

***Peace Dividend* Trust**
Building a Better Peace

Business Community in Timor-Leste Part Two: Employment Landscape

May 2010

A Report by:

***Peace Dividend* Trust**

Claire Parois & Scott McCord

Dili, Timor-Leste

timor-leste@peacedividendtrust.org

Table of Contents

1. Introduction	3
2. Data Collection	3
3. Geographical Distribution of Jobs.....	4
4. Types of Jobs in Timor-Leste.....	4
5. Gender Distribution of Jobs	5
6. National versus International Jobs in Timor-Leste	9
7. Exportation	10
8. Dili: A Closer Look	11
9. About PDT and the Peace Dividend Marketplace Project	13
Annex I: Methodology	14

List of Tables

Table 1 - National versus International Jobs by District.....	9
Table 2 - Number of Jobs by Gender, Sub-district, National vs. International: Dili	11
Table 3 - Number of Jobs by Gender, Suco, National vs. International: Dili.....	11

List of Figures

Figure 1 - Number of Jobs by District.....	4
Figure 2 - Number of Jobs by Sector	5
Figure 3 - Job Breakdown by Gender	6
Figure 4 - Number of Jobs by District and Gender	7
Figure 5 - Number of Jobs by Sector and Gender.....	8
Figure 6 - National versus International Jobs by Gender	8
Figure 7 - National versus International Jobs by Sector	10
Figure 8 - Jobs in Exporting Business versus non-Exporting	10

1. Introduction

This paper represents part two of a report¹ written by Peace Dividend Trust (PDT) on the Timor-Leste private sector. The first paper, written in October 2009, provided a general overview of the local business community, while this one focuses on the Timor-Leste employment landscape in the private sector. Findings presented in this report are intended to improve knowledge and awareness of the domestic marketplace.

Data presented in this report was derived from a database of businesses developed by PDT and its Peace Dividend Marketplace Timor-Leste (PDM-TL) project. The database was funded by the Australian Agency for International Development (AusAID) and the Government of Norway and developed in partnership with the Timor-Leste Ministry of Tourism, Commerce and Industry (MTCI).

2. Data Collection

Data for this report was collected between 1 November 2007 and 23 November 2009. During this period, a total of 2,459 businesses employing 24,892 workers were surveyed by PDT's verification team. An individual profile of each business can be found on the PDM-TL Business Portal²³ at www.BuildingMarkets.org.

This report provides an objective description of the jobs recorded through PDT's verification process (Please see Annex I). Although the verification team followed standardized protocol throughout each interview, PDT cannot guarantee the validity of each response. The number of jobs accounted for was derived from five questions, including the total number of employees, as well as their gender and nationality.

The figures represented in this report are only a sample group of data that has been collected. The actual labor pool of Timor-Leste, based on information gathered from the MTCI, is considerably larger.⁴

¹ The first report provided a general overview of the private sector in Timor-Leste. Please see: http://www.peacedividendtrust.org/en/Timor_Leste_Business_Com_Overview.html

² Caveat: While PDT is making every effort to keep its online directory of suppliers inclusive and representative of the Timor-Leste private sector, it should not be considered a complete directory given the dynamic nature of the local marketplace.

³ Please note that the current interface of the website will be upgraded in the second half of 2010 and will provide more functionality and resources for local suppliers in Timor-Leste and international and national buyers.

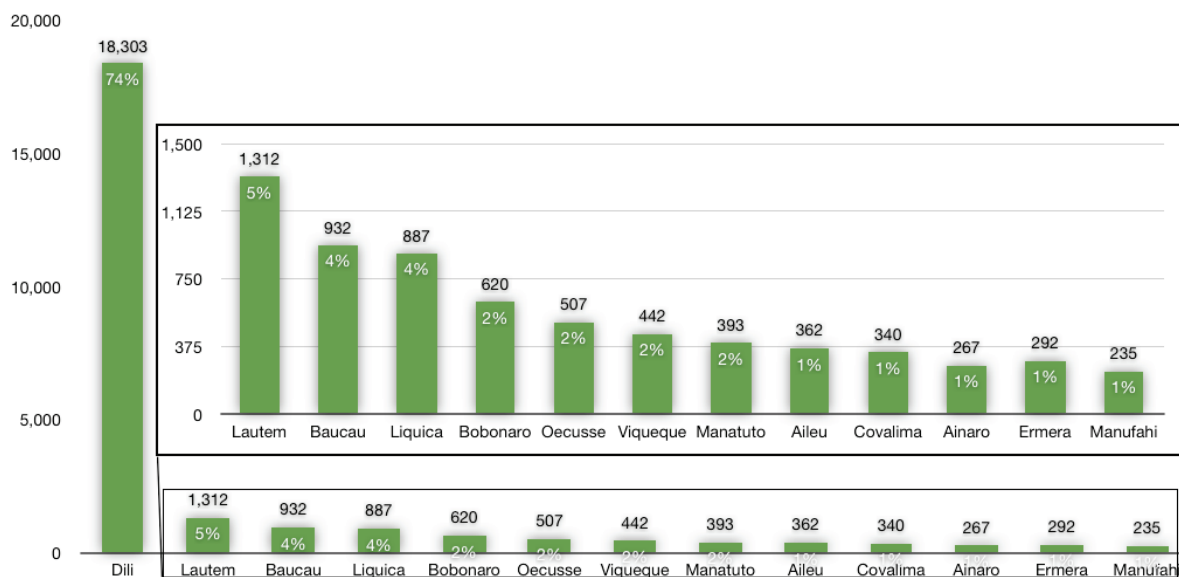
⁴ Government of Timor-Leste April 21, 2010 4:33 pm. See: <http://timor-leste.gov.tl/?p=2585&lang=en&n=1>.

3. Geographical Distribution of Jobs

Of the total jobs accounted for in the business verification process, the majority at 73 percent, are located in the capital, Dili. The job makeup of the remaining 12 districts consists of a fairly even distribution. While it is not surprising that the number of jobs in Dili vastly outnumbers the jobs in the less developed districts, it is important to note that the PDM-TL team has yet to focus on the verification of agriculture cooperatives in many of the predominately rural sub-districts. As a result, this sample survey may not accurately depict the actual number of jobs available in these locations.

As depicted in Table 1 below, Lautem and Baucau follow Dili in the total number of verified jobs (1,312 and 932 respectively). Lautem’s job count is increased by the presence of Uniao Pequenas Empresa (UNAPE), which employs over 650 employees. UNAPE is one of the few rural cooperative organizations, producing goods ranging from tais⁵ handicrafts to home furniture.

Figure 1 - Number of Jobs by District



4. Types of Jobs in Timor-Leste

The PDM-TL team divided the enterprises interviewed and jobs recorded into 26 different sectors of activity, which can be found in Table 2. Each of these sectors was further separated into sub-categories in order to facilitate the search process (for instance, construction materials and services were differentiated into two distinct sub-sectors in the ‘Construction and Renovation’ sector).⁶

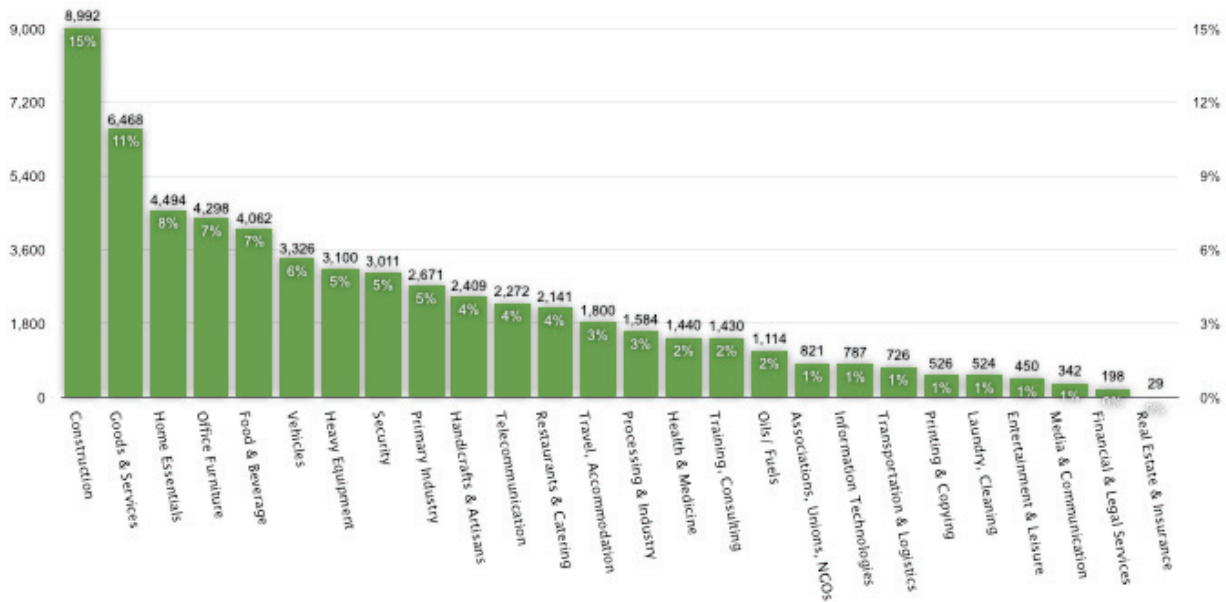
⁵ Traditional weaved fabric from Timor-Leste.

⁶ A vast majority of surveyed enterprises qualify for more than one category, which explains why the total number of businesses in the table exceeds the total number of businesses in the study.

The Construction sector hosts the largest number of jobs (8,992), followed by Other Goods and Services (6,468), which consists primarily of positions in small retail stores. At only .05 percent, job opportunities in the Real Estate and Insurance sector are exceedingly few.

As mentioned in the previous section, the PDM-TL verification team has not focused on identifying and generating business profiles for agricultural cooperatives or enterprises located in the rural sub-districts across Timor-Leste. Therefore, the statistics for the Primary Industry sector do not represent a full and accurate depiction of rural employment numbers.

Figure 2 - Number of Jobs by Sector

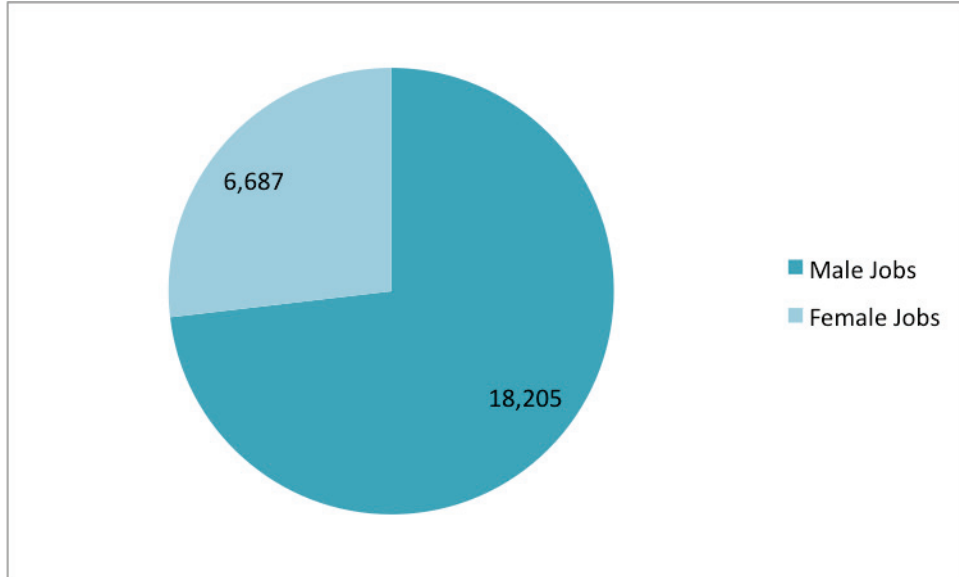


5. Gender Distribution of Jobs

5.1 Basic Male to Female Distribution of Jobs

As gender equality becomes an increasingly important topic across Timor-Leste, it is valuable to note the spread of male to female-held jobs. Out of the 24,891 total jobs recorded by PDM-TL, males hold roughly 73 percent. The following section analyzes the gender breakdown by district, sector, and nationality.

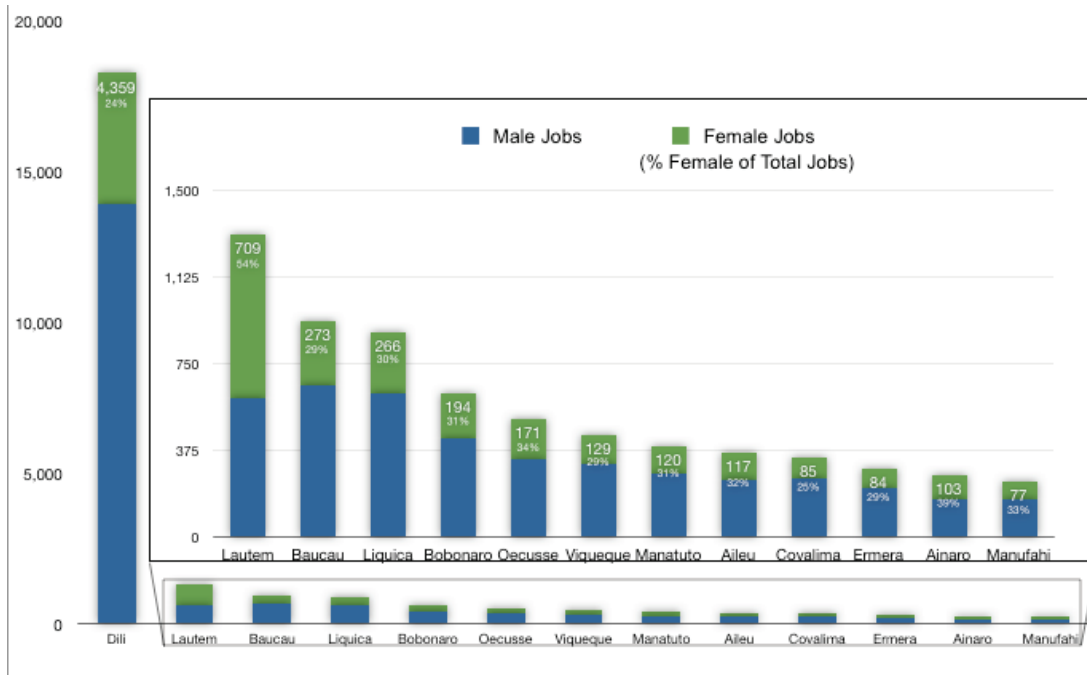
Figure 3 - Job Breakdown by Gender



5.2 Gender Distribution by District

The majority of jobs reported across all districts were held by men with the exception of Lautem, which favored women (54 percent). The capital Dili, with the largest labor pool of 18,303 jobs, has the lowest percentage of female workers (24Percent) Table 3 below provides the aggregated data.

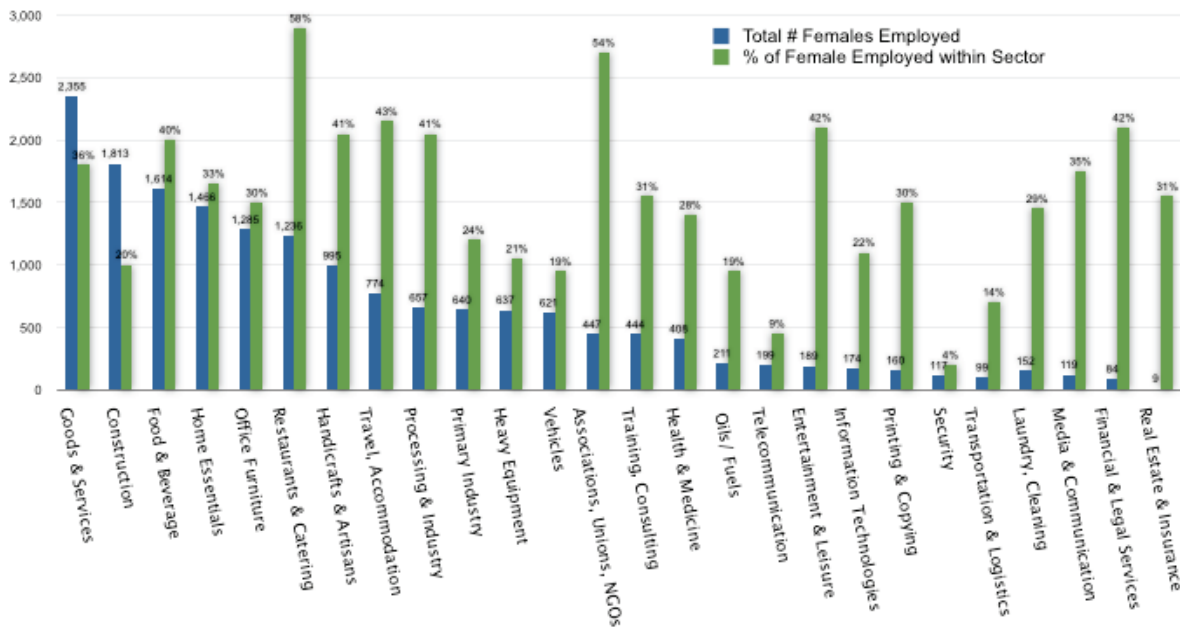
Figure 4 - Number of Jobs by District and Gender



5.3 Gender Distribution by Sector

The general trend of gender distribution across the 26 sectors is similar to the gender distribution by district as only one sector employs more women than men. Restaurants & Catering employs a total of 1,236 women, accounting for 58 percent of the total 2,143 jobs recorded in that sector. The sectors of telecommunication and security employ the lowest percentage of females, both less than 10 percent.

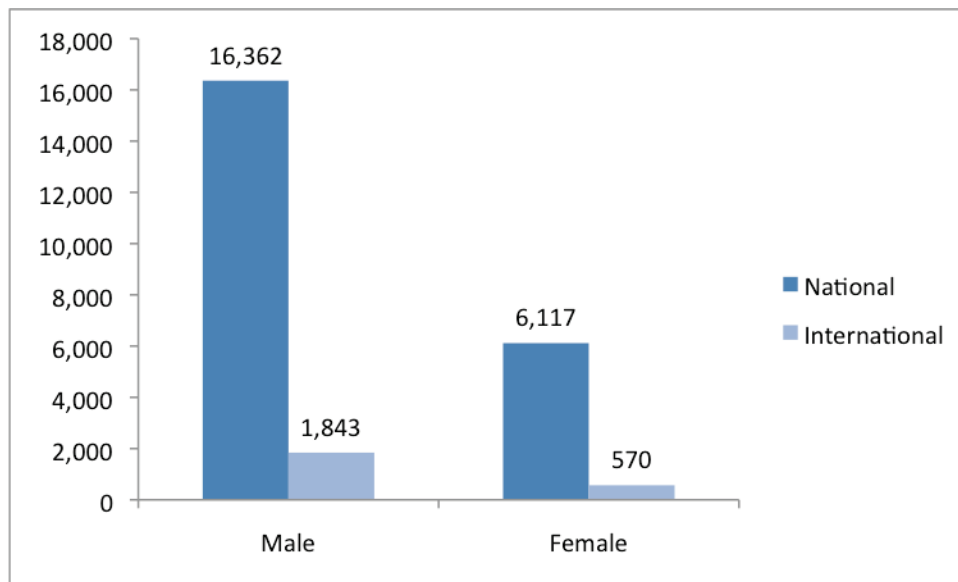
Figure 5 - Number of Jobs by Sector and Gender



5.4 Gender Distribution of National versus International Jobs

The nationality of Timor-Leste’s labor force is examined in depth in Section 6. Figure 2 below, shows the number of national and international jobs by gender. Overwhelmingly, jobs are held by male/female nationals (89 and 91 percent respectively).

Figure 6 - National versus International Jobs by Gender



6. National versus International Jobs in Timor-Leste

6.1 Nationality by District

In the course of PDT's verification process, nationals and internationals were differentiated according to the passport they hold. Timorese citizens with double nationality were counted as Timorese nationals. As seen in Table 5, Dili is the only district in Timor-Leste hosting a large international job presence. The number of private sector jobs held by foreigners in the districts is less than 100.

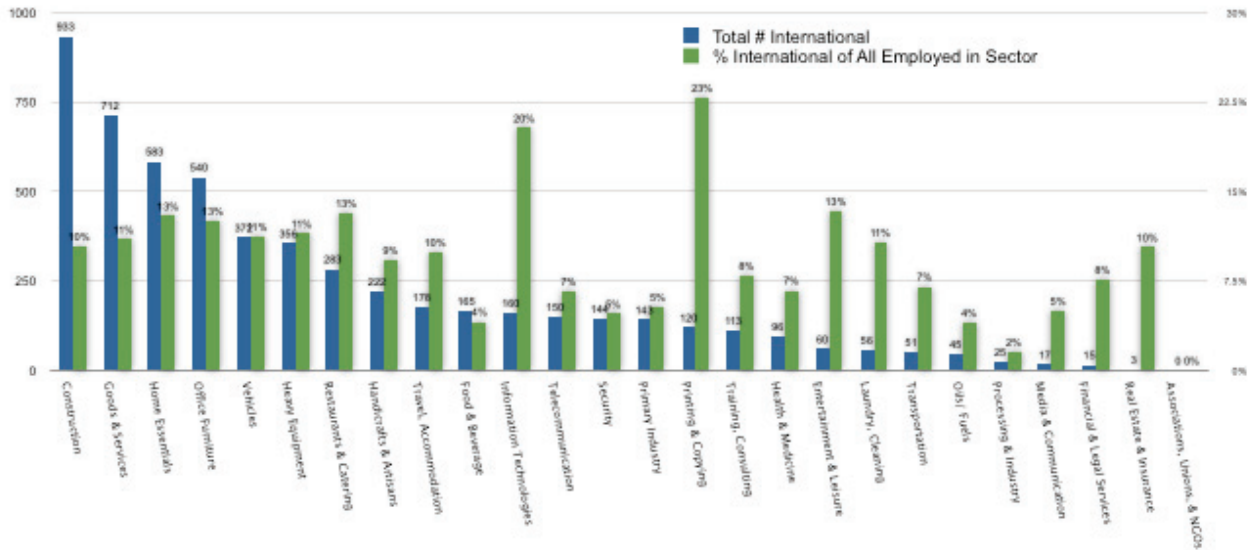
Table 1 - National versus International Jobs by District

District	National	International
Aileu	360	2
Ainaro	266	1
Baucau	915	17
Bobonaro	604	16
Covalima	331	9
Dili	15,980	2,323
Ermera	284	8
Lautem	1,306	6
Liquica	871	16
Manatuto	390	3
Manufahi	232	3
Oecusse	499	8
Viqueque	441	1
Total	22,479	2,413

6.2 Nationality by Sector

All sectors except Associations, Unions and Cooperatives include at least one international worker. While there are many international NGOs operating in Timor-Leste, the PDM-TL verification team only verifies national organizations. The Construction & Renovation sector has the largest number of international jobs at 933. However, it is the Information Technologies and Printing sectors that have the greatest proportion of international labor with both being over 20 percent.

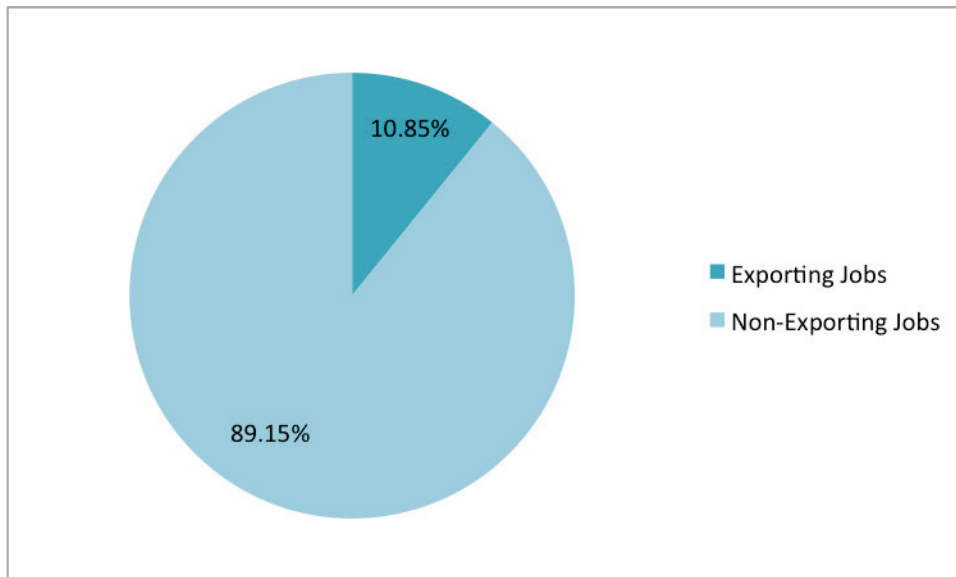
Figure 7 - National versus International Jobs by Sector



7. Exportation

The number of surveyed jobs employed in sectors that produce exports is relatively small. In all, just over 2,700 (roughly 10 percent of all jobs surveyed) were employed in sectors which produced goods for exportation. Such findings lend evidence to the conclusion that Timor-Leste’s ability to sell products to the outside world remains relatively undeveloped.

Figure 8 - Jobs in Exporting Business versus non-Exporting



8. Dili: A Closer Look

Due to the large number of jobs located in Dili, it is valuable to further disassemble this district's job makeup. Tables 8 and 9 provide an overview of the sub-districts and sucos⁷ of Dili showing the total number of jobs, the gender count and the nationality breakdown.

Dom Aleixo is the sub-district with the highest population of jobs recorded through the verification process (7,953). Nain Feto and Vera Cruz follow with 5,830 and 3,627 jobs respectively. Atauro, the island north of Dili, has the smallest job market, with only 113 recorded jobs. Nearly half of the working population recorded in this particular sub-district are women.

Table 2 - Number of Jobs by Gender, Sub-district, National vs. International: Dili

Sub-district	Total Employees	Male	Female	National	International
Dom Aleixo	7,953	6,361 (80%)	1,592 (20%)	7,038 (88%)	915 (12%)
Nain Feto	5,830	4,400 (75%)	1,430 (25%)	5,117 (88%)	713 (12%)
Vera Cruz	3,627	2,598 (72%)	1,029 (28%)	3,052 (84%)	575 (16%)
Cristo Rei	780	527 (68%)	253 (32%)	661 (85%)	119 (15%)
Atauro	113	58 (51%)	55 (49%)	112 (99%)	1 (1%)
Total	18,303	13,944	4,359	15,980	2,323

The total jobs in Dili (18,303) are from 27 different sucos. With 3,775 jobs accounted for, Comoro is the suco with the largest number of jobs, as well as the largest number of female jobs. The sucos with the largest number of jobs behind Comoro are Fatuhada (2,241), Gricenfor (1,846) and Colmera (1,351).

Table 3 - Number of Jobs by Gender, Suco, National vs. International: Dili

Suco	Total Employees	No. of Male Employees	No. of Female Employees	No. of National Employees	No. of International Employees
Comoro	3,775	3,027 (80%)	748 (20%)	3,361 (89%)	414 (11%)
Fatuhada	2,241	2,042 (91%)	199 (9%)	2,105 (94%)	136 (6%)
Gricenfor	1,846	1,541 (83%)	305 (17%)	1,670 (90%)	176 (10%)

⁷ The territory of Timor-Leste is divided into 13 districts, 65 sub-districts, and 443 sucos. A suco is the smallest political division of the country.



Colmera	1,351	938 (69%)	413 (31%)	1,085 (80%)	266 (20%)
Santa Cruz	1,283	907 (71%)	376 (29%)	1,093 (85%)	190 (15%)
Bairro Pite	1,236	848 (69%)	388 (31%)	1,085 (88%)	151 (12%)
Bidau Lecidere	1,193	832 (70%)	361 (30%)	1,038 (87%)	155 (13%)
Motael	1,020	743 (73%)	277 (27%)	914 (90%)	106 (10%)
Acadiru Hun	691	495 (72%)	196 (28%)	607 (88%)	84 (12%)
Vila Verde	678	491 (72%)	187 (28%)	608 (90%)	70 (10%)
Kampung Alor	568	376 (66%)	192 (34%)	366 (64%)	202 (36%)
Bemori	448	331 (74%)	117 (26%)	364 (81%)	84 (19%)
Lahane Oriental	397	301 (76%)	96 (24%)	362 (91%)	35 (9%)
Caicoli	346	230 (66%)	116 (34%)	255 (74%)	91 (26%)
Culu Hun	253	212 (84%)	41 (16%)	195 (77%)	58 (23%)
Meti Aut	237	102 (43%)	135 (57%)	199 (84%)	38 (16%)
Becora	220	170 (77%)	50 (23%)	188 (85%)	32 (15%)
Mascarenhas	174	123 (71%)	51 (29%)	144 (83%)	30 (17%)
Bidau Santana	90	67 (74%)	23 (26%)	90 (100%)	0 (0%)
Lahane Ocidental	60	52 (87%)	8 (13%)	60 (100%)	0 (0%)
Dare	50	30 (60%)	20 (40%)	50 (100%)	0 (0%)
Vila Maumeta	50	23 (46%)	27 (54%)	49 (98%)	1 (2%)
Biqueli	30	19 (63%)	11 (37%)	30 (100%)	0 (0%)
Hera	23	19 (83%)	4 (17%)	22 (96%)	1 (4%)
Beloi	17	13 (76%)	4 (24%)	17 (100%)	0 (0%)
Maquili	16	3 (19%)	13 (81%)	16 (100%)	0 (0%)
Camea	10	9 (90%)	1 (10%)	7 (70%)	3 (30%)
Total	18,303	13,944	4,359	15,980	2,323

9. About PDT and the Peace Dividend Marketplace Project

PDT is a unique non-profit organization that finds, tests and implements new ideas that improve the impact and efficiency of peace and humanitarian operations. PDT is a 501(c)(3) nonprofit organization headquartered in New York City with international offices in Ottawa, Afghanistan, Timor-Leste and Haiti. To date the it has carried out project work in more than twelve countries worldwide.

In Timor-Leste, PDT's Peace Dividend Marketplace Timor-Leste project supports long-term economic recovery by increasing the procurement of goods and services available in country. When the international community buys and hires locally, a substantive part of their operational spending directly enters the local economy – generating tax revenue, creating jobs and building the local marketplace. To meet this objective in Timor-Leste, the PDM-TL team provides the following services:

- *Timor-Leste Online Business Portal* featuring profiles of over 2,600 verified domestic companies organized by sector and location. This resource enables international organizations and buyers to gain quick and easy access to local suppliers.
- *Business Matchmaking* which helps facilitate transactions between local suppliers and international buyers. PDM-TL's district-based teams strategically focus on creating business relationships in rural areas – providing a significant economic stimulus in the poorest parts of the country.
- *Tender Distribution Services* provide a “one shop stop” for local companies looking for new business opportunities. In addition to collecting tenders from the international community, PDT also makes all public government tenders available.
- *Market Information and Advocacy* focuses on new and existing opportunities to promote local procurement. This includes efforts to widely advocate, educate and disseminate information related to the Timor-Leste private sector importance of *buying local*.

For more information on the PDM-TL project please visit:
http://bit.ly/PDM_TimorLeste_Overview.

Annex I: Methodology

Systematic Verification: Dili and the Districts

A main objective of Peace Dividend Trust's project in Timor-Leste, financed by AusAID, has been to build and maintain a Procurement Database in order to facilitate access to information regarding the Timorese business community. Detailed profiles of Timorese companies and entrepreneurs are available online at www.BuildingMarkets.org.

Interviews (Dili and the Districts)

The first step of the project entailed interviewing each business operating in Timor-Leste individually. A first group of Verification team members was recruited in October 2007 and a second group three months later. After a training period, the first round of interviews was conducted in November 2007 with businesses owned by family and acquaintances of team members in order to put the questionnaire to the test.

Formal interviews were then organized according to geographic areas, first in Dili and later in all districts. The team was divided into pairs comprising one interviewer and one note-taker, and sent door to door to contact companies and entrepreneurs. Additional ways to find new or previously overlooked businesses included newspaper ads, tips from contacts or personal direct communication from business owners.

In May 2008, Peace Dividend Trust purchased four ASUS mini-computers for the teams to use during the field trips. Replacing the paper questionnaire with an electronic version allowed for a quicker and more reliable process.

Master Database and Telephone Check

During the second step, raw data from the interviews was reviewed by peers to allow for a full translation into English,⁸ correction of spelling mistakes or rectification of possible incoherencies. Key points of information were later selected and confirmed again directly with the business owners or managers over the phone.

Online Database

The data was then manually entered onto the online database, parts of which are readily available to the public through the website www.BuildingMarkets.org. Each business is presented individually for the benefit of national and international buyers looking to procure locally. In order to further improve the quality of the information, the website is equipped with a system that permits users to provide feedback, comments, and report errors to PDT's Verification team.

Periodic Re-Verification

Once the team completed a first round of verification in all districts, a system to re-verify the data was developed in order to ensure accuracy over time. Each surveyed

⁸ Note that from May onwards, all data was entered directly into the mini-computers in English at the time of the interview.

business is periodically contacted by phone or in person and its profile updated online if necessary. The current 're-verification' program is paying special attention to visiting all sub-districts throughout the country, to ensure that more isolated businesses missed during the first round of verification can now be added to the Online Procurement Database.

Evolution of the Questionnaire

The list of questions used for the survey was directly inspired by the questionnaire used by Peace Dividend Trust in its pilot project in Afghanistan and adapted to the Timorese context. For the sake of speed and consistency, it was decided to use the same 32-question list for all sectors of activity surveyed.

However, a number of questions were either better defined or added over time, according to needs identified on the ground or clarification requirements.

- *Previous name or usual name of the business*: this question was added when it became clear that some businesses were registered under a different name than the one they are known by the public.
- *Percentage of the materials/products (1) produced locally (2) purchased from other shops in Timor-Leste (3) imported directly by the business*: the purpose of this question was originally to differentiate the provenance of raw materials in order to estimate a direct impact on the Timorese economy. However, many entrepreneurs buying materials from other businesses in Timor-Leste were unable to guarantee the country of origin, hence the introduction of the alternative "Purchased from other shops in Timor-Leste".
- *Manufacturing/processing capacity (excluding restaurants)*: this question, added later, highlights how businesses that procure part or all of its raw materials abroad may still have a direct impact on the Timorese economy by using local manpower.
- *Obstacles faced by business*: the original question was accompanied by a list of possible obstacles. It was later decided to remove examples and let the entrepreneurs spontaneously express what they feel would be the most appropriate response(s).
- *Certification/accreditation with commercial/professional organizations*: the question was added much later to take into account recognition of international and/or national standards.

Age of Entrepreneur: most recently, a Date of Birth question has been added. In due course, the addition of this question to the questionnaire will enable PDT to identify entrepreneurs within different age groups (including 'young entrepreneurs').

The addition of new questions later in the survey process means that a number of businesses were not required to provide such details, therefore making the data not yet exploitable. However, the periodic re-verification will allow for the team to fill the gaps in the profiles of these businesses.