## **NEWS RELEASE**



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## Timor-Leste: Have all Timorese benefitted from a decade of development and international assistance? asks UN poverty expert

DILI – "Despite the progress in reducing poverty, greater effort is needed to ensure that growth and international assistance benefits the poorest, particularly those in rural areas," said the United Nations Special Rapporteur on extreme poverty and human rights, Magdalena Sepúlveda, at the end of her first fact-finding mission\* to Timor-Leste, pointing to a rise in inequality amongst the Timorese population in both rural and urban areas.

During her meetings with Government officials, civil society, and communities living in poverty, the Special Rapporteur gathered first-hand information about a range of issues, including access to basic services, gender equality and sustainable development, which have a direct impact in the enjoyment of human rights by people living in poverty in Timor-Leste.

"The Timorese economy has continued to show impressive double-digit growth despite the global economic and financial crisis," noted Ms. Sepúlveda. "While the country has witnessed a recent decline of income poverty to an estimated 41 per cent in 2009, poverty – understood not only as being confined to economic deprivation but also as extending to social, cultural and political exclusion – remains pervasive and widespread. This begs the question of whether the poorest of the poor have enjoyed the benefits of such growth," she stressed. Of the 75 per cent of the population living in rural areas, the majority remains entrenched in intergenerational cycles of poverty."

While recognizing the enormous efforts by the Government to reduce poverty in a challenging post-conflict context, the UN expert drew attention to the increasing inequalities between urban and rural areas that appear to stem from a two-track development approach which favours Dili at the expense of rural areas. "The richest of Timorese society enjoys almost 180 times the wealth of the poorest of the poor," highlighted Ms. Sepúlveda.

While acknowledging the positive steps taken by Timor-Leste in adopting the new 20-year Strategic Development Plan, Ms. Sepúlveda called for increased public investment in social services and human development. "It is of great concern that while the state budget has increased in recent years there has been a steady decrease in the percentage of public expenditures to social services, such as education and health, as well as in agriculture."

In the projected 2012 budget of \$1.8 billion, 6.3 per cent of expenditures will go to education, less than 3 per cent to health and about one per cent to agriculture,

compared to nearly 50 per cent to infrastructure. The UN expert cautioned against this approach, noting "economies with higher levels of social spending enjoy higher levels of economic growth, as healthy and educated people make more productive workers."

"As it continues the process of consolidating peace and security, Timor-Leste faces a unique window of opportunity to lay the foundations for an equitable and just society for future generations. Only by investing in human capital, building institutional capacity, and pursuing the progressive realization of all economic, social, political, civil and cultural rights can the Government fulfil its tremendous responsibility. Now is the time to close existing gaps and pull down barriers – gender, geographic, linguistic or otherwise – that prevents the majority of Timorese society from enjoying the fruits of development," encouraged Ms. Sepúlveda.

Continuing, she pointed out the critical need to address significant problems in food security and nutrition, access to education and health services, high levels of youth unemployment, and access to justice. She recognized the complexities that policy makers face in addressing these problems in a post-conflict society with limited resources. To effectively undertake these challenges, greater emphasis must be given to the agricultural sector and rural economy, and to develop the non-oil sectors of the economy.

She stressed that focus on equitable and sustainable development will not only help Timor-Leste to comply with its human rights obligations, it will also create a more stable society. "If poverty and inequality are not addressed as a matter of priority, social cohesion will be affected and the impressive gains made by Timor-Leste towards the consolidation of peace and security could be undermined."

The Special Rapporteur will present a full report on Timor-Leste to the Human Rights Council in 2012.

(\*) Check the full end-of-mission statement by the Special Rapporteur: http://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=11618&LangID=E

## **ENDS**

Magdalena Sepúlveda was appointed the Special Rapporteur on extreme poverty and human rights in May 2008 by the United Nations Human Rights Council. She is independent from any government or organization.

Learn more about the mandate and work of the Special Rapporteur, visit <a href="http://www.ohchr.org/EN/lssues/Poverty/Pages/SRExtremePovertyIndex.aspx">http://www.ohchr.org/EN/lssues/Poverty/Pages/SRExtremePovertyIndex.aspx</a>

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