

**Understanding children's work and youth  
employment outcomes in Laos**

**Country Report  
January 2014**

**Understanding Children's Work (UCW) Programme  
Rome**

# Understanding children's work and youth employment outcomes in Laos

**Country Report**

**January 2014\***

Understanding Children's Work (UCW) Programme

Villa Aldobrandini

V. Panisperna 28

00184 Rome

Tel: +39 06.4341.2008

Fax: +39 06.6792.197

Email: [info@ucw-project.org](mailto:info@ucw-project.org)

As part of broader efforts towards durable solutions to child labor, the International Labour Organization (ILO), the United Nations Children's Fund (UNICEF), and the World Bank initiated the interagency Understanding Children's Work (UCW) Programme in December 2000. The Programme is guided by the Oslo Agenda for Action, which laid out the priorities for the international community in the fight against child labor. Through a variety of data collection, research, and assessment activities, the UCW Programme is broadly directed toward improving understanding of child labor, its causes and effects, how it can be measured, and effective policies for addressing it. For further information, see the project website at [www.ucw-project.org](http://www.ucw-project.org).

This report was partially funded by the United States Department of Labor under Cooperative Agreement DOL-ILAB-OCFT-2008-1. This report does not necessarily reflect the views or policies of the United States Department of Labor nor does mention of trade names, commercial products, or organizations imply endorsement by the United States Government.

---

\* The current report was finalized in June 2013. It was embargoed until its presentation during the Consultative Workshop On Child Labour National Action Plan called by the Ministry of Labour and Social Welfare held in December 2013 in Vientiane.

Cover photo: Province of Luang Parbang: wood gathering chore, © International Labour Organization/ Deloche P.

# Understanding children's work and youth employment outcomes in Laos

Country Report

January 2014

## CONTENTS

Executive summary.....	i
Children's involvement in work and schooling .....	i
Youth employment outcomes .....	iv
Responding to child labour and youth employment concerns.....	vi
1 Introduction.....	1
2 National context .....	3
3 Children's involvement in work and schooling .....	10
3.1 Extent of children's employment.....	10
3.2 Involvement in household chores .....	15
3.3 Nature and intensity of children's work .....	16
3.4 Determinants of children's work .....	21
3.5 Child labour for elimination.....	27
3.6 Out of school children and remedial education needs.....	28
4 Youth employment outcomes .....	33
4.1 Youth activity status.....	33
4.2 Youth job characteristics.....	35
4.3 Human capital and youth employment outcomes .....	40
4.4 Youth skill deficits.....	44
4.5 Relative position of youth in the labour market.....	46
5 Current policies and programmes addressing child labour and youth employment concerns.....	47
5.1 Legal protections relating to child labour and schooling .....	48
5.2 Projects and programmes relating directly to child labour.....	50
5.3 Education policies and programmes.....	52

5.4	Social protection policies and programmes .....	56
5.5	Youth employment policies and programmes .....	58
6	Responding to child labour and youth employment concerns: a discussion of policy priorities .....	61
6.1	Responding to child labour .....	61
	Improving school access and quality .....	62
	Expanding social protection .....	64
	Awareness raising and social mobilisation .....	64
	Direct action .....	65
	Strengthening policy and legislative frameworks .....	65
	Building institutional capacity .....	66
6.2	Responding to youth employment concerns .....	67
	Statistical Annex .....	70
	Children’s involvement in work and schooling .....	70
	Youth employment outcomes .....	75

## EXECUTIVE SUMMARY

1. Overcoming the twin challenges of child labour and youth employment will be critical to progress towards the Millennium Development Goals in Laos. Estimates presented in this report indicate that some 71,000 Lao children aged 6-13 years still work in employment. At the same time, youth employment is dominated by low-productivity, unremunerated work concentrated in the agriculture sector. Only one of every four employed youth earns enough to escape poverty. The effects of child labour and youth employment difficulties are well-documented: both can lead to social vulnerability and societal marginalisation, and both can permanently impair productive potential and therefore influence lifetime patterns of employment and pay.

2. The current report examines the related issues of child labour and youth employment in Laos. Guided by observed outcomes in terms of schooling, work activities and status in the labour market, the report considers the economic as well as the social determinants of child labour and youth employment difficulties. The report was developed jointly by the three UCW partner agencies. As such, it provides an important common basis for action in addressing child labour and youth employment issues.

### Children's involvement in work and schooling

3. Children's involvement in employment remains common in Laos. Almost 71,000 children age 6-13 years, 6.5 percent of this age group, are in employment in Laos according to 2010 Laos Labour Force and Child Labour Survey (LFCLS 2010).<sup>1</sup> All of these children are also in child labour for elimination in accordance with the Lao legislation, which prohibits employment below the age of 14. The share of older, 14-17 year-old, children in employment is much higher, at 35 percent. Fewer children from the 14-17 years age are in child labour, however, as Lao legislation only proscribes excessive hours and certain types of employment for this age range. It is important to note at the outset of this report that the estimates of employment based on LFCLS 2010 likely significantly *understate* actual employment levels for both the 6-13 and 14-17 years age groups.<sup>2</sup>

4. There are several important characteristics of children's employment in Laos of relevance for policy. First, children's employment is mainly although not exclusively a rural phenomenon - 66,800 rural children aged 6-13 years are in employment compared to only 4,100 urban children in the same age

<sup>1</sup> LFCLS 2010 was implemented jointly by the Lao Statistics Bureau (then, the Department of Statistics) of the Ministry of Planning and Investment (MoPI) and the Labour Management Department of the Ministry of Labour and Social Welfare (MoLSW), with the financial and technical assistance of the International Labour Organisation (ILO) through its Regional Office for Asia and the Pacific, and its International Programme on the Elimination of Child Labour (IPEC).

<sup>2</sup> The underestimation is product of problems with the definition of employment used in the employment question in the LFCLS 2010 questionnaire and of the consequent need to instead rely on the question on principal activity to identify those in employment. In answering the question on principal activity, however, survey respondents must choose their activity in the last week among 'employment', 'schooling', 'unemployment', 'housewife' and other activities, and those who combine work and schooling but consider schooling as the main activity are not classified as in employment. As evidence from other developing countries indicates that children combining school and work form of the majority of children in employment, the underestimation of employment in the case of Laos could be considerable. This estimation problem does not, however, extend to school attendance, which is captured by a separate question.

group. Incidence is especially high in remote rural areas without roads. Second, there are substantial regional differences in children's involvement in employment, underscoring the need for the geographic targeting of efforts against child labour. Less than one percent of children aged 6-13 years worked in employment in Vientiane Capital City in 2010, for example, against 13 percent in Saravane. Third, there are differences in children's employment by sex, suggesting that gender considerations play a role in the assignment of children's work responsibilities in Laos.

5. The agriculture sector accounts for by far the largest share of children's employment in Laos. For the 6-13 years age group, almost all (97 percent) of children in employment are in the agriculture sector. At the same time, almost nine out of every ten (88 percent) of 6-13 year-olds in employment are non-wage family workers. Most of the remainder (10 percent) are self-employed while only two percent are paid workers. Children's employment is very time-intensive in Laos. Children aged 6-13 years in employment log an average of over 40 working hours per week, more even than adult workers in industrialized countries. The time intensity of work rises with age, but even six year-olds must put in an average of almost 27 hours of work per week, with obvious consequences for the time and energy they have to devote to their studies for their right to leisure.

6. There remains a substantial number of out-of-school children in Laos. Taking the narrower group of 8-13 year-olds to eliminate most potential late entrants, some 80,000 (over nine percent) were out of school in 2010. School-related supply-side factors are likely important in this context. According UNESCO (2010), only a little over one-third (36 percent) of villages have access to a school offering complete primary school education, most of which are large villages close to the roads.<sup>3</sup> In provinces with large non-Lao-Thai populations, more than 60 percent of the schools offer incomplete primary education. The second chance learning needs of out-of-school children are very significant: taking those out-of-school children at the upper end of the basic schooling range (11-14 year-olds),<sup>4</sup> some 29,400, or about 38 percent, suffer what UNESCO terms "education poverty", i.e., possess less than four years of education, the minimum amount of school time considered by UNESCO as necessary for acquiring basic literacy skills.

7. Not discussed up to this point is the extent to which children's work in Laos constitutes "child labour" for elimination. This question is critical for the purposes of prioritising and targeting policy responses to children's work. For a complete estimate of child labour in accordance with Article 41 of the amended Labour Law (2007), the primary legal framework regarding child labour in the country, it is necessary to look at (1) all children aged 5-13 years in employment; and (2) all 14-17 year-old children working in excess of eight hours per day and/or in hazardous occupations, industries or conditions (including night work). Child labour based on these measurement criteria is very common in Laos. Some of 74,700 children below the age of 14 years are in employment and 100,200 children aged 14-17 years are in hazardous

<sup>3</sup> UNESCO (2010). [L'évaluation de l'éducation pour tous à l'an 2000 : Rapport des pays. Laos.](#)

<sup>4</sup> Younger children by definition have not accumulated a sufficient number of schooling years for the UNESCO indicator of education poverty.

work. Summing these two groups yields a total of 174,900 children aged 5-17 years in child labour, accounting for 10 percent of all children in this age range.<sup>5</sup>

8. What are the causes of child labour in Laos? The report points to some of the factors influencing household decisions to involve their children in work or school:

- *Age.* The analysis shows that the probability of a child working increases with age. The available information is insufficient to provide a precise idea of the relative importance of the two most probable reasons for this, i.e., the rising opportunity cost of schooling as a child grows older, or the lack of access to schooling at the post-primary level.
- *Sex.* Parents' decisions concerning whether to involve their children in school or work also appear influenced by gender considerations in Laos. Holding constant household income, parents' education and other relevant factors, boys have a lower probability of working in employment and a higher probability of attending school.
- *Education of household head.* Higher household head education levels make it more likely that a child attends school and less likely that he or she is in employment. One possible explanation is that more educated parents might have a better knowledge of the returns to education, and/or are in a better position to help their children to exploit the earning potential acquired through education.
- *Household income.* The level of household income also appears to play a role in decisions concerning children's work and schooling. Children from highest-income households, for instance, are three percentage points less likely to work in employment and seven percentage more likely to attend school than children from lowest-income households. The results underscore that children's earnings or productivity can play an important role in household survival strategies among low-income families.
- *Place of residence.* Children's living location has an influence on their time use, highlighting the importance of targeted, area-specific approaches to reducing child labour and raising school attendance. Children in rural areas face a significantly greater risk of being out of school and in employment. The consequences of residence are particularly pronounced for children living in rural areas without access to roads. These children are 5.8 percentage points more likely to work and 6.2 percentage points less likely to attend school than their urban counterparts.
- *Migration status.* The likelihood of children working and attending school are significantly influenced by the migration status of their family. A child from a migrant household, for example, is 4.4 percentage points more likely to attend school and 2.6 percentage points less likely to work. On the face of this evidence, then, migration appears to confer on children advantages both in terms of being able to go to school and of being protected from child labour.

---

<sup>5</sup> It is worth emphasizing that these child labour estimates are also affected by problems with the definition of employment used in LFCLS 2010, and therefore likely understate the actual share and number of children in child labour.

- *Local labour market conditions.* Local labour market conditions appear to have an important influence on children's participation in employment and schooling. An increase in local labour demand significantly increases the likelihood of children working and decreases the likelihood of their attending school. This result suggests that households are influenced not only by their own circumstances but also by opportunities in the labour market when making decisions concerning children's employment. An increase in the youth labour supply, on the other hand, significantly reduces the likelihood of children's employment and increases the likelihood of school attendance. This result suggests that the presence of a large potential supply of youth workers may leave fewer opportunities for children's involvement in employment.
- *Exposure to shocks.* Laos is a country that is prone to floods and typhoons and the impact of shocks on decisions concerning children's employment and schooling is therefore also of considerable policy interest. Children living in a household hit by natural disasters are almost 3.1 percent more likely to work and 4.5 percent less likely to attend school. One possible explanation is that households use their children as risk-coping instruments, and adjust the school attendance and labour force participation of their children to absorb the impact of negative shocks.

9. But children's employment is a complex phenomenon and the factors mentioned above clearly represent only a partial list of determinants. Better data and more in-depth analysis are needed for a more complete understanding of why children become involved in work. More information on availability of infrastructure, school quality, access to credit markets, coverage of social protection schemes, is especially important. Decisions concerning children's work and schooling are driven by both economic and socio-cultural factors, and a better understanding is also needed of the role of the latter.

#### Youth employment outcomes

10. The aggregate labour market indicators for Lao youth aged 15 – 24 years point to a high level of labour force participation (76 percent) and at the same time a very low rate of measured unemployment (less than one percent). Education participation is relatively low at 39 percent. Five percent of all youth are not in education, employment or training, a group referred to by the acronym "NEET". In the Laos context, however, the key policy concern is the *quality* of the jobs they hold, and the extent to which these jobs offer a path for advancement and route out of poverty.

11. Underemployment, sometimes referred to as "hidden unemployment", affects about seven percent of employed Lao youth, where the underemployed are defined as persons working less than 40 hours a week but wanting and available to work longer hours. Youth living in rural areas without road access have by far the highest rate of underemployment. Fourteen percent of employed youth in these areas are underemployed, more than double the rate in urban areas and other rural areas. Underemployment



is most common in the agriculture sector where eight percent of all young workers are working fewer hours than they would like.

12. Youth employment is dominated by low-productivity, unremunerated work concentrated in the agriculture sector. Three-quarters of youth workers are found in agriculture and about half (51 percent) of employed youth are non-wage family workers. Paid employment, by contrast, accounts for only 17 percent of young workers. Less than 30 percent of youth in wage work enjoy written contracts, underscoring the high degree of precariousness characterising youth employment in Laos.

13. Levels of working poverty are extremely high among Lao youth: three of every four employed youth are poor despite having a job. Levels of working poor are especially high among young persons working in agriculture. Over four-fifths of youth working in agriculture (86 percent) are poor, compared to 43 percent in manufacturing, 40 percent in services and 35 percent in commerce. In terms of status in employment, working poverty is highest for non-wage family workers (82 percent) and for those who are self-employed (79 percent). These high levels of working poverty are perhaps the most revealing indicator of the low quality of youth jobs – for too many Lao youth, employment does not offer a route out of poverty.

14. The balance of evidence points to substantial returns to education for young people in the Lao labour market. The share of employed youth in wage work and in tertiary sector work both rise consistently with more education, while the opposite pattern prevails for non-wage family work and for work in the agriculture sector. Similarly, a higher share of more educated youth enjoy jobs with written contracts. Only 18 percent of youth with only primary education have a written contract against 35 percent of youth with upper secondary education and 71 percent of youth with tertiary education. At the same time, the share of working poor falls significantly with educational attainment. Ninety-five percent of employed youth with no education are poor compared to 49 percent of employed youth with secondary education and 33 percent with tertiary education. More robust econometric evidence also highlights the importance of education in determining job quality.

15. Results from the 2012 Laos Enterprise Survey (ES 2012) provide an indication of the relative importance of inadequate human capital levels from the perspective of Lao firms in the non-agricultural economy. Firms cite “inadequately educated workforce” more frequently than any other factor as the biggest obstacle to growth. Skills deficits are most felt in medium- and large-size firms in the services and commerce sectors. The perceived skills deficit suggests significant unmet demand for skilled labour among Lao firms outside the agriculture sector, and highlights the importance of investing in youth education and training as a means of improving youth employment outcomes.

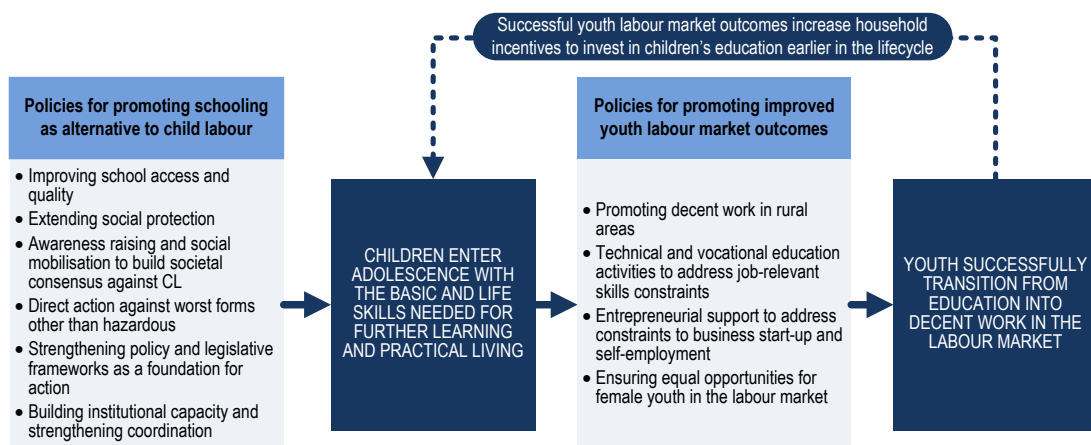
16. Feedback from employed youth themselves concerning their skills levels also suggests that skills mismatches are commonplace. The largest share (58 percent) of youth with upper secondary or higher education see themselves as over qualified for the jobs that they perform, undoubtedly because many are in non-wage family work in agricultural sector. But there is also a substantial share (30 percent) that indicate feeling underqualified for their

jobs despite their high level of educational attainment, a figure that roughly corresponds with the share of the same group in wage work and work with written contracts. These results suggest that while better-educated youth not surprisingly indicate feeling over-qualified for farm work, these youth at the same time do not feel they are adequately qualified for more skills-intensive jobs in the formal sector, in keeping with the feedback from employers reported above.

### Responding to child labour and youth employment concerns

17. Child labour and youth employment are closely linked, underscoring the importance of addressing the two issues hand in hand, following a lifecycle approach. The figure below illustrates key components of an integrated response to child labour and youth employment concerns. A set of child-centred policies are needed to promote schooling as an alternative to child labour, and, following from this, to ensure that children enter adolescence with the basic and life skills needed for further learning and practical living. This foundation is turn crucial to the success of active labour market policies for promoting improved youth employment outcomes, and to ensuring that youth successfully transition from education into decent work in the labour market. This causal chain can also work in the opposite direction: successful youth labour market outcomes can increase household incentives to invest in children's education earlier in the lifecycle.

An integrated response to child labour and youth employment problems



18. Child labour is a complex phenomenon requiring a policy response that is comprehensive cross-sectoral in nature. Better access to quality schooling, combined with mechanisms to reduce social risk, are particularly important to preventing children from entering child labour, and to stopping children already in work from moving to more hazardous forms or leaving school prematurely. Awareness raising and social mobilisation are critical to building a broad-based consensus for change to engaging civil society and social partners in achieving change. Direct actions are needed to remove and

rehabilitate children facing extreme forms of hazard or exploitation in the workplace. Appropriate legal and policy frameworks are important as a statement of national intent and to guide national action against child labour. There is a particular need in this context to raise the age at which compulsory schooling ends (currently 11 years) so that it is consistent with the minimum age for employment (currently 14 years). Finally, strengthened institutional capacity is critical to ensuring that these frameworks are effectively operationalised.

19. High rates of economic growth in Laos have not yet been sufficiently translated into high rates of formal job creation and this has had particularly severe repercussions for young people who make up a significant proportion of the labour market. Active labour market policies which ensure ample decent work opportunities for young people are central not only for promoting youth employment but also for increasing the value of education and creating positive incentives for keeping children in school. Particularly important in this context are policies promoting decent work in rural areas, technical and vocational education activities to address job-relevant skills constraints, entrepreneurial support to address constraints to business start-up and self-employment and policies promoting equal opportunities for female youth in the labour market.

## 1 INTRODUCTION

20. Overcoming the twin challenges of child labour and youth employment will be critical to progress towards the Millennium Development Goals in Laos. Estimates presented in this report indicate that some 71,000 Lao children aged 6-13 years still work in employment. At the same time, youth employment is dominated by low-productivity, unremunerated work concentrated in the agriculture sector. Only one of every four employed youth earns enough to escape poverty. The effects of child labour and youth employment difficulties are well-documented: both can lead to social vulnerability and societal marginalisation, and both can permanently impair productive potential and therefore influence lifetime patterns of employment and pay.

21. The issues of child labour and youth employment are closely linked, pointing to the need for common policy approaches to addressing them. Employment outcomes are typically worst for former child labourers and other early school-leavers, groups with least opportunity to accumulate the human capital needed for gainful employment. Indeed, today's jobless or inadequately employed youth are often yesterday's child labourers. The link between child labour and labour market outcomes can also operate in the other direction: poor future labour market prospects can reduce the incentive of households to invest in children's human capital.

22. The current report examines the related issues of child labour and youth employment in Laos. Guided by observed outcomes in terms of schooling, work activities and status in the labour market, the report considers the economic as well as the social determinants of child labour and youth employment difficulties. The report is based primarily on the results from two recent surveys – the 2010 Laos Labour Force and Child Labour Survey (LFCLS 2010) and 2012 Skills Measurement Survey (SMS 2012).

23. The report was developed jointly by the three UCW partner agencies. As such, it provides an important common basis for action in addressing child labour and youth employment issues. Four related objectives are served by the report: (1) improve the information base on child labour and youth employment, in order to inform policy and programmatic responses; (2) promote policy dialogue on child labour and the lack of opportunities for decent and productive work for youth; (3) analyse the relationship between early school leaving, child labour and future status in the labour market; and (4) build national capacity for regular collection and analysis of data relating to child labour and youth employment.

24. The remainder of the report is structured as follows. Chapter 2 briefly describes the national context, including socio-economic trends and key human development challenges facing the country. Following this background, chapter 3 of the report focuses on understanding children's work. Sections 3.1, 3.2 and 3.3 present descriptive data relating to the extent and nature of children's work, and to how children divide their time between work and school. Section 3.4 employs econometric tools to assess key determinants of children's work and schooling and their implications for policy. Section 3.5 reports estimates of the subset of working children in child

labour as defined in national legislation and international legal standards. Section 3.6 assesses out of school children and the remedial education needs.

25. Chapter 4 of the report focuses on understanding youth employment outcomes. Section 4.1 presents an initial descriptive overview of the activity status of Lao young persons and their situation in the labour market. Section 4.2 assesses youth job characteristics and the challenges youth face in obtaining decent work. Section 4.3 assesses links between human capital levels and youth employment outcomes, as part of a broader discussion on how child labour can affect employment outcomes during youth. Section 4.4 addresses youth skill deficits and section 4.5 assesses the position of youth in the labour market vis-à-vis their adult counterparts.

26. Chapter 5 reviews current policies and programmes relating to child labour and youth employment. Chapter 6 discusses future policy priorities for accelerating action in the areas of child labour and youth employment.

**Panel 1. Understanding Children's Work (UCW) programme**

The inter-agency research programme, Understanding Children's Work (UCW), was initiated by the International Labour Organisation (ILO), UNICEF and the World Bank to help inform efforts towards eliminating child labour.

The Programme is guided by the Roadmap adopted at The Hague Global Child Labour Conference 2010, which lays out the priorities for the international community in the fight against child labour.

The Roadmap calls for effective partnership across the UN system to address child labour, and for mainstreaming child labour into policy and development frameworks. The Roadmap also calls for improved knowledge sharing and for further research

aimed at guiding policy responses to child labour.

Research on the work and the vulnerability of children constitutes the main component of the UCW Programme. Through close collaboration with stakeholders in partner countries, the Programme produces research allowing a better understanding of child labour in its various dimensions.

The results of this research support the development of intervention strategies designed to remove children from the world of work and prevent others from entering it. As UCW research is conducted within an inter-agency framework, it promotes a shared understanding of child labour and provides a common platform for addressing it.

## 2 NATIONAL CONTEXT

27. Laos is a landlocked, mountainous country, widely covered by largely unspoilt tropical forest.<sup>1</sup> The country is divided into three administrative regions: the northern region, which includes the provinces of Phongsaly, Luangprabang, Huaphanh, and Xayabury; the central region, which covers Vientiane Capital city and the provinces of Vientiane, Xiengkhuang, Borikhamxay, and Khammuane; and the southern region, which is made up of Saravane, Sekong, Champasack and Attapeu provinces. The country is



Source: Central Intelligence Agency, The World Factbook, [Laos](#)

extremely vulnerable to shocks that severely impact on agriculture, road transport, housing and poverty patterns. As major urban centers expand and infrastructure is built with inadequate land use planning, land use-related vulnerabilities and risks are increasing.<sup>2</sup>

28. The country's population of 6.3 million (2011)<sup>3</sup> is primarily rural – seventy percent of the population lives in rural areas, which are characterized by poor infrastructure and subsistence farming.

29. Laos is an ethnically diverse country, consisting of 49 different ethnic groups, many with their own languages and unique cultures. Almost 55 percent of the population are Lao-Tai, 11 percent Khmou and 8 percent Hmong<sup>4</sup>. Non-Lao-Tai ethno-linguistic minority groups are disadvantaged in many respects relative to the Lao-Thai majority. Non-Lao-Thai live predominantly in isolated rural highland areas with limited access to transport infrastructure, marketing opportunities, and social services. Some non-Lao-Tai minority groups are still semi-nomadic, moving to new areas

<sup>1</sup> BBC, [Laos Profile](#)

<sup>2</sup> Between 1966 and 2009, Laos experienced an average of 1.5 flood or drought events every year. In the past 5 years, the country was hit by the Kammuri flooding (August 2008) which affected 200,000 people and damaged 50,000 hectares of arable land, followed by Typhoon Morakot (August 2009), Typhoon Ketsana (September 2009) and typhoons Haima and Knock-ten (mid 2011).

The World Bank, Country Partnership Strategy for Lao People Democratic Republic for the period FY 12- FY 16 (January 2012)

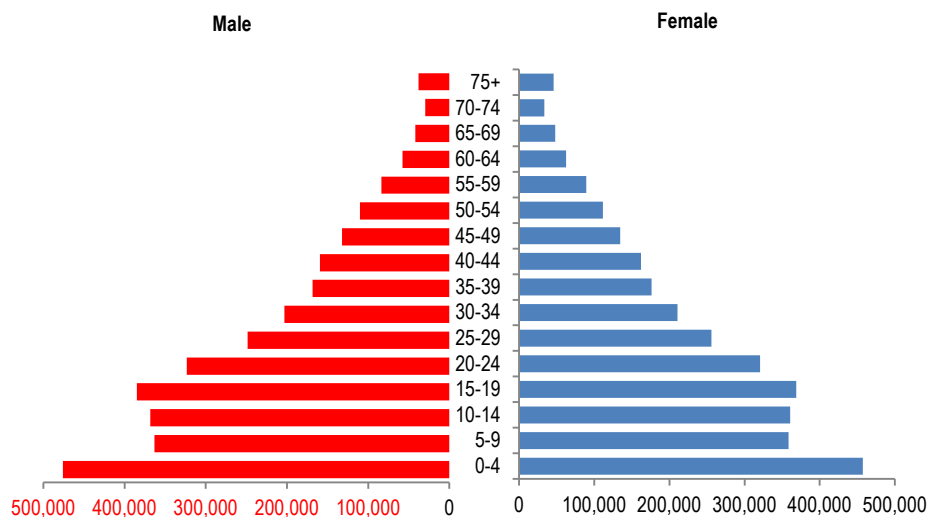
<sup>3</sup> Laos Statistics Bureau, [Population distribution](#)

<sup>4</sup> Lao Statistics Bureau, [Population Census 2005](#)

where their lands are depleted, but other have become sedentary. Like rural Lao-Tai households, rural non-Lao-Tai households are primarily farmers, but they cultivate mainly less productive lands in harsher upland areas and rely much more on forest product for income<sup>5</sup>.

30. The population is growing at an annual rate of 2.1 per cent, and the population structure is changing. The total fertility rate (4.5 children per woman) ranges from 2.3 in Vientiane to 6.4 in the remote rural province of Huaphan. Due to the decline in fertility and in the dependency ratio, the percentage of the working age population is expected to increase for at least the next 30 years. More than 50 per cent of the population is under the age 20: whether the youth bulge is an economic boon or a missed opportunity will depend on how young people's aspiration can be met within the country with appropriate policy responses.<sup>6</sup>

Figure 1. Population pyramid, Laos, 2011



Source: Laos Statistics Bureau, [Population distribution](#)

31. Modern-day Laos has its roots in the ancient Lao kingdom of Lan Xang, established in the 14th century. For 300 years Lan Xang had influence reaching into present-day Cambodia and Thailand, as well as over all of what is now Laos. After centuries of gradual decline, Laos came under the domination of Siam (Thailand) from the late 18th century until the late 19th century when it became part of French Indochina. The Franco-Siamese Treaty of 1907 defined the current Lao border with Thailand. In 1975, the Communist Pathet Lao took control of the government ending a six-century-old monarchy and instituting a strict socialist regime closely aligned to

<sup>5</sup> Elizabeth King and Dominique van de Walle (2010). Catching up slowly: ethnic and gender inequalities in Laos, Laos Country Brief No. 2, Indigenous People, The World Bank, November 2010

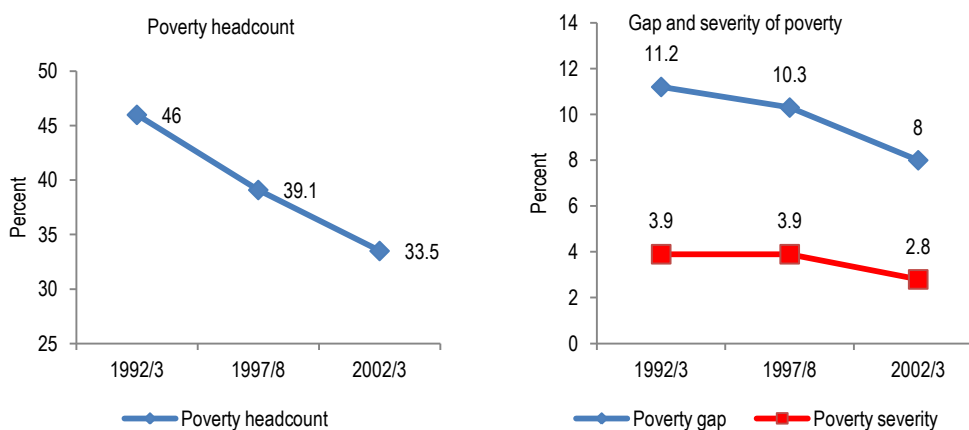
<sup>6</sup> The World Bank, Country Partnership Strategy for Lao People Democratic Republic for the period FY 12- FY 16 (Jan. 2012), and United Nations Population Fund, Draft country programme document for the Lao People's Democratic Republic (May 2011)

Vietnam. A gradual, limited return to private enterprise and the liberalization of foreign investment laws began in 1988.<sup>7</sup>

32. Laos's long term development agenda is based on a gradual transformation from a closed and centrally planned economy to a private-sector-led open economy. Reforms underway have contributed to reduce poverty and stimulate broad-based growth. Following the introduction of market-oriented reforms beginning in 1986, the economy has expanded on average by 7.1 percent per year from 2001 to 2010, and is expected to grow by 7.6 percent per year in 2011-2015.<sup>8</sup>

33. Laos's economic transformation comes with great development opportunities. The country is blessed with many endowments that are contributing to growth, and is located in the center of a fast growing region. Moreover, the Government has shown strong commitment to its development strategy and decades of investments in the country are now paying dividends in the form of better infrastructure, a more educated population, and a greater sector capacity. Nevertheless, the economic transformation comes with several challenges, including the sustainability of natural resource management; building a stronger private sector that can propel a balanced economic growth that create jobs and income; ensuring access to adequate infrastructure, especially in rural areas; reducing social exclusion and inequalities.

Figure 2. Poverty in Laos, 1992/3 – 2007/8



Source: [Lao Statistics Bureau](#)

34. Laos has achieved significant progress in poverty reduction (Figure 2), but declines in poverty are not evenly distributed across the country. The poverty headcount has fallen from almost half of the population to below one quarter within a decade. These averages, however, mask geographic and ethnic disparities. Urban areas and districts along the Thai border regions have experienced rapid growth and poverty reduction, but other groups continue to lag behind. Even more important than regional differences are variations

<sup>77</sup> Central Intelligence Agency, The World Factbook, [Laos](#)

<sup>8</sup> The World Bank, Country Partnership Strategy for Lao People Democratic Republic for the period FY 12- FY 16 (January 2012)



by elevation level. More than half of the population lives in lowland areas. These are the plains along the Mekong and other rivers with irrigable and fertile soils. About two thirds of the country is mountainous, with large sparsely populated areas intersected by river valleys, and upland plateaus. The impact of altitude on livelihoods is profound. While many parts of the uplands are deprived of infrastructure, there is an abundance of natural resources such as water, forests and minerals. Despite this abundance of natural resources, upland areas have a poverty rate of almost 43 percent, and make up 39 percent of the poor, despite accounting for just 25 percent of the population. In addition, the decline in poverty between 2002/3 and 2007/8 has been particularly slow in the upland areas.

35. Poverty rates vary according to ethnicity, with the Lao-Thai displaying lower poverty incidence. All three major non-Lao-Thai groups, who constitute about 65 percent of the population, still record poverty rates above 42 percent, compared to 25 percent among the Lao-Thai population.<sup>9</sup>

36. Non-monetary indicators of poverty and human development are improving. The under-5 mortality rate, for example, dropped to 42 in 2011 from 148 in 1990<sup>10</sup>, and life expectancy at birth rose to 67.8 in 2012 from 54.3 in 1990.<sup>11</sup> Access to improved sanitation facilities rose from 26 to 63 percent, and access to improved water sources from 37 to 62 percent of the rural population over the period 2000-2010.<sup>12</sup> Lao People's Democratic Republic's HDI was 0.543 in 2012, which gave the country a rank of 138 out of 187 countries with comparable data. The HDI of East Asia and the Pacific as a region increased from 0.432 in 1980 to 0.683 in 2012, placing Lao People's Democratic Republic below the regional average.<sup>13</sup>

37. Laos has also seen important progress in terms of expanding access to schooling (Figure 3 and Figure 4). The primary-level net enrolment rate rose from 77 percent in 1999 to 95 percent in 2011. National retention rates remain a significant concern, however, as only about 67 percent of children that start Grade 1 actually complete all 5 grades of primary school. In primary level, repetition and dropout rates stand at 10 percent and 7 percent respectively (Figure 4), also representing a major challenge for the Lao Government. A large number of parents also choose to enroll their children later than enrolment age. The Ministry of Education indicates that to achieve universal primary education completion, enrolment will have to increase by means of reduced drop-out and greatly reduced repetition rates.

<sup>9</sup> Lao Statistics Bureau, [Poverty in Laos in 2008](#), and The World Bank, Country Partnership Strategy for Lao People Democratic Republic for the period FY 12- FY 16 (January 2012)

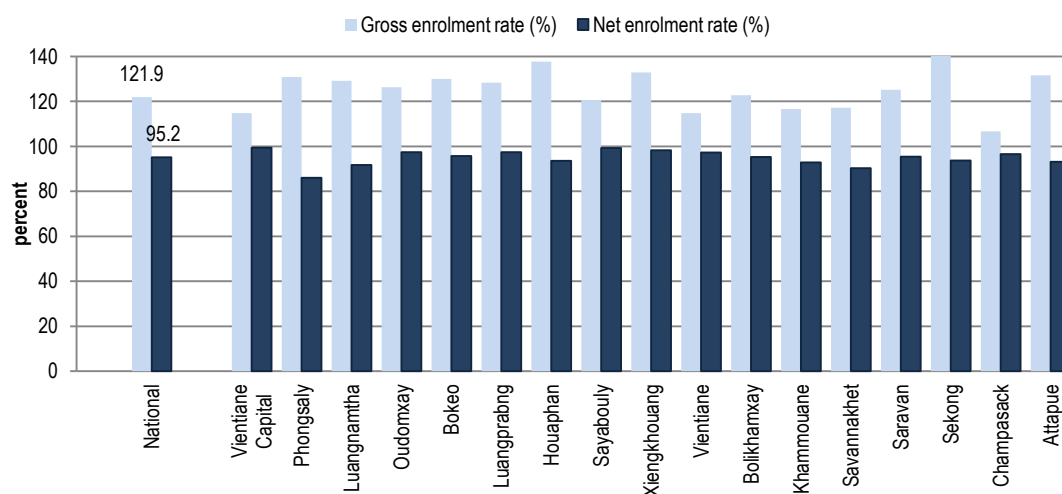
<sup>10</sup> UNICEF, [At a glance: Lao People's Democratic Republic](#)

<sup>11</sup> UNDP, Human Development Report 2013, [Lao People's Democratic Republic](#)

<sup>12</sup> The World Bank, [World Development Indicators](#)

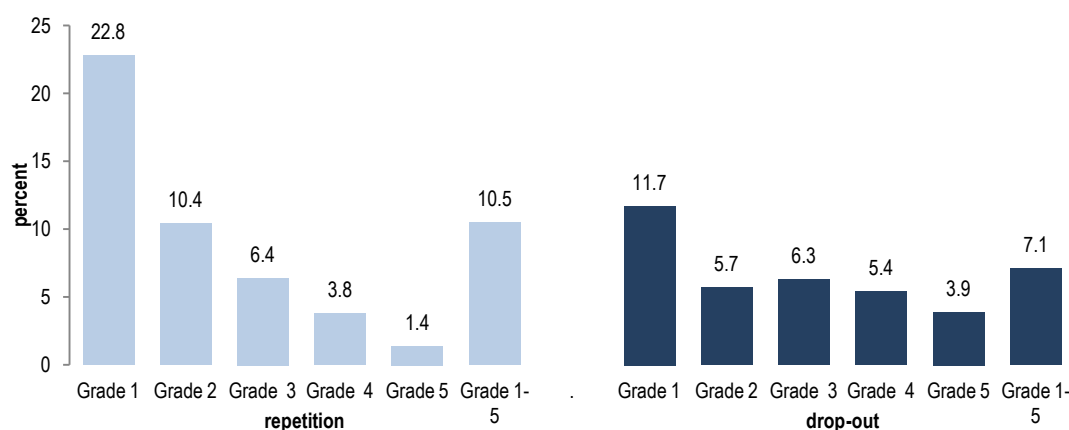
<sup>13</sup> UNDP, [International Human Development Indicators](#)

Figure 3. Enrolment rate of primary education by provinces



Source: Annual Statistical Bulletin, School Year 2011-2012

Figure 4. Dropout rate and repetition rate, percentage



Source: Annual Statistical Bulletin, School Year 2011-2012

38. Laos made significant progress on many of the Millennium Development Goals (MDGs), but reaching some of the MDG targets remains a challenge. Some targets are off track, including malnutrition (40 percent of under-five children are stunted), measles immunization, skilled birth attendance, and some dimensions of gender equality (for instance, girl's equal enrolment in tertiary education). Table 1 indicates the country's progress with respect to primary MDG targets.

Table 1. MDGs Targets and Indicators

MDGs	Targets	Indicators	Baseline	Current Status	2015 Target
<b>1: Eradicate Extreme Poverty And Hunger</b>	1A: Halve, between 1990 and 2015, the proportion of people under the national poverty line	1.1. Proportion of population below poverty line	46 (1992)	26.9 (2007/08)	24
		1.2. Poverty-gap ratio	11 (1992)	8 (2002/03)	6
	1B: Achieve full and productive employment and decent work for all	1.5. Employment-to-population ratio	47	49	To be identified
	1C: Halve, between 1990 and 2015, the proportion of people who suffer from hunger	1.8. Prevalence of underweight children under five years of age	44 (1993)	37 (2006)	22
		1.8A. Prevalence of stunting in children under five years of age	48 (1993)	40 (2006)	34
		1.9. Proportion of population below food poverty line	32.5 (1997/08)	19.8 (2002/03)	19
	<b>2: Achieve Universal Primary Education</b>	2A: Ensure that by 2015 children everywhere, boys and girls alike, will be able to complete a full course of primary schooling	2.1. Net enrolment rate in primary school	58 (1991)	84 (2005)
2.2. Proportion of pupils starting grade 1 who reach grade 5			48 (1991)	62 (2005)	95
2.3. Literacy rate in the age group of 15–24 years			71 (1991)	84 (2005)	99
<b>3: Promote Gender Equality and Empower Women</b>	3A: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015	3.1. Number of girls per 100 boys enrolled in	(all 1991)	(all 2006)	
		- Primary			
		- Lower secondary	77	86	100
		- Upper secondary	66	78	100
		- Tertiary	56 49	74 62	100 100
		3.2 Share of women in wage employment	38 (1995)	50 (2006)	To be identified
	3.3 Proportion of seats held by women in National Assembly	6 (1991)	25 (2008)	30	
<b>4: Reduce Child Mortality</b>	4A: Reduce by two-thirds, between 1990 and 2015, the under-5 mortality rate	4.1. Under-five mortality rate	170 (1995)	98 (2005)	55
		4.2. Infant Mortality Rate (IMR)	104 (1995)	70 (2005)	45
<b>5: Improve Maternal Health</b>	5A: Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio	5.1. Maternal Mortality Ratio (MMR)	650 (1995)	405 (2005)	260
		5.2. Proportion of births attended by skilled birth personnel	14 (1994)	21.1 (2005)	50
	5B: Achieve, by 2015, universal access to reproductive health	5.3 Contraceptive prevalence rate	20 (1994)	38 (2005)	55
		5.4 Antenatal care coverage rate			
		- at least one visit	-	28.5 (2005)	60
- at least four visits	-	-	40		
<b>6: Combat HIV/AIDS, Malaria and Other Diseases</b>	6A: Have halted by 2015 and begun to reverse the spread of HIV/AIDS	6.1 HIV prevalence among general pop. (percentage)	0.06 (2001)	0.2	<1
		6.2 Men who have sex with men who are HIV infected, 15–49 yrs (percentage)	2.8 (2008-09)	2.8	<3
		6.3 HIV prevalence among service women, 15–49 years old (percentage)	0.9 (2001)	1.2	<2
		6.4 Condom use among service women with their most recent client (percentage)	54.4 (2004)	94.7	95

Table 1. MDGs Targets and Indicators

MDGs	Targets	Indicators	Baseline	Current Status	2015 Target	
	6B: Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it	6.5 Adults and children with advanced HIV infection receiving antiretroviral therapy (%)	48 (2006)	92	>90	
	6C: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases	6.6. Death rates associated with malaria (per 100,000 population)	9 (1990)	0.4 (2006)	0.2	
		6.8. Proportion of children under five sleeping under bed nets	82 (2000)	87 (2006)	95	
		6.9. Prevalence and death rates associated with TB (per 100,000)	472 (1990)	306 (2005)	240	
		6.10. Proportion of TB cases under DOTS	- detected	24 (1995) 72 (1995)	72 (2005) 90 (2005)	70 85
			- cured			
<b>7: Ensure Environmental Sustainability</b>	7A: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources	7.1 Proportion of land areas covered by forests (%)	70	42 (2002)	65	
		7.2. CO2 emissions and consumption of ozone-depleting substances (mt)	50 (1999)	18 (2006)	To be identified	
	7C: Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation	7.5 Proportion of population using improved drinking water source (%)	(1990) 38	(2008) 57	69	
		- urban		72		
		- rural		51		
- small towns			51			
	- schools		25			
	7.6 Proportion of population using an improved sanitation facility (%)	(1990) 8	(2008) 53	54		
	- urban		84			
	- rural		38			
	- schools		24			
<b>8: Develop a Global Partnership for Development</b>	Fully implement the Country Action Plan of the Vientiane Declaration on Aid Effectiveness as a demonstration of the strength and effectiveness of the partnerships for development result for Laos	Refer to detail Country Action Plan of the Vientiane Declaration on Aid Effectiveness				
<b>9: Reduce the Impact of UXO in Laos in accordance with the National Strategic Plan for the UXO sector "The Safe Path Forward II"</b>	9A: Ensure the complete clearance of UXO from priority / high value agricultural land by 2020	9.1 Number of hectares released from UXO contamination	(2002) 842	(2009) 4,114	To be identified	
	9B: Reduce substantially the number of casualties as a result of UXO incidents	9.2 Number of casualties reported as result of UXO incidents	(1964-2007) 49,836	(2008) 300	Less than 200	
	9C: Ensure that the medical and rehabilitation needs of all UXO survivors are met in line with treaty obligations under the Convention on Cluster Munitions	9.3 Provision of proper assistance to UXO survivors	0	0	20,439	

Source: UNDP, The MDG Compact (October 2010)

### 3 CHILDREN'S INVOLVEMENT IN WORK AND SCHOOLING

39. This chapter looks at the time use patterns of children in Laos, focusing in particular on the extent of children's involvement in work and schooling. The analysis in this and the remaining chapters is based primarily on data from the 2010 Laos Labour Force and Child Labour Survey (LFCLS 2010),<sup>14</sup> a nationally representative household-based survey designed to study the participation in and the characteristics of the Lao labour force.

40. It is important to note at the outset of this chapter of the report that the estimates of employment based on LFCLS 2010 likely significantly *understate* actual employment levels for both the 6-13 and 14-17 years age groups. The underestimation is product of problems with the definition of employment used in the employment question in the LFCLS 2010 questionnaire and of the consequent need to instead rely on the question on principal activity to identify those in employment. In answering the question on principal activity, however, survey respondents must choose their activity in the last week among 'employment', 'schooling', 'unemployment', 'housewife' and other activities, *and those who combine work and schooling but consider schooling as the main activity are not classified as in employment*. As evidence from other developing countries indicates that children combining school and work form of the majority of children in employment, the underestimation of employment in the case of Laos could be considerable. This estimation problem does not, however, extend to school attendance, which is captured by a separate question.

#### 3.1 Extent of children's employment

41. Children's involvement in employment remains common in Laos. Almost 71,000 children age 6-13 years, 6.5 percent of this age group, are in employment in Laos according to LFCLS 2010 (Table 2). All of these children are also in child labour for elimination in accordance with the Lao legislation, which prohibits employment below the age of 14 (see Panel 21). The share of older, 14-17 year-old, children in employment is much higher, at 35 percent. Fewer children from the 14-17 years age are in child labour, however, as Lao legislation only proscribes excessive hours and certain types of employment for this age range. Involvement in child labour is discussed further in section 3.5 of this report.

Table 2. Children' involvement in employment, by age range, sex and residence

Background characteristics	6-13 years		14-17 years		
	No.	%	No.	%	
Sex	Male	31,671	5.6	85,089	30.7
	Female	39,127	7.4	104,835	39.0

LFCLS 2010 was implemented jointly by the Lao Statistics Bureau (then, the Department of Statistics) of the Ministry of Planning and Investment (MoPI) and the Labour Management Department of the Ministry of Labour and Social Welfare (MoLSW). It was undertaken with the financial and technical assistance of the International Labour Organisation (ILO) through its Regional Office for Asia and the Pacific, and the International Programme on the Elimination of Child Labour (IPEC) through its Statistical Information and Monitoring Programme on Child Labour (SIMPOC).

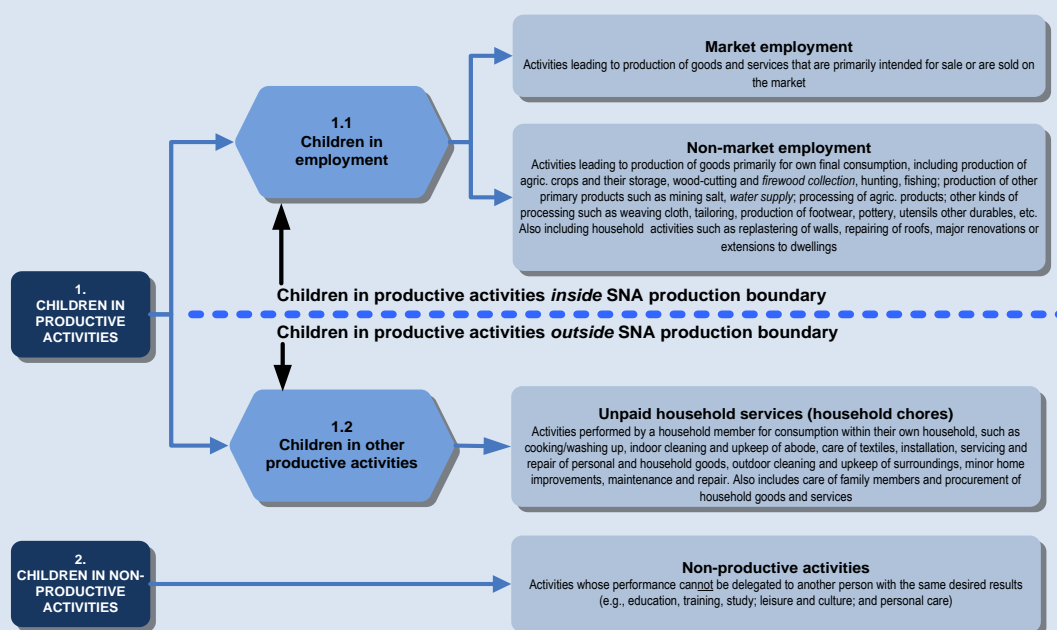
Table 2.Cont'd

Background characteristics		6-13 years		14-17 years	
		No.	%	No.	%
Residence	Urban	4,079	1.7	24,897	16.2
	Rural	66,718	7.8	165,027	42.0
<b>Total</b>		<b>70,797</b>	<b>6.5</b>	<b>189,924</b>	<b>34.7</b>

Source: UCW calculations based on Laos Labour Force and Child Labour Survey, 2010

### Panel 2. Children's work and child labour: A note on terminology

In accordance with the standards for national child labour statistics set at the 18<sup>th</sup> International Conference of Labour Statisticians (Res. II), this study distinguishes between two broad categories of child workers – children in employment and children in other productive activities. The definition of **children in employment** in turn derives from the System of National Accounts (SNA) (Rev. 1993), the conceptual framework that sets the international statistical standards for the measurement of the market economy. It covers children in all market production and in certain types of non-market production, including production of goods for own use. **Children in other productive activities** are defined as children in productive activities falling outside the SNA production boundary. They consist mainly of work activities performed by household members in service to the household and its members, i.e., household chores.



The term “**child labour**” is used to refer to the subset of children’s work that is injurious, negative or undesirable to children and that should be targeted for elimination. It can encompass both children in employment and children in other productive activities. Three main international conventions – the UN Convention on the Rights of the Child (CRC), ILO Convention No. 182 (Worst Forms) and ILO Convention No. 138 (Minimum Age) – provide the main legal standards for child labour and a framework for efforts against it.

Child labour in the context of Laos is defined primarily by the Article 41 of the Amended Labour Law (2007). Article 41 of the Amended Labour Law (2007) sets the minimum age for admission to employment at 14, and specifies that children aged 14-18 do not work for more than eight hours a day and that they are not employed in sectors that are dangerous to their health, including; all types of mining; production involving chemicals, explosives or toxic substances; work involving handling human corpses; overtime work; work in environments with excessive noise; work in places involving gambling or alcohol; and night work. The specific statistical definitions employed to measure child labour in the context of Laos are discussed in section 3.5 of this report.

42. Almost 88 percent of 6-13 year-olds attend school, an age range that includes the five-year compulsory primary cycle (for which the school attendance rate is 87 percent) and the first three years of the four-year lower secondary cycle (for which the school attendance rate is 89 percent).<sup>15</sup> School attendance therefore remains at some distance from universal for the 6-13 years age group – in absolute terms, 134,000 children in this age range are *not* in school, as discussed further in section 3.6 of this report. School and employment are not of course necessary mutually exclusive activities. Indeed, the largest share of working children in most developing countries combine school and employment. Unfortunately, data from LFCLS 2010 do not provide information on the overlap between school and employment in the Lao context for the reasons discussed above.

43. Activity patterns differ considerably for youth in the 14-17 years age range: a smaller share is in school (63 percent) and a greater share is in employment (35 percent) (Table 4), although again data are not available on the share combining the two activities. The different activity patterns for youth are not surprising, as this age range coincides with the legal minimum age for admission to employment (at age 14 years) and the beginning of the transition to working life. By the age of 17 years, 47 percent of children are in employment while 51 percent are still in education. Youth employment outcomes are taken up in chapter 3 of this report. The remainder of this chapter focuses on the 6-13 years age range.

Table 3. Child activity status by sex and residence, 6-13 age group, percentages

Background characteristics		Total in employment		Total in school		Total out of school	
		%	No.	%	No.	%	No.
Sex	Male	5.6	31,671	88.9	508,188	11.1	63,273
	Female	7.4	39,127	86.7	458,106	13.3	70,611
Residence	Urban	1.7	4,079	95.4	229,361	4.6	10,921
	Rural with road	7.4	54,606	86.7	642,602	13.4	99,014
	Rural without road	10.2	12,113	79.7	94,332	20.3	23,950
<b>Total 6-13</b>		<b>6.5</b>	<b>70,797</b>	<b>87.9</b>	<b>966,295</b>	<b>12.2</b>	<b>133,884</b>

Source: UCW calculations based on Laos Labour Force and Child Labour Survey, 2010

Table 4. Child activity status by sex and residence, 14-17 age group, percentages

Background characteristics		Total in employment		Total in school		Total out of school	
		%	No.	%	No.	%	No.
Sex	Male	30.7	85,089	67.4	187,100	32.7	90,718
	Female	39.0	104,835	59.1	158,799	40.9	109,993
Residence	Urban	16.2	24,897	80.7	124,271	19.3	29,706
	Rural with road	40.5	137,636	58.2	197,588	41.8	142,283
	Rural without road	51.9	27,391	45.6	24,040	54.4	28,721
<b>Total 14-17</b>		<b>34.7</b>	<b>189,924</b>	<b>63.3</b>	<b>345,898</b>	<b>36.7</b>	<b>200,711</b>

Source: UCW calculations based on Laos Labour Force and Child Labour Survey, 2010

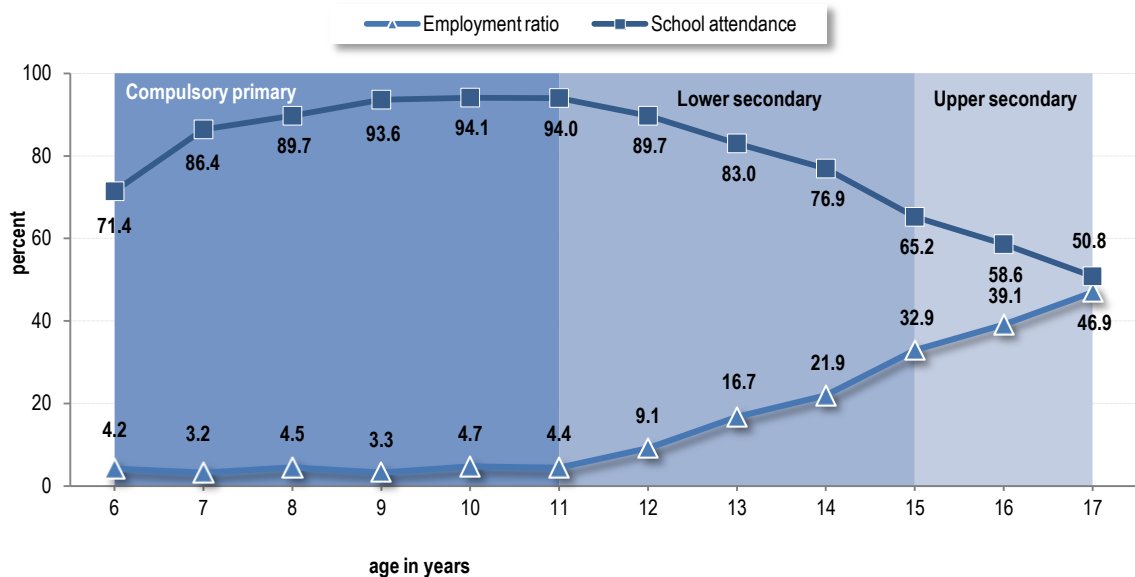
<sup>15</sup> The Laos formal education system consists of three broad tiers – general education, vocational and technical education and higher education. General education includes preschool (child care for children up to 2 years old and kindergarten for children aged 3-5), a 1 year pre-primary program for 5 year olds and 12 years of primary and secondary education combined –divided into primary (five years of schooling for children usually aged 6-10), lower secondary (four years for children aged 11-14) and upper secondary (three years for children aged 15-17). The current structure of the education system is the result of recent education reforms (2009/2010) which are not yet complete. Specifically the reforms resulted in an extra year being added to lower secondary education (from 5+3+3 to a 5+4+3 system) to build a new 12 level system.

44. Aggregate estimates of children's activities mask important differences by age, sex, and residence (Table 2, Figure 5, Table A1 and Table A2). The main patterns are discussed below. (Note that child-, household- and community-related *determinants* of child labour are discussed in Section 3.4 of this report).

- *Age:* Children's involvement in work rises with age (Figure 5). This pattern is undoubtedly in large part the product of the fact that children's productivity (and therefore the opportunity cost of keeping them in school) rises as they grow older. It is also likely associated with diminished access to schooling at higher educational levels. The percentage of children in employment remains very low up to the age of eleven years but rises quickly thereafter, reaching almost 17 percent at age 13 years. Involvement in schooling peaks in the age range of 9-11 years at around 94 percent and decreases thereafter as children drop out to work in employment and/or to undertake a greater share of household chores.

The largest changes in children's employment and school attendance occur between the age of 11 and 12 years, coinciding with the end of compulsory education. In this context, it is worth noting that there is a gap between the age at which children complete compulsory education (11 years) and the legal minimum age for admission to employment (14 years). Children who are no longer obliged to attend school often begin working illegally before meeting the minimum age for employment.

Figure 5. Child activity status by age



Source: UCW calculations based on Laos Labour Force and Child Labour Survey, 2010

- *Gender:* Girls in Laos are doubly disadvantaged – more likely to have to work and less likely to benefit from education. Girls' participation in employment is almost two percentage points higher for the 6-13 years age group, rising to over eight percentage points for the 14-17 years age range. It is also worth recalling that household chores performed within a child's own home, such as child care and cleaning, were not considered in the estimates. The issue of children's involvement in household chores is taken up in Section 3.2 of the



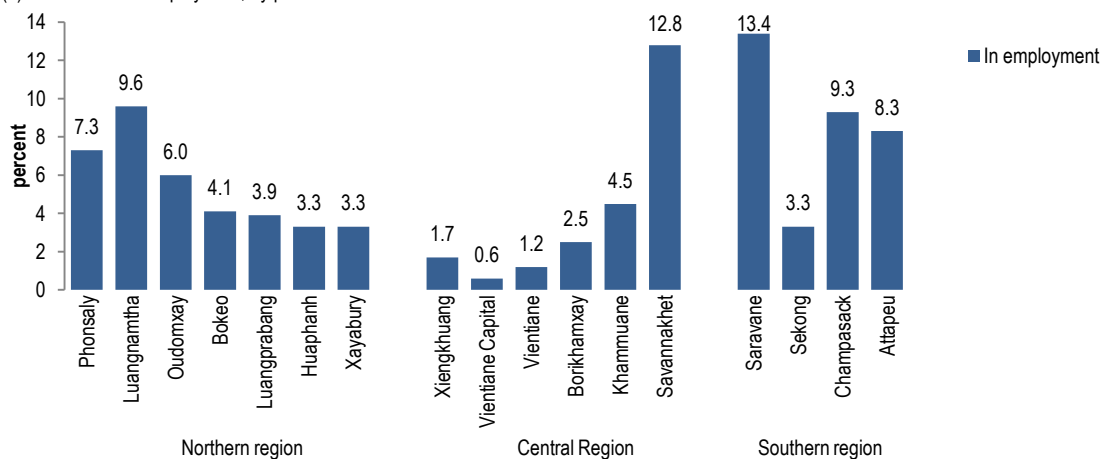
report. Girls are often disproportionately represented in less visible forms of child labour such as domestic service in a third party household which can be underestimated in household surveys.

Girls are less likely than boys to attend school. The school attendance rate of boys aged 6-13 years is about two percentage points higher but the difference rises to eight percentage points for children aged 14-17 years. Information from other sources indicate that the gender gaps are largest in poor, remote and largely ethnic districts. Indeed, improvements in the national enrolment ratios of girls largely reflect progress made in urban areas, where economic growth has been concentrated. In remote districts, education quality is poor and dropout rates, especially among girls, remain high.<sup>16</sup>

- *Place of residence:* Children's employment is much more common in rural locations generally and particularly in rural locations without access to roads. About 10 percent of children aged 6-13 years living in rural areas without roads, and seven percent living in rural areas with roads, are in employment. This compares with only two percent of children in the same age group living in cities and towns. Seen in absolute terms the rural-urban differences are even more stark - 66,800 rural children aged 6-13 years (with and without road access) are in employment compared to only 4,100 urban children in the same age group. Rural children, and particularly children from rural areas without roads, are also disadvantaged in terms of their ability to attend school. Over 95 percent of urban children attend school, falling to 87 percent of children in rural areas with road access and to 80 percent of children in rural areas without road access. The rural-urban patterns in terms of both employment and school attendance also extend to older, 14-17 year-old, children.

Figure 6. Children's involvement in employment and schooling, 6-13 years age group, by province

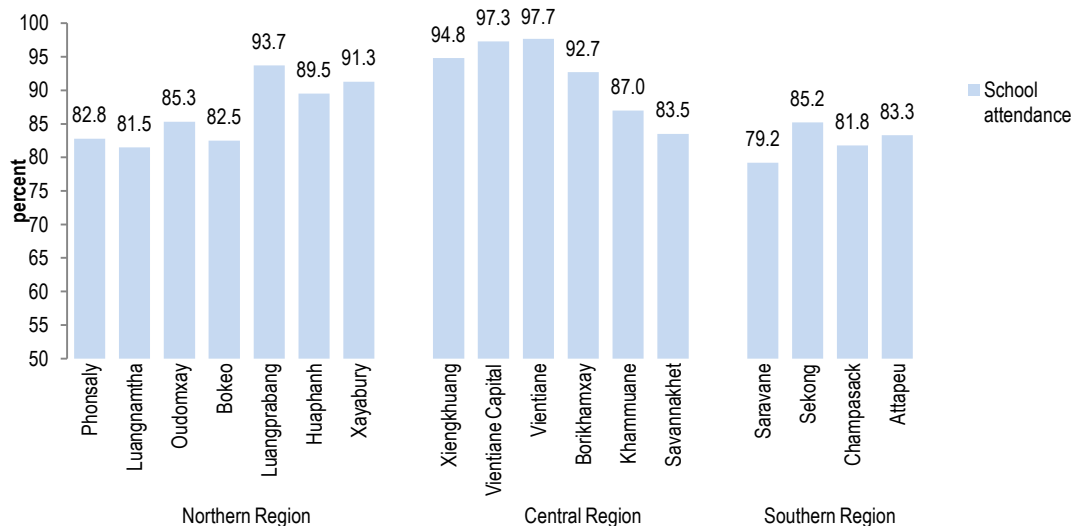
(a) Involvement in employment, by province



<sup>16</sup> The World Bank and ADB (2012). Country Gender Assessment for Laos: Reducing Vulnerability and Increasing opportunity

Figure 6.Cont'd

(b) Children's school attendance, by province



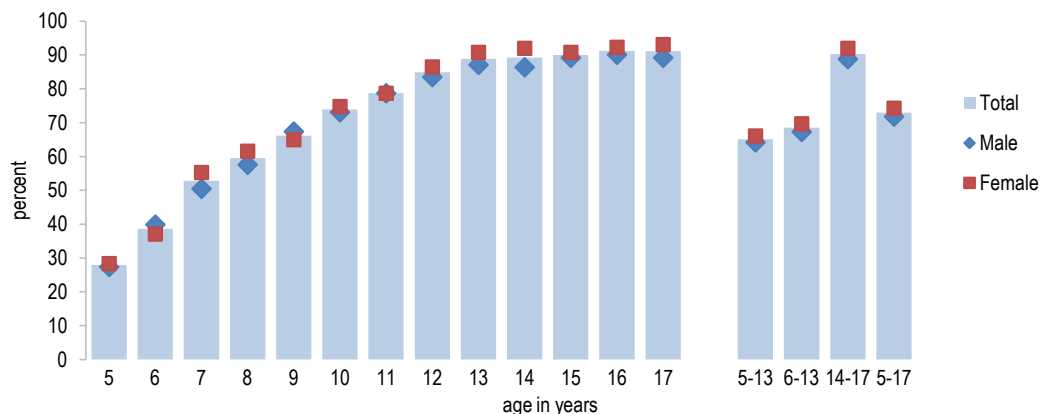
Source: UCW calculations based on Laos Labour Force and Child Labour Survey, 2010

- Province of residence:* The level of children's involvement in employment is closely linked to where they live. Sub-national data reported in Figure 6 point to large differences in children's employment across provinces, underscoring the need for the geographic targeting of child labour elimination efforts. Less than one percent of children aged 6-13 years worked in employment in Vientiane Capital City in 2010, for example, against 13 percent in Saravane. Children's involvement in employment in the 6-13 years age range also significantly exceeds the national average in Champasack and Attapeu in the Southern region, in Savannakhet in the Central region, and in Luangnamtha in the Northern region. Variations by province in terms of school attendance for children aged 6-13 years are smaller but not negligible. School attendance ranges from 79 percent in the poorest-performing province, Saravane, to almost 98 percent in the best performing ones, Vientiane and Vientiane Capital City.

### 3.2 Involvement in household chores

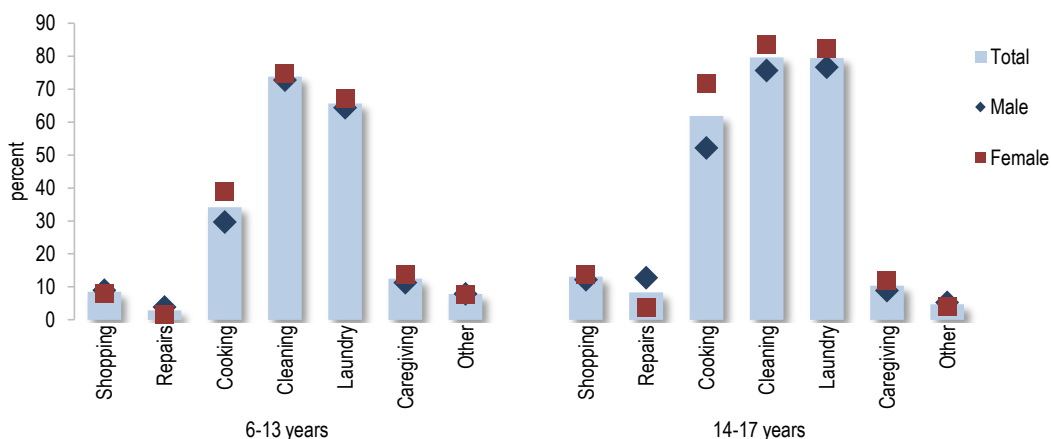
45. Employment is not the only category of productive activity involving children. An even larger proportion of children were engaged in other productive activities, and specifically household chores, that fall outside the international System of National Accounts (SNA) production boundary and are typically excluded from published estimates of child labour (see Panel 2 on terminology). An estimated 67 percent of 6-13 year-olds are engaged in household chores in own parents' or guardians' home according to LFCLS 2010. Involvement in household chores tends to start earlier than employment but is less time-intensive, as discussed in section 3.3. Even as early as age five years, more than one in four Lao children help regularly with chores in their own homes.

Figure 7. Participation in household chores, by sex and age



Source: UCW calculations based on Laos Labour Force and Child Labour Survey, 2010

Figure 8. Types of household chores performed by children, 6-13 years age group engaged in household chores, by sex



Source: UCW calculations based on Laos Labour Force and Child Labour Survey, 2010

46. Girls are more likely than boys to perform household chores, but the differences by sex are very small even among older children (Figure 7). There are some gender-based differences in the nature of the chores performed by children, particularly in the 14-17 years age group. Girls are more likely to be assigned responsibility for cooking, cleaning and laundry, while boys are more likely to be charged with household repairs (Figure 8).

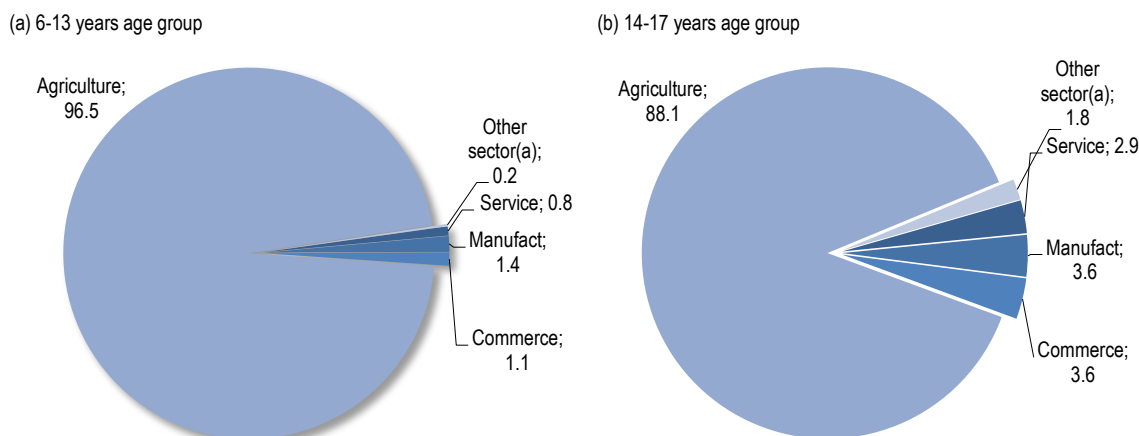
### 3.3 Nature and intensity of children's work

47. Information on the various characteristics of children's work is necessary for understanding the nature of children's work and children's role in the labour force. This section presents data on broad work characteristics that are useful in this context. For children's employment, the breakdown by

industry<sup>17</sup> is reported in order to provide a standardised picture of where children are concentrated in the measured economy. A breakdown by children's status in employment is also reported to provide additional insight into how children's work in employment is carried out. Average working hours, an indirect indicator of the possible health and educational consequences of children's work, is also reported.

48. As most Lao households depend on agriculture and its related subsectors (see Panel 3), it is not surprising that the agriculture sector accounts for by far the largest share of children's employment (Figure 9). For the 6-13 years age group, almost all (97 percent) of children in employment are in the agriculture sector. The composition of employment is slightly more varied for children in the 14-17 age range but agriculture still predominates. Over 88 percent of 14-17 year-olds are in agriculture, with the remainder distributed across the manufacturing (3.6 percent), commerce (3.6 percent), services (2.9 percent) and other sectors (1.8 percent) (Figure 9). Non-agricultural work plays a relatively larger role in urban than in rural areas for both the 6-13 and 14-17 years age groups, but agricultural work predominates in rural and urban areas alike (Appendix Table A3 and Table A4).

Figure 9. Children in employment by sector, 6-13 and 14-17 age groups.



Note: (a) The category "Other sector" includes construction, mining and quarrying, electricity, gas and water supply and extraterritorial organizations and bodies. Source: UCW calculations based on Laos Labour Force and Child Labour Survey, 2010.

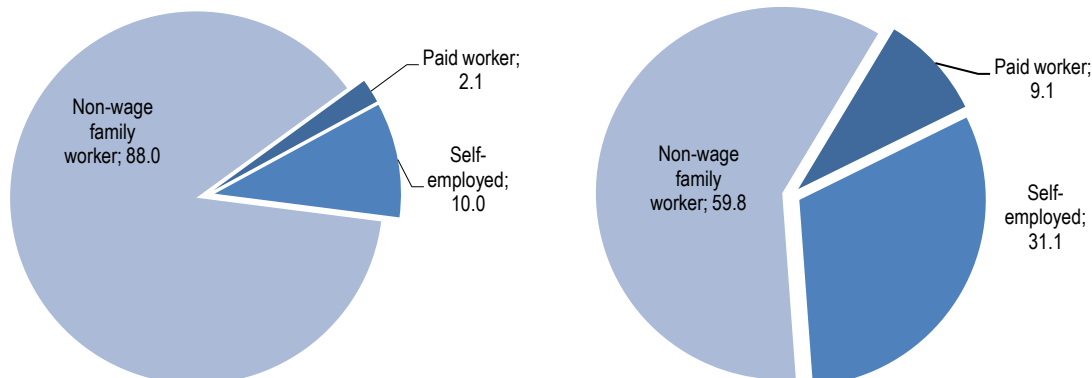
49. The breakdown of children's employment by employment status indicates that by far the largest share of children work without wages for their own families. Almost nine out of every ten (88 percent) of 6-13 year-olds in employment are non-wage family workers. Most of the remainder (10 percent) are self-employed while only two percent are paid workers (Figure 10a). Self-employment and paid work are relatively more important for 14-17 year-olds but non-wage family work also predominates for this age group (Figure 10b).

<sup>17</sup> Based on the International Standard Industrial Classification of All Economic Activities (ISIC Rev. 3)

Figure 10. Children's in employment by status, 6-13 and 14-17 age groups

(a) 6-13 age group

(b) 14-17 age group



Source: UCW calculations based on Laos Labour Force and Child Labour Survey, 2010

### Panel 3. Household reliance on natural resources in Laos: the role of agriculture, forest and rivers

Farming is the main economic activity for households in Laos. Over 97 percent of rural village chiefs in 2007/08 reported that the first source of income for people in their village was natural resource-based. Almost all villages relied predominantly on agriculture but most reported having several natural resource-based income sources.

Agriculture's most important role is as a source of food. The vast majority of rural households consume some rice from own production. Own-produced rice makes up the majority of rice consumption – 76 percent on average, and 94 percent in villages without road access. Even in urban areas, 50 percent of households reported consuming some rice from own production.

Own production accounts for a particularly high proportion of consumption of non-Lao-Tai ethnic groups and the poor. It is also important to note that the share of own-produced food in total food consumption has changed little over time. It was 59 percent in 1992/93 for rural households and 56 percent in 2007/8.

Farming is also an important source of cash income, with over 30 percent of rural households in 2007/8 having sold some rice in the previous agricultural season. In the same year, 46 percent of households reported receiving cash incomes from agriculture, livestock sales, or aquaculture in the previous 30 days. For these households, incomes from agriculture, livestock, and aquaculture made up 40 percent of gross cash incomes. Agriculture was much more important as a proportion of total incomes for the poor, those living in remote areas, and uplands farmer.

Households in Laos have long relied on forests and rivers as a regular source of food and income, and perhaps even more importantly, as a safety net during times of crisis and during low agricultural periods.

Wild food plays a very important role in the Lao diet. In 2007/8, in rural areas, 15 percent of food consumed had been collected from forests or rivers. This includes wild animals and plants. Wild food is particularly important as a source of protein. Over half of all fish consumed by households come from the wild. Wild meat makes up just 14 percent of overall meat consumption, but is over 30 percent for the poor. In addition, many villagers eat a variety of insects, of which many species have a very high nutrient density. Some groups are also heavily reliant on wild resources for vegetables, collected in a diversity of ecosystems including forests, fallows, grasslands, and wetlands. Ethnic minority groups in particular are unlikely to be rice-sufficient, instead relying on consuming wild roots/tubers (for example, the *dioscoreaceae* species) on a regular basis.

The people who are most dependent on wild food are the poor and remote inland and upland communities. Remote areas already suffer from low food security, imbalanced staple-biased diets, chronic malnutrition, and micronutrient deficiencies, so wildlife and non-timber forest products (NTFPs) are key providers of essential protein, fat, and key micronutrients such as iron and Vitamin A in these regions. The Mon-Khmer and the Chine-Tibet have the highest propensity to consume wild food, particularly wild meats.

Wild food is particularly important during periods of shortage and reducing households' access to wild food could pose a severe risk to household food security during these periods.

Most forest products are directly consumed without entering the cash economy, and it is for this reason that their economic importance is often overlooked. However, forest resources are often an important source of cash incomes. Some argue that NTFPs may contribute between 20 and 40 percent of Laos' GDP. There is evidence that households are earning substantial incomes from illegally harvesting forest products, including wildlife even though the sale of wildlife is illegal in Laos. It is often the better-off households who gain most in absolute terms from wild resources and their demand that drives much of the illegal trade in wildlife, but poor households depend more on NTFPs as a proportion of income. In addition to the collection of NTFPs, incomes from

ecotourism have been increasing in recent years, and this source of income requires the preservation of forests and biodiversity. Although wild capture fishing is fundamental to rural economies and household livelihood strategies, there are few people who are full-time professional fishers. Over 90 percent of the catch can be attributed to rural people for whom fishing is not a primary activity. Finally, wild plants, herbs, and wildlife are commonly used in the preparation of traditional medicines and wood is used for fuel. In rural areas in Laos, firewood (mainly from timber) and charcoal comprise about 80 percent of the total energy supply.

Source: Fenton N., et al. (2010) Household Reliance on Natural Resources in Laos: Some Evidence from the LECS Surveys, Background Paper, LAOS Development Report 2010

50. The nature of children's employment does not at first glance appear to depend strongly on gender-related factors. The agricultural sector accounts for the by far the largest share of work performed by girls and boys alike (Table 5). But information from other sources suggest important gender-related differences in the nature of work *within* the agricultural sector which likely also extend to children. Traditionally, women work in the fields (planting, weeding and harvesting crops) and tend to smaller livestock such as pigs, poultry and goats, while men undertake the agricultural tasks of plowing, constructing bunds, and preparing seedbeds and tend to larger livestock such as cattle and buffalo. There is also a traditional gender division in fishpond culture and rice-cum-fish cultivation agricultural sub-sectors, both of which have become more important in recent decades. Women are especially engaged in managing fish ponds and fish culture in the rice fields, while men are more often catching wild fish from the Mekong River and its tributaries. Women also play a key role in processing and marketing.<sup>18</sup>

Table 5. Sector of employment, by sex and age group

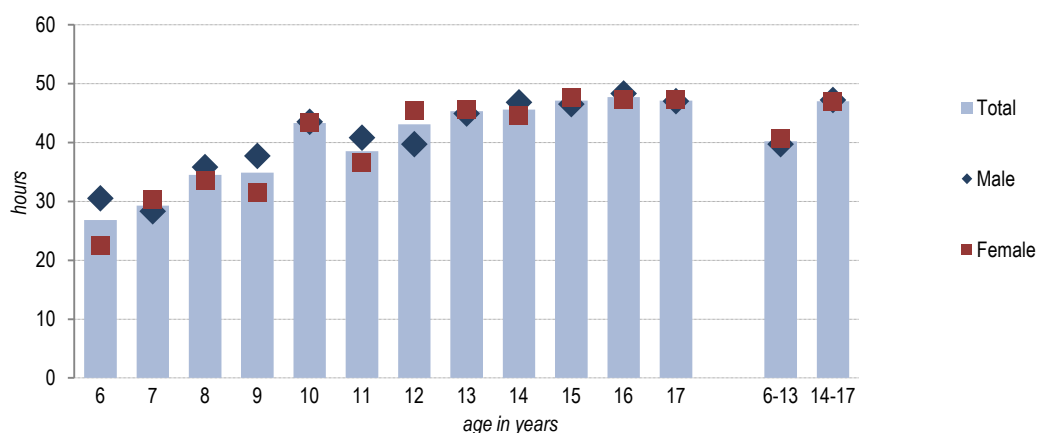
Employment sector and status		6-13 years age group		14-17 years age group	
		Male	Female	Male	Female
Sector of employment	Agriculture	97.6	95.6	88.5	87.8
	Manufacturing	0.9	1.7	2.1	4.9
	Commerce	0.7	1.5	3.9	3.3
	Service	0.7	0.9	2.5	3.2
	Other sector <sup>(a)</sup>	0.0	0.3	3.0	0.8
	Total	100	100	100	100

Note: (a) The category "Other sector" includes construction, mining and quarrying, electricity, gas and water supply and extraterritorial organizations and bodies.  
Source: UCW calculations based on Laos Labour Force and Child Labour Survey, 2010

51. Children's employment is extremely time-intensive in Laos. Children aged 6-13 years in employment log an average of over 40 working hours per week (Figure 11), more even than adult workers in industrialized countries. The time intensity of work rises with age, but even six year-olds must put in an average of almost 27 hours of work per week, with obvious consequences for the time and energy they have to devote to their studies for their right to leisure. Differences in the time intensity of work are not large between male and female children in employment. Time intensity varies somewhat by place of residence; average working hours are longest in urban areas, following by rural areas with roads and rural areas without roads (Table 6).

<sup>18</sup> World Bank and ADB (2012). Country Gender Assessment for Laos: Reducing Vulnerability and Increasing opportunity.

Figure 11. Average weekly working hours, by age and sex



Source: UCW calculations based on Laos Labour Force and Child Labour Survey, 2010

Table 6. Average weekly working hours, children aged, by sex, residence and schooling status

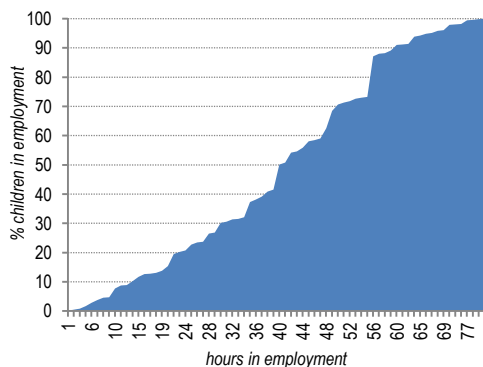
		6-13 years age group	14-17 years age group
Sex	Male	39.7	47.2
	Female	40.6	46.9
Residence	Urban	43.2	46.4
	Rural with road	41.0	47.9
	Rural without road	35.8	43.2
<b>Total</b>		<b>40.2</b>	<b>47.0</b>

Source: UCW calculations based on Laos Labour Force and Child Labour Survey, 2010

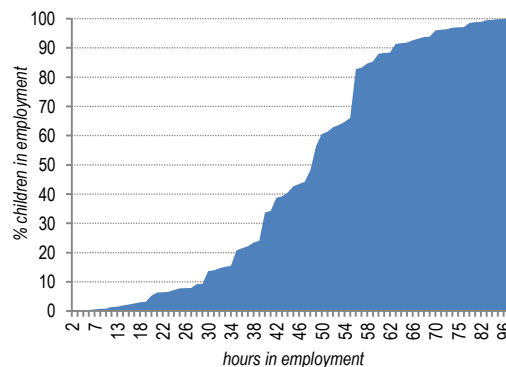
52. A non-negligible number of Lao children put in extremely long working hours. This point is illustrated by Figure 12, which reports the cumulative distribution of children in employment by working hours. This cumulative distribution shows that almost one-third work of 6-13 year-olds more than 50 hours each week. The share of 14-17 year-olds working extremely long hours is even greater – 40 percent of children in this age group put in more than 50 hours per week. These are among the worst off working children, as their work responsibilities completely preclude their rights to schooling, study, leisure and adequate rest. Their prolonged exposure to workplace risks also undoubtedly increases their susceptibility to work-related sickness and injury.

Figure 12. Cumulative distribution of children in employment by working hours

(a) Children aged 6-13 years



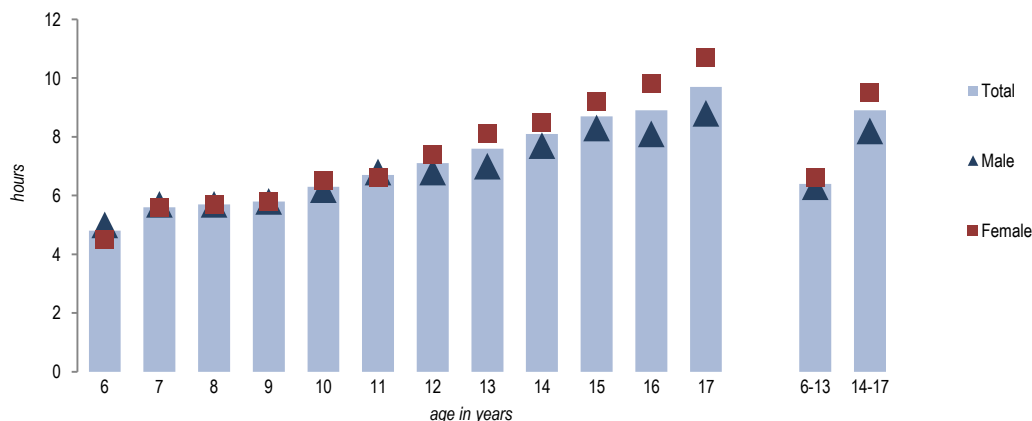
(b) Children aged 14-17 years



Source: UCW calculations based on Laos Labour Force and Child Labour Survey, 2010

53. Many children also spend a non-negligible amount of time each week performing household chores adding to their weekly work burden. Children aged 6-13 years performing household chores do so for almost seven hours a week on average; older children, 14-17 year-old, children log an average of nine hours a week in household chores (Figure 13).

Figure 13. Average weekly hours in household chores, by age and sex



Source: UCW calculations based on Laos Labour Force and Child Labour Survey, 2010

### 3.4 Determinants of children's work

54. As most children (excluding those that live on their own) exercise little control over their time allocations, determining why children work requires investigating why parents choose to engage their children in work rather than sending them to school or leaving them idle at home. Both socio-cultural and economic considerations are important in this context. Households are influenced by the perceived costs of child labour and benefits of schooling. But factors influencing decisions concerning children's schooling and child labour can extend well beyond economics. Social norms, cultural attitudes and perceptions, e.g., regarding girls' schooling or early marriage, also direct household decisions on children's school and work.



55. This section makes use of econometric evidence from the LFCLS 2010 to identify some of the factors influencing parents' decisions concerning their children's time use. A bivariate probit model is employed to jointly determine the correlated decisions on child schooling and work. A simple economic model of household behaviour is used to guide the empirical specification.<sup>19</sup>

56. Table A7 in the statistical annex presents the summary descriptive statistics of the variables included in the econometric analysis. The variables are described below:

- *Child characteristics.* The control variables relating to child characteristics include: the age of the child (*age, age squared*), a gender dummy (*male*) and a dummy for whether or not child is fostered. The variable *age squared* is included to account for the non-linear relationship between age and employment (i.e., for the fact that employment rises with age at a decreasing rate).
- *Sex and education of household head.* A series of dummy variables is included for sex of household head (*male household head*) and for the education of the household head (*primary, lower secondary, upper secondary or tertiary*).
- *Household composition.* A set of control variables are employed to take into consideration household composition: number of persons living in the household (*household size*); number of children (*number of children aged 0-5 years*); number of prime-aged adults (*number of adults aged 18-64*); and number of elderly persons (*number of persons aged 65+*).
- *Access to basic services.* A dummy variable is included for *access to tap water*.
- *Household income.* A series of dummy variables is included to control for the household income (*income quintile 2, 3, 4 and 5*).
- *Migrant status.* A dummy variable is included to reflect whether or not a household has changed place of residence over the five years prior to the survey (*migrated*).
- *Shock experienced.* A series of dummy variables are included to take into consideration whether the household was hit by shocks in the last 12 months, and the type of shock (*natural disasters,<sup>20</sup> crop pests, economic shocks,<sup>21</sup> and other shocks<sup>22</sup>*).
- *Residence and local labour market.* Two dummy variables are included to control for the place of residence (*rural with road, rural without road*). Two indicators were included at the department level to assess the links between the local labour market, child labour, schooling, and inactivity: *prime age employment to population ratio* is used as a proxy for the labour demand; and *youth to working-age population ratio* is used as a proxy for the labour supply.

<sup>19</sup> For detailed information on the model, see Cigno, A.; Rosati, F.C. 2005. "The economics of child labour" (New York, NY, Oxford University Press). The analysis carried out in this section is, obviously, conditioned by the information available. Notwithstanding the extensiveness of the survey utilised, potentially important variables are missing. In particular, information on the relative price of child work is difficult to capture: indicators for returns to education, work and household chores are not easily available (for a discussion of the role played by unobservables refer to Deb and Rosati, *Determinants of Child Labour and School Attendance: The Role of Household Observables*, December 2002).

<sup>20</sup> Natural disasters include: flood, droughts, forest fires, storms and landslides.

<sup>21</sup> Economic shocks include: inflation, increase of the oil price, closing of business, unemployment.

<sup>22</sup> Other shocks include: epidemics, non-agricultural shocks and other shocks.

57. Results of the econometric analysis are reported in Table 7; some of the key qualitative inferences from the analysis are presented below.

**Age of child.** The analysis shows that the probability of a child working increases with age, consistent with the descriptive evidence presented in Section 3.1 of the Report. The available information is insufficient to provide a precise idea of the relative importance of the two most probable reasons for this, i.e., the rising opportunity cost of schooling as a child grows older, or the lack of access to schooling at the post-primary level.

Table 7. Determinants of children's employment, schooling and idleness, marginal effect after probit estimations, 6-13 year-olds

Explanatory variables		In employment		In schooling		Idle	
		dy/dx	z	dy/dx	z	dy/dx	z
Child characteristics	Age	-0.0477	-6.6	0.2235	21.0	-0.0912	-12.2
	Age squared	0.0030	8.1	-0.0114	-20.4	0.0040	10.2
	Male	-0.0131	-3.8	0.0213	4.0	-0.0048	-1.4
	Fostered	0.0132	1.2	-0.0292	-1.8	0.0085	0.9
Sex and education of household head	Male sex of household head	0.0082	1.3	-0.0131	-1.3	-0.0048	-0.6
	Education of household head: Primary	-0.0329	-8.8	0.0608	10.6	-0.0184	-5.0
	Education of household head: Lower second.	-0.0298	-8.9	0.0685	13.1	-0.0258	-7.4
	Education of household head: Upper second.	-0.0365	-11.6	0.0717	12.7	-0.0230	-5.3
	Education of household head: Tertiary	-0.0341	-9.0	0.0772	13.0	-0.0284	-6.5
Household characteristics	Household size	0.0040	3.2	-0.0123	-6.4	0.0064	5.3
	Number of children aged 0-5	-0.0002	-0.1	-0.0034	-1.0	0.0028	1.4
	Number of adults aged 18-64	-0.0041	-2.2	0.0171	5.8	-0.0101	-5.4
	Number of adults aged 65+	-0.0142	-4.1	0.0377	6.8	-0.0155	-4.4
	Access to tap water	-0.0164	-1.8	0.0241	1.6	-0.0099	-1.1
	Expenditure p.c.: quintile 2	-0.0180	-5.2	0.0302	5.2	-0.0094	-2.5
	Expenditure p.c.: quintile 3	-0.0207	-5.6	0.0300	4.7	-0.0057	-1.3
	Expenditure p.c.: quintile 4	-0.0231	-5.5	0.0419	5.8	-0.0108	-2.1
	Expenditure p.c.: quintile 5	-0.0290	-6.2	0.0694	9.9	-0.0280	-6.3
	Migrated	-0.0263	-4.9	0.0442	4.1	-0.0154	-2.2
Shocks experienced by household in the last 12 months	Natural disaster <sup>(a)</sup>	0.0341	4.1	-0.0476	-4.1	0.0072	1.1
	Crop pests	-0.0055	-0.6	-0.0085	-0.5	0.0148	1.1
	Economic shock <sup>(b)</sup>	-0.0035	-0.2	-0.0357	-1.3	0.0340	1.6
	Other shocks <sup>(c)</sup>	0.0006	0.1	-0.0207	-1.5	0.0159	1.7
Residence	Rural with road	0.0283	4.9	-0.0255	-2.7	0.0014	0.2
	Rural without road	0.0575	3.5	-0.0620	-3.5	0.0087	1.0
Local labour market indicators	Labor demand <sup>(d)</sup>	0.1267	2.2	-0.1408	-1.7	0.0072	0.1
	Labor supply <sup>(e)</sup>	-0.1351	-5.6	0.0529	1.5	0.0506	2.4

Notes: The reference categories: Education of household head: no schooling; Household expenditure per capita: quintile 1; Residence area: urban.

(a) Floods, droughts, forest fires, storms, landslides;

(b) Inflation, increase of the oil price, closing of business, unemployment;

(c) Epidemics, non-agricultural shocks, other shocks;

(d) Labor demand is proxied by the prime-age (25-55 years) employment ratio;

(e) Labor supply is proxied by the young people (14-24 years) to prime-age (25-55 years) population ratio.

Source: UCW calculations based on Laos Labour Force and Child Labour Survey, 2010

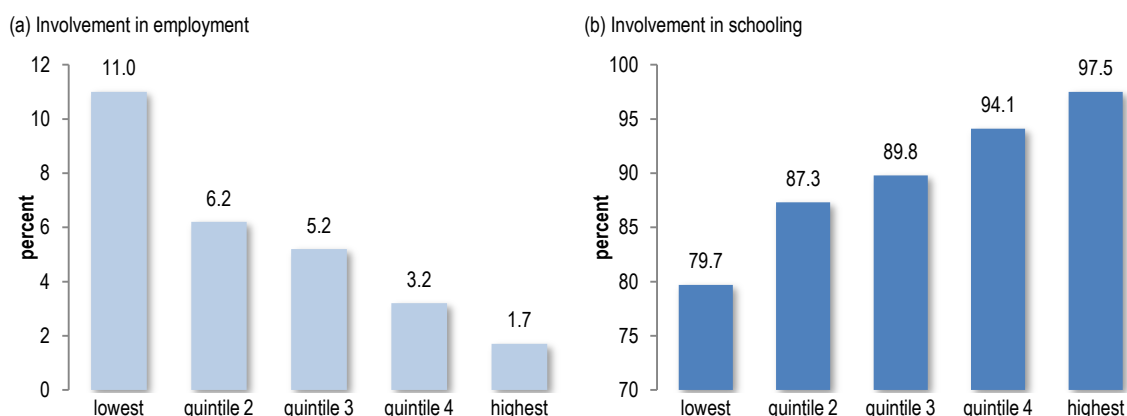
**Sex of child.** Parents' decisions concerning whether to involve their children in school or work also appear influenced by gender considerations in Laos. Holding constant household income, parents' education and other relevant factors, boys have about a 1.3 percentage point lower probability of involvement in employment. It is worth noting that these results do not consider involvement in household chores. The probability of attending

school also differs between boys and girls: boys are about 2.1 percentage points more likely to attend school.

**Household structure.** Children from larger households are more likely to work in employment, presumably because larger households have more dependent members to support. The presence of more prime-age adults in the household has the opposite effect, reducing the likelihood of children's employment. The presence of elderly household members also reduces the likelihood of children's employment, perhaps because of the impact of old age pensions in easing household resource constraints.

**Household income.** The level of household income appears to play a role in decisions concerning children's work and schooling. Descriptive evidence reported in Figure 14 illustrates the negative correlation between household income and children's employment, and the positive correlation between household income and children's schooling. Regression results indicate that these patterns hold even when holding other factors constant, thereby providing stronger evidence of the role of income in determining children's activities.<sup>23</sup> Children from highest-income households, for instance, are three percentage points less likely to work in employment and seven percentage more likely to attend school than children from lowest-income households.

Figure 14. Children in employment and in schooling, 6-13 years age group, by household expenditure per capita quintile



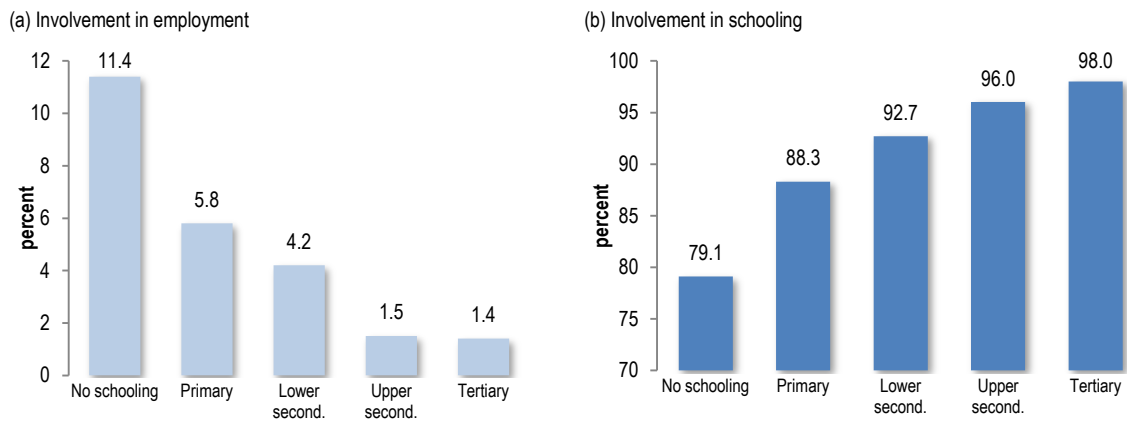
Source: UCW calculations based on Laos Labour Force and Child Labour Survey, 2010

**Education of household head.** The education of the household head is also an important determinant of decisions concerning children's employment and schooling. Descriptive evidence presented in Figure 15 illustrates the positive correlation between the level of education of the household head and children's school attendance, and the negative correlation between the level of education of the household head and children's employment. Regression results indicate that these patterns hold even when holding other factors including income constant. A child from a household whose head possesses a primary education, for example, is almost 3.2 percentage points less likely to work and almost 6.1 percentage points more likely to attend school, compared to a child from a household whose head has no education. One

<sup>23</sup> Regression results examining the impact of the poverty status (i.e., extreme, relative and non-poor) were not statistically significant.

possible explanation is that more educated parents might have a better knowledge of the returns to education, and/or are in a better position to help their children exploit the earning potential acquired through education.

Figure 15. Children in employment and in schooling, 6-13 years age group, by education of household head



Source: UCW calculations based on Laos Labour Force and Child Labour Survey, 2010

**Migration.** Migration affects about three percent of Lao children are from migrant households. The regression results indicate that the likelihood of children working and attending school are significantly influenced by the migration status of their family. A child from a migrant household, for example, is 4.4 percentage points more likely to attend school and 2.6 percentage points less likely to work. On the face of this evidence, then, migration appears to confer on children advantages both in terms of being able to go to school and of being protected from child labour.

**Place of residence.** Consistent with the descriptive statistics presented in Section 3.1, regression results indicate that children's living location has an influence on their time use. Children in rural areas face a significantly greater risk of being out of school and in employment. The consequences of residence are particularly pronounced for children living in rural areas without access to roads. These children are 5.8 percentage points more likely to work and 6.2 percentage points less likely to attend school than their urban counterparts.

**Local labour market conditions.** Local labour market conditions appear to have an important influence on children's participation in employment and schooling. An increase in local labour demand, as proxied by the adult (30-55 years) employment to population ratio, significantly increases the likelihood of children working and decreases the likelihood of their attending school. This result suggests that households are influenced not only by their own circumstances but also by opportunities in the labour market when making decisions concerning children's employment. An increase in the youth labour supply, on the other hand, as proxied by the young people (14-24 years) to prime-age (25-55 years) population ratio, significantly reduces the likelihood of children's employment and increases the likelihood of school attendance. This result suggests that the presence of a large potential supply of youth workers may leave fewer opportunities for children's involvement in employment.

Table 8. School attendance and employment of children aged 6-13 years, by type of shocks

		% attending school	% in employment
Exposed to natural disaster	Yes	78.6	12.8
	No	88.7	5.8
Exposed to other shocks	Yes	86.9	6.2
	No	87.8	6.5

Source: UCW calculations based on Laos Labour Force and Child Labour Survey, 2010

**Exposure to shocks.** Laos is a country that is prone to shocks and the impact of shocks on decisions concerning children's employment and schooling is therefore also of considerable policy interest. Fourteen percent of all Lao households experienced either a natural disaster<sup>24</sup> or other form of shock<sup>25</sup> in 2010 (Table A5). Descriptive evidence presented in Table 8 indicates a negative correlation between exposure to natural disasters and school attendance, and a positive relationship between exposure to natural disasters and employment. The table does not, however, indicate clear correlations between exposure to other shocks and children's activities. The regression results are similar, underscoring the importance of natural disasters in influencing children's activities. Children living in a household hit by natural disasters are almost 3.1 percent more likely to work and 4.5 percent less likely to attend school. One possible explanation is that households use their children as risk-coping instruments, and adjust the school attendance and labour force participation of their children to absorb the impact of negative shocks.

58. Children's employment is a complex phenomenon and the factors mentioned above clearly represent only a partial list of determinants. Better data and more in-depth analysis are needed for a more complete understanding of why children become involved in work. More information on availability of infrastructure, school quality, access to credit markets, and coverage of social protection schemes is especially needed. As stated at the beginning of this section, decisions concerning children's work and schooling are driven by both economic and socio-cultural factors, and a better understanding is also needed of the role of the latter. The unique circumstances causing children's involvement in worst forms of child labour other than hazardous, not captured by traditional household surveys, is another area requiring particular research attention.

<sup>24</sup> Natural disasters included flood, drought, storms, landslides and forest fires.

<sup>25</sup> Other shocks included crop pests, epidemics, inflation, increase of the oil price, closing of business, unemployment and other non-agricultural shocks.

### 3.5 Child labour for elimination

59. Before leaving the discussion of children's work, it is worth addressing one final question – the extent to which this work constitutes “child labour”. Child labour is a narrower concept than children's employment or work, and refers to work that is injurious, negative or undesirable to children as set out in national legislation and international labour standards.<sup>26</sup> It is this smaller group of child labourers that is most relevant for policy purposes. Lower-bound estimates of child labour are presented below following the global guidelines for child labour measurement<sup>27</sup> and with reference to national child labour legislation.

60. The Article 41 of the amended Labour Law (2007) provides the primary legal framework regarding child labour in the country. This legislation prohibits the employment of children under the age of 14 years in any form of employment and prohibits the involvement of children under the age of 18 years in sectors that are dangerous their health, including all types of mining; production involving chemicals, explosives or toxic substances; work involving handling human corpses; overtime work; work in environments with excessive noise; work in places involving gambling or alcohol. Legislation also restricts working hours for children aged 14-18 years to eight hours per day. Night work is prohibited for all children under the age of 18 years.

61. For a complete estimate of child labour in accordance with national legislation, it is necessary to look at (1) all children aged 5-13 years in employment; and (2) all 14-17 year-old children working in excess of eight hours per day and/or in hazardous occupations, industries or conditions (including night work). Child labour based on these measurement criteria is very common in Laos. Some of 74,700 children below the age of 14 years are in employment and 100,200 children aged 14-17 years are in hazardous work (Table 9). Summing these two groups yields a total of 174,900 children aged 5-17 years in child labour, accounting for 10 percent of all children in this age range. The decompositions by sex and residence reported in Table 9 indicate that female children and children living in rural areas are at particular risk of child labour in Laos.

---

<sup>26</sup> Three main international conventions – the UN Convention on the Rights of the Child (CRC), ILO Convention No. 182 (Worst Forms) and ILO Convention No. 138 (Minimum Age) – define child labour and provide a framework for efforts against it.

<sup>27</sup> Global guidelines for child labour statistics are set out in Resolution II (2008) of the Eighteenth International Conference of Child Labour Statisticians (ICLS). For further details, see: Resolution II, Resolution Concerning Statistics of Child Labour, as cited in: International Labour Organization, *Report of the Conference, 18th International Conference of Labour Statisticians, Geneva, 24 November–5 December 2008. Resolution II*. Rpt. ICLS/18/2008/IV/FINAL, International Labour Office, Geneva, 2009.

Table 9. Lower-bound estimate of child labour involvement, based on national legislation

Sex	(a) Children aged 5-13 years in employment <sup>(i)</sup>		(b) Children aged 14-17 years in hazardous work <sup>(ii)</sup>		(a)&(b)&(c) Total in child labour, 5-17 years		
	% of total age group	No.	% of total age group	No.	% of total age group	No.	
<b>Total</b>	<b>6.2</b>	<b>74,747</b>	<b>18.3</b>	<b>100,202</b>	<b>10.0</b>	<b>174,949</b>	
Sex							
	Male	5.4	33,219	16.6	45,995	8.8	79,215
	Female	7.2	41,528	20.2	54,206	11.3	95,734
Residence							
	Urban	1.6	4,079	7.8	12,000	3.9	16,079
	Rural with road	7.2	57,854	22.7	77,159	11.8	135,013
	Rural without road	9.8	12,814	20.9	11,044	13.0	23,858

Notes: (i) National child labour legislation prohibits the employment of children under the age of 14 years. (ii) Includes 14-17 year-olds working over 48 hours per week and children aged 14-17 years exposed to *hazardous conditions* irrespective of working hours. The hazardous conditions include: all types of mining; work with gas, fire, flames, chemicals, explosives or toxic substances; work in environment with excessive noise or vibration, work in dust or smoke, environment; underground work or work at heights; workplace is too dark or confined; workplace has insufficient ventilation. The list of the national hazardous works includes also work during night, but LFCLS 2010 does not provide that information.

Source: UCW calculations based on Laos Labour Force and Child Labour Survey, 2010

62. It is worth emphasizing that these child labour estimates are also affected by problems with the definition of employment used in LFCLS 2010, and therefore likely understate the actual share and number of children in child labour.<sup>28</sup> The estimates also understate actual child labour incidence because they exclude so-called “worst forms of child labour other than hazardous”. These extreme forms of child labour include child trafficking, child commercial sexual exploitation, child slavery and child involvement in illicit activities.<sup>29</sup> In Laos, as in most countries, information about children involved in worst forms other than hazardous is very scarce. This is due both to the methodological difficulties inherent in investigating them and to their cultural sensitivity. LFCLS 2010 and similar household survey are not designed to generate information about children involved in worst forms of child labour other than hazardous. Further, targeted research utilising specialised survey instruments is needed in order to generate more complete information on this especially vulnerable group of child labourers.

### 3.6 Out of school children and remedial education needs

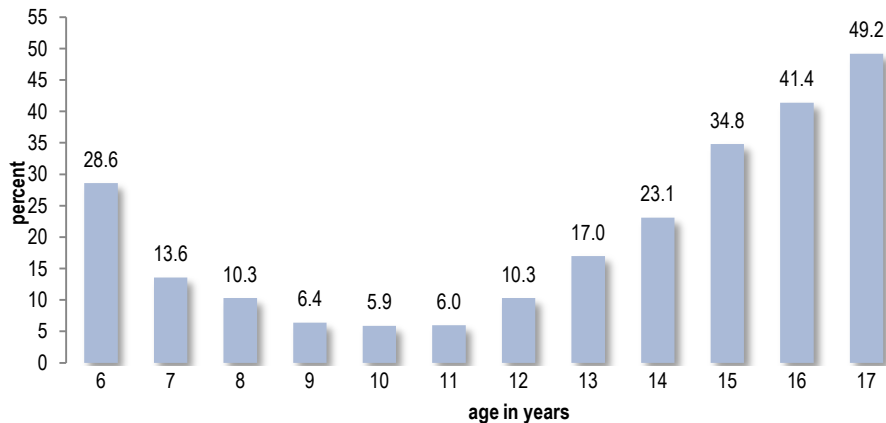
63. There remains a substantial number of out-of-school children in Laos. As reported in Figure 16, the share of children not in school begins rising from age 11 years, at the end of compulsory schooling, but the share of out of

<sup>28</sup> As discussed in section 3.1 of the report, the underestimation is product of problems with the definition of employment used in the employment question in the LFCLS 2010 questionnaire and of the consequent need to instead rely on the question on principal activity to identify those in employment. In answering the question on principal activity, however, survey respondents must choose their activity in the last week among ‘employment’, ‘schooling’, ‘unemployment’, ‘housewife’ and other activities, and those who combine work and schooling but consider schooling as the main activity are not classified as in employment. As evidence from other developing countries indicates that children combining school and work form of the majority of children in employment, the underestimation of employment in the case of Laos could be considerable.

<sup>29</sup> In more specific terms, worst forms other than hazardous refer to Art. 3(a)-(c) of ILO Convention No. 182: (a) all forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage and serfdom and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict; (b) the use, procuring or offering of a child for prostitution, for the production of pornography or for pornographic performances; and (c) the use, procuring or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties.

school children is by no means negligible even before this age.<sup>30</sup> For the 6-13 years age group as a whole, some 136,600 children, over 12 percent of this age group, are out-of-school according to LFCLS 2010.

Figure 16. Out-of-school children, by age



Source: UCW calculations based on Laos Labour Force and Child Labour Survey, 2010

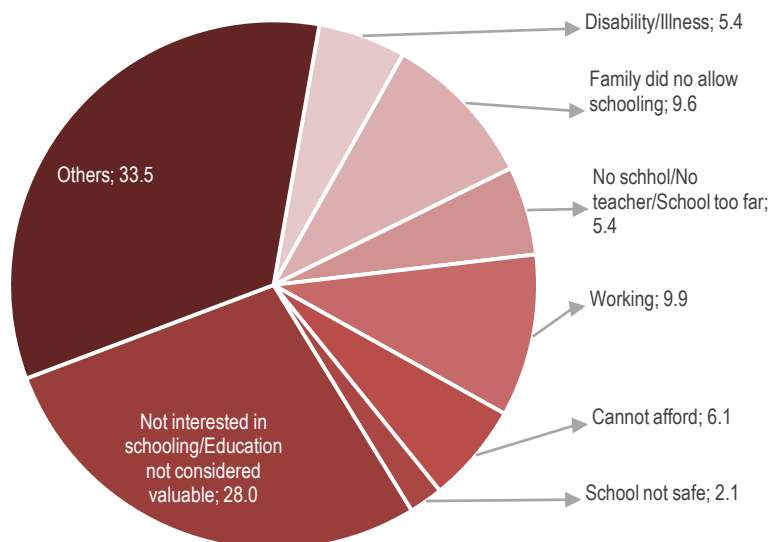
64. Some from this group are late entrants. In other words, they are not currently in school but will eventually enter. Taking the narrower group of 8-13 year-olds to eliminate most potential late entrants, some 80,000 (over nine percent) were out of school in 2010. Of this group of out of school 8-13 year-olds, more than 45,700 (some 57 percent) never entered school and the remainder dropped out prematurely.

65. Children cite a variety of reasons for absence from school. Among children not currently attending school, the demands of housework or employment together are cited by about 10 percent of respondents as the reason for not being in school (Figure 17). School-related supply-side factors, and specifically school access, school safety and school costs, are also important, cited by nearly 14 percent of respondents. Although ostensibly free, parents are often expected to pay informal fees including a registration fee, school maintenance payments and assorted running costs. Disability or illness was cited by five percent of children, a response also in part reflecting school access issues. But the most important barriers to entering school were attitudes towards schooling: 38 percent of those not in school cited either lack of interest in schooling (28 percent) or parental disapproval of schooling (ten percent) as the primary reason.

<sup>30</sup> The Laos formal education system consists of three broad tiers – general education, vocational and technical education and higher education. General education includes preschool (child care for children up to 2 years old and kindergarten for children aged 3-5), a 1 year pre-primary program for 5 year olds and 12 years of primary and secondary education combined – divided into primary (five years of schooling for children usually aged 6-10), lower secondary (four years for children aged 11-14) and upper secondary (three years for children aged 15-17). The current structure of the education system is the result of recent education reforms (2009/2010) which are not yet complete. Specifically the reforms resulted in an extra year being added to lower secondary education (from 5+3+3 to a 5+4+3 system) to build a new 12 level system.



Figure 17. Reasons for not attending school, children aged 6-17 years not currently in school



Source: UCW calculations based on Laos Labour Force and Child Labour Survey, 2010

66. Information from other sources suggest that school-related supply-side factors may be an even more important issue than feedback from children suggests. According UNESCO (2010), only a little over one-third (36 percent) of villages have access to a school offering complete primary school education, most of which are large villages close to the roads.<sup>31</sup> In provinces with large non-Lao-Thai populations, more than 60 percent of the schools offer incomplete primary education. Given the size of the country and the state of the roads, the presence of an incomplete school or the absence of any school is likely to be an absolute constraint of the children in many village to finish (or even start) primary education. A shortage of bilingual teachers is also an issue, making it difficult for children from ethnic groups who do not speak dialects (or languages) other than their own to grasp proceedings in school. Out-of-pocket schooling costs remains another issue, despite of Article 25 of the Constitution guaranteeing the right to education to all and the Decree on Compulsory Education (1996) states that primary education should be free for all. Other factors contributing to education exclusion are taken up in Panel 4.

<sup>31</sup> UNESCO (2010). [L'évaluation de l'éducation pour tous à l'an 2000 : Rapport des pays. Laos.](#)

#### Panel 4. Causes of exclusion in education

The Ministry of Education and Sports identifies some key factors causing the disadvantaged groups to be excluded from education:

- the low quality of education with teachers lacking experience and motivation, the lack of relevance to local needs of curricula and teaching-learning materials, and the lack of facilities and services;
- some beliefs and traditions which hinder the education of girls, people with disabilities and other disadvantaged groups;
- poverty which makes education unaffordable for many families; e.g., children are required to assist the family in farming and foraging scattered and remote settlements making the provision of education services to all areas and access to education by rural populations difficult ;
- the difficulties faced by ethnic children who do not speak Lao in understanding the content taught at schools, which is one of the causes of the high repetition and dropout rates in grades 1-3;
- some legislation which is not responsive to the needs of girls, women, ethnic groups, people with disabilities and people in socio-economic difficulty;
- the limited capacities of human resources and institutions to support inclusive education and weak coordination among concerned sectors;
- weak mechanisms for data collection and analysis on the educational status of disadvantaged groups, especially the lack of disaggregated data by gender, ethnicity, disabilities, wealth quintiles, etc., which are needed for effective planning, monitoring and evaluation
- limited investment in educational development in general, and for the education of excluded groups in particular.

Source: Ministry of Education and Sports (2011). National Strategy and Plan of Action on Inclusive Education 2011-2015

67. Reaching out-of-school children with second chance educational opportunities will be important to ensuring that they do not graduate into adulthood lacking the basic skills needed for work and life. Table 10 looks at the second chance learning needs of out-of-school children in the primary and lower secondary age range. It suggests that these needs are very significant: taking those out-of-school children at the upper end of the basic schooling range (11-14 year-olds),<sup>32</sup> some 29,400, or about 38 percent, suffer what UNESCO terms

Table 10. Out of school children aged 8-17 years with less than 2 and 4 years of education

Age	Extreme education poverty (OOSC with <2 years of education)		Education poverty (OOSC <4 years of education)		Total OOSC <sup>(1)</sup>
	No.	% of total OOSC	No.	% of total OOSC	
8	14,312	98.0	--	--	14,866
9	6,492	91.7	--	--	7,322
10	7,223	73.2	8,613	87.3	10,186
11	4,807	72.8	5,814	88.0	7,248
12	7,641	49.1	9,846	63.2	16,018
13	7,714	32.7	12,137	51.5	24,384
14	9,244	29.9	13,695	44.3	32,030
15	12,615	24.5	20,038	38.9	52,667
16	11,918	20.8	19,027	33.3	58,682
17	10,298	18.1	14,621	25.7	58,601
Total 8-17	92,264	33.7	--	--	282,004
<b>Total 10-17</b>	<b>71,460</b>	<b>28.4</b>	<b>103,791</b>	<b>41.2</b>	<b>259,816</b>

Note: Including OOSC children with missing information about the highest grade attained.  
Source: UCW calculations based on Laos Labour Force and Child Labour Survey, 2010

<sup>32</sup> Younger children by definition have not accumulated a sufficient number of schooling years for the UNESCO indicator of education poverty.

“education poverty”, i.e., possess less than four years of education, the minimum amount of school time considered by UNESCO as necessary for acquiring basic literacy skills. Of this group, 41,500, or about 54 percent of total out-of-school children, suffer “extreme education poverty”, i.e., possess less than two years of schooling. It is likely that these education poverty indicators actually underestimate second chance learning needs as basic literacy skills alone are a less and less adequate “skills floor” for successful entry into the labour market.

## 4 YOUTH EMPLOYMENT OUTCOMES

68. This chapter focuses on the labour market situation of young Lao aged 15-24 years. While we look at the young people across the entire 15-24 years age spectrum, in accordance with international statistical practice, it is important to recall that those at the lower end of this age spectrum, i.e., 15-17 year-olds, are still legally children and therefore subject to national child labour laws. As discussed in the previous chapter, Lao legislation prohibits the involvement of children aged 15-17 years working excessive hours and/or in hazardous occupations, industries or conditions. This group of child labourers is *not* excluded from the discussion in this chapter.

69. The chapter utilises data primarily from the 2012 Skills Measurement Survey (SMS 2012) and from LFCLS 2010. Section 4.1 on youth activity status utilises SMS 2012 because it is not possible to construct the standard labour market indicators from the LFCLS dataset.<sup>33</sup> It should be kept in mind, however, that SMS 2012 does *not* extend to young persons living in remote rural areas without roads and therefore cannot be considered representative of the youth population as a whole in the country. Sections 4.2, 4.3 and 4.5 are based on the LFCLS 2010 dataset. Information on skills deficits (section 4.4) is drawn from 2012 Enterprise Survey (ES 2012).

### Panel 5. Definitions

**Labour force participation rate** is defined as the labour force expressed as a percentage of the working age population. The labour force is in turn the sum of the number of persons employed and the number of persons unemployed.

**Employment:** a person is considered to be in employment if he/she has worked during the week prior to the survey for at least one hour for pay (or without pay), profit, in kind, or family business. A person is also considered to be in employment if was not working but had a job to go back to.

**Unemployment:** is defined as a person who did not work during the week prior to the survey but is actively seeking work and is available for work.

**Underemployment:** The underemployed are defined as persons working less than 40 hours a week but wanting and available to work longer hours. The underemployment rate is the underemployed expressed as a percentage of the total employed population.

**Inactive:** the inactive population is the population that is not in the labour force. The inactivity rate and labour force participation rate sum to 100.

**NEET:** refers to youth who are not in education, employment or training. It is a measure that therefore reflects both youth who are inactive and out of education as well as youth who are unemployment.

### 4.1 Youth activity status

70. The aggregate labour market indicators for Lao youth, reported in Table 11, point to a high level of labour force participation (76 percent) and at the same time a very low rate of measured unemployment (less than one

<sup>33</sup> LFCLS 2010, as discussed previously, understates employment because it does not fully capture the group of young persons combining education and employment. There are also too few observations in the LFCLS dataset to measure unemployment.

percent). Education participation is relatively low at 39 percent. Five percent of all youth are not in education, employment or training, a group referred to by the acronym "NEET". These aggregate figures, however, mask considerable variation in youth activity status by age, sex, residence and region. Table 11 and Table 12, which report the main aggregate labour market indicators for youth decomposed by these background variables, illustrate the main patterns.

Table 11. Aggregate labour market indicators, young persons aged 15-24years, by residence, sex and age range

Population category		Labour force participation (% pop.)	Education participation (% pop.)	Inactive and out of education (% pop.)	NEET <sup>(a)</sup> (% pop.)	Employment rate (% active)	Unemployment rate (% active)
Residence	Rural with roads	83.9	32.7	3.2	3.3	99.8	0.2
	Urban	58.9	50.6	7.3	8.7	97.7	2.3
Sex	Male	74.2	44.4	2.8	3.3	99.3	0.7
	Female	76.9	33.5	6.1	6.6	99.3	0.7
Age range	15-19	67.7	56.9	3.1	3.4	99.6	0.4
	20-24	86.1	14.5	6.4	7.3	99.0	1.0
<b>Total<sup>(b)</sup></b>		<b>75.6</b>	<b>38.6</b>	<b>4.5</b>	<b>5.0</b>	<b>99.3</b>	<b>0.7</b>

Notes: (a) NEET refers to youth who are not in education, employment or training. It is a measure that therefore reflects both youth who are inactive and out of education as well as youth who are unemployed; (b) Total excludes young persons living in rural areas without roads.

Source: UCW calculations based on Laos Step Skills Measurement Survey (Step 1), 2012.

Table 12. Aggregate labour market indicators, young persons aged 15-24 years, by province

Province	Labour force participation (% pop.)	Education participation (% pop.)	Inactive and out of education (% pop.)	NEET <sup>(a)</sup> (% pop.)	Employment rate (% active)	Unemployment rate (% active)	
Vientiane Capital	58.6	50.7	6.7	8.3	97.2	2.8	
Phongsaly	90.9	45.1	2.8	2.8	100.0	0.0	
Luangnamtha	54.2	40.1	20.0	20.0	100.0	0.0	
Oudomxay	79.0	52.6	5.8	6.1	99.6	0.4	
Bokeo	71.1	38.3	6.0	6.0	100.0	0.0	
Luangphabang	89.5	41.5	0.8	0.8	100.0	0.0	
Huaphan	79.7	40.7	0.5	0.6	99.8	0.2	
Xayabury	82.8	15.8	2.1	2.6	99.4	0.6	
Xiengkhuang	79.0	51.5	1.3	1.3	100.0	0.0	
Vientiane province	52.7	50.7	7.2	8.2	98.2	1.8	
Bolikhamxay	71.8	30.4	11.9	12.1	99.7	0.3	
Khammaun	69.5	27.2	7.1	7.6	99.2	0.8	
Savannakhet	76.0	31.9	4.5	4.6	99.9	0.1	
<b>Saravan</b>	<b>100.0</b>	<b>39.0</b>	<b>0.0</b>	<b>0.0</b>	<b>100.0</b>	<b>0.0</b>	
Xekong	93.2	53.4	2.8	2.8	100.0	0.0	
Champasak	84.4	25.9	2.8	4.2	98.3	1.7	
Attapeu	91.5	37.8	6.9	6.9	100.0	0.0	
<b>Total<sup>(b)</sup></b>		<b>75.6</b>	<b>38.6</b>	<b>4.5</b>	<b>5.0</b>	<b>99.3</b>	<b>0.7</b>

Notes: (a) NEET refers to youth who are not in education, employment or training. It is a measure that therefore reflects both youth who are inactive and out of education as well as youth who are unemployed; (b) Total excludes young persons living in rural areas without roads.

Source: UCW calculations based on Laos Step Skills Measurement Survey (Step 1), 2012

- **Gender.** Male and female youth differ little in terms of their labour force participation or in terms of their ability to secure jobs upon entering the labour force. There are considerable differences by sex, however, in terms of education participation: the education participation of male youth exceeds

that of female youth by more than 10 percentage points. At the same time, female youth are more than twice as likely as male youth to be inactive and out of education. This latter result is undoubtedly due to the greater culturally-dictated likelihood for female youth to undertake domestic responsibilities in their own homes upon leaving education.

- **Residence.** Youth labour force and education participation differ dramatically between urban areas and rural areas with roads, reflecting underlying differences in the nature of the urban and rural labour markets. Labour market participation is 25 percentage points higher for rural youth while at the same time their education participation is 18 percentage points lower. The small group of unemployed youth in Laos is concentrated almost entirely in urban areas: the unemployment rate for urban youth is 2.3 percent while for rural youth it is only 0.2 percent. NEET youth, a group at particular risk of social marginalisation, are also concentrated primarily in urban areas. Almost nine percent of urban youth fall in the NEET category against only three percent of rural peers.
- **Age.** Employment participation rises with age while the opposite pattern prevails for education participation. This is not surprising, as the 15-24 years age range is when the transition from education to working life gathers pace. Involvement in education drops by three-quarters while labour force participation increases by one-quarter as young people move from their teens into their early twenties.
- **Province of residence.** Youth labour market indicators vary considerably by province. Vientiane province, Luangnamtha and Vientiane capital stand out as provinces where labour force participation rates are lowest (53 percent, 54 percent and 58 percent, respectively). Luangnamtha stands out as having a particularly high share of youth (one in five) falling in the NEET category. Vientiane Capital, Vientiane province and Champasak are the only provinces with non-negligible levels of youth unemployment, although even in these provinces the youth unemployment rate is very low (2.8 percent, 1.8 percent and 1.7 percent, respectively). Xayyabury is the poorest performing province in terms of youth education participation: only 16 percent of youth in this province are still in education.

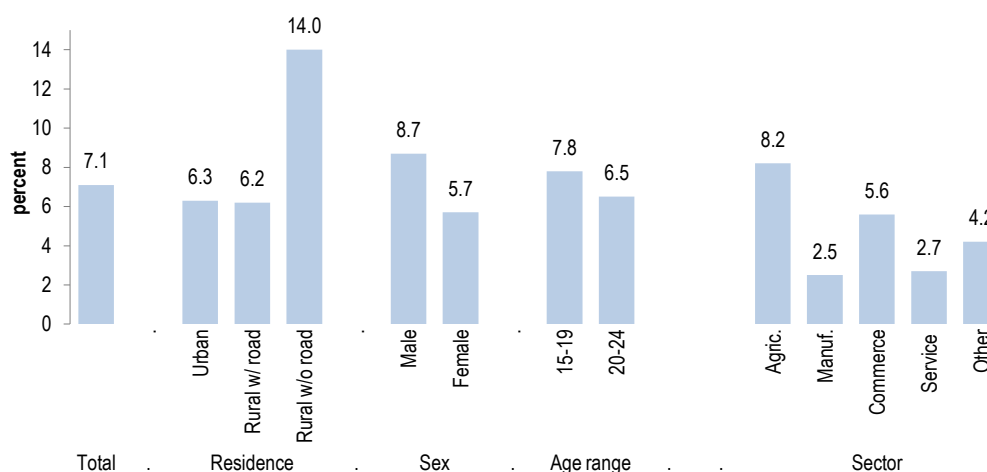
## 4.2 Youth job characteristics

71. Labour force participation, unemployment and the other aggregate labour market indicators reported above provide only a very partial picture of the employment challenges facing young persons in Laos. This is because in countries such as Laos where poverty widespread, most youth simply cannot afford to remain without work altogether and must accept jobs regardless of the conditions and pay associated with them. In the Laos context, in other words, the key policy concern is not whether young people are working but rather the *quality* of the jobs they hold, and the extent to which these jobs offer a path for advancement and route out of poverty. Job quality, however, is difficult to define; there is no single accepted indicator of job quality. In this section, data for a range of job characteristics are reported in order to assess the quality of jobs secured by Lao young persons. These indicators include

underemployment, sector and status in employment, contractual status and working poverty.

72. *Underemployment*, sometimes referred to as “hidden unemployment”, affects about seven percent of employed Lao youth, where the underemployed are defined as persons working less than 40 hours a week but wanting and available to work longer hours.<sup>34</sup> Youth living in rural areas without road access have by far the highest rate of underemployment. Fourteen percent of employed youth in these areas are underemployed, more than double the rate in urban areas and other rural areas. Underemployment is most common in the agriculture sector where eight percent of all young workers are working fewer hours than they would like (Figure 18).

Figure 18. Underemployment rate<sup>(a)</sup> (percentage of employed population aged 15-24 years), by residence, sex, age range and sector



Note: (a) The underemployed are defined as persons working less than 40 hours a week but wanting and available to work longer hours. The underemployment rate is the underemployed expressed as a percentage of the total employed population.

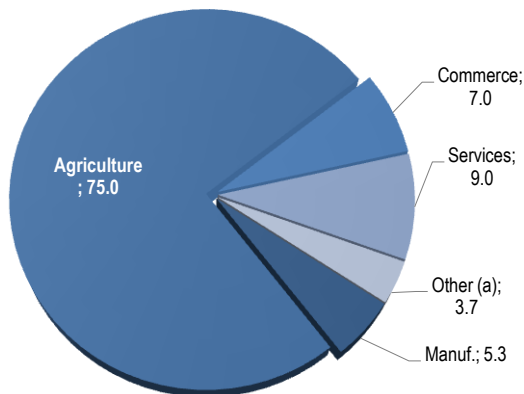
Source: UCW calculations based on Laos Labour Force and Child Labour Survey, 2010.

73. Youth employment is dominated by low-productivity, unremunerated work concentrated in the agriculture sector. Three-quarters of youth workers are found in agriculture and the remainder are divided among the service (nine percent), commerce (seven percent) and manufacturing (five percent) sectors (Figure 19). In terms of status in employment, about half (51 percent) of employed youth are non-wage family workers. The rest is found in either self-employment (32 percent) and in paid employment (17 percent).

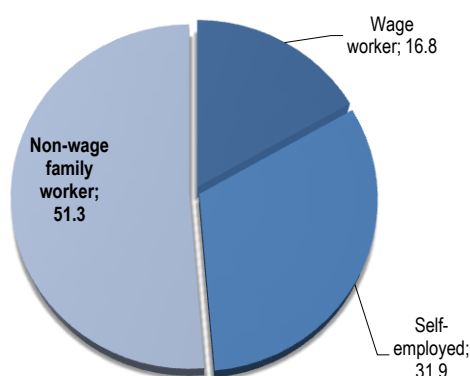
<sup>34</sup> Time-related underemployment, as the only component of underemployment to date that has been agreed on and properly defined within the international community of labour statisticians, is the best available proxy of the underutilized labour force. The time-related-underemployed as share of total employment is measured as those who work less than 40 hours per week and who want and/or available to work more hours. Based on the data available in the Laos Labour Force and Child Labour Survey 2010 survey, we define the underemployed as those working less than 40 hours because they are unable to find a full-time job or because they have had their working hours reduced.

Figure 19. Composition of youth employment

(a) By employment sector



(b) By status in employment



Note: (a) The category "Other sector" includes construction, mining and quarrying, electricity, gas and water supply and extraterritorial organizations and bodies. Source: UCW calculations based on Laos Labour Force and Child labour Survey, 2010.

74. These aggregate figures mask differences in the composition of youth employment by sex and residence. Gender differences relate primarily to status in employment – a larger share of employed male youth are in wage work and a larger share of employed female youth are in non-wage family work (Annex Table A9 and Table A10). The composition of youth employment differs significantly by residence. Rural youth, and especially youth in remote areas without road access, are not surprisingly much more likely than their urban peers to work in the agricultural sector (see also below) and are less likely to work in services, commerce and manufacturing. In terms of status in employment, rural youth (again especially youth in remote areas without road access) are less likely to work as wage employees, and are more likely to work in unremunerated employment within the family (Annex Table A11 and Table A12).

Figure 20. Youth employment sector and status, by province

(a) Sector of employment by province

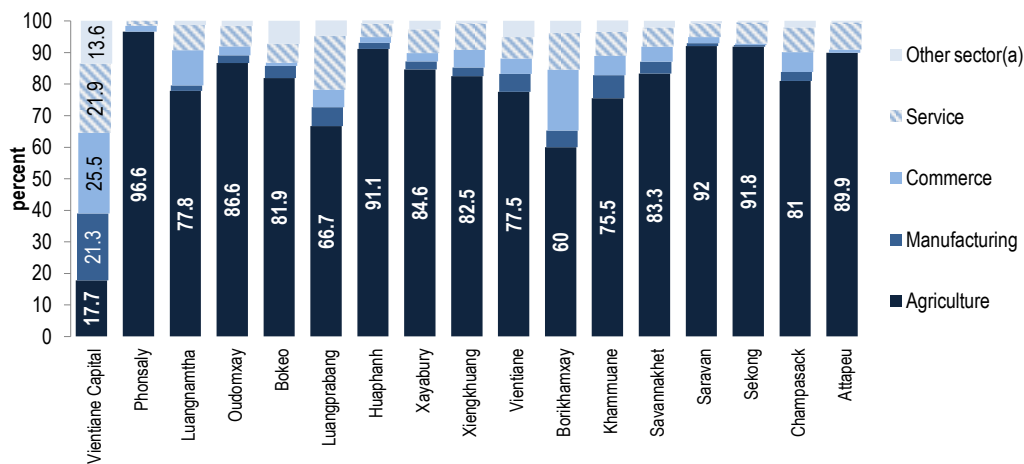
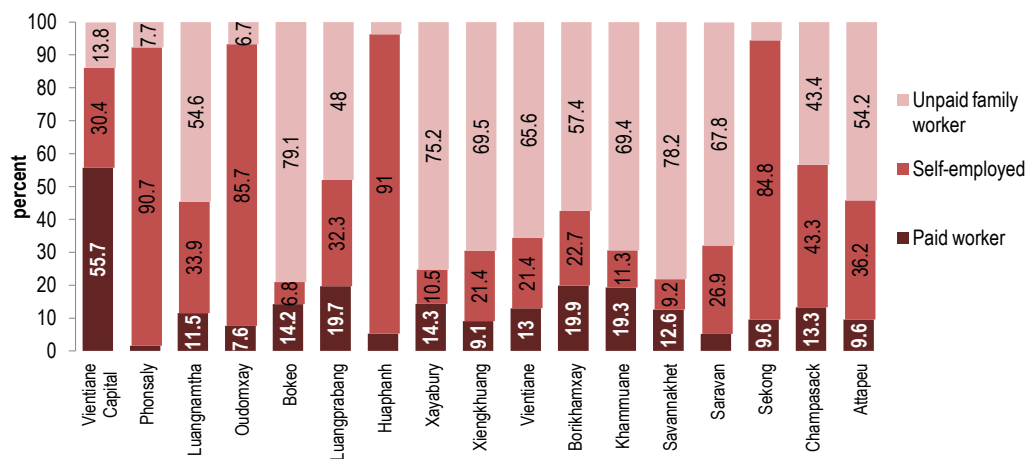




Figure 20. Cont'd

(b) Status in employment by province

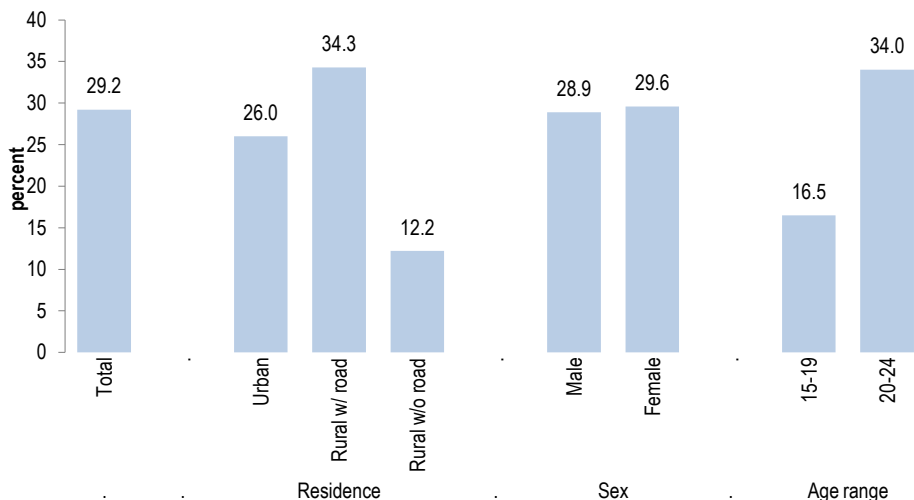


Source: UCW calculations based on Laos Labour Force and Child labour Survey, 2010.

75. Employment in agriculture predominates in all the provinces with the important exception of Vientiane Capital City, where the sectoral composition of youth employment is much more varied (Figure 20). Employed youth in the capital city are divided across the services, commerce, manufacturing as well as agriculture sectors. The picture is more mixed as far as the status in employment is concerned: in the provinces of Phousaly, Oudomxay, Huaplun and Sekon the majority of youth is self-employed, while in the remaining provinces youth are working unremunerated family employment. Again, Vientiane Capital City stands out as an exception, where 56 percent of youth hold a remunerated employment.

76. Less than 30 percent of youth in wage work enjoy written contracts, underscoring the high degree of precariousness characterising youth employment in Laos (Figure 21). A written contract, in turn, is perhaps the best indicator job security and quality. Written contracts are generally associated with more job stability and legal protections, higher incomes and access to non-wage benefits such as pensions and health care. Youth in remote rural areas without road access fare worse in this regard than the rest of the country – only 12 percent of employed youth in remote areas enjoy a written contract compared to 26 percent in urban areas. The share of employed youth with a written contract increases considerably with age, from 17 percent for the 15-19 years age group to 34 percent for the 20-24 years age group, suggesting that for at least some youth a first insecure non-contract job may be a stepping stone to a more secure contract job later on.

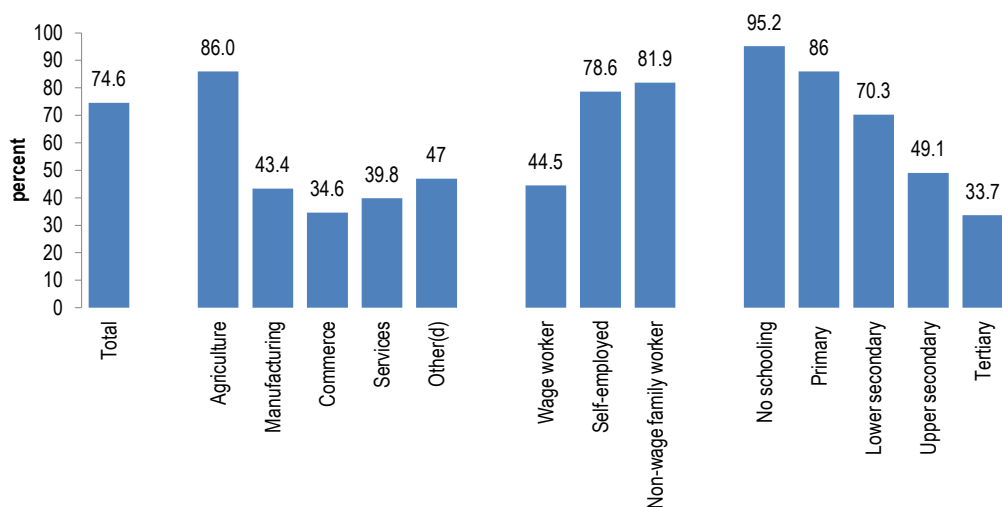
Figure 21. Percentage of youth in wage employment with written contracts, 15-24 years age group, by residence, sex, age range and department



Source: UCW calculations based on Laos Labour Force and Child labour Survey, 2010.

77. Levels of working poverty are extremely high among Lao youth: three of every four employed youth are poor despite having a job. Levels of working poor are especially high among young persons working in agriculture. Over four-fifths of youth working in agriculture (86 percent) are poor, compared to 43 percent in manufacturing, 40 percent in services and 35 percent in commerce. In terms of status in employment, working poverty is highest for non-wage family workers (82 percent) and for those who are self-employed (79 percent). These high levels of working poverty are perhaps the most revealing indicator of the low quality of youth jobs – for too many Lao youth, employment does not offer a route out of poverty.

Figure 22. Percentage of working poor youth,<sup>(a)</sup> by employment sector, status in employment and contractual status <sup>(b)</sup>



Notes: (a) It is the international poverty line of \$1.25 per person per day, in 2005 purchasing power parity (PPP). (b) Paid workers only (c) Employed non student population. (d) The category "Other" includes construction, mining and quarrying, electricity, gas and water supply and extraterritorial

Source: UCW calculations based on Laos Labour Force and Child labour Survey, 2010

### 4.3 Human capital and youth employment outcomes

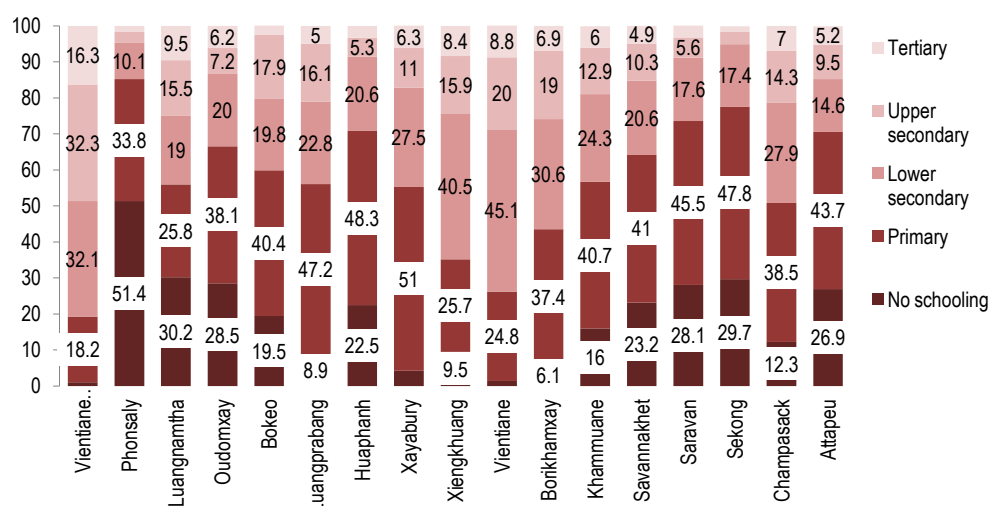
78. Levels of human capital remain low for many Lao young people, compromising their future prospects. Over half of all non-student youth (53 percent) have only primary (37 percent) or no education (16 percent). Low human capital is a particular concern in rural areas, and especially in remote areas without road access, where 80 percent of non-student youth have only primary education (47 percent) or no education (33 percent). A number of provinces also lag behind national averages in this regard. In Phonsaly, for instance, 51 percent of youth not in education have no schooling, while a further 34 percent have only primary. In general, Vientiane and Vientiane Capital City fare better in terms of youth educational attainment than elsewhere in the country (Figure 23 and Table A8).

Table 13. Educational attainment, non-student population aged 15-24 years, by sex, residence and region

Category	Total	Residence		
		Urban	Rural with road	Rural without road
No schooling	15.5	4.5	17.0	33.3
Primary	37.1	20.6	41.8	47.4
Lower secondary	25.9	29.9	26.2	14.7
Upper secondary	14.5	27.5	11.3	3.5
Tertiary	6.9	17.6	3.8	1.0
Total	100	100	100	100

Source: UCW calculations based on Laos Labour Force and Child labour Survey, 2010

Figure 23. Educational attainment, non-student population aged 15-24 years, by province

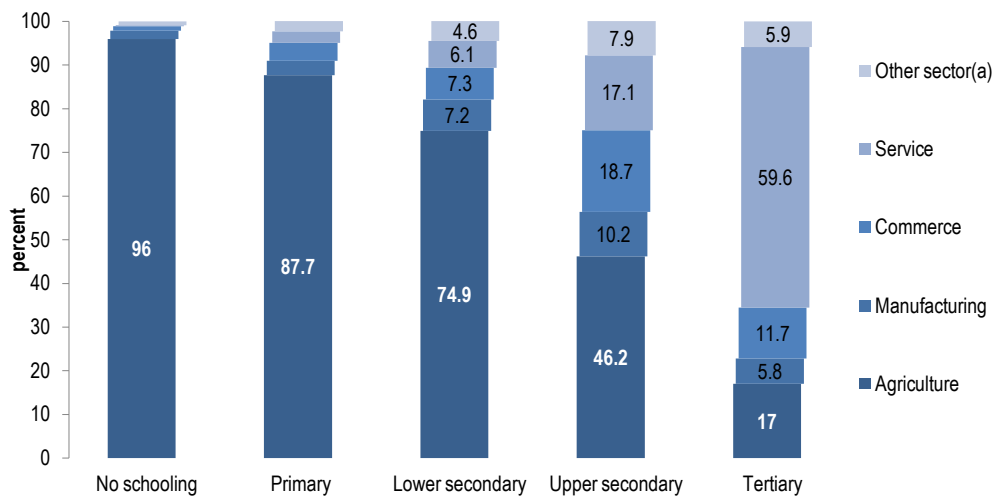


Source: UCW calculations based on Laos Labour Force and Child labour Survey, 2010.

79. What is the impact of low human capital on youth employment outcomes? The descriptive evidence presented below suggests that there are significant returns to education in terms of job quality. Figure 24 and Figure 25 report the composition of youth employment by level of education. They show that the likelihood of wage work and of work in the tertiary sectors both rise

consistently with more education, while the opposite pattern prevails for non-wage family work and for work in the agriculture sector. Even a small amount of education appears relevant in this regard. The share of youth in wage work, for example, rises more than three-fold moving from no education to primary education, from three percent to ten percent.

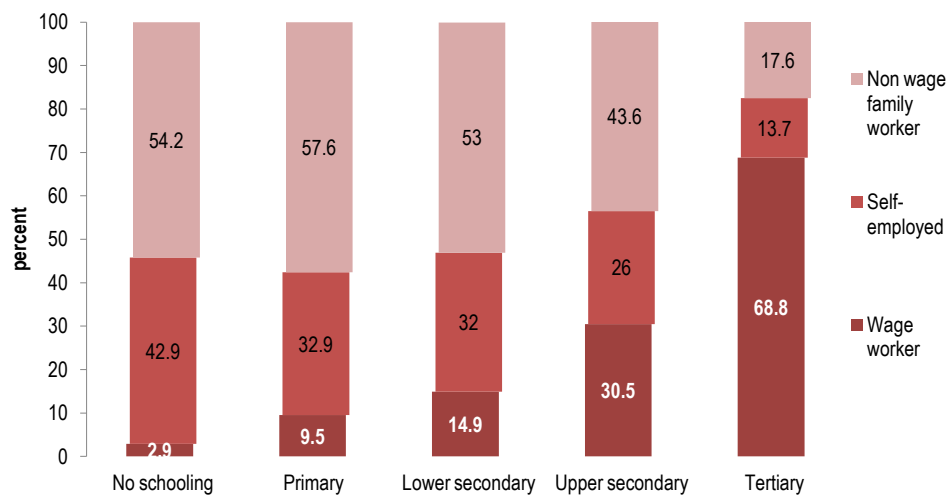
Figure 24. Education level and sector of employment, non-student employed population aged 15-24 years



Note: (a) The category "Other" includes construction, mining and quarrying, electricity, gas and water supply and extraterritorial organizations and bodies.

Source: UCW calculations based on Laos Labour Force and Child labour Survey, 2010

Figure 25. Education level and status in employment, non-student employed population aged 15-24 years

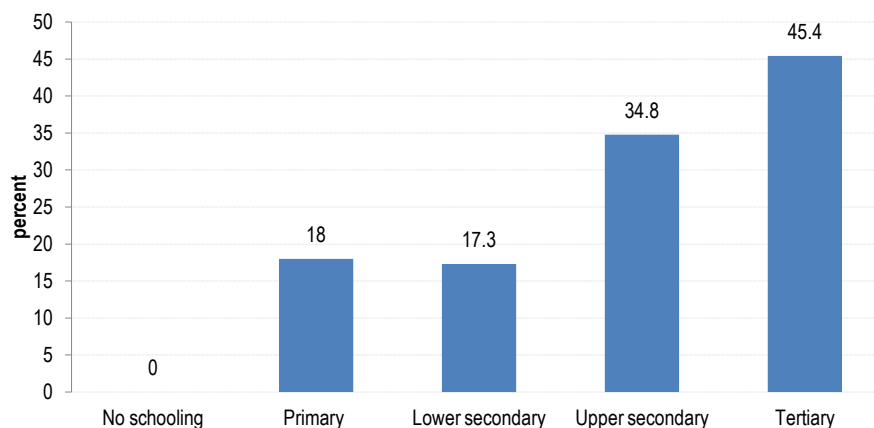


Source: UCW calculations based on Laos Labour Force and Child labour Survey, 2010

80. Similarly, Figure 26 indicates that more educated youth are much more likely to enjoy jobs with written contracts. Only 18 percent of youth with only primary education have written contracts against 35 percent of youth with upper secondary education and 71 percent of youth with tertiary education. Again, even a little education appears relevant – almost no uneducated youth

have jobs with written contracts compared to almost one in five youth with primary education.

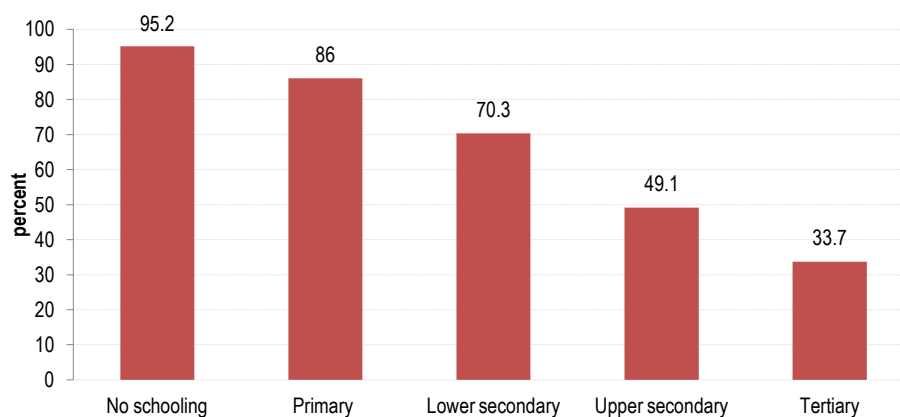
Figure 26. Possession of a written contract and education level



Source: UCW calculations based on Laos Labour Force and Child labour Survey, 2010

81. The share of working poor falls significantly with educational attainment. Ninety-five percent of employed youth with no education are poor compared to 49 percent of employed youth with secondary education and 33 percent with tertiary education (Figure 22). These results are undoubtedly at least in part due to a disguised income effect (i.e., better educated youth are likely to be from better off households) but it is also suggestive of important returns to education in the form of higher earnings.

Figure 27. Percentage of working poor youth<sup>(a)</sup> and education level



Notes: (a) It is the international poverty line of \$1.25 per person per day, in 2005 purchasing power parity (PPP). (b) Paid workers only (c) Employed non student population. (d) The category "Other" includes construction, mining and quarrying, electricity, gas and water supply and extraterritorial

Source: UCW calculations based on Laos Labour Force and Child labour Survey, 2010

82. More robust econometric evidence also highlights the importance of education in determining job quality. A regression model was estimated to assess the link between the probability of wage employment – one rough

proxy for job quality – and a set of individual and household characteristics. Key results, reported in Table 14, indicate that education dramatically increases the chances of young persons securing wage employment. Those with primary education are seven percentage points more likely to be in wage work than youth with no education. Lower secondary education increases the probability of wage employment by an additional percentage point. The largest rise in the likelihood of wage employment, however, occurs moving from lower secondary to upper secondary or higher education. Those with at least upper secondary education are 16 percentage points more likely to be in wage employment than their peers with lower secondary education. Other, non-educational, factors influencing the chances of wage employment include marital status, shocks caused by crop pests, residence and local labour market conditions.

Table 14. Probability of being in wage employment, marginal effects, non-student youth in employment, by sex

		Total		Male		Female	
Explanatory variables <sup>(a)</sup>		dy/dx	z	dy/dx	z	dy/dx	z
<b>Youth age, sex and marital status</b>	Age	-0.0076	-0.3	-0.0252	-0.7	0.0018	0.1
	Age squared	0.0004	0.8	0.0010	1.1	0.0001	0.1
	Female	<b>-0.0262</b>	<b>-2.9</b>	--	--	--	--
	Married/Live together	<b>-0.0608</b>	<b>-5.1</b>	<b>-0.0861</b>	<b>-6.0</b>	<b>-0.0773</b>	<b>-7.7</b>
	Female* married/live together	<b>-0.0449</b>	<b>-3.1</b>	--	--	--	--
<b>Youth education level</b>	Primary	<b>0.0695</b>	<b>3.8</b>	<b>0.0773</b>	<b>2.4</b>	<b>0.0611</b>	<b>3.0</b>
	Lower secondary	<b>0.0793</b>	<b>3.7</b>	<b>0.0977</b>	<b>2.7</b>	<b>0.0600</b>	<b>2.4</b>
	Upper secondary and tertiary	<b>0.2348</b>	<b>8.1</b>	<b>0.2539</b>	<b>5.6</b>	<b>0.2153</b>	<b>5.7</b>
<b>Household (HH) characteristics</b>	HH expenditure p.c : quintile 2	<b>0.0291</b>	<b>1.9</b>	<b>0.0558</b>	<b>2.2</b>	0.0050	0.3
	HH expenditure p.c : quintile 3	<b>0.0408</b>	<b>2.7</b>	0.0348	1.4	<b>0.0421</b>	<b>2.3</b>
	HH expenditure p.c : quintile 4	<b>0.1251</b>	<b>6.5</b>	<b>0.1549</b>	<b>5.0</b>	<b>0.0969</b>	<b>4.2</b>
	HH expenditure p.c : quintile 5	<b>0.1390</b>	<b>6.4</b>	<b>0.1901</b>	<b>5.4</b>	<b>0.0961</b>	<b>3.7</b>
	Piped water	0.0221	1.2	<b>0.0712</b>	<b>1.9</b>	-0.0066	-0.4
	Household size	<b>0.0053</b>	<b>2.3</b>	<b>0.0072</b>	<b>1.7</b>	0.0037	1.4
	Number of siblings aged 0-4	-0.0057	-0.9	0.0053	0.5	<b>-0.0142</b>	<b>-2.0</b>
	Number of siblings aged 5-14	-0.0022	-0.5	-0.0016	-0.2	-0.0022	-0.5
	Migrated	-0.0241	-1.1	<b>-0.0609</b>	<b>-1.7</b>	0.0008	0.0
<b>Shocks experienced by household in the last 12 months</b>	Natural disaster <sup>(b)</sup>	0.0018	0.1	-0.0020	-0.1	0.0070	0.3
	Crop pests	<b>-0.0638</b>	<b>-3.7</b>	<b>-0.0964</b>	<b>-3.4</b>	<b>-0.0424</b>	<b>-2.1</b>
	Economic shock <sup>(c)</sup>	-0.0253	-1.3	-0.0174	-0.5	<b>-0.0305</b>	<b>-1.7</b>
	Other shocks <sup>(d)</sup>	0.0283	1.5	0.0388	1.2	0.0227	1.1
<b>Residence</b>	Rural with road	<b>-0.0527</b>	<b>-4.7</b>	<b>-0.0719</b>	<b>-3.7</b>	<b>-0.0371</b>	<b>-3.0</b>
	Rural without road	<b>-0.0608</b>	<b>-4.8</b>	<b>-0.0643</b>	<b>-2.7</b>	<b>-0.0616</b>	<b>-4.9</b>
<b>Local labour market</b>	Labor demand <sup>(e)</sup>	<b>-0.8592</b>	<b>-9.4</b>	<b>-1.0752</b>	<b>-6.7</b>	<b>-0.6618</b>	<b>-6.4</b>
	Labor supply <sup>(f)</sup>	<b>-0.2335</b>	<b>-3.7</b>	<b>-0.2694</b>	<b>-2.5</b>	<b>-0.2174</b>	<b>-3.0</b>

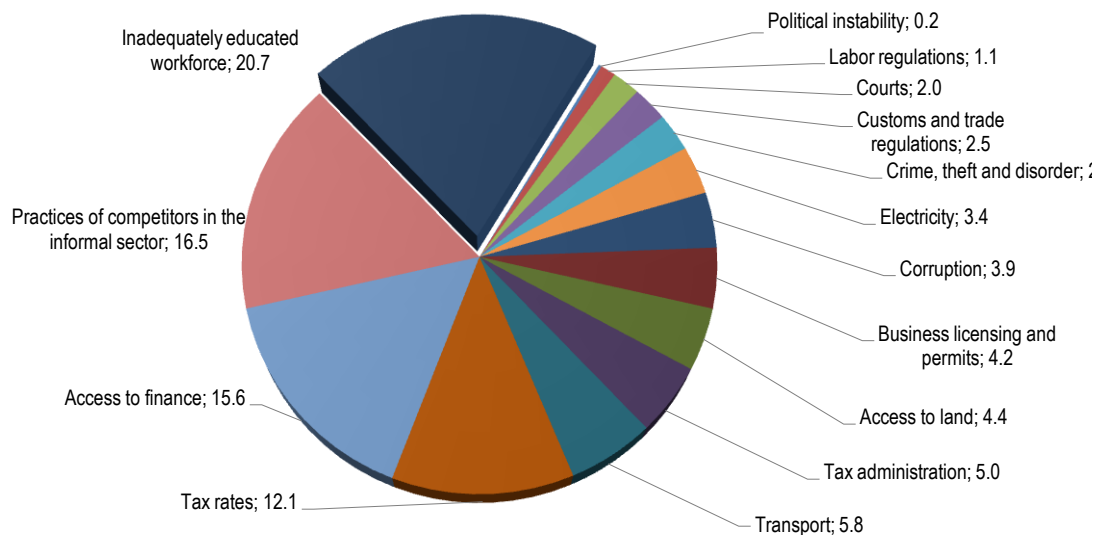
Notes: (a) The reference categories are the following: Education: No schooling; Household expenditure per capita: quintile 1; Residence area: urban. (b) Floods, droughts, forest fires, storms, landslides; (c) Inflation, increase of the oil price, closing of business, unemployment; (d) Epidemics, non-agricultural shocks, other shocks; (e) Labour demand is proxied by the prime-age (25-55 years) employment ratio; (f) Labour supply is proxied by youth (15-24 years) to prime-age (25-55 years) population ratio.

Source: UCW calculations based on Laos Labour Force and Child Labour Survey, 2010

#### 4.4 Youth skill deficits

83. Results from the 2012 Laos Enterprise Survey (ES 2012) provide an indication of the relative importance of inadequate human capital levels from the perspective of Lao firms in the non-agricultural economy. As reported in Figure 28, firms cite “inadequately educated workforce” more frequently than any other factor as the biggest obstacle to growth. More than one in five firms (21 percent) cite this factor, followed by practices of competitors (17 percent), access to finance (16 percent) and tax rates (12 percent).

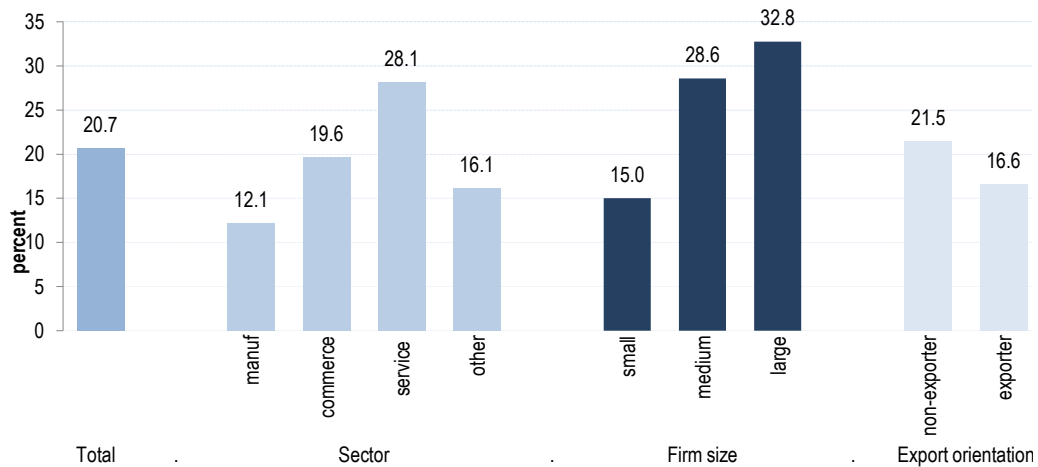
Figure 28. Biggest obstacles to operations and growth cited by firms in the non-agricultural economy



Source: UCW calculations on Laos Enterprise Survey, 2012

84. Figure 29, which looks at constraints to operations and growth by type of firm, suggests that skills deficits are most felt in medium- and large-size firms in the services and commerce sectors. Skills deficits are slightly higher among firms serving the domestic rather than export market. These results concerning the relatively high perceived skills deficit suggests significant unmet demand for skilled labour among Lao firms outside the agriculture sector, and highlight the importance of investing in youth education and training as a means of improving youth employment outcomes.

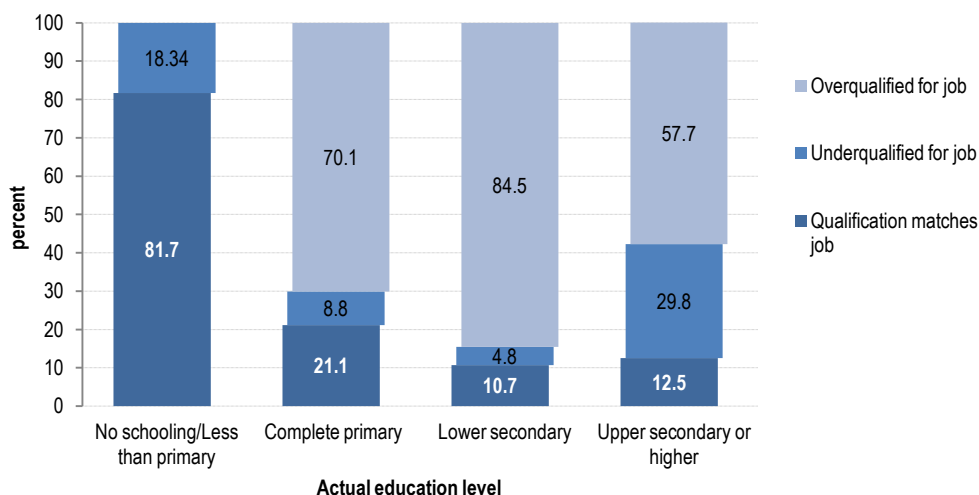
Figure 29. Share of non-agricultural firms citing inadequately educated workforce as the main constraint to operations and growth, by sector, firm size and export orientation



Notes: (a) The category "commerce" includes retail, wholesale and service of motor vehicles; the category "other" includes construction, electricity and mining and extractive industry; (b) Firm size: small size is less than 20; medium size is 20-99, large size is 100 and over 100.  
Source: UCW calculations on Laos Enterprise Survey, 2012

85. Feedback from employed youth themselves concerning their skills levels, indicates that only a small minority of educated youth think that their qualifications match the job that they hold. Most employed youth with primary or lower secondary education feel overqualified for their jobs (70 and 80 percent, respectively), undoubtedly a reflection of the fact that this group is employed primarily in low-productivity agricultural work (Figure 24).

Figure 30. Self-reported appropriateness of qualifications to job, employed youth aged 15-24 years, by youth education level



Source: UCW calculations based on Lao PDR Step Skills Measurement Survey (Step 2), 2012

86. The responses of better-educated youth concerning their qualifications are more varied. The largest share (58 percent) of youth with upper secondary or higher education also see themselves as over qualified for the



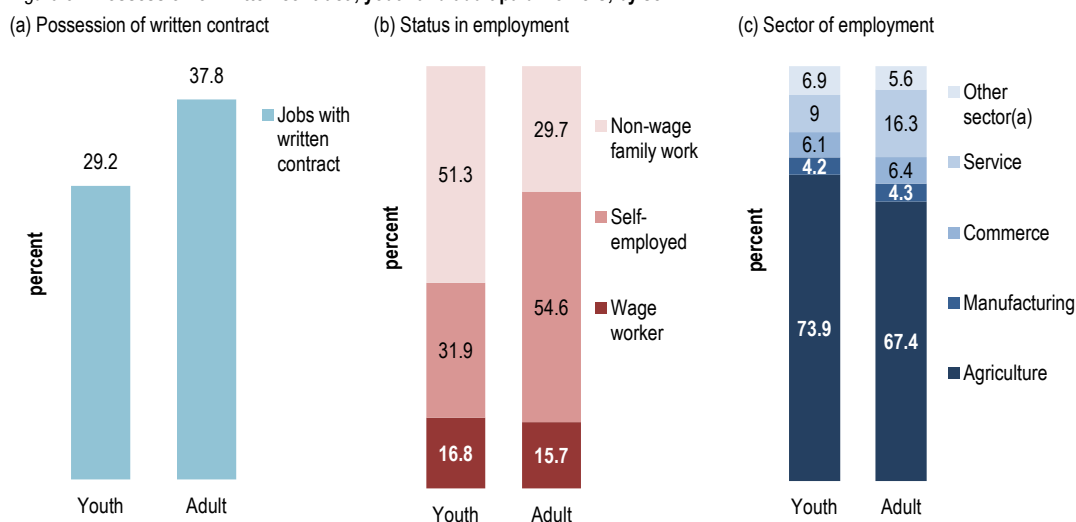
jobs that they perform, again undoubtedly because many are in non-wage family work in agricultural sector. But there is also a substantial share (30 percent) that indicate feeling *underqualified* for their jobs despite their high level of educational attainment. It is interesting to note that the share of better-educated youth feeling underqualified roughly corresponds with the share of the same group in wage work (Figure 25) and work with written contracts (Figure 26). In other words, while better-educated youth not surprisingly indicate feeling over-qualified for farm work, these youth at the same time do not feel they are adequately qualified for more skills-intensive jobs in the formal sector, in keeping with the feedback from employers reported above.

#### 4.5 Relative position of youth in the labour market

87. Comparing the job characteristics of young persons and adults provides an indication of the extent to which young workers are disadvantaged in relation to their adult counterparts in terms of employment outcomes.

88. A range of indicators suggest that the jobs held by young workers are of poorer quality, although job quality is important issue for youth and adult workers alike. The share of employed youth benefiting from written contracts is almost nine percentage points lower than that of employed adults (29 percent versus 38 percent) (Figure 31a). At the same time, the share of young workers in unremunerated family work is almost double that of adult workers (Figure 31b). Youth workers are also less likely than their adult counterparts to secure work outside of agriculture in the commerce and service sectors. Finally, young workers appear to face a slightly greater risk of underemployment (seven versus five percent) (not shown). These results suggest that at least for some youth, the poor quality jobs they currently hold are likely stepping stones to better quality ones as adults.

Figure 31. Possession of written contract, youth and adult paid workers, by sex



Source: UCW calculations based on Laos Labour Force and Child Labour Survey, 2010.

## 5 CURRENT POLICIES AND PROGRAMMES ADDRESSING CHILD LABOUR AND YOUTH EMPLOYMENT CONCERNS

89. The government of Laos has given high priority to improving the welfare of its people – including children and young people – and over the past two decades has made significant progress in this regard, particularly in the areas of health and education. Despite this progress Laos still lags behind by regional and global comparisons and more needs to be done to respond to persisting development challenges, including persistently high rates of child labour and a severe lack of decent employment opportunities for its young and growing population.

90. The **National Growth and Poverty Eradication Strategy** (NGPES), finalised in 2003, provides the overall strategic framework under which all of the Government's growth and poverty eradication programmes are developed and implemented. The overall aims of the plan are in accordance with the country's MDG targets and have the additional aim of guiding Laos to graduate from Least Developed Country status by 2020.

91. This overall framework has been further articulated and operationalised within five-year **National Socio-Economic Development Plans** (NSEDPs). The 7th NSEDP covers the period 2011-2015 and sets out comprehensive action across a range of policy areas that directly or indirectly contribute to child labour and youth employment outcomes; most significantly in the areas of education and social protection (see Panel 6).<sup>35</sup>

92. The remainder of the chapter reviews current national efforts addressing child labour and youth employment concerns. It first reviews current legal protections (section 5.1) and programmatic efforts (section 5.2) relating specifically to child labour. It then looks at policies and programmes in two policy areas with a particular bearing on child labour – education (section 5.3) and social protection (section 5.4). Finally, the chapter reviews current policies and programmes relating to youth employment (section 5.5).

### Panel 6. Main directions of the Seventh Five-Year Socio Economic Development Plan (NSEDP)

The Seventh Five-Year Socio Economic Development Plan aims at maintaining national development achievements as in the previous periods and overcoming challenges. It follows the resolutions of the Party Congress, especially the resolutions of the Ninth Party Congress which are the implementation measures of National Socio-Economic Development Plan until 2020 and the Seventh Five-Year Plan, and the achievement plan called –Boukthalu in Lao.

The achievement plan includes achievement in imagination; achievement in human resource development; achievement in mechanism, regime, administrative system; achievement in poverty reduction by attracting more source of funds and promoting special policy, and constructing basic infrastructure in focal areas. It should be a comprehensive development plan covering all areas, sectors, regions and localities.

The major directions are as follows:

1. Developing a strong and stable macroeconomic foundation to ensure strongly growth; focusing on market-responsive mechanisms under the state; ensuring security; and steady and rapid macro-economic and economic growth. Boosting the economic and labour structural change through industrialisation and modernisation;

<sup>35</sup> Ministry of Planning and Investment, Lao People's Democratic Republic, [The Seventh National Socio-Economic Development Plan \(2011-2015\)](#), October 2011.

*Panel 6. Main directions of the Seventh Five-Year Socio Economic Development Plan (NSEDPP)*

- applying modern scientific and 80 technological methods; promoting cultural and social development; reducing poverty and scaling up human development; protecting and sustaining the environment and planning for mitigating climate change, especially preserving and enhancing forest cover, and conserving water; raising the efficiency of the production processes; working on comparative advantages of different economic sectors; and supporting small and medium enterprises.
2. Finding solutions to endemic poverty; boosting rural development and poverty reduction (in line with building capacity along the four goals and four targets); allocating land, creating stable jobs, and raising livelihoods; ensuring fairness in society; reducing inequality between urban and rural areas, rich and poor people, and genders through encouraging knowledge and education for people; preventing diseases and providing better health care; creating basic infrastructure in villages and Kumbans; establishing more development villages; and reducing the risk of unexploded ordnance (UXO).
  3. Expanding human resources, promoting Lao culture, and maintaining societal harmony, along with economic development; building upon the material and moral threads of the society; improving the capability of the civil staff through educational reforms, for instance improving and widening educational opportunities; nurturing an intellectual environment in the society through strengthening higher education and encouraging local talent, promoting better health and hygiene-consciousness; building up good management staff, highly experienced technical staff, and skilled workers; developing human resources amongst people in localised surroundings (especially for rural development); promoting gender equity, empowering women and protecting children's rights; promoting policies for empowering youth in order that they become harbingers of socio-economic development; preserving and expanding the beautiful customs of the Lao people, along with widening international cultural exchanges; and improving the information sector.
  4. Strengthening public administration from the central to grass roots level; promoting democracy through the state's legal mechanisms, where the central level adminstrates while the local/grass roots level implements; ensuring equality and fairness in society; controlling corruption; promoting savings and avoiding unnecessary expenditures; resolving social issues uniformly across the country in a timely manner by creating structures at different levels, and delineating the roles between central and local authorities along with the direction of expanding ownership of creativities and seeking local potentials; and implementing laws approved by the National Assembly in all sincerity.
  5. Ensuring defence and security nationwide; encouraging stable politics, peace and social order; improving mechanisms, regime and regulations regarding human migration; controlling the population; strengthening and modernizing the armed forces.
  6. Mobilising social forces for development; regenerating natural resources to utilise them more effectively and sustainably; expanding friendship and cooperation with countries in the region and beyond; enlarging linkages and competitive capacities at the international level through local and foreign investments; creating comprehensive infrastructure systems; and 81 formulating policies to encourage investments into every economic sector, especially in preidentified hubs.
  7. Promoting industrialisation and modernisation, with a focus on sectors and regions where there are supportive conditions and potentials; reducing development gaps (with other nations); implementing mega projects most effectively to create a strong industrial foundation; and encouraging SMEs, cooperative enterprises and household enterprises to utilise newer technologies for improving their productivity and increasing their effectiveness.

Source: Ministry of Planning and Investment, Lao People's Democratic Republic, [The Seventh National Socio-Economic Development Plan \(2011-2015\)](#), October 2011.

## 5.1 Legal protections relating to child labour and schooling

93. Laos has made a number of important legal commitments in the areas of child labour and children's schooling.

94. The **UN Convention on the Rights of the Child (UNCRC)** was ratified by Laos in 1991 and sets out children's basic human rights across a range of areas encompassing civil, cultural, economic, political and social rights. In relation to child labour this includes the right to education (Article 28) and the right to protection from economic exploitation (Article 32). Governments

that have ratified the UNCRC are obliged to regularly report on their implementation of the Convention and are subject to periodic examinations of their progress.

95. The Government ratified the **ILO Convention 138**<sup>36</sup> on the minimum working age and the **ILO Convention 182**<sup>37</sup> on the worst forms of child labor in 2005. Laos is also a signatory of **other key international legal instruments** relating to child labour, including; UN Convention Against Transnational Organized Crime and its Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children; UN Convention on the Elimination of All Forms of Discrimination Against Women; UNCRC Optional Protocol on the Involvement of Children in Armed Conflict; and UNCRC Optional Protocol on the Sale of Children, Child Prostitution and Child Pornography.

96. Laos is signatory to a **Memorandum of Understanding with Thailand on Cooperation to Combat Trafficking in Persons, Especially Women and Children** (2005) which sets out measures to prevent trafficking, including the provision of education and training opportunities for women and children (*Article 3*); and the provision of improved social services and healthcare to women and children who are vulnerable to trafficking (*Article 4*), as well as provisions to protect victims of trafficking and for their effective return and reintegration.<sup>38</sup>

97. In addition Laos is signatory to an Agreement with Viet Nam on Cooperation in Preventing and Combating Trafficking in Persons and Protection of Victims of Trafficking (2010) which sets out similar measures for the prevention of trafficking (*Article 3*) and for the protection (*Article 4*); repatriation (*Article 6*) and reintegration (*Article 7*) of victims of trafficking.<sup>39</sup>

98. These international conventions have been reflected in various items of national legislation, including:

- The **National Law on the Protection of the Rights and Interests of Children** (2007) which sets out measures to protect the rights and interests of children, including in relation to education: Article 26 specifies obligations for the state, parents and social organisations to promote and create conditions to ensure that children receive education; Article 27 sets out the state's policy to create 'child-friendly' schools which promote learning and protect children from discrimination and violence. Articles 29, 30 and 31 articulate the state's role in promoting education for disadvantaged children, children with disabilities and children with HIV/ AIDS, respectively. Furthermore, Article 84 provides for fines and/or disciplinary sanctions for

<sup>36</sup> the ILO Convention 138 on the Minimum Age for Admission to Employment requires countries to implement a minimum age for employment which should be no lower than 15 (or in the case of vulnerable developing countries 14); that children under 18 should not be allowed to partake in hazardous work (or 16 in strict conditions); and that children under 13 (or in the case of vulnerable developing countries 12) should not engage in light work.

<sup>37</sup> The ILO convention 182 requires countries to prohibit and take immediate action to eliminate the worst forms of child labour, a category which includes all forms of slavery and forced labour; the use of children for prostitution and illicit activities; and hazardous work. The exact definition of hazardous work is open to national determination on the basis of consultation with employers' and workers' organisations.

<sup>38</sup> Text available from: [http://www.no-trafficking.org/reports\\_docs/lao/laws/MOU-Lao-Thailand-Combat-Trafficking-2005-ENG.pdf](http://www.no-trafficking.org/reports_docs/lao/laws/MOU-Lao-Thailand-Combat-Trafficking-2005-ENG.pdf)

<sup>39</sup> Text available from: [http://www.no-trafficking.org/reports\\_docs/lao/laws/Agreement-Lao-Vietnam-Preventing%20and%20Combating%20Trafficking%20ENG.pdf](http://www.no-trafficking.org/reports_docs/lao/laws/Agreement-Lao-Vietnam-Preventing%20and%20Combating%20Trafficking%20ENG.pdf)

individuals or organisations which employ children in conditions which violate the labour law.<sup>40</sup>

- Article 41 of the **Amended Labour Law** (2007) sets the minimum age for admission to employment at 14, and specifies that children aged 14-18 do not work for more than eight hours a day and that they are not employed in sectors that are dangerous to their health, including; all types of mining; production involving chemicals, explosives or toxic substances; work involving handling human corpses; overtime work; work in environments with excessive noise; work in places involving gambling or alcohol; and night work.<sup>41,42</sup>

99. The **application and implementation** of the international conventions and national legislation relating to child labour has been inconsistent and efforts to eliminate child labour have been impeded by a weak capacity to carry out necessary reforms and by continued systematic weaknesses in the education system, persistently high poverty rates and low awareness of child labour issues in the private sector and parts of the government.<sup>43</sup>

#### Panel 7. The legal framework for promoting gender equality

The legal framework for promoting gender equality in Lao PDR is strong. As clearly stipulated in the revised Constitution of 2003 and other laws, women and men have equal rights. The 1991 Constitution of Lao PDR guarantees equal rights for women and men (Articles 22 and 24). The Constitution also gives the mandate of women's advancement to the Lao Women's Union (Article 7). The Lao Women's Union was established in 1955 in response to the Party and Government's promotion of the role of women under the National Constitution. A new law on Lao Women's Union is currently being considered. The new draft law is aimed at the development and protection of Lao women, with increased participation by Government, the Lao Front for National Construction, women's federations and other mass organizations as well as society in general. If approved, the Lao Women's Union will use this law as a reference for its activities in the advancement of women rights. According to National Assembly members, the Law will support gender equality at international standards and help reduce human trafficking and child labour.

The 2004 Law on the Development and Protection of Women focuses on eliminating discrimination against women, combating violence, and creating an enabling environment for women's empowerment. The Family Code has been amended to remove discrimination against women in matters of marriage and inheritance, repealing a lowering of the marriage age of girls to 15. Women's equal rights are also stipulated in the Family, Land, and Property Laws; the Labour Law; the Electoral Law; and the Penal Law.

Sources: The National Assembly of the Lao People's Democratic Republic, [http://www.na.gov.la/index.php?option=com\\_content&view=article&id=705%3Athere-are-no-translations-available0385&catid=64%3Athe-association-of-lao-parliamentarians&Itemid=41&lang=en](http://www.na.gov.la/index.php?option=com_content&view=article&id=705%3Athere-are-no-translations-available0385&catid=64%3Athe-association-of-lao-parliamentarians&Itemid=41&lang=en);

The World Bank and the Asian Development Bank (2012), Country Gender Assessment for Lao PDR ;

UN Women, Lao People's Democratic Republic <http://www.unwomen-eseasia.org/docs/factsheets/04%20Lao%20PDR%20factsheet.pdf>

## 5.2 Projects and programmes relating directly to child labour

100. **The United Nations Development Assistance Framework** (UNDAF) for Laos for the period 2012-2015, the broad framework under which UN cooperation takes place in the country, calls for the “*effective application of ratified ILO conventions on child labour*” (Outcome 2.5). **ILO-IPEC** is the

<sup>40</sup> Text available from: [http://www.no-trafficking.org/reports\\_docs/lao/laws/ProtectionRightsInterestsChild-2007-ENG.pdf](http://www.no-trafficking.org/reports_docs/lao/laws/ProtectionRightsInterestsChild-2007-ENG.pdf)

<sup>41</sup> Text available from: [http://www.no-trafficking.org/reports\\_docs/lao/laws/AmendedLabourLaw-2007-ENG.pdf](http://www.no-trafficking.org/reports_docs/lao/laws/AmendedLabourLaw-2007-ENG.pdf)

<sup>42</sup> An amendment to the Labour Law might be soon adopted. It aims at conforming to international standards and at meeting the requirements of the International treaties to which Laos is a party. Amendments include gender equality with regard to labour, child labour, and the tripartite cooperation between trade unions, employers and workers

<sup>43</sup> ILO DWCP

principal UN agency collaborating with the government on child labour issues in Laos. Since 2000, ILO-IPEC has supported a variety of efforts aimed at promoting the implementation of the child labour conventions, including:

- *ILO-IPEC's Mekong Sub-regional Project to Combat Trafficking in Children and Women* ran between 2000 and 2008 Laos, Cambodia, China (Yunnan), Thailand and Viet Nam, funded by the United Kingdom's Department for International Development (DfID) and the Government of Japan. The project consisted of a number of activities encompassing advocacy and awareness-raising on the issue of human trafficking; building capacities for dealing with child labour at the village, provincial and national levels; and providing targeted assistance and support. Phase I (2000-2003) focused on research and interventions in three provinces of Laos - Savannakhet, Champassak and Khammuane. Phase II (2006-2008), expanded the project's work to a further 2 provinces - Bolikhamxay and Sayabuly, replicating lessons learned and good practices.
- ILO-IPEC is working with the UN Food and Agriculture Organisation (FAO) on joint activities relating to *child labour in agriculture*, focusing on provinces which have particularly high rates of child labour in the agricultural sector, including Savannakhet, Saravan, and Champasack provinces. This has included a joint workshop to build the capacity of national and provincial level government labour and agriculture officials and other key stakeholders on child labour in agriculture.
- ILO-IPEC has supported: i) the establishment of a National Steering Committee on Child Labour; ii) a review of the national legislative frameworks governing child labour; iii) a ministerial decree on list of light and hazardous work for minors; iv) a series of awareness raising and capacity building activities for the public, NGOs and tripartite stakeholders.
- The ILO's **Decent Work Country Programme** (DWCP) for Laos (2011-2015) envisages several activities in relation to child labour, under the scope of Outcome 2.4 (i.e., "*elimination of child labour receives stronger recognition as an integral part of national development policies, plans and programmes*"). These include support towards (i) the adoption and implementation of a National Plan of Action on child labour; (ii) mainstreaming of child labour concerns into education and social protection sector frameworks; and (iii) strengthened knowledge base on child labour.

101. A **National Plan of Action for the elimination of the WFCL** is currently in the process of being developed and is expected to be approved prior to the end of 2013. It will provide a broad framework to guide national actions for eliminating the WFCL and in so doing, help to highlight child labour as a national concern; provide a framework for national dialogue; serve as a mechanism for priority setting, policy decisions and resource allocation; establish roles and responsibilities of stakeholders; and provide a mechanism for assessing progress.

102. Progress is also on-going in relation to the development of a **hazardous work list** which will establish specific work activities which should be prohibited for children of specific ages.

### 5.3 Education policies and programmes

103. The Government of Laos has accorded high priority to improving education provisions and has recognised that continued economic development and growth are heavily dependent on substantial reforms to the national education system. In this regard, particular emphasis is given to improving access to quality education for poor, vulnerable and underserved groups (including girls and children from ethnic/ linguistic minorities) and to increasing the numbers of students who enter and complete secondary-level education.

104. The Lao constitution of 1991 guarantees all Lao citizens the right to education and the Decree on Compulsory Primary Education of 1996 makes primary education free and compulsory for all children. The Education Law (2000) further stipulates that all Lao citizens have the right to education without discrimination regardless of their ethnicity, origin, religion, gender or social status.

105. The Ministry of Education (MoE) has **overall responsibility for education policies** and planning, although under the government's on-going decentralisation process province and district level administrations are taking on increasingly significant roles. Provincial Education Services have overall responsibility for secondary, technical and vocational schools, while District Education Bureaus are responsible for pre-schools, primary schools and non-formal education.<sup>44</sup>

106. The **Education Law of 2007** introduced a 5+4+3 formula for primary, lower secondary and upper secondary schooling levels which has been in place since the 2009-2010 school year. Although ostensibly free, parents are often expected to pay informal fees including a registration fee, school maintenance payments and assorted running costs. Moreover, secondary school is not compulsory, which creates a gap between the age at which children complete compulsory education (11 or 12 years) and the legal minimum age for admission to employment at 14 years, meaning that children who are no longer obliged to attend school often begin working illegally before meeting the minimum age for employment.

107. There have been a number of **education policy initiatives** over the last two years, including the Government of Laos PDR National Education System Reform Strategy 2006–15, the new Education Law (July 2007), The Ministry of Education's EFA Mid-Decade Assessment (March 2008) and the Education Sector Development Framework (ESDF) 2009–2015.

108. Laos's Education Sector Development Framework (2009 – 2015) sets out strategic priorities and actions, in order to meet the targets set out in the Millennium Development Goals and for the achievement of Education For All. It reflects a shared long-term vision and commitment to the education sector by government and development partners and also provides a shared understanding of the major education reform priorities:

<sup>44</sup> [http://www.unescobkk.org/education/resources/country-profiles/lao-pdr/education-sector-overview/?utm\\_medium=twitter%2Fculture%2Fworld-heritage-and-immovable-heritage%2Fgis-and-cultural-resources-management%2F](http://www.unescobkk.org/education/resources/country-profiles/lao-pdr/education-sector-overview/?utm_medium=twitter%2Fculture%2Fworld-heritage-and-immovable-heritage%2Fgis-and-cultural-resources-management%2F)

- An overall quality improvement of education including quality improvement to the recruitment, training, deployment and retention of teachers;
- A significantly strengthened teacher training system;
- Universal primary school education completion by 2015;
- Gradual expansion of secondary education;
- Strengthened management of the education sector including significant strengthening of managerial capacity on the basis of an overall improvement in governance and human resource management;
- Inclusive education enabling equitable access to a quality education by disadvantaged populations; and
- Closer alignment between education and employment including the development of technical and vocational education and training in response to labour market demands and nationwide skill building.

109. Within this Framework, particular attention has been given to **reducing cost barriers** to education for poor and vulnerable populations with the goal of ensuring that nobody is excluded from education because of an inability to meet the direct or indirect costs through the implementation of a fair and equitable financing mechanism which considers affordability for both parents and the Government. Specific policy measures which will be undertaken towards this goal include the provision of an expanded scholarship programme; the abolition of fees for pre-primary, primary, lower-secondary and non-formal education; and the introduction of block grants to schools to offset any resulting loss of income.

110. Certain groups of children are **systematically disadvantaged** at every stage of the education system and are targeted by specific programmes and schemes to increase their enrolment rates and reduce their drop-out rates. This includes children from isolated and remote communities, girls and children from ethnic and linguistic minorities. Although disparities are present at every stage they become more pronounced at secondary school level. The ESDF therefore envisages inclusive education actions to be implemented through this education sector plan will especially target girls, children with disabilities, ethnic populations and children in isolated and underserved areas to enable better school access and retention for these children.

111. **Government expenditure** on education as a percentage of GDP has been steadily increasing in Laos; it was 1.0 percent in 1999; 2.4 percent in 2004; and 3.3 percent in 2010. This compares favorably with the other two Least Developed Countries in the ASEAN region; Myanmar's was 0.8 percent in 2011 and Cambodia's was 2.6 percent in 2010. However, when compared with all of the countries in the world, Laos's expenditure on education as a percentage of GDP is in the bottom quintile of the countries for which data is available.<sup>45</sup>

112. **Primary school education** is compulsory for five years between the ages of six and 11. The Education for All National Plan of Action 2003-2015 and the Education for All Mid-Decade Assessment (from 2008) identified the principal issues facing primary school education to be persistently low school

<sup>45</sup> World Bank Data Bank



attendance (particularly amongst girls and ethnic minorities); a general shortage of decent school facilities, learning materials and qualified teachers; and the low relevance of the school curriculum. The Ministry of Education's (MoE) strategy for overcoming these issues consists of constructing, expanding and improving school buildings (particularly in rural areas), revising the school curriculum and promoting a recruitment drive for teachers (particularly women from ethnic minorities).

**113. Secondary school education** is split into a lower level (lasting four years) and an upper level (lasting three years) both of which face broadly the same issues as primary education: low enrolment (particularly amongst girls and ethnic minorities); a shortage of highly qualified teachers; and an inappropriate curriculum in terms of its relevance.<sup>46</sup>

**114.** There is a growing awareness in Laos of the importance of **early childhood education** (ECE) in increasing school enrolment, promoting learning readiness, and reducing grade repetition and drop-out rates. The Education for All National Plan of Action 2003-15<sup>47</sup> has set a target of 17% enrolment rate for 3-4 year-olds by 2015, and 55% enrolment rate for 5 year olds by 2015. The gross enrolment ratio for pre-primary education has been steadily increasing; from 16% in 2008, to 20% in 2009; and 24% in 2011. In 2002 a successful pilot scheme was launched to add pre-primary classes to existing primary schools in rural and remote areas and a phased nation-wide expansion of ECE is currently in progress.<sup>48</sup>

**115. Non-formal education** programmes in Laos primarily target three groups: (i) children aged 6-14 who did not have an opportunity to attend primary school; (ii) adults aged 15-40 who are illiterate; and (iii) young people aged 15-24 who do not have stable jobs. These services are primarily provided through 320 community learning centres, the majority of which are located in remote communities.

<sup>46</sup> EFA NPA 2003 – 2015: <http://unesdoc.unesco.org/images/0014/001410/141063e.pdf>

<sup>47</sup> Available from: <http://unesdoc.unesco.org/images/0014/001410/141063e.pdf>

<sup>48</sup> <http://www.unescobkk.org/education/resources/country-profiles/lao-pdr/early-childhood/>

*Panel 8. Key development partners in Laos*

A recent monitoring and evaluation exercise carried out in 2011 by the Global Partnership for Education<sup>49</sup>, identified **nine key development partners** that jointly provide some 60 percent – US\$42.5 million of a total US\$71 million – of all aid going to the education sector in Laos. They are: the Asian Development Bank (ADB), Australia (through AusAID), the European Union (EU), German International Cooperation (GIZ), Japan (through both the Embassy of Japan and JICA), UNESCO, UNICEF, the World Food Programme (WFP), and the World Bank.

- **ADB<sup>50</sup>**: Education is a key strategic focus of ADB's work in Laos and over the past decade has primarily been concentrated on basic education, including the training of 6,800 teachers and the building of 1,500 classrooms. Moving forward, the priorities outlined in ADB's Laos Country Partnership Strategy, 2012-2016 shift their focus toward secondary, vocational and higher education, whilst continuing to support the work of other actors in primary education.
- **Australia (AusAid)<sup>51</sup>**: Basic education is prioritised here as the 'first pillar' of Australia's development strategy for Laos in 2009-2015, with the aim of assisting the Lao government to achieve the Millennium Development Goal (MDG) of a full course of primary education for boys and girls by 2015. The strategy is aligned with Laos's ESDF and aims at ensuring equitable access to quality education with a particular focus on school infrastructure, teacher training, curriculum materials and improved management of educational resources. It also gives prominent attention to the significant disparities in educational attainment between boys and girls and between Lao-Tai and other ethnic groups.
- **EU<sup>52</sup>**: The majority of the EU's project portfolio in Laos focuses on rural development and food security. It also funds basic education implemented by non-governmental organisations. Beyond this core feature, the EU provides funding to Laos through its regional programming for higher education in Asia, through which it provides some 50 university scholarships per year for Lao students to study in the EU as well as providing direct budgetary support to the Lao government for financing education programmes.
- **Germany (GIZ)<sup>53</sup>**: The primary focus of Germany's assistance to Laos is achieving sustainable economic development in the poorest rural areas. Within the scope of this is support for vocational education programmes.
- **Japan<sup>54</sup>**: The single largest donor to Laos; in 2010-2011 invested USD 88 million in projects in the country. The overall focus of Japan's assistance has been on reducing poverty and achieving the MDGs through infrastructure improvements and support for developing human resources. In terms of the education sector this has included a USD 3 million scholarship programme which funds 20 Lao government officials per year to study at university level in Japan subjects which are relevant to the country's development including education, law, agriculture and engineering. Provisions for basic education have included support for the constructions of primary schools; the expansion of under-sized primary schools and measures to combat gender inequality in primary education.
- **UNESCO<sup>55</sup>**: The overall focus is on providing technical assistance and building capacity within the areas of early childhood care and education; the non-formal education sector; and vocational and teacher training. Besides this, UNESCO has also provided technical training in data collection to the Education Statistics and Information Technology Centre (ESITC) in order to foster reliable, quality data on school education and strengthen monitoring systems and enhance future policies and planning. UNESCO Bangkok also works with the Department of Non-Formal Education (DNFE) and provincial education services (PES) in establishing Laos's first ever system for managing non-formal education, which includes technical and financial support to a survey, database and analysis capacity for improving planning and policymaking. Finally, UNESCO has provided training for Literacy Assessment and Monitoring Programmes (LAMP) and support for a LAMP survey in Laos.
- **UNICEF<sup>56</sup>**: The overall focus is on advocacy for increasing government investment in basic education and raising awareness of girls' education. Besides this, UNICEF is carrying out several activities in support of child-friendly schools, including teacher training, gender sensitisation and improvements to school hygiene facilities.

<sup>49</sup> [www.globalpartnership.org/media/Lao-Profile.pdf](http://www.globalpartnership.org/media/Lao-Profile.pdf)

<sup>50</sup> ADB Country Partnership strategy Laos 2012-2016

Available from: [www.adb.org/documents/lao-peoples-democratic-republic-country-partnership-strategy-2012-2016](http://www.adb.org/documents/lao-peoples-democratic-republic-country-partnership-strategy-2012-2016)

<sup>51</sup> Australia- Laos development cooperation strategy 2009-2015

Available from: [www.ausaid.gov.au/Publications/Documents/laoscountrystrategy-Dec09.pdf](http://www.ausaid.gov.au/Publications/Documents/laoscountrystrategy-Dec09.pdf)

<sup>52</sup> Laos – EC Strategy Paper for the period 2007-2013

Available from: [http://eeas.europa.eu/laos/csp/07\\_13\\_en.pdf](http://eeas.europa.eu/laos/csp/07_13_en.pdf)

<sup>53</sup> [www.giz.de/themen/en/32201.htm](http://www.giz.de/themen/en/32201.htm)

<sup>54</sup> JICA activities in Laos: [www.jica.go.jp/laos/english/activities/index.html](http://www.jica.go.jp/laos/english/activities/index.html)

<sup>55</sup> UNESCO, Laos Country Programming Document 2012-2015.

Available from: <http://unesdoc.unesco.org/images/0021/002176/217684e.pdf>

<sup>56</sup> [www.unicef.org/eapro/UNICEF\\_Lao\\_PDR\\_Country\\_Briefing\\_Guide.pdf](http://www.unicef.org/eapro/UNICEF_Lao_PDR_Country_Briefing_Guide.pdf)

*Panel 8. Key development partners in Laos*

- **WFP<sup>57</sup>:** This Programme has been working closely with the MoE to provide funding and technical assistance on developing a national school meals programme. Another strand of the work involves a package; aimed particularly at girls and ethnic minorities; that combines school meals with family planning and nutrition messages. Both of these initiatives aim to boost school enrolment and completion rates in Laos, whilst helping to prevent malnutrition and stunting.
- **World Bank<sup>58</sup>:** Activities in Laos revolve around three strategic objectives: 1) competitiveness and connectivity; 2) sustainable natural resource management; and 3) inclusive development. The third objective is particularly relevant to the education sector since it has set, as one of its three objective outcomes, achieving “expanded access to and improved quality of primary education”. In order to achieve this, the World Bank has provided funding – through the USD 51.44 million Education for All-Fast Track Initiative (EFA-FTI) Catalytic Fund Application Project - towards improving educational quality and access to education in 56 ‘most educationally disadvantaged’ districts. This includes a comprehensive programme to supply pre-primary and primary classrooms; a school meals program to create an additional incentive for children to attend school; pedagogical interventions (such as training for school principals); teacher training in multi-grade teaching; child-centred learning and inclusive education, and; teaching and learning materials that include textbooks, teacher guides, notebooks and stationery. Through the scope of this project, the World Bank also provides community grants to help meet certain recurring costs and reduce the need for school authorities to seek parental contributions, which only tend to increase the cost of schooling for poor families and further constrain enrolment and completion.

## 5.4 Social protection policies and programmes

116. Social protection refers to a set of public actions that address poverty, vulnerability and exclusion. Adequate social protection is a vital component of child labour elimination because of its central role in reducing the social and economic vulnerabilities that can force households to rely on their children’s labour.

117. A large proportion of the population in Laos lives below or close to the poverty line; almost all of this group works in the informal sector, without access to formal social protection schemes. Health protection is particularly important because healthcare represents a significant out-of-pocket expense which can push people into poverty.

118. There are currently **four social and health protection systems** in place in Laos: the State Authority of Social Security (SASS), the Social Security Organization (SSO), Community-Based Health Insurance (CBHI) and Health Equity Funds (HEFs). At present, these four schemes cover 18.5% of the Lao population. Regarding their separate target populations, the SASS covers 79%, followed by SSO at 27%, the HEFs at 11%, and the CBHI at under 5%<sup>59</sup>. The low enrolment is partly a result of the fact that benefits from the scheme are relatively small and not always adequate to meet the needs of beneficiaries.

119. **CBHI** is a voluntary health insurance scheme launched in 2002 that operates in 19 districts, across eight provinces<sup>60</sup>. Its beneficiaries are typically low-income families who would be at risk of falling into poverty as a result of

<sup>57</sup> WFP country strategy in Laos 2011-2015:  
[www.wfp.org/sites/default/files/WFP%20Lao%20PDR%20Country%20Strategy\\_ENG.pdf](http://www.wfp.org/sites/default/files/WFP%20Lao%20PDR%20Country%20Strategy_ENG.pdf)

<sup>58</sup> World Bank Country Partnership Strategy 2012-2016

Available from: [http://siteresources.worldbank.org/EASTASIAPACIFICEXT/Images/FINAL\\_CPS\\_Brochure-eng.pdf](http://siteresources.worldbank.org/EASTASIAPACIFICEXT/Images/FINAL_CPS_Brochure-eng.pdf)

<sup>59</sup> [www.wpro.who.int/health\\_services/service\\_delivery\\_profile\\_laopdr.pdf](http://www.wpro.who.int/health_services/service_delivery_profile_laopdr.pdf)

<sup>60</sup> ILO Decent Work Country Programme, Laos (2011-2015):  
[www.ilo.org/public/english/bureau/program/dwcp/download/laos.pdf](http://www.ilo.org/public/english/bureau/program/dwcp/download/laos.pdf)

high or unpredictable health care provision<sup>61</sup>. Nevertheless, the development and roll-out of the programme have been haphazard, partly due to a shortage of skilled and trained staff capable of launching the programme in new areas<sup>62</sup>. Its effectiveness is further limited by low enrolment rates, high drop-out rates (4% monthly average) and late payment of premiums (47% monthly average)<sup>63</sup>.

120. **HEFs** is a non-contributory social assistance scheme currently funded through bilateral donors and lending banks and implemented through a consortium of NGOs and local health authorities<sup>64</sup>. The Funds have been piloted since 2004 in 38 districts, over nine provinces<sup>65</sup>. Poor beneficiaries are identified using a simple scorecard system and coverage is also extended to any of their dependent family members.<sup>66</sup>

121. **SSO** is a contributory social insurance-based scheme aimed at private and state-owned enterprises that have ten or more employees. The total contribution amounts to some 9.5% of each employee's earnings, of which 5 percentage points come from employers and the other 4.5 from the employee. Benefits provided under this system include an old age pension and benefits for invalidity, sickness, maternity, medical care, work injury and a 'survivor benefit'<sup>67</sup>.

122. **SASS** is a contributory scheme that covers civil servants, providing benefits similar to those in SSO: pension, health, maternity, sickness and a family allowance, as well as housing allowances for contributors and their families<sup>68</sup>.

123. The **National Health Development Plan** has set an ambitious target for universal healthcare coverage to be achieved by 2020. In fulfilment of this ambition, the government has launched plans to merge the four existing social security programmes as a way to increase coverage and to maximise efficiency. The ILO's DWCP for Laos (2011-2015)<sup>69</sup> provides for technical assistance towards this merger through a USD 2 million programme, funded by Luxembourg and run in partnership with the World Health Organisation, through which a National Health Insurance Agency will be established.

124. There have also been on-going efforts to provide **training to healthcare workers**, with a particular focus on those who work with vulnerable children; street children; and victims of trafficking. This has included two-month long training on social work for 36 healthcare workers in 9 provinces; and 10 day long social work training for 1572 people across 5 provinces.

125. Achieving **food security**, particularly in rural and ethnic-minority areas, is recognised as a key aim of many social protection programmes. The UN's Food and Agricultural Organisation (FAO) supported the Ministry of

<sup>61</sup> [www.eria.org/publications/research\\_project\\_reports/images/pdf/y2009/no9/CH-12\\_Laos\\_pp.346-370.pdf](http://www.eria.org/publications/research_project_reports/images/pdf/y2009/no9/CH-12_Laos_pp.346-370.pdf)

<sup>62</sup> *ibid*

<sup>63</sup> *ibid*

<sup>64</sup> [www.eria.org/publications/research\\_project\\_reports/images/pdf/y2009/no9/CH-12\\_Laos\\_pp.346-370.pdf](http://www.eria.org/publications/research_project_reports/images/pdf/y2009/no9/CH-12_Laos_pp.346-370.pdf)

<sup>65</sup> ILO Decent Work Country Programme, Laos (2011-2015):

<sup>66</sup> [www.issa.int/News-Events/News2/Pursuing-universal-health-care-provision-in-Lao-People-s-Democratic-Republic](http://www.issa.int/News-Events/News2/Pursuing-universal-health-care-provision-in-Lao-People-s-Democratic-Republic)

<sup>67</sup> [www.eria.org/publications/research\\_project\\_reports/images/pdf/y2009/no9/CH-12\\_Laos\\_pp.346-370.pdf](http://www.eria.org/publications/research_project_reports/images/pdf/y2009/no9/CH-12_Laos_pp.346-370.pdf)

<sup>68</sup> ILO Decent Work Country Programme, Laos (2011-2015):

<sup>69</sup> *ibid*

Agriculture to carry out Laos's first agricultural census in 2011 which mapped food insecurity across the country and sought to facilitate informed and sustainable policy decisions. World Vision and the WFP also give priority in their programming to food security, implemented through food-for-work initiatives and school feeding programmes.

126. An **employment guarantee scheme** is currently being developed with USD 5 million funding from Japan that will initially target the poorest *kumbans* (village clusters) in two or three provinces.

127. **Microfinance initiatives**, to provide poor people with access to financial services including credit, emergency loans, and savings facilities, are also being increasingly developed in Laos. They can provide an important source of social protection to families by cushioning losses of income that can occur as a result of accidents or illnesses. Germany's development programme GIZ is operating a project to provide microfinance to rural areas in Laos between 2011 and 2014, to date offering financial services to over 20,000 people, the vast majority of whom have been women.<sup>70</sup>

## 5.5 Youth employment policies and programmes

128. A shortage of skills in many key sectors in Laos has the potential to severely constrain economic development and poses a real threat to the government's ambition to elevate the country from Least Developed Country status by 2020. Equipping young people with skills that respond to the needs of the labour market has therefore been identified as a critical priority by the Lao government, and is crucial to expanding decent work opportunities for the growing youth population. As such, the Education Sector Development Framework contains the following targets for upper secondary, vocational education and skills:

- Gross enrolment rate in upper secondary education of 75% by 2020;
- Increased enrolment in Grades 10-12 with parity in gender enrolment and parity between students from all socio-economic groups;
- 25% of total upper secondary enrolment vocational schools from 2015 Minimum of 50,000 students per annum in vocational education from 2012 with 50% female and 20% from the poorest families;
- Increased enrolment in village-based community lifelong learning centres to a total of 40,000 students by 2012.

129. In this context, particular emphasis has been placed on improving provisions for Technical and Vocational Education and Training (TVET). Overall strategy and planning for the sector is outlined in the **TVET Master Plan 2008-2015** which specifies 130 separate activities across seven priority areas with an overall cost of implementation of USD 172.42 million:<sup>71</sup>

- The construction, upgrading and expansion of the TVET institutions;
- The expansion of the TVET offer and approaches;

<sup>70</sup> <http://www.giz.de/themen/en/30300.htm>

<sup>71</sup> Available from: [http://planipolis.iiep.unesco.org/upload/Lao%20PDR/Lao\\_PDR\\_TVET\\_Master\\_plan\\_2008-2015.pdf](http://planipolis.iiep.unesco.org/upload/Lao%20PDR/Lao_PDR_TVET_Master_plan_2008-2015.pdf)

- The qualifications, training and professional development of TVET teachers and other staff;
- The quality assurance of TVET;
- The development of TVET information resources;
- The improvement of the organizational structure of the TVET sector;
- The formulation of policy and tools at the macro-level for the development of TVET.

130. According to this plan, by 2015 22 Integrated Vocational Education and Training Schools – including at least one in each province – will be established, each of which will have a capacity of around 500 students, at least 50% of whom will be female and at least 20% of whom will come from the poorest families.

*Panel 9. Key donor-led initiatives relating to youth employment and vocational training*

There are numerous **donor-led initiatives** currently being undertaken in relation to youth employment and vocational training in Laos, the foremost of which are outlined below:

- **ADB's** USD 23 million "Strengthening TVET Project" is targeting 20,000 students from 2011 to 2021, with the aims of increasing the number of workers in the labour force with formal TVET qualifications to increase by 25% overall and by 50% for females.<sup>72</sup> The ADB's project gives explicit attention to promoting TVET for girls, including through the construction of dormitories for girls (to combat the long distances which girls in rural areas have to travel); and the setting of quotas for 20% female enrolment in sectors where female enrolment is virtually non-existent – including construction, furniture making and automotive and mechanical repair
- **Luxembourg** is funding a EUR 9,325,000 project between 2008 and 2013 to provide access to training and education for the tourism and hospitality industry to 100,000 young people. The project focuses on developing a strategy to institutionalise hospitality and tourism training in Laos; developing training curriculum, guidelines and standards; the establishment of a Tourism School; and the launch of a training of trainers programme.<sup>73</sup>
- **Oxfam:** Youth Employment and Training project in Vientiane, Saravan and Sekong provinces. Rural youth from Lao Theung and Lao Sung communities are learning new skills, and through these, they are improving their employment opportunities and ability to generate income. Activities include carpentry, mechanics, hairdressing, tailoring and how to process products such as pineapple, bamboo shoots, ginger and banana leaf meat to improve their food security. The training aims for rural youth to sell the processed products to other villages (Oxfam, 2005).

In February 2013, the governments of **Laos, Germany and Switzerland** launched a **trilateral collaboration** to "Improve Vocational Skills of Lao Youth" through promoting a more practice-oriented technical and vocational education and training system which is appropriate to the needs of employers. The programme will have an overall focus on disadvantaged groups who have traditionally had a low uptake of TVET including ethnic minorities and girls.<sup>74</sup>

131. There are several **government ministries** with responsibility for youth employment issues. The implementation of the TVET master plan is under the overall responsibility of the Ministry of Education (MoE). In addition, the Ministry of Labour and Social Welfare (MoLSW) is responsible for setting the national skills standards for the country, including developing testing and certification systems. The Ministry of Agriculture and Forestry is responsible for running technical and vocational training institutions relating to the agricultural sector.

<sup>72</sup> ADB

<sup>73</sup> [http://www.lux-development.lu/publication/LAO\\_light.pdf](http://www.lux-development.lu/publication/LAO_light.pdf)

<sup>74</sup> [http://www.swiss-cooperation.admin.ch/mekong/en/Home/News/News\\_Detail?itemID=219281](http://www.swiss-cooperation.admin.ch/mekong/en/Home/News/News_Detail?itemID=219281)

132. The **Lao People's Revolutionary Youth Union (LYU)** is a mass organisation under the direct guidance of the ruling party with youth representatives in all government ministries and departments. It is active at national, provincial, district and village levels and works through youth representatives and youth committees. Several of its core goals and functions are directly relevant for youth employment issues, particularly with regard to vocational and skills training and employment opportunities.

133. Since 2009, Laos has successfully established three pilot ESJCs in Vientiane, Savannakhet and Champasack, which have three main functions: the provision of employment job brokering services, the collection of labour market information (LMI) and the provision of Advisory and Information Services.

134. Rural youth are only mentioned briefly in the agricultural policies, and the NGPES does not specifically focus on vocational training centres with agricultural development activities or other income-generating activities for rural youth. Nor does it give any immediate guidelines on how to contribute to the improvement of rural youth livelihoods.

135. Vocational training is also specifically highlighted in the ILO's **Laos Decent Work Country Programme 2011-2015**<sup>75</sup> which includes: improving the quality and effectiveness of training through the development and implementation of national skills standards; enhancing the capacity of the MoLSW to test and certify skills standards and identify training institutions capable of delivering the relevant courses; and working with the MoE to introduce business and entrepreneurship education into the national secondary and vocational education systems. In this, the overall target is for 10% of training institutions to use skills standards developed by the MoLSW and 15% of new graduates to have certified gained skills by 2015. Furthermore, the national curriculum will be modified to incorporate Know About Business (KAB) as an elective course in secondary schools nationwide by 2015.

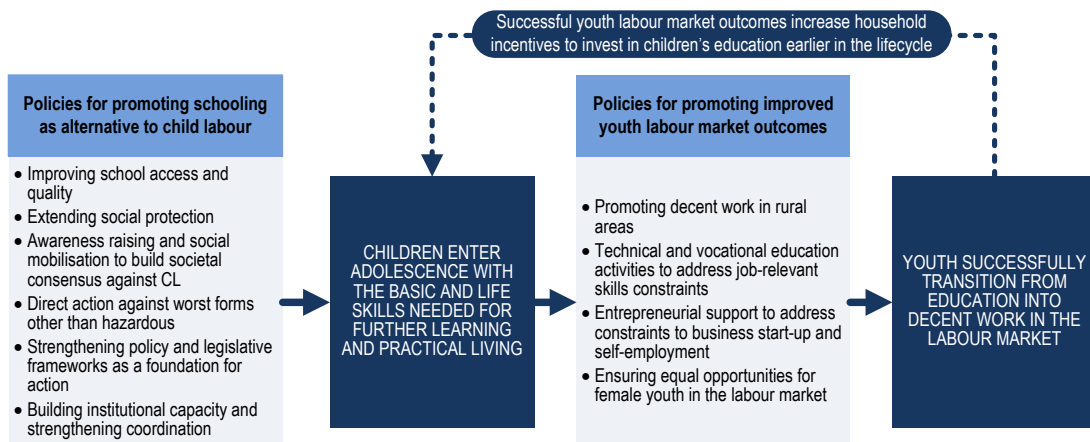
---

<sup>75</sup>Available from: [www.ilo.org/public/english/bureau/program/dwcp/download/laos.pdf](http://www.ilo.org/public/english/bureau/program/dwcp/download/laos.pdf)

## 6 RESPONDING TO CHILD LABOUR AND YOUTH EMPLOYMENT CONCERNS: A DISCUSSION OF POLICY PRIORITIES

136. This chapter presents policy priorities for combating child labour and promoting youth employment in Laos, drawing on the empirical evidence presented in the previous chapters and on lessons learnt from past policy efforts. As noted at the outset of the report, child labour and youth employment are closely linked, underscoring the importance of addressing the two issues hand in hand, following a lifecycle approach.

Figure 32. An integrated response to child labour and youth employment problems



137. Figure 32 illustrates key components of an integrated response to child labour and youth employment concerns. A set of child-centred policies are needed to promote schooling as an alternative to child labour, and, following from this, to ensure that children enter adolescence with the basic and life skills needed for further learning and practical living. This foundation is turn crucial to the success of active labour market policies for promoting improved youth employment outcomes, and to ensuring that youth successfully transition from education into decent work in the labour market. This causal chain can also work in the opposite direction: successful youth labour market outcomes can increase household incentives to invest in children's education earlier in the lifecycle.

138. Specific policy priorities for responding to child labour and responding to youth labour market concerns are discussed in the next two sections of this chapter.

### 6.1 Responding to child labour

139. Child labour is a complex phenomenon requiring a policy response that is comprehensive cross-sectoral in nature. Better access to quality schooling, combined with mechanisms to reduce social risk, are particularly important to preventing children from entering child labour, and to stopping children



already in work from moving to more hazardous forms or leaving school prematurely. Awareness raising and social mobilisation are critical to building a broad-based consensus for change to engaging civil society and social partners in achieving change. Direct actions are needed to remove and rehabilitate children facing extreme forms of hazard or exploitation in the workplace. Appropriate legal and policy frameworks are important as a statement of national intent and to guide national action against child labour. Strengthened institutional capacity is critical to ensuring that these frameworks are effectively operationalised. These key policy priorities for strengthening the national response to child labour are discussed further below.

### Improving school access and quality

**140. Reducing barriers to school access.** Ensuring schooling access at both the primary and secondary levels remains an important challenge. We saw earlier that school attendance reaches its peak in the 10-11 years age range at a level well below universal primary enrolment and drop out accelerates thereafter. Children from poorest households, children from rural and remote areas, and children from linguistic minorities face the greatest barriers to access. Key priorities in terms of improving access include:

- Extending school access to *children who live in remote and isolated areas*. The high proportion of the Lao population who live in remote areas and limited school coverage in these areas means that children often forced to travel long distances to reach their nearest school, posing practical as well as financial barriers to school access.
- *Reduce cost barriers to education* for poor and vulnerable populations. While schooling is ostensibly free, parents and schools often levy informal fees which can pose a significant out-of-pocket expense for poor families. A number of activities are envisaged in this context as part of the Education Sector Development Framework (2009–2015), including the provision of an expanded scholarship programme; the abolition of fees for pre-primary, primary, lower-secondary and non-formal education; and the introduction of block grants to schools to offset any resulting loss of income.
- Boost the *school enrolment and retention of girls* by ensuring that curricula are gender sensitive; that girls are able to access appropriate hygiene facilities; and that awareness raising activities are carried out on the importance of girls' education.
- Provide *linguistic and ethnic minorities with appropriate support services* to succeed in school, as part of a broader toward inclusive education and equitable access for disadvantaged populations. Many children reach primary school age without an adequate knowledge of Lao-Tai, the main language of instruction in schools, leaving them at a considerable disadvantage and at a greater risk of drop-out.

**141. Improving school quality.** There is a general need to improve school quality in order that schooling is seen by parents as a worthwhile alternative to child labour. At present, schooling standards vary considerably and quality is undermined by factors such as incomplete school buildings, teacher shortages, inconsistent teaching standards and poor curriculum relevance.

The need for improvements in these areas has been highlighted in the Education Sector Development Framework (2009-2015) and other education sector development plans but now needs to be operationalised across the education system. Key priorities include:

- *Teacher training and a strengthened teacher recruitment and training system* to combat teaching shortages and promote higher standards amongst teaching personnel. Particular priority should be given to supporting people from under-represented groups – including ethnic and linguistic minorities – to become teachers, through the provision of scholarships and support.
- Promote *inclusive education* strategies, including girl and child friendly schools, which can be mainstreamed into school teaching and which will be adaptive and supportive to the differing learning needs of children.
- Develop *appropriate curricula and enforce a set of minimum standards* to ensure that schooling is relevant and provides an appropriate foundation for higher level learning and skills acquisition.

**142. Expanding early childhood education(ECE).** Evidence from a range of developing countries suggests that ECE programmes can promote learning readiness, increase school enrolment and school survival, and help keep children away from work in their early years. The Education for All National Plan of Action 2003-15 set a target of 17 percent enrolment rate for 3-4 year-olds by 2015, and 55 percent enrolment rate for five year-olds by 2015. But efforts towards these goals are hampered by a severe shortage of trained pre-school teachers; ECE programmes remain overwhelmingly concentrated in wealthy urban communities. Priorities for expanding early childhood education include:

- Expand *ECE provision* to remote and under-served communities. In addition to building facilities, this should include awareness raising on the importance of ECE and establishing systems to support children from linguistic minorities.
- Provide *training for pre-school teachers and early education personnel* to overcome shortages and to ensure they have the skills and competencies to provide high-quality education.

**143. Providing second chance learning opportunities.** “Second chance” policies are needed to reach former working children and other out-of-school children, including children presently working, with educational opportunities as part of broader efforts towards their social reintegration. Empirical evidence presented above on educational attainment indicates that such policies are particularly relevant in the Lao context: many students leave the system prior to the end of the compulsory education cycle and many of those out of school lack the minimum amount of school time considered by UNESCO as necessary for acquiring basic literacy skills. Programming experience elsewhere points to two main options for reaching disadvantaged, out-of-school children with opportunities to ease their transition back to the formal school system: *mainstreaming*, providing returning children with special remedial support within the regular classroom context; and *“bridging” education*, involving separate intensive courses, delivered within or outside the formal school system, designed to raise academic proficiency prior to returning to the regular classroom.

### Expanding social protection

**144. Expanding social protection.** The importance of social protection schemes in providing a degree of economic security and supporting vulnerable households so they do not need to resort to child labour has been well established. At present, in Laos only a small number of workers in the formal sector have any access to social protection and this excludes the large number of people working in agriculture. Indeed, the four social and health protection systems in place in Laos (i.e., the State Authority of Social Security (SASS), the Social Security Organization (SSO), Community-Based Health Insurance (CBHI) and Health Equity Funds (HEFs)) currently cover less than one-fifth of the population. Health care in particular involves high out of pocket expenses posing a major burden for poor households. Priorities in terms of expanding social protection include the following:

- Work towards *universal coverage of health insurance by 2020*, as articulated in the National Health Development Plan, through the rollout of the unified national health insurance scheme to all provinces. Particular attention should be given to health insurance provisions for vulnerable groups, including women, those with disabilities and those living with HIV and AIDS.
- Work towards the *creation of a social protection floor* through a combination of social protection initiatives including conditional and unconditional cash transfers to promote sustainable livelihoods, microfinance initiatives, employment guarantee schemes, family allowances, school feeding schemes and hardship allowances.
- Prioritise those *vulnerable groups who are currently under-served* by existing social protection provisions, including agricultural workers and those in informal employment.

### Awareness raising and social mobilisation

**145. Awareness raising.** Awareness raising is needed as part of efforts to build a broad consensus for change. Child labour is a clear example in which both social norms and economic considerations are important, and strategic communication efforts need to be designed with this in mind. At present, public awareness of child labour in Laos issues is low, particularly outside of urban areas. Households require information concerning children's rights, the costs or dangers of child labour and benefits of schooling in order to make informed decisions on their children's time allocation. Cultural attitudes and perceptions can also direct household decisions concerning children's schooling and child labour, and therefore should also be targeted in strategic communication efforts. The gender dimensions of child labour in Laos, discussed above, are particularly relevant in this context.

**146.** Communication efforts are needed at both national and local levels. A mix of conventional (e.g., radio, television and print media) as well as of non-conventional communication channels (e.g., religious leaders, school teachers, health care workers) is important in order to achieve maximum outreach. Baseline information on local knowledge and cultural attitudes towards children's rights, child labour and gender roles is needed to tailor communication messages, and to evaluation changes in awareness and

attitudes following communication activities. Providing information on national child labour legislation, presented in terms that are understandable to the populations and communities concerned, is another communication priority.

**147. Social mobilisation.** Achieving a sustainable reduction in child labour requires social consensus well beyond the level of the household. Policy responses to child labour are also unlikely to be effective in the absence of the active participation of civil society and of social partners in implementing them. Similarly, laws to protect children from child labour are unlikely to be effective if they are not backed by broad social consensus. Social mobilisation is critical to engaging a broad range of social actors in efforts against child labour. Various social actors, including, for example, NGOs, faith-based organisations, teachers' organizations, the mass media, trade unions, employers' organizations, have important roles to play in a broader societal effort against child labour.

#### Direct action

**148. Direct action for removal, recovery and reintegration.** Direct action is needed to remove children from so-called "worst forms of child labour other than hazardous" and provide them with the support and follow-up needed for their recovery and reintegration. Such action is relevant above all in cases of trafficked children, children subjected to commercial sexual exploitation, and children facing other extreme forms of hazard or exploitation in the workplace. Particular priorities in this context include:

- Strengthening *information on worst forms other than hazardous*. Information about children involved in worst forms other than hazardous is very scarce in Laos due both to the methodological difficulties inherent in investigating them and to their cultural sensitivity. Targeted research utilising specialised survey instruments is needed in order to generate more complete information on this especially vulnerable group of child labourers.
- Enhance *cooperation with neighbouring countries*, particularly Thailand, in the identification and repatriation of Lao children who are working as child labourers abroad. This is important given the high numbers of Lao children who are working outside of the country as child labourers, often in the worst forms of child labour.

#### Strengthening policy and legislative frameworks

**149. Strengthening the policy and legislative frameworks as a foundation and guide for action against child labour.** Achieving sustainable reductions in child labour requires a supportive policy and legislative environment which is in line with international standards and effectively mainstreamed into national development plans and programmes. This has the important effect of signalling national intent to eliminate child labour and providing a framework in which this can be achieved.

- Eliminate the disparity between the minimum age for employment (14 years) and the age at which compulsory schooling ends (11 years) by raising the age at which compulsory schooling ends. At present, the disparity between the two creates a situation where children aged between 11 and 14 years, who are no longer required to attend school, are at risk of becoming involved in child labour.
- Finalise and regularly update a national hazardous work list, in close collaboration with workers and employers organisations, which will clearly identify work tasks that should be prohibited for children of particular ages.
- Finalise and operationalise the National Plan of Action on eliminating the worst forms of child labour as a basis for future policy and programming efforts.

**150. Strengthening enforcement and child labour monitoring.** The effectiveness of legislation in protecting children from child labour depends on the establishment of mechanisms for monitoring and enforcing laws, including provisions for inspections, avenues of legal redress for victims, and sanctions in cases of violations. Particular priorities in terms of strengthening enforcement and monitoring include:

- Strengthen capacity for formal monitoring and inspection of workplaces for child labour through training for labour inspectors, police and judiciary to ensure that they are to understand and labour legislation and workplace safety standards and enforce them in a consistent and appropriate manner.
- Develop community based child labour monitoring systems (CLMS)<sup>76</sup> as a mechanism for identifying children who are involved or at risk of engaging in child labour, referring them to the labour inspectorate and appropriate social services, and tracking them to ensure a positive outcome. CLMS is particularly beneficial in the agricultural and informal sectors – where the vast majority of child labour in Laos is concentrated – in supporting public institutions in increasing surveillance and monitoring.
- Strengthen the capacity of the judiciary system so that it is able to take appropriate action in cases where violations take place.

### Building institutional capacity

**151. Building institutional capacity.** Strengthening institutional capacity at all levels of Government is needed for continued progress towards child labour reduction goals. While the National Plan of Action and other development plans provide solid bases for action, these plans are unlikely to be implemented effectively in the face of capacity constraints. Institution

<sup>76</sup> One of the most potent means of addressing child labour is to regularly check the places where girls and boys may be working. Child labour monitoring (CLM) is the active process that ensures that such observation is put in place and is coordinated in an appropriate manner. Its overall objective is to ensure that as a consequence of monitoring children and young legally employed workers are safe from exploitation and hazards at work. The active scrutiny of child labour at the local level is supported by a referral system which establishes a link between appropriate services and ex-child labourers. In practice CLM involves the identification, referral, protection and prevention of child labourers through the development of a coordinated multi-sector monitoring and referral process that aims to cover all children living in a given geographical area. Its principal activities include regularly repeated direct observations to identify child labourers and to determine risks to which they are exposed, referral of these children to services, verification that they have been removed and tracking them afterwards to ensure that they have satisfactory alternatives. (ILO, <http://www.ilo.org/ipec/Action/Childlabourmonitoring/lang--en/index.htm>)

require strengthening in a number of areas, including using data for strategic planning, policy and programme design, programme monitoring and evaluation, and the mainstreaming of child labour in broader development plans and programmes. As child labour is a cross-sectoral issue, requiring close collaboration across a range of Government bodies, the clear delineation of roles, and the strengthening of coordination and information-sharing, will also be critical to the effective functioning of Government institutions and their social partners in efforts combating child labour.

**152. Strengthening the evidence base.** Effective and well-targeted responses to child labour demand a strong body of knowledge on the issue, including an understanding of how many child labourers there are, which sectors and geographical areas they work in, the demographic characteristics of the children involved, and the type of work that they carry out. Despite recent national household surveys, important information gaps remain in the area of child labour, affecting understanding of the phenomenon and the ability of policy-makers to address it. There is a general need for a system of regular collection, analysis and dissemination of child labour statistics, including follow-ups to LFCL 2010, as well as more targeted research aimed at filling specific knowledge gaps. Specific priorities in this context include:

- Conduct research on *child labour in agriculture* in order to determine the specific agricultural sectors in which children work and the types of tasks which they carry out. While almost all children in employment (97 percent) are found in the agricultural sector, little is known about the characteristics of children's agricultural work, its degree of hazardousness, or the extent to which it interferes with schooling.
- Conduct research on the *worst forms of child labour* in order to determine how many children work in these conditions and which types of work they are involved in. The worst forms of child labour are targeted for urgent elimination but the evidence base that is needed to achieve this goal is very weak.

## 6.2 Responding to youth employment concerns

**153.** High rates of economic growth in Laos have not yet been sufficiently translated into high rates of formal job creation and this has had particularly severe repercussions for young people who make up a significant proportion of the labour market. As shown in the chapter three of this report, youth employment is dominated by low-productivity, unremunerated work concentrated in the agriculture sector. Less than 30 percent of employed youth enjoy written contracts, and an even smaller proportion earns enough to escape poverty. Active labour market policies which ensure ample decent work opportunities for young people are central not only for promoting youth employment but also for increasing the value of education and creating positive incentives for keeping children in school.

**154. Promoting decent work in rural areas.** Large numbers of young people in Laos work in rural areas which are generally associated with poor quality employment opportunities. According to the 2010 labour force survey around 80 percent of the Lao labour force is involved in agriculture, the vast

majority of which is characterised by low wages, low rates of unionisation and workplace representation, poor access to effective social security and poor working conditions.

- Develop an integrated approach for *local employment promotion in rural areas* through training and capacity building towards livelihood diversification, value chain upgrading and business development to improve agricultural productivity and promote hardship and resistance to economic shocks. This should have an overall focus on areas where conditions are particularly difficult, including mountainous and upland areas.
- Promote *safer work* for young people working in agricultural occupations through occupational safety and health (OSH) training, training on carrying out hazardous risk assessments, and public campaigns to highlight safe working practices.

**155. Ensuring young people have relevant skills and training.** In order for young people to take advantage of – as well as to create – decent work opportunities, systems need to be in place to ensure that they leave education equipped with the necessary skills. The foundation for these skills is high quality basic education, particularly in the context of a rapidly changing economy where the needs of the labour market is constantly evolving. Both the Ministry of Labour and the Lao Youth Union currently operate skills training programmes for young people but there is a lack of defined standards and curricula meaning that the courses provided are often lacking in quality and industry relevance.

- Engage with *employers to provide work experience and apprenticeship* programs to young people. This would help students become more familiar with and prepared for the world of work, and to understanding how their knowledge and skills can be applied in practice.
- Support *skills development in high-growth sectors* such as tourism, where there is high potential for expanded job creation and a lack of young people to take advantages of existing opportunities.
- Establish *labour market information systems* which will ensure that up-to-date information on the state of the labour market and reliable predictions on future labour market trajectories are fully reflected in vocational education programmes. This should include building the capacity of government officials to collect, analyse and report on labour market information and engaging with employers in developing appropriate curricula.
- Establish a *network of employment service centres* to link young job seekers with employers offering decent work opportunities and provide career counselling services. There are currently three state-run centres in operation in Laos on a pilot basis and successful practices should be replicated and expanded to elsewhere in the country. These centres would also play a crucial role in collecting and disseminating information on labour market demand to inform policymaking. At present most young people in Laos who are seeking jobs rely on informal networks and contacts.
- Conduct a series of *school to work transition surveys* which will track the outcomes of children leaving school and help to facilitate more responsive policies and programmes.

**156. Promoting entrepreneurship.** Given the lack of decent formal work opportunities in Laos, supporting young people to become entrepreneurs is crucial to promoting youth employment, and a number of policy measures can assist with this goal.

- Expand *access to financial services* to ensure that young entrepreneurs, who often face difficulties in obtaining credit from traditional sources, have access to the start-up capital needed to launch business ideas. This should include the development of microfinance initiatives through the expansion of village banking.
- Incorporate *entrepreneurial education into school curricula*, particularly at secondary and vocational education levels. This could include the ILO's *Know About Business* methodology which promotes positive attitudes toward entrepreneurial activities, creates awareness of entrepreneurship as a viable career choice and develops knowledge of how to succeed as an entrepreneur.

**157. Tackling gender disparities.** Girls and young women in Laos continue to suffer from lower educational attainment and lower participation in the labour market than their male counterparts. Young women who do participate in the labour market tend to be restricted to a narrower range of occupations and are disproportionately represented in low-paid and informal employment. Specific interventions are needed to ensure that young women have the requisite skills and education to obtain decent work. This has important effects for future generations because when women are educated and earn decent wages their families are healthier and they have fewer children. In addition, when women have greater control over household budgets, evidence suggests that they are more likely to invest in education, particularly for girls.

- Close the *gender gap at all stages of the education system* since girls' disadvantage in the workplace is partly a result of their lower enrolment and completion rates at every stage of education.
- Carry out *awareness raising and capacity building* to ensure that gender equality and non-discrimination principles – as reflected in the 2004 Law on the Development and Protection of Women, and the Labour Law, amended 2006 – are applied in practice by employers, workers and government agencies.



## STATISTICAL ANNEX

## Children's involvement in work and schooling

Table A1. Child activity status by sex and residence, 6-13 age group, absolute numbers

Background characteristics		Mutually exclusive activity categories				(a)&(c) Total in employment	(b)&(c) Total in school	(a)&(d) Total out of school
		(a) Only employment	(b) Only schooling	(c) Empl. and schooling	(d) Neither activity			
Sex	Male	27,164	503,681	4,507	36,109	31,671	508,188	63,273
	Female	35,123	454,102	4,004	35,489	39,127	458,106	70,611
Residence	Urban	3,310	228,592	769	7,612	4,079	229,361	10,921
	Rural with road	47,274	635,270	7,332	51,739	54,606	642,602	99,014
	Rural without road	11,703	93,922	410	12,247	12,113	94,332	23,950
<b>Total 6-13</b>		<b>62,286</b>	<b>957,784</b>	<b>8,511</b>	<b>71,598</b>	<b>70,797</b>	<b>966,295</b>	<b>133,884</b>

Source: UCW calculations based on Laos Labour Force and Child Labour Survey, 2010

Table A2. Child activity status by sex and residence, 14-17 age group, absolute numbers

Background characteristics		Mutually exclusive activity categories				(a)&(c) Total in employment	(b)&(c) Total in school	(a)&(d) Total out of school
		(a) Only employment	(b) Only schooling	(c) Empl. and schooling	(d) Neither activity			
Sex	Male	82,382	184,393	2,707	8,337	85,089	187,100	90,718
	Female	101,955	155,919	2,880	8,038	104,835	158,799	109,993
Residence	Urban	23,802	123,176	1,095	5,905	24,897	124,271	29,706
	Rural with road	133,303	193,256	4,332	8,980	137,636	197,588	142,283
	Rural without road	27,231	23,880	160	1,490	27,391	24,040	28,721
<b>Total 14-17</b>		<b>184,337</b>	<b>340,312</b>	<b>5,587</b>	<b>16,374</b>	<b>189,924</b>	<b>345,898</b>	<b>200,711</b>

Source: UCW calculations based on Laos Labour Force and Child Labour Survey, 2010

Table A3. Sector and status of children in employment, 6-13 years age group, by residence

Sector and status		Residence		
		Urban	Rural with road	Rural without road
Sector of employment	Agriculture	81.0	97.3	98.3
	Manufacturing	7.7	0.9	1.2
	Commerce	7.8	0.8	0.5
	Service	3.5	0.8	0.0
	Other sector <sup>(a)</sup>	0.0	0.2	0.0
	Total	100	100	100
Status in employment	Paid worker	10.4	1.9	0.0
	Self-employed	0.0	10.6	10.3
	Unpaid family work	89.6	87.5	89.7
	Total	100	100	100

Note: (a) The category "Other sector" includes construction, mining and quarrying, electricity, gas and water supply and extraterritorial organizations and bodies.

Source: UCW calculations based on Laos Labour Force and Child Labour Survey, 2010

Table A4. Sector and status of children in employment, 14-17 years age group, by residence

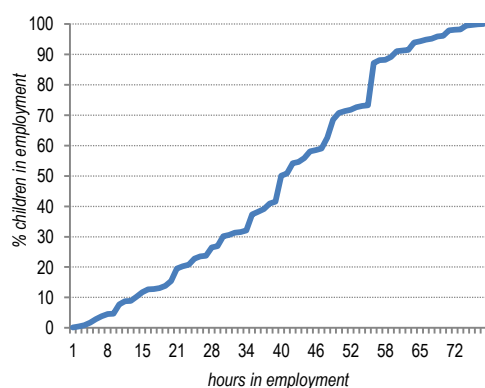
Sector and status		Residence		
		Urban	Rural with road	Rural without road
Sector of employment	Agriculture	53.2	92.6	97.4
	Manufacturing	14.0	2.5	0.0
	Commerce	14.9	2.0	1.4
	Service	11.0	1.8	0.9
	Other sector <sup>(a)</sup>	6.9	1.2	0.4
	Total	100	100	100
Status in employment	Paid worker	30.6	6.8	1.3
	Self-employed	24.4	30.1	42.2
	Unpaid family work	44.9	63.1	56.6
	Total	100	100	100

Note: (a) The category "Other sector" includes construction, mining and quarrying, electricity, gas and water supply and extraterritorial organizations and bodies.

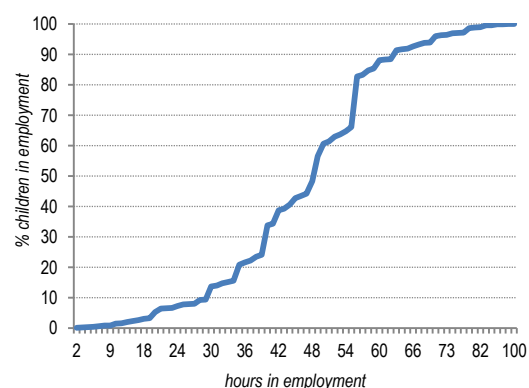
Source: UCW calculations based on Laos Labour Force and Child Labour Survey, 2010

Figure A1. Cumulative distribution of children in employment by working hours

(a) Children aged 6-13 years



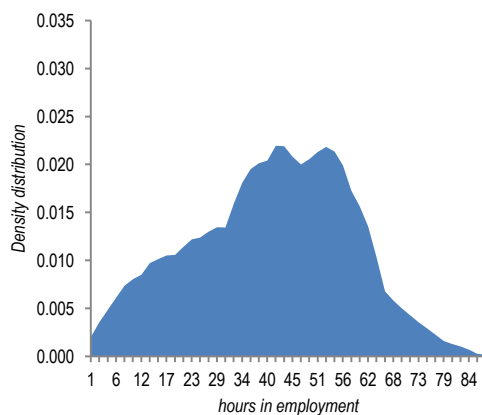
(b) Children aged 14-17 years



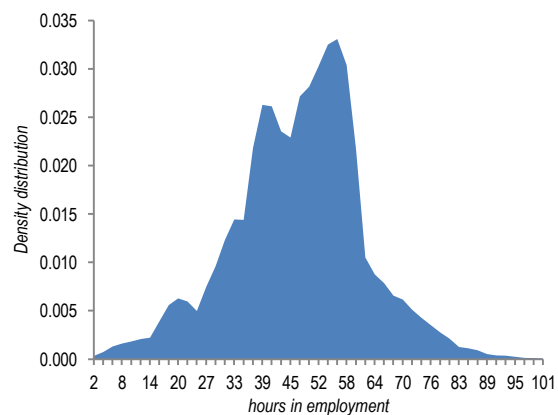
Source: UCW calculations based on Laos Labour Force and Child Labour Survey, 2010

Figure A2. Distribution of children in employment by working hours,

(a) Children aged 6-13 years



(b) Children aged 14-17 years



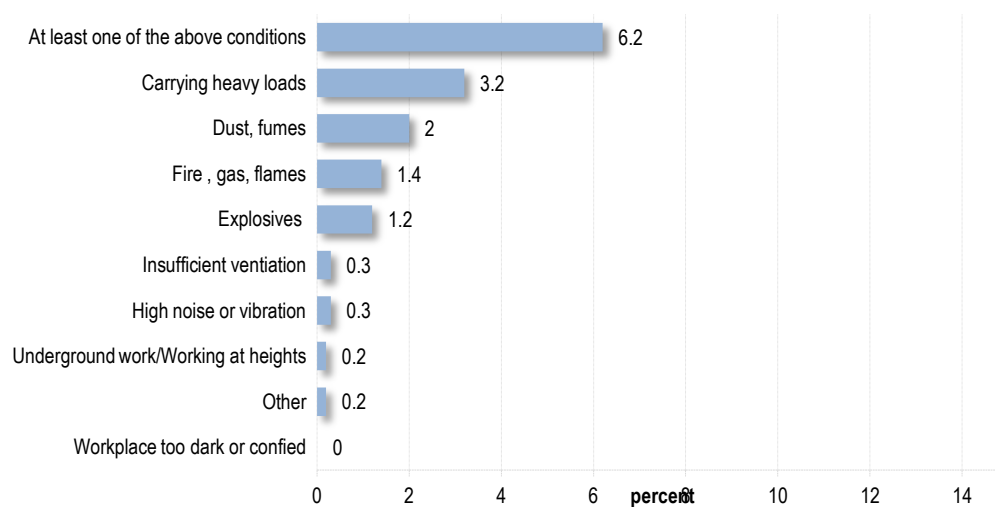
Source: UCW calculations based on Laos Labour Force and Child Labour Survey, 2010

Table A5. Household experiencing specific types of shocks

Type of shock		No	%
Natural disaster	Flood	12,339	1.1
	Drought	72,694	6.7
	Storms	764	0.07
	Landslides	358	0.03
	Forest fires	343	0.03
Other shocks	Crop pests	25,375	2.4
	Epidemics	7,656	0.7
	Inflation	5,928	0.6
	Increase of the oil price	7,911	0.7
	Closing of business	7,729	0.7
	Unemployment	6,776	0.6
	Other non-agricultural shocks	10,141	0.9
	Other	49,480	4.
	At least one of the above shocks		150,722

Source: UCW calculations based on Laos Labour Force and Child Labour Survey, 2010

Figure A3. Children's involvement in employment with hazardous conditions, 14-17 year-olds (as percentage of children in employment)



Source: UCW calculations based on Laos Labour Force and Child Labour Survey, 2010

Table A6. Children aged 6-13 belonging to household experiencing shocks, by type of shock

Type of shock		Residence							
		Urban		Rural with road		Rural without road		Total	
		No	%	No	%			No	%
Natural disaster	Flood	823	0.3	13,548	1.80	1,274	1.1	15,646	1.4
	Drought	4,621	1.9	72,216	9.6	13,090	11.0	89,926	8.1
	Storms	322	0.1	655	0.1	206	0.2	1,183	0.1
	Landslides	0	0.0	251	0.0	0	0.0	251	0.02
	Forest fires	258	0.1	274	0.0	0	0.0	533	0.05
Other shocks	Crop pests	1,329	0.5	22,829	3.0	3,116	2.6	27,275	2.4
	Epidemics	375	0.2	5,472	0.7	1,282	1.1	7,129	0.6
	Inflation	2,720	1.1	965	0.1	116	0.1	3,801	0.3
	Increase of the oil price	2,496	1.0	2,848	0.4	424	0.4	5,768	0.5
	Closing of business	3,109	1.3	2,088	0.3	0	0.0	5,197	0.5
	Unemployment	3,774	1.5	2,499	0.3	949	0.8	7,222	0.7
	Other non-agricultural shocks	2,411	1.0	7,023	0.9	652	0.6	10,085	0.9
	Other	17,519	7.1	24,776	3.3	2,294	1.9	44,590	4.0
<b>At least one of the above shocks</b>		<b>30,669</b>	<b>12.5</b>	<b>111,568</b>	<b>14.9</b>	<b>17,870</b>	<b>15.0</b>	<b>160,108</b>	<b>14.3</b>

Source: UCW calculations based on Laos Labour Force and Child Labour Survey, 2010

Table A7. Summary descriptive statistics of the variables included in the econometric analysis, 6-13 year-olds

		Observations	Mean	Std. Dev.	Min	Max
<b>Dependent variables</b>	In employment	10921	0.064	0.245	0	1
	In school	10921	0.878	0.328	0	1
	Idle	10921	0.065	0.247	0	1
<b>Child characteristics</b>	Age	10921	9.577	2.290	6	13
	Age <sup>2</sup>	10921	96.960	43.817	36	169
	Male	10921	0.519	0.500	0	1
	Fostered	10921	0.039	0.193	0	1
<b>Sex and education of household head</b>	Male sex of household head	10921	0.942	0.233	0	1
	Education of household head: No schooling	10921	0.278	0.448	0	1
	Education of household head: Primary	10921	0.424	0.494	0	1
	Education of household head: Lower second.	10921	0.151	0.358	0	1
	Education of household head: Upper second.	10921	0.080	0.271	0	1
	Education of household head: Tertiary	10921	0.067	0.250	0	1
<b>Household characteristics</b>	Household size	10921	6.651	2.374	2	21
	Number of children aged 0-5	10921	0.744	0.930	0	6
	Number of adults aged 18-64	10921	2.831	1.315	0	11
	Number of adults aged 65+	10921	0.237	0.531	0	3
	Access to tap water	10921	0.037	0.188	0	1
	Expenditure p.c.: quintile 1	10921	0.311	0.463	0	1
	Expenditure p.c.: quintile 2	10921	0.229	0.420	0	1
	Expenditure p.c.: quintile 3	10921	0.204	0.403	0	1
	Expenditure p.c.: quintile 4	10921	0.144	0.352	0	1
	Expenditure p.c.: quintile 5	10921	0.112	0.316	0	1
	Migrated	10921	0.030	0.169	0	1
<b>Shocks experienced by household in the last 12 months</b>	Natural disaster <sup>(a)</sup>	10921	0.089	0.284	0	1
	Crop pests	10921	0.026	0.159	0	1
	Economic shock <sup>(b)</sup>	10921	0.016	0.127	0	1
	Other shocks <sup>(c)</sup>	10921	0.054	0.225	0	1
<b>Residence and Local labour market indicators</b>	Urban	10921	0.210	0.407	0	1
	Rural with road	10921	0.679	0.467	0	1
	Rural without road	10921	0.111	0.314	0	1
	Labor demand <sup>(d)</sup>	10921	0.941	0.044	0.750	1
	Labor supply <sup>(e)</sup>	10921	0.633	0.079	0.439	1.094

(f) Floods, droughts, forest fires, storms, landslides;

(g) Inflation, increase of the oil price, closing of business, unemployment;

(h) Epidemics, non-agricultural shocks, other shocks;

(i) Labor demand is proxied by the prime-age (25-55 years) employment ratio;

(j) Labor supply is proxied by the young people (14-24 years) to prime-age (25-55 years) population ratio..

Source: UCW calculations based on Laos Labour Force and Child Labour Survey, 2010

## Youth employment outcomes

Table A8. Educational attainment, non-student population aged 15-24 years, by province

Category	Province																
	Vientiane Capital	Phonsaly	Luangnamtha	Oudomxay	Bokeo	Luangrabang	Huaphanh	Xayabury	Xiengkhuang	Vientiane	Borikhamxay	Khammuane	Savannakhet	Saravan	Sekong	Champasack	Attapeu
No schooling	1.1	51.4	30.2	28.5	19.5	8.9	22.5	4.3	9.5	1.4	6.1	16.0	23.2	28.1	29.7	12.3	26.9
Primary	18.2	33.8	25.8	38.1	40.4	47.2	48.3	51.0	25.7	24.8	37.4	40.7	41.0	45.5	47.8	38.5	43.7
Lower secondary	32.1	10.1	19.0	20.0	19.8	22.8	20.6	27.5	40.5	45.1	30.6	24.3	20.6	17.6	17.4	27.9	14.6
Upper secondary	32.3	3.0	15.5	7.2	17.9	16.1	5.3	11.0	15.9	20.0	19.0	12.9	10.3	5.6	3.4	14.3	9.5
Tertiary	16.3	1.7	9.5	6.2	2.5	5.0	3.3	6.3	8.4	8.8	6.9	6.0	4.9	3.3	1.6	7.0	5.2
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Source: UCW calculations based on Laos Labour Force and Child labour Survey, 2010.

**Table A9. Sector of employment, percentage of employed persons aged 15-24 years, by sex**

Sector	Sex	
	Male	Female
Agriculture	73.9	76.0
Manufacturing	4.2	6.2
Commerce	6.1	7.9
Service	9.0	8.9
Other sector <sup>(a)</sup>	6.9	1.0
Total	100	100

Note: (a) The category "Other sector" includes construction, mining and quarrying, electricity, gas and water supply and extraterritorial organizations and bodies.

Source: UCW calculations based on Laos Labour Force and Child labour Survey, 2010.

**Table A10. Status in employment, percentage of employed persons aged 15-24 years, by sex and residence**

Sector	Sex	
	Male	Female
Paid worker	20.1	13.9
Self-employed	31.0	32.7
Unpaid family worker	48.9	53.4
Total	100	100

Source: UCW calculations based on Laos Labour Force and Child labour Survey, 2010.

**Table A11. Sector of employment, percentage of employed persons aged 15-24 years, by sex and residence**

Sector	Residence		
	Urban	Rural with road	Rural without road
Agriculture	37.6	85.0	95.4
Manufacturing	12.1	3.6	0.7
Commerce	19.7	3.6	0.8
Service	22.5	5.3	2.1
Other sector <sup>(a)</sup>	8.1	2.6	1.0
Total	100	100	100

Note: (a) The category "Other sector" includes construction, mining and quarrying, electricity, gas and water supply and extraterritorial organizations and bodies.

Source: UCW calculations based on Laos Labour Force and Child labour Survey, 2010.

**Table A12. Status in employment, percentage of employed persons aged 15-24 years, by sex and residence**

Sector	Residence		
	Urban	Rural with road	Rural without road
Paid worker	39.0	11.0	3.8
Self-employed	26.2	32.3	42.1
Unpaid family worker	34.9	56.7	54.2
Total	100	100	100

Source: UCW calculations based on Laos Labour Force and Child labour Survey, 2010.