

EAST TIMOR
HUMAN DEVELOPMENT REPORT
2002

Ukun Rasik A'an

The way ahead

United Nations Development Programme





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Message from the President-Elect of East Timor

On the eve of our independence, we have much to celebrate. We have liberated our country, and with the support of the international community and the family of the United Nations, we are building an independent future on foundations of peace and democracy.

From independence we must now go on to develop our country. We must choose which path is most appropriate for our development. We must ensure that the basic needs of our people are met, and that living standards are improved.

Recently the people of East Timor participated in a remarkable nationwide consultation. In every village, they described their vision of East Timor in the year 2020. They told us what they hoped for in the development of our country. Their vision shows that they are determined to improve education and health.

Selecting their top three priority areas for development, 70% said that education is the most important priority for East Timor, whilst 49% chose health. They also spoke of the need to improve agriculture and roads, to provide water and electricity, increase employment and protect the environment. Above all, they were determined to participate in development, meeting their needs by involving themselves as actively as possible.

Yet in developing our country, we face many challenges. More than two in five people in East Timor live on less than 55 cents per day. Life expectancy is only 57 years. Women die unnecessarily in childbirth. Many children die from preventable illness and disease before they reach 5 years of age. 43% of the population is illiterate. 46% have never attended school. Many young people are unskilled and unemployed.

The East Timor Human Development Report contributes to our understanding of the challenges we face, and shows how we can begin to address them. Together with our National Development Plan, published on the eve of independence, it shows us how we can develop each sector of our economy, meeting the needs of human development.

We must ensure that the strategies we develop focus constantly on meeting these needs, that we promote economic growth to improve living standards and reduce poverty.

For many long years, we dreamed of independence. Our dream has become a reality. Now we must all play a part in developing our country. Government, the private sector, civil society and communities must work together to reduce poverty, and promote economic growth that is sustainable and equitable.

**Kay Rala Xanana Gusmão,
President-Elect,
Democratic Republic of East Timor**

Message from the Special Representative of the UN Secretary-General

The Secretary-General of the United Nations, Kofi Annan, has described the concept of the Human Development Report as “reflecting [the] profound conviction that what matters in development is not quantities produced, but the quality of life lived by human beings.”

Following the overwhelming violence that was triggered by the massive vote in favour of independence on 30 August 1999, the East Timorese people found their homeland in complete ruin and very few choices available to them in terms of their quality of life. They were faced with the physical destruction of much of the country, significant loss of life, rape and assault, massive displacement of the population, the total collapse of the economy and the destruction or removal of most of their cultural heritage and institutional memory. All institutions of state collapsed—both administratively and physically. Reconstruction, in everything, had to commence literally from scratch.

The United Nations responded by establishing the United Nations Transitional Administration in East Timor (UNTAET) with a mandate for governmental authority unprecedented in its breadth. UNTAET was given responsibility for security, law and order, establishing an effective administration, developing civil and social services, ensuring the provision of humanitarian aid, supporting capacity building for self-government and assisting in establishing the conditions for sustainable development. Whilst UNTAET has succeeded in some aspects of its mandate, in others we have experienced shortcomings; I think that these past two-and-a-half years have provided an educational experience for us all.

Following the most immediate of our tasks—the rapid amelioration and conclusion of the humanitarian crisis and stabilisation of the security situation - UNTAET had to commence its more onerous and less well-chartered challenges of establishing institutions for governance and

public administration, whilst supporting capacity building for self-government and creating the conditions for sustainable development. It is both an excuse and a fact to state that we were not given a blue-print by which to carry out these hugely complicated tasks.

Politically, UNTAET has chartered a course of gradual devolution of executive and legislative power to the East Timorese, a task that has been challenging and not without difficulty. This has meant the maintenance of a constantly evolving relationship between UNTAET and newly established institutions of government. This has taken us from consultation with the National Consultative Council, through to the First Transitional Cabinet comprising East Timorese and international cabinet members, and the establishment of the proto-legislative body, the all-East Timorese National Council. Then came the transformation from appointed government institutions to elected ones, Constituent Assembly elections, an East Timorese process for the drafting and adoption of the Constitution, a Second Transitional Cabinet consisting entirely of East Timorese ministers, a Presidential election, and imminently, independence on 20 May. That is quite some journey, although some might argue (and have argued) that it should have moved at a faster pace. We, UNTAET and the East Timorese, were the pioneers: the successes and the mistakes were ours.

Simultaneously, UNTAET has endeavoured to establish the institutions of public administration and governance. This process has been hampered by the competing imperatives of speed versus consultation; substantive operational output versus capacity building; and immediate empowerment versus skills development. In some areas we have been too ambitious and have moved at a speed that may not have allowed for the establishment of sufficiently resilient foundations. One such example of this may prove to be in the area of law and order,

where a national judiciary, prosecution and defence service were established quickly, but were perhaps not supported as well as they should have been with capacity building and strong institutional structures.

Of course, independence, which is now just around the corner, will come before the full range of objectives set out in Resolution 1272 are completed. For instance, the complete development of a civil service and an effective administration and the development of the social services will take many more years. East Timor must now move forward on the longer-term process of national capacity building for sustainable development. But it will not be doing so alone. There will be donor support and a sizeable UN successor mission.

It is in this context that I commend to all the readers the first National Human Development Report for East Timor which, I hope, will direct thinking and stimulate debate on future development as well as attract more support from development partners. The process of human develop-

ment is a continuous one, with UNTAET having played only the first role since the path to nationhood was laid. Of course, the process is far from over. Nevertheless, it is my hope and belief that UNTAET has been able to lay the foundations for development which can be measured not only in quantities produced, but most importantly in the quality of life experienced by human beings in this new nation.

Human development is the process of enlarging people's choices, providing every individual with the opportunity to make the most of his or her abilities: to lead a long and healthy life, to acquire knowledge and to access the resources necessary for a decent standard of living. Availability of these choices provides the means for the enjoyment of political, economic and social freedoms. I know that the newly independent government of East Timor will be ready and eager to take up the challenge of sustainable development, to achieve progress in human survival, knowledge, communications and productivity.

**Sergio Vieira de Mello,
Special Representative of the
UN Secretary-General, and
Transitional Administrator**

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Foreword

It gives me great pleasure to introduce the first national Human Development Report for East Timor. It seems especially appropriate that we publish this report just as East Timor prepares for one of the most momentous days in its history: the day its people finally achieve the independence they have sought for so long.

Although this is a time for celebration, there can be no doubt that the challenges faced by the people of East Timor are immense. As this report makes clear, this country is the poorest in Asia and one of the poorest in the world, and will remain so for some time to come. Until revenues from the exploitation of the Timor Gap become available, and even after that time, this country will continue to need considerable support from the international community.

But the situation is far from hopeless. Throughout their history, the East Timorese people have displayed a remarkable resilience and determination. They need now to use those qualities to build their future, to weave their individual strengths into a strong national fabric.

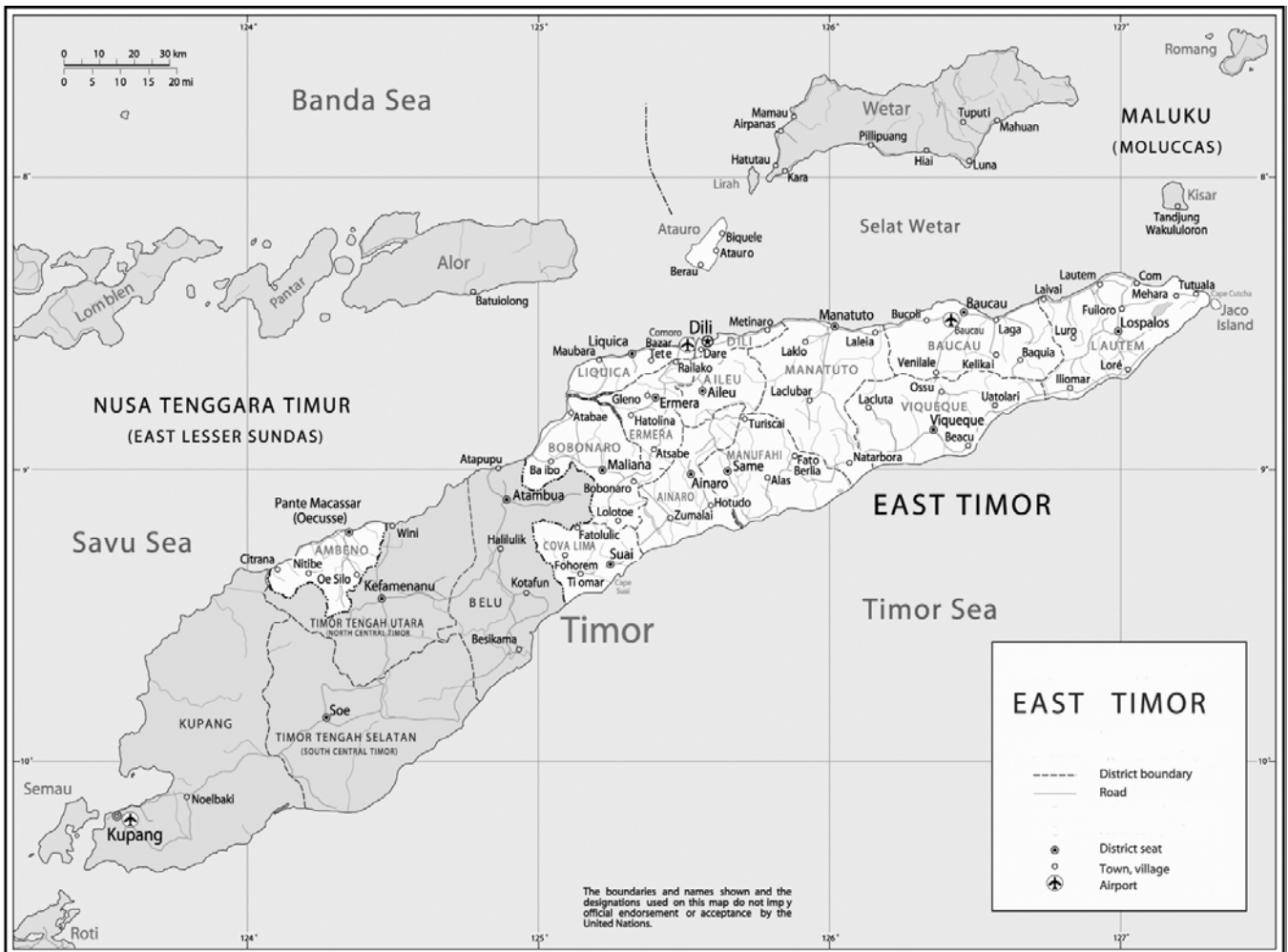
Creating this national fabric is the essence of human development, which is defined as the process of expanding people's choices and is about far more than just eco-

nomie development. It is about enabling them to live long and healthy lives, during which they have the opportunities to achieve a decent standard of living, to develop their potential, and through this to create a better future for their children and their country. It is about education, about building a strong system of government and an equally strong civil society.

This national Human Development Report for East Timor is the latest addition to a series that spans the globe. More than 375 national and sub-national reports have been produced so far by 135 countries. The production of this report has been a strongly collaborative process that has benefited from contributions and suggestions from many people. It does not therefore necessarily represent the views of UNDP.

It is UNDP's hope, however, that this report will provide some guide for human development in East Timor, both for the government and the international community. There are huge difficulties ahead for East Timor, but there is huge potential here too. For many years, East Timor worked almost alone to achieve independence. In the future, more hard work will be needed, but East Timor will not be alone. UNDP looks forward to working with the people of Timor to build their future.

Finn Reske-Nielsen
UNDP Representative, East Timor



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East Timor, or Timor Lorosae—'Timor of the rising sun'—is situated on the eastern part of the island of Timor, the easternmost of the Lesser Sunda islands. It is bordered on the west by the Indonesian province of Nusa Tenggara Timur. To the north lie the Savu Sea and the Strait of Wetar. To the south, 500 kilometres across the Timor Sea, is Australia. Also part of the national territory of East Timor is the enclave of Oecussi in the western part of Timor island and the islands of Atauro and Jaco.

Timor's relief is broadly characterized by a core of rugged hills and mountains consisting of a confused mass of knife-edged ridges and craggy upland blocks. The land rises to 2,000 metres and above, including Mount Tatamailau at 3,000 metres. Around 44% of East Timor may have a slope

of approximately 40%, which, combined with heavy rainfall, encourages soil erosion. The climate is hot, with an average temperature of 21°C and around 80% humidity. During the dry season, East Timor has moderate winds and slightly milder temperatures—18°C on the coastline and 10°C or lower in the mountains. But between November and April, in the monsoon season, the rivers become torrents due to extremely high precipitation.

During this period, the average temperature on the coast is about 25°C. On the northern coast, the rainfall ranges from 500 to 1,000 millimetres per year and there is only one harvest. The southern coastal plain, however, can receive over 2,000 millimetres and has two wet seasons and two harvests. The island is also affected by El Niño-related weather anomalies.

Abbreviations

ACP	African Caribbean Pacific group of states
ACFOA	Australian Council for Overseas Aid
ADB	Asian Development Bank
AIDS	Acquired immunodeficiency syndrome
APEC	Asia-Pacific Economic Cooperation Forum
ASEAN	Association of Southeast Asian Nations
AusAID	Australian Agency for International Development
BPS	Indonesian Central Statistics Bureau
CBO	Community-based organization
CCA	Common Country Assessment
CCT	Cooperative Coffee Timor
CFET	Consolidated Fund for East Timor
CNRT	National Council of Timorese Resistance
CSO	Civil Society Organization
ETADET	East Timor Agriculture and Development Project Foundation
ETPA	East Timor Public Administration
ETSCC	East Timor Student Solidarity Council
ETTA	East Timor Transitional Administration
ETWAVE	East Timor Women Against Violence
FDI	Foreign direct investment
FOKUPERS	Women's Communications Forum
FRETILIN	Revolutionary Front for Independent East Timor
GDI	Gender-related development index
GDP	Gross domestic product
GEM	Gender-empowerment measure
GFFTL	Young Women's Student Group of East Timor
GNP	Gross national product
HDI	Human development index
HDR	Human development report
HIV	Human immunodeficiency virus
HPI	Human poverty index
ILO	International Labour Organization
IMF	International Monetary Fund
IMR	Infant mortality rate
INTERFET	International Force in East Timor
IOM	International Organization for Migration
IUD	Intra-uterine device
JAM	Joint Assessment Mission
JPDA	Joint Petroleum Development Area
JICA	Japan International Cooperation Agency
KPG	Academy Education Teachers
NCBA	National Cooperative Business Association
NGO	Non-governmental organization
OCHA	Office for the Coordination of Humanitarian Affairs
OMT	Organization of Timor Women
REDE	East Timor Women's Network
SPG	School Education Teachers
SSTL	Survey of Sucos in East Timor
TFET	Trust Fund for East Timor
TLHS	East Timor Household Survey
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIFEM	United Nations Development Fund for Women
UNTAET	United Nations Transitional Administration in East Timor
UNTIL	National University of East Timor
USAID	United States Agency for International Development
WFP	World Food Programme
WHO	World Health Organization

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