



# Timor-Leste Workforce Development Strategic Review

Department of Foreign Affairs and Trade  
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## Background

**Workforce development** is central to Timor-Leste's development of a growing, diversified, non-oil economy that is not overwhelmingly dependent on the public sector. Each year there are approximately 9,000 new entrants to the labour market but only 4,000 new jobs created. Creating employment opportunities for young people is key to maintaining national stability. Too few post-secondary education opportunities and a small formal labour market mean that most of the population makes a living through subsistence agriculture, micro-businesses and unskilled labouring. Significant skill gaps mean that the economy is currently dependent on foreign workers in key occupations. Meanwhile, many Timorese leave the country to seek employment overseas in the UK, Korea and Australia.

The Australian development program in Timor-Leste invests in the **Workforce Development Program Timor-Leste** (WDPTL) (\$A12.7m over 2014–18). The overall goal of this program is a skilled workforce for a prosperous Timor-Leste. There are three intended end-of-program outcomes: (1) improved policy and systems for workforce development; (2) more people are workforce ready; and (3) program beneficiaries utilise their skills, experience or income. WDPTL includes management of the Australia Awards scholarship program, Australia's work on English language training (ELT), vocational skills and training, support to the Labour Ministry (SEJT) on labour market information, and access to Australia's Seasonal Workers Program (SWP). The program supports Government of Timor-Leste (GoTL) agencies, government and private training centres, and the English Language Centre of Timor-Leste's National University.

## Purpose

DFAT commissioned a Strategic Review of their workforce development activities in Timor-Leste to:

- assess the effectiveness of the Australian government's current approach to workforce development programming in Timor-Leste;
- identify the key strengths, challenges, opportunities and demand side factors that most strongly influence the ability of the workforce development sector to contribute to a more prosperous Timor-Leste; and
- recommend future strategic investment approaches and priorities that will maximise workforce development and contribute to prosperity in Timor-Leste.

# Findings

**Relevance:** The workforce development environment in Timor-Leste is challenging. A key lesson from initiatives in comparable countries is that there are clear benefits to taking the long view on workforce development and engaging in considered adaptation in response to changing circumstances and new understandings.

Other key lessons include the need for high-quality TVET training that responds to the needs of employers and is based on careful analysis of domestic and international labour market requirements. Over the longer term, and as relationships mature, demonstration of the value of high-quality, responsive TVET training can be used to build coalitions for change of the broader TVET system. Based on experiences in similar countries in the Asia–Pacific region, and Australia's links to labour mobility programs, the Australian development program is well placed to focus on the TVET sector in country, while continuing to support the expansion of scholarships for targeted tertiary study in Australia. Creative approaches are needed to drive domestic TVET reform to create a more responsive and relevant system.

In the current development context, the sectors that could contribute most to economic development are agriculture (to enable import substitution) and export industries such as coffee, tourism and hospitality, and labour services. Although there is a need for public sector development of skills in leadership and management to improve service delivery, including for workforce development, this is currently beyond the scope of a workforce development program.

There are few opportunities to diversify the currently oil-based economy. However, improved labour mobility is occurring through expansion of the SWP. This has the potential, with the right preparation, to expand in the near future through the Pacific Labour Scheme. Experience gained through these schemes can provide skills to Timorese workers to work in domestic tourism, hospitality and commercial agriculture sectors potentially in a cyclical and mutually reinforcing way.

**Effectiveness:** DFAT's support for the SWP is making an increasingly valuable contribution to work readiness through a rapidly expanding program. Better support for reintegration of SWP workers could help them to find pathways to employment, establish businesses, access further training or take advantage of new labour mobility opportunities.

DFAT's support for scholarships and alumni makes a small but important contribution, in a crowded scholarship landscape, to more Timorese being work-ready. The number of Australia Awards scholarships (AAS) could be increased through co-funding, sponsorship and partnership arrangements. There is widespread support for AAS supporting a more balanced mix of undergraduate and postgraduate study and short courses.

The WDPTL cannot currently meet the high demand for ELT. Although the ELT component of the program has been of short duration, it has generated positive outcomes. However, the program approach to ELT needs consolidation and integration. It is difficult to demonstrate the contribution of the English Language Centre or English for secondary school teachers to work readiness. ELT should be prioritised for workforce development investments such as labour mobility, TVET training, scholarships and social inclusion activities.

Although current levels of ELT improve the work readiness of both SWP candidates and TVET trainers substantially, it is unlikely to be sufficient to enable them to be competitive against foreign workers in Timor-Leste, or with Pacific Islanders with better English levels for the Pacific Labour Scheme.

WDPTL has made good progress in enhancing the capacity of the National Directorate of Labour Market Information to collect, analyse and disseminate labour market information, increasing the capacity of the Labour Sending Unit to administer the SWP in a responsive manner, and increasing the ability of the National Institute for Labour Force Development to engage with stakeholders and administer the quality assurance system. However, some agencies' capacity development is not

commensurate with the resources provided by development partners over a long period of time. Progress has been hindered by an overall low level of capacity across GoTL agencies. A focus on GoTL capacity to analyse and disseminate labour market information remains important, as does the ability to manage labour mobility programs.

**Appropriateness:** Work with the GoTL has had positive outcomes but also revealed limitations. The range of partners and approaches needs to be broadened to respond to changing circumstances. Workforce development could be enhanced by extending collaborations between DFAT-funded programs. WDPTL has worked effectively to include women and marginalised people, and has provided a beneficial “stepping stone” approach that improves the ability of people with disabilities to directly access employment and training opportunities, but this could be further integrated into all aspects of a new workforce development program.

**Learning:** A future workforce development program will need a longer timeframe, of at least five years, with an option to renew to be effective. Moreover, it will require a common understanding of program design and outcomes by the program and implementing partners, realistic outputs and timeframes, revised governance arrangements, careful consideration of the balance of long-term and short-term advisers, and a monitoring, evaluation and learning framework suited to collecting evidence of outcomes.

## Recommendations

The review team made 13 recommendations – these are summarised below and are described in detail in the complete report.

- Focus on TVET training that matches needs of employers and industries such as tourism, agriculture and overseas labour demand and may close existing labour skill gaps.
- Support GoTL to take advantage of labour mobility opportunities in Australia
- Provide additional reintegration support to returning seasonal workers to find pathways to employment, establish businesses, access further training or take advantage of new labour mobility opportunities.
- Continue to provide Australia Awards and support alumni and consider opportunities for co-funding from the private sector and providing undergraduate scholarships
- Continue to support English language training where it links with other program activities
- Support GoTL to better analyse labour market and manage labour mobility programs.
- Continue to work with GoTL but also put greater emphasis on partnering with industry, employers and Australian institutions in all areas.
- Work closely with other Australia development programs to maximise linkages between labour mobility and development of commercial agriculture and domestic tourism opportunities.
- Plan for a longer-term and more flexible program that is able to respond to emergent opportunities – of at least five years, with an option to renew.



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