



Lao People's Democratic Republic

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Contents

<i>1 Background</i>	<i>2</i>
<i>2 Gender responsive budgeting</i>	<i>3</i>
<i>References</i>	<i>5</i>

(This country profile is available online at www.unisa.edu.au/genderbudgets)

1 Background

Laos is a landlocked country in the Southeast Asia, bordered by China to the north, Burma to the northwest, Thailand to the west, Vietnam to the east, and Cambodia to the south (Savada 1995). Laos's population of 5.9 million (see table) is made up of 49 broad ethnic groups. The dominant cultural and political group, representing 35 percent of the population and 8 ethnic groups, speak Lao-Tai. The main religion is Buddhist, comprising 60 percent of the population (Australian DFAT 2010).

Socio-economic indicators	
Population in 2008	5.9 million
Projected population change 2008–50	110%
GDP per capita (PPP \$US) 2005	\$2,039
Proportion (percent) of population below the Poverty Line (\$1 PPP a day) 2002	28.8%
Human Development Index 2007-08	0.601
Human Development Index rank 2007-08	130 th of 177
Gender equality indicators	
Seats in parliament held by women (% of total) 2007	25.2%
Maternal Mortality Ratio (per 100,000 live births) 2005	660
Adult literacy rate, female (aged 15 and older) 2005	60.9%
Adult literacy rate, male (aged 15 and older) 2005	77%
Gross secondary enrolment: Ratio of female rate to male rate 2005	0.76
Gross secondary enrolment: Female ratio (% of the female secondary school age pop.) 2005	40%
Share of women in wage employment in the non-agricultural sector (% of total employment in the sector) 2005	50.2%
Budgetary indicators	
General Government public expenditure on education (% of GDP) 2002-05	2.3%
General Government public expenditure on education (% of total expenditure) 2002-05	11.7%
General Government public expenditure on health (% of GDP) 2004	3.6%
General Government public expenditure on health (% of total government expenditure) 2005	4.1%
Central Government military expenditure (% of GDP) 2006	Not available
Central Government Public expenditure on defence (% of total outlays) 2004	Not available
Open Budget Index: Overall Score	Not available

Sources: UNDP (2007) *Human Development Report 2007/08*; Population Reference Bureau, (2008) *World Population Data Sheet*. World Economic Forum (2007) *The Global Gender Gap Report*; UN Statistics Division (2008); United Nations Population Division (2008) *World Population Prospects*; UNESCAP (2008) *Statistical Yearbook for Asia and the Pacific*; IMF (2007) *Government Finance Statistics*; Open Budget Initiative (2008). (See Explanatory Notes for details).

Laos gained independence from France in 1953. After decades of unrest and civil war, the monarchy was abolished and the communist Lao People's Revolutionary Party (LPRP) came to power establishing the Lao People's Democratic Republic (LPDR) in December 1975 (Savada 1995; BBC 2009; Australian DFAT 2010). Today, Laos is a single-party communist state with close links to Vietnam. The National Assembly is responsible for scrutinising legislation and is elected by the people from a list of candidates approved by the Party. The Assembly elects the president and Prime Minister for five-year terms with the 2006 election installing President Choummaly Sayasone, as head of state, and Prime Minister Bouasone Bouphavanh as the head of government (US CIA 2010; Australian DFAT 2010; BBC 2009).

2 Lao People's Democratic Republic (Lao PDR)

Since the 1990s Laos has been moving to a market-oriented economy formalized by a new 1991 constitution which guaranteed the right for citizens to hold property and provided protection for domestic and foreign investment. Relying heavily on foreign aid, Laos remains a least developed country (Australian DFAT 2010). Despite recent economic gains (an average of 7 percent economic growth since 2004), it remains the second poorest country in the Mekong. GDP per capita (2005) was USD\$2,039 (see table). Laos is ranked 130/177 of countries on Human Development Index (see table) and 115/157 of countries on the Gender-related Development Index (GDI). The difference between the HDI and GDI rank (-1) suggests that Laos performs better on the HDI than the GDI (UNDP 2007: 329).

Persistent gender inequality is reflected in a high maternal mortality ratio of 660 per 100,000 live births (see table) and low levels of gross secondary educational enrolment ratio for women (40%) (see table). However, on other gender indicators Laos fares better, with 25.2% seats in the lower house being held by women in 2007 and the share of women in wage employment in the non-agricultural sector standing at 50.2% (see table). The 2008 MDG progress report shows a mixed picture, with some targets showing significant achievements including: reduction of income poverty; increase in primary net enrolment; reduction in child mortality; action against tuberculosis and malaria; and access to safe drinking water and basic sanitation in urban areas. Progress on other targets remains poor, including: reducing child malnutrition; reducing disparities in access to opportunities and social services for some groups and women's poor presence in decision-making at the sub-national level. Part of the challenge to progress in these areas has been the persistent under-funding of the social sectors since the 1990s (UNDP 2010).

2 Gender responsive budgeting

Gender responsive budgeting in the Lao People's Democratic Republic has begun in a limited way with government backed official women's organizations, the Lao Women's Union and the National Commission for the Advancement of Women, indicating support. A 2005 report by the Gender Resource Information and Development Centre, established by the Lao Women's Union, highlighted the need to strengthen awareness and knowledge on gender issues among senior officials as an avenue for the implementation of a systematic gender approach to policy and budgeting. In 2007 a UNIFEM CEDAW regional program, funded by Canadian International Development Assistance (CIDA), supported a consultative workshop between the Lao National Commission for the Advancement of Women, the Lao Women's Union and key ministries (planning, finance, and the Prime Minister's Office). Its aim was to facilitate adequate funding to support gender mainstreaming (email correspondence with donor 03/03/09 and 27/03/09).

There also is some recognition by the Lao government that the gender impacts of its budget are important for policy. In 2003 the government in its CEDAW Report drew attention to the fact that budgetary measures were being adopted to improve the status of women through its commitment to allocate a minimum of 20% of public expenditure to social issues, including education, health and social welfare (Lao government 2003). This commitment was outlined in the 1996-2000 'Socio-Economic Development' and the 'Investment Requirement Plan of the Sixth Round Table Meeting' (Lao PDR Committee for Planning and Investment 2006). In addition, the *Development Plan for Lao Women 1998-2003* stated: '[b]udget and resources for women's development cannot meet the required needs' (Lao government 2003: 12). In line with its efforts to improve public expenditure and budget formulation, execution and monitoring, the Lao government stated in its *National Growth and Poverty Eradication Strategy* (NGPES):

Improvements to NGPES over the coming years will include a closer link between the macroeconomic framework and the various growth and poverty eradication programmes (e.g., sector resource envelopes). This will be based on an improved public expenditure programme as

well as improved budget formulation, execution and monitoring. In particular, prioritisation of sector programmes will be completed and a further effort will be undertaken with regard to the gender, rural-urban differences and ethnic dimensions of poverty. (Lao government 2004: 148)

The government has also taken some steps to improve accountability and transparency of the budget process through the official publication of the Budget Implementation Report and the Budget Plan (Lao government 2004).

However, a number of significant institutional constraints inhibit the implementation of planning and budgeting reforms (Jena 2008). For example, the Asian Development Bank has identified a lack of a coherent medium term strategic framework, incremental budget allocations which are not policy or program driven, a National Assembly budget process that approves only broad expenditure allocations and a line item budget that provides little information on the purpose of spending. These constraints all contribute to resources not being aligned with policies (ADB 2005; 2008). Others have pointed to inadequate budget allocations, poor quality statistical data and limited coordination across ministries as constraints faced by the National Commission for the Advancement of Women in mainstreaming gender (Thammavong 2005; Kusakabe 2005; GRID 2005: 30).

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