



# TIMOR-LESTE LABOUR FORCE SURVEY 2021

Summary Report



SEFOPE



International  
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# Timor-Leste Labour Force Survey 2021

## Summary report

### Key highlights

- ▶ According to the results of the Labour Force Survey, the working-age population aged 15 years and above in Timor-Leste in 2021 was 809.3 thousand, with slightly more women (405.8 thousand) than men (403.6 thousand).
- ▶ The labour force, constituting women and men that were either employed or unemployed, totalled 247 thousand. The labour force participation rate was 30.5 per cent overall, with a sharp disparity between women (24.2 per cent) and men (36.9 per cent).
- ▶ In terms of the distribution of the labour force by educational attainment, 30.7 per cent had no formal education or had not completed primary schooling. Conversely, 16.8 per cent had at least some tertiary education.
- ▶ In total, employment amounted to 234.3 thousand, comprising of 142 thousand men and 92.3 thousand women.
- ▶ Nearly half (48.5 per cent) of all workers were classified as wage employees, while 50.3 per cent were self-employed as either an own-account worker or a contributing family worker. Women compared to men were more likely to be self-employed and less likely to be in wage employment.
- ▶ Unemployment totalled 12.7 thousand, indicating a general unemployment rate of 5.1 per cent. Unemployment among female jobseekers was higher (5.9 per cent) relative to their male counterparts (4.6 per cent). For young people aged 15-24 years, the unemployment rate was significantly higher at 9.6 per cent.

▶ **Table 1. Key indicators by sex, 2021**

	Male	Female	Total
<b>Working-age population, aged 15+ (000)</b>	<b>403.6</b>	<b>405.8</b>	<b>809.4</b>
<b>Labour force (000)</b>	<b>148.9</b>	<b>98.1</b>	<b>247.0</b>
Employment (000)	142.0	92.3	234.3
Unemployment	6.9	5.8	12.7
Outside labour force	254.7	307.7	562.4
Of which: Subsistence foodstuff producers	75.9	86.4	162.4
Manufacturing employment as a proportion of total employment (%)	5.3	8.4	6.5
Labour force participation rate (%)	36.9	24.2	30.5
Unemployment rate (%)	4.6	5.9	5.1

	Male	Female	Total
<i>By age</i>			
15-24	7.4	12.4	9.6
25-64	4.5	5.2	4.7
65+	1.4	3.5	2.3
<i>By disability status</i>			
Without any disability	4.4	5.9	5.0
With disability	30.2	3.1	20.7
Composite rate of labour underutilization (%)	25.8	33.3	28.9
Informal employment rate (%)	75.3	80.4	77.3
Average monthly wage (US\$)	256.7	239.8	252.2

Source: Timor-Leste Labour Force Survey 2021.

## ► Background

The 2021 Timor-Leste Labour Force Survey (LFS) was conducted by the General Directorate of Statistics (GDS), Ministry of Finance. The main objective of the LFS was to collect, analyze and disseminate statistical information on the labour force in order to support evidence-based policy and programme formulation and monitoring. Specifically, the LFS provides detailed information disaggregated by sex, age and region on the economic characteristics of the working-age population, including employment, wages and earnings, hours of work, labour underutilization, and economic inactivity.

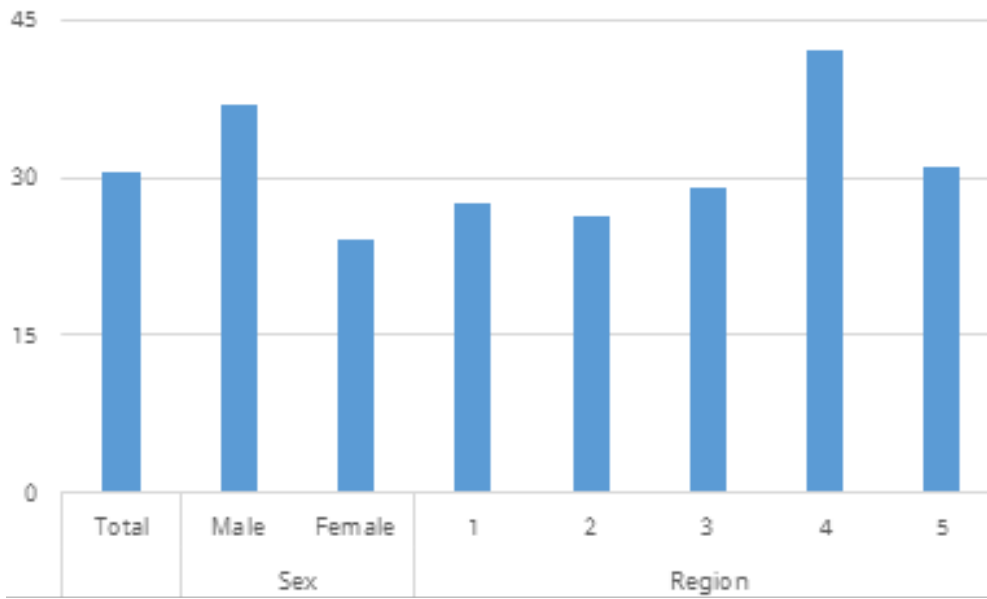
The LFS 2021 is the third full stand-alone LFS carried out in Timor-Leste since the country's independence in 2002. The first LFS was conducted in 2010 and the second was conducted in 2013. In 2016 a mini labour force analysis was produced with data generated from the 2016 child labour survey. The LFS 2021 was carried out by GDS, in close collaboration with the Secretariat of State for Vocational Training and Employment (SEFOPE), and data collection was conducted for about two months from October to November 2021, covering a representative sample of 7,275 households.

## ► Labour force

The results of the Labour Force Survey in 2021 reveal that the working-age population aged 15 years and above in Timor-Leste was 809.3 thousand, with slightly more women (405.8 thousand) than men (403.6 thousand). Young persons aged 15-24 years and elderly persons aged 65 years and above accounted respectively for 271.2 thousand (33.5 per cent) and 65.1 thousand (8 per cent) of the total working-age population.

The labour force totalled 247 thousand, comprising of 98.1 thousand women and 148.9 thousand men that were either employed or unemployed. Overall, the labour force participation rate was 30.5 per cent, with a sharp disparity by sex (see Figure 1). The labour force participation rate for women (24.2 per cent) lagged that for men (36.9 per cent) by 12.7 percentage points. By region, the labour force participation rate at 26.3 per cent was the lowest in Region 2 and highest at 42.1 per cent in Region 4. In addition to Region 2, Region 1 (27.6 per cent) and Region 3 (29 per cent) also had a labour force participation rate below the national average.

► **Figure 1. Labour force participation rate by sex and region, 2021 (per cent)**



Source: Timor-Leste Labour Force Survey 2021.

In regard to the educational attainment of the labour force, almost one-third (30.7 per cent) had no formal education or had not completed primary schooling. On the other hand, one in six persons (16.8 per cent) in the labour force had reached the first stage of tertiary education or had completed tertiary schooling. The share of women in the labour force with less than a primary education was higher relative to men (33.4 per cent compared to 28.9 per cent, respectively). As well, women (30.3 per cent) in the labour force were less likely to have completed secondary education compared to men (36.9 per cent).

Moreover, educational qualifications of the labour force varied widely by region. Region 2 and Region 3, for example, had the lowest shares of the labour force with less than a primary education at 24.8 per cent and 25.5 per cent, respectively. Both regions also had the highest percentages of the labour force with tertiary schooling. In contrast, Region 4 recorded the largest gaps in the education of its labour force: 43 per cent had no education or less than a completed primary degree and just 10.8 per cent had some amount of tertiary education.

## ► Employment and wages

Information on employment from the LFS reveal that employment in 2021 amounted to 234.3 thousand, comprising of 142 thousand men and 92.3 thousand women. By region, Region 2 employed the largest concentration of workers (97.5 thousand), followed by Region 4 (53.1 thousand) and Region 1 (49.2 thousand).

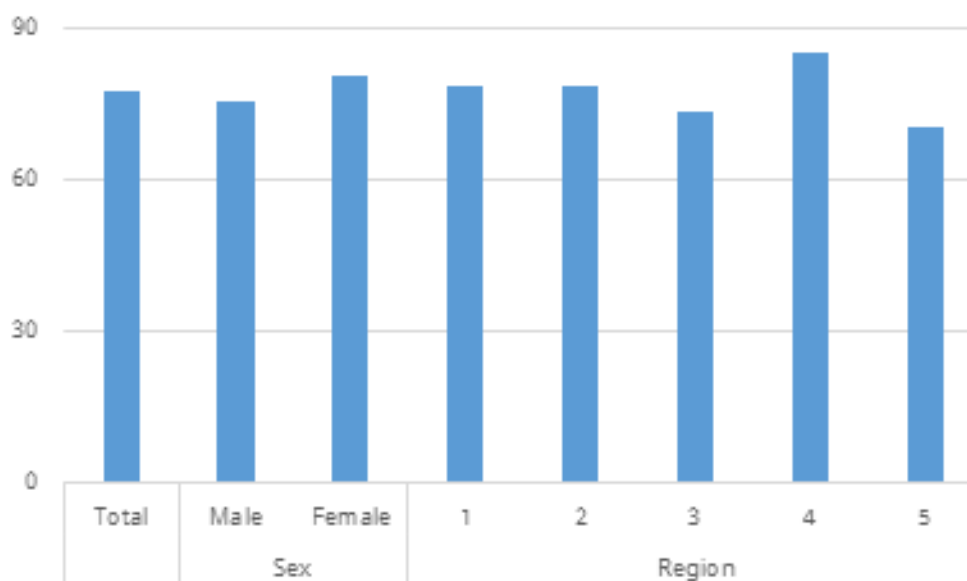
In regard to the distribution of employment by sector of economic activity, around three-fifths (59.1 per cent) of total employment was based in the services sector, whereas agriculture and industry accounted for only 26.9 per cent and 13.5 per cent, respectively. Notably, men were more likely to be employed in industry relative to women (16.5 per cent compared to 8.7 per cent, correspondingly). By contrast, women’s employment in agriculture was relatively higher than male agricultural employment (31 per

cent compared to 24.2 per cent, respectively). By locality, Region 3 has the highest proportion of services employment (74.9 per cent) while Region 4 had the largest share of agricultural employment (54.2 per cent).

Almost half (48.5 per cent) of total employment was classified as wage employment, while 50.3 per cent was self-employment as either an own-account worker or a contributing family worker. Women compared to men were more likely to be self-employed and less likely to be in wage employment, indicating stark gender inequalities to the detriment of women in accessing more secure and stable employment as wage earners. Across the five regions, the share of wage employment in total employment lagged behind the national average in Region 1 (42.7 per cent) and Region 4 (29.9 per cent). In addition, more than two-thirds (68.7 per cent) of all employment in Region 4 was self-employment comprised of own-account workers and contributing family workers.

The share of informal employment – defined in the LFS 2021 as comprising own-account workers, owner of informal sector enterprises, all contributing family workers, as well as employees without access to basic social security benefits or without both paid and sick leave benefits – is a key indicator of the quality of employment. In Timor-Leste, informal employment in 2021 accounted for 77.3 per cent of all employment (see Figure 2). The informal employment rate was distinctly higher for working women (80.4 per cent) compared to working men (75.3 per cent). Likewise, the share of informal employment in three of the five regions exceeded the national average: Region 1 (78.5 per cent), Region 2 (78.3 per cent) and Region 4 (84.9 per cent).

▶ **Figure 2. Informal employment rate by sex and region, 2021 (per cent)**



Source: Timor-Leste Labour Force Survey 2021.

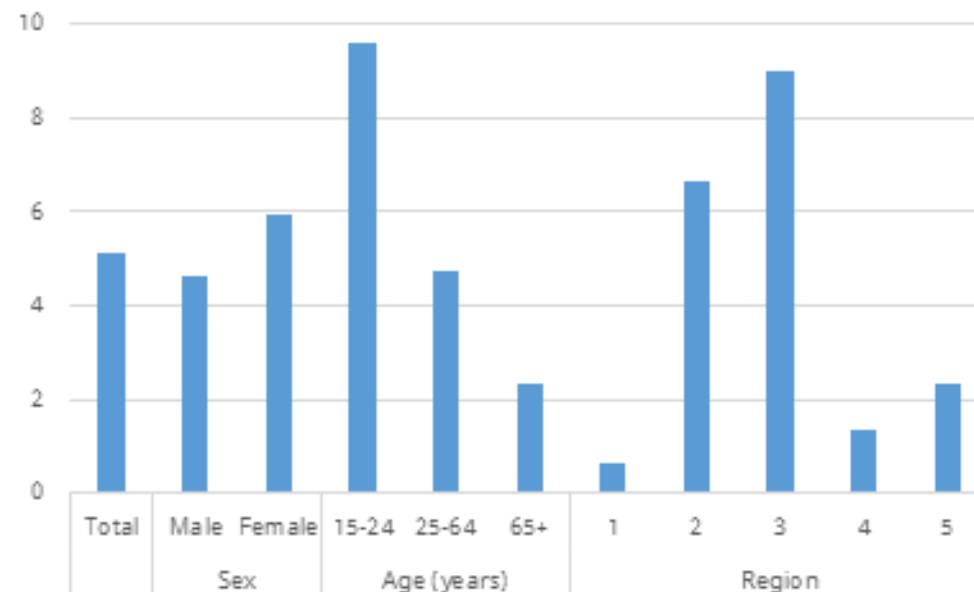
Average wages of salaried employees in Timor-Leste in 2021 was US\$252 per month. A gender pay gap is prevalent, with women (US\$240) earning on average around 6.6 per cent less than men (US\$257) overall. Across the major occupation groups, the largest male-female disparity in wages was evident among craft and related trades workers (40.4 per cent), managers (38.5 per cent) and technicians and associate professionals (28.4 per cent). Likewise, based on the sector of economic activity, the gender pay gap amounted to 36.5 per cent in agriculture, 17.3 per cent in education and 14.4 per cent in wholesale and

retail trade, with men earning more than women in all three sectors. Conversely, in public administration, women’s pay was on average 14.4 per cent higher than wages of men.

### ► Labour underutilization

Labour underutilization – which encompasses persons in time-related underemployment, unemployment and the potential labour force – totalled 94.9 thousand in 2021. The composite labour underutilization rate was 28.9 per cent overall, albeit higher for women (33.3 per cent) than for men (25.8 per cent). Three of the five regions recorded a composite labour underutilization rate that exceeded the national average, namely Region 2 (39.1 per cent), Region 3 (34 per cent) and Region 5 (43.9 per cent).

► **Figure 3. Unemployment rate by sex, age and region, 2021 (per cent)**



Source: Timor-Leste Labour Force Survey 2021.

The results of the LFS show that unemployment in 2021 totalled 12.7 thousand, reflecting a general unemployment rate of 5.1 per cent. However, unemployment varied sharply by sex, age and region (see Figure 3). Unemployment among female jobseekers (5.9 per cent) exceeded that of their male counterparts (4.6 per cent).

For young people aged 15-24 years, the unemployment rate was significantly higher at 9.6 per cent compared to unemployment of 4.7 per cent among adults aged 25-64 years and 2.3 per cent for elderly adults aged 65 years and above. Furthermore, the gender gap in the youth unemployment rate was sizeable at 5.1 percentage points to the disadvantage of young women, suggesting their disproportionate challenges in finding employment in the labour market.

By region, the unemployment rate at 9 per cent was demonstrably highest in Region 3, followed by 6.7 per cent in Region 2. On the other hand, the unemployment rate was merely 0.6 per cent in Region 1 and 1.4 per cent in Region 4.

Compared to results from the LFS conducted in 2013, the number of unemployed persons decreased by 10.7 thousand (from 23.4 thousand in 2013), a decline of nearly 46 per cent. This trend took place despite the labour force participation rate remaining the same, and the labour force increasing by 33.8 thousand persons. However, one can observe an even bigger increase in the population outside the labour force by 79.3 thousand (562.4 thousand in 2021 against 483.1 thousand in 2013). Such considerable expansion in the population outside the labour force, along with an increase in employment by 44.5 thousand persons, may explain the lower unemployment figure compared to the level in 2013.

▶ **Table 2. Selected indicators of the labour force by sex, 2021**

	Male	Female	Total
<b>Working-age population, aged 15+ (000)</b>	<b>403.6</b>	<b>405.8</b>	<b>809.3</b>
<b>Labour force (000)</b>	<b>148.9</b>	<b>98.1</b>	<b>247.0</b>
<i>By education (% distribution)</i>			
Less than primary or none	28.9	33.4	30.7
Completed primary	17.1	19.7	18.1
Completed secondary	36.9	30.3	34.3
Tertiary (first stage or completed)	17.0	16.5	16.8
Level not stated	0.0	0.1	0.0
Labour force participation rate (%)	36.9	24.2	30.5
Employment (000)	142.0	92.3	234.3
<i>By economic activity (% distribution)</i>			
Agriculture, forestry and fishery	24.2	31.0	26.9
Industry	16.5	8.7	13.5
Services	59.0	59.3	59.1
Economic activity not classified	0.3	1.0	0.5
<i>By status in employment (% distribution)</i>			
Employees	59.2	31.5	48.3
Employers	1.4	0.7	1.1
Own-account workers	26.6	48.0	35.1
Contributing family workers	12.7	19.2	15.3
Workers not classifiable by status	0.2	0.6	0.3
<b>Labour underutilization (000)</b>	<b>48.9</b>	<b>46.0</b>	<b>94.9</b>
Time-related underemployment	1.1	0.2	1.3
Unemployment	6.8	5.8	12.7
Potential labour force	40.9	40.0	80.9
<b>Labour underutilization rate (%)</b>	<b>25.8</b>	<b>33.3</b>	<b>28.9</b>
Time-related underemployment rate	0.8	0.2	0.6
Unemployment rate	4.6	5.9	5.1
Potential labour force rate	21.6	28.9	24.7

Source: Timor-Leste Labour Force Survey 2021.

► **Table 3. Selected indicators of the labour force by region, 2021**

	Region 1	Region 2	Region 3	Region 4	Region 5	Total
<b>Working-age population, aged 15+ (000)</b>	<b>179.5</b>	<b>98.1</b>	<b>369.4</b>	<b>127.8</b>	<b>34.6</b>	<b>809.3</b>
<b>Labour force (000)</b>	<b>49.5</b>	<b>25.8</b>	<b>107.2</b>	<b>53.8</b>	<b>10.7</b>	<b>247.0</b>
<i>By education (% distribution)</i>						
Less than primary or none	31.7	24.8	25.5	43.0	31.1	30.7
Completed primary	18.2	23.6	15.3	20.2	23.1	18.1
Completed secondary	38.1	33.7	37.3	26.1	29.7	34.3
Tertiary (first stage or completed)	12.0	17.8	21.9	10.8	15.5	16.8
Level not stated	0.0	0.2	0.0	0.0	0.6	0.0
<b>Labour force participation rate (%)</b>	<b>27.6</b>	<b>26.3</b>	<b>29.0</b>	<b>42.1</b>	<b>31.1</b>	<b>30.5</b>
<b>Employment (000)</b>	<b>49.2</b>	<b>24.1</b>	<b>97.5</b>	<b>53.1</b>	<b>10.5</b>	<b>234.3</b>
<i>By economic activity (% distribution)</i>						
Agriculture, forestry and fishery	27.0	22.2	13.2	54.2	25.4	26.9
Industry	17.8	18.7	11.5	9.5	19.0	13.5
Services	53.6	59.1	74.9	36.0	55.2	59.1
Economic activity not classified	1.5	0.0	0.3	0.3	0.3	0.5
<i>By status in employment (% distribution)</i>						
Employees	42.7	50.2	60.4	29.9	50.2	48.3
Employers	1.5	1.5	0.5	1.4	1.7	1.1
Own-account workers	47.5	35.4	32.8	25.8	43.4	35.1
Contributing family workers	7.0	12.9	6.2	42.9	4.7	15.3
Workers not classifiable by status	1.3	0.0	0.1	0.0	0.0	0.3
<b>Share of informal employment (%)</b>	<b>78.5</b>	<b>78.3</b>	<b>73.1</b>	<b>84.9</b>	<b>70.3</b>	<b>77.3</b>
<b>Labour underutilization (000)</b>	<b>9.6</b>	<b>15.4</b>	<b>50.0</b>	<b>11.7</b>	<b>8.2</b>	<b>94.9</b>
Time-related underemployment	0.3	0.1	0.6	0.3	0.1	1.3
Unemployment	0.3	1.7	9.6	0.7	0.3	12.7
Potential labour force	9.0	13.6	39.8	10.7	7.8	80.9
<b>Labour underutilization rate (%)</b>	<b>16.3</b>	<b>39.1</b>	<b>34.0</b>	<b>18.2</b>	<b>43.9</b>	<b>28.9</b>
Time-related underemployment rate	0.5	0.4	0.6	0.5	0.6	0.6
Unemployment rate	0.6	6.7	9.0	1.4	2.4	5.1
Potential labour force rate	15.4	34.5	27.1	16.6	42.2	24.7

Source: Timor-Leste Labour Force Survey 2021.





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