



## SPOKESPERSON SIXTH CONSTITUTIONAL GOVERNMENT



**MEDIA  
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### **Different Approaches to Old Data**

Last week some media reports appeared declaring that over 68% of Timorese people live in multidimensional poverty. This may have come as a shock to those who are familiar with figures for poverty previously quoted by the Government of 49.9% [World Bank 2008] for the year 2007 and 41% for the year 2009 [World Bank 2010]. These two percentages, whilst still representing the massive challenge of poverty for our nation, showed an encouraging downward trend.

The 68.1% figure for Timor-Leste's 'Multidimensional Poverty Index' [MPI] poor was quoted by Monash University Professor Brett Inder in a presentation in Dili last Tuesday and comes from an alternative method of measurement being applied to old data from 2007-2010. The 49.9% and 41% figures use the more conventional 'Consumption Poverty' method, estimating the percentage of people living under a 'national poverty line'.

Professor Inder's figure of 68.1% for Timor-Leste's MPI poor is quoted in report called *Measuring Poverty and Wellbeing in Timor-Leste* published by the Monash Centre for Development Economics and Sustainability in July 2015. This report explains how the MPI looks at 10 indicators across three dimensions of Education, Health and Living Standards and warns "the two approaches [MPI and Consumption] rely on different sets of information, and the method for calculating the index is completely different. So it is not possible to compare the values."

Interestingly the Report, using the MPI approach recognizes significant improvement between 2007 and 2010 saying "In 2007, 70% of households were in multidimensional poverty, while in 2010 the proportion was only 63%. This is a clear improvement in wellbeing over a relatively short period, a very encouraging result."

The MPI discussed in the *Measuring Poverty and Wellbeing in Timor-Leste* report captures no data after 2010 and so does not reflect any of the progress made since then. It is expected that progress in areas such as access to electricity, and improvements in sanitation and malnutrition, just to name a few, will have a considerable impact on any new calculation of Timor-Leste's MPI.

The yet to be released 2014/2015 Timor-Leste Standard of Living Survey will be the most comprehensive new set of data that can assist to get a more complete picture of progress.

Spokesperson for the Sixth Constitutional Government, Minister of State Agio Pereira noted "The



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improvement of the wellbeing of the Timorese people is the number one priority of Government. This means assisting vulnerable people now, doing what we can to boost health, education and living standards and setting a course for sustainable long term development through the growth of a diversified economy supported by quality basic infrastructure. Although the figures being discussed using the Consumption and MPI methods rely on old data, it is encouraging that both show poverty reduction between 2007 and 2009/10. Academic analysis can help us to plan and develop good policy and is welcome, particularly when it deals with the most up to date data." **ENDS**



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