

# Human development in East Timor

**East Timor faces life as a new nation in very difficult circumstances—with the lowest human development ranking in Asia. But full independence also brings the opportunity to make a fresh start—empowering the people of East Timor to set a new course grounded firmly on the principles of human development.**

By any standards, East Timor is one of the world's least developed countries. Incomes are low: per capita GDP is estimated at only \$478. Very few people have received an adequate education: more than half the population is illiterate. Nutrition levels are poor: more than half of infants are underweight. And the country is still suffering from the destruction and trauma that followed the national vote for independence on August 30, 1999.

Economic potential too is limited. In a few years' time there is the prospect of 20 years of oil and gas income from offshore deposits in the Timor Sea. But that revenue will need to be used sparingly and for the present most people will continue to rely primarily on agriculture where productivity and incomes are very low. Farmers in East Timor use the most basic forms of cultivation, trying to make the best of rugged terrain and a difficult climate.

In many respects, therefore, East Timor is building from the ground up. This first national human development report traces some of the country's history and explores its current economic and social conditions, and it assesses the difficulties frankly. But the purpose of a human development report is to look ahead: to seek new directions and above all to demonstrate how a commitment to human development can help set the country on a new course.

From this perspective there is cause for optimism. The immediate economic outlook may be difficult but the human potential is strong. Through the long years of colonization and occupation, the people of East Timor retained an unquenchable desire for freedom. That kind of courage and determination to choose their own destiny should serve them well in the years ahead.

Human development, in East Timor as everywhere else, is defined as 'the process of expanding people's choices'—by empowering them to lead long and healthy lives, to have access to knowledge and to a decent standard of living and to play an active role in the life of their communities. The conventional alternative is to concentrate purely on expanding the economy, pursuing economic development in the hope that the fruits of growth will eventually trickle down to the mass of the population. The human development philosophy does also aim for a flourishing economy and strong growth, but it requires this to be the right kind of growth—growth that satisfies human needs and aspirations and that is built on an expansion of human capacities. Human development is development of, by and for the people'.

Human development places a strong emphasis on the development of capacity. Capacity is 'the ability to perform functions, solve problems and set and achieve objectives'. The people of East Timor already have many valuable and tested capacities, both within individuals and in the society. They have complex webs of social and cultural relationships, and through a process of cooperative and cumulative learning they have worked out how to survive in harsh and difficult conditions, passing on this learning, mostly orally, from one generation to the next.

In an independent East Timor, however, they will need many additional capacities. To administer a modern nation state and build a more diverse and developed economy they will have to acquire new knowledge and develop new skills—many of which require long years of education and training.

*The immediate economic outlook may be difficult but the human potential is strong*

The most basic choice is the freedom to make a choice

But the challenge for East Timor is not simply to improve the skills and potential of individuals. National capacity is not just the sum total of individual capacities. It is a much richer and more complex concept that weaves individual strengths into a stronger and more resilient national fabric. So East Timor will not just have to expand individual capacities. It will also have to create the opportunities and the incentives for people to use and extend those skills. Capacity development takes place not just within individuals but also between them—in their communities and in the institutions and the networks they create—through what has been termed the ‘social capital’ that holds societies together. Human development for East Timor is not just about ‘having’—as measured say by a rise in per capita income, it is also about ‘being’.

Now the challenge is to design and build the institutions within the government and elsewhere that can expand national capacity—and increase the range of choices available to all its people. The country has already taken a major step in achieving its independence. As Mahbub ul Haq, the original architect in 1990 of the series of global human development reports expressed it: ‘the most basic choice is the freedom to make a choice’.

### The state of human development

Any assessment of the state of human development in East Timor has to present a very broad picture, looking not just at individual capacities, reflected in standards of health and education, but also at many other aspects of people’s lives—gender equality, for example, popular participation in decision making, cultural identity and the achievement of human rights. Then it needs to take into account the opportunities for

using those capacities for building sustainable livelihoods. This report will attempt to follow progress along some of these dimensions. But it is important to bear in mind that ultimately they all have to knit together—that human development cannot be reduced to one factor alone; like humanity itself it is complex and multi-dimensional.

### Population movements

One starting point is to estimate the overall population size. To some degree this has been curtailed by warfare. The Indonesian occupation from 1975 resulted in terrible loss of life. During the early years, around 60,000 people died, and throughout the period to 1999 the total number of deaths caused by the occupation is thought to have been at least 200,000. Many people were killed by the Indonesian Army; others fled to the mountains where they died from starvation or from a lack of basic sanitation or health care. A brief history of this period is given in Appendix I of this report.

The years of violence also caused significant population movements. The Indonesian administration, through its transmigration programme, moved thousands of Indonesians into East Timor, and also forcibly relocated East Timorese communities from their traditional lands. But the most dramatic disruption was to take place in 1999. In the period leading up to and immediately following the referendum, between 1,000 and 2,000 people were killed and more than half the population were forced to leave their homes—around 300,000 persons moved elsewhere in the country and some 200,000 went to West Timor.

The majority have since returned. By March 2002, the UN agencies and the International Organization for Migration had between them helped approximately 147,000 refugees to return to East Timor. A further 49,000 had returned by themselves, bringing the total number of returnees to 196,000. About 60,000 refugees remain in West Timor and a significant proportion of these, many of whom had links with the Indonesian administration, are likely to remain there.

These movements have had a lasting impact on the size and distribution of the population. Although there has not yet been

Box 1.1

#### Administrative units in East Timor

The current administrative system of East Timor is the legacy of interactions between the traditional system and the ones imposed by Portugal and Indonesia. East Timor in mid-2002 is divided administratively as follows:

13 districts—The Indonesian 2,336 aldeias—This can be translated from Portuguese to English as ‘sub-village’, or *dusun* in Indonesian.

Source: Suco Survey

a complete census since the end of the Indonesian occupation, one of the best recent estimates is available from the 'Survey of Sucos in Timor Lorosae (SSTL)'—see box 1.2—which this report will refer to as the 'Suco Survey'. This quoted figures from the Civil Registry carried out in 2001 and concluded that the total population in the first half of 2001 was 794,298.

Table 1.1 combines this with population estimates for earlier years. The different bases for these estimates, combined with the general social disruption, to some extent disguise underlying population trends. Nevertheless it seems that the 'natural growth rate' continues to be quite high. The total fertility rate, the number of children that a woman on average bears in her lifetime, was over five in 1990 and 1995—higher than in any province of Indonesia. As a result the population continued to grow rapidly—on average by 3.5% annually between 1985 and 1990, and by 2.4% annually between 1990 and 1995. The fertility rate had been falling during the 1990s, and the upheavals of 1999 and the different sources used for an independent East Timor have caused a break in the data series. Nevertheless it is clear that underlying population growth remains high.

The other prominent demographic feature of East Timor is that this is a largely rural society—some 76% of the population live in the in the country's 2,300 aldeias.

Table 1.1

Estimates of total population

|                | 1990    | 1995    | 1999    | 2001    |
|----------------|---------|---------|---------|---------|
| Population     | 747,557 | 839,719 | 779,567 | 794,298 |
| Under 15       | 42%     | 44%     | 41%     | 44%     |
| Aged 15-64     | 57%     | 55%     | 57%     | 54%     |
| Over 65        | 2.0     | 1.7     | 1.9     | 2%      |
| Fertility rate | 5.7     | 5.1     | 3.8     | ..      |

Source: See annex table 1

Of the urban dwellers, most are to be found either in the capital, Dili, or in the second-largest urban area Baucau. Most developing countries have experienced a steady growth in their urban populations. This has proceeded more slowly in East Timor but the recent upheavals will have made the population more mobile and this, combined with evident urban-rural income gaps, is likely to result in an increase in the urban population.

Health

The people of East Timor have poor standards of health, certainly lower than those in Indonesia. Both infant mortality (80 deaths per 1,000 live births) and under-five mortality (144 deaths per 100,000 live births) are far higher than the rates in Indonesia and overall life expectancy is 57 years, compared with 65 years in Indonesia. The major causes of death include preventable dis-

Table 1.2

Population by district

|     | District | Population |
|-----|----------|------------|
| 1.  | Aileu    | 31,827     |
| 2.  | Ainaro   | 45,093     |
| 3.  | Baucau   | 101,517    |
| 4.  | Bobonaro | 69,932     |
| 5.  | Covalima | 49,234     |
| 6.  | Dili     | 120,474    |
| 7.  | Ermera   | 88,415     |
| 8.  | Liquica  | 45,575     |
| 9.  | Lautem   | 53,467     |
| 10. | Manufahi | 38,616     |
| 11. | Manatuto | 35,446     |
| 12. | Oecussi  | 45,042     |
| 13. | Viqueque | 62,704     |
|     | Total    | 787,342    |

Note: These data do not include some returning refugees.

Source: Suco Survey, 2001.

Box 1.2

Surveys of East Timor

One of the first tasks for East Timor is to establish a firm database for future planning. The largest undertaking at present is a Poverty Assessment which has been a joint exercise of the East Timor Transitional Administration, the Asian Development Bank, the World Bank, the United Nations Development Programme and the Japan International Cooperation Agency. This has three elements:

*The Survey of Sucos in Timor Lorosae (SSTL)*—This was designed to provide a consistent data source on the characteristics of each suco in East Timor. The main output of the SSTL is an inventory of existing social and physical infrastructure, of the economic characteristics of each suco, and of the coverage of public services. The principal sources of information from each

suco were the suco chief, supplemented by teachers, health professionals and others. Most respondents were male. This is referred to as the 'Suco Survey' in this report.

*The Timor Lorosae Household Survey (TLHS)*—This is a sample survey, of 9,100 people in 300 aldeias, designed to identify the key characteristics of poor households—to assess the constraints on poorer households and to evaluate the impact of public programmes on the poor.

*The Timor Lorosae Participatory Potentials Assessment (TLPPA)*—This community-level research was conducted in 48 communities to investigate in detail the nature of poverty, the causes of poverty and how best to promote well being.

Only 20% of aldeias have electricity

eases such as malaria, respiratory tract infections and diarrhoea.

Low health standards are partly the result of a lack of basic services. During the Indonesian period less than 50% of households had access to clean water and only 38% to sanitation. And although there is no recent comparable data, the Suco Survey suggests that the violence of 1999 did not appreciably alter the situation. Only 20% of aldeias have access to electricity; only 7% have piped water to the household and another 30% of aldeias have access to piped or pumped water in a public place. Most people who want to reach health facilities will walk: on average it takes them 20 minutes to reach a road, 30 minutes to reach a paved road and 70 minutes to reach a health centre.

Health provision is weak. Although prior to 1999 East Timor had many of the buildings for its health services the facilities were usually understaffed and short of medical supplies. During September 1999 around three-quarters of the health facilities were damaged and the majority of doctors who, along with many other health staff, were primarily Indonesian, left. Now there is an acute shortage of doctors, though the situation is better for nurses since most of these were East Timorese. According to the Suco Survey there were over 200 health facilities in 2001 of which around half were community health centres and most of the rest were health posts or mobile clinics. Around half the health facilities are provided by the state (figure 1.1).

The Indonesian state health service was very much a top-down delivery system, staffed largely by Indonesians, and permit-

ted the East Timorese little or no say in how their services were run. This, combined with the linguistic barriers, also reduced the opportunities for people to improve their own health standards and many communities have only a limited understanding of basic health and nutrition. HIV/AIDS is also an increasingly important issue (box 1.3).

One of the main concerns is reproductive health. East Timor has few facilities for pre-natal and post-natal care and women in the rural areas in particular are at risk when there are complications in pregnancy. Only 30% of births have any skilled birth attendance. This has contributed to a very high level of maternal mortality: some 420 women die for every 100,000 live births.

At present contraceptive use is low and confined to a narrow range of options. In 1997 25% of women were using contraceptives. Their main method was the three-monthly injection, though a small number were using oral pills Norplant and IUDs. Few men use condoms. Clearly one of the main priorities will be to ensure that couples have access to the range of methods appropriate to their family planning choices.

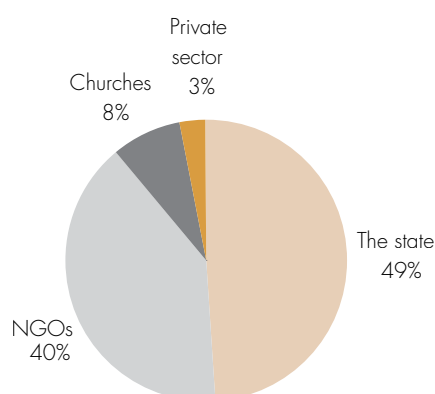
### Education

In education too, East Timor lagged behind other provinces of Indonesia. Again there were plenty of buildings, but schools often lacked teachers, funds and supplies. Many parents did not enrol their children at all—the net enrolment ratio for children of primary school age was around 70%, compared with 97% in Indonesia. This has partly been a reflection of poverty: many poor parents could not afford the costs of fees and uniforms. But some parents also had reservations about their children becoming involved in a repressive system and being taught by foreign teachers. The low rate of enrolment, combined with high rates of dropout, meant that in 1995 even in the younger, 15-19 age group less than half of either males or females had completed primary education. As a result, today more than half the population are illiterate (49% male and 64% female).

The events of September 1999, exacerbated the situation. Around 80% of primary schools were partially or completely destroyed, along with buildings, furniture and teaching materials. At that point many teachers left, including the majority of those

Figure 1.1

#### Providers of health facilities



Source: Suco Survey (2001)

in secondary schools. Since then most schools have been rebuilt. Education is considered in greater detail in chapter 4.

### *Food security and nutrition*

Around 76% of people live in the rural areas where the majority of households are engaged in subsistence agriculture. The main food crops are maize, rice and cassava. Although maize remains the main staple food crop, rice is becoming steadily more important and by 1997 total output was around half that of maize. Food production for 2001, as reported in the Suco Survey, is shown in table 1.3. Output for earlier years is shown in annex table 9. The main cash crop is coffee which is grown both on smallholdings and on small and large estates. Livestock has also been an important source of household income, though this declined markedly during the Indonesian years.

Much of the land is difficult to farm, given the rugged topography and the threat of deforestation and erosion. Farming families use a variety of fairly basic cultivation methods. These include slash-and-burn cultivation of maize and the cultivation of rice on rain-fed or irrigated terraces on the hills or on the perimeters on the lowlands.

Most households have been less concerned with maximizing their yield than with

reducing their vulnerability to the vagaries of the climate—including the El Niño-related phenomena that bring the potential for drought and floods. Only about 2% of households use fertilizers or pesticides and only about 5% use tractors. This is partly because the East Timorese have traditionally not used these inputs but also because they have been unavailable

Box 1.3

### The opportunity to prevent HIV/AIDS in East Timor

Twenty years after the first clinical evidence of acquired immuno-deficiency syndrome (AIDS) this has become the most devastating disease humanity has ever faced.

Nearly 58 million people have been infected by the HIV virus globally, of which 22 million have subsequently died of AIDS. HIV/AIDS is now the world's fourth biggest killer and strikes particularly at young adults. Around one-third of those currently living with HIV/AIDS are aged 15-24. Young women are especially vulnerable. But millions of those who are at risk know nothing about HIV and do little to protect themselves. Even many of those carrying the virus are unaware that they have acquired it.

The Asia Pacific region has the fastest growth rates of new HIV infections in the world. In the past four years, there has been a 100% increase in the incidence of HIV infection. HIV/AIDS continues to spread dramatically in Cambodia, China, Myanmar, Papua New Guinea, Thailand and Vietnam. Indonesia is still a low-prevalence country but, just as in other countries, HIV/AIDS is spreading among specific groups, such as sex workers and their clients, as well as among the mobile populations, such as seafarers and truck drivers who have high levels of unprotected sex with multiple partners.

East Timor can expect to be affected by the underlying regional trends. Indeed the danger may be greater here since the risk of HIV/AIDS is particularly high in countries that have been affected by conflict, population displacement and widespread destruction. East Timor has officially had only one reported HIV/AIDS death so far. But the UN Theme Group on HIV/AIDS has concluded that East Timor has no systematic or reliable surveillance of HIV/AIDS or sexually transmitted infections (STI) so there would be insufficient information to assess the extent of a HIV/AIDS epidemic.

The Group also identified some key risk factors:

- High levels of STI;
- Low levels of HIV/AIDS/STI awareness;
- The absence of programmes of awareness, prevention and care;
- An increase in sex work;
- Domestic violence and incest;
- The start of injecting drug use;
- Cultural constraints to talking openly about sexual behaviour;
- The lack of education, vocational training, employment options and leisure activities for young people;

If it follows the same pattern as in other countries HIV/AIDS could have a major impact in East Timor. Some of the effects will be economic: those who contract the virus are generally from the most productive age groups and the combination of loss of income and the need to pay health expenses is devastating for poor families. There can also be a major impact on education: if teachers become infected and die they will be difficult to replace. If a family member is infected, children are likely to be kept at home to care for the sick.

There is also a huge burden on health services. The United Nations has estimated that in 1996 the average annual health care cost for a person living with HIV/AIDS in the Pacific Islands was about \$5,000, while Pacific Island governments were on average spending only between \$20 and \$30 per person on health. Even a moderate HIV/AIDS epidemic in East Timor would put a huge strain on the government budget. Then there are the immense personal and social costs. Who will care for the sick or the orphans?

East Timor has a unique opportunity to avoid this. Determined efforts now can ensure a healthier and more secure future.

Table 1.3

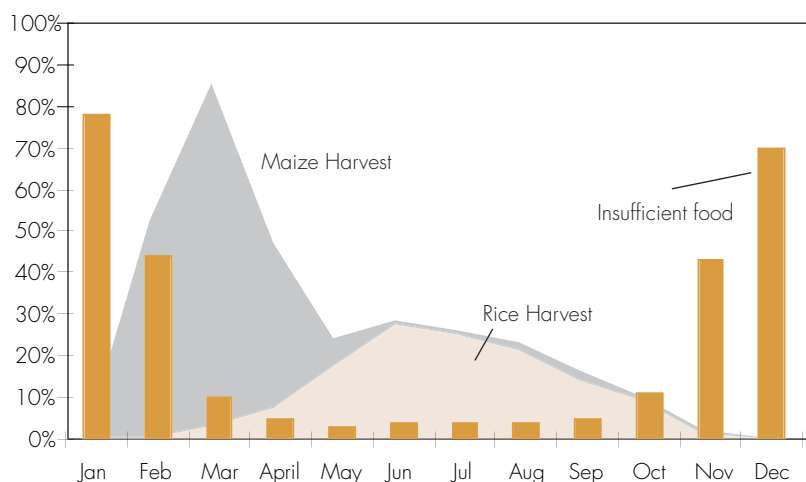
### Food production, 2001

|                 | Hectares | Tons   |
|-----------------|----------|--------|
| Gogo Rice       | 3,417    | 3,552  |
| Rice            | 35,318   | 54,302 |
| Maize           | 121,335  | 68,959 |
| Cassava         | 91,067   | 55,349 |
| Coffee cherries | 88,823   | 26,944 |
| Coffee dry bean | 28,981   | 14,984 |
| Kidney bean     | 8,177    | 3,722  |
| Sweet potato    | 67,137   | 31,663 |
| Potato          | 1,687    | 968    |
| Taro            | 28,912   | 13,500 |
| Squash          | 13,639   | 9,442  |
| Mungbean        | 4,145    | 1,786  |
| Soy bean        | 2,080    | 821    |
| Coconuts        | 2,120    | 2,137  |
| Peanuts         | 3,262    | 1,677  |
| Vegetables      | 7,123    | 1,888  |
| Bananas         | 17,892   | 19,371 |
| Other fruit     | 2,978    | 3,086  |

Source: Surco Survey (2001)

Figure 1.2

Harvests and patterns of food insecurity



Note: The bars indicate the percentage of sucos reporting insufficient food in that month. The areas indicate the percentage of sucos reporting a maize or rice harvest in that month.

Source: Suco Survey (2001)

*Food insecurity peaks just before the harvest*

As a result of low productivity and general neglect of agriculture, compounded by the effects of decades of conflict, and difficulties in land tenure, food output has been low. Only around half of the land suitable for agriculture is currently being used, and for decades East Timor has not been self-sufficient in its staple crops.

This low production has undermined basic food security. Families can achieve food security either by growing food for themselves or by gaining income from other sources to buy what they need. The majority of people rely on growing their own food. The Suco Survey shows that up to 80% of maize production and 85% of cassava production is for own-consumption. Rice is a more traded food though even about two-thirds of rice production is for own-consumption. Surveys by SUSENAS, the Indonesian Socio-Economic Survey, suggest that around two-thirds of total household expenditure goes on food with rice as the largest single item. However, there is clearly insufficient production and there are typically shortages in December and January. This is illustrated in figure 1.2 which shows how food insecurity typically peaks just before the maize harvest.

When times get tough, farm families eat less food and adopt other coping strategies. The Poverty Assessment Survey found that for two-thirds of people the first option would be to substitute corn for rice,

while others would sell livestock or other assets or borrow from friends or relatives.

Even when food is available in the household, however, it may not be well used. This is evident from the extent of child malnutrition: around 45% of children under five are underweight. WHO nutritional surveys conducted in selected districts suggest that 3% to 4% of children aged 6 months to five years are acutely malnourished, while one in five are chronically malnourished. Although some of this is due to a lack of food, some families do not give their children the right kinds of food and children's ability to absorb nutrients is also being compromised by regular infections.

*Income poverty*

That East Timor is a poor country is not in doubt. But the proportion judged to be living in income poverty will depend on where the poverty line is set. The international standard, which is useful for cross-country comparisons, is \$1 per day. But it is usually better to have a national poverty line that better reflects local conditions. The East Timor Household Survey selected a poverty line in September 2001 that was the equivalent of \$0.55 per person per day. Of this, around two-thirds was allocated to food, sufficient to provide 2,100 kilocalories per day, and the rest for non-food items including education, health, clothing and housing. On this basis, 41% of the popula-

tion fell below the poverty line, with the incidence higher in the rural areas (46%) than in the urban centres (26%). The lowest poverty rate is in Dili and Baucau where it is 14%.

The vast majority of the poor are in the rural areas. Of these the poorest groups are in households that have small landholdings and few or no livestock, and those who live in areas that are prone to flooding and soil erosion. Also most likely to be poor are households with many children or those with elderly or other dependent relatives.

More surprising perhaps, poverty appears to be lower in the 10% of households that are female-headed. This is probably because a widowed woman is likely to be so poor that she cannot survive alone and, following East Timorese custom, is likely to have moved in with the family of her husband's brother. Only in a better off household could she manage on her own.

Poverty in East Timor is also related to inequality. The conventional measure of inequality is the Gini coefficient which varies between 0 (absolute equality) and 1 (one person owns everything). In East Timor in 1995, the Gini coefficient, at 0.363, was higher than in some of the other poor provinces of Indonesia (table 1.4). This can be explained in part by the low productivity in agriculture which has reduced rural incomes. Although in that year 73% of workers were employed in agriculture they generated only around 30% of GDP and agricultural output per worker was less than half that in other provinces.

Those working in the urban areas, where the majority of people were either working for the government or in other parts of the service sector, probably had earnings similar to those elsewhere in urban Indonesia. Thus in the mid-1990s the per capita income in Dili was 73% higher than that for East Timor as a whole while that for the poorest district, Lautem, was 42% lower.

The departure of many Indonesian officials will certainly have reduced average urban incomes. However, the expansion in government services through UNTAET and the large number of international organizations in Dili contributed to a marginal increase in the Gini coefficient to 0.37 (2001).

### *Sustainable livelihoods*

Table 1.4

#### Inequality and agricultural productivity, 1995

|                  | Gini coefficient | Output/worker (Rp. Millions) |
|------------------|------------------|------------------------------|
| East Timor       | 0.363            | 0.847                        |
| W. Nusa Tenggara | 0.286            | 1.706                        |
| E. Nusa Tenggara | 0.296            | 0.961                        |
| Maluku           | 0.269            | 2.026                        |
| Irian Jaya       | 0.386            | 2.007                        |

Source: Booth, A (2001)

To achieve sustainable human development people should be able to pursue to 'sustainable livelihoods'. This term includes not just employment but also the ways in which they can use other assets, activities and entitlements in order to earn a living.

One of the priorities for East Timor must be to create sufficient employment opportunities for both current and future generations. Currently the labour force amounts to around 310,000. With the population growing at around 2.5% annually, around 20,000 young people will join the labour force each year. Almost all current sources of livelihood are linked with agriculture, both for own consumption and cash income. A rapid assessment survey of households by the Asian Development Bank in 2000 found rice to be the main source of household cash income (table 1.5).

As this table indicates, most cash income is derived from the 'informal economy'. For the foreseeable future, the alternative to informal employment will be very limited. A study for ILO/UNDP estimates that at most the formal economy will probably

*Around 20,000 young people join the labour force each year*

Table 1.5

#### Main occupation for household cash income

| Occupation          | Rural | Urban | Total |
|---------------------|-------|-------|-------|
| Rice grower         | 32%   | 15%   | 23%   |
| Coffee grower       | 13%   | 9%    | 11%   |
| Fruit/Veg grower    | 26%   | 19%   | 22%   |
| Animal husbandry    | 6%    | 5%    | 6%    |
| Shop operator       | 3%    | 11%   | 7%    |
| Contractor          | 1%    | 2%    | 1%    |
| Labourer            | 5%    | 12%   | 8%    |
| Public servant      | 1%    | 7%    | 4%    |
| Cleaner             | 1%    | 2%    | 2%    |
| Transport           | 1%    | 3%    | 2%    |
| Restaurant operator | 0%    | 1%    | 1%    |
| Other               | 11%   | 15%   | 13%   |

Source: ADB (2000)

## *A culture of violence and intolerance against women*

amount only to around 22,000 people, most of whom are employed by the government NGOs and a few foreign companies. Everyone else—including the self-employed or own-account workers, employers, employees and unpaid family workers—could be said to be engaged in the informal economy. The gender breakdown of this workforce is unknown but is thought to be 60% male and 40% female.

The 'industrial' or manufacturing sector remains very small and consists mostly of craft operations. An assessment in 1997 estimated that there were around 4,500 enterprises, with weaving and furniture-making as the largest categories, and the average number of workers per enterprise was only three (House, 1999).

As the economy develops, however, off-farm work will become increasingly important. Much of that will be in the service sector in Dili and Baucau. But sustained economic development will also require support and encouragement for small-scale enterprises in both rural and urban areas.

### *Gender*

As in other developing countries, poverty particularly affects women. In addition to their other responsibilities, both in the household and on the farm, they bear the brunt of the impact of polluted water and poor sanitation which forces them to spend a lot of time looking after sick children. Rural women in particular who live far from health facilities also run the risk of complications in pregnancy—which contribute to maternal mortality.

Women, at least in the past, have been less likely than men to have been enrolled in school, and two-thirds are illiterate. Moreover they have less power in the household. This is partly because they may not have a cash income of their own: the labour force participation rate for women is only 40% compared with 60% for men. Women also have little voice in community meetings, where they are often silenced. In addition, they are under-represented in such occupations as teacher or public administrator.

Many women are also the victims of violence. Indeed one of the worst aspects of the events of September 1999 was the level of violence against women. The UN High Commission on Human Rights

reported on cases of rape and sexual harassment in Dili and during the forced movement to the camps in West Timor, as well as in the camps themselves.

The East Timorese women's NGO, FOKUPERS, also reported on 182 documented cases of gender-based violation of human rights and considers that these documented incidents were just the tip of the iceberg. All this violence has had a traumatic effect on the lives of hundreds of people who will need counselling and support in the years ahead.

Nevertheless most of the violence experienced by women nowadays takes place within their own homes. 'Gender-based violence' can be defined as violence involving men and women in which the woman is usually the victim, and which is derived from an unequal power relationship. Participants at the First Congress of Women of Timor Lorosae in June 2000 reported that a culture of violence and intolerance against women has become deeply embedded in East Timorese society. The Congress adopted a platform of action that drew specific attention to gender-based violence, including domestic violence.

The full extent of this violence is unknown. Inevitably much of it goes unreported. Some women may be unaware of their legal rights, or feel they cannot rely on the authorities to take appropriate action. Others may fear further retribution from the assailant or disapproval from other members of the community. But it is not unusual in many societies emerging from a long period of armed conflict for the echoes to resonate in households for years afterwards.

A number of NGOs in East Timor already have programmes that aim to prevent and respond to gender-based violence. The East Timorese Women's Network (REDE) has asked for adequate laws to protect women victims of domestic violence and for the establishment of services to support them. UNIFEM is currently supporting the setting up of a permanent secretariat for REDE and capacity building for REDE's staff and members.

At the request of the East Timorese authorities and communities, a series of workshops on domestic violence was launched in selected pilot areas of Baucau

and Manatuto districts in October 2001, aimed at developing an understanding of the extent of the problem and seeking solutions in the local community.

Women have a vital role to play in the reconstruction of East Timor. Already some efforts have been made to enhance their participation. There have, for example, been special activities to promote women's voting and measures to ensure that at least 30% of public service workers are women. In November 2001 the transitional administration appointed an East Timorese Adviser on Equality, reporting directly to the Chief Minister, to support the formulation and implementation of government policies on equality and the promotion of these issues within central and local governments.

### *Environment*

A key requirement of human development is that it should be sustainable—'development that meets the needs of the present without compromising the ability of future generations to meet their own needs'. East Timor is not well endowed with natural resources. Much of the terrain is steep—studies show that around 44% of the country has a slope of around 40%, with only a thin covering of unproductive soil. Rainfall is low but when it arrives it is often so heavy that it is likely to wash the soil away in flash floods. Some farming communities have developed indigenous forms of soil conservation, but elsewhere slash-and-burn agriculture and poor land management have contributed to erosion and a steady loss of soil cover.

This has been exacerbated by deforestation. Even before the arrival of the Portuguese East Timor was losing its forests. One of the most valuable resources was sandalwood, but overexploitation has now reduced this to just a few stands. Many rural families also rely on selling wood for fuel. As a result of these and other activities, forest cover is thought to have fallen by almost 30% in the period 1972-99. Although there are few reliable estimates of land use, probably 80% of the country now consists of various types of shrubland (Pedersen, 1999).

The other main natural resource is minerals. These include some deposits of gold, copper and iron. But much of the mineral

wealth lies in the Timor Sea between East Timor and Australia. Here there are oil and natural gas deposits. Estimates of the value vary but one suggests that over a 20-year life the field could yield around \$7 billion in total.

For East Timorese in urban areas the main environmental issue is pollution. At present there are no effective systems for waste management. Dili has a basic sewerage system and limited collection and disposal of solid waste. But large piles of rubbish accumulate as a result of illegal dumping. All of this is further polluting the groundwater on which many people rely for drinking water.

Sustainability is a critical issue for human development in East Timor. Unless the country can address such issues as deforestation, water pollution, and unsustainable harvesting of resources, agricultural and rural incomes will drop, roads and infrastructure will continue to break down, and people's health will suffer. Environmental degradation also compromises the health and livelihood systems of future generations.

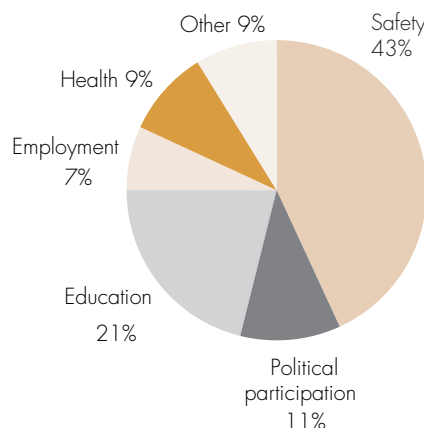
### *Human security*

Another critical component of human development is security. People need to be free of threats to their rights, their safety, or their lives. Compared with the years of Indonesian administration and the traumatic period following the referendum, most people now feel safer. And the reported crime rate is low. This was clear from the Household Survey in which 43% of respondents reported greater safety as the sin-

*Environmental degradation compromises the livelihoods of future generations*

Figure 13.

#### Improvements after 1999



Source: Household Survey

gle most important improvement from before the violence (figure 1.3).

The UNTAET administration was established in October 1999 by the UN Security Council to ‘exercise all legislative and executive authority, including the administration of justice’. This involved the establishment of a civilian police force to maintain law and order as well as help with the creation of the East Timor Police Service. This effort has included more than 2,000 personnel from 40 countries. Governance and justice issues are considered in greater detail in chapter 2.

### *Freedom and participation*

The people of East Timor have already established independence as a nation. On August 30, 2001 a remarkable 91% of the electorate voted to elect the members of a Constituent Assembly of whom 27% were

women. The Assembly received reports from 13 Constitutional Commissions that summarized the views of over 36,000 East Timorese people in preparing the Constitution that it agreed in March 2002 and that paved the way to independence. The presidential election of April 2002 also had a striking turnout—86% of voters cast their ballots, compared for example, with 51% in the last US presidential election.

These formal steps are the prerequisites for a nation state. But freedom involves more than establishing formal institutions and holding regular elections. The kind of freedom that is central to human development requires a constant process of participation and feedback that allows everyone, men, women and children, the widest possible opportunity to control the processes that affect their daily lives.

This kind of freedom is also a human right. As the global Human Development Report 2000 puts it, human rights and human development share a common vision and a common purpose—to secure freedom, well-being and dignity of all people everywhere. To secure:

- *freedom from discrimination*—by gender, race, ethnicity, national origin or religion;
- *freedom from want*—to enjoy a decent standard of living;
- *freedom to develop*—to realize one’s human potential;
- *freedom from fear*—from threats to personal security, from torture, arbitrary arrest and other violent acts;
- *freedom from injustice*—and violations of the rule of law;
- *freedom of thought and speech*—and to participate in decision-making and form associations;
- *freedom for decent work*—without exploitation.

This list of freedoms is a challenging and demanding agenda. For East Timor, the first priority has been to establish the constitutional arrangements to build a strong and participative democracy along with the appropriate institutions and a strong legal framework.

But just as important is to establish a ‘culture’ of respect for human rights on the part of both the state and civil society. This cannot be achieved by legislation alone. Each

Box 1.4

#### A primer on the human development index

The human development index was first presented in the 1990 global *Human Development Report*, and since then has been refined.

*Why do we need a human development index?*—Because national progress tends otherwise to be measured by GNP alone, many people have looked for a better, more comprehensive socio-economic measure. The human development index is a contribution to this search.

*What does the HDI include?*—The HDI is a composite of three basic components of human development: longevity, knowledge and standard of living. Longevity is measured by life expectancy. Knowledge is measured by a combination of adult literacy (two-thirds weight) and mean years of schooling (one-third weight). Standard of living is measured by purchasing power, based on real GDP per capita adjusted for the local cost of living (purchasing power parity, or PPP).

*Why only three components?*—The ideal would be to reflect all aspects of human experience. The lack of data imposes some limits on this, and more indicators could perhaps be added as the information becomes available. But more indicators would not necessarily be better. Some might overlap with existing indicators: infant mortality, for example, is already reflected

in life expectancy. And adding more variables could confuse the picture and detract from the main trends.

*How is it possible to combine indicators measured in different units?*—The measure for GNP is money. The breakthrough for the HDI, however, was to find a common measuring rod for the socio-economic distance travelled. The HDI sets a minimum and a maximum for each dimension and shows where each country stands in relation to these scales—expressed as a value between 0 and 1.

*Is it misleading to use a single HDI for a country with great inequality?*—National averages can conceal a great deal. The best solution would be to create separate HDIs for the most significant groups: by gender, for example, or by income group, geographical region, race or ethnic group. Separate HDIs would reveal a more detailed profile of human deprivation and these have been produced in several countries.

*How can the HDI be used?*—The HDI offers an alternative to GNP for measuring the relative socio-economic progress of nations. It enables people and their governments to evaluate progress over time—and to determine priorities for policy intervention. It also permits instructive comparisons of the experiences in different countries.

individual and group has to respect the ‘other’—accepting that one person’s freedoms end where someone else’s begin. And East Timor also has to look beyond the aggression of the recent past, ensuring that conflicts are resolved not through violence but through dialogue.

### The human development indices

This brief overview of the state of human development in East Timor gives some impression of the range of issues that comprise genuine human development—from good health, to sustainable livelihoods and employment, to political freedom. For most of these issues it is possible to collect the appropriate data—on infant mortality rates, for example, levels of employment and income, and the extent of women’s participation in electoral systems. But efforts have also been made internationally to achieve an overall composite measure—a human development index (HDI) that draws together as many factors as possible into a single measure.

It should be emphasized, however, that the HDI does not—indeed cannot—reflect all aspects of human development since it is impossible meaningfully to combine information on income, say, or crime, or human rights, or maternal mortality into one single indicator. Instead the HDI has been developed to combine a subset of these data, using indicators on life expectancy, knowledge, and standard of living (box 1.4).

This results in a HDI value for each country in the range 0 to 1. This in principle makes it possible to rank every country in the world according to its human development achievement. In practice, this is not possible for every country since some do not collect the necessary data. In 2001 the global human development report calculated the HDI for 162 countries. Of these, Norway occupied first place with a HDI of 0.939 while Sierra Leone, a country in West Africa, occupied the bottom position with an HDI of 0.258.

Where does East Timor fit into this picture? Table 1.6 shows estimates for East Timor as a province of Indonesia until 1999, and an estimate for 2001 which indicates an HDI of 0.421. There has also been general rise in HDI (figure 1.4). This trend needs to be considered with caution, since the figure for 2001 uses different sources (see

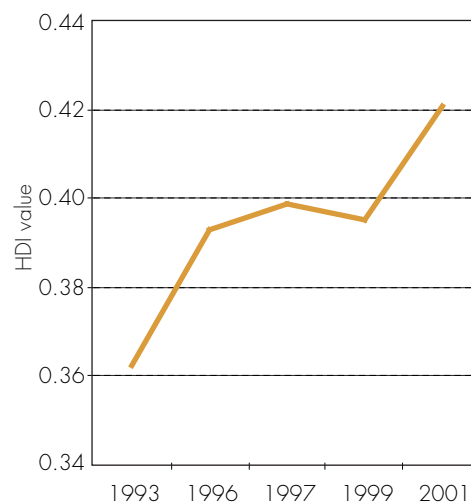
Note on the calculation of indicators, page 87). However it suggests a steady increase in both the life expectancy index and the education index. The income element of the HDI, which is the GDP per capita adjusted for purchasing power parity, showed a sharp dip for 1999 which probably corresponded to the economic crisis in Indonesia and the disruption in 1999, and then a rise for 2001 which corresponded to the boost to the service sector caused by the presence of many expatriates.

To fit East Timor into the rest of the world, however, means reverting to the data for 1999 since this is the year for which the latest global HDIs have been calculated. On this basis the HDI for East Timor was 0.395 which is identical to that of the Central African state of Rwanda which for that year was ranked 152 of the 162 countries for which HDIs were calculated (table 1.7). It is interesting in this case to compare the components of East Timor’s HDI with those of Rwanda. Although the HDIs are identical, the components that make up the HDI are very different. Thus East Timor’s GDP per capita is less than half that of Rwanda (\$337 compared with \$885). And East Timor also has a lower education index mainly because in 1999 the literacy rate was only 40%, compared with 66% in Rwanda. However, this is offset by far higher life expectancy (56 years in East Timor, compared with 40 in Rwanda).

Of the component parts of the HDI, East Timor performs moderately on life

*East Timor’s HDI was the same as that of the African country of Rwanda*

Figure 1.4  
HDI trend, 1993-2001



Source: As for table 1.6

Table 1.6

## Human development index

|   | 1993  | 1996  | 1997  | 1999  | 2001  |
|---|-------|-------|-------|-------|-------|
| Life expectancy at birth (years) <sup>1</sup> | 52.2  | 53.9  | 54.4  | 56.0  | 56.7  |
| Adult literacy rate (% age 15 and over)       | 35.6  | 40.4  | 40.6  | 40.4  | 43.0  |
| Gross enrolment <sup>2</sup> (%)              | 52.6  | 55.5  | 56.6  | 59.1  | 56.1  |
| GDP per capita (\$PPP) <sup>3</sup>           | 374   | 429   | 442   | 337   | 478   |
| Life expectancy index                         | 0.453 | 0.482 | 0.490 | 0.517 | 0.528 |
| Education index                               | 0.413 | 0.454 | 0.459 | 0.466 | 0.474 |
| GDP index                                     | 0.220 | 0.243 | 0.248 | 0.203 | 0.261 |
| Human development index value                 | 0.362 | 0.393 | 0.399 | 0.395 | 0.421 |

Notes: 1. For further details on how life expectancy and other data were estimated, see Note on the calculation of indicators, page 87. 2. Combined primary, secondary and tertiary. 3. Using 1996 as the base year. The figure for '1993' refers to 1995.

Sources: The 1990 population census, the 1995 intercensal survey (SUPAS), Socio-economic household surveys—SUSENAS (1993, 1996 and 1999), East Timor Household Survey 2001, IMF Survey (August 28, 2000), IMF Statement at Donor's Meeting on East Timor (Oslo, December, 2001).

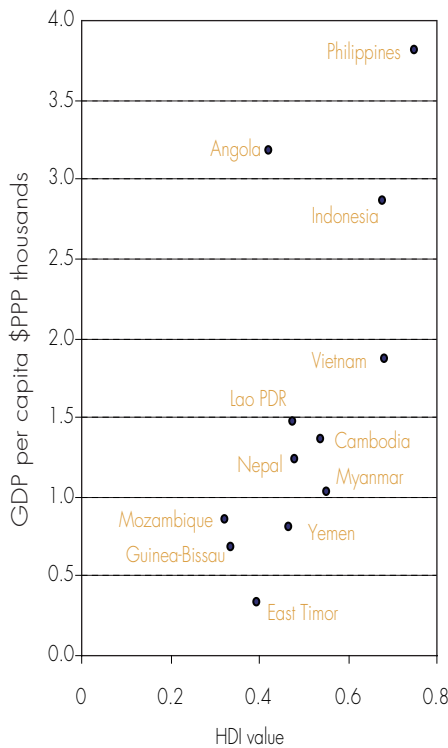
Table 1.7

## East Timor's human development index in the world rankings, for 1999

| HDI rank   |               | HDI value | GDP per capita<br>(\$PPP) | Life expectancy<br>at birth (years) | Adult literacy<br>Age 15+ (%) | Gross educational<br>enrollment (%) |
|--|---------------|-----------|---------------------------|-------------------------------------|-------------------------------|-------------------------------------|
| ASEAN Countries                                  |               |           |                           |                                     |                               |                                     |
| 56   | Malaysia      | 0.774     | 8,209                     | 72.2                                | 87.0                          | 66                                  |
| 66   | Thailand      | 0.757     | 6,132                     | 69.9                                | 95.3                          | 60                                  |
| 70   | Philippines   | 0.749     | 3,805                     | 69.0                                | 95.1                          | 82                                  |
| 101  | Vietnam       | 0.682     | 1,860                     | 67.8                                | 93.1                          | 67                                  |
| 102  | Indonesia     | 0.677     | 2,857                     | 65.8                                | 86.3                          | 65                                  |
| 118  | Myanmar       | 0.551     | 1,027                     | 56.0                                | 84.4                          | 55                                  |
| 121  | Cambodia      | 0.541     | 1,361                     | 56.4                                | 68.2                          | 62                                  |
| 131  | Lao PDR.      | 0.476     | 1,471                     | 53.1                                | 47.3                          | 58                                  |
|  | East Timor    | 0.395     | 337                       | 56.0                                | 40.4                          | 59                                  |
| Other Asian countries with low human development |               |           |                           |                                     |                               |                                     |
| 129  | Nepal         | 0.480     | 1,237                     | 58.1                                | 40.4                          | 60                                  |
| 130  | Bhutan        | 0.477     | 1,341                     | 61.5                                | 42.0                          | 33                                  |
| 132  | Bangladesh    | 0.470     | 1,483                     | 58.9                                | 40.8                          | 37                                  |
| 133  | Yemen         | 0.468     | 806                       | 60.1                                | 45.2                          | 51                                  |
| Portuguese-speaking developing countries         |               |           |                           |                                     |                               |                                     |
| 69   | Brazil        | 0.750     | 7,037                     | 67.5                                | 84.9                          | 80                                  |
| 91   | Cape Verde    | 0.708     | 4,490                     | 69.4                                | 73.6                          | 77                                  |
| 146  | Angola        | 0.422     | 3,179                     | 45.0                                | 42.0                          | 23                                  |
| 156  | Guinea-Bissau | 0.339     | 678                       | 44.5                                | 37.7                          | 37                                  |
| 157  | Mozambique    | 0.323     | 861                       | 39.8                                | 43.2                          | 23                                  |
| Other low-ranked HDI countries                   |               |           |                           |                                     |                               |                                     |
| 149  | Rwanda        | 0.395     | 885                       | 39.9                                | 65.8                          | 40                                  |
| 161  | Niger         | 0.274     | 753                       | 44.8                                | 15.3                          | 16                                  |
| 162  | Sierra Leone  | 0.258     | 448                       | 38.3                                | 32.0                          | 27                                  |

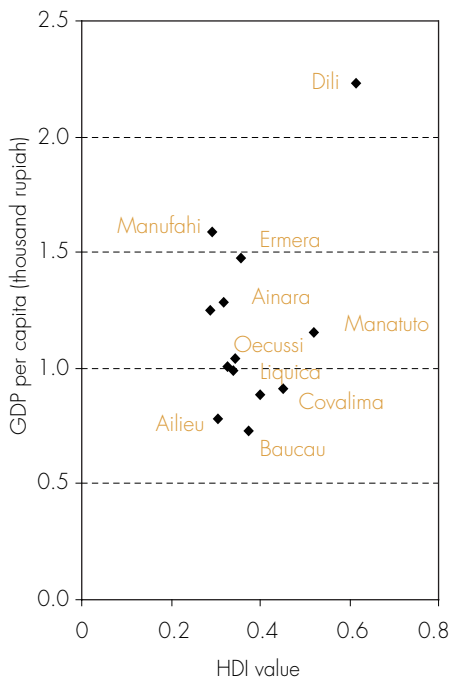
Sources: For other countries, Human Development Report 2001 (UNDP)

Figure 1.5  
HDI compared with per capita GDP



Source: As for table 1.7

Figure 1.6  
Regional HDIs, 1999



Note: the HDI values here are not comparable with the ones presented in table 1.6, as the income indicator uses Indonesian rupiah, and one of the educational indicators uses mean years of schooling instead of the combined gross enrolment ratio.

Source: Calculated from SUSENAS core data 1999.

expectancy. An average life expectancy of 56 years is comparable with Cambodia and Myanmar, but much lower than that in a number of other ASEAN countries, such as Indonesia (65) and Vietnam (68). However, East Timor's life expectancy was still much higher than that in other Portuguese-speaking, low-income countries in Africa, such as Angola and Guinea-Bissau (45) and Mozambique (40).

Of the components of the education index, East Timor does better on enrolment than on literacy. The combined gross enrolment ratio for East Timor was 59% in 1999, comparable with Myanmar (55%), the Lao PDR (58%) and Cambodia (62%). On the other hand the adult literacy rate for East Timor at around 40%, was much lower than in any ASEAN member country, comparable only with the poorest Asian countries, such as Bhutan, Bangladesh, Nepal and Yemen, as well as with the poorest African countries, including Guinea-Bissau, Niger, Mozambique and Sierra Leone.

However, East Timor's worst performance is on per capita income—which to some extent is the result of the disruption in 1999. In fact East Timor's estimated per capita income of \$337 for 1999 would put it in last place in a GDP ranking of these 162 countries—some way behind Sierra Leone, which occupied last place at \$448. This is indicated in figure 1.5 which shows East Timor at the bottom of the chart in terms of income but doing slightly better on HDI. The trend line in this figure shows that HDI tends to rise as per capita income rises—in part of course because income is itself a component of the HDI. But this figure illustrates an important point: some countries do better than others at translating higher incomes into better standards of human development, so in these terms East Timor performs better than its per capita income would suggest—underlining the importance of focusing on the HDI as a measure of development rather than on GDP alone.

One of the weaknesses of the HDI calculated at the national level, however, is that it does not take into account inequalities within countries. A country might have a high overall HDI but have significant inequalities between regions, or between social groups. This will certainly be the case in East Timor, given the contrast between ur-

*The worst HDI performance is on income*

Table 1.8

## Gender-related development index

|   | 1999  | 2001  |
|---|-------|-------|
| Life expectancy at birth (years)                                    |       |       |
| Female  | 57.5  | 59.2  |
| Male  | 54.2  | 55.6  |
| Adult literacy rate, aged 15+ (%)                                   |       |       |
| Female  | 33.9  | 42.8  |
| Male  | 46.9  | 43.1  |
| Combined primary, secondary and tertiary gross enrollment ratio (%) |       |       |
| Female  | 59.7  | 55.1  |
| Male  | 62.1  | 58.4  |
| Gender-related development index (GDI)                              | 0.361 | 0.347 |

Note: For issues on comparability between pre-and post-1999 data, see 'Note on the calculation of indicators', page 87.

Sources: As for table 1.6.

Table 1.9

## East Timor in the global GDI rankings

| HDI rank   | Gender-related development index |       | Life expectancy at birth (years) |      | Adult literacy 15+ (years) |      | Gross educational enrollment ratio (%) |      | Earned income (\$PPP) |       |        |
|--|----------------------------------|-------|----------------------------------|------|----------------------------|------|--|------|-----------------------|-------|--------|
|  | Rank                             | Value | Female                           | Male | Female                     | Male | Female                                 | Male | Female                | Male  |        |
| ASEAN countries                                  |                                  |       |                                  |      |                            |      |  |      |                       |       |        |
| 56   | Malaysia                         | 55    | 0.768                            | 74.8 | 69.9                       | 82.8 | 91.1                                   | 67   | 64                    | 5,153 | 11,183 |
| 66   | Thailand                         | 58    | 0.755                            | 72.9 | 67.0                       | 93.5 | 97.0                                   | 61   | 60                    | 4,634 | 7,660  |
| 70   | Philippines                      | 62    | 0.746                            | 71.1 | 67.0                       | 94.9 | 95.3                                   | 84   | 80                    | 2,684 | 4,910  |
| 101  | Vietnam                          | 89    | 0.680                            | 70.2 | 65.5                       | 91.0 | 95.4                                   | 64   | 69                    | 1,552 | 2,170  |
| 102  | Indonesia                        | 92    | 0.671                            | 67.7 | 63.9                       | 81.3 | 91.5                                   | 61   | 68                    | 1,929 | 3,780  |
| 118  | Myanmar                          | 107   | 0.547                            | 58.4 | 53.6                       | 80.1 | 88.8                                   | 55   | 55                    | 746   | 1,311  |
| 121  | Cambodia                         | 109   | 0.534                            | 58.6 | 54.1                       | 57.7 | 80.1                                   | 54   | 71                    | 1,190 | 1,541  |
| 131  | Lao PDR                          | 119   | 0.463                            | 54.4 | 51.9                       | 31.7 | 63.0                                   | 52   | 65                    | 1,169 | 1,774  |
|  | East Timor                       | 0.351 | 57.7                             | 54.2 | 33.9                       | 46.9 | 57.9                                   | 62.1 | 146                   | 522   |        |
| Other Asian countries with low human development |                                  |       |                                  |      |                            |      |  |      |                       |       |        |
| 129  | Nepal                            | 120   | 0.461                            | 57.8 | 58.3                       | 22.8 | 58.0                                   | 52   | 67                    | 849   | 1,607  |
| 130  | Bhutan                           | ..    | ..                               | 62.8 | 60.3                       | ..   | ..                                     | ..   | ..                    | ..    | ..     |
| 132  | Bangladesh                       | 121   | 0.459                            | 59.0 | 58.9                       | 29.3 | 51.7                                   | 33   | 41                    | 1,076 | 1,866  |
| 133  | Yemen                            | 131   | 0.410                            | 61.2 | 59.0                       | 23.9 | 66.6                                   | 29   | 72                    | 345   | 1,272  |
| Portuguese-speaking developing countries         |                                  |       |                                  |      |                            |      |  |      |                       |       |        |
| 69   | Brazil                           | 64    | 0.743                            | 71.8 | 63.9                       | 84.9 | 84.8                                   | 80   | 79                    | 4,067 | 10,077 |
| 91   | Cape Verde                       | 84    | 0.696                            | 71.8 | 66.0                       | 65.1 | 84.5                                   | 76   | 79                    | 2,687 | 6,560  |
| 146  | Angola                           | ..    | ..                               | 46.3 | 43.6                       | ..   | ..                                     | 21   | 25                    | ..    | ..     |
| 156  | Guinea-Bissau                    | 143   | 0.308                            | 45.9 | 43.1                       | 18.3 | 58.3                                   | 27   | 47                    | 442   | 921    |
| 157  | Mozambique                       | 141   | 0.309                            | 40.8 | 38.8                       | 27.9 | 59.3                                   | 19   | 26                    | 713   | 1,013  |
| Other low-ranking HDI countries                  |                                  |       |                                  |      |                            |      |  |      |                       |       |        |
| 161  | Niger                            | 146   | 0.260                            | 45.1 | 44.5                       | 7.9  | 23.0                                   | 12   | 20                    | 561   | 941    |
| 162  | Sierra Leone                     | ..    | ..                               | 39.6 | 37.0                       | ..   | ..                                     | 21   | 32                    | ..    | ..     |

Sources: For other countries, Human Development Report 2001 (UNDP)

ban and rural areas and the neglect of more remote districts. One way of addressing this is to calculate different HDIs for different regions. At present it is not possible to do this for East Timor's 13 districts since there is insufficient data. Nevertheless, it is possible to glimpse the picture using data collected by Indonesia in 1999. The result is illustrated in figure 1.6 which shows the highest HDI to be in Dili and lowest in Manufahi, even though this district has a higher per capita GDP than all other districts other than Dili.

#### *Gender-related development index*

One of the most important differences in human development achievement is the difference between men and women. In this case the global human development reports have taken a slightly different approach—not by calculating separate HDIs for men and women but by reducing or discounting the HDI by a factor that represents the extent of gender inequality. This produces a Gender-related development index (GDI). The greater the degree of inequality, the more the GDI lags behind the HDI. The results are shown in table 1.8, which for 2001 gives East Timor a GDI of 0.347 which compares with a HDI of 0.395—that is, 12% lower. This is largely because women's earned income is estimated at only one-eighth that of men.

Table 1.8 also shows that the GDI has deteriorated since 1999. This is not because overall gender inequality has increased—indeed in 1999 the GDI, at 0.361, was 34% lower than the HDI for that year—but because the HDI itself dropped between 1999 and 2001.

There is also a further indicator of women's status: the gender empowerment measure (GEM). This takes into account the percentage of women in legislatures and among managers and professional workers, as well as the disparities in earned income between men and women. At present, however, there is insufficient data to calculate the GEM for East Timor.

#### *Human poverty index*

Another useful measure developed for the global human development reports is the human poverty index (HPI). The conventional approach to poverty measurement discussed earlier refers only to income or

consumption poverty. But poverty, like human development, is a multidimensional concept. People can be impoverished in many ways beyond just a shortage of income. They can be in poor health, for example, or lack access to education, or to opportunities for employment. The human poverty index attempts to take this into account. In fact there are two indices, one for developing countries and one for OECD countries to take into account their different circumstance. The HPI for developing countries (HPI-1) combines measures of longevity, knowledge, and overall economic provisioning. In this case the values are represented as percentages, where a lower percentage indicates a lower level of poverty. The current HPI for East Timor is 49.0 (table 1.10).

It should be noted however that the HPI is not a headcount index. A human poverty level of 49.0 cannot be said to mean that 49% of people live in human poverty. This arises because the HPI, like the HDI, is a composite index. Thus while the proportion of people not using improved water sources is 46.9%, and the proportion of adults that are illiterate is 59.6%, these are not necessarily the same people—some illiterate people, for example, will have good water supplies. This lack of information on overlap means that the HPI cannot be considered a 'headcount' index. However it does have the value of showing the larger picture and of helping trace poverty trends over time and between countries.

One of the difficulties of making international comparisons is that not all countries produce sufficient data to calculate a human poverty index. The 2001 global human development report has HPIs and the corresponding rankings for 90 developing countries in 1999. If East Timor were inserted into this global list, increasing the total number of countries to 91, and with a value of 46.0, it would occupy rank number 81, coming between Senegal (45.0) and the Central African Republic (45.8).

Table 1.11 shows East Timor in the global context. Rwanda, the country with the same HDI rating as East Timor in that year, has a lower level of human poverty—ranking 76 with a HPI of 44.2. Table 1.11 also allows comparisons with other countries in the region. Of the other Asian countries for which a HPI can be calculated, East

*East Timor has one of the highest rates of human poverty in Asia*

Table 1.10  
East Timor's human poverty index

|  | 1996 | 1999 | 2001 |
|--|------|------|------|
| Probability at birth of not surviving to age 40 (% of cohort)    | 41.1 | 35.6 | 32.2 |
| Adult literacy rate, aged 15+ (%)                                | 59.6 | 59.6 | 57.0 |
| Unweighted average of deprivation in a decent standard of living | 49.0 | 45.7 | ..   |
| <i>Population not using improved water sources (%)</i>           | 47.4 | 46.9 | 45.4 |
| <i>Underweight children under 5 (%)</i>                          | 50.6 | 44.5 | ..   |
| Human poverty index (HPI-1) value <sup>1</sup>                   | 51.0 | 49.0 | ..   |
| Population below the national poverty line (%) <sup>2</sup>      | 41.5 | 42.4 | 41.1 |

Notes: 1. For an explanation of how the HPI was calculated, see Note on the calculation of indicators, page 87. 2. Using consumption-based poverty lines: 32,742 rupiah/capita/month in 1996, 78,396 rupiah/capita/month in 1999 - both applying for SUSENAS core data in 1996 and 1999, and 158,480 rupiah/capita/month in 2001 - applying for East Timor household survey 2001.

Source: The 1990 population census, the 1995 intercensal survey (SUPAS), Socio-economic household surveys - SUSENAS (1993, 94, 96, 97, 98, 99), East Timor household survey 2001.

Table 1.11  
East Timor in the global HPI-1 rankings

| HDI rank   | Rank          | Human poverty index value (%) | Probability not             | Adult                   | Population not                  | Underweight          | Population                     |      |
|--|---------------|-------------------------------|-----------------------------|-------------------------|---------------------------------|----------------------|--------------------------------|------|
|  |               |                               | surviving to 40 % of cohort | illiteracy rate 15+ (%) | using improved water sources(%) | children under-5 (%) | below national poverty line(%) |      |
|  |               |                               | 1995-2000                   | 1999                    | 1999                            | 1995-2000            | 1984-99                        |      |
| ASEAN countries                                  |               |                               |                             |                         |                                 |                      |                                |      |
| 56   | Malaysia      | 13                            | 10.9                        | 5.0                     | 13.0                            | 5                    | 18                             | 15.5 |
| 66   | Thailand      | 21                            | 14.0                        | 9.0                     | 4.7                             | 20                   | 19                             | 13.1 |
| 70   | Philippines   | 23                            | 14.7                        | 8.9                     | 4.9                             | 13                   | 28                             | 36.8 |
| 101  | Vietnam       | 45                            | 29.1                        | 12.8                    | 6.9                             | 44                   | 39                             | 50.9 |
| 102  | Indonesia     | 38                            | 21.3                        | 12.8                    | 13.7                            | 24                   | 34                             | 27.1 |
| 118  | Myanmar       | 43                            | 28.0                        | 26.0                    | 15.6                            | 32                   | 39                             | ..   |
| 121  | Cambodia      | 78                            | 45.0                        | 24.4                    | 31.8                            | 70                   | 52                             | 36.1 |
| 131  | Lao PDR       | 66                            | 39.9                        | 30.5                    | 52.7                            | 10                   | 40                             | 46.1 |
|  | East Timor    |                               | 49.0                        | 35.6                    | 59.6                            | 46.9                 | 44.5                           | 42.4 |
| Other Asian countries with low human development |               |                               |                             |                         |                                 |                      |                                |      |
| 129  | Nepal         | 77                            | 44.2                        | 22.5                    | 59.6                            | 19                   | 47                             | 42.0 |
| 130  | Bhutan        | ..                            | ..                          | 20.2                    | ..                              | 38                   | 38                             | ..   |
| 132  | Bangladesh    | 73                            | 43.3                        | 21.4                    | 59.2                            | 3                    | 56                             | 35.6 |
| 133  | Yemen         | 70                            | 42.5                        | 20.0                    | 54.8                            | 31                   | 46                             | 19.1 |
| Other Portuguese-speaking developing countries   |               |                               |                             |                         |                                 |                      |                                |      |
| 69   | Brazil        | 18                            | 12.9                        | 11.3                    | 15.1                            | 17                   | 6                              | 22.0 |
| 91   | Cape Verde    | 36                            | 20.9                        | 10.4                    | 26.4                            | 26                   | 14                             | ..   |
| 146  | Angola        | ..                            | ..                          | 41.6                    | ..                              | 62                   | 42                             | ..   |
| 156  | Guinea-Bissau | 86                            | 49.6                        | 42.2                    | 62.3                            | 51                   | 23                             | ..   |
| 157  | Mozambique    | 84                            | 48.3                        | 49.2                    | 56.8                            | 40                   | 26                             | ..   |
| How HDI-ranked countries                         |               |                               |                             |                         |                                 |                      |                                |      |
| 161  | Niger         | 90                            | 63.6                        | 41.4                    | 84.7                            | 41                   | 50                             | 63.0 |
| 162  | Sierra Leone  | ..                            | ..                          | 51.6                    | ..                              | 72                   | 29                             | 68.0 |

Sources: For other countries, Human Development Report 2001 (UNDP)

Timor has the highest rate of human poverty.

Table 1.11 also includes the national poverty rates. This, however, refers to 'income poverty'. In contrast to the HPI this is a headcount index. These data are also based on nationally set poverty lines so are not strictly comparable, but they offer overall indications.

They show, for example, that some of the poorest African countries have very high levels of income poverty, much higher than that of East Timor. They also indicate that both the Lao PDR and Vietnam have a higher proportion of their people living in income poverty than in East Timor. Both, however, appear to do much better on human poverty.

### Goals for the future of East Timor

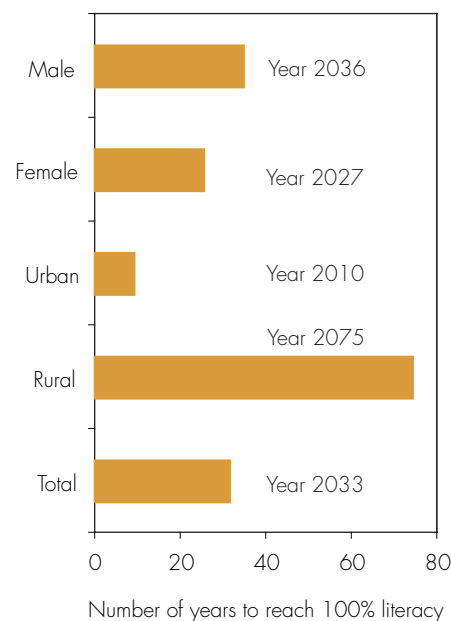
These measures of human development and poverty help fill out the picture. And they also indicate just how far East Timor has to go along many dimensions of human development. But how quickly should East Timor make these improvements?

There is already some guidance from the UN General Assembly which in September 2000 passed the Millennium Declaration, setting development goals to be achieved by the year 2015. These encompass most aspects of human development.

- *Poverty*—By 2015, the proportion of people living in extreme poverty (on less than \$1 per day) should be reduced from its 1990 level by at least 50%.
- *Education*—By 2015, enrolment in primary education should have reached 100%.
- *Infant mortality*—By 2015, the infant mortality rate should be brought down below two-thirds of its 1990 level.
- *Maternal mortality*—By 2015, maternal mortality should be reduced to below three-quarters of its 1990 level.
- *Primary health care*—By 2015, there should be universal access to primary health care, including access to safe and reliable methods of family planning
- *Infectious disease*—To halt the spread of AIDS, malaria and all the other plagues that afflict mankind
- *Gender disparities*—To promote gender equality throughout the county at every level and in every way.

Figure 1.7

### 100% literacy achievement



Source: Aneex table 7

All these development targets serve as standards to be achieved throughout the world. What do they mean specifically for East Timor?

### Education and health targets

One way of estimating how long it would take for East Timor to reach these kind of targets is to assume the same rate of progress as in recent years. Figure 1.7 shows, for example, how long it might take to reach 100% adult literacy by extrapolating from progress over the period 1993-99.

This is of course a very simple estimate. And by definition 100% literacy cannot be achieved until all adults are literate, including those in the rural areas. But it does give an indication of the distance yet to travel.

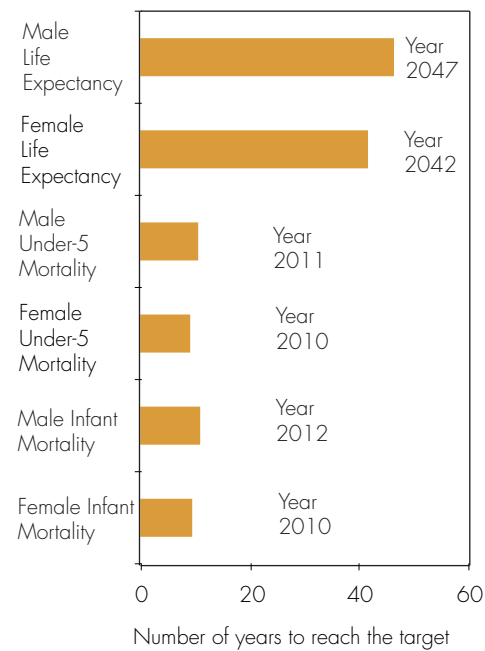
Figure 1.8 shows the results of a similar exercise for health indicators—under-five mortality and infant mortality. On this basis East Timor should be able to reach the goals before the target date.

### Monitoring progress

While East Timor is trying to reach these goals one important task will be to build a statistical system that can monitor data concerned with social, economic and political interventions. At present the system seems better able to cope with economic than social data. But while it is important to

*East Timor should be able to reach the infant mortality target*

Figure 1.8  
Achievement of health targets



Source: As for annex table 5

maintain up-to-date figures on national accounts and trade it is equally vital to collect and publish data on child nutrition, for example, on education, or on crime.

Moreover this information also needs to be collected not just at the national level but also at the regional level. Even in this small country there are often striking dif-

ferences between regions, between urban areas and the countryside, between the plains and the mountainous areas, between arid regions and fertile agricultural regions. It is important therefore to gather information at sub-national levels—between regions, for example, and administrative units. This type of information not only stimulates a healthy debate on the need for a more equitable distribution of wealth but also helps to reduce tension between different groups and to avoid serious conflicts.

#### *The scale of the task*

When East Timor takes its place in the 2002 global human development report, it will find itself close to the bottom of the HDI table. The human development index does not of course measure all aspects of progress—it takes no account, for example, of the historic achievement of independence. And for East Timor freedom is one aspect of human development that has dramatically improved over the past three years. Most people also feel safer and more secure.

But for other aspects of life, particularly on education and health, they have a long road to travel. Much of the responsibility for progress will depend on having a strong and capable public administration. This is the subject of the next chapter.

# East Timor in the third millennium

A special contribution by His Excellency Dom Carlos Filipe Ximenes Belo, SDB

It is my intention to map out where East Timor should stand to locate the context and its implications of development in the third millennium. The vast continent of Asia extends from West Asia and the Gulf countries to the East Asian countries. The Southern portion includes South Asia, Southeast Asia, and East Asia. The Pacific countries within Oceania include Australia, New Zealand, Papua New Guinea, and the Pacific islands. In the North, there are the Central Asian Republics and in the North East, Siberia and Mongolia. In this large area, East Timor is found which will become soon the newest country of the third millennium.

Asia and the Pacific present us a contrasting difference among peoples, cultures and details of life. The reality of economic globalization in Asia-Pacific with the economic rise of the so called "economic dragons" like Australia, Japan, South Korea, Taiwan and Singapore have made considerable progress to reshape the global economy. Although in the previous years such as in 1999, some of them suffered an economic collapse, Asia-Pacific is now the area of the world economy's most dramatic growth. And yet we ask, why are millions of people still left in poverty, hunger and homeless? This is the same question that shakes the ethos of the East Timorese people: the question of the many poor. However, let me define first the East Timorese poor so as to guide us when we speak about development of East Timor now and in the future.

## *Who are the East Timorese poor?*

A people of deep faith, simple and honest, and yet are victims of involuntary economic poverty that results in an impoverished way of life. I have said in my Pastoral Letters, "Poverty is identified with the East Timorese: inadequate food and clothing, and other basic necessities like the lack of clean water, electricity, transportation, hospital and school infrastructures and facilities". Twenty-four 24% of the urban population are living in poverty and 60% of those in the village are living under sub-human conditions.

They are the people who suffered and risked their lives for the sake of asserting their selfhood and human freedom. The vio-

lence committed in East Timor since its invasion in 1975 till it reached its climax on that tragic 11<sup>th</sup> of September 1999 has left an indelible, deep trauma on everyone involved. The trauma continues despite the complete withdrawal of Indonesia, and even with the presence of international staff of UNTAET. This particular experience of pain leaves us a legacy of psychological violence. Yes, the poor, whose conflicts individually and communally have become a hidden experience of pain and suffering for survivors and perpetrators of violence alike. Personally, the legacy of such acute violence pains me to see people crying out for healing and forgiveness. Indeed, such painful memory which has threatened the safety and selfhood of every East Timorese survivor at the crossroads, is something I share with the rest of my people.

## *The challenge*

Poverty and the painful memories of violence are main issues that have threatened the development of safety and selfhood of every East Timorese. It calls forth material, social, political and spiritual development if we ever think of working for the common good of every East Timorese and for East Timor as a nation. It means new structures, new vision and new processes whereby a fractured society can be reconstructed as truthful and just. It is then a challenge to search for that sense of security, of dignity, of being part of a larger whole, and of sharing both in the life of past generations, and in the expectancy of society for its own future. We can't simply repeat the formulae that have served us in the past.

We need to grow, we must rise by our own feet and see, judge and act on them in a way that allows us to draw forth what will help us most in this situation. In these cases, how does development need to be worked out in context? What are its dimensions of rebuilding shattered lives? Is the call for healing, justice and forgiveness and reconciliation, just political and social? What will be required for East Timor to live a "developed" society that is both human and humane, to live a life of faith, somewhere between what is desirable and what is possible?

### *The response: full development*

Of great importance to address these challenges is that of the development of our country as a people and nation. However, development must not only be sustainable but full or integral. Development in East Timor according to Emilia Pires, Head of the National Planning and Development Agency, ETDA, must include the following: community consultation and local planning, data collection and analysis, East Timorese involvement and National Development Prioritization. These are a good plan of activities for a start as a matter of priority to improve the sustainability of development. This reminds me of a Native American proverb that expresses the vision and values necessary for sustainable development: "We do not inherit the earth from our parents; we borrow it from our grandchildren." Thus firstly, sustainable development means economic development that meets the needs of the present generation in a way that does not compromise the needs of future generations. Secondly, the details of life in any country are interconnected and interdependent, and this is clearly true for East Timor if it wants to officially join among independent nations in the world. This is a political truth. Thus, interdependence of nations and of the whole earth community must be promoted. And lastly, is that while the government has a "duty of all towards all". John Paul II reiterates, "every nation or people has a right to its own full development, which has its purely economic and social aspects," but "should also include individual cultural identity, and openness to the transcendent." Thus, four concrete responses if East Timor advances as a new nation:

- *Political stability*—Political leaders and those who are duly elected by the people must be united to carry out the demands of the newly drafted Constitution. They work not for their personal interest and self-aggrandizement but for the common good of their nation. All agencies of the government, be it defense, social services, communications, etc. must promote and work out the vision of service for the civil society. This is one way to make our political institutions stable and sustainable. Some would say, "political stability means economic prosperity." What East Timor needs in this regard is to attract investors to help pump up the economy. It may or may not result in economic growth, along with a more equal dis-

tribution of goods, but, political stability is thought essential for overcoming poverty. In this case, the government must seriously address the situation of massive poverty in East Timor if it wants to be a useful tool for the civil society. Alleviating the plight of the poor must be frequently thought of increasing economic equity to improve the living conditions of East Timor's poor.

- *Human rights and democracy*—The path of democracy and human rights in East Timor may be new, but the principles on which it is based are not. Human rights and democracy are an integral part of full development. They are essential to the human dignity of every East Timorese. From the Christian point of view, respecting the rights of every individual is a Christian act. The basis is all human beings are equal because we are the children of God, and created in His own image. In this regard, development also implies gender equity. I therefore support the human rights initiatives by the local non-governmental organizations such as the People's Tribunal, and the International Tribunal as well, to track down those who committed crimes against humanity. We need to continue what we have gained so far. I have repeated quite often that, "democracy is the means of putting human rights into action." We have chosen independence that repudiated the 25 years of Indonesian occupation. A new history opens. The famous ballot on 30<sup>th</sup> August 1999 is an indication that we can carry on the ideals of democracy. We have shown to the world that we can get well on track to fundamental democracy by voting honestly and calmly. The new Constitution, far from perfect, is already adopted. We elected the new President on the 14<sup>th</sup> of April, and most importantly, we shall celebrate full independence come 20<sup>th</sup> of May 2002. Indeed, human rights and democracy while keys to our future, are also essential to development of every human being in East Timor.

- *Dialogue and in solidarity with East Timorese culture*:—Full development in the context of East Timor calls forth a dialogue of life among people and nations crying out for healing of their past. Everyone has to dialogue with the oral and living traditions of the people. It is true that we have not come up yet with a holistic view of what constitutes the identity of an East Timorese. A daunting task, but a rewarding one. This

is not only the work of experts like anthropologists, sociologists and maybe theologians, but it is everybody's task to discover the essence of what makes an East Timorese, timorese! We echo the *Willowbank Report* of 1978, which affirms the fact that to be in dialogue and in solidarity with culture gives a person, a "sense of identity, dignity, security and continuity." It implies that such an acknowledgement and participation in the formation of every culture and society plays a vital role in the journey towards development of every person. We must not forget though, that the root cause of poverty and violence is also the refusal to recognize the existence of the social and cultural realities that exists in one's identity and selfhood.

As I look forward to celebrating the independence of East Timor come 20<sup>th</sup> of May 2002, may these responses to both sustainable and full development be considered

in any governmental programs and activities. On my part, as a Churchman, I have high hopes of wholeness and feelings of integrity that this local church can also contribute significantly in the making of East Timor as a new nation in the spirit of civil participation. I look forward to listening to the stories of East Timorese people, painful as the case may be, and sharing with them my own journey towards the desire and intention of having East Timor become a developed nation, now and in the future.

Dom Carlos Filipe Ximenes Belo, SDB  
Bishop of Dili  
East Timor

