

## Timor-Leste

October 2018

Timor-Leste's progress in reducing poverty since 2007 has been notable. The poverty rate, based on the national poverty line, has fallen from 50.4 percent in 2007 to 41.8 percent in 2014. At the internationally comparable extreme poverty line of \$1.90 per person per day (2011 PPP), poverty declined even more rapidly from 47.2 percent to 30.3 percent over the same period.

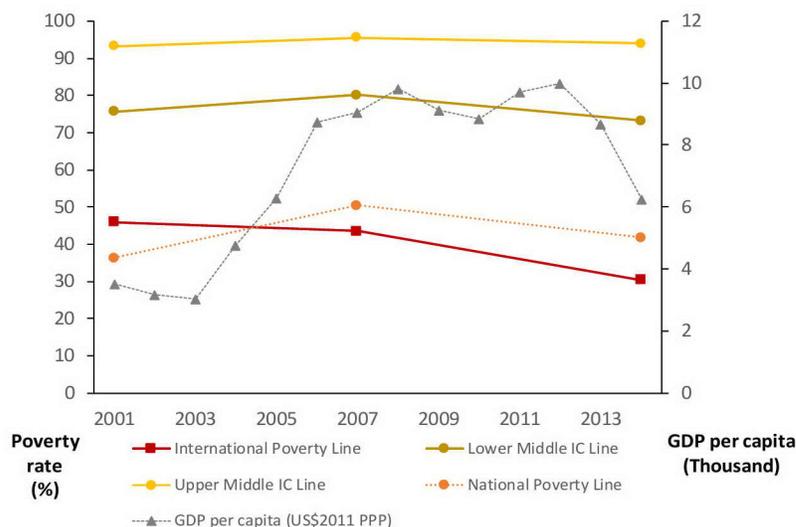
While monetary poverty has declined significantly, many Timorese still lack access to basic amenities. Based on the latest Living Standard Survey, in 2014, around 35 percent of non-poor and nearly half of poor households did not have access to improved sanitation facilities. Similarly, even though access to electricity has doubled between 2007 and 2014, around 40 percent of poor households still lived without access to electricity. Moreover, one-quarter of households still did not have access to safe drinking water.

With a Gini index of 29 in 2014, Timor-Leste is the least unequal country in the East Asia and Pacific region (with the important caveat that income and consumption at the very top of the distribution may not be accurately measured in household surveys). In terms of growth since 2007, real consumption per capita for the bottom 40 grew at the average rate of 2.88 percent per year, slightly lower than the national average growth rate of 2.98 percent per year.

<b>POVERTY</b>	Number of Poor (thousand)	Rate (%)	Period
National Poverty Line	507.0	41.8	2014
International Poverty Line 1.3 in U.S. dollar (2014) or US\$1.90 (2011 PPP) per day per capita	367.7	30.3	2014
Lower Middle Income Class Poverty Line 2.2 in U.S. dollar (2014) or US\$3.20 (2011 PPP) per day per capita	887.9	73.2	2014
Upper Middle Income Class Poverty Line 3.9 in U.S. dollar (2014) or US\$5.50 (2011 PPP) per day per capita	1,140.6	94.0	2014
<b>SHARED PROSPERITY</b>			
Annualized Income or Consumption Growth per capita of the bottom 40 percent		2.88	2007-2014
<b>INEQUALITY</b>			
Gini Index		28.7	2014
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		-0.09	2007-2014
<b>GROWTH</b>			
Annualized GDP per capita growth		-5.1	2007-2014
Annualized Income or Consumption Growth per capita from Household Survey		2.98	2007-2014

Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of September 19th 2018, and Global Monitoring Database for the rest.

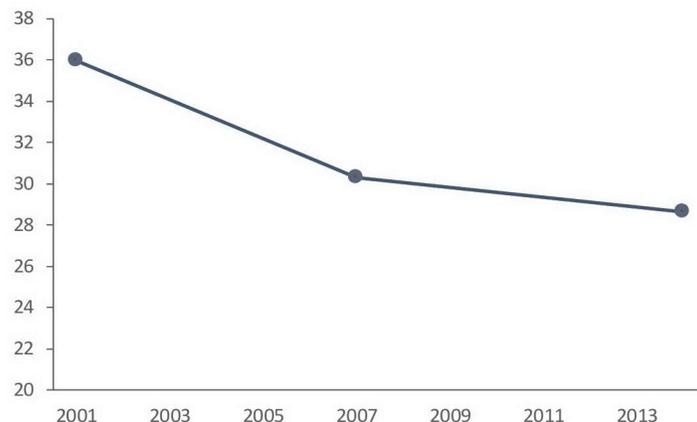
## POVERTY HEADCOUNT RATE, 2001-2014



Source: World Bank using TLSLS/EAPPOV/GMD

## INEQUALITY TRENDS, 2001-2014

### Gini Index



Source: World Bank using TLSLS/EAPPOV/GMD

## KEY INDICATORS (distribution among groups)

	International Poverty Line (%)		Relative Group (%)		Year
	Non-Poor	Poor	Bottom 40	Top 60	
Urban population	81	19	26	74	2014
Rural population	65	35	46	54	2014
Males	70	30	39	61	2014
Females	69	31	40	60	2014
0 to 14 years old	64	36	47	53	2014
15 to 64 years old	73	27	36	64	2014
65 and older	81	19	26	74	2014
Without education (age 16 and older)	68	32	40	60	2014
Primary education (age 16 and older)	71	29	40	60	2014
Secondary education (age 16 and older)	79	21	29	71	2014
Tertiary/post-secondary education (age 16 and older)	90	10	15	85	2014

Source: World Bank using Global Monitoring Database

## POVERTY DATA AND METHODOLOGY

Poverty in Timor-Leste is estimated based on per capita consumption expenditure. Members of a household are considered poor if the per capita consumption of the household is below the poverty line, which is determined using the cost-of-basic-needs approach. This method calculates the poverty line as the cost of a consumption bundle that is (1) consistent with the consumption pattern of the poor; and (2) deemed adequate for meeting basic needs. The poverty line has three main components: food, rent, and non-food. The food poverty line is constructed based on representative food bundles to meet the recommended nutritional need of 2,100 calories per person per day. The rent poverty line represents the average imputed rental cost per person of a reference dwelling. The non-food (excluding rent) poverty line is estimated in terms of what the poor generally spend on non-food items.

In 2014, poverty lines were estimated for the 13 districts using the Timor-Leste Surveys of Living Standards (TLSLS-3). For 2007, poverty lines were constructed for six domains (the rural and urban segments of three regions), as the TLSLS-2 sample size permitted only this degree of spatial disaggregation. Yet, both years present comparable estimates of poverty.

## HARMONIZATION

The numbers presented in this brief are based on the EAPPOV database. EAPPOV is a database of socio-economic statistics constructed using microdata from household surveys in the East Asia and the Pacific (EAP) region and is managed by the East Asia & Pacific Team for Statistical Development (EAPSTD). As of September 2018, the collection includes 19 countries and 87 surveys. Harmonized surveys in the EAPPOV database are compiled into 4 modules following Global Monitoring Database (GMD) Harmonization guidelines. A subset of the harmonized variables form the basis of the GMD collection, including the welfare aggregate which is used for Global Poverty Monitoring. Terms of use of the data adhere to agreements with the original data producers.