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Destitution in the world's youngest country[Get article background](#)

LIFE has only become more wretched for the 1m inhabitants of Timor-Leste (formerly East Timor) since it achieved full independence from Indonesia in 2002. The country was born the poorest in South-East Asia: and its economy has shrivelled further as the United Nations' peacekeeping operations have wound down, reducing demand for everything from hotel rooms to transport. It is set to shrink yet further after the mandate of UNOTIL, the UN office in the country, expires in May.

The pity is that the country can afford to do much better. A report published this week by the UN Development Programme shows that revenues from offshore oil and gas fields could reduce poverty dramatically—if the government spent the revenue wisely.

The UNDP sets the poverty line for Timor-Leste at 55 American cents a day. Around 40% of the population has less than this, so hunger is widespread. Only half of rural households have drinking-water on tap, and only a tenth have electricity. With health clinics few and far between, almost one in ten babies die before their first birthday.

Timor-Leste's population is small, at about 1m people. So relieving the worst of the poverty should, in theory, be cheap. The UNDP calculates that it would cost \$18m a year for everyone below the 55-cent poverty line to be brought up to it. Even achieving the UN's Millennium Goals for relieving want (including better education and health) by 2015 would cost Timor-Leste \$203m a year at most. This, too, should be affordable given the aid on offer and the growing oil and gas income. The country receives energy revenues of around \$158m a year, and their sustainability has been underpinned by a recent deal with Australia to divide the proceeds from a big gas field in the sea between the two countries.

However, the government has so far spent most of its money in Dili, the capital. Only about a fifth of state-provided goods and services go to rural areas, where most people live and where poverty is concentrated. People in the rural areas urgently need micro-credit and training to improve and diversify their crops, as well as better sanitation and roads. Unless this changes, the Timorese will remain, as the UNDP puts it, politically free but chained by poverty.

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