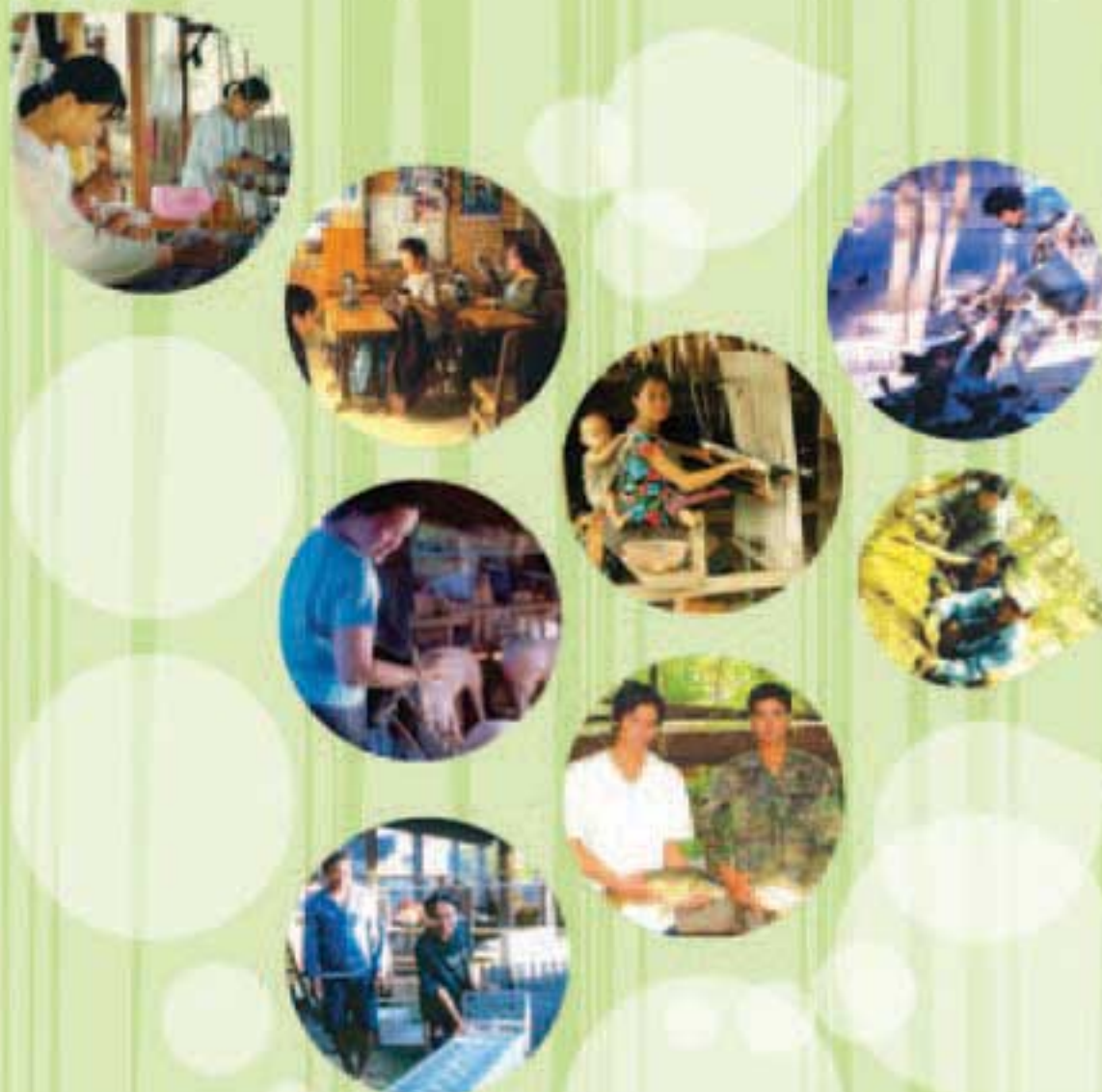




Lao People's Democratic Republic  
Ministry of Education



Lao People's Democratic Republic  
**Skills Development for  
Disadvantaged Groups:  
Review, Issues and Prospects**

Final Report



Lao People's Democratic Republic  
Ministry of Education

# Lao People's Democratic Republic Skills Development for Disadvantaged Groups: Review, Issues and Prospects

## Final Report



*Prepared with support from the*  
UNESCO Asia and Pacific Regional Bureau for Education *and the*  
International Institute for Educational Planning



*In the framework of the project*

**"Assisting the Design and Implementation of Education for All Skills Development Plans:  
Skills Development to Meet the Learning Needs of the Excluded Programme"**

Lao People's Democratic Republic, Ministry of Education

**Skills Development for Disadvantaged Groups: Review, Issues and Prospects: Final Report.**

Bangkok: UNESCO Asia and Pacific Regional Bureau for Education, 2005.

xii + 98 pp.

1. Skills development. 2. Disadvantaged groups. 3. Education for all.
4. Out-of-school youth. 5. Ethnic minorities. 6. Non-formal education.
7. Lao PDR. I. Title

ISBN 92-9223-048-4

Copies of this publication may be obtained on request from:  
UNESCO Bangkok, Education Policy and Reform Unit (EPR)  
Tel. 66-2-3910577, 66-2-3910880  
E-mail: [bangkok@unesco Bangkok.org](mailto:bangkok@unesco Bangkok.org) and [epr@unesco Bangkok.org](mailto:epr@unesco Bangkok.org)  
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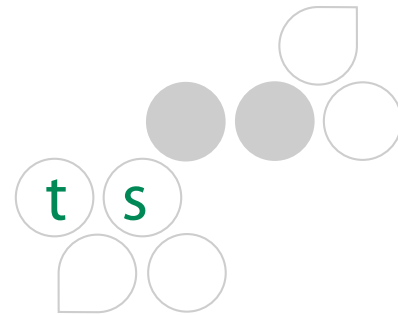
© UNESCO 2005  
Published by the  
UNESCO Asia and Pacific Regional Bureau for Education  
920 Sukhumvit Rd., Prakanong  
Bangkok 10110, Thailand

Printed in Thailand

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EPR/05/OP/57-500

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The Dakar Framework of Action for Education for All (EFA) that was adopted at the World Education Forum in April 2000 defined the goals and commitments of governments, international institutions, civil societies and donors to realize quality general education by the year 2015. In order to fulfill these obligations, the Lao Government, Ministry of Education carried out various studies and prepared its “National Plan of Action for Education for All.”

The promotion of skills development is an essential tool for attaining those “Education for All” goals that relate to the learning needs of youth and adults. Development of the vocational skills sector especially allows disadvantaged groups to take part in socio-economic development, which, crucially, helps to reduce poverty. Towards this aim, the UNESCO-supported skills development project, “Assisting the Design and Implementation of EFA Skills Development Plans: Skills Development to Meet the Learning Needs of the Excluded,” was implemented in the Lao PDR during 2003-2004. It, in turn, contributed to the incorporation of the “Skills Development Programme for Disadvantaged Groups” into the National Plan of Action for Education for All, as one of its major programmes. This programme aims to build the capacity of disadvantaged groups, including women, ethnic groups and the rural poor, and, thus, contributes to achieving the Millennium Development Goals and sustainable development over the next decade.

I believe that this study played an important role in making our National Plan of Action for Education for All comprehensive and realistic, and in ensuring that our EFA 2015 goals consider the needs of disadvantaged groups.

I highly appreciate the contribution of the Education Sector, UNESCO Bangkok Asia and Pacific Regional Bureau for Education and the International Institute for Educational Planning for giving of their valuable time and intellectual efforts to cooperate in this project.

Finally, in order to have successful outcomes, the implementation of the skills development programme requires the committed future involvement of all stakeholders - including local partners and foreign donors.



**Phimmasone Leuangkhamma**  
Minister of Education





## Acknowledgements

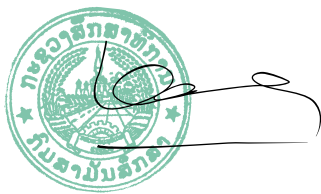
The study, *Skills Development to Meet the Learning Needs of Disadvantaged Groups in Lao PDR*, is part of a project implemented in collaboration with the Education Sector, UNESCO Bangkok Asia and Pacific Regional Bureau for Education and the International Institute for Educational Planning (IIEP/ UNESCO). The project, entitled “Assisting the Design and Implementation of EFA Skills Development Plans: Skills Development to Meet the Learning Needs of the Excluded,” aims to contribute to one of six Dakar EFA Goals: “Ensuring that the learning needs of all young people and adults are met through equitable access to appropriate learning and life skills programmes.”

This report was prepared by a study team that included Mr Inthasone Phetsiriseng, National Consultant, Dr Phonephet Boupha, Deputy-Director General, Department of Higher, Technical and Vocational Education, and Mr Somkhanh Didaravong, Head of the Statistics and ICT Division, Department of Planning and International Cooperation. I wish to thank the team for their valuable contributions in formulating the skills development programme that was integrated into the Lao PDR National Plan of Action for Education for All, and was endorsed by the Lao Government in December 2004.

I also wish to thank the Lao National Commission for UNESCO for its input regarding implementation of this project.

My special thanks goes to Mr David Atchoarena, Senior Programme Specialist of the International Institute for Educational Planning, and Ms Miki Nozawa, Programme Specialist at the UNESCO Bangkok office. Through their coordination and enthusiasm, they provided valuable assistance in the preparation of this comprehensive report.

Finally, I would like to extend my appreciation to the Nordic countries for funding this project under the UNESCO extra-budgetary programme, “Capacity-building for Education for All.”



**Mr Khamhoung Sacklokham**

Director General and National EFA Coordinator  
Department of General Education



Since skills development is concerned primarily with equipping young people and adults with livelihood skills, it follows that skills development has a vital role in the EFA process. Ensuring that the learning needs of all young people and adults are met through equitable access to appropriate learning and life skills programmes is one of the six Dakar Education for All Goals. This skills development dimension relates to two of UNESCO's major objectives: namely, improving the quality and relevance of education, including relevance to the labour market, and linking education to poverty reduction.

This study report contributes to the effective integration of a vocational skills component into the National Plan of Action for Education for All in order to meet the specific needs of out-of-school youth, with special attention to rural poor people. The study focuses on how skills training can contribute to the social and economic integration of disadvantaged groups through alternative modes of delivery, both inside and outside the formal system.

The report, thus, reviews the state of skills development in Lao PDR, and analyses related policies, strategies and programmes. Attention is given to linkages with poverty reduction and synergy between the Plan of Action for Education for All and the National Growth for Poverty Eradication Strategy (NGPES). The findings of the study provide the Ministry of Education with important guidelines for policy-making and training, and also offer some lessons for creating better coordination mechanisms between different training providers.



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### ***Background and Context***

Many developing countries are experiencing difficulties in incorporating the skills development perspective into their EFA National Action Plan. This may partly be explained by gaps in the existing information systems. Also, monitoring skills development efforts that involve multiple types of programmes delivered by different providers aimed at several target groups is a complex task. It requires wide inter-sectoral and inter-ministerial consultation and coordination mechanisms. In most cases, such mechanisms are either not yet in place, or are ineffective. It is in this context that UNESCO has sought to provide technical assistance to Lao PDR.

### ***Objective***

The main objective of the study was to come up with recommendations for reinforcing / incorporating a skills development component into the EFA National Action Plan. This was achieved through assessment and analysis of current policies, programmes and strategies targeting skills development in Lao PDR, with particular reference to the National Growth and Poverty Eradication Strategy (NGPES) and to the learning needs of disadvantaged groups.

### ***Outputs***

This study is, thus, a comprehensive report that incorporates the following:

- Analytical review of the status of policies, programmes and adopted strategies for skills development in Lao PDR, with particular reference to NGPES and to the learning needs of disadvantaged groups
- Assessment of inter-sectoral and inter-ministerial consultative and co-ordination mechanisms in skills development (which also includes TVET) in relation to the EFA National Action Plan, including an assessment of the effectiveness of such mechanisms in coordinating the efforts of other stakeholders, such as civil society (employers, NGOs, and others), sectoral agencies and international partners
- A review of budgetary allocations for EFA initiatives, in general, and skills development programmes, in particular, and assessment of whether the present level of allocations and donor assistance related to skills development is adequate to reinforce/incorporate a skills development component into the EFA National Action Plan
- Recommendations, based on the above analysis, for reinforcing/incorporating the skills development perspective into the EFA National Plan of Action; the recommendations also include proposals for more appropriate and effective policies and strategies, consultative/coordination mechanisms, parties responsible for initiating and monitoring necessary actions, and realistic time frames for implementation.

ADB	Asian Development Bank	GDP	Gross Domestic Product
ACCU	Asia/Pacific Cultural Centre for UNESCO	GTZ	German Technical Cooperation
AEA	Agriculture Extension Agency	HRD	Human Resource Development
AOTS	Association for Overseas Technical Scholarship	IDRC	International Development Research Centre
APHEDA	Australian People for Health, Education and Development Abroad	IGA	Income Generation Activities
BAFIS	Basic and Further Training for Target Groups from the Informal Sector	ILO	International Labour Organization
BVEST	Basic Vocational Education and Skills Training	ILO-IPEC	International Labour Organization - International Programme for the Elimination of Child Labour
CIDA	Canadian International Development Agency	INGO	International Non-governmental Organizations
CIDSE	Coopération Internationale pour le Développement et la Solidarité	IPEC	International Programme for the Elimination of Child Labour
CLC	Community Learning Centre	IVJ	Association Volunteers of Japan
CPC	Committee for Planning and Co-operation	JICA	Japan International Cooperation Agency
CVC	Cluster Village Centre	JITCO	Japan International Training Cooperation Organization
CWS	Church World Service	JODC	Japan Oceanographic Data Centre
DANIDA	Danish International Development Agency	LAO PDR	Lao People's Democratic Republic
DAFO	District Agriculture and Forestry Office	LDC	Least Developed Country
DEB	District Education Bureau	LECS	Lao Expenditure and Consumption Survey
DFID	Department for International Development	LFNC	Lao Front for National Construction
EFA	Education for All	LNCCI	Lao National Chamber of Commerce and Industry
EFA NPA	Education for All National Plan of Action	LNLS	Lao National Literacy Survey
EQIPII	Second Education Quality Improvement Project	LRC	Literacy Resource Centre
ESF	Ecoles Sans Frontières	LTPC	Lao Trade Promotion Centre
EU	European Union	LWU	Lao Women's Union
FAO	Food and Agriculture Organization	MAF	Ministry of Agriculture and Forestry
FAR	Fond d'Assistance Rapatrie	MOE	Ministry of Education
FFS	Farmer Field School	MOF	Ministry of Finance
GAPE	Global Association for People and the Environment	MOIC	Ministry of Information and Culture
		MOPH	Ministry of Public Health
		MS	Market Survey

MSE	Micro- and Small Enterprises	TVET	Technical and Vocational Education and Training
MTT	Mobile Training Team	UNCTAD	United Nations Conference on Trade and Development
MWT	Migrating Workers to Thailand	UNDAF	United Nations Development Assistance Fund
NEM	New Economic Mechanism	UNDP	United Nations Development Programme
NFE	Non-formal Education	UNESCO	United Nations Educational, Scientific, and Cultural Organization
NFEC	Non-formal Education Centre	UNICEF	United Nations Children's Fund
NFED	Non-formal Education Department	UNIFEM	United Nations Development Fund for Women
NGO	Non-governmental Organizations	UNV	United Nations Volunteers
NGPES	National Growth and Poverty Eradication Strategy	UPE	Universal Primary Education
NORAD	Norwegian Agency for Development Co-operation	USD	United States Dollar
NTC	National Training Council	VDF	Village Development Funds
NTFP	Non-Timber Forest Products	VES	Vocational Education System
ODA	Official Development Assistance	VETSA	Lao-German Vocational Education and Training System Advisory
OJT	On-the-Job Training	WEI	World Education Inc.
PES	Provincial Education Service	ZOA	Zionist Organization of America
PMO	Prime Minister's Office		
PRF	Poverty Reduction Fund		
PRFP	Poverty Reduction Fund Project		
RNFEC	Regional Non-formal Education Centres		
SES	Social Economic Status		
SIDA	Swedish International Development Agencies		
SME	Small and Medium-sized Enterprises		
SNV	Netherlands Development Organization		
SUNV	Joint programme between SNV and United Nations Volunteers		
TAT	Traditional Apprenticeship Training		
TICW	Trafficking in Children and Women		
TNA	Training Needs Assessments		
TOT	Training of Trainers		
TTC	Teacher Training College		
TTEST	Teacher Training Enhancement and Status of Teachers		



# Summary



## Skills Development to Meet the Learning Needs of Disadvantaged Groups in Lao PDR

The Lao People's Democratic Republic - Lao PDR - has a very ethnically diverse population with 49 recognized ethnic groups, categorized into four main ethno-linguistic groups: Tai-Kadai (8 ethnic groups), Mon-Khmer (32 ethnic groups), Sino-Tibetan (7 ethnic groups), and Hmong-Yu Mien (2 ethnic groups). The Tai-Kadai ethno-linguistic group accounts for 66.2% of the nation's population, yet is the largest ethno-linguistic group in only 8 of the 18 provinces.

Geographically, Lao PDR has no direct access to the sea. It is a highly mountainous country. The population density is among the lowest in Asia. The low population density and mountainous conditions make it difficult for social services to reach a significant portion of the population.

The country is predominantly a rural society with an agriculturally-based economy. The top priorities of the Government are to improve the social conditions and incomes in rural areas, and to integrate rural areas into the national market economy. Rural development is considered key to the eradication of mass poverty and sustainable improvements in social well-being. The National Growth and Poverty Eradication Strategy (NGPES) is, thus, central to the national development agenda, and reflects the Government's policy and strategy framework that operationalizes national objectives and goals.

The different ethnic groups also have widely differing livelihood systems, which makes it difficult to identify a common denominator to determine poverty. Forty-seven out of 142 districts have been identified as "poorest districts" (comprising 64% poor families), and the majority are disadvantaged ethnic groups from the Mon-Khmer, Hmong-Yu Mien and Tibeto-Burman ethno-linguistic groups.

Disadvantaged ethnic populations face special challenges. Geographical and cultural constraints often limit their access to both education and health services. Women and girls are especially limited in their access to social services. In many households with limited resources, girls are often required to stay at home to help with the household chores while their brothers attend school.

In 2001, the National Literacy Survey indicated that illiterates comprised 54.8% of the total population aged 15 to 59 years, or some 1.47 million people (0.87 million female). More than one million illiterates aged 15 to 40 years (60% female) fell into the Non-formal Education (NFE) programme target group. Illiterates in rural areas comprised 59.2%, in comparison to 36% in urban areas. Disadvantaged ethnic groups clearly have literacy rates that are well below the national average (68.7% population age 15+). With the exception of the Tai-Kadai group, differences between male and female literacy rates are also significant. Typically, men are more than twice as likely as women to be able to read and write though, in some groups, the difference is more than five times.

Disadvantaged ethnic groups often face serious supply constraints in education. The education barriers faced by the rural ethnic populations are often related to supply. In general, provinces with large ethnic populations have more villages without any schools, more incomplete primary schools, and seriously lack qualified teachers. Though ethnic children do enroll in school, the dropout rate is very high, particularly in the first two years of schooling. The curriculum is not geared towards their needs. Many teachers are not natives of the communities in which they teach, do not speak the local language and, thus, have a difficult time communicating with and teaching local children.

Young people are the most likely to migrate to escape a life of subsistence farming and to take advantage of opportunities for a better livelihood elsewhere. This leaves some families and communities without their strongest and most productive labour force. Many migrants never return and are not heard from again. However, semi-skilled and skilled labourers also seek employment in neighbouring countries, particularly Thailand, in order to increase their levels of income to support their rural families. Labour migration has become a risk-mitigation strategy for many disadvantaged youth. A 2003 labour migration survey done by the Ministry of Labour and Social Affairs and the National Statistical Centre in three southern provinces of Lao PDR indicated that 7 percent of sample households have members on the move. One out of five are children below 18 years of age.

Many diverse factors - including natural disaster, poverty, unbalanced population growth and strains on education and employment opportunities - resulted in the dramatic acceleration in migration among disadvantaged youth.



Despite many gains in the socio-economic development of the country, the special challenges that disadvantaged groups face limit their access to vocational skills. Government interventions in addressing the issue include NFE programmes in literacy and basic education, as well as basic vocational and rural skills training combined with the establishment of micro-finance schemes at the village level. With the support of various development partners (UNESCO, UNICEF, UNDP, GTZ, WEI, ESF, ZOA, CWS, IDRC), to date there are 306 community learning centres (CLC) facilitated by three regional NFE centres and 45 formal technical and vocational education and training (TVET) institutions (11 private) throughout the country. The TVET institutions are facilitated by 15 departments of ten ministries and two mass organizations.

Since 1996, the Ministry of Agriculture and Forestry, with the support of FAO through an integrated pest management (IPM) project, has provided training to more than 600 trainers and 30,000 farmers using the "Training of Trainers" and "Farmer Field School" approaches. The Ministry also launched the Special Programme for Food Security.

The Ministry of Labour and Social Welfare, meanwhile, runs provincial Skills Upgrading Centres, and has set up mobile training teams to provide short course training to jobless youth at the village level. Another major programme that involves skills training is the Poverty Reduction Fund Project, sponsored by a World Bank loan, which is underway in ten districts of three provinces.

In order to ensure coordination of the various training projects across different key ministries, the National Training Council was established with the express purpose of strengthening the administration of technical and vocational education and training (TVET) programmes focused at the country's youth and finding ways to improve the quality of such programmes.

The EFA National Plan of Action includes two main programmes: (1) Youth and Adult Literacy and (2) the Skills Development Programme for Disadvantaged Groups.

TVET in Lao PDR is financed mainly by public expenditure, with financing responsibility shared between the central and provincial levels. Contributions are also made by foreign donor agencies and by partnership communities, including NGOs, through bilateral and multilateral cooperation.

The performance of the training system is strongly influenced by the economic and institutional capacity in which it operates, as well as by a programme's own organization. Some suggested issues and strategies to be addressed and adopted for skills development in Lao PDR include:

- Coordination and implementation of the training programme should be clearly spelled out in order to avoid duplication.
- Training programme design and delivery should take into account the needs of local areas and specific target groups.
- Training curricula and approaches should be diverse and decentralized.
- Interactive training models and pedagogical approaches focused on outreach should be adopted and combined with income-generating activities.
- Local knowledge and traditional skills of target groups must be explored, promoted and effectively utilized.
- Evaluation and monitoring of the training programmes should be implemented regularly.
- TVET should be seen as an investment, and diversified funding should be promoted and applied.
- Quality and relevance should be taken into account to improve the skills performance of trainees and trainers.
- Career guidance and counseling based on labour market conditions should be provided by training providers.
- A national qualification framework, including accreditation, testing and certification of skills performance for the formal, non-formal and informal sectors, should be elaborated and agreed upon by all stakeholders for job-entry competencies.





Chapter

1

# Overview of Country Profile

## 1.1 Introduction and General Overview

The Lao People's Democratic Republic—Lao PDR—is a multi-ethnic state. According to the latest 2000<sup>1</sup> statistics, there are 49 main ethnic groups, grouped into four main ethno-linguistic groups: Tai-Kadai (8 ethnic groups including Lao), Mon-Khmer (32 ethnic groups), Sino-Tibetan (7 ethnic groups), and Hmong-Yu Mien (2 ethnic groups). The Tai-Kadai ethno-linguistic group accounts for 66.2%<sup>2</sup> of the nation's population; however, it is the largest ethno-linguistic group in only eight of the 18 provinces.<sup>3</sup>

The Government of Lao PDR is taking a development approach that guarantees the rights of all of its people at the same time that it promotes national unity. The Government's long-term overarching goal is to exit the group of LDCs by 2020 through sustained equitable economic growth and social development, while safeguarding the country's social, cultural, economic and political identity. Despite the many problems and inconsistencies that the Government has had in designing and implementing a workable and just policy, given its troubled history and its diverse population, it is important to recognize successes that have been achieved.

The national development efforts to ensure a progressive transition from an isolated, subsistence-based rural economy to a production and service economy have taken place in the context of three stages<sup>4</sup>: (i) establishment and implementation of the New Economic Mechanism (NEM), (ii) structural transformation and capacity-building of the economy, and (iii) people-centered and sustainable development.

Participatory people-centered development is central to the Government's efforts with regard to achieving basic food security, preserving natural resources and decentralizing development responsibilities to provide multi-ethnic populations with access to markets, education and health.

The Lao PDR is predominantly a rural society with an agriculturally-based economy. The Government's top priorities are improving social conditions and incomes in rural areas, and integrating rural areas into the national market economy. Rural development is considered key to eradicating mass poverty and in effecting sustainable improvements in social well-being.

## 1.2 Geography and Topography

The Lao PDR is a landlocked country bordering China and Myanmar in the north, Viet Nam in the east, Thailand in the west, and Cambodia in the south. The country covers an area of 236,800 km<sup>2</sup> in the centre of the South-East Asian peninsula. The large part of the country's land is mountainous, with arable land making up only about 4% of the total land mass. It extends over 1,700 km in a north-south direction. The widest part in the north reaches 500 km from east to west, and the narrowest part is only 150 km. The administrative structure consists of 18 provinces and 142 districts, 10,868 villages, and 881,596 households.<sup>5</sup>

The provinces are grouped into three regions – northern, central and southern. The southern provinces are more heavily forested, where cover approaches more than 60% in some areas. On average, forest cover is just under 50%.

Mountains and plateaus cover approximately 80% of the country. In the northern and eastern region, mountains and plateaus above 1000 m account for about 30% of the area, mountains and plateaus between 200 m and 1000 m account for about 50%, and elevation below 200 m and floodplains account for 20% (Sisaliao Savengsuksa et al. 1989). This topography is similar to that found in the southern Chinese provinces of Yunan and Kouang Si, northern Viet Nam and eastern Myanmar. Not surprisingly, the same ethnic groups are found throughout these areas.

1 Lao Front for National Construction. "Ethnic Groups of Lao PDR," Department of Ethnic Affairs, Vientiane: LFNC, 2000.

2 Lao National Population Census 1995, National Statistics Centre.

3 Unless specified, provinces include the Vientiane Municipality and the Xaysomboon Special Region. Lao PDR consists of 142 districts (1999).

4 United Nations Development Assistance Framework for Lao PDR 2002-2006, UNDAF, 2002.

5 Statistical Handbook 2002, National Statistics Centre, CPC

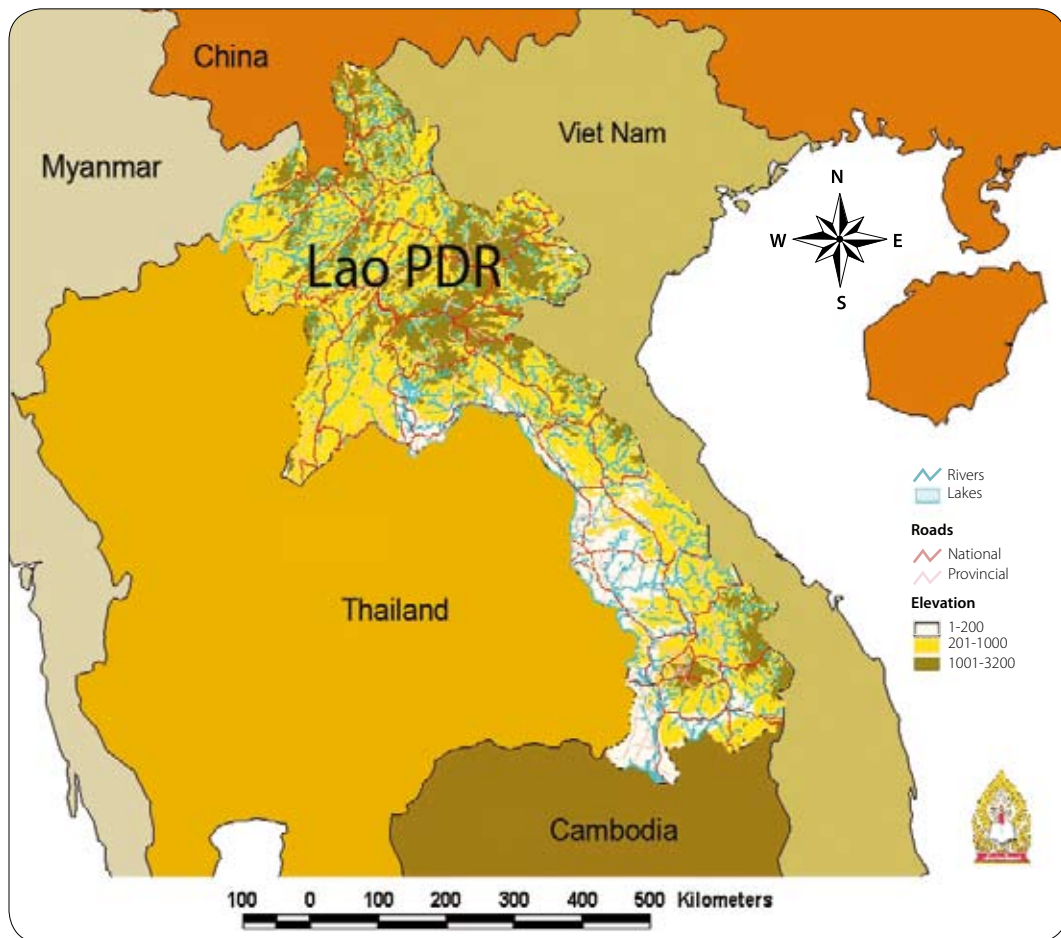
Floodplains are found mostly on the banks of the Mekong River and its major tributaries. In central and southern Lao PDR, these floodplains rise to meet a number of plateaus before peaking along the eastern boundary with Viet Nam in the Sai Phou Luang.<sup>6</sup>

Lao PDR is undeniably the largest contributor of water to the Mekong River. The Mekong River and its tributaries constitute a traditional way of communication throughout the country, as well as a major source of water for irrigation and economic development. It is, indeed, a country with abundant water resources by virtue of topography and rainfall. The country has one of the highest per capita freshwater figures in the world. This legacy of topography has one immediate implication: the river systems of Lao PDR are extremely attractive for hydropower development.

In Lao PDR, the tropical monsoon climate features a wet season lasting from April to October, and a dry season during the rest of the year. Annual rainfall ranges from 1,300 mm/year in the northern valleys to over 3,700 mm/year in the south, with the heaviest rains occurring in August. There is a short remission of rain during the wet season, usually during the end of July or beginning of August. The timing and length of this dry punctuation is critical, as it coincides with the rice transplanting period.

Geographic conditions restrict both quantity and quality of agricultural land, and pose difficulties to the development of trade, social infrastructure, transportation and communication links. Nevertheless, Lao PDR is located in the centre of a dynamic and prospering region, and as such, has the potential to provide a strategic resource base and land link to its neighbours – Viet Nam, Thailand, Cambodia, Myanmar and China.

**Map 1: Lao People’s Democratic Republic**



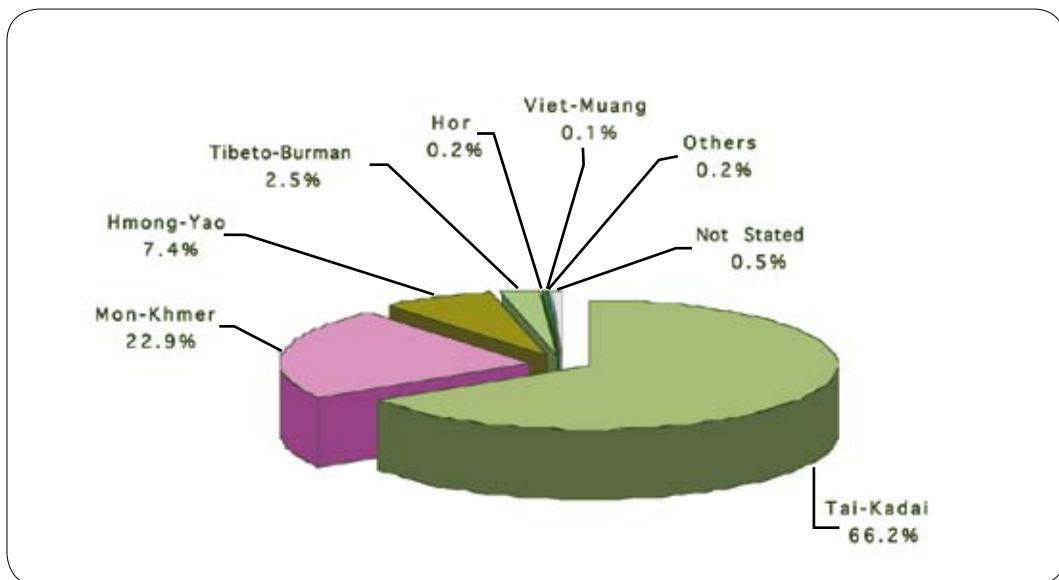
6 Formerly known as the Annamite Range

### 1.3 Demography

In 1995, the year that the most recent population census was undertaken, the total population of the Lao PDR was 4,574,848. The female:male ratio was 50.6 : 49.4%. Based on these numbers, the average density of 19.4 person/km<sup>2</sup> is relatively low - especially in Asia. The population growth rate, however, has been very high, at 2.6% per year averaged out over the period 1985-95. To date, the population has reached 5,338,668<sup>7</sup> (female 2,673,840). The 1995 Census names 47 ethnicities and lists 2 groups, "others" and "not stated," who represent 0.2% and 0.5%, respectively. About 52.5% of the population is ethnic Lao, while the remainder belong to other ethnicities. Of the 47 ethnic groups, there are four major ethno-linguistic groups that can be broken down into six main language families.<sup>8</sup>

About 90% of the population is rural, living in 10,868 villages scattered throughout the country. This combination of varied ethnicity and predominantly rural population (mostly subsistence farmers) is an important factor to take into consideration when carrying out resource management or development planning.

**Figure 1: Percentage of Population by Ethno-linguistic Groups**

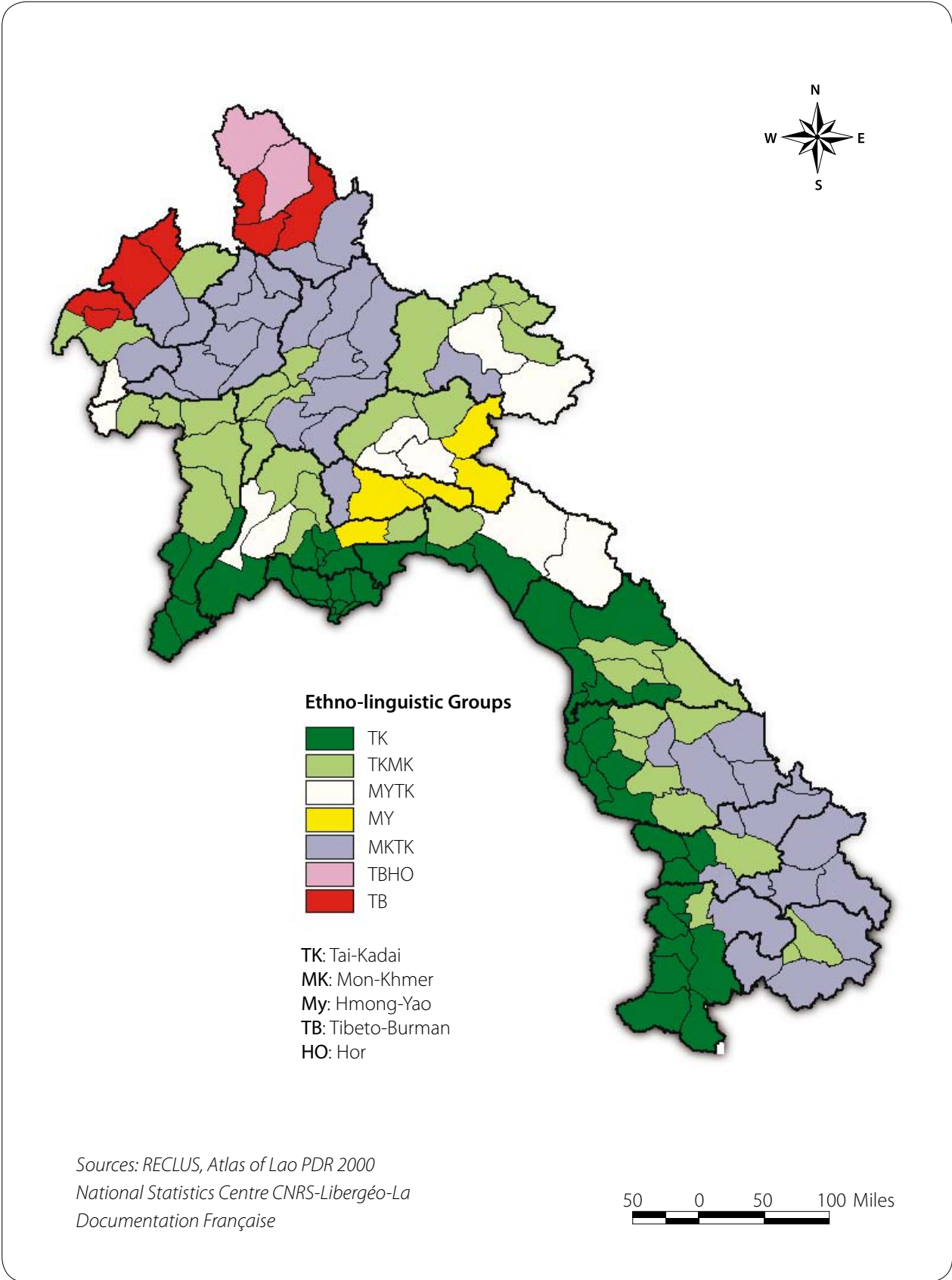


Source: Population Census 1995

7 National Statistical Centre, Population Numeration 1<sup>st</sup> July 2003. Note: Total population excludes armed forces, police, prisoners, migrant workers and officials working abroad for more than 6 months.

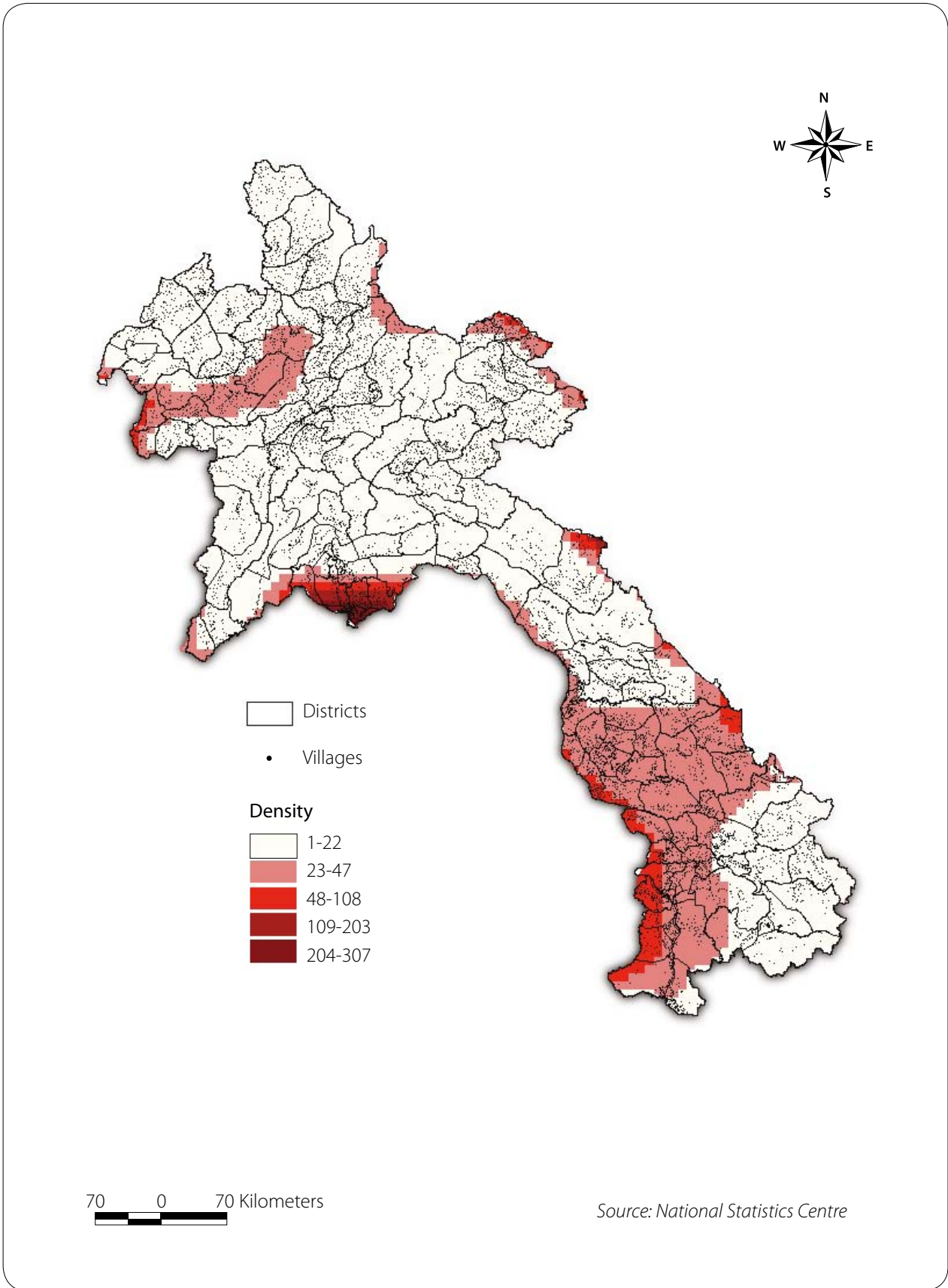
8 Tai-Kadai comprising Lao-Phutai (62%); Austroasiatic comprising Mon-Khmer (22.9%) and Viet-Muang (0.1%); Hmong-Yao (7.4%), Sino-Tibetan comprising Tibeto-Burman (2.5%) and Hor (0.2%). Since, August 2002, the Lao Front for National Construction (LFNC), Department of Ethnic Affairs has clarified the naming and regrouping of the 47 ethnic groups and their sub-groups. To date, 49 ethnic groups are officially recognized.

Map 2: Ethno-linguistic Groups by Districts





Map 3: Population Density



## 1.4 Culture: Ethnic and Linguistic Diversity

One of the most obvious cultural issues is that of language. In a number of the ethnic minority groups, few are able to speak Lao, let alone read and write. This is on top of fairly high illiteracy rates in the general population. An issue which can be more subtle is that of differing world-views of villagers. The perspectives of, for example, hunter-gatherer forest dwellers will be different from those sedentary rice farmers, and information communicated to these different groups can be understood in a wide variety of ways.

Cultural differences, attitudes, perceptions, and the competency of policy implementers have significant influences on project and programme design. The same policies may be understood differently by different cultures and, thus, be applied differently. Absent a clear understanding of cultural differences, policies and programmes may not succeed in certain ethnic communities. For example, the reallocation and merging of disadvantaged ethnic villages together in some rural development projects during the last decade have failed, actually creating more problems than they solved. Many of these failures are due, in part, to administrators' general perception of the Lao model as advanced and civilized, whereas they regard other traditions and practices that conflict with Lao norms as uncivilized and backward.

Language also plays an important role in access; it is often the primary barrier to communication. Teachers and students must communicate for children to learn effectively. Since the official language is Lao, all schools teach in Lao. For those young children with different mother tongues, beginning study in a non-mother tongue (Lao language) might be a tough challenge. Moreover, for those adult illiterates who do not speak Lao at home, it is hard to become literate and maintain literacy in Lao.

Over one-half of the total population in eight provinces speaks ethnic languages. In Phongsaly Province, only 7.6% of the total population speaks Lao at home.<sup>9</sup>

## 1.5 Economy

Since the introduction of the New Economic Mechanism (NEM) in 1986, the industrial and service sectors have experienced high-level growth. Agriculture remains the basis of the national economy, accounting for 51.9% of the economic structure.

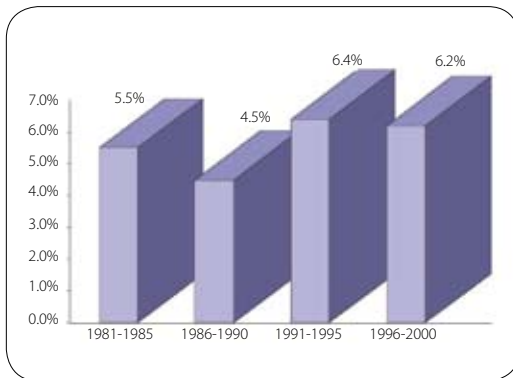
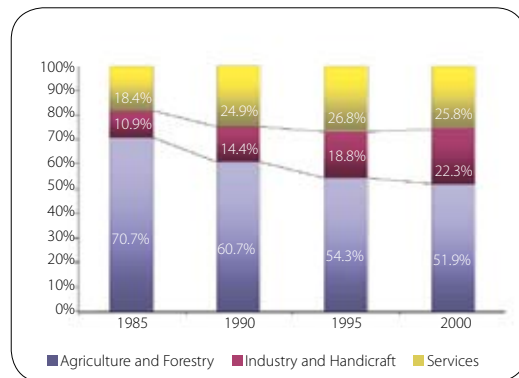
The Lao economy relies significantly on Official Development Assistance (ODA). Exports represent roughly half of imports, and are generally based on natural resources, particularly hydropower and forestry. Consumer goods constitute almost half of all imports. The private sector, although active, is only just beginning to emerge.

Over the past years, GDP has increased steadily at an annual growth rate of up to 6.2%. The estimated per capita GDP in 2000 was USD 320.<sup>10</sup>

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9 MOE-Lao/UNESCO/UNICEF, Lao National Literacy Survey 2001, 2004.

10 *Draft Socio-Economic Development Plan from Present to the Year 2020 and 2010 and the Fifth 5-Year Plan for Socio-Economic Development (2001-2005)*, Committee for Planning and Cooperation, July 2001.

**Figure 2: GDP Growth Rates per Annum****Figure 3: Share in Economic Structure**

Source: National Statistics Centre 2001

## 1.6 The Poverty Issue and Strategy

The different ethnic groups also have widely differing livelihood systems, which makes it difficult to identify a common denominator to determine poverty. In 2001, the Lao Government (PM Instruction No. 010 of 25 June 2001<sup>11</sup>) defined poverty as:

*"Poverty means the lack of essential needs of daily lives such as the lack of foods (possession of foods that are less than 2100 calories/head/day), the lack of clothing, the non-possession of permanent accommodations, unaffordable fees of medical treatments in case of illness, unaffordable payments for self education as well as that of members of the family and unavailable conditions for convenient communications."*

Based on measurements in 1992/93 and 1997/98, poverty in 1990 is estimated to have been 48% of the population (meaning that 48% of the population lived below the nationally defined poverty line). During the 1990's, inequity has increased. The Gini-index rose from 28.6% in 1992/93 to 35.7% in 1997/98, and the share of the poorest quintile of the population in GDP declined from slightly over 9% to below 8% in the same period. This means that although economic growth did reduce poverty, it benefited the rich more than the poor.

As can be seen from Map 4, the disparities between the different provinces are high, with percentages of poverty ranging from 12% to 74%. Poverty in the rural and mountainous areas, where most of the non-Lao ethnic groups live, is significantly higher than in the urban and lowlands areas. The poverty criteria are discussed in detail in Chapter 2.

The Participatory Poverty Assessment in 2000 revealed very valuable insights into people's perception of poverty and what causes poverty. First and foremost, poverty is perceived as a food security issue. Traditionally, rice is the main staple food in Laos. Hence, rice availability is a major determinant in the perception of poverty. Various studies indicate that rice insufficiency in the rural areas may reach 8 to 9 months per year. Partly due to this insufficiency, and partly as a cultural matter, non-timber forest products (NTFPs) make up the food basket balance because hunger, as such, only occurs very occasionally and is not a structural factor of rural life in Laos. In cases where the forest can produce sufficient NTFPs, this is not necessarily a problem. However, due to the higher concentration of people in more limited areas decreasing the quality of forests and increasing the sales of NTFPs to other areas, forest resources have increasingly come under stress, and are declining rapidly. This puts the rural population in a very delicate situation.

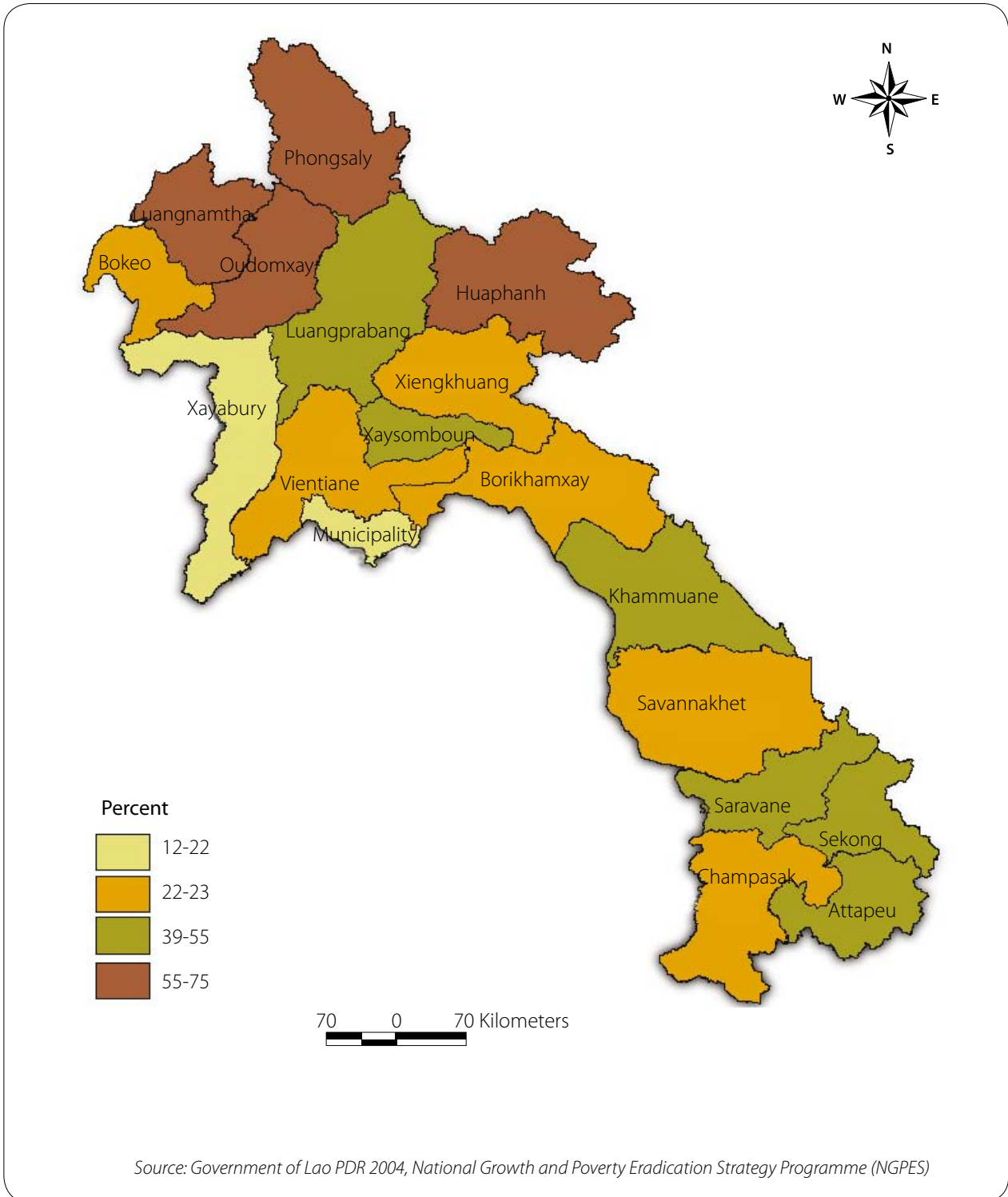
Other causes of poverty recognized by rural people are related to efforts to stabilise shifting cultivation, land allocation (that limits the number of plots per family), and relocation of villages. Apart from causing reduced traditional capacity to survive, the relocation of villages is reported

<sup>11</sup> Informal translation

to lead to a loss of identity, and to cause social stress that leads to what has been coined 'social poverty.'

Challenges remain to reduce inequities and create a better understanding of the impact of development initiatives, not only on physical well-being, but also on psychological and social well-being.

**Map 4: Poverty Head Count Ratio**



The National Growth and Poverty Eradication Strategy (NGPES) is central to the national development agenda, and reflects government policy that operationalises the national objectives and goals. The strategic vision behind the NGPES is poverty eradication through strong economic growth, the continuous building up of the country in all areas, and increased focus on the poorest districts to ensure that they become increasingly integrated into the national economy. NGPES addresses the enhancement of an overall environment conducive to growth and sustainable development. The strengthening of this environment rests on four pillars:

- Strengthening of the macro-economic framework
- Strengthening of the business and investment environment
- Improvement of public sector management
- Broadening of a national resource and revenue base

The strategic linkages are based on four main sectors:

The agriculture/forestry sector focuses on food security and increased supply of agricultural products to create income and wealth. Approaches include sustainable sloping land development, environmental management, shifting cultivation stabilization, irrigation, and human resource development. These strategies are to be effected while also ensuring that lowland agricultural/forestry potential for market-oriented production is equitably achieved.

The education sector strives to achieve “Education For All” goals by consolidating three major tasks: equitable access, improving quality and relevance, and strengthening education management. The priority is given to universal quality primary education, but much attention is also paid to balanced development of the education sector. Non-formal education and training in literacy and livelihoods skills, as well as technical and vocational education well-adapted to market needs, are considered keys to national development and improvement in living standards of poor people. The Government’s education development plan will focus on the 47 poorest districts, and decentralization of management is to be further enhanced so that the education system will be more responsive to communities’ needs.

The health sector’s focus is on ensuring nationwide health service, especially focusing on prevention and the intensification of health information education as an integral part of health services. This requires further expansion of the health service network to rural areas, maternal and child health promotion, reproductive health for adolescents, immunization, clean water supply, and environmental health.

Transport infrastructure is vital to national and regional integration by providing essential transportation infrastructure to the proportion of the population that does not have access to roads. Access to roads is one of the highest priorities. Transport’s imperative continues to combine the development of infrastructure nationwide to enhance growth by focusing on the development of road networks in rural areas – particularly poor districts - to encourage market linkages, tourism, and trade facilitation, as well as on the supply of electric power in rural areas to encourage rural industrialization.

In all sectors, capacity-building is of the highest importance, particularly for decentralization management and development planning. In accordance, the Government has created a national decentralization policy, which breaks down level responsibilities as follows: i.e. provincial as Strategic Unit, district as Planning and Budgeting Unit, and village as Implementing Unit. The meaning of the foresaid policy is to promote governance commitments and accountabilities at each administrative level, particularly at district and village levels, in implementing the national development plan.

## 1.7 Basic Education

### 1.7.1 Major Findings of the Lao National Literacy Survey (LNLS) in 2001

1. The reported adult literacy rate (age 15+) for the entire population is 68.7%, with 77.0% for male and 60.9% for female.
2. During the past 5 years, the reported adult literacy rate for males increased by 3.5% (73.5% in 1995), but that for females improved by 13.0% (47.9% in 1995).

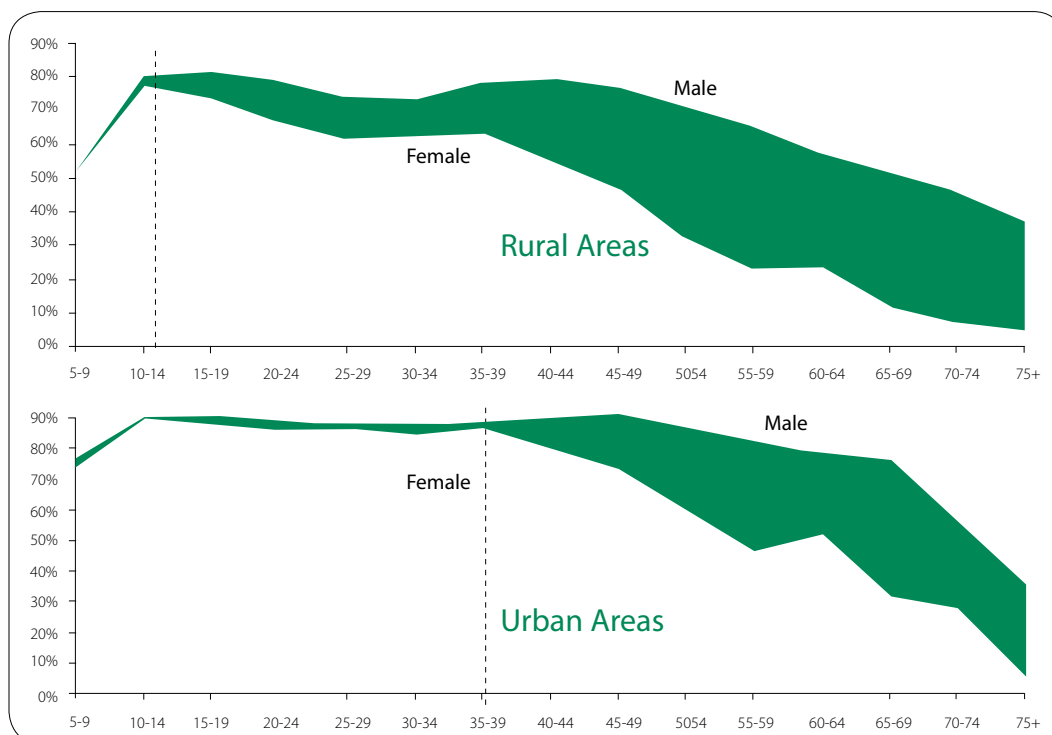
3. Major differentials for reported adult literacy are found to be sex (male/female), residence (urban/rural), ethnicity (mother tongue) and the level of household socio-economic status.
4. Sex differential is almost non-existent among children aged 6-9 years, and slightly different among children aged 10-14 years. In the urban areas, the reported literacy rates for male and female among children aged 10-14 years and young adults aged 15-19 years are almost the same. On the other hand, among the population in the rural areas, the sex differential increases after the teen years.

**Table 1: Reported Literacy Rates by Age**

(n=43,194)

Age	Total			Urban			Rural		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
6-9	55.5%	55.6%	55.5%	76.6%	74.5%	75.5%	51.7%	51.9%	51.8%
10-14	82.1%	79.7%	81.0%	89.9%	89.9%	89.9%	80.3%	77.4%	78.9%
15-19	83.6%	77.1%	80.3%	90.6%	89.0%	89.8%	81.6%	73.8%	77.6%
20-24	80.9%	71.1%	75.6%	88.8%	86.3%	87.4%	78.5%	66.6%	72.0%
25-29	76.5%	67.0%	71.3%	88.2%	86.8%	87.4%	73.8%	61.6%	67.3%
30-34	75.8%	66.3%	70.8%	87.5%	84.5%	85.8%	73.2%	61.9%	67.3%
35-39	80.2%	68.9%	74.3%	88.3%	86.6%	87.3%	78.4%	63.5%	70.9%
40-44	81.8%	61.1%	72.0%	89.4%	79.5%	84.9%	79.2%	55.5%	67.8%
45-49	80.3%	52.1%	66.8%	91.3%	73.4%	83.2%	77.0%	46.6%	62.2%
50-54	73.8%	37.7%	57.1%	87.2%	59.8%	74.5%	70.6%	32.4%	52.9%
55-59	68.7%	28.9%	49.6%	82.2%	46.7%	64.7%	65.0%	23.6%	45.3%
60-64	60.8%	29.1%	44.7%	78.2%	51.9%	63.8%	57.2%	23.2%	40.2%
65-69	56.8%	15.1%	37.5%	76.3%	31.7%	58.9%	52.1%	12.2%	33.1%
70-74	47.8%	10.4%	27.1%	56.0%	27.6%	41.3%	45.9%	7.0%	24.1%
75+	37.1%	5.1%	18.9%	35.7%	5.4%	17.5%	37.3%	5.1%	19.1%

**Figure 4: Gender Disparity in Reported Adult Literacy Rates**



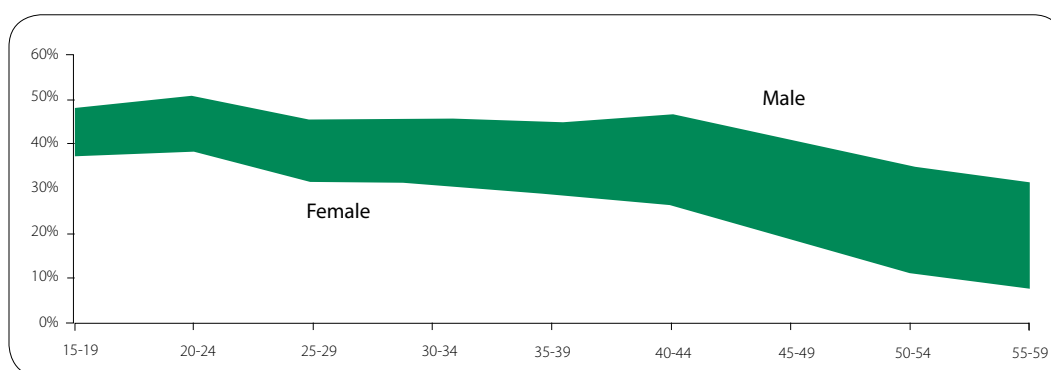
5. The literacy skill tests<sup>12</sup> show that Lao people do better in reading and writing skills, but are weak in numeracy skill. Average score obtained on reading skill tests is 23.7 (out of 30), and on writing skill tests is 19.3. However, the average score obtained on numeracy skill tests is only 10.6.
6. The tests show that only 47.8% of participants attain “basic literacy,” comprised of reading, writing and numeracy skills. That is, 52.2% of the test participants who have stated that they are “literate” are, in fact, illiterates.
7. When the test results are translated into literacy rates, the following tested literacy rates are obtained for the population aged 15-59:

**Table 2: Tested Literacy Rates by Age (Reading, Writing & Numeracy Skills)**

(n=26,246)

Age	Basic Literacy			Functional Literacy			Secured Functional Literacy		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Lao PDR (15-59)	53.7%	36.9%	45.2%	45.2%	30.3%	37.7%	37.4%	24.5%	30.8%
15-19	57.7%	45.0%	51.3%	48.2%	37.6%	42.8%	40.2%	31.8%	35.9%
20-24	58.3%	44.9%	51.0%	50.8%	38.5%	44.2%	44.4%	31.0%	37.2%
25-29	52.0%	37.4%	44.2%	45.1%	31.7%	38.0%	38.5%	25.7%	31.6%
30-34	53.4%	36.7%	44.8%	45.9%	30.9%	38.2%	39.6%	26.0%	32.5%
35-39	55.4%	37.5%	46.2%	44.7%	29.1%	36.6%	36.8%	23.9%	29.9%
40-44	53.9%	33.7%	44.3%	46.6%	26.3%	37.0%	35.6%	17.8%	27.1%
45-49	50.2%	24.9%	38.2%	40.8%	18.6%	30.2%	31.8%	13.6%	23.1%
50-54	44.3%	15.7%	31.3%	35.0%	11.2%	24.2%	26.5%	7.9%	18.0%
55-59	40.0%	10.9%	26.8%	31.7%	7.7%	20.8%	25.4%	5.3%	16.3%

**Figure 5: Gender Disparity in (Tested) Functional Literacy**



12 Before conducting the Lao National Literacy Survey, it was decided that those who completed lower secondary would undoubtedly be literate and, thus, it would be unnecessary to test for literacy. Thus, candidates for the literacy test were selected randomly from those considered literate, but with a maximum education level of incomplete lower secondary. The randomly selected candidates took 3 types of tests, i.e. reading, writing and numeracy skills (each test has a maximum score of 30):

- (1) if a person gets a minimum score of 8 in every test, then that person attains “basic literacy skill”;
- (2) if a person gets a minimum score of 14 in every test, then that person attains “functional literacy skill”; and
- (3) if a person gets a minimum score of 22 in every test, then that person attains “secured functional literacy skill” (or sometimes mentioned as “self-learning level”).

It should be noted that, if a participant obtained 30 out of 30 in two skill tests, but only 7 in the third one, that participant would not even obtain the “basic literacy skill.” Similarly, to be counted as “functionally literate,” one must obtain at least 14 in reading, 14 in writing and 14 in numeracy skill.



8. Within the age range of 15 to 59 years, there are 1.47 million illiterates, including 0.87 million females. There are more than one million illiterates (60% are female) in the NFE programme target group aged 15-39 (which includes ages 15 to a day before 40 years).
9. Of the estimated illiterates, 0.53 million have reported themselves as "literate." These hidden illiterates might be the "hardest hit target group" for future NFE programmes.<sup>13</sup>
10. The literacy status of the poorest of the poor (lowest 20%) is severely low. The basic literacy rate for the poorest population aged 15-59 is only 18.8%; and the secure functional literacy rate is as low as 8.7%. Moreover, just one out of 20 poorest female attains secure functional literacy.
11. Only three out of 18 provinces, namely, Vientiane Municipality, Champasak and Vientiane Province, have a functional literacy rate of over 50%.
12. Apart from household socio-economic status and urban-rural residence, literacy determinants include level of education attained, ethnicity (spoken language at home), source of literacy (formal, non-formal or informal sources), and year of leaving school.
13. The tested literacy rates of recent school completers are lower than those who have left school much earlier. Such a finding seems to suggest that the deterioration of the quality of education constitutes a more serious problem than the erosion of literacy skills after some years.<sup>14</sup>
14. The LNLS discovered that primary education is not 100% effective in achieving functional literacy. Just over one out of two primary graduates (Grade 5 completers) attains basic literacy. Similarly, only 38% of NFE Level III completers attain basic literacy.

**Table 3: Official Literacy Rates**

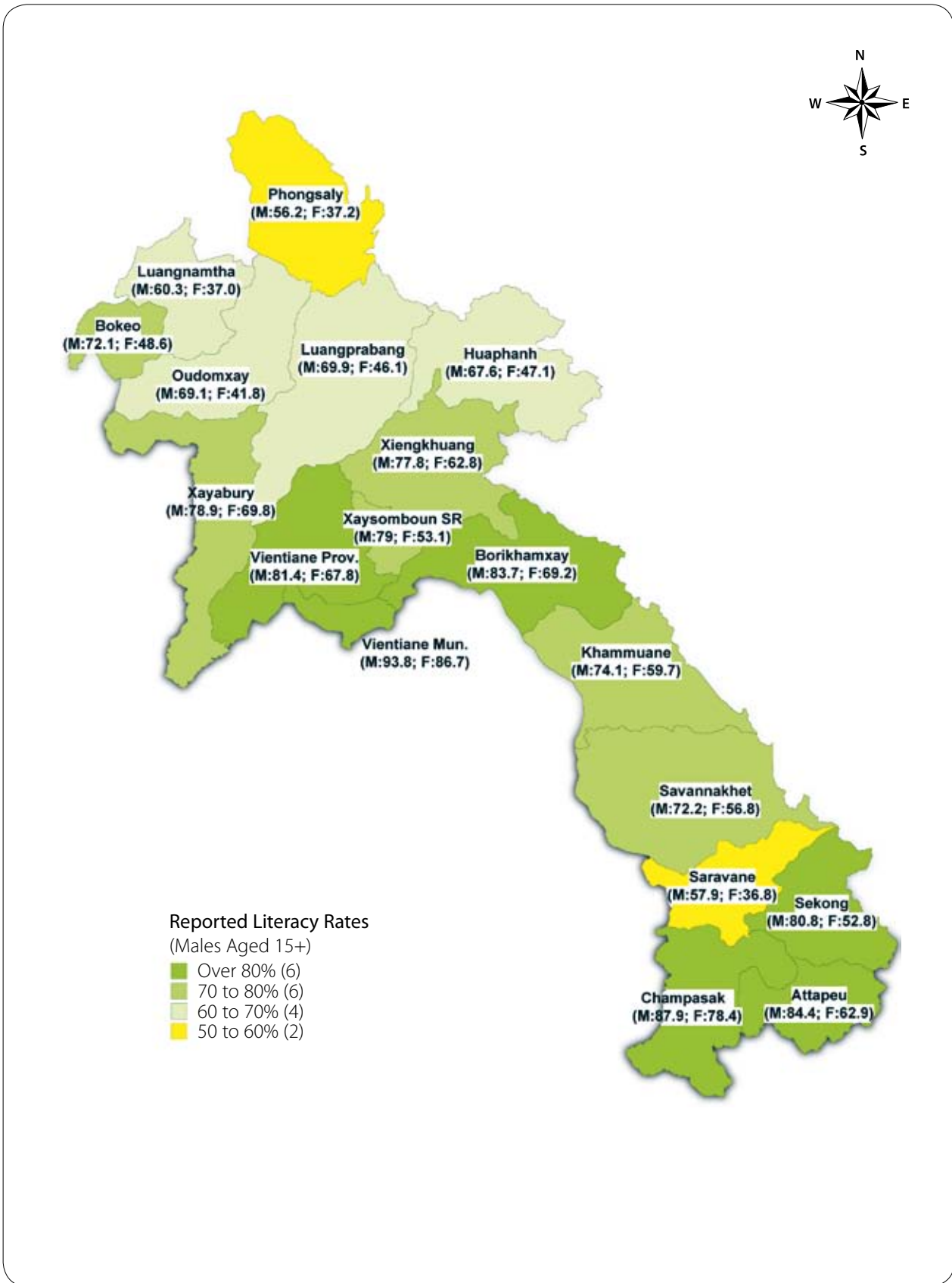
Official Literacy Rate	1995 Census				Lao National Literacy Survey 2001			
	Total	Male	Female	GP Index <sup>15</sup>	Total	Male	Female	GP Index
15-24 years old	71.1	78.8	64.1	0.81	78.5	82.6	74.7	0.90
Adult 15+	60.2	73.5	47.9	0.65	68.7	77.0	60.9	0.79

13 Although there are over one million illiterates aged 15-39, only 0.48 million are reported as illiterates and the rest, 0.53 million people, are essentially "illiterate" but reported as "literate." Targeted strategies should be applied to reach these "hidden illiterates."

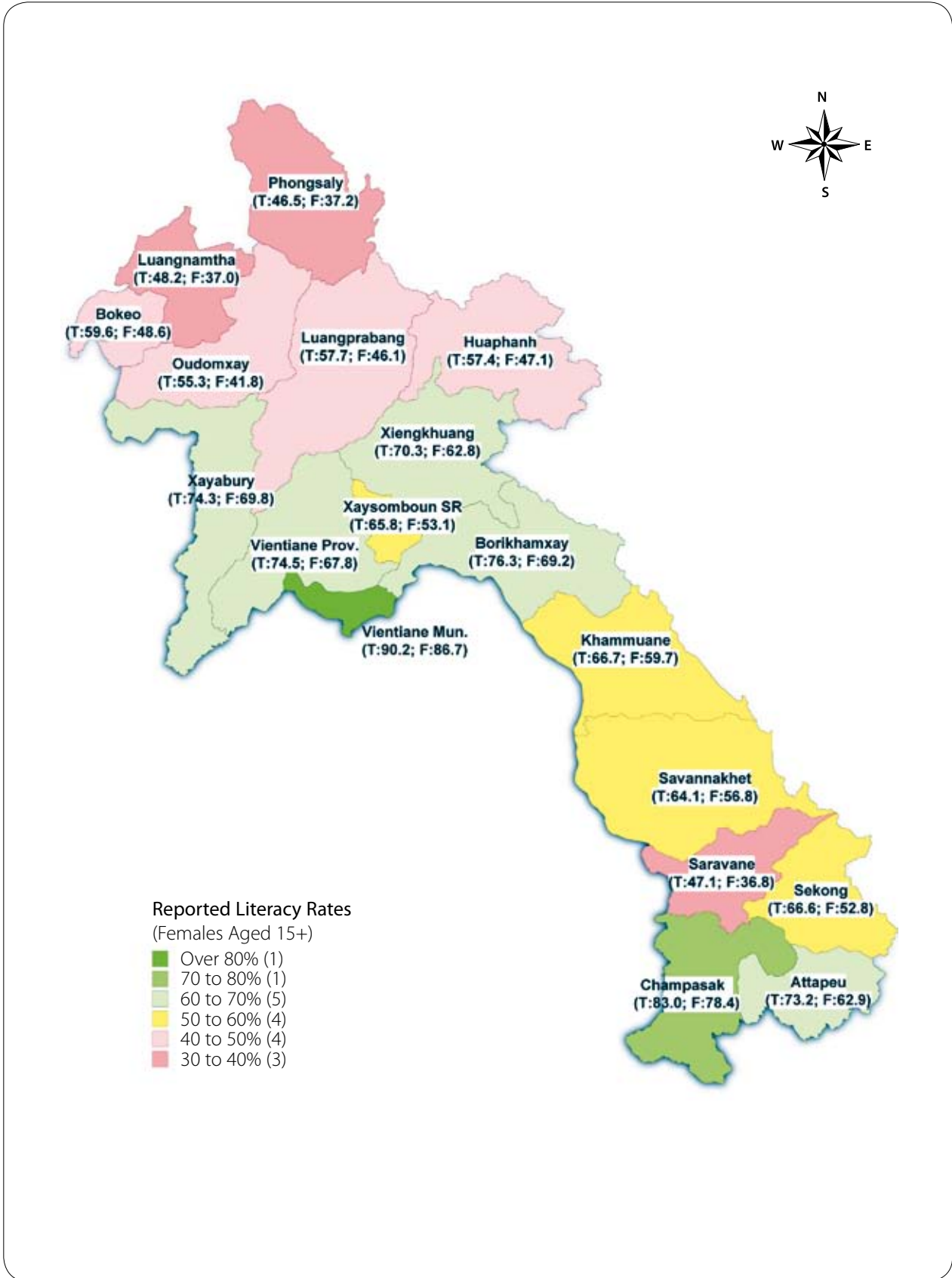
14 The proportion of primary school leavers acquiring basic literacy is declining by time. The higher basic literacy rates for earlier school leavers might be due to developing literacy skills by experience. On the other hand, it might also be due to the deterioration of the quality of primary education in recent years. Thorough studies, such as assessment of basic learning competencies of different primary grades and (functional) literacy skills of primary students, should be carried out, and necessary adjustments made in the primary education system.

15 Gender Parity Index: Indicator of Female divided by Indicator of Male

Map 5: Reported Adult Literacy Rates for Male



Map 6: Reported Adult Literacy Rates for Female



### 1.7.2 Performance of Primary Education

Primary schools increased from 7,148 in 1991-92 to 8,192 in 2000-2001, with 39% complete primary schools. Student enrollment also increased from 581,900 in 1991-92 to 829,887 in 2000-2001. The Gross Enrollment Ratio for 2000-2001 was 110.1% and the Net Enrollment Ratio was 79.8%. Apparent Intake Rate and Net Intake Rate for 2000-2001 were 118.2% and 59%, respectively. The number of primary school teachers increased from 20,904 in 1991-92 to 27,658 in 2000-2001.

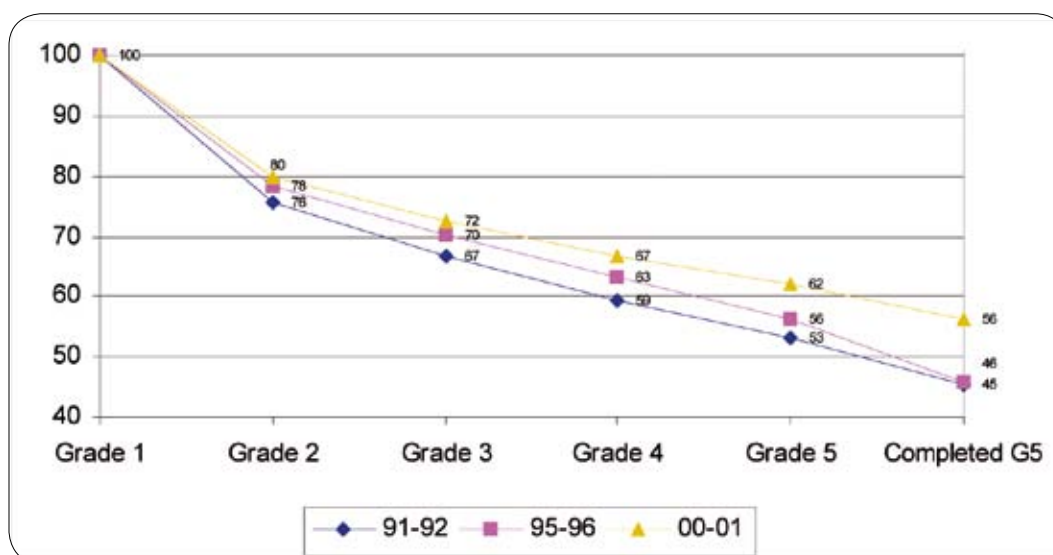
**Table 4: Internal Efficiency Rates of Primary Education Level (in %)**

Rates	91-92	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01
Coefficient of IE <sup>16</sup>	42.8	46.8	42.5	49.9	47.2	51.5	52.0	53.6	53.8	58.0
Survival to G. 5 <sup>17</sup>	47.7	48.7	42.0	57.4	52.3	56.6	52.0	52.6	52.4	59.2
Promotion	58.7	60.4	59.9	64.5	64.6	67.2	67.3	68.6	68.7	70.2
Repetition	30.1	28.0	25.8	25.7	24.4	22.6	21.1	19.9	19.8	20.6
Dropout	11.2	11.5	14.3	9.9	11.1	10.2	11.6	11.5	11.5	9.2

Source: MOE EMIS 2002

During the last decade, the Survival Rate of primary school students increased from 47.7% to 59.2%. The coefficient of internal efficiency rose from 42.8% to 58%. Though the promotion rate has improved and the repetition rate has decreased (except for school year 2000-2001), the dropout rate remains quite constant (except for school years 1993-1994 and 2000-2001). The dropout rate was at its worst in school year 1993-1994 (14.3%), but showed marked improvement by school year 2000-2001 (9.2%). Overall, however, the dropout rate remains significantly high. For school year 2000-2001, about 83,000 primary school students dropped out of the formal school system and created a heavy burden for the non-formal education system.

**Figure 6: Survivors by Grade in Primary Education Level**



Source: MOE EMIS 2002

16 The ideal (optimal) number of pupil-years required (i.e. in the absence of repetition and drop-out) to produce a number of graduates from a given school-cohort for a cycle or level of education expressed as a percentage of the actual number of pupil-years spent to produce the same number of graduates. Input-output ratio, which is the reciprocal of the coefficient of efficiency, is often used as an alternative. N.B. One school year spent in a grade by a pupil is counted as one pupil-year.

17 Percentage of a cohort of pupils (or students) enrolled in the first grade of a given level or cycle of education in a given school year who are expected to reach G.5 level.



During the past decade, the flow of primary school students has shown some improvement, but still very slow progression. From school year 1991-1992 to 1995-1996, there has been nearly no progression at all. From school years 1997-1998 to 2000-2001, students completing primary school increased by 10%.

While one would have hoped for more significant progress, it should not be said that there has been very little progress in primary education over the past eight years. The country faces the problem of the “last 10 percent” in terms of admissions, and the “last 20 percent” in terms of enrollments, which are well known as being difficult.

Indicators used here are national averages which hide strong disparities between gender, ethnic groups, poor, non-poor, urban, rural and remote areas. It may easily be predicted that further progress will be slower, since the problem will be to enroll children with multiple disadvantages: they are mostly girls, from ethnic groups, very poor and living in remote, sparsely populated areas. The main challenge to achieve universal primary education (UPE) in terms of access, quality, disparities and relevance is to target the groups with multiple disadvantages and deal with the problems they face in a comprehensive manner.



Chapter

2

**Disadvantaged Groups:  
Definition, Features,  
Main Challenges**



## 2.1 Disadvantaged Groups<sup>18</sup> and Rural Poverty

Poor families in rural and remote areas are severely suffering from problems associated with access to and quality of basic education and rural skills training. Parents probably have had little, if any, education themselves, which is a factor explaining the low level of their incomes and the consequent need for their children to contribute to household income. Often they see little point in making any effort to send their children to school because they have little faith in the quality of the teaching and its use in obtaining future employment.

Another factor in accessing education for the rural poor is the cost involved. Though compulsory education is "free," in practice there are many actual costs. Though school uniforms are not obligatory, the children need to be properly dressed. Often parents have to bear the costs of books or, at the very least, school supplies like pens, pencils, and crayons. Meals and transport can be expensive. In addition to those immediate costs, by letting their children go to school, their families give up the income that they could earn. For example, many children do not attend school in the agricultural season since they are required to help out with harvesting. Unfortunately, the school year does not always run in synch with the agricultural season.

Despite the issues or problems in going to school, it is certainly not true that the rural poor and disadvantaged ethnic groups do not value education. On the contrary, in some rural areas and among some ethnic groups, often the very reason children leave school is to start working to earn money so that their younger siblings can obtain an education.

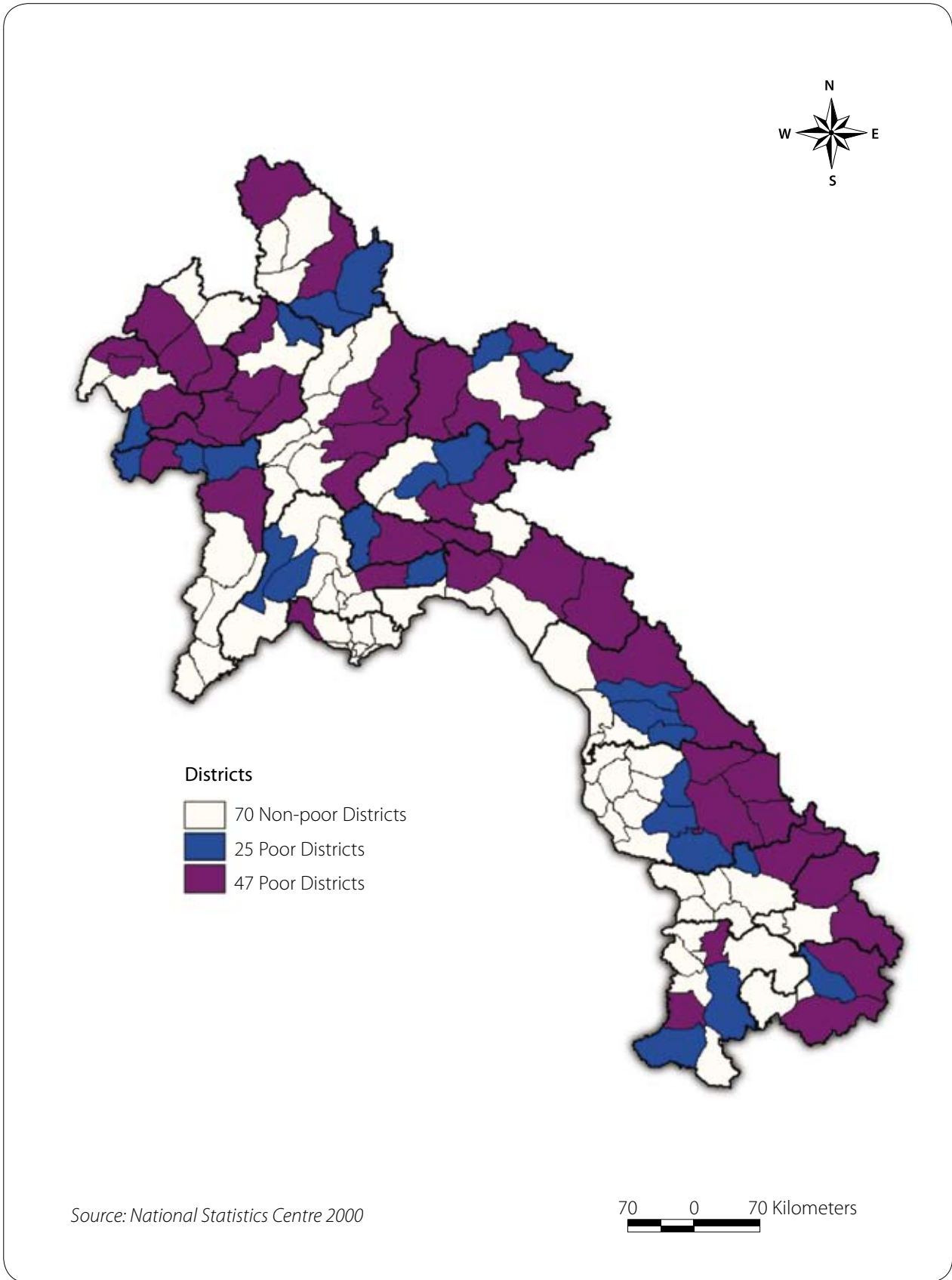
**Table 5: Poverty and Poor District Classification**

Indicators (in%)	Type of District			
	47 Poorest Districts	25 Poor Districts	70 Non-Poor Districts	Total 142 Districts
Average poverty incidence (proportion of poor households)	64	38	23	39
Average population share (district population/total population)	0.5	0.5	0.9	0.7
Average poor population share (district poor/total poor population)	2.1	0.6	0.6	0.7
Percentage of district to total population	24.3	13.5	61.4	NA
Percentage of poor to total poor population	46.9	15.3	37.8	NA
Percentage of poor	50.6		18.9	NA

Source: National Statistics Centre, Poverty Statistical Reports, Provincial Committees, March 2003

<sup>18</sup> Disadvantaged groups are defined as those whose access to learning opportunities is denied (out-of-school youth, disadvantaged ethnic groups, rural poor and girls/women).

Map 7: Poverty Incidence by Districts



## 2.2 Focus on the 47 Poorest Districts: Rationale, Location, Demographic, Poverty Indicators

The officially used poverty criteria<sup>19</sup> are divided into three levels as follows:

**Household Level:** Households considered “poor” are households with an income (or the equivalent in kind) of less than 85,000 kip (100,000 kip for urban and 82,000 kip for rural) per person per month (at 2001 prices). This sum allows the purchase of about 16 kilograms of milled rice per person per month; the balance is insufficient to cover other necessities such as clothing, shelter, schooling and medical costs.

**Village Level:** Villages considered poor are:<sup>20</sup>

- ✓ Villages where at least 51% of the total households are poor
- ✓ Villages without schools or schools in nearby and accessible villages
- ✓ Villages without dispensaries, traditional medical practitioners or villages requiring over six hours of travel to reach a hospital
- ✓ Villages without safe water supply
- ✓ Villages without access to roads (at least trails accessible by cart during the dry season)

**District Level:** Poor districts are:<sup>21</sup>

- ✓ Districts where over 51% of the villages are poor
- ✓ Districts where over 40% of the villages do not have local or nearby schools
- ✓ Districts where over 40% of the villages do not have a dispensary or pharmacy
- ✓ Districts where over 60% of the villages are without an access road
- ✓ Districts where over 40% of the villages do not have safe water

On the basis of these criteria, 72 districts have been identified as poor (see Map 7). Most of these districts are located in mountainous areas that are difficult to access and possess a high percentage of ethnic populations.<sup>22</sup> Oppositely, almost all the districts located in the plains along the Mekong River and its tributaries have access to the national main roads and main rivers, and are identified as non-poor districts. Access to communication and transportation is, thus, a main factor that hinders the coverage of social services i.e. access to health and education services in rural areas without roads.

19 Criteria of PM Decree No. 010, June 2001, see definition in 1.6

20 Villages that meet 3 out of the 5 criteria are categorized as poor villages.

21 Districts that meet 3 out of the 5 criteria are categorized as poor districts.

22 See Map 11 : Ethno-Linguistic Groups and Poverty Incidence by Districts.

**Table 6: Number and Percentage of Poor Villages and Households by Province**

Number and Percentage of Poor Villages and Households by Province Using the Criteria of PM Decree No. 10 (for the 72 Districts Identified as Poor)				
Province	Number of Poor Villages	% of Poor Villages	Number of Poor Households	% of Poor Households
Vientiane Municipality	27	73.0	191	4.4
Phongsaly	369	94.4	9,241	53.3
Luangnamtha	195	88.6	7,918	70.0
Oudomxay	500	91.6	18,288	60.1
Bokeo	114	64.0	5,082	52.6
Laung Prabang	246	76.4	12,964	72.2
Huaphanh	636	91.1	21,299	65.1
Xayabouly	136	47.4	8,040	30.9
Xiengkhuang	204	47.6	9,228	35.4
Vientiane	129	84.9	4,190	33.7
Borikhamxay	134	88.2	10,885	71.2
Khammuane	310	82.7	7,658	36.8
Savannakhet	523	72.5	21,086	57.5
Saravane	119	65.7	5,483	61.2
Sekong	153	85.5	3,966	82.4
Champasak	160	51.1	5,893	19.7
Attapeu	99	86.1	6,261	69.3
Xaysomboun	72	83.7	2,919	58.0
<b>Total</b>	<b>4,126</b>	<b>76.7</b>	<b>160,592</b>	<b>50.4</b>

Source: National Statistics Centre, 2003

Nationally, 4,126 villages and 160,592 households are classified as poor. Of the 72 districts identified as poor, 76.7% of the villages are poor, and 50.4% of the households are poor. Huaphanh has the highest number of poor villages (636 villages) and poor households (21,299 households). Phongsaly Province has the highest percentage of poor villages (94.4%). In ten out of 18 provinces, the percentage of poor villages is above 80%. In 12 out of 18 provinces, the percentage of poor households is above 50%.

For reasons of national equity, 47 out of the 72 districts have been identified as priority for NGPES. Though the population of these districts represents only 23.5% of the total population, the Government has given priority to these sites because their poverty incidence is the highest.

On the other hand, while the other 70 districts have been identified as non-poor, poverty incidence is, nonetheless, at 18.9%. Based on the data given in Table 6, calculations on the estimated numbers of poor in the 72 poor districts and the 70 non-poor districts resulted in a ratio of about 10:7. Hence, the absolute number of poor in non-poor districts is essentially as high as in the poor districts.

### 2.3 The Excluded: Out-of-School Youth and Gender Issues

It is to be noted that in 2001, more than 1,002,000 students were registered as being enrolled in some kind of formal education. Enrolment rate of school age children (3-5) in preschool is very low (below 10%), and highest (70-85%) within the age range of 6-12. Enrolment drops sharply between the 14-16 age group (from nearly 70% among 13-year-olds to just above 30% among 16-year-olds), and gradually decreases down to 1% for those aged 25 and above.

In comparison with the Annual School Survey in 1995, there is improvement in the rate of late school entrance, i.e. the official entry age for primary education (6 years). The enrolment rate was 73% in 2001, compared to 1995's under 50% for 6-year-olds that rose sharply to 85% among 7-year-olds. Due to late school entrance and frequent repetition, the pupils progress very slowly within the school system. This becomes markedly visible in the 11-13 age group (the official age group for lower secondary education). However, within this age range, a large majority of pupils is still enrolled at the primary school level. Even at age 13, three years beyond the normal Grade 5 school age, there are nearly as many students enrolled in primary schools as in lower secondary schools (31% versus 37%).

At ages 14 and 15, enrolled students are distributed in three different levels of education: primary, lower secondary and upper secondary. Thirty-five percent of children aged 14 years old are found to be enrolled at the lower secondary level. In contrast, only 5% of them are enrolled in the first year of the upper secondary level (reference school age level). Year 3 upper secondary enrolment reaches only 20% among 16-year-olds (official age). Enrolment at the tertiary level is marginal, reaching its maximum of about 4% within the 16-19 year old age group.

Figure 7 (a): Enrolment in Formal Education by Age and by Sex (2001)

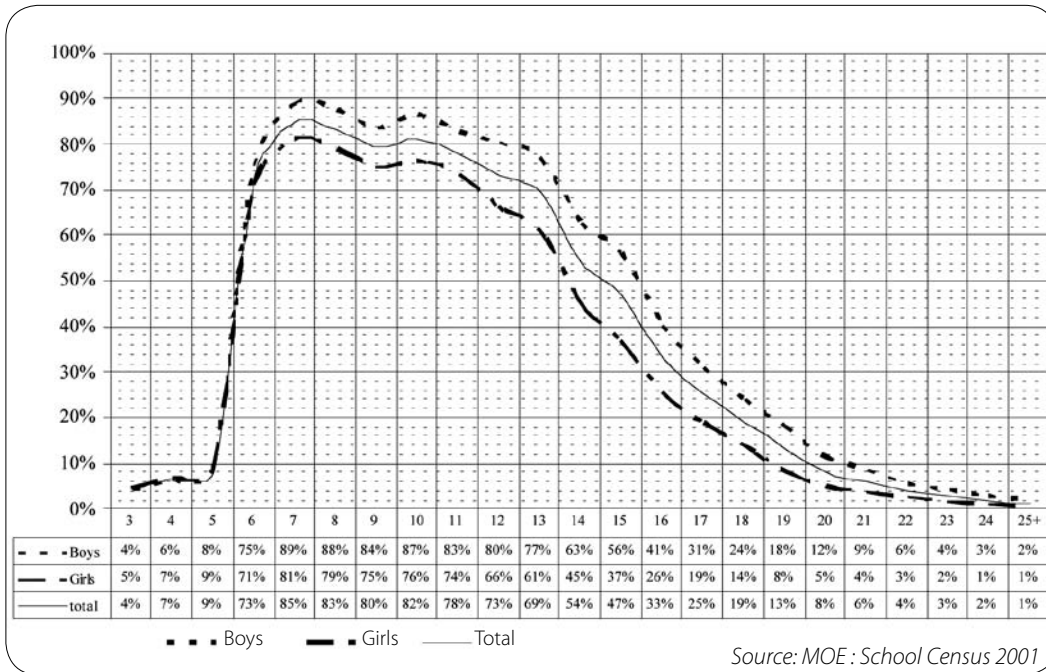
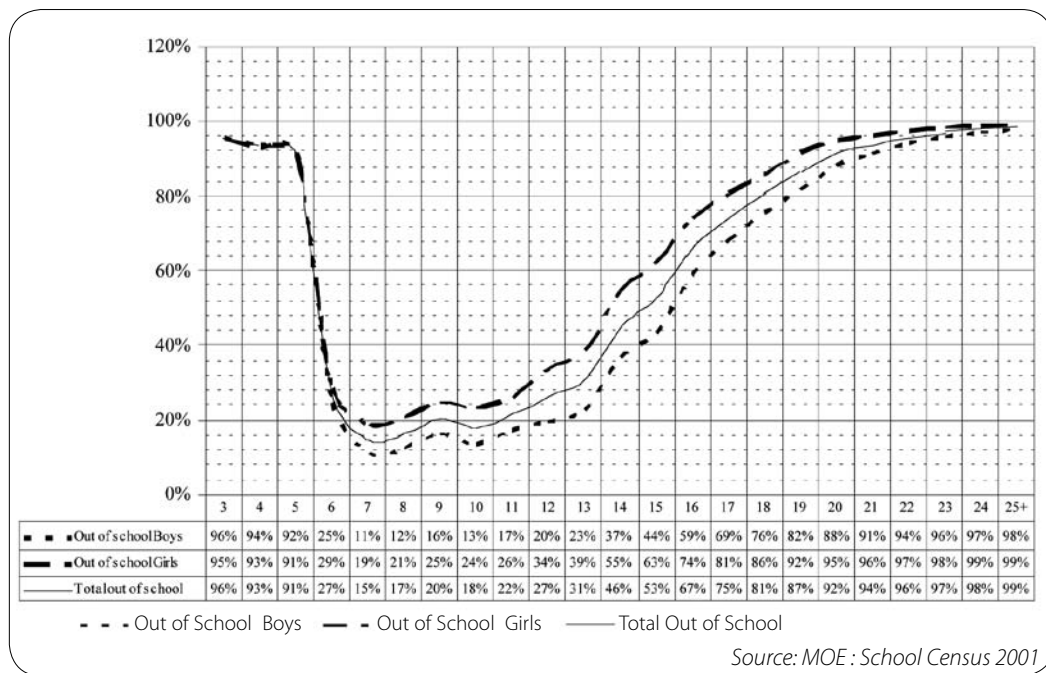


Figure 7 (b): Out-of-School Youth by Age and by Sex (2001)



The enrolment rate is a global measure to determine how many school-age children of a given population are enrolled in school; its balance is the out-of-school rate.

The minimum out-of-school rate -15% - is found at age 7 (normal reference age for Grade 2 of primary level). The out-of-school rate increases as the age increases. More than half (53%) of 15-year-olds (labor force age) are out of school. Sixty-seven percent of 16-year-olds are out of school, and more than 75% of those aged 17 and higher are out of school.

Across all ages, more girls are out of school than boys. At the primary school age (6 to 10 years) the difference in the out-of-school rate for girls and boys varies from 9% to 14%, and at the secondary level it varies from 8% to 18%.

During school years 2001 and 2002, 73,956 pupils left primary school without a diploma (9% of total primary pupils). The leavers departed at the early grade levels, as detailed: 37,845 left before Grade 2 (13% of total primary pupils), 12,524 left before Grade 3 (7% of total primary pupils), 8,340 left before Grade 4 (6% of total primary pupils), 6,412 left before Grade 5 (5% of total primary pupils) and 8,835 pupils left Grade 5 without a diploma (8% of total primary pupils). At the lower secondary level, of the 19,110 students leaving school, only 365 had a diploma. The number of leavers was also high in First Grade (9,310 students, or 11% of the total lower secondary school). At the upper secondary level, of the 11,116 students leaving school, nearly half of them had a diploma (5,664 students).

It's been found that in the poorest districts, the percentage of leavers without a diploma at any level is higher than for other districts. Figures break down as follows: 12% at primary level, 14% at lower secondary level and 7% at upper secondary level compared to 7% at primary level, 8% at lower secondary level and 5% at upper secondary level in non-poor districts.

Though there are improvements in school enrolment since 1995, the most recent enrolment statistics indicate that many children are leaving school at an early age and entering into the labour market. The implications may be that: (i) these children left school at an early age to help supplement their families' income, (ii) the school left the children, meaning that the children left school because they don't have access to further their education, or (iii) they just drop out due to low quality of education and irrelevance of the curriculum in order to find some other activity that is immediately beneficial to themselves and to their families. Thus, there is also a significantly high number of school leavers who have migrated to seek work in urban areas, as well as migrated to seek work in Thailand (see Labour Migration Survey 2003). Of course, most of these children will have very low levels of education without any skills, and will likely be attracted to unskilled labour activities.



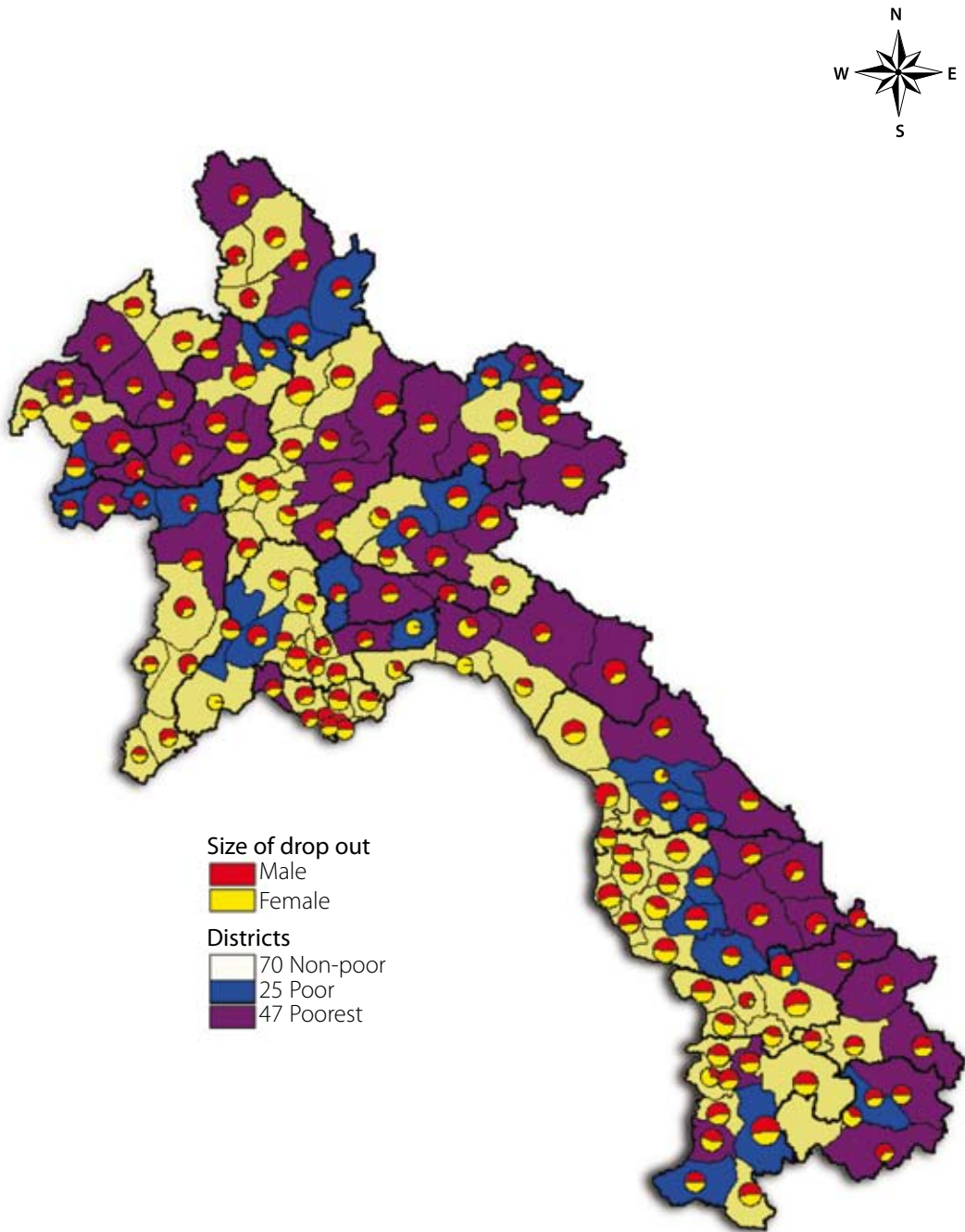
**Table 7: School Leavers During School Year 2001 - 2002**

School Level	Primary						Lower Secondary				Upper Secondary			
	G1	G2	G3	G4	G5	Total	G6	G7	G8	Total	G9	G10	G11	Total
<b>I Poorest Dist</b>														
No of Students	80,127	40,451	28,474	22,679	20,119	191,850	14,109	10,045	8,025	32,179	4,628	3,210	2,637	10,475
Leavers 2001	14,844	4,351	2,308	1,174	4,054	26,731	2,226	861	2,091	5,178	483	18	2,496	2,997
With diploma					3,002	3,002			827	827			2,243	2,243
Without dip	14,844	4,351	2,308	1,174	1,052	23,729	2,226	861	1,264	4,351	483	18	253	754
% Without dip	19	11	8	5	5	12	16	9	16	14	10	1	10	7
<b>II Poor Districts</b>														
No of Students	44,694	24,535	19,766	16,478	14,617	120,090	9,620	7,249	6,001	22,870	4,237	3,044	2,247	9,528
Leavers 2001	7,160	1,953	1,741	1,302	3,220	15,376	861	8	1,020	1,889	495	200	2,292	2,987
With diploma					1,770	1,770			594	594			2,186	2,186
With out dip	7,160	1,953	1,741	1,302	1,450	13,606	861	8	426	1,295	495	200	106	801
% With out dip	16	8	9	8	10	11	9	0	7	6	12	7	5	8
<b>III Non Poor Dist</b>														
No of Students	168,391	115,682	96,139	84,479	76,226	540,917	62,217	51,737	44,468	158,422	33,087	27,105	22,067	82,259
Leavers 2001	15,841	6,220	4,291	3,936	10,434	40,722	6,223	1,828	5,945	13,996	2,515	1,014	21,739	25,268
With diploma					4,101	4,101			816	816			21,357	21,357
Without dip	15,841	6,220	4,291	3,936	6,333	36,621	6,223	1,828	5,129	13,180	2,515	1,014	382	3,911
% Without dip	9	5	5	5	8	7	10	4	12	8	8	4	2	5
<b>IV Lao PDR</b>														
No of Students	293,212	180,668	144,379	123,636	110,962	852,857	85,946	69,031	58,494	213,471	41,952	33,359	26,951	102,262
Leavers 2001	37,845	12,524	8,340	6,412	17,708	82,829	9,310	2,697	9,056	21,063	3,493	1,232	26,527	31,252
With diploma	0	0	0	0	8,873	8,873	0	0	2,237	2,237	0	0	25,786	25,786
Without dip	37,845	12,524	8,340	6,412	8,835	73,956	9,310	2,697	6,819	18,826	3,493	1,232	741	5,466
% With+B11out dip	13	7	6	5	8	9	11	4	12	9	8	4	3	5

Note : There exists some discrepancies in the figures presented. This may partly be explained by the fact that the mobility of students is not always correctedly reported by schools.



Map 8: Magnitude of Primary School Dropout by Sex, Size and Districts



Source: Ministry of Education of Lao PDR

## 2.4 Ethnic Profile: Government Policy, Location, Size and Poverty Indicators

Lao PDR has one of the most advanced ethnic policies in the region, which represents an inclusive approach to citizenship and the legal rights of ethnic groups as stated in the country's Constitution. The First Article in the Constitution proclaims Lao PDR as a democratic state in which "all powers are of the people, by the people and for the interest of the multi-ethnic people of all strata in society, with workers, farmers, and intellectuals as key components."

- ▶ *Article 8:* The State will carry out a policy of unity and equality between the various ethnic groups. All ethnic groups have the right to preserve and improve their own traditions and culture and those of the nation. Discrimination between ethnic groups is forbidden. The State will carry out every means in order to continue to improve and raise the economic and social level of all ethnic groups.
- ▶ *Article 22:* Lao citizens, irrespective of their sex, social status, education, faith and ethnic group are all equal before the law.
- ▶ *Article 75:* The Lao language and script are the official language and script.

Certain ethnic populations face special challenges. Geographical and cultural constraints often limit their access to both education and health services.

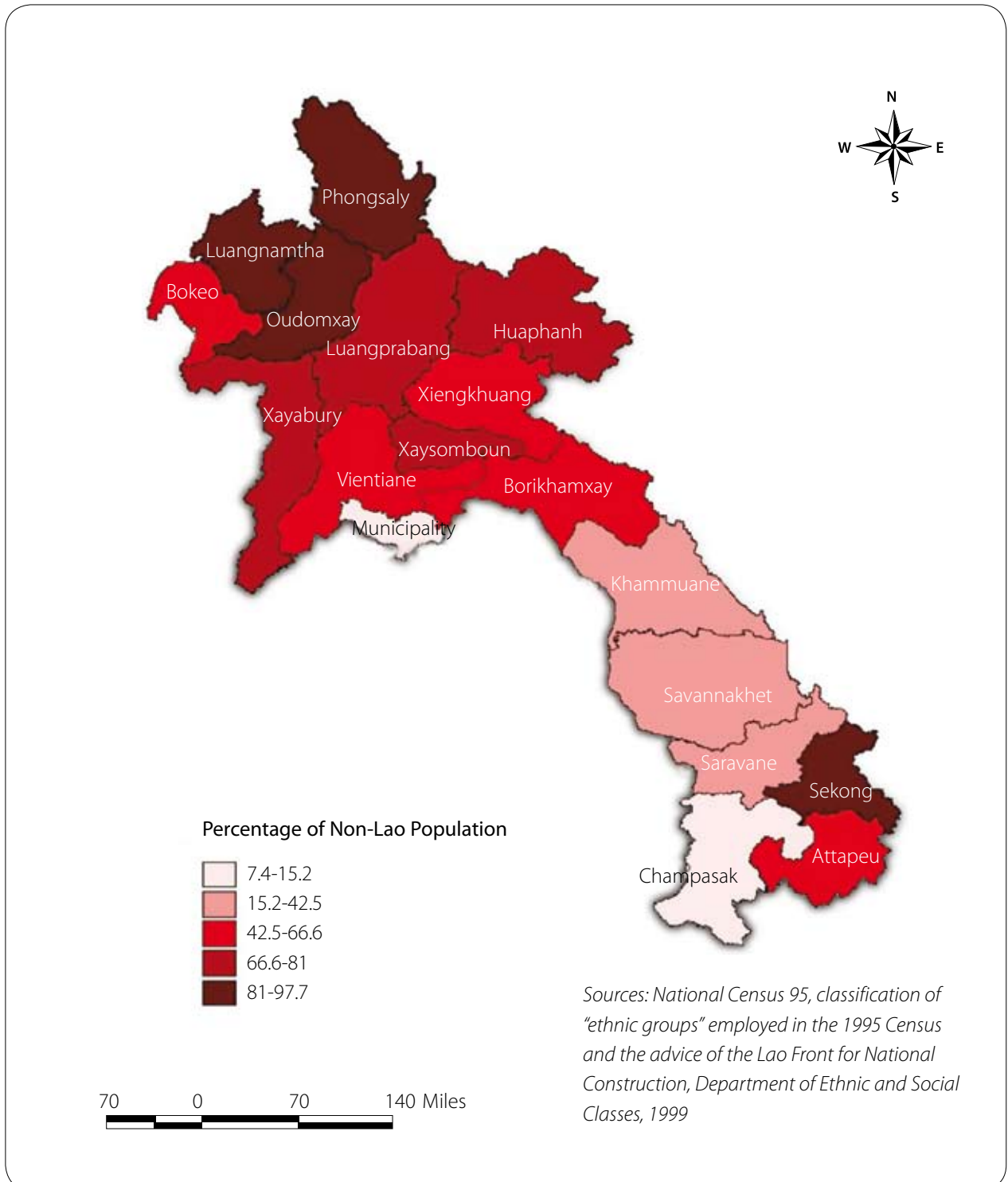
**Table 8: Percentage of Ethnic Groups by Province**

Province	Population	Largest Group	%	Second Group	%	Third Group	%	% Non-Lao
Attapeu	87,229	Lao	36.9%	Lavae	17.4%	Oey	16.4%	63.1%
Bokeo	113,612	Khmu	23.8%	Lue	20.6%	Lao	13.4%	86.6%
Borikhamxay	163,589	Phutai	41.0%	Lao	40.2%	Hmong	9.2%	59.8%
Champasak	501,387	Lao	84.8%	Laven	4.9%	Xuay	2.4%	15.2%
Huaphanh	244,651	Phutai	31.5%	Lao	30.0%	Hmong	20.3%	70.0%
Khammuane	272,463	Lao	59.4%	Phutai	21.7%	Makong	13.4%	40.6%
Luangnamtha	114,741	Khmu	24.7%	Kor	23.9%	Leu	15.8%	97.7%
Luangprabang	364,840	Khmu	45.9%	Lao	28.6%	Hmong	15.2%	71.4%
Oudomxay	210,207	Khmu	57.7%	Hmong	13.1%	Leu	12.2%	90.9%
Phongsaly	152,848	Khmu	24.4%	Kor	20.0%	Phounoy	19.4%	95.7%
Saravane	256,231	Lao	60.0%	Katang	13.3%	Xuay	8.1%	40.0%
Savannakhet	671,758	Lao	57.5%	Phutai	18.9%	Katang	8.7%	42.5%
Xayaboury	291,764	Lue	26.9%	Khmu	20.0%	Lao	19.0%	81.0%
Sekong	64,170	Katu	24.3%	Talieng	21.8%	Alack	15.5%	91.4%
Vientiane Mun	524,107	Lao	92.6%	Phutai	3.1%	Hmong	1.4%	7.4%
Vientiane Prov.	286,564	Lao	64.8%	Phutai	14.0%	Khmu	12.5%	59.8%
Xaysomboun SR	54,068	Hmong	53.7%	Lao	19.4%	Khmu	16.7%	80.6%
Xiengkhuang	200,619	Lao	44.3%	Hmong	34.2%	Phutai	10.2%	55.7%
<b>Total</b>								<b>4,574,848</b>

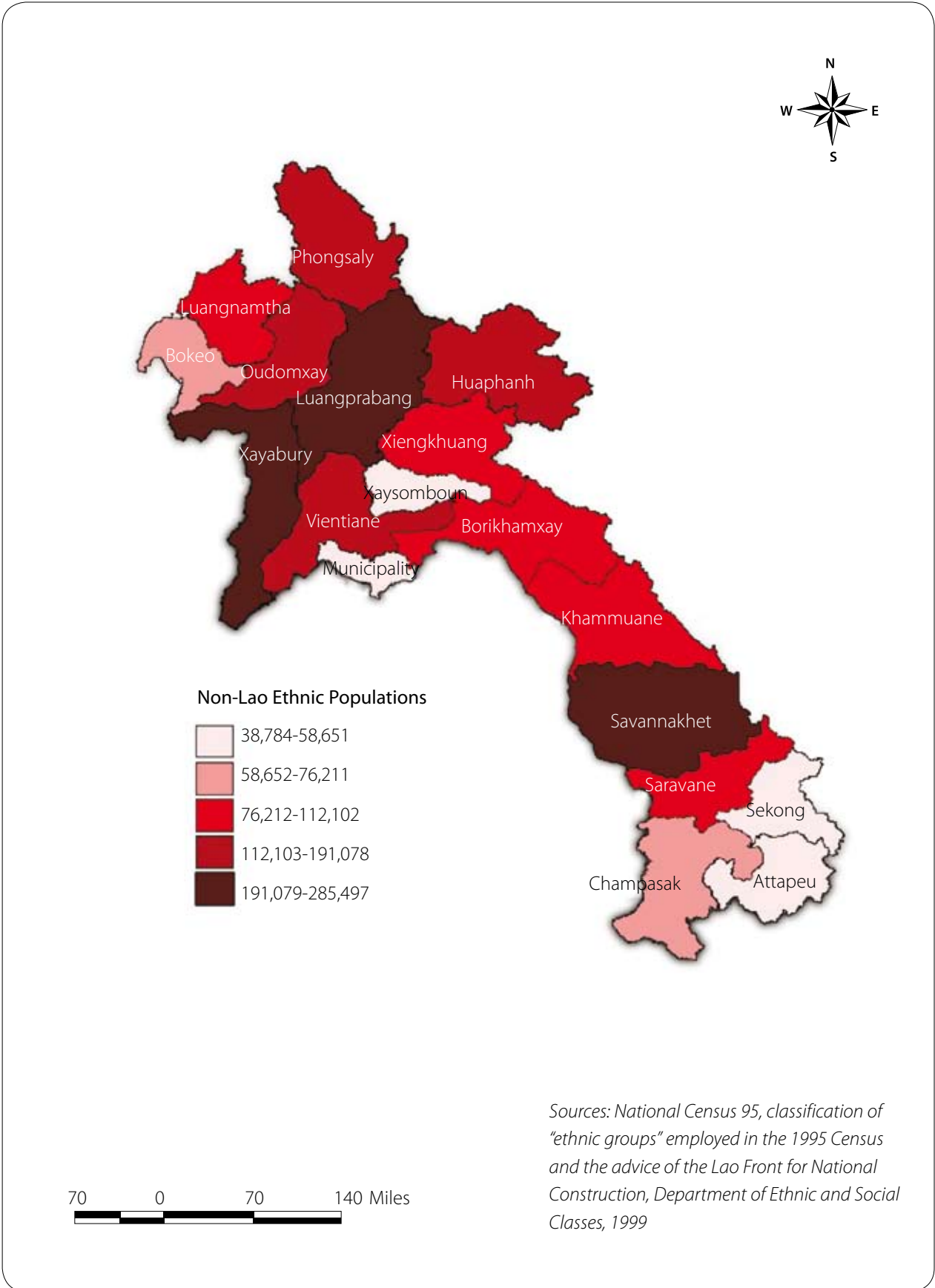
Source: Lao Front for National Construction, Department of Ethnic Affairs, 1999

Provinces with the highest percentage of non-Lao (non-Tai Kadai) ethnic groups include Phongsaly, Luangnamtha, Oudomxay and Sekong. The ethnic Lao population is the largest group in only eight of the 18 provinces i.e. Attapeu, Champasak, Khammuane, Saravane, Savannakhet, Vientiane Municipality, Vientiane Province and Xiengkhuang. Of the other ten provinces, the largest groups include Khmu, Phutai, Lue, Katu and Hmong. Hmong are most concentrated in Xaysomboun Province. The majority of ethnic groups in the Austroasiatic linguistic groups are concentrated in Sekong Province, but the population size is small.

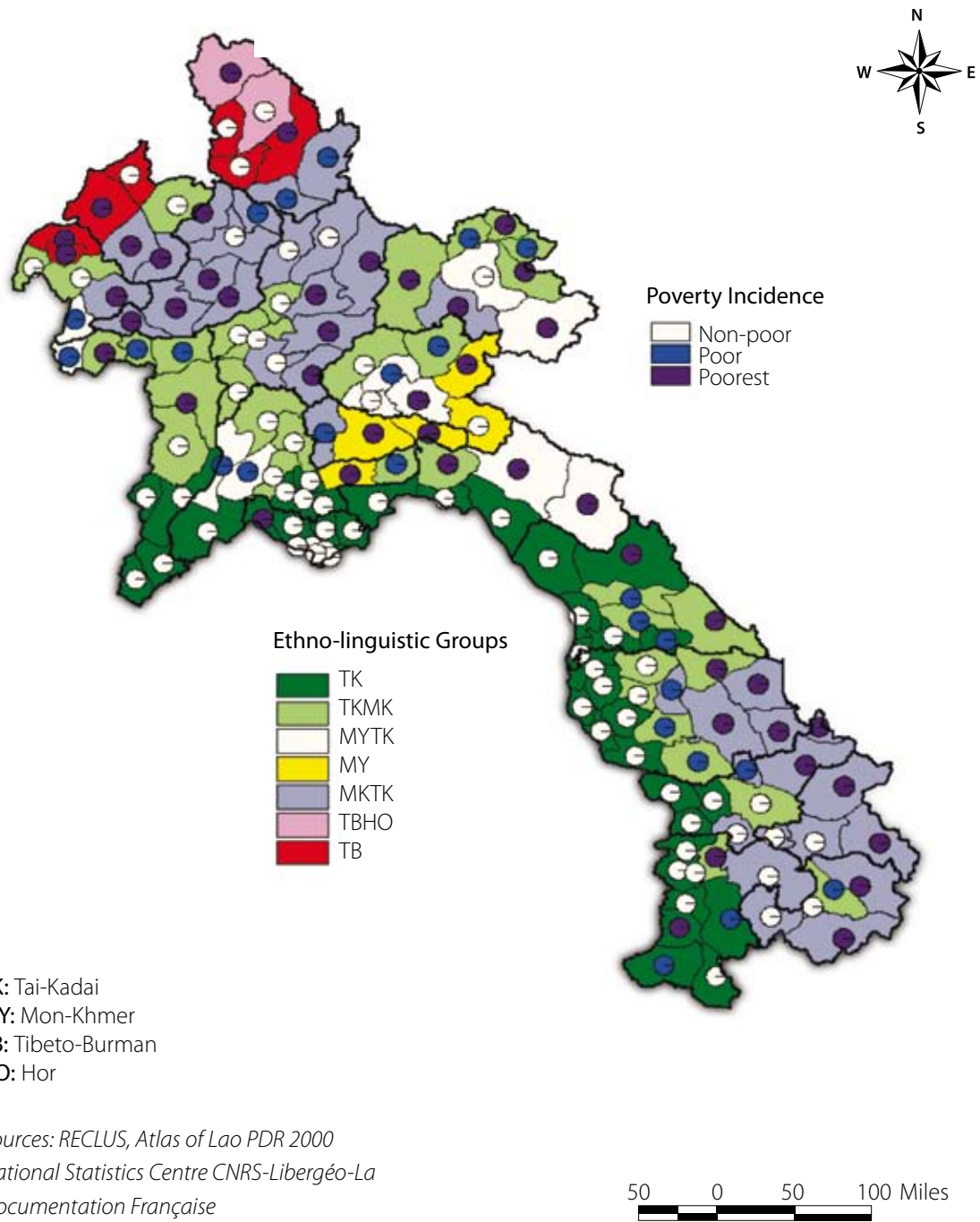
**Map 9: Percentage of Non-Lao Ethnic Populations**



Map 10: Size of Non-Lao Ethnic Populations



**Map 11: Ethno-linguistic Groups and Poverty Incidence by Districts**



Those districts where the non-Lao ethnic groups are in the majority tend to be among the poorest. Four out of 7 districts where the Tibeto-Burmans are the majority are classified as 'poorest districts'; 1 out of 2 Tibeto-Burman/Hor dominant districts; 22 out of 37 Mon-Khmer/Tai-Kadai dominant districts; 9 out of 36 Tai-Kadai/Mon-Khmer; and 3 out of 44 Tai-Kadai dominant districts.







Chapter

3

# Labour and Employment of Disadvantaged Groups



### 3.1 Economic Activity and Employment

The Lao Expenditure and Consumption Survey 1997/98 (LECS 2) indicated that 70% of the total population, about 3.6 million people, were aged 10 years and above. Out of these, 68% were economically active and the other 31% were economically not active (1% unknown). Since 1992/93 (LECS 1), the economically active population (aged 15 and above) has increased by 3.7% per year. The farming population has increased by 15% since 1992/93.

Eighty percent of all employed are self-employed. Agriculture accounts for 55%, and household business occupies 25%. Of the remaining 20%, the Government employs 12%, and the private sector, 7%. Self-employment is largest in Huaphanh (98%), Xaysomboun (96%), and Bokeo (96%), and lowest in Vientiane Municipality (59%).

Subsistence farming is the main occupation in all provinces except Vientiane Municipality (21%), Vientiane Province (46%) and Luangprabang (49%). It is highest in Luangnamtha (74%), Sekong (71%), Huaphanh and Oudomxay (69%). Of all households, about 95% have some agricultural production. Almost 600,000 households produce rice, and almost half of them produce enough rice for their own consumption.

### 3.2 Lao PDR Labour Market: Main Features and Information Gaps

The lack of detailed data on employment, under-employment, and unemployment indicates a need for a Status of Labour report for Lao PDR. The LECS 3 survey data<sup>23</sup> is an important input to a Status of Labour report; however a more detailed analysis of employment, wages, and occupations is needed to assess current issues and trends, general directions and trends, and the need for further information.

Lao PDR's urban centres are experiencing an increasingly larger scale impact of migration as labourers move from rural areas to cities looking for work during slack periods before harvests, and young people seek work away from agriculture. Young people are also looking for permanent employment in neighbouring countries, in particular Thailand. Lack of training/qualifications and a lack of information are the main difficulties job seekers face in urban areas.

The Lao economy's transition from subsistence agriculture to a technology- and service-based economy requires a workforce that is at least literate and numerate, particularly with demands for specialization in technical and professional skills increasing.

#### 3.2.1 Industrialisation and Modernisation

The country's strategy for industrialization and modernization gives priority to the development of the energy sector, agro-forestry, manufacturing, tourism, mining and construction material. However, in order to achieve the gains expected, there will need to be investments in education, skills development, science and technology, communication and trade, and commerce. These components are fundamental in order to expand production and increase productivity.

The Government's industrial development plan focuses on the promotion of industry and service sectors that favour employment and income generation:

- 1) Labour intensive industries
- 2) Natural resource-based industries
- 3) Small and medium scale enterprises
- 4) Agro-industries

- 5) Technology transfer and upgrading of the quality of industrial products
- 6) Establishment of industrial zones
- 7) Development of import-substituting production of selected consumer goods

The development of labour-intensive manufacturing, particularly the textile and garment sub-sectors, and the promotion of natural resource-based industry using locally available raw material is expected to enhance employment creation and income generation for the poor. The processing of natural resources, including non-metallic mineral resources such as gypsum, marble, phosphorus, potassium, timber, and cement, offers many opportunities. While the development of larger scale industrial establishments have the potential to absorb labour, to hire more people, and to create stable jobs for the poor, the Government has also realised the need to support the development of small- and medium-scale enterprises, as well as village crafts, with a view to creating more employment and raising producer incomes. These enterprises will also be encouraged to develop export-oriented activities and the production of selected consumer goods in order to reduce imports. The policy support includes reducing the cost of land rental, reducing income tax for enterprises proportionate to the number of workers to be recruited, and supporting the enterprises in training workers.

The process of industrialization needs to be planned and monitored in order to avoid an increased rural-urban flow of migrants, mainly those of working age and children looking for jobs, which could increase the number of urban poor if they are unable to find jobs. Many migrants meet obstacles to secure registration of permanent residence or registration of long-term temporary residence and, therefore, encounter problems in getting a stable job with a regular income.

In order to limit rural-urban migration, and to remedy the unemployment and underemployment problems in rural areas, the Government is encouraging industries to move to rural areas and to set up rural industry centres. The incentives include land provision; support for inputs, investment, credit, tax and fees; market information; and training in science, technology and environment issues.

The Prime Minister's "Decree on Support for Development of Small and Medium-sized Enterprises (SME)" was promulgated in April 2004. The aim of the Decree is to "encourage and create enabling conditions for the growth of SMEs through expansion of existing enterprises and increases in the number of new enterprises so that domestic production of goods and services is increased, new employment opportunities are created, living standards of people in various levels of society are improved and foundations for gradual industrialization and modernization are laid." Anticipating that Lao SMEs will be facing increased competition in the domestic and international markets through the integration of the economy into regional and international markets, the Government has indicated that it will support the development of entrepreneurs' skills and the skills of the SME workforce. This support will focus on improving the productivity of business operations, introducing quality standards and expanding use of technology.

Recent policy papers refer to the improvement of SME support policies through the participation of the Lao National Chamber of Commerce and Industry (LNCCI), the local Chambers of Commerce and Industry, and the business groups under the LNCCI. The LNCCI currently represents some 107 employers covering about 80,000 employees. These policies include incorporating entrepreneurship training into vocational, technical and "ethnic" school curricula, as well as at the National University of Lao PDR, in order to encourage large segments of the society - especially the young, women and disadvantaged ethnic people - to realize their full potential as entrepreneurs. The plan envisages establishing an appropriate institutional advisory framework to assist in designing and implementing SME development projects, in helping to create new SMEs, and in improving the competitiveness of existing SMEs.

### 3.2.2 Tourism

An ecologically sound tourism industry is expected to create employment through its labour intensive structure and small- or medium-scale enterprise characteristics. Human resources development in tourism has been identified as a major requirement, as it has been **estimated** that by 2015, the tourism industry in the Lao PDR **could employ over 100,000 people** in activities directly linked to the tourism industry. A similar number could also be employed in indirect activities (not including the handicraft sectors and others). The training needs identified in this sector, thus, include language training (Japanese and Chinese, in particular, as the number of tourists coming from these two countries is rapidly growing; however, also English and French), as well as training in all matters related to tourism development (hotel and guesthouse management, tour guiding, housekeeping services, site management). Authorities plan to decentralize some training activities at the provinces that currently experience increasing inflows of tourists (Champasak, Oudomxay, Luang Prabang). Though there is no shortage of unskilled labour, there is an acute shortage of trained workers as the development of human resources in the tourism industry faces unique challenges because of customer preferences, travel patterns, information technology and conditions at destinations which are changing rapidly. The Government envisages the establishment of a National Committee for Tourism Education and Training, whose tasks would include: monitoring of labour market conditions and trends; reviewing existing education and training to evaluate relevance; liaising with the National University and vocational schools to develop appropriate training and education programmes; and setting guidelines for career development of vocational educators and trainers involved in tourism.

### 3.2.3 Transport and Infrastructure

The NGPES identifies the need for extensions and improvements to rural and national infrastructure, particularly maintenance of the road infrastructure, to increase production efficiency and access to social services for the poor. Human and institutional capacity-building is required in order to provide an environment suitable for a sustainable domestic industry. The plan recommends assisting with industry training programmes in conjunction with industry representative organizations. Communities are expected to participate in the maintenance of access/feeder roads in their local areas through a labour-based, equipment-supported approach, where local people supply labour and Government assists with equipment (construction of road to all-weather standards generally requires the use of mechanical - rather than labour-based - methods). Local communities are to be paid in cash for their labour since the local community labour could otherwise be productively employed on agricultural or other subsistence earning activities. The experience in Lao PDR has been that the provision of unpaid labour to give a sense of ownership for the road is not sustainable.

With the country's relatively small and low density rural population, there is limited scope to participate in road sector activities. Neither do "food for work" programmes and solely labour-based techniques produce viable roads for the Lao environment. Cash payments made to the local people for their labour provide them with alternative earning potential, including employment and skills development in road maintenance and construction, as well as access to markets and social services.

Poor people do not always benefit from the infrastructure provided. In particular, women are not employed in significant positions, and the disabled are commonly excluded from any form of work. The NGPES should, thus, encourage the employment of its people to the greatest extent practical and reasonable, give preference to employing those local people affected by the infrastructure works, and ensure skills development is included in construction projects. Builders are furthermore required to demonstrate that they do not practice discrimination against women in the employment of local personnel.

### 3.2.4 Agriculture and Forestry

The human resources programme of the Ministry of Agriculture and Forestry (MAF) focuses on training to create a cadre of qualified technicians and specialists to provide technical assistance to farmers. MAF's strategy is to have district farming system generalists at the grassroots level who

provide adaptive, research-based extension services and on-the-job training to farmers. The objective is to strengthen both the provincial agriculture and forestry service, as well as the district agriculture and forestry officers. Their activities will focus on providing extension services and technical advice (the transfer of proven technologies) to farmers. MAF also envisages recruitment and training of new staff to strengthen current capacity of the district agriculture and forestry officers (DAFO). The long-term development objective of MAF's human resource development programme is to provide the Ministry and line agencies with qualified administrative and technical personnel that are able to provide professional, service-oriented support/advice to farming communities.

The establishment of a provincial level Extension Training Unit is planned to co-ordinate extension and training programmes in each province, including providing training in response to the needs of district offices. In addition, in-service training will be provided for DAFO staff and farmers on agriculture and forestry through farmer vocational training schools. These vocational training schools may be able to draw training personnel from existing technical schools, the Irrigation Technicians Schools, the National University, and from other vocational training and research institutes.

The NGPES action plans state that: (a) at least 50% of farmers receiving extension and other training will be women; (b) sex-disaggregated indicators will be used to monitor projects; (c) at least 30% of provincial and district staff, including extension workers, will be women, and affirmative steps will be taken to increase the placement of staff from disadvantaged ethnic groups in provinces and districts where they are located; (d) model women farmers will be identified as gender focal points in villages to co-ordinate with extension workers and promote; (e) women will be particularly targeted in the development of rural savings and credit schemes, support for community-based agro-processing and marketing, support for sustainable harvesting of NTFPs and support for market gardens in peri-urban areas; (f) vocational and technical school programmes will be accessible to women from disadvantaged ethnic groups and respond to market needs; and (g) successful approaches to non-formal education, including those developed by non-governmental organizations, will be scaled up.

Other skills development approaches that are yet to be used include distance learning "bridging" courses that allow students with insufficient years of basic education to undertake skills development or enter vocational and technical schools, and the inclusion of functional literacy and numeracy training in agricultural extension and small business support programmes.

### 3.3 Findings from the Labour Migration Survey (2003): Focus on Three Provinces

Young people are the most likely to migrate in order to escape a life of subsistence farming and take advantage of opportunities for a better livelihood elsewhere. Of course, this leaves some families and communities without their strongest and most productive labour force. Many migrants never return. Semi-skilled and skilled labourers also seek employment in neighbouring countries - particularly Thailand - in order to increase their income levels and support their rural families. Labour migration has become a risk mitigation strategy for many disadvantaged youth. Yet, migration also puts young and uneducated migrants at risk. On November 2002, the Lao Government entered into the "Memorandum of Understanding on Labour Migration" with the Royal Thai Government. It is a first step towards better protection of unskilled labour.

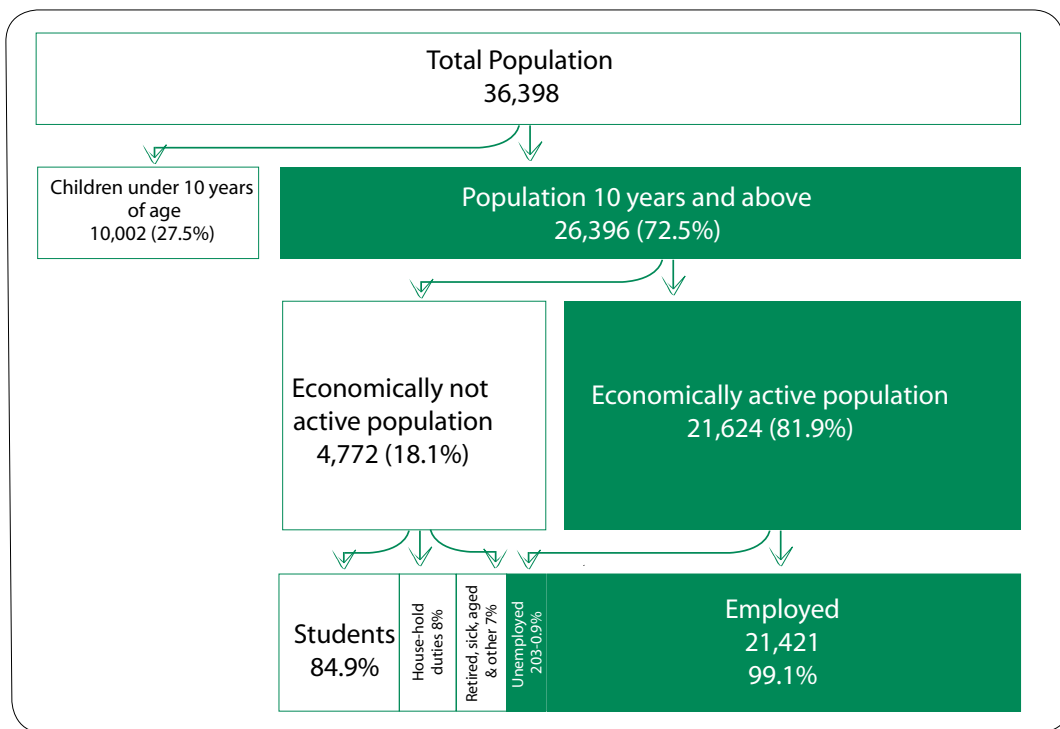
In 2003 under the Decree No. 428/LSW of the Minister of Labour and Social Welfare, the MoLSW, National Statistics Centre and the provincial and district authorities of Khammuane, Savannakhet and Champasak conducted provincial-wide labour migration surveys in their respective provinces with the technical and financial support of ILO-IPEC/TICW Lao PDR. It is the first of its kind, a ground breaking survey with a sample size of nearly 40,000 people. More than 20,000 people were interviewed in 6,000 households.

### 3.3.1 Profile of the Sample Population

Based on the results of the Labor Migration Survey, those aged 10 years and above account for 26,396 people, covering 72.5% of the entire sample population. Of these, 21,624 (81.9%) were economically active, and 4,772 (18.1%) were economically inactive.

Within the total number of those economically active, only 203 people (0.9%) were unemployed and 21,421 (99.1%) were employed; only 273 people (1%) were government officials and 27 people (0.1%) were state enterprise personnel; 52 people (0.2%) were state-private joint venture personnel; 1,529 (5.8%) were private workers; 48 people (0.2%) were employers; 12,694 people (48.1%) were self-employed; 5,980 people (22.7%) were unpaid household workers; 203 people (0.8%) were unemployed; 4,052 (15.4%) students; 385 housewives (1.5%); 337 retired/sick/old (1.3%); other activities 810 people (3.1%) .

**Figure 8: Distribution of the Sample Population by Main Activity**



Based on an economic structural division, the economically active population broke down as follows: 17,934 people were agricultural workers covering 85.5%; 2,731 people worked in the service sector covering 13.5%, while 123 people were manufacturing workers covering only 0.5%. The figures highlight the large proportion of labour that is absorbed by the agriculture sector, which is mostly self-employed and unpaid.

**Figure 9: Level of Education of the Sample Labour Force**

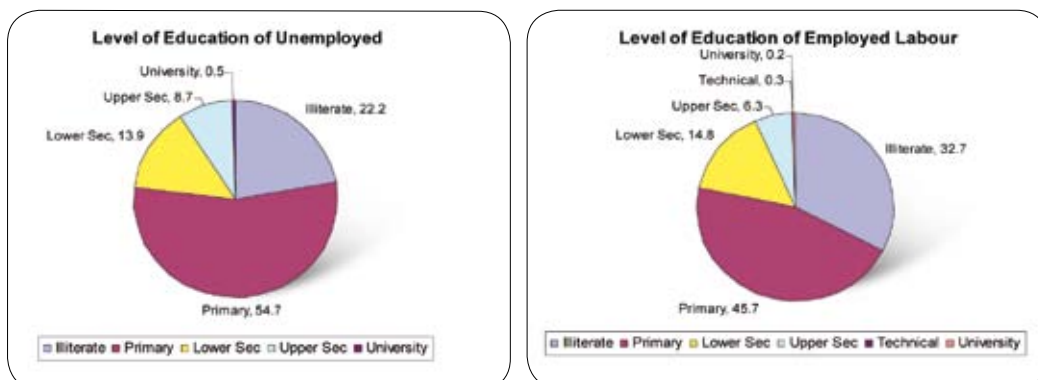


Figure 9 indicates that the majority of the employed labour force has only completed primary education (45.7%). The illiterate labour force comprises 32.7%. Illiterate and primary education level labour comprises 78.4% of the labour force. Only 0.5% has completed technical school and university with some professional skills, but another 21.1% have completed lower and upper secondary schools.

Overall, the employed labour force is unskilled labour with low levels of education. Illiteracy rates among the population are still very high. Very few have technical and professional skills. Most of the skills training has been transferred through traditional methods.

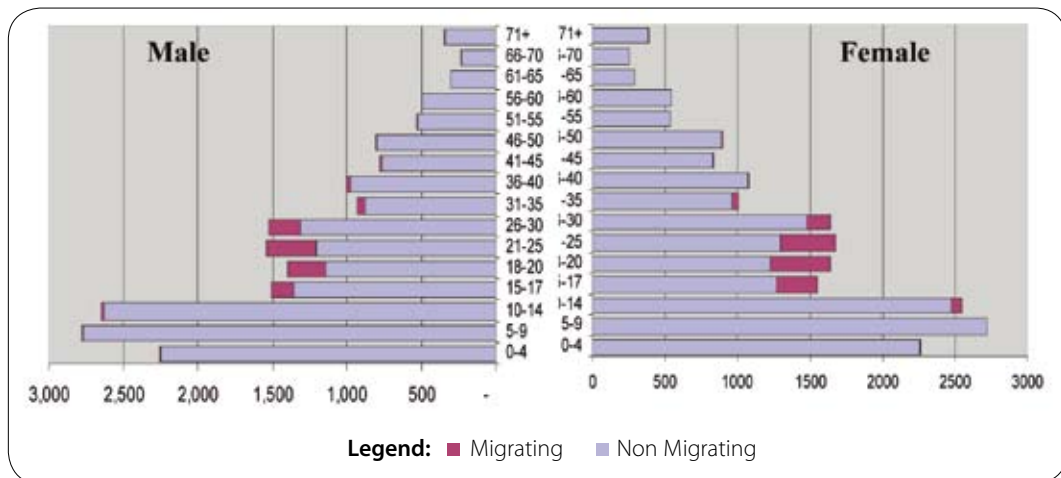
On the other hand, within the unemployed labour force<sup>24</sup>, 23% have completed lower secondary schools and above. This unemployed labour, particularly among the youth, is likely to be influenced by peers that migrate to Thailand, particularly if faced with long-term unemployment.

Sample households were grouped into five Social Economic Status (SES) levels: lowest 20%, lower-middle 20%, middle 20%, upper-middle 20% and highest 20%. According to the SES levels, Champasak ranked the highest followed by Savannakhet and Khammuane. The lowest 20% were mostly concentrated in rural remote areas (32%), less in rural (19.3%) and least in urban areas (3.4%).

### 3.3.2 Migration Patterns

The migrating population comprised 6.9% of the total sample population, of which 55.9% are female and 44.1% are male. Among the migrating population, 21.5% are children under 18 years old.

Figure 10: Sample Population by Migrating Status, by Sex, by Age



More specific findings according to the destination are as follows:

#### Migration to Thailand

- 80.8% of the total migrating population went abroad. Females migrating abroad comprised 7.6%, while males accounted for 6.2%. Thus, more females migrate abroad than males.
- 81.5% of the migrant population abroad is currently in Thailand. 73.7% of the migrant population went abroad during the last three years (2000-2003).

24 The unemployment rate (0.9%) gives the same picture as the LECS 2.

## Remittances

- Overall, 54.4% of Migrating Workers to Thailand (MWT) sent remittances to their families, but the other 45.6% did not.
- Among the Social Economic Status groups, 70.1% of the highest quintile sent remittances, while only 25.5% of the lowest quintile did.
- Among children, only 29% of 10-14 age group, and 46.8% of 15-17 age group sent remittances.
- Migrants sending in the highest percentage (78.6%) are those in the 46-50 age group.
- Migrants originating from rural areas without roads account for the smallest numbers (46.1%), while the most migrants come from urban areas (58.7%).
- Migrant workers of the Tai Kadai group sent more remittance than those from the Austroasiatic group (55.4% versus 42.6%)

**Figure 11: Level of Education of Migrant Workers in Thailand by Sex**



## Risks

The following three criteria were used to determine who were at risk : (i) no remittance sent to families (ii) families cannot contact (iii) no information on livelihood sent.

- Overall, high risk groups comprise 1.4% of total MWT (0.6%: M / 0.8%: F).
- Girls of 10-14 years of age are most at risk (3.2% of the age group), as well as those in the 15-17 year old age group (2.5% of the age group).
- High risk groups of female MWT comprise 8.8% of total MWT.
- Male MWT of 15 years old and above are at high risk, particularly those 21 years old and above (0.6% of total MWT)

## Internal Migration

- Only 1.2% of the total population sample are internal migrants (40.9%:F / 59.1%:M).
- Females comprise 1.1% of internal migrants, while males make up 1.6%.
- Internal migration is much less than migration abroad. More males migrate internally than females (opposite phenomenon to migration abroad).
- Children account for 22.1% of the total internal migrating population.
- Those internal migrants who go to the capital account for 42.5%.



## Remittances and Risks

- Overall, 51.4% of internal migrants sent remittance to their families, but the other 48.6% did not.
- More girls of 10-17 years sent remittance than boys 10-17 years.
- Among male internal migrants, those between 18-30 years old are at high risk (average 1.4%).
- No particular high risk is found among female internal migrants, but there is a risk to those aged 15-20 years old when their household heads have no contact (0.5%), or for those who never send remittance and information to their heads of household (1%).

## Implications

The survey indicates that there has been a dramatic acceleration in migration since the opening up of the country in 1989, and particularly during the last three years (2000-2003). More than one in five migrants are under 18 and contact has been lost with more than 50% of those children and youth. Migrating girls aged 10-14 are at greatest risk.

A number of factors encourage the migration of disadvantaged children and young people: opening of borders; impact of globalization and market demand; widening economic differentials within and between countries; and growing transnational organized crime and illegal labour recruitment networks. Natural disaster, poverty, unbalanced population growth and strains on education<sup>25</sup> and employment opportunities have also contributed to the dramatic acceleration in migration among the young.

There are some correlations among school drop outs and migration in some areas. The phenomenon may be that children and young people perceive the education they receive as not relevant to their life, and consequently drop out of school to migrate. So, too, are there instances of children bored with village life – especially when they do not attend school - and spurred by examples of other child workers in their family or village, who are willing and glad to migrate. They feel important when given the responsibility of bringing in money, and attracted by the excitement they see related to work activities. In most cases, these disadvantaged children and young people voluntarily migrate from their villages to seek work in town, in the capital city, or across borders.

In all likelihood, a combination of both phenomena are at play. This has strong implications in revising the education system and its context. Yet, revisions must not solely be concentrated on education; while the Government may heavily invest in providing education to children and youth, once having achieved some level of education, societal and economic conditions often motivate illegal migration abroad. In turn, as labour migrates abroad, so does its potential contribution to the country's economic development.

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25 Access, quality and relevance of the education system





Chapter

4

**Skills for  
Disadvantaged Groups:  
Present Status and Policies**

## 4.1 The Policy Framework

The Government of Lao PDR is taking a development approach that guarantees the rights of all of its people; promotes national unity; safeguards the country's social, cultural, economic and political identity; and ensures a progressive transition from an isolated, subsistence-based rural economy to a production and service economy. Participatory people-centred development is central to the Government's efforts. Emphasis is on achieving basic food security, preserving natural resources and decentralizing development responsibilities to "enable the multi-ethnic population to have access to markets, education and health." The Government's top priorities are to "improve the social conditions and creation of incomes in rural areas, and to integrate rural areas into the national market economy." Rural development is considered key to the eradication of mass poverty and to sustainable improvements in social well-being.

### 4.1.1 The TVET Policy

The Strategy Paper on Development of the Vocational Education System in 1997 underlines basic principles on the roles and functions of Vocational Education as follows:

- TVET should meet socio-economic needs in terms of skill requirements for the labour market.
- Education and training is for all, meaning access and integration of girls, women, rural people, vulnerable groups, disabled persons, and disadvantaged ethnic groups should be emphasized.
- Various types of training should be integrated.
- Learning should be a lifelong process, combining vocational education with general education and skills training.
- Training should be oriented towards future occupations.
- Progress should promote the pathways of education level and recognition of prior learning.
- Partnerships should be established between all training providers from both public and private sectors.
- Responsibilities and costs should be shared.

The policy of TVET is to provide TVET for all, which promotes the integrated system of formal and non-formal training for different target groups and different sectors of urban and rural economies.

The vision of Vocational Education is to meet the economic and social needs of the country, along with the development needs of the individual.

The objectives of the Vocational Education System are to create opportunities for young people and adults to acquire competencies and to raise performance standards on different levels. Thus, the concept of vocational education aims at imparting specialized skills and knowledge, and instilling social and political skills and behavior patterns essential for successful economic activities by people engaged in industrial employment, small business or subsistence work. In most cases, these comply with the daily environment, the general education standards, and the individual capacity of people from rural and urban areas.

Despite gains and government efforts in re-orienting the TVET policy to complement with national socio-economic development plans during each stage, the quality and impact of TVET programmes still does not meet target group demands, and continues to face many challenges. Some of these challenges include: strains in the education system, irrelevant TVET curricula, society's perception of TVET, limited approaches that lack innovation, limited training networks, unaffordable costs for students and trainees, lack of qualified trainers, inadequate training materials, and insufficient budget.<sup>26</sup>

<sup>26</sup> Results from the Workshop on TVET Problem Analysis, Thalath, Vientiane, 8-10 November 2003.

Under the Prime Minister's Decree 35/PMO (4 April 2002), the National Training Council (NTC) was established in 2002 in order to build functional links between the parties concerned with vocational education: the Government, private sector businesses, vocational and technical schools, and donors. The Council functions under the auspices of the Ministry of Education. It is a forum in which government institutions, employers, mass organizations, and other training providers are to reach consensus on points detailed in the national vocational strategy. To support its function, four Trade Working Groups (handicrafts, hotel/restaurants, garments, and furniture) were established. It is hoped that the Groups will establish a close relationship with relevant industry in order to develop training standards and curriculum in response to their needs. In order to establish partnership between enterprises and providers, the implementation of dual training is currently being considered.

The National Training Council is an apex body to coordinate all vocational education activities. It has the main task of proposing directions for further policy development, design strategies for teacher's training, providing a framework for curriculum development, developing a national certification procedure, and developing guidelines for the periodic reform of the vocational education system. Within this framework, the establishment of Trade Working Groups will be a starting point to facilitate the establishment of national standards and to further cooperation towards developing regional competency standards. The Trade Working Groups are composed of representatives from different public and private sector training providers. In order to help build a highly qualified workforce, they shall consult with the National Training Council regarding training standards; regulations for examinations and issuance of certificates; development of curricula; and evaluation of vocational training. Their task will be to seek new approaches to vocational education that are more relevant to local and regional market needs.

In accordance, from December 2003 to January 2004, the Department of Higher, Technical and Vocational Education established a Mobile Training Team (MTT) to upgrade vocational teachers throughout the country who currently teach in the Vocational Education Development Centre. The long-term objective is to have at least one MTT in each region conduct an outreach training programme focused at village target groups.

The MTT strategy is to integrate formal and non-formal vocational training, and improve outreach services to disadvantaged groups. The competency that the trainees gain through the mobile training will also be formally validated, which allows them to be enrolled in further education and training.

#### **4.1.2 The NGPES: Training Interventions for the Poor**

Each sector of NGPES as indicated in 1.6 encompasses training intervention components and potential labour market.

The supporting sectors (potential growth sectors) include emerging industrial development through energy and rural electrification, agro-forestry, tourism, mining and construction materials industries. Trade facilitation and market linkages pervade most sectors, and have an important impact on poverty eradication.

The Government's poverty-focused agricultural development includes training interventions through the following measures:

- Training district-level extension agents/farmers on improved cultivation techniques
- Strengthening the animal health control system through distribution of vaccines, and training farmers in their use
- Training of Ministry of Agriculture and Forestry staff at all levels in the principles of market-based agricultural systems
- Strengthening communities' capacity to participate in development planning and to take responsibility for natural resources management
- Extending and improving the informal education system as an investment in upgrading the skills of farmers and their ability to participate effectively in community interests

- Introducing farmer vocational training and on-the-job training, particularly in the poorest districts
- Establishing extension and training for farmers in upland and lowland areas
- Supporting women's groups to participate in the review of training and extension services
- Training in organization and management of village savings and credit groups
- Training provincial and district agricultural personnel in planning, monitoring and evaluation, project management and implementation.

Training interventions for the transport sector doesn't appear clearly in the NGPES. Priorities emphasized were, rather, on investment and services. Institutional capacity-building is, however, one of the goals outlined in the NGPES.

Education is a major determinant in meeting the goals of national growth and poverty eradication. The people of Lao PDR must be literate and possess knowledge about modern agricultural methods and other skills in the emerging sectors to be able to meet international standards. A special effort will be made to further realize the social and cultural requirements of all ethnic groups so that the education system promotes equality. An improved education system will ensure girls and boys have equal chances to succeed. The following Chapter 5 gives much attention to improving the quality and relevance of education, along with increasing access. The role of education to meet an increasing labour market demand for specialization in commercial, technical, and professional skills is also underscored.

## 4.2 Current Pattern of Provision

### 4.2.1 Ministry of Education: Formal TVET System and Non-formal Education

The Ministry of Education's role is to facilitate the development of vocational education in order to provide equitable access to quality training that responds to actual needs. It will provide guidance and leadership to promote the process of improving/diversifying the delivery of training through its Department of Higher, Technical and Vocational Education and Non-formal Education. The Ministry of Education must authorize both state and private training providers in order to systematize the provision of various trades.

#### Formal TVET System

The Technical and Vocational Education and Training System of the Lao PDR is composed of both formal government training institutions and a small number of private institutions. The system is, however, dominated by the government-run institutions.

There are presently 14 public vocational schools (MOE 8, MOPH 5, MOIC 1), 30 public technical schools (MOE 13, MOAF 3, MOIC 4, MOPH 5, MOF 4, MOPCT 1), and 11 private technical schools. Most are located in the central part of the country and in the capital city. Currently, a new integrated approach to the technical and vocational sub-system has been dealing with different types of education and training, such as technical and vocational education and training, basic vocational education and training, and basic skills training, as a whole.

Technical and vocational education and training offers:

- 1) Programmes for preparing skilled workers at the upper secondary level (8 + 3). It admits upper secondary graduates.
- 2) Programmes for preparing technicians at the post-secondary level (11 + 2) and (11 + 3). In the TVET system, there is another path for lower secondary graduates that includes three years of vocational education and two years of specialized training for graduation at the technician level (8 + 3 + 2).

The number of students in vocational education increased from 1,271 (1995/96) to 4,204 (2002-03), while those in technical education increased from 4,078 (1995/96) to 15,305 (2002-03). There was a rapid increase of more than three-fold.

The increase of TVET enrollment is a positive result of the Government's commitment to further develop TVET in order to prepare manpower for poverty reduction, industrialization and modernization. Vocational guidance has, indeed, served to increase awareness of TVET's vital importance. Furthermore, medium and small enterprises have increased 10% per year, which reinforces the spectrum of opportunity that TVET can provide for those who graduate.

There are 14 trade areas and courses of varying duration at the vocational education level, and 43 trade areas and courses at the technical education level. Different ministries are involved in the establishment and operation of these schools. The role of the Ministry of Education with respect to schools mainly relates to the approval of curriculum and courses of study developed by other ministries.

As the results of the case study on "Improving Access, Quality and Relevance in TVET in Lao PDR" (2003) indicate, the present TVET system suffers from a range of problems. As a result, the system is not effective in meeting the skilled and semi-skilled labor force requirements of the economy. Employers have repeatedly noted that graduates of the TVET system often lack practical skills, and that their training often shows very little relevance to the job they are engaged to do.

Access to TVET has been restricted to all the various sub-sectors, but not equally so. There are a number of dimensions to this inequity in Lao PDR, including:

- Poverty - the rich participate more at every level of education than the poor
- Location - those who live in the central regions participate more than those who live in the peripheral regions
- Population density - urban populations participate in formal education more than rural or remote populations
- Gender - males participate more than females in most sub-sectors

The share of female students in some TVET sectors is considerably high (over 50%) in terms of total percentage. Two sectors are dominated by females, namely hostelry and restaurant (more than 90%) and business administration (more than 60%). Conversely, no female students have ever participated in the four most popular TVET courses, namely auto mechanics, general mechanics, carpentry and metal welding.

It is also evident that disadvantaged ethnic groups still take very little part in TVET training. In the six selected public technical and vocational schools in this case study, the percentage total enrolment of non Thai-Kadai groups was only 4.18%, with 95.82% being Tai-Kadai.

Results from public technical institution entrance examinations for the 2003-04 academic year showed that from 11,646 candidates (4,914 females), a total of 1,082 students passed the exams (499 females). In terms of ethnic groups' access, results showed 969 students were Tai-Kadai, 108 (10%) were Hmong Yu Mien and five (0.5%) were Mon Khmer. The figures indicated that only a small percentage of ethnic group students are able to participate in public technical schools. Most of them dropped out even before completing lower secondary school, which was particularly true for Mon-Khmers.

In general, 90% of the students enrolled were interested in accounting, business administration, banking, telecommunication, electricity, financing and medicine.

In the provinces of Savannakhet, Xayabury, and Bokeo, no one was interested in construction, automechanics, electro-mechanics, livestock, or plantation subjects, even though provincial development plans give priority to the agriculture sector (veterinarians, plantations, reforestation, irrigation). Instead, interest focused on small- and medium-scale industries - entrepreneurial training and occupations like electrician, metalworker/welder, plumber and builder.

Findings indicated that there is low social value placed on vocational occupations.

In general, the rate of unemployment among graduates from general secondary education programmes is very high because they lack employable skills.

Besides formal training, technical and vocational schools also conduct special courses and short-term training in different disciplines for different target groups in order to meet labour market needs, and to generate income for their schools.

As previously noted, aside from formal and non-formal training in TVET that is publicly provided, there is also training supported by the private sector. The programmes range from short-term training to university-level programmes. Private institutions, however, tend to focus on particular areas: computer, language, business administration, accounting and some professional and entrepreneurial skills that are found only in the main city and urban area. Even though there is a policy to exempt the tax on private education, it should be noted that the investment for vocational training is still limited, especially for short-term training.

### Non-formal Education

The Ministry of Education and the Provincial and District Education Services, through the Department of Non-formal Education, provide four types of non-formal education:

- a) literacy training for out-of-school adults, usually organized at the village level and given in evenings and weekends
- b) upgrading programmes for the general adult population, enabling them to gain primary, lower secondary and upper secondary equivalency in full-time compressed programmes, e.g., three years for primary education
- c) upgrading courses for government cadres organized at both the provincial and district levels, sometimes using special facilities (the Ministry operates one Centre); these courses are primarily for upgrading educational qualifications to the lower and upper secondary level, and participants come from a range of line ministries
- d) skills development programmes that are linked to literacy programmes have been offered to the illiterate adults and out-of-school youth oriented towards income-generating activities

All these non-formal education programmes aim to improve living and working conditions in a participant's natural and cultural environment, and to develop activities oriented towards self-sufficiency and employment. It is hoped that through such programmes the participants can contribute to, and benefit from, the social and economic development of the nations.

Many projects have been and are being implemented in the Non-formal Education Department through bilateral and multilateral cooperation. The main international organizations cooperating with the Non-formal Education Department are UNICEF and UNESCO. They have offered mainly adult literacy courses with few or no linkages to skills training. Some projects have been implemented and have contributed to eradicating illiteracy and to improving the quality of life for ethnic groups and the disadvantaged, especially for girls and women. Good practices could result from the community learning centers and the Basic and Further Training for Target Groups from the Informal Sector (BAFIS) Project. (*The BAFIS Project is further discussed under 4.3.1 of this report.*)

In 1990, the Ministry of Education, in cooperation with UNESCO, began implementing a new concept through its project, "Pilot Literacy and Basic Skills Training for Ethnic Minorities, Girls and Women" at Luangnamtha Province. MOE set up two vocational training centres. Drawing from the experiences of this pilot project, UNESCO (APPEAL programme) continued support to the NFED through the community learning Centre (CLC) concept. Another two pilot villages (KeoKou and Nanokkhum ) have since been initiated under the "Pilot Community Learning Centre Development Project" in Vientiane Province.

The CLC is the institution that carries out literacy activities, continuing education, and basic vocational/skills training for improving the quality of life. The CLC coordinates with local rural

development in each area, and supports/promotes the educational activities of the formal system. With assistance from a resource person, the CLC also acts as the main source of adult education for village communities. Fundamentally, the CLC acts to network NFE structural services with the active participation of all community organs in planning, coordination and implementation of education programmes.

During 1991 to 1998, 268,000 adults were trained at the literacy level; 127,180 at the basic education level (equivalent to primary ); 10,230 at lower secondary; and 7,660 at upper secondary. Along with the various projects, 7,100 adults (4,800 female) have received basic vocational training for the informal economy.

The concept and activities of “CLC development” correctly responds to the needs and problem-solving of rural villagers. They can use the CLC as a place to enjoy, learn, meet and exchange ideas on human resource development, on preserving their local tradition and on creating a better life for themselves.

### Lessons Learnt and Future Prospects<sup>27</sup>

In order to strengthen and sustain CLC development, some basic measures have to be considered:

- CLC leaders/managers must have a high enough educational level to understand the CLC concept clearly, and be able to dedicate sufficient enthusiasm to its development.
- A volunteer teacher has to work in the CLC full-time. He/she needs at least a basic knowledge of programme coordination and management, as well as a high self-motivation to fulfill the CLC tasks.
- Villagers have to be motivated to be involved voluntarily in the community learning centre development processes.
- All aspects of CLC development should be based on villagers’ needs and their own problem-solving input. The CLC committee must make decisions based on common sense and with priority consideration given to the target learners.
- Minimum financial support is needed for CLC management, and for a revolving-fund to run the trainee-proposed mini-project.
- Provision must be made for sufficient materials/equipment to undertake teaching and training in the CLC.
- CLC heads should have training to be qualified in coordination, management and planning.
- Some existing CLCs should be reformed into cluster village centres (CVC).
- Volunteer teachers should be trained in the marketing and service sectors.
- Successes/results, as well as the importance of the CLC, should be propagated, and the government budget used to expand one CLC to each district.
- Exchange of ideas and experiences in CLC development with neighboring countries should be promoted.
- CLC approaches should be mainstreamed into the EFA National Plan of Action.

#### 4.2.2 Ministry of Labour and Social Welfare

The Ministry of Labour and Social Welfare has a direct role in promoting employment. It works with other ministries, such as the Ministry of Industry and Handicraft; Health; Education; Agriculture and Forestry; Lao Youth Organization, Lao Women’s Union; and the international agencies that support employment development.

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<sup>27</sup> Case study on CLC in Lao PDR (2000)



In 2001, there were 23,574 companies, of which 22,916 were small companies, 542 medium companies, and 114 big companies. Some of the companies recruit the unemployed to train at their own training/skill development centre.

As stated in the Decree on Development of Vocational Education of 1993, the Ministry of Labour is responsible for skill development and short-term training. Through its programmes and with bilateral and multilateral cooperation, many training projects have been carried out:

- ILO's "Sub-regional Project to Combat Trafficking in Children and Women" in Khammuane, Savannakhet and Champasak in 2002 provided short-term training for 2,200 unemployed youth
- Consortium project on the "Prevention of Human Trafficking through the Provision of Vocational Training and Awareness-raising" in the Pak Ngum and Santhong districts provided training for 1,100 unemployed youth
- Thirty-three projects to promote investment in handicrafts

For 2003-2005, the Ministry of Labour plans to maintain the unemployment rate at 5% of the active population by implementing the following measures:

- 1) Resolve the unemployment problem through local development with a target figure of employing 600 persons per year via mobile team training
- 2) Recruit 7,000 workers to work in different industries
- 3) Employ people to work at eight work units in the Municipality of Vientiane, Vientiane Province, Oudomxay, Khammuane and Saravane and at the grassroot-level Project Nam Theun
- 4) Export labour to Malaysia and Japan based on governmental contractual agreements
- 5) Promote self-employment based on different provincial projects by organizing vocational and skills training in order to equip the target labour force with professional job skills: food processing, handicrafts production, textile processing, wood carving, etc. ...

The planned projects will focus on promoting self-employment, eliminating the use of child labour, utilizing food for work, reducing rural to urban labour mobility, cultivating youth consciousness to avoid illegal migration to Thailand, improving employment administration, and reducing unemployment. All the mentioned projects require specific skills training.

The target group for skills training is mainly out-of-school youth in the informal sector. The duration of the courses for those in the informal sector range from three weeks to one month. There are also one-year courses for those with higher level education. Some training courses have been paid by the trainees, themselves.

The Ministry of Labour manages a centre for skills development via the Labour and Social Welfare Division of Vientiane Municipality. The centre also received assistance from ZOA (an NGO-based in the Netherlands for refugees) in 1990. In 1995, the Japanese Government gave a small grant to establish a computer training unit within the centre. The centre cooperates with AOTS, JODC, JICA, JITCO, the Australian Embassy, KOICA, and the Consortium.

The centre provides training courses on electrical work, computer, cooling systems, radio/TV repair, hospitality services, sewing, accounting, secretarial/basic administration and beauty culture. Courses range from one week to nine months. Mobile training is also offered, which trains two batches a year. Longer 2-year courses in accounting and language fill out the programme.

Centre policy allows for the exemption of training material fees for trainees from poor families, and those coming from families with many children. Scholarships are also often provided in such cases.

The main role of the centre is to upgrade the skills of the working force. Due to limited absorption capacity of higher education institutions, the centre has become an alternative for out-of-school youth. The capacity of the centre, however, is limited (enrollment of less than 600 trainees annually). The centre is, thus, piloting outreach training courses to out-of-school youth in two districts of

Vientiane Municipality. The courses are supported by the Consortium as one way to combat illegal migration into Thailand of jobless youth.

Since the centre has never conducted any tracer studies on the employment and quality of their trainees, the effectiveness of the training is difficult to assess.

### 4.2.3 Ministry of Agriculture and Forestry

One of the overall 2001 to 2020 goals of the Ministry of Agriculture and Forestry's human resource development and training is to train agriculture sector labour to have good knowledge, technical competencies, foreign language ability and computer know-how. Based on its goals and objectives, MAF has planned training activities for different target groups at the provincial and district level.

Agriculture/forestry development is one of the four main sectors that targets poverty eradication, with focus on household food security, market-based farming, sustainable forestry and watershed management. The long-term and short-term training focus on the promotion of agriculture and forestry, veterinary animal husbandry, fisheries, irrigation, meteorology, and agriculture extension work.

The Ministry of Agriculture has four technical schools that conduct formal training in agriculture and husbandry. Parallel to this, non-formal short-term training in agriculture and related sectors has been conducted to meet local needs. Based on a 5-year development plan, MAF has given great importance to strengthening its training centres in the provinces, and will expand training for agriculture extension workers in each district. According to Ministry plans, one promotion and agriculture extension worker shall be responsible for 30-50 families to provide advice and to encourage self-reliance.

Through international cooperation, MAF has implemented many projects that include training components. Some projects have run an effective training and coaching system for central, provincial, and district staff in order to deliver participatory extension services. Projects on rural development help reduce rural poverty by improving quality and increasing quantity of agricultural production through training on extension approach, planning agriculture production technique, irrigation management, sanitation and development funding. Some projects also promote livelihood improvement activities. As an example, the "Forest Management and Community Support" project assisted farmers and extension workers in strengthening their capacity for identifying problems, searching for solutions and delivering support concerning village forest resource utilization, management and livelihood improvement activities. This was achieved through participatory model development, demand-driven training and support to field activities.

The project pursued its participatory process and, in addition to developing models, extended it to other areas. Training and extension for the extension staff and villagers most often takes a "learning by doing" approach that includes learning in the classroom, intensive field training (Model Sites), on-the-job training (Pilot Sites), and field application (regular extension activities).

The short-term training of trainers, training of agriculture and forestry staff, training of extension staff and training on alternative development contribute to increased work productivity. In 2003, 282 participants were trained in Farmer Field Schools, of which 106 trainees were in agriculture fields, 108 were in livestock, and 68 were in mushroom growing.

### 4.2.4 Ministry of Public Health

The Ministry of Health envisaged an action plan to promote gender issues and medical ethics in order to increase gender awareness and medical ethics by providing equity, quality and efficiency in health services to people of all ethnic groups.

The specific objectives of the action plan are to increase dignity; influence gender perceptions by respecting behavioral standards; control rules against all patients of all genders, age and classes; defeat rumors/negative perceptions against health service provisions; upgrade responsibility of providers as good mothers; and participate in reducing morbidity and mortality. A project has been

implemented through cooperation with the Lao Women's Union in order to stimulate and promote gender to increase health education in the family and community, to take preventative action on primary healthcare issues like birth spacing, sexually transmitted diseases, AIDS, etc. through the radio and other media.

Special training for women from disadvantaged ethnic groups in all aspects of health services in order to achieve a gender and ethnic balance in the health sector has been conducted.

Training programmes related to public health have been undertaken by the school of public health and the National Institute of Public Health. Short-term training lasts from three to six months, depending on the topic. The training gives health personnel an opportunity to refresh their activities and upgrade their knowledge, attitude and skills. The objectives of the short-term training courses are to strengthen capacity in the field of health administrative management, including such topics as planning, implementation, supervision, monitoring and evaluation. The programme addresses medicine, dentistry and health nursing in the community.

The Ministry of Health co-ordinates with the Ministry of Education, as well, to integrate health education and health promotion into primary and secondary school curriculum. The aim here is to address the relevance of health education for the country's youth.

#### 4.2.5 Lao Women's Union

The Lao Women's Union (LWU) enjoys ministerial status, and has committees at all levels of government, as well as at provincial, district, and village levels and within the society. LWU is the formal representative to protect rights and benefits of Lao Women (all multi-ethnic groups). The LWU promotes and follows the implementation of Party and Government policies, the Constitution and the laws of the Lao PDR.

In collaboration with many international donors and INGOs, the Lao Women's Union has been promoting micro-credit in their development programmes. These programmes are attached to agriculture, animal husbandry and primary health. These projects have the potential to spur enterprise development and, in many cases, expand women's roles by allowing them to enter an official sphere. In some cases, credit is advanced for an income generating activity (cooperation with UNICEF is an example) to allow women to supplement their incomes.

The LWU credit service is provided to serve both economic and social purposes. There is a general feeling in the country that neither of these purposes is being satisfied. High inflation caused mainly by currency devaluation has contributed to the degeneration of cash funds, making economic objectives impossible to reach through current models of revolving fund programmes. There is the perception that many programmes have failed to reach social objectives related to social organization, particularly improving the status of women. This is of considerable interest, because women are the 'doers' for many activities (chicken, duck, pig raising), but they do not participate in decision-making and other related official duties. The LWU implemented 13 projects in 2003.

In the economic sector, LWU provides informal training for women's groups and business training for female entrepreneurs, income generation activities, micro-credits, rice banks, promotion of handicraft, and agricultural activities.

The skills development strategies of the Lao Women's Plan of Action 1998-2005 and Yearly Plan 2003-2004 are as follows:

- Concentrate on women's education, technical, scientific and professional skills
- Work so that by 2005 more women aged 15-45 are able to read and write, and more of them should have the opportunity to study in technical secondary schools, technical high schools and universities
- Protect the rights and benefits of Lao women and children of various ethnic groups, support the implementation of equal rights between women and men as stipulated in the Constitution and laws, and also put gender issues on the agenda of every government sector development plan; this is done with a view to enable women to participate in policy and decision-making

- Expand micro-credit projects, and establish more saving groups and village development funds for women's groups
- Improve knowledge and skills of female entrepreneurs; in cooperation with the APHEDA (an NGO from Australia), the Training Centre of LWU has organized training of trainers (TOT) and a series of business training for female participants in several courses (such as food processing and hotel services); those training courses will be conducted for larger target groups in the future.

During 2002–2003, LWU has provided vocational education training for employment and income generation skills for 610 poor women and 190 poor men.

The LWU also works with regional and international organizations, including the Asia Development Bank, UNDP/SUNV, NORAD, UNIFEM, UNICEF and the World Bank.

### **Association of Women Entrepreneurs in Vientiane Capital**

The Lao Women's Union of Vientiane Capital (formerly known as Vientiane Municipality) established an Association of Women Entrepreneurs in 2001. This association has 53 women entrepreneurs, who own mostly small and medium businesses (not micro) in many business sectors such as trade, construction and textiles. The Association is completely controlled by the Vientiane Capital Lao Women's Union in terms of planning and implementation. The main objectives of this association are to establish a pool of women entrepreneurs, to exchange ideas and experience among its members in business development, and to provide social services to the public.

Recently, the Canadian Development Agency has supported the Association in capacity-building through six marketing and business management training courses for 20 women entrepreneurs, and through a training of trainers (TOT) programme. The project also organized several study tours in the country and overseas to expose its members to various business development activities with the aim of learning, sharing and exchanging ideas and experiences. The members also participated in the ASEAN meeting on "Women and Business." In general, this association is very young, and less experienced in business development. More support is needed to build its capacity. Yet, the Association of Women Entrepreneurs in Vientiane Capital is already an important entry point for collaboration to train rural women entrepreneurs. Such networking and linking of village women entrepreneurs is crucial for expansion of market accessibility and employment opportunities for women and young adults.

#### **4.2.6 Lao National Chamber of Commerce and Industry (LNCCI)**

The Lao National Chamber of Commerce and Industry supports the development of enterprises. It has 350 members, representing a broad cross-section of business enterprises in Lao PDR. The LNCCI consists of twelve business groups, eleven sectors, and one association such as the Lao Textile & Garment Industry Group, the Lao Handicrafts Groups, the Foodstuff and Consumer Group, the Construction Material Groups, the Petroleum Group, the Association des Exportateurs de Cafes, Travel Industry Sector, Agriculture and Forestry Sector, Consultancy Sector, Transport Sector, Banking and Insurance Sector, Mining Sector, Transportation Sector, Restaurants Sector, General Industry Sector, General Trading Sector, and Education Sector. Of these, the main group involving women is the Lao Handicrafts Groups and the Textile & Garment Industry Group. Through them, female entrepreneurs receive training in marketing and production, and are sometimes involved in domestic and international trade fairs. However, the assistance is very limited, and is still not accessible to many female owners of micro/small enterprises in textile and weaving.

#### **4.2.7 Lao Revolutionary Youth Union**

The Lao Youth Union is a mass of organizations which have their structure in each Ministry and each sector at the central, provincial and district levels. The organizations have a mandate to mobilize the country's youth, and to carry out responsibilities assigned to them by the Youth Union.

The Union has training centres offering short-term training courses of three to six months in sewing, foreign language, computer, furniture, handicraft, agriculture, husbandry, beauty culture, Yudo, and Akido. There are 16 training centres in 14 provinces, of which two are located in Vientiane. Three to four staff from the Youth Union or from the provincial offices of the Youth Union (Training Section) are responsible for each training centre. Some teachers were invited to teach for the training course. The trainee targets are youth, in general, and school drop-outs, in particular, from 15 to 45 years old. Some trainees may come from government Ministries, departments and state enterprises, or they may be farmers and artisans. The training courses have been mostly donor driven.

The Lao Youth Union has received funding from ERKHJALPEN (Sweden), UNDP, NGO's Japan, VETSA, NAGYANG Polytechnic (Singapore), UNESCO, JICA, AOTS (Japan), and AUSAID.

The Lao Youth-Child Development and Vocational Training Centre in Vientiane was established in 1995, and provides short-term training in foreign languages (English, French and Chinese), beauty culture, agriculture, motorcycle repair, welding and computing. The special training course for foreign language should be paid by the trainees. Course openings are advertised in the newspapers. There is no follow-up or evaluation of the trainee graduates.

#### **4.2.8 Lao Trade Promotion Centre (LTPC)**

LTPC is implementing a project to support local entrepreneurs in Vientiane Capital, Borikhamxay, Savannakhet and Champasak. The project organizes seminars on micro-finance, technology application, business management, marketing and trading for 50 rural entrepreneurs (20 women and 30 men).

Through LTPC, mostly female entrepreneurs of medium and large enterprises in textile and weaving get involved in domestic and international trade fairs, and receive some information on marketing and exports. However, the assistance is very limited, and is still not accessible to many female owners of micro/small businesses.

#### **4.2.9 Other Public Sector Service Providers**

It is to be noted that there are other sector training providers such as the Ministry of Industry, Committee of Planning and Cooperation (CPC), the provinces, etc. that have carried out integrated rural development projects. Before 2000, there was also a special agency known as the "Leading Central Committee for Rural Development" under the umbrella of the Prime Minister's Office. With branches in all of the provinces, it was responsible for rural development. Since 2000, however, rural development work has been incorporated into the National Growth and Poverty Eradication Strategy (NGPES) Programme under a special section for poverty eradication that is supervised by the Deputy Prime Minister, who is Chairman of the CPC.

Previously, this integrated rural development project was financed by the UNDP and other international or non-governmental organizations, and was implemented by the Office of Rural Development, Ministry of Agriculture, Ministry of Education, Ministry of Industry, Lao Women's Union, and Youth Union.

Some projects on area-based agriculture and rural development, such as the "Sekong Indigenous People's Development" and "Northern Sayaboury Rural Development" projects, have been implemented through a number of agencies: Ministry of Agriculture and Forestry, Office of the Permanent Secretary (Cabinet), and the Department of Planning. These projects also carried out short-term training.

Through its Department of Handicraft, the Ministry of Industry provides training courses on natural dyeing, wickerwork, pottery, silverwork and more.

The Ministry of Trade also has a training centre, and provides short-term courses for Ministry of Commerce staff, along with other relevant Ministries and provincial governments, to upgrade their

trade-related skills. The training facility will also be utilized by both the integrated framework and the Train-For-Trade Programme to conduct skills training activities. The United Nations Conference on Trade and Development (UNCTAD) is in the process of arranging for a supply of computers, audio-visual machinery, and other equipment needed to make the TTC fully operational.

The training courses on different topics range from one day to one month, and are organized based on individual group requests and on financial support from donors.

Recently, training efforts were redoubled with approval of a memorandum of cooperation between the Ministry of Education, National Chamber of Commerce and Industry and National Chamber of Commerce Versailles. Through this cooperation, the training centre from the hotel group was transferred to its new Technical School Pakpasak location, where it should benefit both sides.

### 4.3 Examples of Projects Supported by International Agencies

A number of international development agencies sponsor projects that promote micro-finance activities: Aus-Aid, CIDA, GTZ, Lux-Development Co-operation, SIDA, JICA and the EU. In most cases, authority over implementation rests with the Ministries of Health, Labour & Social Welfare, Agriculture & Forestry, and Education. In addition, mass organizations are also involved in implementation. The Lao Women's Union, in particular, is well-known for its micro-finance activities at the grassroots and district levels.

#### 4.3.1 (GTZ) BAFIS<sup>28</sup> "Occupation-oriented Vocational Education and Further Training for Target Groups in the Informal Sector" (Project Fund: DM 370,000)

The Lao-German BAFIS Project is part of the Ministry of Education's conceptual approach as formulated in a strategy paper on the development of the vocational education system. The paper supports integration of technical and vocational education and training (TVET) and basic vocational education and skills training (BVEST). BAFIS is the German acronym for "Occupation-oriented Vocational Education and Further Training for Target Groups in the Informal Sector" (Beschäftigungsorientierte Aus-und Fortbildung für den Informellen Sektor). The goals of the project are to develop and implement training programmes that are responsive to target group needs and local market demands and, thus, help enhance trainees' chances of finding employment, becoming self-employed or starting up their own micro-business. Self-employment is understood as work that makes a direct or an indirect contribution to monetary income, while a micro-enterprise is defined as any kind of enterprise employing between one and five employees (excluding the owner). The target groups addressed are generally poor and have received little education. The project: 1) enables youth and adults to acquire new skills and/or improve existing skills from the informal sector, 2) bridges an existing gap between skills training and self-employment by providing basic entrepreneurial training aim to create high employment within the community; and 3) assists people who take initiative in establishing small family businesses with further training.

The project has four Non-formal Education Centres (NFEC) in four provinces: Vientiane Capital, Champasak, Luang Prabang and Hua Phan. The regional centres offer many different training courses, such as livestock farming, food processing, dressmaking, training cum construction, tourism services, health and beauty, hairdressing, furniture making, arc welding, sheet metal work, etc. that last from a few days to several months. The training is modularized, flexible and adaptable. The programmes are planned and implemented in response to the needs of the target groups. From August 1998 to June 2003, the project organized 334 different programmes in seven occupational fields for 7,563 trainees, 3,123 male participants and 4,440 female trainees (58.7%). In addition, there is also cooperation with other BVEST providers: other Ministries, donors, and NGOs such as the provincial/district Education Services, EU Micro-Development Project, and the Fond d'Assistance Rapatrie (FAR).

28 The BAFIS project was concluded in 2004.

## Centre-based Training

No space had been allocated specifically for training in the regional Non-formal Education Centres. Therefore, the BAFIS project, with the help of trainees (training-cum-construction), has built small workshops, a guesthouse (for training in tourist services), and demonstration farms. Trainees are recruited from the municipalities and from other provinces where there are no NFECs. Accommodation must be provided for the latter.

## Village-based Training

The training is offered at community centres or directly in the field. Trainers are either from the regional NFECs or hired from the private sector. Trainees come directly from the villages.

## Training-cum-production

This type of training is currently being offered in construction (training-cum-construction). BAFIS meets target group training needs and infrastructure requirements for the rehabilitation of old buildings, as well as for construction of new buildings (workshops, dormitories, classrooms). Trainees learn as they work on a building site. Some of the training activities mentioned above are also being combined with income-generating activities.

Village- and centre-based training should meet target group training needs as expressed in training needs assessments and market surveys, and should meet training and entrepreneurial pre-qualification. The training needs assessments (TNA) and market surveys (MS) have been conducted within the framework of BAFIS project preparation/implementation. The TNA surveys target groups to identify particular training areas and skills that are of high priority for the target group. The MS predict probable demand for skilled labour and the absorptive capacity of skills in a specific geographical area.

The BAFIS training programmes highlight the diversity of training provision and approaches, i.e. village-based training, centre-based and training-cum-production (construction)-based. Further training might address entrepreneurial-skills training. The programme structure is modular, flexible, adaptable, responsive and replicable. Thus, combining skills and entrepreneurial training as a sandwich system could provide trainees with the practical skills needed. Rural-based vocational training contributes to substantial improvements in subsistence farming/living conditions (livelihood development), in addition to promoting opportunities for occupational employment. Non-formal Vocational Training aims to address economic manpower according to social demand and employment orientation, focusing on “value-adding production chains” for agricultural and non-agricultural products. Hopes are that such training will contribute to socio-economic development and poverty reduction among the target groups. The BAFIS modality could be adapted and mainstreamed into the existing TVET policy on outreach training programmes, i.e. the Mobile Training Team and integration of the formal and non-formal vocational training schemes.

### **4.3.2 FAO, Inter-Country Programme for the Development and Application of Integrated Pest Management in Vegetable Growing in South and South-East Asia (GCP/RAS/160/NET Project Fund: US\$ 3,986,324,<sup>29</sup> Laos US\$ 381,900<sup>30</sup>) and (GCP/RAS/168/AUL Project Fund: US\$ 970,670<sup>31</sup>)**

The National Integrated Pest Management (IPM) programme was introduced in 1996 to empower farmers in rice and vegetable production through Farmer Field School (FFS) training in the

29 Budget-allocation from the Netherlands according to the original project document: for Bangladesh, the Philippines (regional), Viet Nam, and Laos

30 Based on the latest printouts of IPM training-related expenditures

31 Budget from Australia according to the Project Addendum: for Cambodia, Indonesia and Thailand.



production, protection and marketing of these crops. In the case of Laos, developing IPM in rice was the initial emphasis because the programme was to support the policy of intensifying rice production by educating farmers in the use of improved technologies with high yielding varieties. The programme also proved to be good preparatory work for the more complex task of developing IPM work on vegetable farming.

The geographical coverage of the project focused on seven provinces in the central region where the bulk of programmes in rice intensification through expanded irrigation systems has been initially concentrated: Vientiane Municipality and Province, Borikhamxay, Khammuane, Savannakhet, Saravane and Champasak. Luangprabang Province was added recently, totaling eight priority provinces. The programme is managed by the National Agriculture Extension Agency (AEA) of the Department of Agriculture, Ministry of Agriculture and Forestry. The national IPM unit has special responsibility for training of trainers in IPM, as well as for FFS curriculum development. The responsibility for implementing FFS and refresher training activities, however, is gradually being transferred to provincial extension staff. IPM coordinators have been designated in the eight provinces with responsibility for planning, coordinating and supervising FFS and other farmer training activities at the provincial level.

### Achievements of the Project<sup>32</sup>

Training of trainers (TOT): 2 TOTs for 66 trainers (16 women)

Farmer Field Schools (FFSs): 1997-1998/99 dry season: 97 season-long FFSs organized by the TOT graduated trainers, resulted in a total of 2,916 (789 women, 27%) farmers graduating from IPM courses in rice, 1999 wet season: 45 FFSs resulted in a total of 1,358 farmers graduated farmers from IPM courses.

### Impact of the Project

The FFSs have proved to be very popular among both the participating farmers and the trainers. The FFS methods are based on learning-by-experience, as well as on knowledge gained about insect ecology and improved rice cultivation techniques.<sup>33</sup> The FFS/TOT model, which includes participatory training, learning-by-discovery in problem-driven research, and empowerment towards self-reliance in IPM decision-making, is a valuable approach and an essential training strategy.

The project is intended to assist in bringing about sound and efficient development in IPM while, at the same time, satisfying the needs for profitable - but safe - food and environment.

Cohesion among the farmers is also developed through this project approach. After graduating from the training, farmers continue to get together weekly for group discussions on such issues of common interest as fertilizer applications and performance of other rice varieties. A group of farmers in Saravane Province organized themselves into certified seed producers.

Farmer-to-farmer training has become a key element of the programme's strategy to expand the FFS training coverage by co-opting farmers who graduate from FFSs.

### Lessons Learnt

The programme has incorporated many best practices from experiences of other countries participating in the IPM rice regional programme. These include (a) self-monitoring by FFS trainers of their performance (through diary and peer discussion), as well as their monitoring and review of FFSs, (b) evaluation and planning workshops for trainers at the end of each FFS season, and (c) national

32 Based on the Review Mission Report 28 June – 15 July 1999, FAO

33 Studies of 44 FFSs indicated that for the improved variety of rice grown, IPM plots had significantly higher yield (an average of some 25%-30%).



workshops on planning future enhanced capacity at the centre to make planning and management of the programme more systematic and to ensure efforts for qualitative improvements.

Field studies and field trials as participatory action research have been conducted in association with TOTs and FFSs with farmers participation.

Being the first major education programme in the country, the IPM farmer training programme has substantially contributed to building capacity and capability within the government for innovative extension and farmer education in rice and vegetable-based production system.

Various NGOs CIDSE, Oxfam Belgium, World Education and other donors (e.g. DANIDA, UNICEF) have supported and complemented the work of the national IPM programme. This has resulted in support for: integration of IPM in agricultural college curriculum, development of training materials, and follow-up farmer training activities.

### **4.3.3 International Labour Organization (ILO), International Programme for the Elimination of Child Labour (IPEC), Mekong Sub-regional Project to Combat Trafficking in Children and Women (ILO-IPEC/TICW Lao PDR Project funded by DFID: US\$ 310,550)**

ILO-IPEC/TICW Lao PDR launched its project in May 2000 to contribute to the elimination of trafficking in children and women in Lao PDR. During Phase I, the project piloted its interventions in provinces with a high percentage of illegal migration and trafficking of children and women to Thailand, i.e. Khammuane, Savannakhet and Champasak.

The project emphasized preventive measures, which were composed of three main interventions:

#### **Capacity-building**

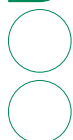
- Institution Building: government bodies, local authorities
- Institutional Networking: labour, planning, law enforcement, education, agriculture
- Community organization and training: objective-oriented project planning, participatory monitoring and evaluation, skills training

#### **Awareness-raising**

- Provincial, District, Village Awareness-raising Teams
- Youth Volunteers Peer Education Teams
- Television & Radio Network
- Traditional Theatre and Mass Campaign

#### **Direct Assistance**

The project integrated vocational and rural skills training through the establishment of Village Development Funds in eight districts (22 villages) of the three provinces. The training sought to tackle a number of risk factors prevalent in the communities: poverty, jobless youth and limited employment opportunities of school drop outs. The disadvantaged targeted included families with children most at risk of being trafficked, jobless youth, out-of-school youth, trafficked victims and returned migrant workers.



## Vocational and Rural Skills Training

Most of the training focused on rural skills such as IPM rice cultivation through FFS, watermelon and vegetable growing, mushroom growing, chicken and pig raising, fish and frog raising, pottery, brick making, and masonry. Training was based on needs assessments, potential of the target group and market appraisals.

The provincial project steering committees identified competent local trainers for the different types of rural skills. The trainers were selected based on their record of performance in training methodology and on their experience with the particular field of expertise. The pool of trainers is selected from agriculture extension workers, private entrepreneurs, master craftspeople in the villages/districts, and trainers from the NFE centres. Selected trainers are sub-contracted by the project to carry out the training. Trainers receive their final payment under the satisfaction of the trainees, and based on the quality of the training outcomes i.e. the level of competency of the trainees and the product they generate will be used as indicators for successful training. All training takes place in the target villages in the form of outreach mobile training that revolves around the target villages.

In cases where there are master craftspeople in the village, the project supports the master craftspeople through a model of traditional apprenticeship training (TAT), i.e. mushroom growing, brick making, pottery etc. The duration of the course depends on the training curriculum, ranging from six weeks to a whole cultivation season. Trainees who have completed their training are eligible for loans from the VDF to start up their income-generating activities (IGA) and micro- and small/family enterprises (MSE). Entrepreneurship training is provided to heads of families with successful IGA, particularly women. Since 2000, 2,200 trainees (over 50% women) have benefited from this training scheme in the three target provinces, and nine IGAs have been identified to upgrade to MSE through entrepreneurship training. It is hoped that these MSEs create more jobs to boost employment of young girls and out-of-school village youth.

## Village Development Funds (VDF)

In parallel with the village-centred training, Village Development Committees were elected in the 22 target villages to facilitate and manage a seed fund for village development activities. The VDF functions as a village bank system. To date, the seed fund for VDF of 467,043,500 Kips has increased to 553,046,000 Kips, and benefited more than 900 families.

## Impact of the Project

Through an integrated approach of the three interventions, the issue of illegal migration and trafficking of children to Thailand has been halted in the 22 villages. On the other hand, more migrant workers are returning back to the villages to participate and benefit from the direct assistance interventions. As a result, the project donor has committed to another five years of sponsorship for Project Phase 2 (2003-2008) of US\$ 816,605. The project is, thus, in its phase of replication and expanding to new villages, districts and provinces.

## Lessons Learnt

The villagers have a high sense of commitment to and ownership of the project. The project approach emphasizes participation of the target group in all activities to the extent possible. Project monitoring mechanisms have been set up at village, district, province and central levels. Networking of different departments in combating trafficking in children has shown results. It is recognized that no sole organization will be able to tackle the problem of trafficking; collaboration and coordination among key stakeholders are vital.

Village cohesion and community organization are crucial for the success of the village development agenda, and most of all, to combat the network of traffickers and illegal recruitment agencies.

Strong leadership and commitment of the village and district authorities is the key to mobilizing village cohesion. In this vein, project support that helps to stimulate and reinforce this unity and community cohesion is likewise crucial.

Competent experienced trainers who are committed and know how to mobilize the participation of the villagers is crucial for the project's success. As the people who bring/transfer their knowledge to improve villagers' livelihood, competent and trusted trainers play an essential role.

Children participate in the project activities, particularly in regards to awareness-raising activities. Children have strong influences on their peers to make informed decisions.

#### **4.3.4 World Bank "Poverty Reduction Fund Project" (PRFP) Project Fund: US\$ 21,710,000<sup>34</sup>**

In 2002, the Lao Government established the Poverty Reduction Fund Project with the aim of reducing poverty among disadvantaged ethnic groups - especially women - through income-generating activities. The PRF will deliver development resources at the village level targeted at the poorest districts in the country through strong participatory and decentralized decision-making processes. PRF gives assistance to five prioritized sectors as identified by individual communities: health, education, agriculture (related to IGAs), industry and handicrafts (related to IGAs), communication, post and construction. PRF provides a range of credits or village revolving funds, including funds for animal raising (fish, poultry and livestock), agriculture (land clearance and cash crop as secondary plantation for commercial purposes), and handicrafts (weaving, sericulture, basket weaving, sculpture, ceramic, etc).

The project coverage focuses on the ten poor districts of Huaphanh, Savannakhet and Champasak. It assists in the development of community infrastructure at the village level to gain improved access to services by building capacity and empowering villagers in poor districts to manage their own public investment planning. The project components:

- 1) Finance sub-grants for eligible sub-projects, as identified by the community, for a wide range of capital goods, i.e. village infrastructure. Assistance is provided to determine feasibility and availability of resources for selected sub-projects. Infrastructure development includes the construction of roads, schools, health clinics, public buildings required for community needs, as well as communal water supply systems, irrigation and drainage systems, and local markets. (US\$ 16.10 million)
- 2) Provide technical consulting advice and training to strengthen local capacities and form a Provincial Technical Support Team. This team, in turn, provides technical engineering and financial management assistance at the Poverty Reduction Fund's provincial level. (US\$ 3.17 million)
- 3) Finance project management costs, i.e. administrative, monitoring, reporting and operational expenses of the PRFP at the central level. (US\$ 2.44 million)

#### **4.3.5 NGOs**

There are about 102 international NGOs in Lao PDR. A large number of international NGOs support capacity-building in income generation. Most INGOs have implemented various rural development projects. According to the Concern-Laos Microfinance Database, 35 INGOs are involved in a variety of Village Revolving Fund schemes, animal banks, rice banks and group saving schemes. Most micro-finance activities were designed secondarily to community development activities, and so are intended to supplement their main activities. In general, most evidence reveals that INGOs do not focus only on micro-finance activities. Yet, so far, these small-scale revolving funds do not provide an institutional perspective. Many activities were also started with high subsidies, without appearing to follow a systematic process, and with little consideration of human resource development.

#### 4.4 Issues of Co-ordination, Implementation, Monitoring and Evaluation

It is to be noted that there is a close and interdependent relationship between planning, budgeting, staffing, information systems, monitoring and evaluation. However, (1) at the Ministry level, there is a lack of integration of objectives, priorities (and budget) at the early stage of the planning process; (2) at all levels of education, planning tends to focus on quantitative aspects and on projects to be funded by external assistance; (3) the impact of such project investment on future recurrent costs is not fully explored; and (4) there is a lack of policy dialogue with donors and stakeholders.

There is a lack of coordination within the public sector, itself. The coordination between the public and private sectors is better thanks to the National Training Council network.

There is inadequate and unreliable information, especially lack of labour market information, to produce a relevant diagnosis of TVET and assess needs in such a way as to implement the goals and priorities. Capacity-building has been carried out to a limited extent due to the lack of a proper education diagnosis and a school network development plan. The budget allocated to TVET is very small. An inadequate regulatory framework is also a main issue, although the role and responsibility of departments, the Provincial Educational Service, the District Education Bureau and the Technical and Vocational Education and Training Centre have been defined in the overall planning process. Guidelines on the content, scope and methodology of plans are not always clearly spelled out, either.

#### 4.5 Financing Framework

TVET in Lao PDR is mainly financed through public expenditure, with the financing responsibility shared between central and provincial levels. Contributions are also made by foreign donor agencies and by partnership communities through bilateral and multilateral cooperation.

The study on "Educational Financing in Lao PDR: Worthwhile Achievements, Daunting Challenges," conducted by the EQIPII/TTEST Project, stated that the financial progress is not sustainable. After 1995-96, government spending on education fell dramatically, and this was worsened by the effects of the Asian crisis. It can be seen that public educational spending was 13.9% of government budget in 1995-96, and dropped to 9% in 2001-02. It accounted for 3.6% of GDP in 1995-96, and 2.3% in 2001-02. In 1999, the economic situation improved, but educational spending in Lao PDR remains below the Asian average. The study reviews the expenditure on education by sub-sector. It can be seen that expenditure on TVET initially rose to more than twice its beginning-of-decade value, and then fell by the end of the decade to less than half of its value. The amount of recurrent expenditure allocated to TVET is a matter of concern. Educational development strategy focuses on increasing access to education - including TVET - to respond to the demand of economic development. While high priority is put in basic demand, the number of qualified skilled workers and technicians is relatively high. This creates a big pressure on TVET institutions in terms of a serious shortage of resources. To solve this problem, technical and vocational education institutions have to generate income to cover the operation costs of their schools.

It is to be noted that the financing framework is difficult to quantify since there is a lack of data on the unit costs for each education level and on the monitoring of graduates.

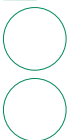
Based on the EFA model, the financing framework for TVET in the years to come will be based on the hypothesis of the projections of students, planned recurrent costs, and the investment costs for public TVET institutions. It is foreseen that the total enrolment in TVET will depend on the projected admission and transition rates, assuming that a strategy to control student transition rates is applied to the enrolments in general education. The transition rate from Grade 8 to vocational education is expected to increase from 2.5% in 2003/04 to 3.0% in 2015/16. The transition rate from Grade 11 to technical education will be reduced from 23.8% in 2003/04 to 15.0% in 2015/16 due to the planned manpower structure's pyramid shape.

Total enrollments in TVET will be increased from 24,072 in 2003/04 to 61,855 students in 2015/16, including both quota students and competition students (special courses or evening courses

students in the public TVET institutions, as well as private students). The total recurrent expenses for public TVET will be increased from 15,254 million kip in 2003/04 to 86,486 million kip in 2015/16.

Based on the EFA approach, the target groups for vocational skills training will be based on the hypothesis of development perspectives in non-formal education. The share of illiterate adults admitted to primary courses, primary dropouts admitted to primary courses, illiterate adults admitted to literacy courses, illiterate adults to vocational skills courses and primary dropouts admitted to vocational skills courses will be respectively constant from 2010 until 2015: 1%, 2%, 2%, 5% and 3%. The total recurrent costs for the literacy courses, vocational training and community learning centres will be increased from 4,283 million kip in 2003/04 to 16,856 million kip. The total education expenditure as a percentage of total expenditure will be increased from 11.8% in 2002/03 to 15% in 2010/11, and then held constant until 2015/16.

Therefore, the financing of technical and vocational education and skills training is very much dependent on the overall EFA targets and objectives. There will, thus, be controlled student flows from primary to lower secondary, from lower secondary to upper secondary, and from upper secondary to tertiary education. The financing of vocational training and skills development should also be increased through non-formal education and outreach training programmes.



**Table 9: List of Major Donors and Projects Involving Activities or Components Related to TVET and Skills Training in Lao PDR**

No.	Major Donors	Name of Projects	Activities/Components	Target group/ Coverage	Lifespan	Budget
1	UNESCO	Income Generation Programme for Poverty Alleviation by utilizing the curriculum and training materials developed by NFE department	Train literacy and continuing education personnel on income generation programme.  Provide skills training to rural poor through CLCs.  Support rural poor to engage in occupation and small businesses in the community.	Borikhamxay	30/3/2001 to 15/9/2002	US\$ 10,000
2	UNESCO	Community Learning Centres Projects	To strengthen existing CLCs and establish three new CLCs and pilot CLC cluster.  Organize national follow-up seminar of CLC Review Meeting.  Review NFE policy of CLC and handbook.  Construct 3 CLCs, provide training for volunteer teachers, carry out literacy, post-literacy and continuing education activities in the CLCs.  Develop and supply necessary equipment and teaching-learning materials.  Monitor progress and carry out strategies for expansion of project and sustainability.	3 CLCs disadvantaged ethnic groups in Xaysomboun  Luangprabang 2 new CLCs in Nam Ou 2 new CLCs in Nam Bak Support 6 CLCs in Viengkham  Borikhamxay 4 new CLCs in Bolikhan Support 6 CLCs in Khamkued	20/4/2000 to 29/12/2000	US\$ 40,000
3	Asia/Pacific Cultural Centre for UNESCO (ACCU)	Literacy Resource Centre for Girls/LRC	Establish LRC.  Develop literacy programme and curriculum.  Training of NFE staff.	Literacy Resource Centre  Vientiane Municipality	1999 to 2000	US\$ 30,000
4	Government of the Federal Republic of Germany  GTZ (BAFIS)	Employment-oriented Basic and Further Training for Target Groups from the Informal Sector (BAFIS)	Vocational training for out-of-school youth.  Training of NFE staff.  Development of vocational training curriculum.  Improve the NFE Centre facilities.	Vientiane Municipality  Champasak  Luangprabang  Huaphanh	2001-2004	DM 370,000
5	GTZ	VETSA	Develop formal and non-formal vocational training curriculum.	Vientiane Municipality	2000-2002	US\$ 350,000

No.	Major Donors	Name of Projects	Activities/Components	Target group/ Coverage	Lifespan	Budget
6	GTZ	Rural Development	Literacy in target villages.  Training of volunteer teachers.  Vocation training for ethnic minority boarding school.	Bokeo	1998-1999	
7	International Association Volunteers of Japan (IVJ)	Vocational Training for Young Women and Youth From Hill Tribes in Xiengkhuang Province Toward Their Self Support  Grant No. 13-01-02	Literacy and vocational training for non-Tai-Kadai ethnic groups and disadvantaged young women. Training of volunteer teachers. Establishment of vocational training centers. Provision of necessary equipment and construction materials for NFE activities.	Xiengkhuang Vientiane Vientiane Municipality	1999-2004	US\$ 199,000
8	Le Cegep de Jonquiere, Quebec CANADA  Le Cegep de Rosemont, Montreal, Quebec, CANADA	Women and Vocational Training	Establish an administrative unit to design, develop, implement and disseminate vocational training programmes linked to rural development, including agricultural and handicrafts development.	Disadvantaged ethnic groups in Khammuane	2000-2004	US\$ 349,100
9	Church World Service (CWS)	Upgrading Education Levels and Vocational Training for Ethnic Minorities	Training of staff on NFE and basic vocational training. Provide literacy, primary and lower secondary NFE programmes for disadvantaged ethnic groups and disadvantaged youth.	Nambak CLC Luangprabang Boun Neau CLC Phongsaly No Mor CLC Oudomxay Muang Sing CLC Luangnamtha	1999- 2001	US\$ 26,920
10	International Christelijk Strunfonds Asia	Improving the Qualities of Education and Basic Skills for Children and Girls in Champasak Province	Promotion of basic vocation and skills for educationally disadvantaged and low-income populations.	Women and children in rural communities of Champasak	2001- 2003	Baht 5,000,000
11	FAO	Inter-Country Programme for the Development and Application of Integrated Pest Management in Vegetable Growing in South and South East Asia	To empower farmers in the production, protection and marketing of rice and vegetable using the "Training of Trainers" (TOT) and "Farmer Field School" (FFS) approach.	Farmers in the seven provinces in the Central Region	1996-1999 (Phase I)	US\$ 381,900 for Lao PDR

No.	Major Donors	Name of Projects	Activities/Components	Target group/ Coverage	Lifespan	Budget
12	Global Association for People and the Environment (GAPE) USA	Integrating Community-based Sustainable Agriculture Education, Health Care Education, and Support for Community-based Formal and Non-formal Education	Strengthen community planning processes and learning with focus on health care, sustainable agriculture and education, building upon existing local knowledge and experiences. Strengthen coordination mechanism. Link community-level activities with similar initiatives and information resources in other communities through advocacy, networking and documentation.	Saravane Champasak	2001- 2002	US\$ 242,915
13	ZOA	Formal and Non-formal Education Development for Ethnic Minority Phase III	Literacy and Primary NFE programme. Basic skills training. Training of volunteer teachers. Establish CLC.	11 villages of Phoudonthan sub-district, Sing district in Luangnamtha	2000- 2004	US\$ 165,000
14	Ecoles Sans Frontiers (ESF)	In-service Teacher Training in Non-formal Education and in Curriculum Development/ Materials Production for Literacy Instruction of Ethnic Minority Adults in Luangnamtha Province	Training of volunteer teachers. Provincial and district staff capacity-building in monitoring, supervising NFE activities. Production of teaching and learning materials. Renovate or establish CLCs in 4 districts or establish CLC in other villages.	2000-4000 ethnic population in 5 districts of Luangnamtha Namtha, Sing, Long, Viengphoukha and Nalae districts	2001 - 2004	US\$ 1,066,390
15	International Labour Organization - International Programme for the Elimination of Child Labour (ILO-IPEC)	Mekong Sub-regional Project to Combat Trafficking in Children and Women	Provide rural vocational training and micro finance to out-of-school jobless youth.	8 districts and 22 villages in Khammuane Savannakhet and Champasak	2000-2003	US\$ 310, 550
16	World Bank	Poverty Reduction Fund Project (PRFP)	Support for HRD and Education. Agriculture, forestry and irrigation activities. Area and rural development. Transportation infrastructure.	10 districts in Champasak Huaphanh Savannakhet	2002-2008	US\$ 21,710,000





Chapter

5

**Towards an Integrated  
Skills Development  
Strategy for  
Disadvantaged Groups:  
Possible Directions**

## 5.1 Non-formal Programmes: Basic Skills Training, CLC

Non-formal programmes have been recognized as a strategy to provide outreach services to groups that are not in the formal schooling system. Greater attention is required for the inclusion of these excluded groups into the national education system.

Thus, the context and content of any non-formal education programme should be relevant to the livelihood of the target group. It should provide individuals with skills and information that enables them to keep up with the pace of development and technologies.

The design and delivery of non-formal basic skills training programmes tend to be standard, and give little consideration to the context in which they take place or the specific conditions posed by the target group at which they are directed (particularly in disadvantaged ethnic communities). As a result, they tend to have low efficiency and effectiveness.

Strong commitment of the CLC facilitator and community "ownership" of CLCs should, thus, be promoted to encourage high target group participation. Skillful CLC facilitators are especially required to ensure that teaching/learning materials and equipment are put to effective use. Local resources should also be explored for CLC use.

Bottom-up planning and the decentralization of local curriculum development should be encouraged. Teaching should be student-centred and hands-on. The focus should not only be on basic general education (literacy and numeracy), but extensive attention should be given to practical life and vocational skills, as well.

Strategies for improvement of community learning centres should focus on: building linkages and networking among the different centres; capacity-building/leadership training among key service providers at all levels; and spelling out clearly their roles and responsibilities. Drawing experiences from the previous NFE basic skills training programme for disadvantaged groups in rural development projects would improve the design and delivery of non-formal education programmes in the future.

## 5.2 New Directions of TVET (Access, Outreach Activities)

It is evident that close and harmonious collaboration has been necessary for improving the management of finance, information systems, evaluation, staff and productivity. In order to give high priority to efficient and effective management, the Ministry of Education should develop some mechanisms, procedures, incentives and controls to improve management in technical and vocational institutions.

There is a need to develop an information system and performance indicators/benchmarks, and to plan evaluation and monitoring regularly in order to ensure quality assurance.

It could be understood that technical and vocational institutions need government support and prerequisite funding, but institutions, themselves, should also take initiative and be conscious of their managerial tasks in the delivery of training and cost recovery strategy.

Thus, the ministries and institutions are responsible for creating the ethos of a dynamic institution, which means to say that without the support of Ministry officials capable of understanding institutional management, it would be difficult to achieve a semblance of the entrepreneurial self-regulation model.

The performance of any training system is strongly influenced by the economic and institutional capacity in which it operates, as well as by its own programme and organization. To improve the effectiveness of skills development programmes, there are some common elements that need to be taken into consideration at the macro level:

**National training policies:** Policies and strategies for implementation need to be devised jointly by the Government and its social partners. The policies must meet the challenges of lifelong learning.

Internal management policies must be related to organizing systems, staffing and human resource management, setting targets, planning budgeting, financing and controlling performance.

**Adequate financing:** There must be appropriate incentives to promote training, and stable funding for the technical and vocational institutions that develop the skills needed to meet target group and labour market demands. Diversification of funding should be applied, and TVET should also be seen as an investment.

**Quality:** Quality is crucial if trainees, enterprises and funding agencies are to have confidence in the ability of the training provider to deliver skills within the context of local and area-specific needs.

**Reliable and easily accessible information:** A good training system needs an adequate input of information from industry; employer organizations; communities; public and private education and training providers; and employer services, including information on vocational and career guidance and counseling.

**National qualification framework and accreditation system:** This is essential to enable the skills of individuals (gained from training programmes, experiences or prior learning) to be assessed against nationally-defined and agreed upon job-entry competencies, and should cover formal, non-formal and informal sectors. The testing and certification system should be taken into account to have flexible entry to and exit from the educational system for lifelong learning.

**Relationship building among employers and training providers:** This can be an effective means for improving the training systems in terms of skills, co-financing and quality to meet training needs.

**Decentralization of training of trainers:** Identifying human resources in the localities, i.e. master craftspeople, local entrepreneurs, extension workers, experienced farmers, village role models, and ethnic group leaders, and explore ways of collaboration and modalities to facilitate most effectively the delivery of skills training to target groups.<sup>35</sup>

### 5.3 Suggestions Regarding Other Public Sector Providers

The inter-ministerial relation is a key factor in improving the efficiency of the TVET system. Adequate mechanisms should be implemented for pro-active involvement in technical and vocational development. The coordination between the public and private sector can be better improved through the National Training Council (NTC) network. The NTC would facilitate coordination and collaboration among key ministries and other sector providers, particularly among the employers' and workers' organizations. Clear roles and responsibilities should be spelled out and put into action.

NGPES forms the basis for vocational training needs assessments of the labour force, and complements the Government's development priorities for the next decade. It is evidently clear that the provision of vocational training for different public sectors is uncoordinated and lacks long-term strategic planning. Hence, the overarching goal of NGPES will unlikely be achieved. Labour market information is vital to produce a relevant diagnosis and assessment of the TVET system.

### 5.4 Articulation Between MOE and Other Public Sector Providers

Delivery of TVET programmes in Lao PDR is shared among a number of government institutions and a number of private vocational institutions. The responsibility for government institutions is shared among the government agencies, including the Ministry of Education, Ministry of Labour and Social Welfare, Ministry of Agriculture and Forestry, Ministry of Finance, Ministry of Public Health, Ministry of Information and Culture, and the Ministry of Communication, Transport, Post and Construction.

<sup>35</sup> See Chapter 6 on Recommendations.

The 19 October 1998 Prime Ministerial Decree N.209 PM on the development of TVET in Lao PDR appoints the Ministry of Education as the agency nationally responsible to determine curriculum standard and qualification of TVET teachers/trainers; facilitate the development of TVET; and monitor and collaborate with concerned institutions. It also plays the role of accrediting authority for TVET programmes. The implementation of this decree should be discussed in the NTC framework in order to adhere to this decree, and to avoid duplication in training.

At the macro level, the Ministry of Education's role is to facilitate the development of TVET in order to provide equitable access to quality training that responds to actual needs. It will provide guidance and leadership, and promote the process of improving and diversifying the delivery of training through its department of Higher, Technical and Vocational Education. It will also address non-formal education, for which it is mandated to organize and coordinate TVET matters.

Other departments and institutions responsible for the provision of certain types of vocational education have to give guidance on the following issues of skills transference at the national, provincial and district levels: optimum utilization of available resources; teacher and instructor training measures; quality assurance, standards, testing and certification of skills; personnel, facilities and costs; and curriculum development.

Although the roles and responsibilities of the Provincial Educational Service, District Education Bureau and Technical and Vocational Education and Training Centre have been defined in the overall macro planning process, they have not been translated into clear guidelines on the content, scope and methodology of implementing the TVET development agenda.

## 5.5 Policy and Incentives Regarding NGOs and Other Non-government Providers

The Government highly values NGO contributions in providing innovative vocational and skills training modalities for disadvantaged groups: It is a priority of the Government's development agenda. Many outstanding and innovative organizations or persons contributing to the development of the country's human resources have been awarded National Honor Awards, i.e. 1st and 2nd Rank Labour Medal, Gold Friendship Medal and Government Appreciation Certificate conferred to those outstanding projects, organizations, agencies and persons.

## 5.6 Integrating Skills Development in Education for All National Plan of Action (EFA NPA) and National Growth and Poverty Eradication Strategy Programme (NGPES)

The main crux of NGPES is rural development, particularly in the 47 poorest districts. Since 2000, the rural development agenda has been transferred from the Prime Minister's Office to the Committee for Planning and Cooperation. Rural development work has been incorporated into the NGPES. The work of integrating skills development into rural development projects has required the identification of entry points most relevant to the context and content of the NGPES.

The Education for All National Plan of Action (EFA NPA) strongly supports and complies with NGPES strategies. Therefore, two main NFE programmes focused at skills development for disadvantaged groups have been incorporated into the EFA NPA<sup>36</sup> to achieve the Education for All Goals 3, 4 & 5: i.e. **"Ensuring that the learning needs of all young people & adults are met through equitable access to appropriate learning & life skills programmes. Achieve a 50% improvement in levels of adult literacy by 2015, especially for women, and equitable access to basic & continuing education for all adults."**

36 The EFA NPA was endorsed by the Government in December 2004.

## EFA Programme 4: Youth and Adult Literacy

The purpose of the programme is to increase learning opportunities for children not enrolled in school, school dropouts and young adults, thereby contributing to increasing the adult literacy rate and reducing poverty.

So far, not enough attention has been given to school dropouts and children not admitted into primary schools. Those children constitute a large group who are bound to stay illiterate. In order to take this problem into consideration, MOE intends to establish a non-formal system focusing on literacy and basic skills development. Such a system would be an effective way to raise the adult literacy rate and reduce poverty, and would work in parallel with the expansion of primary education until the latter becomes generalized. MOE strategy is, therefore, to concentrate its actions on two main target groups: 1) school dropouts and children not admitted into primary schools, and 2) illiterate adults who have not been admitted into primary schools or have dropped out early, and want to become literate.

MOE strategy is to focus on girls, ethnic groups and the poorest children in those two target groups. To implement its strategy, MOE will build and equip CLCs, train primary teachers for literacy courses and basic skills training, and organize promotion campaigns to motivate youth and adults to participate in NFE and adult training programmes.

The targets will be to:

- Annually enroll 1% of the illiterate adults and 20% of the dropouts from Grades 1 and 2 of the previous year in non-formal primary courses
- Annually enroll 1% of the illiterate adults in adult literacy and basic skills training programmes

### Objective 4.1

#### Develop a comprehensive non-formal education policy, strategy and plan

##### Activities:

- 4.1.1 In collaboration with the National Statistical Centre, train DEO staff and enumerators to collect accurate information and statistics on illiterates during the 2005 Population Census.
- 4.1.2 Create a database on illiterates, update the system consistently and analyze the information and statistics.
- 4.1.3 Revise the existing non-formal education policy, strategies, objectives and targets.
- 4.1.4 Develop a comprehensive and feasible plan that is realistic.
- 4.1.5 Develop standardized criteria/job descriptions and training strategies. Train and upgrade NFE staff, trainers and CLC facilitators at each level.
- 4.1.6 Recruit and deploy staff and CLC facilitators as needed.

### Objective 4.2

#### Advocate for strong political commitment to organize promotion campaigns to motivate youth and adults to participate in NFE literacy and adult vocational skills training programmes

##### Activities:

- 4.2.1 Restructure and expand the members of the National EFA Committee and its Secretariat to include key ministries, and to be under the direct supervision of the Prime Minister (at the national level), Provincial Governors (at the provincial level), District Governors (at the district level) and Village Heads (at the village level).
- 4.2.2 Develop clear roles and responsibilities for the EFA Committees and their members at each level in accordance with the EFA National Plan of Action.

- 4.2.3 Capacitate and strengthen the EFA Secretariat to facilitate and monitor the implementation of the EFA NPA at each stage.
- 4.2.4 Develop concrete Action Plans at each level to achieve set targets during each stage.
- 4.2.5 Organize promotion campaigns and awareness-raising activities at the grassroots level to motivate children, youth and adults to participate in NFE literacy and vocational skills training programmes, particularly for girls in ethnic group communities.
- 4.2.6 Organize active and attractive teaching and learning activities at the grassroots level in collaboration with other key players.

### **Objective 4.3**

#### **Revise, develop and produce sufficient national and local NFE curriculum, adapting to specific needs of target groups**

##### **Activities:**

- 4.3.1 Assess the existing NFE curriculum and make modifications to update the curriculum relevant to the reality of the situation.
- 4.3.2 Train and capacitate the local education service staff to develop a local curriculum that is specific to the needs of target groups.
- 4.3.3 Monitor and evaluate the learning achievements of the target groups at each stage to update the curriculum accordingly.
- 4.3.4 Motivate the society to make contributions for the production of textbooks, and teaching/learning materials.
- 4.3.5 Increase the production of teacher manuals, textbooks, and teaching/learning materials according to the needs of target groups at each stage.
- 4.3.6 Put in place an effective system for the distribution of teaching and learning materials to the target groups.

### **Objective 4.4**

#### **Establish a standard system for training NFE staff, trainers, facilitators and teachers**

##### **Activities:**

- 4.4.1 Capacitate and upgrade the existing NFE training of teachers (TOT) to enable them to organize consistent and systematic training courses for CLC facilitators according to the needs.
- 4.4.2 Produce and equip sufficient training materials for the NFE Regional Training Centers.
- 4.4.3 Train NFE supervisors and establish the NFE technical assistance and supervision network.
- 4.4.4 Capacitate CLC facilitators, and create CLC networks to enable the facilitators to assist each other in teaching/training activities.
- 4.4.5 Increase honorariums and incentives for CLC facilitators, as well as the salaries of NFE staff and trainers.
- 4.4.6 Provide CLC facilitators with systematic and consistent upgrade training.
- 4.4.7 Ensure effective utilization and functioning of the CLCs through its network.
- 4.4.8 Carefully select para-teachers and facilitators who practice sound teaching methodology (important criterion: level of education, ideally college graduates) and who are trained in teaching methods relevant for the target group.

**Objective 4.5****Establish a non-formal schooling system for school dropouts and children not attending formal primary schools****Activities:**

- 4.5.1 Carry out a feasibility study of non-formal schooling systems for school dropouts and children not attending formal primary schools (identifying potential candidates, ascertaining demand, specifying pre-requisites in terms of daily timetable, etc.).
- 4.5.2 Carry out promotion campaigns and awareness-raising activities among parents about the importance of education, especially targeting those that are poorly educated and those living far away from schools. Locate a sample of communities with high numbers of dropouts and out-of-school children, and implement pilot courses to establish district samples.
- 4.5.3 Incorporate practical life and pre-vocational skills into NFE literacy and training programmes. Courses should not imitate basic education, but rather be student-centered and practical, as well as stimulate critical thinking and independence among participants.
- 4.5.4 Adapt existing primary NFE curricula and those developed by organizations involved in NFE courses.
- 4.5.5 Deliver teaching courses that are flexible and tailored to the conditions of the participants, with parental involvement in the organization, monitoring and delivery.
- 4.5.6 Ensure official recognition (with certificates) for the NFE graduates to continue their education and training.
- 4.5.7 Link closely with rural skills training programmes. Some form of family support, through the promotion of income-generating activities, is critical for NFE programmes aimed at poor families.
- 4.5.8 Evaluate and plan expansion according to monitoring assessments.
- 4.5.9 Construct or rehabilitate and equip Community Learning Centres according to expansion plans, particularly in the poor communities of the 47 poorest districts.
- 4.5.10 Stimulate community participation in the implementation and management of non-formal education activities.
- 4.5.11 Commit resources in the Education Medium-Term Expenditure Framework and annual PES budgets (see Pillar 3: Management) for funding pilot programmes and development in each province.

**Objective 4.6****Provide non-formal primary education to children and youth in disadvantaged areas****Activities:**

- 4.6.1 Carry out a feasibility study of converting incomplete primary schools to facilities for the non-formal primary schooling system (Level I, II & III) for children and youth in disadvantaged areas from selected provinces who have no access to complete primary schools.
- 4.6.2 Formulate pilot projects (done by NFED, PES and DEB of selected provinces) according to the findings of the feasibility study, the national and provincial targets, and needs assessments of target groups.
- 4.6.3 Train teachers from selected incomplete primary schools in NFE teaching methodology, with special emphasis on linguistics and ethnography, geographical settings and livelihoods, and localized curriculum development (taking into consideration curriculum flexibility based on participants' productive activities, especially agriculture).



- 4.6.4 Incorporate NFE activities into skills development training programmes and the activities of the CLCs as much as possible. In areas where there are no CLCs, incomplete primary schools will take the role of the CLC, and resources should be directed to the development of these schools.
- 4.6.5 Prepare (the DEB and teachers of these selected schools) the teaching programme according to the results of the training.
- 4.6.6 Commit resources in the Education Medium-Term Expenditure Framework and annual PES budgets for funding a pilot experiment in the provision of non-formal primary education for children and youth in disadvantaged areas.
- 4.6.7 Carry out and supervise closely the pilot experiment.
- 4.6.8 Monitor closely (NFED, selected PES and DEB) and document the implementation of the programme for evaluation.
- 4.6.9 Evaluate, strategize and plan for the expansion of the programme to other districts and other provinces through the Ministerial Decree .
- 4.6.10 Enforce the Ministerial Decree for completing incomplete primary schools through the non-formal education approach.

### **Objective 4.7**

#### **Raise the literacy rate of the adult population**

##### **Activities:**

- 4.7.1 Evaluate present literacy courses for youth and adults.
- 4.7.2 Plan expansion of literacy programmes for youth and adults according to the conclusions reached.
- 4.7.3 Construct or rehabilitate and equip community learning centres according to the plan.
- 4.7.4 Carry out promotion campaigns in communities with high numbers of adult illiterates and implement courses according to expressed demand.
- 4.7.5 Commit resources in the Education Medium-Term Expenditure Framework and annual PES budgets (see Pillar 3: Management) for funding literacy programmes in each province.
- 4.7.6 Involve the communities in these activities.

## EFA Programme 5: Skills Development Programme for Disadvantaged Groups

### Activities:

Skills development, together with other support activities (improved technologies, product development, development of market linkages, etc.) is crucial to diversify production, enhance product quality and increase productivity. Interventions should focus on assisting the rural poor to diversify their activities and gradually move out of low-return income-generating activities.

For rural areas, the purpose of a skills training programme is to contribute to the creation of self-employment and the development of livelihood and small enterprises.

The MOE should encourage harmonious collaboration among different key stakeholders to improve the management of finance, information systems, evaluation, staff and productivity. In order to give high priority to efficient and effective management, the Ministry of Education is developing some mechanisms, procedures, incentives and controls to improve technical and vocational institutional management. Community involvement in skills development could be attained through mobile team training.

The Ministry strategy is, therefore, to concentrate its actions on young adults, especially school drop outs and ethnic group women/girls in the poorest districts who are motivated to acquire skills for income-generating activities.

To implement its strategy, the MOE will jointly devise the “National Training Policies and Strategies” to meet the challenges of lifelong learning. Internal management policies would be related to organizing systems, staffing and managing human resources, setting targets, planning budgets, financing and controlling performance.

The target:

- Annually enroll 2% of the illiterate adults and 3% of primary school dropouts in basic vocational and lifeskills programmes.

### Objective 5.1

#### Improve and develop an effective vocational and rural skills training programme to disadvantaged groups

### Activities:

- 5.1.1 Devise (the MOE and its social partners) the “National Training Policies and Strategies” to meet the challenges of lifelong learning.
- 5.1.2. Develop appropriate incentives to promote training and stable funding for technical and vocational institutions that develop skills to meet the demands of target groups and the labour market. Diversify sources of funding and put emphasis on TVET as an investment.
- 5.1.3 Provide quality training to build confidence among the trainees, enterprises and funding agencies in the ability of the training provider to develop skills that are high in demand.
- 5.1.4 Create reliable and easily accessed information from industries, employers’ organizations, communities, public and private education and training providers and employer services, including vocational information, career guidance and counseling.
- 5.1.5 Establish a national qualifications framework and accreditation system. This is essential to enable the skills of individuals (gained from training programmes, experiences or prior learning) to be assessed against nationally defined and accepted job-entry competencies. It should cover formal, non-formal and informal sectors. The testing and certification system

should be taken into account to have a flexible entry into and exit out of the educational system for lifelong learning.

- 5.1.6 Build relationships among employers and training providers to improve the training systems in terms of skills, co-financing and quality to meet training needs.
- 5.1.7 Decentralize training of trainers. Identify human resources in the localities (i.e. master craftspeople, local entrepreneurs, extension workers, experienced farmers, village role models, ethnic group leaders) and explore ways of collaboration and modalities to deliver skills training to various target groups most effectively.

## **Objective 5.2**

### **Coordinate actions with those Ministries involved in providing vocational and rural skills training and micro-finance services for disadvantaged groups**

#### **Activities:**

- 5.2.1 Mainstream vocational and rural skills training into the NGPES. NGPES forms the basis for the assessment of vocational training needs for the labour force in complement to the Government's development priorities of the next decade.
- 5.2.2 Strategically plan and coordinate the provision of vocational training for different public sectors.
- 5.2.3 Create a labour market information system. This is vital to produce a relevant diagnosis and assessment of the TVET system.
- 5.2.4 Develop policy and incentives regarding NGOs and other non-government providers.
- 5.2.5 Build inter-ministerial relations to improve the efficiency of the TVET system. Establish adequate mechanisms for pro-active involvement in technical and vocational development. Enhance coordination between the public and private sector through the network of the National Training Council (NTC). The NTC would facilitate the coordination and collaboration among key Ministries and other sector providers, particularly among the employers' and workers' organizations. Develop clear roles and responsibilities for the NTC, and put them into action.
- 5.2.6 Encourage self-employed entrepreneurship through promotion and training. Promote the development of small and medium enterprises (SME) for job creation. Enhance the capacity of micro-finance service providers and institutions to better serve the target groups.
- 5.2.7 Provide trainees with training loans, loans for income generating activities, and loans for SME development.
- 5.2.8 Promote and establish Village Development Funds (VDF) in rural villages to provide disadvantaged groups access to micro-finance services.
- 5.2.9 In coordination with the mass organizations, associations and NGOs, develop standardized training manuals on the village banking system (VDF).
- 5.2.10 Establish and train the villagers to effectively manage the VDF to expand the network in their localities.
- 5.2.11 Capacitate the national micro-finance institutions to formulate conducive laws and policy regarding micro-finance services.

## 5.7 The Role of the Provincial Level and Mechanism for Community Partnership and Ownership

In 2000, a new government policy of deconcentration was issued (Decree No. 01/ Prime Minister's Office, March 11, 2000<sup>37</sup>) that mandated the building up of the provinces as a strategic unit, districts as planning units, and villages as implementation units. Declaration of the State Planning Committee No. 128/SPC, June 11, 2000, related to implementing the Decree No. 01/PO, followed by identifying the special measures needed in order to have better coordination, planning and management.

In response to Decree No. 01/PO, the Ministry of Education issued Decree No. 1500/DOP.02, 3 March, 2002, on implementing the "Decentralization in Education Sector." According to the decree, MOE is centrally responsible for vocational and technical colleges, teacher training colleges, and higher education. The province is responsible for vocational schools and lower and upper secondary education. The district is responsible for pre-school, primary and non-formal education.

The implication of this reform for education sector management,<sup>38</sup> particularly at the district level, concerns staff capacity, competency, time and volume of work load. Since most of the activities at the grassroots level will be monitored by district staff, a major concern will be the availability of staffers' time to cover what could be a large number of projects. Provincial and district staff will, thus, need intensive training courses in education planning, management and evaluation.

In accordance with the MOE's decentralization policy, the National Training Council plans to establish a similar structure at the provincial level to ensure functional links between different stakeholders. The focus will be on advocacy and implementation of the skills development plan at both provincial and district levels in order to decentralize curriculum development, accreditation and the certification process.

The District Education Bureau (DEB) is responsible for non-formal education. It is a big challenge for the DEB staff with limited personnel (two persons for the NFE and Private Education Sector) to take on full responsibility in skills development for disadvantaged groups. In most cases, the target groups are in difficult-to-reach and remote areas. A technical support team should be established, drawing human resources from different sectors, mass organizations and the communities i.e. agricultural extension workers, forestry staff, experience farmers, agriculturists, master craftspeople, small and medium entrepreneurs, experienced technical workers, mechanics, ethnic leaders and volunteers.

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37 Under the Government's de-concentration process initiated in 2000, MOE shares responsibilities with the Provincial Education Service (PES) and the District Education Bureau (DEB).

38 Is under review with the support of the ADB-financed technical assistance 3871-LAO: Strengthening Decentralized Education Management.





Chapter

6

# Conclusions and Recommendations

## 6.1 Design and Delivery of Non-formal Education Programmes

Due to the country's geographical setting and topography, schools are widely scattered and transport generally lacking. With the cost of education, in terms of school supplies, uniforms, and transportation, parents of poor families in the rural areas often see little choice but to send their children to work activities that supplement the household budget.

Often, children become bored with village life when they do not go to school and are spurred by examples of other child workers in their family or village to migrate. They are willing, if not glad, to enter the workforce in order to garner both self- and community esteem. They may also be attracted by the excitement they perceive is related to work activities. In most cases, these disadvantaged children and youth voluntarily migrate from their respected villages to seek work in town, in the capital city, and across borders.

The opening of the borders; the impact of globalization, market demand; widening economic differentials within and between countries; and growing transnational organized crime and illegal labour recruitment networks have increased the migration of these disadvantaged children and youth. Many diverse factors, including natural disaster, poverty, unbalanced population growth and strains on education and employment opportunities have also resulted in an increase in both legal and irregular migration – internal and cross-border, as 'vulnerable populations' hope to improve their opportunities elsewhere.

It is often difficult to convince the parents, who likely have had little or no schooling in their youth, of the importance of education. They may often not want to send their children back to school because basic education does not bring immediate results. It does, however, bear fruit in the longer term through a better job later in life.

The reality and challenges of the situation have direct implications for NFE programmes directed at disadvantaged children and youth.

### Concluding Suggestions

- ▶ Awareness-raising of the importance of education among parents, especially those that are poorly educated and those living far away from schools, is of prime importance.
- ▶ The focus of NFE should not only be on basic general education (literacy and numeracy), but extensive attention should be given to practical life and pre-vocational skills.
- ▶ Courses should not imitate basic education, but rather be practical and stimulate critical thinking and independence among participants.
- ▶ Teaching should be student-centred (instead of top-down) and hands-on.
- ▶ A wide range of NFE curricula have been developed, and organizations involved in NFE courses should adapt existing ones rather than developing their own.
- ▶ Para-teachers and facilitators are crucial for sound NFE courses; they should be carefully selected (important criterion: level of education, ideally college graduates) and trained in teaching methods relevant for the target group. Some feel that working with facilitators who belong to the target group has important advantages.
- ▶ Delivery should be flexible and tailored to the conditions of the participants.
- ▶ Parental involvement in the organization, monitoring and even delivery is clearly one of the success factors in NFE programmes.
- ▶ Government should ensure official recognition (with certificates) for the NFE graduates to continue their education and training.
- ▶ NFE courses should be closely linked with rural skills training programmes.
- ▶ Some form of family support, through the promotion of income-generating activities, is critical for the success of NFE programmes for poor families.

## 6.2 Design and Delivery of Rural Skills Training Programmes

Lessons learned from previous rural development projects have identified a problem with the high rate of micro-enterprise imitation. Such a trend is rooted in low levels of education and training that lead small producers to copycat the business activities they see around them. This is further facilitated by the low barriers, in terms of skills and capital, to enter into such activities or products. As a result, small producers compete with each other and the income generated remains low.

Skills development, together with other support activities (improved technologies, product development, development of market linkages, etc.) is crucial to diversify production, enhance product quality and increase productivity. Interventions should especially assist the rural poor in diversifying their activities and gradually moving out of low-return incomes and, in the medium term, expansion.

Many of the existing rural skills training programmes aimed at the alleviation of rural poverty are rather conventional in their design. For rural areas, the objective should not so much be skills training for wage employment, but rather, the creation of self-employment and the development of livelihood and small enterprises.

### Concluding Suggestions

#### Designing Rural Skills Training

- ▶ Skills training must be flexible and responsive to the changing needs of the labour market, while paying close attention to the interests and conditions of the target group.
- ▶ From the start, it should be clear if the skills aim specifically at wage employment, self-employment, micro-enterprise development or the promotion of livelihood activities because each requires a different approach.
- ▶ While targeted to specific clients, the design should not solely be determined by social considerations. Rather, a more business-like approach should be adopted, as seen in clear objectives, effective management, solid financial administration, and monitoring and evaluation systems that provide relevant feedback on programme performance and impact.
- ▶ Sustainability of skills training interventions makes it imperative to adopt a low-cost approach (simple training facilities and equipment, part-time trainers, use of local volunteers and management) and some form of cost-sharing by programme clients.
- ▶ In the case of small or inexperienced organizations, difficult local conditions and limited available funding, the skills training courses can be best based on local materials and local markets. Interventions aimed at exporting are much more complex and expensive.
- ▶ Successful programmes actively involve the target clients and their communities during various phases of the programme, including the design, implementation and follow-up.
- ▶ In the cities and big towns, education and training approaches, content, and follow-up can benefit significantly from links with the local business sector. Local business people can serve as members of the Board, as management, as education-training advisers, or as resource persons in the classroom.
- ▶ There are some additional considerations to bear in mind for rural skills training programmes targeted at disadvantaged groups:
  - ▶ The education background of these groups is often weaker than that of others, and possibly simple trades should be purposely selected.
  - ▶ Course duration should be short, and the relation with employment as direct as possible since their families (and even the children) cannot go without incomes for a long period.



- ▶ For those already working, training could focus on increasing their level of skill so they could do less hazardous tasks and increase their income, or specifically to improve their working conditions, such as training in occupational safety and health.

### Organization and Delivery of Training Programmes

- ▶ Training programmes should pay attention to the characteristics of the target clients and the conditions under which they are implemented.
- ▶ Provision of training for marketable skills requires some form of explicit analysis of the local economy and available early-return employment opportunities through some kind of simple labour market research.
- ▶ Accessibility of education and training programmes for the poor can be significantly increased by taking into account the time and work constraints of the trainees, and by adopting a user-friendly delivery in terms of course duration (short), location (close to trainees) and time schedule (part-time, during afternoons/evenings and weekends). More attention might be given to outreach training courses, to the extent feasible.
- ▶ The most effective education and training programmes are practical; hands-on; based on demonstrations, repetition and trial-error; and with periods of practical on-the-job training (often resulting in the first job for the training graduates).
- ▶ Selection of trainees should take into consideration their interest for skills training and the desired future use of the skills. Encouraging experiences have been gained in using training contracts to record the trainee's intention to use the skills and to define the consequences of dropping out of the course; they could also include clauses on sharing of training costs.
- ▶ Basic skills training should foremost be conducted through short (maximum one to three months) courses based on a modular, or series, approach.
- ▶ Training curricula should be practical, ideally in local languages and, to the extent possible, suitable for illiterate trainees.
- ▶ Most training aids and materials can also be made locally, and importation should be avoided.
- ▶ Local instructors, such as local master craftspeople, present advantages in terms of acceptance by the trainees, local language and customs, business experience and post-training counseling. They may need some help with instructional methods at first.
- ▶ To enhance the relevancy of education and skills training programmes for self-employment, they should also pay attention to entrepreneurship and business management aspects and should be linked to credit, technology, marketing and other relevant support services.

### Post-training Assistance

- ▶ Effective education and training programmes include training counseling that seeks to match interests of the students/trainees with available labour market opportunities.
- ▶ Training programmes that prepare for waged employment should include career counseling and job placement services.
- ▶ Training programmes that seek to promote self-employment and micro-enterprises should be closely linked to, in the first place, credit schemes that can make available adequate amounts of investment and working capital at relevant conditions and, furthermore, support programmes/providers of assistance in the areas of technology, marketing, business counseling and information.
- ▶ Complementary services should not be provided by the training organizations, themselves, but rather, ensured through institutional networking of reference services.

## 6.3 Non-formal Education and Rural Skills Training Providers

### *Technical Skills Training Providers*

Public and private sector vocational training centres have advantages when it comes to technology-intensive training for wage-employment in the modern sector. However, such employment might be difficult to find, particularly in the rural areas, and may not always be the preferred type of employment for the target group.

NGOs play an important role in the provision of NFE and rural skills training for the rural poor. They have gained valuable experience in the promotion of simple income generating activities and, especially, agriculture-related activities through a combination of services. Most of them are, in fact, not really providers, but rather, organizers of short skills training, technology demonstration or product development interventions as part of their package (usually consisting of community organizing and micro-credit of finance) to promote rural or community development.

Incentives for investments in facilities and equipment may stimulate an increase in non-governmental vocational training providers, which could be more responsive to changes in the demand for skills, and arguably provide relatively higher quality training.

There is also the potential, as yet untapped, to involve the private business sector in the provision of skills training. This could be done not only through sponsorship, but also in more direct forms (for instance, as trainers or advisors).

### *Traditional Apprenticeship Training*

Traditional apprenticeship training (TAT) is the most widespread form of rural skills training. TAT is one appropriate type of training for rural employment and income creation as it provides skills training at an appropriate level. The apprentices are also in the position to acquire basic management practices and have a chance to build up their business network. At the same time, it should be emphasized that there is often a need to improve the quality of apprenticeship training and necessity to prevent the use of apprentices as a source of cheap labour.

In cities and big towns, informal apprenticeship<sup>39</sup> training is also common. It is done through individual agreement among master craftspeople and trainees who wish to learn the trades. The phenomenon of rural youth migrating into cities to seek jobs, as well as skills training, is increasing. The suggestions below would be beneficial if the government were to put in place regulations that prevent exploitation of apprentice trainees. Though the formal apprenticeship training takes place among training institutions and businesses, there is the potential for expansion and better monitoring. Some suggestions below could also be piloted in areas where there are master craftspeople in the localities.<sup>40</sup>

### *Concluding Suggestions*

- ▶ Apprenticeship contracts made with master craftspeople should give a minimum base for effective apprenticeship training. The contract should stipulate training purpose, period, content, apprenticeship fee and gradual remuneration of apprentices that is commensurate with their progress.

39 The suggestions will benefit many out-of-school youth seeking skills training in cities and towns. In reality, such training exists informally i.e. the trainees pay the master craftspeople a huge amount of money to learn the skills based on individual agreement, such as beauty salon (hairdressing, massage etc.), bakery, tailor, mechanics, carpentry, metal welding, electronics etc. Sometimes, the trainees are exploited as free labour and the master craftspeople never teach them all the necessary skills of their trade. Therefore, the suggestions above are based on real-life societal circumstances.

40 ILO-IPEC/TICW Lao PDR piloted some of the approaches in Nong Illueng Village in the training of volunteer trainers in village veterinary.

- ▶ Apprenticeship fees should be paid to the master craftspeople in installments: a down payment at the start of the training and a final severance payment at the end of the training period.
- ▶ Conditions of the apprenticeship training, as well as the progress and results, should be closely monitored through visits to the workshops of the master craftspeople.
- ▶ Sometimes an incentive is needed for the master craftspeople to participate in the scheme. This can consist of specialized product-based skills-upgrading for the master, some form of business counseling or marketing assistance.

## 6.4 Costs and Funding of NFE and Skills Training

A major constraint for setting up non-formal education and rural skills training programmes is a scarcity of funding. While NFE and training programmes have benefited from international organizations' large projects, government funding has been declining. NGO budgets generally cannot allocate large sums for these activities. Contributions from the private sector are still very limited.

### Concluding Suggestions

- ▶ The best strategy for non-profit training providers to finance their training offerings is to maximize funding from (i) existing government and donor programmes, (ii) revenue-generating activities linked to training (such as training-cum-production), additional commercial courses and diversified use of training facilities and staff, (iii) contributions from the rural communities in cash through funding drives, raffles, etc. or in kind, such as providing a training venue, training materials, volunteers for programme implementation, (iv) contributions from the private business sector, and (v) training fees charged to the training participants through the training loan scheme.<sup>41</sup>
- ▶ Training fees are not only important from a sustainability point of view, as they help to cover part of the training costs, but they may also be an effective mechanism to improve the quality of education and training. Special arrangement could be set up to assist those from the poorest households who could not afford to take advantage of the training offerings through training loans, bursary schemes or through income or food support.

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<sup>41</sup> In villages that have established Village Development Funds (Village Banks), training loans should be provided for disadvantaged youth for skills training. In some villages it is called welfare loans for education. Parents take loans to send their children to further their education in towns, cities, or the capital.

## 6.5 Suggestions for Immediate Follow-up

### *National Level (Policy-making)*

- Policies and strategies for implementing training programmes need to be devised by the Lao Government and its social partners.
- Coordination and implementation of the training programme should be clearly spelled out in order to avoid duplication.
  - NTC should be an apex body to develop policy, coordinate programmes and provide the necessary technical services and support to both public and private training institutions so that training is target group needs-based, effective and as efficient as possible.
  - Growth of training providers through services and support that will help them to produce high quality manpower for urban and rural labour markets should be encouraged.
  - Nationwide labour market information should be collected for providing career counseling and guidance to reduce unemployment.
  - Needs assessments should be conducted by focusing on target groups, including disadvantaged groups.
- The design of the training programme should take into account the location, area (urban and rural) and target group needs. As a result, decentralization and curriculum diversification follows.
  - Models and different training approaches (innovative, participatory, pedagogical, interaction of teaching and learning approaches, mobile training, etc..) to empower trainees should be specified for target groups in urban or rural areas differently.
  - Income-generating programmes should be designed with community participation in order to alleviate poverty and upgrade the quality of life.
  - Cross-theme issues on education, health and agriculture should be integrated into training programmes through the involvement of the local community and donors.
- Quality and relevance should be taken into account to improve trainee skills.
  - Good practices of basic vocational training should be described and shared with the training providers.
  - Teaching and learning materials should be provided for target groups.
  - Mobile training and mobile library should be promoted for disadvantaged groups and those in remote areas.
  - Refresher courses should be organized, and trainers should be upgraded continuously to keep up-to-date with new technologies.
- TVET should be seen as an investment, and diversification of funding should be promoted.
  - A system of levy should be applied for enterprises that takes the dimension and size of the company into account.
  - Training fees and loan schemes for all trainees should be promoted. The training fee could be exempted for the disadvantaged groups and poor.
- Monitoring and evaluation of training programmes should be implemented regularly.
  - Evaluation should be built into institutional processes as a self-regulatory process, and needs to be carefully planned in order to be useful to stakeholders. Their legitimate interests must be taken into account throughout the process, but particular attention must be given to potential user-involvement in the planning stage, before any data collection or analysis takes place.
  - Evaluation criteria should be clearly defined by the evaluation authority.
  - Regular and cyclical evaluation is necessary in order to show trends and possible improvement.

- A National Qualification framework, accreditation, testing, and certification of a skills performance system for the formal, non-formal and informal sectors should be elaborated and agreed to by the stakeholders for job-entry competencies.
  - NTC, Ministry of Education, institutions and all training providers should ensure the quality assurance and develop benchmarks/indicators for TVET.
  - A Training, Accreditation and Quality Assurance Board should be established in order to ensure training quality.
  - A skills testing centre should be established in order to certify trainee competencies and issue certification.
- Specialized international agencies should support concerned government agencies in undertaking professional research on labour market developments in Laos. An analysis of the internal labour market, trends, overseas employment perspectives, profiles of migrant workers (internal and abroad), and working conditions should be performed, and policy options and recommendations assessed/presented to increase the capacity of labour management.
- Specialized international agencies should support a coordination/implementation mechanism: Internal coordination and implementation mechanisms between relevant ministries and key stakeholders could be facilitated by strengthening the role of the “National Training Council for TVET.”
- Introduce Acts of Parliament (rules and regulations) to encourage cooperation and collaboration among ministries and social partners.
- Introduce a recognition system that provides articulation.
- Revise policies and set national priorities on TVET according to the changes in development policies.

### **Provincial Level (Coordination and Communication)**

- Improve communications and cooperation among schools and training institutions with SMEs and businesses by enhancing their inputs into the education and training system. Develop a system of good practices for bridging between schools and training institutions with the workplace.
- Replicate good practices of micro-finance modalities and rural skills training schemes in rural areas.







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### **World Bank**

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**T**he promotion of skills development is an essential tool for attaining Education for All goals that relate to the learning needs of youth and adults. Development of the vocational skills sector especially allows disadvantaged groups to take part in socio-economic development, which - crucially - helps to reduce poverty.

*Skills Development for Disadvantaged Groups: Review, Issues and Prospects* is the final report of a study conducted by the Lao Ministry of Education from 2003 to 2004 in the framework of the UNESCO-supported project "Assisting the Design and Implementation of EFA Skills Development Plans: Skills Development to Meet the Learning Needs of the Excluded." Based on extended consultation with various stakeholders from numerous sectors concerned with skills development, the report provides a comprehensive review of the state of skills development in Lao PDR. Particular attention is given to the specific needs of socially and economically excluded groups, such as out-of-school youth and the rural poor. The study analyzes existing relevant policies, strategies and programmes, and offers a set of policy recommendations designed to strengthen the provision of skills in the country. As a result, findings from this insightful document have led policy makers to include a "Skills Development Programme for Disadvantaged Groups" in Lao PDR's National Plan of Action for Education for All.



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