

»» Project Information

Implemented by:



Vocational Education – Laos

Sustainable Economic Development

Over the past decade, Lao People's Democratic Republic (PDR) has experienced unprecedented economic growth. Main drivers of growth are the mining and hydropower sectors, tourism and growing services and industry sectors, generating high demand for skilled labour and a suitable education system. In line with the Lao government development plan to reduce poverty, KfW supports the establishment and extension of demand-oriented vocational education and training. The aim is to improve the quality of the Lao labour force, which in turn strengthens the competitiveness of the Lao economy, creates job opportunities and improves living conditions.

Context

Laos remains among the least developed countries in the world. 25 % of the population lives under the poverty line, in some provinces even 50 %. The Government of Lao PDR has included a national poverty reduction strategy in its 8th National Socio-Economic Development Plan 2016-2020 (NSEDPP), in order to meet the Sustainable Development Goals, to end poverty by 2020 and move towards modernization. Previous efforts have created an average GDP growth rate of 8 % over the last years. As a result the poverty rate has dropped by 10 % over the last ten years.

The integration of Laos into the ASEAN Economic Community (AEC) will boost this trend further. However, not everyone benefits from this development. Social disparities and income inequality are on the rise as large parts of the population are excluded from good jobs and a decent income due to insufficient skills. On the demand side, enterprises are willing to expand their businesses, but face severe problems in finding quali-

fied and skilled workers. To tackle these issues, the Lao Government aims to offer market-oriented vocational training in close cooperation with private companies. KfW, on behalf of the German Government, has been supporting these efforts since 2004, forming a reliable partner in the field of vocational education.

Project approach

EUR 37 million have been invested in the vocational education sector under the German Devel-

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Commissioned by	Federal Ministry for Economic Cooperation and Development (BMZ)
Country/Region	VTP: Phongsaly, Oudomxai, Xieng Khouang, Luang Namtha, Houaphan, Sayaboury, Xekong, Attapeu, Salavan, Vientiane Capital VELA FC: Bolikhamsay, Bokeo, Vientiane Capital
Lead executing agency	Ministry of Education and Sports (MoES)





A vocational student is adjusting his machine. Source: KfW photo archive, photographer: photothek.net.

opment Cooperation. In combination with contributions from the Government of Lao PDR, 10 vocational schools have been constructed or extended and modernized under the Vocational Training Programme (VTP) in order to increase capacities in vocational and teacher training. The Lao-German Technical College (LGTC) in Vientiane illustrates the best example of a successful and longstanding cooperation in this field.

The VTP included the establishment of the LGTC and the construction, rehabilitation or expansion of nine provincial schools. New equipment has been procured and teachers trained. Under the new programme Vocational Education in Laos (VELA-FC), two provincial schools and the central teacher training institute in the capital will receive financial support. Furthermore, VE-LA-FC facilitates the participation of teachers and school managers from remote areas in training initiatives in order to implement a nationwide standard of teaching quality.

The Ministry of Education and Sports (MoES) is responsible for the programme implementation with the support of international consulting companies. These companies ensure proper planning and surveillance of the construction process and monitor the procurement and installation of equipment. They also encourage local administration to improve their capacities and monitor the adequate usage of the teaching material.

Impact

Four schools that received funding under VTP from 2011 to 2014 showed an increase in enrolled students from 1.200 to 1.915 – a plus of nearly 60 %. The total number of students in all ten supported vocational

schools sums up to 5.250 in 2016. Since 2011 almost 6.500 students (1.800 female) have graduated from the schools.

Enhanced knowledge and better practical skills have improved the future employability and productivity of the young population in Laos. In the case of LGTC, for example, 100 % of students find employment directly after graduation. A vocational qualification also enables easier access to higher education. Increased knowledge and employability will in turn contribute to higher incomes and better living conditions in Laos. As studies have shown, more than 90 % of the graduates achieve salaries above the minimum wage.

Successful training institutes do not only require new buildings and equipment. Vocational schools in Laos still face a negative image, partly due to the perceived low standards of vocational education. Therefore, VE-LA-FC aims to increase the schools' attractiveness and assure their sustainability by investing in training measures for teachers and school management. Future projects are envisaged to put a stronger focus on cooperation with private companies by using innovative concepts of vocational education financing. This will further promote the labour market orientation of vocational education and the competitiveness of the Lao economy.

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