

# **LAO PEOPLE'S DEMOCRATIC REPUBLIC**

## **Public Administration**

### **Country Profile**

Division for Public Administration and Development Management (DPADM)  
Department of Economic and Social Affairs (DESA)  
United Nations

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# LAO PDR

[Click here](#) for detailed map



Source: [The World Factbook - Lao PDR](#)

## **Government type**

People's Republic

## **Independence**

19 July 1949 (from France)

## **Constitution**

Promulgated 14 August 1991

## **Legal system**

Based on traditional customs, French legal norms and procedures, and socialist practice

## **Administrative divisions**

16 provinces ('khoueng'), 1 municipality (Vientiane), and 1 special zone (Saysomboune)

Source: [The World Factbook - Lao PDR](#)

During the first Indochina war between France and the communist movement in Vietnam, the Pathet Lao (Land of Lao) resistance organization was formed, committed to the communist struggle against colonialism. Laos was not granted full sovereignty until the French defeat by the Vietnamese and the subsequent Geneva peace conference in 1954.

A year later, elections were held in Laos. The resulting Government of National Union collapsed in 1958 and was replaced by a right-wing government. A second Geneva conference, held in 1961-62, provided for the independence and neutrality of Laos. Meanwhile, a growing American and North Vietnamese military presence in the country increasingly drew Laos into the second Indochina war (1954-75).

On December 2, 1975, the king abdicated his throne, and the communist Lao People's Democratic Republic (LPDR) was established. With the abrogation of the 1947 constitution, Lao PDR was governed by Part Resolutions between 1975 and 1991. In 1991, the Supreme People's Council voted in favour of a new Constitution, which provides the official framework for governance in Lao PDR.

The following year, elections were held for a new 85-seat National Assembly. The most recent elections took place in February 2002, when the National Assembly was expanded to 109 members.

Source: [UN Capital Development Fund \(Lao PDR\) - Lao PDR - Fact Finding Mission Report \(March 2002\) \(edited\)](#)  
[U.S. Department of State \(Background Notes\) - Lao PDR \(edited\)](#)

# 1. General Information

| 1.1 People   | Lao PDR           | Cambodia           | Vietnam           | 1 |
|--|-------------------|--------------------|-------------------|---|
| <b>Population</b>  |                   |                    |                   | a |
| Total estimated population (,000), 2003                  | 5,657             | 14,143             | 81,377            |   |
| Female estimated population (,000), 2003                 | 2,829             | 7,257              | 40,827            |   |
| Male estimated population (,000), 2003                   | 2,828             | 6,886              | 40,550            |   |
| Sex ratio (males per 100 females), 2003                  | 100               | 95                 | 99                |   |
| Average annual rate of change of pop. (%), 2000-2005     | 2.29              | 2.4                | 1.35              |   |
| <b>Youth and Elderly Population</b>                      |                   |                    |                   | b |
| Total population under age 15 (%), 2003                  | 42                | 41                 | 31                |   |
| Female population aged 60+ (%), 2003                     | 6                 | 6                  | 8                 |   |
| Male population aged 60+ (%), 2003                       | 5                 | 3                  | 7                 |   |
| <b>Human Settlements</b>                                 |                   |                    |                   | c |
| Urban population (%), 2001                               | 20                | 18                 | 25                |   |
| Rural population (%), 2001                               | 80                | 82                 | 75                |   |
| Urban average annual rate of change in pop. (%), '00-'05 | 4.59              | 5.54               | 3.06              |   |
| Rural average annual rate of change in pop/ (%), '00-'05 | 1.71              | 1.74               | 0.71              |   |
| <b>Education</b>   |                   |                    |                   | d |
| Total school life expectancy, 2000/2001                  | 8.3               | 7                  | 10.4              | 1 |
| Female school life expectancy, 2000/2001                 | 7.4               | 7                  | ..                | 1 |
| Male school life expectancy, 2000/2001                   | 9.2               | 8.2                | ..                | 1 |
| Female estimated adult (15+) illiteracy rate (%), 1999   | 46.6 <sup>i</sup> | 42.8 <sup>ii</sup> | 9.3               | 2 |
| Male estimated adult (15+) illiteracy rate (%), 1999     | 23.8 <sup>i</sup> | 19.8 <sup>ii</sup> | 5.5               | 2 |
| <b>Employment</b>  |                   |                    |                   | e |
| Unemployment rate (15+) (%), 2000                        | ..                | ..                 | ..                | 1 |
| Female adult (+15) economic activity rate (%), 1999      | ..                | 74                 | 74 <sup>iii</sup> | 2 |
| Male adult (+15) economic activity rate (%), 1999        | ..                | 81                 | 82 <sup>iii</sup> | 2 |

Notes: <sup>i</sup> 1995; <sup>ii</sup> 1998; <sup>iii</sup> 1989

| 1.2 Economy   | Lao PDR            | Cambodia            | Vietnam | 2 |
|---|--------------------|---------------------|---------|---|
| <b>GDP</b>  |                    |                     |         | a |
| GDP total (millions US\$), 2002                     | 1,680              | 3,677               | 35,110  |   |
| GDP per capita (US\$), 2002                         | 304                | 294                 | 436     |   |
| PPP GDP total (millions int. US\$), 2002            | 9,280 <sup>i</sup> | 20,585              | 180,344 |   |
| PPP GDP per capita(int. US\$), 2002                 | 1,678 <sup>i</sup> | 1,649               | 2,240   |   |
| <b>Sectors</b>                                      |                    |                     |         | b |
| Value added in agriculture (% of GDP), 2002         | 53.5 <sup>ii</sup> | 35.6                | 23.0    |   |
| Value added in industry (% of GDP), 2002            | 22.5 <sup>ii</sup> | 28.0                | 38.5    |   |
| Value added in services (% of GDP), 2002            | 24.0 <sup>ii</sup> | 36.4                | 38.5    |   |
| <b>Miscellaneous</b>                                |                    |                     |         | c |
| GDP implicit price deflator (annual % growth), 2003 | 12.6               | 7.4                 | 5.4     |   |
| Private consumption (% of GDP), 2003                | ..                 | 80.1 <sup>iii</sup> | 66.0    |   |
| Government consumption (% of GDP), 2003             | ..                 | 5.8 <sup>iii</sup>  | 6.9     |   |

Notes: <sup>i</sup> Estimate is based on regression; other PPP figures are extrapolated from the latest International Comparison Programme benchmark estimates; <sup>ii</sup> 1999; <sup>iii</sup> 2002

<sup>1</sup> [United Nations Statistics Division](#):

<sup>a</sup> [Statistics Division and Population Division of the UN Secretariat](#); <sup>b</sup> [Statistics Division and Population Division of the UN Secretariat](#); <sup>c</sup> [Population Division of the UN Secretariat](#); <sup>d1</sup> [UNESCO](#); <sup>d2</sup> [UNESCO](#); <sup>e1</sup> [ILO](#); <sup>e2</sup> [ILO/OECD](#)

<sup>2</sup> [World Bank - Data and Statistics](#):

<sup>a</sup> [Quick Reference Tables](#); <sup>b</sup> [Data Profile Tables](#); <sup>c</sup> [Country at a Glance](#)

| 1.3 Public Spending                 | Lao PDR | Cambodia | Vietnam |   |
|-------------------------------------|---------|----------|---------|---|
| <b>Public expenditures</b>          |         |          |         | 3 |
| Education (% of GNP), 1985-1987     | 0.5     | ..       | ..      | a |
| Education (% of GNP), 1995-1997     | 2.1     | 2.9      | 3       | a |
| Health (% of GDP), 1990             | 0       | ..       | 0.9     |   |
| Health (% of GDP), 1998             | 1.2     | 0.6      | 0.8     |   |
| Military (% of GDP), 1990           | ..      | 2.4      | 7.9     | b |
| Military (% of GDP), 2000           | ..      | 2.4      | ..      | b |
| Total debt service (% of GDP), 1990 | 1.1     | 2.7      | 2.7     |   |
| Total debt service (% of GDP), 2000 | 2.5     | 1        | 4.2     |   |

Notes:

| 1.4 Public Sector Employment and Wages     |            |                      |                      |   |   |  |
|--|------------|----------------------|----------------------|---|---|--|
| <i>Data from the latest year available</i> |            | Lao PDR<br>1991-1995 | Lao PDR<br>1996-2000 | East Asia &<br>Pacific<br>average <sup>4</sup><br>1996-2000 | ..<br>average <sup>4</sup><br>1996-2000 | Low income<br>group<br>average <sup>4</sup><br>1996-2000 |
| <b>Employment</b>                          |            |                      |                      |   |   |  |
| Civilian Central Government <sup>5</sup>   | (,000)     | 4.0                  | ..                   |   |   |  |
|  | (% pop.)   | 0.09                 | ..                   | 0.63  | ..                                      | 0.46   |
| Sub-national Government <sup>5</sup>       | (,000)     | 20.0                 | ..                   |   |   |  |
|  | (% pop.)   | 0.46                 | ..                   | 0.63  | ..                                      | 0.46   |
| Education employees                        | (,000)     | 38.0                 | 26.4                 |   |   |  |
|  | (% pop.)   | 0.87                 | 0.54                 | 0.76  | ..                                      | 0.91   |
| Health employees                           | (,000)     | 7.0                  | ..                   |   |   |  |
|  | (% pop.)   | 0.16                 | ..                   | 0.16  | ..                                      | 0.62   |
| Police                                     | (,000)     | ..                   | ..                   |   |   |  |
|  | (% pop.)   | ..                   | ..                   | 0.26  | ..                                      | 0.30   |
| Armed forces                               | (,000)     | 37.0                 | 29.1                 |   |   |  |
|  | (% pop.)   | 0.85                 | 0.59                 | 0.53  | ..                                      | 0.33   |
| SOE Employees                              | (,000)     | 3.0                  | 11.9                 |   |   |  |
|  | (% pop.)   | 0.07                 | 0.25                 | 1.18  | ..                                      | 2.27   |
| Total Public Employment                    | (,000)     | 109.0                | ..                   |   |   |  |
|  | (% pop.)   | 2.5                  | ..                   | ..  | ..                                      | ..   |
| <b>Wages</b>                               |            |                      |                      |   |   |  |
| Total Central gov't wage bill              | (% of GDP) | 5.2                  | ..                   | 9.4   | ..                                      | 5.4  |
| Total Central gov't wage bill              | (% of exp) | ..                   | ..                   | 24.4  | ..                                      | 24.7   |
| Average gov't wage                         | (,000 LCU) | 503                  | ..                   |   |   |  |
| Real ave. gov't wage ('97 price)           | (,000 LCU) | 867                  | ..                   |   |   |  |
| Average gov't wage to per capita GDP ratio |            | 2.0                  | ..                   | 2.9   | ..                                      | 4.4  |

Source: [World Bank - Public Sector Employment and Wages](#)

<sup>3</sup> UNDP - [Human Development Report 2002](#)

<sup>a</sup> Data refer to total public expenditure on education, including current and capital expenditures.

<sup>b</sup> As a result of a number of limitations in the data, comparisons of military expenditure data over time and across countries should be made with caution. For detailed notes on the data see SIPRI (2001).

<sup>4</sup> Averages for regions and sub regions are only generated if data is available for at least 35% of the countries in that region or sub region.

<sup>5</sup> Excluding education, health and police – if available (view [Country Sources](#) for further explanations).

**Overview of government employment (2002-2003):**

| <b>Item</b>           | <b>Qty</b>    | <b>Female</b> | <b>(%)</b> | <b>Male</b>   | <b>(%)</b> |
|-----------------------|---------------|---------------|------------|---------------|------------|
| <b>Civil servants</b> |               |               |            |               |            |
| Lao Loum              | 80,532        | 31,517        | 39         | 49,015        | 61         |
| Lao Theung            | 5,359         | 1,907         | 36         | 3,452         | 64         |
| Lao Sung              | 5,439         | 1,811         | 33         | 3,628         | 67         |
| <b>Total</b>          | <b>91,330</b> | <b>35,235</b> | <b>39</b>  | <b>56,095</b> | <b>61</b>  |
| <b>Central gov't</b>  |               |               |            |               |            |
| Lao Loum              | 74,443        | 29,788        | 40         | 44,655        | 60         |
| Lao Theung            | 4,131         | 1,648         | 40         | 2,483         | 60         |
| Lao Sung              | 5,105         | 1,749         | 34         | 3,356         | 66         |
| <b>Total</b>          | <b>83,679</b> | <b>33,185</b> | <b>40</b>  | <b>50,494</b> | <b>60</b>  |
| <b>Provinces</b>      |               |               |            |               |            |
| Lao Loum              | 6,089         | 1,729         | 28         | 4,360         | 72         |
| Lao Theung            | 1,228         | 259           | 21         | 969           | 79         |
| Lao Sung              | 334           | 62            | 19         | 272           | 81         |
| <b>Total</b>          | <b>7,651</b>  | <b>2,050</b>  | <b>27</b>  | <b>5,601</b>  | <b>73</b>  |

Source: [UN OHCHR - State Party Report \(31 March 2004\)](#)

## 2. Legal Structure

The Lao People's Democratic Republic is a unitary State. Under the Constitution, the country is a people's democratic State. The right of the multi-ethnic people to be master of the country is exercised and guaranteed through the functioning of the political system, with the Lao People's Revolutionary Party as the lead component.

The National Assembly and all other state organizations are established and function in accordance with the principle of democratic centralism.<sup>6</sup>

Source: [UN OHCHR - State Party Report \(31 March 2004\)](#)

### 2.1 Legislative Branch

Unicameral National Assembly (109 seats; members elected by popular vote to serve five-year terms.<sup>7</sup>  
*women in parliament*: 25 out of 109 seats: (23%).<sup>8</sup>

The National Assembly consists of a single chamber of 109 representatives, elected for 5 years by direct and secret universal suffrage.

Candidates for National Assembly membership must be screened and approved by the Lao Front for National Construction (see 3.3). In the recent elections, one out of the 166 candidates was not a Party member.

National Assembly constituencies are provincial. Each province is represented by at least 3 National Assembly members, but with total provincial representation being thereafter a function of the provincial population size. On Election Day, provincial electors are asked to "eliminate" the candidates that they do not want to represent them.

The National Assembly maintains offices in each province which are intended to facilitate contact between provincial parliamentarians and their constituencies.

Source: [UN Capital Development Fund \(Lao PDR\) - Lao PDR - Fact Finding Mission Report \(March 2002\) \(edited\)](#)

The Constitution identifies the National Assembly as the organization of the people's representatives. It is the legislative organ, which has the right to decide the fundamental issues of the nation. It also supervises and oversees the function of the executive and judicial branches of government.

The National Assembly exercises its legislative, representative and oversight functions through the Standing Committee, six parliamentary commissions, a number of internal offices and departments and 18 Provincial Offices.

Only the National Assembly of the Lao People's Democratic Republic has the right to amend the Constitution. The amendment to the Constitution requires the votes of approval cast by at least two-thirds of the total number of the National Assembly members.<sup>9</sup>

Source: [UNDP \(Lao PDR\) - Decentralization Report \(Updated 7 March 2004\)](#)

<sup>6</sup> [Constitution of Lao PDR](#)

<sup>7</sup> Source of fact boxes if nothing else stated: [The World Factbook - Lao PDR](#)

<sup>8</sup> [Inter-Parliamentary Union - Women in National Parliaments](#)

<sup>9</sup> [Constitution of Lao PDR](#)

**Fact box:**

*elections*: last held 24 February 2002 (next to be held in 2007)

*election results*: seats by party - LPRP or LPRP-approved (independent, non-party members) 109

## 2.2 Executive Branch

*cabinet:* Council of Ministers appointed by the president, approved by the National Assembly.  
*elections:* president elected by the National Assembly for a five-year term; election last held 24 February 2002 (next to be held in 2007); prime minister appointed by the president with the approval of the National Assembly for a five-year term

The President of the Republic and Head of State is elected by the National Assembly with two-thirds of the votes of all members of the National Assembly attending the session. The term of office of the President of state is five years.

The President, *inter alia*, promulgate laws approved by the National Assembly, appoints or removes the Prime Minister (with the approval of the National Assembly) and members of the Government, and appoint provincial Governors and municipal Mayors on the recommendation of the Prime Minister.

The government consists of the Prime Minister, Deputy Prime Ministers, ministers and chairmen of the ministry-equivalent committees. The term of office of the government is five years. The Prime Minister appoints deputy ministers and deputy chairmen of ministry-equivalent committees, as well as deputy Governors, deputy Mayors and district Chiefs.

The Civil Service Decree [Article 9] provides for the various civil servants appointed by the President, the Prime Minister, the ministers, the governor of provinces or prefectures, and district governors.

Source: [Constitution of Lao PDR](#) & [Civil Service Decree, no. 171 \(2003\)](#)

### Fact box:

*chief of state:* President Gen. KHAMTAI Siphadon (since 26 February 1998) and Vice President Lt. Gen. CHOUMMALI Saignason (since 27 March 2001)  
*head of government:* Prime Minister BOUNGNANG Volachit (since 27 March 2001); First Deputy Prime Minister Maj. Gen. ASANG Laoli (since May 2002), Deputy Prime Minister THONGLOUN Sisolit (since 27 March 2001), and Deputy Prime Minister SOMSAVAT Lengsavat (since 26 February 1998)

## 2.3 Judiciary Branch

People's Supreme Court (the president of the People's Supreme Court is elected by the National Assembly on the recommendation of the National Assembly Standing Committee; the vice president of the People's Supreme Court and the judges are appointed by the National Assembly Standing Committee).

The People's Courts are the judiciary organizations of the state comprising the People's Supreme Court, People's Provincial and Municipal Courts, People's District Courts and Military Courts.

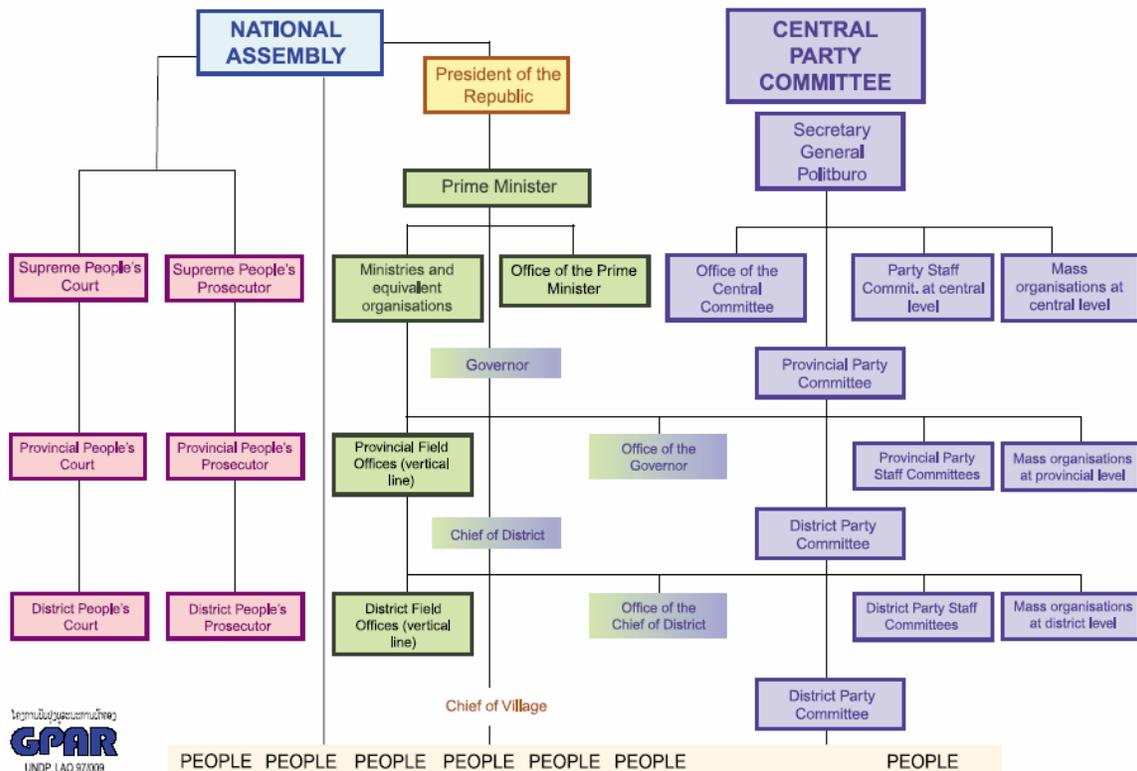
The People's Supreme Court is the highest judiciary organization of the state. The People's Supreme Court scrutinizes the sentences reached by the people's local courts and the military courts.

The Vice-President of the People's Supreme Court and the judges of the people's courts at all levels are appointed or removed by the National Assembly Standing Committee.

The Public Prosecution Institutes, which control the appropriate observance of laws by all ministries, organizations attached to the government, social organizations, local administrative organizations, enterprises, state employees and all citizens, consist of the Public Prosecutor-General Institute, the Public Prosecution Institutes of provinces, municipalities, and districts, and the military prosecution institutes.

Source: [Constitution of Lao PDR](#)

## State structure in LAO PDR



Source: UNDP (Lao PDR) - National Human Development Report (2001)

## 2.4 Local Government

Prime Ministerial [Instruction 01/PM](#) (dated 11 March 2000) and supporting Recommendation 128/SPC (same date) were issued as a first step in reversing the “re-centralization” trend of the 1990s. This policy guidance defined a new planning and budgeting framework, seeking to increase the responsibilities of the provinces, districts and villages. Provinces were to become “Strategic Planning Units”, Districts “planning and budgeting units”, and villages “implementation units”. The intention of this guideline was to devolve planning and budgeting responsibilities to lower levels of public administration.

In order to give stronger backing to the policy shift towards decentralization the [Law on Local Administration](#) was approved by the National Assembly in October 2003. It outlines the basic principles concerning the organization, working methods and functions of the local administration at provincial, city, district, municipal and village level. After nearly 10 years of experimenting with the implementation of Resolution nr. 21 (May 1993) and revising and adapting operational procedures accordingly, the law consolidates the principles of a deconcentrated system (upgrading Party Resolution 21 into a state-sanctioned legal framework). Two innovations are significant:

The Law offers opportunities to incrementally establish elected local government bodies (“municipalities”) – at least in the more “urban” areas - and to adjust the organizational structures of the local administrations (in particular the districts and

municipalities) as part of the process of empowering local authorities and field offices;

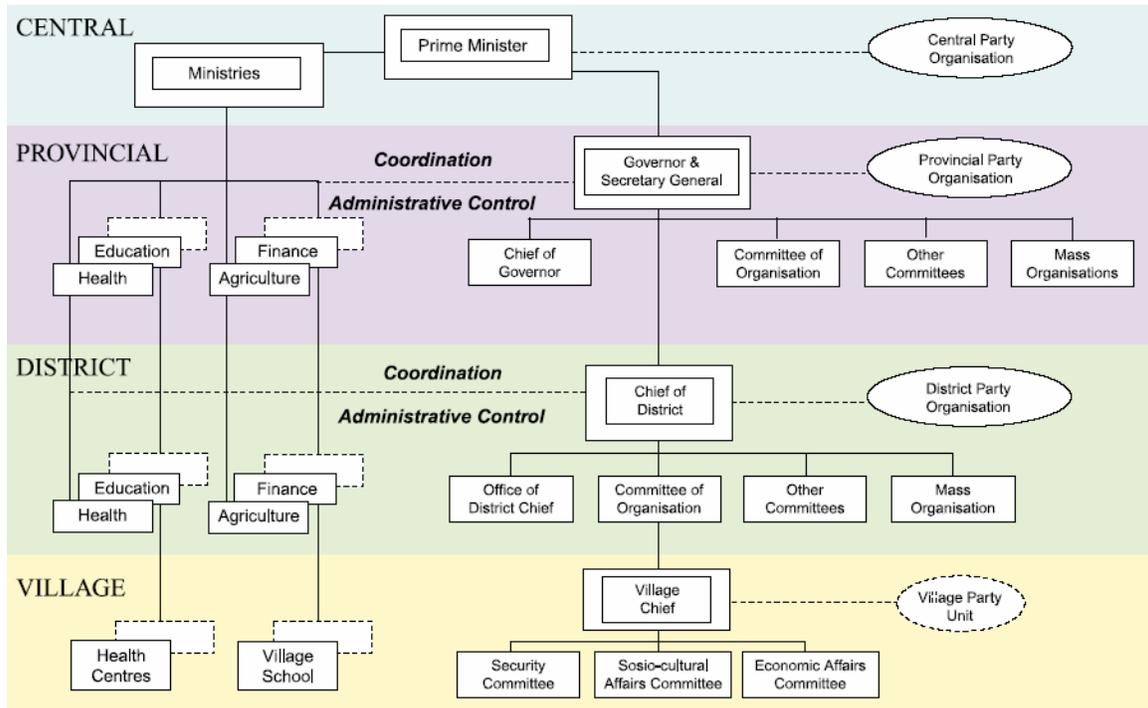
The Law also allows for the creation of embryonic consultative bodies at Village and District level (regular Village and District “meetings”), as a first step to opening up the local service delivery, planning and public expenditure management process to people other than local officials.

Additional legislation include Recommendation 475/MF, which is almost entirely devoted to allocating revenue collection and expenditure management responsibilities for the provinces, districts and villages.<sup>10</sup>

Lao PDR is divided into 16 provinces, Vientiane Municipality and Saysomboune Special Zone (administered directly by the armed forces for security reasons). Provinces are, in turn, divided up into a varying number of districts (with a total of 141 districts for the country as a whole), which are themselves made up of villages (between 11,000 and 12,000). In theory, there are no formal administrative level between districts and their constituent villages; in practice, however, district administrations usually tend to group villages into zones or *khet*, made up of several villages. Official government documents frequently refer to three regions – northern, central, and southern – but these are geographical and not administrative units.

Source: UN Capital Development Fund (Lao PDR) - Lao PDR - Fact Finding Mission Report (March 2002) (edited)

**Overview of central-local party-state institutional framework**



Source: UNDP (Lao PDR) - National Human Development Report (2001)

<sup>10</sup> UN Capital Development Fund (Lao PDR) - Lao PDR - Fact Finding Mission Report (March 2002)

The prefecture of Vientiane, the provinces and the special zone are administered by the prefect, the provincial governors and the chief of the special zone, respectively; all of these have the same rank. The districts have district chiefs and the villages have village heads.

The Prefect of Vientiane, the provincial governors, the chief of the special zone, the district chiefs and the village heads have deputies to assist them. The prefect, the governors, the chief of the special zone and the district chiefs are appointed by the Government, while the village heads are directly elected by the villagers themselves.

Source: [UN OHCHR - State Party Report \(31 March 2004\)](#)

[Click here](#) for Decentralization Report (updated 7 March 2004)

## 3. The State and Civil Society

### 3.1 Ombudsperson

Source: [Institution](#) - [Title](#)

### 3.2 NGOs

[Click here](#) for Directory of International Non-government Organizations (INGOs) in the Lao PDR

Source: [Institution](#) - [Title](#)

### 3.3 LPRP and mass organizations

Since 1975, Lao PDR has been ruled by one party, the Lao People's Revolutionary Party (LPRP). Total Party membership of the LPRP is estimated to be around 100,000 – which is approximately 2% of the total population. Despite this relatively small membership, the Party appears to be present at all levels in Lao PDR – from Vientiane to the villages. Within each line ministry, and at national, provincial and district levels, Party members are organized into committees. There are also “consolidated” Party committees for the overall district and provincial levels.

At the national level, the Party Central Committee (with a current membership of 53) provides the LPRP with a form of national assembly. The Political Bureau (usually referred to as the Politburo) – with a current membership of 11 – operates as the Party's executive body; the Politburo is, by all accounts, the most politically powerful body in Lao PDR. Both the Politburo and the Central Committee are “elected” during the Party's Congresses every five years. Party Congresses are major political events, not only because they choose the LPRP leadership, but also because they determine policy goals and orientations.

- LPRP's representation in the state apparatus includes:
- the President of the Republic and Head of State (the General Secretary of the Party and head of the Politburo);
- the Prime Minister (traditionally a key member of the Politburo);
- all provincial Governors (both members of the Party Central Committee and the General Secretaries of their respective Provincial Party Committees);
- all district Governors (General Secretaries of their respective District Party Committees);
- Ministers (frequently also members of the Politburo or the Central Committee); and
- Ministers (usually Party members).

There are four mass organizations in Lao PDR – the Lao Front for National Construction (commonly referred to as the Lao Front), the Lao Federation of Trades Unions, the Lao Youth Organization, and the Lao Women's Union. They are

constitutionally mandated to “.. unite and mobilize all strata of all ethnic groups in order to take part in the tasks of national defense and development..”.

These mass organizations are present at all levels – national, provincial, district and village. At district and provincial levels, they report to the Governors in their capacity as General Secretaries of the local Party Committee.

Of the mass organizations, it is the Lao Front which appears to be the most highly regarded at the local level and in rural areas. The Lao Front is responsible for building national solidarity and for ensuring that the interests of ethnic minority groups are taken into account and upheld. It is often considered to be one of the more liberal elements in the country’s political system. The Lao Women’s Union is also fairly active in rural areas, and is often involved in health programmes and income generating activities.

Although the Constitution explicitly recognizes the freedom of Lao citizens to assembly, no further regulatory framework defines how this constitutional right can be exercised in practice. As a result, civil society organizations (CSOs), as known elsewhere, are not legally recognized in Lao PDR.

Source: [UN Capital Development Fund \(Lao PDR\) - Lao PDR - Fact Finding Mission Report \(March 2002\)](#)

According to the Constitution, the State shall ensure that the mass media are made capable of contributing to the protection and development of the country. Any use of the mass media to harm the national interest or undermine the Lao people’s finest traditions or dignity is prohibited.

All the media in the Lao People’s Democratic Republic - press, radio and television - belong to or are controlled by the State.

Source: [UN OHCHR - State Party Report \(31 March 2004\)](#)

## 4. Civil Service

Overall civil service management is placed under the responsibility of the Department of Public Administration and Civil Service (DPACS) in the Prime Minister's Office, while issues related to the financial management of civil servants are the responsibility of the Department of the Budget in the Ministry of Finance.

Until recently, all personnel management affairs were closely monitored by the Central Committee of Organization and Personnel (CCOP). Since 2001, DPACS is responsible for supervising the management of civil servants in technical positions (Decree No.124/PM, 4/7/2001), while the CCOP manages positions of high leadership.

Source: [UNDP \(Lao PDR\) - Priority areas for Governance Reform \(March 2003\)](#)

### 4.1 Legal basis

The new civil service statute was approved in May 2003 ([Decree no. 171/PM dated 23 May 2003](#)) identifies civil servants as those who are recruited and appointed to work permanently in the party, state and mass organizations at the central and local levels. The military and the police force are not considered the civil service, and special regulations apply to these sectors.<sup>11</sup>

In contrast with previous regulations, the high-ranking officials (vice-minister level and above) are no longer considered civil servants. The new statute aims to introduce a more performance-oriented and accountable civil service, including provisions to curb nepotism and corrupt practices and output-based performance evaluations. According to the statute newly recruited civil servants are obliged to work at least 2 years at village or district level.

Source: [UN Capital Development Fund \(Lao PDR\) - Lao PDR - Fact Finding Mission Report \(March 2002\) \(edited\)](#)

### 4.2 Recruitment

According to the Civil Service Decree, the recruitment of civil servants must be carried out through selections and entry examinations. Individuals who pass the selective examination must be submitted to a probationary period ranging from 3-18 months depending on qualifications before becoming a civil servant.

Civil servants are classified into six ranks, with 'rank 6' being rank of the high leadership. Each rank between one and five comprises 15 indices however the rank of the high leadership comprises only 4 indexes.

Civil servants are furthermore categorized according to revolutionary activities before 1954, between 1954 and 1975, and according to participation in administrative services from 1975 and onwards.

Source: [Civil Service Decree, no. 171 \(2003\)](#)

### 4.3 Promotion

Historically, there is a lack of standardized performance management in the Civil Service. The foundations of the current personnel management policies and practices were strongly influenced by the underlying principles of a centrally planned economy.

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<sup>11</sup> [Click here](#) for a comprehensive paper on the Civil Service System of Laos in the late 90's (February 1997)

In general, all civil servants followed a similar career progression, and were promoted one step every two years, unless they showed particularly low moral qualities or required disciplinary action. Consequently, almost all civil servants received their promotion.

Group evaluations have also been a part of the civil service culture in Lao PDR. These have traditionally taken place on a monthly basis within respective work units. The meetings have given employees the opportunity to evaluate themselves, to evaluate each other and even to evaluate their superiors. Practices in some ministries have been different from those observed in others. Even within ministries, practices may have differed from one province to another. The effectiveness of this methodology has increasingly been called into question. Self-criticism and peer-rating are strong devices in flexible and flat structures, but the bureaucratic nature of the Lao civil service obstructs the efficient use of outcomes from group evaluations.

In the new Decree on Civil Servants, heads of organizational units have been encouraged to give selective recognition for good performance which can result in accelerated progression in the salary. Similarly, managers have been encouraged to stigmatize unsatisfactory performance.

The new Civil Service decree legislates for selective recognition of superior performance through accelerated promotion, but as of early 2004 the revised performance appraisal system had not yet introduced. Similarly, the job descriptions upon which appraisal must be placed had not yet been developed in a consistent fashion across the country.

Source: [Reforming Performance Management Procedures in the Civil Service in Lao PDR \(2004\)](#)

#### **4.4 Remuneration**

In 1993, a system of pay and allowances for civil servants was developed in order to move away from the previous system of benefits in kind. As part of the comprehensive public service reform strategy, the pay scale for civil servants has been revised and the government is looking into the option of designing a separate pay scale for the positions of high leadership.

Apart from low salary levels the current pay scale is also severely compressed (compression ratio of 2.4) and not competitive with those offered by the private sector.

The Government recognizes that these new salary levels still fall short of the levels needed to encourage a high level of performance from public servants, and will continue to raise salaries as the financial situation of the country permits.

Source: [UNDP \(Lao PDR\) - Priority areas for Governance Reform \(March 2003\)](#)

#### **4.5 Training**

The Government has been steadily upgrading the qualifications of civil servants and orienting recruitment towards candidates with higher technical/specialized (rather than general) qualifications. The number of civil servants with postgraduate qualifications has more than doubled since 1998.

As part of the HRD policies, the Government created the National Organisation for the Study of Politics and Administration (NOSPA) in 1995, resulting from the merger of the National School of Administration and Management (NSAM) and the School for Higher Studies in Political Theory.

NOSPA organizes workshops as well as short and long-term training courses to upgrade the qualifications of senior Government managers so that they are better able to lead the people under their jurisdiction, to motivate, innovate and communicate. Women from the local level are given priority placement in these courses.

In the past, number of four to ten month courses, particularly for local officials, has been organized. Since 1992, four-year Bachelor-level degree courses covering subjects such as public administration, management and political theory (presently about 250 students) have been organized.

Ministries also have their own technical level schools in order to teach public servants the technical skills required for their particular sector.

In 1998, as a result of a two-year nation-wide process, the Government prepared a comprehensive HRD Programme<sup>12</sup>, which is still in effect.

At the moment, training activities still happen partially on an ad hoc basis, and not yet sufficiently job-oriented. Other problems that still persist are the lack of proper training manuals or guidelines, lack of co-ordination, duplication of training efforts and insufficient on-the-job training.

Source: UNDP (Lao PDR) - Priority areas for Governance Reform (March 2003) (edited)

#### **4.6 Gender**

Source: Institution - Title

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<sup>12</sup> Capacity Building for Public Management and Community Development (Follow-up Roundtable Meeting, May 12, 1998)

## 5. Ethics and Civil Service

### 5.1 Corruption

2003 CPI Score relates to perceptions of the degree of corruption as seen by business people and country analysts and ranges between 10 (highly clean) and 0 (highly corrupt).

| Corruption Perceptions Index |                |                |              |                    |                |              |                             |
|------------------------------|----------------|----------------|--------------|--------------------|----------------|--------------|-----------------------------|
| Rank                         | Country        | 2003 CPI Score | Surveys Used | Standard Deviation | High-Low Range | Number Inst. | 90 percent confidence range |
| 1                            | Highly clean   | 9.7            | 8            | 0.3                | 9.2 - 10.0     | 4            | 9.5 - 9.9                   |
| ..                           | Lao PDR        | ..             | ..           | ..                 | ..             | ..           | ..                          |
| 133                          | Highly corrupt | 1.3            | 8            | 0.7                | 0.3 - 2.2      | 6            | 0.9 - 1.7                   |

Source: [Transparency International - Corruption Perceptions Index 2003](#)

**Surveys Used:** Refers to the number of surveys that were used to assess a country's performance. 17 surveys were used and at least 3 surveys were required for a country to be included in the CPI.

**Standard Deviation:** Indicates differences in the values of the sources. Values below 0.5 indicate agreement, values between 0.5 and c. 0.9 indicate some agreement, while values equal or larger than 1 indicate disagreement.

**High-Low Range:** Provides the highest and lowest values of the sources.

**Number Institutions:** Refers to the number of independent institutions that assessed a country's performance. Since some institutions provided more than one survey.

**90 percent confidence range:** Provides a range of possible values of the CPI score. With 5 percent probability the score is above this range and with another 5 percent it is below.

In November 1999, the Government adopted an "Anti-Corruption Decree" (Decree No.193/PM, 2/11/1999).

Further to the Anti-corruption decree, the Government has recently decided to extend inspections and audits regarding financial issues to cover all employees in the public service. Consequently, in 2001, a new anti-corruption body (the State Inspection Authority - SIA) was established, reporting directly to the Prime Minister<sup>3</sup>.

More recently still, the VIIth Party Congress (2001) adopted new directives to combat corruption at all levels and to secure transparency and accountability in Government, by identifying and ensuring that wrong-doings are punished.

Source: [UNDP \(Lao PDR\) - Priority areas for Governance Reform \(March 2003\)](#)

### 5.2 Ethics

It has been common practice for several years for Government staff to take other paid work in the evenings and at weekends to improve their income. A World Bank team found that technical staff take time off for parallel employment during regular working hours, often with consultants or contractors engaged on Government projects and sometimes on the same project that they supervise in their Government job.

Source: [World Bank \(Lao PDR\) - Country Procurement Assessment Report \(January 10, 2002\)](#)

The Government stresses the importance of all civil servants maintaining high ethical standards. It is the aim that new decree on the civil service statute will reinforce these standards, emphasize rewards for integrity and performance, and curtail all

activities that entail a possible conflict of interest or an abuse of office. The new decree also includes a provision on whistleblower protection.

Source: UNDP (Lao PDR) - Priority areas for Governance Reform (March 2003) (edited)

## 6. e-Government

### e-Government Readiness Index:

The index refers to the generic capacity or aptitude of the public sector to use ICT for encapsulating in public services and deploying to the public, high quality information (explicit knowledge) and effective communication tools that support human development.

The index is comprised of three sub-indices: Web Measure Index, Telecommunications Infrastructure Index and Human Capital Index.

### Web Measure Index:

A scale based on progressively sophisticated web services present. Coverage and sophistication of state-provided e-service and e-product availability correspond to a numerical classification.

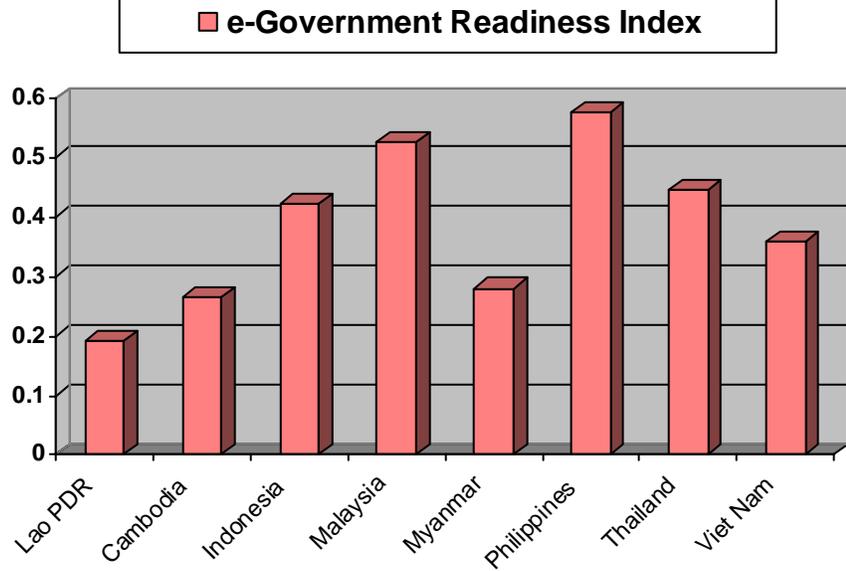
### Telecommunications Infrastructure Index:

A composite, weighted average index of six primary indices, based on basic infrastructural indicators that define a country's ICT infrastructure capacity.

Primary indicators are: PC's, Internet users, online population and Mobile phones. Secondary indicators are TVs and telephone lines.

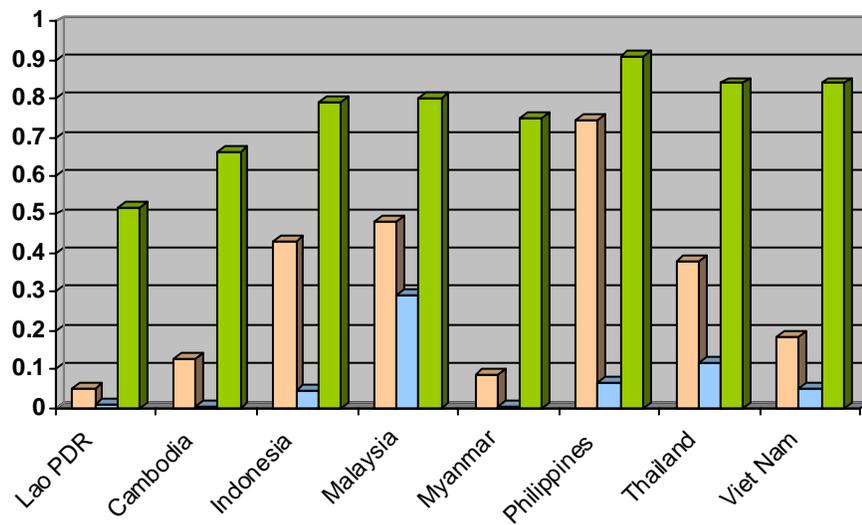
### Human Capital Index:

A composite of the adult literacy rate and the combined primary, secondary and tertiary gross enrolment ratio, with two thirds of the weight given to adult literacy and one third to the gross enrolment ratio.



Source: United Nations – World Public Sector Report 2003

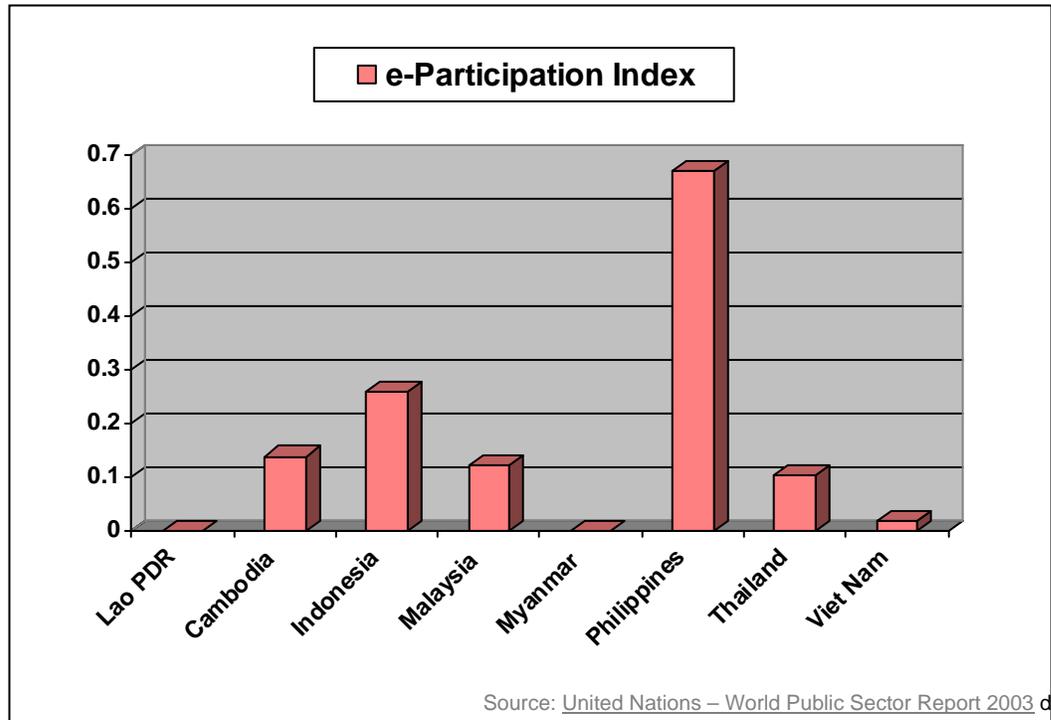
Web Measure Index    Telecom. Infrastructure Index    Human Capital Index



Source: United Nations – World Public Sector Report 2003

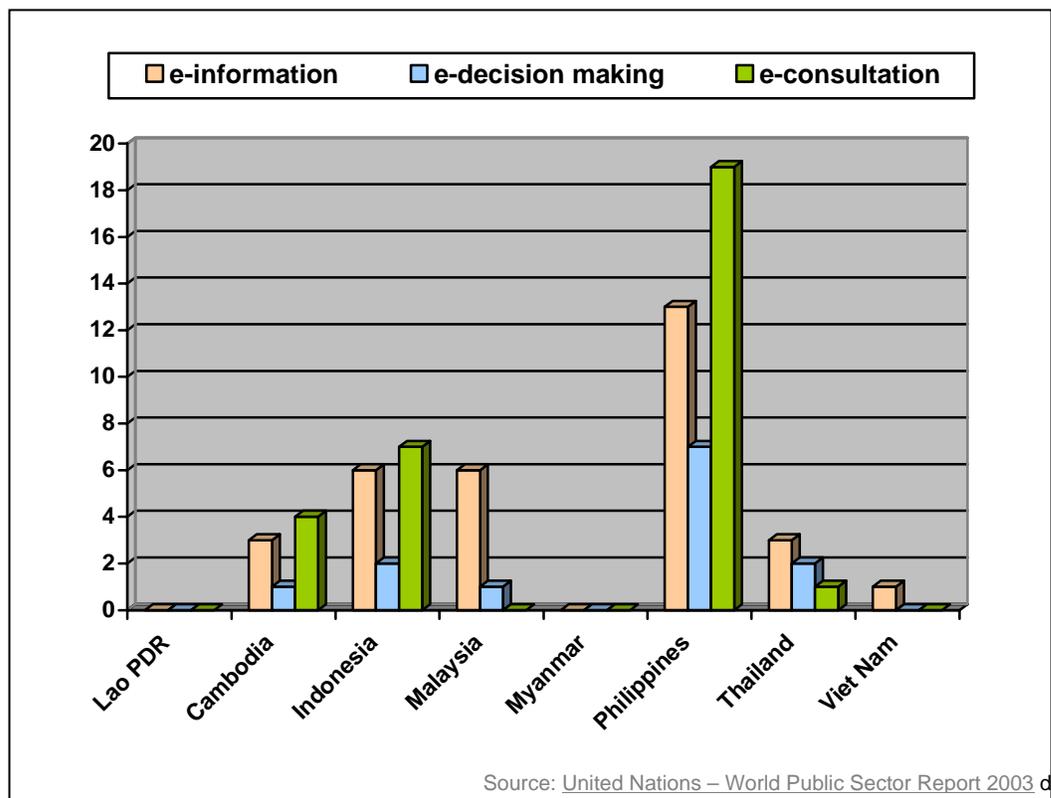
**e-Participation Index:**

Refers to the willingness, on the part of the government, to use ICT to provide high quality information (explicit knowledge) and effective communication tools for the specific purpose of empowering people for able participation in consultations and decision-making both in their capacity as consumers of public services and as citizens.



**e-information:**

The government websites offer information on policies and programs, budgets, laws and regulations, and other briefs of key public interest. Tools for disseminating of information exist for timely access and use of public information, including web forums, e-mail lists, newsgroups and chat rooms.



**e-decision making:**

The government indicates that it will take citizens input into account in decision making and provides actual feedback on the outcome of specific issues.

**e-consultation:**

The government website explains e-consultation mechanisms and tools. It offers a choice of public policy topics online for discussion with real time and archived access to audios and videos of public meetings. The government encourages citizens to participate in discussions.

## 7. Links

| 7.1 National sites          |   |
|-----------------------------|---|
| Authority                   | Topic   |
| National Assembly           | <a href="http://www.national-assembly.la/">http://www.national-assembly.la/</a> |
|                             |   |
| Ministry of Foreign Affairs | <a href="http://www.mofa.gov.la/">http://www.mofa.gov.la/</a>                   |

| 7.2 Miscellaneous sites                                  |   |
|--|---|
| Institution  | Topic   |
| Asian Development Bank (ADB)                             | <a href="http://www.adb.org">http://www.adb.org</a>   |
| Development Gateway                                      | <a href="http://www.developmentgateway.org/countryprofile/...">http://www.developmentgateway.org/countryprofile/...</a>                         |
| European Union (EU)                                      | <a href="http://europa.eu.int/comm/external_relations/lao/intro/index.htm">http://europa.eu.int/comm/external_relations/lao/intro/index.htm</a> |
| United Nations in Lao PDR                                | <a href="http://www.unlao.org/">http://www.unlao.org/</a>   |
| United Nations Capital Development Fund (UNCDF)          | <a href="http://www.uncdf.org/english/countries/laos">http://www.uncdf.org/english/countries/laos</a>   |
| United Nations Development Programme (UNDP)              | <a href="http://www.undplao.org/">http://www.undplao.org/</a>   |
| UNDP (Public Administration Reform and Decentralization) | <a href="http://www.undplao.org/gpar2.htm">http://www.undplao.org/gpar2.htm</a>   |
| UNPAN  | <a href="http://www.unpan.org/virtual_library-byregion.asp">http://www.unpan.org/virtual_library-byregion.asp</a>                               |
| World Bank (WB)  | <a href="http://www.worldbank.org/la">http://www.worldbank.org/la</a>   |