



# YOUTH AS DRIVERS FOR SUSTAINABLE DEVELOPMENT

Standing front and center on UNDP Lao PDR's flagship publication; the 'National Human Development Report' (NHDR), is Ms. Vilayvanh Keoamphone. She is a 20-year-old accounting graduate from the Technical and Vocational Collage of Luang Prabang. Vilayvanh volunteers to teach children in northern Laos through the 'Keep Helping Each Other' project. Her work involves supporting children living in remote areas with their education, by providing school materials, clothes, and teaching a variety of topics. In addition, she is currently employed part-time by a local family business operating in tourism, but she is determined to secure a job with a development organization in the future. Vilayvanh represents the millions of youth who are ready to drive the sustainable development of Lao PDR.

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# YOUTH AS DRIVERS FOR SUSTAINABLE DEVELOPMENT

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LAO People's Democratic Republic 2022  
Youth as Drivers for Sustainable Development  
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## ACKNOWLEDGEMENTS

The production of the 2022 National Human Development Report for Lao People's Democratic Republic (PDR) was a collective effort involving staff of the United Nations Development Programme (UNDP), external consultants and interns contributing generously at every stage. The report is also a product of extensive collaboration with the Development Research Institute of the Ministry of Planning and Investment of the Government of Lao PDR. We owe sincere thanks to the many people who participated and contributed in countless ways, including all UNDP staff and those at the Development Research Institute, who offered comments, ideas, advice and support to the production process, as well as the numerous external advisers and contributors, particularly young people, with whom we consulted and discussed salient issues affecting youth in Lao PDR. We warmly thank everyone who has been involved in the report.

Special thanks go to the authors, Dr. Catherine Phuong, Mr. Korakot Tanseri, Ms. Maniphet Phengsavatdy, Ms. Olga Nilova, Ms. Raniya Sobir, Dr. Roshni Menon, Mr. Sean O'Connell and Dr. Viriyasack Sisouphanthong, and the technical advisers, Mr. Jonathan Hall and Dr. Milorad Kovacevic. Additional contributors include Mr. Ahmed Elbasyouny, Ms. Chanthone Khounthapan, Ms. Thipsavanh Sengphachanh and Mr. Sinthavy Malavong. In addition, the technical editor, Ms. Gretchen Luchsinger, was invaluable in helping to streamline, finalize and bring together the report into a single narrative.

Various members of the UNDP team in Lao PDR and the regional office in Bangkok contributed to the overall strategic direction of the report and its main arguments, while taking part in thought-provoking internal discussions on initial drafts. Advice, oversight and analysis were also provided by various members of the Development Research Institute, under the leadership of the Director General, Dr. Sitthiroth Rasphone. We thank the Institute and its staff for organizing five separate validation workshops to solicit comments and feedback not only from various line ministries and several levels of government (both national and local) but also from youth advocates, including from the Lao Youth Union and Lao Women's Union, and some civil society organizations. The inputs from these discussions were invaluable in finalizing the report.

Finally, a range of people outside UNDP generously provided their time to comment on drafts of the report or share perspectives during interviews and discussions on key issues affecting young people in Lao PDR. Many were young people and/or experts in different fields who have worked tirelessly on the improvement of youth lives and livelihoods. We thank the following United Nations and other colleagues for their contributions: Tej Ram Jat (United Nations Population Fund, UNFPA), Kambiz Kabiri (UNFPA), Syvongxay Changpitikoun (UNFPA), Khemphone Phaokhamkeo (International Labour Organization, ILO), Viengprasith Thiphasouda (ILO), Makiko Matsumoto (ILO), Keovanlay Phanthavong (ILO), Vongtavanh Sayavong (ILO), Anousone Soseng Inh (ILO), Leotes Helin (United Nations Children's Fund, UNICEF), Beate Dastel (UNICEF), Maryam Abdu (UNICEF), Yali Zhang (UNICEF), Wipavee Silpitaksakul (UNICEF), Amphayvan Chanmany (UNICEF), Yu Lee Park (World Health Organization, WHO), Douangkeo Thochongliachi (WHO), Roland Dilipkumar Hensman (WHO), Sia Kondeh (International Organization for Migration, IOM), Thongdeng Silakoune (Joint United Nations Programme on HIV/AIDS, UNAIDS), Binh Vongphasouk (CARE International), Erlend Falch (United Nations Office on Drugs and Crime, UNODC).

## FOREWORD

Lao People's Democratic Republic (PDR) is a vibrant, ethnically and geographically diverse country situated strategically along the Mekong River in the centre of South-East Asia. In the past 30 years, the nation has made tremendous development progress, halving poverty, reducing malnutrition and improving access to education and health. The poverty rate plunged from 46 percent in 1993 to 18 percent in 2019, partially due to rapid growth in gross domestic product (GDP) averaging about 7.3 percent a year.

Lao PDR has also been undergoing one of the fastest urbanization processes in its region. Its population is expected to grow from 7.42 million today to 8.1 million by 2030. Almost one third of people are between 10 and 24 years old, making it one of the youngest countries in South-East Asia. In the coming years, the ratio of the working-age population to older and younger dependents is expected to be high, presenting a unique opportunity to harness the demographic transition and, in the process, profoundly transform the country and improve living conditions even further.

Capitalizing on this demographic transition, however, requires investing in young people. This includes developing comprehensive policies that promote higher-quality education, encourage the productive and gainful employment of young people outside agriculture, improve public health and create an enabling environment that increases participation and inclusion to ensure that no young person, particularly from ethnic and/or remote, rural communities, gets left behind. If key strategies are not carefully formulated and adopted as quickly and effectively as possible, the opportunity to improve all livelihoods in the country may be lost.

This shift towards developing the potential of young people is especially important in the context of the COVID-19 outbreak and subsequent economic recovery. As in much of the world, the pandemic in Lao PDR generated an unprecedented economic shock, with job losses seen across several key industries including tourism, retail trade, transport and hospitality. This may threaten the significant poverty reduction progress of previous decades. A renewed focus on the human development of the largest demographic group in the country—adolescents and youth—is critical to long-term recovery and continued advances for the entire country.

Against this backdrop, the Government of Lao PDR has a long-standing partnership with the United Nations Development Programme (UNDP), including to produce National Human Development Reports focused on mobilizing action on key sustainable development issues. While five reports have been published to date in Lao PDR, this latest iteration will focus on the very salient issue of youth, particularly on the approaches and strategies required to ensure they can meet their aspirations and contribute to the development of the country. Preparation of this report—from identification of the topic to finalization—has been based on broad consultation. A National Advisory Board composed of representatives from different ministries, universities and research institutes provided guidance throughout the process, generating strong national ownership.

## FOREWORD

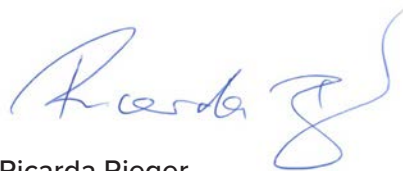
At its core, the report highlights the crucial need for Lao PDR to develop targeted policies aimed at improving young people's opportunities for quality work as well as education and skills development; bettering health outcomes through mitigating health risks that have particular impacts on adolescents and youth; and creating the necessary enabling environment for greater engagement and participation by young people in decisions that affect them. The report also calls for directing more resources to the needs and wants of young people, particularly to more marginalized groups, to reduce disparities, ameliorate extreme poverty and increase gender equity. Ensuring a more equitable distribution of resources will ultimately be key to sustainable human development.

The policy options that support these arguments are targeted specifically to youth. Intended to be practical, they range from investing in appropriate education and training to reduce the mismatch between skills and aspirations in youth and the needs of the labour market, to developing more comprehensive employment services programmes. They encompass establishing formal dedicated mechanisms for youth civic engagement into government departments, policies and programmes, making adolescent girls the priority of the health and development agenda, and upgrading mental health services for youth. While these interventions are just a snapshot of the full range of recommendations presented in the report by chapter and theme, they are all designed to ensure Lao PDR better reaps the benefits of the impending demographic dividend. The Ministry of Planning and Investment and UNDP are confident that the recommendations presented in the report will make an important contribution to realizing national socioeconomic development plans and strategies.

It is time for Lao PDR to put youth at the front and centre of the development process and work with them towards realizing their full potential as drivers for sustainable development. We are confident that this report will guide us along this journey.



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## LIST OF ACRONYMS

### **ADB**

Asian Development Bank

### **ASEAN**

Association of Southeast Asian Nations

### **Asian-NARCO**

ASEAN-Narcotics Cooperation Center

### **CRC**

Committee on the Rights of the Child

### **CSOs**

Civil Society Organizations

### **FDI**

Foreign Direct Investment

### **GDI**

Gross Domestic Income

### **GDP**

Gross Domestic Product

### **GII**

Gender Inequality Index

### **GGGI**

Global Green Growth Institute

### **GNI**

Gross National Income

### **HDI**

Human Development Index

### **IFC**

International Finance Cooperation

### **IHDI**

Inequality-adjusted Human Development Index

### **ILO**

International Labor Organization

### **IMF**

International Monetary Fund

### **IMR**

Infant mortality rate

### **IOM**

International Organization for Migration

### **Lao PDR**

Lao People's Democratic Republic

### **LECS**

Lao Expenditure and Consumption Survey

### **LFS**

Labor Force Survey

### **LGBTQI+**

Lesbian, gay, bisexual, transexual, queer, intersex plus

### **LNCCI**

Lao National Chamber of Commerce and Industry

### **LSB**

Lao Statistics Bureau

### **LSIS**

Lao Social Indicator Survey

### **LYU**

Lao People's Revolutionary Youth Union

### **MoH**

Ministry of Health

### **MPI**

Ministry of Planning and Investment

### **MTC**

Ministry of Technology and Communications

### **NCAW**

National Commission for the Advancement of Women

### **NGOs**

Non-governmental organizations

### **NHDR**

National Human Development Report

### **NEET**

Not in education, employment, or training

### **OHCHR**

Office of High Commissioner for Human Rights

### **OECD**

Organization for Economic Cooperation and Development

### **PTBUL**

Proud To Be Us Laos

### **SDGs**

Sustainable Development Goals

### **SMEs**

Small and Medium Enterprises

### **STEM**

Science, Technology, Engineering and Math

### **TVET**

Technical and Vocational Education and Training

### **UHC**

Universal health coverage

### **UN**

United Nations

### **UNAIDS**

Joint United Nations Programme on HIV/AIDS

### **UNECA**

United Nations Economic Commission for Africa

### **UNPY**

United Nations Programme on Youth

### **UNODC**

United Nations Office on Drugs and Crime

### **UNDESA**

United Nations Department of Economic and Social Affairs

### **UNDP**

United Nations Development Programme

### **UNESCO**

United Nations Educational, Scientific and Cultural Organization

### **UNICEF**

United Nations Children's Fund

### **UNEVOC**

International Centre for Technical and Vocational Education and Training

### **UNFPA**

United Nations Population Fund

### **UNGA**

United Nations General Assembly

### **UNSDG**

United Nations Sustainable Development Group

### **UNV**

United Nations Volunteers

### **USAID**

United States Agency for International Development

### **UXO**

Unexploded Ordnance

### **WHO**

World Health Organization

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A photograph of two young girls looking out from a wooden window during a rainstorm. The girl on the left is smiling and wearing a yellow shirt, while the girl on the right is wearing a pink shirt. The window is framed by weathered wooden shutters, and the rain is visible as white streaks against the dark interior of the house. The background of the image is a wooden wall with a corrugated metal roof edge at the top.

# CHAPTER #1

# INTRODUCTION

## BOX 1.1 DEMOGRAPHIC AND POLITICAL CONTEXT

Lao PDR is a lower-middle-income, landlocked, ethnically diverse country with 7.42 million people and a gross national income (GNI) per capita (2017 PPP) of US \$7,700 as of 2021 (UNDP, 2022b). About two thirds of people live in rural areas. The country is urbanizing quickly, however. The urban population increased from 22 percent in 2000 to 36 percent in 2020 (UNDESA, 2019).

There are 50 officially recognized ethnic groups which can be categorized into 4 main groups: Lao-Tai, Mon-Khmer, Hmong-Mien and Chinese-Tibetan.

The Lao People's Revolutionary Party, led by the Party's Central Committee and managed by the Politburo, makes up the political leadership. The Party Congress takes place every five years, coinciding with the elections of the National Assembly and the selection of executives within the Government. Provincial People's Assemblies were established following a 2016 constitutional amendment.

The Eleventh National Congress of the Party took place in Vientiane in January 2021, electing new party leadership tasked with six key development outcomes outlined in the Ninth National Socio-Economic Development Plan. These include maintaining steady, sustainable and inclusive growth; ensuring people are better qualified to meet the demands of development; and guiding a smooth transition from the country's current status as a least developed country (United Nations, 2020).



# CHAPTER #1

## INTRODUCTION

Lao People's Democratic Republic is one of the youngest nations in South-East Asia. Over half its people, 51.2 percent, are under the age of 25 (UNDESA, 2019). With a demographic transition underway, it faces substantial opportunities for accelerated and sustainable human development, but only for about two decades and only if it makes the right investments in adolescents and youth, the country's biggest asset.

<sup>1</sup> For statistical purposes, the United Nations understands adolescents to include persons aged 10-19 years and youth as those between 15- 24 years.

This sixth National Human Development Report looks at how adolescents and youth<sup>1</sup> can both benefit from and contribute to the country's development trajectory in the coming decades. This will be critical both for younger generations and the country at large as it navigates shocks and seeks to solidify and extend past progress. The report presents current findings on adolescents and youth, detailing drivers of their well-being and barriers to progress. It identifies key actions that, taken now, can ensure young people play their rightful roles in development for decades to come.

These actions aim to improve the building blocks of education, employment, health care and participation, and include intensified efforts to reach young people who are particularly disadvantaged—such as those from rural areas and some socioeconomic backgrounds, including those below or near the poverty line, ethnic groups, young persons with disability, LGBTQI+ (lesbian, gay, bisexual, transgender, queer, intersex plus) youth, young women and young migrants.

Through high-quality educational, economic, social and health support,

adolescents and young adults can thrive and effectively assume adult roles, develop marketable and employable skills, become more involved in their communities, and adopt healthy lifelong habits that will benefit them, their families and their nation. Greater human capabilities established throughout childhood and adolescence and into the transition to adulthood hold the possibility of breaking intergenerational cycles of poverty and inequality and creating a more prosperous and inclusive society overall. By contrast, if human capabilities remain weak, such as among disadvantaged children who do poorly in school or drop out, a cycle of perpetual poverty will continue to spin. In the workplace, these children will perform the most menial work and earn the lowest wages. When they have children, poverty will continue across generations (Hall, 2015).

This report's focus on youth and sustainable development fully aligns with the Government's Ninth National Socio-Economic Development Plan (MPI, 2021a), which identifies youth as one of three key drivers of development for 2021-2025, together with natural resources and a strategic location. The plan states:

**“The country has a great opportunity to benefit from having a vibrant young population, including migrant workers who can contribute to development to drive rapid growth. To achieve this requires effective investment in the health and education sectors at all levels, both quantitatively and qualitatively ... to create opportunities and targeted and effective investments for maximum benefits.” (MPI, 2021a, p.42)**

This National Human Development

Report takes a conceptual approach based on three overarching questions: Why youth? Why now? And why human development? The answer to the first question can be found in Lao PDR’s large population of youth and impending demographic transition. The second question reflects the urgency of prioritizing investments in adolescents and youth given the potential for a demographic dividend and the shocks that threaten it. On the third question, a human development approach focuses on capabilities that are essential for adolescents and youth and for Lao PDR’s future more broadly.

## 1.1 A MOMENT OF DEMOGRAPHIC TRANSITION

Lao PDR, despite the challenges it faces, has entered a demographic transition (Figure 1.1) that offers

opportunities to recover from recent crises and advance human development. Lao PDR is currently undergoing a demographic transition marked by declining dependency ratios. Between 2015 and 2030, the working-age population will increase from 4.1 million to 5.5 million people (MPI and UNFPA, 2020). Lao PDR has the chance to convert this demographic transition into a ‘demographic dividend’ where the increased working-age population participates productively in the economy and spurs economic growth and broader sustainable development.

This is typically a once-in-a-lifetime moment as the demographic window of opportunity is timebound. As per population and census data available for Lao PDR, the window has been expanding since 2015 as more people join the working age-population. But it will start to narrow from 2040 onwards. Realizing a demographic dividend requires multisectoral and multidimensional interventions and investments that enhance the health, education, skills and employability of those entering the working-age population.

The window for a much-needed demographic dividend is now open but only for the next two decades. This report emphasizes the need to act now in order to ensure that Lao PDR does not miss the demographic window of opportunity as this would result in losses in well-being and development and could even stir social unrest. Recent civil unrest in Iran, Sri Lanka and the Arab Spring, which erupted across the Arab world in 2011, had roots in the economic dislocation and even exclusion of young people frustrated by unmet expectations.

**Figure 1.1: Lao PDR’s demographic transition and window of opportunity for a demographic dividend**

Macroeconomic Research Institute, Lao Academy of Social and Economic Sciences (LASSES), United Nations Lao PDR, October 2022

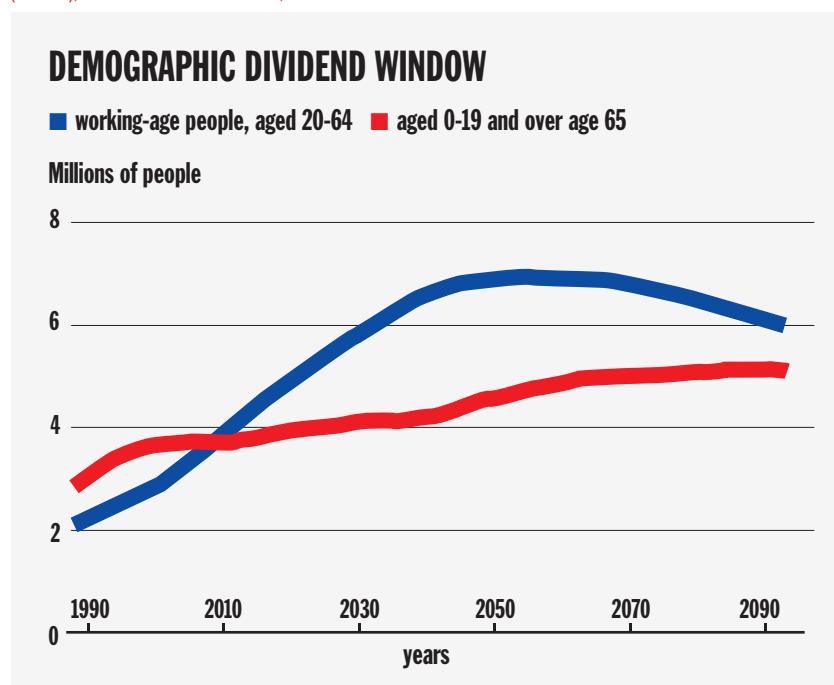


Figure 1.1



Achieving a demographic dividend requires taking a multidimensional approach closely aligned to human development. It hinges on investing in quality education, health and skills, and the creation of high-value jobs through economic diversification. Expanded human development investments have historically enabled countries to reap demographic dividends. In the Republic of Korea, for example, the child dependency ratio ranged between 74 percent and 81 percent through the 1960s but then fell consistently to 22 percent by 2011 (UNDP, 2014). Economic take-off starting in the mid-1960s was preceded by large-scale investment in education. In 1945, most of the population had no schooling; less than 5 percent had secondary or higher education but by 1960, primary enrolment increased threefold, with 96 percent of school-age children in grades 1 to 6 (UNDP, 2014). Secondary enrolment increased more than eightfold and higher education tenfold. By the early 1990s, the high school graduation rate was 90 percent. This education revolution continued even through moments of political instability, poverty and war.

Another example is China. In the 1960s, the child dependency ratio was above 70 percent but started declining in the mid-1970s, just before the market-oriented reforms of 1978, and by 2011 had fallen to 26 percent (UNDP, 2014). In 1982, the earliest year with data, adult female literacy was 51 percent but by 2000, it was 87 percent and by 2010 more than 91 percent. In 1997, the most recent year with data, primary education completion was 94 percent overall and for women, 92 percent (UNDP, 2014). Primary enrolment became universal around 2007. These achievements imply that the growth of the manufacturing sector over the last two decades was a result of not

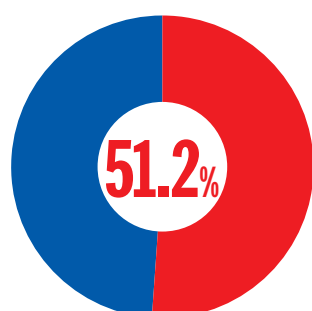
just a growing labour force but also by an educated and productive one.

### Why take a human development approach to youth?

**“Engagement and participation of youth is essential to achieve sustainable human development. Yet often the opportunities for youth to engage politically, economically and socially are low or non-existent.” — UNDP Human Development Report Office**

The decision to focus this National Human Development Report on youth emerged from the recognition that there is an urgent need for investments in youth within the broader context of human development, particularly at a moment of economic instability, compounding shocks and new uncertainties. Two dimensions are especially important. The first entails realizing the rights and potential of adolescents and youth. The second involves assuring they have the capabilities to make the most of the ongoing demographic transition.

The human development approach represents a paradigm shift from putting economies first to putting people first. Traditionally, economic growth, measured with GDP, was understood as the optimum end of development. This monetized conception gained currency after World War II when building strong economies was a shared policy goal for prosperity and perpetuating peace. With time, economic growth became seen as an imperfect proxy of well-being as it failed to account for simple yet important questions around whether human lives were getting any better and if countries



**OVER HALF OF LAO POPULATION ARE UNDER THE AGE OF 25.**

were measuring the right things. At its core, human development is about “widening people’s choices” (UNDP, 1990). It makes well-being and human freedom, specifically, the freedom to realize the full potential of every human life, in the present and future, the end goal of any development effort. In that process, people should be able to build capabilities to improve their own lives and their communities. As Nobel laureate and economist Amartya Sen puts it, “People have to be seen... as being actively involved—given the opportunity—in shaping their own destiny, and not just as passive recipients of the fruits of cunning development programmes” (Sen, 1999). Developing agency and expanding choices go hand in hand. For people to be agents, they must realize their rights to education, decent work, association and expression, and have the freedom to make meaningful decisions about their lives (Alkire and Deneulin, 2009). In Lao PDR, fulfilling the social, economic and other rights of both adolescents and young people equates to realizing the rights of half of its population.

Looking at the concerns of youth through a human development lens is particularly important for three reasons. First, younger people suffer disproportionately from social, economic and climate shocks. The 2008 global financial crisis, for instance, widened the wealth gap between young and old generations and set a record high for youth unemployment (Junankar, 2015). This cast a long shadow over the employability of millennials even after economies improved (Better Markets, 2015). Because youth are more impacted in the long run, building their resilience is key, underpinning “any approach to securing and sustaining human development,” as the 2014 global Human

Development Report emphasized (UNDP, 2014).

Second, human development is sensitive to the path that young people take. Youth are in a transitional stage between childhood and adulthood. During this transition, educational attainment, if all other factors remain constant, means better health, better career opportunities and more money earned. Youth may gain more chances to meaningfully voice their opinions and drive change in themselves and their societies. This cascade effect also works in the opposite direction, both within and across generations. Mobilizing investment in the health, education, skills and other capabilities of young people can break poverty cycles by expanding choices and opportunities.

Finally, human development is important in addressing youth challenges because of its future orientation. Youth are one fifth of the world’s population and will have the longest time on this Earth. Every policy will affect them at some point in their lives—so they should be at the heart of designing these and making decisions about their present and future. The human development approach emphasizes youth agency in part so young people can shape and lead youth-focused policies and programmes.

Only a future-oriented, people-centred approach like human development, with its high value on agency and resilience, and capturing all variables affecting the lives of youth, can help in managing the structural barriers that youth face today, both in Lao PDR and worldwide. If youth can realize their full potential and gain protection against risks, they can claim their own future. Four concepts are particularly important to the human



ຂ້າງກວ

**“People have to be seen as being actively involved in shaping their own destiny, and not just as passive recipients of the fruits of cunning development programmes.”  
— Amartya Sen**



development analysis in this report: equity, efficiency, participation and sustainability.

*Equity* is rooted in concepts of justice, impartiality and fairness, and rests on distributive justice among groups. Achieving it might require affirmative action or special measures to ensure those with unequal opportunities, for reasons related to disability, ethnicity, gender, poverty or other factors, alone or in combination, can attain the same capabilities.

*Efficiency* refers to the least-cost method of expanding capabilities for everyone through the best use of human, material, environmental and institutional resources.

*Participation* and empowerment mean people have the freedom and agency to make decisions that affect them, to hold others accountable for their responsibilities, and to influence and guide the development process. It builds on involvement in programmes, policies, activities and events where people can pursue goals that they value.

Finally, *sustainability* captures the importance of pursuing development aims that meet the needs of the present without compromising the ability of future generations to do the same. Often it refers to pursuing human development objectives without depleting the natural environment but can go beyond this notion as well. It may refer to financial sustainability, such as by not pursuing projects that lead to debt traps or economic instability, or social sustainability, such as by avoiding actions that widen inequality by impoverishing particular groups.

## 1.2 TAKING STOCK OF PROGRESS

To understand the context for human development and well-being for adolescents and youth in Lao PDR, we need to first look at the country's broader economic and human development trajectory.

The last three decades produced rapid economic growth and socioeconomic development but in recent years, concerns have grown over a slowdown in progress, particularly now with the unprecedented impacts of the COVID-19 pandemic.

### Mixed results from economic performance

Lao PDR's 7 percent GDP annual growth rate from 2009 to 2019 largely stemmed from foreign-led investment in hydropower and mining, a gradual opening of the economy and regional integration (United Nations, 2021). Poverty declined based on the national poverty line, from 33.5 percent in 2002-2003 to 18.6 percent in 2018-2019 (LSB and World Bank, 2020).

By 2026, Lao PDR expects to graduate from being a least developed country. At the 2018 Triennial Review held by the United Nations Committee for Development Policy to determine its status, Lao PDR met two of three graduation criteria for the first time. One is based on gross national income (GNI) per capita and a second on a Human Assets Index covering progress in education and health. In the 2021 Triennial Review, Lao PDR successfully met all three graduation criteria by performing well on the Economic and Environmental Vulnerability Index, which looks

at dependency on agriculture and vulnerability to natural disasters. In early 2021, the Committee for Development Policy recommended Lao PDR for graduation with an extended five-year preparatory period reflecting the severe and ongoing impacts of COVID-19 (United Nations General Assembly, 2021).

Lao PDR's growth model has posed several risks. Growth was narrowly based on the expansion of capital-intensive sectors such as mining and hydropower and associated infrastructure. Fiscal risks included low revenue mobilization (mainly due to tax exemptions offered to large investors) and accumulation of debt as external loans financed a large majority of infrastructure projects, particularly in the hydropower sector. Further, economic growth has increasingly become subject to variations in mining and electricity prices and weather conditions (Warr, Rasphone and Menon, 2015). Structural transformation has been slow. The share of agriculture in GDP declined from 17 percent in 2016 to 15 percent in 2020; industry increased from 29 to 32 percent and services remained at around 42 percent over the same period (United Nations, 2021; IMF, 2019).

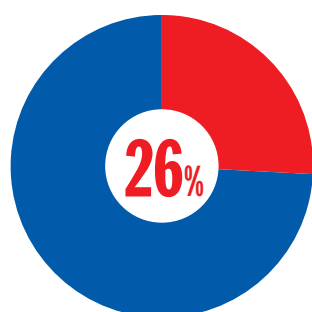
As a result, despite significant growth rates, not many jobs have been created. Agriculture remains the largest employer with 61 percent of the total workforce (down from 74 percent in 2008). The service sector accounts for 26 percent of employment, up from 19 percent in 2008, and industry for the remaining 13 percent (IMF, 2019). Efforts to mobilize foreign direct investment for manufacturing face barriers such as low labour productivity, limited access to raw materials and an unconducive business environment. The industrial sector primarily comprises the electricity, mining

and construction/infrastructure businesses, with a limited contribution from manufacturing. Among services, tourism and related activities is a vibrant and growing sector but has been seriously impacted by COVID-19. These challenges echo issues highlighted in Lao PDR's fourth National Human Development Report on Employment and Livelihoods, published more than a decade ago. It noted:

**“More than 75% of workers continue to be engaged in agrarian livelihoods, a clear indication that economic growth has not created jobs. Labour productivity in agriculture is 4-10 times less than that in non-agriculture; consequently, rural standards of living are lower than urban. A deteriorating natural resources-to-population ratio has further strained rural livelihoods. Poverty proportions have reduced; however, this has not happened via employment. The high growth and high productivity sectors have not deployed workers in any significant numbers (UNDP, 2009, p. 23).”**

Another concern is that growth has not been inclusive. While poverty has declined, income inequalities have escalated. As measured by the Gini index, inequality went from 36.0 in 2012-2013 to 38.8 in 2018-2019 (LSB and World Bank, 2020). In this period, growth in the incomes of the bottom 40 percent of people was 2.1 percent, lower than the average growth rate of 3.28 percent. This points to how growth did not reach far enough in closing the income gap for the poorest.

Lao natural capital is a major source of wealth and crucial to the economy, providing goods and services essential to reducing poverty,



**THE SERVICE SECTOR ACCOUNTS FOR 26 PERCENT OF EMPLOYMENT, UP FROM 19 PERCENT IN 2008.**

securing livelihoods and driving sustainable growth. Forest ecosystem services support key economic sectors including energy, agriculture and tourism. The expansion of key economic sectors in the past decade has contributed to the degradation and depletion of natural resources that these sectors depend on.

### Trends in human development

The Human Development Index (HDI) measures three key dimensions of human development, namely, a long and healthy life (as measured by life expectancy at birth), knowledge (as measured by expected years of schooling for children of school entering age and mean years of schooling of the adult population aged 25 years and more) and a decent standard of living (as measured by GNI per capita adjusted for PPP). The HDI measures are defined as follows (UNDP, 2020c):

– **Life expectancy at birth:** Number of years a newborn infant could expect to live if prevailing patterns

of age-specific mortality rates at the time of birth stay the same throughout the infant’s life.

– **Expected years of schooling:** Number of years of schooling that a child of school entrance age can expect to receive if prevailing patterns of age-specific enrolment rates persist throughout the child’s life.

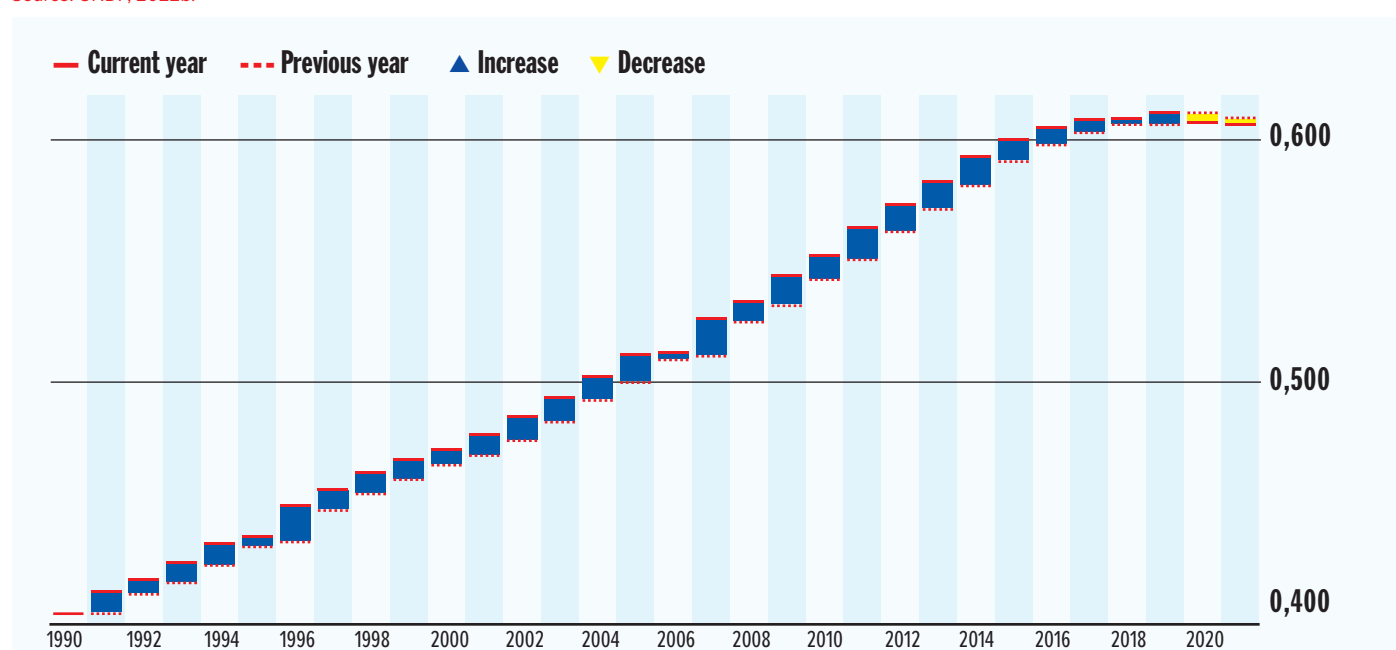
– **Mean years of schooling:** Average number of years of education received by people ages 25 and older, converted from education attainment levels using official durations of each level.

– **GNI per capita:** Aggregate income of an economy generated by its production and its ownership of factors of production, less the incomes paid for the use of factors of production owned by the rest of the world, converted to international dollars using PPP rates, divided by midyear population.

Lao PDR has made significant gains in human development over the past three decades (Figure 1.2). Between 1990 and 2021, its HDI value increased from 0.405 to

Figure 1.2: Trends in Lao PDR’s HDI scores, 1990–2021

Source: UNDP, 2022b.



0.607, a rise of 49.9 percent. Since 1990, life expectancy at birth has risen by 14.35 years. Between 1990 and 2021, mean years of schooling climbed by 2.28 years and expected years of schooling by 3.55 years. GNI per capita (2017 PPP) increased nearly threefold (296.1 percent) to \$7,699.58.

Figure 1.2:

According to the latest global Human Development Report issued in 2022, for the first time, the global HDI value declined, with the pandemic taking the world back to 2015. Ninety percent of countries saw their HDI value drop in either 2020 or 2021, far exceeding the number that experienced reversals in the wake of the 2008-2009 global financial crisis (UNDP, 2022b). Almost all countries saw reversals in human development in the first year of the pandemic. Most low-, medium- and high-ranking HDI countries saw continued declines in the second year (UNDP, 2022b), as was the case for Lao PDR (Figure 1.2). The 2021 HDI value for Lao PDR was 0.607, putting it in a medium human development category and positioning it at 140 out of 189 countries and territories (UNDP, 2022b).

Table 1.1

Table 1.1 provides details on HDI trends (2019-2021) for Lao PDR, illustrating the impact of the pandemic. Life expectancy at birth declined in 2021, indicating direct and indirect health risks and mortality impacts. The fall in life expectancy of 0.4 years is unprecedented, the first in a 32-years-long series. Life expectancy in 2021 is now at the same level as in 2010-2011. Expected years of schooling dropped to 10.1 in 2020, having fallen in Lao PDR since 2015. Mean years of schooling remained at the same level as in 2019. GNI per capita income increased in value but the rate of increase was much slower for 2020 and 2021.

GNI per capita rose almost continuously over the past 30 years, except in 2006, at an average rate of 4.74 percent annually. For 2019-2020 and 2020-2021, it climbed by 1.7 and 0.63 percent respectively, indicating a slowdown due to pandemic fallout on the economy.

### The cost of inequality

The Inequality-adjusted Human Development Index (IHDI) captures inequality by ‘discounting’ the average value of each HDI dimension according to its level of inequality. For Lao PDR, this results in a decline in the HDI from 0.607 to 0.459, reflecting a 24.4 percent loss due to inequality in the distribution of income, health and education. This inequality-related loss is equal to those of other medium human development countries on average (Table 1.2). Yet while the HDI value for Lao PDR (0.607) is higher than for Cambodia (0.593), on the IHDI, Cambodia (0.479) performs better than Lao PDR (0.459). This underlines the need for more efforts to reduce inequalities in life expectancy at birth and in education, where Lao PDR

**Table 1.1: Impact of COVID-19 on HDI dimensions in Lao PDR**

Source: UNDP, 2022b.

	2019	2020	2021
HDI	0.610	0.608 (-0.002)	0.607 (-0.001)
Life expectancy at birth	68.1	68.5 (+0.4)	68.1 (-0.4)
Expected years of schooling	10.5	10.1 (-0.4)	10.1
Mean years of schooling	5.4	5.4	5.4
GNI per capita, dollars (constant 2017 PPP)	7,519	7,652 (+133)	7,700 (+48)

**Table 1.2: Performance on the IHDI**

Source: UNDP, 2022.

	IHDI VALUE	INEQUALITY IN LIFE EXPECTANCY AT BIRTH (%)	INEQUALITY IN EDUCATION (%)	INEQUALITY IN INCOME (%)
Lao PDR	0.459	20.6	31.3	20.6
Cambodia	0.479	15.4	27.3	14.3
Papua New Guinea	0.397	20.9	35.7	28.9
Medium HDI	0.475	17.8	26.3	26.4

underperforms other medium-ranking HDI countries.

than Cambodia and other medium-ranking HDI countries on average.

Table 1.1

The Gender Development Index (GDI) captures gender inequalities in health (measured by female and male life expectancy at birth), education (measured by female and male expected years of schooling for children and mean years for adults aged 25 years and older) and command over economic resources (measured by female and male estimated GNI per capita). The 2021 HDI value for women in Lao PDR was 0.591, compared to 0.623 for men, resulting in a GDI value of 0.949. The closer the ratio is to 1, the smaller the gap between women and men in terms of human development performance. This puts Lao PDR in a category of countries with medium equality (group 3).

GDI captures the degree of income disparity between women and men. In 2021, GNI per capita (2017 PPP) for females was \$6,757 while for men it was \$8,627. Table 1.3 indicates that girls can expect fewer years of schooling and fewer mean years of schooling than boys. Life expectancy is the only indicator where women outperform men but this is a general trend across almost all societies. For the GDI value, Lao PDR performs better

Table 1.3

The Gender Inequality Index (GII) unpacks gender inequality further by looking at reproductive health, empowerment and economic activity, and reflecting losses in human development due to inequality between women and men. Reproductive health is measured by maternal mortality and adolescent birth rates; empowerment by the share of parliamentary seats held by women and attainment in secondary and higher education by each gender; and economic activity by the labour market participation rates of women and men. Lao PDR had a 2021 GII value of 0.478, ranking 120 out of 162 countries. Compared to medium human development countries in general, Lao PDR underperforms on this index.

In political participation and empowerment, women hold 21.95 percent of seats in the National Assembly, below the global average of 25.9 percent and just above the medium human development country average of 21.0 percent but significantly higher than a neighbouring country, Thailand with 13.9 percent. However, the current representation of female members



**Table 1.3: Performance on the GDI**

Source: UNDP, 2022.

	F-M RATIO	HDI VALUE		LIFE EXPECTANCY AT BIRTH		EXPECTED YEARS OF SCHOOLING (YEAR)		MEAN YEARS OF SCHOOLING (YEAR)		GNI PER CAPITA (2017 PPP\$)	
	GDI VALUE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE
Lao PDR	0.949	0,591	0,623	70,1	66,2	9,9	10,3	5	5,8	6.757	8.627
Cambodia	0.926	0,57	0,615	72,3	66,8	11	11,9	4,4	5,9	3.464	4.706
Medium HDI	0.93	0,599	0,644	69,5	64,2	11,9	11,9	6,7	7,6	4.217	7.735

in the National Assembly is lower than the 27.5 percent representation in the National Assembly for the period 2015-2020. Much scope exists for further accelerating women’s participation in across different levels of decision-making.

While gender disparity in education is in general narrowing, Table 1.4 shows that 37.7 percent of the female population has a secondary education compared to 47.7 percent of the male population. The education gap typically widens in tertiary education. A large portion of women and girls miss out on secondary education for multiple reasons, including early marriage, long distances to school, and social norms and expectations for girls to stay at home to help their mothers (United Nations, 2021).

The labour force participation rate is close to parity, with the level of female participation at 74.8 percent and male participation at 78.1 percent. Compared to medium human development countries and nations in East Asia and the Pacific on average, Lao PDR has lower gender inequality in labour force participation. Yet as shown in Table 1.3, women earn substantially less than men, since they cluster primarily in low-income, informal work. In 2017, up to 91.3 percent of women in

rural areas and 70.7 percent in urban areas were informally employed (LSB, 2017). One reason that women are disadvantaged in accessing formal employment and decent wages is that many do not complete secondary or tertiary education.

The GII demonstrates Lao PDR’s underperformance on critical women’s health indicators, including rates of maternal mortality and adolescent births. For every 100,000 live births, 185 women die from pregnancy-related causes. Lao PDR’s adolescent birth rate is 73.2 births per 1,000 women aged 15-19, higher than the average for medium human development countries and the East Asia and the Pacific regional average. High maternal mortality indicates gaps in reproductive health services such as long distances to health facilities and poor-quality services. Adolescent pregnancy contributes to maternal mortality in addition to neonatal mortality and child stunting (WHO, 2018).

Table 1.4

**Provincial HDI trends**

Previous National Human Development Reports calculated provincial HDI values for 2001-2003 and 2011-2013. These exercises gauged interprovincial differences



**FOR EVERY 100,000 LIVE BIRTHS, 185 WOMEN DIE FROM PREGNANCY-RELATED CAUSES.**

**Table 1.4: Performance on the GII**

Source: UNDP, 2020b.

	GII VALUE	MATERNAL MORTALITY RATIO	FEMALE SEATS IN PARLIAMENT (%)	POPULATION WITH AT LEAST SOME SECONDARY EDUCATION (%)		LABOUR FORCE PARTICIPATION RATE (%)	
				FEMALE	MALE	FEMALE	MALE
Lao PDR	0.478	185	22	37.7	47.7	74.8	78.1
Cambodia	0.461	160	19.8	18.3	31.7	74	85.9
Medium HDI	0.479	198	21	46.1	52.8	49.9	71.3

in human development and relative performance of provinces across time. This report attempts to provide an update on some of the trends defined in these earlier reports.

The current report modified the methodology for provincial HDI estimates. In previous calculations, overcoming data limitations at the provincial level required two deviations from the overall methodology. First, since GDP/GNI computations are not made by province, the report used mean consumption levels from the most recent Lao Expenditure and Consumption Survey. Second, in the earlier reports, data on life expectancy at birth by province were not available so reverses of the infant mortality rate (1-IMR) from the 2005 census and the 2011/2012 Lao Social Indicator Survey were used. For the current report, data on life expectancy by province were available and could be applied. In previous calculations, only the primary net enrolment ratio was employed as an indicator to better reflect the knowledge dimension. This report’s calculation includes the lower secondary completion ratio as school is compulsory until that point (a detailed statistical note is provided in Annex #4).

Given these methodological adjustments, this report’s provincial

HDI values cannot be compared with those of previous years for technical reasons.

Figure 1.3 presents the HDI values for all 18 provinces of Lao PDR. The highest performer is Vientiane Capital province. The lowest HDI values are in Phongsaly, Sekong, Attapeu and Saravan.

Figure 1.3

Provincial disparities in HDI reflect an urban-rural divide in terms of poverty, income opportunities, access to and quality of education, and health services. Table 1.5 shows that Vientiane Capital significantly outperforms all three HDI indicators when compared with all other provinces. Provinces with relatively large urban areas such as Xiengkhuang in the central part and Champassak in the southern part of the country show relatively better performance in HDI than most of the provinces. Poverty in rural areas is more than three times higher than in urban areas; rural communities host around 90 percent of poorer people.

In terms of income (GNI per capita, 2017 PPP), aside from Vientiane Capital, Luangnamtha, Savannakhet and Oudomxay have the highest performance. Provinces with high performance have benefited

from significant investments by neighbouring countries, the growth of tourism or growth in commerce and industry through special economic zones. In contrast, the southern provinces (Saravane, Sekong and Attapeu) have deep-seated poverty and underdeveloped economies, explaining their low performance.

In terms of life expectancy at birth, Vientiane province, Champasack province and Savannakhet province are performing better due to the availability and diversity of the health services, resources and infrastructure. On the other hand, with an average of 62.8 years, northern provinces with mountainous topography and predominately rural settling, have the lowest life expectancy (Oudomxay, Phongsaly, Luangnamtha), due to limited access to health services.

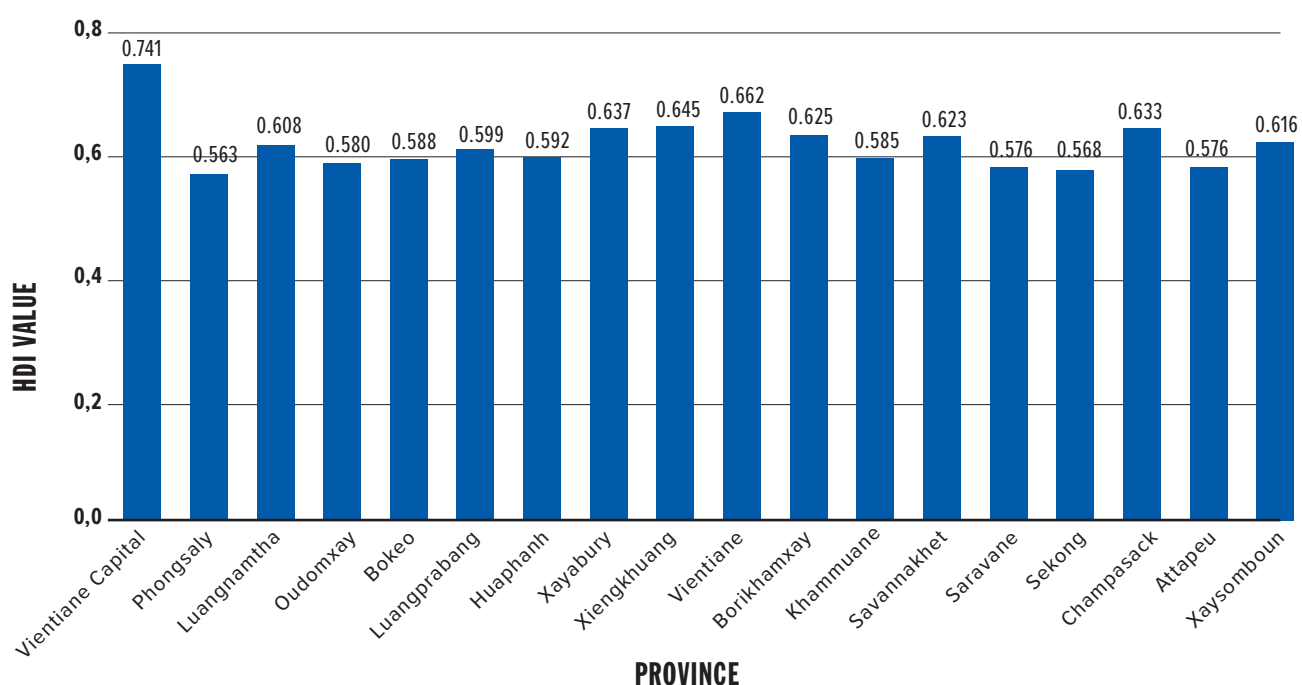
Mean years of schooling show the education levels of the adult population, measured as the average number of years of education received by people ages 25 and

older. The central provinces have higher mean years of schooling. The lowest mean years are in Phongsaly, Luangnamtha and Oudomxay provinces. This potentially indicates poorer employability of populations in these provinces. But it does not reflect current education attainment, which is demonstrated by indicators on primary and lower secondary completion rates. Primary enrolment is close to 100 percent in most provinces. Lower secondary completion rates are smallest in Phongsaly, Savannakhet, Saravane and Sekong.

When comparing health, education and poverty rates across provinces, it is evident that poor performance in any one variable feeds the others. For example, provinces in the north like Phongsaly and Oudomxay and the south like Saravane and Sekong, with high poverty headcounts, also perform badly in net upper secondary school attendance and child malnutrition as measured by the very high prevalence of stunting. The

**Figure 1.3: HDI estimation by province, 2021**

Source: UNDP calculations.



**Table 1.5: Performance on HDI indicators of health, education and income by province, 2021**

Source: UNDP calculations.

		EDUCATION INDEX			GNI INDEX	LIFE EXPECTANCY INDEX
PROVINCE	HDI VALUE	MEAN YEARS OF SCHOOLING (YEAR)	PRIMARY NET ENROLLMENT RATIO	LOWER SECONDARY COMPLETION RATIO	GNI PER CAPITA (2017 PPP\$)	LIFE EXPECTANCY AT BIRTH (YEARS)
<b>Lao PDR</b>	<b>0.631</b>	<b>5.4</b>	<b>98.8</b>	<b>65,1</b>	<b>7740</b>	<b>66.7</b>
Vientiane Capital	0.741	8.4	100.4	72	12,393.80	72.4
<b>North</b>	<b>0.595</b>	<b>4.3</b>	<b>98.9</b>	<b>65,4</b>	<b>7350.3</b>	<b>62.8</b>
Phongsaly	0.563	3.3	97.2	58.2	7,703.10	60.9
Luangnamtha	0.608	3.9	98	72.6	10,447.60	61.4
Oudomxay	0.58	3.8	99	63.9	8,360.80	59.6
Bokeo	0.588	4.1	99.6	60.9	6,576.30	63.6
Luangprabang	0.599	4.8	100	61.8	6,037.10	64.5
Huaphanh	0.592	4.5	99.1	66.6	6,599.10	61.8
Xayabury	0.637	5.9	99.5	73.5	5,727.90	67.5
<b>Central</b>	<b>0.626</b>	<b>5.4</b>	<b>98.3</b>	<b>65</b>	<b>7,108.9</b>	<b>67</b>
Xiengkhuang	0.645	5.9	99.1	70.4	7,800.10	66.5
Vientiane	0.662	6.0	100.2	67.7	8,335.90	69.7
Borikhamxay	0.625	5.4	99.7	61.5	6,302.70	68
Khammuane	0.585	4.9	96.2	63.2	5,249.80	63.7
Savannakhet	0.623	4.6	98,7	57,6	8,420.90	68,7
Xaysomboun	0.616	5.4	96,1	69,3	6,543.80	65,2
<b>South</b>	<b>0.588</b>	<b>4.6</b>	<b>98</b>	<b>57,6</b>	<b>5,654.70</b>	<b>65.525</b>
Saravane	0.576	4.0	99,1	54,1	4,638.80	67.3
Sekong	0.568	4.4	97,1	56,8	5,570.50	62.1
Champasack	0.633	5.4	98,1	61,2	6,950.90	69.6
Attapeu	0.576	4.5	97,6	58,4	5,458.50	63.1

same provinces have high adolescent birth rates, estimated at around 10 percent on average.

Table 1.5

Significant inequalities persist not only along rural and urban lines and among geographic areas but also among ethnic groups. Comprising about 34 percent of the population, many of these groups live in remote regions and rely on the natural environment for their livelihoods. On average, they tend to have less income, with more people categorized as either poor or very poor, and more limited access to key services such as health and education. Young males of the majority Lao-Tai ethnicity have an 84 percent literacy rate compared to only 63 percent for young men from the minority Mon-Khmer community, for example. Disparities widen even further when accounting for gender. While Lao-Tai women are just below Lao-Tai men with an 81 percent literacy rate, the rate for Mon-Khmer women is dramatically lower than for Mon-Khmer men, at 45 percent (Ministry of Health, 2015; Ministry of Education and Sports, 2014).

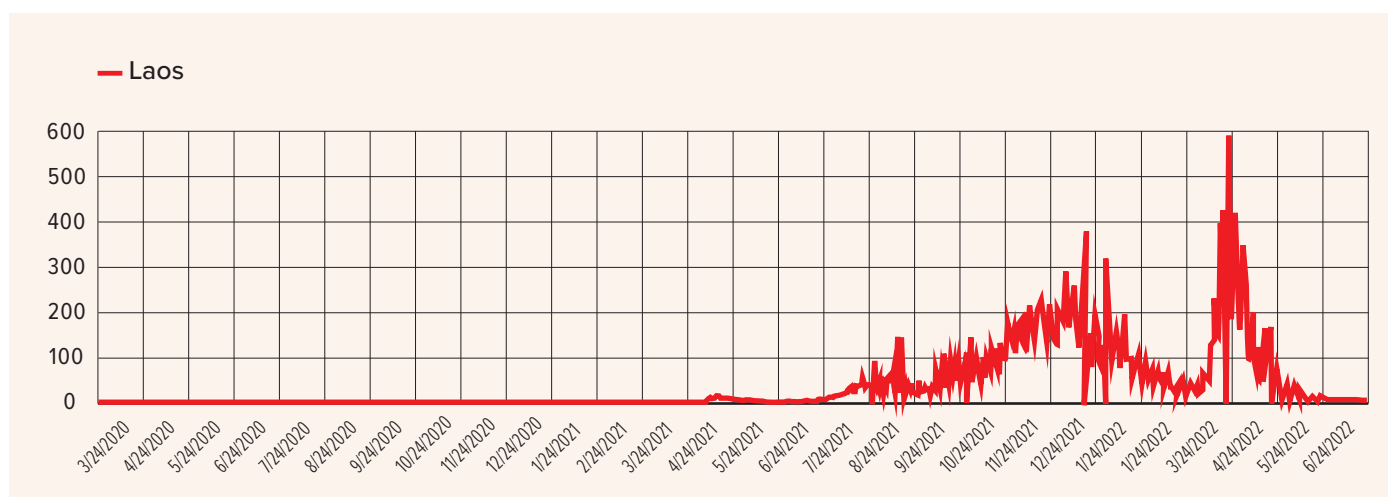
HDI analysis suggests that addressing any development problem in isolation will likely not succeed. Coordinated efforts are needed to change the circumstances of individuals in their families, workplaces and schools. Breaking the cycle of poverty starts with empowering today’s youth, supporting their education and skills development, increasing their preparedness in the job market, investing in their health and capabilities, and not only listening to their voices but acting on what they say.

### Pandemic-related risks and human development reversals weigh heavily on younger people

The urgency to act now is even more pertinent given the multiple shocks the country has experienced in recent years, including from natural disasters in 2018 and 2019, the COVID-19 pandemic and more recently the impacts of the conflict in Ukraine. These blows are reversing hard-won gains in human development and threatening the critical multisectoral investments needed in health, education and skills to translate

Figure 1.4: Daily cases of COVID-19 from 24 March 2020 to 22 June 2022, per million people in Lao PDR

Source: UNDP calculations based on <http://github.com/owid/covid-19-data/tree/master/public/data>



the demographic transition into a dividend.

The pandemic has reversed human development gains worldwide and in Lao PDR, in part due to health risks, mortality, mass school closures and a severe global economic recession. Figure 1.4 indicates the three waves of COVID-19 outbreaks that Lao PDR has faced.

Figure 1.4

Slowed growth and loss of livelihoods likely drove the poverty rate (measured as \$3.20 a day, 2011 PPP) up by at least 1.7 percentage points in 2020 compared with a non-COVID-19 scenario. Greater unemployment and reduced income put many young children and adolescents in low-income and poor households at risk of food insecurity and malnutrition. In a survey of 1,200 households, 48.9 percent of families said they have cut spending on food or simply reduced food consumption; 15.2 percent were unable to pay for basic food. Among 232 who took out loans just after the pandemic began in 2020, 78 percent stated that the main purpose was to buy food (United Nations, 2020).

The Ministry of Education and Sports to some extent used digital platforms to transmit education content and maintain continuity but only 16.5 percent of children could access online learning. More families likely pulled children out of school due to the higher opportunity cost of staying in school compared to engaging in income-generating activities or, for girls, getting married. Adverse effects from disrupted education are generally worse for disadvantaged learners and their families, although few data are available on the most vulnerable and affected young people, including out-of-school children, young people with disabilities, children at risk of violence

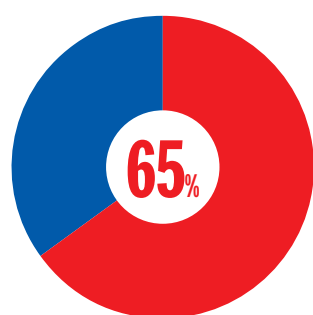
and those pushed into child labour. Pre-existing pressures linked to poverty were already pushing many young girls, mainly in rural areas, out of school and into sexual activity, marriage and pregnancy even before the pandemic (MPI, 2021b), a trend that likely surged during the crisis.

Psychological challenges have intensified across all population groups due to the pandemic. Focus group discussions and interviews for this report indicated that adolescents are under tremendous psychosocial stress from isolation and poised to lose important social and emotional dimensions of their development. They are especially sensitive to disruptions in education and work. Short-term stress and loneliness may encourage some to engage in risky behaviour and resort to substance abuse. Longer-term mental health issues could include chronic depression (MPI and UNICEF, 2021)

### Multiple risks threaten the future for youth

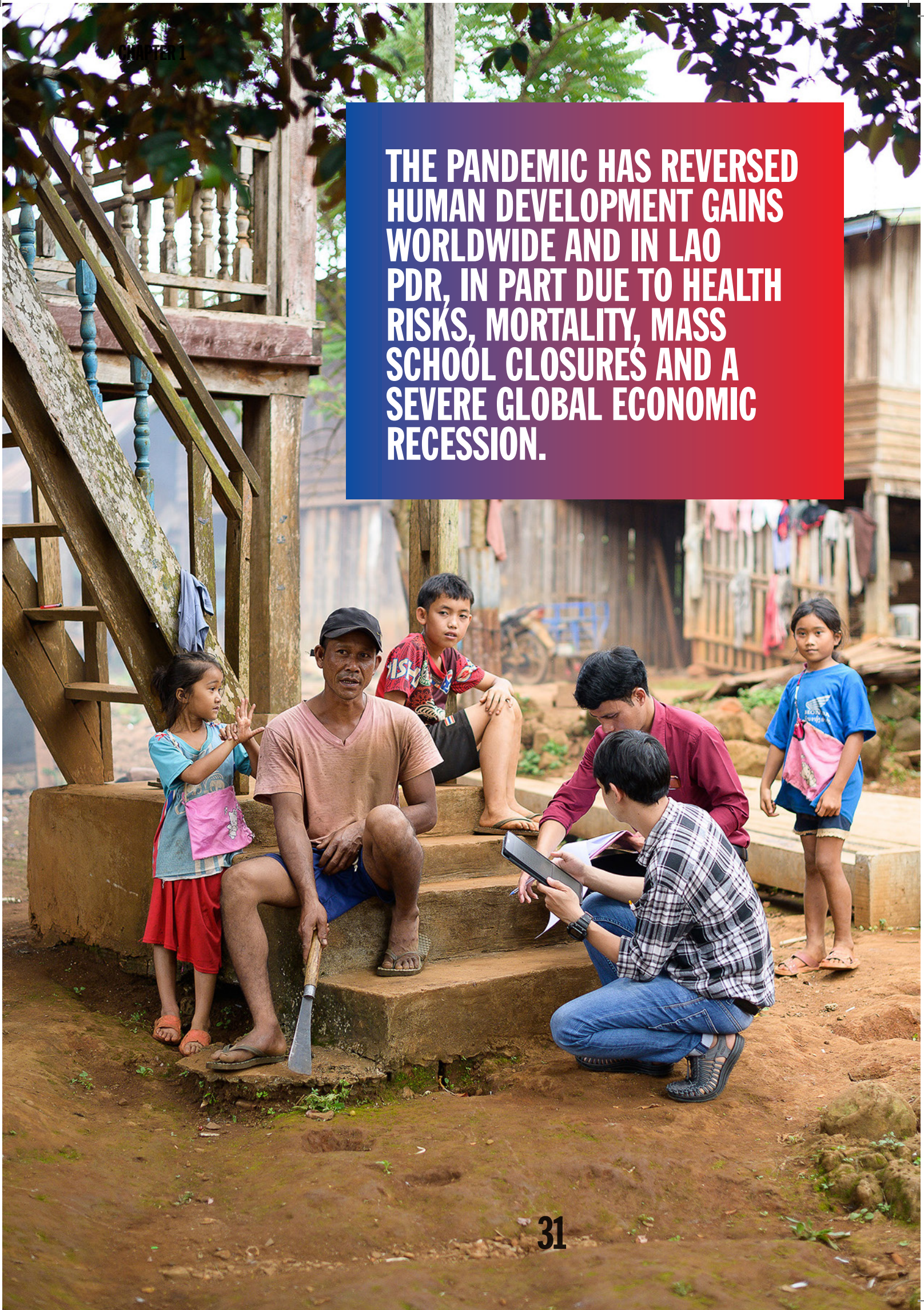
Acute crisis calls for a clear focus on the country's most valuable assets, one of which is its large population of adolescents and youth. Lao PDR was highly vulnerable to multiple risks, including from climate and natural disasters even before the pandemic.

The latest global Human Development Report for 2021-2022 brings to light the new reality of the 'uncertainty complex' faced by the world. This comes from the dangerous planetary changes of the Anthropocene, societal transformations and the increased polarization of societies. The report links this uncertainty complex to heightened human insecurity, where people increasingly feel unsafe and insecure about their lives (UNDP, 2022b). It echoes the 2022 Special Report on Human Security, which

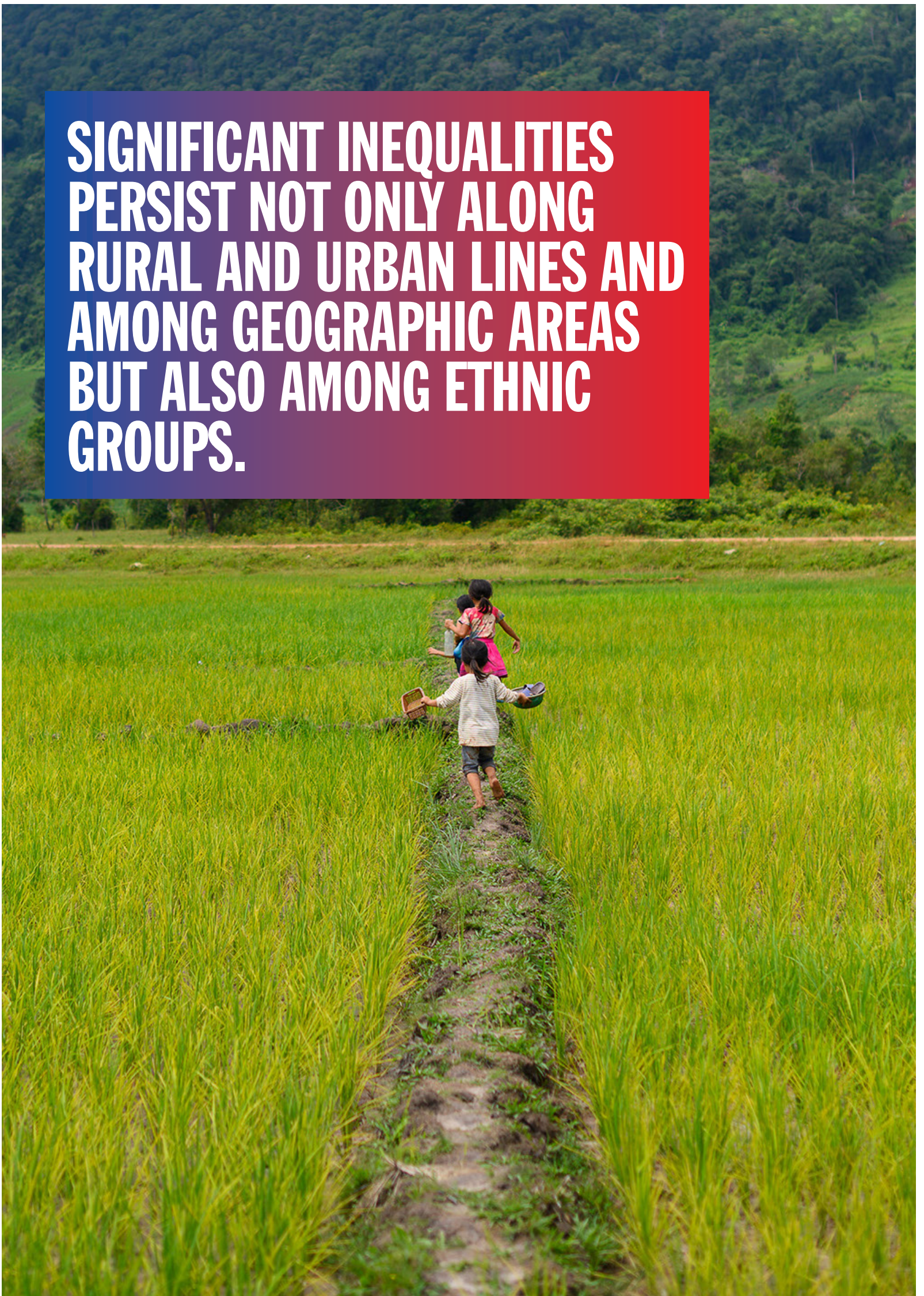


**SIXTY-FIVE PERCENT OF HOUSEHOLDS REPORTED LOWERING SPENDING ON EDUCATION AND HEALTH AS A WAY OF COPING WITH INFLATION**

**THE PANDEMIC HAS REVERSED HUMAN DEVELOPMENT GAINS WORLDWIDE AND IN LAO PDR, IN PART DUE TO HEALTH RISKS, MORTALITY, MASS SCHOOL CLOSURES AND A SEVERE GLOBAL ECONOMIC RECESSION.**



**SIGNIFICANT INEQUALITIES  
PERSIST NOT ONLY ALONG  
RURAL AND URBAN LINES AND  
AMONG GEOGRAPHIC AREAS  
BUT ALSO AMONG ETHNIC  
GROUPS.**





shows that people’s sense of safety and security is at a low in almost every country, including the richest countries, despite years of upward development success (UNDP, 2022a). In this context, responding to the needs and well-being of adolescents and youth and ensuring their sense of security is even more imperative.

Lao PDR is now experiencing its greatest economic crisis since 1999. GDP growth in 2020 was the slowest since 1988. Foreign exchange reserves remain low (Bank of Lao, 2022), given lost remittance flows and income from tourism, and maturing public debt payments. Revenue collection has worsened while public and publicly guaranteed debt increased from 69 percent of GDP in 2019 to 88 percent in 2021 (Ministry of Finance, 2022). Short-term debt repayments are estimated to be about \$1.1 billion annually from 2022-2025. Persistent foreign exchange shortages have meant the Lao Kip lost 62 percent of its value between August 2021 and August

2022. Inflation increased from 6.3 percent in January 2022 to 30 percent in August 2022 (year-on-year) (Bank of Lao, 2022).

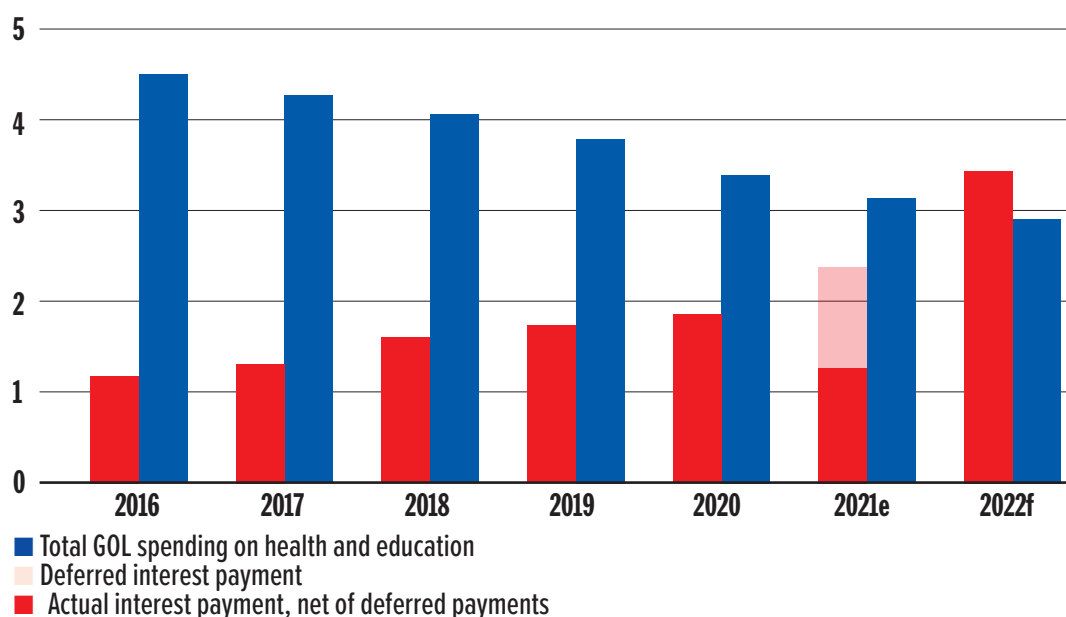
Figure 1.5

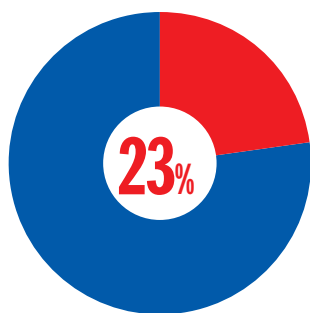
These macroeconomic vulnerabilities have further undermined government investments in education, health and employability. In 2019, the Government was already spending five times more on debt servicing (27.9 percent) than on public health (4.9 percent), the seventh highest divergence in the world, and the gap has widened (Barney and Souksakon, 2021). Interest payments are higher than combined government spending on education and health in 2022 (Figure 1.5). The erosion of fiscal space threatens critical human development investments that Lao PDR needs to make now to realize a demographic dividend.

High rates of inflation and the cost of living are triggering various household coping strategies that

**Figure 1.5: Social spending & interest payments as a percentage of GDP**

Source: The World Bank, 2022a.





**WHILE AGGREGATE FOOD INSECURITY SEEMS TO BE DECLINING, THE SHARE OF HOUSEHOLDS EXPERIENCING SEVERE FOOD INSECURITY ROSE TO 23 PERCENT IN APRIL AND MAY 2022.**

are further undermining household investments in nutrition, health and education. Sixty-five percent of households reported lowering spending on education and health as a way of coping with inflation (World Bank, 2022b). While aggregate food insecurity seems to be declining, the share of households experiencing severe food insecurity rose to 23 percent in April and May 2022.

Anxieties about climate change are global but the impacts will be uneven. People in the poorest countries, particularly children and young people, stand to lose the most. Younger generations will be four to seven times more exposed to heat waves in their lifetimes than older generations (UNDP, 2022b). In this context of uncertainty and external shocks, responding to the needs and well-being of adolescents and youth and ensuring their sense of security is more urgent than ever before.

## 1.3 THE REPORT METHODOLOGY AND STRUCTURE

This National Human Development Report supports crisis recovery and the accelerated achievement of national and international development agendas, including the Ninth National Socio-Economic Plan 2021-2025 and the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals. The report explores several overarching questions on adolescents and youth in Lao PDR:

- **What opportunities** do young people currently have in the country, and what are their aspirations? How do they take advantage of these opportunities and interact with key public services such as education and health care?
- **Which groups** of youth are

consistently left behind?

- **How can public institutions** and policies better support young people and ensure they realize their future potential?
- And finally, **what types of interventions and investments** must be made now to ensure that opportunities meet aspirations and that adolescents and youth lead fulfilled and empowered lives while contributing to national development goals?

Report research drew on both primary and secondary data and information. A desk review included a structured analysis of information from existing literature and policy documents. Analysis of secondary data used the latest key statistical survey data sets, including the Population and Housing Census 2015, Lao Social Indicator Survey 2017, Lao Expenditure and Consumption Survey and Labor Force Survey 2018-2019. Primary data collection included:

- **Two quantitative surveys:** One was launched online across the country and another in person across six provinces, Oudomxay, Luang Prabang, Vientiane Province, Savannakhet, Saravan and Champassak. The surveys took place from February to April 2022 (see Annex 1 for the survey tool). They gathered the perceptions of young women and men about the course of development in Lao PDR, particularly on education, employment, participation, health and well-being. Approximately 6,790 people aged 15-24 answered the survey questions, which were designed in consultation with the Development Research Institute in the Ministry of Planning and Investment. Four random selection processes applied in the survey included the randomization of provinces by region, districts by province, villages by district, and households and respondents. After the survey was completed, a

consultation with government officials in June 2022 validated data for the report.

— **Focus group discussions:**

Twenty groups met in December 2021, involving 100 participants from various backgrounds. The discussions were semi-structured and used a focus group discussion guide (Annex 2).

— **Interviews with key stakeholders:**

These targeted non-profit associations and key experts working on youth and development issues, including at UNFPA, UNICEF, WHO, ILO, IOM and UNODC.

— **Panel discussions:** Two panel discussions on the theme of youth employment (7 July 2022) and youth participation (12 August 2022) were organized with representatives from the Ministry of Labour and Social Welfare, UNICEF, the private sector, entrepreneurs, the Lao Australia Institute and youth from different backgrounds. Over 200 youth participated in-person and online.

— **Consultations with key stakeholders:**

Five stakeholder consultation workshops took place between December 2021 and September 2022. Organized with the Development Research Institute, Ministry of Planning and Investment, the workshops gave participants the opportunity to validate the key findings, analysis and recommendations of each chapter of the report. Participants included representatives from the Ministry of Education and Sports, Ministry of Labour and Social Welfare, Ministry of Health, Lao Youth Union and Lao Women's Union, among others.

The Development Research Institute and UNDP collaborated to develop the report. An inter-ministerial steering committee, created under Ministerial Decree No. 201/ນຍ, dated 30 July 2021, oversaw the research, statistical analysis, and validation and compilation of key findings (see Annex 3 on the role and composition

of the committee). Focal points in the Development Research Institute, UNDP Bangkok Regional Hub and UNDP Human Development Report Office peer reviewed the report.

### What's ahead?

The National Human Development Report takes a multidimensional approach to youth and their concerns, and to policies critical for them to drive sustainable development. Subsequent chapters examine four substantive areas: employment and creation of high-value jobs, education, health and well-being, and participation and empowerment. While each dimension is analysed in its own chapter, all these issues are interrelated. The report spells out links where relevant. A final chapter presents the main conclusions and recommendations.

Following this introductory chapter, **Chapter 2** reviews existing youth employment laws and policies and identifies gaps and trends in youth employability. It further looks at obstacles sector by sector, and pinpoints challenges and opportunities. As youth unemployment has risen in recent years, the chapter argues for urgent action to ensure that the large number of young people entering the job market gain the right skills to find decent employment and bolster the country's economic diversification to a greener and more digital as well technology-based economy. The future of work is a central topic that should be immediately addressed along with the scope to expand youth entrepreneurship.

**Chapter 3** uses disaggregated data to highlight challenges in education, namely, accessibility and quality. It argues for urgently addressing these concerns so that youth can find decent employment

and contribute more readily to the country's sustainable development agenda. The chapter recommends matching education with labour market demands, emphasizing the benefits of education to society and engaging the private sector in financing education, in addition to specific measures to address and prevent educational inequalities among disadvantaged groups.

Meeting needs for health, safety and well-being among youth is imperative for them to participate in and contribute to society and the economy. **Chapter 4** examines these issues and argues that despite remarkable health sector reform and improvements since the 1990s, mental health, sexual and reproductive rights and drug dependence remain crucial issues for Lao youth, demanding more concerted actions.

**Chapter 5** argues for a stronger link between youth participation and human development. In Lao PDR, as in many parts of the world, youth remain excluded from the political process. To become drivers for sustainable development, Lao youth need scope to actively contribute to decisions affecting their lives and the course of the country.

Towards meaningful leadership and participation in both political and civic spaces, the chapter calls for removing legal obstacles that bar youth participation, establishing mechanisms for youth empowerment, supporting youth-led initiatives, building the capacity of future leaders, and changing perceptions about youth civic engagement both among young people and society at large.

As integral to reaping the demographic dividend, **Chapter 6** urges adopting a holistic approach addressing all the challenges that

youth face in their households, communities, schools, workplaces and other locations. It stresses timely intervention and recaps key recommendations from each chapter, making a case for mainstreaming the youth agenda across policies and programmes by constantly and meaningfully inviting young men and women to offer their views.

All chapters include a gender dimension, focusing on the specific needs and challenges of young women. Efforts were made to look at the specific situations of vulnerable and marginalized youth, such as those with disabilities, living in remote rural areas, from ethnic groups, who are LGBTQI+, etc. Other cross-cutting issues include the environment and digitalization.



1

## INTRODUCTION



2

## EMPLOYMENT AND DECENT INCOMES



3

## EDUCATION AND SKILLS DEVELOPMENT



4

## HEALTH, WELL-BEING AND SAFETY



5

## PARTICIPATION AND YOUTH EMPOWERMENT



6

## CONCLUSION

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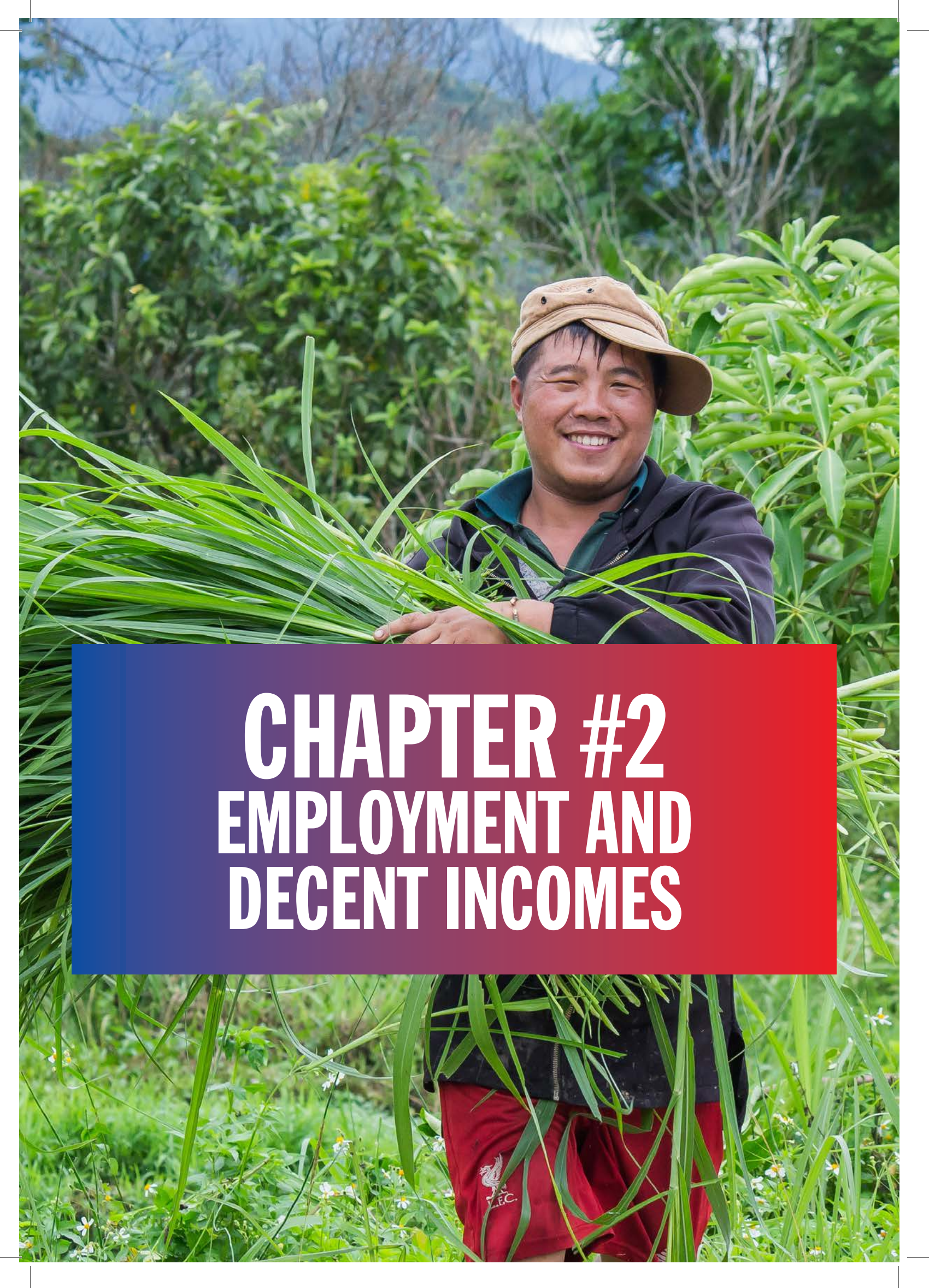
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A man wearing a brown cap and a dark jacket is smiling while holding a large bundle of green grass. He is standing in a field with various green plants and trees in the background. The scene is bright and natural.

# **CHAPTER #2**

## **EMPLOYMENT AND DECENT INCOMES**



## CHAPTER #2

# EMPLOYMENT AND DECENT INCOMES

Youth employment is crucial in economic terms and for human development. Meaningful work provides income, but it also nurtures human dignity and builds individual agency and capabilities, giving people tools to set the directions of their own life and that of their community. The human development approach recognizes that solving problems related to youth unemployment goes beyond reducing the unemployment rate and increasing job creation. The focus should also be on matching job opportunities with career aspirations and removing all barriers to navigating the transition between education and employment. All these elements are also fundamental to reaping the demographic dividend and optimizing the roles of youth in driving Lao PDR's development future.

Labour markets do not favour young people. They are worse off than adults in the labour force in almost all countries, even in times of economic growth. In Lao PDR, youth are more likely to be unemployed and underemployed and to lose their jobs since they are not well established in their careers. Worldwide, a substantial portion of youth work in vulnerable sectors of the economy that are especially hard hit during economic downturns.

This chapter looks at the impacts of the pandemic and the risks of the current economic downturn and global uncertainty for young people's economic security. Uncertainty relates to the impacts of climate change and the technological

transformation changing the world of work. Both jobs and needed skills will be profoundly different, in nature and scale, from those in the current market. This could lead to more youth unemployment and widen the skills gap for generations to come. Addressing such concerns should start now and put youth at the heart of a sustainable, job-rich recovery from the pandemic. This must factor in the aspirations of youth themselves, since many are pursuing career options significantly different from the traditional jobs held by their parents. They prefer technology-driven jobs that may be more flexible and financially rewarding, such as in e-commerce, entrepreneurship and content creation.

In Lao PDR, the proportion of unemployed youth has risen in recent years. With 80,000 young people expected to enter the job market every year in coming years, a major and immediate challenge is to provide jobs to all of them, preferably quality jobs in line with their goals and skills (MPI and UNFPA, 2020).

This chapter examines the labour market and entrepreneurship-related challenges and opportunities for youth linked to the overall growth pathway of Lao PDR. External shocks, including natural disasters, the pandemic, the conflict in Ukraine and the new reality of growing global uncertainty deepen some pre-existing challenges in the labour market, many of which were highlighted in Lao PDR's fourth National Human Development Report in 2009.

The chapter makes the case that effective labour market participation of young people is intrinsically linked to quality education and health care. Yet current education and skills development opportunities do not prepare young people for the labour market. A failure to address mental

health issues in children, adolescents and youth is an emerging public health issue that can undercut future employment opportunities. Especially in economic contexts where brain-based skills such as emotional intelligence, creativity, cognitive flexibility, self-control or system thinking matter more than manual skills, mental well-being is increasingly important to thrive (UNDP, 2022b). The chapter shows how growing income insecurity among young people has health impacts including stress, which subsequently affects mental and physiological well-being.

The chapter further emphasizes that despite the scale of challenges affecting young people, opportunities exist through technological and green transformation to create high-value jobs and incomes, which in turn could push the economy towards recovery and eventually a more economically competitive and sustainable path. Failure to address challenges for

youth could have consequences for them and society at large, with a potential missed opportunity to gain from the demographic dividend.

## 2.1 EMPLOYMENT AND HUMAN DEVELOPMENT

Available, high-quality jobs are integral to fostering inclusive growth and long-term human capital accumulation. They help ensure physical and psychological health and are vital for young people to live productive, meaningful lives well into their older years. The long-term impacts of earning a decent living go beyond making an income and attaining material gains. This can allow people to participate in society on more equal terms, provide security and a sense of purpose and dignity, and foster social cohesion and greater social engagement and connectedness.

In contrast, young people who take longer to find decent employment are likely to accumulate fewer skills than those who begin on-the-job learning at an earlier age. The corresponding reduction in human capital can result in lower earnings throughout a working life. Long-term unemployment—or underemployment—can further erode skills and attachment to the workforce, leading to skills depreciation, lower earnings and sometimes exit from the work force altogether.

Long-term unemployment can deter a successful transition from youth to adulthood and affect multiple human development dimensions. For example, it can lead to stress, anxiety, depression and general illness, and is associated with

### BOX 2.1 YOUTH EMPLOYMENT AND THE SDGS

The 2030 Agenda for Sustainable Development states unequivocally: “Unemployment, particularly youth unemployment, is a major concern.” The Agenda singles out youth as a specific group for many issues and refers to them in multiple SDG targets.

Of particular importance are SDG targets 4.4 (increase skills for youth employment), 8.5 (achieve full and productive employment), 8.6 (reduce the number of youth not in employment, education or training) and 8.b (develop a global strategy for youth employment). SDG 8 highlights “sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.”

reduced life expectancy. Persistent low incomes are also associated with poorer mental health and well-being, especially when generating a sense of scarcity or insufficiency compared with peers in a community (UNDP, 2022b). People at the lower end of the income spectrum suffer from mental distress 1.5 to 3 times as often as people at the higher end and are more likely to experience violent crime and traumatic events (UNDP, 2022b).

Individual human development reversals add up and can adversely affect national productivity and economic growth. A difficult school-to-work transition can negatively impact social cohesion and even unleash violence. Unemployed youth may be more susceptible to gang membership, substance abuse, criminal activity and even anti-government violence (Cramer, 2011), leading to the perpetuation of intergenerational cycles of poverty and potentially civil unrest, and increasing levels of political extremism (ILO, 2022a). Taken together, the costs of youth unemployment in terms of economic, social and human development can be very high.

Human development for youth is about building their human capabilities but also about them using their capabilities according to their choices. Developing their capabilities helps harness the demographic dividend, enhance economic growth and foster the potential of youth themselves. But this requires a conducive environment created by the State where youth can develop capabilities, make choices and find the types of jobs they want. If directed correctly, an expansion in employment, particularly for young people, has major implications for improving the standard of living as well as unleashing human creativity

and innovation, while ensuring people meet their aspirations.

Not all types of work enhance human development, of course. Exploitative work, such as child labour and human trafficking, robs people of their rights and dignity, leaving lifelong negative consequences on physical, mental and social development. Work in hazardous conditions—without safety measures, labour rights or social protection—is also detrimental to human development (UNDP, 2015). At a fundamental level, the quality of jobs matters for development. So do some specific processes leading to work opportunities, such as when young people migrate internally or externally for work. These must be safe, however. Irregular migration and predatory recruitment are detrimental to well-being, rights and development. Decent work entails rights, protections, voice and representation.

Three factors determine the quality of employment: earnings quality, labour market security and the quality of the working environment (OECD, 2016). In a similar vein, decent work is “productive work for women and men in conditions of freedom, equity, security and human dignity” (ILO, 2008). Decent work delivers a fair income, provides security and social protection for workers, offers opportunities for personal development, gives people the freedom to express concerns and organize, and guarantees equal opportunity and treatment (ILO, 2008). The United Nations has enshrined decent work within the 2030 Agenda for Sustainable Development—namely in SDG 8 on decent work and economic growth (Box 2.1).



**“Decent work delivers a fair income, provides security and social protection for workers, offers opportunities for personal development, gives people the freedom to express concerns and organize, and guarantees equal opportunity and treatment.”**

## 2.2 TRENDS IN YOUTH EMPLOYMENT AND DECENT INCOMES

### Lao PDR's 'jobless growth' and expanding capital-intensive economy

Although Lao PDR's economy expanded in the last two decades, with a 7 percent average growth rate through 2019, this largely came from natural resource sectors such as mining and hydropower. Since these are capital-intensive sectors, their expansion did not generate much employment. The economy's main growth drivers, the mining and utilities sector, contributes only 1 percent of employment. The 2009 National Human Development Report alluded to this point in noting that industry (including mining and hydroelectricity) had become the largest net contributor to growth but with a share of employment of only 4.8 percent. The 2009 report further stressed the high level of investment going into the mining and hydropower sector (61 percent of total investment in major projects for 2003-2007) and the resulting fast expansion of those sectors without substantial employment generation.

#### Box 2.2

During the 1990s and the earlier part of the new millennium, rapid growth took place in labour-intensive sectors such as garment manufacturing, wood processing, furniture making and food processing. Growth has since slowed (Box 2.2). In the last 20 years, the share of manufacturing in GDP has remained at 9 percent (ADB, 2019). It employs approximately 220,000 workers, 64 percent of whom are female. Much of the sector

comprises food, beverages and tobacco; textiles, apparel and leather; and rubber, plastic and non-metallic minerals (ADB, 2019).

The competitiveness of manufacturing businesses has continued to erode, with unit labour costs jumping significantly. From 2009 to 2018, average labour costs per worker more than doubled, from \$708 to \$1,444. This was likely the result of the wage demonstration effect stemming from expanding public sector employment, high wages in the resource sector and rising minimum wages, rather than from an improvement in skill levels (World Bank, 2022). The skill composition of waged workers in the manufacturing sector barely improved between 2008 and 2018. In fact, the share of workers who completed secondary education or higher declined from 45 percent in 2008 to 37 percent in 2018. As a result, businesses were trapped in a vicious circle. On the one hand, they could not afford to deploy expensive skilled workers because of their low productivity. On the other hand, without skilled workers, including skilled managers, they were unlikely to become productive (World Bank, 2022)

To attract foreign direct investment to prioritized non-resource sectors, including agriculture, manufacturing, handicrafts and services, the Government has introduced a range of policies, including special economic zones providing infrastructure, commercial facilities and generous tax incentives to specific industries (World Bank, 2022). The contribution of the zones to wage employment declined from 56 percent in 2009 to 38 percent in 2018, however. Even with over 15,000 jobs created by private investment, less than half (6,800) went to local workers (ADB, 2019). Manufacturing

**80,000**  
YOUNG PEOPLE ARE  
EXPECTED TO ENTER  
THE JOB MARKET  
EVERY YEAR IN  
COMING YEARS.

## BOX 2.2 REASONS FOR THE SLOWDOWN IN MANUFACTURING INDUSTRIES

1. Garment exports face open competition now that quota systems have expired. Labour productivity is low and other costs are high (especially transport and delays); therefore, manufacturers find it difficult to compete in open markets.
2. Wood-processing industries in neighbouring countries outmatch Lao industries in product quality and price. In addition, quality wood is no longer easily available to Lao industry.
3. The food-processing industry faces an unreliable supply of raw materials.
4. Entry into larger markets is difficult.
5. All sectors face shortages of quality workers, and procedural and legal difficulties in doing business.

Source: UNDP and MPI, 2009.

companies in general face constraints such as a poor business environment, lack of access to credit, limited and poor digital and other infrastructure, and a workforce with limited or inadequate skills (World Bank, 2017).

Other industrial areas include construction, mining, and electricity, gas, steam and air conditioning. The construction sector employs over 200,000 workers and is growing (ADB, 2019). It is expected to continue to absorb a significant share of workers migrating from rural areas. Yet businesses struggle to find semi-skilled or 'medium-skilled' new workers. Most of the estimated 200,000 international migrant workers who are officially in the country work in this sector.

The electricity, gas, steam and air conditioning sector employs around 35,000 workers, mostly higher-skilled technicians.

Service sectors include tourism, ICT, finance and insurance, and wholesale and retail trade. This sector's share of employment rose from 43 percent in 2002 to 54 percent in 2019—a moderate growth trajectory. Tourism employs approximately 42,000 workers and has the most potential to absorb workers migrating from rural areas. The sector is female-centric; 63 percent of employees are women. ICT is an emerging industry that currently employs an estimated 10,500 skilled workers, often recruited directly from local universities; 51 percent are aged 18-29 (ADB, 2019). Finance and insurance is a small but emerging sector with around 7,500 workers, nearly 60 percent of whom are female.

The wholesale and retail trade sector, which includes motor vehicle and motorcycle servicing and repair, constitutes the largest share of the services sector, employing just under 200,000 workers, 60 percent of whom are female. After agriculture, this sector requires the lowest educational qualifications. It has a large proportion of own account business owners, who run businesses as individuals or in partnership without any paid employees. Many operate small retail stores employing family members who are often unpaid (ADB, 2019). Young people who leave school early find work in this sector, remaining outside the formal work force.

### Key labour market indicators

The latest data for key labour market indicators in Lao PDR come from the 2017 National Labour Force Survey. These data show a total working-

age population (people aged 15-64) of 4.7 million (2.4 million females). Among them, 1.3 million were aged 15-24 (LSB, 2018). The working-age population accounted for 69 percent of the total population, indicating the potential for a demographic dividend.

Table 2.1 shows the labour force participation rate, meaning the number of persons in the labour force who are either employed or unemployed and actively looking for work, as a percentage of the working-age population. The table compares data published by the Government of Lao PDR and the ILO’s ILOSTAT database, which uses Labour Force Survey data from 2017. The database estimates the rate using international standards. It shows that the total labour force participation rate was 59.4 percent overall but substantially higher for men (63.6 percent) than for women (56.1) percent). The Government of Lao PDR indicates that the labour force participation rate is much lower at 40.8 percent. This is because the Government removed 2.5 million own account workers from the definition of the labour force while international estimates typically include them. Own account workers run a business on their own or in partnership but without any paid employee. Both sources show that labour force participation rates were

higher for men than women. The Government reports that the labour force participation rate was higher in urban areas (53.8 percent) than in rural ones (34.6 percent).

Table 2.1

Table 2.2 indicates that both sources found the youth labour force participation rate much below that of the working-age group. This indicates the low employment prospects for young people due to a lack of education, skills and experience. As with the data reported above, the youth labour force participation rate was much higher in ILOSTAT as it accounts for own account workers. This also indicates the high prevalence of self-employment among youth.

Table 2.2

Employment opportunities vary significantly between urban, rural and off-road locations, and for young women and men. According to the government estimates, the national unemployment rate, or share in the total labor force of those without work during the last seven days who were available and actively seeking work, was estimated at 9.4 per cent. The corresponding rate for youth aged 15-24 is much higher at 12.9

**Table 2.1: Labour force participation rate data from the 2017 Labour Force Survey**

Sources: LSB, 2018 and ILO, 2022b.

	GOVERNMENT CALCULATIONS		ILO DATABASE	
	LABOUR FORCE PARTICIPATION RATE (PERCENTAGE)	LABOUR FORCE (MILLIONS)	LABOUR FORCE PARTICIPATION RATE (PERCENTAGE)	LABOUR FORCE (THOUSANDS)
BOTH SEXES	40.8	1.9	59.4	2844
FEMALE	36.5	-	56.1	1363
MALE	45.2	-	63.6	1481

**Table 2.2: Labour force participation rate among youth aged 15-24 years based on the 2017 Labour Force Survey**

Sources: LSB, 2018 and ILO, 2022b.

	GOVERNMENT CALCULATIONS		ILO DATABASE	
	YOUTH LABOUR FORCE PARTICIPATION RATE (PERCENTAGE)	YOUTH LABOUR FORCE PARTICIPATION RATE (PERCENTAGE)	YOUTH LABOUR FORCE PARTICIPATION RATE (PERCENTAGE)	YOUTH LABOUR FORCE POPULATION (THOUSANDS)
BOTH SEXES	28.4	49.4	49.4	635
FEMALE	27.3	49.5	49.5	327
MALE	29.5	49.4	49.4	308

percent, indicating the disadvantages they face. Table 2.3 compares the youth unemployment rates published by the Government and ILOSTAT, with a significant difference in figures. The ILO database shows much lower unemployment rates because it factors in own account workers.

Table 2.3

With a large majority of the labour force engaged in agriculture, seasonal fluctuations and informality are important characteristics of the labour market. Estimates have found that 35 per cent of total employment is in the informal sector while the formal sector accounts for 27 per

cent (LSB, 2018). When including informal employment outside the informal sector (in the formal sector and in households), the total informal employment rate is 83 per cent. This rate is higher among women and in rural areas. Younger and older cohorts (aged 60 years and above) are more likely to be affected by informality (LSB, 2018).

The ILO database shows a very high proportion of youth—25.8 percent—are not in education, employment or training (NEET) in Lao PDR. The figure is higher for female youth (27.9 percent) compared to male youth (23.6 percent). This is by far the highest rate among all countries in South-East Asia (Figure 2.1). It is a significant concern as it reflects structural challenges in the labour market and education, including school dropouts, a lack of motivation and opportunities to develop relevant skills, and a shortage of quality jobs. These factors lead to discouragement among youth.

Figure 2.1

Migration is an important dimension of the Lao labour market. Migrants account for approximately 8 percent of the working population (Government of Lao PDR, 2018). Their remittances constitute a substantial

**Table 2.3: Unemployment rate among youth aged 15-24 years based on the 2017 Labour Force Survey**

Sources: LSB, 2018 and ILO, 2022b.

LABOUR FORCE SURVEY	GOVERNMENT CALCULATIONS	ILO DATABASE
	YOUTH UNEMPLOYMENT RATE (PERCENTAGE)	YOUTH UNEMPLOYMENT RATE (PERCENTAGE)
BOTH SEXES	12.9	5.9
FEMALE	11.2	5.4
MALE	14.41	6.5





“

## LEEMIN YANG

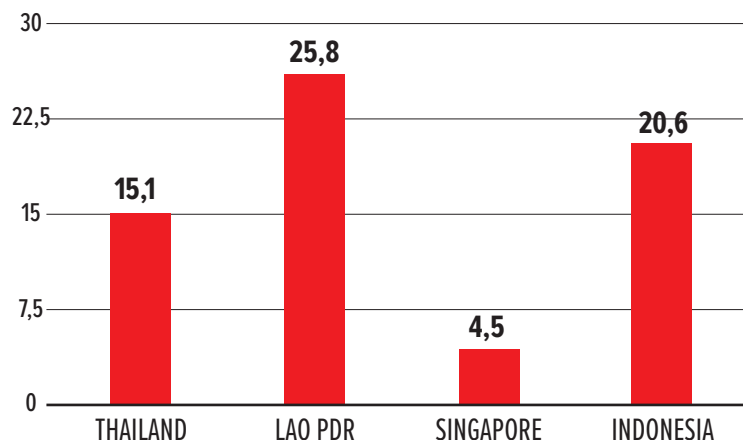
**22-YEAR-OLD, STUDENT FROM HUAPHANH PROVINCE, HMONG ETHNIC**

'Currently, unemployment is high for Lao youth. In my opinion, there are three reasons for that: lack of knowledge and skills required by labour market, low wages, and lack of opportunities in rural areas as most of the job opportunities are concentrated in a few big cities.

I am obsessed with becoming an entrepreneur to create more jobs for Lao youth and contribute to the economic development and the development of human resources, especially Lao youth because youth are part of the labour force that drives the country's economy. Along with job creation and human resource development, I want to create a space or a platform where Lao youth can train themselves, especially in rural areas and smaller cities. —Leeming, a student from Samneua, Huaphan Province.'

**Figure 2.1: Share of youth aged 15-24 who are not in education, employment or training in South-East Asian countries, percentage**

Source: ILO, 2022b. Data sources are national labour force surveys from 2020 except for Cambodia and Indonesia (both 2019) and Lao PDR (2017).



3 The quote reflects an opinion from a youth in the focus group discussion and does not necessarily indicate the reality as more people migrate from Viet Nam to Lao PDR than the other way around.

part of household income. Focus group discussions for this report indicated that participants feel, in the words of one, “that Lao PDR has less jobs opportunities for youth than neighboring countries, especially Viet Nam<sup>3</sup> and Thailand. The reason behind that is the prevalence of factories and firms in these countries which provide for a better employment opportunity. Since these countries are similar in the cultural sense to Laos, many youths migrate to work in neighboring countries.”

Around 940,000 Lao migrants lived in Thailand as of mid-2020 (UNDESA, 2020). More than 80 percent of migrants are young, mostly engaged in domestic work, construction, manufacturing, agriculture and entertainment. Lao migrant workers on average stay in Thailand for two years. Their estimated salary ranges between \$300 and \$399 per month (IOM, 2020; IOM and ILO, 2017). Large wage differentials are a potential driver of migration. While the average monthly wage in Lao PDR is \$110, the minimum wage in Thailand is double that amount (ILO, 2022c). Women are overrepresented

among migrants from Lao PDR, at 56 percent. Most are in domestic work in Thailand, through informal channels (ILO, 2022c). Lao regular migrants spend an average of \$543 on recruitment fees while migrants using irregular channels pay \$401 (ILO, 2020c).

A number of challenges limit women’s economic empowerment. First, young women and girls face mobility constraints related to unsafe public transport, social stigma and a lack of ownership/control of vehicles. This constricts their education and employment opportunities and options to access markets and grow their enterprises. Second, gender stereotypes lead employers to assume that women will get pregnant and impose extra costs or are less reliable employees. Finally, a lack of women in leadership roles undercuts their ability to act as role models, drive collective action and marshal change in their communities and societies. Women are poorly represented in political and economic leadership across South-East Asia (UNDP and UNICEF, 2021).

### Trends in small business ecosystems

Small and medium enterprises in Lao PDR account for about 99 percent of all registered firms. Their share in overall GDP is more modest, at under 20 percent. This compares to about 40 percent in Thailand and 32 percent in Malaysia and the Philippines, indicating the unrealized potential of the sector in Lao PDR. The great majority of small and medium enterprises have fewer than five employees (ADB and LNCCI, 2022).

Micro- and small enterprises dominate the business structure of the economy. In 2020, microenterprises accounted for 94.2 percent of all enterprises, followed

by small enterprises at 4.9 percent, medium enterprises at 0.7 percent and large enterprises at 0.2 percent (ADB and LNCCI, 2022). Women own or run about a third of micro-, small and medium enterprises (IFC, 2018). The majority of women’s businesses are microenterprises, which are smaller, employ fewer workers and have 2.5 times less turnover than male businesses (IFC, 2018). Social enterprises operate in areas such as handicrafts, textiles and tourism, providing training and women’s empowerment programmes that are likely to engage with youth (UNDESA, 2020)

Young people can play a key role in driving the business ecosystem. They may be more connected, creative, informed and persuasive

than any previous generation. They are responding to the challenges of today with innovative approaches, contributing fresh ideas and driving human development for themselves and their communities. Feedback from focus group discussions for this report indicated that because of the growing and developing nature of the Lao economy, many young people show interest in establishing their own businesses (real-estate agencies, restaurants, start-ups, etc.) which they believe will make them freer and will give them more time to take care of their families.

Figure 2.2 indicates the financial inclusion of young adults in Lao PDR compared with other countries in South-East Asia. Having a bank account is a potential gateway for starting a business and accessing finance. The percentage of youth having an account at a financial institution or with a mobile-money-service provider is lower for Lao PDR than the majority of countries in the region, suggesting low financial inclusion and potentially low financial literacy as well.

**Figure 2.2: Account ownership at a financial institution or with a mobile-money service provider, percentage of young adults aged 15-24, 2018**

Source: World Bank, World Development Indicators. Accessed July 2022.

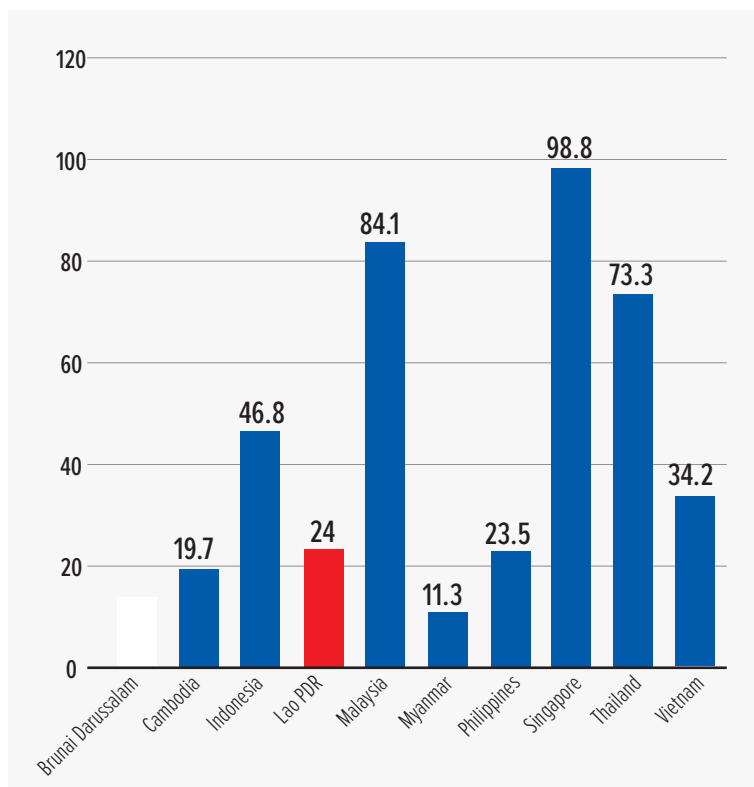


Figure 2.2

An important actor in entrepreneurship is the Young Entrepreneurs Association of Laos. Formed under the auspices of the Lao Youth Union in 2005, it is a volunteer-driven non-profit organization with a mandate to support young people in business and help drive the nation forward. It is aimed at business owners aged 45 and under, providing members with an opportunity to learn from each other’s experiences and offering peer mentorship as they grow their businesses. It creates a community for young entrepreneurs across Laos who want to increase their chances of business success (UNDESA, 2020).

### The COVID-19 pandemic disproportionately affected young people’s economic participation

The COVID-19 pandemic is by far the biggest economic shock that Lao PDR has experienced. As highlighted in Chapter 1, GDP growth in 2020 was the slowest since 1988. Beyond imposing fiscal challenges, which continue to destabilize the economy in the current climate of global economic volatility, the pandemic has had a widespread impact on employment and businesses through lockdowns and other measures. Despite a quick recovery in early 2021 as those who lost jobs were absorbed into agriculture during an export-driven boom, a second wave of the virus pushed employment back down at the end of 2021. The unemployment rate surged to an estimated 25 percent in 2021 due to the pandemic (World Bank, 2021b)

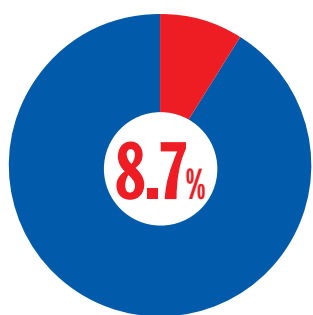
More than 280,000 migrant workers returned to Lao People’s Democratic Republic from Thailand between March and April 2021 (UNSDG, 2021), most with low skills and only lower secondary education. Unofficial estimates suggested that this number could be as high as 400,000. Many migrants have reportedly expressed the desire to migrate again to resume their old jobs in Thailand. The main reasons to seek work abroad include higher wages, better living conditions and being able to join their family and friends in Thailand (UNSDG, 2021). When borders reopened in May 2022 and the fuel crisis unfolded, accompanied by a sharp depreciation of the Lao Kip against the Thai Bath, some migrant workers started to return to work in Thailand.

Workers informally engaged in micro- and small enterprises have been among the most exposed to the COVID-19 crisis. They often lack

basic social protection while facing accelerated downward pressures on enterprise operations and owner and worker incomes. Many micro-, small and medium enterprises have faced both direct demand shocks from reductions in purchases of goods and services from larger firms as well as drops in domestic demand more generally. The results of a survey of micro- and small enterprises in six provinces in June 2020 showed that out of 350 surveyed, 95 percent were adversely affected. The lockdown caused sales to drop for 81 percent of enterprises; other major impacts were a lack of customers (66 percent) and a lack of supplies of raw materials (41 percent).

At the same time, with formal sector businesses closing or reducing operations, there could be a substantial uptick in unemployed or underemployed workers attempting to either earn more or transition to earning a living through informal microbusiness ownership. While the majority of businesses have resumed operations, inflation since the beginning of the year and exacerbated by the conflict in Ukraine is affecting all businesses in Lao PDR to varying extents, including profit margins. Around 95 percent of businesses reported adverse impacts from rising fuel and non-fuel prices (World Bank, 2022)

People who already faced a disadvantage in the labour market—namely, youth, women, the elderly and migrant workers—have likely been even more affected by the shocks generated by the pandemic. Global youth employment dropped by 8.7 percent in 2020 while adults experienced a 3.7 percent decline (Barford, Coutts and Sahai, 2021). In 2020 alone, the crisis resulted in an estimated loss of 17 million jobs for younger workers in Asia and the Pacific (ILO, 2020b). Having less



**GLOBAL YOUTH EMPLOYMENT DROPPED BY 8.7 PERCENT IN 2020.**

## **BOX 2.3 NINTH NATIONAL SOCIO-ECONOMIC DEVELOPMENT PLAN TARGETS**

### **Outcome 3**

- Enhanced well-being of the people

### **Output 4**

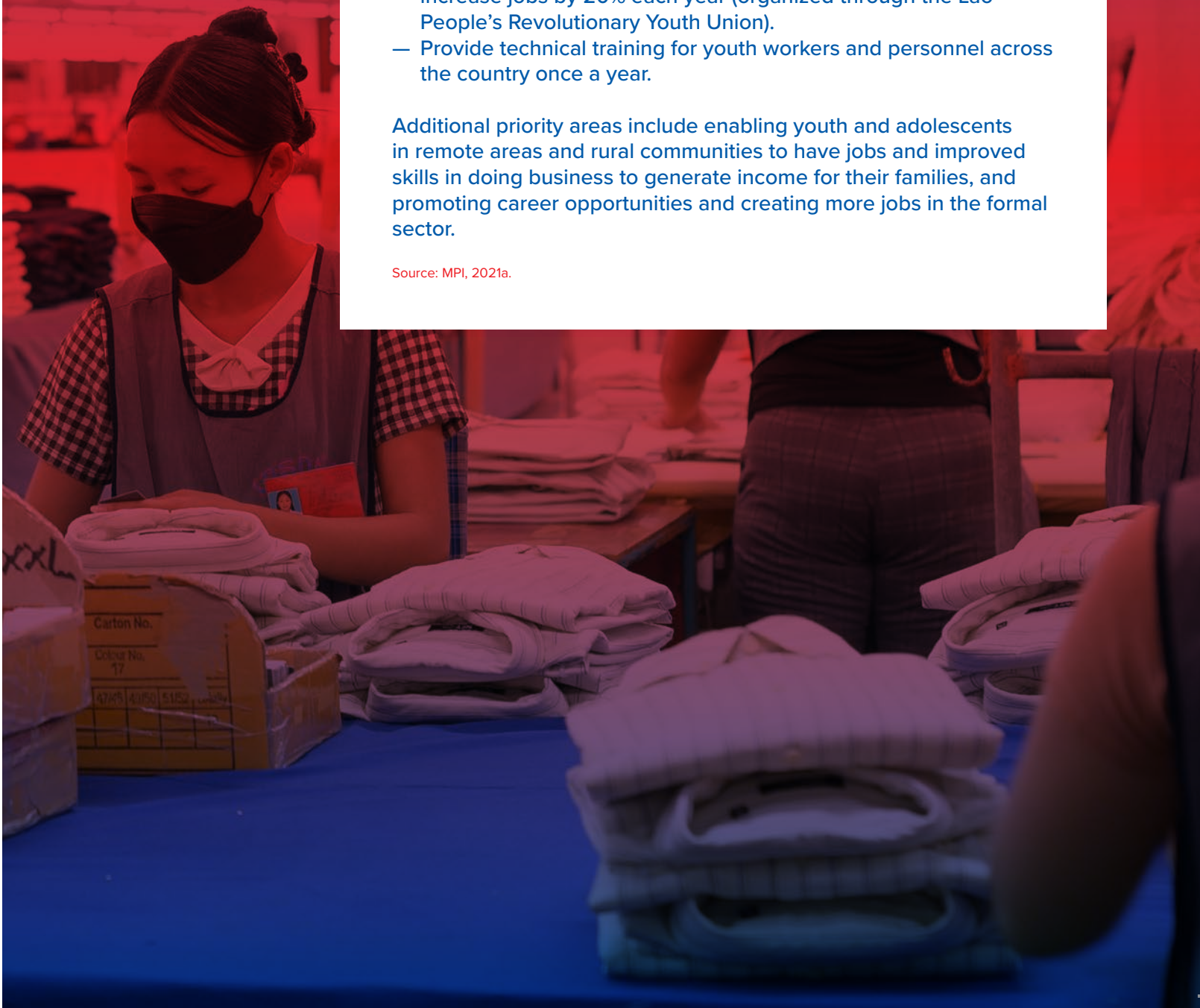
- Promote and develop youth to improve human capital and participation in the workforce

### **Key targets and indicators**

- Provide vocational training and create jobs for youths, especially young people in remote rural areas, the poor and disadvantaged in the fields of motorcycle and automobile repair, electrician, welder, tailor, beautician, agriculture and animal husbandry to increase jobs by 20% each year (organized through the Lao People's Revolutionary Youth Union).
- Provide technical training for youth workers and personnel across the country once a year.

Additional priority areas include enabling youth and adolescents in remote areas and rural communities to have jobs and improved skills in doing business to generate income for their families, and promoting career opportunities and creating more jobs in the formal sector.

Source: MPI, 2021a.



experience and fewer skills than older adults, young people can encounter entry barriers to the labour market and greater difficulties in maintaining a foothold in it. Younger staff are often the first to lose jobs, move to more insecure work contracts or be unable to find jobs at all. This process increases informality, inactivity and job insecurity (Barford, Coutts and Sahai, 2021).

Globally, sectors where young people tend to be overrepresented, such as retail and hospitality, have been the hardest hit. Most jobs done by young people in these sectors could not be performed remotely (UNDP, 2022a). In Lao PDR, resorts, tour agencies and operators struggled to pivot towards domestic tourists,

even weekenders, after the halt of international tourism. In 2021, on average, tour operators and hotels laid off around 42 percent of workers, with some up to 80 percent (World Bank, 2021a). Special economic sectors and zones oriented to tourism have been affected more severely. The loss of employment has deprived many young people of years of experience and on-the-job skills they could have gained to move up the career ladder.

Figure 2.3

The pandemic has brought a revolution in the use of digital technologies for learning and livelihoods, in the emerging context of a gig economy and remote work. Inequalities in education and access to digital technology and digital skills lead to unequal outcomes, however (Figure 2.3). The pandemic further exposed the gender digital divide, affirming that women and girls have fewer digital skills, which hinders their ability to take advantage of technology (UNDP, 2022a).

In Lao PDR, significant differences in ICT participation exist between young people aged 15-24 in rural and urban locations, especially across groups with varying levels of education. Only a small percentage overall are engaged in ICT activities, with participation highest among those in post-secondary and higher education. Participation is lower for women than men (Figure 2.4). In 2017, three quarters of young women (75-77 percent) owned a mobile phone compared to a slightly higher percentage of young men (76-84 percent) (Government of Lao PDR, 2018). There appears to be no gender divide in Internet use, however. Some 47 percent of young women aged 15-19 and 40 percent of those aged 20-24 had used the Internet during the last three months, compared to 42 percent and 39 percent of young men, respectively.

Figure 2.3: The digital divide between high- and low-income countries

Source: UNDP, 2022a.

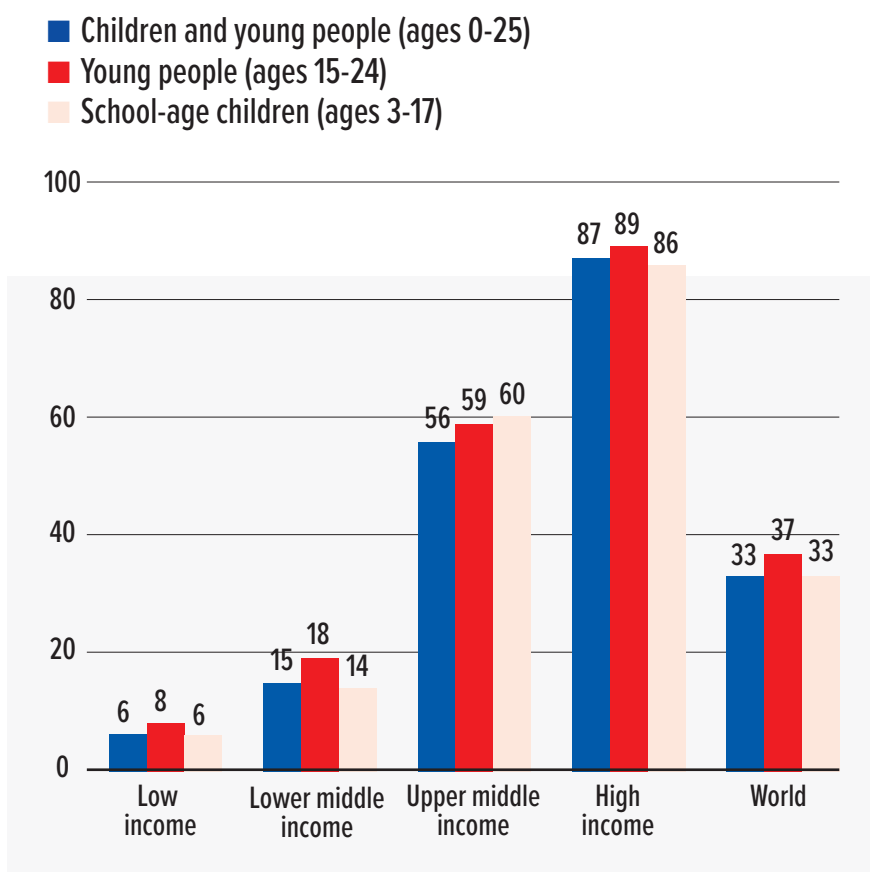
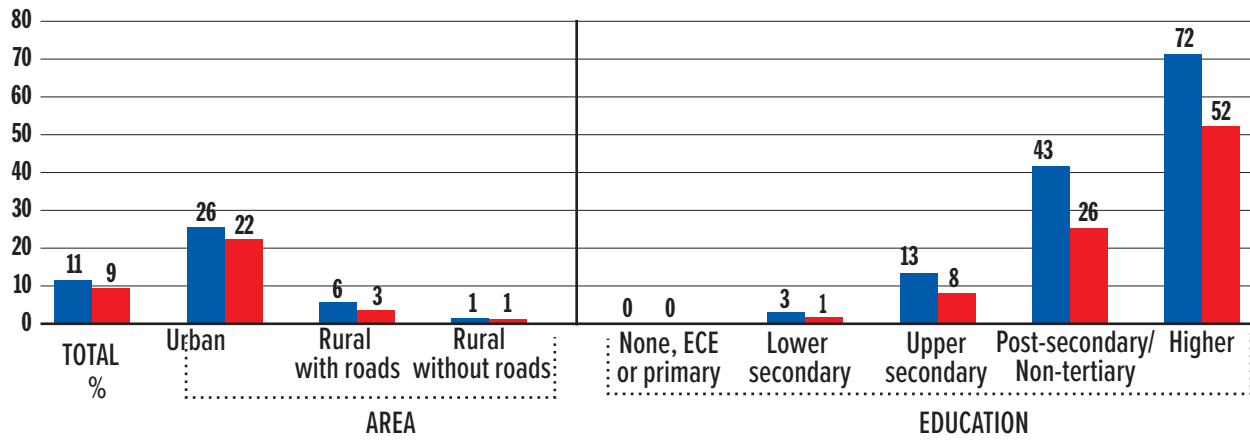


Figure 2.4

**Figure 2.4: Percentage of adolescents and youth aged 15-24 performing at least one ICT activity in the last three months**

Source: LSB, 2017.

Percentage of ■ Men ■ Women



## 2.3 ENABLING LAWS AND POLICIES

### The Ninth National Socio-Economic Development Plan

The Government's medium-term national development plan recognizes the socioeconomic potential of youth. Singling them out as a national asset, the plan calls for "developing and fully utilizing the available population for maximum benefit by investing in the development of young people to be knowledgeable and capable; and raise the capacity and level of skills of the young people to become a viable workforce in various production processes and to be able to contribute to national development in the future." Out of six broad outcomes in the five-year plan, Outcome 3 on the 'enhanced well-being of the people' has a dedicated output on youth (Box 2.3). The plan offers overarching policies to promote micro-, small and medium enterprises in general and to stimulate employment generation.

### Laws to protect and assist young workers

In 2013, the National Assembly amended Labour Law No. 43/NA, 24 December 2013, which was promulgated in 2014. The law clearly defines youth labour as "employees aged between 12 and under 18 years" and child labour as "youth labour unauthorized to work in dangerous jobs or sectors, working overtime, or undertaking hard labour, including children under the age of 12 years undertaking economic work." The law provides various levels of protection for formal sector employees such as severance pay. It regulates sick leave for all workers and the temporary continuation of wages or salaries

in case of employment injury and occupational disease, and stipulates a maternity benefit and lump-sum childbirth grant.

For formal sector workers, the Social Security Law of 2013 covers unemployment benefits, sick leave and sickness benefits for social security fund members and regulates benefits if working capacity is lost due to work-related and non-work-related conditions (after the expiration of the period of continued wage payments). Workers outside the formal economy are eligible to join the contributory social security scheme under the National Social Security Fund on a voluntary basis, with the benefits package excluding work injury and unemployment benefits. Young workers who contribute to the Social Security Fund are entitled to receive social security benefits. The number of registered voluntary members is still very low, however, and expanding coverage remains a challenge. The law was approved with a decree on increasing the minimum wage for people working in business, production and service units, from 626,000 Kip or around \$70 per month to 1,100,000 Kip or around \$120.

Law No.011/NA/2011 on Small and Medium-Sized Enterprises Promotion provides a new definition for these firms while defining a framework to promote their activities and establish the SME Promotion Fund. Decree No. 25/GOL/2017 on Small and Medium Enterprise Classification includes a sector classification. The decree has no specific measures to promote youth entrepreneurship.

### Policies targeting adolescents and youth

The Lao Youth and Adolescent Development Strategy 2021-2030, developed by the Lao Youth Union



and UNFPA and adopted by the Prime Minister's Office, provides strategic directives for improving the employment and entrepreneurship capacity of young people in addition to the other thematic areas discussed later in this report:

- Promote training to upgrade skills and competencies to build competitiveness and link with national standards and quality employment through government and private investment to promote access to both domestic and international labour markets.
- Conduct assessments of market needs in the country as well as the demand in neighbouring countries such as Thailand, where Lao youth mainly migrate, and design specialized skills development training to match demand.
- Increase investments in traditional sectors of agriculture, forestry and fisheries to create decent work in rural areas and improve standards of living there and at the same time promote emerging sectors such as ICT and tourism for youth.
- Organize mass awareness generation programmes on the rights and entitlements of adolescents and youth with respect to migration and employment to ensure safe migration.
- Disseminate knowledge of climate change and how it affects livelihoods, especially in agriculture and fisheries.
- Encourage youth to set up small and medium enterprises by facilitating access to finance and marketing and management skills.
- Map villages and clusters with high volumes of youth migrating and conduct mass awareness programmes. Campaigns should focus on addressing issues such as labour trafficking, sex trafficking and trafficking for marriage.
- Develop market-driven technical and vocational education and training (TVET) courses and use indigenous knowledge to exploit market niches that draw on services and labour supply.

- In all sectors, promote the creation of jobs that are green, clean and resilient to climate change.
- Promote employment by creating a labour market information system, including labour skills development.

As the first step towards implementation, the Lao Youth and Adolescent Development Strategy 2021-2030 has been disseminated at the national level and in all 18 provinces. Officials from key ministries and departments and major stakeholders were informed of the strategy and encouraged to integrate its priorities in relevant programmes. The implementation and coordination arrangements for the strategy have been established under the leadership of the Lao Youth Union.

Several initiatives have already begun under the strategy, including 'an Internet plaza' at the Lao Youth Union IT Center where young people can exchange information on technology and future of work. A public-private initiative between the Government, Crowne Plaza Hotel and UNFPA is training young women on vocational and financial literacy skills related to food processing. The ILO and UNFPA are starting a rural employment programme targeting men, women, youth, returned migrant workers, LGBTQI+ and persons with disabilities.

## 2.4 CHALLENGES

### An education and skills crisis?

Table 2.4

Limited education qualifications disadvantage entry into the formal labour force

**“Lao PDR is still not able to create a quality workforce as discrepancies continue to exist between rural and urban areas in accessing education and opportunities and developing skills.” —High-level government representative participating in a multistakeholder workshop held to prepare this report**

There is a strong correlation between education and labour force participation (Table 2.4). The higher the educational attainment (academic or vocational), the higher the participation rate. Higher education helps young people to enter the formal labour market, while those with lower education end up in informal work and self-employment. The low educational attainment of the working-age population overall is evident in the fact that more than half (53.7 percent) has neither enrolled in nor completed primary education. Only 7.6 percent of the working-age population has some form of vocational education. For those who have any of the three levels of

vocational qualification, the labour force participation rate is high at 70.9 percent.

Low educational attainment is associated with the limited access to and quality of schooling as well as high dropout rates and low retention rates in upper/higher secondary levels. Primary dropouts often result from the limited availability of early childhood education, particularly in rural areas. High dropout rates at the secondary level indicate the prevalence of child labour, early marriage and the socioeconomic factors that drive these trends. Limited education further constrains adolescents and young people from enrolling in skills training, including TVET programmes, which have low enrolment rates.

Box 2.4

**Education and vocational training lack quality and do not cater to labour market needs**

Figure 2.5

**Table 2.4: The working-age population by labour force participation rate and education level**

Source: LSB, 2017.

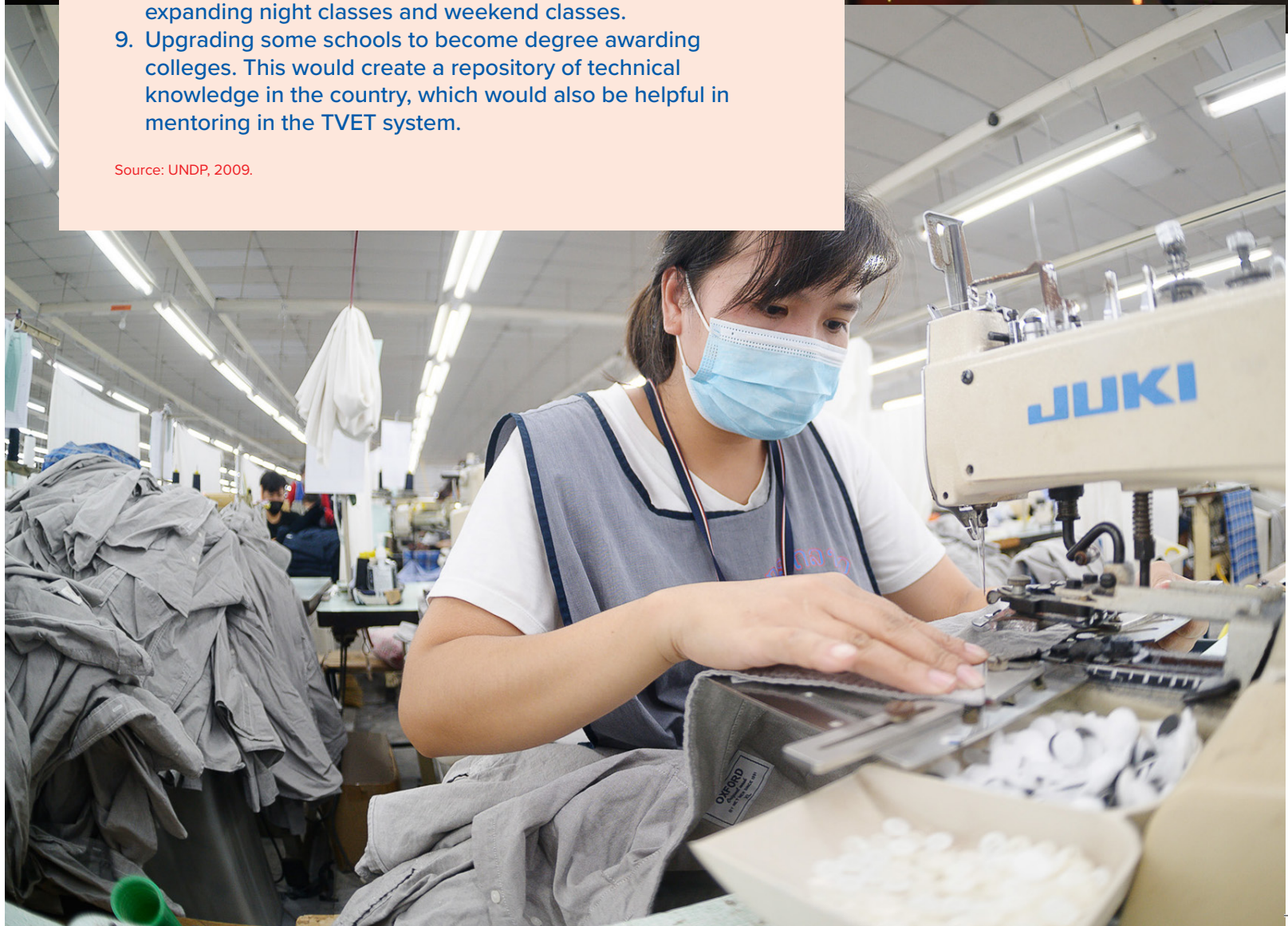
EDUCATION LEVEL	SHARE OF THE WORKING-AGE POPULATION (%)	LABOUR FORCE PARTICIPATION RATE (%)
Not enrolled	20.0	19.0
Less than primary	33.7	41.1
Primary school	18.3	45.5
Lower secondary	12.9	42.5
Upper/higher secondary	4.4	32.7
Vocational first	1.0	68.6
Vocational middle	2.8	70.6
Vocational high	3.8	73.6
University and upper	3.1	77.2
<b>TOTAL</b>	<b>100.0</b>	<b>40.8</b>

## BOX 2.4 STEPS TO IMPROVE TVET HIGHLIGHTED IN LAO PDR'S 2009

### National Human Development Report

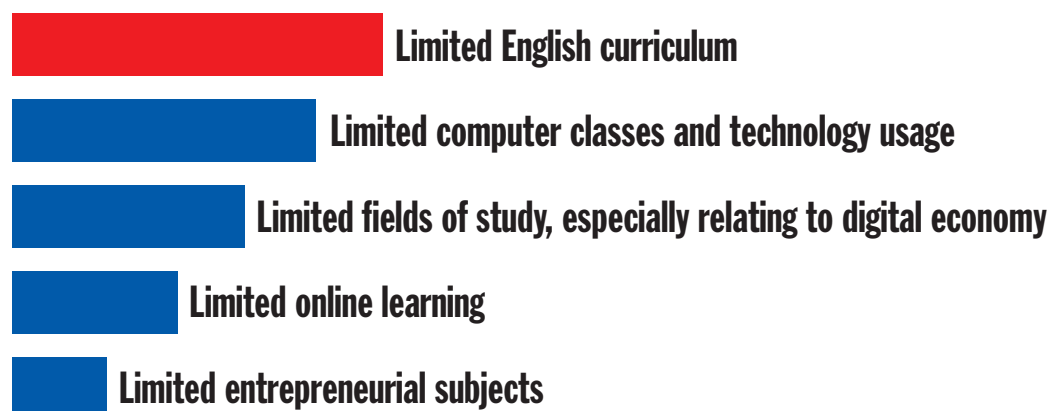
1. Improving the quality of teaching and teachers.
2. Revising the syllabi to make them modular. The teaching of English is recommended as many books are available only in the English language.
3. Emphasizing practical training, which requires constructing more equipment and laboratories and improving library stocks.
4. Changing admissions procedures to make them more merit-based.
5. Establishing collaborations with foreign institutions on an exchange basis for faculty improvement.
6. Bringing in private sector participation in different advisory capacities at an appropriate level.
7. Raising the number of admission points to TVET, particularly at the lower level, such as by raising the proportion of students admitted after Grade 8, or even considering lowering the admission requirement to Grade 5 or 6 level in some vocational courses.
8. Raising flexibility in imparting training, e.g., introducing/ expanding night classes and weekend classes.
9. Upgrading some schools to become degree awarding colleges. This would create a repository of technical knowledge in the country, which would also be helpful in mentoring in the TVET system.

Source: UNDP, 2009.



**Figure 2.5: Gaps in school curricula**

Source: UNDP, 2021a.



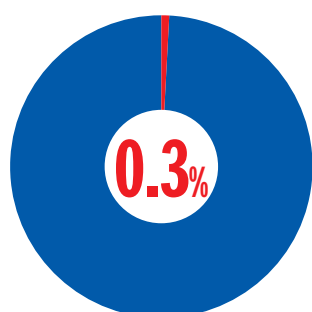
Schools and curricula do not prepare young people for work as has been widely documented across Lao PDR. Both youth and teachers in one study highlighted insufficient soft skills training in schools as well as outdated learning materials and classroom equipment. Curricula are considered incompatible with the job market and do not teach skills necessary to stay competitive in recruiting (UNDP, 2021a, see Figure 2.5).

Feedback from participants in focus group discussions for this current report also indicated that the formal education system did not prepare them for the job market because it is “too theoretical” and “not skills-based.” This forces young graduates to take gap years to improve their English and work on necessary skills for their potential employers. Focus group participants noted that recipients of the Laos-Australia National Scholarship were more likely to find jobs because they learned soft skills related to IT as well as English. Feedback by government representatives in a multistakeholder workshop to validate this report acknowledged similar gaps. Challenges associated with vocational education include low investment in TVET, a lack

of perceived value by students and society at large, insufficient integration of TVET with labour market and industry needs, low-quality training due to insufficient training materials, and poor-quality infrastructure, machines and equipment, and teaching staff (UNESCO and UNEVOC, 2020). One underlying issue is that the private sector is not involved in ensuring that curricula, the quality of teachers and the delivery of TVET programmes align with employer standards and needs. Box 2.4 highlights steps proposed to improve TVET in the 2009 National Human Development Report. Many of these reforms remain unaddressed. Step 6 calls for tapping private sector advisory capacities at an appropriate level as part of TVET reform.

Lao PDR is seeing growing non-seasonal unemployment among skilled workers, including those with secondary or vocational education, and even more so among those with tertiary education and young people with vocational training (World Bank, 2022). This results from the labour market not being able to absorb the qualified labour force. It is also related to young people completing secondary, vocational and tertiary education but being unattractive to

employers, particularly within the private sector, due to the low quality of education and their limited work experience. This results in unmet career aspirations for young people despite having participated in higher education, which in turn can lead to disillusionment and mental stress. The latest global Human Development Report 2021/2022 discussed the concept of ‘status incongruence’ linked to those with high level education occupying manual or low-skilled employment and causing emotional discomfort and feelings of shame and anxiety (UNDP, 2022b). According to the report, status incongruence has increased and is expected to become even more prevalent.



**ICT WORKFORCE  
COMPRISES ONLY 0.3  
PERCENT OF THE TOTAL  
LABOUR FORCE IN LAO  
PDR (DIGITAL ECONOMY  
STRATEGY, LAO PDR)**

### **Adapting to the future of skills and future of work**

The world of work is changing amid advances in digital technologies and new demands to transition to a green economy. The pandemic underscored the urgency of taking new directions. A survey on human resources readiness of 60 respondents from the education sector in Lao PDR, however, indicated that only 32 percent considered it very important to modernize human resources development programmes (ASEAN, 2021). Only about 8 percent indicated that modernization had been achieved.

A study of four education subsectors, including general education, TVET, higher education and teachers’ education, assessed whether ‘future skills’ have been incorporated in curricula. On ICT and digital literacy skills, only about 7 percent of 270 TVET respondents, 13 percent of 16 general education respondents, 10 percent of 49 higher education respondents and 17 percent of 29 teachers’ education respondents

indicated a very high rating (ASEAN, 2021). On science, technology, engineering and math (STEM) skills, only 3 percent of TVET respondents, 6 percent of general education respondents, 4 percent of higher education respondents and 3 percent of teachers’ education respondents indicated a very high rating. This underscores the urgent and critical need to integrate ‘future skills’ into curricula, teaching and learning resources, and vocational and higher education. Human resource development in ICT is critical. According to Lao PDR’s Digital Economy Strategy, as of now, the ICT workforce comprises only 0.3 percent of the total labour force nationwide (MTC, 2021).

Lao PDR’s transition to a low-carbon, digital economy will require green skills in all sectors and at all levels of the workforce. Education and skills as well as training policies are critical components of this transformation. A lack of access to quality, relevant education and training is a primary factor in current low performance on green growth across all sectors (GGGI, 2017).

### **Barriers to youth entrepreneurship**

Young people can play essential roles in driving business growth, start-ups and social enterprises. Among respondents to the survey for this report, 84.4 percent were interested in having their own business. Focus group discussions echoed similar findings.

To address the structural problems related to doing business in Lao PDR, the Government has adopted a range of policies since 2018. These aim at improving the business environment and enabling the productivity-led growth of enterprises. Reforms seek to streamline business procedures to reduce time and costs, and foster a

more speedy, transparent, effective business climate. Positive results in terms of the time and cost taken to register businesses are evident in the majority of provinces, based on the 2019 Provincial Facilitation of Investment and Trade survey (LNCCI and ADB, 2019). The survey revealed, however, that almost 70 percent of respondents had to pay informal charges to obtain business registrations, licenses and permits, including government documents, and to authorities conducting business inspections.

Figure 2.6 highlights the key constraints reported by business. While the biggest obstacle was access to finance for small and medium enterprises, large firms considered practices in the informal sector to be the greatest challenge, followed by an inadequately educated workforce.

Figure 2.6

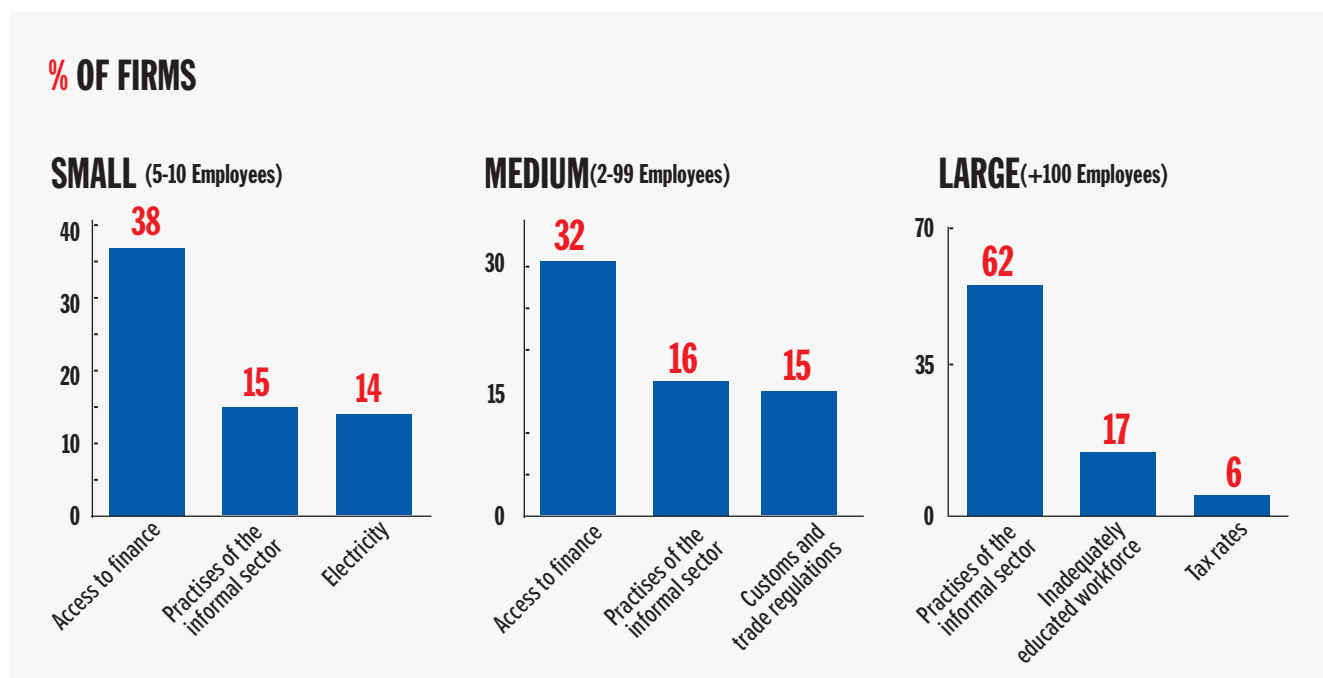
The survey for this report highlighted the challenges that young people see in tapping into the business ecosystem. These include barriers common to most small and medium enterprises, such as a lack of capital (85.4 percent), business skills (47 percent) and fear of failure (44.5 percent), among others (Figure 2.7). Focus group discussions validated these findings, highlighting insufficient resources, knowledge, management skills and suitable business partners.

Figure 2.7

A 2021 report on Salavan Province covering marginalized communities such as non-Lao-Tai ethnic groups showed perceptions on and barriers faced by young female entrepreneurs (UNDP and UNICEF, 2021). It found that a lack of education, limited formal employment opportunities and little access to resources drive many women into informal, need-

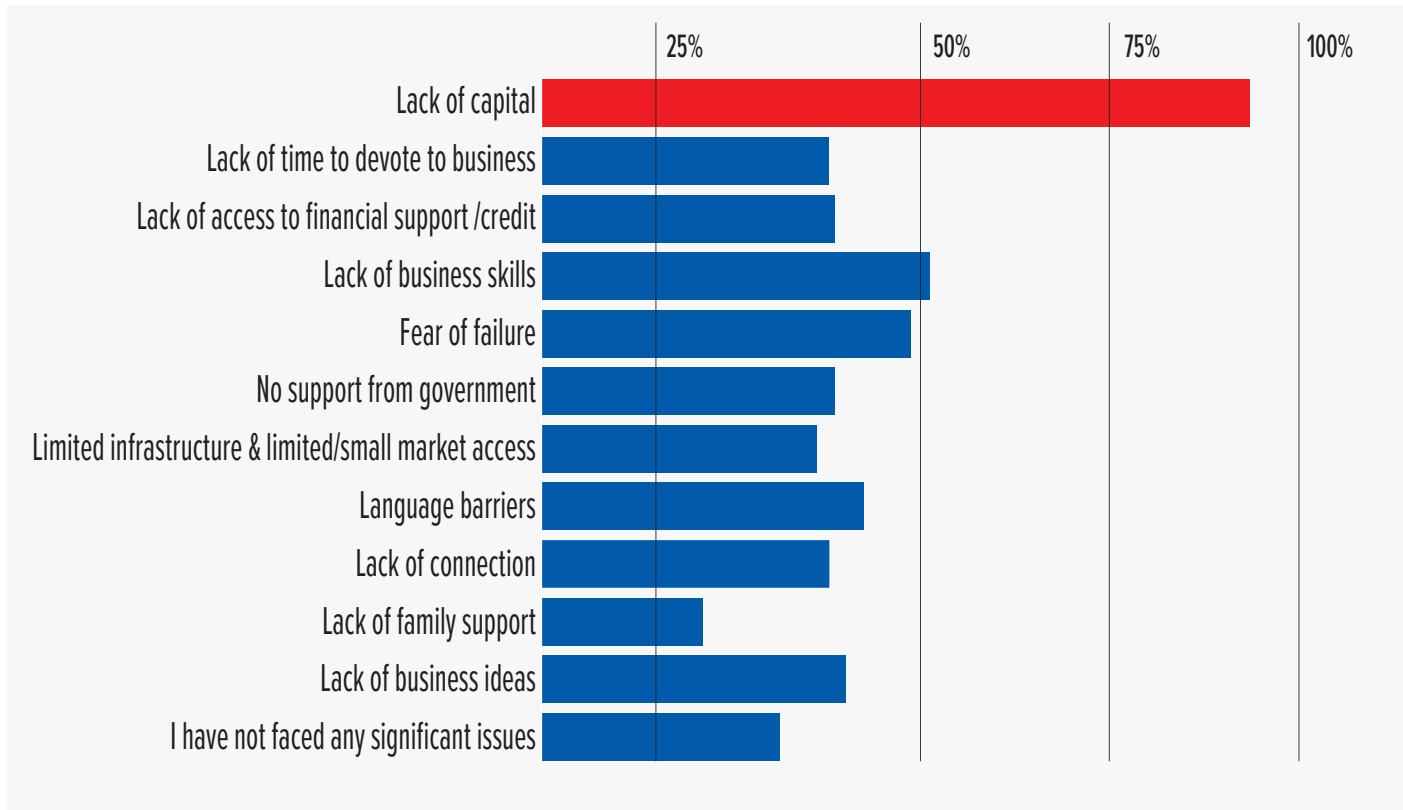
Figure 2.6: The top three business constraints by enterprise size in Lao PDR

Source: World Bank, 2018.



**Figure 2.7: Barriers to entrepreneurship reported by youth**

Source: Survey conducted for this report.



based entrepreneurship. Poor market links and low mobility are other key constraints. Gendered expectations regarding domestic and unpaid care work reduce women’s time and opportunities for self-development and limit movement outside their communities.

**Lack of merit-based hiring practices discourage young job seekers**

Merit-based and fair recruitment systems can motivate young people to become active jobseekers. Yet within the public sector, nepotism and cronyism can compromise the quality of work and performance. In the private sector, arbitrary preference given to specific, advanced degrees rather than to actual abilities and work experience puts otherwise qualified applicants at a disadvantage. Prejudice against job applicants who identify as LGBTQI+ or

who have a disability can be factors in hiring and lay-offs.

In a 2021 survey (UNDP, 2021a), one respondent reported being told he was “not masculine or manly enough” when applying for work. Focus group discussions with persons with disability and members of the LGBTQI+ community described incidents of being denied interviews based on attire perceived as “not setting good examples for others” or physical disability—and not on the required skills. The 2009 National Human Development Report indicated that these problems with recruitment have persisted over decades. Entry into the job market, job mobility and other transactions are largely informal, through kinship, friendship and relationship. New workers receive jobs from people they know, for which there is often an informal payment or favour, in cash or in kind.

### Limited availability and outreach of labour market services

A labour market information system in its broadest sense is a comprehensive database of different aspects of labour in an economy. It includes information on opportunities for vocational and technical training and jobs. It is an important tool for labour market planning, job matching between employers and workers and job/career counselling and orientation services. The 2009 National Human Development Report highlighted the need for such a system, with services targeting urban labour markets to facilitate job matching, training and labour market information.

The lack of information about job offers continues to be a barrier to employment, especially when jobs are not available locally (World Bank, 2021c). Inadequate labour market information systems and active labour market programmes prevent youth from making informed

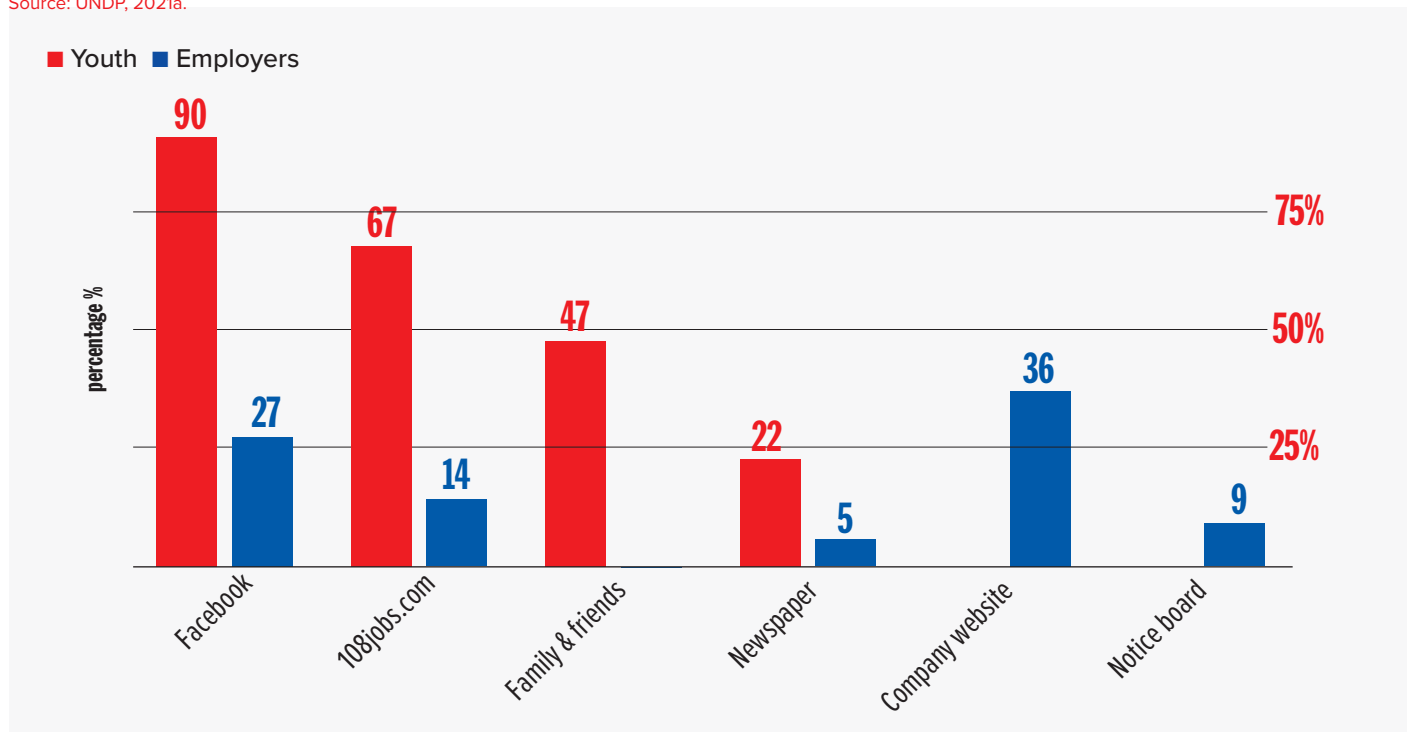
choices on issues such as job searches, career planning, skills upgrading, hiring and migration policies. Figures 2.8 indicate the different channels unemployed youth use to look for work, versus those preferred by employers for recruitment. This indicates a major gap in job search skills among youth. Among respondents to the survey for this report, 75.2 percent had no knowledge of government programmes promoting employment for young people.

A 2021 survey indicated that 70 percent of youth respondents did not have a resume. Some pointed out that certain jobs did not require them to submit one or only required filling out a simple form. But for jobs that youth desire most, resumes are a prerequisite for recruitment and screening (UNDP, 2021a). Labour market services could help young people develop the tools they need.

Figure 2.8

**Figure 2.8: Job search channels used by unemployed youth and job advertisement channels used by employers**

Source: UNDP, 2021a.





**Table 2.5: Youth preference - types of jobs**

Source: UNDP, 2021a

**GOVERNMENT:**

- Stable and secure jobs
- Strong reputation
- Parental influences

**PRIVATE:**

- High salaries and good medical insurance
- Strong reputation
- Chance to apply skills learned in their studies

**SELF-EMPLOYED:**

- More autonomy
- Higher earning potential in e-commerce
- Trendy and cool

**NONPROFIT ORGANIZATION:**

- High salaries and generous benefits packages
- Ethical image
- Opportunities for professional development

sector, citing reasons relating to job security and a sense that government employees garner more respect. This suggests the importance of creating stable and secure jobs. Yet the public sector is not delivering enough of them. The Prime Minister's Directive, the annual intake of government hires, involved only 1,500 and 2,000 hires for 2019 and 2020, respectively. By contrast, from 2011 to 2014, the annual intake of civil servants was more than 10,000. This drastic decrease in public sector hiring narrows the possibilities for anyone, especially a young person with few credentials, to get their foot in the door (UNDP, 2021a). Forty percent of respondents to the survey on unemployment conveyed an interest in the private sector while 10 percent expressed an interest in the non-profit sector (UNDP, 2021a). Table 2.5 summarizes the reasons that motivate young people to seek out different areas of work.

### Meeting young people's aspirations amid labour market disruptions and growing uncertainty

Creating jobs has been a challenge in Lao PDR even during rapid economic expansion due to the heavy focus on capital-intensive natural resource-based sectors. Employment creation has proven even more challenging with the COVID-19 pandemic and now high inflation rates. Disruption from the Fourth Industrial Revolution can further create issues as industries restructure and consumer habits shift in ways that may limit the scope of labour-intensive industries and sectors.

In this context of labour market disruption and constraints to job creation, meeting young people's job aspirations is a major concern. A survey on unemployment issues (UNDP, 2021a) indicated that nearly half of job-seeking respondents preferred to work in the government

The aspirations of youth in Lao PDR match closely with those of youth in other ASEAN countries. The World Values Survey tracks the attributes important to people in relation to quality employment. It found that individuals in Indonesia, Philippines and Viet Nam viewed safety and job security as the highest priority. This contrasted with individuals in countries in the Organisation for Economic Co-operation and Development (OECD), who saw a sense of accomplishment as the primary attribute for job quality. The results suggest that ensuring adequate opportunities for formal salaried wage employment is paramount for high-quality employment in South-East Asia, especially as more 'vulnerable' forms of work (defined as own account and unpaid family work) are more common in Asia and the Pacific than in other regions at similar levels of development (ADB, 2011; World Bank, 2014).



**A LABOUR MARKET INFORMATION SYSTEM IN ITS BROADEST SENSE IS A COMPREHENSIVE DATABASE OF DIFFERENT ASPECTS OF LABOUR IN AN ECONOMY**

## 2.5 OPPORTUNITIES

### Catalysing job rich growth through green and technology-based industries

The continued expansion of the labour force over the coming years presents a unique opportunity for Lao PDR to catalyse growth and inclusive human development. This can only occur if it can capitalize on the potential of young workers through productive employment opportunities that align with their aspirations. With immediate and targeted interventions to equip youth with the right skills, the country could benefit from a new influx of skilled workers who would accelerate a much-needed green and digital transformation.

Lao PDR's current economic growth trajectory needs redirection, with one of the key strategies being to harness natural capital. A focus of the National Green Growth Strategy 2030 is to promote economic growth, towards improving the living standards of people in urban and rural areas and creating jobs and income-generating activities. The Ninth National Socio-Economic Development Plan, under Outcome 4, recognizes the socioeconomic potential of natural capital. At the same time, the pandemic has accelerated digitalization and innovation globally and within Lao PDR. This process can be further leveraged. With the right capabilities and opportunities, young people can be at the forefront of both growth and transformation.

#### Box 2.5

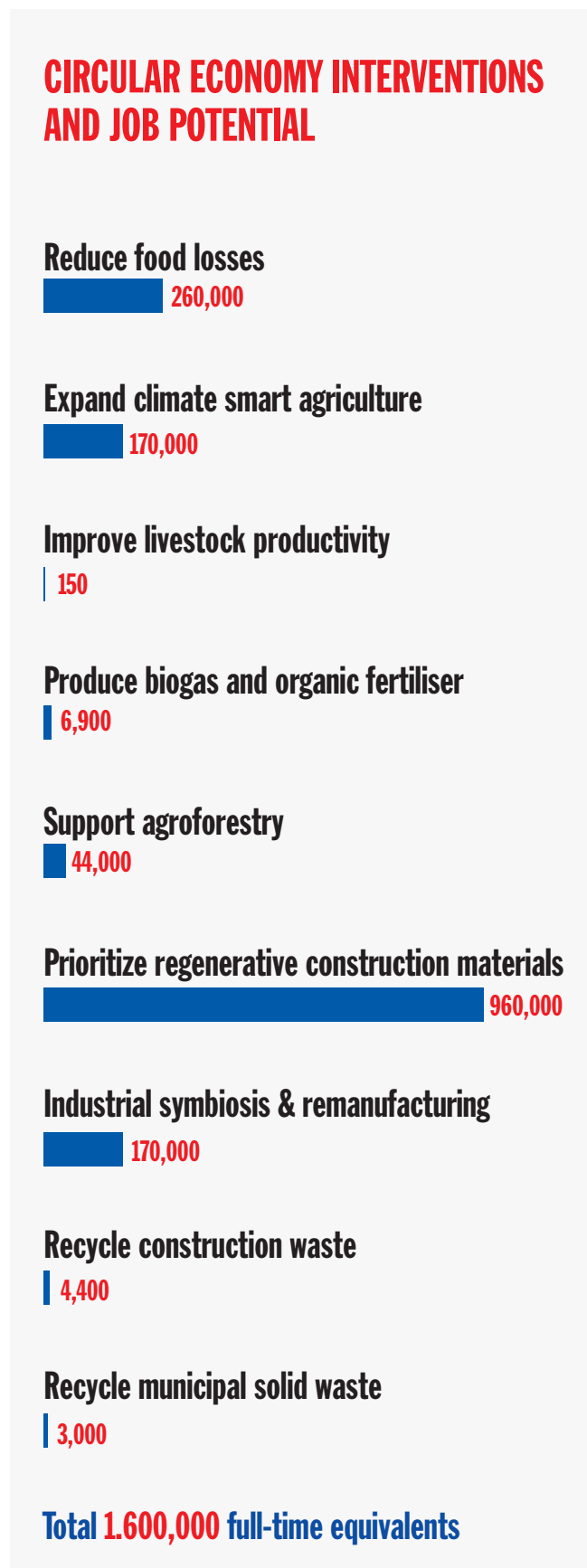
The World Economic Forum projects that by 2025, 97 million new jobs will be created, and 85 million jobs will be lost across 15 industries in 26 economies (UNDP, 2022b). Industries that are not keeping

pace with automation stand to lose a competitive edge, as will labourers who do not acquire new skills in a changing labour market. Automation and artificial intelligence are likely to create new tasks, jobs and industries (UNDP, 2022b). In Lao PDR, the Government, through its Digital Economy Strategy, aims to increase the digital economy's contribution to GDP by 5 percent by 2025. The strategy focuses on developing human resources, infrastructure, tools, platforms, products and services to harness trade, manufacturing and production, payments and finance, and business development in the digital sector. In recent years, Internet-based trade and social media sales have risen in Lao PDR (Box 2.5). The Digital Economy Strategy promotes digital applications in the manufacturing sector through the development of smart factories, digital parks and digital economic zones that can attract foreign investment in factories producing equipment and systems related to digital technologies. Implementation of the priorities in the digital strategy could unleash employment and entrepreneurship opportunities for young people. The Government has indicated prospects for establishing a fintech valley and Lao digital park in collaboration with a Malaysian partner. The Lao ICT Commerce Association reported that it is conducting feasibility studies on fintech, e-gov platforms and other digital solutions.

Similar to new job creation through technological transformation, the green economy could add more than 24 million jobs worldwide by 2030 (UNDP, 2022b). But these jobs will not necessarily require the same skills as a fossil fuel-based economy. Around 1.6 million jobs could be created by 2040 through the circular economy transition (Figure 2.9). The growth in circular economy

**Figure 2.9: Job potential from the circular economy transition**

Source: UNDP, 2021b.



jobs can provide job opportunities to those currently working in linear value chains. Depending on the extent to which circular economy jobs replace those in linear value chains, the transition to a circular economy could require investing in human skills and creativity to improve labour productivity and per capita income. The circular economy also offers viable business opportunities that could be tapped by youth entrepreneurs.

According to business case estimates, 89 percent of circular greenhouse gas mitigation and sequestration potential has a positive net present value and 82 percent provides a payback in less than 2.5 years (UNDP, 2021b). A specific case in point is eco-tourism, which in Lao PDR could quadruple in the next 10 years, reaching \$600 million. This growth would double tourism’s contribution to GDP (UNDP, 2021b). Harnessing young people’s participation in employment and entrepreneurship in such opportunities is possible with the right skills and access to resources.

Figure 2.9

**Facilitating employment for young women**

Despite the constraints girls and women face from heavy domestic care burdens and limited mobility to develop skills and employment, there are signs that attitudes might be changing (UNDP and UNICEF, 2021). There is increasing acceptance of women in education, business and village leadership positions, along with broader shifts in perceptions and attitudes around the role of women in the economy and society. While adolescent girls and women are still expected to lead household work,

## **BOX 2.5** EMERGING DIGITAL TOOLS, PRODUCTS AND SERVICES IN LAO PDR

- A platform for trading Lao products, [www.plaosme.com](http://www.plaosme.com), was created in 2017 by the Ministry of Commerce and Industry. It has 146 member companies selling 464 items and is part of promoting small and medium enterprises.
- New software services include a taxi application called LOCA LAO that was launched in 2018.
- Online hotel booking services, like Hotels.com, Expedia, Agoda, Lao Insurance (AGL) and others, support tourism.

Source: Digital Economy Strategy, Lao PDR

## **BOX 2.6** WOMEN BREAK BARRIERS IN THE UXO SECTOR AND KEEP COMMUNITIES SAFE

In Lao PDR, removing unexploded ordnance (UXO) offers local youth quality jobs while also supporting the country's Sustainable Development Goal 18, lives safe from UXO. The UXO removal sector has strategically encouraged survey, clearance and risk communications bodies to recruit more female operators. It has also proactively engaged UXO survivors and persons with disabilities in victim assistance.

Ms. Lah Sengkhounyor, 27, and Ms. Kouksavanh Luanboudly, 26, are humanitarian UXO removal operators in the Lao People's Army. They work on survey and clearance in five districts of Bolikhamxay Province. Both joined a humanitarian demining unit in 2015, as soon as they graduated from high school.

"Growing up in a big city like Vientiane Capital, I was unfamiliar with the UXO issues and its activities when I was a little girl," said Lah. "However, I came across the stories about the risk of UXOs and humanitarian actions taken to tackle the challenges posed by the UXOs from media. Those stories inspired me to become a UXO operator."

Kouksavanh added, "Observing the sufferings of the locals living in the UXO-contaminated land, I wanted to be a part of the positive and significant change that ensures those people's safety and improves their lives. And luckily, when I shared my dream, I was supported by my family and friends that my work could help those people and contribute to country's development."

When asked about their working experiences as women, Kouksavanh replied with a big smile: "It doesn't matter whether I am a female or male. When dispatched to the field, community people warmly welcome us, and I feel so proud to be a UXO operator. I am a qualified UXO operator like any other. All UXO operators cooperate to protect our people from the risk of UXO. That is it."

Both young women have the same dream: to be the first or second female team leader of their unit, which has never had a woman in charge. They are passionate about gaining more experience in the field, obtaining more knowledge and skills as become competent UXO removal operators, and eventually supervising a UXO survey and clearance team full of capable female operators.

Despite the fact that 30 percent of UXO removal workers are women, female leadership hardly exists in the sector. The Government and all operators need to continue efforts to create a fair and inclusive working environment for all. Only then will more youth like Lah and Kouksavanh become UXO specialists and then leaders imparting their knowledge and experiences to the next generation. Role models from different backgrounds can encourage the younger generation to keep their hopes high for their future, the foundation of youth empowerment.

Source: Interview conducted on 1 August 2022 in Bolikhamxay Province.



acceptance of greater mobility and the pursuit of economic opportunities outside the village has increased even in poor and remote areas. Adolescent boys indicate that they are aware that opportunities for women are still not equal but insist the situation is improving and express acceptance of change. Other evidence is in the alignment of the aspirations of boys and girls—they seek similar goals, which was not the case in other countries covered by the same research (UNDP and UNICEF, 2021). These trends can pave the way for bigger changes propelling women's greater labour force participation and entrepreneurship, including in traditionally male-dominated sectors. Box 2.6 illustrates the opportunities for employment for young women in efforts to clear unexploded ordnance.

Box 2.6

### **New initiatives and pilots can catalyse changes in mindsets and positive youth participation**

Some attitudes among youth block their effective participation in the economy, such as the preference for white collar and public sector jobs and the status attached to those, and the lack of interest in skills development, reskilling and TVET. Several initiatives, however, show potential for engaging young people in entrepreneurship and extending support services to help overcome mental blocks and boost productivity. Some initiatives that warrant scaling up are as follows.

Since 2021, the Job Assist Office, established with UNDP's support, has tested whether training youth to improve employability and connecting them with potential

employers would increase their chances of obtaining jobs. The office targets new graduates (up to two years after graduation) and those who are recently unemployed. It provides one-on-one counselling and group trainings on job interviews, CV writing, communications and coordination skills, working under pressure and adaptability. So far, it has assisted over 400 youth. Among 184 people receiving one-on-one counselling, 35 percent landed a job afterward.

By engaging with youth and how they explore and think about their future, the office has found that they are increasingly interested in part-time and gig economy jobs rather than full-time employment. Support services need to proactively engage youth, however, as they can be reluctant to ask for help. Mobile clinics, for instance, may be more effective in reaching more youth. Further, youth need time and sustained assistance to take ownership of their future. The Ministry of Education and Sports recently instructed TVET and higher education institutes to establish career counselling units drawing on the Job Assist Office model. One lesson has been that partnering with big companies and organizations increases credibility as youth feel they have more opportunities to connect with potential employers.

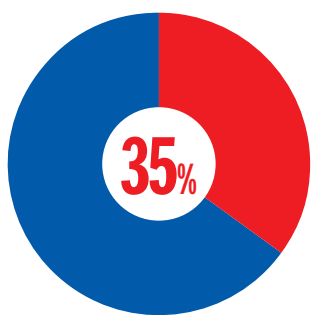
The ILO has piloted an entrepreneurship programme to support COVID-19 recovery. It assists entrepreneurs through access to finance and by building an entrepreneurship culture. Work with universities includes organizing an ‘entrepreneurship day’ to help students identify and develop a business idea. In total, over 350 young people participated in two of the days. Both showcased interactive group trainings and lectures from inspiring business leaders. Fellow

youth facilitators led the training based on the ILO Ready 4 Business programme. It helps young people develop practical entrepreneurial skills to start their own businesses. At the end, a series of awards go to the best business ideas developed during the training.

Other ongoing programmes include skills development training specifically for migrant/returnee migrant youth. Employment/job placement for those training with businesses in special economic zones operates through public-private partnerships involving the Ministry of Labour and Social Welfare in Vientiane Capital, Champassak and Savannakhet provinces.

In Asia and the Pacific, Youth Co:Lab, co-led by UNDP and the Citi Foundation, aims to establish a common agenda for countries to invest in and empower youth to accelerate the implementation of the SDGs through leadership, social innovation and entrepreneurship. By developing twenty-first century skills, and catalysing and sustaining youth-led start-ups and social enterprises across the region, Youth Co:Lab is positioning young people to solve the region's most pressing challenges.

Since 2017, Youth Co:Lab has taken place in 28 countries and territories. National dialogues, regional summits and social innovation challenges have reached over 200,000 participants. The initiative has benefited over 11,000 young social entrepreneurs and helped to launch or improve over 1,240 youth-led social enterprises. Youth Co:Lab has also established partnerships with 203 key ecosystem players through a Youth Empowerment Alliance. With a comprehensive emphasis on leaving no one behind, Youth Co:Lab has curated programmes to continue supporting some of the most



**THE JOB ASSIST OFFICE HAS ASSISTED OVER 400 YOUTH. AMONG 184 PEOPLE RECEIVING ONE-ON-ONE COUNSELLING, 35 PERCENT LANDED A JOB AFTERWARD.**



marginalized youth from underserved communities, including in Lao PDR.

## 2.6 RECOMMENDATIONS

### **Urgently prioritize public sector investments in education and skills development and scale up effective initiatives that harness youth participation in the economy**

Education and skills development require an overhaul, including through transforming curricula to focus on industry needs, future growth pathways and ‘future skills’; innovative pedagogy; and quality teachers, equipment and learning resources. This transformation is only possible if financial investments in education and skills can be safeguarded and gradually increased, as further elaborated in Chapter 3 and Chapter 6. The Government should consider attracting foreign direct investment and domestic private investment in education and skills development through public-private partnerships and other incentives. The Government can also consider blended financing models that brings together and sequences state budget resources with official development assistance and private sector finance to fund large-scale projects that bring about major reforms.

### **Destigmatize TVET and reorient vocational education towards green, digital and ‘future skills’ development**

To address current gaps in TVET, the Government should establish a working model with key employers, academic and industry experts in the green, digital and technology sectors. The TVET curriculum could be revamped to include green

growth education, ICT and ‘future skills’, cognitive skills (numeracy and literacy as foundational skills, low- and high-order skills); digital literacy; STEM skills; social skills; learnability (e.g., readiness to learn, learning motivation, curiosity, self-learning strategies); character qualities (e.g., ethical reflection and action, social and cultural awareness, agility, initiative); and problem-solving in complex, technology-rich environments. Fostering close public-private partnerships—that is, bringing together enterprises, vocational schools and even labour unions under a singular legal framework or working platform—could further ensure that training closely correlates with labour market needs while reinforcing worker rights and regulations.

TVET delivery should be designed in close collaboration with and through potential financing from the private sector so skills training is combined with practical job placements so that students gain experience and have a smoother study-to-work transition. Placements can be industry specific and targeted to green/circular economy areas and towards technology-based/digital industries. Through public-private partnerships, industry professionals can be employed to complement TVET teachers and compensate for shortages or a lack of quality in existing TVET teaching personnel. This would offer an additional benefit from leveraging up-to-date industry expertise.

Young people in Lao PDR prefer tertiary education, despite demand for particular skills in different sectors. Collaboration between the Ministry of Education and Sports and the Ministry of Labour and Social Welfare could host a medium-term advocacy campaign to consistently showcase the successes of TVET graduates

and make courses exciting for young people. Improving the quality of courses and demonstrating frequent transitions to high-value jobs in green and technology-based occupations can make TVET more attractive for young people.

Transforming vocational education also entails addressing gender stereotypes and increasing female enrolment in STEM fields, and more broadly, undertaking outreach activities to increase skills-building opportunities for disadvantaged youth, such as young persons with disability and youth from ethnic groups and lower socioeconomic backgrounds. These outreach activities can be conducted with the practical engagement of youth groups and grass-roots civil society groups. TVET could adopt recruitment targets and quotas for disadvantaged youth.

At the policy level, the Government should adopt a proactive stance, ensuring that strategies for skills development and employment remain nimble and facilitate structural transformation, as opposed to being reactive to skills and labour shortages. A ‘future of skills’ study could be conducted, aligned with the long-term growth pathways that the Government is considering, including the transition to green growth and a digital economy.

### **Build on shifting gender norms to achieve greater women’s economic empowerment**

Gender norms primarily affect women’s economic empowerment by influencing perceptions about the appropriate roles that men and women should play in society, at home and in the economic sphere (Peters et al., 2019). Available evidence shows that prevailing gender norms are changing, and

that there are more positive attitudes among both women and men towards women taking up work and women’s mobility. Supporting women’s groups, youth groups and social media could promote positive role models, accompanied by an outreach campaign to showcase women’s economic participation. The campaign should build awareness of sharing unpaid care work as integral to women’s greater choices for employment or entrepreneurship.

### **Develop one-stop job services consolidating existing tools and services**

Lao PDR needs to invest in employment services programmes such as job search assistance and access to labour market information, job counselling and placement services, and financial assistance programmes. There is a striking mismatch in channels used by young people seeking employment compared to those used by employers in recruitment. Most young people still heavily rely on family and personal networks in searching for a job, underscoring inequalities in entering the labour market. Well-run employment services would help them to more quickly find better quality jobs aligned with their aspirations and skills (Mazza, 2017). Government-run employment services are important channels in increasing labour market participation, supporting successful job and career transitions, and enabling greater transparency in the job market.

Job service providers can partner with labour unions, youth groups and CSOs to advocate for merit-based hiring systems for both the public and private sector. These can be promoted through one-stop service platforms and social media campaigns as well as targeted

trainings for employers to adopt fair hiring practices and inclusive recruitment standards.

Many countries are modernizing public employment services with new technologies. The Government of India, for example, revamped its system and established an online job portal—the National Career Service—that brings together employers, jobseekers, NGOs, training institutions, vocational guidance specialists, career advisers and local artisans working in the informal economy. Peru’s Ministry of Labour introduced an online platform that authenticates the credentials of job applicants (aged 18-29) and offers a free Single Employment Certificate for Young People that includes various types of information required by employers, such as identity data, education and judicial records and work experience (ILO, 2020a)

Existing job centres in Lao PDR should integrate the national labour market information system while focusing on improving services and operational sustenance. Specific recommendations include to conduct a study on constraints to existing online employment-related platforms and to develop a comprehensive mobile app consolidating existing tools. The latter will provide youth with a one-stop service for labour market information, job postings, job notifications and online job applications as well as career guidance and mentoring with a view to harmonizing the recruitment channels for both employers and job seekers. The one-stop service can be run as a viable social enterprise led by youth, a notion further explored in Chapter 6.

### **Expand youth entrepreneurship in technology-based and green industries**

Harnessing entrepreneurship in the green and digital economy can be achieved through three action

areas. The first involves raising awareness and improving talent development in the field of green and technology business culture and models, including for start-ups and social entrepreneurship among youth. This can be done through webinars, discussion forums and self-paced trainings targeting young people.

The second aspect looks at creating an environment for investments in start-ups and green enterprises. This includes facilitating investment opportunities through crowdfunding, impact investment funds and venture capital, and through advocating social impact standards among financial institutions. Government incentives could encourage the financial services industry to reimagine its role from being a ‘supplier’ to being an ‘enabler’ through offering differentiated and innovative financial services to small and medium enterprises and young entrepreneurs. This could include small-business friendly packages that contain one or a combination of government-backed working capital loans, tax holidays, repayment deferrals and/or employment support. Such efforts could sustain critical smaller businesses without adequate capital to withstand the remainder of the pandemic and help young entrepreneurs get firms off the ground.

Banks could further support small and medium enterprises and entrepreneurs through offering digital, paperless onboarding services, branchless banking, conversational banking and even video advice and easier access to relevant banking staff. These services could jumpstart more successful small and medium enterprises and lead to better outcomes for banks, resulting in a stronger and more robust economy and a degree of structural transformation.

The third support area is the provision of business development services and other financial and technical support schemes. This includes start-up challenges, social innovation challenges and incubation facilities. Beyond entrepreneurship development, it is important to facilitate access to markets (domestic and international), technology and infrastructure to enable youth entrepreneurs and youth-led small and medium enterprises to thrive. Special attention should go to reaching traditionally underserved segments of the population, such as women-owned small and medium enterprises or small enterprises in rural areas. Young female entrepreneurs have called for information channels and mentors to support them in starting and growing businesses (UNDP and UNICEF, 2021). The policy currently being drafted by the Division of Entrepreneurship Development under the Department of Small and Medium Enterprises Promotion in the Ministry of Industry and Commerce could include case studies and best practices among start-ups to provide more understanding of how they work and succeed.

## 2.7 CONCLUSION

Human development requires both building capabilities and ensuring opportunities to use them, such as through decent employment. To ensure quality employment for youth in Lao PDR, a comprehensive policy framework should consider the future of work and create an environment enabling productive employment in various sectors. This could help catalyse self-sustaining and sustainable job growth and accelerate structural transformation. It will also be important to improve the quality of work by reducing the prevalence of underemployment

and vulnerable employment as well as low productivity and earnings. Identifying and investing in sectors of the economy that can best create decent jobs and meet the aspirations of youth should accompany efforts to expand and increase the quality of vocational education and on-the-job training so that young people gain adequate, appropriate skills to compete in the workplace. This will mitigate existing challenges from weak human capital and rectify the skills mismatches among young workers, ultimately enabling them to find quality employment they choose and perform productively.

Youth employment is potentially the most important issue for the future of the economy and society in Lao PDR. A large influx of young, dynamic, skilled workers into the labour market could propel future growth and deliver a demographic dividend. It could help move the country towards a more sustainable and inclusive growth path, underpinned by a green and digital transformation. For this scenario to unfold, however, the interventions suggested in this chapter need to happen quickly.

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A young girl with dark hair, wearing a white school uniform, is sitting at a wooden desk in a classroom. She is looking off to the side with a thoughtful expression, holding a blue pen. The desk is cluttered with papers and books. In the background, other students and desks are visible, though slightly out of focus.

# **CHAPTER #3**

## **EDUCATION AND SKILLS DEVELOPMENT**

## CHAPTER #3

# EDUCATION AND SKILLS DEVELOPMENT

Education is much more than the mere accumulation of knowledge; it is a space for students to gain skills and critical thinking, prepare for the job market, equip themselves to contribute to society more generally and realize personal fulfilment. Education is also critical for the development of Lao PDR, helping to improve labour productivity and health (Muennig, 2007). To a large extent, the future, including the size of the demographic dividend, will depend on the type and quality of education that Lao youth receive today.

Despite the promise of education, youth in Lao PDR experience gaps in opportunities, achievements and skills, problems with cost, and now the unprecedented disruption caused by COVID-19. All these issues are worse for young people from marginalized socioeconomic and ethnic backgrounds, and for those facing barriers related to gender and/or disability. Currently, the education system is not preparing them well for the job market, let alone giving them opportunities to realize their potential. Addressing shortfalls in education will be key in unlocking the potential of other investments in health, employment and participation.

Although the pandemic is receding, global progress on the 2030 Agenda for Sustainable Development has already been derailed. With the endpoint for the SDGs approaching, investment in education should be prioritized, with extra urgency in Lao PDR given its growing population

of youth and relatively low levels of education expenditure. A human development approach captures the links between education, youth capabilities and choices and opportunities throughout the lifetime. It recognizes that education opens trajectories for youth that lead to sustainable development.

Lao PDR needs to pursue meaningful, much-needed measures to increase the availability, accessibility and quality of education, and to match education and skills with labour market demands, among other core issues. A failure to improve education will otherwise have serious implications for youth and the broader society and economy in coming decades. This chapter focuses on key issues in education and skills, reviewing current policies and strategies, highlighting opportunities and challenges, and suggesting possible interventions to trigger improvements.

## 3.1 EDUCATION AND HUMAN DEVELOPMENT

Education—which is not necessarily synonymous with schooling—drives change and transformation in all societies. It is one of the most important means to end poverty and boost economic prosperity. For individuals, it can enrich their lives and be a harbinger for empowerment and greater life chances. Conversely, a lack of education can deprive people of the knowledge and skills to avoid harm or abuse. People who are unable to read, for instance, will likely not be able to assess whether the labour contracts they sign are fair and non-exploitative. If a young woman has not learned about her sexual and reproductive health



and rights through comprehensive sexuality education, she may not be aware of her choices, with profound implications for her entire life. Not having an adequate education might lock people into menial jobs with few benefits and little growth potential. It may limit people in demanding their rights and speaking out against injustice.

**Education is a human right with intrinsic value. While it contributes to productive capacity, at its core, it enriches people's lives beyond work and building the economy.**

As Sen (1997) observed, “Despite the usefulness of the concept of human capital as a productive resource, it is important to see human beings as ends in themselves and not merely as a form of human capital.”

From another perspective, “Human beings are both ends in themselves and means of production, and development policy must recognize and respond to this distinction. First, and above all, human development is of intrinsic value and an end itself, that needs no further justification. Second, it is also instrumental, as a means to higher productivity. A well-nourished, healthy, educated, skilled, alert labor force is the most important productive asset.” (Conceição et al, 2021).

The means are towards ends shared by both the human development and human capital approaches. Yet human development is also concerned with those who may be unproductive and unemployable, such as due to age, disability or chronic sickness, as it “encourages approaches that lead to overall societal benefits rather than exclusionary, instrumentally targeted approaches that try to identify ‘deserving’ or ‘productive’

investments for spreading social welfare.” The outcomes of such approaches are more equitable and aligned with human development.

The capability approach rests on “what people are actually able to do and to be” (Nussbaum, 2003). This emphasis on human agency and freedom infers that education policy can be a means to achieve human potential in multiple ways, such as through opening minds to farther horizons and creating pathways to acquire other valuable capabilities. Education is one of the strongest avenues for reducing poverty, improving health, ensuring greater gender equality and even realizing higher levels of peace and security. In this way, it has both intrinsic and instrumental value, bringing greater meaning and perspective to individual lives and helping people acquire good jobs and a decent income (Unterhalter, 2003). Education provides the means for people to work in gainful, meaningful and satisfying employment, as well as to continue lifelong learning and personal evolution while gaining additional capabilities.

The human development paradigm accounts for the greater benefits of education for life trajectories, aspirations, goals and dreams. As Sen states (2003, cited in Walker, 2010):

While the capability approach accommodates an expansion of human capital approaches in which education is important as a means to developing human resources and agency for economic ends, it also emphasizes the value of intrinsic ends.

Prioritizing the intrinsic value of education means that it should not only result in developing the economy, which is the predominant narrative in pushing for greater investment in education. It should

also create well-rounded young people able to think critically and conceptually, and who can question and contribute to policy discourses. The Lao Youth Union, several colleges and a number of civil society organizations—including the Life Skills Development Association, the Association for Community Development, the Community Knowledge Support Association and Equal Education for All, among others—provide activities and trainings for youth to develop skills that might not be included in formal education. They develop creativity and capacities to contribute ideas to decision-making. Regardless of whether an education improves immediate or medium-term life conditions, it fundamentally contributes to 2 of 10 central capabilities that, according to Nussbaum (2000), are essential for all human beings: practical reasoning, and senses, imagination and thought.

Practical reasoning involves the ability to comprehend different ideas and arguments through discussion and reflection (Nussbaum, 2011). To achieve this, students must be taught to critically test the ideas and perceptions that inform their actions and decisions. Thus, beyond accumulating basic skills such as literacy and numeracy, a good education should influence a young person's ability to think critically and make informed choices and decisions (Sen, 1999). This type of thinking necessitates not only discussion and logic but also opportunities for engagement in the learning process, reflection and exposure to a wide range of reading and texts (Nussbaum, 2006).

Senses, imagination and thought involves the ability to use the mind in creative and novel ways. Fostering this capability requires teaching and learning practices that are

experiential and go beyond textbook learning. This type of learning—focused on expanding the range of thinking and experiences of a person and oriented towards cultivating creativity and critical analysis—has the long-term effect of not only increasing skills for the workplace but also enhancing the ability of young people to overcome challenges, make meaningful decisions and adapt to a changing environment (Algraini, 2021).

Education is such an important component of human development that it was incorporated as an indicator—as expressed by literacy rates—in the first Human Development Index (HDI). Later versions accounted for the education dimension by including mean years of schooling for adults aged 25 years and more and expected years of schooling for children of school-entering age. The three dimensions of the HDI, health, education and income, capture the core elements of human development.

## 3.2 TRENDS IN EDUCATION AND SKILLS DEVELOPMENT

The education system in Lao PDR has three parts: general education, technical and vocational education (TVET) and higher education. General education includes early childhood education (preschool, creches and kindergartens), five years of primary school, four years of lower secondary school (compulsory) and three years of upper secondary school. TVET and higher education comprise diverse certificate, diploma and degree programmes that range in duration depending on the qualification and subject area.

### General education: early childhood education

Early childhood education plays a significant role for youth. Not only do they acquire knowledge in their formative years but they establish a foundation to build on throughout their lives. Early childhood education includes formal and informal educational programmes that guide the growth and development of children throughout their preschool years, typically between 2 to 5 years of age. It encompasses a wide variety of activities designed to promote children’s cognitive and social development before entering primary school. Programmes focus on school and academic readiness but also emphasize mental and emotional preparedness.

By some accounts, investments in early childhood education yield some of the highest returns in education, health, social and economic outcomes (Heckman, Pinto and Savelyev, 2013). The 2014 global Human Development Report examined early contributions to lifelong capabilities and human

development, concluding, “When investments in life capabilities occur earlier, future prospects are better. Earlier and continual investments make the formation of life capabilities more robust” (UNDP, 2014, p. 55).

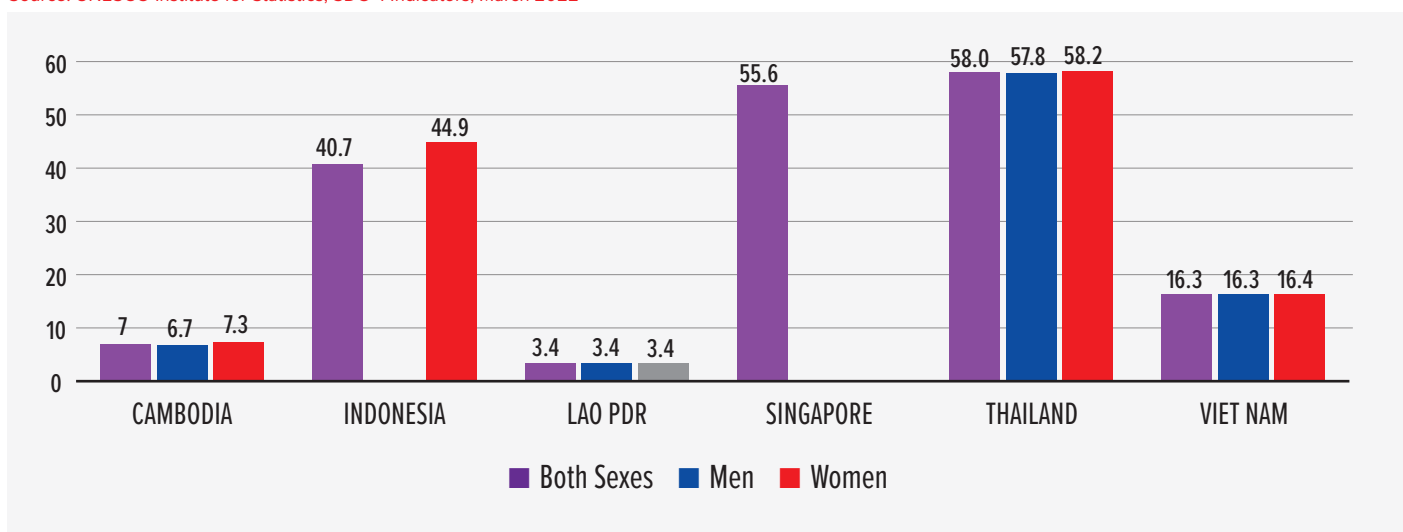
The report highlighted how cognitive, social, emotional and language competences are interdependent, since all are shaped by early experiences. Adversities in early life can lead to challenges in adult life, including due to socioeconomic deprivation and disruptive caregiving. Without quality early childhood education, children lose chances to realize their potential and countries lose human capital to reduce inequalities and promote peaceful, prosperous societies (UNICEF, 2021). Figure 3.1 shows that Lao PDR falls behind other South-East Asian countries in providing early childhood education.

Figure 3.1

In Lao PDR, only 3 in every 100 children in the pre-primary school age group are enrolled in early childhood education. Thailand has

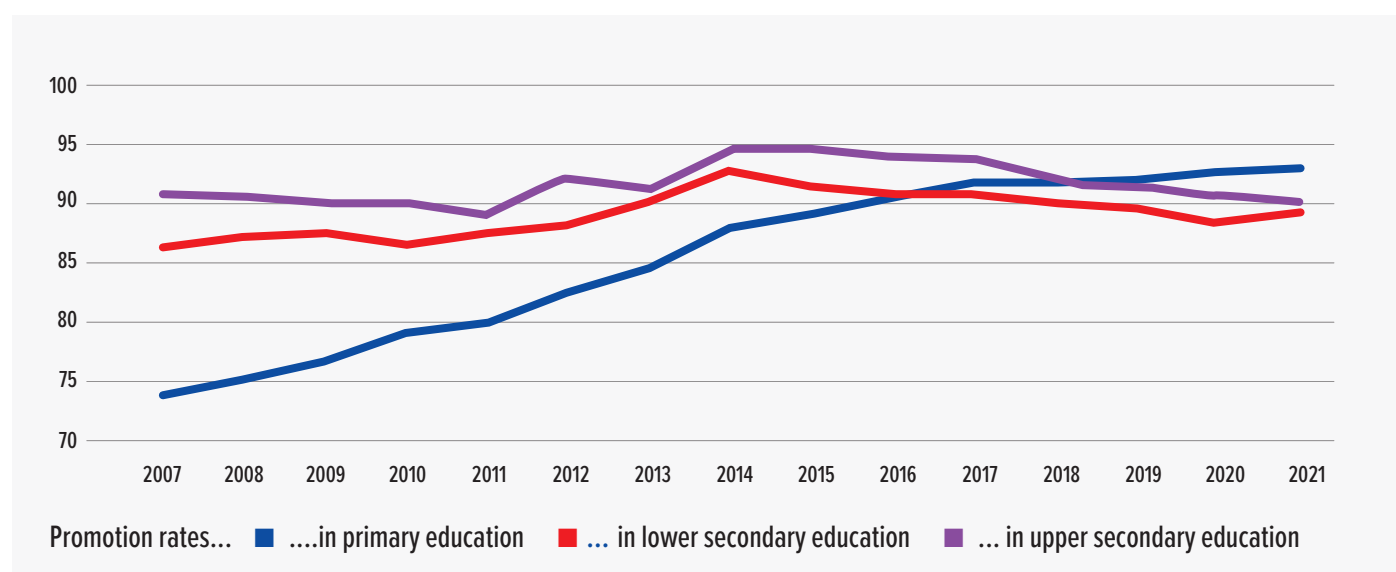
**Figure 3.1: Gross enrolment ratio for early childhood education programmes in Lao PDR and other South-East Asia countries, 2018-2020**

Source: UNESCO Institute for Statistics, SDG 4 Indicators, March 2022



**Figure 3.2: Promotion rates in primary and secondary school, percentage**

Source: Ministry of Education and Sports, Statistics Centre.



an enrolment rate almost 20 times higher. Cambodia, the second lowest in the region based on available data, still has double the rate of Lao PDR. Low enrolments highlight deficiencies in availability and promotion of early childhood education. Enrolment rates depend on investment in early childhood education centres, teachers, and promotion of early childhood education among parents to seek out and enroll their children. Given the evidence of the greater social and economic returns on investments in early childhood education when compared to other stages of education, and the budgetary constraints in the education sector, the enrolment rates in Lao PDR are a cause for concern. Furthermore, the consequences of low investment and enrolment in early childhood education now could have adverse impacts for generations to come. The knock-on effect of low returns from lack of investment in early childhood education negatively impacting potential reinvestments into all stages of education in the future, and ultimately undermining efforts to achieve Lao PDR’s ambitious long term social and economic development targets.

**General education: primary education**

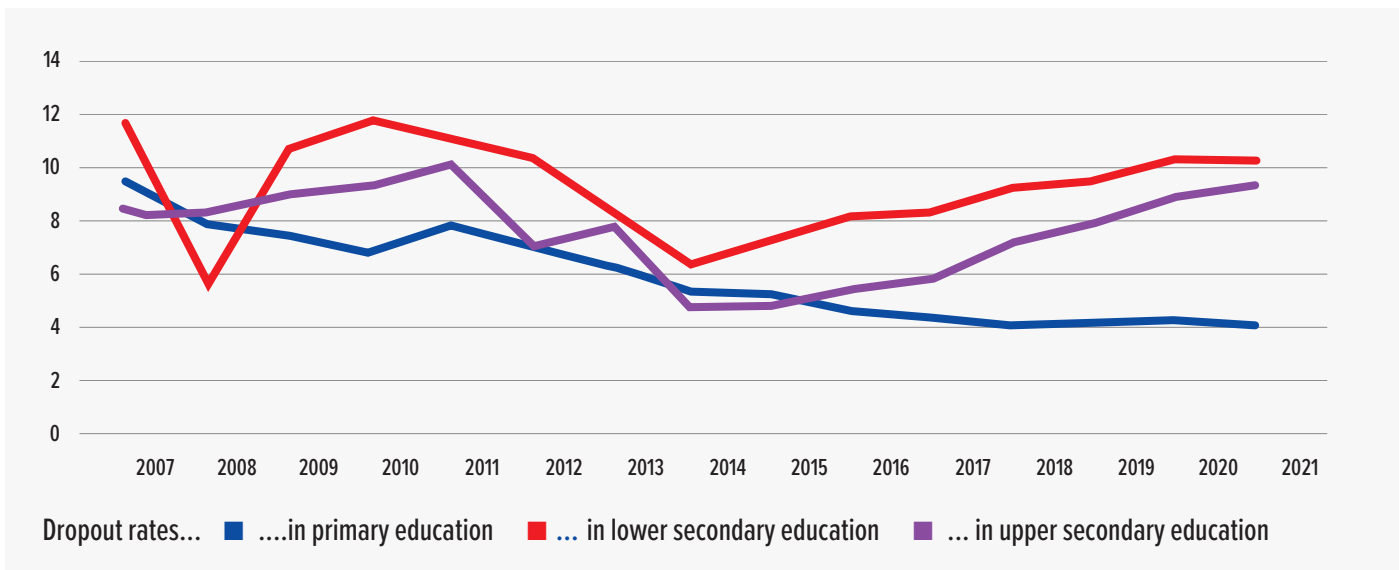
Lao PDR has made significant progress in increasing primary school enrolment rates. As of 2021, 756,191 students were enrolled in primary school, with a net enrolment ratio of 98.8 percent (Government of Lao PDR, 2018; LSB, 2022). Although enrolment rates are high at the primary level, they fall substantially in lower and upper secondary education, to 418,236 and 192,853 students, respectively. This shows breaks in the continuity of education. Net enrolment in secondary education, both lower and upper, is just over 60 percent, and only 31 percent of adolescents complete it (LSB, 2017). The promotion rate, which reflects the continuation of education across levels, must increase to ensure that secondary schooling can build on important progress made in primary enrolment.

**General education: secondary education**

While the promotion rates among primary school students increased significantly from 73.7 percent in

Figure 3.3: Dropout rates in education, percentage

Source: EMIS 2022.



2007 to 93 percent in 2021, rates in lower and upper secondary education increased only slightly or even declined during the same period (Figure 3.2). Increased government support to primary education may help keep students in school longer but secondary education clearly faces challenges in retention. In 2021, dropout rates were 10.3 percent for lower secondary and 9.4 percent for upper secondary education, contributing to the 89 percent and 90 percent promotion rates for lower secondary and upper secondary education, respectively (Figure 3.3). An increasing trend in dropout rates in both lower and secondary levels has been evident since 2014, despite signs of progress from 2009-2014. Current rates of dropouts are now the same as they were in 2009, which threatens to undermine progress from increased enrolment and decreased primary dropout rates.

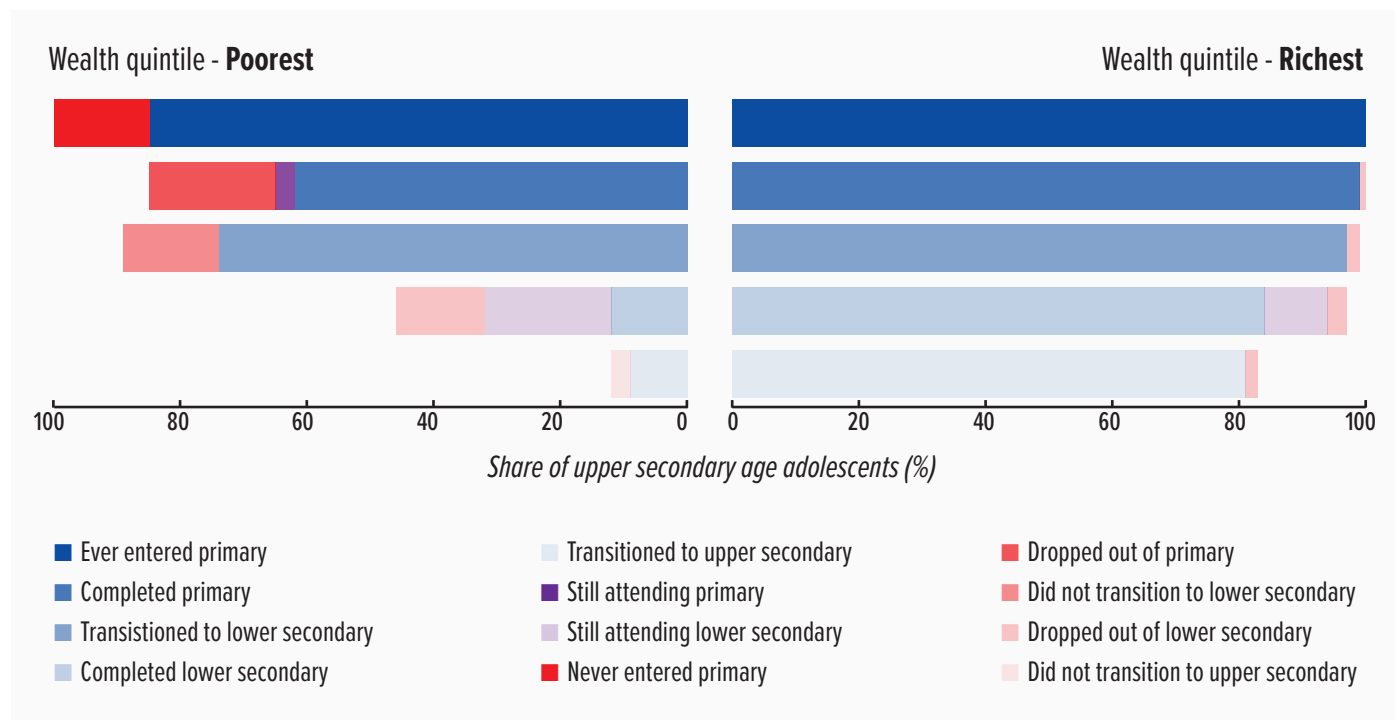
Figure 3.2 / Figure 3.3

A study of six provinces carried out between 2020 and 2021 sought to understand the root causes for students dropping out of school.

It involved interviewing over 900 informants, including young people who have dropped out, parents, teachers and education officials, and looking at data from the LSIS-II conducted in 2017 (UNICEF, 2022a). It found that school dropouts likely worsened due to the COVID-19 pandemic and prolonged school closures. Common reasons for dropping out across both levels of secondary education included poverty, opportunities for daily wages, low perceived value of education, fees related to schooling despite policy controls and early marriage for young women and girls. Many people described bullying and fighting as the worst thing about school. Of 30 public schools involved in the study, all but two charged tuition fees. Poverty was the most consistently cited reason for dropping out, however, as corroborated by the Lao Social Indicator Survey. Children in rural areas and from low-income families are at higher risk of dropping out, especially in rural areas without road access and from families in the poorest quintiles (Figure 3.4).

**Figure 3.4: Comparing educational achievements across wealth quintiles, percentage**

Source: LSB, 2017.



While the breakdown among wealth quintiles is relatively clear, the picture varies across provinces (Table 3.1). In 2021, the gross enrolment ratio for lower secondary education was low in provinces such as Champassak and Saravan; the ratio for upper secondary education was low in Phongsaly, Oudomxay and Saravane. The dropout rate for secondary levels was highest in Saravan, Sekong and Bokeo. Differences between rural and urban areas are relatively well defined. Vientiane Capital, in particular, enjoys the highest enrolment rates across education levels and the lowest rates of dropouts.

Figure 3.4 / Table 3.1

Low-quality education is directly linked to poor learning outcomes, such as low rates of literacy. The proportions of youth aged 15-24 who can read and write the Lao language fluently are extremely low at 65 percent and 64 percent, respectively

(Figure 3.5). Approximately one in seven youth has difficulty reading and writing. Abilities vary across gender, ethnicity and location. The shares of male youth who can fluently read and write are 71 percent and 69 percent, respectively, compared to 60 percent and 59 percent of female youth, respectively. Among students in fifth grade, 98 per cent have not mastered numeracy skills and 92 percent have not gained the reading literacy skills they are expected to have at the end of primary school (UNICEF and SEAMEO, 2020). Fifth graders in Lao PDR are the lowest performing in both reading and mathematics compared to six other South-East Asian countries (Table 3.2).

The low perceived value in education is connected to poor quality. For many students struggling to learn from a young age, dropping out becomes much more likely as they advance to lower and higher secondary levels. The discrepancy between the reading and writing

## CHAPTER 3

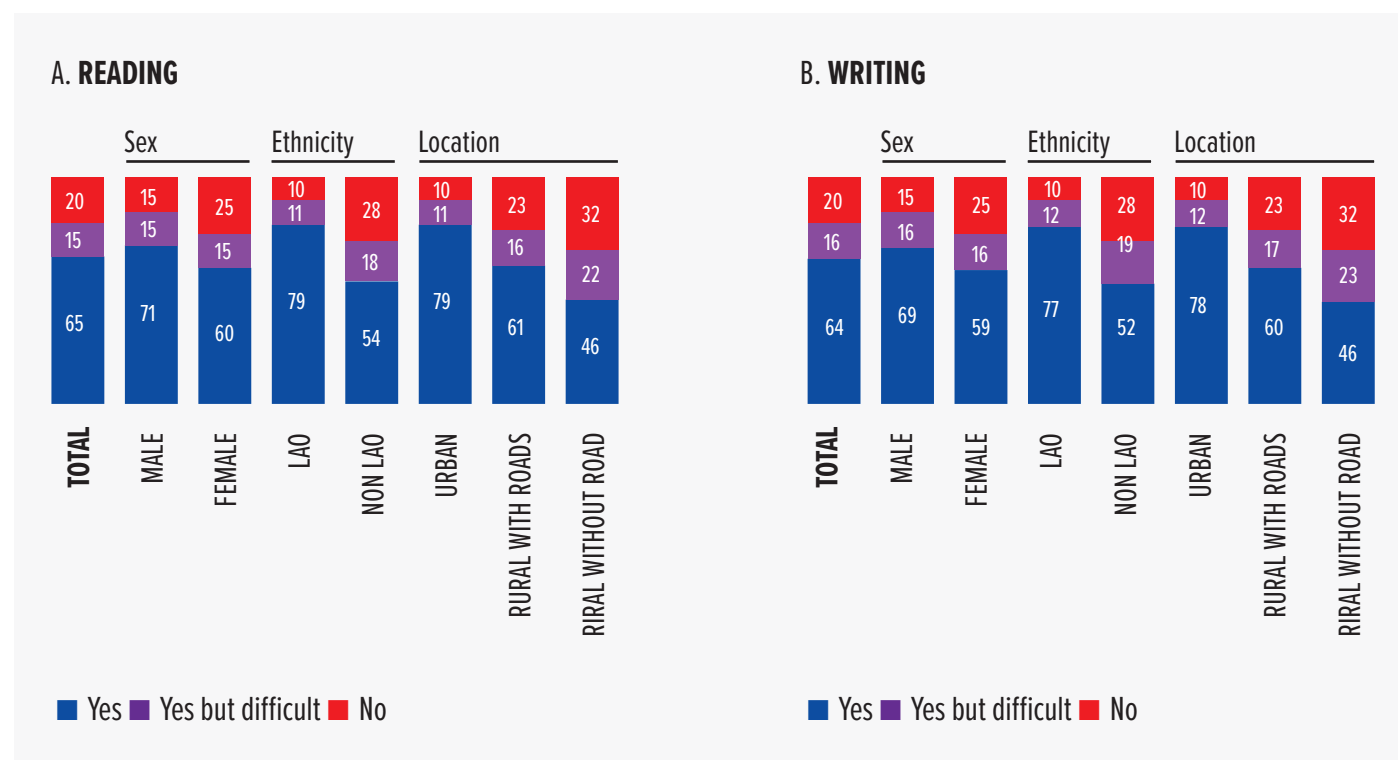
**Table 3.1: Secondary education by province, 2021**

Source: Ministry of Education and Sports, Department of Planning.

	ENROLMENT IN LOWER SECONDARY	ENROLMENT IN UPPER SECONDARY	GROSS ENROLMENT RATIO IN LOWER SECONDARY	GROSS ENROLMENT RATIO IN UPPER SECONDARY	NUMBER OF CLASSES IN SECONDARY	DROPOUT RATE IN LOWER SECONDARY	DROPOUT RATE IN UPPER SECONDARY	PROMOTION RATE IN LOWER SECONDARY	PROMOTION RATE IN UPPER SECONDARY	TRANSITION RATE FROM LOWER SECONDARY TO UPPER SECONDARY	PUPIL- TEACHER RATIO
ATTAPEU	9.662	4.487	73,4	45,2	434	12,8	9,2	86	90,1	76,4	18
BOKEO	13.759	6.025	82,5	47,3	626	11,5	15,1	87,3	84,2	79,2	18
BORIKHAMXAY	19.733	9.301	80,2	48,9	818	11,5	11,1	87,2	88,2	76	21
CHAMPASSAK	34.702	16.332	63,7	41,3	1.657	11,9	8,1	87,7	91,6	77,2	16
HOUAPHAN	24.460	11.024	92	56,2	1.075	9,8	9,8	89,7	90	76,9	17
KHAMMOUAN	23.343	9.753	76,3	41,7	1.090	11,1	8,9	88,3	90,6	67,7	17
LUANGNAMTHA	13.648	6.547	84,3	55,5	567	7,8	8,3	91,4	91,1	78,7	19
LUANGPRABANG	31.824	12.557	81	44,2	1.253	11,5	11,5	88,1	87,9	63,9	16
OUDOMXAY	22.534	9.041	77,8	40,1	1.047	10,7	11,2	88,8	88,6	67,6	15
PHONGSALY	11.827	4.265	72,5	34,2	549	13	11,8	86,3	88,2	69	14
SARAVANE	19.332	7.571	70,5	40,1	837	14,8	11,6	84,7	88,2	73,7	17
SAVANNAKHET	45.430	19.193	73,1	47,8	2.176	13,2	9,1	86,3	90,6	69,4	16
SAYABOURY	24.328	10.513	85,3	51,2	1.192	7,5	8,5	92,1	91,2	68,8	13
SEKONG	8.779	4.487	72,8	51,2	386	13,3	9,7	85,4	89,6	80,7	16
VIENTIANE CAPITAL	53.394	30.400	99,2	86,3	2.318	4,9	5,6	94,1	94	92,3	19
VIENTIANE	31.125	16.303	86,5	57,7	1.306	9,2	8,8	89,6	90,6	81	18
XAYSOMBOUN	8.544	4.152	94,3	62,7	366	8,4	12,2	88,3	87,3	83,5	15
XIENKHOANG	21.812	10.902	91	62,8	1.068	8,3	11,5	90,8	88,2	80,3	15

**Figure 3.5: Reading and writing abilities in the Lao language among people aged 15-24 by sex, ethnicity and location, percentage**

Source: LSB, 2020b.



abilities of Lao ethnic and non-Lao ethnic groups is even more pronounced, with the former generally performing better. As shown in Figure 3.5, geographic location plays an important role as youth in urban areas have the highest rates of reading and writing fluently, followed by youth in rural areas with roads and youth in rural areas without roads.

Figure 3.5 / Table 3.2

Recently, private schools have filled some gaps in public education. The proportion of students in private primary and lower and upper secondary school levels has increased as shown in Figure 3.6 (LSB, 2022). For some groups, private schools can play an important role in providing quality education and meeting needs beyond the public system. Many offer lessons in English and recruit teachers from

**Table 3.2: Fifth-grade students performing at or above the SDG level in reading and mathematics, percentage**

Source: UNICEF and SEAMEO, 2020.

COUNTRY	READING %	MATHS %
CAMBODIA	11	19
LAO PDR	2	8
MALAYSIA	58	64
MYANMAR	11	12
PHILIPPINES	10	17
VIET NAM	82	92



abroad. With additional resources, they provide higher-quality learning facilities and teachers.

Most private schools operate in urban districts, however, where students are in the wealthier quintiles. Major implications for equity emerge where a better option is available only to those who can pay, and where all those who can pay choose to do so, ultimately leaving the poorest behind (McCowan and Unterhalter, 2021). In Lao PDR, this trend threatens to increase inequality between those who can afford education and those who cannot, further exacerbating the divide between students from higher and lower wealth quintiles, and rural and urban settings.

Figure 3.6

### Technical and vocational education and training

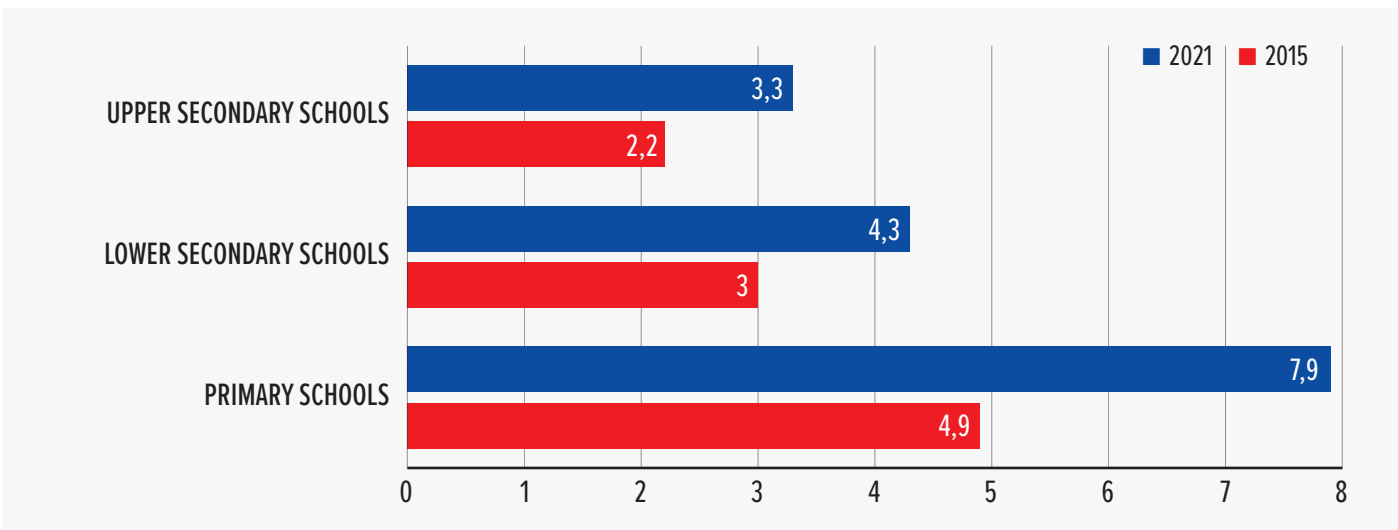
TVET institutes enroll the highest number of students after primary and secondary education. Different ministries and organizations manage TVET, including the Ministry of Education and Sports, the Ministry of Labor and Social Welfare, the Ministry

of Finance, the Ministry of Industry and Commerce, the Lao Women’s Union and the Lao Youth Union. In 2020-2021, 23,443 students, mostly young people, enrolled in TVET at different levels (Figure 3.7a). Elementary TVET provides training for six months or less; a middle level offers training for six months to one year; and a higher level involves training for one to three years. The greatest enrolment is in the middle level.

TVET provides numerous majors such as in the electrical trade, agricultural processing, garment manufacturing, carpentry, information technology and automobile mechanics. In 2020-2021, engineering had the highest share of enrolment at 43.1 percent (Figure 3.7b). This major includes vehicle and machine fixing and involves several industries such as agriculture and manufacturing, among others. The business administration major had the second highest enrolment rate at 21.4 percent; it aims to promote business start-ups. It was followed by the information and communication technology (ICT) major at 15.9 percent. Manufacturing and service majors have lower enrolments at

Figure 3.6: Share of students in private schools, percentage

Source: EMIS, 2022.





## **BOX 3.1 CHALLENGES IN TVET**

### **Low investment and support in TVET**

There are no suitable financial assistance schemes for TVET. Financial support is not sufficient to improve infrastructure and facilities to accommodate an increased number of trainees and students.

### **Persisting skills mismatches**

Mismatches between TVET students produced and labour market demands highlight the insufficient integration of TVET with market needs. This is partly a result of insufficient training materials and out-of-date machines and tools for practical training. Low-quality training (due to poor quality infrastructure, machines and equipment) and teaching staff without teaching skills and industrial experience also perpetuate skills mismatches.

### **Limited appeal of TVET vis-à-vis general education**

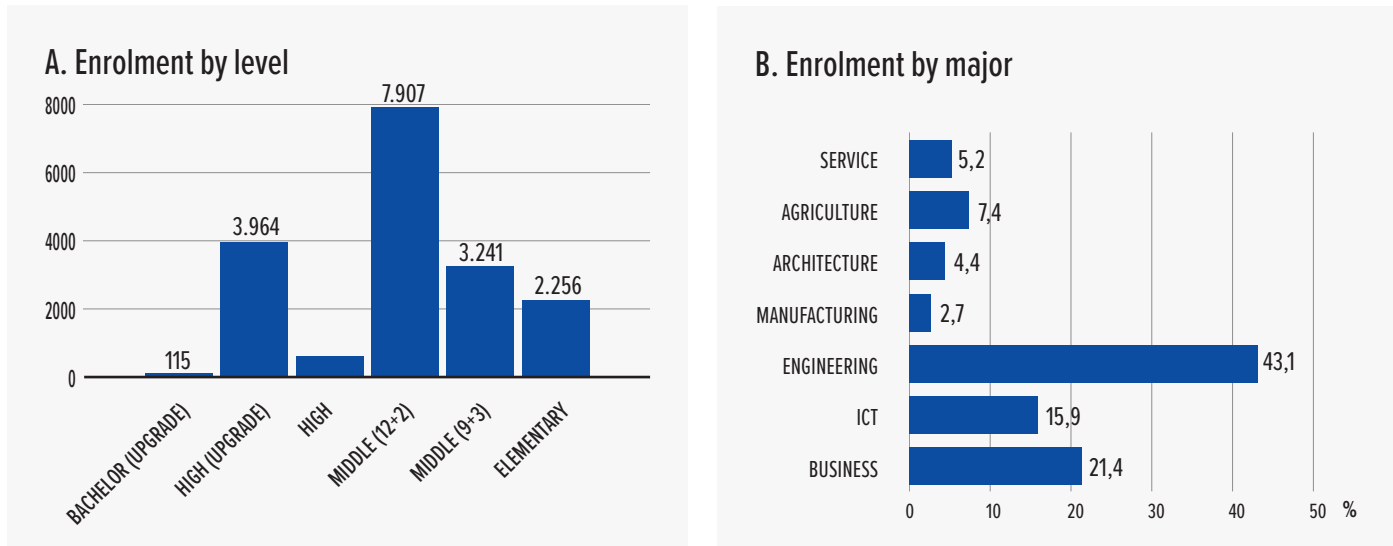
Some people value only a university education, which contributes to low enrolment in TVET. Structured guidance to students on learning opportunities and prospects from TVET is limited.

Source: UNESCO and UNEVOC, 2020.



**Figure 3.7: Technical and vocational educational enrolment by level and major, 2020-2021**

Source: Ministry of Education and Sports, Department of Planning.



only 2.7 percent and 5.2 percent, respectively, although both contribute significantly to the Lao economy (LSB, 2022). Attracting more students to these fields would better accommodate market demands.

Figure 3.7

Some non-governmental organizations provide TVET through domestic and international support. Training is usually offered in rural and remote areas where more formal options are absent. Trainees are generally from disadvantaged groups. Such interventions help support those without a primary or secondary education, as other training programmes often require completion of formal education. Some non-formal training provides certification to help participants find jobs.

Some key challenges in TVET include low investment and support (See Box 3.1). Suitable financing schemes are generally absent, and financial support is insufficient for infrastructure and facilities to accommodate an increased number of trainees and students. Skills mismatches between TVET students

and labour market demands indicate poor integration with market needs. Outdated training materials, tools and machines for practical training, poor quality infrastructure, and teaching staff who lack teaching skills and industrial experience perpetuate skills mismatches. TVET's limited appeal compared to general education results in low enrolment, an issue exacerbated by limited guidance for students on TVET learning opportunities and prospects (UNESCO, 2022).

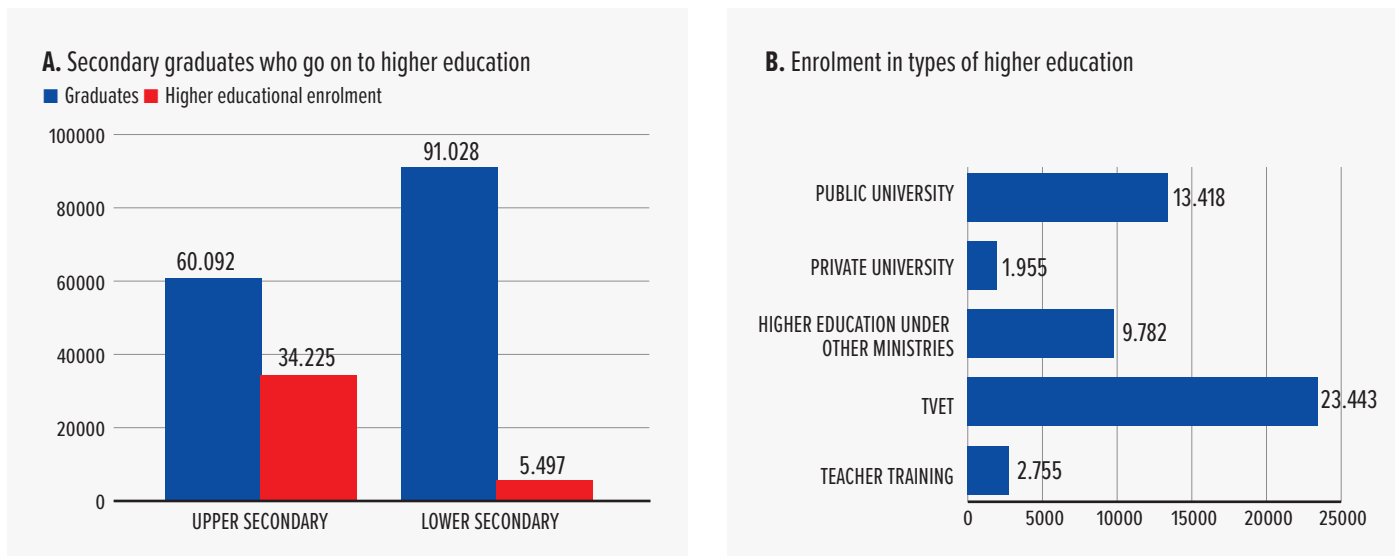
Box 3.1

**Higher education**

Graduates from upper secondary education can continue in higher education in public or private institutes. Four public universities have more than 20 faculties; one public health science university has three faculties. Six private higher educational institutes provide limited majors for bachelor's degrees. Many private institutes mainly provide diplomas or certificates of higher education, which fall below undergraduate degrees.

**Figure 3.8: Secondary education graduates and continuous education, 2020-2021**

Source: Ministry of Education and Sports, Department of Planning.



A significant number of graduates continue in higher education after completing upper secondary education (Figure 3.8a). In 2021, among upper secondary graduates, 56.9 percent enrolled in higher education. Since some students enroll in more than one programme, the number of enrolments might not represent the actual number of students. Comparatively, the number of lower secondary graduates who went on to higher education was much lower at only 6 percent. Among types of higher education that are entered into by secondary graduates, enrolment was higher in TVET than in public universities, followed by higher educational institutes under other ministries, teacher training institutes and private universities.

Figure 3.8

Higher education tends to focus on a few majors that are focused on agriculture and manufacturing and aligned with economic development planning. Many students (17.3 percent) study engineering (Figure 3.9). Other majors with significant enrolment are business

administration (16.7 percent) and agriculture and forestry (13.1 percent). Students select these subjects as they believe these fields offer the flexibility to enter different economic sectors. Only a small number of students enroll in mathematics and statistics (0.9 percent), and journalism and information (0.8 percent). This might be due to limited jobs for graduates in journalism and the difficulty of subjects related to mathematics and statistics.

Figure 3.9

**Overall, education is falling short**

According to HDI results for 2021, total expected years of schooling in Lao PDR have declined continuously from 11.22 years in 2015 to 10.14 years in 2021. The current levels are the same as they were 12 years ago in 2010. This shows lower overall retention within the education system. A declining level of development in the educational system may have diminished perceptions of its value and the willingness among students to stay in school. Mean years of schooling has

stagnated since 2019 at 5.37 years, suggesting little change in the skills and competencies of the population.

While COVID-19 has undoubtedly had significant negative impacts on schooling and learning outcomes (Box 3.2), exacerbating existing inequalities and challenges, many worrying trends in education predate the pandemic. These include dropout rates at secondary levels, decreases in the total years of schooling and a levelling off in public spending on education (Figure 3.10). The low spending in education is a worrying trend given the imperative to develop capabilities vital to realizing a demographic dividend. Government targets to increase spending and address shortfalls in education have not been met, which will hinder young people’s prospects for human development (Figure 3.11).

Figure 3.10 / Figure 3.11

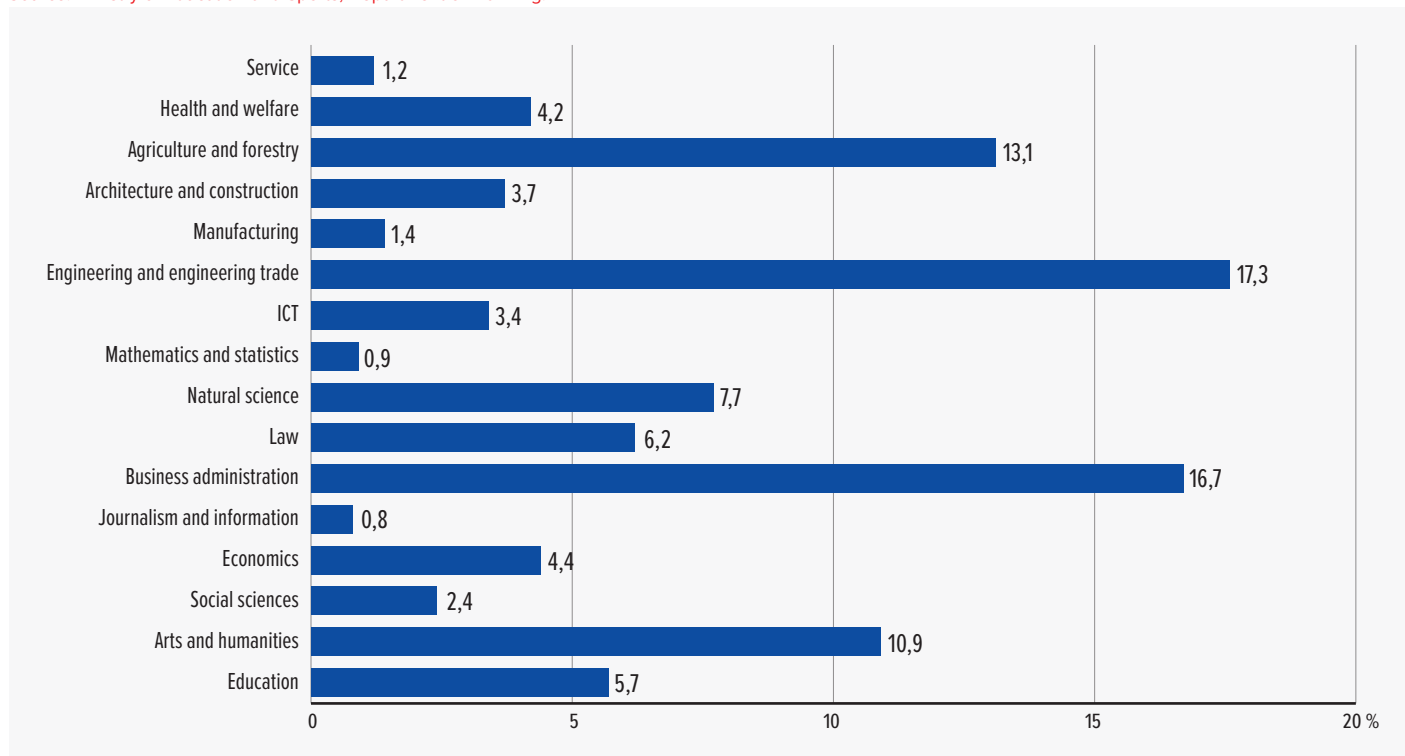
## 3.3 ENABLING LAWS AND POLICIES

### Government strategies aimed at advancing education

The Government of Lao PDR identifies education as a prerequisite for sustained economic growth and poverty reduction. The Constitution recognizes education as a human right (Article 28) and enshrines the role of the State in developing national policies to support “good citizens with competence, knowledge, abilities and technical skills” (Article 22). Numerous recent policies and plans have prioritized education as the gateway to human development, including the Eighth National Socio-Economic Development Plan (2016-2020) and the Ninth National Socio-Economic Development Plan (2021-2025).

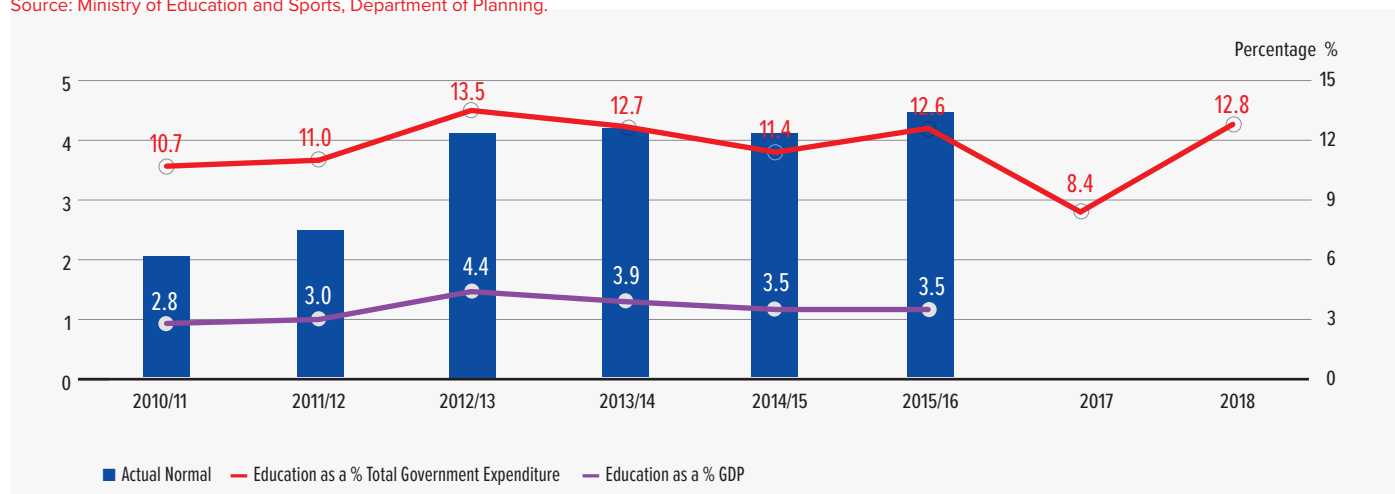
Figure 3.9: Tertiary educational enrolment by major, 2020-2021

Source: Ministry of Education and Sports, Department of Planning.



**Figure 3.10: Public spending on education, 2010-2018**

Source: Ministry of Education and Sports, Department of Planning.



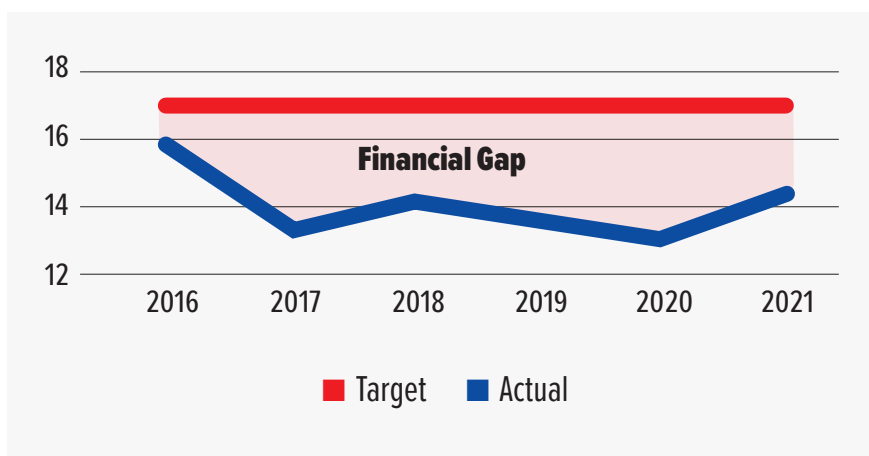
The National Growth and Poverty Eradication Strategy draws attention to developing the potential of youth to reduce poverty.

The Government adopted the Education and Sports Sector Development Plan for 2021-2025 as an overall strategy for human resources development, aimed at improving knowledge, skills and health, among other priorities. Policies stress improving the quality of primary education, recognizing that foundational skills are developed from early childhood; expanding the accessibility of lower secondary

education; strengthening the knowledge and pedagogical skills of teachers; upgrading the skills and competencies of the staff of the Ministry of Education and Sports; developing institutional strengthening at the provincial and district levels; decreasing disparities in the most disadvantaged districts; and supporting post-basic education in contributing to socioeconomic development. The Development Plan builds on important progress made in expanding education access, particularly at the primary level, with the strong support of international partners.

**Figure 3.11: Percentage of total government budget allocated to education, Lao PDR**

Source: MoES, 2020 and, MoES, 2022



The national poverty reduction strategy recommends targeting improvements in the education of women and young girls, coupled with opportunities for income generation through skills training and microfinance. While rural youth are mentioned briefly in agricultural policies, the poverty reduction strategy does not specifically focus on vocational training centres with agricultural development activities or other income-generating activities for rural youth. There is a scheme aimed at encouraging parents to enroll their children in school, especially girls and children from ethnic groups.

**Table 3.3: Government expenditure on education as a percentage of government expenditure**

Source: State Budget Plan, Lao PDR, 2021 and Our World in Data, 2022.

COUNTRY	SHARE OF TOTAL BUDGET	YEAR
LAO PDR	12.2	2021
THAILAND	16.7	2020
VIET NAM	14.8	2021
CAMBODIA	9.4	2018
MALAYSIA	16.4	2021
LOWER MIDDLE-INCOME COUNTRIES	14.3	2019
LOW-INCOME COUNTRIES	15.8	2018

In recent years, the Government has translated education policy commitments into budgetary terms by targeting the share of annual educational spending at 18 percent of total spending (Article 15, Education Law, 2015). The Education Sector and Sports Development Plan also includes a budgetary target for education expenditure as 17 percent of total government spending.

In 2021, the budget for the government education plan was 3,866 billion LAK or 12.2 percent of the total government budget, compared to 3,657 billion LAK in 2020 or 10.2 percent of the total budget. In both years, education drew the second largest share of the budget after public works and transportation. Despite significant spending, the share is still low compared to that of other countries in the region, however (Table 3.3). From 2016 to 2020, the education budget mainly focused on primary education at an average of 32.7 percent, followed by lower secondary education at 21.8 percent, upper secondary education at 11.8 percent, TVET at 4 percent, higher education

at 5.7 percent and non-formal education at 1 percent.

Table 3.3

The Government mainly spends on personnel and teachers, on average, 77 percent from 2017 to 2020, rather than on operational and educational improvement, including teacher training and materials to tackle challenges in the quality of education (Ministry of Finance, 2021). Low spending on the latter, however, may slow progress in reaching educational targets and improving educational outcomes.

As highlighted above, spending is stagnating, starting before the challenges created by COVID-19. Budgetary policy commitments on education spending have not been matched with concrete implementation efforts or mechanisms for achieving the targets. There is no clear ringfencing of the education budget. The Government also lacks focused strategies for financing increased investment in spending, including through new financing instruments or possible

partnerships with the private sector. Without concrete measures to steer spending, the ambitions of the Education and Sports Sector Development Plan for 2021-2025 will likely not be achieved.

Box 3.2 / Box 3.3

### Youth perspectives on education

In UNDP's 2021 digital survey conducted for this report of 5,590 young men and women aged 15-24 in Lao PDR, 37.7 percent were not enrolled in school. Around 37.4 percent had reached the upper secondary level and 23.2 percent had a university degree. Among those enrolled in school (63.3 percent), the top five challenges in education were accessing resources to study (29.6 percent), studying remotely when schools are closed (21.1 percent), low-quality teaching or unclear classes (19.4 percent), the remote distance of school (17 percent) and barriers due to language (16.9 percent). Almost a third (32.7 percent) of youth claimed that when they are not in school, they help family members with their work. Similarly, 29.2 percent stated that they look for paid jobs during the summer break from school for additional income.

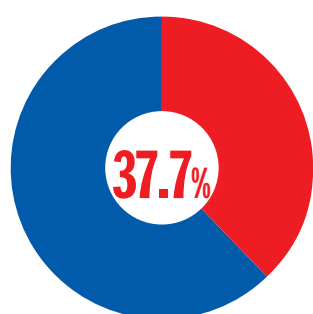
Although most youth expressed hopes of meeting their aspirations in Lao PDR, 40.6 percent of youth believed that their education is not preparing them for the job market, with 30.8 percent being somewhat uncertain on whether their education would fit market demands. During focus group discussions, participants discussed their experiences in schooling, especially on the quality of education. A secondary school student expressed dissatisfaction with poor-quality teaching methods and the burden this puts on students to pursue extracurricular studies, including by using online sources

such as YouTube and listening to educational programmes on the radio. University students said they were satisfied with online teaching although some noted additional concerns over increasing tuition fees and discrimination in STEM fields against people with disabilities. Focus group discussions consistently cited the low quality of education, including poor teaching methods and misalignment between curricula and market needs, as among the biggest challenges.

In terms of infrastructure, students highlighted concerns about the remoteness of some schools and unstable Internet connections, particularly students from rural and remote areas. They described bias and bullying by teachers against ethnic groups based on their accents and language barriers. Many students cited balancing schoolwork and family obligations as a major problem. They also referred to costly private tutoring and insufficient textbooks as barriers.

Family involvement and obligations play huge roles in students choosing a course of study. One young participant in the focus group discussions recalled that he was an excellent student in chemistry but had to study banking to have his family's support for his continued education. A female student said she was always interested in computer programming but her family refused to allow her to pursue it, saying that girls cannot be programmers. Most focus group participants said that they did not receive any job consultation services from their universities or schools. Instead, they consulted their parents, teachers and other senior students about their future careers.

Consistent across online and in-person surveys and the focus group discussions was the concern that



**IN UNDP'S 2021 DIGITAL SURVEY CONDUCTED FOR THIS REPORT OF 5,590 YOUNG MEN AND WOMEN AGED 15-24 IN LAO PDR, 37.7 PERCENT WERE NOT ENROLLED IN SCHOOL.**



## BOX 3.2 COVID-19 IMPACTS ON EDUCATION

The COVID-19 pandemic resulted in nationwide school closures from March 2020 to September 2021. This disrupted the learning of 1,708,501 students in pre-primary, primary, secondary and tertiary education as well as in technical and vocational schools and other educational institutions throughout the country.

During the crisis, the most marginalized children—including those with disabilities; struggling learners; children from non-Lao-Tai ethnic groups; children in the most rural, hard-to-reach and poorest communities; and girls, particularly those impacted by caregiving burdens exacerbated by the pandemic—were often unable to access remote learning opportunities. This shortfall typically stemmed from a lack of access to the Internet, the cost of equipment or simply because the delivery mode did not meet their needs.

The crisis exacerbated many existing vulnerabilities. For example, girls were more susceptible to gender-based violence and more isolated without their school peer support network. In response, the Ministry of Education

and Sports with the support of UNICEF and other partners developed the education COVID-19 Response Plan. Key elements included supporting learners, educators, caregivers/parents and school communities; ensuring the continuity of learning through activities aimed at quality learning and the well-being of learners, teachers, caregivers and so on; supporting the safe and inclusive return to school; and ensuring a coordinated response by the Government and development partners.

UNICEF and the European Union, as part of the Partnership for Strengthening the Education System in Lao PDR and the Global Partnership for Education, are supporting the Ministry of Education and Sports in developing a digital Lao Education and Sports Teaching and Learning Platform, which is based on UNICEF's global Learning Passport platform. The platform in Lao PDR, Khang Panya, aims to facilitate online learning for children and young people through offline access and blended learning. It simultaneously enhances teaching by supporting the work of and professional development of teachers, principals, paedagogical advisers and early childhood education technical staff. The platform overall is improving digital literacy among Lao students and teachers as well as other users.

Source: UNICEF, 2021.



## **BOX 3.3 EDUCATION TARGETS IN THE NINTH SOCIOECONOMIC DEVELOPMENT PLAN**

The Ninth Socioeconomic Development Plan recognizes the importance of investing in education now to reap the full benefits of the demographic dividend, which is expected to last only until 2048. The plan's second outcome is the improved quality of human resources to meet development, research capacity, science and technology needs, and create value-added production and services. Two outputs highlight key targets and indicators related to education and skills development.

### **Output 2**

— Improved quality of all levels of education and conditions created for access to education to support readiness for regional and international integration and Industry 4.0.

### **Key targets and indicators**

— Number of youth and those who have dropped out of school that can access non-formal education and vocational training to

reach 150,000 people

- University student enrolment in STEM to reach 12,500 persons
- Increase the literacy rate of 15–24-year-olds to 91 percent.

### **Output 3**

— Workforce skills and productivity improved, and job diversification, security and income opportunities increased to meet the demands of socioeconomic development

### **Key targets and indicators**

- Train 10,000 people at skills development institutes and training centres at different levels, and provide mobile training in various skill areas to 5,000 people
- Test skill standards of at least 1,700 people in 32 skill areas
- Develop the skills of workers in labour units to meet national skill standards in 10 skill areas
- Improve seven skill development institutes and centres through the provision of equipment, and encourage the economic sector to invest in the building of two labour skill development centres
- Establish and develop a labour market information system to monitor data for the 17 indicators of the labour market and the relevant indicators of the Sustainable Development Goals

Source: Government of Lao PDR, 2021.



education quality is generally poor. This extended from teaching methods to curricula and materials, forcing many students to look elsewhere to complement their schooling, including through private tuition and online. For young people enrolled in school in rural and remote areas, the distance from school and language barriers were primary issues. Most alarming was the high number of young people aged 15-24 who were not enrolled in any education. This is consistent with high secondary school dropout rates and low enrolment in TVET and higher education.

## 3.4 CHALLENGES

### Accessibility

While increased enrolment in primary school has been a significant achievement in Lao PDR, a reduction in the number of primary schools is a concern. From 2010 to 2021, the total number fell slightly from 8,968 to 8,813 while the number of secondary schools significantly increased from 1,236 to 1,831. The decline in primary schools is particularly challenging for rural and remote areas where 11.3 percent of young people reported that they were not currently enrolled in primary school because no school was within commuting distance (LSB, 2020b). Having to travel long distances to the nearest school results in dropouts from both primary and secondary education. Reducing schools threatens efforts to ensure universal access to education. Targeted support needs to reach those most affected by reductions, including through alternative approaches such as remote learning or grants to assist travel to the nearest schools.

The low number of universities, high costs and limited scholarships suppress enrolment in higher

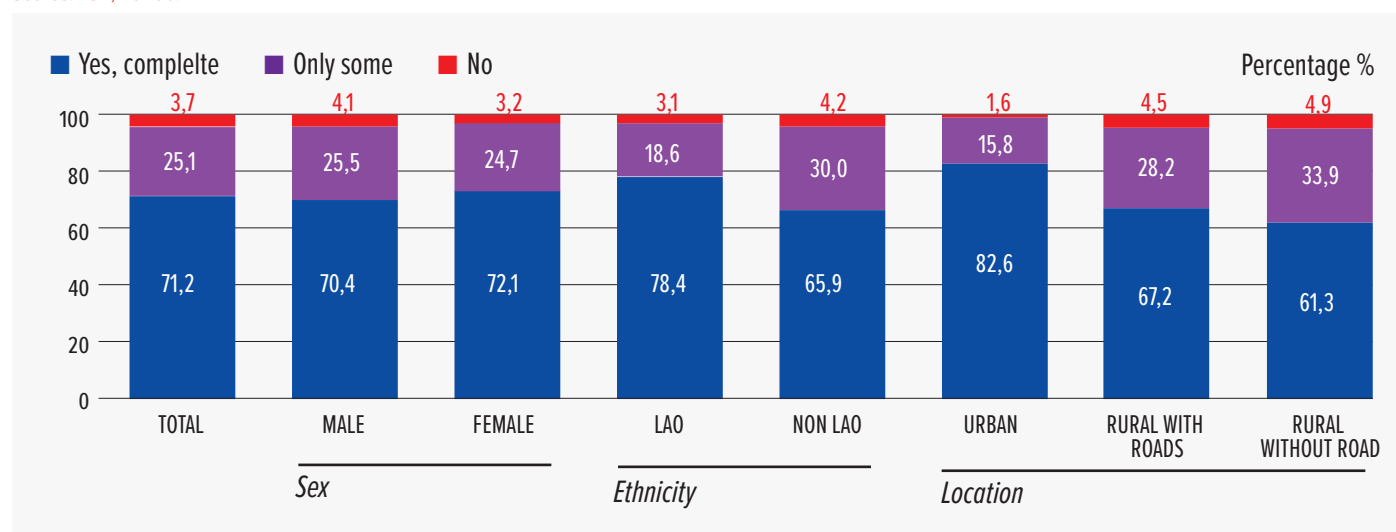
education. While universities have expanded their facilities and services to meet increasing demand, their capacity to absorb secondary school graduates and support the country's socioeconomic development remains inadequate (ADB, 2016).

From 2007 to 2021, the pupil-to-teacher ratio decreased from 31 to 22 for primary education and from 25 to 17 for secondary education. The ratios are still below the standard set by the Ministry of Education and Sports, however. The ratio is most concerning again for students in rural areas, where there are simply not enough teachers. Many teachers prefer to work in urban areas or schools with better known profiles since rural areas may have poor living conditions (Ministry of Education and Sports, 2016). As the number of teacher vacancies in urban areas is limited, there is a surplus in the number of teaching applicants, coupled with a lack of incentive measures to move teachers looking for work to rural schools. This could result in teaching staff leaving the profession altogether. Since many schools do not have enough teachers for the number of subjects, teachers may have to teach subjects in which they have not been trained, which reduces the quality of teaching and learning.

Study materials such as textbooks are critical for high-quality lessons yet many students do not have a complete set of textbooks (Figure 3.12). In total, 3.7 percent of students have no textbooks and 25.1 percent have textbooks only for some subjects. The ability to own textbooks varies across gender, ethnicity and location. More female students have a complete set of textbooks compared to male students (72.1 percent compared to 70.4 percent). Only 65.9 percent of non-Lao ethnic students have a complete set of textbooks, while the share among

**Figure 3.12: Shares of students owning a complete set of textbooks**

Source: LSB, 2020b.



Lao ethnic students is 78.4 percent. In urban areas, 82.5 percent of students have complete textbooks compared to only 67.2 percent and 61.3 percent in rural areas with and without roads, respectively.

Figure 3.12

Despite progress on increased enrolment, accessibility for certain groups remains one of the main challenges in education. Overall, 61.9 percent of youth aged 15-24 are not enrolled in school (Figure 3.13). Accessibility varies based on gender, demography, ethnicity and so on. Girls are less likely than boys to be in school; 63.6 percent of girls are not enrolled compared to 60.2 percent of boys. Students from ethnic groups, especially those who do not speak Lao as a mother tongue, are disadvantaged in education, as reflected in enrolment rates. While 56.9 percent of Lao young people are not in school, the share of non-Lao ethnic youth who are not enrolled is 65.6 percent. Many students from ethnic groups are not in the major cities where more and better-quality education services are available. These factors explain why school attendance, literacy and other indicators of educational attainment

vary greatly among ethnic groups. Finally, the poorest children are at far higher risk of being out of school, at 60.9 percent compared with the wealthiest at 9.6 percent.

While half of youth in urban areas are currently in school, only 33.7 percent of youth in rural areas with roads and 31.2 percent in rural areas without roads are enrolled. Teachers in remote areas confronted with rural living and teaching conditions have a difficult time maintaining their commitment as well as the interest of their pupils. Local secondary education tends to be concentrated in provincial capitals and some district centres, which for students in outlying areas requires boarding in dormitories away from home and often with additional fees attached.

Figure 3.13

Compared to young men, young women face a higher burden from household chores, which can keep them away from school. Many upper secondary school dropouts are brides and mothers. Further, parents choose to send boys rather than girls to school, with boys often seen as the prime future breadwinners. Gender stereotypes thus effectively



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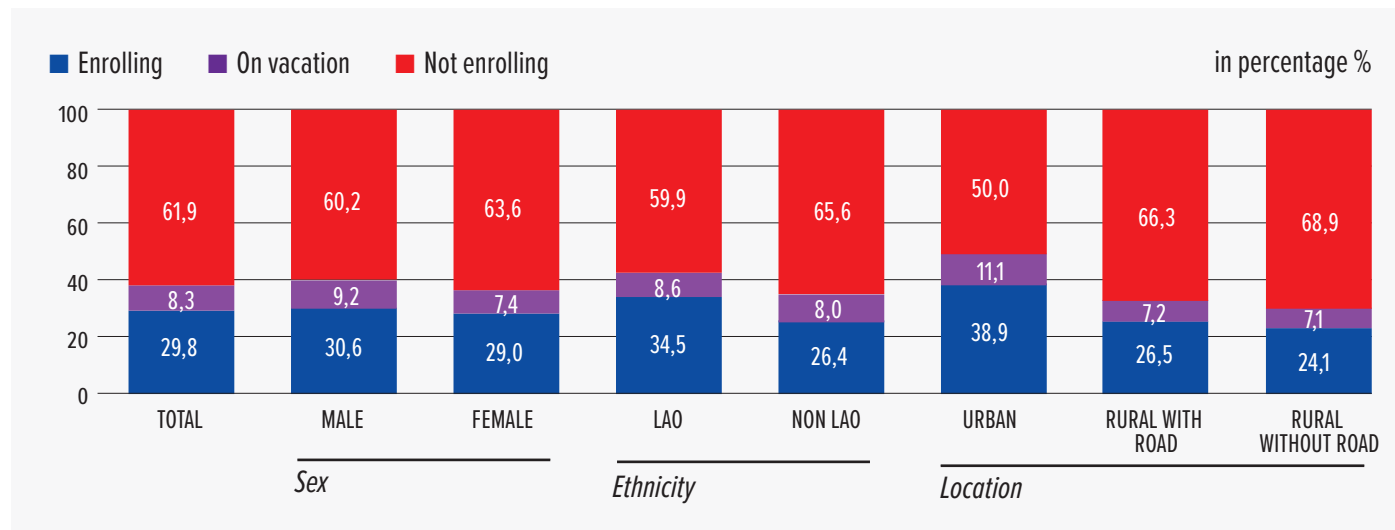
## ANTYKA XAYAPHONE

22-YEAR-OLD, STUDENT AT THE NATIONAL UNIVERSITY OF LAOS

*One of the many students migrating from provinces to pursue higher education in Vientiane. I am from Khongsedon District, Salavanh Province, in the South of Lao PDR. I spent my childhood in Khongsedon up until I was 14 years of age, and then I moved to study for my high school in Pakse. I decided to transfer myself to another school because I want to be knowledgeable, to have access to a better-quality education, to experience new life lessons and most importantly to bring myself to where opportunities are—the opportunity to develop. But what about other students back in my village? Many of them do not have adequate support to take themselves to where those opportunities are. This is the gap in society that affects education of those who will soon be the young (human resources) power of Lao PDR. I hope that in 5 or 10 years, stories like mine will only be told as something that once occurred, not something that will keep happening in our society.*

**Figure 3.13: School enrolment among youth aged 15-24, by sex, ethnicity and location**

Source: LSB, 2020b.



disadvantage girls and limit their access to education (UNICEF, 2021). These norms are reflected in the gross enrolment ratios of female students, which are lower than those of male students in primary and secondary education. Male students have higher dropout rates in primary education, however, at 4.6 percent compared to 3.6 percent for females. Overall, gender parity index scores for education was 0.98 from 2019 until 2021, meaning that girls are slightly more disadvantaged than boys in terms of learning opportunities.

Fees and the costs of uniforms and stationery also hinder accessibility. The Sixth Lao Expenditure and Consumption Survey tracked costs related to education, which remain despite strong policy commitments to removing them and making access to education universal. The survey found that 4.7 percent of a sample youth group reported not enrolling in education and 5 percent not continuing in post-primary education because of the cost. This can be due to the cost of education directly or the high opportunity cost of attending school rather than working. In the sample group, 13.1 percent reported

‘work’ as a reason for not enrolling in school and 12.7 percent for not continuing.

Other barriers include language, which explains why 0.3 percent and 1.3 percent of youth did not enroll or continue, respectively. A lack of teachers and supplies caused 0.3 percent and 1.5 percent, respectively, to not enroll or continue in school. Finally, health issues prevented 0.9 percent from enrolling and resulted in 1.3 percent not continuing.

Some youth and households are not aware of the importance of education in improving their livelihoods and developing the country (LSB, 2020b). Figure 3.14 summarizes reasons for not enrolling in school and not continuing after the primary level. The most common reason for both is ‘no interest’, explaining the 39.1 percent who do not enroll and the 49.7 percent who do not continue. Such high shares are alarming.

Figure 3.14

### Quality of education

The quality of education remains a significant challenge to improving

some of the worrying trends highlight above, including to enhance learning outcomes, reduce dropout rates and ensure young people receive an education that allows them to contribute to both social and economic development.

### Teacher training

Lao PDR has achieved significant coverage of primary enrolment but without fully realizing primary education completion, including due to high dropout rates. The quality of education, such as poorly trained teachers and teaching personnel, deteriorating school conditions, and limited textbooks and technology adaptation, are among the reasons cited by young people for dropping out. Without investments in quality, secondary school dropout rates can be expected to continue increasing.

Teacher training is crucial to improving quality overall. Careers in teaching remain less popular than other study paths for secondary graduates, however, helping to

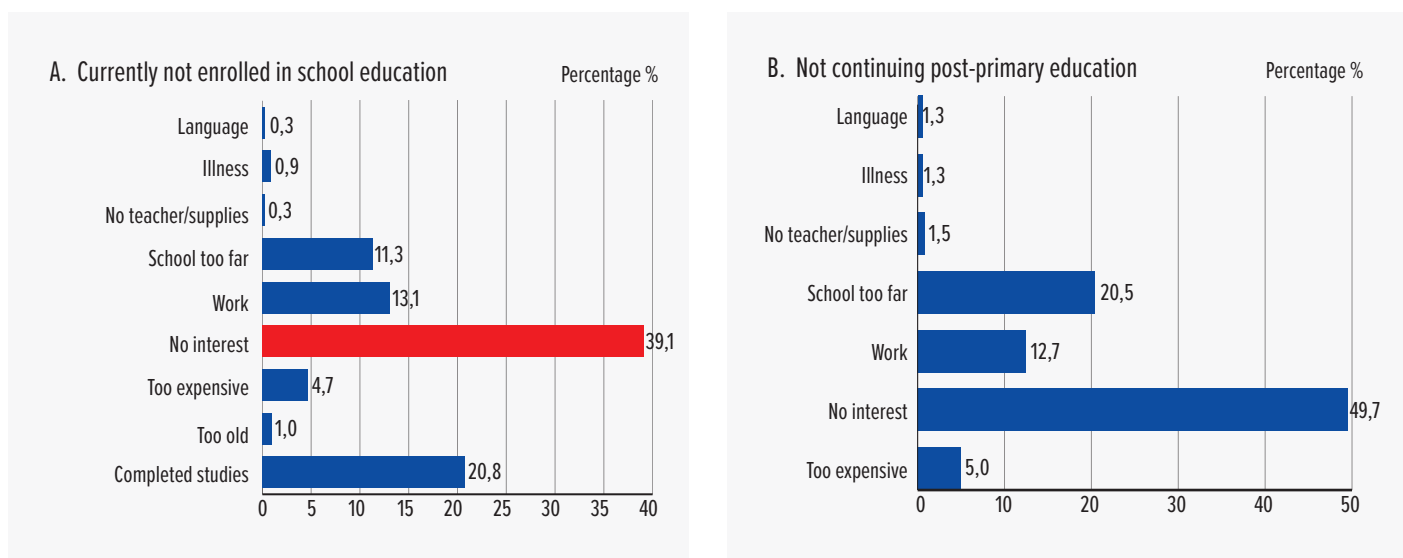
explain Lao PDR’s inadequate numbers of teachers and teaching personnel. Low salaries and limited job promotion can lead the best teachers to leave teaching or seek additional means of income. In poorer rural areas, qualified teachers are essential as students rely on teachers as the main source of learning, given the absence of alternative educational sources compared to their peers in urban areas. Yet rural areas often have fewer teachers overall. Further, they tend to have less experience and lower qualifications.

### Infrastructure

School infrastructure heavily impacts the quality of education. Many schools do not have electricity while an estimated 25 percent lack water supplies or functioning hygiene and sanitation facilities, which has a disproportionate impact on girls. This has posed particular challenges during COVID-19 given the role of hygiene in public health prevention measures (Ministry of Education and

**Figure 3.14: Reasons for being out of school, percentage**

Source: LSB, 2020b.



Sports, 2021). The school block grant used for school operating costs is higher in value for secondary schools compared to primary, and in certain cases, this has helped to improve the quality of secondary education through investment in infrastructure. As is the case with dropout rates and enrolments, rural students face the greatest challenges in terms of infrastructure, exacerbating the rural-urban divide in access to and quality of education. As digital education accelerates, pre-existing digital divides based on those with and without the necessary digital infrastructure to access online learning have widened gaps in children’s education access and quality, with some fearing of a “lost generation” of learners who have left behind as technology continues to move forward.

### Curricula and skills

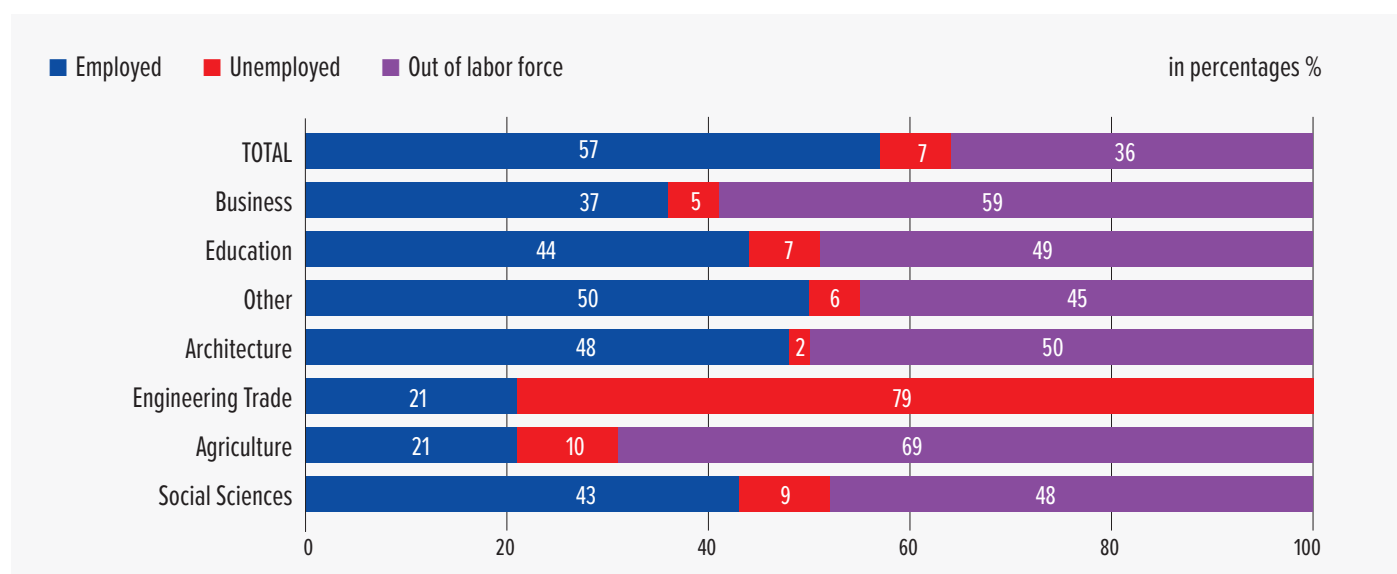
The quality of education depends significantly on the quality, suitability and availability of teaching materials, including textbooks. Textbooks are often updated for primary and

secondary education but training for teachers to use them is insufficient. Textbooks for higher education are predominantly in the Lao language, with limited versions and variety. It is challenging for students to use foreign textbooks given inadequate abilities to communicate in foreign languages such as English. Further, digital literacy remains low among teachers, and most schools do not have lessons and equipment, even basics such as computers and the Internet, to teach ICT.

As discussed in Chapter 2, matching education and skills development to skills demand is vital for socioeconomic development and labour market productivity. Different courses of study have varying labour outcomes. Employment rates for engineering, trade and agriculture graduates are generally low, compared to those who major in the social sciences, law, education and business (Figure 3.15). The unpopularity of certain degrees may reflect lower flexibility in the workplace but also the perceived quality of courses and opportunities

**Figure 3.15: Labour market participation by major and outcomes among youth aged 15-24, percentage**

Source: LSB, 2017. Note: Degrees with fewer than 25 samples were not reported.





for employability, particularly for engineering. Educating young people on career development and aligning studies with interest areas and market demands is sorely lacking in both secondary and higher education.

Figure 3.15

With advances in digital technologies, new demands for a green transition and the imperative to accelerate structural transformation, the education system in Lao PDR needs to align with rapidly changing needs. The pandemic, with education and business going online due to lockdowns, demonstrated that populations must be ready to adapt to unpredictable disruptions. By one account, 85 per cent of the jobs that will exist in 2030 had not been invented as of 2018 (Dell Technologies and the Institute for the Future, 2019). By 2028, 6.6 million jobs will become redundant through more widespread adoption of technology in six of the largest economies in South-East Asia (CISCO and Oxford Economics, 2018).

Many young people in Lao PDR do not have ‘future skills’, meaning they are not prepared for rapid changes in the market, society or the environment. Such skills include those for ICT and digital literacy, STEM, green jobs and higher-order critical thinking and problem-solving. Among young people aged 15-24, only 34 percent in the top wealth quintile reported having ICT skills. This number falls to less than 4 percent for youth from the bottom 60 percent in terms of wealth quintiles (Mizunoya et al., 2019). A lack of dedicated education programming on twenty-first century skills at any level threatens to significantly disadvantage young people in building resilience and adaptability and pursuing innovation, in both their professional and personal

lives. The development of future skills will enhance employability and labour productivity, significantly contributing to economic growth and competitiveness.

## 3.5 OPPORTUNITIES

### Strengthening equality through education

Young people do not experience challenges in education in equal measure in Lao PDR. Marginalized and vulnerable youth face additional barriers that result in lower enrolment, increased dropout rates and diminished learning outcomes. Such groups include young women and girls, ethnic groups, young persons with disabilities, LGBTQI+ youth and young people from rural areas. In 2018, the GINI index in Lao PDR was 38.80, moving up from 32.60 in 2002 (GINI, World Bank, 2022). This indicates that inequality widened even as economic growth increased. Growing gaps in Lao society threaten to hinder further economic growth. They exclude many groups from making important contributions to the labour market, and amplify financial burdens on the Government due to increased demand for social protection. Inequality also risks sowing social discontent where many people and groups feel marginalized and excluded due to failures in economic and social policies. By promoting inclusive education, Lao PDR can combat the trend of increasing inequality.

### Accelerating education reforms through digitalization

Technology is quickly changing how education is delivered. Digital tools can help address key issues in access through remote learning and adapted lessons for different groups,

including persons with disabilities. Such tools can improve the quality of education through diversifying curricula, connecting students with global learning opportunities and ensuring more consistent teacher training. While rural areas in Lao PDR still require greater investment to connect to online opportunities, Internet penetration rates continue to rise. Longer-term planning and investment in digital learning could yield significant positive outcomes for both young people and sustainable development.

Many excellent examples of digital learning globally could be adapted to Lao PDR. Khang Panya Lao represents one of the best opportunities to leverage technology as the platform enjoys wide usership and continues to expand. Investing in technology requires initial capital expenditure on digital infrastructure and equipment but together with early childhood interventions represents among the best possible returns on investment for social and economic development, especially over the longer term.

### Planning for better results through increased efficiency

Global shocks and crisis continue to destabilize efforts to achieve national development targets. Economies in many countries struggle with such fluctuations and cannot increase investments in key development areas due to low levels of economic growth. Lao PDR has experienced such impacts, and while they are largely seen as threats to reforming education, the Government also has an opportunity to continue efforts to drive reforms.

Without being able to effectively finance reforms, the Government can double down on measures to boost efficiency in the education system.

Increased availability of data can help facilitate this process as well as the growing role of the private sector in education. Greater awareness of areas likely to yield the highest returns is essential. With improved planning, data collection, dialogue with key sectors and overall greater efficiency throughout the education system, the Government can better insulate schooling from continued shocks and ensure greater resilience as part of securing maximum returns from the demographic dividend.

## 3.6 RECOMMENDATIONS

### Leverage technology to reduce inequalities in education

Building on the expansion of ICT such as mobile phones and the Internet, the Government could invest in technology that targets existing inequalities in education, focusing predominantly on young people being left behind. Priorities include digital education programmes and equipment targeted to different groups, including young people with disabilities, ethnic groups and young people in rural areas. Using such technologies to provide services can reduce costs and deliver quality education, as the experience during COVID-19 attests. Other recommendations are to translate existing digital education programmes on Khang Panya Lao into five additional ethnic languages, and to adapt these through accessible formats for deaf, hard of hearing, blind and visually impaired students, including by investing in screen reader technology and educational tablets.

Khang Panya Lao is based on a partnership developed by UNICEF and Microsoft called the 'learning

passport'. It is currently being implemented in 30 countries. The platform provides online education to over 300,000 users in Lao PDR. It has contributed to both expanding education access and improving learning outcomes. The platform has also been invaluable for teacher training and guidance on career development.

Extending access for youth in rural areas, however, remains the biggest barrier to realizing its full potential in reducing educational inequality and ensuring that the introduction of technology does not further widen the digital divide. The platform should be scaled up and expanded through greater investment in ICT infrastructure, such as computers, Internet connectivity, accessibility and digital skills training for students and teachers. Expanded public-private partnerships between the Ministry of Education and Sports and Internet service providers could make the platform free for children and teachers and expand access more broadly, especially in rural areas.

### **Advance inclusive education through expanded scholarship programmes for disadvantaged young people**

More scholarship programmes should reach poor populations, women and girls, ethnic groups, rural groups and people with disabilities to prevent youth from dropping out of school. Existing programmes are poorly designed and executed. A more holistic and effective approach should address the multiple drivers of limited access to education but with a clear focus on the number one reason for dropouts: a low family income.

Targeting low income as a root cause for keeping young people out of school could catalyse efforts to address other barriers. For example, awarding

more scholarships to rural girls from low-income backgrounds could also cut their greater risk of early marriage. Other measures should reintegrate adolescent mothers into the formal school system, introduce interventions that empower women and girls, and create an enabling legal environment for gender equality, including by implementing and monitoring laws and policies. Revising the scholarship programme for disadvantaged young people should be based on feedback from former scholarship recipients, education management information system results and consultations with other key stakeholders to ensure the programme effectively targets young women and young people in rural areas.

### **Increase and expand investment in early childhood education**

Investment in early childhood education is likely to yield some of the highest returns in education, health, social and economic outcomes. The Government could place much greater emphasis on it to increase such returns, which may be even greater in light of the demographic dividend. Rates of enrolment in early childhood education are low and must be increased, starting in rural areas and in regions and groups left furthest behind. Investment should initially seek to ensure a minimum enrolment of 10 of every 100 children, with tailored programmes for young girls and rural areas.

### **Invest in improving the quality of education**

The Government should increase the total current education budget. Investment that is sufficient and well planned contributes to better-quality educational services. Since teaching quality and learning outcomes are

inadequate, investments should focus on improving learning and the applicability of education. Better-quality teaching and learning could come from upgrading the capacity of teachers; disseminating complete sets of textbooks to students, particularly in rural and remote areas; and ensuring adequate equipment and facilities such as tables and chairs, libraries, toilets, water supplies, electricity, playgrounds and so on. Budget plans should target performance and job readiness in addition to academic lessons.

The Government should ensure the total education budget meets the national annual target of 18 percent of total spending (Article 15, Education Law, 2015) and the target of 4 percent of GDP for spending on education, under the Education 2030 Framework for Action. It should ringfence investments in schools without basic infrastructure, including access to electricity, and adequate and safe water sources.

### Explore alternative financing schemes

Policymakers should consider alternative sources for financing and avoid placing additional burdens on households, as this will increase risks of non-enrolment and dropouts. The Government can, for instance, offer incentives to engage businesses in financing education as part of corporate social responsibility (UNESCO, 2013). Apart from conventional monetary incentives, improving private sector understanding of the benefits of a more educated workforce could enhance engagement.

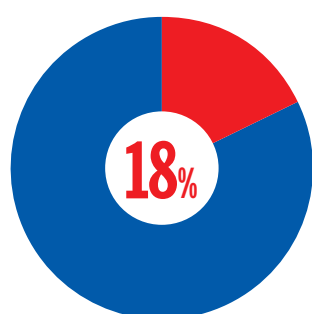
In general, there is a good opportunity for private sector involvement since the Constitution calls for a multistakeholder approach to financing education (Article 22). The Government can also consider

establishing a platform that makes relevant research and knowledge readily available to businesses. A platform for public-private partnership in education could promote dialogue on innovations, financing, the alignment of education with market demands, and other knowledge sharing. Another recommendation is to develop a dedicated financing strategy for education for 2023 that draws on both public and private resources and aligns with the national financing strategy for implementation of the Ninth National Socio-Economic Development Plan.

### Match education with market demands and future skilling

There needs to be increased dialogue among relevant ministries and with employers. The Ministry of Education and Sports should work more closely with all relevant ministries, including the Ministry of Labour and Social Welfare, the Ministry of Commerce and Industry and the Ministry of Technology and Communications, to collect and analyse information to help adapt the education system to current and emerging needs. Similarly, there should be more dialogue with employers to better understand their needs in terms of human resources and how to respond to these.

Curricula need to be aligned with evolving market demands. Current school curricula and teaching materials do not directly align with labour market and employer needs. A better alignment of curricula, methodologies and overall programme design is needed to meet shifting market demands, along with enhanced links among TVET, higher education and upper secondary schools. Educational institutes could learn from industries, companies and employment patterns to improve training curricula. They



**THE GOVERNMENT SHOULD ENSURE THE TOTAL EDUCATION BUDGET MEETS THE NATIONAL ANNUAL TARGET OF 18 PERCENT OF TOTAL SPENDING.**

should regularly survey youth and enable exchanges of experiences among successful professionals and entrepreneurs to inform curriculum development. They could also consider organizing regular job fairs to facilitate graduates' employment in various economic sectors. Businesses should consider providing internship opportunities, shadowing experiences and in-service training to support and strengthen youth skills. An annual dialogue between businesses and business organizations could act as a platform for enhancing the curriculum and open opportunities for public-private partnerships, including alternative financing of education.

Innovation, and research and development must be advanced. Education is crucial for innovation and creativity within industries. The Government as well as the private sector should consider using and applying research and studies from higher educational institutes in actual production processes. This would add value to research that can benefit both educational institutes and businesses alike. Most research is basic and mainly supports teaching, however, rather than the development of science and technology as found in research universities (ADB, 2016). The Ministry of Education and Sports and higher education institutes should provide more support to faculty in conducting high-quality scientific research that fosters educational and economic development, and provide a platform for connecting this research to industry.

Labour market and occupational forecasting need to be conducted. The evolving needs of society and the economy pose challenges for tertiary and upper secondary education. Currently, youth are not equipped to meet demands for medium- and high-skilled workers. Labour market

and occupational forecasting should be performed together with economic prediction to inform the Ministry of Education and Sports and educational institutes in designing their curricula. The growth of economic sectors can be translated into a prediction of vacancies and skills demand that could help educational institutes align curricula with labour market needs.

Currently, agriculture's share of total employment is significantly larger than that of the industry and services sectors. While the share of total employment in industry is lower, its contribution to GDP is significantly higher. This means that the Government may need to enlarge the skilled workforce and employment in the industrial sector to capitalize on its economic potential. On the other hand, the service sector has a significant share of total employment. Most workers there are in wholesale and retail trade, which includes own account production. The sector plays a key role in ensuring employment, so the Government should promote fields of study that can help students start own account production. Pilot labour market and occupational forecasting should inform the revision of primary and secondary level curricula.

### **Strengthen understanding of the value and benefits of education**

Education improves labour productivity, earnings, health care, childcare, access to public utilities, democratic progress and cultural change in households (Kampelmann et al, 2018; Grossman, 2015; Ramesh, 2020). An econometric estimation based on data from the sixth Lao Expenditure and Consumption Survey found that an additional year of education could boost monthly wages by 3.3 percent. It also showed a positive effect among women and men in both Lao and non-Lao ethnic

groups. This underlines why the Government should make concerted efforts to enhance understanding of the advantages of education, such as through conferences, workshops and other platforms for youth to exchange knowledge and showcase their creativity. This would encourage youth to see the value of education and become more active learners rather than passive recipients of knowledge. A nationwide campaign on the value of education could mobilize both young people and parents to commit to education, targeting disadvantaged communities and areas with low enrolment and high dropout rates.

## 3.7 CONCLUSION

Human development depends on education. So does the demographic dividend, underscoring the urgency of investing in education. While available resources are extremely limited, more should be reallocated to the education sector.

Despite clear arguments for ensuring that young people can obtain a good education, learning outcomes have been lagging for some time. The Lao education system is failing to meet the expectations of youth and society as well as the needs of the economy. Teachers lack required training, teaching methods are no longer appropriate and school curricula are outdated. Immediate actions are required, guided by strategic reforms and interventions to ensure that young people graduate with the right skills to meet the needs of the labour market and fulfil their own aspirations and potential. Otherwise, Lao PDR could end up with a ‘lost generation’; namely, a large and growing group of young people who do not gain the educational opportunities they deserve.

Urgent actions must include investing in better quality, improving learning and applicability, promoting lifelong learning, leveraging technology, advancing inclusivity, establishing scholarship programmes and exploring alternative financing schemes. There should be renewed focus on matching education and training to skills demand—going beyond just obtaining a university degree—and on ensuring access to meaningful education for the most disadvantaged populations, including young people in remote, rural areas, young women and youth living with disabilities, among others. To attract and keep youth in school requires stronger promotion of the role of education in increasing well-being and socioeconomic development.

Progress largely depends on policymakers choosing and enacting policies and investments that fully recognize that education is fundamental to human development and the demographic dividend. They must be ambitious in closing inequalities, strengthening institutions and improving educational availability, accessibility and quality.

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- World Bank. 2022. “Gini Index—Lao PDR.” <https://data.worldbank.org/indicator/SI.POV.GINI?locations=LA> Chapter 4: Health, well-being and safety



A photograph of a woman with dark hair tied back, wearing a pink short-sleeved shirt, smiling warmly while holding a baby in a light blue outfit. They are in a room with a whiteboard and a green cabinet in the background. A large, semi-transparent banner with a blue-to-red gradient is overlaid at the bottom, containing the chapter title in white text. The floor is light blue tiled.

# CHAPTER #4

## HEALTH, WELL-BEING AND SAFETY



## VATSALAPHONG PHONGSAVATH

20-YEAR-OLD, STUDENT AND FREELANCE TRANSLATOR, LGBTQ+

My name is Vathdalaphong or K-CIN, but I used to call myself Nick. I am an LGBTQI+ person and have been through difficult periods in my life where I lost confidence in who I was and at times hated myself. I felt that life was meaningless and that I was forced to live a life that I did not want. I later learned that I had a mental health issue called depression, which is experienced by many young people, especially in the LGBTQI+ community.

Now I want to be a mediator to communicate with people about the importance of good mental health and to support those experiencing mental health challenges. It is important that young people are encouraged to build healthy relationships, practice empathy among peers, help each other in difficult times and work together to gain a sense of purpose and belonging. We cannot stop anyone from saying or thinking certain things, but we can build the resilience of young people to protect ourselves from the words and thoughts of others. We can focus on the people who encourage us and want to see us succeed and be happy in life.

## CHAPTER #4

# HEALTH, WELL-BEING AND SAFETY

Adolescence is a critical stage of human development, a time to lay foundations for good mental and physical health and the formation of capabilities. Youth experience rapid physical, cognitive and psychosocial growth, which includes changes in peer interactions, experiences of sexuality and risk-taking. They are particularly affected by how these changes impact their thoughts, feelings and interactions with the world around them (WHO, 2021). While youth may be viewed as a period of physical vigour and optimum health, it also brings challenges and vulnerabilities, with many driven by physical and mental changes. Patterns of behaviour take shape during these years. Some young people begin to engage in risky practices such as substance abuse. Youth may experience significant illnesses, injuries and death even though many health risks are preventable or treatable.

Youth in Lao PDR face several critical health issues. While physical health concerns such as road traffic accidents continue to attract national attention, given their visibility and a high level of awareness in the general public, mental health challenges are becoming increasingly common among young people—or at least more spoken about. Of the young people surveyed for this report, 32.1 percent indicated that they had struggled with mental health challenges. Many also experience structural and social barriers to accessing sexual and reproductive health care and feel that they do not have control over their bodies. Early marriage and early pregnancy are at

some of the highest rates in South-East Asia. Drug and alcohol use is significant, with illicit substances reportedly serving as coping strategies. The COVID-19 pandemic added further pressures by exacerbating existing inequalities and youth-related health risks and highlighting health-care gaps and inequities.

Health spending that coincides with the crucial psychological development of young people helps them build resilience and capabilities to make the most of their lives. As such, it is an investment that will reduce future expenditures on health. Achieving these ends in Lao PDR requires refocused and increased investment in mental health care and improved sexual and reproductive health services that respond to diverse needs, uphold safety and build on youth participation. Health care should be attuned to today's stressors, including new technologies, social media and online bullying, climate change impacts, and most recently COVID-19 and increasing risks of isolation and loneliness.

The following sections delve more deeply into key health and safety-related issues that youth experience. They consider current health laws, initiatives and investments to ensure that young people can contribute to and benefit from increasing human development, meeting the SDGs and ultimately realizing national health and development goals.

## 4.1 HEALTH AND HUMAN DEVELOPMENT

Health is a fundamental human right and one of the foundations of human development. As a complex, multidimensional phenomenon, health has both intrinsic and instrumental value. A healthy population is not only important in itself but is integral

to achieving national economic and social goals. Improvements in health lead to gains in cognitive development, educational achievements, employment opportunities and income levels, to name a few examples. Poor health can exacerbate deprivations and become a corrosive disadvantage (Wolff and de-Shalit, 2007).

Health outcomes can improve with overall rises in other human development indicators. Greater levels of education can positively impact health (Zimmerman, Woolf and Haley, 2015), particularly for girls (Raghupathi and Raghupathi, 2020) as can economic development if it is inclusive and highly employment-oriented. A growing economy should result in choices to expand essential services, including for health care, education and social security. Increases in GNP largely translate into health improvements across society only with the right policy directions ensuring that public and private resources, including at the individual level, are allocated to achieving broad-based improvements in health, well-being and personal safety.

Combined improvements across multiple facets of life create conditions for productivity and growth in the economy and wider society and accelerate human development. The healthier people are, the more they can contribute to and benefit from policies intended to drive development, such as those to increase education and boost economic growth.

There are many ways to measure improvements in a population's health. In practical terms, especially in low- and middle-income countries, these can be framed in terms of increases in life expectancy over time, building on, for example, enhanced

control of infectious diseases driven by better sanitation and food safety, and the provision of vaccines, antibiotics and nutrition services (Schlipkötter and Flahault, 2010).

#### Box 4.1

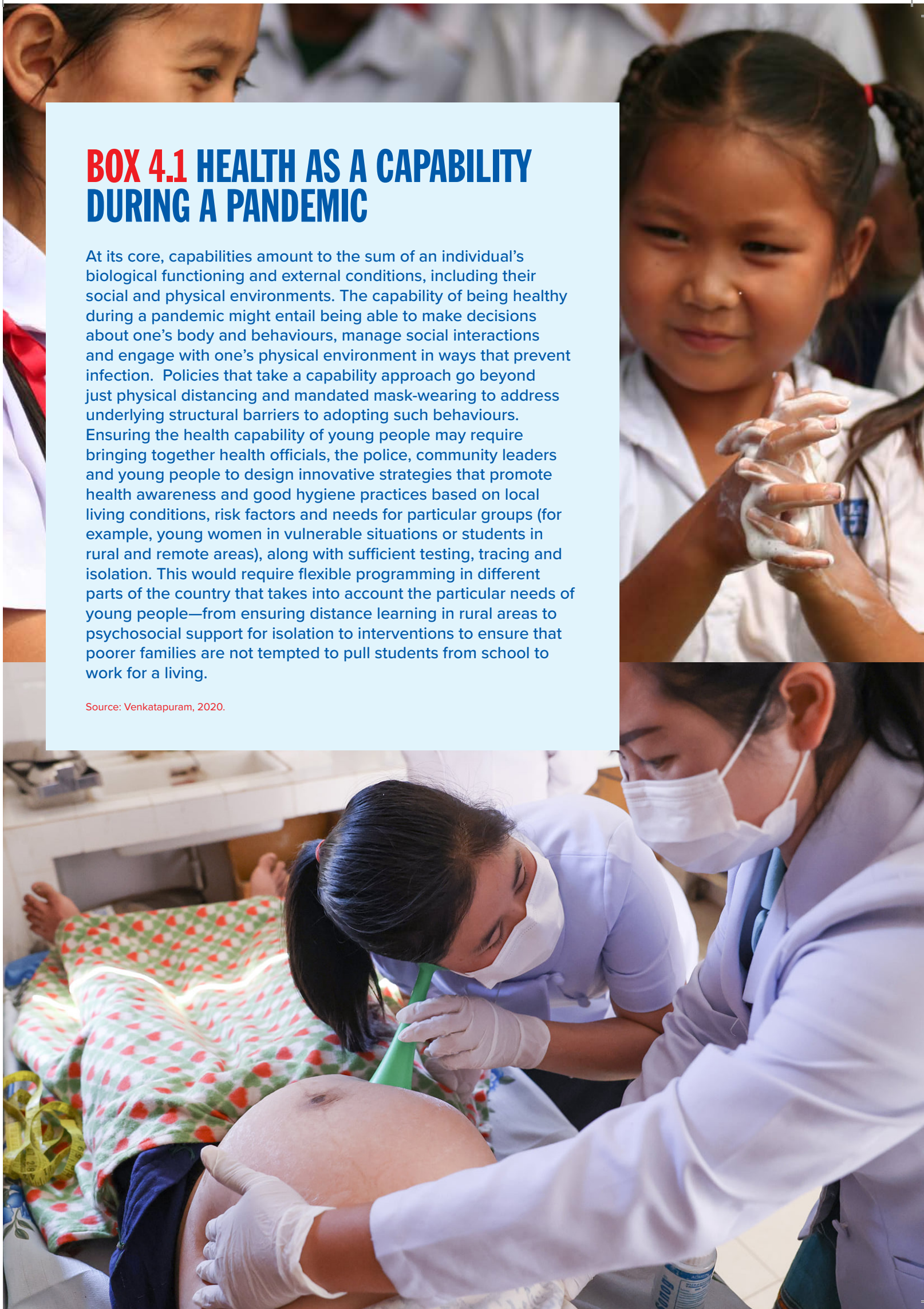
Different people require different levels of care. Thus, one healthy adolescent may need occasional check-ups and some prevention measures such as contraception, while another young person with an underlying condition may need more intensive medical intervention to enjoy a similar quality of life. This may also be true of other variables. A person in a remote area may require different health interventions than someone in an urban setting who experiences different challenges, such as those related to the availability of primary health-care facilities or exposure to certain types of health risks.

As recently outlined in the 2021/2022 global Human Development Report, to understand the links among mental distress, well-being and human development, it can be helpful to apply the capabilities approach—focusing on the capabilities that enable people to expand their freedoms to do and be what they value and have reason to value. Mental well-being shapes the way people think, act and interact. Individual emotion, perception, cognition and motivation are set in a social context of circumstances, relationships and culture, and can help in dealing with an unpredictable world (with some arguing that emotions reflect evolutionary adaptations). Healthy regulation of emotions and overall mental well-being are crucial for peaceful and cohesive societies—and thus for human development. In uncertain times, mental distress in individuals can impose costs on entire societies

## **BOX 4.1 HEALTH AS A CAPABILITY DURING A PANDEMIC**

At its core, capabilities amount to the sum of an individual's biological functioning and external conditions, including their social and physical environments. The capability of being healthy during a pandemic might entail being able to make decisions about one's body and behaviours, manage social interactions and engage with one's physical environment in ways that prevent infection. Policies that take a capability approach go beyond just physical distancing and mandated mask-wearing to address underlying structural barriers to adopting such behaviours. Ensuring the health capability of young people may require bringing together health officials, the police, community leaders and young people to design innovative strategies that promote health awareness and good hygiene practices based on local living conditions, risk factors and needs for particular groups (for example, young women in vulnerable situations or students in rural and remote areas), along with sufficient testing, tracing and isolation. This would require flexible programming in different parts of the country that takes into account the particular needs of young people—from ensuring distance learning in rural areas to psychosocial support for isolation to interventions to ensure that poorer families are not tempted to pull students from school to work for a living.

Source: Venkatapuram, 2020.



as it restrains people from reaching their full potential throughout the course of life.

A health-care system that includes social and educational services and responds to the specific health issues of youth is essential in supporting youth in Lao PDR to maximize opportunities and contribute to the country's overall productive and social fabric. Investments in such a system should comprise targeted mental health and psychosocial support services that equip youth with the knowledge and skills to make informed and positive decisions on issues that affect them.

## 4.2 TRENDS IN YOUTH HEALTH, WELL-BEING AND SAFETY

### Stress and mental health concerns

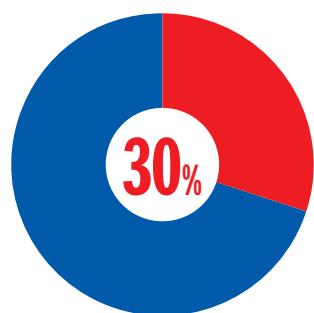
Mental health conditions account for about 14 percent of the total global burden of disease; suicide comprises one of the top two causes of premature death for youth. In addition to school-related stress, youth and adolescents across South-East Asia have reported experiencing “sleeping disorders, chronic illness, domestic violence, verbal abuse, impulse control, and conduct disorder, depression, fear of job loss, the anxiety of economic hardship, fear of sexual abuse, mood swings, etc.” (World Vision International, 2021).

As outlined in the 2021/2022 global Human Development Report, mental disorders weigh on human development in many ways (UNDP, 2022). As health issue themselves, they often intertwine with other health challenges. They can impede

school attendance and learning as well as the ability to find a job and be fully productive. The stigma that often accompanies mental disorders makes matters worse. In the absence of psychological resilience, mental distress can result in mental disorders associated with poor education achievements, low productivity at work, poverty, premature and excess mortality and poor overall health.

Almost 1 in 3 young people in Lao PDR have reported personally experiencing mental health challenges. In discussions held to prepare for the 2021 Voluntary National Review on the implementation of the 2030 Agenda for Sustainable Development, they referred to severe anxiety related to having to perform well in school. These issues came up in multiple focus groups for this report, where young people described mental health as often overlooked. They detailed problems with bullying in schools and a lack of sleep, exercise and nutrition. Many who experienced mental health issues did not know how to seek assistance as they were not aware of services to help people cope.

Many LGBTQI+ youth suffer mental health concerns due to discrimination and stigma. While data are limited in Lao PDR, the 2021/2022 global Human Development Report stated: “More than half of transgender and nonbinary young people have seriously considered suicide within the past year, as 71 percent experienced symptoms of anxiety disorder and roughly 62 percent have had major depressive disorder” (UNDP, 2022 pp. 91). Advocacy organizations such as Proud to Be Us Laos, with support from UNFPA, have called for making comprehensive sexual and reproductive health education universal as well as for providing peer education and



**A UNDP SURVEY FOR THIS REPORT FOUND THAT NEARLY 30 PERCENT OF ALL YOUTH REPORTED FEELING ISOLATED.**

support networks. These measures aim to provide LGBTQI+ youth with information and youth-friendly spaces to address issues such as bullying, safe sex and the changes associated with their bodies, and to make better choices about their bodies and sexuality on an emotional level (UNFPA, 2021c). Other particularly marginalized and vulnerable groups of young people at heightened risk of mental health issues include those living in remote and rural communities, ethnic groups, migrant populations and persons with disabilities (USAID, 2021).

The COVID-19 pandemic has exacerbated mental health concerns across the Lao population. A rising number of people are suffering from distress due to illness, economic hardship and/or isolation (UHC Partnership, 2021). As noted in the 2021/2022 global Human Development Report, the global prevalence of depression and anxiety increased by more than 25 percent in the first year of the pandemic, disproportionately impacting those on low-incomes that struggle to afford basic needs. (UNDP, 2022). Because the needs of adolescents and youth differ from those of children and adults, the emotional impacts of the crisis and lockdown measures are likely unique and potentially greater. The development of social skills, empathy and a sense of identity is paramount in adolescence, for example, and builds on interactions with peers (MPI, 2021). The pandemic and the resulting forced social isolation therefore likely set youth back in critical areas of social and emotional development. The UNDP survey conducted for this report affirmed that 30.8 percent of youth do not feel safe going outside and 17.5 percent feel that the pandemic has made it harder to access services, including health care. For 9.4 percent of respondents, this increased mental

stress and the feeling of being isolated.

Loneliness and continuing economic hardship can lead to risky behaviours such as substance abuse and, in the longer term, catalyse risks for depression, obesity and high-blood pressure (Xai and Li, 2018). A UNDP survey for this report found that nearly 30 percent of all youth reported feeling isolated. Just over 9 percent stated they rely on alcohol to cope with COVID-19 fallout.

Box 4.2

### Sexual and reproductive health

Youth in Lao PDR perceive sexual and reproductive health as a priority, with 28.1 percent of UNDP survey respondents identifying it as a key health issue. Only 50.7 percent of youth agreed that they have the necessary information about sexual and reproductive health to make informed decisions; 80 percent of female respondents felt shy in speaking with a doctor about diseases. In focus group discussions, many youths stated that it is difficult to access information in local languages, which becomes a barrier to services. They look for most information through Internet searches in English with very little content available in the Lao language or other local languages.

Accessing information through health-care facilities can also be complicated, with youth describing how they must consult several hospitals before deciding which to choose for treatment. This underscores the need for greater investment in comprehensive sexual and reproductive health education, beginning from primary school, as well as in training and monitoring teachers (Phongluxa et al., 2020). Improved and regular information

## BOX 4.2 CAPACITY-BUILDING STRENGTHENED MENTAL HEALTH SERVICES DURING THE PANDEMIC

In 2021, over 120,000 adolescents and young people in Lao PDR received counselling through hotlines, outreach activities and online. Counsellors and youth volunteers maintain these channels; demand continues to be great (UNFPA, 2022b). The Government has prioritized immediate mental health services during the pandemic, with the support of international agencies and donors. Some examples include:

**National Mental Health and Psychosocial Support Guidelines:** The Ministry of Health, with support from the WHO, developed the National Mental Health and Psychosocial Support Guidelines to streamline mental health capacity-building and awareness-raising efforts across the country. These guidelines formed the basis for several training packages, including those on youth and mental health during the pandemic.

**Mental health and psychosocial support hotline joint training with UNFPA:** In Vientiane, UNFPA works closely with the Lao Youth Union, Lao Women's Union and the Vientiane Youth Centre to set up telephone helplines for psychosocial support. Additional interventions

include the Noi-Yakhoo app for youth, risk communication campaigns and more robust support services for gender-based violence. As part of this effort, 40 participants from the three organizations as well as youth volunteers from the National University of Laos learned to better address youth mental health-care needs. A professional training course and supporting materials on mental health and psychosocial support have been developed in partnership with the Ministry of Health and WHO.

### **COVID-19 mental health and psychosocial support home care training with the WHO:**

This developed skills among 60 people from the district health office in Vientiane, mainly in the health promotion unit.

### **Mental health and psychosocial support training for central trainers:**

This involved 30 people from central hospitals, the Department of Health Care and Rehabilitation and the Department of Hygiene and Health Promotion of the Ministry of Health, and community workers from mass organizations including the Lao Youth Union and Lao Women's Union.

### **Mental health and psychosocial support subnational training:**

This builds capacities for 19 people from units working in provincial health care and rehabilitation, health promotion and health education from across the Lao Youth Union and Lao Women's Union, labour and social welfare units and the Lao Front for National Development, in Attapeu, Champassak and Savannakhet provinces.

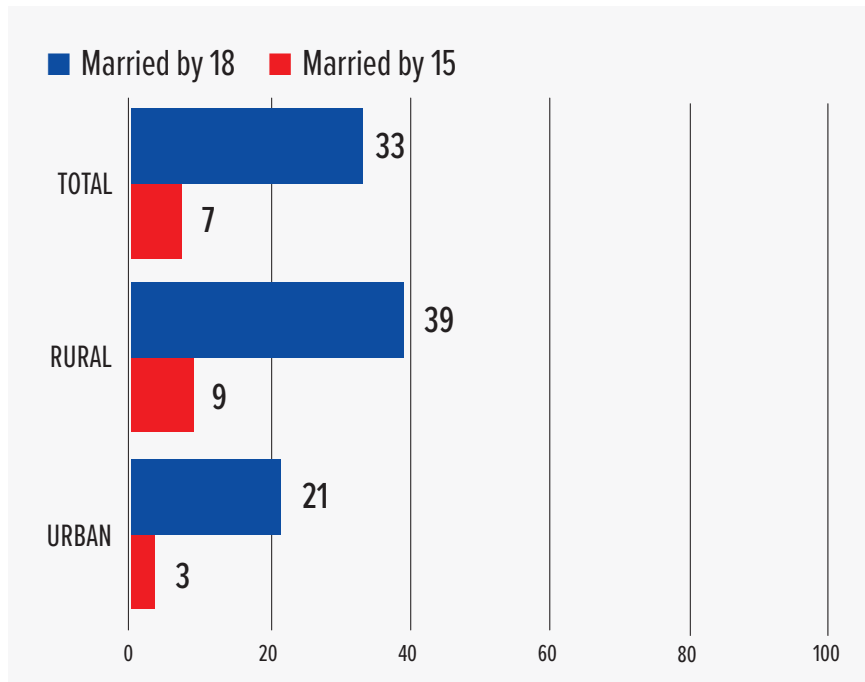
Source: UNFPA, 2022a.





**Figure 4.2: Marriage before age 15 and age 18**

Source: LSB, 2018.



campaigns are needed in local languages and accessible media that specifically target and encourage the participation of youth.

#### **Early marriage and adolescent pregnancy:**

An estimated one in four adolescent girls aged 15-19 is married in Lao PDR (UNFPA, 2021a), with rates higher in rural areas (Figure 4.2). The country has the highest rate of adolescent pregnancy in South-East Asia, estimated to be 64.5 births per 1,000 girls aged 15-19 (World Development Indicators, 2022). The Lao Social Indicator Survey II reported even higher averages of 83 births per 1,000 girls aged 15-19, with pronounced differences between rural and urban areas, which have 136 and 42 births per 1,000 adolescent girls, respectively. The birth rate is particularly high among poor populations and ethnic groups in remote areas, where teenage pregnancies have sometimes been called a 'way of life' (UNFPA, 2013, see Figure 4.3).

Figure 4.2

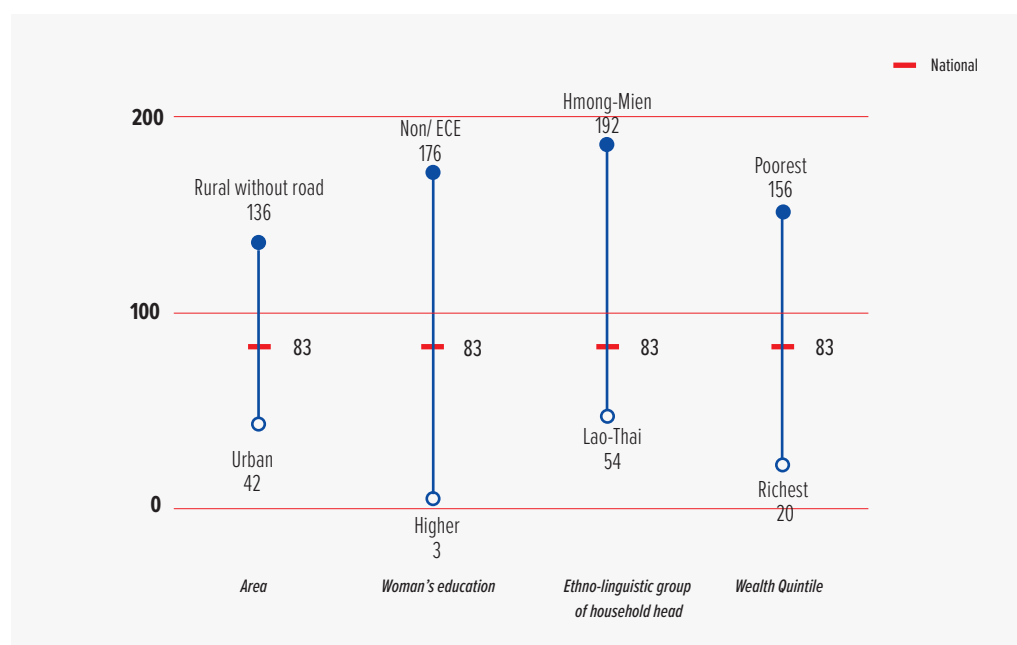
Early marriage and pregnancy often result in negative outcomes for youth, particularly adolescent and young girls. Young mothers and their babies face the highest risk of complications during pregnancy and childbirth, as adolescent pregnancy is associated with steeper rates of low birth weight, pre-term delivery, respiratory diseases and infant mortality (Azevedo et al., 2015). Additional complications include higher rates of hypertensive disorders during pregnancy, anaemia, gestational diabetes, co-morbidities and complications during delivery compared to older women (Azevedo et al., 2015; Leftwich and Alves, 2017). Adolescents aged 10-19 who give birth experience a higher risk of death compared to older mothers (WHO, 2019), which, given the very high rate of teenage pregnancy in Lao PDR, helps explain why the country still has one of the highest maternal mortality rates in South-East Asia, despite significant progress (Sychareun et al., 2018; UNFPA, 2018). A further issue is that children are more likely to be stunted if they are born to girls, to mothers with less than complete primary education and to mothers who themselves are stunted. The likelihood of being stunted is 10 percent higher among children conceived by girls below age 17 (World Bank, 2016).

Figure 4.3 / Figure 4.4

The tendency for adolescent mothers to drop out of school limits their future employment prospects and the choices available to them for the rest of their lives. Dropout rates for girls aged 15-17 years were 41.8 percent in 2017 (UNFPA, 2021b). Differences in attitudes towards adolescent pregnancy and early marriage are even more striking when considering ethnicity, wealth quintile, geographic location and the education levels of young

**Figure 4.3: Share of women aged 15-24 with at least one live birth before age 18 by region, education level, the ethnolinguistic group of the household head and wealth quintile**

Source: LSB, 2018.



women, indicating that pre-existing inequalities and social exclusion play significant roles in determining maternal health outcomes. Two Northern provinces—Bokeo and Luang Namtha—have particularly high adolescent birth rates (Sychareun et al, 2018). Both are primarily rural and characterized by high ethnic diversity, relatively poorer socioeconomic conditions, and limited access to appropriate and affordable maternal health care and information. In an interview, Dr. Khampeng Phongluxa, Deputy Director of the Lao Tropical and Public Health Institute stated that “there is a need for a multidimensional response to social and health problems facing Lao PDR, like early marriage and pregnancies, not from the health sector alone, but from all relevant stakeholders.”

The 2017 Lao Social Indicator Survey II indicates that the highest levels of unmet need for modern contraception are among adolescent and unmarried women. While the unmet need is 14.3 percent for married women aged 15-49, it is as

high as 75.4 percent for unmarried women aged 15-19 (UNFPA, 2022a). Despite this, few studies have focused on adolescent mothers’ access to sexual and reproductive health and maternal health services. Even fewer have probed the needs of different ethnolinguistic groups in rural areas (Sychareun et al., 2018). Detailed data are particularly important to understand sociocultural differences in marriage and childbearing practices and interventions that would be most effective in delaying marriage and childbearing.

Most young women have little choice or decision-making power over early marriage or even their reproductive health, with age, educational attainment, sex, religion, employment status and marital status all being significant predictors. One study on the knowledge, attitudes and practices of adolescents in Bokeo Province found that while there is a strong positive association between knowledge and autonomy, there was only a weak association between

autonomy and sexual activity and contraception use and between knowledge and conception use. The study indicated that for every additional year of age, adolescents were 1.9 times more likely to use contraception (Phongluxa et al., 2020).

Taken together, high rates of early marriage, pregnancy, maternal mortality and school dropouts among adolescent girls, particularly in ethnically diverse, rural areas that are economically disadvantaged, indicate the need for more effective and innovative ways to disseminate sexual and reproductive health information and services. Poor knowledge of contraceptive methods in many areas combines with misconceptions about birth control and low teaching quality. Improved sexual and reproductive health information and services should consider the diverse gender, social and cultural norms across the country and ensure that educational

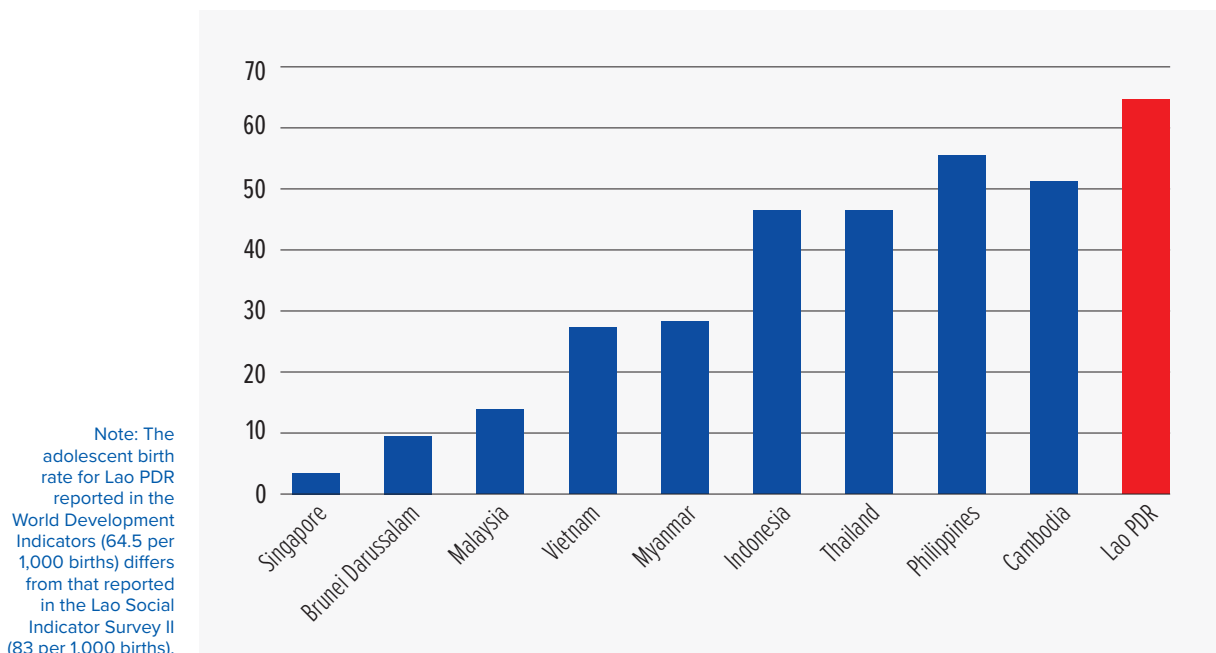
programming is gender and youth transformative.

Box 4.3

**Risky sexual behaviour:** Many young people in Lao PDR begin exploring their sexuality in their older adolescence and early adulthood. Among adolescent boys aged 15-19, 21.8 percent reported having had sex as did 75.6 percent of young men aged 20-24. Among adolescent girls aged 15-19, 29.7 percent reported having had sex along with 74.8 percent of young women aged 20-24 (LSB, 2018). Young men tended to report having sex with more than one partner in the previous 12 months, at 5.6 percent compared to 0.6 percent of young women. More young men also claimed to use a condom the last time they had sex, at 46.3 percent compared to 30.7 percent of young women. Risky behaviours, such as low condom use and multiple sexual partners, are prevalent among young

Figure 4.4: Adolescent birth rates in South-East Asia per 1,000 adolescents aged 15-19, 2019

Source: World Development Indicators.





## BOX 4.3 THE VIENTIANE YOUTH CENTRE FOR HEALTH AND DEVELOPMENT

The Lao Women's Union established the Vientiane Youth Centre for Health and Development in 2001. Health workers at the centre provide confidential advice on reproductive health issues to young people at a clinic and through a hotline. Mobile outreach in communities delivers sexual and reproductive health and life skills training to various constituencies, including garment factory workers and students at colleges, universities and other educational institutions. Sessions offer advice on preventing pregnancies and provide mental health and psychosocial services to young people and adolescents aged 10-24. The most common reasons for young people to visit or call the centre are to consult health workers on unexpected or unwanted pregnancies, drug-related issues and sexually transmitted infections. With the spread of COVID-19, the centre was initially inundated with calls and messages from adolescents, both through the hotline and Facebook messages, with many inquiring about sexual and reproductive health as well as COVID-19. During the lockdown, calls to the hotline increased by 28 percent. Over 50,000 adolescents and young people accessed information on sexual and reproductive health and COVID-19 prevention in April 2021. A further 16,300 used the centre's clinics from January to April 2021.

Source: Vientiane Times, 2016; UNFPA, 2021b.



people, particularly adolescents from certain minority ethnic groups, such as the Akha, due in part to cultural beliefs associated with pre-pubescent initiation customs (LYU and UNFPA, 2014).

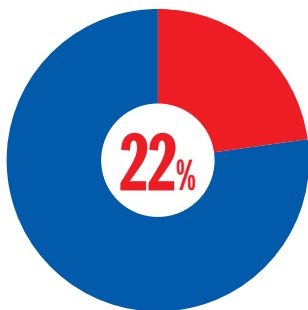
Substance abuse tends to exacerbate these trends. Alcohol and amphetamine-type stimulants, among others, are associated with higher-risk behaviour that includes non-use or inconsistent use of condoms and sexual violence, and results in higher rates of sexually transmitted diseases and unintended pregnancies. A study of urban youth in Lao PDR found that 22 percent of young women aged 15-24 had been coerced into their first sexual intercourse, often by their boyfriends (Department of Health of Vientiane Capital, Burnet Institute and UNFPA, 2008). Forced first sex is common among youth who report sex before age 15, with many lacking the knowledge and skills to negotiate consensual sex, making them particularly vulnerable to exploitation and abuse (WHO, 2011).

Rates of risk-taking behaviour and sometimes abuse are higher among certain populations, including transgender people. In a 2010 study of male-to-female transgender people in Vientiane Capital and Savannakhet Province, 84 percent of whom were aged 15-24, 47 percent reported having more than one sex partner in the past 12 months, with consistent condom use during anal sex ranging between 55 percent with regular partners and 87 percent with transactional partners. In another 2010 study of bisexual men and their sexual partners in Vientiane, where the median age was 22, respondents reported having an average of eight sexual partners in the previous year (LYU and UNFPA, 2014). A third study described high rates of multiple partners, low condom use, sexual violence, sexually transmitted

infections and abortion among young women who sell sex (Morineau et al, 2011). Outreach and peer support to youth who sell sex, young men who have sex with men and transgender young people can increase knowledge and self-esteem and improve access to services, leading to more condom use (Middleton-Lee, 2012).

While HIV prevalence in the general population remains low at 0.2 percent, continuing high-risk behaviours among youth, combined with rapid economic growth, high migration levels and social change, may precipitate increases in HIV transmission. The prevalence of sexually transmitted infections is high, particularly chlamydia and gonorrhoea (Thanavanh et al., 2013). While information about sexually transmitted infections is readily available in urban areas, a lack of knowledge combined with poor access to condoms and contraception leads to high rates of unplanned pregnancies and sexually transmitted infections in rural areas. The latter, in turn, may increase susceptibility to HIV. While the recent global outbreak of the monkeypox virus has not yet reached Lao PDR, it could serve as an opportunity to engage youth and scale up youth-targeted educational campaigns stressing the importance of condom use and safe sex.

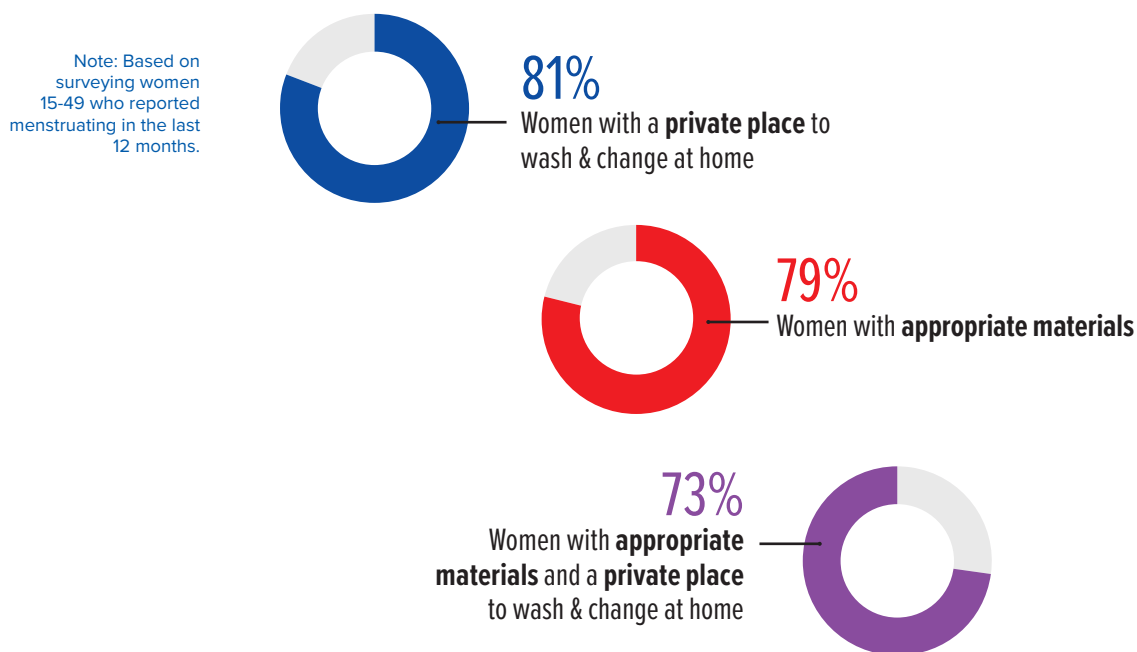
Among female sex workers compared to the general population, HIV prevalence is higher, between 1 and 4 percent, as is the prevalence of sexually transmitted infections, estimated to be 18 percent for gonorrhoea and 38 percent for chlamydia (Government of Lao PDR, 2004). Sexually transmitted infection rates among male-to-female transgender people are also high; among 450 people surveyed, 87 percent of whom were less than 25 years old, 12 percent had gonorrhoea,



**A STUDY OF URBAN YOUTH IN LAO PDR FOUND THAT 22 PERCENT OF YOUNG WOMEN AGED 15-24 HAD BEEN COERCED INTO THEIR FIRST SEXUAL INTERCOURSE.**

### Figure 4.5: Menstrual hygiene management at home

Source: LSB, 2018.



32 percent had chlamydia trachomatis and a further 6.2 percent had a neisseria gonorrhoea/ chlamydia trachomatis co-infection (Phimphachan et al, 2010).

Box 4.4

**Menstrual hygiene management:** Access to water, sanitation and hygiene affects the health of adolescents, including through access to safe and private facilities for menstrual hygiene management. On balance, a drive to improve water, sanitation and hygiene that began in 1990 has improved sanitation facilities throughout the country, at least in homes. By 2017, 73.8 percent of households had access to menstrual hygiene management materials as well as a private place to wash and change (LSB, 2018). The Lao Social Indicator Survey II in 2017 further reported that 81 percent of Lao women and girls had private places to wash and change menstrual pads when they were at home (LSB, 2018; see Figure 4.5).

Figure 4.5

Facilities and information for girls to manage menstruation in schools—particularly in rural areas—remain inadequate. Among 1,366 girls from grades 9 through 12 in six secondary schools in Luang Prabang Province, 64.6 percent were ‘shocked or ashamed’ when they began menstruating and 31.8 percent had been absent from school in the prior six months due to menstruation (Inthaphatha et al., 2021). Such findings suggest that school toilets should be separated by gender and furnished with waste bins. Menstrual education should start from primary school with teachers trained on menstrual health.

Box 4.5

#### Tobacco, alcohol and illicit drug use

Alcohol and drug use are a foremost health priority for youth; 66.3 percent of respondents to the UNDP survey



## **BOX 4.4** “ME, MY BODY, MY PLANET, MY FUTURE” CAMPAIGN

In September 2019, the Ministry of Health and UNFPA launched the “Me, My Body, My Planet, My Future” campaign to encourage youth to act on the SDGs. The campaign aims to raise awareness of the global goals with a focus on issues that matter most to younger people, including sexual and reproductive health, gender equality and climate change.

The campaign covered 11 schools in Vientiane and actively engaged 1,200 students and 100 teachers. Twenty youth volunteers learned to lead the campaign. Lao Youth Union staff facilitated sessions in schools. Subjects covered sexual and reproductive health, mental health and psychosocial support, safe use of counselling facilities and accessing information using the Noi-Yakhoo mobile app. Schools organized participatory activities and cleanliness drives to engage youth in acting to mitigate COVID-19 impacts.

Source: UNFPA, 2019a, 2020a.



## BOX 4.5 THE NOI FRAMEWORK FOR EMPOWERING YOUNG WOMEN

In 2016, Lao PDR launched the Noi Framework to raise awareness on adolescent issues and track progress on these within the 2030 Agenda. The aim is to ensure that adolescent girls, in particular, are not left behind. The framework addresses challenges in accessing education, sexual and reproductive health, nutrition, employment, gender equality and participation in decisions.

Noi represents all girls aged 1-19. It offers an entry point to create awareness, build partnerships and increase investments in girls so they achieve their full potential. Developed by the Lao Tropical and Public Health Institute, UNFPA and Plan International, Noi is the first national attempt to track progress for adolescent girls on five SDG indicators, such as the prevalence of anaemia among girls aged 15-19, the adolescent birth rate and the share of girls aged 15-17 who are out of school. It uses disaggregated data on adolescents produced by the Lao Social Indicator Survey every five years. To implement the framework, a partnership with the Centre for Communication and Education on Health in the Ministry of Health introduced the Noi-Yakhoo app as a one-stop source for youth-friendly sexual and reproductive health, gender and life skills information.

Source: UNFPA, 2019b.





for this report singled out this issue. Focus group discussions revealed that many youths saw drugs being sold and consumed at their schools and that young women feel less safe given the intersection between drugs, crime and violence.

**Tobacco use and smoking:** Cigarette smoking is a major public health issue for many developing countries, including Lao PDR. The 2015 Lao National Adult Tobacco Survey, with a nationally representative sample of 7,562 people aged 15 years and older, found that 27.9 percent of adults were current smokers. The prevalence among males was 50.8 percent—seven times the rate for females at 7.1 percent. The smoking rate was highest in rural areas and among those who were less educated. Most smokers began smoking in their late teens—the mean age being 17.4 years—or in young adulthood.

**Alcohol consumption:** Lao PDR has the highest levels of alcohol consumption by both men and women in South-East Asia. Total per capita alcohol consumption for those aged 15 years and older was 10.4 litres in 2016 (WHO, 2018a). Rates of drinking among youth appear to be heavy, with one survey of Vientiane Capital, Luang Prabang and Champassak finding that 21 percent of youth aged 15-24 drank five to seven days a week (Centre for Alcohol Studies, Thailand, 2013). The average age at which youth start drinking is as early as 13 years (LYU and UNFPA, 2014). A recent study of eight secondary schools in Phonhong District in Vientiane Province found that overall drinking prevalence was as high as 57.5 percent (Kounnavong et al, 2021). Among the drinkers, about half were categorized as ‘light drinkers’, while the other half were moderate, heavy or very heavy drinkers. Heavy drinking is associated

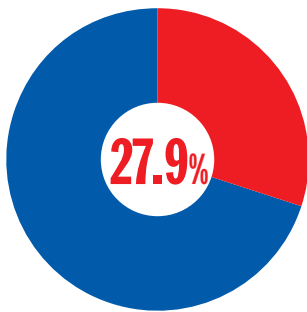
with drug use, lower school grades and school violence (NCAW and LSB, 2015). Additional risks include driving while intoxicated, increased accidents and life-long addiction.

**Drug use:** Lao PDR remains a significant producer of opium, with an estimated 5,700 hectares under cultivation, producing up to 176 tonnes of raw opium in 2015 (UNODC, 2015). While production has remained stable, albeit at high levels, recent years have seen a rapid increase in the trafficking of synthetic drugs to and through Lao PDR. Its use as a transit country for methamphetamine trafficked from Myanmar has intensified. Seizures of meth increased from 6,331,692 tablets in 2015 to 18,602,900 tablets in 2020 (UNODC, 2021). In 2021, Lao authorities seized 143 million tablets, an increase of more than 600 percent from 2020 (UNODC, 2022).

The lack of recent data on the extent of drug use and people with drug use disorders makes analysis of the situation difficult. Interviews and focus group discussions with young people in Vientiane Capital and Vientiane Province found that the majority of young amphetamine users started using drugs between age 15-19 and many had used for an average of five years. Data from one treatment centre suggest that methamphetamine accounts for the largest proportion of drug-related offences, drug users brought into formal contact with authorities and treatment admissions (UNODC, 2021).

**Accidents and injuries**

Road traffic accidents are the top cause of death of youth around the world (WHO, 2021; Strong et al., 2021), with low- and middle-income countries carrying a disproportionately high burden of the world’s fatalities. In Lao PDR,



**27.9 PERCENT OF ADULTS WERE CURRENT SMOKERS. THE PREVALENCE AMONG MALES WAS 50.8 PERCENT—SEVEN TIMES THE RATE FOR FEMALES AT 7.1 PERCENT**

road accidents are the number one cause of death for people aged 5-14 and the number two cause of death for those aged 15-49 as well as the top cause of disability for the entire population (World Bank, 2021). Accidents are often associated with alcohol consumption and drug use by young men as well as speeding and motorcycle racing. At one intersection in Vientiane Capital, 73 percent of vehicles broke the speed limit, with younger drivers most likely to speed (World Bank, 2021). Over 1,000 people are killed on roads in Lao PDR each year (World Bank, 2021).

Young people make up the majority of those suffering from road traffic injuries. In 2015, 43.5 percent of all accidents involved people aged 16-28 (Mektakul, 2016). A survey at Luang Namtha Provincial Hospital found that the majority of 1,074 patients who had suffered from road traffic injuries were young, with a median age of 22 (Slesak et al., 2015). The majority were also male (68 percent), motorcyclists (76 percent) and drivers without a license (85 percent) or insurance (95 percent).

With private vehicle registrations growing by more than 10 percent per year over the past decade and motorcycles accounting for 67 percent of daily trips (ADB, 2021), both the number and severity of crashes have climbed. Total annual crashes rose by 35 percent between 2010 and 2020 and fatalities increased by 67 percent. The number of road accident-related deaths did decline from 1,031 in 2020 to 831 in 2021, likely due to the COVID-19 lockdowns across the country.

Despite anecdotal evidence of high levels of road traffic injuries, particularly among young men, most go unrecorded so official statistics reflect only part of the problem (Slesak et al, 2015; Ferrand and

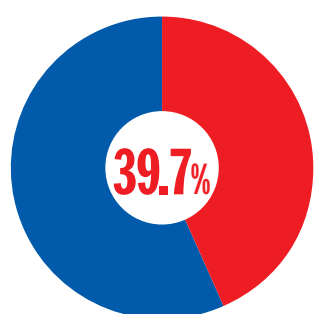
Peyronnie, 2006; Weichert, 2006). Data from rural areas remain scarce and youth-specific numbers are not available. There is little information on the characteristics, trends and risk factors associated with young drivers, their driving habits and impacts after a motor vehicle accident (i.e., types of injuries, long-term prognosis, disabilities, etc.).

Youth recognize the increased risk of injury and accidents; 39.7 percent of respondents to the survey for this report identified injury from accidents as a priority health issue. The risk of injury is particularly acute for youth in rural and remote areas where quality health-care services are often inaccessible. In a focus group discussion, one respondent stated that following an accident, “The doctor said that nothing was serious with my leg but after a while my leg got worse, and it is now paralysed.”

### COVID-19 and its impacts on youth

Any assessment of the health and well-being of youth in Lao PDR needs to encompass the recent COVID-19 pandemic. The effects have been severe, with large-scale disruptions in employment, formal and informal education and learning, and health and social services (UNFPA, 2020). Youth have been particularly susceptible to the direct and indirect impacts of lockdowns that led to school closures, lost economic opportunities, increased domestic responsibilities and exposure to violence, including domestic violence. Deepening inequalities increased stress, anxiety and depression and other health issues due to the substantial reduction in physical and social activities.

A 5 percent increase in secondary school dropout rates is predicted with adolescent girls and students from the poorest households particularly



**39.7 PERCENT OF RESPONDENTS TO THE SURVEY FOR THIS REPORT IDENTIFIED INJURY FROM ACCIDENTS AS A PRIORITY HEALTH ISSUE.**

prone to leaving school (UNFPA and UNICEF, 2021). Rates of contraceptive use have reportedly declined among young women while risks of unplanned pregnancies and maternal deaths have risen. Heightened psychosocial stress was evident in a perception survey of 1,200 young people in six rural districts where 73.3 percent reported feeling unsafe in going outside, 57.1 percent were unable to access services, 46.6 percent had lost their jobs and 25.3 percent were unable to attend school (UNDP, 2022, see Figure 4.6).

Given the diversity of contexts in Lao PDR, methods for coping with the virus and its social and economic impacts have varied. Disparities were evident in living conditions and degrees of access to and the quality of essential services such as health and education. Depending on geography, gender, class, etc., youth also have different levels of resilience. Some are in situations with long-term risks that go beyond the dangers of contracting the virus. Additional negative outcomes include the increased threat of gender-based violence, online harassment, sexual

exploitation and child marriage.

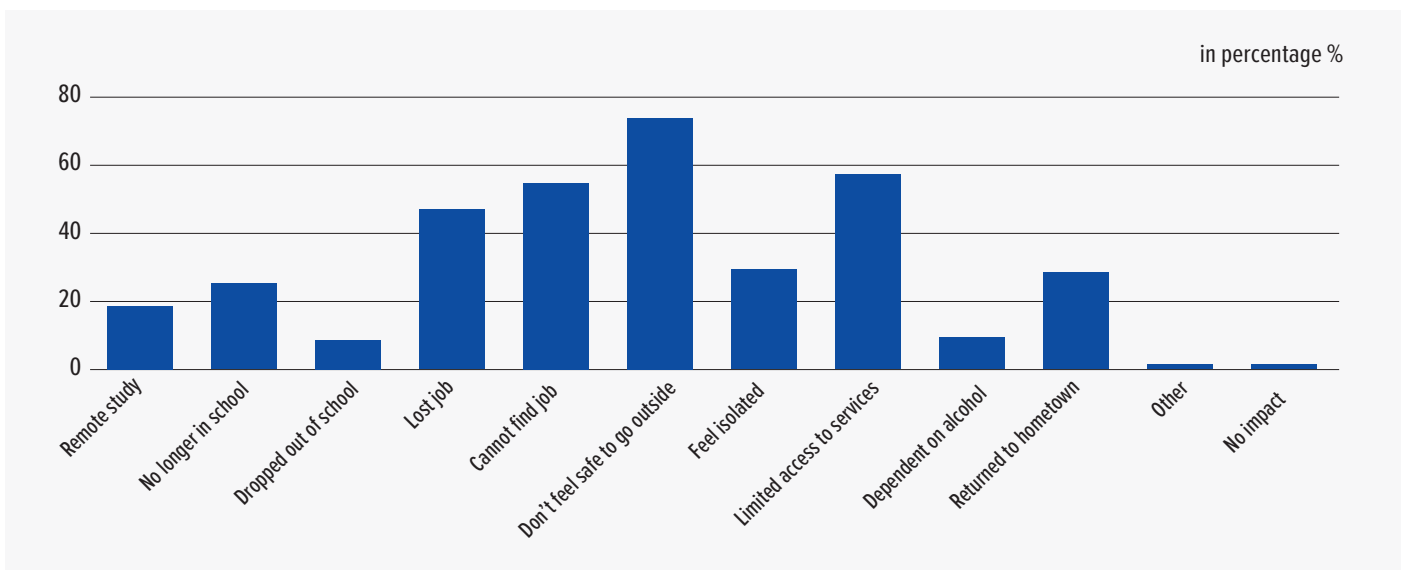
Figure 4.6

While the Government took swift action in responding to the COVID-19 pandemic, establishing a COVID-19 Task Force, implementing prevention measures and rapidly scaling up health-care capacities, not all interventions considered the distinct needs of youth or involved consultation with them, exacerbating existing inequalities and marginalization. The medium- to long-term impacts could be even more severe if adequate measures are not taken to guarantee adolescent and youth rights to “health, safety, choice, and voice” (UNFPA, 2020).

The in-person and online surveys for this report rated COVID-19 as the highest (51.8 percent of respondents) and second highest (62.9 percent of respondents) health issue for youth. The United Nations Socio-Economic Framework for 2020 highlights the negative impacts of multiple deprivations on growth and development, and, looking forward, the implications for productivity and

Figure 4.6: Youth reported impacts of COVID-19, percentage

Source: UNDP, 2022.



human capacity development (UN, 2020).

While Lao PDR has made good progress across several health outcomes, particularly in lowering infant and maternal mortality rates, reducing deaths from communicable diseases and advancing vaccination rates, priority youth health issues or specific youth programming within primary health-care have yet to fully materialize. An increased focus on mental health services and youth-targeted sexual and reproductive health programmes is needed, especially in rural areas. Health services dedicated to preventing and mitigating youth-specific risks, including alcohol and drug use, violence and road accidents, will better enable young people to maximize their formative development years, realize their full well-being and productively contribute to society and the economy.

## 4.3 ENABLING LAWS AND POLICIES

Historically in Lao PDR, the Constitution and national laws, strategies and action plans have protected and promoted the rights of women, children and persons with disabilities. Several laws stipulate health-care access for youth. They include the Law on Health Care (2005), the Law on Development and Protection of Women (2004), the Law on the Protection of the Rights and Interests of Children (2006), the Juvenile Criminal Procedure Law (2014) and the Law on Prevention of Violence Against Women and Children (2014), among others. Implementation of the seventh and eighth five-year National Socio-Economic Development Plans saw significant progress in health,

nutrition and the protection of children and youth.

Since 2009, the health sector has witnessed transformation. Policies and new strategic directions have resulted in changes to donor coordination, the introduction of national health insurance, the reform of the health information system and the introduction of an essential services package (WHO, 2018b).

### National legal framework protecting the health-related rights and interests of young persons

The revised 2015 Constitution states that “the State attends to improving and expanding public health services to take care of people’s health” with a focus on women and children and people living in poverty and in remote areas. Several health-related laws mandate the rights of youth to access health care while protecting them from potential harm. The Law on Health Care, 2005 (No. 09/NA) (promulgated by Decree No. 139/PDR on 9 December 2005) states that all people “regardless of [their] gender, age, ethnic origin, race, religion or socioeconomic status” have the right to health care. The Ministry of Health guarantees everyone, including youth, access to general health care and care for sexual and reproductive health needs. The Law on Health Care (2005) and the National Reproductive Health Policy (2005) together protect these rights.

In terms of reproductive health care, abortion is included in the Health Law and the Penal Code (2019), making it either lawful or unlawful depending on “the location of the services (government hospitals and clinics only), the type of service (vacuum aspiration only, not medication) and the marital and financial status of the mother” (LYU and UNFPA,

2014, p. 19). Obtaining approval for a legal abortion for youth who are pregnant, particularly those who are not married, is unlikely, which may force many to pursue unlawful and potentially dangerous methods in unauthorized private clinics or neighbouring countries. The consequences for obtaining an illegal abortion are severe: “Any woman performing an abortion on herself or unlawfully recruiting another person to perform such an operation shall be punished by three months to one year of imprisonment and a fine shall be imposed ranging from 3,000,000 LAK to 10,000,000 LAK” (Penal Code).

Several articles in the Law on the Protection of Rights and Interests of Children (2007) define principles, rules and measures for those below age 18. Article 3 ensures that every child shall have “access to health care, medical treatment and rehabilitation of health when ill.” The law defines the responsibilities of the State, society and parents and guardians in ensuring children have access to primary health care, and articulates that children aged 15-18 have the right to decide on the method and place of receiving appropriate medical treatment unless they are under the control of an authority or are mentally incapacitated. The law also outlines that children with disabilities, abandoned children and children from poor families have the right to free health-care services provided by the State. Articles 40 and 41 address measures and procedures for protection, including the responsibility to provide counselling, health care, education, vocational training and other related services to assist a child’s reintegration and recovery.

Other health-related laws also refer to children or youth, with varying

enforcement. For instance, the Law on Tobacco (2009) contains Article 50, which prohibits those below age 18 from smoking, purchasing or selling cigarettes. Article 55 of the Law on Narcotic Drugs (2007) states that youth have a responsibility to not use drugs and to seek treatment if they do—placing the onus on the individual and not the State to rectify the issue. The Law on Land Traffic (2000) sets the legal driving age at 15 years and above. Adolescents aged 15-18 are allowed to ride motorcycles with engines under 110cc. It also requires people on motorcycles to wear standard helmets, although the law is poorly implemented (LYU and UNFPA, 2014).

The Lao Youth and Adolescent Development Strategy 2021-2030, developed by the Lao Youth Union and UNFPA and adopted by the Prime Minister’s Office, provides strategic directives for improving the health and wellbeing of young people. The strategy highlights the importance of youth maintaining good health and adopting healthy lifestyles, calling for improved access to information on sexual and reproductive health and providing youth with the skills and knowledge to develop healthy relationships and positive behaviors that are indisputable for healthy choices that have a lifelong impact. Priority areas of focus include expanding a wide range of sexual and reproductive health and education services, improving counselling services and mental health awareness and scaling family planning programmes that directly address early marriage, among others.

### Investments

The 2025 Health Sector Reform Strategy and Framework acknowledges the need for equitable access to quality health-

care services. Lao PDR aims to achieve universal health coverage by 2025 with the aid of innovative co-financing investments by and partnerships among the Government, development agencies and civil society organizations. In 2019, external funding accounted for around 22.5 percent of total health expenditure, with several vertical programmes relying heavily on donor funding. For instance, support from Gavi, the Vaccine Alliance, has been important for vaccine procurement, with a transition to government procurement expected in the coming years. Under a recent agreement between the Global Fund to Fight AIDS, Tuberculosis and Malaria, the World Bank and the Government of Australia, the Health and Nutrition Service Access Project is expected to increase access to quality health care and strengthen health systems, specifically primary health care across Lao PDR.

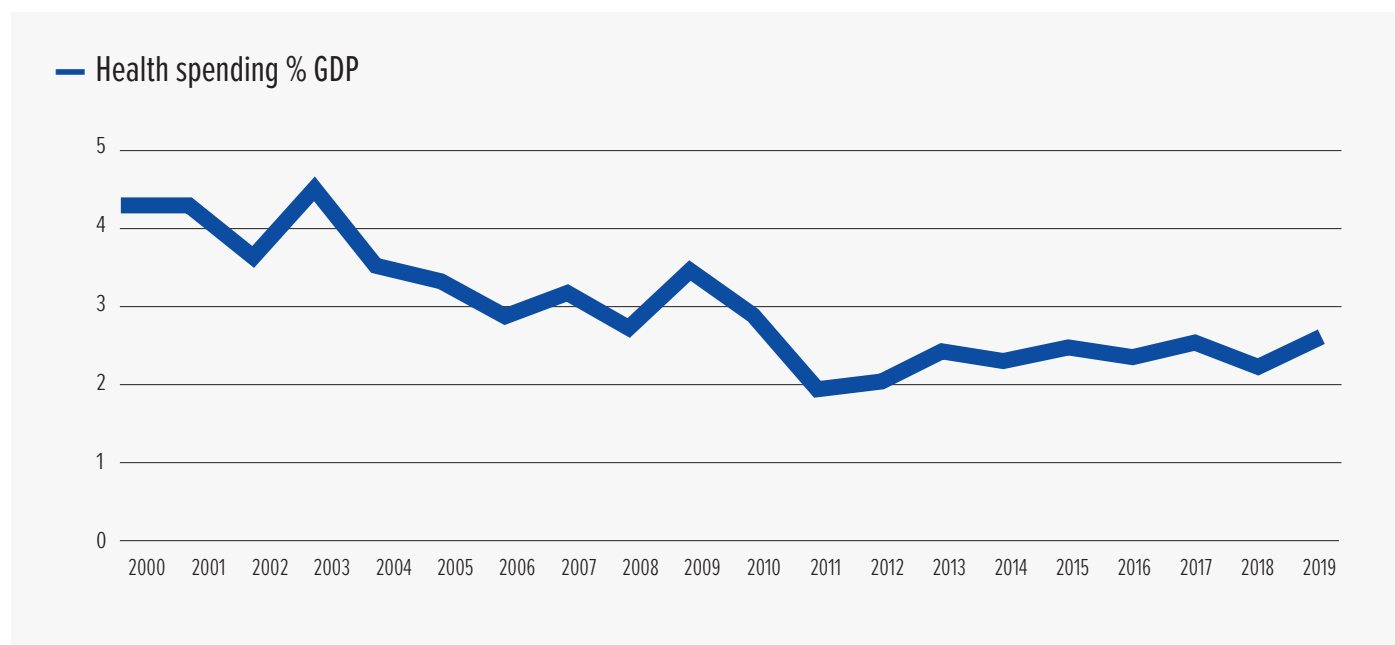
With Lao PDR’s expected graduation from its status as a least developed country by 2026, reductions in external support can be expected over the medium term. Under the umbrella of the Vientiane Declaration on Partnership for Effective Development Cooperation (2016-2025), the Ministry of Health has been developing guidelines to enhance national ownership and alignment with domestic policies and procedures, towards establishing an inclusive partnership for achieving positive development outcomes in the health sector (WHO, 2018b).

Financing for the health sector has seen steadily increasing expenditure from public sources over the past decade. Domestic general government health expenditure per capita and as a share of total health expenditure has steadily increased year on year since mid-2011 (Figure 4.8). Yet domestic government expenditure on health per capita remains very low compared to

Figure 4.7

**Figure 4.7: Total health expenditure as a share of GDP, percentage**

Source: National Health Accounts Report, 2019 and WHO,2022.



## **BOX 4.6** NINTH NATIONAL SOCIO-ECONOMIC DEVELOPMENT PLAN TARGETS

### **Outcome 3**

- Enhanced well-being of the people

### **Output 4**

- Promote and develop youth to improve human capital and participation in the workforce

### **Key targets and indicators**

- Increase provision of counselling to depressed and discouraged young people or those experiencing other problems to 15 percent of the youth population
- Provide counselling for young people who feel depressed, discouraged, lacking clear direction or experiencing other problems
- Promote youth health by providing knowledge about reproductive health, sex education, HIV/AIDS and harmful effects of substance abuse
- Create opportunities for young people to be more involved in decision-making processes with regards to their health



other countries (WHO, 2018b). The domestic allocation of 5.9 percent in 2016 falls short of the general government spending target of 9 percent (WHO, 2018b). Both total health expenditure as a percentage of GDP and general government health expenditure inclusive of donor funding as a share of GDP has slightly increased in 2019 compared to 2018 (Figure 4.9).

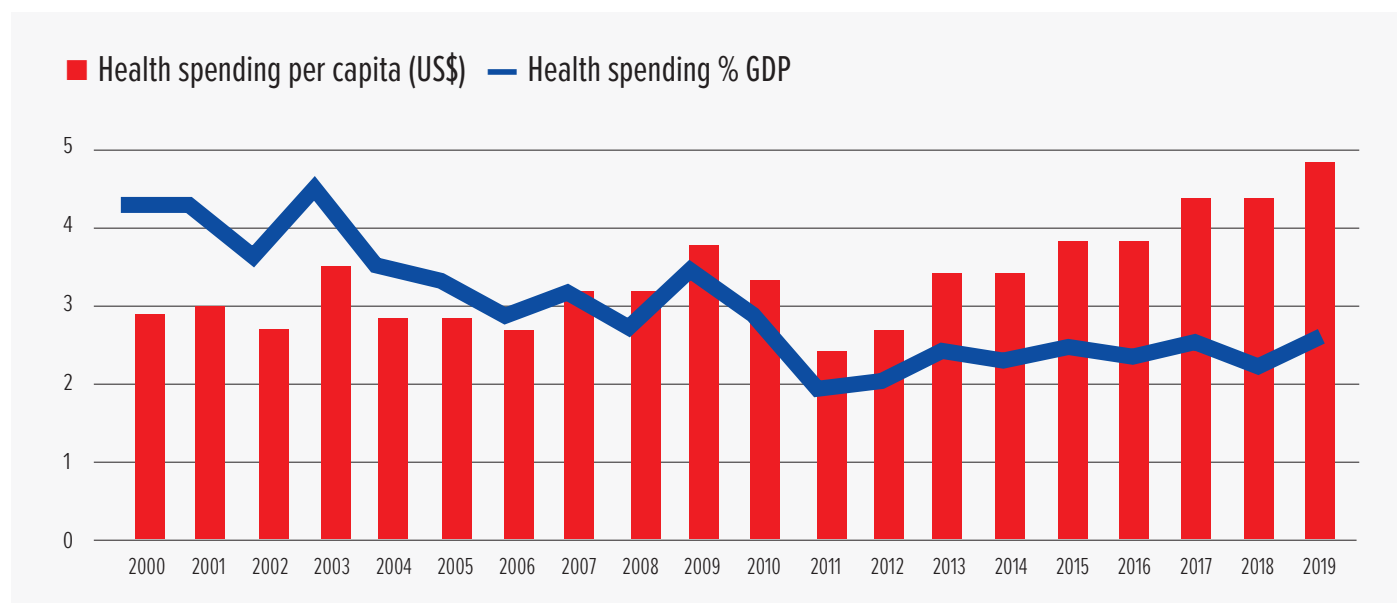
Additional investments will be needed in primary health care to improve service delivery and enable interventions for marginalized and vulnerable groups, including youth, women and persons with disabilities. The expected reduction of external funding for certain vertical programmes, such as immunization, malaria, tuberculosis and HIV, will require the Government to increase domestic budgets for health.

Figure 4.8 / Figure 4.9

Financing for health care is undercut in part by a total tax rate on cigarettes of 18.8 percent of the retail price of the most sold cigarette brand, well below the WHO recommendation that taxes represent at least 75 percent of the retail price of tobacco products. A 25-year agreement with Imperial Tobacco, which sells 90 percent of all tobacco products consumed in Lao PDR, restricts the Government from raising taxes on its products until 2026. Frozen tax rates—coupled with rising income—means that cigarettes are becoming more affordable. In addition, the Government is unable to capitalize on a valuable source of revenue. In a hypothetical scenario where the agreement with Imperial Tobacco did not exist, tax increases over the next five years would generate nearly LAK 1.8 trillion in revenue. This is LAK 354 billion annually, equivalent to over one fifth (22 percent) of the Government’s 2018 total health-care expenditures (MoH et al., 2021).

**Figure 4.8: Domestic general government health expenditure per capita, in dollars and as a percentage of total health expenditure**

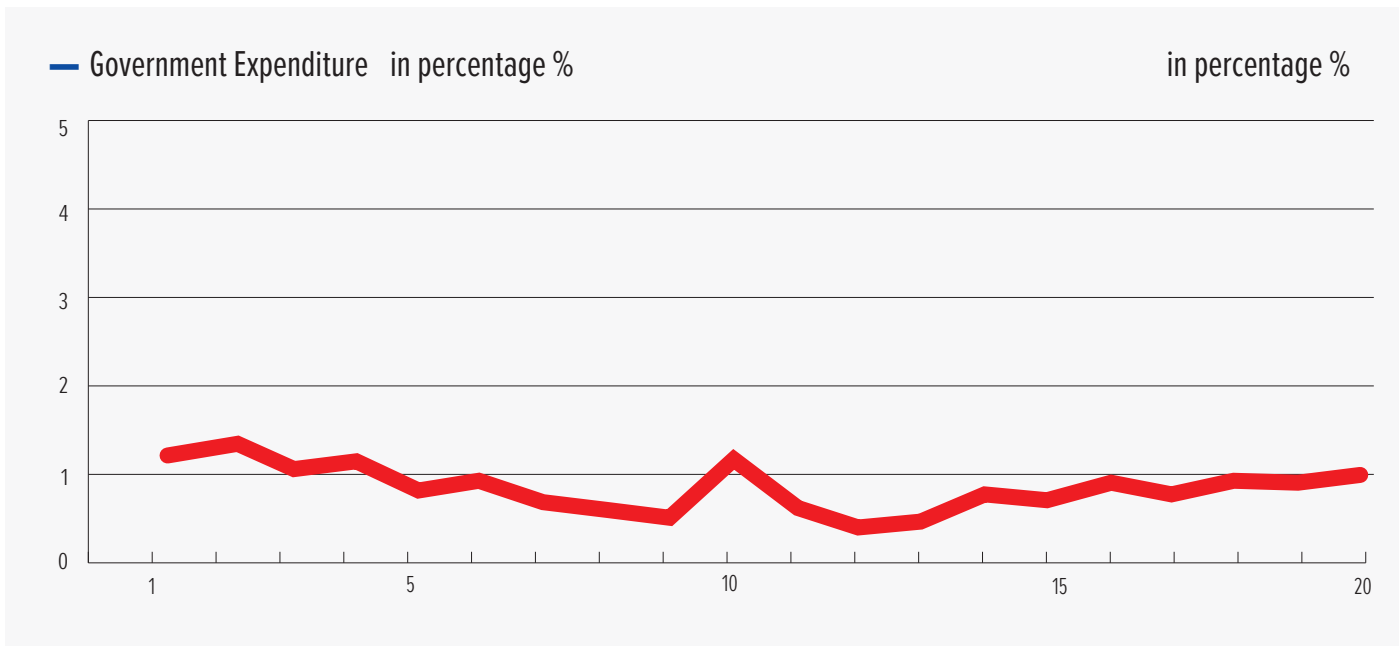
Source: National Health Accounts Report, 2019.





**Figure 4.9: Total domestic general government health expenditure as a share of GDP, percentage**

Source: National Health Account Report, 2019.



**Initiatives to improve youth health and well-being**

The Government has invested in primary health care, access to improved water and sanitation and education, leading to health improvements and mortality declines. United Nations entities, civil society organizations and donor agencies have supported health programming in areas that matter to youth, including in mental health care, sexual and reproductive health, drug and alcohol consumption and reducing the risk of injury or death from accidents. The following section provides a summary of current initiatives.

**Mental health care:** In 2012, the Ministry of Health promulgated the Mental Health Strategy 2020 with five pillars: developing human resources, encouraging a research culture and capacity, enhancing service delivery at the national and local level, mental health promotion and advocacy, and policy and legislation. Yet only 2.68 percent of the health budget went to mental behavioural and neurological

disorders in 2019. Since the advent of the COVID-19 pandemic, the country has strengthened mental health care with the aid of the WHO and UNFPA. Around 9,676 people in quarantine centres and communities have received psychosocial counselling; activity on the hotline provided by the Lao Women’s Union increased by 197 percent in 2020 compared to the previous year (UNICEF, 2021).

With 75 percent of rural people having no access to mental health-care services, the Ministry of Health identified primary health care as the appropriate platform to promote and improve the delivery of mental health care at the village level. The WHO has been supporting the Government in delivering long-term mental health services at this level and implementing tools, guidelines and recommendations.

**Reproductive, maternal, neonatal and child health interventions:** Of the 10 indicators identified by the National Assembly to track health sector progress towards achieving universal health coverage and

the SDG targets on health, seven are focused on this area. Given its importance, Lao PDR has enacted laws, standards, guidelines, and policies and programmes related to essential health systems and improved service delivery, seeking to catalyse improvements in interventions for women and children. It has put little focus on adolescent pregnancy, however, despite high prevalence, or on programming specific to adolescent health.

**Sexual and reproductive health care:** For its regulations guaranteeing the full and equal access of women and men aged 15 years and older to sexual and reproductive care, information and education, Lao PDR scored 96 out of 100 points on SDG indicator 5.6.2 (target 5.6 involves ensuring universal access to sexual and reproductive health and reproductive rights). The Government has integrated access to sexual and reproductive health, including voluntary family planning and maternal health, in national frameworks. These include the National Family Planning Action Plan and the Reproductive, Maternal, Newborn, Child and Adolescent Health Strategy.

International donors support many of these plans and strategies to improve the quality of integrated services, particularly among the most marginalized and vulnerable populations, such as youth and ethnic groups. Examples of such efforts include the campaign for advancing SDGs related to adolescent health and well-being (Box 4.4), the Noi Framework for empowering young women (Box 4.5), online comprehensive sexuality education and supplies of menstrual hygiene products for returnee female migrant workers. UNFPA has developed comprehensive sexuality education curricula as well as materials for

training teachers. These have been integrated into secondary schools, technical and vocational education, and eight teacher-training institutions (UNFPA, 2020).

**Drug treatment:** Current treatment centres rely on detoxification and interventions that are not based on evidence or individual patient needs and patient freedom is often restricted once entering the facilities. For these reasons, among others, relapse rates are high. A total of 17 inpatient treatment centres operate; an estimated 4,000 people are sent to them annually (UNODC and UNAIDS, 2022).

In recent years, Lao PDR has made progress in introducing community-based treatment services, encouraged by UNODC. This model of care provides a voluntary, evidence-based option. It is less expensive and has produced better health outcomes, including lower relapse rates. Since the model was launched in 2014 in Vientiane Capital, it has expanded rapidly. Community-based treatment is now offered in 34 district hospitals in six provinces and Vientiane Capital Prefecture. These centres have served 3,469 people with a range of drug use disorders and provided more than 12,759 counselling sessions (ASEAN-NARCO, 2018).

**Road safety:** The National Road Safety Committee is funded by the national budget and has a partially funded road safety strategy. The World Bank's Global Road Safety Facility supports road safety campaigns for students and communities living along project roads and provides support for the police on enforcement, road safety audits and infrastructure assessments, and the development of an online database to record crashes (World Bank, 2021). The Ministry of Health, in partnership with the WHO,

is currently drafting a Prime Minister's Decree on Alcohol Control, which aims to establish key measures for road safety, such as 'drink don't drive'. The Ministry of Public Works and Transport, in partnership with the Ministry of Health and the WHO, continues to strengthen road safety advocacy and public campaigns targeting the use of helmets and seatbelts, and not driving under the influence of alcohol.

While health-care reform, policy development and improved investments in health-care services are evident in Lao PDR, initiatives that directly engage and benefit youth lack impact in practice. Youth acknowledged in focus group discussions that they face different challenges in realizing their right to health, citing difficulties in accessing health-care facilities in rural areas, maltreatment by health-care personnel because of their socioeconomic background, poor-quality services and the inability to access health information that matters to them. Current initiatives should further consider the specific needs and priority issues of youth in Lao PDR, including by expanding access to mental health and sexual and reproductive health services and information and preventive programmes that reduce the early use of alcohol and drug use and the risk of injury or death in accidents. Such investments will better equip youth to make informed decisions and enable a safe and healthy development pathway to adulthood.

## 4.4 RECOMMENDATIONS

While the Government in partnership with various international agencies has implemented commendable health programmes in several

areas important for children, few comprehensive interventions target adolescents and youth. Little has been done in terms of shifting attitudes to early marriage and early sexual activity or to offer comprehensive education on sexual and reproductive health, particularly in remote, rural areas where birth rates are high. More efforts are required to ensure health care reaches marginalized and remote youth. Greater consultation with youth should be fundamental to designing awareness-raising activities and better programmes to prevent and mitigate the spread of HIV/AIDS. Interventions outside the health sector focused on social and behavioural change—for example, on driving practices and seatbelt use and incentives to keep adolescent girls in school—are also necessary to better protect youth health and well-being. Several priorities are discussed below.

### Upgrade mental health-care services for youth

Despite the promulgation of the Mental Health Strategy 2020, mental health services remain rudimentary and not integrated in general health-care service delivery. Strengthening mental health delivery capacities includes training health professionals, encouraging further research on the causes and profiles of people at risk of mental illness, enhancing service delivery at both the national and local levels, creating greater awareness on mental health issues, and supporting and empowering partner agencies, such as civil society organizations, to implement relevant programmes, particularly for people at risk, such as adolescents and youth and persons with disabilities.

**Increase the capacity of mental health-care professionals.** Adequate funding and support need to bolster

capacities to provide mental health services for marginalized and vulnerable groups, including youth, LGBTQI+ people and persons with disabilities. A significant shortage of mental health professionals calls for more funding to train health personnel. Financing mechanisms set up with international agencies and development partners could pilot and scale up effective interventions.

**Scale up anti-bullying programmes in schools.**

Youth-targeted mental health services should go beyond health-care provisions and respond to the root causes of increased stress and anxiety, such as bullying. An anti-bullying advocacy campaign to reach youth, parents and teachers would improve understanding of the adverse effects of bullying and reduce stigma often associated with being a victim of bullying. Such campaigns should be complemented by responsible social media education programmes to better equip youth in managing online bullying and maintaining a healthy body image and self-esteem when using online platforms. A consistent approach to managing youth stress and bullying in schools could be implemented through a school incentive scheme that scores schools based on their performance in creating a safe social environment for all students. The scoring system would be in conjunction with teacher and school board training on mental health awareness, youth peer pressure, and preventive and responsive actions to bullying and anti-social behaviour.

**Increase mental health awareness of non-specialist service providers.**

Improving the mental health awareness and capacities of non-specialist service providers can help prevent mental health risks and enable early interventions for youth experiencing mental health

concerns, stress or anxiety. Training non-specialist providers such as teachers, coaches, monks, general practice doctors and others in psychosocial first aid can better equip professionals often engaged in youth participation with the necessary skills to identify early signs of mental health-related issues, provide basic and culturally responsible psychosocial support and assist youth in finding mental health treatment services as needed. Such actions can be further improved by ensuring that non-specialist service providers are connected to emerging referral systems and by striking links between community health centres and other services.

**Increase youth-friendly safe spaces and support services.**

Youth interactions with their peers and environment are important to their development. Increasing the number of youth-friendly safe spaces could be an important step in ensuring that youth gain necessary capacities to develop positive and healthy relationships with their peers during formative years. Such spaces can improve support networks and services for diverse groups and marginalized populations, including LGBTQI+ people and persons with disabilities, and strengthen peer-to-peer support group programmes and activities. Existing community recreation centres could provide dedicated youth activities to promote good physical and mental health.

**Scale up drug awareness and community rehabilitation programmes for youth.**

Research from across South-East Asia has highlighted the strong correlation between mental health problems and substance use among youth. Given that young drug users are in a sensitive developmental stage and mental state, alternatives to residential drug detention should

be developed, such as voluntary, community-based services that are medically appropriate and in line with international standards. Progress already made in expanding community-based treatments could be scaled up, particularly for young and first-time offenders. Such programmes should be complemented by vocational training to further assist young drug users in overcoming drug dependency. Youth-targeted educational campaigns that publicize the long-term impacts of alcohol and substance abuse and better enable youth to make informed decisions on the consumption of alcohol and other drugs would assist in curbing harmful experimentation. The Government could partner with civil society organizations and other development partners that already provide necessary drug treatment services as well as wrap-around mental and psychosocial health services for at-risk populations.

**Implement health financing tied to taxes on tobacco.** The Government should not extend the Investment License Agreement beyond 2026 and raise tobacco taxes steadily, quadrupling the cost of a pack of cigarettes by 2034. This will not only reduce the health burden of tobacco use but also generate significant revenue for ongoing investments and improvements in health care.

### Scale-up youth-friendly sexual and reproductive health education and services

Youth need ready access to accurate information on sexual and reproductive health in a language they can understand, and a choice of safe, effective, affordable and acceptable contraceptive methods. They also require information on sexually transmitted infections and improved services in screening

for and treatment of reproductive illnesses.

**Establish a comprehensive sexual and reproductive health and rights education programme in schools.** This would ensure that youth can make informed decisions about their bodies and sexual relationships. Such programmes should operate in both tertiary and secondary education facilities, with consideration of specific educational components beginning at the latter stages of primary school. Any sexual and reproductive health and rights curriculum should include learning on the Lao PDR legal framework, the reproductive system, puberty and changing bodies and emotions, gender norms and healthy relationships, sexually transmitted infections, contraception and menstrual hygiene. A tele-health service and sexual health and rights educational package using social media platforms should be developed in parallel to assist out-of-school youth, parents and persons from diverse backgrounds to gain access to information and private, safe advice.

**Organize youth-focused advocacy campaigns on sexual and reproductive health and rights.** Social, family and cultural influences have a significant impact on youth and their engagement in safe sex. School and other sexual and reproductive health and rights education programmes should be supported by information campaigns helping parents and community leaders educate youth on the risks associated with sexual activity and the benefits of contraception use. Campaigns that promote gender equality, healthy relationships and sexual rights will also assist in curtailing high rates of early pregnancy and reducing the risk of gender-based violence and coercion. Each campaign should prioritize

rural and remote areas and consider language, ethnicity and accessibility when raising awareness, breaking down stigma and educating both parents and youth. Such campaigns could use television, radio and social media.

**Apply a comprehensive family planning services model.** A comprehensive approach to family planning services is needed to better protect young women against early marriage and early pregnancy. Modalities such as telehealth, mobile outreach and services targeted to youth—which are already taking place, albeit on a limited scale—should be extended into rural and remote areas. In addition, health-care providers, including midwives, general practice doctors and social workers, should be supported in developing appropriate skills and capacities to address the specific concerns of young women. Where possible, family planning services should combine sexual and reproductive counselling with contraceptive commodities. Family planning services would be further enhanced by improving links among preventive health programmes, education services and civil society organizations already providing family planning education support.

Policy interventions to delay early marriage (and therefore early pregnancy) must go beyond the health sector, emphasizing programmes to keep girls in school, through secondary education and beyond. Innovative behaviour change campaigns should aim at delaying the acceptable age of marriage and promoting education for young women. Financial incentives can also be administered and expanded to enable young women to continue with their education, especially in poor, rural areas.

**Provide facilities for menstruation management.** Investment in menstrual hygiene management education and facilities in secondary schools is essential as part of wider sexual and reproductive health services to ensure that young women do not miss out on important education and productive opportunities. This should include installing safe menstrual hygiene equipment and facilities in schools and ensuring that young women have access to sanitary kits. The Government could consider partnering with NGO providers and development partners to promote free sanitary kits in schools for disadvantaged youth.

**Promote condom use.** National efforts to mitigate HIV/AIDS and sexually transmitted infections should go further in improving condom demand and use among all youth. This should encompass systematically integrating reproductive health information into school curricula across the country, which could emphasize condom negotiation skills and the benefits of using condoms. Communications campaigns for youth could be refined and integrated into campaigns on causes, effects and treatments for HIV/AIDS and sexually transmitted infections.

A more systematic mechanism for condom distribution targeted at diverse youth groups is also needed. This should expand distribution points beyond traditional outlets such as pharmacies. It could include free condom distribution at festivals or other events where youth congregate, as well as in bars, truck stops, beer shops or various entertainment facilities. Engaging NGO service providers to develop behaviour change communication and promote condom use among youth may also ensure condoms

are more readily available and acceptable.

### Improve health-related human resource capacity

Despite hard-earned health improvements in Lao PDR, a significant gap remains in human resource skills and capacity. Health-care providers lack cultural competency and language skills in serving diverse ethnic groups, youth and persons with disabilities. A concerted effort to scale up training opportunities and mobilize staff specializing in youth specific health-care services is needed. This should include staff to provide mental health care attuned to the stressors and developmental issues of youth as well as vital sexual and reproductive health education and services responsive to the diversity of youth groups.

#### **Enable improved training pathways for health-care students from diverse backgrounds.**

Ensuring that the health sector has a diverse and representative workforce can contribute to improved youth engagement and service delivery, helping marginalized or at-risk populations better connect with service providers and feel comfortable in seeking help. Scaling up incentive-based training programmes for youth from diverse backgrounds could go a long way towards meeting this need. This could include offering scholarships specifically for persons with disabilities, ethnic groups, LGBTQI+ people and women, and/or offering alternative training pathways and long-term educational attainment bridging courses to enable youth from diverse backgrounds to follow a career path in health care.

#### **Incentivize rural and remote health-care staffing placements.**

Health-care services that are a priority for youth need to be better resourced and supported in rural and remote areas. Course fee or earning incentives for health-care graduates who undertake multiple year placements in rural locations could help ensure that such areas have equal access to quality health-care services. More post-degree training opportunities for rural and remote health-care workers could also assist in bolstering quality and skills for engaging youth.

#### **Develop a health-care and youth course curriculum.**

Greater prioritization and understanding of youth-related health-care issues is needed across the country. A cultural competency and youth health education course and training could be developed to better prepare health-care workers in engaging with diverse youth groups and ensuring that youth are better supported when accessing services. Health-care worker capacities in mental health care could also be improved through introducing mental health and psychosocial support first-aid training as part of primary health-care worker education requirements.

### Prioritize inclusion in health care by developing an anti-discrimination and equality strategy and collecting disaggregated data

All youth, including marginalized and vulnerable groups such as those from ethnic communities living in remote areas, persons with disabilities or mental illness, drug users and sex workers, to name a few, have equal rights to essential services, including health care. Realizing these rights can advance in part through developing an anti-discrimination and equality strategy guaranteeing equal access to health care for all. Further visualizing needs

and concerns by collecting data on youth and adolescent health and development is also important. They should be broken down for different groups, such as by urban and rural locations and by ethnicity. Such data would fill knowledge gaps and could inform evidence-based planning and decision-making.

## 4.5 CONCLUSION

Health refers to the totality of a person's state of mind, and physical and social well-being. It is both a state of being and a reflection of a person's abilities and capabilities to live a meaningful life. Health underpins many other human development dimensions—such as education, participation and employment. The nexus between health and human development is particularly important in adolescence and youth as this is a critical stage for laying foundations for good mental and physical health and learned behaviours that may last a lifetime.

Holistic and multipronged support for health, education, skills training and social protection should occur early to set young lives on a sustainable path towards adulthood. Barriers such as poverty and inequality, underdeveloped life skills, limiting social norms and reluctance on the part of parents and caregivers to address key issues such as mental health and sexuality must be addressed to ensure well-being for all youth. Youth should be able to develop in a nurturing environment that upholds their rights, protects them from violence, bullying or intimidation, and values them and their contributions to society.

For youth in Lao PDR to gain the necessary human capabilities to meet emerging development challenges, explore opportunities to develop

and contribute to the demographic dividend, a renewed focus on youth health-related issues is needed. This depends on refocused and increased investment in mental health care, developing relevant preventative educational tools, and scaling up social work and counselling services to assist youth in better managing shocks and stressors. A comprehensive youth-centred approach to sexual and reproductive health care and services to prevent and respond to violence would help young women and other diverse youth groups to gain greater agency over their bodies and personal development. This combined with improved education on drug and alcohol use and greater road safety will empower youth to make informed decisions when experimenting with new social environments and undertaking potentially risky behaviours.




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A photograph of four young people, three women and one man, dressed in school uniforms, jumping joyfully outdoors. They are smiling and waving their hands. The background shows lush green trees and a building. A large, colorful banner (blue, purple, and red) is overlaid on the bottom half of the image, containing the chapter title in white text.

# CHAPTER #5

## PARTICIPATION AND YOUTH EMPOWERMENT

## CHAPTER #5 PARTICIPATION AND YOUTH EMPOWERMENT

Participation is crucial to social inclusion, economic development and the advancement of all human rights. Embedded in the Universal Declaration of Human Rights, participation is a cornerstone of the 2030 Agenda for Sustainable Development and the SDGs, which call for the involvement of “all countries, all stakeholders and all people” (United Nations, 2015).

Through participation in social, economic and political decision-making, young people steer choices to improve their own lives and prospects for their communities and broader societies. From a human development perspective, youth participation in decision-making is critical to reflecting the lived experiences of young people, including those who are marginalized and vulnerable. The process also helps source innovative, sustainable and effective development solutions and empowers young people to take ownership of their future. It strengthens young people’s capabilities to meet their own needs and deepens understanding of their challenges, and possible solutions to such challenges, which can help mitigate their vulnerabilities to economic, political and social shocks. Sustainable development, social trust and social capital all depend on youth participation.

In many developing countries, including in South-East Asia, the development agenda for many years has been largely government-centralized or donor-driven.

Ownership by communities and alignment with the needs of individual stakeholders have been weak (O-In, 2019). Taking a broader and possibly more impactful approach requires fostering partnerships for development, such as by cultivating local capacities and creating civic space for engagement. All actors should be able to participate, including youth.

In Lao PDR, this is particularly important as nearly 60 percent of the population is below the age 25. Yet no clear mechanisms exist for young people to take leadership roles. Public perceptions of youth reflect those shared across the world, where young people often find themselves on the margins in development decision making (United Nations, 2020a). Local media sometimes portray young people, especially those who are activists for social change, as troublemakers, even though many young people are engaged in activities which are having a positive impact on communities.

Young people are often considered mainly as beneficiaries of programmes and policies. While such initiatives should work for the benefit of youth, they should also be developed and led by youth. The adage that “youth are the leaders of tomorrow” needs to be challenged to establish clearer leadership roles for young people today. Youth comprise a crucial source of innovative social change that could drive human development and a demographic dividend. When they gain empowerment and development opportunities, societies benefit in multiple ways (Maconachie, 2014; Powers and Tiffany, 2006). As the evidence grows on the clear benefits of strengthening the participation of young people in development, the question for those who are ready to

work with young people is no longer ‘why’, but ‘how’ best to engage young people.

#### Box 5.1

Some progress in shifting negative norms around youth participation is evident across Asia and the Pacific offer inspiration for countries looking to support their youth populations lead in development, in particular through youth innovation and entrepreneurship, which is project to increase in the years ahead (Youth Co:Lab, 2021). Young people around the world are increasingly involved in community activism, increasingly around environmental protection and climate change. Others are joining or founding platforms for policy advocacy. Lao PDR has made important commitments to provide opportunities for young people to express their opinions. In fulfilling these policy commitments, by providing meaningful, inclusive and safe opportunities for participation, young people can be better engaged to develop and implement policies that contribute to society as a whole while encouraging youth ownership in decision making now as well as ensuring their continued engagement over the longer term.

This chapter makes a human development case for youth participation and provides an overview of the issue in Lao PDR, detailing fora for participation and the findings of surveys and focus group discussions with young people. It reviews current barriers to participation and elaborates preliminary reflections on how to address the participation gap so that young people can act as drivers for sustainable development.

## 5.1 HUMAN DEVELOPMENT AND PARTICIPATION

For youth participation to be meaningful, young people and youth-led organizations must have agency and opportunities to engage at all levels (Box 5.1). Human development advances both, contributing to and benefiting from young people’s participation. Amartya Sen, who provided the intellectual basis for the human development approach, defines agency as “what a person is free to do and achieve in pursuit of whatever goals or values he or she regards as important” (Sen, 1985). A person with agency is “someone who acts and brings about change, and whose achievements can be judged in terms of her own values and objectives, whether or not we assess them in terms of some external criteria as well” (Sen, 1999).

Because human development is fundamentally about enlarging the choices available to individuals, and by extension, deepening the richness of human life, it is necessary to increase human capabilities, or the freedom to achieve well-being through authentic self-direction. Each person must be able to shape their own future as an individual and as a member of different communities. This ‘freedom’ to enlarge choice and capabilities, according to Sen, has two components. First, a process aspect entails the ability to act on behalf of what matters (agency), such as through institutions, movements and civic engagement. Second, an opportunity aspect is the ability to achieve valued functionings, selected among various capabilities. Thus, “social opportunities to expand the realm of human agency and freedom” are seen as both a means to further



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## BOX 5.1 DEFINING PARTICIPATION, AGENCY, CIVIC ENGAGEMENT AND CIVIC SPACE

There are several working definitions of youth participation and civic space. For instance, the 2011 Joint Statement by Heads of United Nations Entities of the Inter-agency Network on Youth Development underlined commitment to:

**FULL AND EFFECTIVE YOUTH PARTICIPATION** in society and decision-making, in both rural and urban settings, striving to include young people with disabilities, young people living with HIV, indigenous young people, young people from minorities, young migrants, young people who are stateless, internally displaced, young refugees or those affected by humanitarian situations or armed conflict (UNECE, 2011).

The YouthPower platform defines meaningful youth engagement as:

*... an inclusive, intentional, mutually-respectful partnership between youth and adults whereby power is shared, respective contributions are valued, and young people's ideas, perspectives, skills and strengths are integrated into the design and delivery of programs, strategies, policies, funding mechanisms and organizations that affect their lives and their communities, countries and globally. Meaningful youth engagement recognizes and seeks to change the power structures that prevent young people from being considered experts in regard to their own needs and priorities, while also building their leadership capacities... (United Nations, 2020)*

On civic space, a United Nations report by the Secretary-General's Youth Envoy states that it is:

*...the environment that enables people and groups, or – 'civic space actors' – participate meaningfully in the political, economic, social and cultural life of their societies... civil society actors should be able to express themselves freely in full security and, affect change peacefully and effectively (Izsák-Ndiaye, 2021).*

UNICEF defines civic engagement as:

Individual or collective actions in which people participate to improve the well-being of communities or society in general. (UNICEF, 2020)



expand freedom and an end in themselves. From this perspective, human development is fundamentally a “‘people-centered’ approach, which puts human agency (rather than organizations such as markets or governments) at the centre” (Drèze and Sen, 2002).

In everyday terms, this means that while educating a young person builds their skills, this is of little use if they cannot access jobs or lack the right skills for the local labour market. Previous chapters discussed skills development and labour market mismatches. But to take it a step further, young people also need the means to engage with the people, policies and even places that influence their lives, including to shape choices that influence their employment aspirations. Greater participation provides necessary conditions for young people to expand freedom of choice and gain opportunities to live lives they choose and value.

Young people involved in shaping the course of human development in Lao PDR will have an impact on their current lives and the lives they can expect to enjoy moving into adulthood. Participation will create circumstances for them to make more and better contributions to society and sustainable development. The effectiveness of their contributions, however, depends on where and how participation takes place, along with government policies and practices supporting all groups of young people to participate (Box 5.2).

#### Box 5.2

### Forms of participation

Youth participation can take various forms, from formal political channels to more informal civic ones. Formal political participation can include

youth assemblies or parliaments as well as youth participation in school politics. Informal participation very often involves getting involved in schools, libraries and various religious, arts, sports and civic organizations (Saito and Sullivan, 2011). Volunteering in youth-led or community activities remains a popular choice for young people to take part in local development.

Amid a growing trend in online participation, young people are increasingly using social media and other mobile technologies to access and share information (LYU, 2021), comment on social issues and even campaign for change. Data from 11 countries show that between 43 and 64 percent of people aged 9-17 look for news online, while 12 to 27 percent of children discuss societal problems there (UNICEF, 2020). Online participation can foster greater engagement with other young people and decision-makers, offering a much wider reach than many in-person forms of social engagement.

Various types of participation share common elements, such as deepening understanding of the challenges young people face, creating platforms for youth-led solutions and innovation, and building agency and empowerment. They can translate into transformative youth-led social change in any number of arenas (Christensen, Korgman and Parlee, 2010), such as human health and safety (Weinstock et al., 2004); human rights and democracy (Jahromi, Crocetti and Buchanan, 2012); equity, empowerment and social justice (Wilson, 2000); education (Connell, Spencer and Aber, 2004); science, business, technology and development (Ho et al., 2009); and culture and religion (Ary, Duncan and Hops, 1999).

The following sections demonstrate





## **BOX 5.2 THE INTERNATIONAL CONSENSUS ON YOUTH PARTICIPATION AND ENGAGEMENT**

Youth participation has a variety of meanings. For some, the focus is on ensuring that young people participate in high-quality programmes. For others, it is about helping young people to find activities they are passionate about. For still others, youth participation means valuing youth voices and inputs on issues that affect them.

The Convention on the Rights of the Child, signed by representatives of 196 countries, including Lao PDR, underlines that young people have the right to have their voices heard. The rights to non-discrimination (Article 1) and freedom of expression (Article 13) create a duty for governments to establish an environment enabling young people to influence decisions and policies.

The 2030 Agenda, adopted by United Nations Member States in 2015, recognizes that “children and young women and men are critical agents of change and will find in the new Goals a platform to channel their infinite capacities for activism into the creation of a better world.” That same year, the United Nations Security Council unanimously adopted the landmark resolution 2250 on youth, peace and security. It affirms that “young people

play an important and positive role in the maintenance and promotion of international peace and security,” and urges all Member States to give youth a greater voice in decision-making at all levels of peace and social cohesion processes.

The United Nations has long recognized that young people are a major human resource for development and key agents for social change, economic growth and technological innovation. In 1995, on the tenth anniversary of the International Youth Year, the United Nations adopted the World Programme of Action for Youth as an international strategy to increase opportunities for youth participation. In 2018, Youth 2030, the United Nations' system-wide youth strategy became an umbrella framework to strengthen work with and for young people. The strategy aims to expand global, regional and country-level action to address the needs, build the agency and advance the rights of young people in all their diversity, and ensure their engagement and participation in the implementation, review and follow-up of the 2030 Agenda as well as national frameworks.

In 2021, the UN Special Envoy on Youth issued a global report entitled, “If I Disappear.” The report encourages Member States to consider establishing dedicated, inclusive and independent youth structures, mechanisms or institutions mandated to secure an environment conducive to youth activism, receive reports of threats, protect young people and take measures to hold violators accountable. The report calls for governments to specifically focus on youth and consider appointing youth focal points in all major departments.



## **BOX 5.3** YOUTH WANT TO CONTRIBUTE TO A MORE INCLUSIVE SOCIETY

In 2021, 20 focus group discussions with 100 young people from diverse backgrounds in Lao PDR sought to better understand their perspectives on participation. The discussion made it clear that many young people are already positively contributing time and labour to society through volunteering for various causes. Examples include environmental protection projects (Zero Waste Laos and rural environment initiatives), intersectional activism (LGBTQ Equality, the Hand of Hope Center for the Deaf), relief operations (Rescue Volunteers), health projects (Ta Kieng Lao Association), heritage preservation, and regional dialogues and forums (the ASEAN Children's Forum and the Young South East Asian Leaders Initiative). Young people described a range of online activities through platforms such as HUBBO, a youth community that promotes volunteerism, as well as HubRsar and Tonka.

The discussions underlined a clear appetite among young people to be part of bettering society and to explore their own voices within different institutions and interests. Many stressed they need more opportunities for engagement and hoped that policymakers would act on their inputs.

Source: ASEAN Youth Index, 2017



that the seeds of positive youth-led action are already germinating in Lao PDR (Box 5.3). If these can take root in human development, they offer enormous promise to grow into a powerful demographic dividend.

Box 5.3

## 5.2 TRENDS IN PARTICIPATION AND YOUTH EMPOWERMENT

Despite evidence of some degree of youth participation, Lao PDR has little available data to establish clear trends in participation rates and quality. The Adolescent and Youth Situation Analysis for Lao PDR highlighted how the concept of youth participation may be confusing since it is primarily understood as contributing to community tasks and responsibilities (LYU, 2014). This finding is consistent with surveys and discussions carried out for this report.

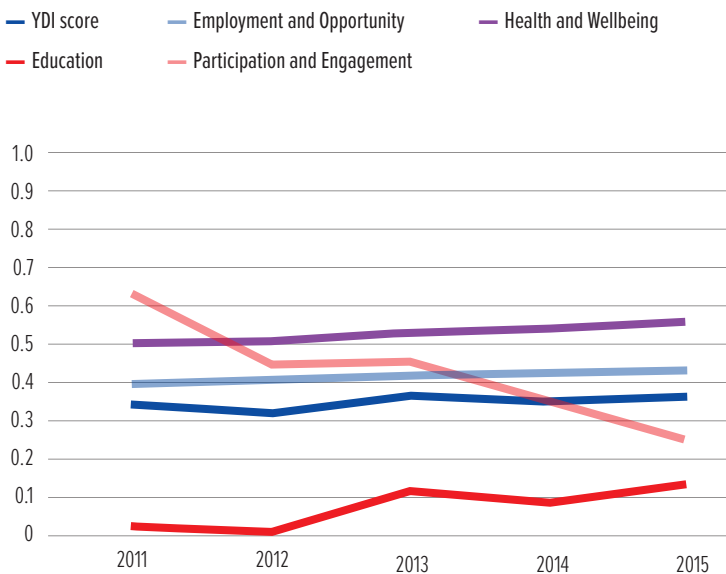
Globally, data indicate that young people are less committed to conventional political participation (Barrett, 2017) and ‘dutiful’ citizenship than past generations. Many feel increasingly disenfranchised from decision-making (Henn and Weinstein, 2006). In Lao PDR, youth as a group are not adequately represented in formal political structures despite having the right to vote and run for political office. The proportion of youth members of the National Assembly, generously defined as being under the age of 45, is just 12.2 percent or 20 out of 164 total members (National Assembly of Lao PDR, 2022)<sup>2</sup>. The youngest parliamentarian at the Provincial Level is 33 years of age. The small share of youth parliament echoes broader global trends of low youth representation in parliaments. Despite marginal improvements in recent years, with 50 per cent of the world’s population under 30 only 2.6 percent of parliamentarians globally are under 30 (IPU, 2021). In Lao PDR, the situation points to an absence of effective policies and interventions that encourage young people to become more politically active and stand for election.

Low rates of parliamentary involvement and political participation in recent years indicate a move away from engagement in institutionalized structures. The first ASEAN Youth Development Index in 2017 showed a declining trend in participation in Lao PDR—the only area where this was the case. Education, health and well-being, and employment and opportunity all showed gradual improvements over the five-year window for the index (Figure 5.1).

The participation pillar of the Youth Development Index comprises two indicators: the percentage of youth who have volunteered time to an organization and the percentage

<sup>2</sup> See the IPU database at <https://www.ipu.org/parliament/LA>; <https://na.gov.la/>

**Figure 5.1: Lao PDR has risen on the Youth Development Index, except in participation**



who have helped a stranger or someone they did not know, both over the past month. These indicators do not paint a full picture of youth participation, however, which also includes engagement in other realms of life, such as families, work-related decisions, community activities and civic participation. The index does point to a declining trend in young people volunteering. Since volunteering is typically a popular choice for youth to participate in local development, a drop-off could point to wider disengagement.

Despite these findings, a 2016 survey showed that almost all youth reported that they wanted to know more about and participate in political, social and community activities (GIZ, 2016). This may indicate that they have the interest and agency needed to participate in decision-making but lack opportunities to meaningfully do so. It presents the Government with an important but urgent opportunity to capitalize on the willingness of young people to participate, before apathy sets in. Progress will hinge on providing them with knowledge and concrete means to participate. While traditionally the Lao People's Revolutionary Youth Union has mobilized young people to contribute to national development, young people continue to look for alternative ways to mobilize and volunteer, including by trying to establish new volunteer groups, such as Zero Waste Laos (see below). This interest in new ways of mobilizing could stem from a lack of effective two-way opportunities for young people to engage through more established youth organizations, including also the growth of participation using social media and other online platforms.

## 5.3 ENABLING LAWS AND POLICIES

### Participation-related legislations, policies and bodies

Several laws in Lao PDR protect young people's rights to participate. For example, Law No. 05 on the Protection of the Rights and Interests of Children (2006) puts the responsibility on the State, society and family to "create conditions for children to participate in various activities and to express their view in all matters affecting them" (Article 7). Article 6 further protects children from discrimination based on "gender, race, ethnicity, language, beliefs, religion, physical state and socio-economic status of their family," thus guaranteeing the right of children from marginalized and vulnerable groups to participate in certain processes.

Political participation is mandated by Election Law No. 105 (2020) with its provisions for young people to vote starting at age 18 and to stand as political candidates from age 21 (Article 6). In terms of policy objectives for strengthening youth participation, the five-year National Socio-Economic Development Plan (2021-2025) establishes two priority areas for all line ministries: national socioeconomic development and decision-making, and the protection of the legitimate rights and interests of youth and adolescents.

Lao PDR does not have a youth ministry. The Lao Youth Union operates in ways similar to youth ministries in other countries, with subnational structures, funding from both from the Government and international organizations and involvement in certain political processes. As enshrined in Law

No. 234 on the Lao Youth Union (2020), its objectives are to mobilize youth solidarity in implementing the goals of the Government, and to contribute to the construction and expansion of the people’s democratic regime, aiming to create peace, independence, democracy, unity and prosperity. Membership in the union is a form of political participation and in some cases provides opportunities for direct participation in community development through volunteering. It is also a means for career development within the Lao People’s Revolutionary Party.

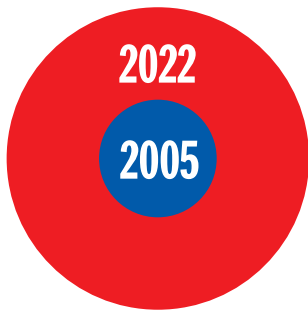
As a mass organization, the Lao Youth Union had approximately 273,000 youth members as of 2005, with membership expanding to 702,000 in 2022 (LYU et al., 2005, 2022). It is involved in various activities to raise awareness on social and health issues, including drug use, road safety, communicable diseases and migration. Traditionally, it focuses more on mobilizing youth to implement national development goals than on providing opportunities for young people to shape policies.

In terms of civil society activity, all such groups register as non-profit associations in Lao PDR. Decree No. 238 on Associations (2017) regulates the types that can be established. Article 4 states that “only the Government’s Agencies have the right to approve the establishment of Associations,” including youth-focused and youth-led organizations and networks. The Government further has the power to control the interactions of such groups with international organizations as well as their resource mobilization and acceptance of donations and assets from individuals, and domestic and foreign entities. CIVICUS, an international civil society monitor, rates the space for civil society in Lao PDR as very limited (CIVICUS, 2022).

Currently, only five registered non-profits directly focus on youth issues, along with two networks, the Lao Youth Network and the Child Rights Learning Group.

In 2020, the Prime Minister endorsed the first Lao Adolescent and Youth Development Strategy (2021-2030). This was a milestone for youth development policy, and the strategy made direct references to many vulnerable groups of youth, including LGBTQI+ youth (LYU, 2021). The strategy confirms that those with responsibility for youth participation continue to view youth as passive recipients of direction from decision-makers and not as key actors in development. It outlines the predominant role of the Lao Youth Union while highlighting its limited focus on providing meaningful opportunities for youth to contribute to and shape decision-making. Importantly, the strategy provides strategic directions for fostering greater youth participation and civic engagement by countering the predominant mindset and creating a ‘two-way street’ for youth to be heard and to influence development (see Box 5.4). Specific aims of the Strategy include creating an environment that promotes the participation of adolescents and youth at all levels in development processes and creating opportunities and spaces for youth to freely express their ideas and make links to organizations representing and addressing adolescents and youth concerns. Taken together, these aims demonstrate a clear policy commitment toward strengthening participation of young people in development, not simply be guided by adult decision makers, but as key actors in development.

In a wider regional context, the youth population in ASEAN members is projected to peak at over 220 million by 2038. ASEAN therefore seeks



**THE LAO YOUTH UNION  
HAD APPROXIMATELY  
273,000 YOUTH  
MEMBERS AS OF 2005,  
WITH MEMBERSHIP  
EXPANDING TO 702,000  
IN 2022.**



## **BOX 5.4 CIVIC ENGAGEMENT AND PARTICIPATION IN THE LAO YOUTH AND ADOLESCENT DEVELOPMENT STRATEGY**

For the first time in its history, the Lao Youth Union, in partnership with UNFPA, drafted and endorsed a Youth and Adolescent Development Strategy in 2021. It is based on the Law on the Lao Revolutionary Youth Organization, amendment version 2019, with five areas of focus, including civic engagement and participation. The strategy underlines that:

*Investing in youth must ensure that their needs, aspirations and concerns are taken into account through the strategy's formulation, implementation, monitoring and evaluation. To achieve this, concerned parties must foster their full and equal participation in all spheres of society. The full participation of adolescents and youth will ensure that the needs and interests of marginalized groups such as those who are exploited, abandoned, abused or discriminated against are taken into account.*

**The strategy acknowledges that:**

*Data collection, particularly disaggregated data, is needed to inform planning, as well as engaging adolescents and young people as agents of change participating in the discussions and decision-making that impacts their lives.*

Broadly, strategic directions for fostering greater participation and civic engagement include, among others, creating an enabling environment for promoting the participation of adolescents and youth at all levels (central to community levels) in matters that affect their lives; promoting the participation of adolescents and youth in national and international forums and youth exchange programmes; creating opportunities and spaces for youth to freely express their ideas, ensuring freedom of expression and linking these expressions to organizations representing and addressing adolescent and youth concerns, rights and benefits; supporting youth-led organizations and initiatives to enhance their contribution to development in the country; and strengthening networks and partnerships among governments, youth-led organizations, academic institutions, civil society and non-government organizations, private sector firms, the media and the United Nations system to enhance commitment and support for holistic youth development.

to foster innovative thinking among youth and harness their solutions for national and regional development. Besides issuing the ASEAN Youth Development Index, member States cooperate on youth through the Ministerial Meeting on Youth. The Government of Lao PDR hosted the Eleventh Ministerial Meeting on Youth in Vientiane 2019 and is currently chairing the ASEAN Senior Officials Meeting on Youth, which is developing a five-year workplan on youth (2021-2025). One of the five goals of the previous plan was to “strengthen youth involvement and participation in building an ASEAN Community through volunteerism opportunities and leadership programmes.”

#### Box 5.4

Overall, despite the legislative, policy and institutional basis for strengthened youth participation, much of the current focus remains limited to campaigns or narrow opportunities for local volunteerism. There is a lack of a clear national action plan, including concrete measures to practically support youth away from young people as passive subjects of development and toward being key actors in development. A human development approach to participation backed by concrete actions, mechanisms and opportunities for participation would support young people as leaders in development who can decide for themselves what futures they want.

**3 Zero Waste Laos** More than 15 international organizations, including bilateral development agencies (such as Norwegian People Aid and the European Union in Laos), civil society (Plan International) and international development actors (including UNFPA and UNV) have supported the group.

## 5.4 VOICES FROM YOUTH

### Youth volunteerism

The clearest examples of youth participation in Lao PDR are found

in volunteerism, a key arena for nurturing future leadership skills. Young people are involved online and in organizations that contribute to a more sustainable and inclusive future, particularly around environmental activism. Some young people—including those living with disabilities and LGBTQI+ youth—have organized to raise awareness and change perceptions about their communities and intersectional identities. Non-profit associations such as the HaumJai Asasamak Association, a group dedicated to fostering volunteering among young people, demonstrate how much adolescents and youth contribute to society.

Youth environmental activism has been especially vibrant. One example is Zero Waste Laos, a youth movement initiated on a Facebook page in 2019 by Souksaveuy Keotiamchanh.<sup>3</sup> The organization raises awareness of environmental and climate issues and has mobilized hundreds of volunteers to minimize the use of plastics, stop the burning of trash and reduce solid waste. These activities build team member capacities to become sustainability leaders. With 20 core members and over 100 volunteers, Zero Waste Laos has also organized large meetings such as the Youth 4 Climate Change Conference in 2021. It brought together over 200 volunteers, along with representatives from the Government, diplomatic corps, civil society and international community, to discuss ways to confront climate change and engage young people in solving pressing environmental problems. Zero Waste Laos has also actively contributed to initiatives such as the “Me, My Body, My Planet, My Future” project with UNFPA and UN Volunteers (UNV); the Clean Up Mekong River and Green, Clean and Beautiful Vientiane volunteer actions; and the Youths for SDGs Laos Conference, among others.



## **MALAISSONE VANNALATH**

**25 YEARS OLD, VOLUNTEER AT HUBBO AND GLOBAL SHAPERS VIENTIANE HUB**

I believe the time has come for everyone in Lao society to take action seriously and sincerely on environmental issues, as well as to have policies that are result-oriented and strong to this issue, including the creation of a platform that includes the participation of all groups of people in society, so that in the future, Lao PDR will continue to have a diverse and rich biodiversity for the next generation to study, learn and experience for themselves, not just learning through photos, books or on the Internet.

Volunteer work is an important and necessary work for the development of young people and will help encourage them to understand the roots of social problems more. I want to encourage young people to have a space to develop their abilities including their skills through volunteer work because I believe that this work will become an important key for young people to discover their identity and also learn how to do real and meaningful work in society.



It develops projects with farmers on adapting to climate change and reducing agricultural waste and collaborates with research organizations to generate more data on waste issues.

Elsewhere, youth have participated in organizations such as Proud to Be Us Laos (PTBUL), founded in 2021 as one of the first and only LGBTQI+ rights organizations in the country. Like Zero Waste Laos, the organization seeks to raise the awareness, social acceptance and visibility of issues important to the LGBTQI+ community. It has engaged young people, along with international actors, to collect and generate information on LGBTQI+ youth in Vientiane, including to encourage understanding and acceptance in schools.

The group assisted the International Republican Institute (IRI) to research and identify obstacles that marginalized youth, including LGBTQI+ young people, face to civic engagement, demonstrating a pattern of stigmatization. One research respondent stated: “When it comes to a big celebration or gathering led by a civically engaged member of the LGBTQI+ community, people are likely to think it is a way to convert or persuade young people to become LGBTQI+” (Ertelt and Hussey, 2020). The research also found that being gender queer may impede opportunities to gain leadership positions and in turn strengthen their participation in decision making. PTBUL has been piloting an LGBTQI+ Peer Education Network in Vientiane that pairs LGBTQI+ rights activists with LGBTQI+ youth who have not yet become civically engaged. The goal is to strengthen the capacities of young leaders to participate in development by breaking down barriers to inclusivity and increase opportunities to express their views and opinions.

Young people have actively volunteered in community radio and broadcasting, an important source of information especially in rural areas and a channel for a diverse audience to engage in public discussion. Community radio is often an effective means to promote awareness, such as on measures to contain COVID-19 and gender equality issues, among others.

Lao Youth Radio is one of the most significant broadcasters of youth voices. Most of its 30 announcers are under age 35; half are women. The station was set up in 2015 in collaboration with the Lao Youth Union. Young people take active roles in all parts of creating and producing broadcasts. The station’s large online presence has grown since the pandemic, with more people following its Facebook page. The station collaborates with non-profit associations, academics and researchers to generate better data and provide useful information and statistics to its audience. It plans to start a training centre to provide young people and members of local communities with the skills to navigate social media (Sitthirath, 2021).

A nascent but up-and-coming area of volunteerism involves youth-led social enterprises. These combine the business and non-profit worlds, and often leverage digital connectivity and online platforms for sharing ideas and building partnerships. Examples include the Hubbo online platform, Global Shapers Vientiane Hub and STELLA. Hubbo promotes civic engagement by connecting young people to volunteering opportunities, aimed at helping youth build productive soft skills while fostering greater youth participation. Global Shapers Vientiane Hub involves a group of young people “who work towards shaping the future of their

community and country by offering youth-led solutions” (Laos Australia Institute, 2021).

Khouanfa Siriphone and Souphaphone Dangmany, two young entrepreneurs interested in youth development and volunteering, founded STELLA. It gives young people opportunities to develop their potential and create social impact through volunteering initiatives and has collaborated with approximately 40 organizations across a diverse range of industries to design programmes for young people. For example, STELLA administers a small grants project called Kup Ban Kun—or ‘let’s go back home’—in collaboration with Helvetas. This provides LAK 10 million to volunteer projects that directly support rural communities to improve food security and agricultural productivity, and adopt organic farming practices, among others. The initiative helps youth in Vientiane and rural areas to volunteer together with the aim of building leadership skills and gaining hands-on experiences, soft skills in community development and ultimately become changemakers of the future (Laos Australia Institute, 2021).

### Youth perspectives on participation and engagement

Young people offer a variety of perspectives on participation, as shown in online and in-person surveys and focus group discussions conducted for this report. In general, these revealed mixed awareness of the laws, policies and initiatives outlined above. The online survey found that 45.1 percent of young people knew about policies such as the Youth and Adolescent Development Strategy (Figure 5.2), while the in-person survey revealed only 24 percent had heard of these. In the focus group discussions, few participants claimed to know about

domestic laws and policies governing youth development; some shared that access to such information is limited.

One critical online survey question on participation centred around the extent to which young people felt they had a say or voice in decisions impacting their lives: 80.5 percent of respondents stated they either ‘somewhat’ (49.1 percent) or ‘absolutely’ (31.4 percent) did (Figure 5.3). In the in-person survey, 76 percent of respondents answered similarly. These results strongly indicate that young people perceive they have agency in decisions. Some divergence existed between responses from urban and rural youth, with 11.8 percent of urban youth stating they did not have much say in decisions compared to 21 percent of rural youth. There was no clear divergence based on gender.

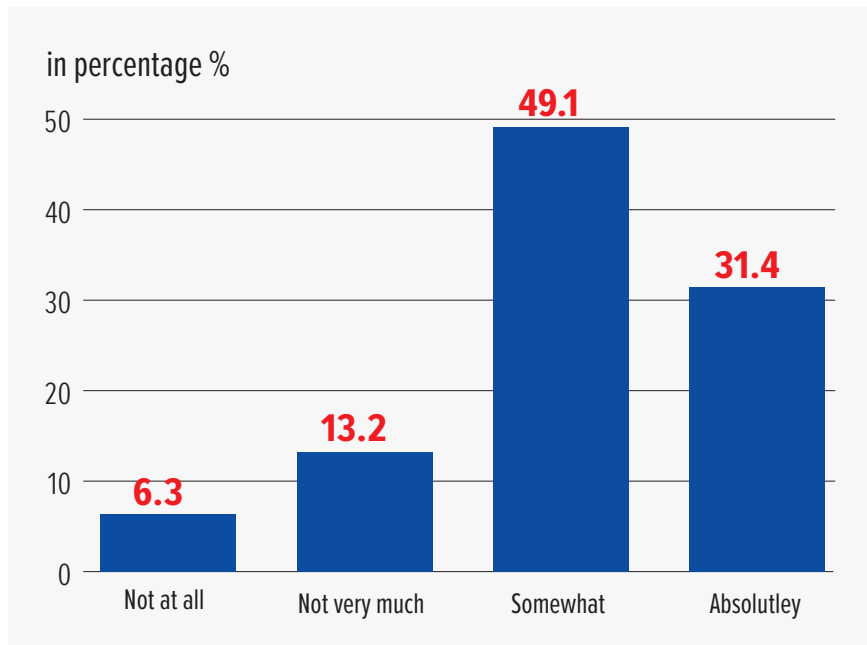
Although the overall results point to robust perceptions of agency, the focus group discussions revealed that many young people struggle to grasp the full breadth of the concept of participation. Some conflated the term with volunteering for a social cause, including heritage preservation, environmental protection and disaster rescue, or with attending seminars, local and regional dialogues and workshops, or entering art competitions and job fairs. Other young people highlighted the value of having a space to exchange ideas and foster diversity. Very few spoke of being a decision-maker, partner or leader in designing projects or policies. This finding confirmed the 2014 Adolescent and Youth Situational Analysis, which uncovered no evidence of young people participating in any decision-making (LYU and UNPFA, 2014).

Figure 5.2 + Figure 5.3

On forms of participation, 85.7

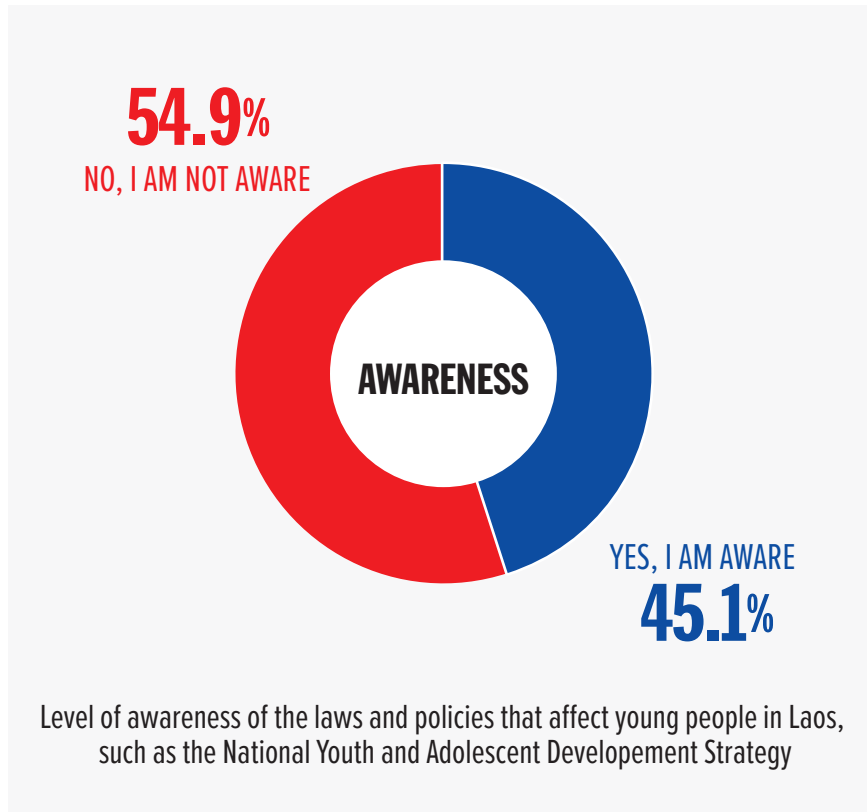
**Figure 5.3: A near majority of youth feel they have a limited say in decisions**

Source: UNDP, Online Survey for NHDR of Lao PDR 2022



**Figure 5.2: Youth show mixed awareness of the laws and policies that affect them**

Source: UNDP, Online Survey for NHDR of Lao PDR 2022



percent of youth surveyed said that volunteering is important. Only 6.9 percent indicated they engage in volunteer activities, however; 76.3 percent reported not being part of any community group or association. These results are consistent with findings by the ASEAN Youth Development Index, which capture a steep decline in youth volunteering in Lao PDR over a four-year period up to 2015. When asked what type of volunteerism young people engage in, respondents said the most common activity involved collecting garbage. Among those who had served as volunteers, 63.4 percent described being involved in this activity.

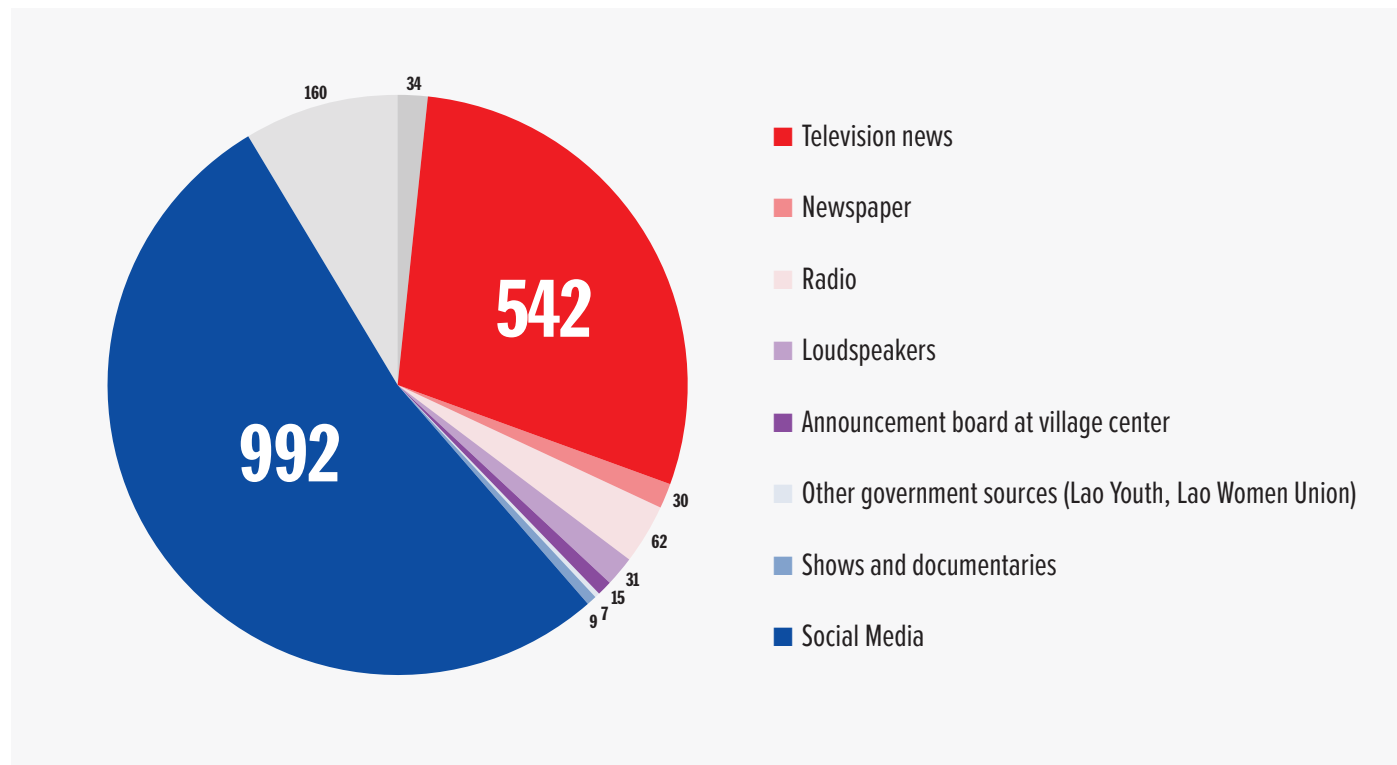
The in-person survey showed that a significant share of youth gets information from television (28.8 percent) but the largest proportion by far (52.7 percent), across the country, receives news from social media platforms such as Facebook, YouTube, Instagram, WhatsApp, Line and WeChat (Figure 5.4). When broken down by location, this proportion shifted slightly, with rural and urban youth at 45.3 and 62.7 percent, respectively, getting news from social media. This compares to only 30.1 percent of youth in remote areas. They were more likely to obtain news on television, at 60 percent, compared to only 19.2 and 46.4 percent of urban and rural youth, respectively.

Figure 5.4

The second Lao Social Indicator Survey in 2017 reported that only 10 percent of youth have used the Internet. Although overall Internet penetration was approximately 34 percent by 2020, limited data obscure usage disaggregated by age or location (World Bank, 2022). Despite the lack of data, emerging use of social media by young people

**Figure 5.4: Sources of news for young people across six provinces in Lao PDR from In-person Youth Perception Survey (UNDP, 2021)**

Source: UNDP, Online Survey for NHDR of Lao PDR 2022



clearly makes these platforms powerful sites of both contestation and information exchange for civil society groups and youth movements as well as a potential locus of disinformation and misinformation. Most youth with Internet access across focus group discussions were aware of such dangers and confirmed the need to “follow the news consciously” and avoid ‘fake’ news.

In the focus group discussions, young people shared their experiences with limited space to express their views and opinions. Many felt ready and willing to participate in development processes, and in principle felt they had the agency to shape their future but lacked opportunities to turn agency into action. Some participants disputed the notion held by many adults that youth have less capacity to bring about changes due to their lack of experience. Young participants were concerned that even when

they were asked to participate, their opinions were only solicited to ‘tick a box’ without any effect on the course of action.

Focus group participants agreed that the current system denies youth their voices, and that space is needed for youth “to comment on big decisions,” as one participant put it. In addition to the absence of a formal mechanism for their involvement, some young people were concerned that restrictions on expression make young people reluctant to share their opinions, since they fear being misunderstood or even punished. Only a few participants who were class presidents at international schools or who had family connections at the local level indicated that they felt heard. Other participants said they only voice opinions to their close friends and family members.

Young people from minority communities and marginalized groups, such as those with disabilities and members of the LGBTQI+ community, stated that they had little voice in decision-making. They felt that certain organizations, however, such as businesses and civil society groups, were beginning to provide more of a platform for them to express themselves compared to only a few years ago.

During a discussion with young persons with disabilities, participants indicated that negative attitudes and stereotypes affect their scope of participation in civic space. They described how youth with disabilities are not offered opportunities to volunteer or do any kind of social work as they are seen as uneducated and lacking in capacity. Many organizations feel that such young persons will impose a burden on limited resources and so do not seek their membership. When persons with disabilities are involved, they tend to be undervalued. At a higher level, young persons with disabilities rarely engage with decision-makers, outside some young persons with physical disabilities who have participated in a few limited engagements with local authorities. This is again due to negative perceptions about capacity and lack of education. Since young persons with disabilities tend to be unaware of laws and policies pertaining to disability, they do not play a role in advocating for implementation, improvement or reform. Participants also suggested, however, that youth with physical disabilities are becoming more aware through campaigns and information provided by the Government and organizations of people with disabilities.

Young Lao people are clearly interested, willing and ready to participate in development. They

want to volunteer and help achieve national and international development goals. But it is not clear that they understand the concept of participation in the human development context, which places young people at the centre of development and invites them to shape and decide the direction of the country. Further, the country lacks mechanisms to facilitate the meaningful participation of young people and enhance their human development. Traditional unilateral approaches dominate policy and practices. Even volunteerism, long lauded as the backbone of youth participation and engagement, is far from secure as a route to participation given that more and more young people have moved their attention and time online. Youth may be willing to participate more but without meaningful opportunities to do so and to drive human development, their enthusiasm may wane.

## **5.5 CHALLENGES**

Youth participation faces several challenges that need to be understood and addressed. As highlighted above, in more traditional forms of participation, namely in political spheres such as the National and Provincial People's Assemblies, young people and their needs are not adequately represented. Without electing younger members to the assemblies and/or members working specifically to understand and advance solutions to the issues young people face, youth will continue to confront obstacles to participation in high-level national development decision-making. The assemblies remain critical fora for young people to channel agency into action and gain meaningful opportunities to shape decisions and policies.

Another critical platform for participating in decision-making is government ministries and agencies. But these maintain a culture that does not often

seek the views of young people in decision-making or value their perspectives in development processes. The focus group discussions uncovered how, particularly at the subnational level outside urban areas, young people perceive local authorities as intimidating. In urban areas, young people have more chances to engage with local authorities as well as access to online information and services to further develop and share opinions on local government processes.

As highlighted in the Lao Youth and Adolescent Development Strategy, the attitudes of those responsible for youth participation have significant scope for improvement. But a broader understanding of who is responsible for youth participation must also emerge among decision-makers. Adults in such positions generally lack awareness and capacity to equip young people with the necessary tools, support and encouragement. Capacity development efforts for social workers, health-care professionals, teachers, youth employers and caregivers could help them play pivotal roles in motivating young people to express their views and be more confident and active in their communities. Related issues are the lack of quality education on youth participation and civic engagement, and a government culture that does not value young people's participation in development processes.

Young people also face barriers given relatively low levels of representation in civil society. Youth-led and youth-focused organizations are rarely found in decision-making processes, which limits understanding and action on the challenges young people face, including diverse groups of youth. Legal registration for non-profits is burdensome, requiring a

series of separate approvals over a period from 165 days to two years. In contrast, the time for registering a private company has fallen from six months to one month. Moreover, non-profits must renew their registration annually.

Other obstacles are in the Penal Code (2017), where broadly formulated offences of “propaganda against Lao PDR” (article 65) and of “gatherings aimed at causing social disorder” (article 72) are potentially difficult for young people to navigate should they mobilize around important topics such as community development or environmental protection and climate change. Pursuant to Decree No. 327 on Internet-Based Information (2014), criminalization of online criticism of the Government and the Lao People's Revolutionary Party or of circulating false or misleading information online can stop youth from taking part in online dialogues, discussions or advocacy. Additional restrictions reportedly aim at ensuring strict adherence to and promotion of government policy. Amendments made in 2016 to the Media Act of 2008 and by the Decree on Management of Foreign Media (2015) require submitting materials for governmental approval before publication, among other provisions.

Opportunities for experiencing and understanding the responsibilities and opportunities of civic engagement may be particularly unequal among youth of different backgrounds, cultures or ethnicities, races and socioeconomic status (Freeman, 2009). Groups facing acute gaps include young women, particularly from more rural areas; youth with disabilities; ethnic youth; LGBTQI+ youth and young migrants. Disparities underline how a culture of participation is necessary but must be matched with a commitment to inclusion so vulnerable groups can



## CHINU LERHANG

**18-YEAR-OLD, STUDENT FROM HUAPHANH PROVINCE,  
HMONG ETHNIC**

Being able to participate and having the opportunity to contribute are great ways to learn and share. But too often the opportunity to participate is scarce while it should be open and accessible. I feel there is still discrimination towards women, youth and persons with disabilities, and this is one of the reasons that hinders learning and development of youth people in our society.

I would like to have more opportunities for youth to prove their ability to contribute and participate in the society and to see less discrimination against youth.

access information and feel welcomed to engage with the Government. Many groups lack agency due to barriers in accessing information as well as prejudice and stigma from society as a whole and decision-makers themselves. Reaching marginalized and vulnerable youth presents a significant challenge in every society, including in Lao PDR, as they are often disconnected from and distrust the system in which they live, and so require targeted support to foster participation.

Finally, and critically, the lack of a dedicated mechanism or relevant institution for young people from different groups to express their views also stands in the way of their participation. While countries have devised platforms to promote innovation and collect new ideas from young people, such as the Social Innovation Platform in Thailand, and inform policy related to youth, such as the National Youth Parliament in the Philippines, (Box 5.5), Lao PDR does not yet have any similar mechanisms. Platforms for generating knowledge and fostering dialogue are not only beneficial for young people but for society at large, leading to more accurate and responsive policies for all. Relevant laws, policies and the recently adopted youth strategy are silent on practical measures to advance young people's participation, however. Their ambitions will unfortunately remain on paper without dedicated means to encourage young people to share their opinions and plug their ideas and opinions into real development and decision-making processes.

## 5.6 RECOMMENDATIONS

Currently, young people in Lao PDR have few opportunities to shape and lead decisions that affect their lives and accelerate positive social change and human development. This is true across many contexts, including homes, schools, local communities, workplaces, businesses and in the political arena. Given the potential of the demographic dividend, closing the gaps at different levels is urgent and requires several critical steps.

### Transform the narrative on the role of youth participation

Building knowledge and changing perceptions about youth participation is a crucial starting point. Instead of being viewed as a threat or source of 'trouble-making', young people should be seen as invaluable sources of insights and new ideas. While the views of older members of the community traditionally tend to be more valued than those of younger members, the latter should be encouraged to express their voices and contribute to important discussions. Such a shift in perspective might persuade more government departments to engage young people in policymaking, to gain a deeper understanding of the challenges young people face, and source new innovative ideas for policies which are currently not coming through. Through participating in such processes young people will become empowered and build in confidence to continue contributing to such discussions in future, and each time they do bringing more experience and more valuable insights to strengthen policy.

Some specific activities to change such perspectives include conducting



research on the positive impacts of increased youth participation and civic engagement on sustainable development in Lao PDR, including by drawing on current good practices by youth groups, such as the leading organizations mentioned above. In addition, the individual achievements of many young people should be celebrated nationally through awards, capturing inspirational stories of young people, and recognition of young people's achievements by senior government leaders. The Lao Youth Union play an integral role in this regard, in particular in promoting the success of young people through online campaigns, events and their engagements with government ministries.

To ensure young people continue to take the lead in changing the narrative around their role in development, there should be targeted programmes for building the capacities of young people to engage in effective dialogue and partnerships with government. This could be initiated first by bringing different groups of young people together to identify common challenges and possible solutions to fulfilling their role as leaders in development. Young people should be supported to go further and collect data on the situation of young people in the country, and turn such research into clear plans for the future in strengthening young people's participation in decision making. For example, Viet Nam commissioned a youth survey on the SDGs to encourage young people's participation in implementing the goals, which was led by a youth community development organization (UNDP, 2018). Mainstreaming participation and civic education in schools is also critical, as is educating teachers, social workers and others who influence young people and can promote civic activities. In this

regard, awareness raising among government representatives should also be carried out, with the aim of highlighting the important role of young people in policy development, implementation and monitoring, and good practice for how decision makers can engage and work with young people, including how to communicate and consult with young people using approaches more suitable to them.

Lao PDR's Youth and Adolescent Development Strategy provides policy-level recognition of the importance of youth participation but perception of young people as leaders, the culture of ensuring their participation lag behind this policy commitment. More concrete actions are needed to encourage youth to come forward and play their roles as leaders in development, but also in challenging mindsets into the potential of young people as change makers, instead of trouble makers, in particular among key government representatives who hold the key to unlocking young people's participation in decision making.

### **Establish dedicated formal mechanisms for youth civic engagement in government departments, policies and programmes**

#### **Box 5.5**

Establishing more dedicated, youth appropriate, and inclusive platforms for young people to contribute to development at the local and national levels would go a significant way towards ensuring youth are treated as partners in development and not just beneficiaries. Such a mechanism would require initial investments of time and funding but in the longer term would yield significant returns both in terms of shaping and strengthening policy, including through attracting new



## **BOX 5.5** THE NATIONAL YOUTH PARLIAMENT OF THE PHILIPPINES

The National Youth Parliament (NYP) is a three day convention of youth leaders every two years wherein policy recommendations are formulated to address youth issues, which is now in its 13th session. These recommendations may also serve as the government's guide in policy formulation and program development. The NYP has been held 13 times and aims to shape policy recommendations to address issues facing the youth sector, validate national and local youth issues, and create a pool of youth advocates in the Philippines. Delegates must be aged 15-30, have never before participated in the NYP, and are expected as youth advocates after the Parliament to actively participate in youth programs, projects, and activities, raise awareness of fellow youth on issues affecting them, work to make a difference in their localities and coordinate with NYC regarding initiatives, feedback on youth concerns in your area. The NYP is divided up into clusters to allow delegates to focus in on particular thematic issues of interest to young people

Source:: National Youth Commission. 2022

ideas from young people, but also in empowering youth by providing them a platform to exchange with government and other development leaders. Similar steps in other South-East Asian countries have demonstrated effectiveness of this approach (Box 5.5). The success of the platform would depend on ensuring the inclusion of young people from the most disadvantaged groups, that is, those from rural areas, ethnic youth, young women, LGBTQI+ youth, youth migrants and young persons with disabilities. The platform should learn from other similar such mechanisms that create an conducive to youth engagement, taking into consideration the unsuitability of overly formal settings, or in using highly technical or formal language, thus ensuring young people feel comfortable to express themselves openly and honestly.

One measure might be to use the existing infrastructure provided by the youth union as youth focal points in all ministries to proactively engage young people in the work of government, ensuring again wide participation of young people beyond membership of the Lao Youth Union, and marginalized and vulnerable youth. The establishment of a permanent youth advisory committee made up of only young people should be created that could, initially, be charged with advising on SDG and NSEDP implementation from the perspective of young people. This committee could be set up in partnership with the National Assembly, and could both learn from and contribute to the work of the existing committees under the National Assembly with responsibility for monitoring implementation of the national development targets. A dedicated mechanism would embody, in practical terms, the commitment to strengthening youth participation outlined in the Youth and Adolescent

Development Strategy. Such a step will be critical for young people to feel they can freely act on this policy commitment and fulfil the role set out for the under the Strategy.

### **Promote youth-led and youth-focused organizations**

Given the urgency of the demographic dividend, rapid mobilization of young people and the cultivation of capacities in organizations that represent young people are imperative. The current registration system for non-profits should be reformed with a particular focus on making it more accessible to youth-led and youth-focused groups. Funding for grass-roots, community-focused, youth-led groups will be critical in developing the capacities of future leaders, especially from underrepresented groups. Given that young people tend to lack the time, capacity and resources to operate an organization, fulfilling all the requirements for registration, financial management and reporting, there should be recognition and support for more informal youth led networks and communities. Such groups are even more important for traditionally under represented young people, such as LGBTQI+ youth or young people from different ethnic groups, as it is through informal networks how mobilization of these groups usually begins. Recognition of these groups may require formal recognition in law or policy as many young people will be confident to organize and contribute to discussions on development if they are unclear and possibly afraid of the consequences for doing so. Seed grants should be made available to such groups to help them initiate and begin delivering activities, as well as targeted capacity development programmes to support their participation in decision making processes.

For organizations that are registered and focus on youth development, greater efforts must be taken to engage them in official decision making processes related to sustainable development. Such organizations should be seen as critical assets in channelling the voice of their youth members, in particular to support government in mobilizing young people, both physically and online, and adopting youth appropriate approaches to engaging youth people in decision making. Together with the Lao Youth Union, these organizations should be more consistently engaged with at the design, implementation and monitoring stages for development policy, with particular emphasis on the design and monitoring stages where they have less experience but great value to offer. In order to encourage more organizations focused on youth development to be established, grant funding should be made available to groups in particular representing marginalized and vulnerable youth, to help organizations manage registration, financial and reporting processes, to better build their capacity and sustainability.

## 5.7 CONCLUSION

Ultimately, youth participation helps young people realize their aspirations and goals in life. In doing so, they both benefit from and contribute to human development, bringing new ideas and fresh perspectives that enhance the quality of life in their communities and country. Surveys and interviews with young people show that many want to contribute. Through the new Youth and Adolescent Development Strategy, the Government of Lao PDR has recognized the potentially transformative impact of youth participation. Yet in all corners,

awareness of what participation can mean is still limited, focusing on youth as subjects instead of leaders of development. Further, the Government has yet to establish a mechanism to ensure that young people systematically and deeply participate in decisions about development.

To capitalize on the demographic dividend and opportunities to enhance human development, the Government could urgently prioritize policies to extend youth participation and translate the Youth and Adolescent Development Strategy into practice. Concrete actions should encompass formal mechanisms, including on virtual platforms, where youth can share their views and adult decision-makers can hear and act on these. The demographic dividend will not last forever. If actions to boost youth participation do not take place, the demographic transition will pass with a lost opportunity to develop a dynamic, inspiring generation of young leaders making decisions that are needed now—and that will be felt by future generations.



**THE ADAGE THAT YOUTH ARE THE LEADERS OF TOMORROW NEEDS TO BE CHALLENGED TO ESTABLISH CLEARER LEADERSHIP ROLES FOR YOUNG PEOPLE TODAY.**



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**CHAPTER #6**  
**LEVERAGING A ONCE IN A**  
**GENERATION OPPORTUNITY**



## CHAPTER #6 CONCLUSION

### Leveraging a once in a generation opportunity

This National Human Development Report has explored the role of young people as drivers for sustainable development in Lao PDR, asking: Why youth? Why now? And why human development? To be agents of change, young people need critical capabilities. They need to learn, take on high-value jobs, make decisions about their own health and well-being, and have a voice in discussions about the future of their country. Agency, underpinned by strengthened participation and empowerment, ensures they can make best use of their capabilities and create a life of meaning and fulfilment.

### 6.1 MISSING THE DEMOGRAPHIC DIVIDEND

Based on the report's findings, this National Human Development Report concludes that Lao PDR may miss the opportunity to benefit from its demographic dividend. Young people today lack sufficient educational qualifications, skills, health and opportunities to contribute to international and national development goals. Many young people struggle with low educational attainments, high unemployment rates, informal work, migration and income insecurity. Given current trends in education, skills development and health, the prospects of future generations are unlikely to be much better. However, it is not too late for Lao PDR to get

back on track, but this readjustment requires urgent, practical and inclusive action.

### The time is now

Tapping into the demographic window of opportunity is not a new priority for Lao PDR. The demographic transition first emerged in the late 1990s. The 2005 and 2015 Censuses provided strong evidence of the trends leading to a potential demographic dividend. The eighth and ninth National Socio-Economic Development Plans recognized this potential and the need for leveraging investments in education and health to ensure that the window for growth momentum was not lost. With the proportion of older people expected to start increasing from 2020 onwards, Lao PDR will become a pre-ageing society by 2038 and an ageing society by 2059.

Despite long-standing evidence, this report indicates that current trends in education, skills, health and labour force participation put the country on a path where it is likely to miss the full benefits of a demographic dividend. Shocks including natural disasters, the pandemic and now the conflict in Ukraine may push the country even further off track. Unless actions and decisions to address the gaps highlighted in this report are set in motion now, Lao PDR may miss its demographic window of opportunity completely and permanently.

### Implementation, implementation and implementation

This report indicates that national and sectoral plans, strategies and laws have articulated many of the right policies. Successive national development plans focus on the importance of realizing the needs, rights and capabilities of young people as a large proportion of the

population. Yet execution of policies and plans is lacking, together with the monitoring of their impact on people's lives. This results in successive plans and reports putting forward the same policy solutions and recommendations, and with development targets being consistently missed. A change management culture that shifts the focus of policymakers and the public administration, including line ministries and provincial authorities, towards execution and concrete interventions that bring about results is critically needed. This approach should encourage innovation and experimentation in executing policy, to promote a culture of taking action with fast feedback loops to accelerate learning, on what is working and what is not, and improving practice over time, not just reform of policy. Financial and human resources and institutional momentum needs to back existing policies, targets and plans. Monitoring results at the highest level, including by ministerial level and the People's Assembly is needed. Ultimately, accountability for results should focus on both the policy development, and the actions taken to execute, or not execute, such policies. Without this approach of experimentation and accountability, many of the critical policies highlighted above will not support young people in fulfilling their role as drivers for sustainable development.

### Leaving no young-person behind

The report has highlighted lags in human development across provinces, ethnic groups, persons with disability, LGBTQI+ youth, low-income households and women. In the labour force, young people with disabilities and from LGBTQI+ communities face obstacles to recruitment. Gender norms, early marriage and pregnancy sideline young women. Barriers to

education are particularly acute for young people from marginalized socioeconomic and ethnic backgrounds, and for students from ethnic groups who struggle with language differences and bullying in schools. Barriers to health care disadvantage young people based on gender, disability and ethnic identity. While mental health affects young people significantly, LGBTQI+ youth face additional concerns due to discrimination and stigma. Achieving human development will depend on closing all forms of disparity and inequity, and evening patterns of social service provision and economic growth between rural and urban areas and among provinces.

The need for urgent, action based and inclusive solutions for supporting young people as drivers for sustainable development is evidenced in the chapters above.

**Chapter 2** examined structural challenges in the economy that affect the overall labour force. Although much available labour market data are outdated, they clearly indicate the disadvantages young people face in accessing employment. A very high proportion of youth, approximately 25 percent, is not in education, employment or training, the highest rate among all countries in South-East Asia. This situation results from high school dropout rates, low value placed on vocational education, poor preparation for job markets and the overall lack of secure employment for young people.

The chapter examined how the pandemic and current economic downturn exacerbate young people's pre-existing disadvantages in finding employment and in creating new business ventures. Key concerns include the education and skills crisis undercutting young people's employability; the lack of alignment

between curricula and labour markets and the future of work; shortfalls in fair recruitment and hiring practices in both the public and private sector, which discourage young people from becoming active job seekers; and the limited availability of employment support services. The chapter identifies opportunities to shift the economic growth path towards green growth and the digital economy to support a range of industries for youth employment and entrepreneurship.

The education system is linked to poor youth employability because it does not prepare young people for the labour market. **Chapter 3** provides insights on how progress made since the early 2000s is reversing, a trend that predates the detrimental impact of COVID-19. Accessibility to education remains a significant challenge with limited progress achieved in recent years; the problems are most acute in rural areas. The chapter foregrounds the critical need to increase early childhood education, where Lao PDR lags all other South-East Asian countries, as it offers among the greatest social and economic returns. In terms of continuing in school, worsening secondary dropout rates stem from increased pressure on young people to secure jobs to support themselves and family members.

Across all education levels, quality is a key challenge linked to the lack and unsuitability of learning materials, both for students and teachers. As a result, learning outcomes for some ages are among the lowest in South-East Asia. In general, national targets for investments in education have been consistently missed amid worrying trends in dropout rates, learning outcomes and total years of schooling. Immediate and significant action is required to bring

current legal and policy frameworks into practice. Given the current economic situation, there could be more emphasis on detailing the ‘how’ of education provision and its efficiency. More could be done to explore private sector partnerships. Widening education inequality, if not addressed, could leave many young people caught in a perpetual cycle of poverty, unemployment and increased health threats.

**Chapter 4** argues that young people face critical health risks that affect their participation in the labour force and their prospects for living an active life and contributing to sustainable development. One key health concern is early marriage and early pregnancy. One in four adolescent girls aged 15-19 is estimated to be married in Lao PDR with rates higher in rural areas. This poses health dangers for both young mothers and their children, causing high maternal mortality, infant mortality and malnutrition rates. Another sobering reality is that one in four young people in Lao PDR has reported personally experiencing mental health challenges. Yet 75 percent of rural people do not have access to mental health services. The pandemic has increased mental health problems, particularly among adolescents and young people. Smoking, drugs and alcohol consumption contribute to premature deaths from road accidents and high-risk sexual activity.

While health-care reform, policy development and improved investments in health-care services are underway, initiatives that directly engage and benefit adolescents and youth lack impact in practice. Health service facilities and personnel are not equipped to address damaging patterns such as high rates of adolescent pregnancy, mental health crises or health risks facing those

from disadvantaged backgrounds. Concerted interventions to prevent deaths and ensure adequate access to specialist types of health care, such as for mental health and sexual and reproductive health, are crucial for the well-being of young people and their active participation in the labour force and public life.

**Chapter 5** calls for fostering agency among young people as full members of society with the ability and freedom to participate in economic, social and political actions. They should both participate in the decisions that impact their lives and take responsibility for their actions. Quality education and good health are prerequisites for young people to exercise agency, while labour force participation opens doors for civic engagement and active public life. For young people to become change agents, much depends on addressing the gaps identified in Chapters 2, 3 and 4.

Strengthening young people's participation in decision-making will enhance policy design and initiatives to support youth, ensuring they are by and for young people. Yet young people in Lao PDR face unequal opportunities for participation and civic engagement, beyond limited roles as volunteers. The current culture looks at young people only in implementing national policy not in shaping it. There is no existing mechanism to open two-way channels of communication that would allow young people to influence and provide feedback on development priorities. Young people remain both an untapped resource for new ideas and disempowered in terms of meaningfully participating in decisions affecting them now and in the future as they inherit development challenges not necessarily caused by their own generation

## 6.2 KEY RECOMMENDATIONS

### Key Recommendation 1: Strengthen economic governance and increase investments in youth

This report highlights the critical need to boost investments in education, future-ready skills development, health care and participation to reverse worrying trends in human development and related indicators for Lao PDR. In particular, the report calls for targeted investments to address rising unemployment levels, increasing school dropout rates, emerging mental health issues and persisting health risks associated with adolescent pregnancies.

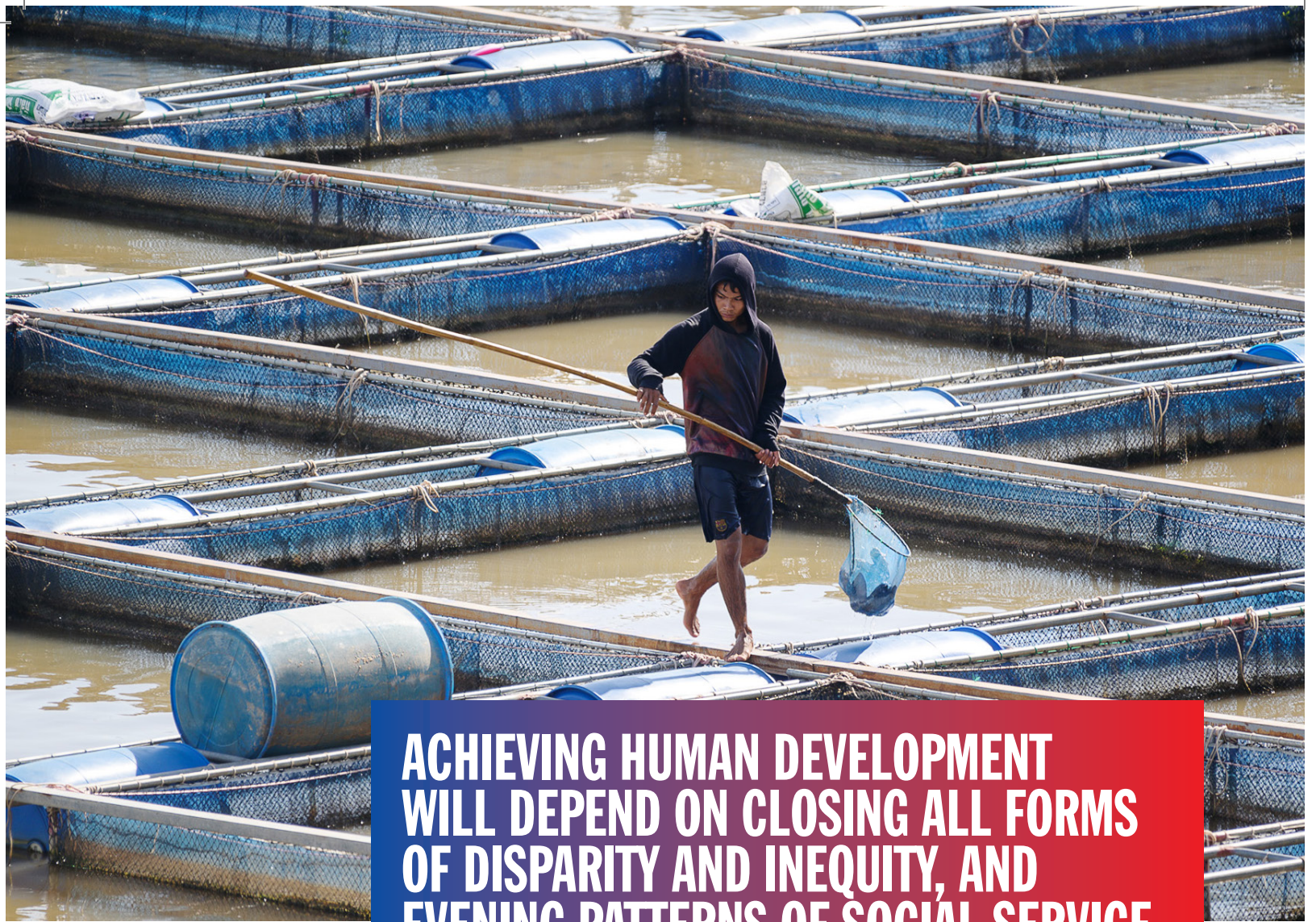
Chapters 1 and 2 further demonstrate that the economic growth model and public investment in Lao PDR in the past decade have not been conducive to human development. Two decades of high economic growth rates have led to a rapid expansion in financing for infrastructure related to hydropower and connectivity while public investments in health and education as a proportion of GDP have stagnated and declined.

At the same time, Lao PDR's growth model brings fiscal risks that emerged prior to the pandemic but have worsened since then, more so given the conflict in Ukraine. These risks coupled with exposure to shocks and crises continue to undermine investments in education, skills and health care. The financing landscape is now changing globally. Increased economic uncertainty is affecting official development assistance, which Lao PDR has relied upon for many years. Such funds are being diverted to pandemic recovery,



**UNLESS ACTIONS AND DECISIONS TO ADDRESS THE GAPS HIGHLIGHTED IN THIS REPORT ARE SET IN MOTION NOW, LAO PDR MAY MISS ITS DEMOGRAPHIC WINDOW OF OPPORTUNITY.**





**ACHIEVING HUMAN DEVELOPMENT  
WILL DEPEND ON CLOSING ALL FORMS  
OF DISPARITY AND INEQUITY, AND  
EVENING PATTERNS OF SOCIAL SERVICE  
PROVISION AND ECONOMIC GROWTH  
BETWEEN RURAL AND URBAN  
AREAS AND AMONG PROVINCES.**



humanitarian relief and conflict responses. Given these trends and the upcoming graduation of Lao PDR from its status as a least developed country, greater investment in youth across health, education and skills development must be safeguarded through the State budget.

Despite current macroeconomic conditions reducing resources for government spending, medium-term reforms are underway to improve domestic revenue mobilization, expenditure management and debt management towards achieving macroeconomic stability. The Government should accelerate these reforms guided by the Ninth National Socio-Economic Development Plan and the accompanying financing strategy and the National Agenda on Addressing Economic and Financial Difficulties.

Immediate building blocks to safeguard and gradually accelerate human development investments affecting youth include the following.

— **Introduce innovative and concrete tax reforms to generate revenues for education, skills development and youth-centred health services.** While broader tax reforms including modernization of the tax collection system are underway, specific initiatives that have proven effective and successful in other countries could be tested in Lao PDR. Readily available technical support can be drawn from initiatives such as Tax Inspectors Without Borders. The Government can consider pilot initiatives in Asia and the Pacific region such as the Tax for SDGs initiative rolled out by UNDP. Tobacco taxation is a key instrument to address health and financing issues simultaneously; has proven successful in raising government revenue in countries including the Philippines.

— **Create and capacitate research and evaluation teams within the Government to systematically test the efficiency and effectiveness of programmes.** Coupled with increasing national budget allocations, it is crucial to ensure the efficiency and effectiveness of investments. This requires carefully designing and evaluating targeted interventions and programmes and documenting the results to support the case for accelerated public investments. Chapters 3 and 4 highlighted progress in improving data ecosystems in education and health. To use such evidence and build a culture of evidence-based programming, training should help in-house teams in planning departments of line ministries and the State Audit Institution to systematically evaluate programmes and conduct performance audits. This capacity-building initiative should be continuous and affiliated with an academic institution or research institute with world class expertise in evaluations and assessments of the efficiency and effectiveness of social sector programmes.

— **Strengthen the role of the National and People's Provincial Assemblies in increasing investments in adolescents and youth.** To address health, education and future-ready skills investment needs, and to make a leap forward on the accessibility and quality of services in rural areas, the National and People's Provincial Assemblies can oversee feedback loops and information exchange among relevant line ministries, selected provincial governments and the central coordinating agencies for financing, including the Ministry of Finance, the Ministry of Planning and Investment and the Prime Minister's Office. The People's Assemblies, led by the Planning,

Finance and Audit Committees and the Social and Cultural Affairs Committees, can ensure a coordinated approach to advocating the investment case for education, skills development and youth-centred health care; determining state budget allocations and monitoring delivery. Young people through civil society organizations should have opportunities to observe meetings to discuss these issues.

— **Pilot citizen-centred and youth-centred budgeting at the subnational level.** A citizen-centred budgeting approach engages citizens in budget approval, implementation, auditing and evaluation. Pilot programmes can involve young women and men in budget preparation and delivery at the provincial level, including marginalized and vulnerable young people. Young people should be able to provide suggestions on investment decisions. The Global Human Development Report 2021/2022 highlighted the case of Kutna Hora, Czechia, the local government conducting participatory budgeting with young people and children in 2019. Both primary and high school students participated. Each class appointed representatives to present a project on behalf of their school for the budget from the school level up to the municipal level. Young people also served as coordinators in local rounds of budget allocations. In the final phase, all students voted on the budget allocation, directly inserting their views in development decision-making.

### **Key Recommendation 2: Build partnerships for quality service delivery and knowledge sharing**

This report identifies system-wide challenges and substantial gaps in service delivery across education,

future-ready skills development, health services and employment outreach services. The reasons include limited technical, human and institutional capacities, and severe financial constraints. To address these challenges, this recommendation suggests diverse partnership options to increase private sector, civil society, community and youth participation in service delivery, advocacy for policy reform and efforts to exchange knowledge and practical learning on low-cost solutions.

— **Introduce investment matchmaking platforms to leverage private sector participation in education, health and job services delivery.** The report stresses that public investments should be the primary source of finance for education, skills development and health delivery. Complementary private sector participation could support selected service delivery as long as guardrails are in place to ensure affordability, quality and oversight, and to avoid deepening inequalities. Chapters 2, 3 and 4 highlight some potential areas for private sector participation, including in early childhood education, tertiary education, skills development and TVET, and health service provision, particularly in specialized areas. The accelerated digitalization of service delivery can build on collaboration with private technology and telecommunications providers. To leverage private sector investments, the Government could promote matchmaking platforms for businesses to identify sectors ready for private sector participation. UNDP is currently piloting an SDG investor mapping exercise and platform that the Government could use to attract private sector investment in youth development, including through digitalization. The Government can also further localize the SDG impact standards and widely promote these





**A CHANGE MANAGEMENT CULTURE THAT SHIFTS THE FOCUS OF POLICYMAKERS AND THE PUBLIC ADMINISTRATION TOWARDS EXECUTION AND CONCRETE INTERVENTIONS THAT BRING ABOUT RESULTS IS CRITICALLY NEEDED.**



in the business community and among financial institutions.

**— Facilitate top-down and bottom-up collaborative platforms to support policy reforms and advocacy.**

Different report chapters recommend policy reforms that require changing social and gender norms and shifting discriminatory practices. Partnership platforms can be explored where external partners bring value to proposed reforms and trigger a process of broader social change. One example in education reform would be a school-business-government network to review and modify curricula in line with labour market and industry needs, and areas of future work involving ICT and digital skills, STEM fields and green growth, as well as to fill gaps in language and life skills. Localized collaborative platforms at the provincial or district level could similarly connect local governments, civil society organizations and youth groups to promote the value of education and skills development and advocate healthy lifestyles, and to counteract stigma related to mental health. Community mobilization is key to changing attitudes and discriminatory practices.

**— Facilitate low-cost knowledge exchange on human development and youth development.**

Given many gaps in technical know-how and institutional capacity, a resource hub should facilitate knowledge sharing and collaborative practical learning. It could be run at a low cost by young people with support from development partners, academic institutions, NGOs and volunteers. The hub could facilitate the sharing of stories, insights, practical know-how and hands-on mentoring for provincial governments to tackle specific problems. Knowledge exchange could also be extended to service providers and facilitated

between schools, health posts, TVET entities and employment service providers. The hub could work closely with academic outfits to document successful practices and identify subnational champions of quality service delivery and progress on human development indicators. Links with local governments and service providers in other countries that are tackling similar challenges could bring new perspectives to development policy and practice.

**Key Recommendation 3: Harness youth-led solutions for sustainable human development**

This report proposes establishing more meaningful, dedicated and inclusive platforms for young people to participate in development at the local and national levels. This would go a significant way towards ensuring youth are treated as partners in development and not just as beneficiaries. Progress centrally depends on advancing the inclusion of marginalized and vulnerable youth, including young people from rural areas and ethnic groups, young women, LGBTIQI+ youth, youth migrants and young persons with disabilities. Specific initiatives to promote youth-led solutions comprise the following.

**— Expand and mainstream social innovation challenges for youth across all provinces, targeting disadvantaged groups.** Youth innovation challenges have been effective worldwide in bringing young people to the forefront of addressing developmental challenges. Some have been piloted in Lao PDR. They include mentoring and incubation for innovators and teams to scale up ideas and pitch their projects to experts and investors. Winners typically gain seed funding to kick-start implementation of their

innovations. A more systematic programme could pool resources from development partners, businesses and philanthropists to organize an annual competition, expand challenges at the subnational levels and reach out to disadvantaged groups. Challenges could cover themes highlighted in this report, such as quality education, promoting mental health, stopping drug use and road safety. Successful implementation of seed funding can be linked to investment opportunities through crowdfunding, start-up challenges and traditional fundraising from financial institutions and investors.

**— Encourage youth entrepreneurs adopting social impact business models through improved access to finance and start-up/accelerator programmes.** Micro- and small enterprises make up 99 percent of the business ecosystem in Lao PDR, providing services, employment and income for a large share of the population. With the right support, young people can marshal their creativity and innovative thinking to start successful businesses catering to social impact goals and solving many of the challenges elaborated in this report. According to the 2017 report of the Business & Sustainable Development Commission, new sustainable business models can bring in innovation and technology. By 2030, globally, they are expected to generate economic opportunities worth \$12 trillion and create 380 million jobs, the large majority in developing countries. Start-up and accelerator programmes can help young people get their ideas off the ground through appropriate incubation, mentoring and coaching services and access to capital. The Government's Small and Medium Enterprise Fund and financial institutions that promote social impact standards could be tapped

for finance. Start-up and accelerator programmes can specifically target education, skills development, health and employment services with a view to testing business models with broader outreach in remote and rural areas.

#### **Key Recommendation 4: Ensure that adolescents and young people thrive and transition to adulthood despite a time of shocks and uncertainty**

Various shocks disproportionately affect youth in Lao PDR.

They exacerbate pre-existing socioeconomic and human development disparities among provinces and between rural and urban areas as well as the disadvantages facing young people from different ethnic groups, young women, LGBTQI+ youth, migrant youth and young persons with disability. With a global 'uncertainty complex' leaving people feeling increasingly unsafe, the report recommends doubling down on human development to ensure that young people have the capabilities and resilience to manage turbulent times.

#### **— Manage digitalization to enhance human development capabilities among adolescents and youth.**

Digitalization can expand a range of possibilities for young people, particularly disadvantaged youth, through e-learning, e-health, online skills development, digital mental health services, e-commerce and remote working. It can help promote diversity, agency and the rights of young people. At the same time, the digital age has created a digital divide between those with and without access, and unleashed misinformation that affects attitudes to education, health, employment and political choices. It can drive mental

health problems already afflicting many adolescents and youth. As the Government of Lao PDR embarks on its digitalization policies, regulation and incentives should aim to carefully manage the digital transformation to maximize its positive impacts and minimize negative ones.

and through creativity, innovation and cultural revival. Such steps can contribute to changing wider societal attitudes and preparing for an uncertain future.

— **Create awareness, expertise and anticipatory preparedness capacity within the Government to respond to the uncertainty complex and future shocks, including those related to climate change.** This includes moving away from traditional planning processes that have proven futile in the face of shocks and crisis and applying strategic foresight to policymaking to better anticipate trends and sudden shifts that impact the economy and society. Policymakers need to be sensitized to acknowledge the extent of the uncertainty complex, the new reality of COVID-19 and future shocks associated with climate change. People, including youth, can thrive amid uncertainty if strategic foresight approaches help make the right choices for the future. Regular training, data and evidence generation and knowledge dissemination on risks and its impacts on youth are key, including to anticipate rapid evolution in the future of work.

— **Tap the agency and promise of youth leaders and movements in schools, communities and workplaces.** Youth development programmes should equip young people to understand new realities and remain resilient in the face of shocks. They need twenty-first century skills to manage information and social media exposure, think critically, resolve conflicts, practice social and emotional intelligence, and so on. Programmes can foster young people's agency through social movements (online and offline)



**IT IS NOT TOO LATE FOR LAO PDR  
TO GET BACK ON TRACK, BUT THIS  
READJUSTMENT REQUIRES URGENT,  
PRACTICAL AND INCLUSIVE ACTION.**





# ANNEXES

## ANNEX #1

# METHODOLOGY OF IN-PERSON AND ONLINE SURVEYS

### In-person survey

#### 1. Sampling method

The in-person survey was conducted for youth aged 15 to 24 years from 1,200 households across three regions, namely north, central, and south of Laos from February to April 2022. It applied the probability proportional to size (PPS) technique to draw sample provinces from three regions, sample districts from sample provinces, sample villages from sample districts, and sample households and respondents from sample villages (Table A.1).

The PPS technique is a sampling procedure under which the probability of a unit being selected is proportional to the size of the ultimate unit, giving larger clusters a greater probability of selection and smaller clusters a lower probability. For example, the selection of two sample provinces from each region involves the following steps:

- 1) Separate the population of Lao youth into three clusters, namely north, central and south. The following steps apply to each region.
- 2) List provinces and their youth population in separate columns.
- 3) Calculate the sampling interval (SI) of each region by dividing the youth population in each region by 2 – the number of sample provinces in each region.
- 4) Choose a random start number (RS) between 1 and SI. In Excel, this could be done by using the formula: =rand()\*SI.
- 5) Calculate two series: series 1 = RS; series 2 = RS + SI.
- 6) Place the calculated series to the nearest cumulative population size in each province.
- 7) Select two sample provinces in each region based on their nearest cumulative population sizes to series 1 and 2.

The same steps of PPS apply to the selection of sample districts and sample villages. The selection of sample households involves two steps, namely the starting point of the village and the right-hand rule. The starting point of a village is based on the key characteristics of the village such as temple. If there are many temples, the largest temple will be selected as the starting point of the

**Table A.1: Distribution of sample villages and households by region**

Source: Indochina Research Laos Co. Ltd

	SAMPLE SIZE				
	Urban	Rural	Remote	Villages	Households
Northern	11	23	5	39	39*10 = 390
Central	21	32	2	55	55*10 = 550
Southern	6	17	3	26	26*10 = 260
Total	38	72	10	120	120*10 = 1,200

village. Then, the field interviewers (FIs) move around the village based on the right-hand rule. This is facilitated by a village map. If the village map is not available, FIs draw a map of their route while conducting the survey. Such a map is used to complement quality controls such as back checks. After selecting a sample household, FIs conduct the interviews for household members aged 15 to 24 years old who are available during the time of approaching such a household. The survey is designed to have equal number of male and female respondents.

**2. Preparation of fieldwork**

The UNDP collaborated with a responsible government agency to issue a permission letter for conducting the survey. The permission letter was sent to provincial offices to inform relevant provincial authorities about the survey (e.g. objectives, list of sample provinces, sample districts, and sample villages, dates of the interviews) conducted by the

Indochina Research Laos (IRL). The provincial authorities then informed the same information of the survey to district authorities. The IRL data collection team then collaborated with the assigned district authorities to create logistic plans for all targeted villages. Finally, the district authorities informed village authorities about the survey, and accompanied the data collection teams throughout the survey to assist the teams in making appointments with targeted villages and accessing remote areas.

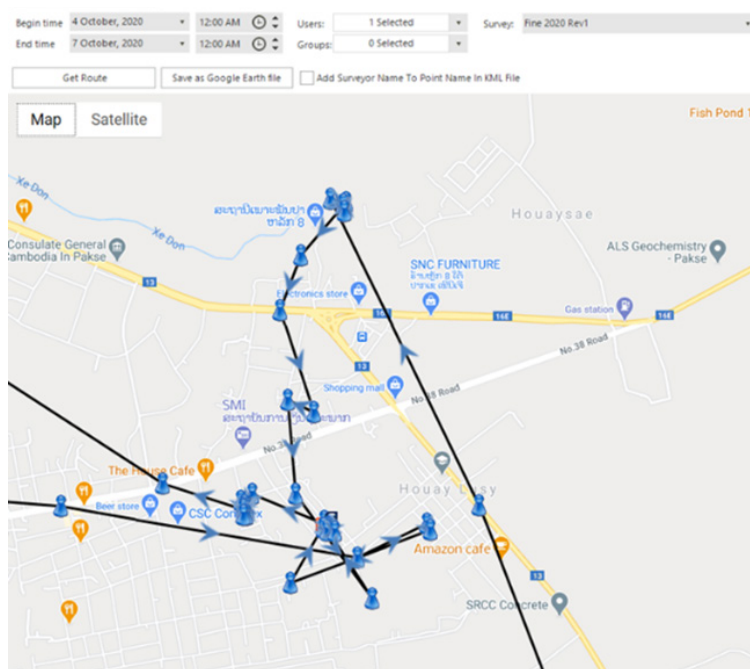
**3. Quality control**

The IRL conducted the quality control of surveyed data both in the field and in the office. The quality of data was controlled in the field in three ways. First, field supervisors randomly attended 10% of the interviews by each enumerator in their team, and provided feedback and guidance when necessary. Second, Project Manager and Fieldwork Manager randomly joined the beginning, middle and end of the survey, and then reported the observations from the fieldwork to UNDP. Third, field supervisor, quality control supervisor and fieldwork manager monitored the route and location of enumerators within a few days based GPS tracking in the cloud server (Figure A.1). This aims to check if the enumerators visited the targeted villages, did not skip or change villages in the data collection plan.

The quality of data was controlled in the office in two ways. First, field supervisors checked 10% of all audio records during the interviews. Second, the quality control team in the IRL office checked 30% of all audio records for some questions in the questionnaire. Audio records of the interviews were available for review because the IRL utilized advanced tablet platform (SurveyToGo) which recorded audio during interviews. The audio files and

**Figure A.1: GPS tracking of enumerator**

Indochina Research Laos Co. Ltd





interviewed data were uploaded to the cloud server within a few days.

#### 4. Data cleaning and format

The surveyed data were checked by identifying missing or partial data, analyzing outliers, and conducting cross tabulations of variables. Unique answers of open-ended questions were coded in numbers, where similar answers were grouped into a single numerical code. The cleaned dataset was available in Stata, SPSS, and csv formats. All variables were in lower case for ease of analysis.

### Online Survey

An online survey was conducted for 5,590 youth in 17 provinces from February to April 2022. It aims to collect data on employment, education, health, and participation in society. The selection of respondents was based on specific targeting options offered by several advertising platforms. Some example of specific targeting options include the age range (15 to 24) and the location. Some examples of advertising platforms include Facebook, Google, Instagram and third-party apps. The information of sample respondents was verified by the location, IP address, social media ID and geofencing data. Survey questions started once the respondents click on the company's ads promotion.

## ANNEX #2 FOCUS GROUP DISCUSSION (FGD) GUIDE

The following Guide was used during the Focus Group Discussions which were organized in December 2021 and April 2022 and in which 100 youth participated.

### Introductory (ice-breaker) questions for all FGD participants:

1. Why did you decide to join our focus group today? Could you share an aspect of your work or life experience that brought you here today?
2. Could you describe what you do—i.e. are you a student, do you work? —and what your day-to-day responsibilities look like?
3. How would you personally define success in your life?
4. In your opinion, what do you see as the key challenges right now for young people in Lao PDR?  
(Prompt for facilitator: Access to education; lack of information about job demand/opportunity/training available; rising unemployment; lack of adequate jobs; access to health care; low wages; high living costs; mental health issues; alcohol and drug dependency; discrimination against particular groups (i.e. based on gender, ethnicity, disability, etc.); etc.

### Follow-up questions:

Why do these difficulties exist? Where do you think they come from? Have you experienced any of these issues yourself? If so, could you describe your experience and how you've attempted to deal with one or more of these issues?

### FGD 1: Jobs/economic empowerment

1. How easy or difficult is it to find a job in Lao PDR? Can you describe your experience of finding a job? What were some of the challenges you faced?  
Follow-up questions:  
What does it entail to find and keep a job in the country? Does your generation have a realistic view of the job market?
2. Were / are there any career counseling services available in your school/university? Did you receive any information during school or

university about the type of jobs that are needed in the country or that have higher hiring rates etc. Who have been the main people who have advised you on jobs? Has it been parents? Teachers? Siblings? Friends?

3. What types of jobs are easier to find in the labour market right now? Are these the type of jobs you would like to do? Are they in line with your aspirations?

4. Do you feel you have the same career opportunities in Laos as in neighboring countries? Could you provide some reasoning behind your answer?

5. Are you satisfied with your job? Do you feel young people in general are satisfied with the jobs they're doing in the country?

6. Do you feel the education you received prepared you for the labour market? Why or why not? What would need to happen to fill any potential gap?

7. How do you feel Covid-19 has affected your job prospects?

8. Have you experienced any form of discrimination in being hired for a job – either because of your gender, ethnicity, sexual orientation, disability, or where you come from or something else? What did the prospective employer say to you?

#### **Follow-up questions:**

For instance, for the young women in this group, do you think finding a job is harder for you than it is for a man? What about young women who have given birth? What are the prospects for them to find a job after having a family? Meanwhile, does being LGBTQ affect how you get a job? Or a PwD? What about if a person identifies as being from a minority ethnicity? And how about the experiences of people from rural vs. urban areas? Could you tell us about your experience?

9. Have you ever thought about starting your own business or enterprise? If so, what do you think

are some of the opportunities and barriers you may face? And why have you chosen this route instead of a job in a company or with government?

## **FGD 2: Education and skill development**

1. What did you set out to be when you were younger / entered school? Did you achieve your aims? What were the barriers you faced?

2. What is the highest level of education you have completed? Are you satisfied with this level of schooling? Why or why not? If not satisfied, what would you have done differently – or what have you done since then?

3. How would you describe your experience in school? What did you train (or are you training) to become in school? Why did you choose this study/major? What was the thought process behind this choice?

Follow-up questions:

In case you decided to either not go to formal school or pursue informal education, could you describe your experience? How was it? Are you satisfied with your choice?

4. Do you feel the education system in Lao PDR provides young people with adequate opportunities to meet their aspirations? Can you explain what gives you this impression?

Follow-up questions:

What do you think needs to change in Lao PDR in order to ensure more people are educated? What can be done so everyone can go to school and university?

5. Are there any particular barriers to receiving an education in Lao PDR? Have you experienced any of these barriers yourself? If so, how did you deal with them? Can you describe your experience?

(Prompt to be used by the facilitator: No barriers, studying in remote when schools are closed, accessing resources to study, transportation to get to school, unclear lessons,

bullying, harassment from other student, not having time or space to study outside of school, lack of support from parents / guardians, lack of high-quality teaching when attending, language barrier, too much pressure to succeed, etc.)

6. What do you think needs to happen to reduce these barriers in the education system?

(Prompt: career counseling services, a food programme, schools closer to homes, etc.)

7. How has Covid-19 affected your education and future education plans? Is it easier, harder or the same now as it was prior to the advent of the virus?

### FGD 3: Health, safety and social norms

1. As a young person, could you describe how you currently access healthcare? Is it through your parents or are you able to go to a clinic on your own if required? Do you feel that you (or your family) can afford it?

Follow-up questions:

Do you feel that you have adequate access to appropriate healthcare?

Are there any issues that you think young people face wherein they need specialized care? Are access, cost, discrimination issues for you?

2. Do you feel like you have the necessary information to make an informed decision about your health and your life?

3. What are some emerging challenges that youth are facing in terms of their health and safety?

(Provide prompt for facilitator).

Follow-up questions:

Why do you think these issues becoming prevalent?

Do young men, women, trans and non-binary people have the information they need with respect to sexual and reproductive health? If possible, could you describe your experience in accessing this type of care?

4. Are young people receiving

adequate mental health care? What may be some mental health issues that young people are grappling with?

5. How do you feel about the drug policies in your country?

6. Do you feel safe in Lao PDR? Are there any particular groups that may be more at risk of violence or health issues than others?

(Prompt: young women, sex workers, migrants?)

7. How has Covid-19 changed the healthcare needs of young people?

### FGD 4: Participation

2. How do you socialize in your free time? Do you play sports or have a hobby or take part in any volunteer work?

3. Do you or have you ever attended any voluntary, union, business, arts, sports or youth meetings?

(Prompt: Some examples might include associations, trade union, youth union, business group, sports group, arts / theatre group, village-level discussions, etc.)

#### Follow-up questions:

Could you tell us a bit about your experience in attending one of these meetings? Why did you attend? What was it like? Did you find it useful or inspiring? Do you attend regularly? Did you feel like you were involved in something important or relevant? Or conversely, were you quite unmoved by it?

4. Have you ever volunteered to do any social work or voluntary work? Could you tell us about your experience and what motivated you to do so?

#### Follow-up questions:

For those who haven't, have you ever thought about this type of volunteer work or participation in your community? Why or why not?

5. Are you aware of the laws and policies in the country that

pertain specifically to young people – whether this is in the realm of education, jobs (and workplace rights), health, etc.? Do you know that Lao PDR has just released a youth policy?

6. What is your main source of news and communications? How do you find out about events in the country (or outside) or changes in policy?

(Prompt: traditional news, social media (which one?), Whatsapp, etc.).

Follow-up questions:

Which of these channels do you find are the most reliable to get news? Do you trust everything you read? How big of a problem is ‘fake news’ or misinformation for you? And why?

7. Have you ever been consulted on any decisions made by local/central authorities? If so, could you tell us about your experience?

Follow-up questions:

Do you feel policy makers in your country listen to people of your age group? If so, how? If not, why do you say so? Do you feel there are adequate policies that engage youth in the country? To what extent do you think involving youth in decision-making would make a positive difference?

8. Do you feel you have a platform to voice your concerns? Do you wish you had a means or place to voice your opinions? Or are you satisfied with the system as is?

9. As a minority, woman, PwD, etc., do you feel that you have voice in decision-making at all levels – whether it is by the government, private sector, community organizations, etc.? Could you describe your experience?

10. Have you been involved in any COVID-19 response initiatives? If so, could you describe them?

**Final questions (at the end of every FGD) for all FGD participants**

1. If you could wave a magic wand and change one thing about your country, what would it be?

2. What might be some things that policy makers or even young people themselves could do to improve some of the circumstances that have been discussed thus far? What would help you the most and why?

(Prompt for the facilitator: Access to scholarships, more entrepreneurship programmes, more training centres for youth, better dissemination of information, support for youth migrants, financial support to poor families to keep youth in school, Interest-free or cash grant to youth who have good business ideas...)

Follow-up questions:

Have you personally benefitted from any of these schemes – either privately or through government / private sector help?

3. Is there anything else you would like to add before we close?

## ANNEX #3 ROLE AND COMPOSITION OF NATIONAL ADVISORY BOARD

**Lao People’s Democratic Republic  
Peace Independence Democracy Unity  
Prosperity**

Ministry of Planning and Investment  
Development Policy Research Center  
No...../ກຜທ.ສຄພ.04

Vientiane Capital, Date: .....

**Agreement**

The Appointment of the National Advisory Board for the 6th National Human Development Report (NHDR)

— Pursuant to the Prime Minister Decree No. 201/ນຍ, dated 30 July 2017 on the role of Ministry of Planning and Investment.

— Pursuant to the MPI-MOFA

Programme on the implementation of the National Socio-Economic Development Plan, achieving SDGs and LDCs in 2021.

— Pursuant to the letter no. 0915/ກຜທ.ສຄພ, dated 18 May 2021 of the Ministry of Planning and Investment on appointing government officials to be part of the National Advisory Board to develop the 6th NHDR.

— Pursuant to the Agreement of Vice Minister of the Ministry of Planning and Investment, dated 9 November 2021.

**Vice Minister of Planning and Investment Agrees:**

Article 1: Agreed to form the National Advisory Board to develop the 6th NHDR consisting of:

1. Sitthiroth Rasphone, Acting Director General, Development Research Institute, Ministry of Planning and Investment as Chairperson of the Advisory Board;
2. Dr. Bouavanh Vilavong, Director General, Department of Industry and Handicrafts, Ministry of Industry and Commerce as Vice Chairperson of the Advisory Board;
3. Ms. Sysavanh Didaravong, Deputy Director General, Development Research Institute, Ministry of Planning and Investment as Vice Chairperson of the Advisory Board;
4. Dr. Thanongsai Soukhamthut, Deputy Director General, Development Research Institute, Ministry of Planning and Investment as Vice Chairperson of the Advisory Board;
5. Mr. Souphit Darachantra, Senior Advisor, Development Research Institute, Ministry of Planning and Investment as Member;
6. Mr. Kalouna Nanthavongduangsy, Deputy Director General, Ministry of Planning and Investment as Member;
7. Mr. Vilaysouk Sysoulath, Deputy Director General, Department of Social Statistics, Lao Statistic Bureau as Member;

8. Ms. Vanpheng Khounbolay, Deputy Director General, Department of Vocational Development, Lao People's Revolutionary Youth Union as Member;

9. Mr. Viengkong Inthalangsy, Deputy Director General, Department of Planning and Cooperation, Ministry of Labour and Social Welfare as Member;

10. Mr. Soulisack Souphanthong, Deputy Director General, Department of Labour Skills Development and Employment Service, Ministry of Labour and Social Welfare as Member;

11. Assoc. Prof. Dr. Larvanh Vongkham, Deputy Director General, Department of Higher Education, Ministry of Education and Sports as Member;

12. Assoc. Prof. Dr. Bounthavy Sorsamphan, Vice Dean, Faculty of Social Sciences, National University of Laos as Member;

13. Mr. Vannalek Lueang, Deputy Director General, Department of Vocational Education, Ministry of Education and Sports as Member;

14. Mr. Oudon Manibout, Deputy Director General, Department of Labour Protection, Ministry of Labour and Social Welfare as Member;

15. Mr. Khamsonvanh Phoutdavong, Deputy Director General, Department of Planning and Cooperation, Ministry of Industry and Commerce as Member;

16. Mr. Kikeo Chanthalangsy, Deputy Director General, Department of Human Trafficking Prevention, Ministry of Public Security as Member;

17. Mrs. Manithong Lorvongkham, Deputy Director General, Public Health Institute, Ministry of Health as Member;

18. Dr. Viengkhan Phixay, Deputy Director General, Mother Child Health Center, Ministry of Health as Member;

19. Mr. Bounpheng Inthavong, Deputy Director General, Department of Drug Prevention and Control,

Ministry of Public Security as Member;  
20. Ms. Somphet Chitdavanh, Deputy Director General, Cultural and Social Committee, National Assembly as Member;  
21. Ms. Phonesavanh Sithideth, Deputy Director General, Institute for Research and Enterprise Development, National Economic Research Institute as Member.

**Article 2:** Rights and Obligations of the National Advisory Board are as follow:

- Lead the research of each topic to support the development of the 6th NHDR.
- Share comments/opinions throughout the development of the 6th NHDR.
- Create an information sharing mechanism within the advisory board in order to exchange information in a timely and effective manner for a comprehensive 6th NHDR.
- Create workplan and assign tasks within the advisory board to develop the 6th NHDR.
- Implement other responsibilities as assigned by higher authorities.

**Article 3: Assign Acting Director** General of the Development Research Institute and Chair of the Advisory Board to form a committee to help with research and coordination with an aim to complete the 6th NHDR.

**Article 4:** The advisory board shall use budget under the UNDP's MPI-MOFA Programme to develop the 6th NHDR.

**Article 5:** Appointed ministries, equivalent ministries and individuals shall be aware and strictly follow this Agreement.

**Article 6:** This Agreement is effective from the date of signature.

Vice Minister

## ANNEX #4 COMPUTING HUMAN DEVELOPMENT INDEX FOR PROVINCES IN LAO PDR

Human Development Index (HDI) is calculated from the health, educational, income indices. The methodology for HDI calculation is shown below.

### Calculation formular:

The HDI index is a cube root of a product of health, educational, and income indices as shown below:

$$HDI_i = (Health\ index_i * Education\ index_i * Income\ index_i)^{1/3}$$

where i indicates the region such national and provincial areas. The calculation of each index is below. The health index employs the life expectancy as the international standard.

$$Health\ index_i = \frac{Life\ expectancy_i - Life\ expectancy_{min}}{Life\ expectancy_{max} - Life\ expectancy_{min}}$$

The educational index is calculated based on the mean of schooling index and the educational development index.

$$Education\ index_i = \frac{Mean\ schooling\ index_i + Educational\ development\ index_i}{2}$$

$$Mean\ schooling\ index_i = \frac{Mean\ schooling_i - Mean\ schooling_{min}}{Mean\ schooling_{max} - Mean\ schooling_{min}}$$

Normally, the expected year of schooling is used instead of the educational development index; However, the data of expected year of schooling is not available from the National Statistics Bureau, particularly data for provincial level. Therefore, the educational development index, which comes from the average result of the primary net enrollment index and the of lower secondary completion index, is employed.

$$\text{Educational development index}_i = \frac{(\text{Primary net enrollment}_i + \text{Lower secondary completion}_i)}{2}$$

The primary and lower secondary education are selected to represent the educational development because they are a compulsory education in Lao PDR. The primary net enrollment index is calculated from the net enrollment ratio of primary education and the lower secondary completion index is calculated from the completion ratio of lower secondary education. The calculations are shown below:

$$\text{Primary net enrollment}_i = \frac{\text{Primary net enrollment ratio}_i - \text{Primary net enrollment ratio}_{\min}}{\text{Primary net enrollment ratio}_{\max} - \text{Primary net enrollment ratio}_{\min}}$$

$$\text{Lower secondary completion}_i = \frac{\text{Lower secondary completion ratio}_i - \text{Lower secondary completion ratio}_{\min}}{\text{Lower secondary completion ratio}_{\max} - \text{Lower secondary completion ratio}_{\min}}$$

Finally, the income index is calculated from the Gross National Income (GNI) in adjusted value of the purchasing power parities (PPP) for the national level. However, the GNI data is not available for provincial level, thus the disposable consumption per household is converted in PPP form and employed.

$$\text{Income index}_i = \frac{\text{GNI PPP}_i - \text{GNI PPP}_{\min}}{\text{GNI PPP}_{\max} - \text{GNI PPP}_{\min}}$$



## CHAPTER 1

### Data source:

The data used in calculation is from different sources list in the table below:

INDICATOR	VALUE	SOURCE
Life expectancy	Maximum and minimum	UNDESA (2019)
	Lao PDR and provinces	LSB (2021)
Mean of schooling year	Maximum and minimum	UNESCO Institute for Statistics (2020)
	Lao PDR and provinces	LSB (2015)
Primary net enrollment ratio	Maximum and minimum	World Bank (2021)
	Lao PDR and provinces	MOES (2021)
Lower secondary completion ratio	Maximum and minimum	World Bank (2021)
	Lao PDR and provinces	MOES (2021)
GNI (PPP)	Maximum and minimum	World Bank (2020), IMF (2020), UNSD (2020)
	Lao PDR and provinces	World Bank (2020), IMF (2020), UNSD (2020), LSB (2021)

Note: LSB is Lao Statistics Bureau, MOES is the Ministry of Education and Sports. The provincial PPP is derived from the mean of household disposable consumption per capita in the Lao Expenditure and Consumption Survey (2021).





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