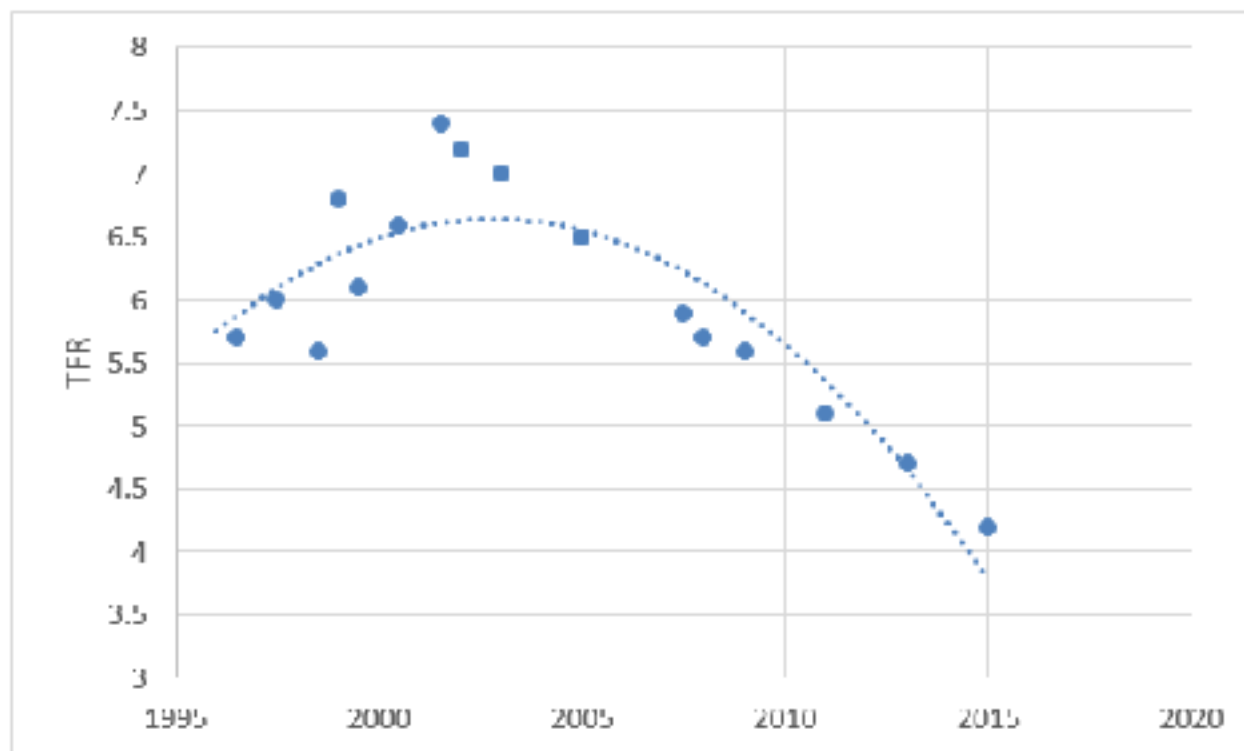


# Disparities among Timor-Leste's Youth Population: Their Present and Future

Nicholas McTurk  
UNFPA, Timor-Leste

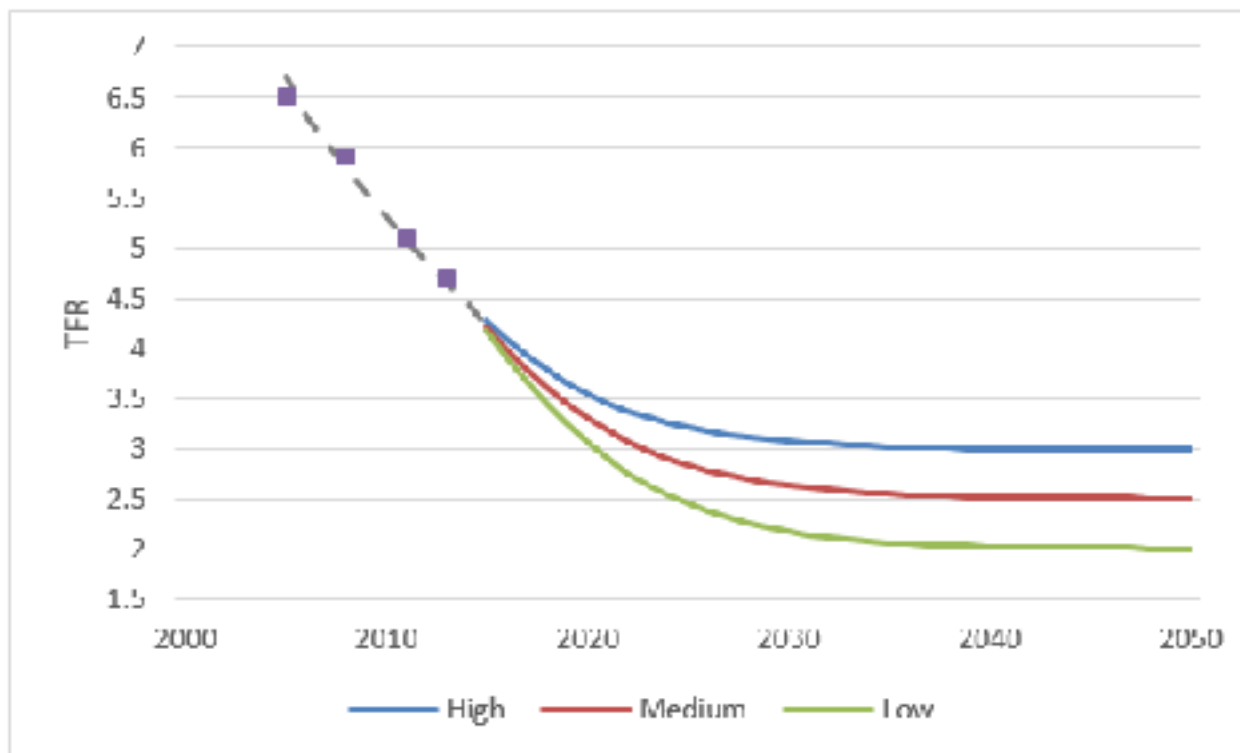
Effective Use of Data for Policy Making on Ageing  
5-6 December, 2017  
Chiang Mai , Thailand

# Total Fertility Rates (TFR) from multiple sources and trend line, Timor-Leste, 1996 to 2015



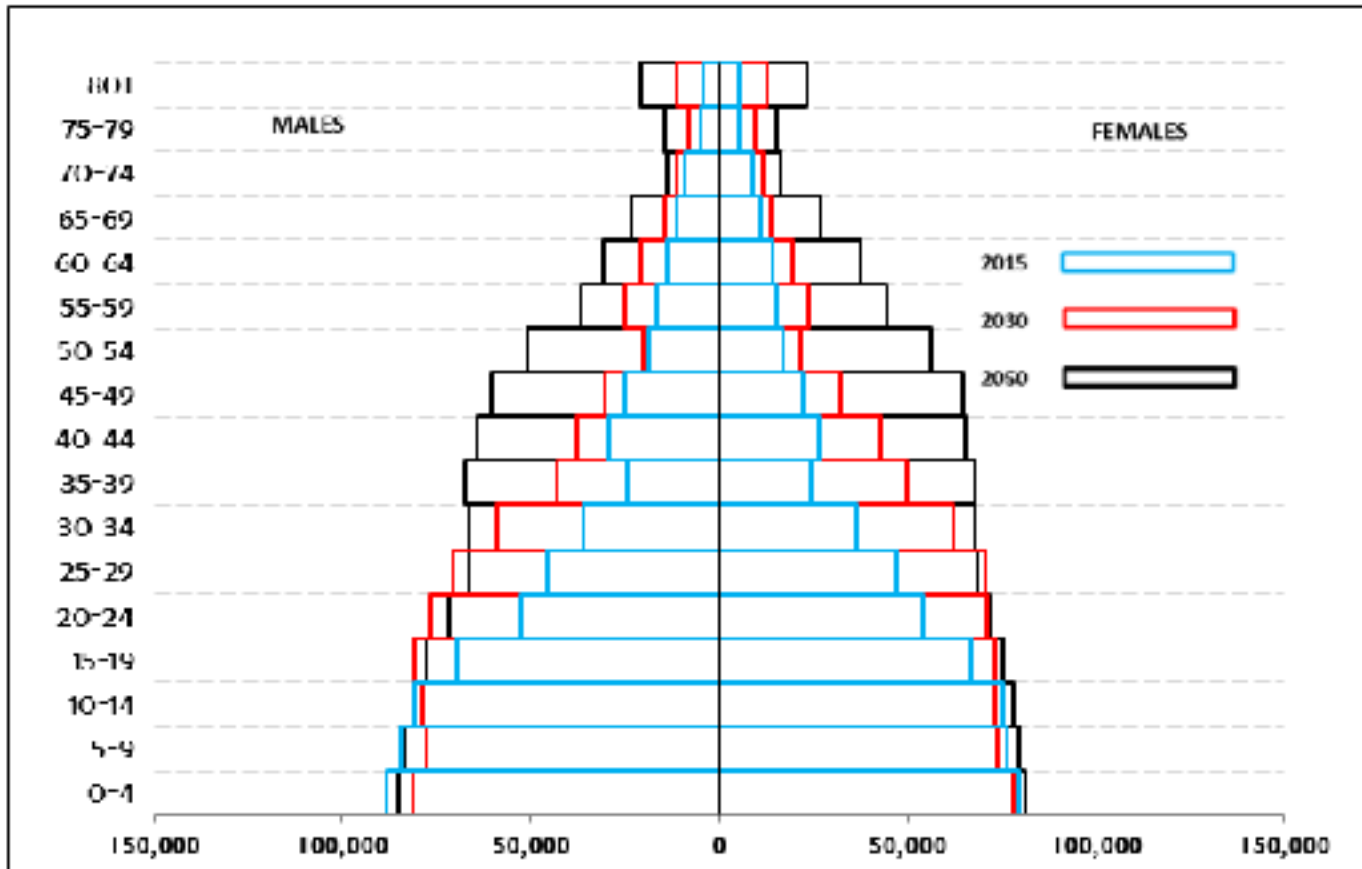
Source: General Directorate of  
Statistics, 2017: Population Projections  
2015-2050

# Estimated (2005-2013) and projected (2015-2050) TFRs - three scenarios



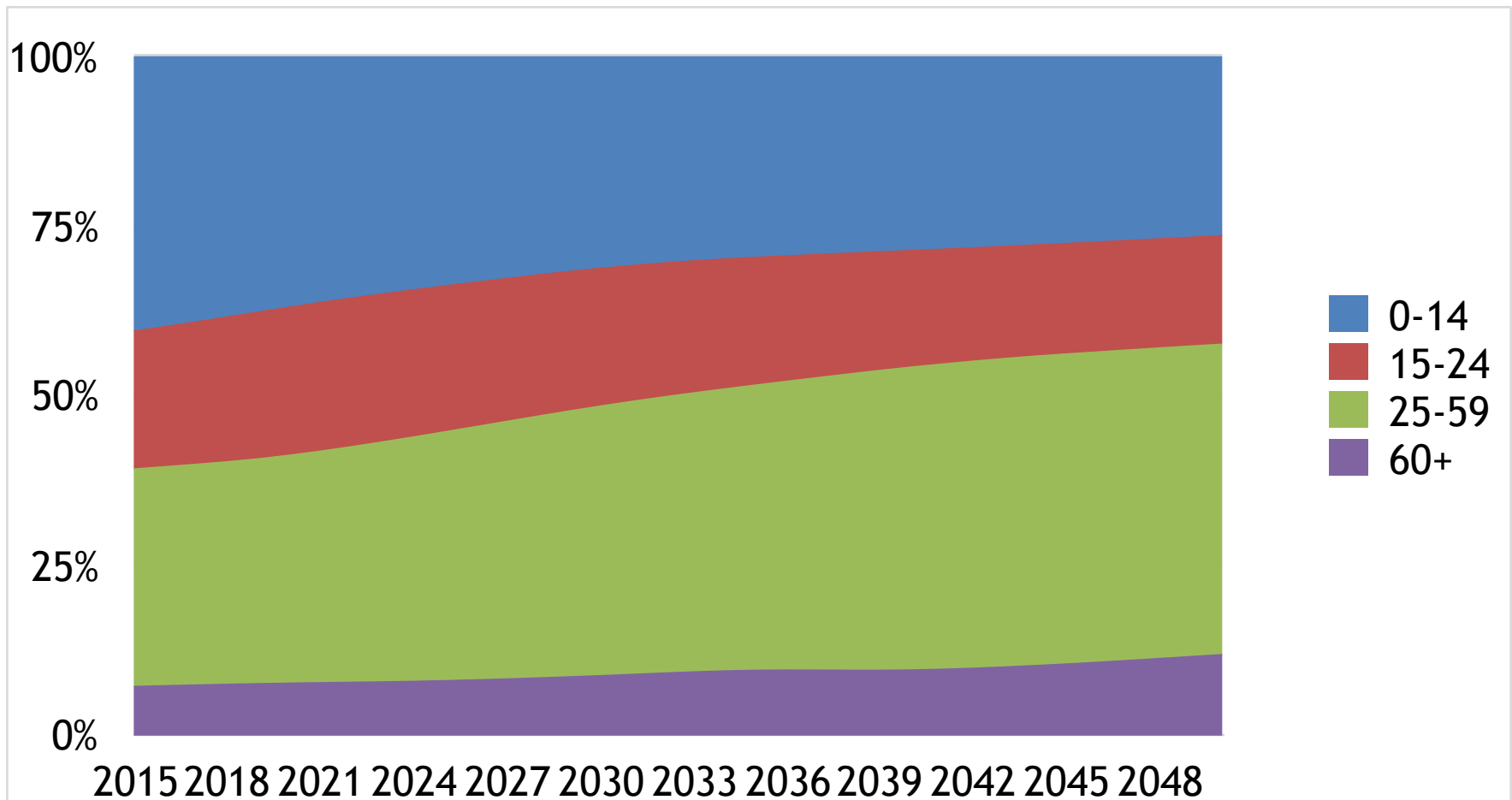
Source: General Directorate of  
Statistics, 2017: Population Projections  
2015-2050

# Population pyramids, medium fertility projection scenario



Source: General Directorate of  
Statistics, 2017: Population Projections  
2015-2050

# Population age structure Timor-Leste, 2015-2050 (DGS)



Source: General Directorate of  
Statistics, 2017: Population Projections  
2015-2050

# Population structure change in Timor-Leste

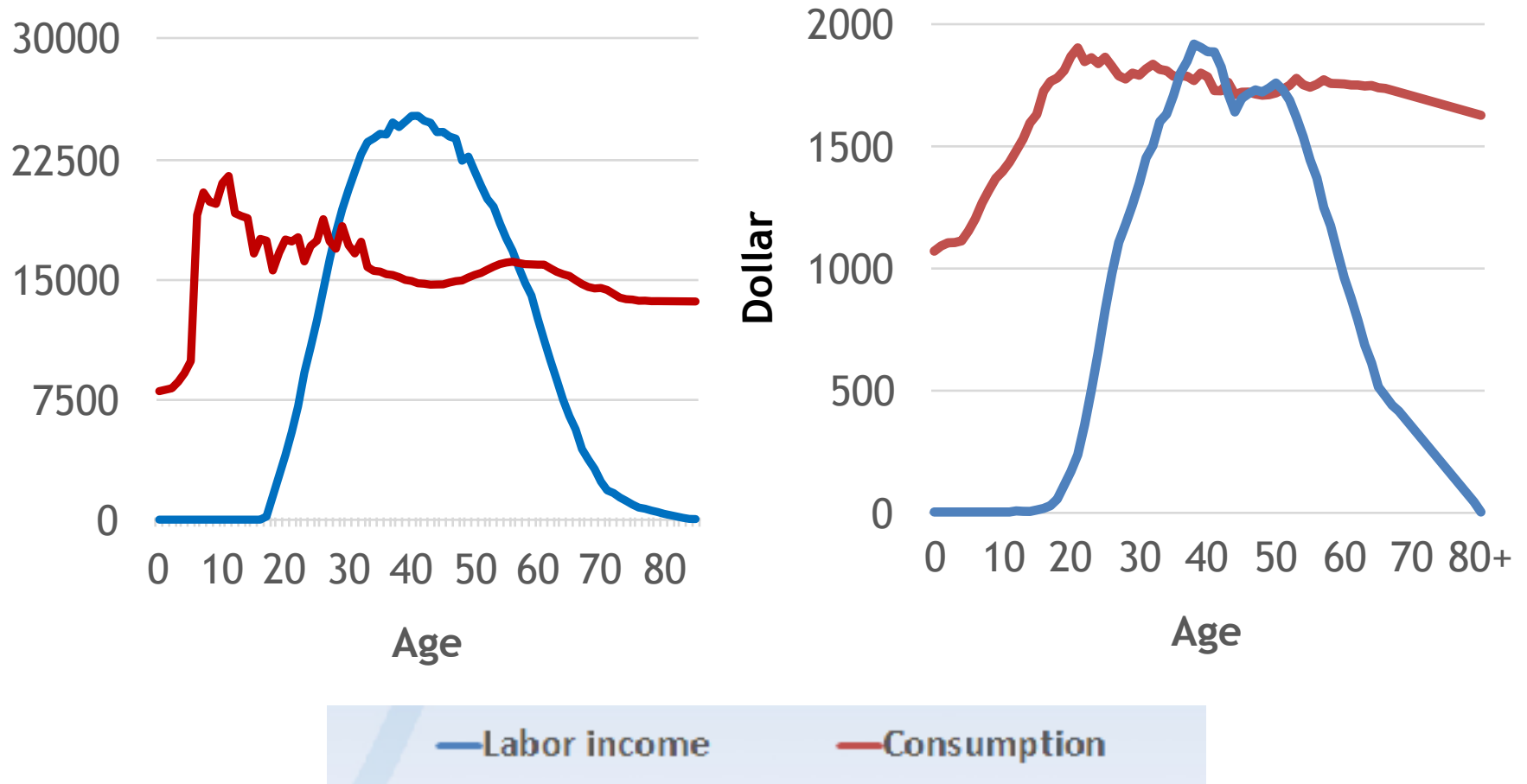
- Rapid decline in fertility
  - Highest level of fertility in Asia.
  - But declining most rapidly as well.
- 0-14: 40% (2015) → 30% (2034) → 26% (2050)
- 15-24: 244 thousands (20%) in 2015, peaks at 2029 (301 thousands)
- 25-59: 32% (2015) → 46% (2050)
- 60+: 7% (2015) → 12% (2050)

# Why is NTA important for Timor-Leste?

- Timor-Leste is experiencing the most rapid fertility decline in the world.
  - The youth population is expanding in Timor-Leste.
  - Expansion of the elderly population will follow later.
- It is important to investigate the impact of population change on the economy.
- Disparities among the youth population may persist and even intensify as they grow older.
- What public policies can be pursued to mitigate disparities and capitalize on the opportunities offered by a youthful population?

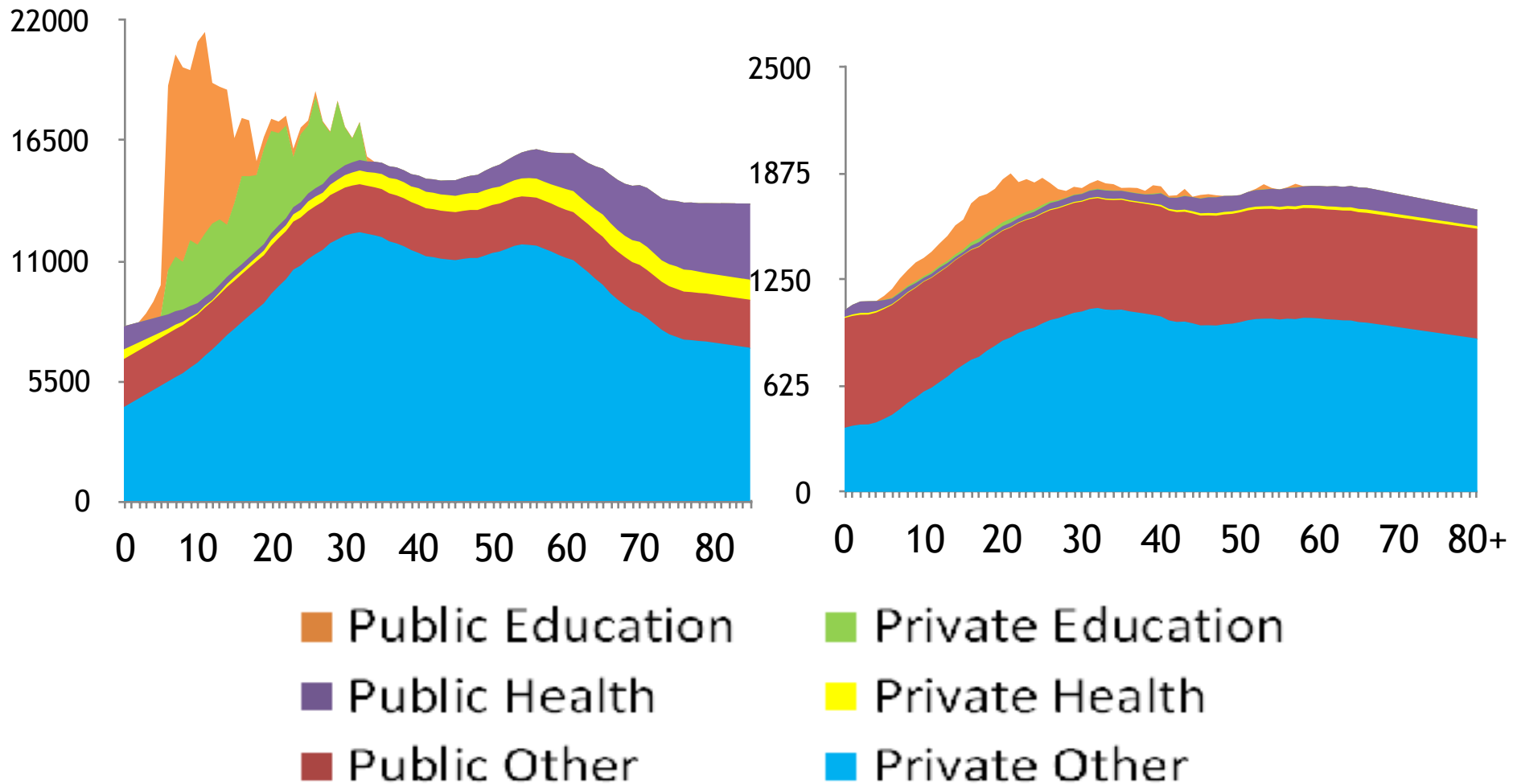
# Per capita flows by age

## South Korea (2012) vs. Timor-Leste (2014/15)





Per capita consumption by age and sector  
(South Korea vs. Timor-Leste)



# Public transfers

## NTA classification of public transfers by purpose

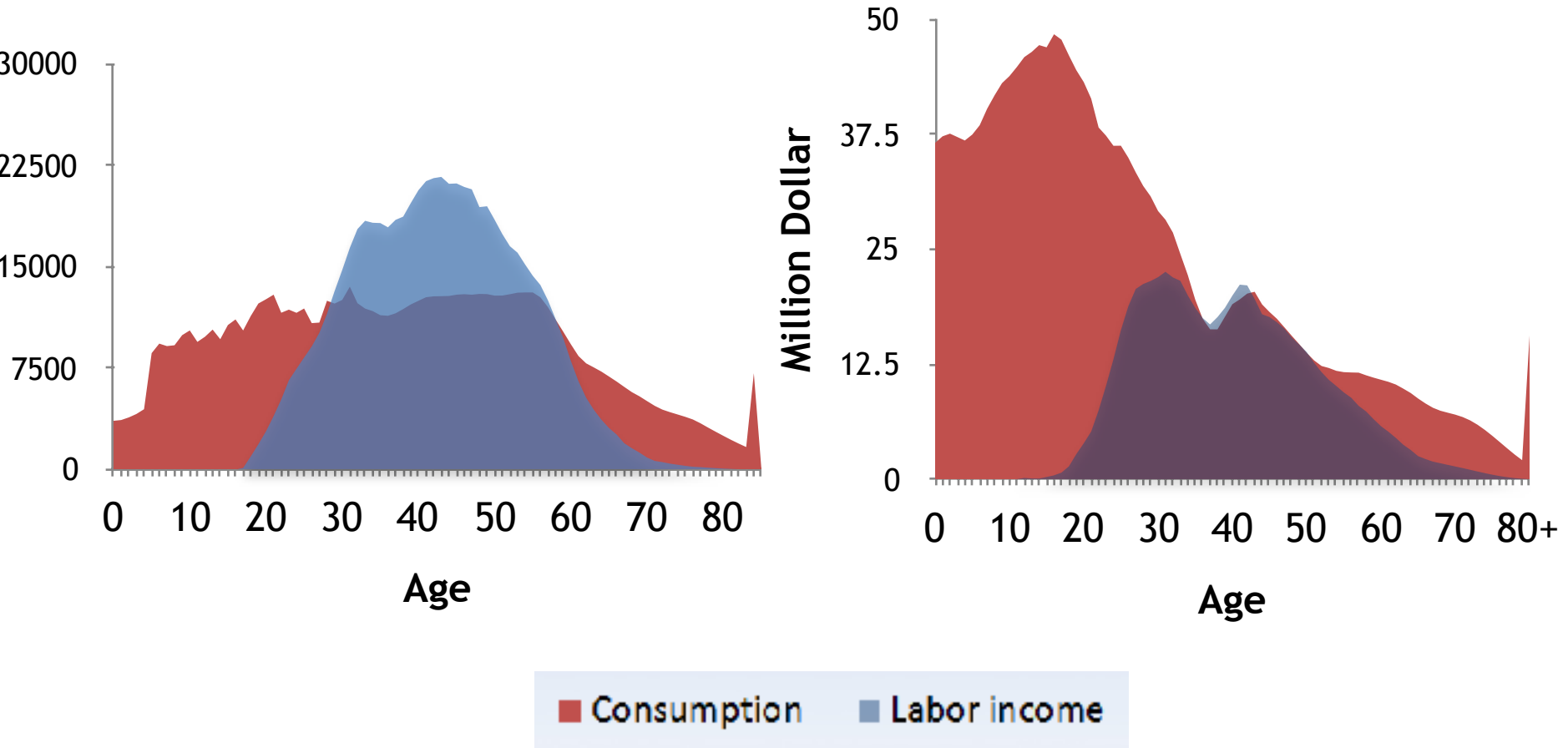
NTA purpose	COFOG (Division number)
Education	Education (9)
Health	Health (7)
Pensions	Social protection, old age (102)
Other	Social protection (10) excluding old age (102), general public services (1), defense (2), public order and safety (3), economic affairs (4), environmental protection (5), housing and community amenities (6), recreation, culture, and religion (8).

# Oil dependency and poverty

- In 2016, 78.9% of government expenditure was derived from the Timor-Leste Petroleum Fund.
- Reserves are projected to run out by 2021.
- The Timor-Leste Petroleum Fund is already being depleted.
- The majority of the population survive through subsistence agriculture.
- In 2014, 41.8% were below the national poverty line and 50.3% were below the international poverty line.

# Aggregate flows by age

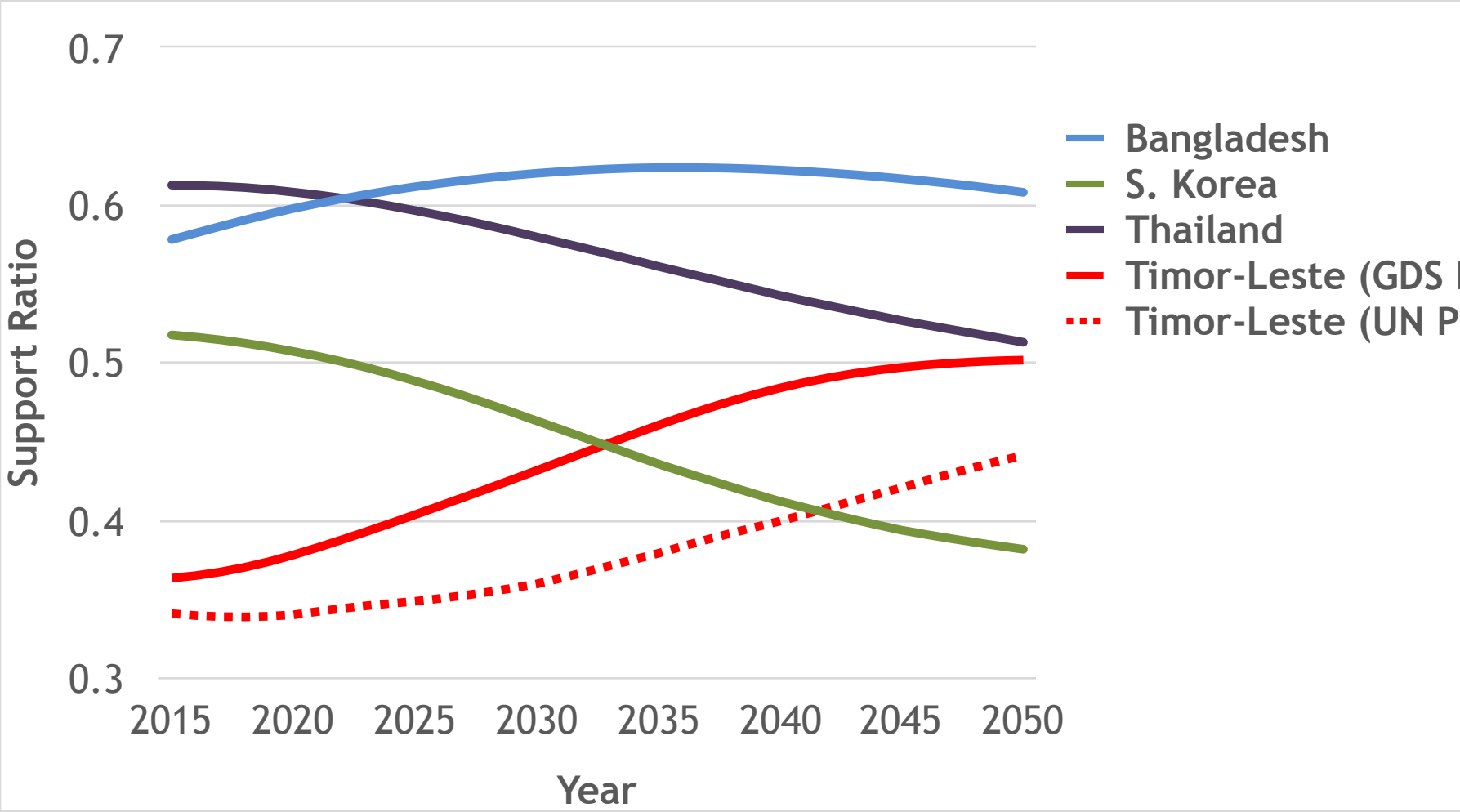
## South Korea vs. Timor-Leste



# Opportunity

Harnessing a demographic dividend

# Strong growth in the Support Ratio signals a demographic dividend



What human development challenges stand in the way of achieving a demographic dividend?

# How much young people earn? (% of ages 30-49, per capita)

Per capita labor income (% average annual labor income of a prime-age (30-49) adult)

Country and survey year	Age 15-19	Age 20-24	Age 25-29
Timor-Leste 2014/15	2.5	22.3	62.4
Japan 2004	3.1	27.6	54.9
Korea 2012	3.7	30.7	67.5
Taipei, China 2010	7.6	46.0	86.3
Thailand 2011	8.9	37.6	72.4
Philippines 2011	13.9	61.1	92.0
India 2004	14.6	39.1	68.8
Lao PDR 2012	15.0	42.0	77.1
Indonesia 2012	15.3	48.3	74.6
China 2007	16.7	60.3	105.4
Vietnam 2012	23.3	65.6	114.2
Bangladesh 2010	28.8	53.6	76.4
Cambodia 2009	46.3	91.1	111.2



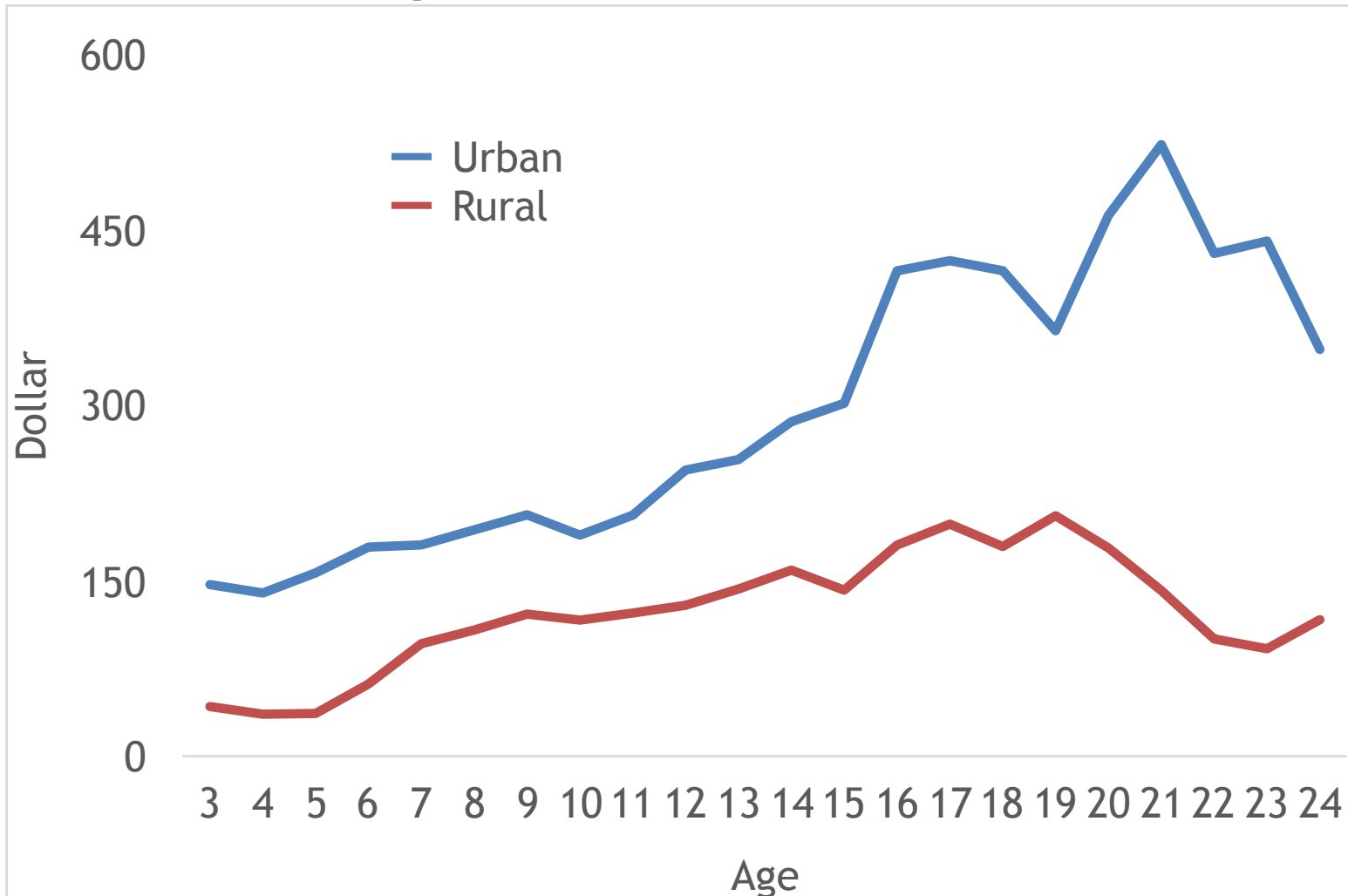
# Schooling indicators for youth in Timor-Leste, 2015

Age	Male				Female		
	At School	Left School	Never Attended School	At School	Left School	Never Attended School	
15	82.7	8.3	8.5	84.0	6.7	8.7	
16	79.9	10.3	9.0	80.7	9.0	9.5	
17	77.1	13.2	8.9	76.8	12.6	9.5	
18	71.5	17.1	10.5	69.1	18.1	11.6	
19	67.0	21.0	10.9	60.9	26.2	11.6	
20	56.3	29.7	13.0	47.3	35.8	15.7	
21	51.5	35.4	12.0	43.6	42.0	13.2	
22	44.7	41.1	13.0	37.2	47.6	14.3	
23	40.0	46.2	12.7	33.0	51.7	14.1	
24	36.4	49.7	13.0	27.3	55.8	15.9	

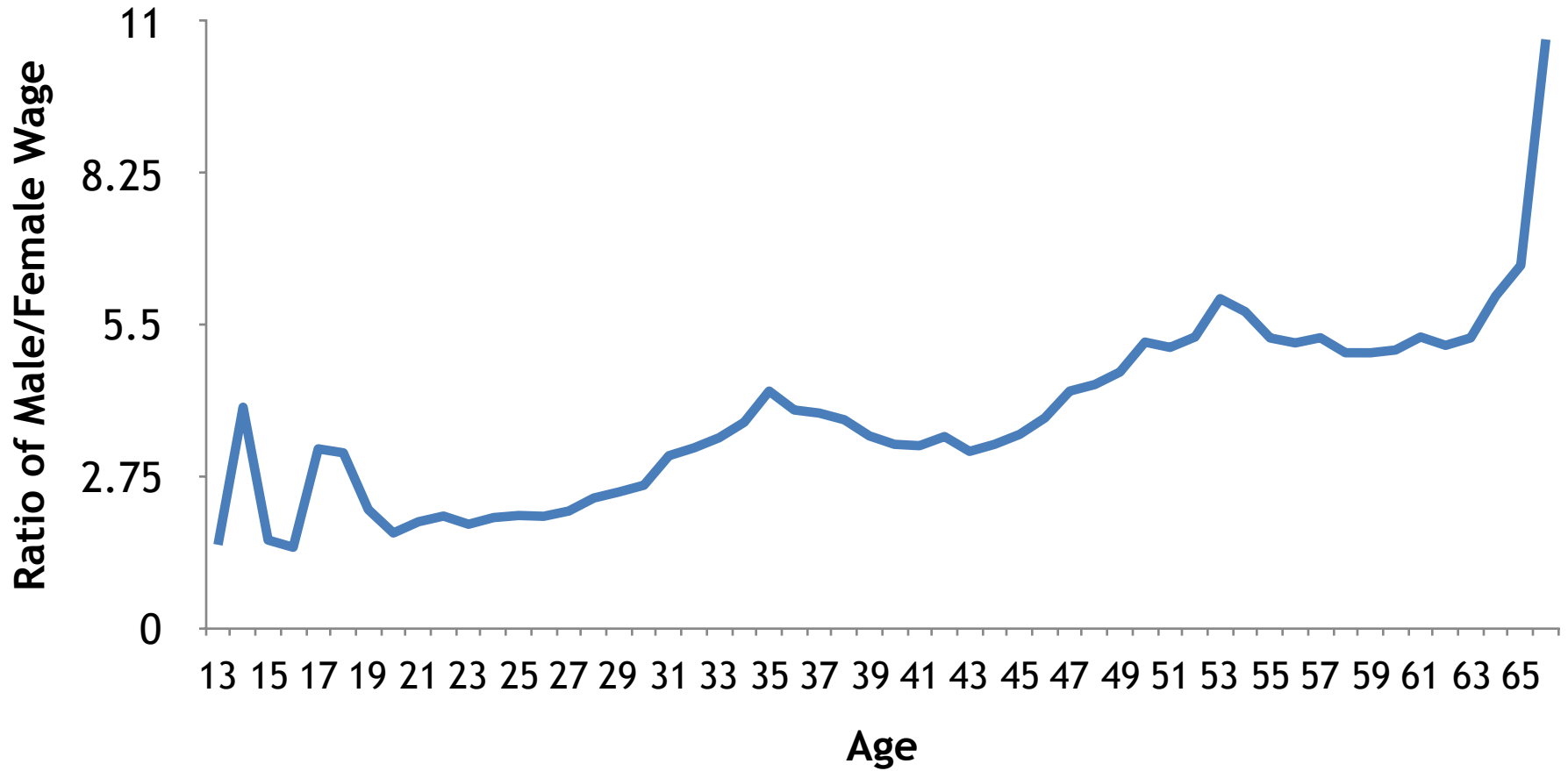
# Many young people are not in education, employment, or training (NEET)

	Combined	Male	Female
Youth labor force participation rate (%) 15-24	23.8	25.9	21.7
Urban	15.6	17.7	13.4
Rural	28.7	30.7	26.7
Youth unemployment rate (%) 15-24	12.3	14.0	10.3
Urban	24.7	25.9	23.0
Rural	8.4	10.0	6.5
Youth NEET (%) 15-24	20.7	17.6	24.5
Youth NEET (%) 15-29	23.3	17.7	28.8

# Wide gap in human capital spending by place of residence



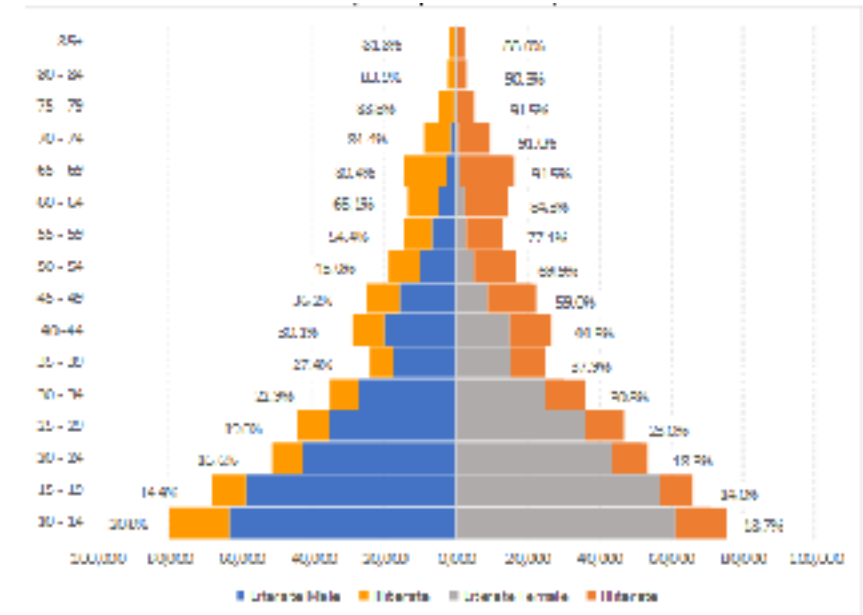
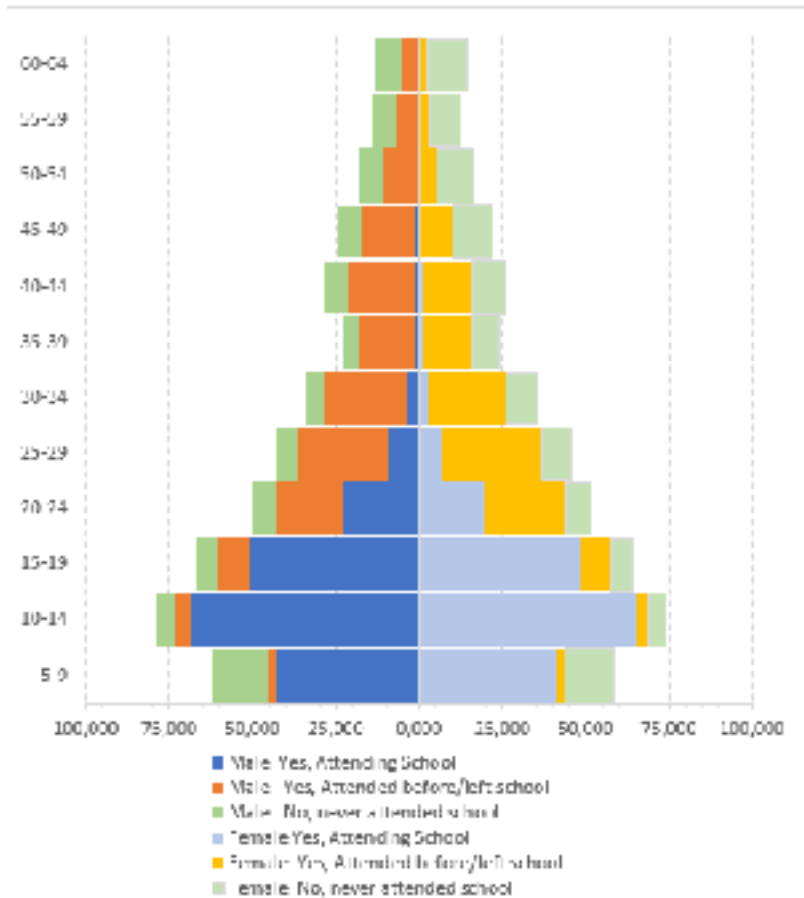
# Increased gender disparity in wage income with age



## Population pyramids, 2015 Census

Declining educational attainment with age  
- especially for women

Declining literacy with age  
- especially for women



# Conclusions - Youth

- The demographic dividend is not automatic, and favorable changes in population age structure do not guarantee rapid economic growth.
- Strong growth in the support ratio is advantageous only if sufficient employment opportunities are available to absorb new workers into the economy.
- Currently, Timor-Leste is at risk of missing the demographic dividend because children are not receiving the necessary investments in their health and education
- The potential gains will not be shared equally across population—huge disparities exist.

# Conclusions - Older persons

- Older persons, especially rural women are amongst the most vulnerable in Timor-Leste.
- Social protection provides a very basic safety net.
- Population ageing will gather pace in the coming decades.
- Longer term implications are that -unless gender and geographical disparities among the young are addressed, they will persist and worsen as they get older.