

## East Timor: The Way Ahead National Human Development Report 2002

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### East Timor is the poorest country in Asia

The new nation of East Timor is officially Asia's poorest in financial and human development terms, according to East Timor's first ever National Human Development Report.

The report, which is published today by the United Nations Development Programme, was today presented to President-Elect Xanana Gusmao by UNDP's Resident Representative in Dili, Finn Reske-Nielsen.

In his own introduction to the report, President Elect Xanana Gusmao, said "From independence we must now go on to develop our country. We must choose which path is most appropriate for our development"

This is the first comprehensive study of East Timor's human development indicators, and the first report to put East Timor's circumstances and development in an international context. It also aims to provide some guidance for the new nation as it charts its own course in the years to come.

It shows that when East Timor becomes independent, it will take its place as one of the twenty poorest countries in the world, with a GDP per capita of just \$478 and a human development rating placing it in the same category as countries such as Angola, Rwanda, Bangladesh, Guinea-Bissau and Mozambique.

By any standards, East Timor is one of the world's poorest countries. Life expectancy in East Timor is just 57 years, nearly half the population live on less than US\$0.55 per day. Very few people have received an adequate education: more than half the population is illiterate. Over 50% of infants are underweight. And the country is still suffering from the destruction and trauma that followed the national vote for independence on Aug 30 1999.

This has resulted in East Timor registering a Human Development Index of just 0.42 for the year 2001. The HDI is UNDP's way of creating a measurement which takes into account more than just income poverty: it combines scores on income, education and health to produce a figure between zero and one, where the highest score is one. East Timor's HDI places it below any other in Asia among the 20 countries in the world lowest on the human development index.

Prepared by a team of experts both Timorese and international, and drawing on comments and suggestions from a wide group, the report assesses frankly the difficulties facing East Timor. It focuses on areas seen as key to the nation's future: the quality of governance, the economy, education and the involvement of civil society. The report points out that now that independence is achieved, the problems of poverty and economic growth still remain to be tackled – and that considerable international assistance will be needed in the years ahead.

One of the main messages of the HDR is that in the early years of independence the people of East Timor will rely heavily on the competence and capacity of government services, since the private sector is limited and civil society in the process of adjustment to the new circumstances of independence. Any weakness or failure of these government services will be a serious obstacle to progress in human development.

Can the institutions of government meet this challenge? The report says that much will depend on decisions taken over the next couple of years – which will set the tone and quality for future public administration. East Timor's new government faces a daunting task of building a new system of governance that reflects democratic principles and involves the people of East Timor and all sectors of society.

East Timor now has many policies to make and decisions to take. The final test of the decisions taken, be it in agriculture, industry, tourism or the oil industry, is whether or not they bring real benefits to poor families.

Launching the report, UNDP Resident Representative Finn Reske-Nielsen said he hoped it would provide a useful guide for East Timor in its ongoing struggle to build a successful nation state, and pledged the UNDP's support in that process.

#### NOTES FOR EDITORS

Available for interview: Finn Reske-Nielsen, UNDP Representative in East Timor.

National Human Development Reports are published worldwide by the UNDP, but are independent documents compiled by in-country teams of experts.

So far, 375 national and sub-national reports have been published by 135 countries. The UNDP also publishes an overall Human Development Report annually.

The most recent global Human Development Report (2001) based on 1999 data, calculates the Human Development Index for 162 countries. Had East Timor been included, it would have ranked at 152 in this list, equal with Rwanda.

The HDI calculation includes figures on income per head, literacy rates, school enrolment, and life expectancy, so giving a more comprehensive picture of human development than just levels of income.

The UNDP defines Human Development as 'the process of expanding people's choices' – by empowering them to lead long and healthy lives, to have access to knowledge, to a decent standard of living, and to play an active role in the life of their communities.

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