



SEFOPE



International  
Labour  
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# Summary

# Timor-Leste

# Labour Force Surveys

## 2010-2013-2016

Main Trends Based on Harmonized Data





**Timor-Leste Labour Force Surveys 2010-2013-2016 – Main Trends Based on Harmonized Data**<sup>1</sup> is presented to provide a time series on key labour force indicator for 2010, 2013 and 2016. Main objective of the report is to analyse the evolution of the main labour force indicators.

Timor-Leste has conducted two labour force survey in 2010 and 2013, and in 2016 the Directorate General of Statistic, Ministry of Finance and the Secretariat of State for Vocational Training and Employment has conducted Child Labour Survey administrating both a child questionnaire addressed to children 5 to 17 years of age and an adult questionnaire. The adult questionnaire includes questions on the labour force status and the employment and unemployment characteristics of the working age population, and hence provide many of key data generally obtained from conventional labour force surveys. The Child Labour Survey of 2016 is considered as “mini Labour Force Survey” to produce labour force statistics comparable to the LFS 2010 and 2013.

### Main labour force indicators: Timor-Leste LFS 2010-2013-2016

('000)	LFS 2010	LFS 2013	Mini LFS 2016
Working age population (15+ yrs)	627.0	696.2	724.5
Labour force	150.9	213.3	339.5
Employed	139.1	189.3	304.0
(of which time-related underemployed)	0.1	1.4	-
Unemployed	11.8	23.4	35.4
Outside the labour force	477.5	483.0	385.0
(of which potential labour force)	3.4	7.7	-
Subsistence foodstuff producers	206.3	178.9	109.7
%			
Labour force participation rate	24.0	30.6	46.9
Employment-to-population ratio	22.1	27.3	42.0
LU1. Unemployment rate	7.8	11.0	10.4
LU2. Combined rate of unemployment and time-related underemployment	7.9	11.7	-
LU3. Combined rate of unemployment and potential labour force	9.8	14.1	-
LU4. Composite measure of labour underutilization	9.9	14.7	-

<sup>1</sup> ILO, *Timor-Leste Labour Force Surveys 2010-2013-2016 – Main Trends Based on Harmonized Data*. Available at: [https://www.ilo.org/jakarta/whatwedo/publications/WCMS\\_720151/lang--en/index.htm](https://www.ilo.org/jakarta/whatwedo/publications/WCMS_720151/lang--en/index.htm)

The results show a clear pattern of evolution. The working age population (15 years old and over) has continuously increased from 627,000 persons in 2010 to 696,200 persons in 2013 and 724,500 persons in 2016, representing an average annual growth rate of about 2.4 percent. Labour force participation and also its components, employment and unemployment, have increased during the period: the labour force from 150,900 persons in 2010 to 213,000 persons in 2013 and 339,500 persons in 2016; employment from 139,100 persons in 2010 to 189,300 persons in 2013 and 304,000 persons in 2016; and unemployment from 11,800 persons in 2010 to 23,400 persons in 2013 and 35,400 persons in 2016.

### **Employment by branch of economic activity at main job: Timor-Leste LFS 2010-2013-2016**

%	LFS 2010	LFS 2013	Mini LFS 2016
Agriculture, forestry and fishing	26.3	25.6	31.6
Mining and quarrying	0.8	0.6	6.1
Manufacturing	4.3	4.5	3.4
Electricity, gas, steam, air-conditioning supply Water supply, sewerage waste management	0.3	0.4	0.2
Construction	8.9	7.5	7.8
Wholesale and retail trade, repair of motor vehicles	19.8	23.2	22.2
Accommodation and food service activities	1.6	1.3	0.1
Transport and storage	5.7	6.1	2.8
Professional activities	7.1	12.6	1.1
Public administration and defense	4.7	4.0	10.8
Education	10.8	6.4	6.5
Human health and social work activities	2.1	1.9	0.9
Other service activities	6.8	4.0	5.8
Unspecified	0.9	1.7	0.7
Total	100.0	100.0	100.0

The results show that the share of agricultural employment increased significantly during the last three years from 25.6 percent in 2013 to 31.6 percent in 2016 due mainly to the changing mix of agricultural activities from subsistence foodstuff production to agriculture production for the market. The percentage of subsistence foodstuff producers in total number of persons engaged in agricultural activities decreased from 78.7 percent in 2013 to 53.3 percent in 2016.

**Employment by occupation at main job:  
Timor-Leste LFS 2010-2013-2016**

%	LFS 2010	LFS 2013	Mini LFS 2016
Managers	4.7	5.9	2.7
Professionals	15.6	9.9	6.9
Technicians and associate professionals	2.8	4.5	1.0
Clerical support workers	1.3	3.2	5.9
Service and sales workers	19.8	17.6	22.4
Skilled agricultural, forestry, fishery workers	12.4	13.3	40.5
Craft and related workers	8.3	9.5	4.1
Plant and machine operators, assemblers	5.6	5.6	2.5
Elementary occupations	28.3	28.8	12.1
Armed forces occupations	0.7	0.1	0.0
Not classified, blank	0.5	1.5	1.9
Total	100.0	100.0	100.0

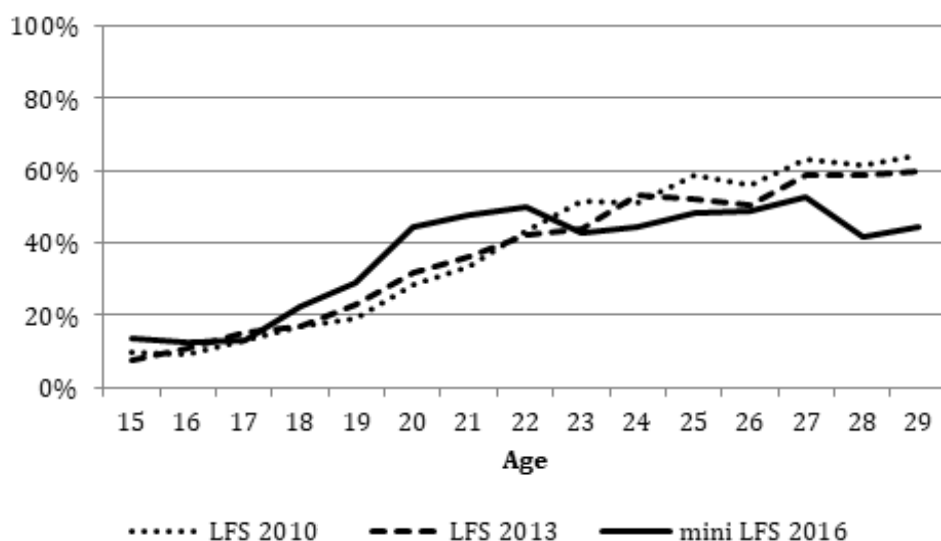
Moderate increase in the share of service and sales workers in the last three years, from 17.6 percent in 2013 to 22.4 percent in 2016. A similar slight increase is observed for clerical support workers from 3.2 percent in 2013 to 5.9 percent in 2016. All other major occupational groups show a relative decline in the last three years, particularly “white collar” workers such as managers from 5.9 percent in 2013 to 2.7 percent in 2016, professionals from 9.9 percent in 2013 to 6.9 percent 2016, technicians and associate professionals from 4.5 percent in 2013 to 1.0 percent in 2016. The share of craft and related workers in total employment has also declined from 9.5 percent in 2013 to 4.1 percent in 2016, and so has the share of plant and machine operators and assemblers from 5.6 percent in 2013 to 2.5 percent in 2016.

### Main labour force indicators of youth and adults: Timor-Leste LFS 2010-2013-2016

('000s)	Youth (15-24 yrs)			Adults (25+ yrs)		
	LFS 2010	LFS 2013	Mini LFS 2016	LFS 2010	LFS 2013	Mini LFS 2016
Working age population (15+ yrs)	199.4	200.0	245.1	429.0	496.2	479.3
Labour force	17.0	28.4	63.2	133.9	184.9	276.3
Employed	13.5	22.1	42.4	125.7	167.6	261.6
(of which time-related underemployed)	0.0	0.2	-	0.1	1.2	-
Unemployed	3.6	6.2	20.8	8.2	17.2	14.6
Outside the labour force	182.4	171.7	181.9	295.1	334.8	203.0
(of which potential labour force)	0.9	1.7	-	2.5	3.0	-
Subsistence foodstuff producers	40.8	28.8	10.9	165.5	150.2	98.7
<b>%</b>						
Labour force participation rate	8.5	14.2	25.8	31.2	21.3	57.6
Employment-to-population ratio	6.8	11.1	17.3	29.3	19.3	54.6
LU1. Unemployment rate	20.9	21.9	32.9	6.1	10.4	5.3
LU2. Combined rate of unemployment and time-related underemployment	20.9	22.6	-	6.3	11.1	-
LU3. Combined rate of unemployment and potential labour force	24.8	26.2	-	7.9	12.7	-
LU4. Composite measure of labour underutilization	24.8	26.9	-	8.0	13.3	-

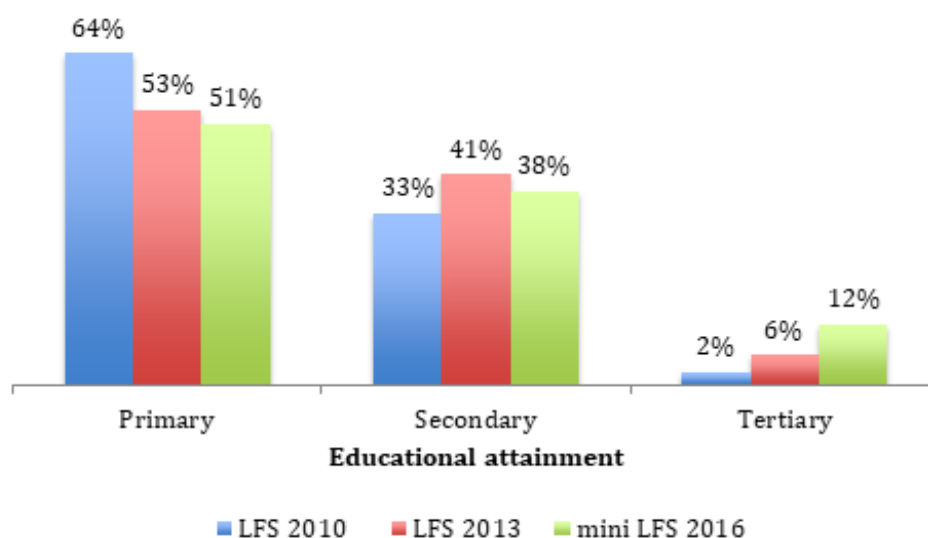
The data show that the increased labour force participation rate and employment-to-population ratio of the youth population have been accompanied by growing youth unemployment. The youth unemployment rate has increased from 20.9 percent in 2010 to 21.9 percent in 2013 and to 32.9 percent in 2016. By contrast, the adult unemployment rate has been considerably lower and its movement somewhat erratic. The data show that the adult unemployment rate rose from 6.1 percent in 2010 to 10.4 percent in 2013 and then declined to 5.2 percent in 2016.

## Youth neither in employment, nor in education or training (NEET) Timor-Leste LFS 2010-2013-2016



45 percent of young persons aged 23 years old and above are not employed nor in the school system in Timor-Leste. Many are unemployed and the others are outside the labour force as subsistence foodstuff producers or as potential labour force waiting to return to the labour force when conditions are improved.

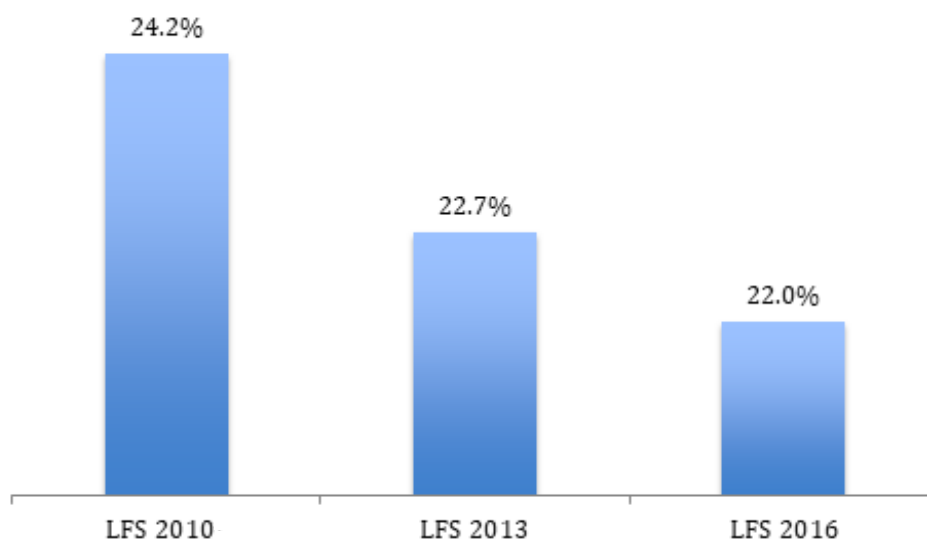
## Evolution of educational attainment of working age population (15+ yrs) Timor-Leste LFS 2010-2013-2016





While the educational level of the working age population is generally increasing, school attendance is decreasing. The percentage of the working age population currently attending school decreased from 24.2 percent in 2010 to 22.7 percent in 2013 and to 22.0 percent in 2016. This result is to some extent a reflection of the aging population in Timor-Leste, but it may also be interpreted as the result of the expansion of employment opportunities during the six-year period from 2010 to 2016 which attracted a larger share of the working age population from the schooling system or limited the return to school of persons who could not find suitable employment.

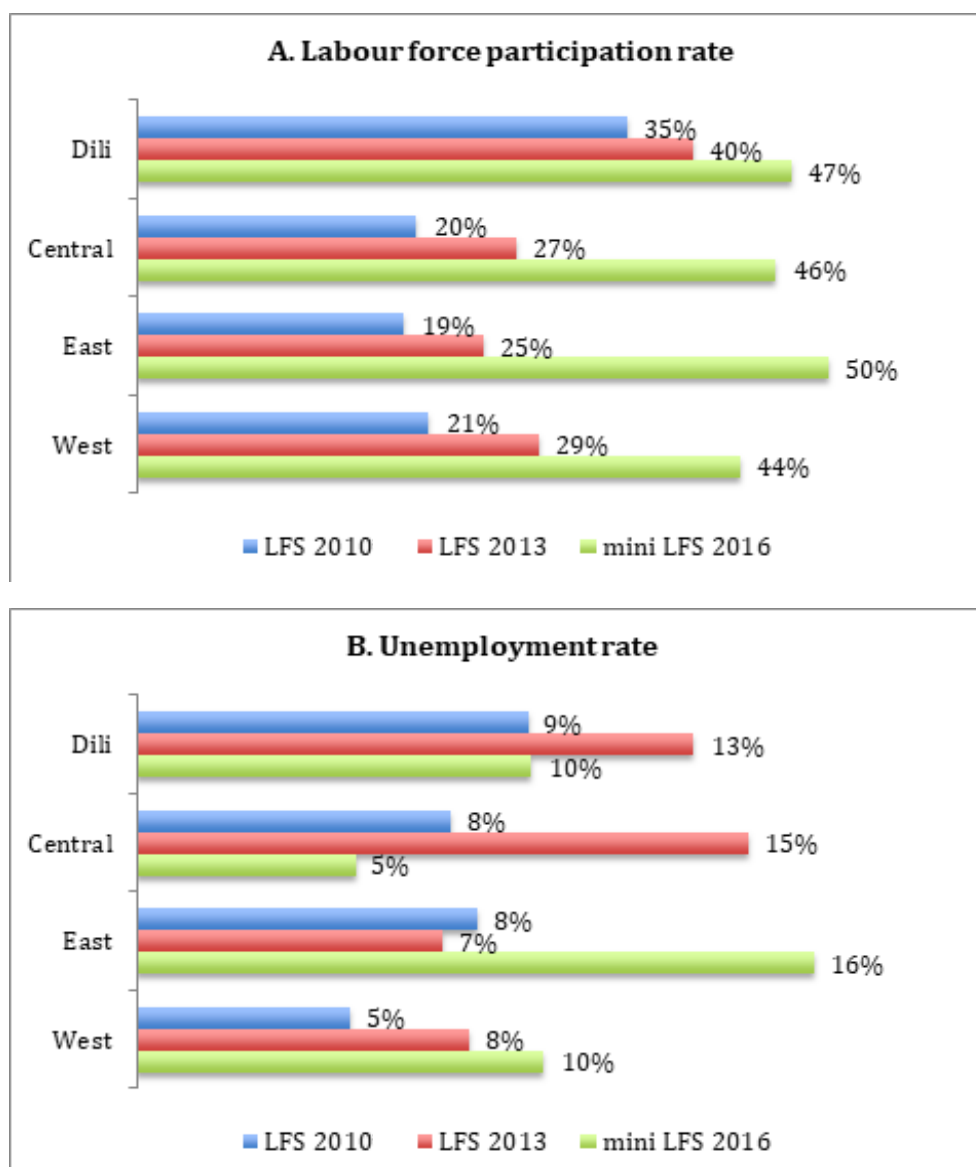
### Current school attendance of the working age population (15+ yrs) Timor-Leste LFS 2010-2013-2016



Another aspect of the relationship between the schooling system and the labour market is skill mismatch or incompatibility between education and occupation that occurs when the educational attainment of the person is above the skill requirement of his or her job. The reverse may also occur when the educational attainment is below the skill requirement of the job. In both cases, it means that the return on investment in education and training has been below optimum. Different indicators have been used to measure education and occupation mismatch. A simple approximate method that uses level of educational attainment and one-digit occupation data defines a mismatch when the educational attainment of the worker is higher than the educational level required by the main current job



## Labour force participation and unemployment by region Timor-Leste LFS 2010-2013-2016



The region with the second highest increase of the labour force participation rate was the Central region, followed by the West. The labour force participation rate of the Central region increased from 27 percent in 2013 to 46 percent in 2016, while that of the West region increased from 29 percent in 2013 to 44 percent in 2016. By contrast, the unemployment rate of the Central region dropped from 15 percent in 2013 to 5 percent in 2016, and that of the West region slightly increased from 8 percent in 2013 to 10 percent in 2016.

The labour force participation rate of the Dili region has increased modestly from 40 percent in 2013 to 47 percent in 2016, almost as much as from 2010 to 2013. The drop in the unemployment rate of the Dili region has also been relatively modest from 13 percent in 2013 to 10 percent in 2016.

