

**Laos**  
**(Lao People's Democratic Republic)**  
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**I. Brief Description of Laos' Higher Education System**

***Background to the higher education reforms of 1995***

Following the communist takeover in 1975, the government of Laos (officially the Lao People's Democratic Republic [Lao PDR]) prioritised primary education, aiming to boost literacy rates. With the onset of Laos' New Economic Mechanism (NEM) in 1986, similar to *doi moi* ("renovation") in neighbouring Vietnam and *perestroika* in the Soviet Union at around the same time, its main objective was to accelerate the transition from a centrally planned to a market-oriented economy.

Higher education remained of much lower in priority until the early 1990s. In 1995, the Prime Minister's Decree established the National University of Laos (NUOL), which was formed by the merging of existing higher education institutes. That same year also saw the promulgation of the Prime Minister's Decree on Private Higher Education. Prior to that, Laotian students who wished to pursue higher education often studied in Soviet bloc countries, with which the Laotian government had friendly political relationships, and which gave Laotian students scholarships to study in fields that would help to advance socialist goals.<sup>1</sup>

The background to these developments lay in the collapse of the Soviet Union in 1991. The budget for Laotian students to study in the Soviet Bloc was almost completely eliminated then, leading them to begin their studies in Asia, particularly in Vietnam, China, Thailand, India, the Philippines, Malaysia, Singapore and Japan. On its home turf, the Laotian government began to seek more cooperation and aid in tertiary education training from countries in the region. It realised that it needed a strong university within its own borders, to meet the demands of an economy that needed to grow. Before 1995, tertiary education in Laos was an unconnected collection of different institutions, with poor coordination and management. The three universities that existed before 1995, namely the University Pedagogical Institute (founded in 1964), the National Polytechnic Institute (founded in 1984), and the University of Health Sciences (founded in 1969), were managed by various ministries, including the Ministry of Education, the Ministry of Public Health, the Ministry of Communication, Post and Construction, the Ministry of Justice and the Ministry of Agriculture and Forestry. These bodies did not always communicate well with one another.

When in 1995, the government formed the National University of Laos (NUOL), post-secondary institutions and existing public colleges and institutions became consolidated. The consolidation has been considered a landmark of Laotian higher education, and now NUOL is regarded as the country's biggest and most important higher education institution.<sup>2</sup>

***Institutions and enrolment numbers***

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<sup>1</sup> Siharath, Bounheng. 2010. "The Higher Education in Lao PDR and Roles of International Cooperation for Its University Development." *Graduate School of International Development, Nagoya University*. [http://www2.gsid.nagoya-u.ac.jp/blog/anda/files/2010/06/19\\_bounheng-siharath.pdf](http://www2.gsid.nagoya-u.ac.jp/blog/anda/files/2010/06/19_bounheng-siharath.pdf).

<sup>2</sup> Ibid.

As of the 2013-14 academic year, there were five public universities – four, including the National University of Laos, are run by the Ministry of Education and Sports (MOES), through its Department of Higher Education (DHE), and one, the University of Health Sciences, is run by the Ministry of Health.

In addition, there are 133 state-run colleges and 73 private colleges in Laos.<sup>3</sup> Many of these private institutions focus on granting business administration degrees, which are in high demand by students, believing that they would help to secure a well-paying job.

However, the truth is that Laos needs graduates in other fields to thrive as a free market economy.<sup>4</sup> Students who would like to study in these more relevant fields have difficulty finding programs in Laos, and many rely on scholarships to study abroad.<sup>5</sup>

By 2013, approximately 32,000 secondary school graduates were entering tertiary education each year. Within that amount, about 10,000 attended public universities.<sup>6</sup> Enrolment in both public and private higher education institutions has been increasing rapidly. Since 2000-1, enrolments at the National University of Laos increased by more than 10% annually, reaching 22,984 students in the 2004-05 academic term. Enrolments in private higher education institutions reached a total of 14,371 in 2004-05, compared to 4,187 in 2000-1.<sup>7</sup> Women are accounting for an increasingly greater percentage of the student body, at about 40 per cent.<sup>8</sup> However, there are still problems ensuring access across ethnic and disadvantaged groups because of traditional beliefs, infrastructure and scholarship opportunities.<sup>9</sup> Siharath (2010) reported that “poor rural students are reluctant to enrol in courses that require mathematics for entrance or course exams. They generally enrol in education, geography, linguistics, or agriculture where they can be easily accepted.” Women, who are in the rural areas, are sometimes expected to stay at home.<sup>10</sup>

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<sup>3</sup> Vilaysack, Sisay. 2015. *Education reforms aim to produce a skilled workforce*. 26 March.

[http://www.vientianetimes.org.la/sub-new/Previous\\_073/sub-new/Education/Education\\_Education.htm](http://www.vientianetimes.org.la/sub-new/Previous_073/sub-new/Education/Education_Education.htm).

<sup>4</sup> Soysouvanh, Boualinh. 2013. “Development of Standards for Vocational Teachers at Bachelor Level in Lao PDR.” *Deutsche Gesellschaft für Internationale Zusammenarbeit*. <http://www.giz.de/en/downloads/giz2014-en-standards-vocational-teacher-laos.pdf>.

<sup>5</sup> Siharath, Bounheng. 2010. “The Higher Education in Lao PDR and Roles of International Cooperation for Its University Development.” *Graduate School of International Development, Nagoya University*. [http://www2.gsid.nagoya-u.ac.jp/blog/anda/files/2010/06/19\\_bounheng-siharath.pdf](http://www2.gsid.nagoya-u.ac.jp/blog/anda/files/2010/06/19_bounheng-siharath.pdf).

<sup>6</sup> Vientiane Times. 2013. *Lao private colleges struggle as ministry begins education upgrade*. 20 August. [http://www.asianewsnet.net/ann\\_news.php?a=http://www.asianewsnet.net/Lao-private-colleges-struggle-as-ministry-begins-e&id=50522](http://www.asianewsnet.net/ann_news.php?a=http://www.asianewsnet.net/Lao-private-colleges-struggle-as-ministry-begins-e&id=50522).

<sup>7</sup> UNESCO. n.d. “Education System Profiles.” *UNESCO*. <http://www.unescobkk.org/education/resources/resources/education-system-profiles/lao-pdr/higher-tvet/>.

<sup>8</sup> ADB. 2012. “Country Gender Assessment for Lao PDR-Reducing Vulnerability and Increasing Opportunity.” *Asian Development Bank*. <http://www.adb.org/sites/default/files/institutional-document/33755/files/cag-lao-pdr.pdf>

<sup>9</sup> UNESCO. 2008. *UNESCO*. [http://portal.unesco.org/education/en/files/55161/12108648015UNESS\\_\\_Lao\\_PDR\\_15\\_May\\_2008.pdf/UNESS++Lao+PDR\\_15+May+2008.pdf](http://portal.unesco.org/education/en/files/55161/12108648015UNESS__Lao_PDR_15_May_2008.pdf/UNESS++Lao+PDR_15+May+2008.pdf).

<sup>10</sup> The World Bank. 2005. “Lao PDR Gender Profile.” *The World Bank*. <http://siteresources.worldbank.org/INTLAOPRD/Resources/Lao-Gender-Report-2005.pdf>.

### ***A note on the technical and vocational training (TVET) sector***

Those that do not pass the public university exams will likely enrol in private colleges, technical and vocational training (TVET) institutions and teacher-training colleges (Times Reporters 2015). Some students do not attempt the university entrance exams at all, and instead apply directly for TVET institutions. The latter enrolls approximately 50,000 students.<sup>11</sup> Students who enrol in universities often take four years to complete their bachelor's degrees, while those that enrol in TVET institutions likely take two to three years (TVET actually begins at the secondary education level, and continues for another two to three years at a post-secondary, or higher education, level.<sup>12</sup>

TVET institutions are playing an increasingly important role in Laos, where the workforce still lacks many of the skills needed for the country to transition from a centrally planned economy to a free market economy.<sup>13</sup> More skilled workers are needed, particularly in construction, mechanical maintenance and repair and furniture-making. The government is increasing its efforts to attract students to study in these fields, specifically by offering full scholarships, with further allowances.<sup>14</sup>

### ***Major contemporary issues***

Higher education in Laos is at its early stages of development, and is still in need of improvement in the fields of management, financing, relevance and quality, and equity and access.<sup>15</sup> This section focuses on the issues of management, relevance and quality.

#### ***Management***

The management capacity of the Department of Higher Education (DHE) has been deemed insufficient, lacking a standardised system to collect, disseminate, and analyse data and information to support the advancement of its higher education system.

#### ***Relevance and Quality***

Many graduates still cannot find employment in their field of study. Siharath (2010) suggests this could be the result of out-of-date learning materials, and Soysouvanh (2013) adds that it may also be the result of the potential employers' distrust of the degrees, whether at the university- or at the TVET-level. There is "a strong negative image of TVET" in particular.<sup>16</sup> In a 2010 study, the Asian Development indicates: "It was repeatedly stressed that TVET graduates at all levels have to be trained again (by employers). The

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<sup>11</sup> UNESCO. 2013. "Policy Review of TVET in Lao PDR." *UNESCO*.  
<http://unesdoc.unesco.org/images/0022/002211/221146E.pdf>.

<sup>12</sup> Ibid.

<sup>13</sup> Soysouvanh, Boualinh. 2013. "Development of Standards for Vocational Teachers at Bachelor Level in Lao PDR." *Deutsche Gesellschaft für Internationale Zusammenarbeit*. <http://www.giz.de/en/downloads/giz2014-en-standards-vocational-teacher-laos.pdf>.

<sup>14</sup> UNESCO. 2013. "Policy Review of TVET in Lao PDR." *UNESCO*.  
<http://unesdoc.unesco.org/images/0022/002211/221146E.pdf>.

<sup>15</sup> Siharath, Bounheng. 2010. "The Higher Education in Lao PDR and Roles of International Cooperation for Its University Development." *Graduate School of International Development, Nagoya University*.  
[http://www2.gsid.nagoya-u.ac.jp/blog/anda/files/2010/06/19\\_bounheng-siharath.pdf](http://www2.gsid.nagoya-u.ac.jp/blog/anda/files/2010/06/19_bounheng-siharath.pdf).

<sup>16</sup> Soysouvanh, Boualinh. 2013. "Development of Standards for Vocational Teachers at Bachelor Level in Lao PDR." *Deutsche Gesellschaft für Internationale Zusammenarbeit*. <http://www.giz.de/en/downloads/giz2014-en-standards-vocational-teacher-laos.pdf>.

training currently being provided in TVET institutions was considered to be exclusively theoretical, and delivered by teachers... who do not have the necessary work experience of real skills". Even in universities, the quality of higher education is still believed to be low due to the subpar training of Laotian academics. At large regional universities, such as Souphanouvong University, only 1 percent of academic staff had a PhD, while 16 percent had a master's degree, and the rest had only an undergraduate degree.<sup>17</sup>

## **II. Financing Higher Education in Laos**

The Laotian government spent 3.2 percent of its GDP on education in 2011. Higher education received 15.3 percent of the total recurring budget, while TVET institutions received 3.5 percent.<sup>18</sup> UNESCO's 2013 study notes that there is "an apparent lack of transparency" in the information regarding how TVET funds are used, but there are other, overarching issues of management and funding in higher education as well.

Insufficient funding is another main problem of Laotian higher education. There are insufficient funds to provide adequate salaries and financial incentives to staff, particularly lecturers and professors, in universities. Funds for infrastructure maintenance and improvement and for professional development of academics and administrators, excluding external aid, are "virtually nonexistent," according to Souharath (2010). This problem is exacerbated by an ineffective system of tuition fees in public institutions, which may not be charging students the appropriate amount to cover costs.<sup>19</sup>

While private higher education institutions have been increasing and helping to decrease the financial burden on the public sector, public higher education institutions still urgently need to develop a more cost-efficient and sustainable system for themselves. This is not only so that they themselves can operate in the black, but also so that students can better reply on public institutions, which may be more effective than private institutions at giving students the education relevant for the workforce (private higher education institutions in the Laos are largely unregulated, and little is known about their relevance and quality.)

### ***External financial aid***

Although Laotian higher education today responds more to its goals to thrive as a free market economy, the system still relies heavily on international cooperation. This is largely because the infrastructure of Laos cannot support the demand for education. A large part of Laotian higher education is financed through partnerships with other countries. Australia, China, Germany, South Korea and Japan are the major countries providing assistance in this regard.<sup>20</sup> The Bank of Korea provided a loan to develop Souphanouvong University in Luang Prabang; Australia, China and Japan operate significant scholarship

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<sup>17</sup> Knight, Jane. Fall 2013. "Strengthening Higher Education in Laos." *International Higher Education* 24-26.

<sup>18</sup> UNESCO. 2013. "Policy Review of TVET in Lao PDR." *UNESCO*.  
<http://unesdoc.unesco.org/images/0022/002211/221146E.pdf>.

<sup>19</sup> Siharath, Bounheng. 2010. "The Higher Education in Lao PDR and Roles of International Cooperation for Its University Development." *Graduate School of International Development, Nagoya University*. [http://www2.gsid.nagoya-u.ac.jp/blog/anda/files/2010/06/19\\_bounheng-siharath.pdf](http://www2.gsid.nagoya-u.ac.jp/blog/anda/files/2010/06/19_bounheng-siharath.pdf).

<sup>20</sup> Ibid.

grant programs; and Germany provides aid for technical and vocational education development.<sup>21</sup> Furthermore, the European Erasmus Mundus Partnership Programme also plays a large role in providing Laotian students with scholarships to study at universities in Europe.<sup>22</sup>

A major international organization that is financing Laotian higher education is the Asian Development Bank (ADB). Its Strengthening Higher Education Project granted \$28.8 million to MOES in 2013, to develop textbooks and facilities, as well as to bring in visiting scholars from other countries (as previously mentioned, Laotian academics still need more professional development opportunities). One of the project's major goals was to support professional development for university staff, particularly in teaching and research.

The development of teaching and research relies heavily on scholarships sending current university lecturers to obtain more advanced degrees abroad. Laos does not have enough PhD programs in the discipline areas that it needs, and it depends on international cooperation with universities, foreign governments, and multilateral agencies to provide the financial support. The financial support is needed not only for the degrees themselves, but also for foreign language preparatory training that will allow Laotian academics to study in the language of the host institution.<sup>23</sup>

The approximate tuition fees and costs of attending TVET institutions, colleges and universities in Laos are shown in Table 1, on the following page.

**Notes on Table 1: Gathering Data on Higher Education Expenses in Laos**

Obtaining reliable data on higher education tuition fees and expenses in Laos is a challenging exercise. The data provided in the table, for all institutions besides the Public Low Cost institutions, are derived from interviews with Laotian students, as data on the institutions' websites and other online sources regarding tuition and education-related expenses were largely unavailable. Costs for lodging, food and transportation remain similar despite the nature of the institutions because Laotian students, despite being enrolled in different kinds of institutions, claim to lead similar lifestyles. Transportation costs remain notably low because many students walk or bike to classes. An important point to note is that many students noted taking classes at both public and private institutions. Their simultaneous enrolment was expected to yield better results for their later job search. The students believed that a degree from a public university was more "trusted" by employers, while a degree from a private institution, taught in English, could be used to show their English language proficiency.

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<sup>21</sup> Soysouvanh, Boualinh. 2013. "Development of Standards for Vocational Teachers at Bachelor Level in Lao PDR." *Deutsche Gesellschaft für Internationale Zusammenarbeit*. <http://www.giz.de/en/downloads/giz2014-en-standards-vocational-teacher-laos.pdf>.

<sup>22</sup> Delegation of the European Union to Laos. 2013. "EU provided 37 scholarships to Laos." *Delegation of the European Union to Laos*. 22 August. [http://eeas.europa.eu/delegations/laos/press\\_corner/all\\_news/news/2013/2208213\\_01\\_en.htm](http://eeas.europa.eu/delegations/laos/press_corner/all_news/news/2013/2208213_01_en.htm).

<sup>23</sup> Knight, Jane. Fall 2013. "Strengthening Higher Education in Laos." *International Higher Education* 24-26.

**Table 1. Laos Higher Education Expenses Borne by Parents and Students, First Degree, Academic Year 2014-15 (latest available data) - Instructional expenses for one academic year**

[National currency Laotian kip (LAK) converted to \$US by 2011 ICP Purchasing Power Parity Estimate at US\$1 = LAK 2,467.75]

**NB. Fees given as for Laotian citizens**

	Public		Private	
	Low cost <sup>24</sup> TVET institutions	Medium cost <sup>25</sup> Universities	Medium cost <sup>26</sup> Colleges	High cost <sup>27</sup> Colleges
Tuition fees	LAK 500,000 (US\$ 203)	LAK 1,100,000 (US\$ 446)	LAK 3,500,000 (US\$ 1,418)	VND 29,000,000 (US\$ 4,322)
Other fees	LAK 25,000	LAK 50,000	LAK 100,000	LAK 100,000
Books, etc	LAK 150,000	LAK 300,000	LAK 400,000	LAK 400,000
<b>Subtotal instructional expenses</b>	LAK 675,000	LAK 1,450,000	LAK 4,000,000	LAK 9,500,000
Lodging	LAK 400,000	LAK 800,000	LAK 800,000	LAK 1,000,000
Food	LAK 6,000,000	LAK 12,250,000	LAK 12,250,000	LAK 12,250,000
Transport	LAK 300,000	LAK 600,000	LAK 600,000	LAK 600,000
Other personal expenses	LAK 800,000	LAK 1,600,000	LAK 1,600,000	LAK 1,600,000
<b>Subtotal cost of living expenses</b>	LAK 7,500,000	LAK 15,250,000	LAK 15,250,000	LAK 15,450,000
<b>TOTAL</b>	<b>LAK 8,175,000</b> <b>(US\$ 3,313)</b>	<b>LAK 16,700,000</b> <b>(US\$ 6,767)</b>	<b>LAK 19,250,000</b> <b>(US\$ 7,800)</b>	<b>LAK 24,950,000</b> <b>(US\$ 10,110)</b>

<sup>24</sup> The Laotian government provides scholarships to cover tuition costs for students studying at the certificate-level in highly needed fields at public TVET institutions (UNESCO, 2013). The tuition fees here represent the case of a student receiving a partial scholarship. The amount of allowance depends on the student's socioeconomic status, and this column represents a student in great financial need.

<sup>25</sup> These costs reflect a business degree taught in Lao at the National University of Laos, and are taken as representative of this category.

<sup>26</sup> These costs reflect a business degree taught in English at Rattana Business Administration College, considered an expensive private institution, and are taken as representative of this category.

<sup>27</sup> These costs reflect a business degree taught in English at Lao-America College, considered an expensive private institution, and are taken as representative of this category.

### III. Financial assistance

#### **Scholarships**

While graduate scholarships often send Laotian students abroad, undergraduate student scholarships, on the other hand, are often directed towards sending Laotian students to institutions within Laos. Again, the financial assistance lent by foreign countries plays a major role. Laos received 1,378 scholarships from 23 countries in 2010, and 1,564 scholarships from 27 nations in 2011.<sup>28</sup>

Based on available information, the scholarships provided by foreign countries and organisations are almost always awarded to students attending the five public universities in the country.

The Japan International Cooperation Agency (JICA), for instance, partnered with Nikon Lao Co. Ltd. to provide scholarships for forty students to study at Savannakhet University in 2014.<sup>29</sup> China, similarly, provided over twenty scholarships, totalling about US\$31,000, for students to pursue education at NUOL (Thai PBS 2015). Australia, through the Laos Australia National Scholarships Program, has provided scholarships for nearly 300 Laotian students to also study at NUOL. The Australian scholarship, rewarded to approximately seventy students a year, covers tuition fees, home travel, a monthly stipend, extra tuition and other university costs.<sup>30</sup>

Individual, non-government organisations also provide scholarship support to Laotian students. For instance, Child's Dream, an organisation that works in the Mekong region, provides approximately twenty scholarships per year for students to study in Laotian higher education institutions.<sup>31</sup> Ekphatthana Microfinance Institution also provides loans averaging US\$360<sup>32</sup>, helping families to support their children's university fees.<sup>33</sup>

#### **Student loans**

Since around 2000, the MOES and NUOL have been discussing the advent of a student loan scheme. It is unclear, from the latest available information, whether such a student loan scheme at NUOL or the other public universities has yet been put in effect. It has been alleged that the Laotian government has been delaying the application of such student loan schemes because of the anticipated negative reaction of the

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<sup>28</sup> Tuoitre News. 2013. "Vietnam tops list of scholarship providers in Laos." *Tuoitre News*. 16 April. <http://tuoitrenews.vn/education/8822/vietnam-tops-list-of-scholarship-providers-in-laos>.

<sup>29</sup> JICA. 2014. "Scholarship Program for Laotian University Students Begins with Cooperation from Nikon Corporation." *Japan International Cooperation Agency*. 15 May. [http://www.jica.go.jp/english/news/press/2014/140515\\_01.html](http://www.jica.go.jp/english/news/press/2014/140515_01.html).

<sup>30</sup> Laos Australia Institute. n.d. "74 New Australian Scholarships for Provincial Lao Students." *Laos Australia Institute*. [http://www.laosaustraliainstitute.org/index.php?option=com\\_content&view=article&id=81:74-new-australian-scholarships-for-provincial-lao-students&catid=13&Itemid=150&lang=en](http://www.laosaustraliainstitute.org/index.php?option=com_content&view=article&id=81:74-new-australian-scholarships-for-provincial-lao-students&catid=13&Itemid=150&lang=en).

<sup>31</sup> Child's Dream. n.d. *University Scholarships for Laotian Students – Bachelor Level*. <http://childsdream.org/projects/higher-education/university-scholarships/usp-laotian-students-bachelor-level-in-thailand/>

<sup>32</sup> EMI. 2010. *Profiles*. [http://emimfi.com/about\\_us/profiles](http://emimfi.com/about_us/profiles).

<sup>33</sup> Mingboupha, Chantha. n.d. *Commercial Microfinance Institution: The Case of EMI*. <http://www.apraca.org/upload/book/42/11-20%20okpaper%20forum%20bkk%20emi%20chantha.pdf>.

low-income population, who might not expect to be demanded for loan repayments (as compared to grants or scholarships).<sup>34</sup>

Anecdotal evidence, such as that found online, suggest that Laos' state and commercial banks and agencies do provide loans that may be used towards higher education tuition fees, as well as the cost of books, tuition fee and living expenses.<sup>35</sup> However, it does not appear to be structured as a student loan as conventionally understood, and it is unclear how widespread these loans are.

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<sup>34</sup> *Educating Financing and Budgeting In Lao PDR*. 2000. International Institute for Education Planning. <http://unesdoc.unesco.org/images/0012/001224/122458E.pdf>.

<sup>35</sup> "Educational Loans in Laos". 2016. *Laos Education Info*. Accessed June 30. <http://www.laoseducation.info/education-funding/education-loans/index.html>.