditional and modern financial practices positions Oecusse as a fascinating case study for understanding the intersection of culture, economics, and community-based financial systems within the broader context of Timor-Leste's development.

Economic Environment

Oecusse's economic environment is primarily characterized by its agrarian nature, where the majority of the population engages in subsistence farming. This rural economy, largely based on agriculture, provides the backbone for the livelihood of families in the enclave. The limited access to formal financial institutions further reinforces the reliance on agricultural outputs, which tend to be irregular and subject to the seasonal cycles of production.

Due to the seasonal nature of agriculture, income in Oecusse is often uncertain and fluctuates based on harvests. Families face periods of relative abundance followed by extended periods of scarcity, making it crucial for households to adopt strategies of careful resource allocation and saving. This context fosters a culture of financial prudence, where families must be highly conscious of managing their earnings to ensure that they can sustain themselves during lean times. The economic structure, where irregular income flows are common, also explains why traditional financial practices, such as community-based savings groups, are so prevalent in Oecusse.

The region's limited access to formal financial institutions further exacerbates this economic uncertainty. Banks and microfinance institutions are scarce, particularly in the more remote areas of the enclave. This gap in financial infrastructure has created a reliance on informal savings mechanisms and collective financial practices, such as the rotating savings and credit associations (arisan). These associations allow families to pool resources and access credit, which provides a degree of financial stability when income is scarce.

Additionally, the subsistence-based economy limits opportunities for diversification. Agriculture remains the primary means of livelihood, with few alternative industries or sectors available to supplement income. This dependence on agriculture also makes Oecusse particularly vulnerable to environmental factors such as droughts, floods, or other climate-related disruptions. When agricultural yields are affected, families experience a direct impact on their ability to generate income, making savings practices and resource conservation even more critical for survival.

Given these economic challenges, households in Oecusse often prioritize investment in basic needs such as food, housing, and education. Luxuries and non-essential expenditures are rarely considered, as most resources are directed toward ensuring immediate survival and preparing for future uncertainties. In this sense, the economic environment in Oecusse is defined by a cycle of precarious living, where strategic decision-making around resource allocation becomes a necessity for managing periods of scarcity.

Efforts to improve the economic environment in Oecusse, such as increasing access to formal financial institutions and encouraging diversification of income sources, have the potential to alleviate some of these pressures. However, the deeply ingrained practices of subsistence farming and traditional financial systems are likely to remain integral parts of the enclave's economy for the foreseeable future, given their role in maintaining economic and social stability.

Social Dynamics

The social dynamics in Oecusse are deeply intertwined with its cultural and communal traditions, creating a tightly knit social fabric that significantly influences financial behaviors. At the heart of this structure are the strong community bonds that define relationships within extended families and clans. These relationships extend beyond mere kinship, forming the foundation of collective decision-making, particularly when it comes to matters of income, expenses, and resource management.

In Oecusse, financial decisions are often viewed as collective responsibilities. Extended families or clans operate as cohesive units, where members collaborate on significant decisions regarding income distribution, savings, and expenditures. This collective approach to resource management reflects a sense of shared responsibility that permeates many aspects of life. As a

result, individual financial independence is often secondary to the well-being of the broader family network, underscoring the importance of solidarity and mutual support.

One manifestation of this communal ethos is the practice of pooling resources for significant life events such as weddings, funerals, or dowries. These events are not solely the responsibility of the immediate family but are supported by the extended clan, with contributions coming from multiple sources. This reinforces the idea that financial decisions and burdens are shared collectively, ensuring that no one individual bears the full weight of financial strain.

The influence of these social dynamics on financial behavior is particularly visible in the way families handle savings and expenses. Many families participate in rotating savings groups or collective savings schemes, where each member contributes regularly and takes turns receiving a lump sum. These savings systems are not just financial tools but also social mechanisms that bind the community together. Trust and reciprocity are key components of these arrangements, as the success of such schemes relies on the integrity and commitment of each participant.

Moreover, the communal nature of decision-making extends to the management of agricultural resources, which form the backbone of Oecusse's economy. The collective work on farms and the distribution of produce often involve discussions and negotiations within the family or clan, ensuring that resources are allocated equitably to meet both immediate and future needs. This approach is critical in a subsistence-based economy, where agricultural yields and income are unpredictable.

The Lia-Nain (traditional leaders) and other community elders also play a pivotal role in influencing financial decisions within clans. Their wisdom and guidance are sought for major decisions, and their approval often legitimizes the financial choices made by families. This reflects a deep respect for tradition and the authority of elders in shaping the economic life of the community.

In addition to influencing financial behavior, these social dynamics foster a strong sense of security among individuals, as they know they can rely on their extended family or community for support in times of need. This social safety net mitigates the risks associated with financial uncertainty, allowing families to navigate periods of scarcity or economic hardship with the reassurance that they will not face challenges alone.

❖ **Lautem (including Lospalos, Tutuala, Laivai, and Iliomar)**

Cultural and Historical Context

Lautem, a municipality in the eastern part of Timor-Leste, is renowned for its rich cultural heritage and the preservation of traditional practices that continue to shape the region's social and economic life. Comprising areas like Lospalos, Tutuala, Laivai, Lore and Iliomar. Lautem's cultural identity is marked by its emphasis on rituals and ceremonies, which play a significant role in how financial decisions are made within families and communities.

One of the key aspects of Lautem's culture is the importance of traditional rituals and ceremonies, particularly those associated with marriage and funerals. These ceremonies are not just personal or familial events but are deeply communal, do involve extended families, clans, and even larger community networks. The cultural obligations tied to these events mean that significant financial resources are directed toward ensuring their proper execution.

In the case of marriage ceremonies, the practice of bride price or dowry (*barlake*) is still prevalent, with considerable sums of money, livestock, and other valuables exchanged between families. The process of fulfilling these obligations can require years of financial preparation and execution and the social prestige associated with meeting these cultural expectations is high. Failing to adequately contribute or honor these traditions can result in social repercussions, which further reinforces the prioritization of these expenses over other financial needs. Cultural obligations toward funeral ceremonies are immediate, while brideprice obligations tend to be more flexible.

Similarly, funeral ceremonies in Lautem are marked by elaborate rituals that require extensive financial contributions from family members. Funerals, seen as a critical way to honor the deceased and maintain social harmony, often involve communal feasts, the construction of memorials, and the distribution of gifts or payments to different community members. As with marriages, these ceremonies place significant financial demands on families, who often prioritize these cultural obligations above other considerations, such as education or healthcare.

The emphasis on such rituals and ceremonies in Lautem reflects a deeply ingrained cultural belief that honoring one's ancestors and fulfilling social obligations are essential for maintaining

social cohesion and familial respect. These events are not seen merely as costs but as vital investments in the social fabric, reinforcing familial and communal bonds.

The cultural practices in Lautem also illustrate a collective approach to financial decision-making, where extended families often pool resources to meet the demands of significant life events. This communal resource-sharing system helps distribute the financial burden across many members, ensuring that no single individual or household is overly strained. However, it also means that individual financial autonomy is often secondary to the needs of the collective, and personal savings or investments and plans may be sacrificed to fulfill these cultural duties.

Additionally, the historical ties of Lautem to traditional leadership structures, such as the Lia-Nain (ritual elders), play a central role in guiding the community on how resources should be allocated for these ceremonies. The advice and decisions of these traditional leaders are highly respected, and they often mediate financial decisions, ensuring that cultural rituals are prioritized over other economic activities.

Economic Environment

Similar to Oecusse, the economic environment in Lautem, which includes areas like Lospalos, Tutuala, Laivai, Lore and Iliomar, is predominantly shaped by agriculture and artisanal fishing, with limited industrial development. This rural, subsistence-based economy plays a central role in how families generate and manage their income. The region's economic activities are deeply tied to traditional practices, where families rely on small-scale farming and fishing and tourism to sustain their livelihoods. These economic patterns significantly influence how income is allocated and saved, often reflecting the region's strong cultural priorities.

In Lautem, the majority of the population is engaged in traditional farming, cultivating crops such as maize, rice, and cassava, which are staples of the local diet. The seasonal nature of agricultural production means that income is often irregular, with families earning most of their income during harvest periods and facing financial uncertainty during off-seasons. Similarly, artisanal fishing along the coastal areas of Lautem provides supplementary income, but it is highly dependent on environmental factors, such as weather conditions and access to fishing equipment.

Given the precarious and seasonal income flows, families in Lautem often adopt a conservative financial approach, focusing on saving for long-term cultural obligations rather than

personal financial growth. The emphasis on traditional rituals and ceremonies, such as marriages and funerals, requires families to reserve significant portions of their income to meet these social obligations. AS a result, financial planning is oriented toward fulfilling cultural responsibilities, such as dowry payments (barlake) or funeral expenses, which take precedence over individual economic advancement.

This pattern of saving for collective cultural events rather than for personal wealth accumulation is reflective of the broader social structure in Lautem. The strong communal ties mean that financial success is often seen in the context of the family or clan rather than the individual. Therefore, when income is generated through farming or fishing, a considerable portion is set aside to contribute to community-based savings or to prepare for major life events. This aligns with the region's collective approach to financial management, where extended families and clans pool resources to support each other in times of need.

The limited access to formal financial institutions in Lautem also reinforces the reliance on traditional savings practices. Many areas in Lautem, particularly in remote villages like Tutuala and Iliomar, do not have easy access to banks or microfinance institutions. This lack of formal financial services further discourages individual saving for long-term economic growth, as there are few opportunities for investment or formal loans. Instead, families continue to rely on informal savings mechanisms, such as rotating savings and credit associations, or the practice of communal savings to meet the financial demands of cultural events.

Additionally, the lack of industrial development in Lautem has limited opportunities for income diversification. Agriculture and fishing remain the primary sources of income, with few alternative employment options available. This dependence on subsistence farming and fishing makes families particularly vulnerable to external shocks, such as droughts, floods, or fluctuations in market prices for agricultural goods. When such disruptions occur, the financial strain is often exacerbated by the need to allocate resources for cultural events, leaving little room for personal savings or investment in future economic growth.

Social Dynamics

The social dynamics of Lautem, encompassing areas such as Lospalos, Tutuala, Laivai, and Iliomar, are characterized by strong social cohesion and a deep-rooted tradition of communal support systems. These dynamics heavily influence financial behavior and management in the region, where individual financial decisions are often secondary to collective well-being. Communal values and the pooling of resources for shared needs and cultural obligations play a crucial role in shaping how families and communities' approach financial management.

One of the most prominent aspects of Lautem's social dynamics is the practice of resource pooling for communal needs, particularly for significant life events such as marriages, funerals, and traditional ceremonies. These cultural obligations demand substantial financial contributions, but the burden is shared among extended families and communities. This system of mutual support ensures that no single family bears the full cost of such events, fostering a sense of collective responsibility and reinforcing social bonds.

In this context, financial management in Lautem often reflects the community's emphasis on shared obligations rather than individual financial growth. Families prioritize saving and managing resources to fulfill cultural and social duties, and the collective nature of financial decision-making underscores the importance of social harmony over personal financial goals. As a result, the concept of wealth in Lautem is not viewed through an individualistic lens but rather in terms of one's ability to contribute to the well-being of the family or clan.

The influence of elders and traditional leaders is also a defining feature of Lautem's social dynamics. Elders, especially Lia-Nain (ritual elders), hold significant authority in guiding financial decisions, particularly in matters related to cultural events. Their role is not just ceremonial but also practical, as they provide counsel on the allocation of resources, ensuring that financial management aligns with cultural traditions and social expectations. Their approval is often required for major financial decisions, and their involvement reinforces the region's deep respect for tradition and hierarchy.

In many cases, the guidance of traditional leaders helps mediate financial disputes and facilitates the distribution of resources for communal purposes. This creates a structured system where financial management is deeply integrated with social structures, providing stability and continuity in how resources are handled. The decisions of elders are respected and followed,

ensuring that families adhere to cultural norms, especially when it comes to significant expenditures for communal events.

In addition to traditional leaders, informal social networks in Lautem, such as extended family groups, play a key role in maintaining financial stability. These networks provide a social safety net for families, offering assistance during times of financial need, such as crop failures, illness, or other emergencies. The reliance on such networks reflects a reciprocal system of support, where families help one another, knowing they can expect similar assistance in the future. This communal reciprocity reinforces the region's strong social cohesion, ensuring that financial risk is mitigated through shared resources.

Moreover, the limited access to formal financial institutions in rural areas like Lautem has strengthened these informal support systems. With few banking services available, families and communities rely heavily on informal savings mechanisms and rotating savings groups to manage their finances. These informal systems, while less structured than formal banking, are rooted in trust and social obligation, functioning effectively within the community's cultural context.

The communal nature of financial management also means that individual financial autonomy is often secondary to the needs of the group. Decisions regarding how much to save, spend, or invest are frequently influenced by the collective needs of the family or community, and there is a strong expectation that individuals will contribute to communal events and obligations. This collective approach to financial management is a hallmark of the social dynamics in Lautem, where the success and stability of the group are prioritized over personal financial gain.

❖ **Bobonaro**

Cultural and Historical Context

Bobonaro, located in the western part of Timor-Leste, shares a geographic and cultural connection with Indonesia, due to its proximity to the border. This unique location has shaped its cultural and economic practices, blending influences from both Timorese traditions and interactions with neighboring Indonesia. The region's history, particularly its significant role in the resistance movement during the Indonesian occupation, has profoundly impacted its social and

financial dynamics. This history of resilience and struggle for autonomy is reflected in how the community approaches financial management, emphasizing self-reliance and communal support.

During the Indonesian occupation (1975–1999), Bobonaro, like other regions in Timor-Leste, experienced intense conflict and repression, but it also became a stronghold for the resistance movement. This period of struggle fostered a sense of unity and self-reliance among its people, as families and communities had to survive under harsh conditions with limited resources. The legacy of this resistance has shaped the region's contemporary outlook on financial management, where there is a deep cultural emphasis on sustainability and independence.

The region's history of resilience is reflected in its approach to economic self-reliance, with many families relying on subsistence agriculture and small-scale trade to support themselves. The challenges faced during the occupation led to the development of informal networks of mutual aid and communal support, which continue to be central to Bobonaro's economic and social fabric. Even today, families often pool resources to help one another, whether it be for agricultural tools, education, or significant cultural events. This tradition of communal resource-sharing is a direct legacy of the community's efforts to survive and resist during periods of hardship.

Culturally, Bobonaro retains a strong sense of identity and pride in its history of resistance. This pride is often expressed through cultural ceremonies and rituals that commemorate historical events or honor local heroes. These events not only serve as a reminder of the region's past but also reinforce the community's solidarity. The financial contributions needed for these ceremonies are often collective, with extended families and neighbors contributing to ensure that the events are carried out with the appropriate level of respect and honor.

Bobonaro's proximity to Indonesia has also led to cross-border interactions, particularly in terms of trade and cultural exchange. While the region is firmly rooted in Timorese traditions, its interactions with Indonesian markets have influenced local economic practices, such as small-scale trading. This blend of local and cross-border practices is visible in the way the community handles financial management, where traditional practices are complemented by newer economic opportunities created through trade.

In terms of financial management, the history of resistance and the emphasis on self-reliance mean that families in Bobonaro often prioritize long-term financial sustainability over short-term gains. There is a focus on careful resource management to ensure survival in times of

scarcity, a practice that developed during the occupation and continues to be relevant today. Many households in Bobonaro engage in subsistence farming, producing their own food to reduce dependency on external markets. This approach not only promotes self-sufficiency but also aligns with the cultural values of resilience and independence.

At the same time, communal support systems remain strong in Bobonaro. Whether it is contributing to a neighbor's agricultural project or helping with the costs of a wedding or funeral, the community comes together to support one another. This collective approach to financial obligations reflects the enduring influence of the region's cultural and historical experiences, where survival and success were achieved through solidarity and mutual assistance.

Economic Environment

Bobonaro's economic landscape is predominantly characterized by its reliance on agriculture, with coffee production emerging as a significant source of income for many families. This agricultural focus not only shapes the region's economy but also influences the financial behaviors and practices of its residents. The fluctuating coffee market, however, poses challenges that necessitate careful financial management, prompting families to adopt conservative spending practices and prioritize savings to mitigate the impacts of market volatility.

The region's economy is heavily reliant on coffee cultivation, which has long been a traditional crop for the people of Bobonaro. The prominence of coffee in the local economy offers both opportunities and challenges. While successful coffee production can lead to increased income and improved living standards, the inherent volatility of global coffee prices means that families face periods of significant financial uncertainty. For instance, when coffee prices are high, families may experience a temporary boost in income, allowing for investments in education, healthcare, or other improvements. Conversely, when prices drop, the resulting income instability can lead to financial strain, compelling families to tighten their budgets.

In response to these economic fluctuations, families in Bobonaro have developed a financial approach that emphasizes conservative spending and savings. Recognizing the unpredictable nature of the coffee market, many households prioritize setting aside funds during profitable periods to create a financial buffer for times when income is lower. This practice of saving not only helps to manage cash flow but also instills a sense of financial resilience within

the community. By cultivating a savings habit, families are better equipped to navigate periods of economic hardship, whether due to poor coffee harvests, price drops, or other unforeseen circumstances.

The emphasis on conservative spending practices extends beyond mere savings; it also influences consumption patterns within households. Families tend to prioritize essential expenditures—such as food, education, and healthcare—over discretionary spending. This cautious approach reflects a cultural understanding of the need to safeguard resources and prepare for potential financial downturns. Households may delay significant purchases or forgo luxury items, focusing instead on what is necessary for their well-being and survival.

In addition, the communal dynamics of Bobonaro further shape how families manage their finances in the context of agricultural income. Given the region's strong sense of community and mutual support, families often come together to share resources and knowledge about coffee production and financial management. This collaborative spirit helps to foster resilience against market fluctuations, as families can rely on one another for support during challenging times. For instance, shared knowledge about best practices for coffee cultivation can lead to better yields and improved income stability, while pooling resources can help cover unexpected expenses.

Moreover, the challenges presented by the fluctuating coffee market have also led to an increasing interest in diversification among local farmers. While coffee remains the primary source of income, some families are exploring alternative crops or income-generating activities to reduce their dependence on coffee. This diversification strategy not only mitigates financial risk but also enhances food security and overall economic stability within the community. By growing a variety of crops or engaging in small-scale enterprises, families can create additional streams of income, which helps buffer against the uncertainties of the coffee market.

Social Dynamics

The social dynamics of Bobonaro are deeply rooted in a fabric of strong kinship ties and communal cooperation, which play a crucial role in shaping financial behaviors and decision-making processes. This communal structure fosters a collective approach to managing income and expenses, particularly in the face of external economic pressures, such as fluctuations in the coffee market. The interplay of these social relationships creates a resilient economic environment that allows families to navigate challenges more effectively.

In Bobonaro, extended family networks are central to social life. Decisions regarding financial matters are often made through consultation and consensus within these networks, reflecting a shared responsibility among family members. This collaborative approach ensures that financial resources are allocated thoughtfully, taking into consideration the needs and contributions of all family members. For instance, if a family is experiencing financial strain due to low coffee prices, they may gather to discuss strategies for minimizing expenses or pooling resources to weather the economic downturn. This practice not only reinforces familial bonds but also promotes a culture of mutual support and solidarity.

Moreover, the collective approach to financial management is evident in communal practices, such as shared savings groups and collective investment in agricultural activities. These practices allow families to combine their resources and share risks, further enhancing their financial resilience. For example, through communal savings schemes, families can save collectively to support larger expenses or investments, such as purchasing farming equipment or funding educational opportunities for children. This sense of shared responsibility mitigates the impact of economic pressures on individual households, allowing the community to thrive collectively.

The influence of kinship ties in financial decision-making extends beyond immediate family members to include a broader network of relatives and community members. Elders and respected figures within the community often play pivotal roles in guiding financial decisions, drawing on their experiences and knowledge to advise younger generations. This respect for elders reinforces the cultural values of wisdom and experience, ensuring that financial strategies are rooted in collective knowledge and traditions.

In response to external economic pressures, such as the volatility of coffee prices, the social dynamics of Bobonaro encourage adaptive strategies that prioritize collective well-being. Families often collaborate on agricultural activities, sharing labor and resources to improve productivity. This cooperative model enhances the overall efficiency of farming operations, enabling families to better manage the uncertainties of agricultural income. By working together, families can implement innovative practices and share insights on crop management, ultimately fostering a sense of collective empowerment.

The strong kinship ties and communal cooperation in Bobonaro also foster a culture of financial literacy and education. Community members often engage in informal knowledge-sharing sessions where they discuss best practices for managing finances and agricultural production. This communal approach to education not only enhances financial literacy but also builds confidence among individuals to make informed decisions about their economic futures. As families navigate financial challenges together, they develop a shared understanding of the importance of savings, budgeting, and investment, which contributes to the overall economic stability of the community.

❖ **Baucau (including Vemasse and Bahu)**

Cultural and Historical Context

Baucau, as the second-largest city in Timor-Leste, is characterized by a diverse cultural heritage that significantly influences the financial behaviors and practices of its residents. The region's cultural identity is deeply embedded in everyday life, where the values of family and community take precedence. This cultural context shapes various aspects of financial management, particularly through the lens of traditional ceremonies and social gatherings, which often necessitate substantial financial commitments.

In Baucau, cultural practices are integral to social life, with traditional ceremonies marking important milestones such as weddings, funerals, and religious events. These events not only serve as celebrations of life and community but also carry considerable financial implications for families. The necessity to participate in and contribute to such ceremonies can lead to significant financial outlays, influencing how families prioritize their spending and savings. For instance,

families may allocate a portion of their income specifically for cultural obligations, ensuring they are prepared to meet the expectations of their community during these significant events.

The emphasis on family and community in Baucau fosters a sense of shared responsibility, where financial decisions related to cultural practices are often made collectively. Extended families may collaborate to cover the costs associated with major ceremonies, pooling resources to ensure that they can fulfill their social obligations. This cooperative financial approach not only reflects the cultural values of interdependence and solidarity but also helps to mitigate the financial burden that individual families might otherwise face.

Moreover, the frequent occurrence of social gatherings and traditional ceremonies in Baucau promotes a culture of reciprocity, where families feel compelled to participate in one another's events. This reciprocal nature reinforces social bonds but can also create a cycle of financial expenditure. Families may find themselves in a position where they are required to contribute to multiple events within a short timeframe, necessitating careful financial planning and prioritization. As a result, families often develop budgeting strategies that account for these social obligations, balancing their expenditures on cultural practices with other essential needs.

The historical context of Baucau further enriches its cultural tapestry. The region has experienced significant historical events that have shaped its identity, including its resistance during the Indonesian occupation. This shared history fosters a sense of community pride and resilience, influencing how families view their financial responsibilities. The collective memory of overcoming challenges has instilled a spirit of self-reliance within the community, prompting families to adopt practices that ensure they can support not only their individual needs but also contribute meaningfully to cultural ceremonies.

In light of these cultural and historical influences, the financial behaviors of families in Baucau reflect a deep-seated commitment to upholding traditions while navigating contemporary economic realities. The community's cultural practices necessitate a delicate balance between honoring traditions and ensuring financial sustainability. Families are increasingly recognizing the importance of financial literacy and planning, understanding that effective management of resources is essential for fulfilling cultural obligations without compromising their long-term financial stability.

Economic Environment

Baucau, including its subregions of Vemasse and Bahu, exhibits a more diversified economy compared to many rural areas of Timor-Leste. This economic diversity, characterized by contributions from agriculture, small-scale trade, and emerging service industries, plays a crucial role in shaping the financial practices and management strategies of households. However, the region continues to face significant economic challenges, such as underemployment and limited access to formal financial services, which affect how families manage their finances and plan for the future.

The agricultural sector remains a cornerstone of Baucau's economy, providing a primary source of income for many families. Smallholder farmers cultivate various crops, contributing to both subsistence needs and market sales. The diversification within agriculture allows families to rely on multiple crops, which can provide some stability against price fluctuations and seasonal variations. However, the income derived from agriculture is often irregular, requiring families to adopt prudent financial practices to ensure they can meet their needs during lean periods. This necessity for careful budgeting is particularly pronounced in Baucau, where the community relies on agriculture not just for food but also as a means of generating cash flow.

In addition to agriculture, small-scale trade plays an increasingly important role in the local economy. Vendors often engage in informal market activities, selling goods ranging from agricultural produce to household items. This sector provides families with additional income streams and fosters a spirit of entrepreneurship within the community. However, the informal nature of many trading activities means that income can be inconsistent, making it essential for families to prioritize savings and careful resource allocation to manage their finances effectively. The variability of income from these trades necessitates that families remain adaptable and responsive to changing market conditions.

Despite the diversification of Baucau's economy, significant challenges remain, particularly in terms of underemployment. Many individuals possess skills that are underutilized in the local economy, leading to a mismatch between available labor and economic opportunities. This underemployment not only affects household income levels but also limits the community's overall economic growth potential. As families grapple with the reality of underemployment, they may find themselves relying on informal financial arrangements, such as borrowing from relatives

or participating in community savings groups, to navigate periods of financial difficulty. These informal practices underscore the importance of social networks in financial management, as families often turn to their communities for support when faced with economic challenges.

Another critical challenge facing households in Baucau is limited access to formal financial services. While the economy has diversified, many residents still lack access to banks or credit institutions, constraining their ability to save, invest, or obtain loans. This lack of access hinders families from capitalizing on opportunities that could enhance their financial stability and growth. In response, many households have developed alternative strategies for financial management, relying on informal savings mechanisms or community-based lending practices. While these methods provide some relief, they often come with risks, such as higher interest rates or insufficient funds during emergencies.

The economic environment in Baucau thus creates a complex landscape for financial management. Households must navigate the challenges of underemployment and limited access to formal financial services while leveraging the opportunities presented by a more diversified economy. Families tend to prioritize saving and budgeting, recognizing that financial resilience is essential in an environment characterized by uncertainty. The importance of community ties becomes evident, as families frequently rely on each other for support, information, and resources to enhance their financial stability.

Social Dynamics

The social dynamics in Baucau, encompassing its urban center and surrounding areas such as Vemasse and Bahu, are characterized by a delicate interplay between traditional practices and the influences of modernity. This duality shapes the community's financial behaviors, as family and community expectations play a significant role in determining how individuals manage their resources.

In Baucau, traditional values remain strong, with familial bonds and communal ties deeply embedded in the social fabric. Decisions related to finances are often made within the context of extended family units, reflecting a collective approach to resource management. The emphasis on meeting social obligations-such as contributions to community events, religious ceremonies, and family gatherings-highlights the cultural importance placed on collective identity and support.

Families feel a strong sense of responsibility to contribute to communal and cultural events, which often require significant financial resources. This expectation can create tension for households trying to balance these obligations with their economic aspirations.

As Baucau experiences the influences of modernity, particularly in urban areas, residents are also exposed to new ideas about economic improvement and financial independence. This shift is evident in the increasing entrepreneurial spirit among community members, who seek to engage in small-scale businesses and informal trading. The rise of small enterprises reflects a growing desire for economic advancement, as families strive to enhance their financial stability and improve their quality of life. However, this pursuit of economic improvement does not diminish the importance of traditional values; rather, it often integrates with them. Many individuals find ways to harmonize their modern aspirations with the expectations of their families and communities.

In navigating this complex social landscape, families in Baucau often prioritize savings and investments that align with both personal goals and communal expectations. For instance, while striving to save for individual aspirations such as education or home improvements, families may also set aside funds for community-related expenses or cultural events. This dual focus necessitates careful budgeting and financial planning, as families work to satisfy both social obligations and economic aspirations.

The role of elders and community leaders in financial decision-making is also significant in Baucau. These figures often serve as advisors and mediators, guiding families on how to balance their individual financial goals with broader community needs. The respect afforded to traditional authority figures reinforces the importance of community cohesion and collective responsibility in financial practices. Elders may impart wisdom regarding financial management, helping younger generations navigate the challenges of modern financial landscapes while remaining anchored in traditional values.

Additionally, the social dynamics of Baucau emphasize the importance of reciprocity and support networks. Families often rely on each other for financial assistance during difficult times, which reinforces communal bonds and provides a safety net for those in need. This reliance on community support can mitigate some of the financial pressures families face, allowing them to prioritize their obligations without sacrificing their aspirations for economic improvement.

❖ Dili

Cultural and Historical Context

Dili, as the capital city of Timor-Leste, stands as a vibrant hub that embodies a unique cultural and historical context shaped by its status as the most urbanized and cosmopolitan area in the country. The interplay of traditional Timorese practices with modern influences creates a dynamic cultural landscape where diverse values and practices coexist. This environment not only enriches the community's cultural identity but also significantly impacts the financial behaviors and management strategies of its residents.

One of the defining characteristics of Dili is its diversity. The city has become a melting pot of cultures, driven by the influx of international communities, non-governmental organizations (NGOs), and government institutions. This exposure to global ideas and practices has introduced new concepts of economic behavior and financial management. While traditional cultural practices remain integral to the identity of the Timorese people, the influence of modernity is evident, leading to a noticeable shift toward individualism in financial management.

In contrast to rural areas where communal values and collective decision-making often dominate, Dili's urban environment encourages a more individualistic approach to finances. This shift is characterized by a growing emphasis on personal responsibility, self-sufficiency, and financial independence. Individuals in Dili increasingly view their financial management as a personal endeavor rather than a communal one, reflecting broader societal changes. This transition can be attributed to various factors, including increased access to education, exposure to global economic trends, and the availability of diverse financial services.

As the capital, Dili also serves as a center for economic opportunities, drawing individuals seeking employment and entrepreneurial ventures. The presence of NGOs and international organizations has contributed to job creation and skills development, fostering a culture of innovation and entrepreneurship. Many residents are now exploring new avenues for income generation, such as small businesses or service-oriented jobs, further solidifying the trend toward individual financial management.

However, this shift towards individualism does not negate the importance of traditional values. While urban dwellers may prioritize personal financial goals, they often still hold strong ties to their cultural heritage. Family and community expectations continue to play a role in financial decisions, as individuals navigate their aspirations within the context of their responsibilities to their families and communities. For example, despite a growing focus on personal wealth accumulation, many individuals in Dili contribute to family obligations, cultural events, and social gatherings, balancing their financial aspirations with their cultural commitments.

Moreover, the influence of modern financial tools and resources in Dili cannot be overstated. Access to banking services, mobile money platforms, and financial education programs has empowered individuals to take control of their financial lives. This accessibility encourages residents to engage in savings, investments, and other financial activities that promote personal and economic growth. The ability to manage finances independently allows individuals to make informed decisions and pursue opportunities that align with their personal goals.

However, the transition to individualistic financial practices also presents challenges. As individuals become more focused on personal financial goals, there may be a risk of neglecting communal responsibilities and support systems. This shift could lead to an erosion of the collective safety nets that have historically characterized Timorese culture. As residents of Dili continue to navigate this balance, it is crucial to foster a culture that values both individual initiative and communal support.

Economic Environment

Dili, as the capital city of Timor-Leste, presents a distinct economic environment that is more developed and diversified compared to other regions in the country. This urban setting offers greater access to formal employment, financial institutions, and modern banking services, significantly influencing how families manage their finances. The economic landscape of Dili not only provides a broader array of income-generating opportunities but also shapes the financial behaviors and strategies of its residents.

One of the most significant aspects of Dili's economic environment is the access to formal employment. Unlike rural areas where subsistence farming dominates, Dili's economy encompasses various sectors, including services, trade, and industry. The presence of international

organizations, NGOs, and governmental agencies has created a range of job opportunities, attracting individuals seeking stable employment. This shift towards formal employment allows families to secure regular incomes, which are crucial for effective financial management. The predictability of a salary fosters a more structured approach to budgeting, savings, and investment, enabling families to plan for both short-term needs and long-term goals.

Moreover, Dili's greater access to financial institutions plays a pivotal role in shaping the financial behaviors of its residents. The availability of banks, credit unions, and microfinance institutions provides families with essential financial services that were previously limited or inaccessible in more rural areas. This access encourages individuals to engage in formal savings, take out loans for business ventures or education, and utilize various financial products to manage their resources effectively. As families gain exposure to modern banking services, they often become more financially literate, leading to improved financial decision-making.

The ability to access credit is another crucial factor influencing financial management in Dili. With more avenues for obtaining loans, families can invest in businesses, education, or property, thereby increasing their potential for income generation. This access to credit empowers families to pursue entrepreneurial endeavors and take calculated risks that can lead to economic advancement. However, it is essential for residents to navigate this new landscape carefully, as the increased reliance on credit also poses the risk of over-indebtedness if not managed prudently. The balance between leveraging credit for growth and maintaining financial stability is a critical aspect of financial management in Dili.

In addition to these opportunities, the economic environment in Dili also presents challenges. While access to financial institutions and employment is more widespread, disparities still exist, particularly for marginalized groups. Many individuals, especially women and those in informal sectors, may face barriers to accessing credit or stable employment opportunities. Addressing these disparities is vital for ensuring that the benefits of Dili's economic growth are equitably distributed among its residents.

Furthermore, the influence of urbanization on spending habits cannot be overlooked. As Dili develops, residents are increasingly exposed to consumer culture and modern lifestyles, which can impact their financial priorities. The availability of goods and services can lead to changes in spending patterns, with families potentially prioritizing consumption over savings. This shift

necessitates a careful balancing act, as individuals must manage their desire for immediate gratification against the need for long-term financial security.

Social Dynamics

Dili's social dynamics reflect a complex interplay between individualism and traditional values, shaped by its urban environment. In contrast to more rural regions of Timor-Leste, where communal decision-making and extended family networks significantly influence financial behaviors, Dili's residents often operate within a more individualistic framework. This shift impacts how families approach financial management, highlighting both modern practices and the persistence of traditional values in their financial decision-making.

The move toward individualism in Dili is evident in the way nuclear families now make financial decisions independently. This trend can be attributed to various factors, including increased access to education and formal employment opportunities, which empower individuals to take charge of their financial lives. With both spouses often working and earning income, families in Dili are more likely to establish their own financial priorities, set budgets, and allocate resources based on personal goals and aspirations. This independence in financial decision-making fosters a sense of responsibility and self-sufficiency, allowing families to tailor their financial strategies to their unique circumstances.

However, despite this individualistic shift, traditional values continue to play an important role in financial decision-making, especially concerning significant life events. Major occasions such as weddings, funerals, and cultural ceremonies often require substantial financial outlays, and families may still turn to their extended networks for guidance and support. In these instances, decisions about expenditures are typically influenced by cultural expectations and social obligations, which can override individual financial priorities. This blend of modern and traditional influences creates a dynamic landscape where families must navigate their financial decisions within the context of cultural norms and community expectations.

The urban environment of Dili also encourages modern financial practices that are less common in rural areas. As residents gain access to banking services, investment opportunities, and financial literacy programs, they increasingly adopt practices such as saving in formal banks, seeking credit for business ventures, and investing in education or property. This transition towards

a more sophisticated understanding of finance equips individuals with the tools necessary to enhance their economic standing. The influence of modernity, driven by exposure to global economic trends and practices, has resulted in a shift towards financial behaviors that prioritize growth and opportunity.

Nevertheless, the persistence of traditional practices remains significant in certain contexts. While individual families may prioritize modern financial strategies, they also adhere to cultural rituals and social obligations that require financial contributions. For instance, during significant life events, families often participate in communal gatherings where contributions are expected, reinforcing the role of tradition in financial practices. This duality illustrates the nuanced relationship between modernity and tradition in Dili, where individuals balance their desire for personal financial autonomy with their responsibilities to their cultural heritage.

Moreover, the social dynamics in Dili can also lead to tensions as individuals navigate the competing influences of individualism and tradition. For example, younger generations may feel the pull of modern financial practices and aspirations for personal financial growth, while also facing pressure to conform to traditional expectations surrounding communal support and participation in cultural rituals. This tension can create conflicts within families and communities as they negotiate the balance between embracing modern financial strategies and honoring traditional values.

3.1.2. Urban vs. Rural Dynamics

The distinction between urban and rural areas in Timor-Leste is key to understanding how families manage their income and expenses. In urban areas like Dili and Baucau, access to financial institutions, better education, and exposure to modern financial practices significantly shape financial behavior. Families in cities have more opportunities to save, invest, and plan for the future due to access to banks, microfinance institutions, and digital financial services.

In contrast, rural areas such as Oecusse, Bobonaro, and Lautem face limited access to formal financial services, which leads families to rely on informal savings mechanisms and traditional financial management practices. This urban-rural divide also reflects differences in lifestyle, as urban families often have more regular income streams from diverse sectors like government,

business, and international organizations, while rural households may depend on agriculture and subsistence farming.

It's important to approach these distinctions with care, as discussions about urban and rural ways of living can easily be taken out of context. Rather than implying a hierarchical difference between lifestyles, the focus should remain on understanding how different environments influence financial behaviors and decision-making processes.

- **Access to Financial Institutions:**

1. *Urban Areas*

Access to financial institutions in urban areas like Dili and Baucau significantly shapes the financial behaviors of families compared to rural regions in Timor-Leste, where financial services are limited. In Dili, families benefit from a wide range of financial products offered by banks and microfinance institutions, which support savings, loans, and investments. This access enables families to plan financially, save for education, and start businesses. Additionally, the rise of digital banking and mobile money services in Dili enhances financial inclusion, allowing for more convenient and modern financial management practices.

In Baucau, while the financial infrastructure is less developed than in Dili, access to local banks and microfinance institutions still supports economic activities like trade and small enterprises. These institutions help families manage cash flow and obtain credit for agriculture and business expansion. The growing use of digital banking services in Baucau reflects a shift towards more structured financial planning, similar to Dili.

However, while access to financial institutions brings benefits, challenges such as financial literacy, the cost of banking services, and the risk of over-indebtedness persist. Additionally, families in Dili and Baucau derive income from diverse sources, including government jobs, the private sector, international organizations, pensions, and government subsidies. This variety of income streams reinforces the need for comprehensive financial education to help families navigate formal financial systems effectively and make sound decisions that promote long-term economic stability.

2. *Rural Areas*

In rural regions such as Oecusse, Bobonaro, and Lautem, limited access to formal financial institutions significantly impacts families' financial management practices. Unlike urban areas like Dili and Baucau, where formal banking and financial services are more readily available, families in these rural areas often rely on informal savings mechanisms like arisan (community savings groups) and cash storage at home. These practices, while crucial for managing day-to-day needs, reflect the absence of formal credit options that could enable long-term investments in income-generating activities.

In Oecusse, geographic isolation exacerbates these challenges, as families primarily depend on traditional savings practices without access to loans or formal banking. Similarly, in Bobonaro, where agricultural income from coffee production dominates, families adopt conservative financial behaviors due to the unstable nature of the coffee market. The lack of formal financial services limits their ability to invest in better agricultural practices or diversify income sources, further entrenching economic vulnerability.

In Lautem, the reliance on agriculture and fishing creates irregular income patterns, forcing families to use community savings groups to manage finances and prepare for lean periods. This lack of access to formal credit and savings opportunities stifles economic development, as families cannot invest in education, improve their skills, or start businesses.

Furthermore, it is important to consider the diverse sources of income in these areas, such as government jobs, private sector employment, international organizations, pensions, and government subsidies. However, without formal financial services, families are unable to leverage these income sources to achieve financial security and growth, perpetuating cycles of poverty and limiting economic mobility.

- **Educational Influences:**

1. *Urban Areas*

In urban areas like Dili and Baucau, the relationship between education and financial management practices is significantly pronounced. Higher levels of education within these

communities influence financial literacy, shaping the understanding and utilization of various financial products and practices.

In Dili, as the capital and most cosmopolitan city in Timor-Leste, educational opportunities are more accessible and diverse. The presence of universities, vocational training centers, and non-governmental organizations contributes to a well-educated population that is increasingly aware of financial management principles. This educational backdrop enhances residents' ability to comprehend complex financial products such as insurance, loans, and investment options. As urban families become more financially literate, they are better equipped to engage with modern financial practices, allowing them to take advantage of services that may have previously been overlooked.

Moreover, the cultural shift towards individualism in Dili encourages urban residents to adopt proactive financial behaviors. With education fostering a mindset geared toward self-sufficiency and long-term planning, individuals are more likely to prioritize savings and investment strategies that support their financial goals. This proactive approach enables families to establish emergency funds, plan for children's education, and invest in their future, thereby improving their overall economic stability.

In Baucau, while educational opportunities may not be as extensive as in Dili, the presence of educational institutions and initiatives has contributed to an increase in financial literacy. Families in Baucau are increasingly recognizing the importance of understanding financial products and services, leading to greater engagement with savings accounts, microfinance institutions, and other financial resources. The educational influence in this region has also instilled a cultural emphasis on responsible financial planning and savings behaviors, prompting families to consider their long-term financial security.

Despite these advancements, Baucau still faces challenges related to educational access and quality, which can impact financial literacy levels. While urban residents are generally more aware of financial opportunities, disparities in educational attainment can lead to uneven adoption of modern financial practices. Families with lower levels of education may struggle to navigate the complexities of financial products, potentially missing out on opportunities for savings and investment.

The influence of education extends beyond financial literacy; it also shapes attitudes towards savings and financial planning. Urban residents in both Dili and Baucau tend to adopt a forward-looking perspective, recognizing the importance of setting long-term financial goals. This shift in mindset contrasts sharply with rural areas, where limited access to education may contribute to a more reactive approach to financial management. In urban settings, the emphasis on education encourages individuals to seek out financial resources and planning tools, thereby fostering a culture of savings and investment.

2. *Rural Areas*

In rural regions such as Oecusse, Bobonaro, and Lautem, the intersection of education and financial literacy significantly shapes the financial management practices of families. Lower levels of education in these areas often correlate with limited financial literacy, influencing how families approach their economic well-being. The reliance on traditional knowledge and community-based practices highlights the unique dynamics of financial management in these rural contexts.

In Oecusse, Bobonaro, and Lautem, financial management is heavily influenced by traditional knowledge passed down through generations. Families often prioritize immediate needs over long-term financial planning, reflecting a focus on survival and sustenance rather than growth or investment. This approach is deeply rooted in the agrarian lifestyle predominant in these areas, where income is frequently unstable and dependent on seasonal agricultural outputs. Families engage in practices such as subsistence farming and small-scale fishing, and in the case of Lautem, small-scale tourism activity demand immediate financial responses to daily challenges.

As a result, the concept of savings can often take a back seat to fulfilling pressing needs, such as food security and education for children. The cultural context encourages a communal approach to financial management, where resources are pooled to address collective needs. This system works effectively within tight-knit communities, providing a safety net during periods of scarcity. However, it can also perpetuate cycles of poverty, as families may struggle to set aside funds for future investments or emergencies.

Another critical aspect of financial management in these rural regions is the limited awareness and trust in formal financial institutions. Families in Oecusse, Bobonaro, and Lautem may be less familiar with the operations of banks, microfinance institutions, and other formal services. The lack of education can lead to skepticism about the benefits and safety of using these

institutions, resulting in a reliance on familiar, community-based financial practices. Traditional savings groups, such as arisan (informal savings groups), often serve as the primary means of financial management.

This reliance on informal mechanisms can hinder economic growth. Without access to credit or financial services, families may miss opportunities to invest in income-generating activities, such as purchasing livestock or expanding agricultural operations. The inability to access loans or savings accounts limits their capacity to manage unexpected expenses or invest in their children's education, perpetuating a cycle of financial insecurity.

The focus on immediate needs in these rural areas further contributes to a short-term approach to financial management. Families may prioritize daily survival over long-term financial goals, which is particularly evident in their spending habits. Without the tools or knowledge to engage in effective financial planning, many families find themselves in a continuous cycle of reacting to economic challenges rather than proactively seeking solutions.

In contrast to urban areas where education fosters a culture of long-term planning and investment, the emphasis on short-term needs in Oecusse, Bobonaro, and Lautem can hinder overall financial growth. Families often miss opportunities for savings, investments, and economic diversification that could provide them with greater financial stability and resilience against economic shocks.

- **Exposure to Modern Financial Practices:**

1. *Urban Areas*

The urban centers of Dili and Baucau represent contrasting landscapes in Timor-Leste, particularly regarding their engagement with modern financial practices. The presence of financial institutions, NGOs, and educational programs in these areas facilitates a greater understanding and application of contemporary financial concepts among residents. This discussion explores how urban living in Dili and Baucau influences financial behaviors, promoting wealth accumulation and financial security.

In Dili, the capital and most urbanized city, residents enjoy relatively easier access to various financial institutions, including banks and microfinance organizations. This access

encourages urban families to explore diverse financial products and services such as savings accounts, loans, and investment opportunities. The variety of options allows families to tailor their financial strategies to their specific needs, promoting a culture of savings and investment.

Baucau, while not as urbanized as Dili, still benefits from the presence of some financial institutions. This access, though more limited, allows residents to engage in modern financial practices that can enhance their economic well-being. The gradual introduction of financial services, alongside microfinance initiatives, is helping families develop skills in budgeting and money management, crucial for financial stability.

The role of NGOs and educational programs in promoting financial literacy cannot be overstated. In both Dili and Baucau, these organizations provide essential training on budgeting, investing, and financial planning. Residents exposed to such programs are more likely to adopt modern financial practices, leading to better financial decision-making. Increased financial literacy empowers individuals and families to manage their resources effectively, encouraging them to make informed choices that can improve their financial security.

The emphasis on financial education helps bridge the gap between traditional and modern financial practices. Urban residents who participate in these programs tend to embrace concepts like long-term financial planning and investment, which are often less emphasized in rural areas. This shift is significant, as it promotes a more proactive approach to financial management, allowing families to navigate economic challenges with greater resilience.

In urban areas, particularly Dili, residents are more likely to engage in budgeting—a practice that promotes financial discipline and awareness of their income sources and limitations and spending habits. Budgeting allows families to allocate resources efficiently, ensuring that essential expenses are met while also setting aside funds for savings and investments. This practice cultivates a mindset geared toward financial planning, enhancing individuals' abilities to prepare for future expenses and emergencies.

Investment practices are also more prevalent in urban settings. Exposure to various investment opportunities enables residents to consider options such as stocks, real estate, or small business ventures. This trend towards investment reflects a growing understanding of wealth accumulation and financial growth, distinguishing urban financial behaviors from those observed in rural areas, where immediate needs often take precedence over long-term planning.

The cumulative effects of access to financial institutions, educational programs, and modern financial practices contribute significantly to the financial security of urban residents in Dili and Baucau. Families who engage in these practices are better equipped to manage financial risks, respond to economic fluctuations, and build wealth over time. By prioritizing budgeting and investment, urban families can work toward achieving long-term financial goals, ultimately improving their overall quality of life.

In summary, the urban areas of Dili and Baucau offer a fertile ground for the exposure and adoption of modern financial practices. The presence of financial institutions, coupled with educational initiatives that promote financial literacy, fosters an environment where residents can engage in budgeting, investing, and other wealth-building activities. This shift toward modern financial management not only enhances individual and family financial security but also contributes to the broader economic development of Timor-Leste. As urban residents continue to embrace these practices, they pave the way for a more financially informed and resilient society.

2. *Rural Areas*

Rural areas such as Oecusse, Bobonaro, and Lautem in Timor-Leste exhibit distinct financial behaviors shaped by their geographic, cultural, and economic contexts. These regions generally display less exposure to modern financial practices compared to urban counterparts, relying instead on traditional methods like barter systems and communal resource sharing. This reliance has significant implications for how rural families perceive and manage their income and expenses, often prioritizing collective welfare over individual financial growth.

In rural settings, traditional financial practices play a vital role in the daily lives of families. Barter systems, where goods and services are exchanged directly without the use of money, remain common, particularly in Oecusse and Bobonaro. This practice reflects a strong community orientation, where families leverage their resources to meet immediate needs. For instance, a family might trade surplus agricultural produce for essential goods or services, fostering a sense of interdependence within the community. Such systems, while effective in promoting local cohesion, limit exposure to broader economic principles and modern financial practices.

In addition to barter, communal resource sharing is prevalent in these rural areas. Families often come together to pool resources for significant community events or to support one another during times of need, such as illness or crop failure. This collective approach to financial

management emphasizes the importance of social bonds and shared responsibilities, where decisions regarding income and expenses are made collectively rather than individually. As a result, the focus is often on meeting community obligations and ensuring the well-being of the group, which can inadvertently stifle individual financial aspirations and investments.

The limited exposure to modern financial practices influences how rural families perceive money and manage their finances. With traditional methods dominating financial interactions, there may be a lack of awareness regarding formal financial products and services available in urban areas, such as savings accounts, loans, and investment opportunities. Consequently, rural residents may harbor skepticism toward formal financial institutions, preferring to rely on familiar, community-based practices that have been passed down through generations.

This lack of exposure also affects the attitudes towards savings and financial planning. In rural contexts, financial management often revolves around short-term needs, driven by the seasonal nature of agricultural production. Families prioritize immediate survival over long-term financial goals, leading to conservative spending habits. Without the incentives and structures provided by modern financial institutions, rural households may miss opportunities for economic growth and resilience that could arise from diversified financial strategies.

The prioritization of collective welfare over individual financial growth in rural areas has both advantages and disadvantages. On one hand, communal resource-sharing fosters a strong sense of solidarity and mutual support, which can be crucial during difficult times. For instance, during harvest seasons, families might collectively work on each other's farms, ensuring that all members benefit from the labor. This strong social network can provide a safety net that protects families from economic shocks.

On the other hand, this emphasis on collective welfare can hinder personal financial development. With financial decisions made collectively, individual aspirations for financial independence or investment may take a backseat. Rural residents may find it challenging to pursue personal projects or savings goals that deviate from communal interests. As a result, this collective approach can perpetuate cycles of poverty, as families may not accumulate the wealth needed to improve their living conditions or invest in future opportunities.

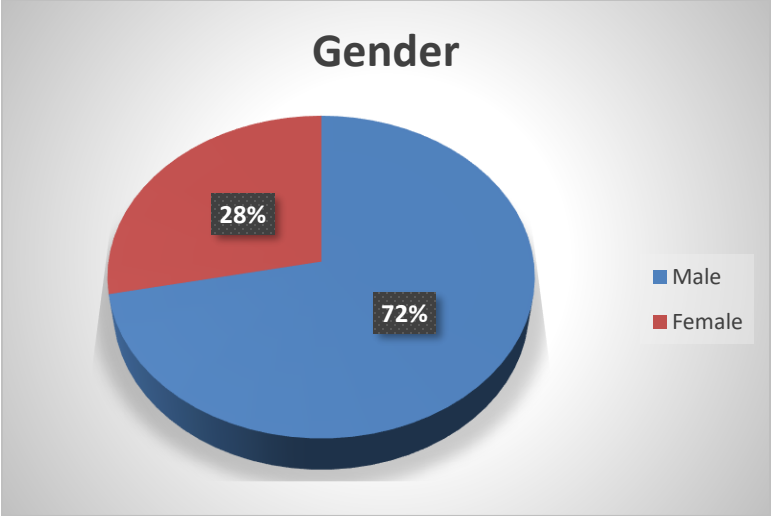
In conclusion, the financial practices observed in rural areas of Oecusse, Bobonaro, and Lautem highlight a complex interplay between traditional methods and contemporary economic

realities. While communal resource-sharing and barter systems foster social cohesion, they also limit exposure to modern financial practices, shaping how families perceive and manage their finances. The prioritization of collective welfare often comes at the expense of individual financial growth, presenting both challenges and opportunities for economic development in these regions. As Timor-Leste continues to evolve, finding a balance between preserving valuable traditional practices and embracing modern financial strategies will be essential for enhancing the economic resilience and well-being of rural communities.

3.2. Demographic Profile of Key Informants

In the study on "Cultural Influences on Family Income and Expense Management in Timor-Leste," respondents were selected from urban and rural areas across Oecusse, Lautem, Baucau, Bobonaro, and Dili. The demographic profile of these key informants includes individuals holding diverse roles in their respective communities, such as Xefe Suco (village chiefs), representatives for men and women, traditional leaders (Lia Nain), and heads of families. These profiles provide insights into the cultural diversity and family structures across different municipalities, reflecting both traditional and modern influences on financial behavior.

Figure 1. 6 Gender

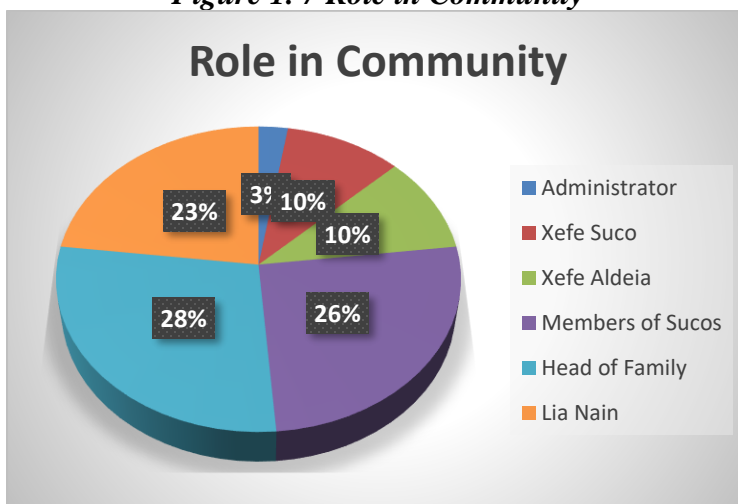


Source: Primary data that process by Authors (2024)

From the data above shows that the key informants for our research is dominant by men 28 (72%) participated in the study compared to women 11 (28%). This suggests a gender imbalance in participation, with males representing a larger proportion of respondents. This could be reflective of traditional cultural

norms in Timor-Leste, where men may be more involved in discussions related to family income and expense management, or they may be more accessible or willing to participate in interviews and surveys.

Figure 1. 7 Role in Community



Source: Primary data that process by Authors (2024)

The diverse range of community roles represented in the study provides a comprehensive understanding of how cultural influences shape financial decisions making. With participation from 4 *Xefe Suco* (10%), 4 *Xefe Aldeia* (10%), and 9 *Lia Nain* (23%), the research includes key traditional and administrative leaders who significantly impact community decision-making, particularly regarding cultural and economic matters. These leaders, as noted by Marselina et al. (2023), embody the cultural values and practices that influence financial behavior. Their perspectives are crucial for understanding the intersection of culture and financial management, reflecting how cultural norms and traditions, such as dowry arrangements and inheritance practices, shape financial priorities and obligations.

The study also includes 11 heads of families (28%), who provide insights into the practical application of financial management at the household level. As primary decision-makers, these individuals balance income and expenses while navigating cultural expectations. Their involvement highlights how cultural norms, such as gender roles and community responsibilities, affect daily financial practices. This aligns with Panginja's (2020) view that culture is a collective consciousness expressed through shared values and traditions, influencing behaviors within a community.

Additionally, the 10 members of sucos (26%) offer broader community-level input, reflecting general financial behaviors and norms that may differ from the structured perspectives of leaders or heads of families. This diversity ensures a holistic view of how cultural influences shape financial decisions making across different roles in the community, capturing both leadership perspectives and everyday experiences. As Ramadhan et al. (2023) suggest, culture functions as a self-sustaining system, embodying a community's collective heritage and influencing financial behaviors in both urban and rural contexts. By integrating various community roles, the study provides a nuanced analysis of how cultural values and practices impact financial decision-making at multiple levels.

3.2.1. Research Results on Cultural Influences on Family Income in Oecusse, Lautem, Baucau, Bobonaro, and Dili.

The research findings underscore the complex and sometimes detrimental impact of cultural influences on family income management in Oecusse, Lautem, Baucau, Bobonaro, and Dili. While cultural identity, historical contexts, and social dynamics are fundamental in shaping families' financial behaviors, there are significant challenges associated with traditional practices that can negatively affect financial stability.

In Oecusse, for example, the strong reliance on communal financial practices such as arisan (savings groups) and collective decision-making, while beneficial for fostering social bonds, can limit individual financial growth. Families often prioritize communal expenditures over personal savings, which can lead to inadequate financial reserves for unforeseen expenses. This cultural inclination towards communal welfare may result in families experiencing financial strain, especially during periods of economic hardship when individual financial resilience is crucial. This findings support by **Delfino Sole**, a Xefe Suco from Lifau, *emphasized that most families in his community prioritize savings for cultural ceremonies over daily household expenses. The practice of contributing to community events, particularly weddings and funerals, takes precedence, reflecting the communal nature of rural Timorese society. The importance of these cultural events often leads families to pool resources, sometimes borrowing from relatives or neighbors to meet financial obligations.* **Veronica Nono**, a women's representative, added that *women often play a significant role in managing household expenses, particularly in ensuring that basic needs such as food and education are met, even when income is limited.*

Similarly, in Lautem, the cultural emphasis on significant life events, such as weddings and funerals, often imposes substantial financial burdens on families. The expectation to allocate considerable resources for these rituals can lead to debt accumulation and financial stress, as families prioritize fulfilling social obligations over long-term financial planning. This cultural pressure can hinder families' ability to save effectively or invest in opportunities that would enhance their financial security. In areas like **Laivai and Lore**, traditional leaders such as **Mario Tavares and Napoleão Ximenes** underscore the *substantial financial burden of **barlake** (bride price)*. *This practice, which In Timor, marriage is seen as a contract between families, forming an "alliance between two families" negotiated by the uncles of the bride and groom (Pereira, 2020). Central to this alliance is the exchange of valuable gifts, known as **barlake**, which must carry equal cultural symbolism. However, items from the bride's family are viewed as symbolically superior, as her lineage is considered the sacred source of life. The **barlake** given to the bride's family shows respect, enhances the bride's value and status, and failing to provide it is seen as disrespectful to her parents. These exchanges typically occur gradually through ceremonies over the course of the marriage, giving the bride's family some influence over her treatment and that of her children. The obligations also extend to rituals throughout life, including funeral rites (Niner, 2012). Timorese customs emphasize that **barlake** is not disrespectful to the bride, nor does it restrict her freedom to choose a partner; instead, it honors and elevates her social standing (Silva, 2019).* In contrast, in rural yet increasingly urbanized areas such as Natura/Kuluhun, family head **Amena da Costa** observes a trend toward adopting modern financial strategies. *Although cultural traditions remain important, families are increasingly implementing formal financial management tools like savings accounts. This shift reflects an adaptation to the rising cost of living, as families seek to balance traditional practices with the need for effective financial planning. This evolving approach demonstrates how rural communities are integrating modern financial practices while still valuing their cultural heritage.*

Baucau presents a dual narrative where traditional practices coexist with modern financial opportunities. While families may engage in modern financial practices, the prevailing cultural expectations still encourage significant contributions to community events, often at the expense of personal financial goals. This tension between maintaining cultural traditions and pursuing individual financial well-being can create a challenging environment for effective financial

management. In **Baucau**, informants such as **Pedro da Costa**, a Lia Nain, *highlighted the growing tension between traditional and modern financial practices. Rural families, particularly those in Vemasse and Bahu, continue to prioritize cultural spending over long-term financial planning.* However, younger generations, as represented by **Deonísio Tomás**, a youth leader, *are advocating for a shift towards more sustainable financial management, particularly in reducing the emphasis on cultural ceremonies. The younger population is more focused on education and livelihood sustainability, leading to a gradual change in financial behavior. This generational shift indicates a potential transformation in how family income and expenses are managed in the future, with younger individuals placing greater value on savings and investments over cultural obligations.*

In Bobonaro, the historical context of resistance during the Indonesian occupation shapes a culture of self-reliance and communal support. However, this emphasis on collective welfare may also hinder families' willingness to seek formal financial assistance or explore diverse income-generating opportunities. Families often rely on subsistence farming and informal labor, which can lead to irregular income streams and difficulty managing expenses, particularly during culturally significant events that demand substantial financial contributions. In **Bobonaro**, the research revealed that financial challenges are exacerbated by the rural nature of the community and the limited economic opportunities available. **Manuel Magrasia Dasi**, a Xefe Suco from **Lahomea**, stated that *the scarcity of formal employment forces families to rely on subsistence farming and informal labor for income. This irregular income stream makes it difficult for families to manage their expenses, especially during cultural events that require significant financial contributions.* Additionally, **Joaninha Francisca**, a housewife from **Bunak**, shared that *women in her community often engage in small-scale trading or handicraft production to supplement the family income. However, the revenue generated from these activities is usually insufficient to cover both household expenses and cultural obligations, leading families to take on debt.*

Dili, as the capital city, showcases the gradual shift towards modern financial practices, yet traditional values continue to exert influence. Urban families may adopt budgeting and formal banking practices, but the expectation to participate in cultural events often leads to a disproportionate allocation of financial resources. This can create a cycle where families focus on immediate cultural obligations rather than long-term financial stability. In **Dili**, urbanization has had a profound impact on family income and expense management. As noted by **João da**

Conceição, a **Lia Nain** from **Manleuana**, families in urban areas are *increasingly adopting modern financial practices, such as budgeting and formal banking. The proximity to financial institutions and greater access to education has led to a more structured approach to managing family finances. Urban families are more likely to save for future expenses, including education and healthcare, rather than solely focusing on cultural events. This shift indicates a gradual change in the financial priorities of urban families, who are navigating the balance between maintaining cultural traditions and adapting to the demands of a modern economy.*

The negative impacts of these cultural influences highlight the need for a more nuanced understanding of family income management in Timor-Leste. While traditional practices remain vital in fostering community bonds and social cohesion, they can also constrain families' financial resilience and adaptability. As families navigate the complexities of financial management, it is crucial to recognize the potential barriers posed by cultural expectations.

Understanding these cultural dimensions is essential for developing targeted financial education programs and support systems that respect and build upon existing cultural frameworks in Timor-Leste. Policymakers and development practitioners must acknowledge the complexities of cultural influences on financial behaviors to create effective strategies that empower families. By fostering financial literacy and promoting modern financial opportunities, families can achieve greater financial stability and security, ultimately mitigating the negative impacts of cultural practices on their income management.

These findings align with broader concepts of family income and its impact on financial management. Family income, as defined by Investopedia and The Balance, encompasses the combined income from various sources, including wages, investments, and transfers. This comprehensive view of household financial resources is crucial for understanding how families manage expenses and save for the future. Research shows that low family income can affect various life outcomes, including educational attainment and economic stability (Gregg & Machin, 2000; Mayer, 1997). Factors such as education, employment, and family structure play a significant role in shaping income levels and financial stability (Becker, 1993; Waite & Gallagher, 2000). Understanding these dynamics helps in assessing how traditional practices and modern financial strategies influence family financial management across different regions.

3.2.2. Research Results on Cultural Influences on Family Expense in Oecusse, Lautem, Baucau, Bobonaro, and Dili.

The findings presented from the key informant interviews across Oecusse, Lautem, Baucau, Bobonaro, and Dili reveal a nuanced relationship between cultural practices and household financial behavior. These traditional cultural obligations are deeply embedded in the social fabric of these regions, although they often place significant strain on family budgets. This analysis explores the underlying factors that contribute to the negative financial impacts and considers broader implications for financial stability and socio-economic development.

a) Oecusse: The Burden of Dowry/brideprice (Barlake) and Ceremonial Obligations

In Oecusse, the tradition of paying dowries, known as barlake, is a deeply ingrained cultural practice that exerts a significant influence on household finances. Barlake involves the exchange of large sums of money, livestock, and material goods between families during marriage ceremonies. This practice is not purely transactional but is closely tied to social status, family honor, and community recognition, making it a critical cultural obligation. Despite its cultural significance, the financial burden of barlake can be immense, often diverting funds away from essential household needs such as education, healthcare, and long-term investments. For families with limited resources, the pressure to meet these ceremonial expenses can outweigh more immediate financial priorities, leading to long-term economic strain.

Interestingly, in Oecusse, the cost of barlake tends to be more reasonable compared to other municipalities in Timor-Leste, providing some relief to families in this region. Despite this relative affordability, the financial impact of barlake remains significant, as even a "reasonable" bride price can force families to save for years or borrow money to meet their obligations. This cycle of saving, borrowing, and repaying debt keeps many households in a state of financial instability. The pressure to fulfill cultural obligations, such as weddings and other important life events, often takes precedence over practical financial considerations, pushing families deeper into poverty.

The financial strain associated with barlake reflects a broader tension between cultural expectations and economic realities. The continual need to meet these ceremonial demands limits a family's ability to allocate resources toward savings, education, or investments. This cycle of financial stress not only affects current household stability but also has long-term implications for

intergenerational poverty. A 2021 study on household finances in Timor-Leste found that families engaged in traditional practices like *barlake* were more likely to experience prolonged financial hardship, leaving less capital available for education or business opportunities. As a result, future generations are also affected, with fewer chances to break the cycle of poverty, ultimately limiting household resilience and economic advancement.

In summary, while *barlake* in Oecusse may be more affordable compared to other regions, it still places considerable financial pressure on families. This ongoing tension between cultural expectations and financial stability has significant implications for both current and future economic well-being in the region.

b) Lautem: Sacred House Rituals and Social Pressure

In Lautem, the cultural practice of maintaining the sacred house (*uma lulik*) and participating in frequent community rituals underscores the community's deep connection to ancestral traditions. The *uma lulik* serves as a symbolic center for familial and communal identity, which is also reflected in the calculation of the brideprice concept and its upkeep, along with the associated rituals, demands substantial financial contributions from families. These rituals, which honor ancestors and reinforce social bonds, require not only monetary donations but also contributions of livestock, crops, or other resources. For many households, especially those in low-income brackets, the financial expectations tied to these ceremonies are overwhelming, often consuming large portions of family savings.

The social pressure to participate in these ceremonies is immense, as failing to do so can lead to social exclusion or a loss of status within the community. Families are often compelled to meet these financial obligations to preserve their social standing, even when it means sacrificing other critical needs, such as housing improvements, healthcare, or emergency savings. A study on social capital in Timor-Leste noted that participation in cultural rituals, such as those related to *uma lulik*, is often a marker of communal belonging, but for lower-income families, this participation can result in financial distress. The constant demand to contribute to ceremonies can prevent these families from accumulating savings or making investments that could improve their economic situation.

The financial burden of sacred house rituals reveals a paradoxical dilemma for families in Lautem: they must uphold their cultural obligations to maintain social cohesion, but doing so often

comes at the expense of long-term financial stability. This dilemma is particularly acute for low-income households, which face the harsh reality of allocating scarce resources to meet both cultural and financial needs. Recent research highlights that these cultural obligations exacerbate economic inequalities, as wealthier families are better able to meet the demands of ritual participation without sacrificing essential needs. In contrast, poorer families must forgo opportunities to improve their living conditions or save for future financial shocks, deepening their vulnerability and limiting their prospects for upward mobility.

The implications of these cultural practices on financial well-being are profound. Sacred house rituals, which are deeply tied to social identity and community cohesion, demand significant financial resources. These obligations often divert funds away from important areas such as housing improvements, savings, and investments. For economically challenged families, this diversion of resources can severely limit opportunities for economic growth at the household level.

Although these rituals are central to maintaining cultural identity, their financial demands contribute to a cycle of economic stagnation, especially for families with limited resources. These economically challenged families, not necessarily marginalized but facing financial difficulties, are disproportionately affected. The ongoing financial strain of these cultural obligations reduces their ability to invest in long-term economic security, such as education, healthcare, or business opportunities, making it more difficult for them to escape poverty or build a more stable financial future. This cycle reinforces economic challenges and hinders the household's capacity for upward mobility.

c) Baucau: Hospitality and Extended Family Expectations

In Baucau, the custom of hospitality during significant life events imposes a considerable financial burden on households. Families are expected to host extended relatives, providing food, accommodation, and even gifts, regardless of their financial capacity. This cultural expectation stems from values of familial unity, respect, and social reciprocity, which are deeply embedded in Baucau's social fabric. While these practices strengthen family ties and maintain social harmony, they often lead to unplanned and inflated expenses, forcing families to allocate a large portion of their limited resources toward fulfilling these cultural obligations.

An illustrative case from Baucau shows a family that spent most of their monthly income on a large family gathering, leaving little room for savings or investments. This example highlights

the opportunity cost of such cultural practices, as families prioritize immediate social obligations over long-term financial stability. Instead of saving for education, business opportunities, or emergency funds, resources are funneled into meeting the demands of hospitality. Recent studies on financial behaviors in Timor-Leste confirm that cultural obligations, such as hosting relatives, often prevent families from building a financial safety net or pursuing opportunities for economic advancement. As a result, these cultural norms serve as a significant barrier to financial growth and upward mobility.

The implications of these practices are far-reaching. The continuous obligation to host relatives, especially during significant events such as weddings, funerals, and religious ceremonies, creates a cycle of economic stagnation for many families. Instead of accumulating savings or investing in assets that could improve their long-term financial prospects, households are trapped in a pattern of meeting short-term cultural commitments. A 2022 study on household expenditures in Timor-Leste found that families in Baucau and similar regions often struggle to balance cultural obligations with their economic needs, resulting in a lack of funds for education, business investments, or home improvements, (Bonis et al, 2022). This dynamic reinforces a state of financial vulnerability, where families are unable to escape the cycle of poverty due to the constant diversion of funds toward cultural expectations.

Ultimately, the custom of hospitality in Baucau, while culturally significant, presents a substantial obstacle to financial security and economic mobility. Families that consistently divert resources away from savings or investments in favor of fulfilling hospitality norms are less able to build a stable financial future. This pattern not only limits individual household growth but also perpetuates broader economic inequalities within the community, as wealthier families are more capable of meeting these obligations without compromising their financial well-being.

d) Bobonaro: Cross-Border Influence and Traditional Ceremonies

In Bobonaro, the unique geographic location near the Indonesian border adds an additional layer of complexity to household financial management. Cross-border interactions, including the exchange of gifts and goods, are deeply ingrained in the region's cultural practices. While these exchanges foster strong social ties and affirm cultural identity, they also create significant financial obligations. Households are expected to engage in these cross-border exchanges as part of their participation in social networks, further straining their financial resources. This challenge is

compounded by the expectation to contribute to traditional healing ceremonies and communal feasts, which are viewed as essential for maintaining harmony and connections with ancestors. Such ceremonies, although culturally indispensable, place substantial financial burdens on families.

A notable example from Bobonaro illustrates how families allocate large sums of money to ancestral ceremonies, often at the expense of critical investments, such as their children's education. The cultural expectation to prioritize these rituals over long-term financial needs leads to a misallocation of resources, where immediate cultural obligations take precedence over future-oriented expenditures like schooling or healthcare. This practice has long-term implications for a family's financial trajectory, as investments in education and health are key to breaking the cycle of poverty and promoting sustainable economic development. Recent research has shown that in communities where traditional ceremonies are prioritized over education, children are more likely to experience educational setbacks, limiting their opportunities for upward mobility.

The implication of these financial decisions is clear: by prioritizing traditional ceremonies over investments in education, families may inadvertently limit their children's potential for economic success. This creates a cycle where the next generation is not given the tools necessary to achieve financial independence or economic mobility, perpetuating a state of limited opportunity and financial insecurity. A 2021 study on cultural practices and economic development in rural Timor-Leste highlighted that families who regularly diverted funds toward cultural ceremonies faced significant barriers to accessing education and healthcare, which are critical for long-term development. The study found that this prioritization of cultural spending over future-oriented investments reinforced intergenerational poverty, as the next generation was less equipped to improve their financial standing.

Ultimately, the cultural practices in Bobonaro, while vital to the community's identity, pose a significant challenge to economic development. The ongoing need to meet cultural obligations, combined with cross-border financial exchanges, diverts resources away from essential investments that could enhance the next generation's ability to break free from financial constraints. Without a shift in prioritizing long-term financial goals, such as education, families in Bobonaro may continue to face financial insecurity, limiting both individual and community-wide opportunities for economic advancement. One most important cultural obligation is the ceremony

of building of new family crypt and transfer of remains of family members from all over the country, every harvesting time

e) Dili: Urbanization and Family Support Pressures

Even in Dili, the most urbanized region of Timor-Leste, cultural obligations continue to exert a strong influence on family financial management. One of the most significant pressures faced by urban households is the expectation to support extended family members, particularly those who migrate from rural areas in search of education or employment. Urban families are often relied upon to provide housing, food, and financial assistance to these relatives, adding a substantial burden to already stretched household budgets. This support is seen as a cultural duty, rooted in values of familial unity and social obligation. However, it places significant strain on urban households, as they attempt to balance these responsibilities with their own financial needs.

An example of this dynamic is a family in Dili that struggles to manage its finances while supporting multiple rural relatives. The tension between urbanization and traditional cultural practices becomes evident, as families in the capital are exposed to more modern financial systems and opportunities but are often unable to fully benefit from them due to the persistent pressure of fulfilling traditional obligations. The funds that could be allocated to savings, home improvements, or entrepreneurial ventures are instead diverted to meet the needs of extended family members, limiting the family's capacity to build long-term financial security. Recent studies show that urban households in Timor-Leste often experience a financial duality, wherein they are exposed to modern economic opportunities but remain anchored by traditional practices that redirect resources away from future investments.

The implication of this cultural practice is clear: as more families in Dili experience the competing pressures of traditional expectations and modern economic realities, there is an increasing need for targeted financial literacy programs. These programs could help urban families navigate these challenges and balance cultural duties with the demands of and other family commitments. Without this support, urban households may continue to face financial strain, even though they have greater access to opportunities such as formal employment, education, and business ventures. A 2023 *Assessing Digital and Financial Literacy in Timor Leste* report on urban financial behavior in Timor-Leste noted that many families in Dili are caught between traditional

and modernity, with cultural expectations often undermining their ability to capitalize on economic opportunities available in the city.

Although urbanization in Dili has introduced new economic opportunities, it has not lessened the significance of cultural obligations. Many urban households continue to support rural relatives, which adds financial pressure as they balance these commitments with the demands of urban life. This ongoing responsibility often complicates their ability to fully benefit from Dili's economic potential, such as pursuing business investments or improving their financial stability. Without effective financial literacy programs or policy interventions, many families may struggle to overcome these challenges and remain financially vulnerable despite the city's modernization.

3.4. Discussion

This section explores the dual impact of cultural practices on income and expense management across five municipalities in Timor-Leste: Oecusse, Lautem, Baucau, Bobonaro, and Dili. Through an analysis of cultural obligations, such as bride prices, death rites, and other traditional ceremonies, it becomes evident that these practices exert both positive and negative effects on household income and expense management. These findings underline the complex interplay between cultural customs, economic conditions, and household financial behavior in these regions, each of which varies based on community support structures, access to resources, and the broader socio-economic landscape.

Negative Impact of Cultural Practices on Household Income

Cultural ceremonies in Timor-Leste are deeply embedded in the social fabric, serving as markers of social status, identity, and community cohesion. However, these cultural obligations can place a significant strain on household finances, especially in rural areas where economic opportunities are limited and income generation is often tied to subsistence agriculture.

Oecusse, for example, is characterized by its reliance on subsistence farming, which limits households' cash income. Traditional ceremonies, such as bride prices and death rites, require substantial financial outlays, including livestock and monetary contributions. These demands can create a substantial financial burden on families, forcing them to divert funds from essential areas like savings, education, and healthcare to meet these cultural obligations. The prioritization of these ceremonies, given their cultural importance, can lead to financial hardship and curtail the

ability of households to invest in long-term economic security. This situation reflects Spencer et al.'s (2012) notion that cultural practices significantly shape economic behavior, influencing not just social but also financial decision-making within households.

In Lautem, particularly in rural districts like Iliomar, Tutuala, and Lospalos, families face similar challenges due to high ceremonial costs, coupled with limited income-generating opportunities. As in Oecusse, families in Lautem often struggle to meet these costs without external assistance. The strategy of pooling resources with extended family or the community mitigates some of these pressures, but the fact remains that the costs associated with cultural ceremonies often exceed what families can afford on their own. This can lead to a situation where income is allocated primarily to ceremonial expenses, limiting the financial flexibility of households and leaving little room for productive investments or savings.

Similarly, in Bobonaro, the financial demands of traditional ceremonies-requiring livestock and monetary gifts-exacerbate financial strain, particularly in the agricultural economy where incomes are inconsistent. Families frequently resort to credit or loans to finance cultural ceremonies, which can lead to longer-term financial instability. The reliance on borrowed money to meet cultural obligations is a well-documented phenomenon in low-income settings (Adzis et al., 2011), where families, faced with pressing social obligations, may sacrifice financial sustainability to fulfill cultural norms.

Furthermore, in these rural municipalities, the lack of access to formal financial services-such as credit facilities, insurance, and savings options-further compounds the challenge. This restricted access to financial tools and mechanisms leaves families in a precarious position, reliant on informal networks of borrowing and lending that can perpetuate cycles of debt, thereby undermining their capacity to generate income or manage their financial resources effectively.

Positive Impact of Cultural Practices on Expense Management

Despite the financial pressures posed by cultural ceremonies, these practices also offer significant benefits in terms of expense management, particularly through communal financial strategies and collective resource sharing. This can be especially observed in rural municipalities, where community ties and social networks play a pivotal role in helping families manage ceremonial expenses. This result support the study of Ratnawati et al. (2023) shows that in both Indonesia and Timor Leste, cultural norms have a big impact on household financial behavior. In

order to shape attitudes, knowledge, and behaviors that support the financial management and general well-being of people and families in both nations, it is crucial to be cognizant of cultural norms.

In Lautem, for instance, the pooling of resources from extended families and community members significantly reduces the financial burden of cultural ceremonies. As Merriam-Webster (1999) and Spencer et al. (2012) note, cultural customs often foster social cohesion and mutual support. The practice of communal resource pooling allows families to divide the costs of weddings, funerals, and other events among several households, thereby preventing any one household from bearing the full financial weight of these expenses. This collaborative approach promotes solidarity and shared responsibility, reducing the risk of families falling into debt or financial distress as they navigate the costs of cultural practices.

In Baucau, a similar strategy of community pooling is employed, particularly in districts like Vemasse and Bahu. The sharing of financial resources within extended families or local networks allows households to collectively manage the costs of cultural events. This strategy not only alleviates individual financial strain but also strengthens community ties and reinforces the cultural value of collective support. As Lonner (1994) suggests, culture plays a critical role in influencing behavior, and in this case, cultural norms around collective responsibility help to mitigate the economic burden of rituals and ceremonies.

In Dili, the urban setting offers a different dynamic. While cultural practices continue to hold significance, there is a trend toward more flexible adaptation of traditional ceremonies to the economic realities of urban life. For example, dowry amounts and other ceremonial costs are often adjusted to reflect the financial capabilities of urban families, which are generally higher due to the presence of more diverse income sources, including formal employment and business opportunities. This adaptability allows families to maintain their cultural obligations while balancing the financial demands of modern life. The presence of formal financial systems in urban areas, such as savings accounts, loans, and insurance products, provides families with better tools for managing the costs of ceremonies without resorting to informal credit arrangements. These formal financial mechanisms offer greater security and planning flexibility, enabling families to meet cultural obligations without jeopardizing their financial well-being (Adzis et al., 2011).

Moreover, the flexibility in urban cultural practices aligns with Wright's (1998) perspective that cultural practices evolve to adapt to contemporary social and economic conditions. In urban areas like Dili, cultural practices are increasingly shaped by the economic capacity of the household, leading to adjustments in the scope and scale of ceremonial expenditures. This trend towards financial flexibility and adaptability is a significant development in balancing traditional cultural values with the financial realities of urban living.

In both rural and urban settings, financial planning plays a crucial role in mitigating the negative impact of cultural practices on household finances. Families, particularly in rural areas, engage in incremental savings strategies, where they set aside small amounts of money over time to prepare for the financial demands of cultural ceremonies. This approach requires discipline and foresight, especially in regions with irregular income flows or limited financial resources. While incremental savings can help smooth out the financial burden of cultural events, it is not always sufficient to cover the high costs, especially in households with lower or irregular income levels.

In contrast, urban areas like Dili demonstrate more flexibility in adapting cultural practices to economic realities. As Panjina (2020) notes, culture is a dynamic and evolving construct, and urban families in Dili have adjusted their cultural practices to align with contemporary financial realities. This adaptability helps reduce financial strain, allowing families to meet their cultural obligations while still prioritizing other essential needs, such as education, healthcare, and savings.

3.4.2. Cultural Traditions and Financial Obligations

In Timor-Leste, cultural practices such as dowries, bride prices, and funeral rituals are essential elements of the social fabric, signifying social status, identity, and family prestige. However, these traditions can place a heavy financial burden on households, particularly in rural municipalities where economic opportunities are limited. This is especially true in areas like Lautem, Oecusse, and Bobonaro, where households rely on subsistence agriculture and have limited access to cash income. The financial strain imposed by these cultural practices often results in families diverting funds from essential needs, such as education, healthcare, and savings, to meet the costs associated with traditional ceremonies. In this context, the prioritization of cultural obligations can undermine long-term economic stability, forcing families to make difficult choices between fulfilling social duties and investing in their future financial security.

In Lautem, particularly in districts like Lospalos, Lore, Iliomar, Tutuala, and Laivai, the financial demands of cultural practices are particularly pronounced. The dowry system, which is a central part of marriage ceremonies, is notably high in Lautem compared to other parts of Timor-Leste. This is especially true for families of higher social standing, such as those in the "*ratu*" or noble class, where the dowry for a bride can be extraordinarily high. In some instances, the dowry can require as many as 77 buffaloes, a significant sum that places immense financial pressure on families. Given that many households in Lautem rely on subsistence farming, the cost of such a dowry can be nearly impossible to meet without resorting to loans or communal pooling strategies. This situation highlights the economic challenge faced by families in Lautem, where meeting the dowry demands can often result in financial hardship, forcing families to divert resources away from other critical areas like health and education.

The high dowry requirements in Lautem create a cycle of financial strain, particularly for families with limited cash flow. For instance, when dowry payments are due, families are often forced to borrow money or livestock from extended family members or community networks. While this communal approach can provide temporary relief, it does not offer a sustainable solution. Borrowing from informal networks can lead to cycles of debt, which can exacerbate financial instability in the long run. Additionally, families may struggle to repay these loans, which further limits their ability to save or invest in income-generating activities. The need to fulfill these financial obligations can also deter families from pursuing other forms of economic advancement, as the resources that could be used for productive investments are often directed toward meeting ceremonial expenses.

In contrast to Lautem, other municipalities such as Baucau and Bobonaro exhibit a degree of variability in the financial demands of cultural practices. While dowry requirements and the costs of traditional ceremonies are still significant, they are generally lower than those in Lautem. In Bobonaro, for example, the dowry may still require substantial financial outlays, such as livestock and cash, but the amounts are typically more manageable. This variability reflects differences in local customs, economic conditions, and the availability of resources. In these regions, families may still face financial pressure, but the scale of the burden is not as extreme as in Lautem. However, even in less demanding regions, the financial implications of cultural

practices can still have a significant impact, as families often need to rely on loans or communal pooling strategies to meet the costs of traditional ceremonies.

Urban areas like Dili present a stark contrast to the financial demands seen in rural municipalities. In Dili, dowry amounts have been notably reduced to reflect the financial realities of urban living. For example, the typical dowry in Dili ranges between \$500 to \$1,000, a far cry from the \$3,000 required in some rural districts such as Oecusse and Bobonaro. This shift in the dowry system reflects the broader economic context of urban areas, where formal employment and business opportunities provide families with more stable and diverse sources of income. The reduction in dowry costs in Dili alleviates some of the financial strain associated with cultural ceremonies, allowing families to balance their traditional obligations with the demands of modern life. Despite this adjustment, the cultural significance of these ceremonies remains strong, and families in Dili still allocate significant resources to fulfill these social duties, though with greater financial flexibility.

The trend observed in Dili reflects a broader adaptation of cultural practices in urban areas to align with contemporary financial realities. In Dili, families have more access to formal financial institutions, such as savings accounts, loans, and insurance products, which provide tools to manage the costs of cultural ceremonies. This access to formal financial systems allows urban families to plan for and manage the costs of cultural obligations without resorting to informal borrowing or credit arrangements, which are more common in rural areas. Moreover, the flexibility in adjusting the scope and scale of cultural ceremonies, such as dowries, ensures that urban families can meet their social obligations while prioritizing other financial needs, such as healthcare, education, and savings.

In rural areas like Lautem, however, families often face greater challenges in managing the financial burden of cultural practices due to limited access to formal financial services. The reliance on informal networks of borrowing and resource pooling can provide short-term relief but does little to address the long-term financial instability created by the high costs of cultural ceremonies. In Lautem, the dowry system and other traditional requirements often force families to stretch their financial resources thin, making it difficult to save or invest in productive activities. Without access to formal financial institutions, such as credit or savings options, families are left

vulnerable to economic shocks and cycles of debt, which can undermine their financial security and limit opportunities for economic advancement.

Despite these challenges, families across Timor-Leste employ various strategies to cope with the financial demands of cultural practices. In rural areas like Lautem and Oecusse, families often rely on incremental savings, pooling resources within extended families, or borrowing from community networks. While these strategies can help alleviate the financial pressures of large cultural ceremonies, they require significant discipline and foresight. In urban areas like Dili, however, the flexibility of urban culture and access to formal financial services allow families to plan more effectively for cultural events. The ability to adjust dowry amounts and other ceremonial costs to match urban financial realities enables families to meet their cultural obligations without sacrificing their financial stability. In this way, the adaptability of cultural practices in urban areas offers a model for balancing traditional values with the financial demands of modern life, a balance that remains much harder to achieve in rural municipalities like Lautem.

3.4.3. Dowry Practices and Financial Strain

In Timor-Leste, dowry practices play a central role in maintaining social and cultural cohesion, especially in rural municipalities like Lautem and Baucau. These practices, which often require significant financial outlays in the form of livestock, cash, and other goods, have profound implications for household economics. In Lautem, areas like Iliomar, Laivai, and Tutuala, as well as in Baucau's Vemasse and Bahu, the dowry demands can be especially burdensome. Families are required to offer substantial resources to fulfill the bride price, which can include dozens of livestock, substantial amounts of money, and other ceremonial gifts. These expectations are deeply embedded in local traditions, where dowries are seen as a mark of respect for the bride and her family, and also serve as a means of reinforcing family ties between the bride's and groom's families. While the dowry is meant to show honor and respect for the woman and her lineage, the financial pressure it places on the household can be overwhelming, particularly when families are already dealing with limited economic resources.

In Lautem, the dowry demands are often particularly high. Livestock, especially buffalo, are a common requirement, and the cost of acquiring these animals, alongside other ceremonial expenses, can be extremely high. For instance, in some regions, dowries can involve the exchange of as many as 77 buffaloes, a staggering figure that far exceeds the income of most rural

households. These financial demands, while culturally significant, create a dilemma for many families who are caught between their desire to meet cultural expectations and the reality of their limited financial resources. In this context, families often resort to borrowing money or livestock from extended family members or local lenders, which can lead to long-term debt accumulation and financial instability. The reliance on loans and informal credit can perpetuate cycles of debt and undermine families' long-term financial health, as the priority placed on dowry payments often takes precedence over other important investments, such as education, healthcare, and savings.

Similarly, in Baucau, the financial pressures associated with dowry practices are pronounced, though they may not be as extreme as in Lautem. In districts like Vemasse and Bahu, the dowry and associated costs still require careful financial planning. Families in these regions also rely on livestock and monetary gifts to fulfill dowry expectations, which can strain household budgets. Although the dowry may be somewhat lower than in Lautem, it remains a substantial burden, especially for households with irregular income streams. In some cases, families may resort to taking out loans or pooling resources with extended family members or neighbors to meet the financial demands of the dowry. While this communal approach helps reduce individual financial strain, it can create new financial challenges as families find themselves borrowing from multiple sources and increasing their reliance on informal networks.

The situation in urban areas like Dili presents a different picture, where dowry practices have evolved to reflect the economic realities of modern life. In Dili, dowry amounts are generally more manageable compared to rural regions. As Jorge Pereira, a key informant in the urban area, highlights, typical dowry amounts in Dili range from \$500 to \$1,000, a significant reduction compared to the more substantial demands in rural and urban areas like Lautem and Baucau. This adjustment in dowry expectations is largely driven by the higher cost of living and the more diverse economic opportunities available in urban areas. Families in Dili often have access to formal employment and business opportunities, which provide a steadier income, and this has allowed them to adapt dowry practices to be more financially sustainable. While the dowry remains an important cultural practice in Dili, the reduction in its financial requirements has lessened the strain on families, allowing them to better balance their cultural obligations with the economic demands of modern urban living.

The trend of reduced dowry amounts in Dili reflects a broader adaptation of cultural practices to contemporary financial conditions. The shift towards more flexible dowry practices is indicative of a larger urban trend, where financial realities often shape and reshape cultural traditions. In Dili, families are able to adjust their dowry requirements based on their economic capacity, reflecting a pragmatic approach to maintaining cultural practices while ensuring that they do not undermine financial stability. This adaptability is made possible by the presence of formal financial institutions such as banks and microfinance organizations, which provide families with the tools to manage their finances more effectively. Access to savings accounts, loans, and insurance products enables families to plan for cultural ceremonies without relying on informal credit arrangements, which are more common in rural areas.

While the financial strain of dowry practices is mitigated to some extent in urban areas like Dili, it still remains a topic of ongoing discussion and negotiation. In rural municipalities, the dowry is seen as a vital cultural practice that strengthens the bonds between the bride and groom's families, fostering community ties and ensuring respect for the woman as a symbol of family honor. In contrast, the flexibility in dowry practices in urban areas raises questions about cultural preservation and the long-term impact on traditional values. Some community leaders and older generations express concerns that the adaptation of dowry practices in Dili may erode cultural heritage and undermine the significance of these rituals. There is a tension between the need to preserve cultural traditions and the necessity to adapt them to fit contemporary economic conditions, leading to debates within communities about what constitutes a "proper" dowry and the ways in which these practices should evolve.

Despite these concerns, the ability of families in urban areas to adapt their dowry practices highlights the dynamic nature of cultural traditions in response to changing economic realities. The more flexible approach to dowries in Dili does not signal a rejection of tradition but rather an effort to maintain cultural values in a way that is sustainable in today's economic environment. This adaptability is crucial for ensuring that cultural practices remain relevant and resilient in the face of economic pressures. It also underscores the broader trend of cultural evolution, where practices that once served a primarily symbolic function-such as the dowry-are adjusted to reflect the economic capacities of the households involved, ensuring their continued significance without causing financial hardship.

In rural areas, where the dowry remains a key marker of social status and respect, families often turn to a combination of strategies to manage the financial burden. These strategies include saving over time, pooling resources with extended family members, and relying on informal loans or community support. While these coping mechanisms provide temporary relief, they can lead to long-term financial instability. In contrast, urban areas like Dili benefit from a more flexible approach to dowry practices, where families can adjust their financial commitments based on their income levels, reducing the financial strain. The more manageable dowries in Dili reflect an evolving understanding of how cultural practices can adapt to modern financial realities while still maintaining their cultural and social significance.

This discrepancy between rural and urban areas also highlights the potential for cultural practices to contribute positively to local economies. For example, research from other regions, by Purba and Kemal (2023) such as the "Songgot" tradition in Tanjung Balai or the Kenduri Sko festival in Kerinci, demonstrates that cultural practices can generate income through tourism, local markets, and the provision of goods and services. Similarly, the inter-pakatan marriage traditions in the Sambas Malay community in Indonesia show that cultural events can stimulate local economies by creating demand for food services, hospitality, and related industries. In Timor-Leste, the financial demands of cultural practices, while challenging for some families, also present opportunities for income generation, particularly through the sale of livestock and goods for weddings, funerals, and other ceremonies. The trade in goods and services associated with these events can provide economic opportunities for families involved in these industries, thus creating a complex relationship between culture and economic development.

3.4.4. Gender Roles and Financial Responsibilities

In Bobonaro, traditional gender roles play a central role in shaping financial responsibilities, particularly within the Bunak and Kemak communities. For these communities, cultural practices, including marriages, funerals, and religious ceremonies, carry substantial financial costs, and men are expected to bear the primary responsibility for covering these expenses. This responsibility includes providing livestock, cash, and other goods, which can place significant financial pressure on men, who must balance these obligations with the day-to-day responsibilities of supporting their families. The expectation that men will manage all financial

matters related to cultural events stems from deeply entrenched cultural norms, where men are seen as the primary providers and protectors. This can create a heavy burden, especially in a context where economic opportunities are limited, and men must often resort to borrowing or dipping into savings to meet the financial demands of these ceremonies. In the case of Timor-Leste, the findings from Bobonaro reflect the traditional gender roles that place the financial responsibility for cultural practices primarily on men, particularly in the Bunak community. This aligns with the insights from Altman & Lamontagne (2004), who note that men often face intense pressure to fulfill financial obligations, especially when these responsibilities are tied to cultural identity and social status. The burden of providing for dowries, funerals, and other cultural events can create significant financial strain for men, particularly in rural areas where income opportunities are limited. Altman & Lamontagne argue that this structure often results in limited socio-economic mobility and can perpetuate cycles of poverty, as the resources required for fulfilling cultural obligations can undermine long-term economic well-being.

However, within Bobonaro, there are notable differences between the Bunak and Kemak communities in how wealth and financial decision-making are managed. Among the Bunak, financial roles are more strictly defined along gender lines. Men are seen as the sole financial providers, with the bulk of the responsibility for fulfilling dowry demands and other ceremonial costs resting on their shoulders. This creates a more rigid financial structure where men's ability to provide reflects not only their financial capabilities but also their social status. For the Kemak, the situation is somewhat more flexible. While men still hold primary responsibility for providing the majority of the wealth for cultural practices, women play a more prominent role in managing household finances and making financial decisions. This nuanced approach allows for a more cooperative financial environment where women's input and contributions are recognized, even though men remain the final decision-makers when it comes to securing resources for cultural obligations.

These cultural distinctions were highlighted in recent focus group discussions (FGD), where participants from both Bunak and Kemak communities expressed varying levels of satisfaction with the financial roles that are assigned to men. Bunak participants emphasized the intense pressure men face in fulfilling their financial obligations, often requiring substantial financial planning and reliance on external resources such as loans or communal contributions.

The financial strain, exacerbated by rigid cultural expectations, can lead to long-term economic instability. Conversely, Kemak participants noted that while men remain primarily responsible for cultural finances, women have greater leeway in managing household resources and supporting the budgeting process for cultural events. This more flexible approach to financial responsibility in the Kemak community suggests that, while traditional gender roles are still dominant, there is room for more cooperative financial management, which can help alleviate some of the pressures faced by men in other communities.

In contrast to the traditional gender roles seen in Bobonaro, particularly among the Bunak communities, there is a growing shift towards more inclusive financial management in other regions such as Oecusse, Lautem, and Baucau. In these areas, women are increasingly recognized as active participants in the financial decision-making process, particularly in relation to cultural ceremonies. In Oecusse and Lautem, there is a clear trend toward recognizing women's contributions to household financial planning. Women are now seen as key players in managing the resources required for cultural events, with their involvement helping to distribute financial responsibilities more equitably. This shift reflects a broader cultural change, where the understanding of gender roles in financial matters is evolving. While men continue to play the dominant role in securing resources, particularly livestock for dowries, women are now more involved in budgeting, saving, and planning for such events, ensuring that the financial burden is shared more evenly within households.

In Baucau, this trend toward more inclusive financial management is even more pronounced, with both men and women actively participating in the financial planning and decision-making processes for cultural events. This approach aligns with broader trends toward gender equality, as it signifies a move away from the traditional norm in which men bear the sole responsibility for financial obligations. Women in Baucau are increasingly seen as critical contributors to the management of cultural expenses, helping to balance household budgets and contribute to the collective decision-making process. The involvement of both genders in managing cultural finances not only makes the financial burden more manageable but also reflects the evolving cultural norms in Timor-Leste that emphasize shared responsibility within households. This shift, particularly in Baucau, underscores how cultural practices can adapt to changing economic and social contexts, ensuring that gender equality becomes a key component

of both household management and cultural sustainability. Ultimately, these changes contribute to a more equitable distribution of financial responsibilities, which can help families in these municipalities better cope with the costs associated with cultural practices without compromising their overall financial stability.

3.4.5. Household Income Sources and Management

In regions such as Oecusse and Bobonaro, household income is predominantly derived from agriculture and animal husbandry, which provide the foundation for both subsistence living and the financial demands of cultural practices. Families in these areas engage in subsistence farming, cultivating crops like rice, maize, and vegetables, while also raising livestock such as cattle, goats, and pigs. This reliance on agriculture and livestock means that household income is often seasonal, subject to the variability of weather patterns and crop yields. During periods of abundance, families are able to accumulate savings, which they can then use to manage leaner times when agricultural production is low. However, these fluctuations can pose challenges, particularly when it comes to meeting significant cultural expenses, such as dowries, bride prices, and other ceremonial costs that require substantial financial outlays. As such, families in Oecusse must plan their budgets meticulously, setting aside funds during better seasons and employing savings strategies to ensure they can meet their cultural obligations during leaner periods.

The situation in Bobonaro mirrors that of Oecusse, with households similarly dependent on agricultural and animal husbandry-based income. In Bobonaro, many families practice subsistence farming, growing a variety of crops, and raising livestock for food, trade, and ceremonial purposes. However, the nature of agricultural income means that financial stability can vary widely from year to year, depending on crop yields, market prices for livestock, and other external factors such as climate change. This variability creates financial challenges for families, particularly when cultural obligations, which are often substantial, coincide with periods of lower agricultural productivity. To manage these expenses, families in Bobonaro often need to resort to strategies such as borrowing from family members, taking out informal loans, or dipping into savings that were meant for other household needs. This reliance on informal coping mechanisms highlights the challenges families face in balancing cultural obligations with the unpredictable nature of their income sources.

In contrast, Dili and Lautem (Lore) benefit from a more diversified income base, which provides families with greater financial flexibility. In Dili, many households have access to regular incomes through formal employment, including positions in the public sector, private businesses,

or non-governmental organizations. Lautem, particularly in Lore, also benefits from income diversity, with many families receiving remittances from relatives working abroad. These additional income streams provide families in urban and peri-urban areas with a more stable financial base, enabling them to manage the costs of cultural ceremonies more effectively than those in rural areas. The ability to receive consistent income from formal employment and remittances means that urban families in Dili and Lautem can more easily budget for both everyday living expenses and large, irregular costs such as dowries, weddings, and funerals. However, while these additional income sources provide flexibility, families in urban areas still face the pressures of a higher cost of living, which can impact their overall financial planning.

Despite the advantages of income diversification in Dili and Lautem, urbanization brings its own set of financial challenges. The shift from rural to urban environments often introduces higher living costs, including expenses related to housing, transportation, and education. These rising costs can erode the financial advantages offered by diversified income streams, forcing families to carefully balance their budgets. For instance, although families in Dili may have access to higher-paying jobs, the increased costs associated with urban living, such as rent and utilities, can consume a significant portion of their income. As a result, urban families must engage in strategic financial planning to ensure that they can meet both day-to-day expenses and cultural obligations. This balancing act is especially important when cultural expenses such as dowries are substantial, and families must consider how to allocate their resources across competing priorities. Ultimately, while urban areas like Dili offer greater financial opportunities, the costs of urbanization necessitate careful management to ensure that cultural obligations do not compromise household stability. This trend underscores the complexity of financial planning in an urbanized context, where modern economic opportunities must be balanced with traditional cultural expectations.

3.4.6. Impact of Urbanization on Financial Practices

Urbanization has significantly impacted how cultural practices are financially managed in Timor-Leste, creating notable differences between urban and rural areas. In urban centers like Dili and Baucau the economic landscape is marked by greater income opportunities, which provide families with more flexibility in managing their finances, including those related to cultural practices. The increased availability of formal employment, business ventures, and remittances

from family members working abroad has allowed urban families to diversify their sources of income. This provides them with a more stable financial base to meet both daily living expenses and significant cultural obligations such as dowries, wedding costs, and funerals. However, urban living also introduces higher costs of living, including housing, transportation, and education. These increased expenses require families to carefully manage their budgets, and as a result, there has been a noticeable trend in Dili toward adapting traditional cultural practices to fit contemporary financial realities. For instance, dowry amounts have been adjusted to align with the financial capacities of urban families, demonstrating a pragmatic approach to preserving cultural traditions while managing financial pressure. This flexibility reflects a broader trend in urban areas where traditional practices evolve to accommodate modern economic conditions.

In contrast, rural areas like Lautem, Bobonaro and Oecusse continue to maintain a strong commitment to traditional practices, with less influence from urbanization. These areas have a stronger adherence to long-standing cultural norms, especially regarding bride prices, funeral rites, and other ceremonial expenses, which remain consistent with historical customs. However, the reliance on agriculture and animal husbandry as primary sources of income means that families in these regions often face significant financial strain when it comes to meeting the costs associated with cultural obligations. The seasonal nature of agricultural production can create periods of scarcity, during which families may struggle to afford the necessary resources for ceremonies. In addition, rural households often have limited access to alternative financial resources, such as formal credit or remittances, which further exacerbates the financial pressures associated with fulfilling cultural demands. Despite these challenges, the commitment to cultural practices in rural areas remains strong, and efforts are made to ensure that these traditions continue, even if it means making sacrifices or seeking financial assistance from extended family members or the broader community.

While the rural areas of Lautem, Bobonaro and Oecusse have been slow to fully embrace urban influences, there are signs of gradual change. One major factor contributing to this shift is migration, as individuals from rural areas move to urban centers in search of better economic opportunities. When these individuals return to their hometowns, they bring with them new ideas, experiences, and expectations that can influence traditional practices. This phenomenon is particularly evident in the younger generations, who are exposed to more flexible financial

practices in urban settings and may seek to modify some of the traditional demands in their home villages. Additionally, the increasing economic pressures faced by rural families, such as fluctuating agricultural income and rising living costs, are prompting some adjustments in cultural practices. For instance, while dowry amounts and other ceremonial expenses are traditionally set at high levels, there is a growing trend in some rural communities to seek a balance between maintaining cultural obligations and adjusting them to fit within the family's financial means. Although these changes are often incremental, they reflect a broader trend of adapting traditional cultural practices to align with changing economic conditions.

Interestingly, cultural practices—even though they can be burdensome to some families—can also generate income for others in the community. For example, the financial demands of weddings or funerals create opportunities for those who sell livestock, food, or other goods used in ceremonies. In both rural and urban areas, families who own buffaloes, cattle, pigs, or other livestock can profit from the sale of these animals to meet the needs of cultural events. This means that while some families may experience financial strain in meeting cultural obligations, other families benefit economically from supplying goods and services for these ceremonies. The study by Bettencourt et al. (2013) also emphasizes that animals have a significant role in household finances as a way to save assets that can be turned into cash for unexpected family expenses. Livestock stocks are a source of asset accumulation in many rural areas.

In rural regions like Lautem, Bobonaro and Oecusse, the local economy often benefits from the demand for livestock and other ceremonial goods, especially during wedding seasons or funeral rites. These economic exchanges provide a form of income generation for local farmers, traders, and artisans, helping to offset the financial burden of cultural expenses for other households. Thus, while cultural obligations can create financial challenges for many families, they can also serve as an important economic driver for others within the community, highlighting the complex relationship between tradition and financial management in Timor-Leste.

4. Conclusion and Recommendations

4.1 Conclusion

The findings of this study on the cultural influences on family income and expense management in Timor-Leste illustrate the distinct ways in which cultural practices interact with economic conditions in both urban and rural contexts. In urban areas like Dili, where diversified income sources such as formal employment, businesses, and remittances are more common, families experience greater financial flexibility. However, the financial burden associated with traditional cultural practices, including dowries and ceremonies, still places strain on household income, despite the higher availability of financial resources. The pressures of higher living costs-housing, transportation, and education-further complicate the ability of urban households to meet these cultural obligations. Consequently, urban families have begun modifying cultural practices, adjusting dowry amounts and ceremonial expenses to better align with the modern economic realities they face. This evolution reflects a broader trend where cultural obligations are negotiated and adapted in ways that fit the economic capacity of urban families.

In rural and urban regions such as Lautem and Baucau, the reliance on agriculture and animal husbandry as primary sources of income has kept cultural practices deeply rooted in community life. While these areas maintain a strong commitment to traditional customs, the financial impact of cultural obligations remains negative, as families often face seasonal income variability and limited financial resources. For rural families, the costs of bride prices, funerals, and other ceremonies can overwhelm household budgets, leading to significant financial strain. Despite these challenges, rural communities often prioritize the continuation of cultural practices at great personal cost, emphasizing the cultural significance of these obligations. At the same time, these events also present an economic opportunity for other families, particularly those who sell goods such as livestock and other ceremonial items. This creates a paradox where cultural practices, while burdensome for some, also contribute to the local economy by generating income for others involved in the provision of goods and services.

The research also highlights that urban influences are gradually reaching rural areas, signifying a slow but steady shift in how cultural practices are managed. Migration from rural to urban areas has exposed many rural families to more flexible and diversified financial strategies. As people migrate and return to their villages, they bring new ideas and practices from urban

centers, influencing local communities to adjust traditional ceremonies and modify financial obligations to better align with current economic realities. While these changes are still in their early stages, they reflect an emerging trend toward the adaptation of cultural practices in response to evolving economic conditions. This suggests that while rural areas remain committed to traditional cultural practices, these communities are increasingly seeking ways to balance tradition with the financial pressures they face.

Ultimately, the economic role of cultural practices in Timor-Leste is complex and multifaceted, with both negative and positive impacts on family income and expense management. For many households, the costs associated with cultural ceremonies place a heavy burden on their finances, especially in rural areas where income sources are more limited. However, these same cultural practices also provide economic opportunities, particularly for families involved in selling goods and services related to weddings, funerals, and other communal events. This dual nature of cultural practices-acting as both a financial strain and a source of income-demonstrates the interconnectedness of culture and economy in Timor-Leste. As urbanization continues to reshape the country's financial landscape, families in both urban and rural areas are finding ways to negotiate and adapt cultural obligations to fit their financial realities, ensuring the continuation of these practices while striving to achieve financial sustainability. This study underscores the ongoing evolution of cultural practices and their adaptation to modern economic contexts, revealing the intricate relationship between tradition, economy, and family financial management in Timor-Leste.

4.2 Recommendations

Based on the research findings from various municipalities in Timor-Leste, the following recommendations are proposed to address the financial challenges associated with cultural practices, particularly the impact of dowries and ceremonies, while enhancing overall financial management across the country:

1. Promote Flexible Cultural Practices:

- **Ministry of Arts and Culture:** Collaborate with local leaders to develop and implement guidelines that allow for flexibility in dowries and ceremony costs. These guidelines should respect cultural values while considering the economic realities faced by families.

Awareness programs should be created to inform the public about the importance of adapting cultural practices to reduce financial strain on households.

- **Community Engagement:** Organize workshops and community dialogues where elders and cultural leaders can discuss potential adaptations to cultural practices. Any changes should be community-driven, preserving traditions while ensuring they are financially manageable for families.

2. Implement Tara Bandu to Regulate Cultural Expenses:

- **Local Government and Traditional Leaders:** Enforce the implementation of *tara bandu* (traditional laws) in Oecusse, Lautem, Baucau, Bobonaro, and Dili to regulate cultural expenses related to dowries and ceremonies. The *tara bandu* system should set clear boundaries for financial contributions and practices, ensuring that these costs do not overwhelm families or compromise their well-being.
- **Awareness Campaigns:** Educate communities on the importance of adhering to *tara bandu* agreements to prevent excessive spending on cultural practices, and ensure that resources are used sustainably without sacrificing basic needs such as children's education or healthcare.

3. Strict Recommendations Against Government Subsidies for Cultural Practices:

- **Government Policy on Subsidies:** The government should **refrain from providing subsidies** for cultural practices such as dowries and ceremonies, as they often place a long-term financial burden on families. While these practices are culturally significant, the financial impact has been detrimental, leading to the neglect of basic household needs, including education. Instead, funds should be redirected to support long-term solutions for economic empowerment, such as vocational training and small business development.
- **Focus on Sustainable Solutions:** Instead of subsidies, the government should invest in programs that provide families with alternative ways to reduce the financial pressures of cultural practices, such as microfinance options, income-generating projects, and educational scholarships for children.

4. Increase Community Support through Local Initiatives:

- **Local Funds and Community Pools:** Encourage the formation of local savings groups and community pooling initiatives that can provide financial assistance for families in need of support with cultural expenses. These funds should be managed transparently by trusted community members to ensure effective resource allocation.
- **Training Programs:** Offer capacity-building workshops for local leaders and community members to improve financial management and support equitable distribution of resources. This will help ensure that community support systems are sustainable and that cultural practices do not create long-term financial distress for families.

5. Encourage Inclusive Financial Management:

- **Secretary of State for the Promotion of Equality:** Implement financial literacy programs that include budgeting, saving, and managing cultural expenses. These programs should promote inclusive decision-making within households, ensuring that financial responsibilities are shared equitably, and that cultural practices are adapted to fit within the family's economic capabilities.
- **Educational Partnerships:** Collaborate with the Ministry of Education to integrate financial literacy into school curricula, with a particular focus on budgeting, saving, and responsible financial planning. This will help future generations understand how to balance cultural practices with economic sustainability.

6. Foster Dialogue and Collaboration:

- **Community Dialogues:** Organize regular forums for open dialogue between community members, cultural leaders, and policymakers. These forums should focus on identifying and addressing the financial challenges associated with cultural practices. An inclusive approach will ensure that community members feel engaged in the process and that proposed solutions are aligned with local needs and values.

- **Cross-Regional Learning Platforms:** Establish platforms for sharing best practices between urban and rural communities to help disseminate successful strategies for managing cultural expenses effectively.

7. Support Sustainable Livelihoods:

- **Diversify Income Sources:** Promote initiatives aimed at diversifying income sources, particularly in rural areas, through training programs on small business development, agriculture innovation, and access to microfinance. By providing families with alternative sources of income, the pressure to rely on cultural practices for financial support can be alleviated.
- **Integration of Modern Financial Practices:** Encourage partnerships between traditional leaders and financial institutions to integrate modern financial management practices into the cultural framework. Workshops on budgeting, savings, and investment will help families build more sustainable financial futures while respecting cultural traditions.

8. Monitor and Evaluate:

- **Impact Assessments:** Regularly assess the impact of cultural practices on household finances through surveys and community feedback. This will help track the effectiveness of implemented strategies, such as *tara bandu*, and ensure that they are achieving the intended outcomes.
- **Feedback Channels:** Establish structured feedback mechanisms for community members to share their experiences, challenges, and suggestions regarding financial management of cultural practices. This ongoing dialogue will ensure that policies and support initiatives remain responsive to the evolving needs of the community.

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APPENDIX

A. Interview Guidelines



Research Title : Cultural Influences on Family Income and Expense Management in Timor-Leste (Study Case in Urban and Rural Areas)”

Objective : The objective of this research is to investigate the cultural influences on family income and expense management in Timor-Leste, with a specific focus on urban and rural areas.

IN-DEPTH INTERVIEW LIST

Section 1: Introduction and Demographics

- 1) Can you introduce yourself? Please share your name, age, occupation, and cultural background.
- 2) How long have you been residing in [Dili/Bobonaro/Lautem/Oecusse/Baucau]?
- 3) Can you describe your family structure? How many members are there, and what are the primary sources of household income?

Section 2: Cultural Traditions and Financial Behavior

- 1) In what ways do cultural traditions and societal norms influence how families manage their income and expenses in your community?
- 2) How do events like lia mate (mourning rituals), lia moris (celebrations), and fetosan umane (community contributions for cultural events) impact household financial decisions?

Section 3: Dowry Practices and Financial Strain

- 1) What are your thoughts on dowry practices within Timorese culture? How does the pressure to meet dowry demands affect family finances?
- 2) Can you share any experiences or observations related to the financial implications of lia mate (mourning rituals) or lia moris (celebratory events) in your community?

Section 4: Gender Roles and Financial Responsibilities

- 1) How do gender roles influence financial responsibilities within families in your area?
- 2) Are there specific expectations or pressures related to financial contributions based on gender?

Section 5: Household Income Sources and Management

- 1) How is income typically generated in households within [urban/rural] areas?
- 2) Who in the family is primarily responsible for managing household finances, and how are financial decisions made?

Section 6: Impact of Urbanization on Financial Practices

- 1) What differences do you notice in income generation and spending habits between urban (e.g., Dili) and rural areas (e.g., Bobonaro, Lautem, Oecusse, Baucau)?
- 2) How has urbanization influenced traditional financial practices in your community?

Section 7: Livelihood Sustainability and Cultural Practices

- 1) How do cultural ceremonies (e.g., weddings, funerals) impact household economics, particularly in terms of resource allocation and financial planning?
- 2) What role do agricultural activities and traditional ceremonies play in sustaining household livelihoods?

Section 8: Financial Challenges and Coping Mechanisms

- 1) What are the biggest financial challenges faced by families in your community, especially concerning cultural obligations?
- 2) How do families typically cope with unexpected expenses or economic hardships?

Section 9: Perceptions of Economic Well-being

- 1) How do cultural values contribute to the perception of economic well-being within families?
- 2) What are your aspirations for improving your family's financial situation while maintaining cultural traditions?

Section 10: Community Support and Policy Implications

- 1) How can community support or governmental policies better assist families in managing their finances amidst cultural obligations?
- 2) What changes would you like to see to alleviate financial strain caused by cultural practices?

Section 11: Future Outlook and Recommendations

- 1) Looking ahead, what do you envision for the future of income and expense management within your community, considering cultural influences?
- 2) Is there anything else you would like to share about the intersection of culture and family financial management in Timor-Leste?

B. RESEARCH TIMELINE

Activities	Months											
	May			June		July		August		September		October
	Week 1	Week 2	Week 3	Week 1 & 2	Week 3 & 4	Week 1 & 2	Week 3 & 4	Week 1,2 &3	Week 4	Week 1 & 2	Week 3 & 4	Week 1 & 2
Develop the Proposal (Introduction, Literature Review and Methodology)												
Develop the Questionnaire & Questions for the Interview												
Data Collection (Questionnaire and Interview)												
Data entry and data cleaning												
Data Analysis												
Analysis and Interpretation of Findings and writing report												
Presenting Preliminary result												
Revision the report												
Submission of Report												

C. Research Activities Pictures

1. Oecusse Municipality



Imagen 1 : Atividade Viagem ba Municipio Oecusse



Imagen 2 : Entrevista ho autoridade lokal, Lia nain, komuniade husi Suku Lifau



Imagen 3 : Entrevista ho Lia nain Suku Costa



Imagen 4 : Entrevista ho Lia Nain



Imagen 5 : Entrevista ho comunidade



Imagen 4 : Entrevista ho Komunitade



Imagen 5 : Entrevista ho Komunitade



Imagen 6 : Entrevista ho autoridade local, Lia nain, komuniade husi Suku Natura





Imagen 7 : Entrevista ho comunidade husi Suku Lore



Imagen 8 : Entrevista ho autoridade Municipio Administrasaun Tutuala



Imagen 9 : Entrevista ho autoridade local, Lia nain, komuniade husi Posto administrativo Laivai



Imagen 10 : Entrevista ho Lia nain Uma Lisan Uma Liurai Vemasse, Municipiu Baucau



Imagen 11 : Entrevista ho Autoridade Lokal, Lia Nain, Juventude no Komunidade suku Bahu, Municipiu Baucau





Imagen 13 : Entrevista ho Lia nain Uma Lisan Leobesi Karketu, Municipiu Dili

