



YOUTH AS DRIVERS FOR SUSTAINABLE DEVELOPMENT



Standing front and center on UNDP Lao PDR's flagship publication; the 'National Human Development Report' (NHDR), is Ms. Vilayvanh Keoamphone. She is a 20-year-old accounting graduate from the Technical and Vocational Collage of Luang Prabang. Vilayvanh volunteers to teach children in northern Laos through the 'Keep Helping Each Other' project. Her work involves supporting children living in remote areas with their education, by providing school materials, clothes, and teaching a variety of topics. In addition, she is currently employed part-time by a local family business operating in tourism, but she is determined to secure a job with a development organization in the future. Vilayvanh represents the millions of youth who are ready to drive the sustainable development of Lao PDR.

Copyright © 2022 by:



Ministry of Planning and Investment
Souphanouvong Avenue, Sithan Nuea Village
Sikhottabong District, Vientiane Lao PDR
Tel / Fax: + 856 21 254 827



United Nations Development Programme
Lane Xang Avenue
P.O. Box 345 Vientiane, Lao PDR
Email: info.la@undp.org
Tel: +856 (0) 21 267 777
Fax: +856 (0) 21 267 799

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted, in any means, electronic, mechanical, photocopying, recording or otherwise, without prior permission.

YOUTH AS DRIVERS FOR SUSTAINABLE DEVELOPMENT

COLOFON

**National Human Development Report
LAO People's Democratic Republic 2022
Youth as Drivers for Sustainable Development
Report research, writing and statistics team**

Contributing authors

Dr. Catherine Phuong
Mr. Korakot Tanseri
Ms. Maniphet Phengsavatdy
Ms. Olga Nilova
Ms. Raniya Sobir
Dr. Roshni Menon
Mr. Sean O'Connell
Dr. Viriyasack Sisouphanthong

Technical editor

Ms. Gretchen Luchsinger

Statistical and data experts

Dr. Milorad Kovacevic
Dr. Viriyasack Sisouphanthong
Dr. Bounmy Inthakesone

Data collection

The Method Research
Indochina Research Company

Research assistants

Mr. Ahmed Elbasyouny
Ms. Chanthone Khounthapan
Ms. Thipsavanh Sengphachanh
Mr. Sinthavy Malavong

Project supervisor

Dr. Sthabandith Insisienmay (Vice Minister, Ministry of Planning and Investment)

Project leadership and management

Dr. Sthabandith Insisienmay (Vice Minister, Ministry of Planning and Investment)
Ms. Ricarda Rieger (UNDP Resident Representative)
Dr. Sithiroth Rasphone (Director General, Development Research Institute)

Project administration and coordination

Mr. Bounnaphone Sengkhamyong

United Nations Development Programme

Ms. Ricarda Rieger (Resident Representative)
Dr. Catherine Phuong (Deputy Resident Representative)
Dr. Bishwa Tiwari (Programme Specialist, Bangkok Regional Office, retired)
Ms. Devika Iyer (Regional Policy Specialist, Bangkok Regional Office)
Mr. Beniam Gebrezghi (Program Specialist, Civil Society & Youth, Bangkok Regional Office)
Mr. Sean O'Connell (Head of Governance Unit)
Ms. Raniya Sobir (Economist)
Ms. Olga Nilova (Human Rights Specialist)
Ms. Maniphet Phengsavatdy (former Head of Exploration)
Mr. Korakot Tanseri (Head of Experimentation)

Development Research Institute, Ministry of Planning and Investment

Mrs. Sisavanh DIDARAVONG, Deputy Director General
Dr. Thanongsai SOUKKHAMTHAT, Deputy Director General
Mr. Souphith DARACHANTHARA, Senior Advisor
Mrs. Boupavanh KEOMIXAY, Head of Division
Mr. Bounnaphone SENGKHAMYONG, Deputy Director of Division
Mr. Phatthana PHETXAYSY, technical staff
Mr. Syphonexay MANYVONG, technical staff
Ms. Niphalak OUNALOM, technical staff
Mr. Chitpasong VANTHONGTHIP, technical staff
Mr. Somdeth KHANTIVONG, technical staff

Production and outreach

Korakot Tanseri

Communications

Ms. Aksonethip Somvorachit
Ms. Sinsavanh Sonepaseuth

Design and printing

Ms. Johanna Works

ACKNOWLEDGEMENTS

The production of the 2022 National Human Development Report for Lao People's Democratic Republic (PDR) was a collective effort involving staff of the United Nations Development Programme (UNDP), external consultants and interns contributing generously at every stage. The report is also a product of extensive collaboration with the Development Research Institute of the Ministry of Planning and Investment of the Government of Lao PDR. We owe sincere thanks to the many people who participated and contributed in countless ways, including all UNDP staff and those at the Development Research Institute, who offered comments, ideas, advice and support to the production process, as well as the numerous external advisers and contributors, particularly young people, with whom we consulted and discussed salient issues affecting youth in Lao PDR. We warmly thank everyone who has been involved in the report.

Special thanks go to the authors, Dr. Catherine Phuong, Mr. Korakot Tanseri, Ms. Maniphet Phengsavatdy, Ms. Olga Nilova, Ms. Raniya Sobir, Dr. Roshni Menon, Mr. Sean O'Connell and Dr. Viriyasack Sisouphanthong, and the technical advisers, Mr. Jonathan Hall and Dr. Milorad Kovacevic. Additional contributors include Mr. Ahmed Elbasyouny, Ms. Chanthone Khounthapan, Ms. Thipsavanh Sengphachanh and Mr. Sinthavy Malavong. In addition, the technical editor, Ms. Gretchen Luchsinger, was invaluable in helping to streamline, finalize and bring together the report into a single narrative.

Various members of the UNDP team in Lao PDR and the regional office in Bangkok contributed to the overall strategic direction of the report and its main arguments, while taking part in thought-provoking internal discussions on initial drafts. Advice, oversight and analysis were also provided by various members of the Development Research Institute, under the leadership of the Director General, Dr. Sitthiroth Rasphone. We thank the Institute and its staff for organizing five separate validation workshops to solicit comments and feedback not only from various line ministries and several levels of government (both national and local) but also from youth advocates, including from the Lao Youth Union and Lao Women's Union, and some civil society organizations. The inputs from these discussions were invaluable in finalizing the report.

Finally, a range of people outside UNDP generously provided their time to comment on drafts of the report or share perspectives during interviews and discussions on key issues affecting young people in Lao PDR. Many were young people and/or experts in different fields who have worked tirelessly on the improvement of youth lives and livelihoods. We thank the following United Nations and other colleagues for their contributions: Tej Ram Jat (United Nations Population Fund, UNFPA), Kambiz Kabiri (UNFPA), Syvongxay Changpitikoun (UNFPA), Khemphone Phaokhamkeo (International Labour Organization, ILO), Viengprasith Thiphasouda (ILO), Makiko Matsumoto (ILO), Keovanlay Phanthavong (ILO), Vongtavanh Sayavong (ILO), Anousone Soseng Inh (ILO), Leotes Helin (United Nations Children's Fund, UNICEF), Beate Dastel (UNICEF), Maryam Abdu (UNICEF), Yali Zhang (UNICEF), Wipavee Silpitaksakul (UNICEF), Amphayvan Chanmany (UNICEF), Yu Lee Park (World Health Organization, WHO), Douangkeo Thochongliachi (WHO), Roland Dilipkumar Hensman (WHO), Sia Kondeh (International Organization for Migration, IOM), Thongdeng Silakoune (Joint United Nations Programme on HIV/AIDS, UNAIDS), Binh Vongphasouk (CARE International), Erlend Falch (United Nations Office on Drugs and Crime, UNODC).

FOREWORD

Lao People's Democratic Republic (PDR) is a vibrant, ethnically and geographically diverse country situated strategically along the Mekong River in the centre of South-East Asia. In the past 30 years, the nation has made tremendous development progress, halving poverty, reducing malnutrition and improving access to education and health. The poverty rate plunged from 46 percent in 1993 to 18 percent in 2019, partially due to rapid growth in gross domestic product (GDP) averaging about 7.3 percent a year.

Lao PDR has also been undergoing one of the fastest urbanization processes in its region. Its population is expected to grow from 7.42 million today to 8.1 million by 2030. Almost one third of people are between 10 and 24 years old, making it one of the youngest countries in South-East Asia. In the coming years, the ratio of the working-age population to older and younger dependents is expected to be high, presenting a unique opportunity to harness the demographic transition and, in the process, profoundly transform the country and improve living conditions even further.

Capitalizing on this demographic transition, however, requires investing in young people. This includes developing comprehensive policies that promote higher-quality education, encourage the productive and gainful employment of young people outside agriculture, improve public health and create an enabling environment that increases participation and inclusion to ensure that no young person, particularly from ethnic and/or remote, rural communities, gets left behind. If key strategies are not carefully formulated and adopted as quickly and effectively as possible, the opportunity to improve all livelihoods in the country may be lost.

This shift towards developing the potential of young people is especially important in the context of the COVID-19 outbreak and subsequent economic recovery. As in much of the world, the pandemic in Lao PDR generated an unprecedented economic shock, with job losses seen across several key industries including tourism, retail trade, transport and hospitality. This may threaten the significant poverty reduction progress of previous decades. A renewed focus on the human development of the largest demographic group in the country—adolescents and youth—is critical to long-term recovery and continued advances for the entire country.

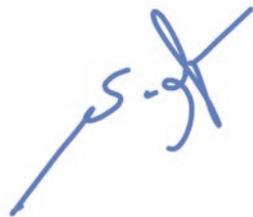
Against this backdrop, the Government of Lao PDR has a long-standing partnership with the United Nations Development Programme (UNDP), including to produce National Human Development Reports focused on mobilizing action on key sustainable development issues. While five reports have been published to date in Lao PDR, this latest iteration will focus on the very salient issue of youth, particularly on the approaches and strategies required to ensure they can meet their aspirations and contribute to the development of the country. Preparation of this report—from identification of the topic to finalization—has been based on broad consultation. A National Advisory Board composed of representatives from different ministries, universities and research institutes provided guidance throughout the process, generating strong national ownership.

FOREWORD

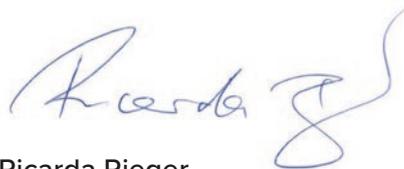
At its core, the report highlights the crucial need for Lao PDR to develop targeted policies aimed at improving young people's opportunities for quality work as well as education and skills development; bettering health outcomes through mitigating health risks that have particular impacts on adolescents and youth; and creating the necessary enabling environment for greater engagement and participation by young people in decisions that affect them. The report also calls for directing more resources to the needs and wants of young people, particularly to more marginalized groups, to reduce disparities, ameliorate extreme poverty and increase gender equity. Ensuring a more equitable distribution of resources will ultimately be key to sustainable human development.

The policy options that support these arguments are targeted specifically to youth. Intended to be practical, they range from investing in appropriate education and training to reduce the mismatch between skills and aspirations in youth and the needs of the labour market, to developing more comprehensive employment services programmes. They encompass establishing formal dedicated mechanisms for youth civic engagement into government departments, policies and programmes, making adolescent girls the priority of the health and development agenda, and upgrading mental health services for youth. While these interventions are just a snapshot of the full range of recommendations presented in the report by chapter and theme, they are all designed to ensure Lao PDR better reaps the benefits of the impending demographic dividend. The Ministry of Planning and Investment and UNDP are confident that the recommendations presented in the report will make an important contribution to realizing national socioeconomic development plans and strategies.

It is time for Lao PDR to put youth at the front and centre of the development process and work with them towards realizing their full potential as drivers for sustainable development. We are confident that this report will guide us along this journey.



H.E. Dr. Sthabandith Insisienmay
Vice Minister, Ministry of Planning and Investment



Ricarda Rieger
Resident Representative, UNDP in Lao PDR





REPORT BRIEF

Lao People’s Democratic Republic is one of the youngest nations in South-East Asia, with half its population below age 25. Young people have enormous promise as the country seeks a path past recent shocks, including the COVID-19 pandemic. The Ninth National Socio-Economic Development Plan rightly identifies youth as one of three key drivers of development from 2021 to 2025.

This sixth National Human Development Report, Youth as Drivers for Sustainable Development, is therefore highly relevant to current national concerns. It comes as Lao PDR enters a period of demographic transition with the potential to benefit from a powerful demographic dividend through higher levels of growth. Much will depend, however, on accelerated human development centred on adolescents and young people. The report examines this

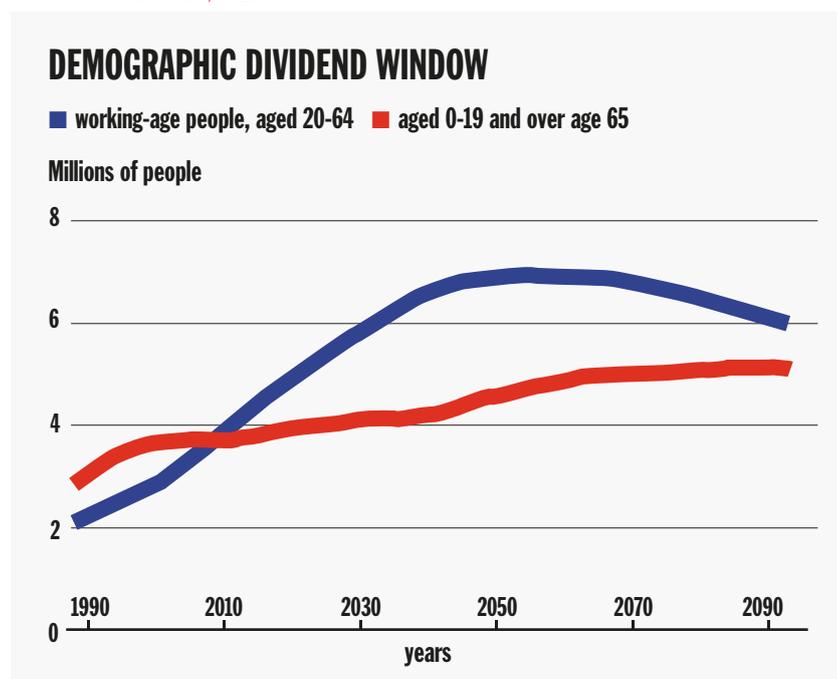
potential and how to realize it for the benefit of youth and the broader economy and society. It also cautions that Lao PDR, while recognizing the value of its demographic dividend, is falling short on action. It may miss the demographic window of opportunity altogether without a rapid change in how it invests in and advances core dimensions of human development.

The report explores the current status of young people and their promise in driving development as a matter of urgency, since the demographic dividend is a once-in-a-lifetime benefit. Between 2015 and 2030, the working-age population will increase from 4.1 million to 5.5 million (MPI and UNFPA, 2020), opening a window for greater productivity, growth and sustainable development more broadly. This window has been increasing since 2015 as more people join the working age-population. But it will not last long, starting to narrow around 2040 (Figure 1.1).

Maximizing the demographic dividend requires multisectoral interventions and investments. These must enhance the health, education, skills and employability of people entering the workforce. Otherwise, short-changing young people will lead to missing the window of demographic opportunity, which poses many risks. If a large cohort of young people cannot find employment and earn satisfactory income in line with their aspirations, human development and economic growth will falter. Poverty and deprivation will persist with little opportunity to break the cycle. Young people will not gain the information or skills needed to surmount shocks and crises they are living through now and will inherit in the future. As a group, they may become a source of social and political instability.

Figure 1.1: Lao PDR’s demographic transition and window of opportunity for a demographic dividend

United Nations Lao PDR, 2022



This National Human Development Report enhances analysis of Lao PDR’s adolescents and youth by applying a human development lens, which recognizes that building agency and expanding choices go hand in hand. For people to be agents in their own lives, they must realize their rights to education, decent work, association and expression, and have the freedom to make meaningful decisions. Human agency and freedom infer, for example, that education can be a means to achieve human potential in multiple ways, such as through opening individual minds to new horizons and creating pathways to acquire other valuable capabilities. Education is also one of the strongest development investments in reducing poverty, improving health, ensuring greater gender equality and even enhancing peace and security.

A human development lens helps to both assess the current situation of young people and plot a course to

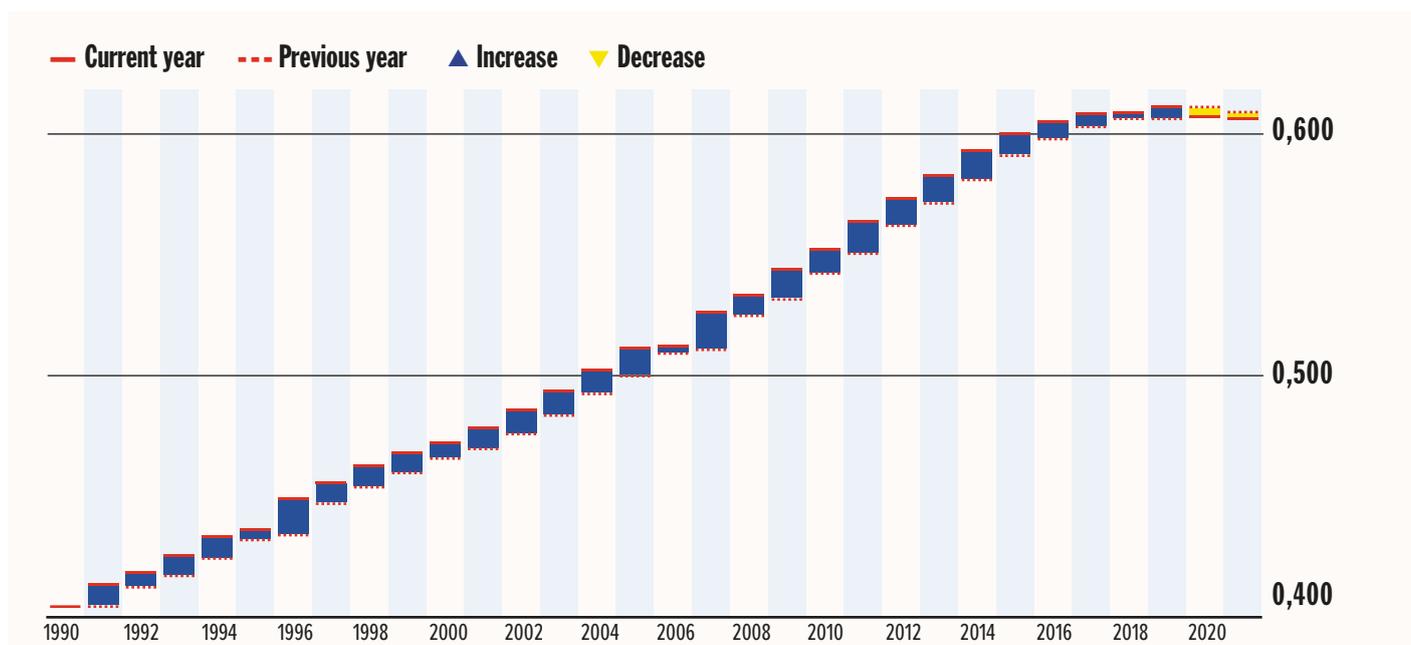
support their further development. It acknowledges that enhancing young people’s capabilities can have a catalytic impact on development but also that their greater capabilities are a critical end in themselves. Realizing the full potential of young people requires applying both perspectives.

Human development gains are under threat

Lao PDR has made significant gains in human development over the past three decades (Figure 1.2). Between 1990 and 2021, its value on the Human Development Index (HDI), a combined measure of health, education and income, rose 49.9 percent, increasing from 0.405 to 0.607. Since 1990, life expectancy at birth has grown by 14.35 years. Between 1990 and 2021, mean years of schooling climbed by 2.28 years and expected years of schooling by 3.55 years. Gross national income (GNI) per capita (2017 purchasing power parity or PPP) increased nearly

Figure 1.2: Trends in Lao PDR’s HDI scores, 1990–2021

Source: UNDP, 2022b.



threefold, by 296.1 percent, to US \$7,699.58.

The COVID-19 pandemic has altered Lao PDR's human development trajectory, however, as is the case for most countries, which saw declines in HDI values in 2020 or 2021. Almost all countries saw reversals in human development in the first year of the pandemic. These declines continued in the second year in most countries, across low, medium and high HDI rankings. The drop-off stemmed from poorer performance across health, education and income.

For Lao PDR, life expectancy at birth fell in 2021 by an unprecedented 0.4 years, indicating direct and indirect health risks and mortality impacts. Life expectancy in 2021 is now at the same level as it was in 2010-2011. Expected years of schooling dropped to 10.1 in 2020, having fallen since 2015. Mean years of schooling remained at the same level as in 2019. GNI per capita income increased in value but at a much slower rate for 2020 and 2021. GNI per capita has climbed almost continuously over the past 30 years, except in 2006, at an average rate of 4.74 percent annually. For 2019-2020 and 2020-2021, it rose by only 1.7 and 0.63 percent, respectively, proof of how the pandemic fallout slowed the economy.

Reversals in human development pose particular risks for young people in Lao PDR. Lost livelihoods and disrupted education and learning may permanently scar prospects for higher education and employability and affect health, including through psychological challenges. The pandemic and the shocks before and after it, including natural disasters in 2018 and 2019 and the more recent economic pressures caused by the conflict in Ukraine, may also generate fiscal pressures and undercut essential investments, further

comprising the future for young people.

This report tracks some recent trends in a cross-section of human development indices, including the Inequality-adjusted Human Development Index, which 'discounts' the average value of each HDI dimension according to its level of inequality. For Lao PDR, this results in a decline in the HDI from 0.607 to 0.459, reflecting a 24.4 percent loss due to inequality. This shortfall is equal to those of other medium human development countries on average.

The Gender Development Index (GDI) captures gender inequalities in health, education and command over economic resources. Lao PDR performs better than Cambodia and other medium-ranking HDI countries on average on the GDI but still lags in closing gender gaps. The 2021 HDI value for women in Lao PDR was 0.591, compared to a better value of 0.623 for men. The difference in part reflects the persistent income disparity between women and men. Further, girls can expect fewer years of schooling and fewer mean years of schooling than boys. Life expectancy is the only indicator where women outperform men but this is a general trend across almost all societies.

The Gender Inequality Index (GII) unpacks gender inequality further by looking at reproductive health, empowerment and economic activity. It reflects losses in human development due to inequality between women and men. Lao PDR had a GII value of 0.478 in 2021, ranking 120 out of 162 countries. Compared to medium human development countries in general, Lao PDR underperforms on this index.

Previous National Human Development Reports calculated provincial HDI values for all 18

provinces of Lao PDR for 2001-2003 and 2011-2013. These exercises gauged interprovincial differences and relative performance across time. This current report attempts to provide an update on some trends defined in earlier reports, having modified the methodology for provincial HDI estimates. Findings show that the highest-performing province is Vientiane Capital. The lowest HDI values are in Phongsaly, Sekong, Attapeu and Saravan provinces. These estimates shed light on regional disparities in poverty rates and access to and quality of education and health services. Beyond geographic disparities, the report recognizes systemic inequalities that persist among ethnic groups.

Future human development depends on youth

Across six chapters, this National Human Development Report explores several overarching questions on adolescents and youth in Lao PDR. First, what opportunities do young people currently have, and what are their aspirations? How do they take advantage of these opportunities and interact with key public services such as education and health care? Which groups of youth are consistently left behind? How can public institutions and policies better support young people and ensure they realize their future potential? And finally, what types of interventions and investments must be made now to ensure that opportunities meet aspirations and that adolescents and youth lead fulfilled and empowered lives while contributing to national development goals?

Research drew on both primary and secondary data and information, including two quantitative surveys involved approximately 6,790 people aged 15-24. Focus group discussions,

key informant interviews and panel discussions involving a range of stakeholders unpacked key topics. The Development Research Institute of the Ministry of Planning and Investment and UNDP collaborated in developing the report while an interministerial steering committee oversaw research, statistical analysis, and the validation and compilation of key findings, as follows.

Creating high-value employment and decent incomes

Each year, around 80,000 young people enter the job market in Lao PDR and compete for limited opportunities that rarely correspond to their interests or training. Structural challenges in the economy affect the overall labour force, including Lao PDR's capital-intensive growth trajectory, which has not generated enough decent jobs; the high prevalence of informality and migration to neighbouring countries. Although available labour market data are mostly outdated, they clearly indicate the disadvantages young people face in accessing employment. A very large share of youth, approximately 25 percent, is not in education, employment or training, the highest rate among all countries in South-East Asia. This situation results from significant school dropout rates, the low value placed on vocational education, poor preparation for job markets and the overall lack of secure employment for young people.

The pandemic and current economic downturn exacerbate young people's pre-existing disadvantages in finding employment and creating new business ventures. Key challenges to urgently address include the education and skills crisis undercutting young people's employability; the lack of alignment between curricula and labour markets

and the future of work; shortfalls in fair recruitment and hiring practices in both the public and private sector that discourage young people from becoming active job seekers; and the limited availability of employment support services. Opportunities to shift the economic growth path towards green growth and the digital economy could support a range of industries for youth employment and entrepreneurship. Specific recommendations are:

1. Invest in green and digital jobs, and ‘future-ready’ skills development.
2. Address gender norms that constrain women’s economic participation.
3. Consolidate existing tools and applications in a youth-friendly, one-stop job services platform.
4. Create a youth-friendly entrepreneurship ecosystem in digital and green industries through raising awareness, mobilizing funding and providing business development services.

Advancing the quality and reach of education and skills development

The education system is closely linked to poor youth employability and challenges limiting young people’s access to decent incomes. Lao PDR has made progress in increasing primary school enrolments to a net 98.8 ratio. Yet it has reduced the number of primary schools, which chiefly contributes to low enrolment rates in rural and remote areas. Many challenges facing the education system centre on accessibility and quality. Limited progress in improving accessibility is marked by particularly acute disparities in rural areas. In early childhood education, which offers among the greatest social and economic returns, Lao PDR lags behind all other South-East Asian countries. Worsening secondary dropout rates stem from increased

pressure on young people to secure jobs to support themselves and family members.

Low enrolment in lower and upper secondary education is a major challenge. Net enrolment is estimated at only 60 percent, and just 31 percent of those enrolled complete their schooling. This shortfall arises in part from an insufficient number of schools and the remoteness of some of them, and from the socioeconomic conditions of families, the cost of education and the low perceived value of education. Ethnicity, the urban-rural divide and gender disadvantage vulnerable and marginalized families and young people in education, as is true across other dimensions of human development. In addition to completion and retention problems, the low quality of education is evident from inadequate teacher training, poor infrastructure and facilities, outdated or absent training materials and textbooks, and the unreadiness of the education system to respond to the needs of the job market and provide expected future skills.

The report calls for educational reform ensuring the inclusion of all vulnerable and marginalized young people and the incorporation of technology and digital tools in delivery and administration. Primary recommendations are:

1. Expand targeted scholarships for disadvantaged youth and harness digital technology to tackle inequality, gaps in accessibility and the costs of education.
2. Upgrade the quality of education (teacher training, facilities, textbooks, etc.) through meeting the national budgetary requirement and exploring alternative and innovative financing.
3. Match education to market demands by calling for regular dialogues between public and

private stakeholders, adjust school curricula accordingly and campaign to raise awareness of education's high economic and non-economic returns.

Improving health, well-being and safety

Young people face critical health risks that affect their participation in the labour force and their prospects for living an active life and contributing to sustainable development. One key health concern is early marriage and early pregnancy. An estimated one in four adolescent girls aged 15-19 is married in Lao PDR, with rates higher in rural areas. This poses health dangers for both young mothers and their children, causing high maternal mortality, infant mortality and malnutrition rates.

Another sobering reality is that one in four young people in Lao PDR has reported personally experiencing mental health challenges. Yet 75 percent of rural people do not have access to any mental health services. One survey found that 32.1 percent of youth had struggled with a mental health issue; many are LGBTQI+, members of ethnic groups, migrants or persons with disabilities. The pandemic has increased mental health problems, particularly among adolescents and young people. Smoking, drugs and alcohol consumption are other major concerns, contributing to premature deaths from road accidents and high-risk sexual activity.

While health-care reform, policy development and improved investments in health-care services are underway, initiatives that directly engage and benefit adolescents and youth lack impact in practice. Health service facilities and personnel are not equipped to address damaging patterns such as high rates of

adolescent pregnancy, mental health crises or health risks facing those from disadvantaged backgrounds. Concerted interventions to prevent deaths and ensure adequate access to specialist types of health care, such as for mental health and sexual and reproductive health, are crucial for the well-being of young people and their active participation in the labour force and public life.

With the pandemic exacerbating health conditions among youth and fatiguing the entire health sector, the report recognizes commendable efforts by the Government, in partnership with international organizations, to mobilize resources and orchestrate initiatives for some of the health concerns highlighted above. Yet this report also urges a renewed focus on interventions for youth and their specific health issues. Among the main recommendations are:

1. Upgrade mental health services for youth through allocating funds and training professionals, including to address bullying at school and scale-up drug risk awareness, and by using finance from raising taxes on tobacco.
2. Establish a comprehensive school programme for sexual and reproductive health and rights, apply a comprehensive family planning services model, promote use of modern contraceptives and provide facilities to menstruation management.
3. Improve health-related human resources through training paths for health-care students from diverse backgrounds, and develop a designated healthcare and youth curriculum.

Empowering youth to make decisions about their lives and future

Fostering agency among young people as full members of society

gives them the ability and freedom to participate in economic, social and political actions. They should both participate in the decisions that impact their lives and take responsibility for their actions. Quality education and good health are prerequisites for young people to exercise agency, while labour force participation opens doors for civic engagement and active public life. Strengthening young people's participation in decision-making will enhance policy design and initiatives to support youth, ensuring they are by and for young people. Yet young people in Lao PDR have unequal opportunities for participation and civic engagement, beyond limited roles as volunteers. Youth have said in numerous surveys that they wish to participate in political and social life despite existing barriers. Yet the current culture mainly looks at young people in terms of implementing national policy, not shaping it. No mechanism exists for two-way channels of communication that would allow young people to influence and provide feedback on development priorities. This leaves young people an untapped resource for new ideas and disempowered even as they are on the verge of inheriting development challenges not necessarily caused by their own generation.

Some youth groups have had a social impact, with many young people rallying for causes that matter to them, such as disability inclusion, LGBTQI+ protection and environmental activism. Barriers to full participation, besides negative attitudes towards youth empowerment, include low representation and a lack of role models in government and civil society, and the lack of deliberation mechanisms. These are in addition to legal codes that restrict political and civil activism. Major recommendations

comprise:

1. Change the narrative on youth participation through building their capacities as emerging leaders, disseminating data on the positive impacts of youth participation and mainstreaming civic engagement teaching in school.
2. Establish a standing platform for youth to engage with the Government to ensure young people can participate in development decision making processes, including the creation of a youth advisory committee.
3. Support and promote youth-led and youth-focused organizations through seeding funding and capacity development, including informal youth networks and volunteer groups.

Key conclusion: Lao PDR will likely miss its demographic window of opportunity without an immediate course correction

Based on the report's findings, this National Human Development Report concludes that Lao PDR may miss the opportunity to benefit from its demographic dividend. Young people today lack sufficient educational qualifications, skills, health and opportunities to contribute to international and national development goals. Many young people struggle with low educational attainments, high unemployment rates, informal work, migration and income insecurity. If such patterns continue, the prospects of future generations are unlikely to be much better. Lao PDR can get back on track for its demographic dividend but readjustment demands urgent, practical and inclusive action:

The time is now: Lao PDR has had long-standing evidence on its demographic transition and the need to position itself to

benefit accordingly. The 2005 and 2015 Censuses provided strong confirmation of the trends leading to a potential demographic dividend. The eighth and ninth National Socio-Economic Development Plans recognized this potential and the need for leveraging investments in education and health to ensure that the window for growth momentum is not lost.

With the proportion of older people expected to start increasing from 2020 onwards, Lao PDR will become a pre-ageing society by 2038 and an ageing society by 2059. In this context, current trends in education, skills, health and labour force participation put the country on a path where it is likely to miss the full benefits of a demographic dividend. Shocks including natural disasters, the pandemic and now the conflict in Ukraine may push the country even further off course. Unless actions and decisions to address the gaps highlighted in this report are set in motion now, Lao PDR may miss its demographic window of opportunity completely and permanently.

Implementation, implementation and implementation: National and sectoral plans, strategies and laws have articulated many of the right policies. Successive national development plans focus on the importance of realizing the needs, rights and capabilities of young people as a large proportion of the population. Yet execution of policies and plans is lacking, together with the monitoring of impacts on people's lives. This results in successive plans and reports putting forward the same policy solutions and recommendations, while development targets are consistently missed.

A change management culture is critical to shift the focus of

policymakers and the public administration, including line ministries and provincial authorities, towards execution and concrete interventions that deliver results. This approach should encourage innovation and experimentation in executing policy; promote a culture of taking action with fast feedback loops to accelerate learning on what is working and what is not; and improve practice over time, beyond just policy reforms.

Financial and human resources and institutional momentum need to back existing policies, targets and plans. Monitoring results at the highest tiers, including at the ministerial level and by the People's Assembly, is imperative. Ultimately, accountability for results should focus on both policy development and actions taken to execute, or not execute, such policies. Without this approach of experimentation and accountability, essential policies, however well-intended and crafted, will not support young people in fulfilling their role as drivers for sustainable development.

Leaving no young person behind: The report highlights lags in human development across provinces, ethnic groups, persons with disability, LGBTQI+ youth, low-income households and women. Discrepancies arise from multiple barricades and forms of discrimination. In the labour force, for example, young people with disabilities and from LGBTQI+ communities face obstacles to recruitment. Gender norms, early marriage and pregnancy sideline young women. Barriers to education are particularly acute for young people from marginalized socioeconomic and ethnic backgrounds, and for students from ethnic groups who struggle with language differences and bullying in schools. Health-care disadvantages

stem from discriminatory norms related to gender, disability and ethnic identity. While mental health affects young people significantly, LGBTQI+ youth face additional concerns due to stigma.

Achieving human development will depend on closing all such forms of disparity and inequity, and evening patterns of social service provision and economic growth between rural and urban areas and among provinces.

Recommendations to realize the promise of young people

This report puts forward some concrete recommendations for Lao PDR to get back on track in realizing the profound promise of its young people and the current demographic transition.

1. Strengthen economic governance for increasing investments in adolescents and youth

- Introduce sector-focused and innovative tax reforms to generate revenue for education, skills development and youth-centred health services.
- Create and capacitate research and evaluation teams within the Government to systematically test the efficiency and effectiveness of programmes.
- Put in place a special coordination mechanism to build a collective ‘lobby’ to raise investments in adolescents and youth.
- Pilot citizen-centred and youth-centred budgeting at the subnational level.

2. Build partnerships for quality service delivery and knowledge sharing

- Introduce investment matchmaking platforms to leverage private sector participation in education, health and job services delivery.
- Facilitate top-down and bottom-up

collaborative platforms to support policy reforms and advocacy.

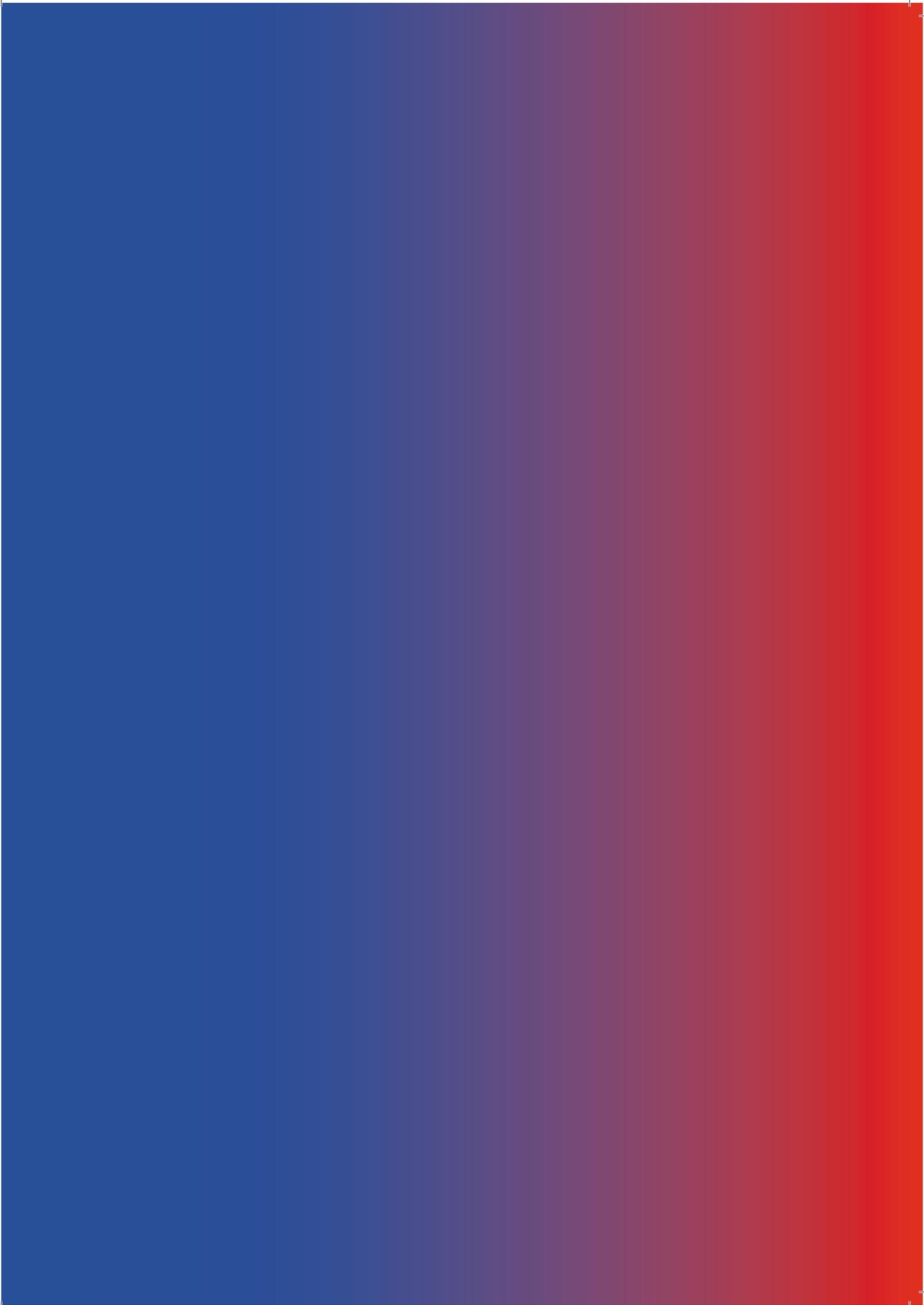
- Facilitate low-cost knowledge exchange on human development and youth development.

3. Harness youth-led solutions for sustainable human development

- Expand and mainstream social innovation challenges for youth across all provinces, targeting disadvantaged groups.
- Foster youth entrepreneurs in adopting social impact business models through improved access to finance and start-up/accelerator programmes.

4. Ensure that adolescents and young people thrive and transition to adulthood despite a time of shocks and uncertainty

- Manage digitalization to enhance human development capabilities among adolescents and youth.
- Create awareness, expertise and anticipatory preparedness capacity within the public administration to respond to the new ‘uncertainty complex’ and future shocks, including those related to climate change.
- Encourage youth leaders and youth movements in schools, communities and workplaces to seek and take opportunities that may emerge despite uncertain times.





**National Human Development Report
LAO PDR 2022**

**UNDP
United Nations Development Programme
Lane Xang Avenue, PO Box 345,
Vientiane, Lao PDR**