

Statement by Professor Philip Alston, United Nations Special Rapporteur on extreme poverty and human rights on his visit to Lao PDR, 18-28 March 2019

Vientiane, 28 March 2019

1. Introduction

On paper, the Lao People's Democratic Republic has made great progress in poverty reduction over recent decades. And after more than twenty years of striving to graduate from "least developed country" (LDC) status, and maintaining GDP growth above 6.5 percent since 2005,¹ the country is set to graduate in 2024.² This impressive growth has been achieved in large part through encouraging foreign investment, particularly in mining, hydropower, and agriculture.

However, behind this apparent success story lies a more complicated and problematic reality. Unlike in many countries, Lao PDR's rapid economic growth has not led to a commensurate reduction in poverty. The Government's single-minded focus on large infrastructure projects (such as dams and railways), land acquisition, resource extraction, and foreign investment has created all too few jobs for Lao people, generated very large debt repayment obligations, and disproportionately benefited wealthy elites. Those living in poverty, ethnic minorities, and people in rural areas have seen very few of the benefits of the economic boom.

A recent official publication perfectly captures these trends:

"While many entrepreneurs and well-connected business people have managed to benefit from recent economic growth, creating a small but very wealthy elite and a well off middle class, a large number of poor have lost land and access to important natural resources, which has resulted in increasing wealth disparities throughout the country. Indeed the ongoing transfer of land from private households to companies is a major driver of new forms of poverty in rural areas, effectively creating an emerging class of landless poor."³

As illegal logging slows and the country's two large mines close by 2021,⁴ the economy will depend much more heavily on manufacturing and services, but it is widely acknowledged that the skilled workforce required for such a transition is badly lacking. This reflects a failure to invest adequately in health, education, children's well-being, rural areas, and poverty alleviation.

Far from providing an answer to poverty, Lao PDR's economic growth strategies have too often destroyed livelihoods, created or exacerbated vulnerability, and lead to impoverishment for many groups. Some approaches to poverty alleviation have instead prejudiced the human rights of poor and marginalized people. Meanwhile, the country has not developed a strong social protection system to support the many people left behind by the transitioning economy. By emphasizing aggregate economic growth over poverty reduction, social protection, job creation, and socioeconomic mobility, the government has achieved impressive GDP numbers but at times has failed to make meaningful changes in the lives of a very large number of people in poverty.

Deep structural barriers prevent the full realization of human rights by people in poverty. Poor women must navigate highly patriarchal beliefs and institutions, are routinely shut out of decision-making

¹ World Bank, "GDP growth (annual %) Lao PDR," <https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=LA>.

² United Nations Development Programme, "Lao PDR's eligibility for graduation from LDC status confirmed," March 2018, www.la.undp.org/content/laopdr/en/home/presscenter/pressreleases/2018/3/19/laopdr_s-eligibility-for-graduation-from-least-developed-countr/.

³ Lao Statistics Bureau, Centre for Development and Environment, and University of Bern, "Social Economic Atlas of the Lao PDR: Patterns and Trends from 2005-2015," 2018, p. 116.

⁴ Meeting with Ministry of Energy and Mines, March 27, 2019.

processes including ones with profound impacts on their lives, and are deeply disadvantaged in relation to education, access to formal work, and positions of authority. Ethnic minorities and indigenous peoples continue to experience poverty at a vastly higher rate than the Lao-Tai majority. People in rural areas have been left behind by economic progress, and account for almost 90 percent of those in poverty.⁵ In my visits to Vientiane, Attapeu, Champasack, Xienkuang, and Houaphanh, I was struck by the depth of these challenges.

Nowhere was this more apparent than in Attapeu, where I visited three temporary camps for survivors of the 2018 Xe-Pian Xe-Namnoy dam collapse—Hadyao, Tamayord, and Dong Ban—as well as a village devastated by the collapse, Mai Village. I witnessed the strength and courage of those affected by the disaster, and saw firsthand the dispiriting conditions which people will have to endure for at least three years and possibly longer. In the Huamueang district of the Houaphanh Province, I visited the villages of Phanang, Pahkatai, and Mon, and met with community members whose needs are as basic as electricity for a village, adequate water, and reasonable road access during the rainy season. I also met with healthcare workers, farmers, weavers, school teachers, Village Education Development Committees, representatives of the Lao Women’s Union, and village leaders, in addition to government officials at the district, provincial, and national levels.

Both in relation to the situation in Attapeu, but also more generally in the Government’s overall approach, one thing stands out. It is the stark contrast between the theory and the reality. Regarding Attapeu, a senior official of the Ministry of Energy and Mines described the elaborate and very positive conditions which would govern resettlement and ensure enhanced livelihood opportunities. On the ground, I saw and heard nothing that remotely resembled that description. More generally, the Government has produced many impressive pieces of legislation and adopted elaborate policy statements, often in conjunction with foreign partners. But meaningful implementation is all too often lacking. Quotas are set but not enforced, conditions are attached but not monitored, new approaches are launched but business continues as usual.

This disconnect is greatly facilitated by a determination that the Party should remain firmly in control of public dialogue, an assiduously maintained lack of transparency in most realms, a reluctance to permit criticism, the absence of meaningful complaint mechanisms, the marginality of the judicial system for anything to do with people’s rights, the comprehensive government management of the media, the tight regulation of any potentially independent civil society, and the firm leash kept on foreign aid. The result is that efforts to promote meaningful consultation, to encourage participation in decision-making, to enlist genuine advice and criticism, or to propose alternative approaches, are all rendered difficult, if not impossible.

The plight of civil society is perhaps the most obvious manifestation of this problem. The government has very effectively shut down space for robust discussion and accountability. All Lao groups are required to register as “non-profit associations” (NPAs) and, along with INGOs, are highly regulated and comprehensively monitored. In addition, high profile instances of intimidation, arrests, and disappearances of people who have pushed ever so gently against the envelope send chilling and highly effective messages to people who want to contribute to addressing important and complex public issues. A single-minded focus on preserving power and controlling public discussion has precluded important conversations and robbed Lao people of a meaningful say in the solutions to widespread social problems. Although these problems have tended to elude the radar of major human rights organizations and the mainstream media, UN treaty bodies have made clear references to them but without significant effect to date.

⁵ World Bank, “Poverty Profile in Lao PDR,” 2014, <http://documents.worldbank.org/curated/en/868521467998508506/pdf/100120-WP-P146141-PUBLIC-Box393225B-Poverty-Profile-in-Lao-PDR-publication-version-12-19-14.pdf> p. 9.

Lao PDR's partners in development, including international financial institutions and UN programmes, funds, and agencies, as well as bilateral partners, have carefully shied away from most of these issues. After countless pilot projects, billions of dollars in official development aid, and numerous technical assistance programs, the impact on poverty reduction and respect for human rights seems deeply disappointing. Many interlocutors suggested to me that the UN in Lao PDR has largely failed to be a voice for the vulnerable, let alone for human rights, and that it has promoted an overly optimistic picture of the country's successes while sidestepping most of the many issues that it and the government deem to be "sensitive." The UN's vaunted "Rights Up Front" policy looks more like a "Rights out of Sight" policy in Lao PDR.

In general, development actors need to be wary of approaches that prioritize smooth diplomatic relations over the provision of meaningful analysis and support in areas where the received wisdom is clearly not working. In most settings, the failure to provide robust feedback and engage in a genuine dialogue do a disservice to the Lao people and government. It can lead to a failure of vision, a focus on the wrong criteria, a misplaced satisfaction with incremental improvements, and the effective exclusion of Lao people from key aspects of the overall development dialogue.

It does not need to be this way. Lao PDR is rich in natural resources and has a diverse, young population. I met with Lao people doing impressive work, struggling to operate in limited civic space or providing healthcare and education in remote areas with limited resources and uncertain pay. I also met with many Government officials who are clearly deeply dedicated and eager to find effective approaches, and in recent years, the Government has engaged in a more robust way with the UN human rights system. If the Government can be encouraged to adopt policies of transparency, meaningful participation, and genuine public dialogue, a huge amount could be accomplished in terms of promoting sustainable development and alleviating poverty.

2. The Extent of Poverty in Lao PDR

Lao PDR has made impressive progress in reducing the number of people living in poverty, under both international and national poverty measures. According to the World Bank, the percentage of those living on less than \$1.90 per day fell from 52.4 percent in 1997 to 22.7 percent in 2012.⁶ But this progress has been unequal, with 40 percent of people in rural areas still in poverty, as compared to 10 percent in urban areas.⁷ And there is evidence that official figures mask a social mobility ceiling because many of those who do escape the official poverty designation remain close to the poverty line or fall below it again. As of 2013, 80 percent of the population lived on less than \$2.50 per day, and roughly half of those in poverty as of 2012/13 had fallen into poverty in the past five years. More than two thirds had fallen into poverty in the prior ten years.⁸ Meanwhile, a quarter of the population remains below the official poverty line despite rapid economic growth. Lao PDR has seen a lower ratio of poverty reduction to economic growth than other countries in the region,⁹ and inequality is projected to rise.¹⁰

In addition to halving the number of those below the poverty line, Lao PDR has seen important advances in other areas: Between 2002/3 and 2012/13, access to electricity has doubled and the number of households living in houses built with bricks or concrete nearly tripled, while the proportion of those

⁶ World Bank, "Poverty and Equity Data Portal: Lao PDR," <http://povertydata.worldbank.org/poverty/country/LAO>.

⁷ World Bank, "Lao PDR Economic Monitor," January 2019, <http://documents.worldbank.org/curated/en/818841549314902040/pdf/134324-LEM-Jan-2019-final-for-online.pdf> p. 33.

⁸ World Bank, "Lao PDR Poverty Policy Notes: Drivers of Poverty Reduction in Lao PDR," October 2015, <http://documents.worldbank.org/curated/en/590861467722637341/pdf/101567-REPLACENENT-PUBLIC-Lao-PDR-Poverty-Policy-Notes-Drivers-of-Poverty-Reduction-in-Lao-PDR.pdf> p. 9.

⁹ World Bank, "Poverty Profile in Lao PDR," 2014, <http://documents.worldbank.org/curated/en/868521467998508506/pdf/100120-WP-P146141-PUBLIC-Box393225B-Poverty-Profile-in-Lao-PDR-publication-version-12-19-14.pdf> p. 8.

¹⁰ World Bank, "Poverty and Equity Brief: Lao People's Democratic Republic," October 2018, https://databank.worldbank.org/data/download/poverty/33EF03BB-9722-4AE2-ABC7-AA2972D68AFE/Global_POVEQ_LAO.pdf.

without a toilet has fallen by half. Net secondary school enrollment increased 23 percent, reaching 50 percent in 2012/13.¹¹ The government has established a Poverty Reduction Fund, focused on developing the poorest villages, and backed by \$186 million since 2003, 91 percent of which is from foreign donors.¹²

In general, too much emphasis is given to ticking boxes and improving numbers rather than ensuring meaningful changes to the lives of Lao people. In what has been described as “policy-making by aspirational statement,” government officials were eager to share ambitious targets and the creation of new committees, but were only rarely able to provide evidence that their policies had benefited people in the real world, or concrete plans for how these targets would be met. In one district I visited where 25 percent of households are in poverty, the deputy governor told me they planned to reduce poverty to 4 percent by 2024, but that the district did not have any special plan to accelerate poverty reduction in order to do so. Too many officials with whom I spoke seemed disinterested in auditing the effectiveness of policies to tackle poverty, and often could not provide basic numbers about program budgets, the number of people who had been reached, or what concrete steps had been achieved. The government has not provided me with evidence of progressive attempts to improve revenue collection or bolster social protection, and the Ministry of Finance told me it did not consider inequality in its approach to taxation and budgeting.¹³ One minister told me, “For me, poverty is natural, a force of nature, not a man made calamity.”

Very limited data and a lack of transparency around what data does exist make it difficult to accurately assess the current state of poverty in Lao PDR, and mean that programs and responses are being designed around information that may not reflect the actual situation. The most recent available figures are several years out of date, and the Ministry of Finance told me they could only release budget information up to 2016.¹⁴ Meanwhile, independent organizations have raised concerns about the reliability of official data, saying that it does not correspond with their own findings but that the government is not interested in addressing discrepancies. I saw this myself in one district, where officials told me that 100 percent of villages had electricity but I then visited a village in the district without electricity. The head of the village told me that a total of five villages in the area were still waiting to be connected to the electrical grid.

3. The Failure of Economic Growth to Alleviate Poverty

Lao PDR has pursued a top-down approach to economic growth and poverty alleviation that is all too often counterproductive, leading to impoverishment and risking the rights of the poor and marginalized. LDC graduation and GDP growth have been prioritized, while providing economic security and employment opportunities to poor people has not. Strategies for achieving economic growth, such as “Turning Land Into Capital” and development partner-backed projects in the hydropower sector, have too often had significant negative impacts and have actually made some people poorer by depriving them of access to land, livelihoods, and resources.

Land issues

Land is central to poor people’s livelihoods, yet land security is often tenuous and large-scale land acquisitions have been carried out in ways that threaten the rights of people in poverty. While estimates

¹¹ World Bank, “Lao PDR Poverty Policy Notes: Drivers of Poverty Reduction in Lao PDR,” October 2015, <http://documents.worldbank.org/curated/en/590861467722637341/pdf/101567-REPLACENENT-PUBLIC-Lao-PDR-Poverty-Policy-Notes-Drivers-of-Poverty-Reduction-in-Lao-PDR.pdf> p. 9.

¹² Meeting with Poverty Reduction Fund, March 25, 2019.

¹³ Meeting with Ministry of Finance, March 25, 2019.

¹⁴ Meeting with Ministry of Finance, March 25, 2019.

vary, approximately two-thirds of people in the country live in rural areas,¹⁵ and an estimated 80 percent of people in rural areas practice subsistence farming.¹⁶ For these people, access to land and forests is essential for cultivating rice and vegetables, gathering edible and medicinal plants, raising animals, and accessing rivers for fishing and bathing. Land is a source of livelihoods and a guarantee of food security, and in the conspicuous absence of basic goods and services or meaningful social protection, land is a safety net.

However, a policy of “Turning Land Into Capital”¹⁷ has blanketed the country with more than 1,750 concessions, covering a vast amount of the country’s land area.¹⁸ It has separated poor people from land they depended on. Under this policy, the government has granted companies the right to use vast tracts of land, sometimes for as long as a century, and often without regard for existing land use. Communities have lost valuable farmland and pasture and, at times, been forced to resettle entirely to make way for industrial plantations, hydropower projects, mines, and other allegedly more “productive” uses of land. While there is a dearth of comprehensive nation-wide analyses of the effects of the resulting loss of access to land, there are many rigorous case studies in which communities report decreased food security, loss of livelihoods, inadequate or no compensation for resources that were lost, impoverishment, worsened access to water, lack of good employment opportunities, and the need to take on debt to cope with the transition to a cash-based economy where food and drinking water need to be purchased.¹⁹

The lack of a systematic and transparent approach to compensation contributes to the impoverishment of people who are affected by land loss and resettlement.²⁰ According to reports, compensation often does not adequately reflect the value of the land that is lost, can be delayed, arrives at seemingly arbitrary points in time well after the loss of land, and can fluctuate wildly and be more generous for people with connections or more resources.

For example, the Special Rapporteur received allegations about problems with compensation in the Vang Vieng area, including as related to the construction of the China-Lao Railway, a flagship project of the Belt and Road Initiative in Lao PDR. According to the information provided, a family that was forced to abandon its home, garden, and grove of fruit trees finally received compensation for the loss of their house two years after the fact, but as yet has not been compensated for lost land or fruit trees, which provided the family with about US \$1,165 in income per year. Cases of marginalized people receiving lower rates of compensation than people who have more resources or connections have also been documented in Vang Vieng, in conjunction with the Vientiane-Vang Vieng expressway. The options for recourse are not encouraging. At least as explained by one provincial Governor, no one in the province has brought a compensation case to court because while some families initially cause “trouble,” they do so because they “don’t understand the rules for compensation;” once they are educated, the problem is solved.

Given the significance of land and the impoverishing effects of land loss, the legal framework is unsatisfactory and may actually worsen depending on the form that draft land and forestry laws ultimately take. In Lao PDR, hundreds of thousands of people live and farm in areas that have been designated as

¹⁵ According to an FAO report from 2018, 67.1% of people live in rural areas. Food and Agriculture Organization of the United Nations, “Country Gender Assessment of Agriculture and the Rural Sector in Lao People’s Democratic Republic,” 2018, <http://www.fao.org/3/ca0154en/CA0154EN.pdf> p. 6.

¹⁶ Food and Agriculture Organization of the United Nations, “Laos at a glance,” <http://www.fao.org/laos/fao-in-laos/laos-at-a-glance/en/>.

¹⁷ The policy dates back to at least 2006, when it was used in state-owned media; it has been referenced multiple other times in political documents and official speeches but never formalized. Kenny-Lazar, Miles, Dwyer, Michael, and Hett, Cornelia, “Turning Land into Capital: Assessing A Decade of Policy in Practice,” May 2018, <https://www.ohchr.org/Documents/Issues/EPoverty/Lao/MilesKenneyLazarAnnex6.pdf>, p. 8.

¹⁸ According to figures provided by the Ministry of Natural Resources and Environment on March 26, 2019, there are 1,758 concessions in Lao PDR.

¹⁹ See, e.g., International Rivers, “Submission to the United Nations Special Rapporteur on Extreme Poverty and Human Rights,” <https://www.ohchr.org/Documents/Issues/EPoverty/Lao/InternationalRivers.pdf>, p. 2; Christophe Gironde and Gilda Senties Portilla, “From Lagging Behind to Losing Ground: Cambodian and Laotian Household Economy and Large-Scale Land Acquisitions, in Large-Scale Land Acquisitions: Focus on South-East Asia,” 2015 International Development Policy series No.6, Geneva: Graduate Institute Publications, Boston: Brill-Nijhoff, pp. 189-90.

²⁰ See e.g., Kenny-Lazar, Miles, “Land Concessions, Land Tenure, and Livelihood Change: Plantation Development in Attapeu Province, Southern Laos,” 2012, laolandissues.org/wp-content/uploads/2012/03/Kenney-Lazar-Land-Concessions-Attapeu1.pdf p. 35-36.

“forests” in recent decades.²¹ Large numbers also practice shifting cultivation,²² a traditional form of land use and production that requires periodic removal of natural vegetation and alternating cycles of cultivation and fallow.²³ Many people rely on collective land, rather than individual land, to raise animals, gather products, and farm. The existing laws are insufficient to protect the land tenure of these groups. For example, reports point to two different efforts undertaken in 2012 to provide collective land titles, but the central Government confirmed that these are the only two instances of which they are aware, and that any issuance of collective title is on hold until the new land law is passed.²⁴ Similarly, civil society raised concerns about the recently passed resettlement law, including its perceived formalization of extremely broad powers to relocate people to accommodate private commercial projects. Civil society and development partners have also criticized the draft land law for failing to sufficiently protect the land tenure of people who live in forests, of women, of those who practice shifting cultivation, and of those who rely on collective land.

The Government deserves credit for taking steps to rethink its approach, as evidenced by such developments as the 2012 moratorium on mining, rubber and eucalyptus projects.²⁵ In 2017, the Lao People’s Revolutionary Party observed that land management had created complicated issues, and that expropriation was a “heavy burden” and a “sensitive issue, affecting public order.”²⁶ The Ministry of Natural Resources and the Environment explained to me that, at the direction of the Ministry of Planning and Investment, they have ceased issuing concessions while a review is undertaken. This reevaluation should be about more than simply cancelling some underperforming contracts. It offers an opportunity for the Government to recognize the importance of land to people and to seek to protect their tenure as a way of achieving poverty reduction. Given the fundamental importance of land to many poor people in Lao PDR, in order to avoid further impoverishment, land management should not be carried out as an uneven technocratic exercise but should be truly participatory, reflect and offer protections for existing land use, and be executed in a regular, transparent fashion with access to remedies.

Social and environmental impacts

Displacement and loss of access to land is one of a number of serious social and environmental impacts that have occurred as a result of Lao PDR’s pursuit of economic growth. There are other impacts endemic to infrastructure and other “mega” projects, including hydropower and Belt and Road Initiative projects, such as the China-Lao Railway. There are serious environmental effects, which affect people’s livelihoods, access to water, and food security, and there are also challenges that accompany construction such as dust, debris, coal, and an influx of workers often from outside the community.

²¹ Dwyer, M.B. and Ingalls, M., “REDD+ at the crossroads: Choices and tradeoffs for 2015 – 2020 in Laos,” 2015, <https://www.cifor.org/library/5536/> pp. 8-9.

²² A 2013 study of shifting cultivation in northern Lao PDR estimated that more than 550,000 people practice shifting cultivation. Food and Agriculture Organization of the United Nations, “Shifting Cultivation, Livelihood and Food Security: New and Old Challenges for Indigenous Peoples in Asia,” 2015, <http://www.fao.org/3/a-i4580e.pdf>, p. 9.

²³ Food and Agriculture Organization of the United Nations, “Shifting Cultivation, Livelihood and Food Security: New and Old Challenges for Indigenous Peoples in Asia,” 2015, <http://www.fao.org/3/a-i4580e.pdf>, p. 7. According to the report, shifting cultivation is “probably one of the most misunderstood, and thus controversial form of land use,” and a form of cultivation that has been vilified by colonial and post-colonial governments in Asia for more than a century, who have sought to eradicate shifting cultivation and have leveled against the practice many of the same critiques that they’ve used against ethnic minorities in the region: that it is backward, primitive, and a hindrance to progress. Vilification aside, arguments that shifting cultivation is economically inefficient and ecologically harmful have been proven inaccurate or outright wrong. The Government of Lao PDR long had a policy of seeking to eradicate shifting cultivation, although way in which this policy is implemented has arguably become more moderate over the last two decades. Food and Agriculture Organization of the United Nations, “Shifting Cultivation, Livelihood and Food Security: New and Old Challenges for Indigenous Peoples in Asia,” 2015, <http://www.fao.org/3/a-i4580e.pdf>, pp. 8-9; Miles Kenney-Lazar, “Shifting Cultivation in Laos: Transitions in Policy and Perspective,” <https://www.ohchr.org/Documents/Issues/EPoverty/Lao/MilesKenneyLazarAnnex5.pdf> p. 5.

²⁴ Meeting with Ministry of Natural Resources and the Environment, March 26, 2019.

²⁵ Kenny-Lazar, Miles, Dwyer, Michael, and Hett, Cornelia, “Turning Land into Capital: Assessing A Decade of Policy in Practice,” May 2018, <https://www.ohchr.org/Documents/Issues/EPoverty/Lao/MilesKenneyLazarAnnex6.pdf>, p. 10.

²⁶ Central Committee of the Lao People’s Revolutionary Party, “No. 026/CC. 2017. Resolution of the Party’s Central Committee on the Enhancement of Land Management and Development in New Period,” March 2018, <http://www.laolandinfo.org/wp-content/uploads/2012/03/Party-Resolution-about-Land-in-Laos-English-translation.pdf>.

There are also serious concerns specific to contract farming, industrial plantations, and commercial agriculture. Contract farmers told me they were stuck in a cycle of poverty. One woman described her frustrations with a deal between her village chief and a Vietnamese company that obligated her to grow and sell corn to the company at a price she believed to be considerably less than what her corn could fetch on the open market: “No matter how hard we work, we cannot earn enough to get by.” Contract farming can also entrench existing imbalances in power and resources, as village chiefs and local officials cut deals with companies. Alongside the commercialization of agriculture, the use of pesticides has risen precipitously, leading to health risks from exposure to toxins. A 2018 publication reported a 236 percent rise in pesticide use over ten years according to official figures, and in a survey of farmers and pesticide applicators in one region, more than 90 percent reported at least one symptom of acute exposure after applying pesticide, including headache, dizziness, rash, nausea, vomiting, and difficulty breathing.²⁷

Failure to link growth with poverty reduction

The pathways by which GDP growth-generating projects and strategies, like dams, land concessions, and Special Economic Zones, are meant to help people in poverty are not entirely clear as the conditions that would allow GDP growth to translate into meaningful support for people in poverty are not present. Government revenue generation is far from robust. The fiscal incentives and generous exemptions that are frequently offered to incentivize investment limit the amount of revenue collected by Lao PDR, leading even the World Bank and IMF to urge review and reform of exemptions.²⁸ As one example, the contribution to the budget from all Special Economic Zones was about \$20 million in 2017, or less than 1 percent of domestic revenue,²⁹ and as discussed below, in 2017, the hydropower sector generated less than 1 percent of GDP as government revenue.³⁰ The Government has failed to sufficiently invest what revenue it has in actual basic services that would support people in escaping poverty, like healthcare, education, and cash transfers. As discussed below, such spending is already low by the standards of the region and has remained stubbornly shy of the Government’s goals. Significant public debt has been taken on to finance projects, increasingly on murky and non-concessional terms, with implications for future generations. The extreme opacity of revenue streams and public expenditure means there is very little evidence for the case that economic growth is fueling investment in the poor, rather than benefiting the already wealthy and powerful and further entrenching inequality. With regard to employment, according to the Ministry of Planning and Investment, 11 Special Economic Zones had created only 27,416 jobs as of 2018, and only 34 percent of these went to Lao workers—well short of the policy to limit foreign workers to 10 percent of jobs generated by foreign direct investment.³¹

4. The Xe Pian Xe Namnoy Dam and the future of hydropower

On July 23, 2018, following a period of unusually heavy rainfall, a breach in an auxiliary dam of the Xe Pian Xe Namnoy dam caused fatal and destructive flooding in the Sanamxay district of Attapeu province. The violent flooding demolished homes, uprooted trees, overturned vehicles, and displaced thousands of people from severely affected villages. Nine months later, approximately 3,750 people remain in limbo,

²⁷ Lao Upland Rural Advisory Service, “Pesticide Use in Lao PDR: Health and Environmental Impacts,” January 2018, p. 10.

²⁸ International Monetary Fund, “Lao People’s Democratic Republic : 2017 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for Lao People’s Democratic Republic,” March 23, 2018, <https://www.imf.org/en/Publications/CR/Issues/2018/03/23/Lao-Peoples-Democratic-Republic-2017-Article-IV-Consultation-Press-Release-Staff-Report-and-45750>; World Bank, “Lao PDR economic monitor : safeguarding stability - an ongoing agenda: thematic section - how can farmers get more for their rice and consumers pay less?,” 2018, <http://documents.worldbank.org/curated/en/418261529002464394/Lao-PDR-economic-monitor-safeguarding-stability-an-ongoing-agenda-thematic-section-how-can-farmers-get-more-for-their-rice-and-consumers-pay-less> pp. 12, 37.

²⁹ World Bank, “Lao PDR economic monitor : safeguarding stability - an ongoing agenda: thematic section - how can farmers get more for their rice and consumers pay less?,” 2018, <http://documents.worldbank.org/curated/en/418261529002464394/Lao-PDR-economic-monitor-safeguarding-stability-an-ongoing-agenda-thematic-section-how-can-farmers-get-more-for-their-rice-and-consumers-pay-less> p. 11

³⁰ International Monetary Fund, “Lao People’s Democratic Republic : 2017 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for Lao People’s Democratic Republic,” March 23, 2018, <https://www.imf.org/en/Publications/CR/Issues/2018/03/23/Lao-Peoples-Democratic-Republic-2017-Article-IV-Consultation-Press-Release-Staff-Report-and-45750> p. 38.

³¹ Figures provided by the Lao Ministry of Planning and Investment, March 26, 2018.

living in crowded and hot temporary accommodation without information about what the future holds, and with extremely limited financial support.

Officials acknowledge that many of these people lost everything they owned in the flooding, and the Special Rapporteur is aware of at least \$28.3 million in funds that have been rightly pledged to relief efforts from outside of the country.³² However, in terms of direct cash support, people receive just 5,000 Kip per day (about \$0.60), one payment of 100,000 Kip per month (about \$11.65), and 20 kilograms of rice—an amount that essentially guarantees people will live in poverty. Furthermore, I met with multiple people in different camps who reported that they had not received any financial support at all for February or March.³³ People told me they didn't have money to buy food or drinking water, didn't have money to send their children to the hospital, and were going into debt just to get by. The situation is so challenging that some people have preferred to return to their village to eke out a life in the shells of the buildings that remain, rather than stay in the temporary camps, where one person described the conditions as “torturous.” When asked for an assessment of the disaster response, an official from the Ministry of Labor and Social Welfare said that while the government was doing its best, “We cannot say officially whether we are happy with the Attapeu response or not.”

The government is working on a plan to establish a lasting solution for people, but there is a great deal of uncertainty around the timeline and contours of this plan, uncertainty that is most keenly felt by people living in the camps. I was told by authorities at the provincial and district level that it will take two to three years to set up permanent resettlement, and villagers reported that they had been told they might have to wait up to five years. Their frustrations were palpable. One woman explained, “I can't rely on a promise that I'll get a house in five years when even my monthly payments are late.” Another man said, “We will die before we see the new homes.” And although one district level official assured me that a “true consultation” about the future plan had occurred, the vast majority of those with whom I was able to speak in the absence of government agents or village chiefs said that they had been provided with little to no information about any specific plans, and women universally said that they had not been consulted or given any opportunity to provide input. Although I repeatedly asked government officials what could possibly take two to three years given that less than 4,000 people need accommodation, I failed to receive a satisfactory answer. Interlocutors pointed out the contrast with the fact that in SEZs, entire towns were being built in short order.

While this disaster is unprecedented in Lao PDR, it is also illustrative of broader trends. It's an important test of the country's preparedness for climate change, which will certainly bring more extreme weather disasters and have a disproportionate effect on the people in poverty, who are least able to mitigate risk and more likely to live in vulnerable areas. It has also catalyzed an ongoing discussion about the role of the hydropower sector, prompting a review of the Government's strategy of achieving economic growth through the construction of dams and the export of power to regional neighbors. The aspiration to become the battery of South-East Asia, and the Government's goal, at least as of 2017, of building 100 dams by 2020 look increasingly problematic.

³² As of March 25, the UN Country Team had recorded \$8.3 million in contributions towards the Disaster Response Plan of the Humanitarian Country Team (which includes INGOs), separate and apart from the \$10 million pledged by SK Group Chairman Chey Tae-won, and \$10 million promised by \$10 million USD by PNPC. See Chris Humphrey, “Devastating Laos dam collapse leads to deforestation of protected forests,” December 28, 2018, <https://news.mongabay.com/2018/12/devastating-laos-dam-collapse-leads-to-deforestation-of-protected-forests/>; <http://www.nationmultimedia.com/detail/opinion/30357045>.

³³ In Attapeu Province, the Special Rapporteur visited three temporary camps for survivors of the Xe-Pian Xe-Namnoy dam collapse, Hadyao (estimated 598 people), Tamayord (estimated 871 people), and Dong Ban (estimated 1,394), as well as a village devastated by the collapse, Mai Village. There are two other camps, DoneBook (estimated 529 people) and PineDong (estimated 355 people). Of the total estimated 3,747 people living in the five camps, an estimated 1,500 to 1,700 are children under 18 years-old, and 1,792 are women.

The negative and often impoverishing social and environmental impacts that can attend dam construction and operation have been well-documented and will not be repeated here.³⁴ Just upstream from the Xe Pian Xe Namnoy dam, I met with people who had been moved to a “resettlement village” in order to make way for two different dam reservoirs. They raised a refrain that’s now all too familiar for resettled communities in Lao PDR who have been forced to leave their land to make way for more “profitable” uses: vast reductions in farmland, inability to collect edible and medicinal items from the forest, food insecurity, debt, lack of consultation, and inadequate compensation.

At this stage, it is not clear that hydropower leads to meaningful poverty alleviation. In 2017, the hydropower sector generated less than 1 percent of GDP as government revenue,³⁵ and dams create few jobs directly.³⁶ While the government’s response is that large profits will eventually come, the significant uncertainty about the anticipated level of demand for imported hydropower from Lao PDR makes it unwise to place undue reliance on far distant projections.³⁷ Projected benefits also need to be weighed against the amount and type of debt that the country has taken on in order to finance hydropower projects. The World Bank has advised that public investment, especially loan-financed, be carefully prioritized and scaled back in the power sector, where “debt accumulation has worsened the financial health of the public utilities which could add significant liabilities to the budget, if a well-paying market for power is not secured.”³⁸

Yet, when it comes to the future of hydropower, various conversations with senior officials provided no indication of any serious rethinking of the Government’s basic strategy. The World Bank, which has long supported the development of hydropower in Lao PDR, continues to advise the Government on hydropower, despite the criticism of their model dam, Nam Theun 2, not to mention the country’s rank of 132 out of 180 according to Transparency International’s corruption perceptions index.³⁹

5. Challenges

Gender

Women face severe marginalization in Lao PDR, with substantial implications for poverty alleviation. Most committees and bodies include a representative of the Lao Women’s Union, and Government officials are quick to point to official gender equality policies, but aspirational and tokenistic approaches to gender inclusivity do little to ensure that women are meaningfully included in decision making and solutions. With some notable exceptions, the vast majority of my government meetings were dominated by men, and I encountered deeply patriarchal attitudes among many of the men I met who occupy leadership roles. When asked why women are not in more positions of authority, one very senior district official told me: “Women are not brave enough to step up to take the position of leadership, they don’t want to study hard or be in traditional leadership roles.” Another official at the central level explained to

³⁴See, e.g., Baird, Ian & Shoemaker, Bruce & Manomom, Kanokwan, “The People and their River, the World Bank and its Dam: Revisiting the Xe Bang Fai River in Laos,” *Development and Change* 46, 2015, 1080-1105. *Dead in the water: global lessons from the World Bank’s model hydropower project in Laos*, Shoemaker, B. and Robichaud, W. (Eds), University of Wisconsin Press, 2018.

³⁵ International Monetary Fund, “Lao People’s Democratic Republic : 2017 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for Lao People’s Democratic Republic,” March 23, 2018, <https://www.imf.org/en/Publications/CR/Issues/2018/03/23/Lao-Peoples-Democratic-Republic-2017-Article-IV-Consultation-Press-Release-Staff-Report-and-45750> p. 38.

³⁶ World Bank, “Lao PDR - Systematic Country Diagnostic: Priorities for Ending Poverty and Boosting Shared Prosperity,” March 2017, <http://documents.worldbank.org/curated/en/983001490107755004/Lao-PDR-Systematic-Country-Diagnostic-Priorities-for-Ending-Poverty-and-Boosting-Shared-Prosperity> p. iv.

³⁷ Cronin, Richard, Eyler, Brian, and Weatherby, Courtney, “Letters from the Mekong: A Call for Strategic Basin Wide Energy Planning in Laos,” October 2016, <https://www.stimson.org/sites/default/files/file-attachments/Letters-Mekong-Call-Strategic-Basin-Energy-Planning-Laos.pdf> p. 14.

³⁸ World Bank, “

Lao PDR economic monitor: safeguarding stability - an ongoing agenda: thematic section - how can farmers get more for their rice and consumers pay less?” June 2018, <http://documents.worldbank.org/curated/en/418261529002464394/Lao-PDR-economic-monitor-safeguarding-stability-an-ongoing-agenda-thematic-section-how-can-farmers-get-more-for-their-rice-and-consumers-pay-less> p. 4.

³⁹ Transparency International, “Laos,” <https://www.transparency.org/country/LAO>.

me that the government was keen to promote women but that their participation depended on how “strong” they were, and the “capacity of a woman to do the work, to take on responsibility.”

Despite gender parity in the workforce, women generally occupy the lower rungs of the labor market and are less present in the formal sector (and the social protection it provides). Women make up 64 percent of workers in “elementary” occupations and 63 percent of those classified as service, shop, and market sales, whereas men account for the majority of civil servants, professionals, and technicians.⁴⁰

The time burden of rural women’s unpaid domestic work limits their ability to access paid employment and contributes to unequal education outcomes which, in turn, hinder them from competing with men for more skilled and better paid jobs.⁴¹ Female-headed households are disproportionately poor, with women working longer hours and earning less on average than male heads-of-household.⁴²

Women are poorly represented in the Politburo and Central Committee, and lower-level positions of the party.⁴³ According to the Lao Women’s Union, seven of the 69 members of the Politburo Central Committee are women, just over 10 percent.⁴⁴ Fewer than 3 percent of village chiefs are women,⁴⁵ and as of 2012 women accounted for just 5 percent of those in decision-making institutions (except the National Assembly, which has a higher proportion of women at 27.5 percent).⁴⁶ The gap is especially great for women in rural areas and among ethnic minorities, who are further constrained by traditional socio-cultural barriers that can inhibit women’s access to education, social and civic activities, or leadership positions.⁴⁷

Educational gaps persist, particularly at higher levels of education, with 66 girls attending secondary school for every 100 boys within the “poorest quintiles” of the population⁴⁸ and there is a 14 percent adult literacy gap between men and women.⁴⁹ The majority of those who have never been to school are girls,⁵⁰ and girls are more likely to be kept home due to safety concerns (especially if a secondary school is farther away), or to perform child labor and household responsibilities, or because of child marriage.⁵¹

Women I spoke with in villages and camps were less likely to be informed of or consulted on critical livelihood decisions, including resettlement compensation or disaster relief. Village mediation committees, which function as quasi-judicial mechanisms in many villages, appear to be dominated by men yet handle sensitive cases, including reportedly of rape.

Ethnic minorities and indigenous peoples

Lao PDR is one of South-East Asia’s most ethnically diverse countries. The constitution defines the country as a multi-ethnic State, with equality among all ethnic groups. But poverty is concentrated among

⁴⁰ UNDP, “Lao PDR: Gender Equality,” <http://www.la.undp.org/content/laopdr/en/home/sustainable-development-goals/goal-5-gender-equality.html>.

⁴¹ Association for Development of Women and Legal Education, “Capacity Assessment Report: CEDAW Implementation in Lao PDR,” June 2016, http://adwlelaos.org/wp-content/uploads/2017/09/SRP001_Cedaw-Assessment_EF-14-07-2016-ENG.pdf.

⁴² Lao Women’s Union, “Lao PDR Gender Profile,” 2018,

<http://www.directoryofngos.org/ingo2/a/download?id=document2289&field=file¬etype=document&file=TGFvIFBUEiBHZW5kZXIgdUJvZmlsZV9GaW5hbCBWZXJzaW9uIDYlYjYyMjAxOC5wZGY>.

⁴³ Bertelsmann Stiftung, “BTI 2018 | Laos Country Report,” bti-project.org/en/reports/country-reports/detail/itc/LAO/.

⁴⁴ Meeting with Lao Women’s Union, March 25, 2019.

⁴⁵ US Department of State, “Laos 2017 Human Rights Report,” <https://www.state.gov/documents/organization/277337.pdf>.

⁴⁶ UNDP, “Lao PDR: Gender Equality,” <http://www.la.undp.org/content/laopdr/en/home/sustainable-development-goals/goal-5-gender-equality.html>.

⁴⁷ Underrepresented Nations and Peoples Organization, “Alternative Report Submitted to the UN Committee on the Elimination of All Forms of Discrimination Against Women Lao People’s Democratic Republic,” October 4, 2018, <https://unpo.org/article/21143>.

⁴⁸ UNDP, “Lao PDR: Gender Equality,” <http://www.la.undp.org/content/laopdr/en/home/sustainable-development-goals/goal-5-gender-equality.html>.

⁴⁹ Association for Development of Women and Legal Education (ADWLE), “Capacity Assessment Report – CEDAW Implementation in Lao PDR, June 2016.

⁵⁰ World Bank, “Lao PDR Economic Monitor,” January 2019, <http://documents.worldbank.org/curated/en/818841549314902040/pdf/134324-LEM-Jan-2019-final-for-online.pdf> p. 46.

⁵¹ UNDP, “Lao PDR: Gender Equality,” <http://www.la.undp.org/content/laopdr/en/home/sustainable-development-goals/goal-5-gender-equality.html>.

minority (non-Lao-Tai) ethnic groups, who have lower rates of education, depend primarily on agriculture, and live in more remote areas.⁵² The government officially recognizes 49 ethnic groups, while independent estimates put the number at more than 200.⁵³

Minority groups make up approximately 45 percent of the population.⁵⁴ They face higher rates of poverty,⁵⁵ typically practice subsistence oriented, semi-permanent or shifting agriculture, often live in areas with limited social services and infrastructure, and may not speak Lao.⁵⁶ A 2017 World Bank report found ethnic minorities lagged behind the majority Lao-Tai at all economic levels: those in poverty ethnic minorities were worse off than Lao-Tai in poverty, but also those better-off from ethnic minority groups were still poorer than better off Lao-Tai.⁵⁷ They have more limited access to healthcare,⁵⁸ lower rates of education, and less access to clean water and sanitation. For example, the percentage of ethnic minorities relying on unimproved or surface water ranged from between 20 to 32.5 percent, compared to just 8.5 percent of Lao-Tai. And while only 13.9 percent of Lao-Tai practice open defecation, that rises to between 30.3 to 46.3 percent among ethnic minorities.⁵⁹

Crucially, the gap between ethnic minorities and the Lao-Tai majority cannot be fully explained by differences in characteristics like larger household sizes or more limited access to education and infrastructure; there are real indications that government policies disfavor minorities.⁶⁰

Ethnic minorities have more limited access to schools, with just 5 percent living in a village with an upper-secondary school, compared to 16 percent of Lao-Tai.⁶¹ Thirty-four percent of working-age ethnic minorities have no education, three times the rate of Lao-Tai, and just 15 percent have completed secondary education compared to 60 percent of Lao-Tai.⁶²

For children from ethnic minority families who may not speak Lao at home, the government's insistence on Lao as the only language of instruction puts minority children at a disadvantage.⁶³ While the Ministry of Education and Sports told me they cannot be expected to provide an education in 50 languages, that should not preclude teachers from minority communities from using their own language to ensure children from already disadvantaged communities are not being left behind. The Ministry said there were

⁵² World Bank, "Lao Poverty Policy Brief: Taxonomy of the Poor and Its Usefulness in Policy Design," December 2017, <http://documents.worldbank.org/curated/en/114211505815281554/pdf/119794-WP-taxonomy-PovertyReport-PUBLIC-ENGLISH-and-LAO-ENGLAOfinal.pdf> p. 3.

⁵³ Minority Rights Group International, "Laos," <https://minorityrights.org/country/laos/>.

⁵⁴ Ian Baird, Translocal assemblages and the circulation of the concept of "indigenous peoples" in Laos, *Political Geography* 46 (2015) 54-64; World Population Review, "Laos Population 2019," <http://worldpopulationreview.com/countries/laos-population/>; Minority Rights Group International, "Laos," <https://minorityrights.org/country/laos/>; World Population Review, "Laos Population 2019," <http://worldpopulationreview.com/countries/laos-population/>.

⁵⁵ World Bank "Lao Poverty Policy Brief: Why Are Ethnic Minorities Poor?," 2017, <http://documents.worldbank.org/curated/en/501721505813643980/pdf/119793-WP-PovertyReport-PUBLIC-ENGLISH-and-LAO-ENGLAOfinal.pdf> p. 4.

⁵⁶ Elizabeth King and Dominique van de Walle, "Indigenous Peoples, Poverty and Development, Chapter 7: Laos," March 2010, http://siteresources.worldbank.org/EXTINDPEOPLE/Resources/407801-1271860301656/Chapter_7_Laos.pdf p. 2.

⁵⁷ World Bank "Lao Poverty Policy Brief: Why Are Ethnic Minorities Poor?," 2017,

<http://documents.worldbank.org/curated/en/501721505813643980/pdf/119793-WP-PovertyReport-PUBLIC-ENGLISH-and-LAO-ENGLAOfinal.pdf> p. 4.

⁵⁸ Open Development, "Laos: Ethnic Minorities and Indigenous People," October 5, 2018, <https://laos.opendevlopmentmekong.net/topics/ethnic-minorities-and-indigenous-people/>.

⁵⁹ Lao Statistics Bureau, "Lao Social Indicator Survey II (LSIS II): 2017," June 2018, https://www.lsb.gov.la/wp-content/uploads/2018/10/Lao-Social-Indicator-Survey-Lsis-II-2017_EN.pdf p. 333.

⁶⁰ World Bank, "Poverty Profile in Lao PDR," 2014, <http://documents.worldbank.org/curated/en/868521467998508506/pdf/100120-WP-P146141-PUBLIC-Box393225B-Poverty-Profile-in-Lao-PDR-publication-version-12-19-14.pdf> p. 14; World Bank, "Lao PDR Poverty Policy Notes: Drivers of Poverty Reduction in Lao PDR," October 2015, <http://documents.worldbank.org/curated/en/590861467722637341/pdf/101567-REPLACEMENT-PUBLIC-Lao-PDR-Poverty-Policy-Notes-Drivers-of-Poverty-Reduction-in-Lao-PDR.pdf> p. 23.

⁶¹ World Bank "Lao Poverty Policy Brief: Why Are Ethnic Minorities Poor?," 2017,

<http://documents.worldbank.org/curated/en/501721505813643980/pdf/119793-WP-PovertyReport-PUBLIC-ENGLISH-and-LAO-ENGLAOfinal.pdf> p. 10.

⁶² World Bank "Lao Poverty Policy Brief: Why Are Ethnic Minorities Poor?," 2017,

<http://documents.worldbank.org/curated/en/501721505813643980/pdf/119793-WP-PovertyReport-PUBLIC-ENGLISH-and-LAO-ENGLAOfinal.pdf> p. 9.

⁶³ Understanding Children's Work, "Understanding Children's Work and Youth Employment Outcomes in Laos," 2014,

<http://documents.worldbank.org/curated/en/587261545112094976/pdf/133003-WP-v1-PUBLIC-ADD-SERIES-see-103603-Laos-Summary-child-labour-youth-employment20140109-131624.pdf> p. 7.

23 special schools to train children from ethnic minorities to become teachers, but that they would only be able to teach in Lao.⁶⁴

Corruption and land distribution also disproportionately impact minorities, and land concessions to foreign investors in the hydroelectric, extractive, and logging industries significantly impact minority groups through relocation without adequate consultation or compensation.⁶⁵ Because of linguistic differences and lower rates of education, ethnic minority groups may not fully understand their land rights and the terms of the contracts being signed.⁶⁶

Some ethnic groups have laid claim to indigenous status. While this report is not the appropriate context in which to resolve that claim, such status would confer additional rights under international law, including to free, prior, and informed consent to the use of land and resources. However, the government has shut down the discussion, contending that there are no indigenous or even minority groups in Lao PDR, and that all ethnic groups are equal. Such an approach fails to acknowledge the very real disparities between ethnic groups, or to address the issue of whether protections available under international law for indigenous peoples should actually be considered to apply.

The government has resettled people, including ethnic minorities, to consolidated villages in remote areas. But there is evidence that these steps have worsened the welfare of relocated households due to unsuitable land in relocation areas and a lack of support in adapting to new environments. Some have argued that these programs are in fact geared toward assimilating ethnic minorities into Lao-Tai culture, rather than improving living conditions.⁶⁷

Children

Lao PDR is not doing enough to ensure that children can escape the cycle of poverty. Without adequate access to education and social support, too many children are dropping out of school, marrying very young, or working to support their families. According to UNICEF a shocking 88 percent of children in Lao PDR experience some form of deprivation, with dire consequences for lifelong productivity and social participation.⁶⁸ Levels of working poverty are extremely high among Lao youth aged 15-24, with 75 percent of employed youth in poverty.⁶⁹

Child marriage is highly prevalent in Lao PDR: of those aged 20-24, 32.7 percent of women and 10.8 percent of men married before age 18, and 7.1 percent of women and 1.8 percent of men married before age 15.⁷⁰ Within the poorest quintile, 47 percent of women 20-49 were married by 18, compared to just 16 percent in the richest quintile.⁷¹ Early pregnancy is also high, with 18 percent of women 20-24 having a live birth before age 18. Early childbearing is at least nine times more likely amongst the poorest

⁶⁴ Meeting with Ministry of Education and Sports, March 25, 2019.

⁶⁵ Lao Movement for Human Rights and International Federation for Human Rights, "Shadow report to United Nations Human Rights Committee 123rd session," https://www.fidh.org/IMG/pdf/fidh-lmhr_joint_shadow_report_ccpr_123_lao_pdr_june_2018.pdf p. 16; Christophe Golay, "Identifying and Monitoring Human Rights Violations Associated with Large-Scale Land Acquisitions," 2015, <https://journals.openedition.org/poldev/2050>.

⁶⁶ Open Development, "Laos: Ethnic Minorities and Indigenous People," October 5, 2018, <https://laos.opendevlopmentmekong.net/topics/ethnic-minorities-and-indigenous-people/>.

⁶⁷ Elizabeth King and Dominique van de Walle, "Indigenous Peoples, Poverty and Development, Chapter 7: Laos," March 2010, http://siteresources.worldbank.org/EXTINDPEOPLE/Resources/407801-1271860301656/Chapter_7_Laos.pdf p. 3.

⁶⁸ UNICEF and Lao Ministry of Planning and Investment, "SDGs and Children: Measuring Progress on Child Wellbeing in Lao PDR," preliminary report 2018, p. 12.

⁶⁹ Understanding Children's Work, "Understanding Children's Work and Youth Employment Outcomes in Laos," 2014,

<http://documents.worldbank.org/curated/en/587261545112094976/pdf/133003-WP-v1-PUBLIC-ADD-SERIES-see-103603-Laos-Summary-child-labour-youth-employment20140109-131624.pdf> p. 9.

⁷⁰ Lao Statistics Bureau, "Lao Social Indicator Survey II: Survey Findings Report," 2017, <https://www.unicef.org/eap/sites/unicef.org/eap/files/2018-06/Summary%20Survey%20Findings%20Report%20an%20statistical%20snapshots%20of%20Lao%20Social%20Indicator%20Survey%20II.pdf> p. 20.

⁷¹ Lao Statistics Bureau, "Lao Social Indicator Survey II: Survey Findings Report," 2017, <https://www.unicef.org/eap/sites/unicef.org/eap/files/2018-06/Summary%20Survey%20Findings%20Report%20an%20statistical%20snapshots%20of%20Lao%20Social%20Indicator%20Survey%20II.pdf> p. 57.

quintile.⁷² The consequences of early marriage can be severe and lifelong: three out of four girls in early marriages either drop out of school, do not finish, or fall behind.⁷³

Lao PDR prohibits child labor below age 14, but according to the 2010 Labour Force and Child Labour Survey, 71,000 children aged 6-13 (6.5 percent of this age group) are working, and an additional 190,000 children aged 14-17 (roughly 35 percent of this age group) are working.⁷⁴ UNICEF found in 2018 that around 25 percent of children 5-17 were being subjected to hazardous working conditions.⁷⁵ The lack of social protection is an important factor in the prevalence of child labor, because it means families must turn to their children in times of financial need and economic shocks.

The impact of child labor is well documented—it can lead to social vulnerability and marginalization, impair children’s potential, and influence a lifetime of employment and pay patterns. Children who are working show significantly higher rates of deprivation in almost all areas, including education. Children involved in child labor are more than twice as likely to not attend, complete, or achieve in school.⁷⁶ Child labor in Lao PDR is primarily rural and agricultural, with low pay and high hours. Among those aged 6-13, 97 percent are working in the agriculture sector, and 88 percent are non-wage family workers. Working children aged 6-13 log an average of more than 40 work hours a week.⁷⁷

Rural poverty

People in rural areas are much more likely to experience or be affected by poverty. While the remote and dispersed nature of the rural population presents real challenges, the government cannot give up on seeking to provide rural communities with equal access to services and infrastructure by leaving them with second class status or pushing problematic consolidation or relocation programs. As of 2012/2013, rural areas accounted for 71 percent of the population, and the rural poverty rate was four times the rate in urban areas.⁷⁸ Rural poverty has also declined more slowly than in urban areas in recent years, concentrating poverty in rural areas. An overwhelming majority of the poor, 88 percent, were rural residents as of 2012/2013, 6 percent higher than 2007/2008.⁷⁹

Resources from communal property account for a significant proportion of food security in rural areas, particularly for people in poverty. Land concessions for agriculture and tree plantations, mineral extraction, hydropower, and infrastructure projects have exacerbated food insecurity by expropriating communal and private land, which often lack title, and reducing access. While these projects can create jobs, they are too few in number and wages are not high enough to make up for the impact of lost land. Land allocation policies, village relocation and consolidation, and economic land concessions have led to

⁷² Lao Statistics Bureau, "Lao Social Indicator Survey II: Survey Findings Report," 2017, <https://www.unicef.org/eap/sites/unicef.org/eap/files/2018-06/Summary%20Survey%20Findings%20Report%20an%20statistical%20snapshots%20of%20Lao%20Social%20Indicator%20Survey%20II.pdf> p. 24.

⁷³ UNICEF and Lao Ministry of Planning and Investment, "SDGs and Children: Measuring Progress on Child Wellbeing in Lao PDR," preliminary report 2018, p. 70.

⁷⁴ Understanding Children's Work, "Understanding Children's Work and Youth Employment Outcomes in Laos," 2014, <http://documents.worldbank.org/curated/en/587261545112094976/pdf/133003-WP-v1-PUBLIC-ADD-SERIES-see-103603-Laos-Summary-child-labour-youth-employment20140109-131624.pdf> p. 2.

⁷⁵ UNICEF and Lao Ministry of Planning and Investment, "SDGs and Children: Measuring Progress on Child Wellbeing in Lao PDR," preliminary report 2018, p. 70.

⁷⁶ UNICEF and Lao Ministry of Planning and Investment, "SDGs and Children: Measuring Progress on Child Wellbeing in Lao PDR," preliminary report 2018, p. 70.

⁷⁷ Understanding Children's Work, "Understanding Children's Work and Youth Employment Outcomes in Laos," 2014, <http://documents.worldbank.org/curated/en/587261545112094976/pdf/133003-WP-v1-PUBLIC-ADD-SERIES-see-103603-Laos-Summary-child-labour-youth-employment20140109-131624.pdf> pp. 3-4.

⁷⁸ World Bank, "Lao PDR Economic Monitor," January 2019, <http://documents.worldbank.org/curated/en/818841549314902040/pdf/134324-LEM-Jan-2019-final-for-online.pdf> p. 33.

⁷⁹ World Bank, "Poverty Profile in Lao PDR," 2014, <http://documents.worldbank.org/curated/en/868521467998508506/pdf/100120-WP-P146141-PUBLIC-Box393225B-Poverty-Profile-in-Lao-PDR-publication-version-12-19-14.pdf> p. 9.

population pressure and natural resource scarcity, and contributed to poverty and food shortages in rural areas. In some cases, farmers have lost access to land when they sell it after falling into debt.⁸⁰

Infrastructure

There are serious gaps in water and sanitation services in Lao PDR, and progress in these areas does not seem to be reaching the poorest parts of the population. According to government numbers, among the poorest quintile, only 56 percent had access to improved sources of drinking water, just 23 percent had access to basic sanitation facilities, just 21 percent had access to a basic hand washing facility, and 72 percent practice open defecation.⁸¹ Nationally, about 20 percent of households spend more than 30 minutes each day collecting water⁸² and 86 percent of household water samples have tested positive for E-Coli.⁸³

Fourteen percent of rural villages do not have road access, and even those with roads may be inaccessible during the rainy season, severely limiting their access to basic services and markets.⁸⁴ According to UNICEF, 97.5 percent of children in areas without roads were deprived in some way,⁸⁵ and the World Bank found that those with road access were 10 percent more likely to escape poverty.⁸⁶ In one district I visited, officials said that 39 villages in the district lost road access during the rainy season, and that 22 of those villages could not reach a health facility during that time.

Unexploded Ordnance

According to Legacies of War, from 1964 to 1973, the United States dropped more than 2 million tons of ordnance over Lao PDR in 580,000 bombing missions. At least 270 million cluster bomblets were dropped, approximately 80 million of which failed to detonate. Tragically, a 2009 survey found unexploded ordnance has killed or maimed as many as 50,000 civilians in Lao PDR since 1964. Surveys and strike data indicate that about a third of the country is contaminated with unexploded ordnance.⁸⁷ Unexploded ordnance can mean that farmers can't use agricultural land, or must risk death or injury to feed their families. Exploding ordnance can cause disabilities that prevent people from working and—because of limited social support—may require intensive family support and care, keeping additional family members out of work. In Houaphanh, I met an 18-year-old woman whose husband was recently killed by unexploded ordnance, and who now has no means of support for herself and her baby.

6. Key Social Protection Programmes

Lao PDR does not have a comprehensive social security system or social safety net to alleviate poverty, and people often rely on small-scale networks of kinship, village, ethnicity, and patronage.⁸⁸ To justify a

⁸⁰ Miles Kenney-Lazar, "Linking food and land tenure security in Lao PDR," 2016, https://data.opendevdevelopmentmekong.net/dataset/2016-6/resource/fbaedd35-9ca3-45de-b4bb-fa47d53852cd?type=library_record p. vii-viii.

⁸¹ Lao Statistics Bureau, "Lao Social Indicator Survey II: Survey Findings Report," 2017, <https://www.unicef.org/eap/sites/unicef.org/eap/files/2018-06/Summary%20Survey%20Findings%20Report%20an%20statistical%20snapshots%20of%20Lao%20Social%20Indicator%20Survey%20II.pdf> pp. 47-50, 49.

⁸² Lao Statistics Bureau, "Lao Social Indicator Survey II: Survey Findings Report," 2017, <https://www.unicef.org/eap/sites/unicef.org/eap/files/2018-06/Summary%20Survey%20Findings%20Report%20an%20statistical%20snapshots%20of%20Lao%20Social%20Indicator%20Survey%20II.pdf> p. 49.

⁸³ Lao Statistics Bureau, "Lao Social Indicator Survey II: Survey Findings Report," 2017, <https://www.unicef.org/eap/sites/unicef.org/eap/files/2018-06/Summary%20Survey%20Findings%20Report%20an%20statistical%20snapshots%20of%20Lao%20Social%20Indicator%20Survey%20II.pdf> p. 21.

⁸⁴ Lao Statistics Bureau, "Lao Social Indicator Survey II: Survey Findings Report," 2017, <https://www.unicef.org/eap/sites/unicef.org/eap/files/2018-06/Summary%20Survey%20Findings%20Report%20an%20statistical%20snapshots%20of%20Lao%20Social%20Indicator%20Survey%20II.pdf> p. 3.

⁸⁵ UNICEF and Lao Ministry of Planning and Investment, "SDGs and Children: Measuring Progress on Child Wellbeing in Lao PDR," preliminary report 2018, p. 27.

⁸⁶ World Bank, "Lao PDR Poverty Policy Notes: Drivers of Poverty Reduction in Lao PDR," October 2015, <http://documents.worldbank.org/curated/en/590861467722637341/pdf/101567-REPLACENENT-PUBLIC-Lao-PDR-Poverty-Policy-Notes-Drivers-of-Poverty-Reduction-in-Lao-PDR.pdf> p. 27.

⁸⁷ Legacies of War, "Cluster Bomb Fact Sheet," <http://legaciesofwar.org/resources/cluster-bomb-fact-sheet/>.

⁸⁸ Bertelsmann Stiftung, "BTI 2018 | Laos Country Report," bti-project.org/en/reports/country-reports/detail/itc/LAO/.

very restrictive approach, one district official told me, “If a family is poor because they are lazy, we will not support them.”

According to the Ministry of Labor and Social Welfare, the National Social Security Fund spent 1,217,436,876,505 Kip in 2018 (roughly \$143 Million), covering 529,365 people at an average of around \$270 per person.⁸⁹ The ministry did not share what this amounted to as a percentage of GDP or expenditure.

The support systems that are in place are not always implemented. At a health center I visited, one health worker told me that a scheme to treat people in poverty free of charge was not in effect because they did not have accurate lists of who should benefit.

Compounding this, I received consistent reports of informal fees for accessing education and healthcare, with schools and hospital charging for admission. Such systems would prevent people in poverty from accessing some of the most important routes out of poverty. The government should act urgently to stamp out corruption in these vital social support systems.

Some state employees are reportedly routinely paid late, causing financial hardship for those who don't receive their salaries on time and affecting the availability of services. Because most are low-level workers with salaries of just over \$100 a month, many are struggling to cover basic living necessities and taking out loans to get by. As a result, some government employees must spend time out of the office to work in other jobs, further reducing already limited social services.⁹⁰ Workers cannot unionize outside the Lao Federation of Trade Unions (LFTU), which is linked to the government and the ruling party.⁹¹

Health

I received consistent reports of low quality healthcare, limited health coverage in rural areas, and healthcare costs pushing people into poverty. Despite the importance of affordable healthcare in addressing poverty, it is clear that the government is not adequately funding healthcare or ensuring that people in poverty are able to access treatment. One person told me, “if you don't have money, you die.”

Health expenditure as percentage of GDP is among the lowest in the region, especially from domestic sources.⁹² According to a knowledgeable interlocutor, in 2017 spending on health was 1.7 percent of GDP (the same as in 2010-11), and 6.5 percent of the government budget (against a target of 9 percent).⁹³ Catastrophic health spending is especially high among low-income groups, households with children under 5 and older persons.⁹⁴

Access to affordable healthcare and health insurance are crucial in ensuring that health costs do not push people into poverty. The World Bank has found that among those in or near poverty, 13 percent were in

⁸⁹ Figures provided by Ministry of Labor and Social Welfare, March 26, 2019.

⁹⁰ Bertelsmann Stiftung, “BTI 2018 | Laos Country Report,” bti-project.org/en/reports/country-reports/detail/itc/LAO/.

⁹¹ Human Rights Watch, “Human Rights Watch Concerns on Laos,” November 5, 2015, <https://www.hrw.org/news/2015/11/05/human-rights-watch-concerns-laos>.

⁹² World Health Organization, “Health Financing,” wpro.who.int/laos/topics/health_financing/en/.

⁹³ Reports on public expenditure vary. A 2018 UN ESCAP report found Lao PDR spent 0 percent of GDP on social protection, 1 percent of GDP on health, and 3 percent of GDP on education, among the lowest in the region. UN ESCAP, “Social Outlook for Asia and the Pacific Poorly Protected,” 2018, https://www.unescap.org/sites/default/files/publications/Social_Outlook.pdf, p. 46.

⁹⁴ WHO, “Laos: Health Financing,” http://www.wpro.who.int/laos/topics/health_financing/en/.

that situation because of a health shock,⁹⁵ and that those uninsured who had to borrow money for hospitalization were 17 percent more likely to fall into poverty.⁹⁶

There has been some progress in addressing health spending. Out of pocket spending as a share of total health expenditure dropped from 60 percent in 2000 to 45 percent in 2016, but out of pocket payments are still one of the largest sources of health financing and inhibit access to healthcare by people in poverty.⁹⁷ The Ministry of Health said that 94 percent of people were covered by the Health Insurance Fund, but they had no figures of how many of those had actually had access to healthcare.⁹⁸ The HIF provides free childbirth and health treatment for children under 5 years old.⁹⁹ Otherwise, villagers told me they paid 5,000 Kip per person per visit to village health centers.

Improvements to healthcare have been implemented unevenly, with significant variation in the availability of basic health services. People from the poorest wealth quintile and those in rural areas have limited access to key health care services.¹⁰⁰ In remote areas, people often suffer from diseases that could otherwise be prevented, including measles, malaria, tuberculosis, and diarrhea.¹⁰¹ It's clear that access to healthcare in remote areas is a major challenge. Even in villages with health centers, people consistently told me they needed to travel to district or provincial hospitals for any serious medical issues, and that the costs of healthcare and transportation had prevented people from seeking treatment. In one village, I visited a health center with extremely limited supplies and resources—mostly secondhand equipment from the provincial hospital. A health worker there told me that multiple people in the past three years had not been able to afford the cost of going to a hospital, and that two people had died as a result. An ambulance ride to the district hospital would have cost 500,000 Kip (\$58).

Child health is crucial to addressing intergenerational poverty, but outcomes in Lao PDR are very concerning. Less than 50 percent of children are fully vaccinated,¹⁰² and among children under five, 21 percent are underweight, 9 percent are wasting and 33 percent are stunted.¹⁰³ Forty-eight percent of children from the poorest quintile are stunted, three times the rate for the richest.¹⁰⁴ And according to UNDP, just 5 percent of young children have a minimally acceptable diet.¹⁰⁵ Despite progress made in reducing child mortality, inequities in health services persist, including antenatal care, postnatal care, skilled birth attendance and facility deliveries.¹⁰⁶ As of 2015, 197 women per 100,000 live births die of pregnancy related causes in Lao PDR, much higher than the regional average despite a reduction from

⁹⁵ World Bank, "Lao Poverty Policy Brief: Taxonomy of the Poor and Its Usefulness in Policy Design," December 2017, <http://documents.worldbank.org/curated/en/114211505815281554/pdf/119794-WP-taxonomy-PovertyReport-PUBLIC-ENGLISH-and-LAO-ENGLAOfinal.pdf> p. 8.

⁹⁶ World Bank, "Lao PDR Poverty Policy Notes: Drivers of Poverty Reduction in Lao PDR," October 2015, <http://documents.worldbank.org/curated/en/590861467722637341/pdf/101567-REPLACEMENT-PUBLIC-Lao-PDR-Poverty-Policy-Notes-Drivers-of-Poverty-Reduction-in-Lao-PDR.pdf> p. 31

⁹⁷ World Bank, "Lao PDR Economic Monitor," January 2019, <http://documents.worldbank.org/curated/en/818841549314902040/pdf/134324-LEM-Jan-2019-final-for-online.pdf> p. 43.

⁹⁸ Meeting with Ministry of Health, March 26, 2019.

⁹⁹ Association for Development of Women and Legal Education, "Capacity Assessment Report: CEDAW Implementation in Lao PDR," June 2016, http://adwleaos.org/wp-content/uploads/2017/09/SRP001_Cedaw-Assessment_EF-14-07-2016-ENG.pdf p. 10.

¹⁰⁰ Lao Statistics Bureau, "Lao Social Indicator Survey II: Survey Findings Report," 2017, <https://www.unicef.org/eap/sites/unicef.org/eap/files/2018-06/Summary%20Survey%20Findings%20Report%20an%20statistical%20snapshots%20of%20Lao%20Social%20Indicator%20Survey%20II.pdf> p. 24.

¹⁰¹ Lao PDR, "National report submitted in accordance with paragraph 5 of the annex to Human Rights Council resolution 16/21," 2014, <https://undocs.org/A/HRC/WG.6/21/LAO/1>.

¹⁰² World Bank, "Lao PDR Economic Monitor," January 2019, <http://documents.worldbank.org/curated/en/818841549314902040/pdf/134324-LEM-Jan-2019-final-for-online.pdf> p. 44.

¹⁰³ Lao Statistics Bureau, "Lao Social Indicator Survey II: Survey Findings Report," 2017, <https://www.unicef.org/eap/sites/unicef.org/eap/files/2018-06/Summary%20Survey%20Findings%20Report%20an%20statistical%20snapshots%20of%20Lao%20Social%20Indicator%20Survey%20II.pdf> pp. 17, 36.

¹⁰⁴ Lao Statistics Bureau, "Lao Social Indicator Survey II: Survey Findings Report," 2017, <https://www.unicef.org/eap/sites/unicef.org/eap/files/2018-06/Summary%20Survey%20Findings%20Report%20an%20statistical%20snapshots%20of%20Lao%20Social%20Indicator%20Survey%20II.pdf> pp. 36-37.

¹⁰⁵ UNDP, "Lao PDR: Zero Hunger," <http://www.la.undp.org/content/laopdr/en/home/sustainable-development-goals/goal-2-zero-hunger.html>.

¹⁰⁶ Lao Statistics Bureau, "Lao Social Indicator Survey II: Survey Findings Report," 2017, <https://www.unicef.org/eap/sites/unicef.org/eap/files/2018-06/Summary%20Survey%20Findings%20Report%20an%20statistical%20snapshots%20of%20Lao%20Social%20Indicator%20Survey%20II.pdf> p. 24.

400 deaths per 100,000 in 2005. Mortality rates are highest among women who are poor, who live in remote rural areas, who have little or no education, and who belong to ethnic minorities.¹⁰⁷

Education

Meaningful access to quality education will be essential to creating a real route out of poverty for Lao children. But although the Ministry of Education and Sports appears committed to improving access to education and has reported some progress in enrollment rates and student retention, it is not clear that the Government has recognized the importance of education or allocated the necessary resources. According to a knowledgeable interlocutor spending on education was 3.11 percent of GDP and 13.4 percent of the budget (against a target of 17 percent) in 2017. The percentage of the budget spent on education in 2017 was the lowest for the available data set, which stretches from 2010/11 to 2017. Spending on education is low compared to peer countries and other countries in the region.¹⁰⁸

There is strong evidence that education is crucial to addressing poverty in Lao PDR. Those with the least education have the lowest chance of transitioning out of poverty, and the highest likelihood of falling below the poverty line. In 2012/13, 47 percent of those without a formal education lived below the poverty line compared with just 4 percent of those with a university degree,¹⁰⁹ and the poverty rate among those whose head of household has no formal education or only some primary education is three times higher than among those with at least lower secondary education.¹¹⁰ Access to education can increase a families' agricultural productivity or allow them to transition out of agricultural work.¹¹¹ Among working youth, those with more education are more likely to be in wage labor with a written contract—95 percent of working youth with no education are in poverty compared to 49 percent with a secondary education.¹¹²

But despite the importance of education in escaping poverty, those in poverty have far less access to education. Just 58 percent of children in the poorest quintile complete primary education as opposed to 98 percent of the richest, and just 8 percent of children in the poorest quintile complete upper secondary school, compared with 74 percent of the richest.¹¹³ Progress in improving access to education has been slow, and focused on primary education.¹¹⁴ According to the Ministry of Education and Sports, although dropout rates have fallen for primary students in recent years, they rose each year between 2016 and 2018 for lower and upper secondary schools.¹¹⁵

Although education itself is free, the ancillary costs of education, including for uniforms, food, and transportation keep children from poor families out of school. For families in poverty, the cost of education and the need for children to work and support their families can keep them out of school. The

¹⁰⁷ Jonna P. Estudillo, "Government Programs Have Begun to Reduce Maternal Deaths in Lao PDR: Now What Comes Next?," March 30, 2018, <https://www.eastwestcenter.org/publications/government-programs-have-begun-reduce-maternal-deaths-in-lao-pdr-now-what-comes-next>.

¹⁰⁸ World Bank, "Lao PDR Economic Monitor," January 2019, <http://documents.worldbank.org/curated/en/818841549314902040/pdf/134324-LEM-Jan-2019-final-for-online.pdf> p. 47.

¹⁰⁹ World Bank, "Lao PDR Economic Monitor," January 2019, <http://documents.worldbank.org/curated/en/818841549314902040/pdf/134324-LEM-Jan-2019-final-for-online.pdf> pp. 34-35.

¹¹⁰ World Bank, "Poverty Profile in Lao PDR," 2014, <http://documents.worldbank.org/curated/en/868521467998508506/pdf/100120-WP-P146141-PUBLIC-Box393225B-Poverty-Profile-in-Lao-PDR-publication-version-12-19-14.pdf> p. 16.

¹¹¹ World Bank, "Lao PDR Economic Monitor," January 2019, <http://documents.worldbank.org/curated/en/818841549314902040/pdf/134324-LEM-Jan-2019-final-for-online.pdf> pp. 34-35; World Bank, "Lao PDR Poverty Policy Notes: Drivers of Poverty Reduction in Lao PDR, October 2015, <http://documents.worldbank.org/curated/en/590861467722637341/pdf/101567-REPLACEMENT-PUBLIC-Lao-PDR-Poverty-Policy-Notes-Drivers-of-Poverty-Reduction-in-Lao-PDR.pdf> p. 9.

¹¹² Understanding Children's Work, "Understanding Children's Work and Youth Employment Outcomes in Laos," 2014, <http://documents.worldbank.org/curated/en/587261545112094976/pdf/133003-WP-v1-PUBLIC-ADD-SERIES-see-103603-Laos-Summary-child-labour-youth-employment20140109-131624.pdf> p. 10.

¹¹³ Lao Statistics Bureau, "Lao Social Indicator Survey II: Survey Findings Report," 2017, <https://www.unicef.org/eap/sites/unicef.org/eap/files/2018-06/Summary%20Survey%20Findings%20Report%20an%20statistical%20snapshots%20of%20Lao%20Social%20Indicator%20Survey%20II.pdf> p. 45.

¹¹⁴ World Bank, "Lao Poverty Policy Brief: Taxonomy of the Poor and Its Usefulness in Policy Design," December 2017, <http://documents.worldbank.org/curated/en/114211505815281554/pdf/119794-WP-taxonomy-PovertyReport-PUBLIC-ENGLISH-and-LAO-ENGLAOfinal.pdf> p. 12.

¹¹⁵ Ministry of Education and Sports, "Education and Sports Sector Performance Annual Report 2017-2018 And Development Plan for 2018-2019," August 2018, p. 6.

opportunity cost of sending a child to school increases as children get older.¹¹⁶ In one survey of those not in school, 24 percent said they were out of school because of housework, work, access, safety, or costs.¹¹⁷ The Ministry of Education officials said they provide a stipend to 1,000 poor students of 850,000 Kip (\$100) every year, but that amounts to a budget of just \$100,000 to support children in poverty, and reaches just 0.0006 percent of the 1.45 million students in the Lao school system.¹¹⁸

Rural areas have much more limited access to education, and while most villages have access to a primary school, as children get older they may need to travel further from home to stay in school. According to the World Bank, 57 percent of all primary schools and 70 percent of primary schools in the poorest districts do not offer all five grades, with evidence that children drop out after completing the highest grade their school offers.¹¹⁹ In one remote village I visited, teachers told me the closest secondary school was 17 kilometers away by dirt road, and that about 50 percent of children dropped out after primary school—disproportionately girls and children from poor families without motorcycles. Officials from the Ministry of Education and Sports told me the ministry was building dormitories to house children who needed to attend school far from home, but it was not clear that any had yet been built.

Where children are able to attend school, the quality of education appears to be quite low. According to the World Bank, 10.8 years of education in Lao PDR is the equivalent of just 6.4 years when adjusted for the quality of education. This is below the regional average and affects children's ability to develop skills and overcome poverty. An early grade reading assessment found almost a third of second grade students in Lao PDR scored zero on fluency and 57 percent scored zero on reading comprehension. Limited spending on operational expenses, teaching and learning materials, equipment, and teacher training all hold back improvements in education quality.¹²⁰

Poor school infrastructure further erodes access to education, and I saw for myself schools that had no electricity or water. Around half of schools do not have a waterproof roof, a water supply, or toilets—and a lack of accessible sanitation seriously impacts girls' ability to attend school. Only 20 percent of schools have electricity. Access to schools is also limited by poor roads, meaning a higher percentage of children have never attended school in rural areas with no road access.¹²¹

And while it is commendable that the Ministry of Education and Sports is adopting inclusive education and has enrolled 5,075 children with disabilities in mainstream schools, that still falls short of the 41,052 people with disabilities aged 5-18 according to the 2015 census¹²² (itself implausibly low considering the WHO estimates 15 percent of the world population has a disability).¹²³

I received numerous reports that the government had failed to pay teachers on time or asked them to work unpaid, forcing them to take additional jobs. The government's 2017 social indicator survey found that almost 20 percent of children aged 7-14 reported they could not attend class due to a school closure or

¹¹⁶ World Bank, "Lao PDR Economic Monitor," January 2019, <http://documents.worldbank.org/curated/en/818841549314902040/pdf/134324-LEM-Jan-2019-final-for-online.pdf> p. 46.

¹¹⁷ Understanding Children's Work, "Understanding Children's Work and Youth Employment Outcomes in Laos," 2014, <http://documents.worldbank.org/curated/en/587261545112094976/pdf/133003-WP-v1-PUBLIC-ADD-SERIES-see-103603-Laos-Summary-child-labour-youth-employment20140109-131624.pdf> p. 6-7.

¹¹⁸ Meeting with Ministry of Education and Sports, March 25, 2019.

¹¹⁹ World Bank, "Lao PDR Economic Monitor," January 2019, <http://documents.worldbank.org/curated/en/818841549314902040/pdf/134324-LEM-Jan-2019-final-for-online.pdf> p. 47.

¹²⁰ World Bank, "Lao PDR Economic Monitor," January 2019, <http://documents.worldbank.org/curated/en/818841549314902040/pdf/134324-LEM-Jan-2019-final-for-online.pdf> p. 45.

¹²¹ World Bank, "Lao PDR Economic Monitor," January 2019, <http://documents.worldbank.org/curated/en/818841549314902040/pdf/134324-LEM-Jan-2019-final-for-online.pdf> p. 47.

¹²² Ministry of Education and Sports, "Education and Sports Sector Performance Annual Report 2017-2018 And Development Plan for 2018-2019," August 2018, p. 51.

¹²³ World Health Organization, "World Report on Disability," https://www.who.int/disabilities/world_report/2011/report/en/.

absence of a teacher.¹²⁴ Some of the teachers I met told me their salary had recently been docked to contribute to a national disaster relief fund. Given the shortage of teachers, particularly in remote villages, it is concerning that number of teacher-trainees in Teacher Training Colleges dropped 12 percent in 2017-18 compared to the prior year.¹²⁵

7. Civil society space

The government has taken some positive steps in engaging with international human rights mechanisms and inviting Special Rapporteurs after several years of not receiving any visits. I was encouraged to hear that Lao PDR plans to invite a Special Rapporteur each year, and to learn from a minister in the Prime Minister's Office that the country is looking to accede to the International Convention for the Protection of All Persons from Enforced Disappearance and the International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families. Officials have emphasized that the government is "dedicated" to human rights.

The Special Rapporteur also wishes to recognize growing openness to discussing issues once considered off-limits such as corruption and land issues, and the National Assembly appears to have taken a more robust approach to its auditing role. Multiple people have praised the establishment of a National Assembly hotline, though National Assembly members told me it is only operational during the eight weeks of the year when the Assembly is in session. It could be made stronger through publicly documenting the type and resolution of grievances, and providing for independent rather than ministry follow-up.

However, a near-total lack of space for freedom of expression, strict limitations on media and civil society, and a history of reprisals, arrests, and disappearances have shut down space for the exchange of ideas and solutions, and prevent people from raising grievances and seeking accountability. I have received countless reports from people inside the country and who have recently fled Lao PDR about the extent to which people feel they are not able to speak freely and fear reprisal for expressing criticism of government policies.

A series of high profile arrests and disappearances have contributed to a climate of fear that forecloses much-needed discussion. According to reports, Somphone Phimmason, Soukan Chaithad, and Lodkham Thammavong, have been detained since early 2016 and are serving prison terms of up to 20 years for "treason to the nation", "propaganda against the Lao People's Democratic Republic," and "gatherings aimed at causing social disorder" for Facebook posts critiquing alleged corruption, deforestation, and human rights violations.¹²⁶ Police in 2017 detained 14 villagers of Yeup Village, in Thateng district of Sekong Province, including a boy and girl, both aged 15, for cutting down rubber trees on land alleged to have been corruptly appropriated by the government and leased to the Vietnamese-owned Lao-Vietnam Friendship Rubber Company. While four villagers have been released, one has died in jail, and nine remain in custody without trial.¹²⁷ Bounthanh Thammavong has been detained since 2015 for a Facebook post and an article allegedly "criticiz[ing] the guidelines and policies of the party and government."¹²⁸ In 2015 authorities detained a provincial Natural Resources and Environment Department staff member who

¹²⁴ Lao Statistics Bureau, "Lao Social Indicator Survey II: Survey Findings Report," 2017, <https://www.unicef.org/eap/sites/unicef.org/eap/files/2018-06/Summary%20Survey%20Findings%20Report%20an%20statistical%20snapshots%20of%20Lao%20Social%20Indicator%20Survey%20II.pdf> p. 46.

¹²⁵ Ministry of Education and Sports, "Education and Sports Sector Performance Annual Report 2017-2018 And Development Plan for 2018-2019," August 2018, p. 30.

¹²⁶ A/HRC/WGAD/2017/61. Available at: <https://documents-dds-ny.un.org/doc/UNDOC/GEN/G17/287/98/PDF/G1728798.pdf?OpenElement>

¹²⁷ International Federation for Human Rights (FIDH) and Lao Movement for Human Rights, *Joint Submission prepared for the initial periodic report of Lao PDR, 121st session of the United Nations Human Rights Committee (CCPR) (11-12 July 2018)*, (November 2018), available at:

https://tbinternet.ohchr.org/_layouts/treatybodyexternal/Download.aspx?symbolno=INT%2fCCPR%2fICO%2fLAO%2f28330&Lang=en

¹²⁸ FIDH - International Federation for Human Rights and Lao Movement for Human Rights (LMHR) "Update for the 9th European Union (EU)-Laos Human Rights Dialogue, March 7, 2019, ohchr.org/Documents/Issues/EPoverty/Lao/FIDH.pdf.

posted information on social media about a controversial land concession granted by the local government to a Chinese investor.¹²⁹

Also according to reports, the fate and whereabouts of at least 14 people who disappeared between 2007 and 2018 remain unknown. Sombath Somphone, a prominent civil society leader, has not been seen for more than six years, after disappearing at a police checkpoint in Vientiane in 2012.¹³⁰ Nine people were detained in 2009 for planning peaceful pro-democracy demonstrations.¹³¹ Somphone Khantisouk was disappeared in 2007 by men in police uniforms who pulled him over and took him into an SUV. Five critics of the Thai monarchy living in Lao PDR disappeared under suspicious circumstances, and two of them were subsequently confirmed dead.¹³²

I am also concerned with the situation of people in poverty who are imprisoned. I have received reports that an informal “exit tax” in prisons means prisoners who cannot pay remain in custody beyond the length of their sentence. And in 2011, Human Rights Watch found that authorities were using Somsanga Treatment and Rehabilitation Center in Vientiane as a “dumping ground” for drug users, beggars, homeless people, street children, and people with intellectual disabilities.¹³³

The government has also severely restricted civil society formation and controlled the operations of existing organizations. The Decree on Associations No. 238 of 2017, which replaced the prior 2009 Decree, gives the government broader authority to prohibit the activities of non-profit associations, dissolve and suspend associations, and criminally prosecute associations or their members.¹³⁴ The Ministry of Home Affairs told me they are in the process of registering all associations under the law, and that the registration process takes 165 days to complete. One person described the government’s approach: “They don’t need to arrest you. Your work simply won’t be approved.”

People in poverty who experience grievances such as land seizure or relocation without adequate compensation have few if any ways of raising their concerns. Even where laws may protect their rights in principle, poor enforcement and implementation have led to impunity. I have seen no evidence that people have been able to turn to the judicial system in these cases.

I saw the government’s approach firsthand when it strongly resisted my requests to move freely within the country so that I could visit Attapeu. Officials then repeatedly tried to monitor my private conversations in contravention of the terms of country visits by Special Rapporteurs. On various occasions I discovered government officials sitting and taking notes at my private meetings with villagers. When confronted, ministry officials offered ludicrous explanations, first saying this was for my protection, then that four ministry officials happened to be “sightseeing” in a remote northern village at the exact time that I visited, and finally, that it was to ensure the accuracy of my translators.

The government’s approach has been remarkably effective at stifling expression and imposing control while avoiding widespread international opprobrium. People I met with, even those living in extremely tough conditions, often told me they did not dare to raise their situation with the government, and certainly not beyond the district level. But this approach leaves people aggrieved, deprives the country of

¹²⁹ Radio Free Asia, “Lao Whistleblower Detained For Publishing Concession Document Online,” July 6, 2017, <https://www.rfa.org/english/news/laos/whistleblower-07062015141229.html>.

¹³⁰ Sombath Somphone, <https://www.sombath.org/en/>.

¹³¹ FIDH - International Federation for Human Rights and Lao Movement for Human Rights (LMHR) “Update for the 9th European Union (EU)-Laos Human Rights Dialogue, March 7, 2019, [ohchr.org/Documents/Issues/EPoverty/Lao/FIDH.pdf](https://www.ohchr.org/Documents/Issues/EPoverty/Lao/FIDH.pdf).

¹³² FIDH - International Federation for Human Rights and Lao Movement for Human Rights (LMHR) “Update for the 9th European Union (EU)-Laos Human Rights Dialogue, March 7, 2019, [ohchr.org/Documents/Issues/EPoverty/Lao/FIDH.pdf](https://www.ohchr.org/Documents/Issues/EPoverty/Lao/FIDH.pdf).

¹³³ Human Rights Watch, “Somsanga’s Secrets: Arbitrary Detention, Physical Abuse, and Suicide inside a Lao Drug Detention Center,” October 11, 2011, <https://hrw.org/report/2011/10/11/somsangas-secrets/arbitrary-detention-physical-abuse-and-suicide-inside-lao-drug>.

¹³⁴ Human Rights Watch, “Joint Letter to the Lao Government Re: Decree on Associations,” December 17, 2017, <https://www.hrw.org/news/2017/12/17/joint-letter-lao-government-re-decree-associations>.

inputs from its people, and bars the new generation of Lao people from offering solutions to the many challenges that the country faces.

8. The international community

The international community is deeply involved in efforts to address poverty in Lao PDR, chiefly through funding a plethora of Government and civil society-implemented projects, and by offering advice to the Government on how to achieve sustainable development. Thus, many of the preceding considerations are also relevant to their work.

In addition, the international community has a particular responsibility in all countries to promote international standards and norms, especially to uphold the rights of those who are poor, marginalized, and negatively affected by development projects. There is a risk that some development partners are overly focused on short-term gains, project completion, and quota fulfillment, even if that involves accepting problematic conditions. For example, most seem to comply with the practice of publishing factual information only after receiving Government approval, thus potentially depriving the Lao public of access to valuable independent and objective information.

As noted earlier, the UN itself is widely perceived to act as an arm of government. Examples cited by various actors with whom I spoke include efforts to restrict the participants and content of “civil society” events, avoiding difficult discussions on issues that the Government labels as sensitive, and offering assessments that seem clearly at odds with the facts such as the assertion that things have improved for civil society in recent years. A particularly regrettable step was the signal sent in 2012 by the then-UN Resident Coordinator, who co-authored an opinion piece on participatory consultations with Sombath Somphone. After a draft of the article was circulated, the Government of Lao PDR reportedly objected, causing the Resident Coordinator to take the highly unusual step of disavowing co-authorship and asking civil society groups to remove the article from their networks. Just over two months later, Somphone disappeared.

9. Recommendations

The Lao PDR Government should give far greater priority in practice rather than just rhetorically to poverty alleviation, both in order to protect the human rights of a large number of Lao people, and also as part of a more sustainable and effective development strategy. Existing strategies relying heavily upon hydropower, infrastructure projects such as railways, and land concessions all involve significant risks and need to be complemented by policies to promote sustainable agriculture as well as manufacturing, service, and technology industries. Those in turn require a well-educated, healthy, and skilled workforce that can only emerge as a result of sustained investments in health, education, children’s well-being, empowerment of women, social protection, and lifting people out of poverty and into productive employment. The following recommendations are relevant in this regard.

(i) Fiscal policy should be re-oriented to ensure more progressive taxation policies and to address rising inequality, which inhibits growth. Extensive tax and tariff exemptions, including those linked to land concessions and Special Economic Zones, should be publicly disclosed and re-evaluated to ensure that they are fiscally prudent and not hidden giveaways. Taxation collection should be enhanced, and a more sustained and transparent fight against corruption undertaken, in order to halt the immense drain on public funds.

(ii) Data collection needs to be undertaken on a more consistent and rigorous basis, and efforts should be made to ensure that available information will be made publicly accessible in a prompt and reliable

fashion. This in turn is linked to the need for greater transparency in government to enable evidence-based decision-making, reduce corruption, and enhance public confidence.

(iii) Gender equality will never be realized as long as it is equated solely with the absence of violence against women rather than as a matter of women's human rights. Discriminatory attitudes are deeply entrenched and only a concerted campaign and leading by example will bring significant change.

(iv) The same applies to children's rights, which are too often seen to be relevant only in relation to sexual exploitation and trafficking, but not to the child's right to mental and physical development and to grow up healthy, educated, and able to participate fully in the community.

(v) For these reasons, the Government should engage with the concept of human rights. Although progress has been made on engagement with formal human rights mechanisms, at present, a too common refrain is that rights are synonymous with anti-government policies. Many consider the use of the term thus effectively banned, except in the context of discussions with foreign governments or for external reporting to the UN. There are, however, many positive connotations to rights. For example, the public complaints procedure that the National Assembly is developing would have far greater credibility and positive impact if it were to be overseen by an ombudsman or national human rights institution that follows appropriate procedures.

(vi) The Government should acknowledge the full extent of the disadvantage suffered in almost every area by the large population of ethnic minorities. This is not only a violation of human rights but a drain on development. Exclusively Lao language policies should be reviewed, especially in order to enable non-native Lao speakers to maximize educational opportunities, obtain full access to health and reproductive care, and be able to obtain meaningful access to justice.

(vii) Expenditures on health, education, and social protection should be greatly increased in order to bring them closer to the regional norm and to ensure that quality education and healthcare are available, rather than focusing only on expanding formal coverage.

(viii) The Government should acknowledge the many ways in which an effective civil society is essential to ensuring informed policy-making, mobilizing support, and educating and empowering people, and not solely for implementing governmental policy. Existing highly restrictive policies should be revisited in consultation with all relevant groups. In order to show goodwill and overcome distrust, the Government should release the group of people who were detained in Sekong province following a protracted struggle over access to land, and facilitate an independent investigation into the disappearance of Sombath Somphone, in consultation with his family members and ensuring the allocation of adequate resources for the investigation.

(ix) The human rights of people directly affected by dam construction and operation should be taken fully into account as part of the various policy reviews being undertaken following the dam collapse in Attapeu. Ways should be found to ensure that private entities involved in the hydropower sector are held fully accountable for adverse consequences suffered by affected people. In particular, there should be an independent review of the situation of all of the persons who have been evacuated after the Attapeu incident and who are currently living in extremely poor conditions, and are subjected to great uncertainty as a result of inadequate consultation, delayed compensation, and insufficient livelihood opportunities. Counselling should be provided, especially for women whose lives have been radically transformed and who suffer from significant insecurity in the camps to which they have been relocated.

(x) The current reform of the land law should take account of the importance of recognizing collective land tenure, respecting the tenure rights of people living in areas designated as "forests," and identify

approaches to the challenges of shifting cultivation that recognize the livelihood rights of those involved. The Government should facilitate a review of contract farming arrangements to examine issues such as the impact on yield over time, the impact of corrupt dealing, and the consistency and fairness of pricing arrangements.