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The Vientiane Report: National Landscape, Current Challenges and Opportunities for Growth

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The Vientiane Report

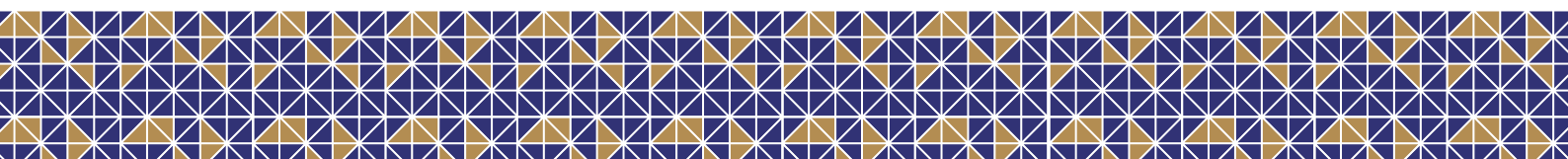
National Landscape, Current Challenges and
Opportunities for Growth

BY LIM LAI CHENG



[FOR INTERNAL CIRCULATION ONLY]

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About the Institute for Societal Leadership

The Institute for Societal Leadership (ISL) was established by Singapore Management University (SMU) in 2014. ISL aims to tangibly improve the lives of Southeast Asia's citizens by acting as a focal point for cross-sector collaboration between current leaders from government, business, civil society, academia and the media. The Institute also conducts research concerning social issues in Southeast Asia and designs its own suite of leadership training programmes, each of which seeks to foster the development of a new generation of Asian leaders dedicated to serving society.

About the Vientiane Report

The ISL research team conducted interviews in Vientiane between 17-19 November. This report was first published on 29 December 2014.

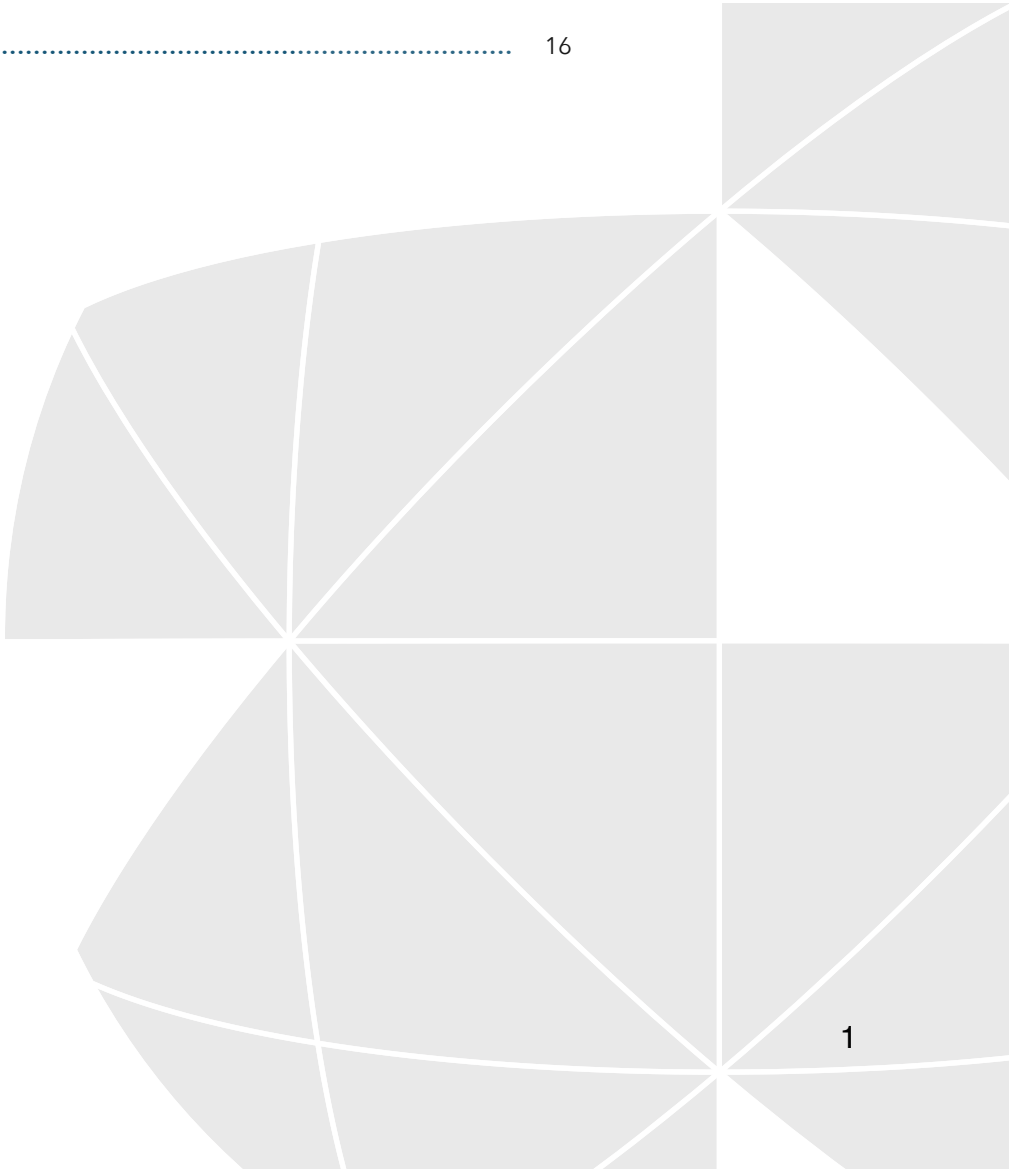
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I. Acronyms

- AFDC** Agriculture, Forestry and Development Company
- ASEAN** Association of South East Asian Nations
- CC** Central Committee
- DAF-IC** Development of Agriculture, Forestry and Industry Company
- FDI** Foreign Direct Investment
- LDC** Least Developed Countries
- LFNC** Lao Front for National Construction
- LPDR** Lao People's Democratic Republic
- LPF** Lao Patriotic Front
- LPRP** Lao People's Revolutionary Party
- LWU** Lao Women's Union
- MADC** Mountainous Area Development Corporation
- ODA** Official Development Assistance
- OECD** Organisation for Economic Co-operation and Development
- RYU** Revolutionary Youth Union
- SOE** State-Owned Enterprise
- UNDP** United Nations Development Programme
- UNESCO** United Nations Educational, Scientific and Cultural Organisation
- UNHCR** United Nations High Commission for Refugees

II. Acknowledgements

This report and country insights lab experience would not have been possible without the help of Ambassador Dileep Nair, Singapore's Ambassador to Laos (2011-2013) and the generous support of Mr Minh Pham, former United Nations Resident Coordinator and United Nations Development Programme Resident Representative, who hosted us at his residence with wonderful food and conversation. I would like to thank my colleagues at the Institute, including Ms Kahlen Hu for taking notes and Mr John Ellington for formatting and editing the report.

III. About the Country Insights Lab Series

The Institute for Societal Leadership conducted a series of eleven *Country Insights Labs (CILs)* in select Southeast Asian cities between June 2014 and June 2015. Each CIL aimed to uncover the critical social and environmental issues facing leaders from business, government and civil society in a given country and frame the underlying causes behind each issue within the country's context. The study identified emerging trends in Southeast Asia and has since directed further research toward interconnected social and environmental issues shared among countries in the region.

Additionally, ISL research staff investigated the day-to-day organisational challenges faced by *social impact organisations (SIOs)* in each Southeast Asian country. We broadly defined an SIO as any organisation with *the capacity to contribute to the betterment of communities*. These included, but were not limited to, philanthropic organisations, corporate foundations, non-governmental organisations (NGOs), activist groups, social enterprises and impact investors. Interviews focussed on challenges associated with funding models, human resources, tax incentives, legal frameworks and government registration processes. In total, research staff interviewed 237 organisations and 293 individuals, including government officials, business leaders, philanthropists, NGO workers, social entrepreneurs, media professionals and academics. The interviews themselves consisted of questions relating to organisational history, operations, strategic outlook, cross-sector collaboration, leadership and country context.¹

The Institute did not intend the CIL series to be exhaustive or to produce statistically significant data. On the contrary, the series was a qualitative study that employed interviews and market insights as a means of understanding an increasingly complex landscape. As one of the world's most diverse regions, Southeast Asia is home to an array of cultures, languages, religions and economic levels of development. At the cornerstone of each country study is a belief that workable solutions and partnerships depend on an awareness of how each country's unique context relates to its social issues.

The ISL research team conducted interviews in Vientiane between 17-19 November 2014.

¹ For a list of sample questions, see section VI.

IV. Lao PDR

A. Historical Background

Laos is a small, landlocked, mountainous country in Southeast Asia. As a country, it shares borders with Myanmar and the People's Republic of China to the Northwest, Vietnam to the East, Cambodia to the South and Thailand to the West.

Laos endured multiple serious political upheavals throughout the 1940s and 50s. During World War II, it was occupied by the Japanese, as was the rest of French Indochina. Just before Japan's surrender in 1945, King Sisavang Vong of Luang Prabang declared independence from France. Under the Free Lao banner, an independent government was formed by the union of Vientiane, Champasak and Luang Prabang. The anti-French Free Lao government overthrew the King and only upon accepting the Free Lao constitution was he subsequently enthroned as the monarch. The relentless French forces fought back and succeeded in re-occupying Laos a year later. Three years after, in 1954, Laos was made a member of the French union and its independence was formally recognised by France. The country was ruled by pro-Western governments until 1957 when Prince Souvanna Phouma led the first coalition government. However, this same government was broken up a year later and leaders of the communist Lao Patriotic Front (LPF) leaders were put into prison. The communist insurgency resumed and in 1960, a coup d'etat took place in Vientiane, headed by a paratroop captain Kong Le who demanded that a neutralist government be formed to end the fighting. The neutralist government was formed under Prince Souvanna Phouma, but rightist forces led by General Phoumi Nosavan later that year replaced it. In response, Kong Le and the LPF formed an alliance, which was supported by North Laos and the Soviet Union, while the United States supported Phoumi Nosavan's rightist regime.

During the second Geneva Conference held in 1961-62, an agreement was reached for the independence and neutrality of Laos. Peace did not

prevail as discord arose soon after and civil war started again with the superpowers supporting different parties. The political struggles between communists, pro-Western forces and neutralists continued. The coalition government formed from the three parties suffered a sharp decline in 1975 when communists claimed victories in Laos and Cambodia. The King was forced to give up his throne, and the communist Lao People's Democratic Republic (LPDR) was established. Communist forces took control of the government, ending the six-century old monarchy. A strict socialist regime was instituted with the media coming under the control of the government and the private sector replaced by state enterprises and cooperatives. A large number of former government and military personnel were arrested and put into re-education camps. The enforced political control as well as the worsening economic conditions forced many Lao people to seek refuge in other countries. It is estimated that close to 10% of the population left the country and from among these, 250,000 went to the United States.

In the mid 1980s, the government decentralised control and encouraged private enterprise. The country began opening up to the world in the 1990s. Most of the re-education camps were closed and a number of reintegration assistance programmes were implemented by the United Nations High Commission for Refugees (UNHCR) and other international NGOs to facilitate Lao refugees' repatriation to their homeland. The Lao economy supported a return to family farming and private enterprise in some areas. The government also reduced subsidies to inefficient state-run enterprises and pursued foreign investment from capitalist nations. Poor communication facilities, inadequate transportation and an inefficient distribution system continue to hamper efforts towards modernisation and development.

Aided by foreign-led infrastructure projects, economic growth recovered from negative rates registered in the 1980s, to more promising rates in the 1990s. Laos became a member of ASEAN in

Laos By Numbers

Official Name:	Lao People's Democratic Republic (1975 – present)
Capital:	Vientiane (Viangchan)
Area:	236,800 sq km
Population:	6.8 million (country); 810,000 (Vientiane)
Ethnic Groups:	Lao (55%), Khmou (11%), Hmong (8%), minor ethnic group (26%) [2005 census]
Religion:	Buddhist (67%), Christian (1.5%), other (31.5%) [2005 census]
Language:	Lao (official), French, English, various ethnic languages
Currency:	Lao Kip (official), United States Dollar {de facto}
GDP (PPP):	\$20.78 billion [2013 est.]
GDP Per Capita (PPP):	\$3,100 [2013 est.]
GDP Real Growth Rate:	8.3% [2013 est.]
Labour Force:	Agriculture (73.1%), Industry (6.1%), Services (20.6%)
Literacy:	72.7% (whole); 82.5% (male); 63.2% (female)
Life Expectancy:	63.51 years (whole); 61.54 years (male); 65.56 years (female) [2014 est.]

Source: CIA World Factbook (www.cia.gov/library/publications/the-world-factbook/)

1997. Over the last ten years, total government revenue increased from 11% to over 19% of GDP, due mainly to revenues derived from mining and hydropower. The effect on the Lao people depended on how the government uses the revenue. Lao remains one of the poorest and least developed countries in the world.

The President of Laos is Choummaly Saignason, the Lao People's Revolutionary Party (LPRP) leader, Choummaly Saignason, who was re-elected in the 2011 elections. In the same elections, Thongsing Thammavong, a Politburo member of the Central Committee of the LPRP was appointed as the country's prime minister. The next elections are due in 2016.

B. Current Challenges

❖ *The paradox of a democratic republic.* In spite of its desire to be integrated with the international community for economic reasons, the structure of the ruling LPRP remains typical of communist parties of the former Soviet states. The Political Bureau, which currently comprises ten members, is elected from and by the Central Committee (CC) of the LPRP at each LPRP Congress. The Central Committee has 51 members. Since the formation of the Lao PDR in Dec 1975, all political power has been monopolised by the LPRP. Political dissent of even the most limited kind (in the form of political study groups, or small peaceful public demonstrations) is quickly squelched. Not only is the LPRP the only avenue of political and social

advancement, it is also the principal one. The Buddhist monastic order (the *Sangha*) presents a limited alternative avenue for social mobility through education, and wealth accumulation provides another. However, the LPRP keeps a close control over the *Sangha*, and anything more than a small family business requires the proprietor to seek political protection through the patronage of a prominent LPRP member.

Although undergirded by a Marxist-Leninist ideology, Laos is an authoritarian one-party state, in which the LPRP presides over a transitional market economy. The LPRP still retains control of a number of State-owned enterprises (SOEs) that it keeps for reasons of national security, but it welcomes foreign direct investment (FDI).

The LPRP permeates and controls four key institutions in the country: the government, the bureaucracy, mass organisations, and the military. In all four, leading figures are LPRP members. LPRP cells operate in all institutions, and there is active recruitment of promising young people into the LPRP, membership of which is by invitation only. Anyone who is not an LPRP member fears the scrutiny of those who are. Civil servants at all levels are reluctant to make decisions without referring matters to their superiors. Doing nothing can be passed off as wisely studying a proposal; making decisions opens one to criticism and censure. Relatively minor decisions, therefore, are left to senior officials. As a result, the civil service is sluggish and unresponsive, and the best way to get things done is through personal and political contacts with senior LPRP members. The functioning of the bureaucracy thus depends upon the oil of politics, personal relationships, and compensatory payments.²

The only mass organisations permitted in Laos are those directed by the LPRP. These number just four: the Lao Front for National Construction (LFNC), the Federation of Lao Trade Unions, the Lao Women's Union, and the Revolutionary Youth Union. Local peasant associations are also tolerated. The Lao trade union movement is tightly controlled by the LPRP, and no free, worker-or-

ganised unions are allowed to operate. Probably the most active mass organisation is the Lao Women's Union (LWU), which holds meetings and workshops for women across the country. In a country that is still overwhelmingly male-dominated, the LWU provides the only opportunity for women to organise and press for recognition. In so doing, it operates as the closest Laos has to a genuine pressure group. The Revolutionary Youth Union (RYU) is active in schools, where it serves as a recruiting ground for the LPRP. Though it organises youth activities, it serves principally as a means of political indoctrination of young Lao.

❖ **The paradox of reform.** Tensions exist between political orthodoxy and economic reform. Any political in-fighting between the conservatives with revolutionary credentials, who were often not very well educated, and the technocrats with Western training has seen the former triumph. The latter are often expelled on the basis of ideological shortcomings or corruption. Despite the government's commitment to greater political and economic reform, the human rights situation in the country remains poor. Amnesty International reported torture, harsh prison conditions and religious persecution among Lao dissidents. While international offenders who cross the line can be freed through powerful lobby groups and diplomacy, local prisoners have no recourse at all to justice.

There is a persistent gap between policy and practice. It is often observed in Laos that policy as it appears on paper bears little resemblance to implementation on the ground. Committees are formed but never meet, funds are established but remain empty, fines are levied but are not enforced.³

Even as the government tries to restructure its military-controlled state enterprises such as the Mountainous Area Development Corporation (MADC), the Agriculture, Forestry and Development Company (AFDC) and the Development of Agriculture, Forestry and Industry Company (DAFIC), the economic power of the military remains considerable, protected by the political influence

² H. Holly and P. Petit, 'Introduction: The Study of the State in Laos,' *Asian Studies Review* 37.4 (2013), 417-432,

³ Ibid.

it exercises within the party. It has been observed that the attempt by government to limit the wildlife trade and protect the environment provides a case study of the failure of legal measures to counter illegal and corrupt activities.⁴

❖ *The paradox of aid in education.* Education is recognisably the key to economic and social development in developing countries. The Lao government's Education Sector Development Plan for 2011-2015 reveals that five years of new investments are planned to be entirely funded by external sources. The official position of Laos is to continue its financial dependence on foreign aid. Laos' dependence on both the ideas and funding of the donors results in a suboptimal outcome for foreign aid mainly because of a lack of partnership and ownership on the part of the beneficiaries. Negative effects are mostly masked in official evaluations, which tend to be positive. The Education Sector Development Plan, for instance, boasts that the literacy rate rose from 74.4% to 81.73% from 2006 to 2010. This statement is not immediately accompanied by the fact that ODA to Laos' education increased by 2.72% annually during the same period. This means that the achievement in improving literacy by 1.46% annually is hardly impressive compared to the annual growth rate of educational aid.⁵

Only rarely do the negative aspects of dependency appear in official documents. An OECD report cautions that the school enrolment rate of 92.7% as of 2009 may not be accurate. If the high dropout and repetition rates were factored in, the enrolment rate would fall to 71.1%. This is confirmed by other international reports by UNESCO. Other documents are similarly eager to evaluate the effectiveness of various aid projects from the partnership among donors, but not from the constraints faced by or requests on the part of the recipients.

Education policies and practices in Laos remains in a state of flux. When a key donor country takes over as the key contributor to Laos due to an international political or economic alliance, the

school system changes in tandem. When the French came, they introduced a western academic calendar that ran from September through June. Then, universal primary education became available with the introduction of communism in 1975. The Lao People's Democratic Republic started to replace the French system of elite education with mass education. Help from China and the Soviet Union in terms of finances was instrumental in shaping the reform model even if the shortage of teachers and other materials kept their goals from being fully achieved.

Uncritical transfers of Western-style modern education systems are more likely to result in half-hearted acceptance or neglect by the recipients, rather than to be treated as a valuable opportunity. Cultural and religious obstacles are typical, but so are practical obstacles like mismanagement. This lack of correspondence between the goals of foreign aid and the needs of local people is further exacerbated by the distortion of data by the recipient organisations to impress donors. The outcome is the worsening inequality in education due to the monopoly of the benefits of foreign aid by the rich and powerful while the majority of people only passively participate in the opportunity to educate their children. Foreign aid, under such circumstances become self-defeating and worsens rather than improves equality of opportunity gained through education.

❖ *The paradox of gender.* There is a wide gap between the literacy rate for males versus females in Laos. This is one of several anomalies that exist in Lao society. The Lao Constitution specifically states that girls and women have equal rights and responsibilities as citizens, including the right to a free education. The powerful Lao Women's Union is represented on every major political body in the country. Many cultural groups in Laos have matrilineal land rights. Many women with high social status have powerful positions in Lao political and educational circles. Others who were educated abroad, such as in France, have a heightened social and political awareness of gender and citizenship. In addition, all the foreign inter-

⁴ M. Stuart-Fox, 'The Political Culture of Corruption in the Lao PDR', *Asian Studies Review* 30 (2006), 59-75.

⁵ D. Kim and M-K Jeong, 'Insufficient partnership, ineffective foreign aid, and public education in Laos', *KEDI Journal of Educational Policy* 10.1 (2013), 173-193.

ventions in education in Laos included gender equity, gender inclusiveness, and gender awareness as part of their programme objectives. Yet, there is still an enormous gulf between the apparent guarantee of full citizenship for women and women's actual lived experience of that guarantee.⁶

Laos society is undergoing a rapid change in terms of economic structures and new influences from outside, including new technologies, and new relationships with other countries. Many of these changes are increasingly affecting ethnic minority people in more remote areas, yet with few exceptions, girls and women are still not participating very actively in these changes. It is unlikely that this situation can remain if Lao PDR is to progress according to their stated objectives of 'Education for All', an end of poverty, and equal rights. If girls and ethnic minority groups are to participate in the new economic mechanism, they will need to be educated as well.

❖ **The paradox of cultural preservation.** Cultural preservation and appreciation of traditional values and heritage is central to the psyche of the Lao people. Oftentimes, the act of cultural preservation ironically leads to cultural loss and an aversion for change and economic progress.

As a case in point, in the royal city of Luang Prabang (famous for its 34 Buddhist monasteries, orange-robed monks and colonial architecture), state programmes, UNESCO projects and cosmopolitan gentrification are fostered in parallel. To many Lao, the making of heritage here hijacks history. Luang Prabang's charm is seen by them to be threatened by the assault of Asian and European tourism. At the heart of most of the Lao cultural experts' ire is the vanquish of the Luang Prabang spirit under the threat of tourism. According to them, what prevails is a western romanticized version of Buddhism, and colonial conceptions of traditional life, conveying nostalgia for an idealized Luang Prabang. Even the *tak baad*, or morning ritual of giving alms to the monks, has be-

come a metaphor of cultural erosion, with tourists encroaching upon the symbolic relationship that had existed between monks and villagers for centuries.⁷ The majority of Lao would prefer that economic and social progress is achieved without the erosion of culture and values they have observed in other Southeast Asian states.

❖ **The precarious nature of civil society.** Civil society in Laos has never been the same since the country's most distinguished NGO leader was arrested at a police checkpoint in the capital, Vientiane, in 2012 and has not been seen since. Sombath Somphone founded the Participatory Development Training Centre (PADETC) in 1996 with the aim of fostering sustainable, equitable and self-reliant development in Laos. Mr Sombath, who won the prestigious Magsaysay Award in 2005 is often regarded as Asia's answer to a Nobel Peace Laureate. His disappearance has triggered an unprecedented flood of international dismay. Foreign NGOs, Asian parliamentarians and Western governments have raised their concerns with the Lao authorities. 'Missing' posters have popped up in Vientiane, appealing for word of his whereabouts. Far-reaching campaigns to draw attention to this case have been circulating on Facebook, Twitter and Avaaz. The UN Human Rights Council in Geneva has also expressed deep worry over his disappearance.

Eight days before Mr Sombath's abduction the government of Laos deported Anne-Sophie Grindoz, the director of Helvetas, a Swiss NGO. Her offence was in writing a personal appeal addressed to development partners and donors, which then became public: *We are working in a challenging environment: This is a country governed by a single-party regime, where there is little space for meaningful democratic debate.* Indeed there is far less 'space' in tiny Laos than in its Communist neighbours, China and Vietnam. Ms Grindoz went on to complain that elements of civil society in the capital, Lao and international alike, are so cowed by the restrictions they face as

⁶ C. Fox, 'No place for girls? Gender, ethnicity and citizenship education in the Lao People's Democratic Republic', *Compare*, 33.3 (2003), 401-412.

⁷ D. Berliner, 'Multiple nostalgias: the fabric of heritage in Luang Prabang (Lao PDR)', *Journal of the Royal Anthropological Institute (N.S.)* 18 (2012), 769-786.

to be, in effect, stifled by a system of self-censorship.

Several other NGO workers have fled Laos since then, in fear for their own safety. Government officials have offered only a deadpan reply: *foreigners must abide by the rules and the country's constitution*.⁸

Many individual members of Laos' civil society are critical of the regime's big-dam projects and large foreign-owned plantations that tend to marginalise small farmers. However unlike NGOs in Cambodia and Vietnam, Lao NGOs have not come out officially against the construction of the Xayaburi dam project. This is because it is widely known that Lao citizens with unpopular views have a way of vanishing. In 2007, Sompawn Khamtisouk, the owner and manager of an eco-tourism lodge and a vocal critic of the proliferation of Chinese-owned plantations that have expanded by expropriating land from smallholders, disappeared. He has never been seen since. On another occasion, Thongluon Sisoulith, the foreign minister and deputy prime minister, welcomed participants of an international NGO forum warmly and seemed to take a positive view of their involvement in development activities. Yet according to several international NGO workers present during the forum, plain clothes agents could be seen copying notes, filming the forum's local participants and creating an intimidating atmosphere. Several Lao speakers were so alarmed that they withdrew from the event. Not only are such stories of incidents repeatedly being circulated among foreigners in the country but they have also reached the ears of the young Lao who prefer to mind their own business than get involved in social advocacy or critique of government policies.

C. Insights from the Vientiane Lab

❖ *International aid agencies are more eager to see Laos develop rapidly than the Lao.*

Laos is well placed for economic growth, having maintained 7-8% growth annually in the last few years and having secured foreign direct invest-

ment in hydropower, mining, copper, gold and timber. The government's stated ambition is to have the country graduate from the United Nation's list of Least Developed Countries (LDC) by 2020. From the perspective of the UNDP, they are unlikely to meet all the goals, but there is a clear path to achieve targeted minimum outcomes.

The government has also made efforts for the country to be known to the region by organising regional conferences and even hosting the ASEAN games. As the country moves towards economic development through the setting up of seven special economic zones and attracting foreign direct investments (FDI), there are concerns that the pace of development may be too fast and in the process, important aspects will be overlooked in the pursuit of perceived development. The fear is that traditions will be forgotten and forest coverage reduced. One of the ministry advisors we spoke with explicitly said that Laos need not rush to be developed and should learn from the other ASEAN countries. It should not make the same mistakes.

Many donor countries and international organisations are evidently more anxious than the Lao themselves for the country to be developed. The perplexing question is whether the Lao people actually want their country to be developed that quickly. Many believe that radical change is not the best way forward. Instead, understanding and coping with the existing situations, while contemplating the move forward, would be a more prudent decision. This means that the resultant situation is one of inertia and indecision. Change then, can only be effected at a small scale with communities that take ownership of foreign help and support.

❖ *Geography poses a challenge to development, but natural resources, if used responsibly, could prove Laos' salvation.*

Geography is a challenge for Laos. The population is unevenly spread across the country with the majority living along the Mekong River and some 50 ethnic groups living in the hills. This

⁸ T. F., 'Gone missing: Civil society in Laos', *The Economist*, 8 Jan 2013, accessed 9 Jan 2015, <http://www.economist.com/blogs/banyan/2013/01/civil-society-laos>

translates into high unit cost for amenities and hence, places a huge burden on government provisions. Up in the north, cluster bombs left behind from the Laos war are taxing on developments. Apart from the fact that land needs to be cleared before developments can take place, the ordnances are dangerous to the general community, as children unknowingly play with them and people also risk their lives to recover the scrap metal within.

Laos is rich in natural resources. The current development model necessitates resource exploitation (for instance in mining, logging and hydropower) and the challenge is to ensure fair distribution of revenue received and also the sustainability of resource exploitation. Whether such endowed resources constitute a curse or a blessing depends on whether the revenue goes to common benefit or only to the elite and powerful.

The Lao government depends totally on their natural resources to fund their national budget for the next few years. There is risk here as revenue is uncertain due to changes in prices of commodities (gold, copper). Laos does not as yet have a rainy day fund.

Attention has also been directed to food security and green initiatives. However, contract farming, mining and logging continue to negatively impact the environment. Sustainable growth is a concern. Even though regulations are in place to manage environmental issues, it is difficult to control the illegal activities in mining investments given the political ethos and structure of power. Again, efforts in these areas have to be well directed with cooperation from individuals who have ownership of the issues rather than dealt with at a national, political level.

❖ *Fresh blood needs to tread carefully.*

The political stability of Laos at this point in time is both a boon and an impediment. While the politburo will continue to be re-elected for lack of any opposition, changes and social engagement efforts continue to be stalled because of political orthodoxy. There are hopes for younger party members who have received a good education

abroad via foreign scholarships. As they ascend the ranks, they should be able to bring new perspectives that will be beneficial to the country.

Outside the LPRP, a handful of social advocates work quietly and independently, without much support from their peers or society at large.

Laos, as a country, suffers very much from a brain drain. Educated people prefer to work and live overseas as they are unable to see a future in Laos. Currently, the youth in the cities do not engage in national development conversations as they were brought up to believe that certain issues and topics, especially with reference to the government and policies, are off-limits.

A nexus between the young political leaders who are more progressive and the social advocates who are working towards a review and update of policies and regulations can exist, and it will be a matter of time. There is a clear conviction on the part of both groups that communities should own their own issues and attempt to resolve them by themselves rather than waiting for the government to act on their behalf.

❖ *A culture of trust between the social and government sectors is needed to optimise international resources.*

The government has continued to tighten control on NGOs working in the country and has mandated that NGOs sign an annual memorandum of understanding (MOU) before they can carry out work for their organisation. The new MOUs with the government greatly hamper programme implementation, as the MOU terms are stringent, and approval can take a long time to come. This could mean that by the time it comes, the NGO would have very little time and budget left to carry out their projects for the year. There is also a quota imposed on the number of foreigners allowed in an organisation.

To navigate the system and drive initiatives, the NGOs comply with as many government regulations as they need to, and employ intelligent methods to collaborate with the government, including engaging in dialogues and learning

how to deal with the nuances. So as not to get on the wrong side of the approving authorities, NGOs are very cautious when it comes to sharing information beyond those they trust, for fear of the consequences of misinterpreted content. As NGOs are in the country to support social development, it would help if a stronger understanding and trust be built so that resources can be optimised all round. The NGO representatives will then not be frustrated in their efforts and at the same time, the government can work more closely to ensure the delivery of services to communities most in need of basic help.⁹ The resolution of this might have to depend on when younger party leaders come of age and take up high-level positions in the various ministries.

❖ *Laos' lack of an educated labour force is stalling its development.*

The lack of human resource and skilled labour is a major challenge in Laos. Skill sets are limited and people are employed based on relationships and their ability to communicate in basic English. Even for graduates, opportunities in schools are limited. Upon joining the Ministries, they are unable to meet the required standards and have to be sent for additional training.

There is no system in place to ensure more skilled workers are produced to meet the demand of industry. Some of the social advocates we spoke

to believe that quality teachers as well as technology will help to improve the situation.

The FDI that the government brings in is not significantly increasing employment opportunities or the transfer of knowledge. The Chinese investors, for instance, tend to bring in Chinese nationals for their projects, and these often involve high technology equipment which the locals are unable to operate.

The median age of the Lao population is 19 years. The key challenge for the country is to get the basics of healthcare and nutrition right among the very young, and provide education for those in the cities as well as rural areas. Job creation for youth employment is crucial, as is the creation of opportunities for local ownership of initiatives and having government departments work closely with foreign organisations to ensure that national objectives are met.

⁹ D. Kim and M-K Jeong, 'Insufficient partnership, ineffective foreign aid, and public education in Laos', 173 -193.

V. List of Organisations Interviewed

ARDA Language Centre. Vientiane, 19 November 2014.

Ministry of Agriculture and Forestry, Lao PDR. Vientiane, 18 November 2014.

Ministry of Foreign Affairs, Republic of Singapore. Singapore, 8 May 2014.

Ministry of Labour and Social Welfare, Lao PDR. Vientiane, 17 November 2014.

Ministry of National Resources and Environment, Lao PDR. Vientiane, 17 November 2014.

National Assembly of Lao PDR. Vientiane, 17 November 2014.

Population Services International. Vientiane, 19 November 2014.

Purple Sky Network Foundation. Vientiane, 18 November 2014.

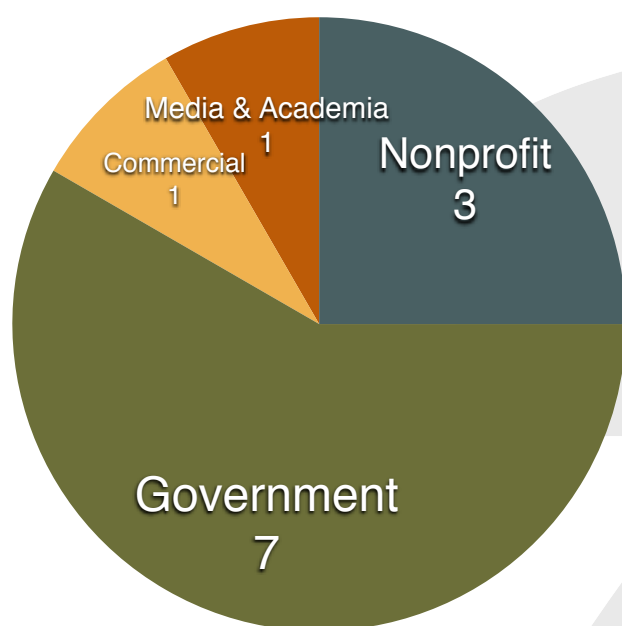
School for Ethnic and Gifted Students. Vientiane, 18 November 2014.

United Nations. Vientiane, 18 November 2014.

United Nations Development Programme. Vientiane, 18 November 2014.

World Education. Vientiane, 19 November 2014.

ORGANISATIONS BY SECTOR



Total Organisations Interviewed: 12

VI. Questions for Interviewees

Organisational History

- 1) How and why was your organisation established? Is there a founding story?
- 2) For international organisations – Why did your organisation decide to enter Laos?

Operations

- 3) On what projects are you currently working? What would success look like one year from now? Five years from now?
- 4) How successful were your past programmes? What is your organisation doing differently from when it first began operations in Laos?
- 5) Do you foresee any upcoming difficulties?
- 6) What does your organisation need to make your programmes more effective?

Strategies

- 7) What are your organisation's goals for the next 3-5 years? How do you plan to meet those goals?
- 8) What factors might jeopardise the success of your overall strategy?

Collaboration

- 9) Were there any difficulties or pitfalls in past collaborations? Have any difficulties surfaced in your current collaborations?
- 10) Have you collaborated with organisations outside your sector? How could such relationships be improved or facilitated?
- 11) Is there any individual or organisation with whom you would like to collaborate but have been unable to do so?

Human Resources

- 12) Do you generally source staff locally or from overseas? Have you had any difficulties finding skilled local staff?
- 13) Which professional skills, if any, do local staff currently lack? What do local staff need to succeed in today's workplace?
- 14) How would you evaluate local educational institutions in preparing future employees? Are there private or foreign institutions attempting to fill any gaps?

Leadership

- 15) What does effective leadership—in business, government or civil society—look like to you?

- 16) What skills and resources do Lao leaders need to better serve their society?
- 17) The Institute broadly defines *societal leadership* as 'the practice of creating sustainable value and impact for the betterment of society within one's sphere of influence.' Are there any remarkable individuals in Laos whom you would consider a *societal leader*?

Sustainability & CSR

- 18) Does your organisation have any sustainability guidelines? How did you determine your current guidelines?
- 19) Does your organisation engage in any Corporate Social Responsibility (CSR) initiatives? Have you been able to measure the impact of your organisation's CSR programmes?

Funding (for social-sector organisations)

- 20) Roughly speaking, how is your organisation currently funded?
- 21) How financially self-sustaining is your organisation at the moment? Do you have any plans to lower dependence on outside funding in the future?

Context

- 22) How does working in Laos differ from working in other Southeast Asian countries? What does Laos have in common with the rest of the region?
- 23) How do minorities (ethnic, religious, or otherwise) fit into the landscape? Do minorities actively collaborate with the status quo?
- 24) Outside of your own organisation's scope, what are the key problem areas facing Laos?
- 25) How is Laos different from five years ago? How do you imagine it will change in the next five years?

VII. References

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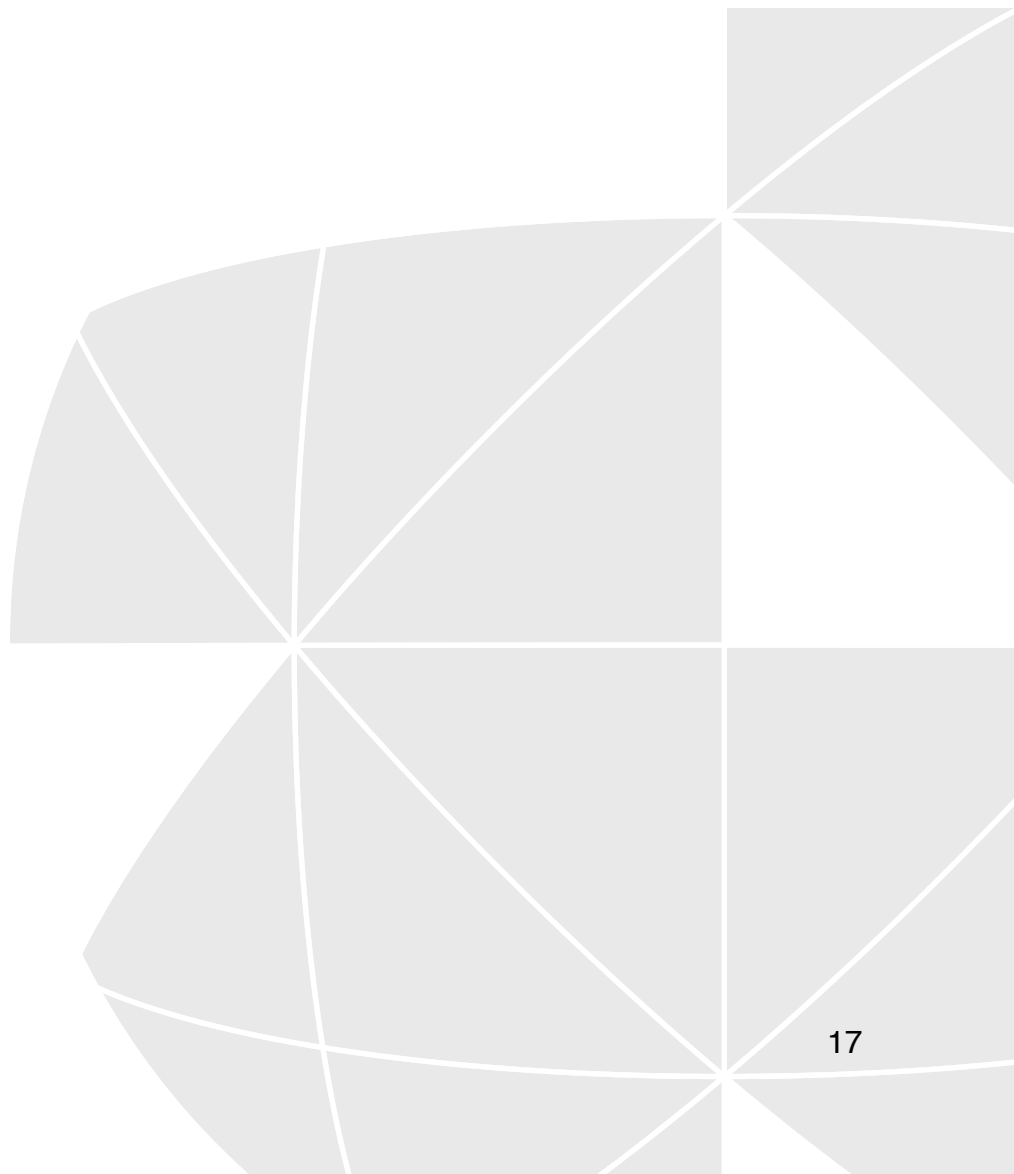
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