

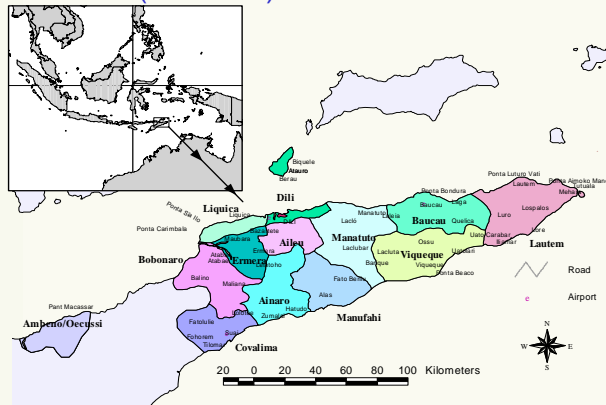
Social and Economic Conditions in East Timor

Seminar UD 26 April 2000

Content

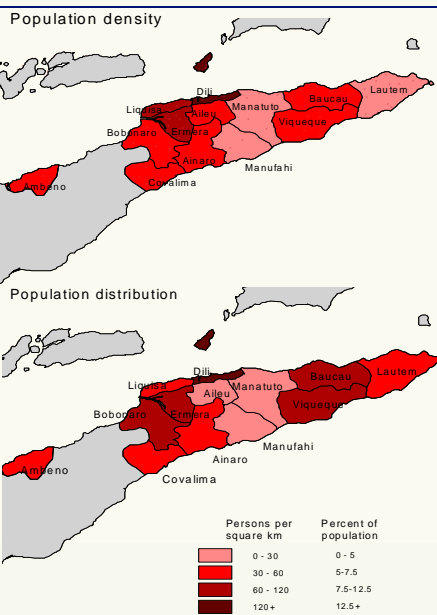
- **Location and population**
- **Economy and natural resources**
- **Human resources**
 - Health
 - Education
 - Local capacity
- **Challenges for aid**

**East Timor:
Location and Portuguese/Indonesian administrative divisions (still used)**



Population

- 1999: About 900,000 (about 100,000 of Indonesian origin)
- Today: 670,000 + 140,000 in West Timor
- Yearly growth (natural increase): 2.5%
- Total Fertility Rate 4.6
- Infant Mortality 60/1000
- Child Mortality 80/1000
- Maternal mortality 830/100,000 births



Population challenges

- Reduce infant/child and maternal mortality
- Reduce population growth: presupposes popular confidence in family planning/reproductive health care
- Repatriation, population distribution

Economy before independence: Indonesian dominance of non-agricultural sectors.
Heavily subsidised.

- GDP 400 \$ per capita?



Economy today: Around 50 % remains,
but not dramatic change for the majority



Building the economy: 3 main challenges

- **Poverty reduction = Agricultural development**
 - Problems: Land-rights, water, soil erosion, labour shortage
 - Success: High-quality coffee, processing?
 - Potential: Fisheries, livestock (market?), diversification
- **Substantial economic growth requires development of production with higher profits**
 - Manufacturing: small scale, low skills, no capital
 - Marble: High quality requirements in the export market
 - Oil: Renegotiate the Timor Gap treaty (Australia got most of the oil)
 - Tourism: Potential, backpackers without money or Australian families?
- **International presence: Catering for “experts” and NGOs might create a high-cost, service-economy and inflation**

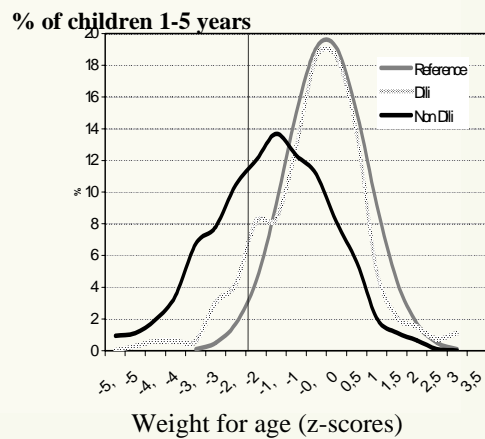
Health: A legacy of infectious disease, malnutrition and an ineffective health system

- Tuberculosis
- Respiratory tract infections
- Malaria
- Diarrhea

- But few EPI diseases recorded
- Contradictory information on vaccination coverage

Low food security:
38 percent general malnutrition in 1998

- Little malnutrition in Dili (15%), but much outside (44%)
- Breast feeding: average 16 months (shorter than in Indonesia)
- On average two thirds of income spent on food (very high)
- Rice and maize staple (rice production roughly a third of consumption)



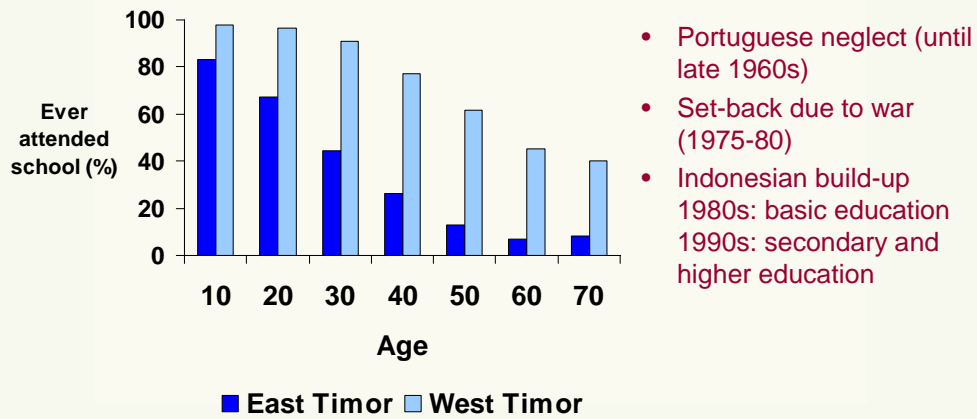
Health care system:

- Indonesian system exceedingly complex
- Supplemented by Catholic Church and NGOs
- Few East Timorese doctors and senior health personnel
- ... but many lower level staff of East Timorese origin
- Cost of medicines appears to have been a problem for patients

Health care challenges

- Rebuild and simplify primary health care - do not follow the Indonesian example
- Train existing staff and create opportunities for education in health
- Develop a country wide tuberculosis control program
- Improve maternal and child care
- Identify reasons for malnutrition (disease vs lack of food) and develop appropriate programs
- Find ways of sustainable financing

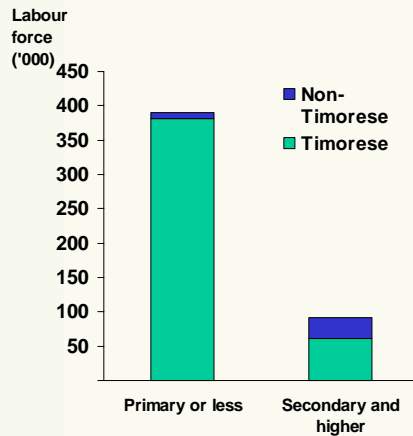
High illiteracy. Few above 30 have any education



Education challenges

- **In-school education**
 - Teacher training to improve quality / reduce repetition and drop out
 - Rebuilding physical infrastructure
 - Curriculum and Instruction materials: New Language
- **Restructuring the education sector**
 - Less academic secondary (high unemployment rates)
 - More technical subjects (infrastructure and construction)
 - University: rebuild with international co-operation
- **Out-of-school education**
 - Adult literacy
 - On-the-job training of government staff
 - Vocational education in co-operation with industry

Local ownership of development process: low capacity



- Today: UN is in charge
- National Consultative Council established (CNRT majority)
- Low-skilled labour force
- East Timorese had low positions within the administration
- Indonesian legacy in bureaucracy and public services
- Church too small administer all kinds of programs
- Will foreign donors brain-drain ET?

Challenges for international aid:

- Co-ordination
- Create ownership outside of the political elite
- Build local capacity
- Sober projects - financial sustainability