



why **Lao PDR** needs good statistics



“ Most countries agree that for sustained social and economic development we need a strong and sustainable statistical system. Because without clear and accurate statistics, we cannot evaluate and set direction of social and economic development properly and correctly.”

H.E. Somsavat Lengsavad, Standing Deputy Prime Minister

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Why Lao PDR Needs Good Statistics

Better policy design and better outcomes evolve if statistics improve and policy makers use them to base their decisions. Hence enhanced investment in statistics will pay for itself many times over by improving the efficiency of governments and donors in allocating resources and monitoring outcomes.



Statistics can measure inputs, outputs, outcomes and impact, providing reliable assessments of key economic and social indicators, covering all aspects of development from measures of economic output and price inflation to the well being of individuals.

To play its significant role in the national development processes, statistical information should be timely, reliable and relevant to the national and international development agenda.

Statistics help:

- **identify and clarify social and economic issues that affect development**

Statistics can reveal various aspects of economic, social or demographic issues for policy makers and the general public. Statistics are a means to map the physical and economic landscape of the society.

The Lao PDR Central Bank considers the monthly CPI an essential input to the management of interest rates and other aspects of monetary policy. Also yearly GDP statistics are crucial for the Bank's activities.

- **guide the design and choice of policy**

Data on the economic, social or demographic status of the society can guide governments on how to choose the best strategy for the interventions to be made. In this regard, statistics can provide an empirical evidence for improving existing policy.

Lao's first nation-wide survey, the Agriculture Census, was conducted in 1998. The result was used both by government agencies and international organizations in the strategic planning of agricultural sector development. The second Agriculture census is planned to be conducted in 2011. The census also provides concrete data on agricultural areas, particularly, rice. Since rice is the main staple of Lao people and, thus, the most important commodity, accurate and timely data on rice are essential. The ministry of agriculture has been using information on agriculture holding as data collection frame to complement their administrative reporting system.

Statistical information from a series of Lao Expenditure and Consumption Surveys (LECS) has had a bearing on important policy issues related to how various dimensions of poverty are addressed. Until recently the effort to reduce infant mortality has focused on vaccination of children. But recent statistics from DoS show that infant mortality was very high within the child's first few months. Therefore, subsequently, the attention was redirected toward skilled birth attendance, which is now seen as the core factor for reducing infant mortality (as well as for reducing maternal mortality).

- **promote and assess the effectiveness in the delivery of services**

Statistics enable the people to judge the successes of government policies and to hold government accountable for its policy implementation. Statistics alert policy makers when key indicators are going off track and prompt investigation to re-align policy for better results. Statistics ensure that limited resources are used in an effective way, highlight where resources are needed and monitor their impact.

Statistical information has been important in linking growth more directly to poverty reduction as well as for targeted programmes for the poor.

The Poverty Reduction Strategy (NGPES) of the Lao Government placed strong emphasis on geographical targeting. The strategy selected the poorest districts for poverty reduction efforts including targeted interventions. In addition, the Ministry of Finance is engaged in 'pro-poor budgeting'. The MDG indicators are used to construct a poverty index, which is the basis for allocating the budget.

Donors have aligned with the NGPES and/or have used the information on poverty to locate their interventions and for selecting their target groups, etc. According to the World Bank, these decisions — based on the poverty statistics of DoS — were successful and led to reduced poverty: 'the greatest reductions in poverty headcount happened in the areas that were selected by the NGPES as priority districts for poverty reduction efforts.'¹

1 Program Document for a Proposed Grant in the Amount of SDR 6.7 Million to the Lao People's Democratic Republic for a Third Poverty Reduction Support Operation. International Development Association, 8 May 2007.

Statistics on society are core components of good governance. Statistics inform and equip the public to participate in national development, and contribute to a qualified public debate which is essential for developing a nation.

Therefore, good statistics are part of the enabling environment for decision making and development outcomes at all levels.

Statistics and National Development

“ High quality statistical information is crucial for planning, monitoring, and evaluation of national programmes investment, and macroeconomic management.”

*H.E. Sinlavong Khoutphaythoune,
Minister of Planning and Investment*

The key development policies of the government can be found in the 6th National Socio-Economic Development Plan, 2006-2010 (NSEDP).

“The NSEDP plays a crucial role in achieving the overall targets outlined in the Ten-Year Socio-Economic Development Strategy (2001-2010) approved by the 7th Party Congress (2001) and the directions set by the 8th Party Congress (2006). The overall directions for the Sixth Plan include transforming the multi-sectoral economy from uneven performance to fast and stable development within the market mechanism guided by the State. It will require the mobilization of all resources including a renewed drive for mobilization of more internal resources to take full advantage of the opportunities.”

“The main focus areas are: promoting economic development, with human development as a key vehicle; increasing competitiveness and utilizing comparative advantages to implement effectively international economic commitments in the framework of the ASEAN and other bilateral and multilateral commitments, including WTO; and strengthening the positive linkages between economic growth and social development, in addressing social issues such as poverty and other social evils, and help keep the socio-political situation stable.”²

² National Socio-Economic Development Plan (2006-2010). Committee for Planning and Investment, Vientiane, October 2006.

The Government will create a strong statistical system to collect and provide the necessary information for the formulation of policies, strategies and plans, and monitor and assess progress and outcomes and impacts. The Department of Statistics (DoS) is responsible for developing statistics for use in monitoring indicators, indices of socio-economic development, poverty and environment which are consistent with the national poverty eradication goals set in the NGPES, NSEDP, the United Nations MDGs, Association of South East Asian Nations (ASEAN) indicator indices, the human development index (HDI) and the Brussels Programme of Action for the Least Developed Countries (2001-2010).

It is necessary to establish priorities for key statistical activities to be carried out by a system workforce, which is rather lean in both quantity and technical competence, to be relevant to the development process. Hence, the SDNSS and statistics law were approved by the government and the national assembly. However, a financing strategy and further appropriate support are required from the government as well as development partners.

The National Statistical System

The Statistics Law approved on 30 June 2010 sets forth that:

The National Statistical System (NSS) is a system under which collecting, collating, analysis and dissemination of official statistics based on the statistical science and harmonized reporting system.

According to the Lao statistics law, the NSS comprises (1) vertical and (2) horizontal organizational systems.

The vertical organizational system consists of the **Lao Statistics Bureau (LSB)** (formerly known as The Department of Statistics) is an organ of the Ministry of Planning and Investment (MPI), and provincial and municipality statistics centers, district statistics centers, and statistics units at the village. The organizational status of the LSB is that of a sub-ministry of a line ministry (MPI). The LSB is the coordinating



body of production and dissemination of official statistics and information within the national statistical system. It is responsible for planning and designing strategies aimed at producing high quality official statistics to meet government needs in designing social and economic development policies and plans. It is the central producer and collector of statistics. The LSB produces statistics by conducting censuses and surveys as well as collecting data from line ministries and provinces via an administrative reporting system. The Bureau then provides these data to the Planning Department at MPI, Ministry of Finance (MOF), Bank of Lao PDR (BOL), other ministries, projects, development researchers, students, companies, NGOs and international organizations.

The horizontal organizational system consists of statistics centers in line ministries, ministry-equivalent agencies and their statistics subdivisions at provincial, municipal, special zone, district levels and production and service units. These statistical organizations consist of statistics divisions or sections or statistics units in the sectors entrusted with the task to collect information to meet the data needs of each

level. Ministries produce statistics in sectors of their responsibility. They also provide data for other users: project developers and international organizations.

The Progress Report 2008 of the Lao PDR Millennium Development Goals (MDG) presented tables on the indicators, some of which are shown below. It is clear that compliance with the reporting of the MDG indicators requires the participation of the entire NSS.

Source: Lao PDR Millennium Development Goals Progress Report 2008; Jointly Prepared by the Government of Lao PDR and the United Nations



Lao Department of Statistics, Ministry of Planning and Investment, organized the statistics week from 11-15 October 2010 in tandem with the World Statistics Day on 20 October 2010 to celebrate the many achievements and contributions of official statistics.

■ Summary Statistics on MDG Goal 1: Eradicate Extreme Poverty and Hunger

	1990	1995	2000	2005	Source of data
Target 1A: Halve, between 1990 and 2015, the proportion of people whose income is less than US\$1 a day					
1.1. Proportion of population below national poverty line	46 (1992)	39.1 (1997)	33.5 (2002)	27.6 (2007/08)	LECS1, LECS2, LECS3, LECS4
1.2. Poverty gap ratio	11 (1992)	10 (1997)	8 (2002)	6.5 (2007/2008)	LECS1, LECS2, LECS3
1.3. Share of poorest quintile in national consumption	9 (1992)	8 (1997)	8 (2002)		LECS1, LECS2, LECS3
Target 1B: Achieve full and productive employment and decent work for all, including women and young people					
1.4. Growth rate of GDP per person employed		5 p.a. (95-97)		8.5 p.a. (02-05)	Department of Statistics
1.5. Employment-to-population ratio		47		49	Population census 1995, 2005
1.7. Proportion of own-account and contributing family workers in total employment		90		88	Population census 1995, 2005
Target 1C: Halve, between 1990 and 2015, the proportion of people who suffer from hunger					
1.8. Prevalence of underweight children under 5 years	44 (1993)	40	37 (2006)		LSIS, MICS3
1.8A. Prevalence of stunting in children under 5 years	48 (1993)	42	40 (2006)		LSIS, MICS3
1.9. Proportion of population below food poverty line ¹	38	33	22	24.6 (2007/2008)	LECS1, LECS2, LECS3, LECS4

Note

¹This indicator is a proxy for 'Proportion of population below minimum level of dietary energy consumption'.

LECS1 - Lao Expenditure and Consumption Survey 1992-93

LECS2 - Lao Expenditure and Consumption Survey 1997-98

LECS3 - Lao Expenditure and Consumption Survey 2002-03

LECS4 - Lao Expenditure and Consumption Survey 2007-08

MICS3 - Multiple Indicator Cluster Survey 2006

LSIS - Lao Social Indicator Survey

■ **Summary Statistics on MDG Goal 2: Achieve Universal Primary Education**

	1990	1995	2000	2005	Source of data
Target 2A: Ensure that by 2015 children everywhere, boys and girls alike, will be able to complete a full course of primary schooling					
2.1. Net enrolment rate in primary school	58 (1991)		80 (2001)	84	Ministry of Education
2.2. Proportion of pupils starting grade 1 who reach grade 5	48 (1991)		62 (2001)	62	Ministry of Education
2.3. Literacy rate in the age group 15-24 years	71 (1995)		79 (2001)	84	Population Census 1995, 2005; LNLS

Note:
LNLS - Lao National Literacy Survey 2001

■ **Summary Statistics on MDG Goal 3: Promote Gender Equality and Empower Women**

	1990	1995	2000	2005	Source of data
Target 3A: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015					
3.1. Ratio of girls to boys (number of girls per 100 boys) enrolled in	(all 1991)		(all 2002)	(all 2006)	
- Primary	77		84	86	Ministry of Education
- Lower Secondary	66		74	78	
- Upper Secondary	56		68	74	
- Tertiary	49		57	62	
3.2. Share of women in wage employment in the non-agricultural sector		38		44 50 (2006)	Population Census 1995, 2005; Economic Census 2006
3.3. Proportion of seats held by women in National Parliament	6		23 (2002)	25 (2006)	National Assembly

“Women are **half** of the population”

Achieving gender equality promotes human development and is central to achieving the United Nations’ Millennium Development Goals.

The Lao Department of Statistics, MPI and partners employ the National Human Development Reports (NHDRs) tools which are designed to provide a balanced measure of human progress by analysing both economic growth and social development, as well as how the process affects women. The effort helps strengthen Lao statistical and analytical capacity.

The reports inform decision-makers as well as raise public awareness and introduce the human development concept into policy dialogue through high-quality and independent analysis.

The UNDP Global Human Development Index (HDI) has shown consistent improvement since 1993 when Lao PDR ranked 141st out of 173 countries. Lao PDR is currently ranked 133rd out of 182 countries according to the 2009 Global Human Development Report.



The following table illustrates the overall picture of the economy which was summarized from the Sixth National Socio-Economic Development Plan (NSEDP) formulation during the study periods of 2007-8 and 2008-9. Again, it is apparent that taking a strategic perspective of the economy would require contributions from many elements of the national statistical system (NSS).

Some NSEDP Indicators

	2007-8	2008-9	Source of Data
GDP Growth	7.8%	7.6%	DoS, MPI
Agriculture	4.9% (30.3% of GDP)	3.0% (30.4% of GDP)	DoS, MPI
Industry	9.0% (26.0% of GDP)	16.6% (24.9% of GDP)	DoS, MPI
Services	9.5%(37% of GDP)	6.9%(38.4% of GDP)	DoS, MPI
GDP/capita	US\$818	US\$906	DoS, MPI
Inflation	Average 7.92%	Average 0.74%	DoS, MPI
Export	348.13	895.88	DoS, BoL
Import	- 1,339.90	- 1,348.08	DoS, BoL
Rice Production	2.93 mil tons	3.14 mil tons	DoS, MPI

The Statistical Master Plan

The preparation of the national strategic plan to develop statistics in the country was undertaken in recognition of the *cross-cutting nature of official statistics and the involvement of the entire government* in:

- i). providing a quantitative basis for informed decision-making in planning for socio-economic development,
- ii). providing an effective and unbiased basis for monitoring development programmes and projects, and
- iii). sufficiently evaluating the outcomes of development programmes and projects.

This is also consistent with the Second International Roundtable on Managing for Development Results, held in Marrakech, Morocco, in The Marrakech Action Plan for Statistics (MAPS) set a target for all low-income countries to design a national strategy for the development of statistics (NSDS), in order to have high quality, locally produced statistical data to monitor progress towards the achievement of the Millennium Development Goals (MDGs) in 2015.

The Statistical Master Plan is intended to build on what already exists, and cover statistics needed to monitor and evaluate poverty reduction strategies. It also addresses legal and institutional issues, including the coordination of the government-wide statistical system; identifies technical assistance and training needs; estimates the costs of implementing the strategy; and explains how these costs will be financed.

The Plan was approved in May 2010 by the Prime Minister and is entitled ‘Strategy for the Development of the National Statistical System of Lao PDR 2010-2020.’”



LAO PEOPLE'S DEMOCRATIC REPUBLIC

**Peace Independence Democracy Unity
Prosperity**

**Ministry of Planning and Investment
Lao Department of Statistics**



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