

## **Health, Social-welfare and Employment in Lao PDR.**

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### **(I)- Follow up of the 8<sup>th</sup> High Level Officials Meeting “ Poverty alleviation with a focus on vulnerable people “**

The Ministry of Health is still the only body that is responsible for the provision of health services to its population and under huge pressure to achieve universal coverage by 2020 as set by the National Growth and Poverty Eradication Strategy. Since the Decree No 52 about User fees for Health Facilities was introduced in 1996, the burden for health care has rested more on the poorer population, with out-of-pocket expenditure for health at 46.4%. Health Insurance was introduced, in the form of social protection scheme, in 2002 and now with 4 different schemes as such: State Authority Social Security (SASS) for Civil servant, Social Security Organisation (SSO) for private sector employees, Community based Health Insurance (CBHI) for voluntary population and Health Equity Fund for poor people including vulnerable people have covered total of approximately 12.5% of the total population, a rather low rate. Since 2010, there has been a new policy on free service for institution delivery and for the children under 5. This is considered as the most significant reform of the health service in Laos recently. There are also ongoing initiatives to reform health worker training as well as their incentives.

Department of Social Welfare are provided the trainings for staffs who are working for helping the vulnerable people especially child vulnerable, street children and trafficked victims such as:

- Short time social work training ( 2 months) for central and 9 provinces, 36 persons.
- Short times for para-social work training (10 days) for 5 provinces, 25 districts and 185 villages 1572 persons.
- Providing training for tourism police and National tourism staffs on management hot line 192.
- Providing training for Shelter staff and other organization concerning on shelter management to assist the trafficked victims.

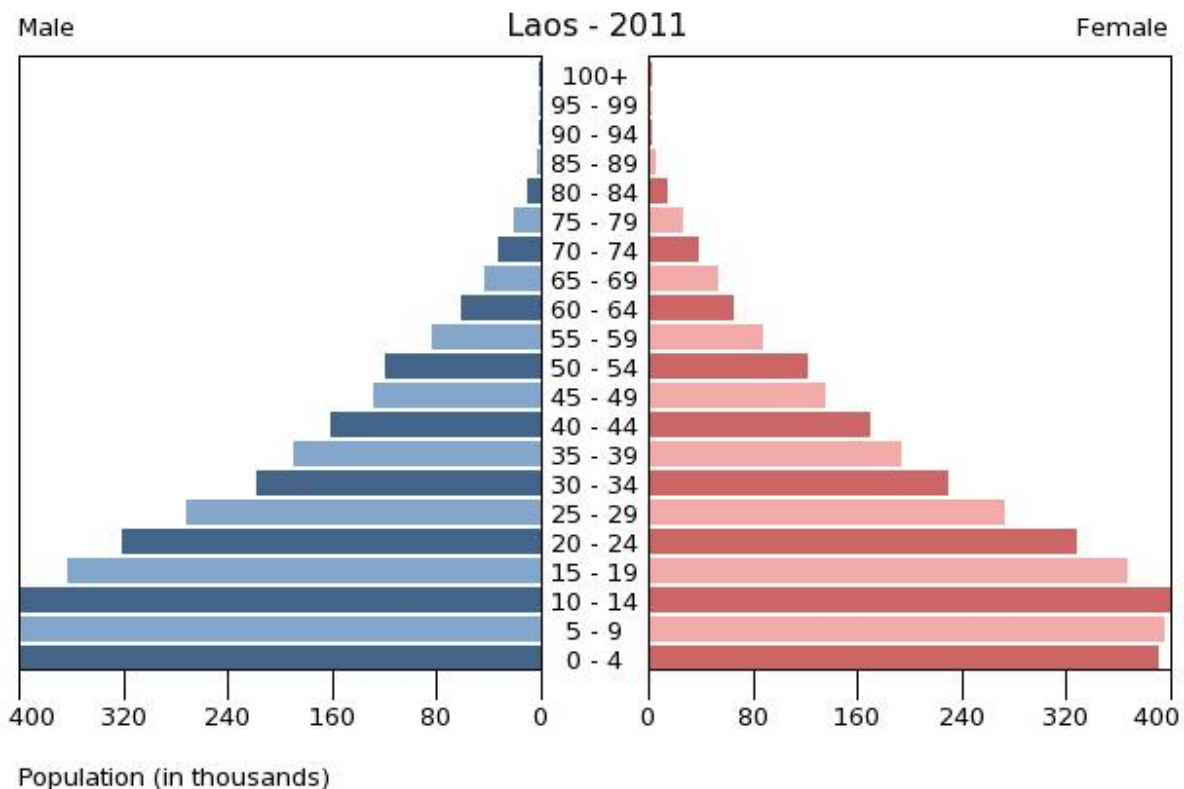
### **(II)- Basic Information :**

#### **1- Demographic and Population characteristics:**

Lao People's Democratic Republic (Laos) is located in the South-Est Asia and surrounded by five countries in the Greater Mekong subregion ( all provinces have an international border): China, Cambodia, Myanmar, Thailand and Vietnam, with a population estimate of 6,2 million 30% of them lives in urban areas, the rest scattered in mountainous, hard-to-reach parts of country,

with little access to basic infrastructure and services. There are 49 officially recognized groups living in Laos. Laos population is a young population with 55% is under 20 years old, 5% over 65 years old, with percentage 57:43 between female and male respectively, total fertility rate is 3.5 and population growth of 2.2 (2010). Live expectancy at birth is 65 on average ( male: 64, female: 67 ). Population density of Laos is 24 person/km<sup>2</sup>, but is a flow of immigrant and migrant workers in and out of the country.

## Population Pyramid (2010)



### 2- Socioeconomic situation:

Since the beginning of the new economic mechanism in 1986 ( this mechanism introduces free enterprise initiatives including decentralized decision making, deregulation of pricing and financial systems, and promotion of domestic and international trade and foreign investment ), the Laos economy has been growing steadily with Gross Domestic Production(GDP)growth has been at around 7.8% in the last five years, with GDP growth for 2010 at 8.1%. Laos ranks 122 in 177 countries on Human Development Index (HDI)scale (UNDP 2010), with GDP per capita of 1087 USD(2010), proportion of the population living below the poverty line was about 27,6% in 2007-08. Despite progress made so far, lots of efforts will be required for the country to achieve one of the goals of the national growth and poverty eradication strategy which is to be out of the least developing country by 2020.

The Laos government is strongly committed to integration in the regional and global trade system, and is thus transitioning from a landlocked to a land-linked country through the

creation of economic corridors across its territory. Key sectors for development in Laos are mining and hydro power. Recently, with the country's integration into the regional development, road and railway construction.

Despite of all the progress made, there are still wide gaps in livelihood and access to health and education between urban and rural, upland and lowland areas and amongst different ethnic group. 75.1% of workforce is still in agriculture, 5.5% in Industry and 19.4% in Service. Most of those who work in other sectors are lack of sufficient training and skills, which makes their employment vulnerable. This creates discrepancy between job demands and needs met. Unless there's major shift in vocational training for the majority young population in the country, good employment opportunities will be lost to the workforce from neighbouring countries.

### **3- Literacy and Education:**

Laos has average literacy rate of 73% for people 15 years old and above (2005), and increase from 60% in 1995. By low, education is provided to all children, but disparities remain between girls and boys, urban and rural and among different ethnic groups. Primary education enrolment was at 92% in 2008. Despite the country's efforts and progress made towards MDG 2 and 3, the enrolment rates for secondary education still stay low at about 63% for lower secondary and 37% for high secondary level. Vocational and high education remain a challenge, which is in contrast with the country's needs of qualified, trained workforce.

### **4- Poverty**

According to the Consumer and Household Surveys, the proportion of people live below the poverty line has decreased from 33.5% in FY 2002-03 to about 25.6% in 2009-10. However, Poverty in Laos continues to have a distinct rural face, with half of the rural poor continue to live in 7 chronically poor provinces.

### **5- Health Status**

Laos national health indicators have been improving steadily over the past three decades. The crude death rate declined from 15.1 to 9.1 deaths per 1000 inhabitants between 1995 and 2007, with probability of dying under 5 is 75 in 1000 live births (2005). The crude birth rate fell from 41.3 to 33.2 in the same period. At the same time, life expectancy at birth rose more than 10 years in a decade, from 51 years in 1995 to 65 in 2010. The main cause of mortality and morbidity are communicable diseases with malaria and pneumonia top the list .

### **6- Health Financing**

In 2009 Laos's average total expenditure on health (THE) was at 4.1% of GDP, equivalent to 19 USD per capita of total expenditure on health, the General Government Expenditure on Health (GGEH) accounted for 19.4% in 2009. This made the GGEH take up just approximately 0.8% of GDP, a very low level of public expenditure on health. Moreover, funding from the source is external donors and takes up 16% of the THE (2008). Total social health protection schemes GGEH (2009).

Health services in the Lao PDR are provided mainly by the government but financed largely by household out-of-pocket (OOP) payments. Private expenditure on health was 80.9% of THE,

with 0.4% coming from private health insurance. Many households are not even able to access basic health care services because of the cost of care. The private sector for health is small but traditional medicine practitioners. User fees were introduced in 1996 and are now charged at certain vulnerable groups.

### **(III)- Current situation on Human Resource Development in Health and Welfare Sectors.**

This has been the major challenge in the health system of Lao PDR, with average density of doctors, nurses and midwives at 13 per 10,000 population (critical threshold is at 23 per 10,000). In 2009, the health sector employed 9 Professors, 31 Associate Professors, 31 PhD graduates, 12 Postgraduate, 410 Master degree holders, 134 first level residents, 23 second level residents, 131 specialists, and 2,145 Bachelor degree graduates, 262 high diploma holders, 4,725 diploma holders, 5,004 workers with certificate and 109 HWs without professional qualifications.

There were 12,422 HWs, with 7,235 (58%) females, and 2,021 (16%) from ethnic minority groups. Of the total workforce, 2,986 (24%) were administrative officers and 9,436 (76%) were technical staff (including, immunization-health promotion officers, curative-rehabilitation officers, teachers and researchers).

Of the total health workforce, 7,518 (61%) HWs provided health care services; of which 45% were high and middle level HWs, mostly employed in central and provincial level. The number of qualified HWs (medical doctors, nurses and midwives with middle and high level professional education) was 3,385, equal to 0.5 HWs per 1,000 populations significantly lower than the WHO recommended standard of 2.5 HWs per 1,000 populations. Moreover, 75% of HWs at the Health Centre level had low qualifications (low level HWs). Of which, there are 3.5 physicians and 9.7 nurses and midwives per 10,000 populations. Health distribution of the health workforce at provincial and district levels are not equitable, dependent on the investment from the province. This contributes to the lack of trained health personnel at the more needed rural areas while there are many trained doctors and nurses staying in big cities such as Vientiane, with 7 doctors per 10,000 populations while the lowest ratio is in Huaphanh with 0.7 doctors per 10,000. According to the health staff, Lao PDR is facing a severe shortage of health staff. Globally, Lao PDR is included in the list of crisis countries in terms of Health workforce ( WHO Report 2006 ). With the number of graduates from university and occupational school, this issue will not be solved soon. Hence, now it is the top priority for health system strengthening by MOH. The system, especially the service delivery is in constant lack of staff in both quantity and quality, especially qualified medical professional staff. The socioeconomic gap between urban and rural, plus geographical barriers has resulted in poor distribution of health staff especially in remote areas. Those who work in the system are lack of motivation due to inadequate incentive both financial and non-financial.

Health system of the Lao PDR including 5 Central Hospitals, 4 Regional Hospitals, 12 Provincial Hospitals, 126 District Hospitals, 835 Health Centres, and National Institutes and Research Centres, Health Prevention and Promotion Units, Food and Drug Quality Control Units.

In the Employment Sector : Total labour force is 3,691,300 for economically active labour force is 3,026,866, non-economically active labour force 664,434 and people currently employed 3,026,866 , Unemployed 43,694.

Labour force population by industry and by age are:

1. Agriculture-forestry 2,273,176 (75.1%)
2. Industry 166,478 (5.5%)
3. Service 587,212 (19.4%)

Current situation of social vulnerable, especially elders and disabilities.

**1. Elders:** Old people play an important role in social and economic dimensions. One way to consider their contribution is that they can do many things more than younger people do provided their experiences. However, in Laos it has been identified that the older people particular in remote areas and with disadvantaged conditions still encounter with challenges and barriers to enter and re-enter into employment.

One of these is that they do not have opportunity to build up their employability and have less access to labour market information. Moreover, they become child carers of their families while younger family members are seeking and migrating for jobs in their own communities and other areas. Furthermore, less accessing to healthcare and skills and vocational training has discouraged them compete in employment. In addition, there are not continuous development projects to assist these people regarding employability.

**2. People with disabilities:** As a result of the widespread contamination of the country with unexploded ordnances (UXOs), a large number of people have become disabled, and continue to become disabled as a result of UXO explosions. UXO presents a severe hazard for the local people particularly for children. UXO explosions have led to amputations, blindness, deafness and burns. Some survivors have multiple injuries. In addition to disabilities resulted from UXO explosions, the combination of widespread poverty and poor health care means that many people become disabled for other reasons - due, for example, to polio and other illnesses which go untreated or because of poor nutrition, poverty and no access to health care.

On the establishment of Lao PDR in 1975, people with disabilities, like many others in the population, had very limited access to education, skills training and employment opportunities. Opportunities remain limited, although there has been some improvement in the situation recently. The main emphasis in government measures has been on disability prevention - particularly relating to UXO explosions. Given the incidence of poverty in the country and the close link between poverty and disability, a concerted effort will be required to improve the status of disabled people along with that of vulnerable groups in the country as a whole, through the development of a comprehensive policy and appropriate services.

#### **(IV)- National responses to overcoming Health and Welfare challenges**

##### **National development process and Policies**

Having recognized the health situation of the country as above, the Government of LaoPDR, in collaboration with its development partners, has formulated a number of overall National Policy documents under which, the health sector accordingly developed a legal framework to address some key health issues in the country. There have been some major achievements following the implementation of these strategies and plans.

To guide the development of Laos, the National Growth and Poverty Eradication Strategy (NGPES), which was finalized in 2003, has been the overarching document to guide and set some long-term targets for the country planning and policy development till 2020. In 2004, the Government set up its localized targets and relevant indicators within the framework of the Millennium Development Goals (MDGs) and published its first National MDG Report, which went a long way in establishing solid baselines to track the country's progress towards the achievement of the MDGs by 2015. The five-year national socio-economic development plans (NGPES) which is in its 7<sup>th</sup> phase for 2011-2015, incorporates the key elements of the NGPES and MDGs, is implemented by the Government who report to the National Assembly (NA) on its progress.

The national health sector development plan (NHSDP) comes under the overall national plan as overall sector framework for health sector development agenda and forms the basic for health related targets in the NSEDP.

### **National Health policies, strategies and plans**

The implementation of the 6<sup>th</sup> National Health Sector Development Plan (NHSDP) for 2006-2010 has been completed with notable progress and achievements. For the coming period of 2011-15, the 7<sup>th</sup> NHSDP has been developed. The plan aims to strengthen the existing health system, particularly at the primary health care level to ensure access to good quality health services to the poor and vulnerable people in remote areas. In this period, the goals are:

- 1- Create the basic material and technological health infrastructure in order to bring the country out of the least developing country status by 2020.
- 2- Expand and strengthen the health system in order to meet the needs of the people, especially the poor and vulnerable and in synergy with rapid industrialization and modernization of the country.
- 3- Contribute to eradicate poverty to improve the people's quality of life, aiming to achieve the five health plan related MDGs.

**Policies and regulations related to promote employability for social vulnerable, especially elders and disabilities.**

- 1- Law on Hygiene, Disease Prevention and Health Promotion, 2001
- 2- The Law on Hygiene, Disease Prevention and Health Promotion has specific provisions for the health promotion of "handicapped" and "disabled persons". Article 32 on the "Health Care for Elderly, Handicapped and Disabled Persons" provides for close monitoring of the health of persons with disabilities. The Law directs families, organizations and the society shall pay attention to the health care of "handicapped and disabled persons, and mentally disturbed persons" through the provision of health

services. The Law also calls for "creating conditions for elderly, handicapped and disabled persons to live appropriate lives, to rest, and to be able to contribute to social activities.

- 3- Law on Labour, no 05/NA 2007
- 4- The Law, Article 26 entitled "Acceptance of Handicapped or Disabled Persons to Work" directs employers to "give priority to disabled or handicapped persons to work in their units in accordance with their abilities and skills, and shall give them appropriate positions with certain salary or wages.". Workers who become handicapped as a result of work-related accidents or occupational diseases are entitled to allowances paid by the employer.
- 5- The Law mandates employers and employees to contribute to a Social Security Fund which will be used to ensure the basic material and moral needs of employees and their families in case of disabilities and other difficulties.
- 6- Action Plan of the National Strategy for People with Disability in Lao PDR, 2000
- 7- This program was developed by the Ministry of Labor and Social Welfare, with the support of UNDP, and other international and local stakeholders, the Action Plan includes the following priorities:
  - 8- Creation of a comprehensive medical system that included rehabilitation;
  - 9- Linkage of early rehabilitation with education;
  - 10- Implementation of vocational rehabilitation program;
  - 11- Reintegration into society (through increasing community sensitization and access to information and transportation).
  - 12- Decree no 156/pm, 2004, on the Approval and Declaration of Application of the Nation Policy towards the Elderly in the Lao PDR.
  - 13- The decree, part III, section 5 stipulates the promotion of income generation of elders which includes:
    - 14- Promote employment and self employment for elders in accordance to their appropriate skills and abilities especially in agriculture, handicraft, services and cookery;
    - 15- Mobilize fund for the establishment of foundation for the elders' development and cares;
    - 16- Promote particular skills training and development for the elders towards their own income generation; and
    - 17- Encourage the elders to assist in family's light work.

#### **(V) Good Practices.**

The Ministry of Labour and Social Welfare provides persons with disabilities with vocational training, employment and caring for victims of war and Unexploded Ordnance (UXO). National Commission for Disabled Persons

The National Commission for Disabled Persons is a cross-Ministerial body headed by the Minister of Labor and Social Welfare. Commission Board members include the Vice-Ministers of Health, Education and Foreign Affairs, as well as staff from related Ministries.

The Commission is mandated to represent and protect the legal rights of persons with disabilities, collect data on disability, develop and propose policies on disability, exchange information about disability with other countries, raise general awareness about disability and

encourage the public to help persons with disabilities, to prevent disability, to establish an association for persons with disabilities, reduce barriers to access for persons with disabilities, develop rehabilitation and employment program for persons with disabilities, prepare a plan of action on disability, promote community-based rehabilitation, develop legislation supporting persons with disabilities, set up a network of organization to support persons with disabilities throughout the country, attend international events and seek support for persons with disabilities.

In particular, to promote employability for elders and people with disabilities, Ministry of Labour and Social Welfare, Department of Skills Development and Employment has initiated and directed the employment service enterprises and job centers in order to widely open opportunity for all types and all age groups of job seekers and provide employment counseling for people with special needs. To comply with this objective, the enterprises and job centers have strengthen their capacity and cooperation and coordination among relevant organizations internally and internationally and stakeholders to improve and develop their performance. Labour market information, job vacancies' requirements, applicants' criteria, these sorts of information have been collected, compiled and broadcasted. As a consequence, the unemployment rate in 2010 dropped to 2%, just below the targeted figure of 3% set by Department of Skills Development and Employment.

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