Education Analytics Service (EAS)

Non-State Actors in Basic Education:

Lao PDR Case Study

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Prepared for DFAT
By
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List of Acronyms

ACER Australian Council for Education Research  
ASLO National Assessment of Student Learning Outcomes  
ADB Asian Development Bank  
ECCE Early Childhood Care and Education  
EFA Education for All  
GDP Gross Domestic Product  
Lao PDR Lao People’s Democratic Republic  
LSIS Lao Social Indicator Survey  
MoES Ministry of Education and Sports  
NER Net enrolment rate  
NGO Non-governmental organization  
PISA Programme for International Student Assessment  
PIRLS Progress in International Literacy Study  
RIES Research Institute for Educational Sciences  
SBG School Block Grant  
TIMSS Trends in International Mathematics and Science Study  
UNESCO United Nations Educational, Science and Cultural Organisation  
UNICEF United Nations Children’s Fund  
VEDC Village Education Development Committees
1. Introduction

Education is recognized as a basic human right which leads to significant development benefits. It is a powerful tool which allows all members of society to lift themselves out of poverty. According to UNESCO (United Nations Educational, Science and Cultural Organisation), if all students in low-income countries left school with basic reading skills, 171 million people could be lifted out of poverty. Not only does schooling increase individual labour productivity, it produces a host of social benefits, including, but not limited to, child well-being, health status, efficiency of consumer choices, fertility and social capital (Montenegro and Patrinos, 2014).

Recognizing the importance of education, UNESCO, along with other development agencies, national governments and civil society groups, created the international initiative Education for All (EFA), aimed at achieving universal primary education and greatly reducing illiteracy by 2015. The results of this initiative are mixed: although the number of out-of-school children of primary school age declined globally from 99 million to 59 million today, 24 million children will never enter a classroom unless meaningful action is taken. Girls are most disadvantaged, particularly in South and West Asia, where 80 percent of out-of-school girls are unlikely to start school, compared to just 16 percent for boys (UNESCO Institute for Statistics and the Education for All Global Monitoring Report, 2015).

Addressing this challenge will require funding. After taking account of available domestic and donor resources, it was estimated that an additional $26 billion per year would be needed to make sure all the world’s children receive a quality basic education by 2015. While many governments have increased spending, few have prioritized education in national budgets, and most fall short of allocating the recommended 20 percent needed to bridge funding gaps. Donors have also reduced aid to education. A recent report by the Global Partnership for Education highlights a decline in global aid to education between 2008 and 2012, and support to basic education is falling fastest, as donors shift resources to other social sectors.

In April 2015, some of the world’s major development banks published a joint paper, From Billions to Trillions: Transforming Development Finance, calling for an inclusive financing model to support developing countries. Development aid can be used to mobilize both public resources and private sector finance. Indeed, private financing of education – including a vibrant mix of for-profit, non-profit and faith-based organizations–has grown significantly around the world.

Increased resources must be accompanied by incentives and accountability mechanisms in order to ensure the effective use of these resources (Bruns, Filmer, and Patrinos, 2011). Misallocation of resources for education is a problem common to many national funding strategies. Ethnic minorities and indigenous students, low-income students, and girls are disproportionately excluded from education opportunities, and these students therefore require a disproportionate share of resources and targeted policies to help them catch up to their classmates (World Bank, 2015). Current research provides examples of many governments that have successfully improved education access and quality by increasing oversight of, and cooperation with, private education providers (Barrera-Osorio and Raju, 2011; French and Kingdon, 2010; Patrinos, Barrera-Osorio, Guáqueta, 2009).

1.1 Typologies of state and non-state actors

While official data on non-state education provision are likely underestimated, available data on non-state enrolments show they remain a relatively small percentage of total enrolments but have increased rapidly over the past two decades (Steer et al., 2015). The percentage of students in low-income countries attending private primary schools doubled, from 11 to 22 percent. This growth in private provision is closely connected to the boom in access that has taken place in low-income countries over the same time period (World Bank, 2016).
As non-state provision of education has increased, there has been an accompanying increase in the types of non-state providers, and financing models for these providers has become more diverse. Some non-state providers are publicly funded and others are not. Some schools charge fees while others do not. In some cases, non-state provision could also be called state provision. Furthermore, there are school types such as faith-based and community schools which receive both state and non-state financing. There are also schools which rely heavily on non-state financing (e.g., NGO schools) which may also receive funding from officials donors. In addition, some non-state schools are for-profit and some are not-for-profit (Steer et al., 2015).

With such complexity surrounding the role of state and non-state actors, Steer et al. (2015) have created a framework based on a continuum of provision and financing (Figure 1). This identifies the types of schools based on the varying degrees of relationship with the state and the financial incentive of the provider (for profit/not for profit). There are eight different categories of schools based on a combination the following criteria: (1) fee paying/non-fee paying; (2) state/non-state financed and (3) state/non-state provided. State provision is defined by the level of management and oversight by the state, from schools that are fully state-run (government schools) to those that are partially-administered by the state (community schools). School financing varies according to the type of arrangement with the state and can range from fully-funded schools (for example, governments offer vouchers for students to attend non-state schools) to those that receive partial support in the form of subsidized teacher salaries, infrastructure or land. Innovative financing instruments for the education sector are growing, and lessons can be learned from experiences in other social sector (Results for Development Institute, 2010).

This case study will refer to Steer’s typology as a starting point in assessing the role and impact of non-state providers in Lao PDR.

**Figure 1: Steer’s Typology of State and Non-state actors on a Continuum**

![Steer's Typology Diagram](image)

Note: FP = for-profit and NFP = not-for-profit LFPS = low fee private schools
2. Education context in Lao PDR

With increased government spending and policy initiatives to address longstanding shortcomings, impressive gains have been made in primary school enrolment, allowing Lao People’s Democratic Republic (Lao PDR) to achieve its EFA goal of a universal net enrolment rate (NER) in primary education. In 2015, the NER was 98 percent, a significant increase from 89 percent in 2007-2008 (ACER, 2015). Gender parity in education enrolment has also been achieved. However, these encouraging results mask important challenges that remain in a predominantly rural country with high rates of poverty concentrated in remote and mountainous areas (ACER, 2015).

While universal enrolment has been reached, only 89 percent of children completed all five years of primary school in 2014-2015. Another challenge is the dropout rate, which continues to decline but remains high at 5.2 percent in 2014-2015. The repetition rate in grades one through five remains high at 5.8 percent (MoES, 2015). Several factors can be attributed to this high dropout rate, including the early and late starters in grade one, a lack of readiness for primary school, and poverty. A continued effort to expand access to Early Childhood Care and Education (ECCE) would help prepare young children for primary education.

Malnutrition is another concern. Approximately 44 percent of children in Lao PDR suffer from stunting, a direct result of malnutrition. Stunting is the leading cause of child mortality worldwide, and leads to lower physical and mental capabilities in surviving children (UNICEF and Lao Ministry of Planning and Investment, 2013). Ethnic diversity poses another challenge. Laos has more than 50 ethnic groups, with the Lao-Tai being the largest ethnic group. Children from non-Lao-Tai ethnic groups living in rural and remote areas have the lowest indicators of primary education.

3. State and Non-state Actors in Education in Lao PDR

In its 1987 Education Policy, Lao PDR recognized that the expansion of private education providers could be instrumental in increasing education enrolment. With support from the Asian Development Bank (ADB), Lao PDR took formal steps to survey existing private schools and create the government bodies to regulate them (ADB, 2000).

In 1995, the Prime Minister’s Decree on Private Education was promulgated, providing the general rules and guidelines for the private education sector. The Department of Private Education was created in 1999 and is responsible for personnel, planning, finance, inter-ministry cooperation, policy, regulation, accreditation, training and data collection for all private schools. The Association of Private schools was created at the request of private school operators in 1995 with the goal of channelling government and external assistance to private education (ADB, 2000).

The 1996 Decree on Compulsory Primary Education stipulates that education services can be provided by either public or private institutions, provided that the teaching-learning content complies with the national curriculum approved by the Ministry of Education, as well as the minimum standards stated in the Regulations of the General Education System (UNESCO, 2011).

Despite these steps to recognize and encourage private education provision, Lao PDR lags behind other East Asian countries, most of which have a private enrolment rate of more than 10 percent at the primary level, while Lao PDR has a private enrolment rate of only 2.9 percent at the primary level, and the vast majority of private schools are located in the capital, Vientiane (MoES, 2015). Private provision at the lower secondary level is 3.5 percent, but much higher at the kindergarten level with 26 percent.
As discussed earlier, there is often overlap in public education financing. In Lao PDR, public education is not without some costs to the parents. They include the forgone earnings of child labour, as well as direct costs. At the primary level, direct costs (uniforms, transport) per student account for 16 percent of per capita household expenditures in urban areas and 9 percent in rural areas (King and van de Walle, 2007). In 2011, the MoES abolished tuition fees in public primary schools. To alleviate these fees, the MoES introduced a nationwide School Block Grant (SBG) program. This program provides financial resources to public schools to cover the costs of improvements deemed priority at the school level, such as minor improvements to infrastructure, purchasing teaching and learning materials, or covering utility bills (ACER, 2015). Children attending lower secondary schools pay registration fees to cover the cost of infrastructure maintenance. There is no funding of non-state providers by the government at any level of basic education, as indicated in the table below.

Table 1: State and non-state providers in Lao PDR based on Steer’s typology

<table>
<thead>
<tr>
<th>Provision</th>
<th>State</th>
<th>Non-state</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State</td>
<td></td>
<td>Government schools</td>
</tr>
<tr>
<td>Non-state</td>
<td></td>
<td>Private schools</td>
</tr>
</tbody>
</table>

Source: MoES, 2014

3.1 Government Early Childhood Care and Education

According to the Education Law of 2007, early childhood care and education (ECCE) is divided into two subcomponents: crèches (children 3 months to 3 years old) and kindergartens (children aged 3 years to 5 years). Pre-primary education classes are offered for children aged 5 (World Bank, 2013). The Department of Pre-School and Primary Education oversees ECCE. This case study will focus on kindergarten and pre-primary education where possible. However, ECCE data often combines crèche and kindergarten.

High dropout and repetition rates indicate that school readiness is a challenge. According the Lao Social Indicator Survey (LSIS) of 2011-2012, only 20 percent of children are on track in literacy and numeracy. The gap in school readiness varies greatly according to socio-economic and geographic dimensions. Over half of 3 to 5 year olds from the richest quintile are on track in literacy and numeracy, while only 6 percent are on track from the poorest quintile (MoES, 2013).

In its 2009-2015 Education Sector Development Framework, Lao PDR recognizes the importance of ECCE education (MoES, 2009) and has made significant strides in increasing enrolment. Overall, ECCE enrolment of children aged 3 and 4 years in 2013-14 was 27 percent, meeting the enrolment target set in EFA. For 5 year old children, ECCE enrolment in 2013-14 was 61 percent, a 44 percent increase from 16 percent in 2006-2007. Gender disparity in ECCE enrolment is negligible (MoES, 2014).

At the pre-primary level specifically, the government initiated pilot programmes in 2002 with the goal of increasing pre-primary access to education in remote and rural areas. The success of these pilot programmes has led to a nation-wide expansion which is currently underway (World Bank, 2013).
Enrolment at the ECCE level is increasing significantly. However, the government of Lao PDR continues to face challenges including a lack of infrastructure and specialized teacher training at this level (UNESCO, 2011). It is unclear whether the goal of abolishing instructional fees for ECCE, as stated in the 2009 Education Sector Development Plan, has been achieved.

3.2 Government Primary Schools

In 1996, the Decree on Compulsory Education made primary education (grades one to five) free and compulsory for all children between the ages of 6 and 14. In 2000, access to education was further strengthened through The Education Law stipulating that all Lao citizens have the right to education without discrimination regardless of their ethnicity, origin, religion, gender or social status (UNESCO, 2011).

The Ministry of Education and Sports (MoES) oversees all education services. The Research Institute for Educational Sciences (RIES) is responsible for developing the curriculum, teacher guidelines and student textbooks for primary education, as well as student assessments and quality assurance. Provinces implement the strategic plans and policies developed by MoES and the national government as well as establishing budgets. District authorities are responsible for planning and developing pre-primary and primary school services. At the local level, Village Education Development Committees (VEDC) support their local schools (ACER, 2015).

In academic year 2014-15, there were a total of 8,676 Government Primary Schools, representing 98 percent of all primary schools in the country. Of these, 6,894 were complete, meaning that they offer the full five year primary cycle of education. The rural provinces are least likely to have complete schools. Total enrolment for primary public schools for the academic year 2014-2015 was 808,529 (MoES, 2015).

Government Primary Schools are funded by the state and education expenditure has increased significantly in absolute terms from US$15 million in 2000 to US$81 million in 2011, although a significant proportion of this comes from external funding (Lao PDR, 2015). Public expenditure on primary education as a percentage of total public expenditure in education increased from 29 percent in 2007-2008 to 31 percent in 2012-2013. However, total spending on education as a percentage of GDP (gross domestic product) is relatively low at 4.7 percent in 20012-13. This is below the amount (6 percent of GDP) recommended by Education for All (World Bank, 2014).

Over 80 percent of the education recurrent budget is allocated to wage-related costs to cover the expanded teaching force, while spending on school materials, equipment and teacher training remains low. This means the sector is relying upon a significant increase in external funding to help finance its education plan in the short term (Lao PDR, 2015). Budgeting, expenditure procedures and capacity building needs to improve. Delays for budget payments to schools is common. Teachers often experience delays in receiving their salaries, averaging almost two months (Dang and King, 2013). Public schools do have autonomy over their budgets, but lack autonomy over human resources, as seen in Table 1.
Table 2: Indicators of School Autonomy and Accountability in East Asia

<table>
<thead>
<tr>
<th>Economy</th>
<th>Budget Autonomy</th>
<th>Personnel Autonomy</th>
<th>Participation</th>
<th>Assessment</th>
<th>Accountability</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cambodia</td>
<td>Established</td>
<td>Emerging</td>
<td>Latent</td>
<td>Established</td>
<td>Emerging</td>
<td>Emerging</td>
</tr>
<tr>
<td>Indonesia</td>
<td>Established</td>
<td>Emerging</td>
<td>Established</td>
<td>Advanced</td>
<td>Established</td>
<td>Established</td>
</tr>
<tr>
<td>Lao PDR</td>
<td>Established</td>
<td>Emerging</td>
<td>Emerging</td>
<td>Emerging</td>
<td>Emerging</td>
<td>Emerging</td>
</tr>
<tr>
<td>Thailand</td>
<td>Established</td>
<td>Latent</td>
<td>Advanced</td>
<td>Advanced</td>
<td>Established</td>
<td>Established</td>
</tr>
<tr>
<td>Vietnam</td>
<td>Established</td>
<td>Latent</td>
<td>Latent</td>
<td>Established</td>
<td>Emerging</td>
<td>Emerging</td>
</tr>
</tbody>
</table>

Note: Scale ranges of a low of Latent to Emerging to Established to Advanced

Lao PDR does not participate in the main international education large scale assessment exercises, neither the Programme for International Student Assessment (PISA), the Progress in International Literacy Study (PIRLS) nor in the Trends in International Mathematics and Science Study (TIMSS). Lao PDR does conduct its own National Assessment of Student Learning Outcomes (ASLO). The 2009 results indicate that only 8 percent of grade five students demonstrated the Lao language skills required to learn independently in grade six without remedial assistance. Of grade five students, 72 percent were assessed as ‘pre-functional’ in mathematics. These poor results can be explained in part by children being taught in a non-native language. The MoES acknowledges that teaching Non Lao-Tai students to read and write or learn mathematics before they have learned how to speak in Lao is inappropriate. However, this remains to be properly addressed in the curriculum (ACER, 2015).

3.3 Non-formal Schools

The Non-Formal Education Program (NFE) provides non-formal education at the primary, secondary and vocational level, and aims to teach students who have dropped out of formal schooling. Students completing any NFE level are able to (re)join the corresponding level of the formal education system. In 2012-13, the total participants of primary NFE was 78,737 and about 38 percent of them completed the NFE primary level. However, enrolment is declining due to a decline in the number of NFE teachers (Lao PDR, 2015).

The mobile teacher program aimed to address barriers to education access for children aged 6 to 14 years through the provision of mobile teachers in remote villages without a school. A total of 150 mobile teachers, 282 teaching assistants, 5,824 children in 282 villages within 12 districts and three provinces benefited from this activity (World Bank, 2016).

3.4 Government Lower Secondary Schools

Lower and upper secondary education is overseen by the Department of Secondary Education. All public and private schools must comply with the national curriculum, which took effect in 1975 and was revised in 1994. Government policy allows up to 20 percent of the curriculum to be localized, reflecting conditions at each school.

Although lower and upper secondary education is free of charge, schools are entitled to raise registration fees. At the lower secondary level, these fees are generally in excess of 1-5 USD. Additional fees may be charged for specific purposes. Registration fees are used to maintain school infrastructure, as the recurrent budget from MoES does not include any provision for school operation and management. Additional new construction of secondary schools is ongoing in collaboration with development partners.
The enrolment rate at the lower secondary level was 78 percent in 2014-2015, meaning Lao PDR met its EFA target in this area. However, gender disparities remain, with the ratio between girls and boys at secondary school (lower and upper) is 0.91 (Lao PDR, 2016). Quality also remains a concern. The introduction of the extra year to lower secondary in 2009 means that teachers urgently require additional training to effectively deliver this extra year at lower secondary as well as the and the recently introduced new Grade 12. Access in rural and poor areas remains a concern (MoES, 2011).

3.5 Private Early Childhood Care and Education

In its Education for All 2015 National Review, the government of Lao PDR expressly states that it would seek to promote coordination between the government, community and private sector in order to establish more private pre-schools at the provincial and district level (MoES, 2014). However, according to MoES data for 2014-2015, private provision remains overwhelming urban. At the pre-primary level, 11 out of 18 provinces have no private provision (MoES, 2015). Indeed, only 2 percent of children attended private institutions nationwide (MoES, 2015). This very low level of private enrolment at the pre-primary level could be attributed to the government pilot programmes initiated in 2002 and since expanded (World Bank, 2013).

At the kindergarten level, enrolment in public institutions amounted to 74 percent of total enrolment, with 26 percent of children enrolled in private kindergarten (MoES, 2014). A breakdown by age indicates that enrolment in private kindergarten increases between ages 3 and 5.

Table 3: Enrolment in Kindergarten and Pre-Primary Education, Public and Private Provision, 2014-2015

<table>
<thead>
<tr>
<th>Kindergarten</th>
<th>Pre-Primary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade 1 (Age 3)</td>
<td>Grade 2 (Age 4)</td>
</tr>
<tr>
<td>Public</td>
<td>21,423</td>
</tr>
<tr>
<td>Private</td>
<td>9,526</td>
</tr>
<tr>
<td>Total</td>
<td>30,949</td>
</tr>
</tbody>
</table>

Source: MoES, 2015

Overall, enrolment in private ECCE has increased in recent years but at a slower rate than public provision (MoES, 2015).

Graph 1: Enrolment in Private ECCE, 2007-2014

![Enrolment in Private ECCE, 2007-2014](source: MoES, 2014)
3.6 Private Primary Schools

Lao PDR has a very small (2.9 percent of total enrolment) non-state primary school enrolment. There is no data on the type of private school operating on Lao PDR. However, given that the majority are located in Vientiane, it is likely that in the Steer et al., continuum there would be market return. Table 2 illustrates how Lao PDR compares with other countries in the region regarding the types of private school provision available.

Lao PDR does not publicly fund private schools. Like its neighbouring countries, Lao PDR has minimum standards for private school establishment, as well as external inspections of schools. Competition is not limited through regulated fees and both non-profit and for-profit schools are allowed.

In 1993 there were a total of 68 private schools, with 54 located in Vientiane. This grew to 177 private schools in 1998, with 128 located in Vientiane. The type of private schools changed during this five year period: In 1993, most schools taught only one level (for example only kindergarten or primary) while in 1998 most schools were a combination of levels. As a share of total student enrolment (preschool, primary and secondary combined), private schools grew from 1.7 percent in 1993 to 2.4 percent in 1998. The primary school dropout rate was 0.3 percent in 1998, compared to 3.0 percent in the public sector (ADB, 2000).

In academic year 2014-2015, Lao PDR had 211 non-state primary schools, of which 173 were complete. Of the 211 non-state schools, 112 were located in the Vientiane municipality. Enrolment in public primary schools for the academic year 2014-2015 was 808,529 compared to non-state enrolment at 41,937. Information of repetition and dropout rates, are not broken down by public/private provision.

Table 4: Comparison of Types of Private Sector Engagement across Select Countries in East Asia

<table>
<thead>
<tr>
<th>Economy</th>
<th>Private Schools Privately Funded</th>
<th>Public Schools Privately Funded</th>
<th>Privately Contracted Public Schools</th>
<th>Privately Managed Public Schools</th>
<th>Market Contracted Voucher</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cambodia</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indonesia</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Lao PDR</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thailand</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Vietnam</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Source: UNESCO and World Bank, 2012

Lao PDR has worked closely with donors to harmonize their development assistance. Part of these efforts involves strengthening its Education Management Information Management (EMIS). However, there has been a significant decrease in the amount of available data on education financing from 2007 to 2010 (UNESCO and World Bank, 2012. This is illustrated in Table 5.
Table 5: The Extent of Regulation of Private Schools – Select Countries in East Asia

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Competition</th>
<th>Accountability</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cambodia</td>
<td>Latent</td>
<td>Emerging</td>
<td>Latent</td>
</tr>
<tr>
<td>Indonesia</td>
<td>Advanced</td>
<td>Advanced</td>
<td>Advanced</td>
</tr>
<tr>
<td>Lao PDR</td>
<td>Established</td>
<td>Established</td>
<td>Latent</td>
</tr>
<tr>
<td>Thailand</td>
<td>Emerging</td>
<td>Established</td>
<td>Established</td>
</tr>
<tr>
<td>Vietnam</td>
<td>Emerging</td>
<td>Advanced</td>
<td>Latent</td>
</tr>
</tbody>
</table>

Source: UNESCO and World Bank, 2012
Note: Scale ranges of a low of Latent to Emerging to Established to Advanced

3.7 Private Lower Secondary

As in the case at all levels of basic education, lower secondary private schools must comply with the national curriculum. The number of private institutions and enrolments are still very limited at the lower secondary level at only 3.5 per cent, with over 79 per cent of these enrolments in Vientiane (Hudson and Bennett, 2014). According to Lao PDR data, there were a total of 42 private lower secondary schools in 2014-2015, of which 29 were located in Vientiane (MoES, 2014).

4. Policy Considerations

Shared and transparent data

UNESCO found that the percentage of indicators in education finance for Lao PDR has declined from 57 in 2007 to 11 in 2010 (UNESCO and World Bank, 2015). Education statistics on quality are not disaggregated by private or public sector. This information is critical for potential private sector providers. Although Lao PDR ranks highly for private sector competition and accountability, again this information is not readily available. Furthermore, there is no obligation or mechanism for schools (public or private) to supply parents and students with information regarding performance (UNESCO and World Bank, 2012). In Lao PDR, the combination of poverty, a lack of capacity building and information makes private sector providers reluctant to enter the market.

Increasing Access

Lao PDR is striving to increase school enrolment in rural and poor areas. While private school provision remains heavily concentrated in Vientiane, there the potential for private school expansion. Private schools do serve rural communities in other countries. Heyneman and Stern provide several examples of countries where the private sector has established low-cost, quality schools in rural areas, including Ghana, Indonesia and Pakistan. In Pakistan, the government actively sought to increase private school enrolment with the 2006 Education Voucher scheme, which enrolled 10,000 students by 2008 (Heyneman and Stern, 2013).

Donor Dependency

The public education sector in Lao PDR has benefitted greatly from donor-funded initiatives, including the SBG program, teacher training programs and the mobile teacher program.
Donors also funded the initiative to survey private providers and encouraged the establishment of the Department of Private Education. And while Lao PDR has increased funding for public education, donors continue to contribute to public education budget. Donors pay for 90 percent of capital investments in Lao PDR.

This funding support is decreasing. Education’s share of total development aid has fallen from 8.0 percent in 2008 to 7.7 percent in 2012; by contrast, the share of health and population programs in total development aid increased from 11.5 percent to 13.2 percent in 2012. These figures indicate that education is no longer at the top of the development agenda and is now distanced by other social sectors (Global Partnership for Education, 2014).

5. Conclusion

This case study finds that the Government of Lao PDR has made progress in expanding access to education at the primary level. This is due to an increase in public provision, along with a modest increase in government funding. Access remains a concern in rural areas, where there is the greatest number of incomplete schools. There is an urgent need to address the lack of quality, given that only 8 percent of grade five students have the language skills to begin grade six. Non-state provision remains extremely low at the primary, pre-primary and lower secondary levels, however at the kindergarten level non-state provision is significantly higher.

Lao PDR has increased primary enrolment and improved gender equity in schools. However, quality remains a serious concern, as is evidenced by the poor assessment results. It is critical for these results to be disseminated to parents and students. There is strong evidence that providing information to citizens is a powerful tool for improving public services. This is particularly prevalent in the education sector, where researchers claim that informing parents about school performance is key to improving school quality (Hoxby, 2002).

With private schools increasing in developing countries, it is more important than ever for information on performance, for both public and private schools to be made available. In 2014, Andrabi, Das and Khwaja studied the impact of providing report cards in Pakistani villages. The results showed that initially high quality private schools dropped their fees and low quality ones improved quality. At the same time, public sector schools improved quality and had overall enrolment gains. This study provides an example of how market-level interventions can improve the performance of the schooling sector as a whole. At a cost of one dollar US per report card, this is an excellent example of an effective, low cost intervention.
References


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