

LAO PEOPLE'S DEMOCRATIC REPUBLIC  
Peace Independence Democracy Unity Prosperity

State Planning Committee  
National Statistics Center



**National  
Human  
Development  
Report  
1998**

**Vientiane, Lao PDR**

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# **Foreword**

## **Vice Chairman of the State Planning Committee**

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The Government is proud to present the first National Human Development Report (NHDR) for the Lao PDR.

All aspects of human development are of great concern to the Government, together with the United Nations Development Programme (UNDP) we embarked upon the creation of this report.

The first National Human Development Report explains the concept and importance of human development. Possibly the most significant contribution of the first NHDR is that it presents a comprehensive picture of the state of human development in the Lao PDR as of 1996, thus providing a baseline for future developmental measurements.

Furthermore, commemorating the entry of the Lao PDR into ASEAN, the compares the current human development situation with that of other ASEAN countries and puts Lao PDR in a regional perspective.

The National Statistics Center under the State Planning Committee has taken the lead in producing the first report by selecting indicators from various sectors. These provide an overview of human development in the country. Quantitative data was then obtained from the Population Census (1995) and the Lao Expenditure and Consumption Survey (1992 – compiled with Sida assistance) at the National Statistics Center.

An external consultant from UNDP carried out computation of the Human Development Index, parallel to that of the global UNDP Human Development Report, with data analysis and documentation review to reinforce the analysis. As human development is an inter-sectoral issue, consultation with other line ministries has taken place throughout the course of the report's preparation.

Since the late 1980s, and in spite of the current economic crisis, Lao PDR has witnessed considerable economic progress, evidenced by growth indicators in real GDP and a reduction in the fiscal deficit. The country has also witnessed an impressive expansion and diversification in production of goods and services.

These results reaffirm the Government's firm commitment to the elimination of mass poverty and the resultant liberation of Lao PDR from a Least Developed Country (LDC) by the year 2020. Yet it is also evident from this report that Lao PDR must go a long way before catching up with neighbouring and regional countries.

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Even though the report primarily makes use of quantitative data, it also contains qualitative aspects. It additionally explains some of the initiatives undertaken by the Government to improve the state of human development in the country and details long-term national plans.

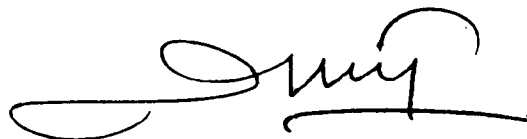
The concept of human development, first introduced in 1990, has evolved and is still being refined. Policies which enhance human development and fight poverty in Lao PDR must be re-evaluated and constantly updated in order to achieve sustainable development, whilst also keeping in mind the human, financial and physical resources available to us.

The first NHDR provides policy makers within Lao PDR with a unique tool for policy refinement, pulling together a wealth of data into one unified resource. Beyond Government decision-makers, we hope that the NHDR will be useful for development agencies and practitioners, academicians, media, embassies, NGOs and others.

The NHDR will become an annual report. For each report a specific theme related to human development will be selected. We hope to work closely together with other research and academic institutions in the Lao PDR for qualitative studies to accompany the quantitative data analysis. We look forward to feedback from our readers to improve future editions.

The Government would like to take this opportunity to thank UNDP. Without support from UNDP this project would not have been realised.

Finally, it should be mentioned that the State Planning Committee takes full responsibility for the content of this report.



Somphong Mongkhonvilay

Vice Chariman, State Planning Committee

# Preface

## UN Resident Coordinator

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### *Introductory note from the UN Resident Coordinator*

I would like to congratulate the State Planning Committee, and in particular the National Statistics Center, for publishing the first National Human Development Report (NHDR) for the Lao PDR. The launch of the report, which is the first of a series, is a significant milestone in the development efforts of the Government to establish a useful database for monitoring human development nationwide.

The NHDR embodies the Government's recognition of the importance of "human development", a concept which draws attention to people's livelihoods. Human development includes both economic and social dimensions. It not only examines the overall increase in economic growth or income, but also the distribution of that income. Human development does not focus on how much infrastructure was built, but rather on how much access people have to it and how much they are benefiting from it.

The NHDR marks a critical step in creating an information system for the overall monitoring of the country's socio-economic development. Such a national baseline capacity is critical to measure development progress over time. It is especially important at this time, given the needs to assess the full socio-economic impact of the Asian Economic crisis on the Lao people and to engineer new policies and joint GOL-Donor assistance packages to mitigate the worst impacts on the poor. It is appropriate therefore that the first NHDR captures the national socio-economic conditions from 1988 to 1996, the period immediately preceeding the economic crisis. This leaves future volumes to target the impact of the crisis on national development goals.

This macro assessment and the subsequent reports currently under production in preparation for the 7th Round Table Meeting, will help the Government assess the effectiveness of national development policies and programmes. It will also help Government agencies, development organisations and individual practitioners to see their interventions in the broader context of national development.

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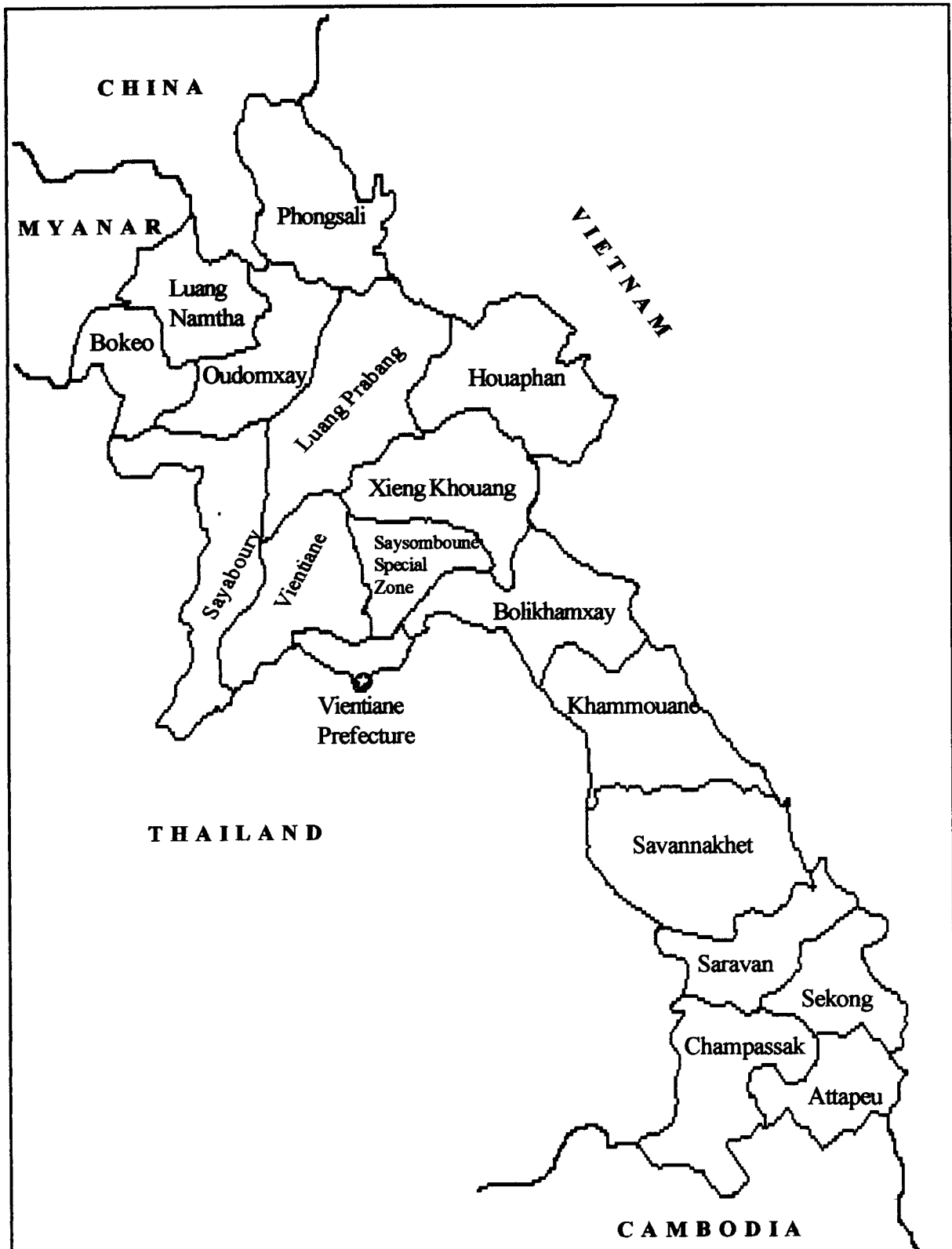
I once again would like to congratulate the Government of Lao PDR in producing this first report. UNDP looks forward to further supporting this process in the future, within an expanded context of UN system and donor collaboration.

A handwritten signature in black ink, reading "Kari Nordheim-Larsen". The signature is fluid and cursive, with a long horizontal stroke at the end.

Kari Nordheim-Larsen

UN Resident Coordinator

# Map of Lao PDR



# Chapter 1

## Introduction

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The Lao People's Democratic Republic (Lao PDR), situated in the Indochinese peninsula and the centre of the Greater Mekong sub-region, is a land-locked country of 4.6 million people, bordered by China, Vietnam, Cambodia, Thailand and Myanmar.

In 1975, the Lao People's Revolutionary Party (LPRP) assumed control after some 62 years of French rule (which began in 1893) and another two decades of armed struggle and political turbulence. The LPRP ended the monarchy and proclaimed the Lao People's Democratic Republic. Since then, the Lao Government has instigated many changes, most significantly initiating the New Economic Mechanism (NEM) in 1986 and promulgating a constitution in 1991.

The NEM was an attempt by Government to bring about rapid economic reform and to shift from a centrally-planned economy to an open-market oriented system. The economic reform package included measures to correct macro-economic imbalances, abolish price controls, and liberalise trade by removing most restrictions on imports, reducing import duties, and abolishing or substantially lowering export taxes.

At the same time, a market-determined exchange rate system was established, a two-tier banking system was introduced and reforms of the tax system were initiated. Public administration and state-owned enterprises were restructured and government expenditure was rationalised and even reduced. Laws were modified to encourage private business, banking, insurance, trade and foreign investments.

Since then, Lao PDR has witnessed considerable economic progress. There has been an impressive expansion and diversification in production of goods and services. GDP grew at an average annual rate of 6.5% from 1989 to 1995. Between 1988 and 1996, real GDP per capita tripled. The fiscal deficit was reduced from 20% of GDP in 1988 to 8.8% in 1995. The country's volume of foreign trade has expanded and there has been foreign investment in a number of sectors.

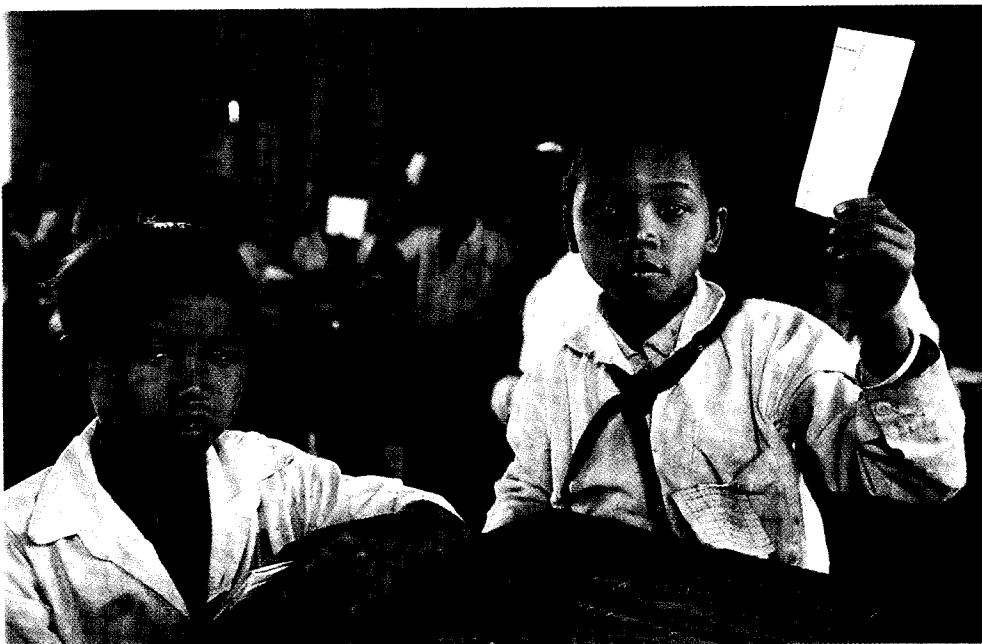
Despite this economic expansion, the country's per capita income in 1996 was estimated at only US \$350, life expectancy at birth is only 51 years, and 40% of the country's adult population is illiterate.

This report presents the state of human development in Lao PDR and draws upon available data to highlight achievements - and shortfalls. In the process, the report draws attention to aspects of life that affect people most. In this way, it further underscores Government commitments to liberate the country from under development and eliminate mass poverty by the year 2020.

*The Lao People's Democratic Republic is a land-locked country of 4.6 million people, bordered by China, Vietnam, Cambodia, Thailand and Myanmar.*

*Despite considerable economic progress, life expectancy at birth is only 51 years, and 40% of the country's adult population is illiterate.*





*Young boys at school*

## Chapter 2

# The State of Human Development

The human development perspective considers improvements in the quality of life as the principle developmental goal. This includes a long and healthy life, unmitigated access to a quality education, and a proper diet. Equally important are opportunities to participate in public life and to otherwise achieve and maintain human dignity.

In the human development framework, commodity production and income matter, but only as means of improving the quality of people's lives. The ultimate aim is to enhance people's capability to pursue what they value most in life. Consequently, success or failure in measuring human development is not assessed in terms of expansion in incomes or real GDP per capita, but on the basis of improvements in people's standards of living.

Historical data on human development in Lao PDR are not readily available. Nor are they always comparable over time. The country's first Census was only conducted in 1985. Moreover, it was only after the initiation of reforms in 1986 that the national system of accounts was brought in line with international practices.

Since 1986 however, several well-designed surveys have been undertaken. These include the Expenditure and Consumption Survey and the Social Indicator Survey of 1992-93, the Fertility and Birth Spacing Survey of 1994, a second Census conducted in 1995, and the 1996 Multi-Indicator Cluster Survey relating to children. As a result, data on several quantifiable dimensions of human development have become more easily available in recent years.

The UNDP global Human Development Reports identify three elementary qualities that are important for any society. These are a long and healthy life, education, and command over sufficient resources to live decently. The achievements of Lao PDR in these three dimensions of human development, vis-à-vis other countries in the region, are discussed in this report.

*The country's first Census was conducted in 1985, and in 1986 the national system of accounts was brought into line with international practices*

### What is human development?

Human development is a process to enlarge people's choices. This process is achieved by ensuring that human capabilities are expanded, since these are what enable people to have more choices - and also to make better ones. At all levels of development, the three essential capabilities for human development are for people to lead long and healthy lives, to be knowledgeable, and to have access to the resources needed for a decent standard of living. If these basic capabilities are not achieved, many choices are simply not available and many opportunities remain inaccessible. But the realm of human development goes further: essential areas of choice, highly valued by people, range from political, economic and social opportunities for being creative and productive to enjoying self-respect, empowerment and a sense of belonging to a community.

Income is certainly one of the main means of expanding choices and well being, but it is not the sum total of people's lives. Sometimes the expansion of income is confounded with the automatic enhancement of human capabilities, but the distinction is critical.

The human development framework - a practical approach to a people-centered development - is rooted in knowledge about people's real concerns about their well being and rights, about their families and communities. As participatory development appraisals all over the world show, some fundamental concerns are nearly universal: adequate food, adequate shelter, secure livelihoods, accessible safe water, adequate health care, quality schooling for children, and productive, creative and satisfying employment. People also value freedom - from violence and crime, from armed conflict, from fear, oppression, discrimination and persecution. They want a sense of purpose and empowerment, for which community life and social cohesion are essential. Social interaction, community participation, and people's opportunities to assert their own culture and tradition are intangible yet quintessential conditions for human development.

Source: Human Development Report, UNDP

*Prevailing levels of child mortality strongly influence life expectancy figures*

## Survival

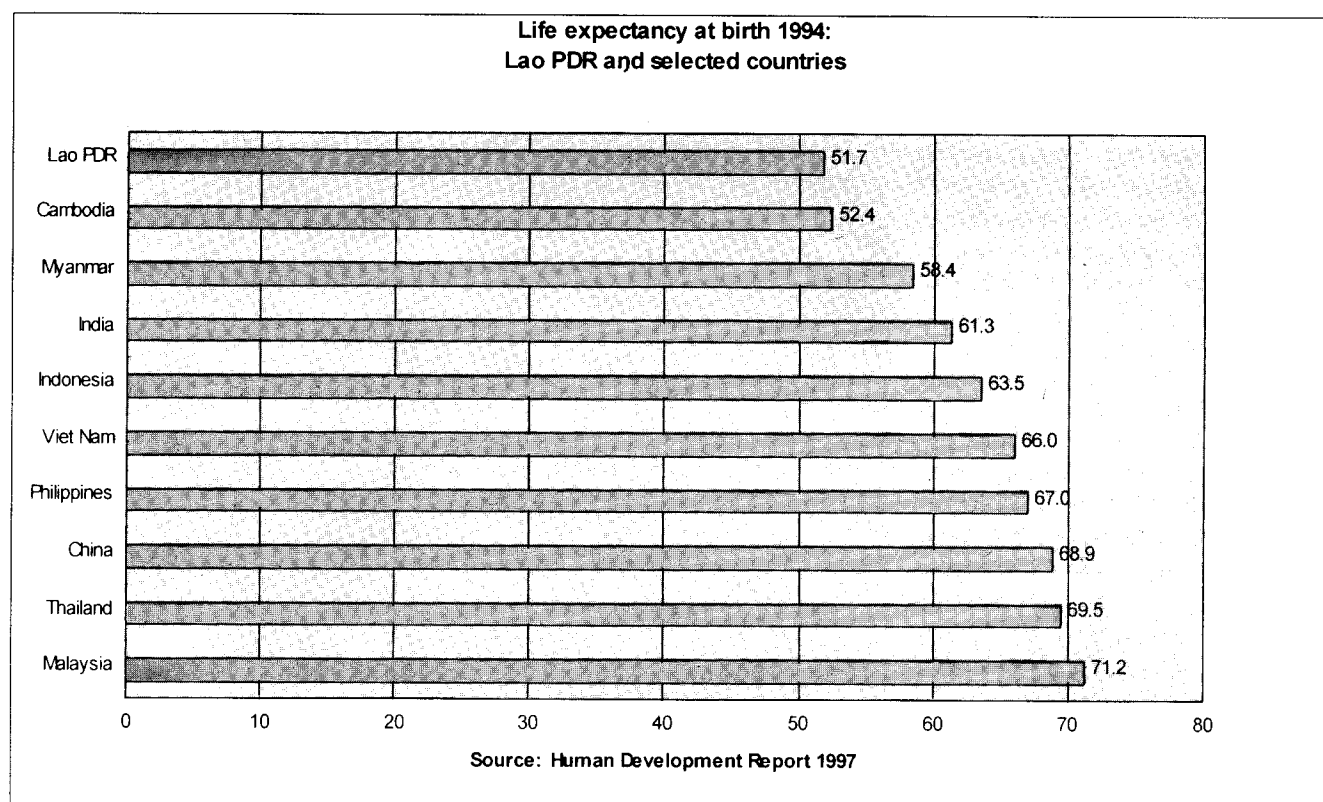
Globally, most advances in life expectancy have come from significant improvements in health and public health systems, sanitation and environmental pollution, better nutrition and improved access to safe drinking water.

The association between longevity and other vital aspects of what constitute a decent quality of life makes life expectancy an important indicator of human development. Given the absence of comprehensive and specialised data on people's health and nutritional status, life expectancy has emerged as an indicator not merely of the quantity but of the quality of life as well.

By 1994, Lao PDR had achieved a life expectancy at birth of 51.7 years. This was the lowest in ASEAN, some 14 years lower than the average for Southeast Asia, and 20 years lower than the life expectancy in Thailand. There were only 21 countries, most of them belonging to sub-Saharan Africa, that reported a lower life expectancy than Lao PDR.

Prevailing levels of child mortality strongly influence life expectancy figures. Infant mortality as an indicator of child survival conveys more than merely the number of children who die before the age of one. Many aspects of life are reflected in this one statistic - including the capability of parents, the prevalence of malnutrition and disease, the

Graph 2.1



availability of clean water, the effectiveness of health services, and, above all, the health and status of women.

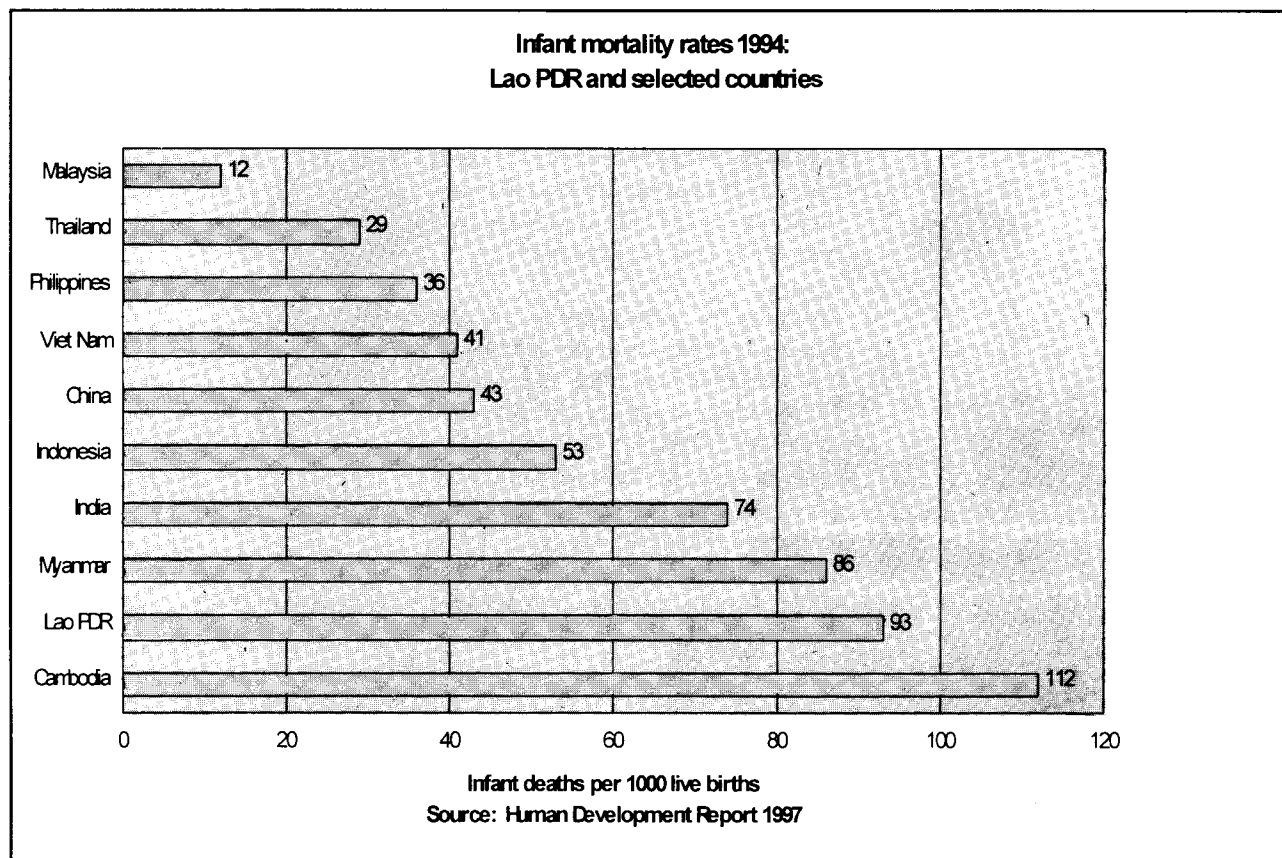
In 1994, Lao PDR reported an infant mortality rate (IMR) of 93 deaths per 1,000 live births. This was more than double the IMR reported by Viet Nam (40) and China (43), and significantly higher than the IMR reported by Thailand (29). Of all the child deaths in Lao PDR, 58% occur during the first year of life. Almost half of these infant deaths occur during the first month.

Prevailing high levels of maternal mortality also adversely affect overall women's survival. Recent estimates by WHO/UNICEF place the maternal

mortality rate for Lao PDR at 650 deaths per 100,000 live births - nearly double the rate reported by Myanmar and four times higher than the rate reported by Viet Nam.

*Of all the child deaths in Lao PDR, 58% occur during the first year of life, and almost half of these infant deaths occur during the first month*

Graph 2.2



*By 1994, Lao PDR had achieved an adult literacy rate of 60%, higher than the rates reported by Cambodia (35%), but lower than that of its other four neighbours.*

*Progress is being made in the universalisation of primary education. Between 1990 and 1995, the number of students completing primary education doubled. The likelihood of a school-aged child enrolling in school went up from 64% to 72%. The proportion of unqualified teachers in the targeted districts dropped from 38% to 10%. Recent surveys indicate that every child in Grade 1 and 2 has at least*

## Attainment of Education

Attainment of education is another important element of human development for it forms the basis for expanding opportunities and making informed choices.

Being educated is not simply a valuable achievement in itself. Education expands opportunities, increases overall awareness, and empowers people to make better choices. It also encourages meaningful participation in developmental processes locally, nationally and globally.

Literacy is the first step towards building an individual's education. Even though literacy rates may not adequately reflect overall attainment of education, they do provide an indication of access to basic education.

By 1994, Lao PDR had achieved an adult literacy rate of 60%. This was higher than the rates reported by Cambodia (35%), but markedly lower than that of its other four neighbours: - China (81%), Myanmar (83%), Viet Nam (93%) and Thailand (94%).

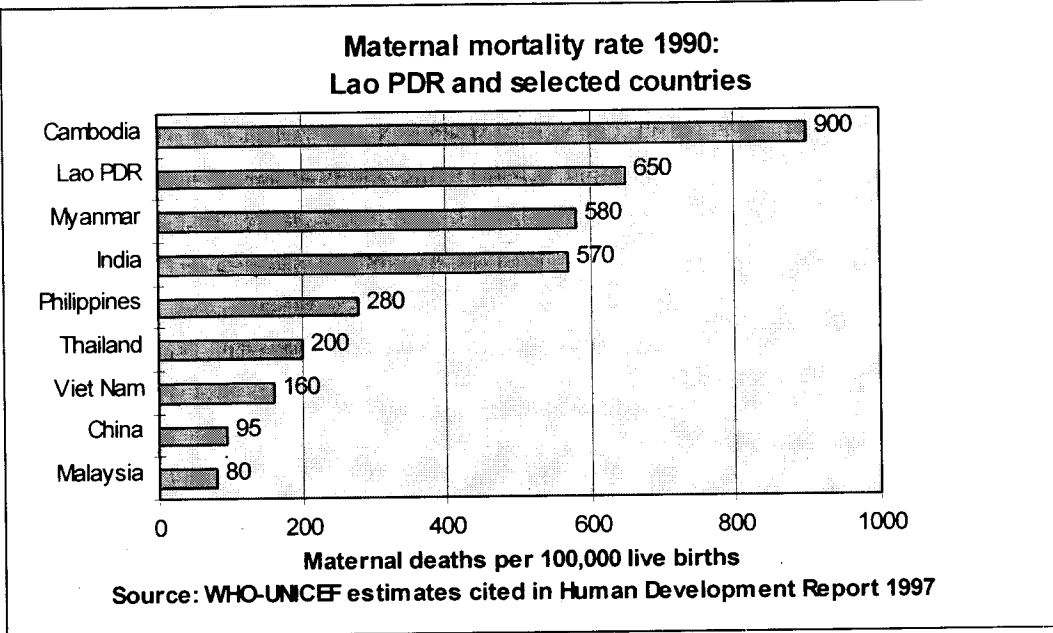
Progress is being made in the universalisation of primary education. Between 1990 and 1995, the number of students completing primary education doubled. The likelihood of a school-aged child enrolling in school went up from 64% to 72%. The proportion of unqualified teachers in the targeted districts dropped from 38% to 10%. Recent surveys indicate that every child in Grade 1 and 2 has at least

one set of textbooks.

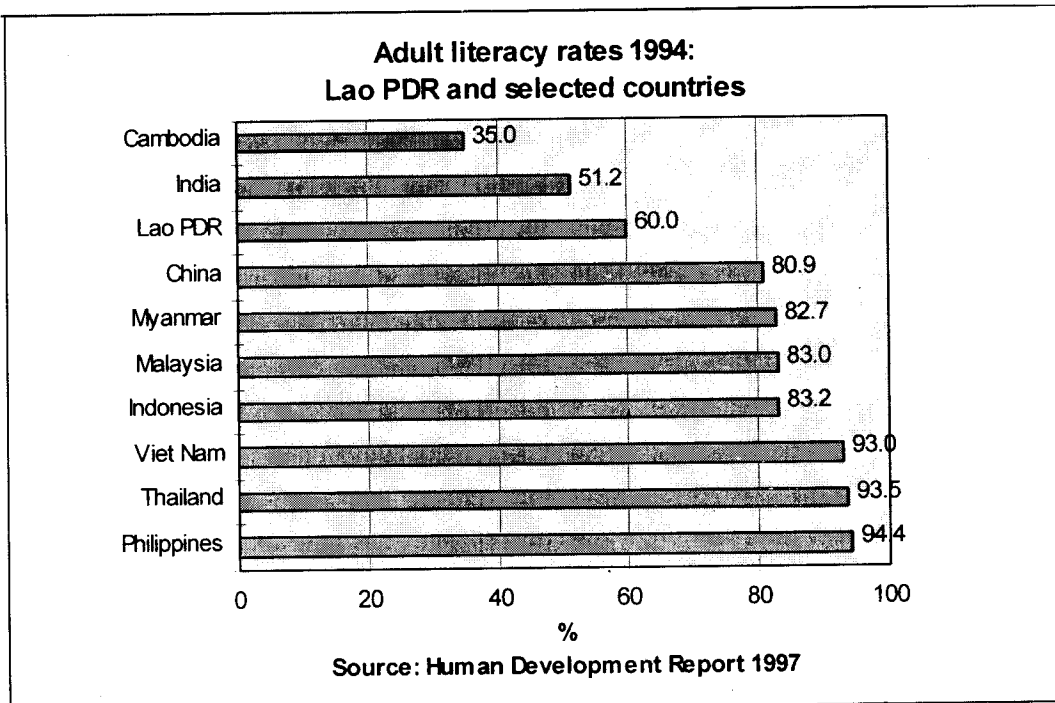
Nevertheless, with 40% of the country's population remaining illiterate, there is substantial ground to cover. More than 4000 remote villages continue to be without access to primary schools.

In 1994, despite the expansion in educational facilities, one in four children between the ages of six and ten years did not attend school. Less than half the children entering school completed primary education. Half of ethnic minority girls never attend school, and most of the other half complete only two grades.

Graph 2.3



Graph 2.4



*The vast majority of farmers are subsistence rice producers, with production barely sufficient to meet their domestic consumption needs*

## Income

As noted above, income is treated as a component of human development, for its instrumental value in enabling people to have command over sufficient resources for a decent living. Yet in 1996, Lao PDR reported a per capita income of US \$350, making it one of the poorest countries in the world. Income estimates are often not accurate, but in the case of Lao PDR, these low income levels do reflect the minimal standards of living affecting the majority of people in the country. Rural areas, where 83% of the country's population live, are particularly under-developed.

Income levels vary substantially amongst ASEAN countries. In 1995, Lao PDR had a real GDP per capita (in terms of purchasing power parity) of PPP \$2,571 comparable to that of China (PPP \$2,935) and almost twice that of Cambodia (PPP \$1,110), Myanmar (PPP \$1,130), and Viet Nam (PPP \$1,236). This has likely changed given the recent economic turmoil, including 1998 inflation rates of 142% and deflation rates of 100%.

Agriculture comprising crops, livestock, fishery and forestry was the most important economic sector contributing 52% to GDP in 1996 and

employing over 80% of the income earning population. However, the vast majority of farmers are subsistence rice producers, with production barely sufficient to meet their domestic consumption needs. Traditional agricultural practices are largely dependent upon monsoons for irrigation. A recent survey points out that 87% of those living in poverty are in households headed by farmers, and over 99% of the rural poor are people in farming households.

There are considerable and complex differences in resource endowments across the country. The Central region and the South, endowed with plains along the Mekong and other rivers, contain fertile soils and land that can be irrigated. In contrast, the North is mountainous and rugged, with no irrigable land other than limited mountain valleys. The soil is poor, and often heavily leached and acidic. The majority of households in the North therefore practice shifting cultivation for their livelihoods. An estimated 300,000 families are reported to survive on slash-and-burn cultivation, hunting and foraging. The South and the Central regions have relatively stable tropical monsoons, whereas the North has a moist to dry sub-tropical climate.

Adding to the economic vulnerability of the poor are frequent droughts and floods. The country has suffered losses from 13 major floods during the past 30 years, with exceptional devastation in 1966, 1971, 1978, 1995 and 1996.

The poor living conditions of the people are also reflected in some of the details that were revealed by the Social Indicator Survey in 1992-93. These national figures however, conceal the fact that the conditions of people living in rural, remote and mountainous

### **Selected Facts - Social Indicator Survey (1992 - 1993)**

- Almost 92% of households use wood stoves for cooking
- Very few households - less than one percent - use gas stoves
- Bicycles are used by 57% of households as the mode of transportation
- Only 2% of households use a car or van, and 11% a motorcycle
- Less than 20% of households own a television and only a little over 50% of households own a radio

regions are significantly worse than for those living in or near the main cities.

### Human Development Index

The global UNDP Human Development Reports have published a Human Development Index (HDI) as a measure of human development. The HDI measures overall achievements in a country along three basic dimensions of human development: life expectancy, attainment of education (adult literacy and combined primary, secondary and tertiary enrolment) and real GDP per capita (expressed in purchasing power parity). The HDI values lie between 0 (lowest) and 1 (highest).

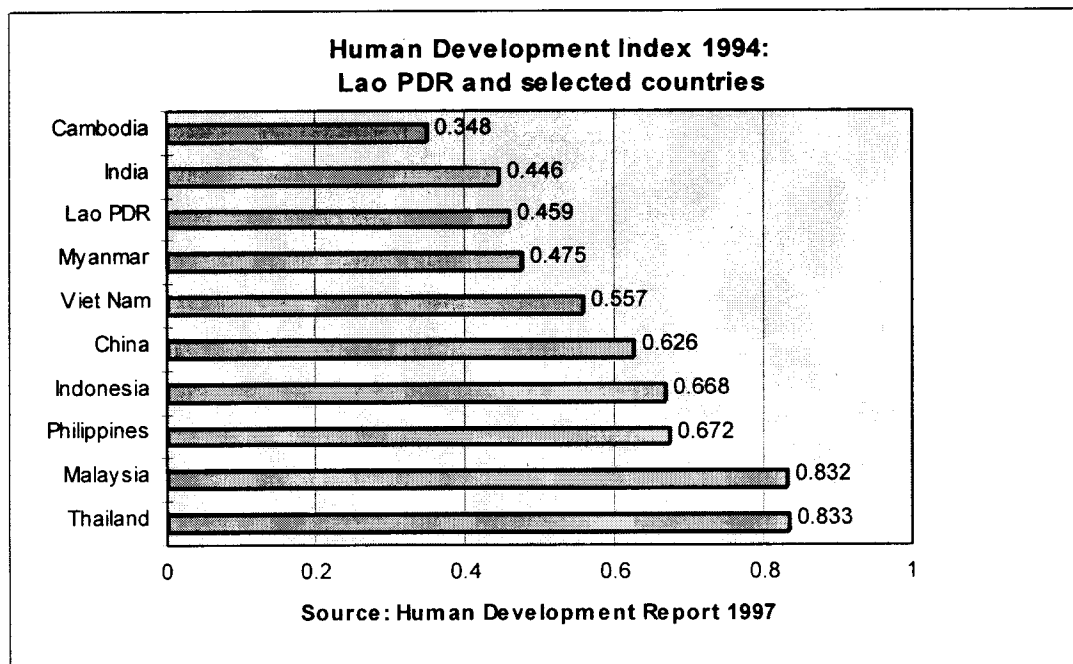
In 1998 Lao PDR, with a HDI value of 0.465, remained in the category of "low human development" countries, and ranked 136 among the 175 countries for which the Human Development Index (HDI) is computed.

The HDI value of Lao PDR is above that of Cambodia (0.422, rank 140). It is also significantly below that of Singapore (0.896, rank 28) and Thailand (0.838, rank 59).

However, it must be recognised that the concept of human development is much broader than the HDI. It is therefore impossible to come up with one comprehensive measurement - or even one comprehensive set of indicators - because many vital dimensions of human development are in fact non-quantifiable. The value of a simple composite measure, such as the HDI, is that it highlights some of the issues of human development even though it cannot account for all of them.

*In 1998 Lao PDR remained in the category of "low human development" countries, ranking 136 among 175*

Graph 2.5





## **Dimensions of human development**

The concept of human development has evolved over the years to include the following dimensions:

### ***Empowerment***

Basic empowerment depends on the expansion of people's capabilities - expansion that involves an enlargement of choices and thus an increase in freedoms. But people can exercise few choices without freedom from hunger, want and deprivation. In principle, everyone is free to buy food in the market, for example, but this freedom means little if people are too poor to afford it. Empowerment carries an additional connotation - that in the course of their daily lives, people are able to participate in, or endorse, the decision-making that affects their lives. People should not be passive beneficiaries of a process engineered by others. They should be active agents in their own development.

### ***Co-operation***

People live within a complex web of social structures - from the family to the state, from local self-help groups to multinational corporations. They are social beings who value participation in the life of their community. This sense of belonging is an important source of well being. It gives enjoyment and direction, a sense of purpose and meaning.

### ***Equity***

Equity is usually thought of in terms of wealth or income. But human development takes a much broader view - seeking equity in basic capabilities and opportunities. In this view everyone should have the opportunity to be educated, for example, and to lead a long and healthy life. This applies in particular to women who face substantial discrimination.

### ***Sustainability***

Sustainable human development meets the needs of the present generation without compromising the ability of future generations to meet their needs. It thus involves considerations of intergenerational equity. But what needs to be passed on is not so much a specific stock of productive wealth as the potential for a particular level of human development. What should this level be? Basically, it must involve the absence of poverty and deprivation. What should be sustained are people's opportunities to freely exercise their basic capabilities.

### ***Security***

Millions of people in developing countries live on the edge of disaster. Even in industrial countries people are constantly at risk from crime, violence or unemployment. Joblessness is a major source of insecurity, undercutting people's entitlements to income and other benefits. For too long the idea of security has referred to military security or the security of the state. One of the most basic needs is security of livelihood, but people want to be free from chronic threats such as disease or repression, as well as sudden and hurtful disruptions in their daily lives.

Source: Human Development Report, UNDP

## Chapter 3

# Poverty in Lao PDR

In the human development framework, development is judged by the way the poor and the deprived fare in each community. Promoting human development requires a focus, first and foremost, on the well-being of the poorest in society.

Poverty has several dimensions. Lacking the income to lead a decent life is one of the concerns of poverty. Most people, including the poor however, value many things more than income. People need access to food, shelter, basic education, health and security in order to lead a life of dignity. Yet many people are not able to avoid illness. Others are denied the opportunity to learn and others still may be prevented from participating in important decisions which affect their lives.

Thus the notion of poverty goes beyond income poverty to encompass other forms of human deprivation: - A shortened life, lack of education, lack of security, lack of public participation, and a lack of economic security. Capturing this multidimensional and diverse character of human poverty is difficult, but nonetheless critical. This section uses the most recent data from Lao PDR to map out this factor in the country.

### Income poverty

Insufficient income is an important dimension of poverty as it constrains people's access to many of the goods and services needed to establish a decent standard of living. Even though a vast majority (96%) of the rural population has land use rights or free access to land, according to the recent Social Indicator Survey (1992 - 1993), 46% of the population did not have enough income to live decently.

The Government conducted the first ever household expenditure and consumption survey in 1992-93 to assess the extent of consumption deprivation in the country. The country's poverty line was defined as monthly earnings sufficient to buy 2,100 calories of food per person every day, as well as an allowance for non-food expenditures.

Based on this measure, the national incidence of poverty was estimated at 46%. However, the poverty gap index, a measure of the income needed to bring the poor up to the poverty line, was only 12%. The study also estimated the proportion of households that was unable to satisfy even the minimum daily caloric requirements of 2,100 calories. The national incidence of this food poverty at 22% was substantially lower than the incidence of poverty overall. The survey revealed that food (62%) and housing (13%) account for 75% of an average household's consumption expenditure. Some 72% of households spent more than 60% of their total consumption on food.

While income levels throughout the country are low and poverty incidence is high, measures of inequality show a comparatively equal distribution of per capita income. The poorest decile commands 4.2% of the country's income and the richest decile has an income share of 26.3%. The gini-coefficient of income distribution works out to 0.32, demonstrating relatively less inequality than in most parts of the world. This figure is similar to those in Viet Nam (gini-coefficient of 0.34) and Indonesia (gini-coefficient of 0.32).

*96% of the rural population has land use rights or free access to land, but according to the recent Social Indicator Survey (1992 - 1993) 46% of the population did not have enough income to live decently.*

*The national incidence of poverty was estimated at 46%. However, the poverty gap index, a measure of the income needed to bring up to the poverty line, was only 12%.*

## The UXO Legacy

Adding to the vulnerability of the rural population is the existence of unexploded bombs and bomblets.

Between 1964-73, over two million tons of bombs and millions of anti-personnel bomblets were dropped on Laos, contaminating all provinces except Vientiane Prefecture, Xayabury and Bokeo. It is estimated that up to 30% of these bombs remain unexploded, increasing the risks to life and severely limiting agricultural cultivation, construction and other rural development activities.

## Health

As discussed earlier, the low life expectancy at birth as well as the high levels of infant and maternal mortality, reflect the poor state of health in the country. Malaria ranks as the most serious public health problem with an estimated 1.4 million cases per year resulting in 14,000 deaths.

Nearly 85% of villages claim that malaria is their major health problem. Malaria alone accounts for 44% of all hospitalisations in Savannakhet and Bokeo municipalities. Rural populations living in or near forested and hilly areas along streams are most at risk.

Another mosquito-borne disease, dengue fever, is also widely prevalent in the country. Acute respiratory illnesses and diarrhoea remain major causes of child mortality after malaria. The poor health conditions reflect the inadequacies of the health system and people's lack of access to quality health care. The high incidence of diseases also reflects, as discussed below, failures in the

provisioning of basic social services including access to safe drinking water and appropriate environmental sanitation.

The public health care system has, however, expanded over the years with positive outcomes. The Expanded Programme on Immunisation (EPI), launched in 1982, uniquely covers almost all Lao villages, reaching even the most remote. The EPI has removed measles as a major cause of child mortality: 61.5% of children have received the measles vaccine. In 1995 over 90% of villages were visited, on an average of four to six times, by health personnel for the EPI service. The number of children not immunised fully with Diphtheria, Pertussis and Tetanus (DPT3) fell from 32% in 1994 to 11% in 1995.

Despite these advances, rates of immunisation remain low among children. By early 1996, only 20% of all children nationwide had received the full series of protective immunisation doses. Only 4% of children aged 12-23 months received all three dosages of DPT three times.

Recently gathered data from the Mother and Child Health Institute (MCHI) reveals that in 1997, only 28.3% of children aged 12-23 months received the DPT3. 32.9% received the Oral Prevention Vaccine (OPV3) and only 23% of the children had an immunisation card to show proof of immunisation.

Recently conducted village surveys point to the limited coverage and reach of medical facilities and personnel across the country, including hospitals, dispensaries, medical practitioners and trained nurses. The quality of services and care is also reportedly poor. Modern health care, provided from

well-equipped and staffed facilities, is unavailable in the majority of rural areas.

Women in particular face serious health and survival risks in this situation, given the extremely high levels of fertility rates in the country. The Fertility and Birth Spacing Survey conducted in 1996 reports a Total Fertility Rate (TFR) of 6.4 pertaining to the period five years before the survey. Estimates of TFR for one year preceding the Survey are even higher at 7.1.

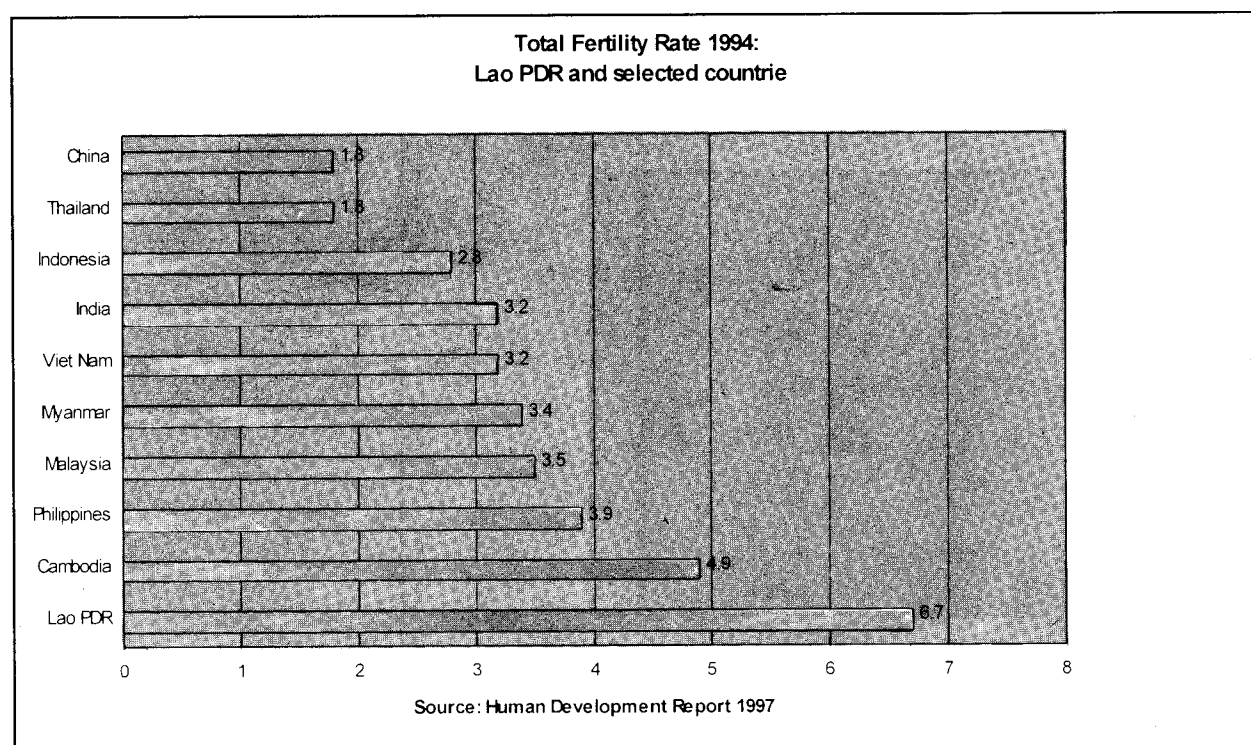
Only seven countries - Niger, Burkina Faso, Mali, Ethiopia, Guinea, Malawi, Uganda, and Yemen report TFRs of seven and above. Apart from resulting in an annual population growth rate of 2.5%, the high TFR also increases greatly the risks of premature mortality for pregnant women with limited access to and practice of safe delivery methods.

In 1993, close to 40% of women reported that they delivered their babies at home with no help. Another 30% reported being assisted by a friend or relative, and 23% received assistance from traditional healers or midwives, also at home. Only 7% went to a hospital or clinic where they received attention from a medical practitioner, trained nurse or midwife.

Lao PDR also faces the potential danger of the spread of HIV/AIDS. The first AIDS case was reported in 1991, and by August 1998, 91 cases of AIDS and 288 HIV-positive cases had been reported. However, in the absence of a proper surveillance system, these figures are not considered to be reliable. Even though the numbers look small, it is possible that the spread of AIDS could impose considerable additional burdens on an already fragile public health system.

*In 1993, close to 40% of women reported that they delivered their babies at home with no help*

Graph 3.1



*Some 41% of Lao's children under five are reported to be malnourished, and another 12% are severely malnourished*

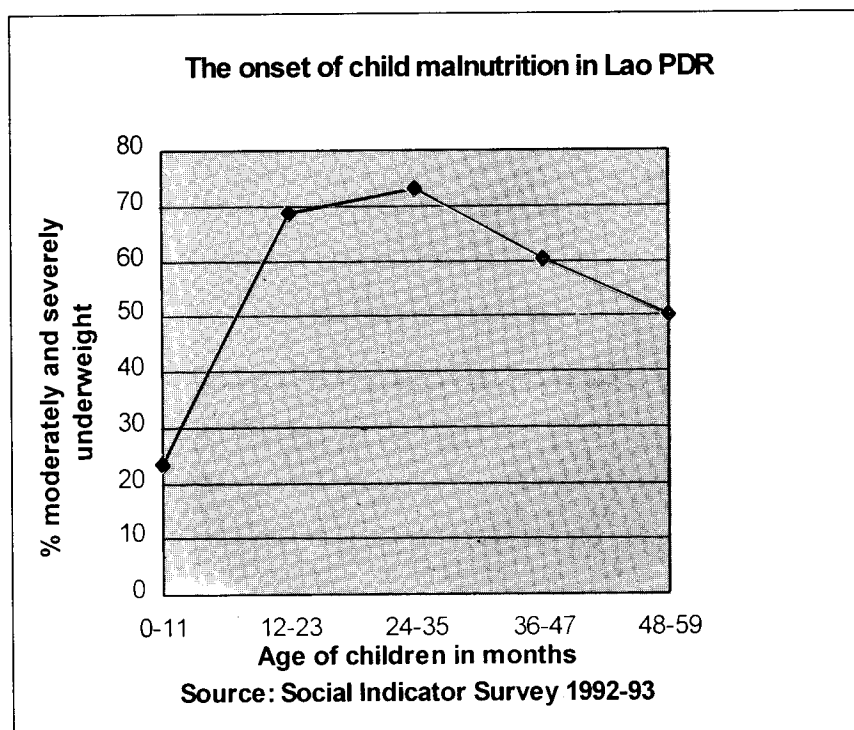
### Malnutrition

Some 41% of Lao's children under five are reported to be malnourished, and another 12% are severely malnourished. Such high levels of malnutrition reflect low incomes, lack of access to food and proper diets, inadequate access to health care, and poor child-care practices.

These figures are also a reflection of the poor nutrition status of women in general, and pregnant mothers, as inter-generational transfer of malnutrition frequently manifests itself in the form of low birth-weight babies. Data for Lao PDR indicate that the onset of malnutrition occurs between the ages of 6-18 months.

The high rates of malnutrition are also influenced by the lack of appropriate knowledge among women and mothers on feeding practices, unhygienic living conditions, poor child care practices, and lack of proper access to health services. The sharp rise in malnutrition a few months after birth and until the age of 24 months suggests that income poverty *per se* may not be the main cause, and that these other factors play a key role.

Graph 3.2



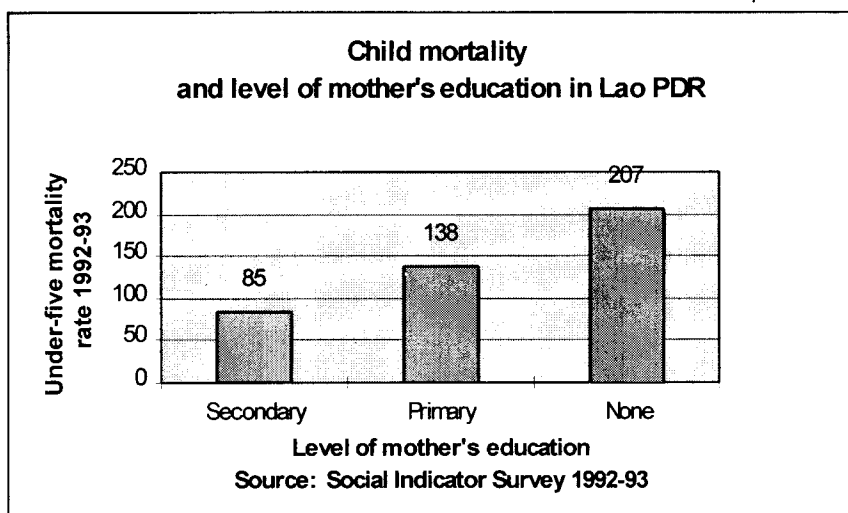
## Illiteracy

Educational deprivation is another dimension of human poverty that has serious repercussions on well-being. Evidence world-wide suggests that improvements in basic education contribute significantly to promoting child survival, lowering fertility, expanding the utilisation of health care, and enhancing participation in public decision making.

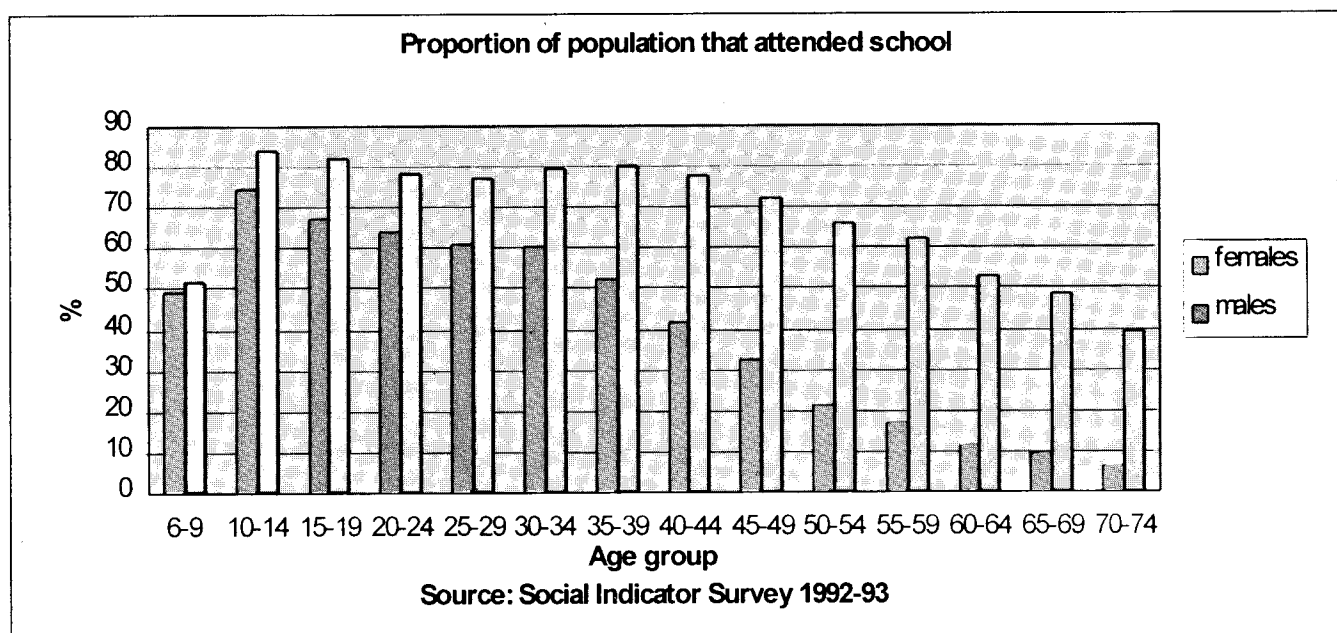
As noted earlier, there has been a considerable expansion in educational facilities throughout the country. According to a recent survey, primary schools are present in 90% of the villages, and twin classes are conducted in only 35% of the schools.

Nearly 62% of rural schools have textbooks, and 55% of enrolled students complete the full five-year primary school curriculum. However, 40% of the country's population cannot read and write and there are large proportions of the population which have never been to school.

Graph 3.3



Graph 3.4



*49% of the rural population has access to safe water, and 20% to proper sanitation facilities*

### **Inadequate Access to Basic Social Services**

Poverty measurement is also captured by the lack of access to basic amenities and services needed for a decent living. In this respect, the majority of people in Lao PDR do not have adequate access.

Recent estimates reveal that only 49% of the rural population has access to safe water, and 20% to proper

sanitation facilities. Inadequate access to safe drinking water and appropriate sanitation exacerbates the lack of access to adequate health care. Both result in poor health.

The challenge for the Lao PDR is to urgently address these problems of human poverty by investing in improvement to people's health, education and living conditions.

#### **Restricted access to basic amenities**

- Only 28% of households use electricity for lighting. 59% use kerosene lamps and another 10% use candles
- Only 8% of households have a water faucet in the house. 37% rely on rivers, dams and lakes
- 68% of households do not have a latrine. Only 20% have a flush toilet and 12% a pit latrine

## Chapter 4 Disparities

As indicated in Chapter Two, national level data on human development mask disparities that exist between rural and urban areas, between regions, and between men and women.

### Rural-urban Disparity

Rural areas, containing 83% of the population, lag far behind urban areas on most indicators of human development. Variability in access to health services is substantial between rural and urban areas. Approximately 91% of the villages near urban areas reported having access to a hospital within a distance of less than three kilometres; in rural areas, it was 23% of rural villages. Out of 117 district hospitals, only 20 are reported to be fully operational.

Most medical facilities in rural areas lack basic infrastructure such as water supply, electricity and latrines. In the absence of essential medical supplies and medicines, many people rely on local pharmacies and traditional healers. But even access to these services is unequal.

Whereas 92% of urban-area villages reported access to a pharmacy within three kilometres, this was true for only 38% of rural villages. Access to dispensaries also shows wide disparities: 85% of urban-area villages had access within three kilometres compared to 30% of rural villages.

### Regional Disparity

There are three distinct regions in Lao PDR. A little over one-third of the country's population lives in the *Northern* region which consists of eight provinces: Phongsaly, Luangnamtha, Oudomxay, Bokeo, Luangprabang, Huaphanh, Xayaboury and Xaysomboon Special Region.

The *Central* region, with 46% of the country's population, consists of 6 provinces: Vientiane Municipality, Xiengkhuang, Vientiane Province, Borikhamxay, Khammuane, and Savannakhet. The *Southern* region with 20% of the country's population consists of the remaining four Provinces: Saravane, Sekong, Champasack, and Attapeu.

*92% of urban-area villages reported access to a pharmacy within three kilometres, but this was true for only 38% of rural villages*

### Rural-Urban Disparity

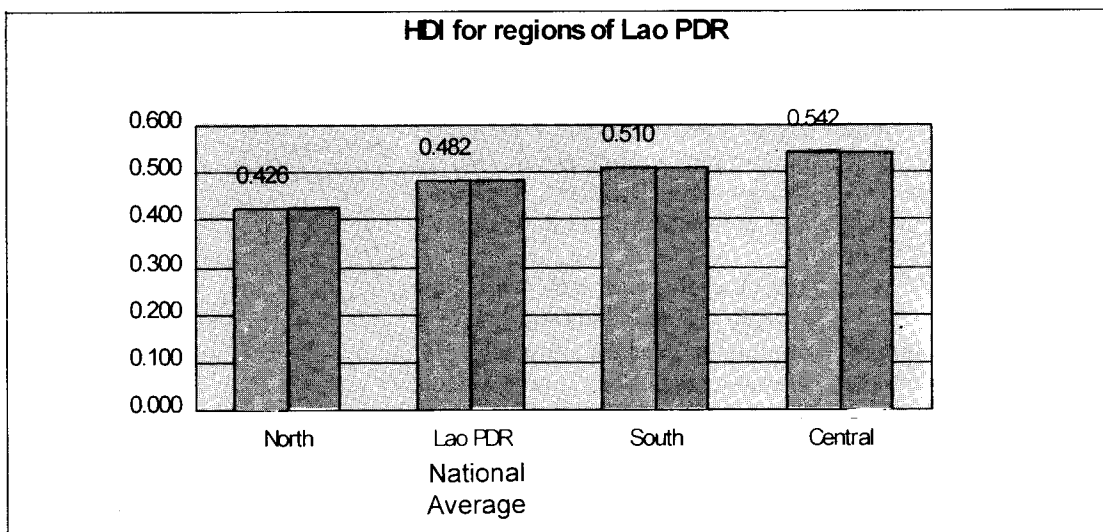
- Poor and remote households report substantially higher levels of child mortality. A rural child is twice as likely to die as an urban one. The under-five mortality rate (U5MR) in rural areas is 176 deaths per 1000 live births, more than twice the urban U5MR of 82
- The incidence of poverty in the rural areas (53%) is more than double the incidence of poverty in urban areas (24%)
- Food poverty was 26% in rural areas and less than 8% in urban areas
- The poverty gap in rural areas is nearly three times as large as it is in urban areas
- In urban areas, 27% of deliveries take place in modern facilities, whereas it is 3% in rural areas
- Close to 42% of pregnant women in rural areas and 21% in urban areas reported no help at the time of delivery
- By 1996, 93% of urban young women (18-35 years) had become literate compared to only 57% of young rural women
- The proportion of moderately and severely malnourished (under-weight) children is 56% in rural areas and 41% in urban areas



There are significant differences between the three regions. The South suffers from more entrenched poverty than the other regions of the country. This reflects partly unequal access to basic social services. The data available on human development makes it possible to construct HDIs for the three regions of the country.

There are marked differentials in the indicators that constitute the HDI. Graph 4.1 shows the HDI for the three main regions and the average HDI of Lao PDR. The North reports the lowest HDI, 12% lower than the national average, and 20% lower than the HDI reported by the Central region.

Graph 4.1



#### Regional Disparity

- The incidence of income poverty is highest in the South (60%) compared to 46% in the North and 40% in the Central region.
- Rural poverty in the South is as high as 66% whereas urban poverty in the North is as low as 16%.
- The incidence of food poverty is reported to be the highest in the South (31%), followed by the North (21%) and the Central region (18%).
- The under-five mortality rate varies from 125 deaths per 1000 live births in the Central region to 146 in the South and 164 in the North.
- Data on child malnutrition also reveal serious deficiencies in the South. In the South, 85% of children under five were reported to be moderately and severely malnourished. The proportion was half of that in the Central region (43%) and 52% in the North.

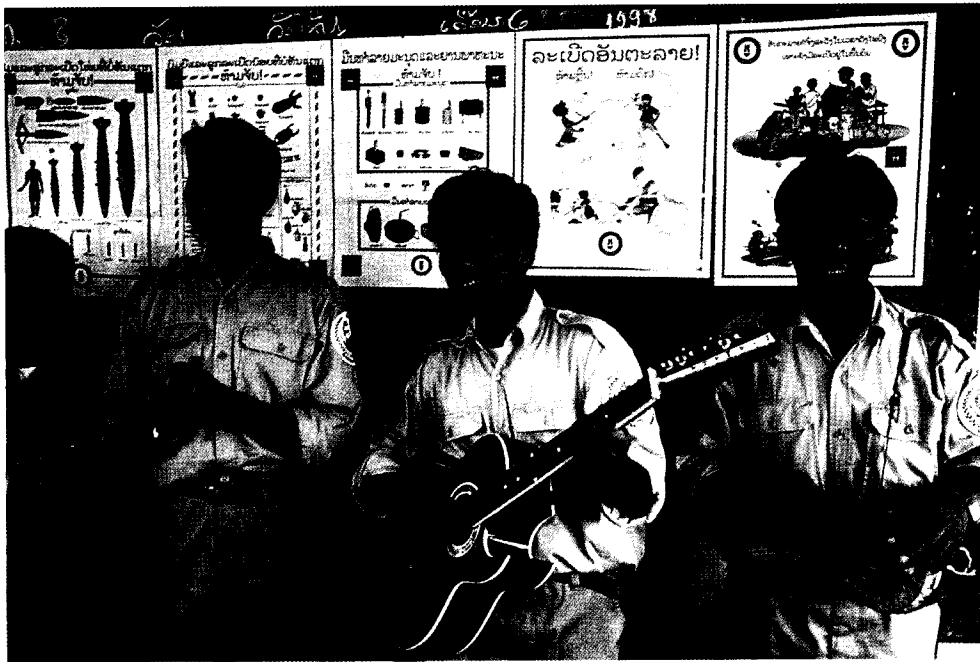
## Unequal Access to Basic Social Services and Regional HDI Differentials

### Unequal Access to Basic Social Services

- Only 44% of villages in the South reported having access to a medical practitioner within three kilometres. The proportion went up to more than 60% of the villages in the North and to 85% in the Centre. The South also reports the lowest access levels for a nurse, hospital or dispensary within three kilometres. The South is also much worse off than the North and the Centre in terms of women's access to modern assistance at the time of delivery
- Whereas only 5% of children in the South received immunisations twice, the proportion was 13% in the North and 14% in the Central region.

### Regional HDI Differentials

- Life expectancy at birth is lowest in the North and highest in the Central region.
- Adult literacy rate is 50% in the North, 61% in the South and 67% in the Central region
- Combined enrolment rates at the primary and lower secondary levels are similar - 59% in the North and the South, but 71% in the Central region.
- Per capita GDP varied from 119,442 kips in the North to 177,164 kips in the South and 185,348 kips in the Central region.



*Community Awareness activities on unexploded ordnance organised by UXO  
LAO in a rural school*

## Translating Economic Growth Into Human Development

The 1996 Human Development Report stressed that there are no automatic linkages between economic growth and human development. On the contrary, the benefits of growth frequently do not enhance the quality of life.

Economic growth has the potential to promote human development, but the vital link between economic growth and human development is tenuous. Economic growth must be mediated by appropriate policies to ensure that it is translated into substantive human development.

The 1996 Report argued that unless governments take corrective action, economic growth can become imbalanced and flawed. Determined efforts are needed to avoid growth that is "jobless, ruthless, voiceless, rootless and futureless".

*Jobless growth* refers to a situation where the overall economy grows but does not expand the opportunities for employment. *Ruthless growth* takes place when the fruits of economic growth mostly benefit the rich, leaving millions of people struggling in deepening poverty.

*Voiceless growth* refers to a situation where growth in the economy has not been accompanied by an extension of participation and empowerment. *Rootless growth* causes people's cultural identity to wither.

*Futureless growth* refers to situations where the present generation squanders resources needed by future generations. When all or any of these phenomenon occur, economic growth cannot be sustained.

Consequently, the links between growth and human development need to be

**Growth for Human Development**

The dimensions of human development can be used to evaluate the quality of economic growth. What is "good" economic growth? It is growth that promotes human development in all its dimensions, growth that: -

- Generates full employment and security of livelihoods
- Fosters people's freedom and empowerment
- Distributes benefits equitably
- Promotes social cohesion and co-operation
- Safeguards future human development

Policy makers – often mesmerised by the quantity of growth – should instead remain acutely conscious of its quality.

Source: Human Development Report 1996

forged through policy and with determination. There are many ways in which economic growth can be harnessed to improve human development. One important method is to ensure that the benefits of economic growth are channelled into investments in health, education and the social sectors.

Another method is to make economic growth broadbased and employment intensive. In relatively poor countries with a large rural sector, channelling resources into agricultural development can contribute to this.

Removing restrictions on small-scale and medium enterprises might also generate considerable employment. It is also critical to secure an equitable distribution of the benefits of economic growth, in particular ensuring that the poor gain disproportionately from economic advances. This implies that the poor be afforded access to productive assets, credit and physical infrastructure.

*For human development to occur, people must become active agents of change. They must be allowed to actively participate in generating growth and shaping its direction*

For human development to occur, people must become active agents of change and not remain passive beneficiaries. They must be allowed to actively participate in generating growth and shaping its direction.

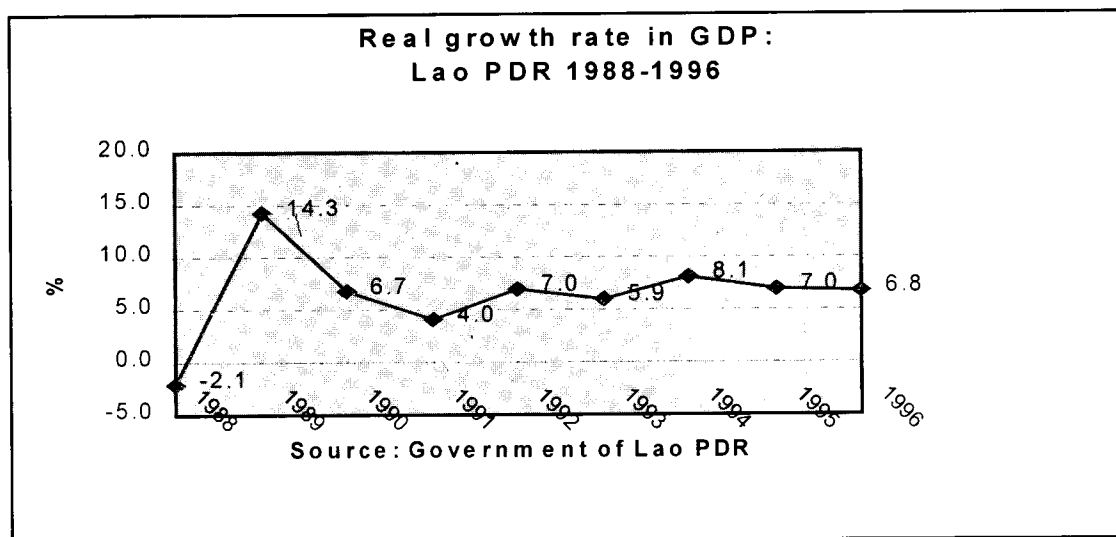
Lastly, economic growth must be sustainable if it is to advance human development. Exploiting nature and undermining natural support systems pits present human development against future human development. Unregulated private profit-seeking, sometimes excused in the name of economic liberalisation, must not be allowed to damage the public good.

### **The Lao PDR Growth Experience: 1988 to 1996**

From the initiation of the NEM in 1986, until recently, the country had been experiencing a favourable growth rate and relative macroeconomic stability\*.

Between 1989 and 1995, the country's GDP grew on average by 6.5% per annum. This was however, lower than the rates of economic growth achieved by neighbouring Viet Nam (8.7%) and Thailand (8.4%), the main trading partner of Laos. Between 1988-96, the country's real GDP per capita more than tripled from 59,820 kips to over 188,000 kips.

Graph 5.1



\* Recent economic trends through 1998 are covered in the 1998 UNDP/GOL Development Cooperation Report

## Changing Composition of Output

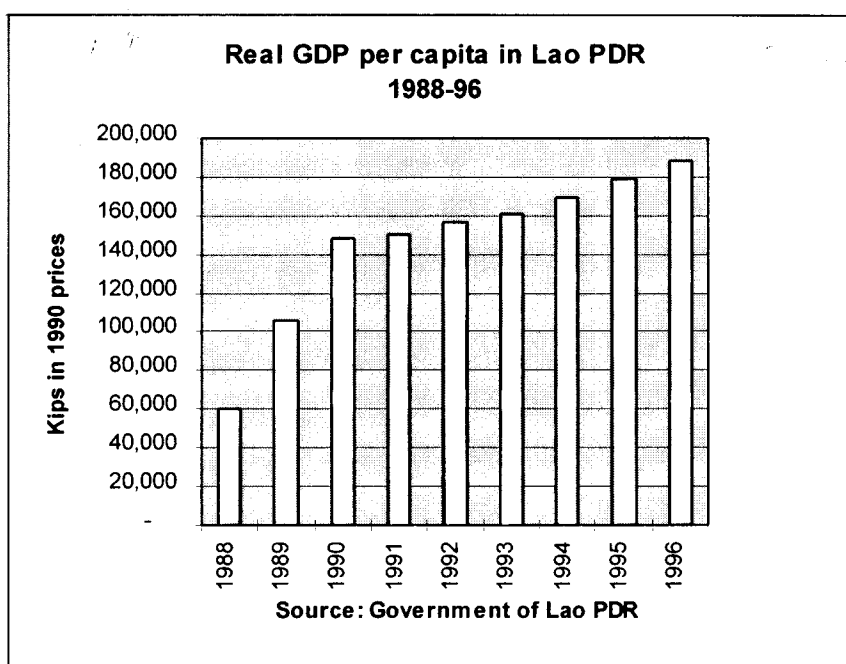
Economic growth has been accompanied by significant structural changes in the economy, making the country less dependent upon the primary sector. Between 1988 and 1996, the share of agriculture in GDP went down from 61% to 52%, while the share of industry increased from 11% to 21%.

Such a change in the composition of the country's GDP was to be expected given that industry experienced the most rapid growth (12.7%) between 1990-95. This was followed by the service and agriculture sectors, both of which grew by a little over 5% per annum.

In the industrial sector, between 1990 and 1995, manufacturing grew on average by 13.5% and the construction sector by 13.4%. Within manufacturing, the garments sector attracted the most foreign investment and also recorded the largest growth. The growth of the service sector is accounted for by rapid expansion in retail and wholesale trade, banking, insurance, real estate, hotels and restaurants.

There has been a clear and continuous improvement in the budgetary situation since 1990. Tax revenues as a percentage of GDP have been gradually rising - from 6.4% of GDP in 1989 to 10.8% in 1995 to 1996. At the same time, the fiscal deficit fell from 20% of GDP in 1988 to 8.8% in the period 1995 to 1996.

Graph 5.2



Tabel 5.1

% Change in Gross Domestic Product by Sector							
	1990	1991	1992	1993	1994	1995	Average 1990 -95
Total GDP	6.7	4.0	7.0	5.9	8.1	7.1	6.5
Industry	16.2	19.9	7.5	10.3	9.0	13.1	12.7
Services	-0.5	6.5	3.8	7.7	6.5	7.5	5.3
Agriculture	8.7	-1.7	8.3	2.7	8.3	5.0	5.2

Source: Government of Lao PDR

*Foreign investments are directed mainly towards garments, hydro-power, mining and tourism*

The fiscal deficit reduction was made possible by an increase in tax revenues and by the reduction in total public expenditures from 32% of GDP in 1988 to 22% in 1995-96. A significant part of the deficit was financed by grants which amounted to 5.5% of GDP from 1995 to 1996.

Inflation, which was near 60% in 1989, fell to 36% in 1990 and dropped further to 9.8% in 1992 and 6.3% in 1993. There has however been an increase in inflation since then.

## Foreign Investments

Approved foreign investments increased from US \$333 million from 1990 to 1992, to US \$1,018 million from 1993 to 1995. The volume of foreign investment actually realised is much lower, but increased from US \$23 million over 1990 to 1992, to US \$205.1 million over 1993 to 1995. Foreign investments are directed mainly towards garments, hydro-power, mining and tourism.

## Increasing Integration

The regional integration of the Lao economy proceeded rapidly during the 1990s. In 1995, imports plus exports amounted to 62% of GDP whilst they were only 34% of GDP in 1990. In early 1995, new liberalisation measures were introduced that further boosted trade. The entry into ASEAN has opened up new opportunities for more rapid economic expansion.

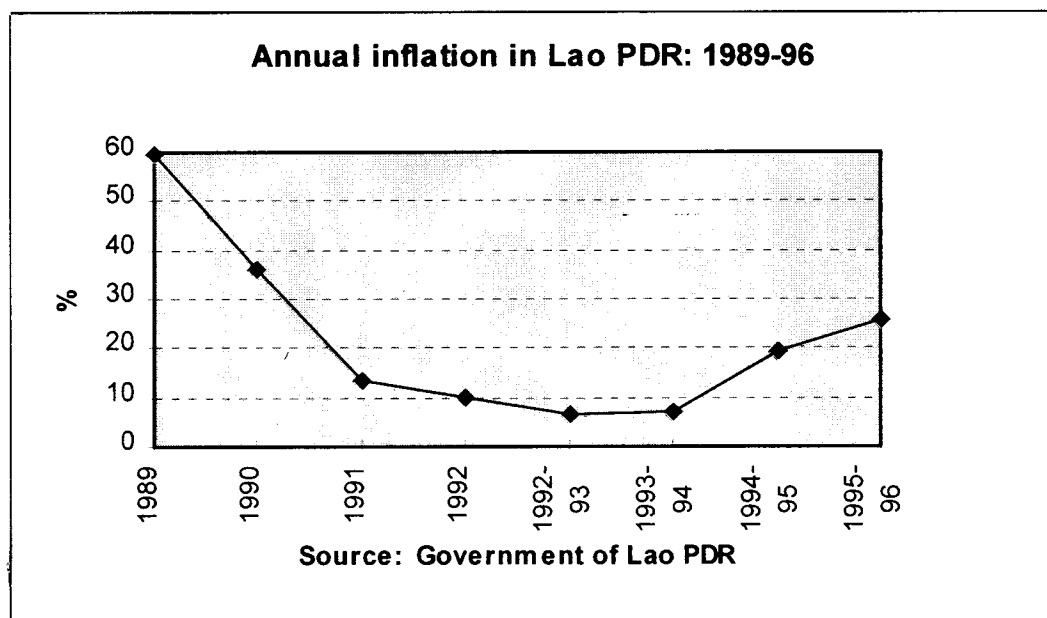
The tariff structure was further simplified and some tariffs lowered.

Table 5.2

Composition of GDP in Lao PDR*		
	1988	1996
Agriculture	61.4	52.0
Industry	11.2	20.6
Services	25.8	24.9
Import duties	1.6	2.5
Total	100.0	100.0

\* As percentage of GDP

Graph 5.3



The new import tariffs range from 10% of the import price for most food products and intermediate products to 30% for manufactured and luxury products, and to 40% for the protected manufactured sectors like beer. The last quantitative restrictions on import of motor vehicles were removed in 1995.

The ratio of total exports to total imports increased from 40% to 60% between 1990 and 1995. This increase took place despite a marked deterioration of competitiveness between 1990 and 1994. Although domestic prices in Laos rose more rapidly than foreign prices, the nominal exchange rate remained largely constant until 1997.

### Increased Allocations to the Social Sectors

Budgetary allocations to the social sectors have traditionally been low. In recent years, rising national consciousness of the low levels of human development has led Government to steadily increase social

sector budgetary allocations.

Lao PDR needs more rapid economic growth, but growth that advances human development instead of retarding it. This requires further strengthening of the social sectors, improving the quality and levels of public provisioning for social services, providing people with employment opportunities and ensuring better access to productive assets and credit.

Policies are also required that promote the empowerment of people – for people to take control of their own lives and shape their destinies, both individually and collectively. At the centre of empowerment through development efforts are investments in basic human capabilities - in primary education, primary health care, food security, family planning and essential social and physical infrastructure.

*Rising national consciousness of the low levels of human development has led the Government to steadily increase social sector budgetary allocations*

Table 5.3

1991-96 Budget Allocation Increases	
•	Expenditure on social sectors as a percentage of total government expenditure went up from 11% to 19.3%
•	Social sector spending as a percentage of GDP went up from 2.3% to 4.3%
•	Public expenditure on education increased from 1.6% of GDP to 2.8%
•	Public expenditure on health more than doubled from 0.7% of GDP to 1.5% of GDP





*Tai Dam woman carrying wood*

# Chapter 6

## The Commitment to Poverty Eradication

At the 1997 Round Table Meeting in Geneva, the Government made a firm commitment to : -

- (a) eliminate mass poverty
- (b) liberate the country from under-development by the year 2020

Realisation of both goals may appear to be a formidable challenge. Subsistence agriculture still dominates, child and maternal mortality rates are high, literacy rates and skill levels are low, economic and legal structures are imperfect and the overall standard of living is low. The current economic crisis has made the Government even more conscious of the weaknesses and shortcomings of the country's development processes and priorities.

Nevertheless, optimism about the future has been generated by the success of past efforts to manage the transition to a market economy. The approach has been the cautious, step-by-step (*theu la kao*) process. This approach aims to minimise the costs of rapid adjustment. Sufficient new resolve is required, however, to ensure that the current economic malaise does not derail these key national commitments.

### Selected Challenges to the Country's Development Processes and Priorities

- Inadequate attention paid to food production and agricultural productivity
- Wide disparities in socio-economic development between rural and urban areas, and between lowland and highland ethnic areas
- Insufficient stability with respect to macro-level management
- Scope to improve cost-effectiveness, minimise losses and eliminate wastage in public systems
- Relatively under developed institutional mechanisms

Source: 1996-2000 Socio-Economic Development Plans, State Planning Committee, Government of Lao PDR

### Guidelines for Socio-Economic Development

#### The Government Resolves to:

- Firmly continue to build sectoral and regional structures along socio-economic development and in conjunction with preservation of the natural environment
- Concentrate on developing ethnic mountainous areas
- Reduce the gap between urban, rural and mountainous areas

Source: 1996-2000 Socio-Economic Development Plans, State Planning Committee, Government of Lao PDR

### **Year 2000 – The Major Goals**

By the year 2000, the Government of Lao PDR has set itself the major goals of: -

(1) Restoring economic growth by

- Improving revenue mobilization and control over expenditures
- Maintaining fiscal budgets at the appropriate level
- Encouraging a broader base for export-oriented production

(2) Ensuring that growth is balanced and equitable by evolving distinct approaches to address regional problems: -

In the North, emphasis will be placed on re-orientation from subsistence to commodity production through integrated rural development, stabilization of shifting cultivation, improving communications, promoting tourism and upgrading people's living conditions.

In the Central region, the focus will be on integrated development emphasizing food and commodity production in the Vientiane Plain.

In the South, efforts will focus on agro-forestry production, processing industries and services.

### **Some Priority Goals and Programmes: 1996-2000**

The Government of Lao PDR has articulated several human development goals to be realised by the year 2000: -

- Allocate more than 20% of public expenditure and investment to socio-cultural sectors, namely education, public health and welfare
- Alleviate poverty through socio-economic development programs by concentrating on rural infrastructure such as roads, clean water supply, rural electrification, food, social services, and increased income for commercial production
- Attain 80% enrolment of school aged children
- Reduce and eradicate major diseases including malaria, diarrhoea, and diphtheria
- Improve and develop the labour force, especially the skills of unemployed youth

Source: 1996-2000 Socio-Economic Development Plans,  
State Planning Committee, Government of Lao PDR

The success of these plans will depend, however, upon the extent to which the administrative, fiscal and policy formulation capabilities of the Government are strengthened. It will also require effective decentralisation, clarification of rules and procedures, and the enlistment of broader public support. All this will make the human development experience in Lao PDR more balanced, inclusive, participatory and sustainable.

*The success of these plans will require effective decentralisation, clarification of rules and procedures, and the enlistment of broader public support*

#### **National Priority Programmes**

The human development goals of the Government will be realised through the implementation of the following eight national priority programmes: -

- The Food Production Programme
- Commercial Production Programme
- Shifting Cultivation Stabilisation Programme
- Rural Development Programme
- Infrastructure Construction Programme
- External Relations and Cooperation Programme
- Human Resource Development Programme
- Services Programme

Detailed approaches and targets of the programmes, along with measures to monitor progress and achievements, have been established by the Government.

Source: 1996-2000 Socio-Economic Development Plans, State Planning Committee, Government of Lao PDR



*Lao Women's Union Training for the Gender Resource and Information Centre (GRID)*

# Chapter 7

## Social Development Indicators for Lao PDR

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### Introduction

This chapter provides a summary list of selected indicators to be used to monitor social development in the Lao PDR. The identification of these indicators was carried out by the National Statistics Centre in consultation with Government institutions.

The term social development was used during this process as the concept of human development was still new. However, these indicators are equally relevant for monitoring human development in the future.

The chapter starts off by briefly outlining how the list of indicators was prepared and describes the classification system used to group the indicators. It then lists the indicators by sector and type, along with a brief comment on the interpretations and issues associated with the different groups of indicators. Some baseline data and targets were readily available at the time of the compilation process, but others are still to be established.

### Identification and Classification

In 1996, at the launch of the NHDR exercise, a survey of social development information was carried out in order to build a consensus on key social indicators. This was essential to meet the needs of major stakeholders - i.e., Central Government, Provincial authorities, and donors - for monitoring the impact of social development policies.

This survey assessed data available in statistical reports with the NSC, the ministries of education and health, special sectoral reports and secondary sources which include social analysis of the Lao PDR.

The indicators have been classified into agriculture, income generation, education, health, and cross-sectoral analysis where it is not possible to associate the indicator with a single or principal sector. In addition to sectoral classifications, a simple analytical classification was applied to the short-listed indicators with the use of three categories: - input indicators, intermediate indicators and impact indicators.

# Indicator List

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Baseline and target levels are to be established for all the following indicators:

## **1. General Indicators**

### **1.1 Input Indicators**

- Population per kilometre of road
- Public expenditure on social services
- Square kilometre of land per km of road

### **1.2 Intermediate Output Indicators**

- Villages with access to roads
- Villages with access to transport services
- Women in administrative and managerial positions
- Women in professional and technical positions

### **1.3 Outcome/Impact Indicators**

- Consumer price index (lower income)
- Real GDP per Capita (PPPS)
- 492 gms of rice available per person per day
- Headcount Index
- Poverty gap index
- Weighted poverty gap

## **2. Agriculture**

### **2.1 Intermediate Indicators**

- Amount of agricultural loans disbursed
- Number of agricultural loans disbursed
- Number of animals vaccinated
- Number of farmers visited by extension staff

### **2.2 Output/Impact Indicators**

- Distribution of cultivatable low land among households
- Distribution of cultivatable upland among household
- Distribution of farm implements among households
- Distribution of livestock among households
- Price of agricultural commodities
- Agricultural output
- Agricultural value added

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## Rural Terms of Trade

The way in which agriculture and the rural economy becomes market integrated will have a significant bearing on the social impact of ongoing economic development. Agriculture accounted for 56% of GDP in 1995 and employs about 80% of the labour force.

Experiences in the Southeast Asia region have demonstrated that agricultural extension service can help subsistence farms adopt new technologies and modernise agriculture. Enhanced income through agriculture has in turn stimulated income diversification and non-farm income generation.

The goals set for agriculture in the Socio-Economic Development Plan 1996 - 2000 are primarily concerned with growth targets. There is also, however, a need to ensure that the social dimensions of these goals are identified and measured to see if agricultural growth meets the social objectives of broad based growth.

The achievement of the agricultural targets set in the Socio-Economic Development Plan will be largely determined by the individual decisions that the c.600,000 farm families make when they respond both to the incentives and opportunities developed by agricultural extension services and to the current economic crisis.

The four intermediate indicators are proposed as a means of monitoring the number of farmers who are given access to agricultural development opportunities. These indicators will be monitored annually.

The first four output indicators for agriculture deal with access by farm households to land and implements needed for them to earn a livelihood from agriculture.

It will be very important to monitor the changes in the distribution pattern to these resources as this will reflect on the extent to which agricultural development remains socially equitable. Monitoring of these indicators will start with the agricultural census survey of 1998 and will subsequently be carried out every five years.

The last four outcome/impact indicators give an indication of the incentive structure for farmers, the profitability of farming and consequently rural household incomes. These indicators will be monitored annually.

*The way in which agriculture and the rural economy becomes market integrated will have a significant bearing on the social impact of ongoing economic development*



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### **3. Income Generation**

These indicators are proposed to monitor the extent to which families/individuals are able to set up small-scale enterprises to generate income and employment, and thus share in overall economic growth. With the exception of labour intensity and unemployment they should be measured and reviewed on an annual basis.

#### **3.1 Intermediate Indicator**

- Amount of small enterprise loans disbursed
- Number of small enterprise loans disbursed
- Number of new small enterprises
- Number of small enterprises more than 1 year old
- (Unskilled) employment generation
- Labour intensity

#### **3.2 Output/Impact Indicator**

- Unemployment
- Unskilled rural wages
- Unskilled urban wages

### **4. Health**

#### **4.1 Intermediate Output Indicators**

4.1.1 Baseline and target levels to be established for the following indicators:

- Access to health care
- Proportion of births unattended by trained health personnel
- Average travel time to water supply
- Distance to water source
- Percent of rural population with access to clean drinking water
- Percent of urban population with access to clean drinking water
- Population per nurse
- Population per physician
- 20 - 23 months-old breast-fed infants
- 6 - 9 months-old breast-fed infants
- Baby-friendly hospitals
- Under 6 months old breast-fed infants
- 15 to 49 year olds using contraceptives
- Growth monitoring coverage
- Iodised salt consumption

4.1.2 Baseline and target levels are established for the following indicators: -

Indicator	Baseline year	Level	Target year	Unit of Measure
Average number of diarrhoea per child under 7			2000	25% reduction
Use of ORT in diarrhoeal episode			2000	
Children under one year DPT immunised	1992	46	2000	80% usage
TT2 immunisation of pregnant women	1992	40	2000	90%
BCG immunisation of under 2s	1992	22	2000	90%
DTP immunisation of under 2s	1992	52	2000	90%
Measles immunisation of under 2s	1992	22	2000	90%
OPV immunisation of under 2s				90%
Percent of rural population with access to clean - drinking water	1992	48	2000	80%
Percent of urban population with access to water- supply systems	1992	13	2000	not set
Percent of rural households with access to sanitary means of human waste disposal	1992	2	2000	75%
Percent of urban population with access to multi- -user solid waste disposal systems				45%

## 4.2 Output/Impact Indicators

4.2.1 Baseline target levels are to be established for the following indicators:

- Pneumonia cases of U5's seen at health facility
- (Total) fertility rate
- Fertility rate for girls aged 15 – 19
- Life expectancy at birth
- Calorie intake
- Goitre prevalence
- Height for age (stunting)
- Households with adequate and balanced food intake
- Underweight U5's
- Night blindness among 2 to 6 year-olds

4.2.2 Baseline and target levels are established for the following indicators:

Indicator	Baseline year	Level	Target year	Unit of Measure
Deaths from pneumonia per 1000 live births	1992	219	2000	72 deaths/1000
Number of U5 deaths due to ARI			2000	reduction
Number of U5s death due to diarrhoea			2000	50% reduction
U5 deaths due to diarrhoea	1992	7	2000	3.5 deaths/1000
Neonatal tetanus cases per 1000 live births		8	2000	0 cases/1000
Annual number of U-5s death from measles			2000	95% reduction
Number of measles cases			2000	90% reduction
Number of neonatal tetanus cases			2000	eliminated
Percentage of deaths due to measles	1992	20	2000	0% deaths
Births weighing less than 2500 gms			2000	10%
Low birth weight	1992	39	2000	10% of births
Maternal mortality	1994	656	2000	326/10,000
Infant mortality	1994	124	2000	50/1000
U5 mortality	1992	170	2000	70
Children aged 6-12 with endemic goitre	1992	20	2000	0%
Iron deficiency among 15 - 49 year old women			2000	reduction
Severe malnutrition among U5s	1994	12	2000	0%
U5s below 3 standard deviations from median - weight	1992	2	2000	0%
U5s below minus 2 standard deviations from median	1992	50	2000	25%
U6s with serum Vitamin A below 10 microgram/100 m	1992	20	2000	0%
Under 5s below 2 standard deviations		40	2000	
Under 5s below 3 standard deviations		12	2000	6%
Urinary Iodine < 10 mcg/dl among school age children	1992	35	2000	Eliminate
Women with haemoglobin levels below 10 gms/100 ml			2000	12%

## **5. Education**

### **5.1 Intermediate Indicator**

5.1.1 Baseline and target levels are to be established for all the following indicators:

- Average travel time to outside school
- Villages with a completed primary school
- Primary school enrolment ratio
- Lower secondary school enrolment ratio
- Tertiary education enrolment ratio

5.1.2 Baseline and target levels are established for all the following indicators:

<b>Indicator</b>	<b>Baseline year</b>	<b>Level</b>	<b>Target Year</b>	<b>Unit of measure</b>
Average percentage of repeaters	1992	21	2000	4%
Lower-secondary repeater rates	1992	11	2000	5%
Lower-secondary school completion rate	1992	50	2000	70%
Primary school enrolment	1992	60	2000	80%
Primary school net enrolment rate		63	2000	80%
Retention rate by end of primary year		35	2000	80%

### **5.2 Output/Impact Indicators**

Baseline and target levels are established for the following indicators:

<b>Indicator</b>	<b>Baseline year</b>	<b>Level</b>	<b>Target Year</b>	<b>Unit of measure</b>
Primary school completion rate	1992	30	2000	60%
Adult literacy (15 - 40 yrs) rate	1992	64	2000	80%

5.2.3 Baseline and target levels are to be established for the following indicator:

- Female literacy

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## **6. Cross Sector**

### **6.1 Input Indicator**

Baseline and target levels are to be established for the following indicators:

- Population per kilometre of road
- Public expenditure on social services
- Square kilometre of land per km of road

### **6.2 Intermediate Indicator**

Baseline and target levels are to be established for the following indicators:

- Villages with access to roads
- Villages with access to transport services
- Women in administrative and managerial positions
- Women in professional and technical positions

### **6.3 Output/Impact Indicator**

Baseline and target levels are to be established for the following indicators: -

- Consumer price index (lower income)
- Real GDP per Capita (PPP\$)
- 492 gms of rice available per person per day
- Headcount Index
- Poverty gap index
- Weighted poverty gap



