

INTERNATIONAL POVERTY REDUCTION EPISODES

Selected countries	Period	Average percentage point reduction per year
Selected G7+ fragile and conflict affected states		
Burundi	1998-2006	0.8
Chad	2003-2011	3.1
Congo	2004-2012	1.9
Haiti	2001-2012	0.2
Sierra Leone	2003-2011	0.8
Togo	2006-2011	0.3
Timor Leste	2007-2014	2.4
Others		
China	2002-2010	1.5
Indonesia	2005-2010	0.9
India	2001-2011	2.5

Whether looking at the national or international poverty line, the numbers suggest that Timor-Leste has made rapid progress in improving the welfare of the poorest.

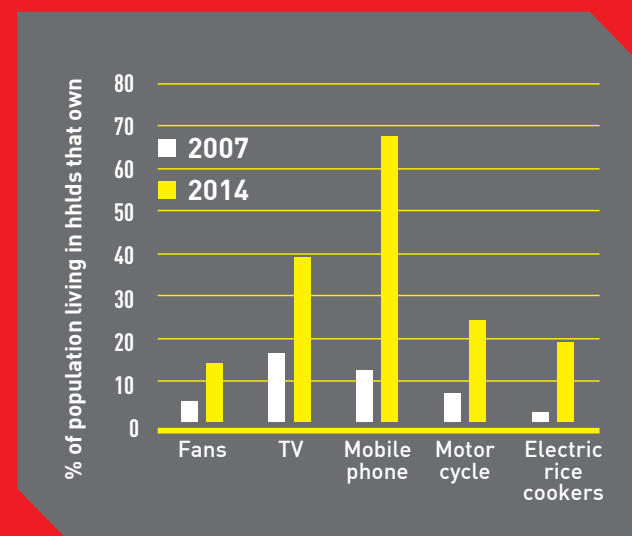
PERFORMANCE IN NON-MONETARY INDICATORS

In line with the decline in poverty rates, other indicators show improvement between 2007 and 2014. The table below shows significant nationwide improvements in terms of access to basic utilities, especially access to electricity; education of children; and in better health status children. Improvements can also be seen in access to sanitation facilities and access to safe drinking water. There have also been significant increases in the ownership of mobile phones and TV, motorcycles, and appliances such as fans and electric rice cookers.

OVERALL PERFORMANCE IN KEY POVERTY DIMENSIONS

[% of Population Living in Households.....]	2007	2014
With electricity connection	36	72
With improved sanitation	42	60
With access to safe drinking water	60	75
With improved floor quality in their dwelling	39	52
With all children attending school	58	83
With no underweight children under 5 years of age	65	84
With no stunted children under 5 years of age	62	76
With no children under 5 years of age suffering from wasting	80	93

OWNERSHIP OF CONSUMER DURABLES



AT-A-GLANCE: POVERTY IN TIMOR-LESTE IN 2014



The General Directorate of Statistics (DGE) recently completed the 2014-15 Timor-Leste Survey of Living Standards (TLSLS-3), the third in the series of nationally representative surveys conducted to measure living standards in Timor-Leste. TLSLS-3 shows a significant reduction in poverty in the country over the past decade. Based on the national poverty line, the proportion of Timorese living in poverty has declined from 50% in 2007 to an estimated 41.8% in 2014. This poverty estimate provides the most accurate measure of poverty in Timor-Leste given local conditions but is not directly comparable with poverty rates in other countries. Based on the internationally-comparable measure of extreme poverty of \$1.9 per capita per person (in 2011 purchasing power parity dollars), poverty in Timor-Leste has fallen from 47.2% in 2007 to 30.3% in 2014.

KEY STEPS USED IN MEASURING POVERTY

- 01** Per capita total consumption expenditure is used to measure welfare.
- 02** A poverty line, also expressed in per capita consumption expenditure, is specified as the monetary value of a 2,100 calorie per day diet, living in a 2 room home with proper sanitation and access to electricity, and a corresponding consumption level of non-food goods and services.
- 03** Poverty headcount index is calculated as the proportion of the total population below the poverty line.



THE POVERTY LINE HAS THREE COMPONENTS:

1. A food poverty line;
2. A rental poverty line; and
3. A non-food, non-rental poverty line.

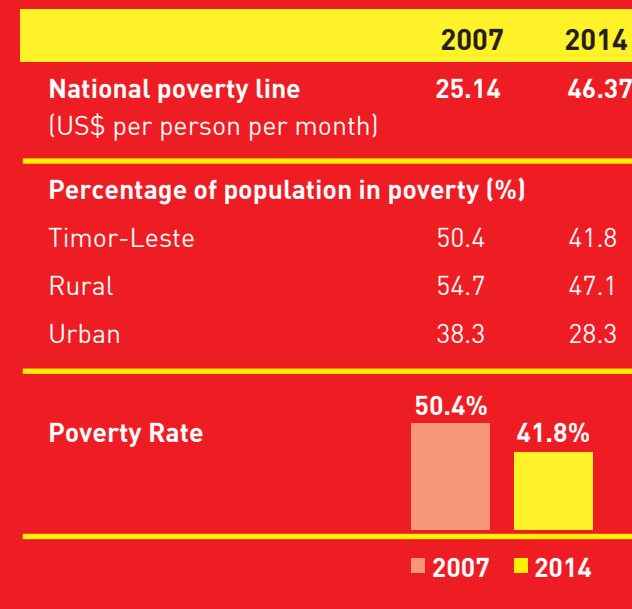
The food poverty line reflects the cost of a typical Timorese food basket of 2,100 calories per person. The rental poverty line is based on how much it would cost to rent a basic home that has 2 rooms, good external walls, proper sanitation and access to electricity. The non-food, non-rental poverty line is the minimal amount of expenditure needed to procure other essentials.

SUMMARY OF POVERTY RESULTS

The survey finds that household expenditures increased significantly over the seven years up to 2014, but so did the cost of living for the poor. The national poverty line increased by over 80%, from \$25.14 per person per month in 2007 to \$46.37 per person per month in 2014. Within the country, the poverty line was the highest in Dili, the most urbanized district.

NATIONAL POVERTY LINE

TLSLS-3 shows that in 2014, just less than 42% of people lived in poverty in Timor-Leste. While this is still a high proportion of the population, it represents relatively good progress. Poverty incidence has reduced by almost 9 percentage points from 50.4% in 2007.



INTERNATIONAL POVERTY LINE

Using the international extreme poverty line, which is lower than the national poverty line, only 30.3% of the population in 2014 are poor. This compares to 47.2% of people who were below the international poverty line in 2007. This measure shows the poverty headcount rate to have fallen by 16.9 percentage points (or about 2.4 percentage points per year).