Youth Employment Policy Brief: Timor-Leste

Inclusive growth for youth

October 2013

Quick Facts

- Proportion youth (15-24 yrs.) in total population: 20.8% (2012)
- Total unemployment rate: 3.9% (2010)
- Youth unemployment rate: 14.8% (2010)
- Youth labour force participation rate: 30.4% (2012)
- GDP (2012): US$1.293 billion
- GDP growth (2012): 8.5%
- Major industries: Agriculture

Timor-Leste has ratified eight ILO Conventions including four Core Conventions:

- Forced Labour Convention (No. 29)
- Freedom of Association and Protection of the Right to Organize Convention (No. 87)
- Right to Organize and Collective Bargaining Convention (No. 98)
- Worst Forms of Child Labour Convention (No. 182)

Sources: (1) World Bank; (2) ILO

Timor-Leste is an emerging nation with a youthful population. The country is still recovering from a severe political crisis that followed independence in 2002. 46.2 per cent of the population is below the age of 14, and 38.7 per cent of the working age population is between 15 and 24 (ILO, 2011). About 15,000 young people enter the labour market annually, but the youth unemployment rate remains very high, at 12.6 per cent. (National Statistics Directorate, 2010) With a population growth rate of 2 per cent and 6 per cent fertility rate, the number of young people in Timor-Leste is expected to multiply in the future. (UNICEF, 2011) The Government is concerned that the lack of employment opportunities, combined with the increasing number of young people, will become a significant destabilizing factor for society.

Youth Unemployment and Underemployment

Timorese young people face a lack of employment opportunities. Approximately 15,000 new job-seekers enter the labour force every year, but very few employment opportunities are generated by the private sector. In 2010 the youth unemployment rate was 10.7 per cent for the age group of 15-19 and 13.3 per cent for that of 20-24. (National Statistics Directorate, 2010) 56 per cent of young people work in low productivity jobs, in informal sector subsistence farming, which is linked to lower wages, poor working conditions and career prospects. (Office of the Prime Minister, 2010)

Internal and External Labour Migration

Young people tend to move to urban areas to find better jobs and educational opportunities. The population of the capital city, Dili, increased dramatically – 33 per cent between 2004 and 2010 (Office of the Prime Minister, 2010). But, because of the limited job supply young people in urban areas are more likely to be unemployed. Only 19 per cent of youth population aged between 15 and 29 is employed in urban areas. (National Statistics Directorate, 2010)

It is estimated that approximately 300-500 young people leave the country every year to look for employment in poultry farms and fish factories, travelling via Portugal to the United Kingdom and the Republic of Ireland each year as of 2005. (Fikreth Shuail) Both Republic of Korea and Malaysia have officially started to accept Timorese workers, but because of the lack of skills of Timorese workforce, the number of migrants to two countries is rather limited.

Young Women

Traditional perceptions of gender roles still exist in Timorese society and gender segregation in education limits young women’s career aspirations. Young women are encouraged to choose vocational training programmes such as sewing, tourism, and hospitality (ILO, 2009). Opportunities for young women to enter the formal labour market are more limited than those for men, so, not surprisingly, the unemployment rate of young women (22.9 per cent for the age group of 20-24) is double that of men (8.1 per cent for the age group of 20-24). (National Statistics Directorate, 2010) Only 9 per cent of the women are in waged employment (Office of the Prime Minister, 2010).
Education and Skills Development

Education and literacy rates are highest among youths in the Timor-Leste population. About 60 per cent of the young people (15-19 years old) have secondary education, twice that of those aged 25-29. (Office of the Prime Minister, 2010) However, only 12 per cent of technical and vocational school students complete their education and graduate (Office of the Prime Minister, 2010).

Child Labour

Child labour is common in Timor-Leste, even though reliable national data is unavailable. (Jose Cornelio Guterres, 2007) Many children in urban areas are involved in domestic work and street vending, while children in rural areas work in coffee farms and other plantations.

Government Priorities

The Government of Timor-Leste recognizes the importance of employment and skills development for youth. The Government aims to develop the job skills of unemployed young people in the fields of agriculture and construction, and to offer educational opportunities for those aged 20-30 who missed out on education because of the political conflict.

The UN and Youth in Timor-Leste

Sixteen United Nations’ and other international organizations are working to support the post-conflict economic, social and cultural development of Timor-Leste. The United Nations Country Team is focusing on increasing the employability of Timorese youth and improving their access to sustainable employment through skills and entrepreneurship development projects and TVET education.

The ILO’s Youth Employment Projects in Timor-Leste

The ILO helped the Government develop its National Action Plan for youth Employment in 2007. From 2008-2012 the ILO prepared and implemented entrepreneurship development and labour-intensive public works programmes, as part of the Youth Employment Promotion Programme (YEPP). The ILO is currently working on Business Opportunities and Support Services (BOSS) and Training and Employment Support Programme (TESP) to help Timorese youth.

Policy and Programme Recommendations

As part of the United Nations System-Wide Action Plan on Youth and Strategic Development Plan of Timor-Leste a range of activities are planned to support youth employment in Timor-Leste.

- Development of a reliable labour market data and information system on youth employment.
- Building employment services and centers for youth.
- Development of a demand driven, coordinated and inclusive TVET system.
- Provision of programmes to develop entrepreneurship skills, to promote youth entrepreneurship.
- Strengthening the social partners’ capacity and promoting local level tripartite solutions for youth employment.
- Advocating for a national policy on youth employment.

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