

REDUCING EARLY GRADE DROP OUT AND LOW LEARNING ACHIEVEMENT IN LAO PDR

ROOT-CAUSES AND POSSIBLE INTERVENTIONS

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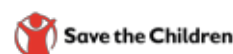
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LIST OF ACRONYMS

| | |
|--------------|--|
| ASLO | Assessment of Student Learning Outcome |
| CCT | Conditional Cash Transfers |
| CNREG | Censored Normal Regression |
| DESB | District Education & Sports Service Bureau |
| ECE | Early Childhood Education |
| EGRA | Early Grade Reading Assessment |
| EMIS | Education Management Information System |
| EQS | Education Quality Standards |
| ESDP | Education Sector Development Program |
| ESWG | Education Sector Working Group |
| FE | Fixed Effects |
| GER | Gross Enrolment Rate |
| HLM | Hierarchical Linear Model |
| JICA | Japan International Cooperation Agency |
| LEARN | Lao Education Access Research and Networking Project |

| | |
|-------------|---|
| LECS | Lao Expenditure and Consumption Survey |
| LFS | Labor Force Survey |
| LSS | Lower Secondary School |
| MOES | Ministry of Education and Sports |
| NER | Net Enrolment Rate |
| OLS | Ordinary Least Squares |
| ORF | Oral Reading Fluency |
| PA | Pedagogical Advisor |
| PESS | Provincial Education and Sports Services |
| PPS | Probability Proportional to Size |
| RIES | Research Institute for Education Sciences |
| SBG | School Block Grant |
| SDP | School Development Plan |
| SES | Socio-Economic Status |
| UIS | UNESCO Institute of Statistics |
| USS | Upper Secondary School |
| VEDC | Village Education Development Council |



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SUMMARY

Despite the impressive progress of Lao PDR in expanding the access to education at all levels, the country faces persistent problems related to the significant number of children remaining out of school or leaving primary school early. More importantly, many children who remain in schooling show very low levels of reading ability and learning. Both of these groups (out of school children and low performers) have similar backgrounds: they tend to be poorer, live in rural and (especially) remote areas, and come from non-Lao Tai ethnic groups. Early leavers are more likely to be girls, who start leaving schooling earlier than boys, at age 10-11. Physical access to school is still a problem for some groups: between 30 and 40 percent of those who leave schooling early live in a village where schools do

not offer G4 and G5. But the main reasons for never attending or for dropping out early are mostly related to perceptions about the quality of education is low, or that it lacks relevance. When looking at the determinants of learning, the same factors that drive drop-out are also associated with low early grade reading ability and low performance in standardized tests (ASLO). This suggests that low progress in learning may be resulting in disinterest and eventual drop-out. Unfortunately, it is not possible to test this empirically using existing data. This warrants further research into the underlying causes of non-participation.

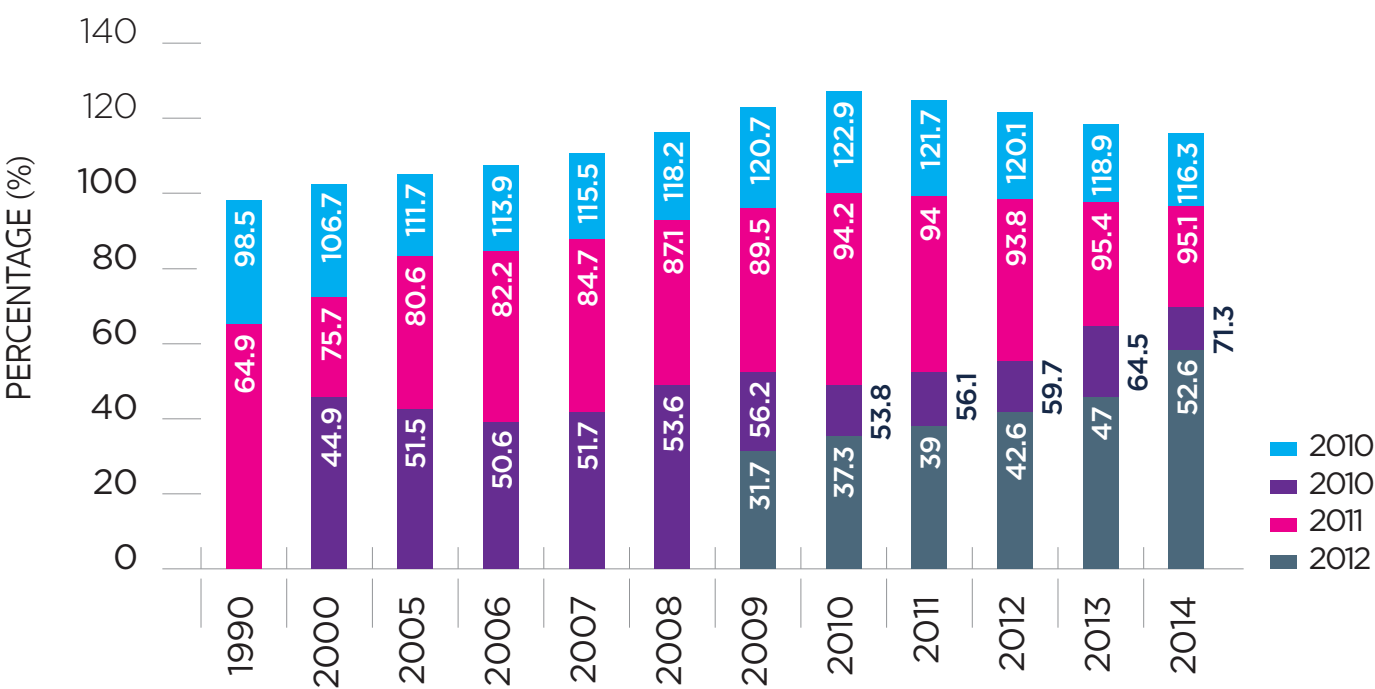
The results point to three general categories of policy responses: (i) focus on learning outcomes, especially early grade reading ability; (ii) increase the demand for education for those who perceive education to have a low value; and (iii) continue to increase and improve the supply of schooling. Convincing families to enroll their children in school on time, and to keep them enrolled, may require more than just an increase in complete and better-equipped schools, or even scholarships. The results from this review also suggest that innovative interventions are needed to make education more relevant to rural, ethnic populations, both in the flexibility of delivery and the content of what is taught.

INTRODUCTION

1. Participation in basic education in Lao PDR has improved steadily in recent decades. The net enrollment rate for primary schooling has climbed from 65 percent in 1990 to 98 percent in 2014 (Figure 1). This increase is a direct result of government policies, with partner support, to build new schools, hire new teachers and improve access to all levels of schooling. It is the result of prioritizing support for specific populations (such as girls and children) who live in rural and remote areas.

Also, the increase in the net enrollment rate, combined with the recent decline in the gross enrollment rate (GER), shows that progress is being made in terms of efficiency at the primary level. For lower secondary, the results also show steady increases in both gross and net enrollment rates over the 2000-2014 time period, although much work remains to be done to reach full participation and improved efficiency.

FIGURE 1 | PRIMARY AND LOWER SECONDARY GROSS AND NET ENROLLMENT



Source: UNESCO (UIS), various years

2. Lao PDR has met most MDGs in education, particularly MDG 2 (Achieve Universal Primary Education) and MDG 3 (Gender Equality). However, survival to grade 5 is still low. Although the primary school participation rate in Lao PDR has steadily increased over recent decades, the survival rate to Grade 5 remains off target, largely due to high early grade dropout. The survival rate to Grade 5 was 78 percent in 2015, compared to the target of 95 percent. The findings of the Joint Education Sector Review Mission (JSRM 2014)¹ also indicate that key challenges to achieving MDG 2 were the high dropout and repetition rates for grades 1 and 2.

3. There has been clear progress in gender equality, especially in pre-primary and primary education. However, this becomes more off track as the level of education increases. The Gender Parity Index (GPI) for lower and upper secondary education was 0.94 and 0.87 respectively in 2015².

¹ This is an analysis of the sector carried out by MoES and Development Partners periodically.

² Education Sector Development Plan 2016-2020, Ministry of Education and Sport, 2015

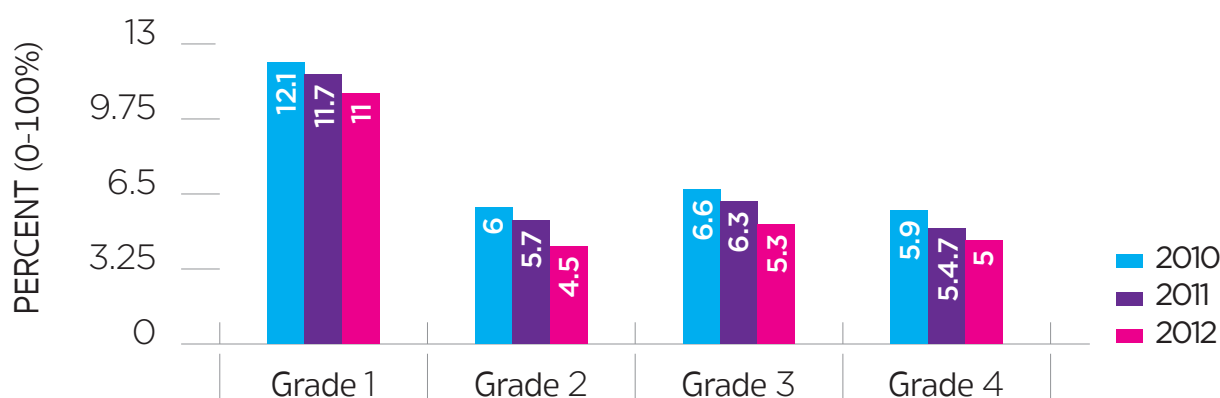
4. There are worrying signs about low quality in the basic education system, which may in turn be related to drop-out and low attendance rates. Official figures show high dropout rates in grade 1 and, to a lesser degree, grades 2-4. Importantly, these rates have declined in recent years, but in grade 1 they remain above 10 percent. In addition, the results of the Early Grade Reading Assessment, (EGRA, 2012), show very high proportions of grade 2 and 3 children who were unable to read even one word on the Fluency and Comprehension sections of the EGRA test (see right half of figure 2).

5. The EGRA was carried out in 2012 in a sample of schools that did not include remote, small or ethnic schools (defined as those with more than 50 percent of the population being non Lao-Tai). That the assessment showed that around 1/3 of third graders are not able to read one word signals that education quality may be an important driver of drop-out. Considering the sample, this is a very worrying result. Had the sample included ethnic and remote schools, the results would have been significantly worse. This signals a clear urgency in addressing reading ability deficiencies in early grades. Without the ability to read, students cannot absorb the curriculum in later grades.

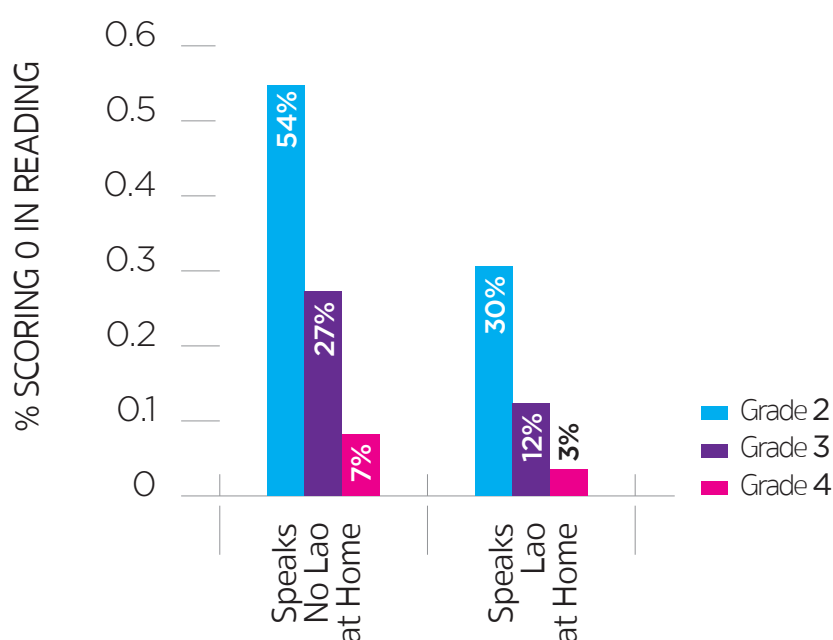
FIGURE

2 | THE PROBLEM: EARLY GRADE DROP-OUT RATES AND EARLY GRADE READING

EARLY GRADE DROP-OUT RATES



% OF STUDENTS NOT ABLE TO READ ONE WORD



Source: EMIS 2010, 2011, 2012, EGRA 2012



A. ENROLLMENT AND DROP-OUT

1. HOW MANY PRIMARY SCHOOL-AGE CHILDREN ARE NOT ENROLLED IN SCHOOL?

6. In this context, Plan International and Save the Children, through their Dubai Cares-funded Lao Educational Access, Research and Networking (LEARN) project, partnered with the World Bank to undertake an analysis of the patterns of enrollment and dropout in Lao PDR, as well as the root causes of the observed patterns in enrollment and low levels of learning. The report also discusses policy options to address these causes.³

7. The report is divided into two parts. In the first section (A. Enrollment and drop-out), it presents a complete picture of attendance and dropout, addressing four main questions:

- (i) How many school-aged children are not enrolled in school?
- (ii) Who and where are they?
- (iii) When do they enroll and drop-out?
- (iv) What are the reasons behind observed enrollment patterns?

8. In the second part (B. Learning Outcomes), the report presents the analysis of the factors associated with learning outcomes. The report concludes with recommendations on a set of interventions to address the most frequently cited causes of dropout and non-participation that come out of the analysis.

³ The main result of this analysis is this report. The team also produced a much more extensive, mainly descriptive report, which serves as background analysis for this report. The report is available from authors upon request.

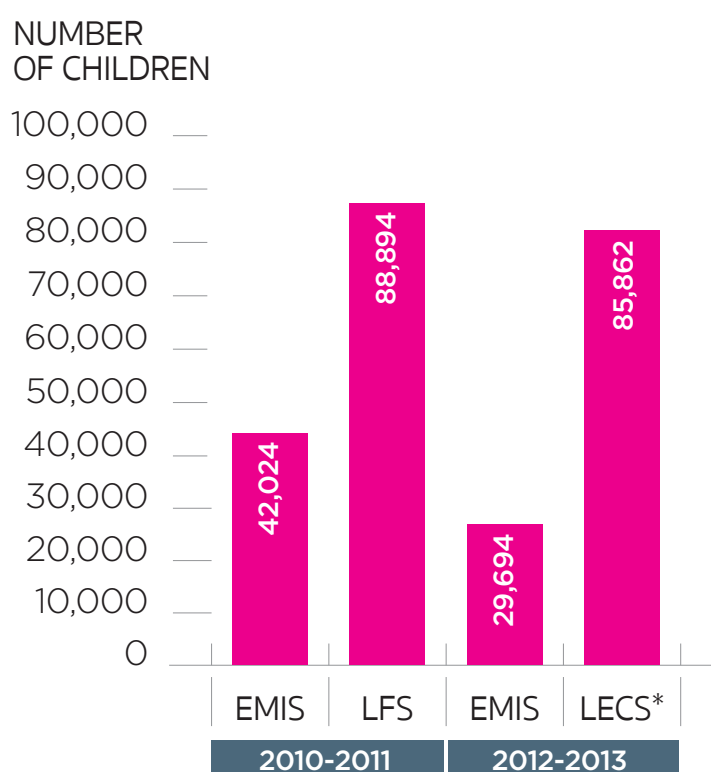
⁴ See Annex A for a description of data sources used in this analysis.

9. The number of out of school children of basic education age is significant - between 30,000 and 85,000, depending on the data source. Official government education statistics (EMIS) show that about 30,000 primary school age children are not in school, and this figure has declined substantially in recent years. However, as shown in Figure 3, household survey data sources—which include the LFS from 2010-11 and the LECS from 2012-13—report higher numbers of out of school children (about 85,000).⁴

FIGURE

3

NUMBER OF OUT OF SCHOOL CHILDREN BY DATA SOURCE



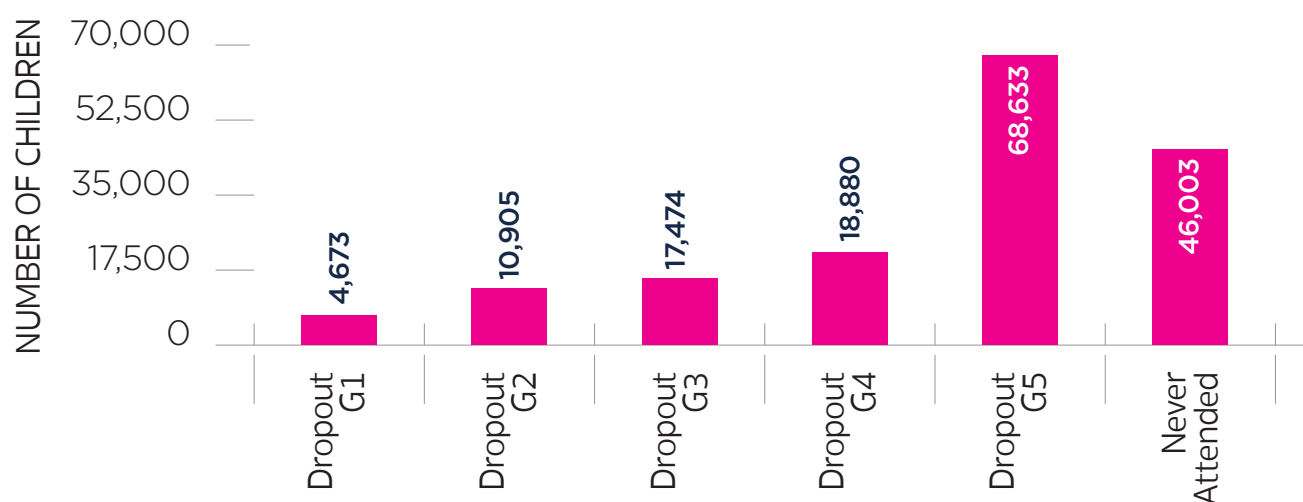
10. Discrepancies between household survey and administrative data are not uncommon, and can result from definitional differences, problems with sampling frameworks, or inaccurate data reporting. One possibility is that village education committees are enrolling children in grade 1 in order to meet targets for universal coverage, but these children are not actually attending school. This would also predict high dropout and repetition rates in grade 1 on the basis of administrative data, since many of these grade 1 children will not continue on to grade 2. These discrepancies between data sources do not fundamentally alter the main results in this report. However, it is possible that official data sources are overstating early grade enrollment, so for the bulk of the analysis in this report we rely on household survey

data analysis in this report we rely on household survey data sources for summaries of in school and out of school children. These discrepancies also point to the need for better quality control in the collection of enrollment data in the EMIS.

11. When looking at the last grade completed (as reported in household surveys), permanent drop-out in first or second grade is much lower than in later grades. Significant numbers of children are dropping out of primary school before completing grade 5. About 40 percent of those children live in villages where the school does not offer a complete range of primary grades. However, early grade dropout—according to the LFS 2010-11—is not taking place in grade 1, but rather in grade 2-4 (see figure 3).

FIGURE

4 | TOTAL NUMBER OF SCHOOL DROPOUTS (BY GRADE) AND EXCLUDED CHILDREN AGED 11-17



Source: LECS V, 2011/2012

12. In addition, a large number of out of school children have completed the primary sequence (up to grade 5), but are no longer in school. While this report focuses on primary schooling, this finding highlights the importance of focusing on the transition to lower secondary education, and of continuing to increase lower secondary school availability, as well as the need to design policies to facilitate the transition between levels of education.

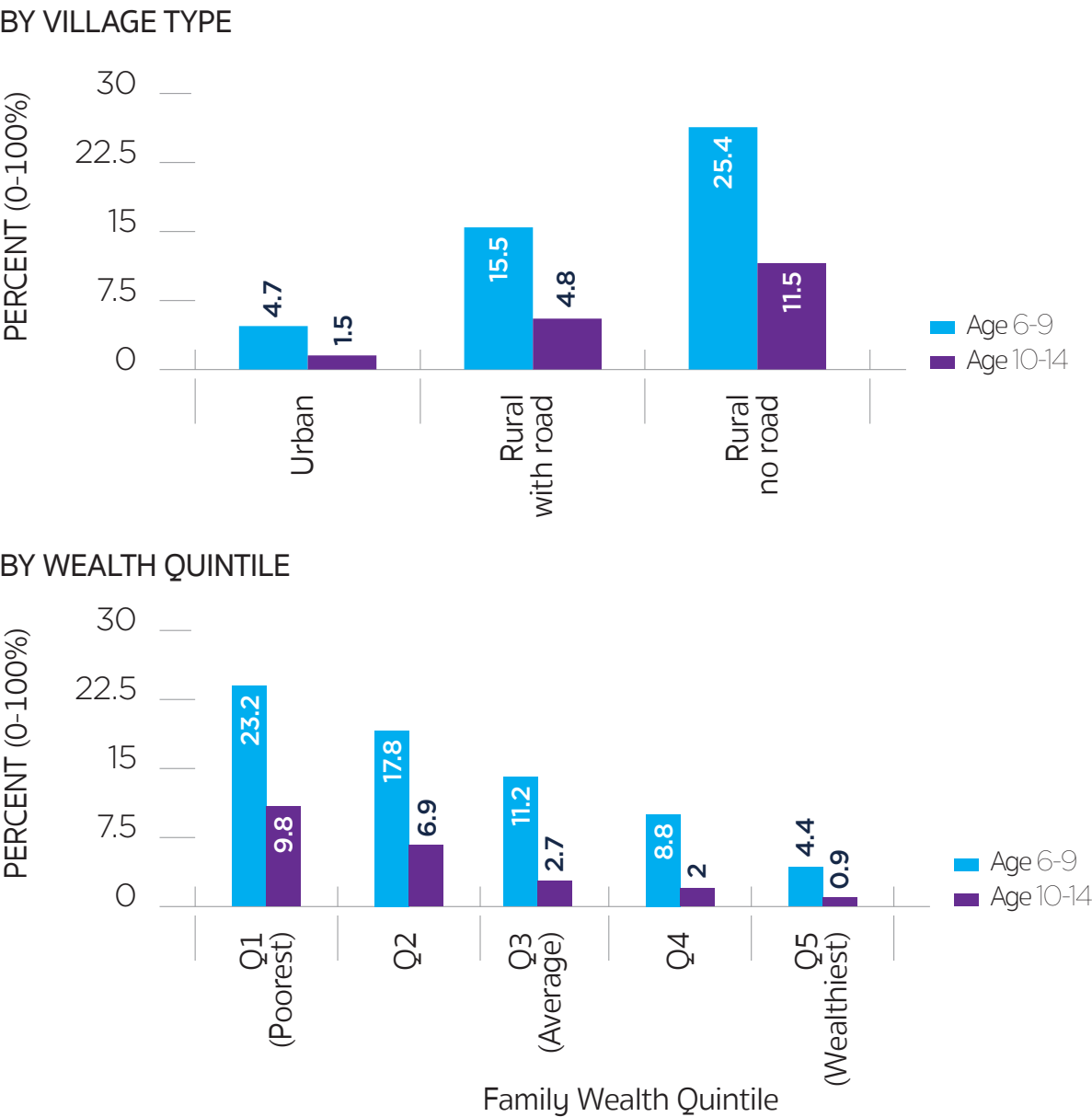
13. A significant number of children of primary school age never enter school. This in turn touches on two elements. The first is late entry, since a 7 or 8 year old child who is not in school at the time of the survey may still enter school eventually. But the large number for Never Attended also highlights the issue of exclusion, which comes from both supply-side constraints (i.e. no primary school available) and household demand factors (i.e. the family sees no need to enroll the child). Understanding these underlying causes is one of the primary focuses of this study. The next section looks in more detail at the characteristics of those children who never enter school.

2. WHO AND WHERE ARE OUT OF SCHOOL CHILDREN?

14. The typical out of school child lives in a rural area without access to a road, is poor and is more likely to be non-Lao Tai. Gender differences in enrollment start to be significant after age 14, with early drop-out being more common for girls than for boys.

The populations with high rates of never enrolling are the same as those with early grade drop-out. Out of school children are concentrated in rural areas, and among the poorest households (figure 5).

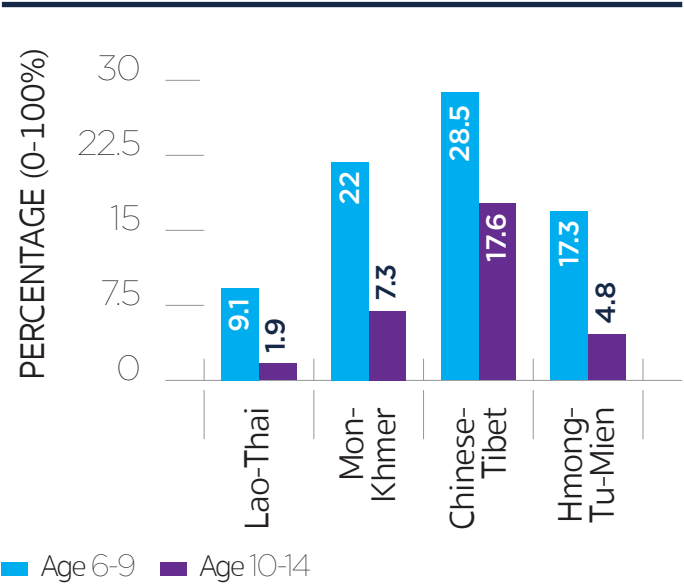
FIGURE 5 | PERCENTAGE OF CHILDREN WHO HAVE NEVER ATTENDED SCHOOL, BY VILLAGE TYPE AND WEALTH QUINTILE



Source: LFS, 2010

15. Ethnic minority groups have the highest probabilities of never attending school (Figure 6), especially the Chinese-Tibet. In terms of raw numbers (Figure 7), Mon-Khmer children make up the largest group among those ever enrolled, with relatively small numbers of Chinese-Tibet and Hmong-TuMien.

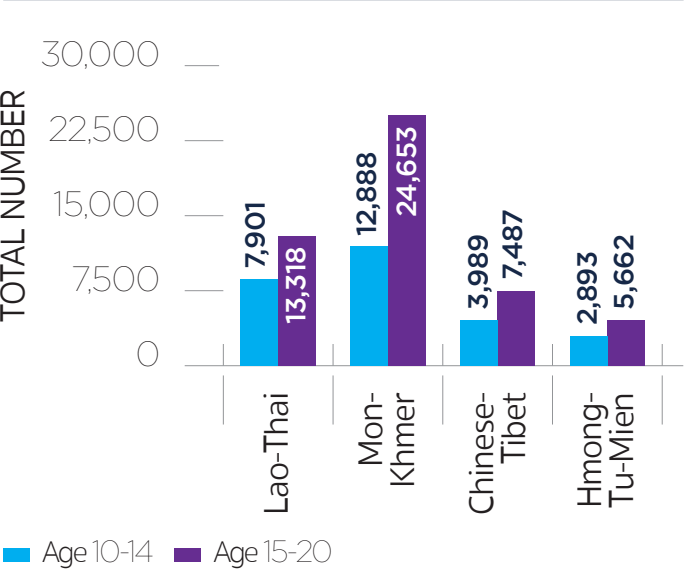
FIGURE 6 | PERCENTAGE OF CHILDREN WHO HAVE NEVER ATTENDED SCHOOL, BY AGE GROUP AND ETHNICITY



Source: LECS 2012, 2013



FIGURE 7 | RAW TOTALS OF PERSONS WHO HAVE NEVER ATTENDED SCHOOL, BY ETHNICITY



Source: LECS 2012, 2013

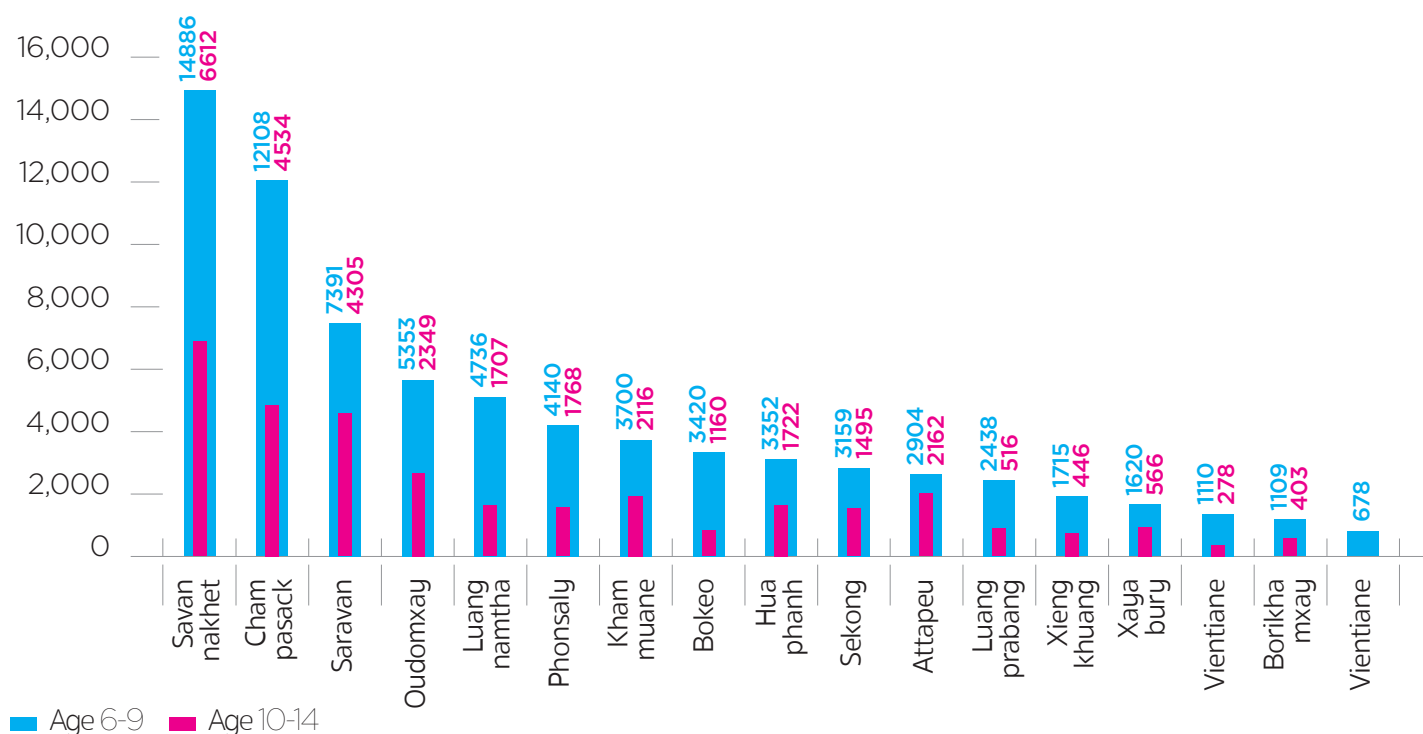
16. Children who have never enrolled in school are concentrated in a few provinces, namely Savannakhet, Champasack, Saravan and Oudomxay. Among 10-14 year olds, the numbers are considerably smaller, which does reflect the fact that most children are eventually entering school (figure 8). The gap between the two bars in Figure 8 is a reflection of late age entry, since many of the 6-9 year olds who have never attended will eventually do so.

17. Finally, there is evidence of a “triple condition”, where the interaction between being poor, rural and female results in high exclusion rates for certain groups. For example, among the rural poor, nearly 27 percent of non Lao-Tai girls aged 6-9 have never attended school, compared with only 10 percent of Lao-Tai males in rural areas who are not poor (figure 9).

FIGURE

8

RAW TOTALS OF CHILDREN WHO HAVE NEVER ATTENDED SCHOOL, BY AGE GROUP AND PROVINCE

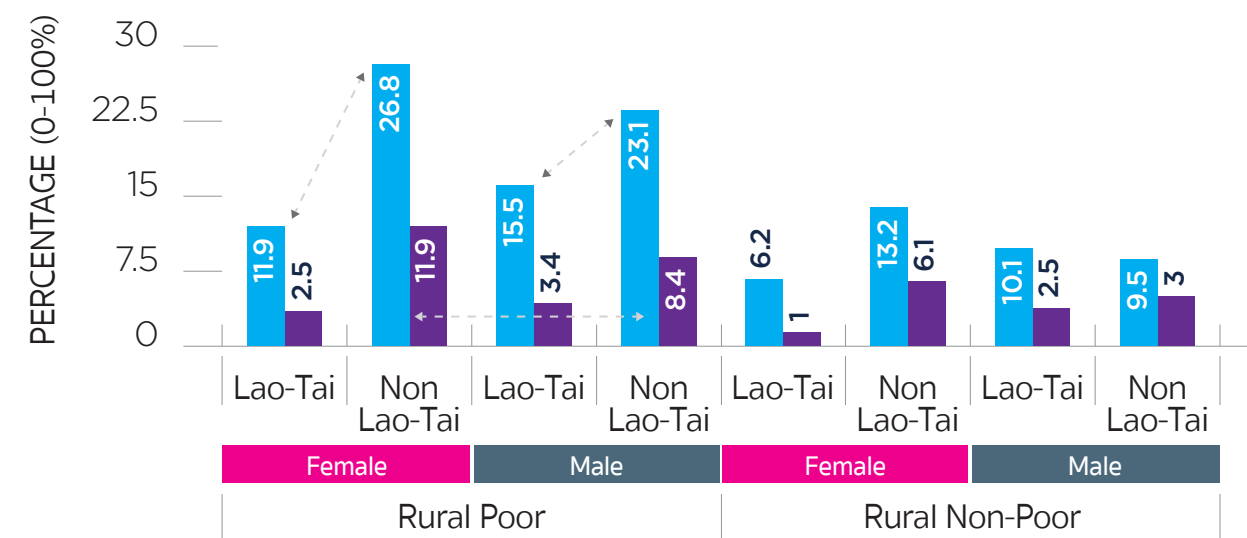


Source: LECS 2012, 2013

FIGURE

9

PERCENTAGE OF RURAL CHILDREN WHO HAVE NEVER ATTENDED SCHOOL, BY AGE GROUP, POVERTY, GENDER AND ETHNICITY



Source: LECS 2012, 2013

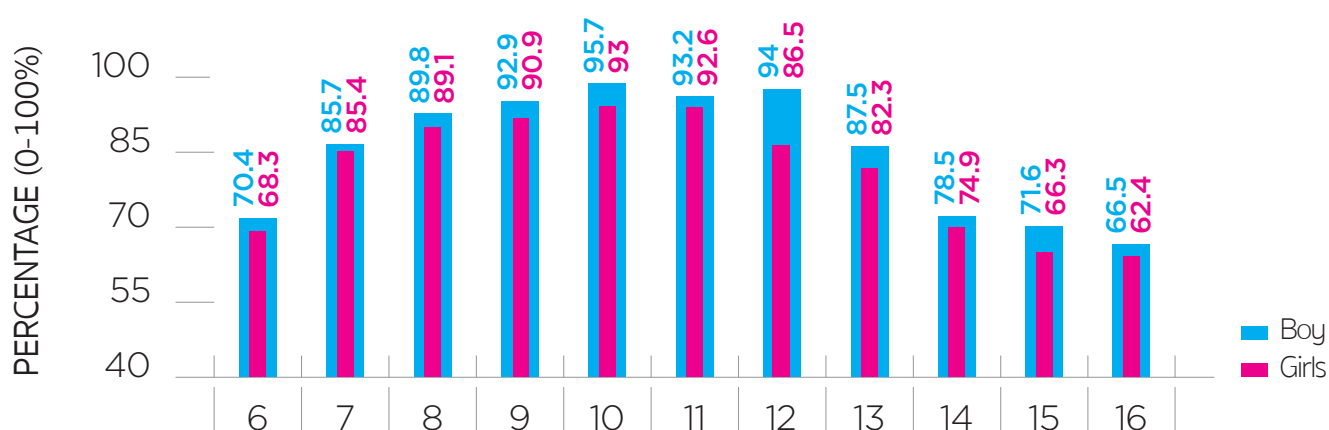


3. WHEN DO CHILDREN ENROLL (IF EVER), AND WHEN DO THEY ABANDON SCHOOL?

18. One of the main findings of this report is that statistics on out of school children are related to age at entry. Most children will eventually enter school in Lao PDR (although there are still a significant number of excluded children who never set foot in a school). But at any given point in time, a significant proportion of the out of school population is made up of children who have not yet entered school.

19. The official age for starting school is 6, but enrollment profiles by age again confirm the existence of late-entry. Fewer 6 and 7 year olds are in school compared with eight and nine year olds, especially in rural villages (see Figure 10) -. There is also evidence of exclusion, as attendance rates never reach 100 percent at any age, although as demonstrated in the previous section of this report, the percentage of children who never set foot in a school is clearly in decline. For gender, the results again show relative parity among the youngest cohorts, but after age 11 there is clear divergence, as more girls are leaving school (or never entering).

FIGURE 10 | ENROLLMENT PROFILES BY AGE AND GENDER



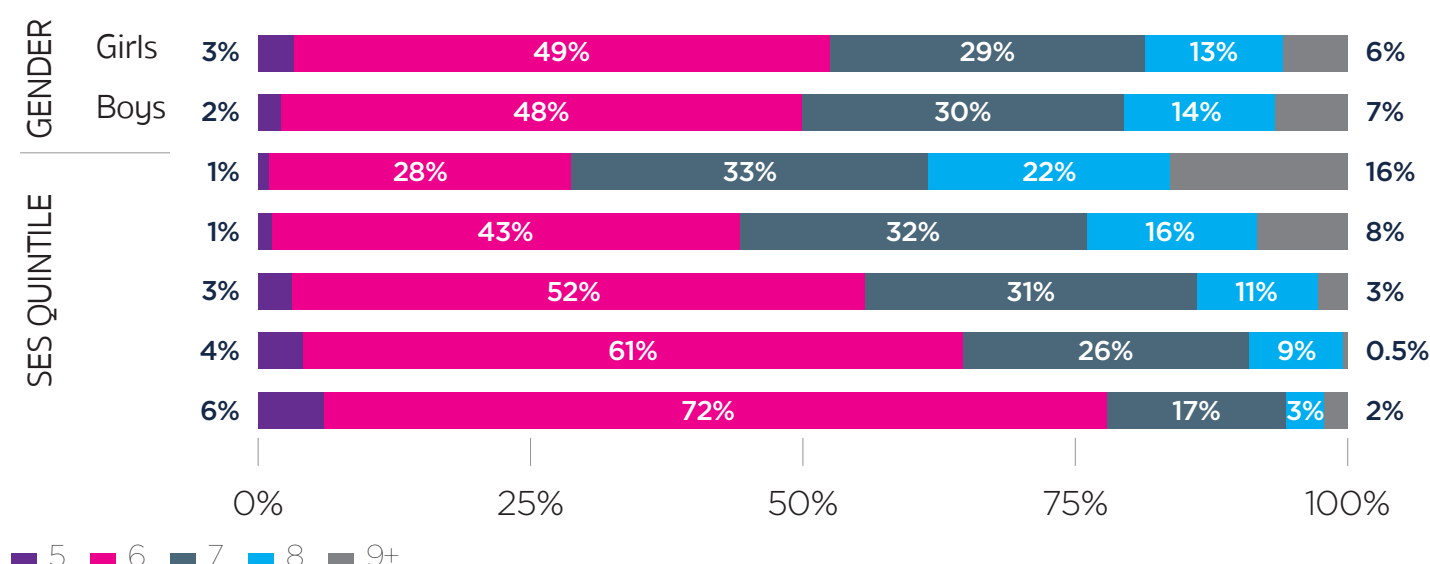
Source: LECS, 2012, 2013

20. A substantial percentage of young people in Lao PDR are beginning school at the ages of 7 and 8 and, in the case of the poorest children, at age 9 or higher. Figure 11 summarizes age at school entry (left hand side), and shows the relationship between age at initial entry and grade attainment and duration of attendance (right hand side). The results show that age at initial entry varies little by gender, but it does vary considerably by socioeconomic profile of the household: nearly 80 percent of young

people from the wealthiest households (quintile 5) entered primary school at age 5 or 6, compared with just 28 percent of children from the poorest households (quintile 1). The consequences of late entry are shown clearly in Figure 11, as overall attainment (and duration) are higher among children who entered school at age 6 in comparison with those who entered school later. This is consistent with a “late in, early out” dynamic.

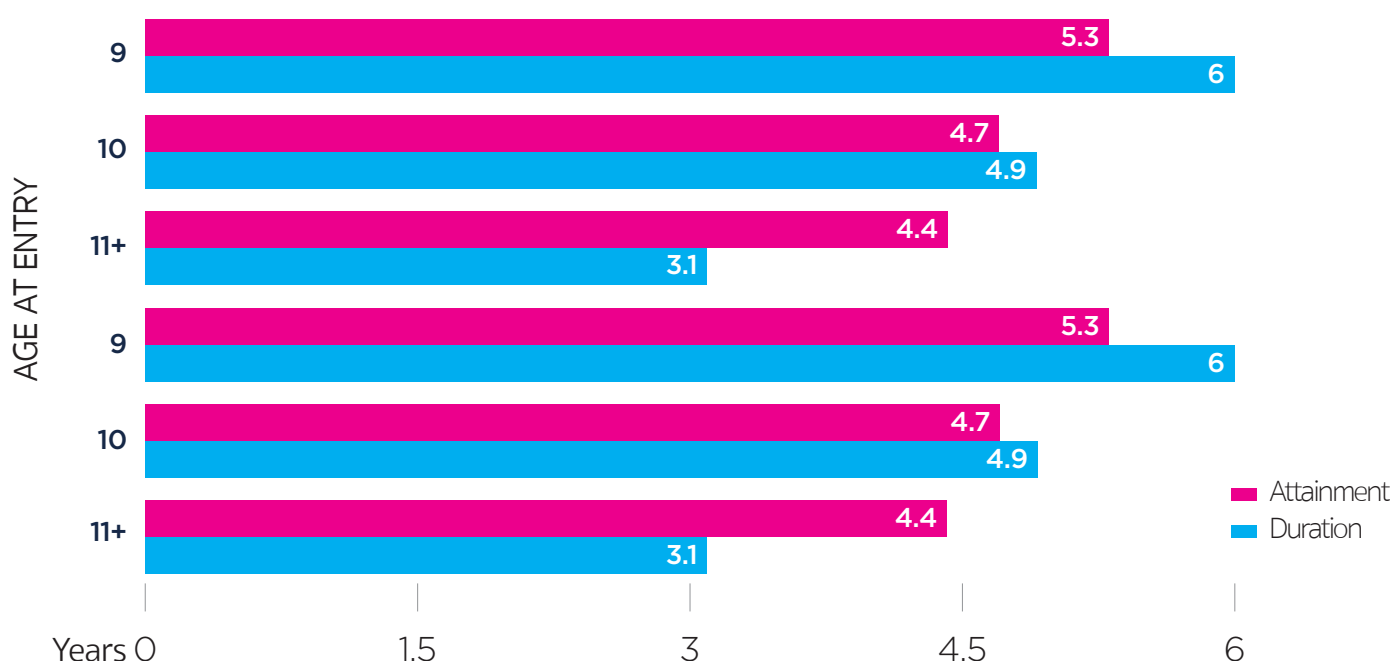
FIGURE 11 | LATE ENROLLMENT AND ATTAINMENT

AGE OF SCHOOL ENTRY, BY GENDER AND SES QUINTILE



ATTAINMENT AND SCHOOL DURATION BY AGE AT ENTRY

Source: LECS, 2012, 2013

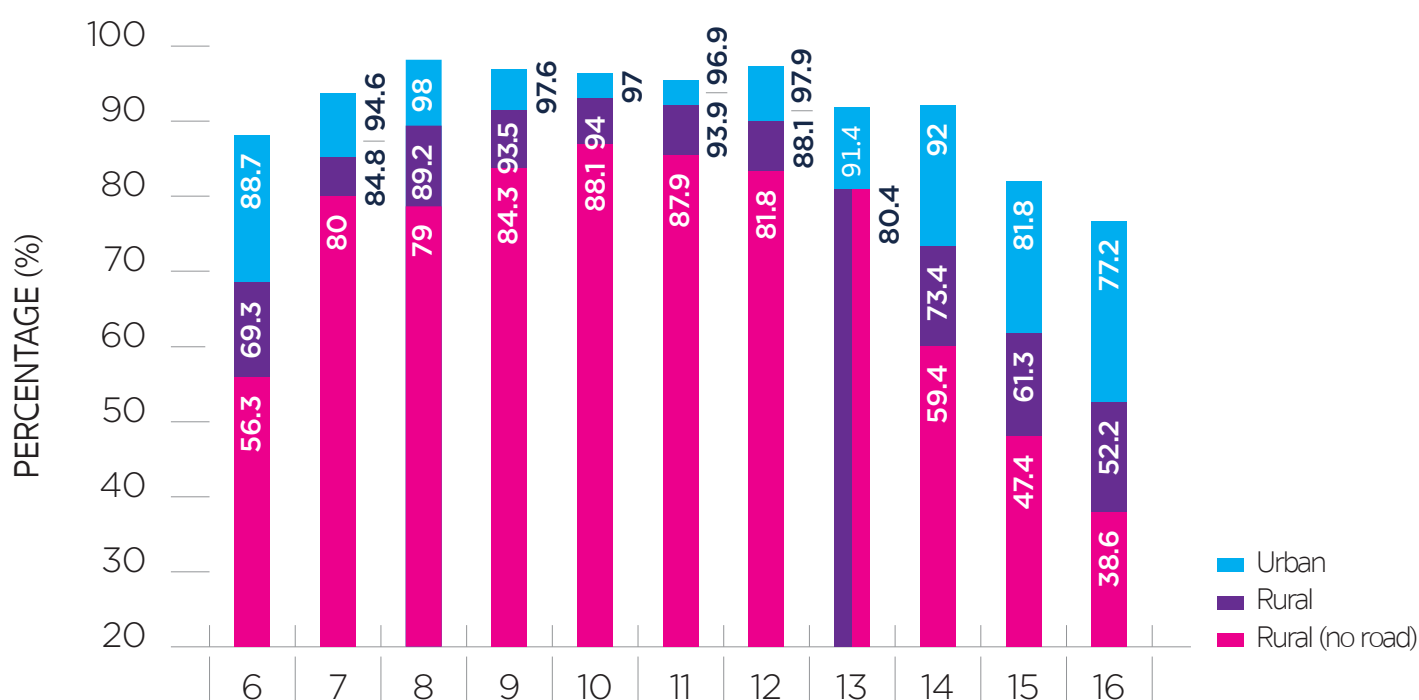




21. Differences by village type are most evident when comparing enrollment profiles: children in rural areas are much more likely to enroll late and drop out early (Figure 12). In rural areas, the ‘inflection point’ for school attendance—where attendance rates begin to decline—occurs at around age 10, whereas in the urban sample it occurs a little later. This early inflection point in rural areas, combined with late entry, in effect shortens the available time for many children to attend school. For the purposes of understanding early grade dropout, it is important to understand the underlying explanation(s) for school attendance beginning to drop-off around age 10-11.

One possibility is that as children complete primary school—and have limited options, or interest, in continuing to post-primary—they leave the school system. In a separate analysis (not presented), it was found that among 12-16 year olds, about 97 percent of urban children who completed grade five continued on to complete grade 6, compared with 87 percent in rural areas (with road), and 80 percent in rural areas with no road. So in rural areas the attendance decline is explained in part by a termination of studies after completing primary school, although the cause for not continuing is not yet fully clear.

FIGURE
12 | ENROLLMENT PROFILE
BY LOCATION

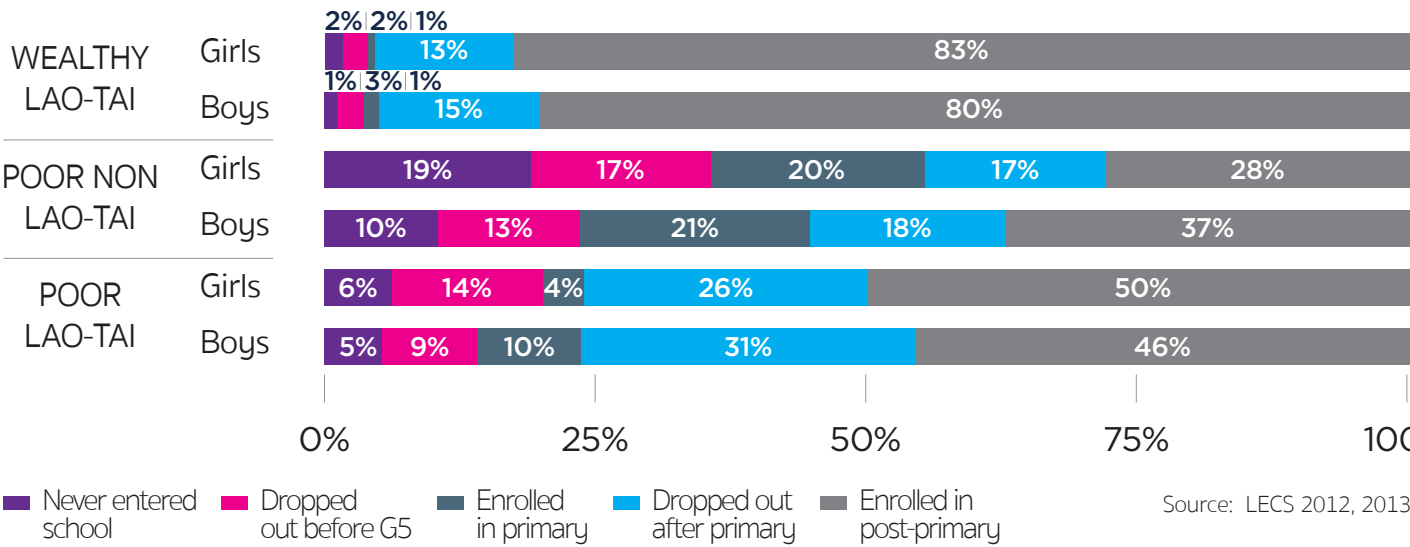


Source: LECS 2012, 2013

22. Almost 1/5 of poor non-Lao Tai girls living in rural areas never enter school, and a further 16 percent drop-out before completing primary. The corresponding rate for poor boys in rural areas is about 10 percent, while among Lao-Tai the rates are even lower. Another important result in Figure 13 is overage primary enrollment. Among poor non Lao-Tai minority groups, about 20 percent of children aged 14-17 are still enrolled in primary school. It is, of course, possible that these children will go on to finish primary school, but by the time they do so they may no longer have time to continue their studies at secondary level. If the family's—or the child's—goal was simply to complete primary school, then this issue of late entry may not be particularly consequential. But if these children hope to obtain higher levels of education, their late entry is going to be a serious constraint on future schooling for the simple reason that they are entering a period of their life when they can help their families more with work (“opportunity costs”), or even start their own families.



FIGURE 13 | SCHOOLING HISTORY PROFILE FOR CHILDREN AGED 14-17 BY SESAND ETHNIC GROUP



Source: LECS 2012, 2013



23. A summary of what this report has so far examined highlights a number of important findings related to school attendance and dropout in Lao PDR. These include:

- i. Never enrolling is more common than early grade drop-out, although it is possible that children are dropping out of grade one repeatedly, which is a version of grade repetition;
- ii. Late enrollment in primary school is common, especially among the poorest households, and among non Lao-Tai families;
- iii. Late entry in turn appears to reduce the total time that children have to study, although the ultimate impact of late entry does depend on how far the family intended the child to study;
- iv. Leaving school before completing grade 5 is prevalent among certain groups, especially girls from ethnic groups with disadvantaged backgrounds, who live in rural and remote areas.

FIGURE 14 | A SIMPLE FRAMEWORK TO EXPLORE DROP-OUT: “PUSH” VS “PULL” FACTORS

Factors that “push” children out of the system

- ☐ Insufficient “supply”
 - ☐ Schools
 - ☐ Classrooms
 - ☐ Teachers
- ☐ Inadequate school environment (dangerous, not inclusive, etc)
- ☐ Inadequate support for disabled students
- ☐ Low quality of education

Factors that make parents “pull” children out of the system

- ☐ Poverty
- ☐ Costly attendance
 - ☐ Schools fees
 - ☐ others costs (uniforms, transportation, meals,...)
- ☐ Opportunity cost (i.e. have to contribute to household economy)
- ☐ Low perceived value of education

Own elaboration



4. UNDERLYING REASONS FOR DROPOUT AND NEVER ATTENDING SCHOOL

24. When school attendance laws are not effectively enforced, families are largely free to decide whether the child will attend school or not. Some individual children may also make this decision for themselves. A decision to attend school is a form of investment, where the skills and credentials that are obtained through education will generate a long-term payoff in the form of higher future earnings for the individual child. In addition to this narrow focus on future earnings, school attendance can also be justified by other (non-monetary) factors, such as providing children with an enjoyable activity (learning, playing, being with friends), or conforming with societal expectations about education. Differences in the underlying reasons for sending children to school can have consequences for the effectiveness of certain kinds of interventions, but the most important point is that school attendance is justified by some kind of expected benefit⁵

⁵ The discussion in this section is based on fairly standard economic models of school attendance decision-making, which can be traced to the earliest versions of human capital theory: see Schultz, T.W. (1963). Human capital. Chicago: University of Chicago Press; and Becker, G.S. (1967). Human capital and the personal distribution of income: An analytical approach. Woytinsky Lecture no. 1, Ann Arbor: University of Michigan. There are also very large literatures in the economics and sociology of education covering topics related to the determinants of school attendance, as well as student outcomes like achievement. See Glewwe, P., E.A. Hanushek, S. Humpage and R. Ravina (2015), “School resources and educational outcomes in developing countries: A review of the literature from 1990 to 2010”, in Glewwe, P. (2014), Education policy in developing countries. Chicago: The University of Chicago Press; Fuller, B. and P. Clarke (1994), “Raising school effects while ignoring culture? Local conditions and the influence of classroom tools, rules and pedagogy.” Review of Educational Research, 64, 119-157; and Marshall, J.H. (2011). School quality signals and attendance in rural Guatemala. Economics of Education Review, 30(6), 1445-1455.

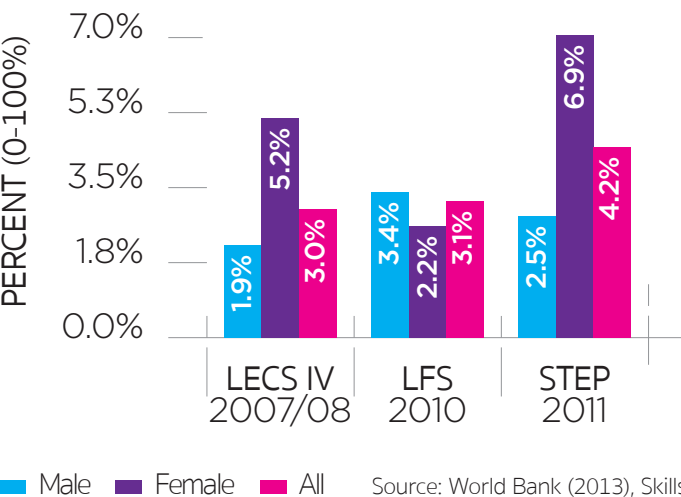
RETURNS TO EDUCATION

25. The clearest benefit of attending and completing additional years of schooling are the economic returns to education – that is, the increase in salary associated with an additional year of schooling. In Lao PDR, these returns are positive, although smaller than those seen in other countries⁶. Over the last five years, wage workers in Lao PDR earned an estimated average of three to four percent more for each additional year of schooling. Higher levels of education not only command higher wages, but also yield positive returns on investment. In short, education is a good investment in Lao PDR.

26. The labor market rewards men and women for their educational investments differently, with women achieving greater returns to education than men. Regardless of the data source, average returns to education (when all workers are included) remain positive, and above three percent. Using the STEP data set, returns to education for women in 2011 are much higher than with any other data source, at around 6.9 percent (compared to 5.2 and 2.2 with other sources). For males, estimates also differ by data source. Returns for males are around 2.5 percent (using the STEP data set), compared to 3.4 percent and two percent when using other data sources.

⁶ See Montenegro and Patrinos (2014) Returns to Schooling Around the World, World Bank.

FIGURE
15 | ANNUALIZED RETURNS TO EDUCATION



27. These expected benefits must be compared to the costs of attending schooling. In a narrow economic view, school investment is only justified when the expected benefits outweigh the costs. But non-economic discussions of school attendance also refer to costs, for the simple reason that the costs are a potentially serious constraint for many poor families, regardless of the underlying ‘calculation’ that goes into deciding whether or not children go to school. Compared with benefits, costs are also relatively easy to calculate. They include direct costs in the form of fees (official and unofficial), transportation costs, uniforms and school materials. There are also indirect costs—usually referred to as “opportunity costs”—that refer to the lost time associated with school attendance where the child could be helping the household with some kind of productive work.

28. What kinds of factors therefore influence school attendance and dropout? Poverty and other domestic factors such as family size and work calendars help determine the household’s ability to pay for schooling, and the time that is available for a child to go to school. When a child is needed to help around the house, or in the field (or shop), then the family may be forced to pull them out of school. The same is true when the family simply does not have the resources to afford the direct costs of schooling.

29. School characteristics can also affect how long children remain in school. School environment variables (or school climate) make up one set of influences, since children may suffer from problems related to bullying, or may simply find school to be very boring. Quality is another potentially important characteristic. When teachers are frequently absent, or learning materials and basic infrastructure are missing, then there may be concerns about whether or not children are likely to learn. Frequent repetition, presumably caused by not learning, can also reduce the perceived benefits of staying in school.

30. School access refers to a specific sub-set of school characteristics. For young children, the most basic indicator of access is whether or not there is a primary school in the child's home village. But access must also be viewed in terms of the availability of post-primary levels of schooling, since the importance of completing primary school may be reduced when post-primary schooling options are far away. Class size and crowding can also be thought of as access characteristics, since they potentially impact the student's access to the teacher, and to learning materials.

31. Finally, culture is a commonly cited influence on school attendance decisions. In societies with strong patriarchal norms, girl's schooling may be valued less, or even viewed as threatening to the established order. There are also general cultural beliefs about the importance of education that can, in turn, impact a household's prioritization of school attendance and the help that is provided children outside of school. This is also related to child-rearing practices and the degree to which parents provide a nurturing environment in the home that facilitates learning and going to school.

32. Taken together, these different groups of factors can be organized into a fairly simple framework. Early grade dropout is a result of household socioeconomic and cultural factors that result in the child being pulled out of school. Alternatively, children may in effect be pushed out of school due to specific environmental characteristics (like school climate), or due to larger concerns about the schooling system (access, overall quality, etc.). Other, related ways of organizing these factors is to think of long term versus short term constraints, and supply versus demand factors⁷.



33. The push and pull dichotomy helps with the categorization of potential interventions to reduce early grade dropout. On the one hand, interventions designed to address a household's ability to afford schooling (such as Conditional Cash Transfers, CCTs) have the advantage of directly targeting the dropout problem by helping poor families. But they can be costly and difficult to implement, especially if factors like agricultural work calendars are in play. On the other hand, investments that make schools better places for children to spend time have the potential to reduce dropout and improve other outcomes, like student learning. But these interventions require changes in school management and the teaching and learning environment, which are challenging areas to address, and are likely to take time to impact. These issues are returned to in later sections of this report when different interventions are considered.

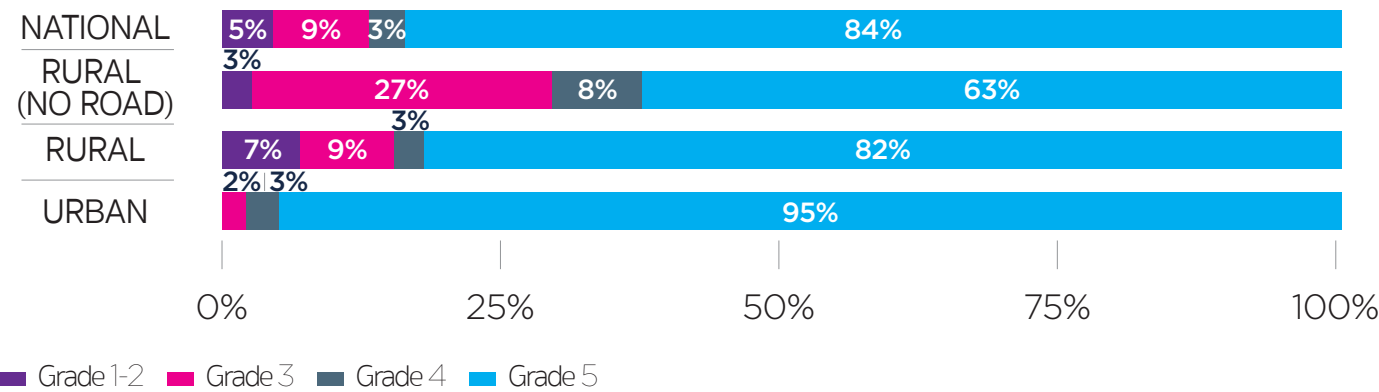
⁷ Handa, S. (2002). Raising primary school enrolment in developing countries: The relative importance of supply and demand. *Journal of Development Economics*, 69(1), 103-128.

SUPPLY OF SCHOOLING

34. **Supply constraints are an issue, but they do not explain all drop-out.** In rural areas a significant proportion of schools only report having enrollments until grades three or four, and do not appear to offer the full complement of primary grades (Figure 16). In remote rural areas (no road), this problem is especially acute: 27 percent only report enrollments until grade three. It is not exactly clear from Figure 16 whether this supply cutoff reflects a lack of teachers and facilities, or if families in the village are simply not keeping their children in school past these grades.

Regardless, when combining data on access to a school with data on attendance, it can be seen that about 40 percent of children aged 12-16 who left school after grade three are from villages where the school(s) did not report enrollments in grades four or five. However, about 70 percent of grade four dropouts were enrolled in village schools that did offer the full five grades. So we cannot conclude that the problem of early grade dropout is solely related to supply constraints, though it does seem to be a problem in remote rural areas.

FIGURE
16 | PERCENTAGE OF SCHOOLS THAT OFFER A PARTICULAR GRADE, BY LOCATION



Source: EMIS (2015)

DEMAND FOR SCHOOLING

35. For demand, the potential range of influences is much broader. Most discussions focus on direct and indirect costs associated with schooling, which can present substantial barriers to participation for the poorest families. This is because they cannot afford even the basic school materials that are required (uniform, pencils, etc.), or because their children are needed to do other things around the house, field, or market.

36. However, low demand for education can be a result of other factors, although these are harder to establish empirically using household survey data sources, and usually require more qualitative data. For example, families may not see much utility in sending their children to school, perhaps because they expect them to work in the fields, or become mothers, and do not see a need for even basic literacy and numeracy skills.



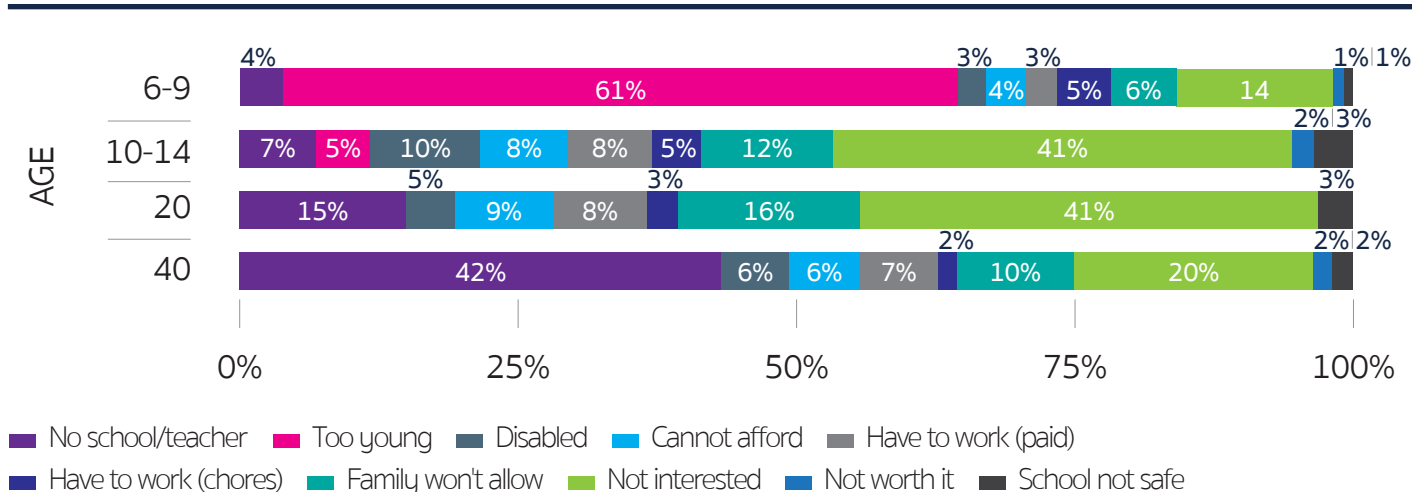
Alternatively, families may have concerns about the quality of the education system, or question the ability of schools to address their child's specific needs; this is especially relevant in ethnic minority contexts where issues related to language are closely tied to relevance. Perceptions of low quality schooling can also help explain dropout, especially when the child is not learning.



37. Non-attendance in Lao PDR seems to be driven mainly by low demand for education among certain groups of the population. This is perhaps linked to perceptions of low quality or lack of relevance, as well as potentially high costs, especially opportunity cost. Figure 17 begins with a summary of the reasons why children have never attended school. Among older Lao people, the proportion who did not have a school to attend is quite high, especially in comparison with younger cohorts. This result is simply a reflection of the steady improvement that has been made in school access.

For 6-9 year olds, the main reason is that the child is still considered to be too young, which again highlights the important issue of late entry. Among older children (10-14) there are some concerns about supply, but the most commonly cited reasons are related to demand. About one third of children aged 10-14 who are not in school cite reasons related to direct and indirect costs of schooling. But an even larger group (41 percent) cite “not interested” as the reason why they are not in school.

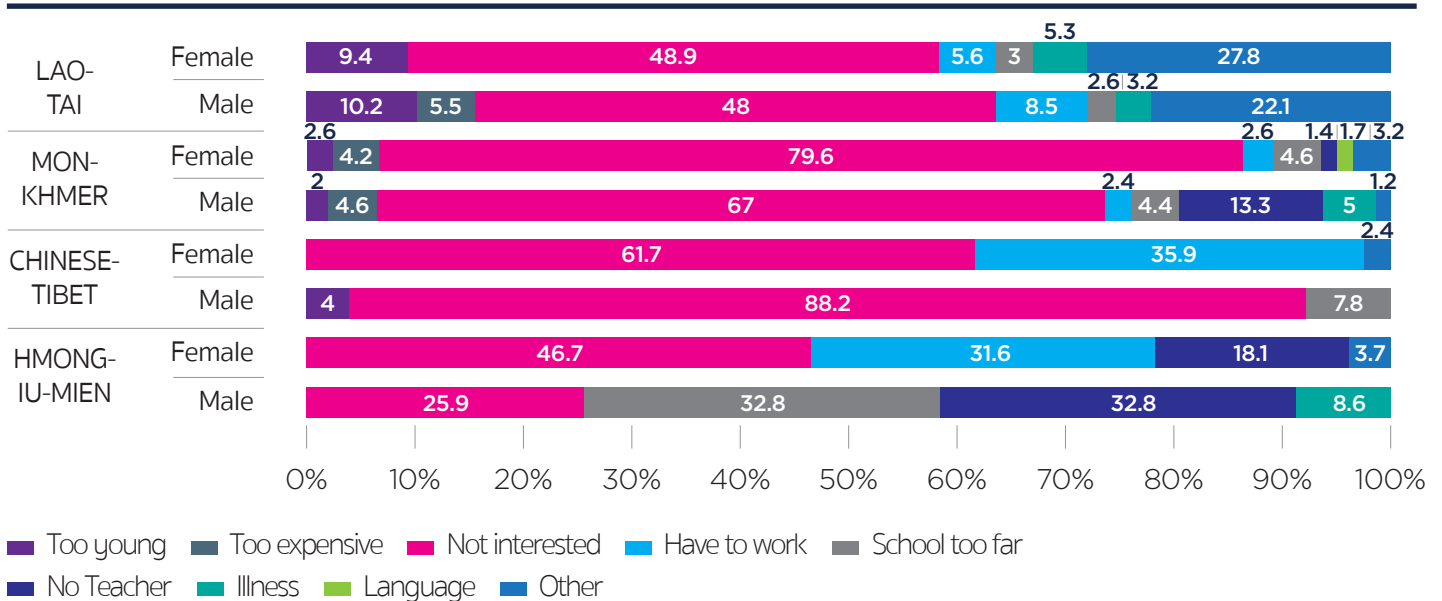
FIGURE 17 | REASONS FOR NEVER ATTENDING SCHOOL BY AGE GROUP



Source: LFS 2010

38. Ethnic groups —especially Mon-Khmer and Chinese-Tibet—are much more likely to cite “Not Interested” as the reason for never attending school: roughly 70 percent of these households chose this reason. Figure 18 compares reasons for never attending school (for 10-14 year olds) by ethnic group and gender. Several results stand out. Firstly, the explanations are similar to those given in the 2010 LFS data, with “Not interested” being mentioned most frequently. However, the prevalence of “Not Interested” among ethnic groups does not appear to be explained by a cultural “mismatch,” or concern about the language or adequacy of the teaching force.

FIGURE 18 | REASONS FOR NEVER ATTENDING SCHOOL BY ETHNICITY



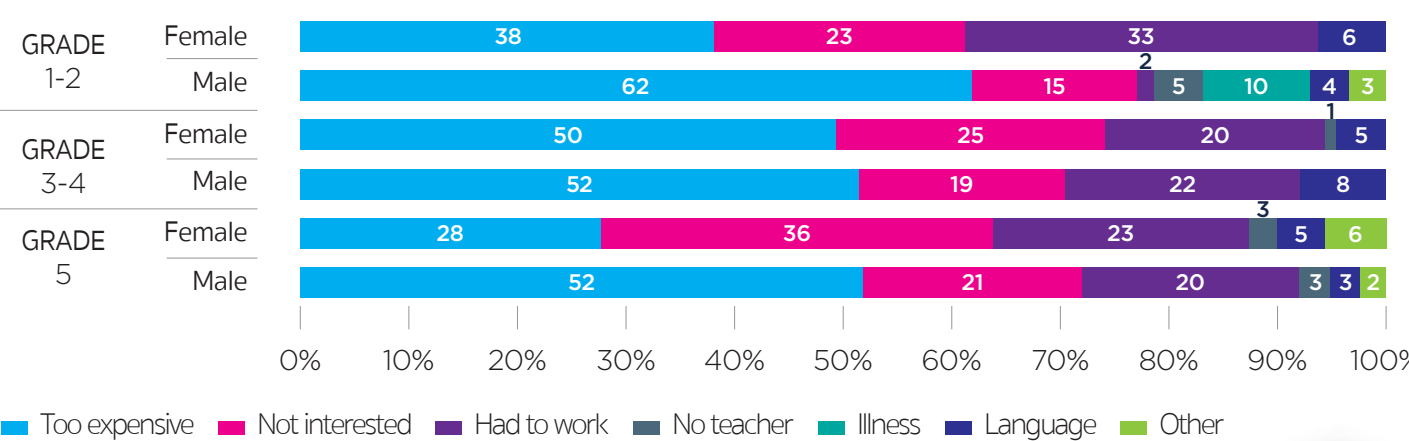
Source: LECS V



39. When asked to explain dropout, very few families cited school supply, with most citing reasons related to demand; the results for ‘never attended’ are very different when compared with those in Figure 17 . “School is too expensive” and “Have to work” are more commonly cited for drop-out than for never attending, indicating that cost (both direct and opportunity cost) are important

factors when parents consider enrolling the children in school. However, in line with those who never attend school, a substantial proportion of these families also claimed that the child was “Not interested”. This explanation was more commonly cited for females than males (figure 19).

FIGURE
19 | REASONS FOR DROPPING OUT OF SCHOOL BY LAST GRADE ATTENDED AND GENDER



Source: LFS (2010)

40. Taken together, the results in Figures 17 and 19 help to better understand the underlying dynamics of school attendance in Lao PDR, which in turn will help identify policy options and new interventions (see below). In terms of supply-side influences, relatively few households cite a lack of schools (or teachers) as the reason for not entering school, or dropping out. However, these responses may be somewhat misleading, since roughly 40 percent of children who left school after completing grade 3 were studying in a school that did not offer grade 4, while 30 percent of children who left after grade 4 had no grade 5 to go on to. These results again point to the need to make all primary schools in Lao PDR complete. However, it is important to note that not all children who drop out before completing primary school are doing so because of supply-side constraints.

41. Rather than supply constraints, the most commonly cited reasons for never attending or dropping out indicate a combination of low perceived value of education ("no interest", "no value", etc.) and high perceived cost. The cost of attending school can be relatively high for a poor family, which mainly refers to the cost of uniforms, food and transport (Figure 20). In terms of opportunity costs,

a large proportion of children contribute to household chores and economic activity.As they get older, the potential value of children to their households only increases(Figure 21). This appears to be especially true for girls.



FIGURE

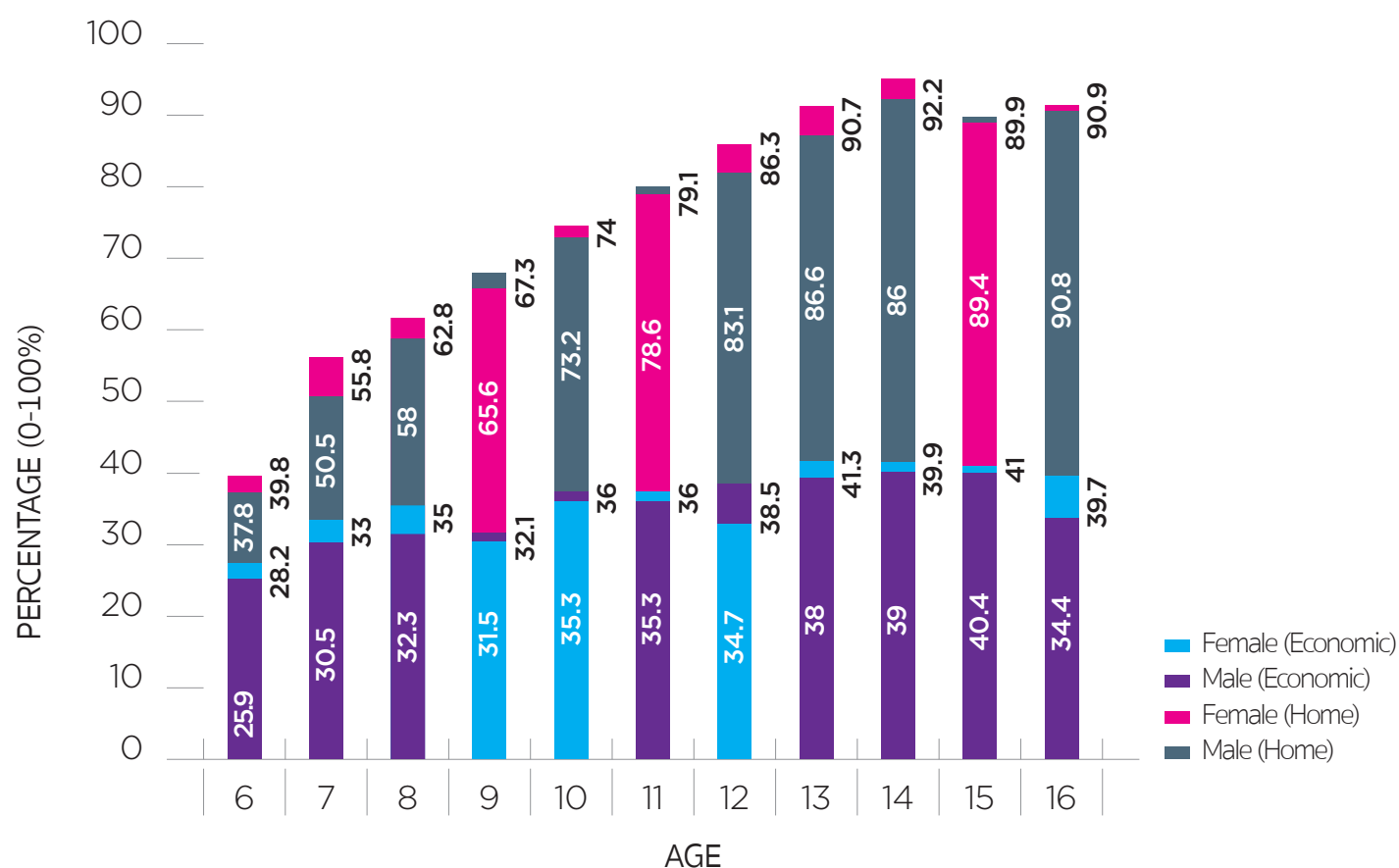
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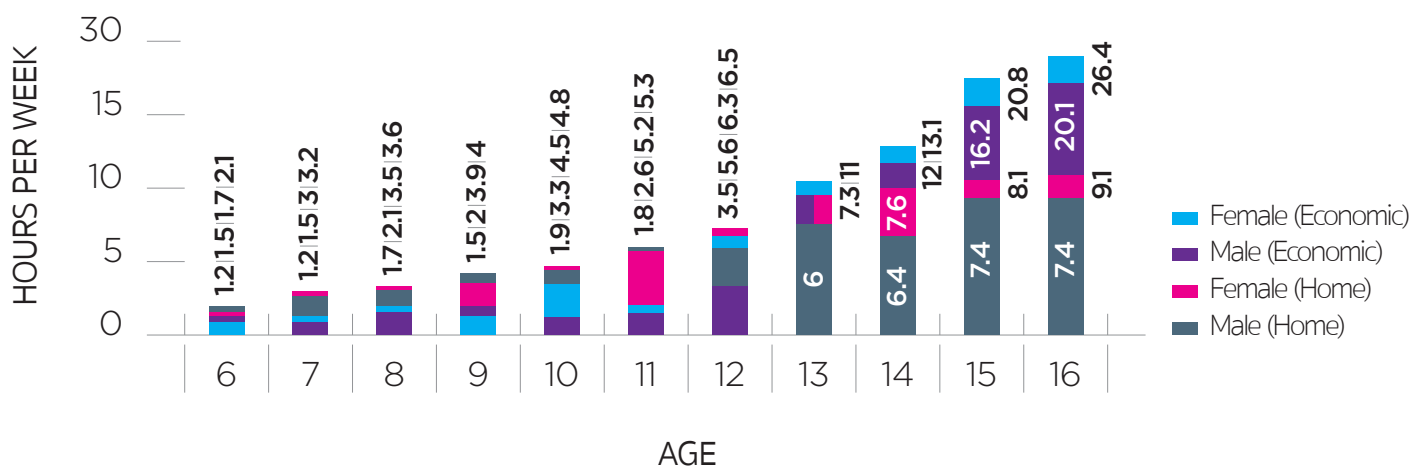
AVERAGE YEARLY COST OF ATTENDING SCHOOL
(IN THOUSAND LAK)

| ANNUAL SCHOOL SPENDING (IN 1,000 KIP): | NATIONAL SAMPLE : | | | | RURAL ONLY: | | |
|---|-------------------|--------------|-------------|-----------------|-------------|-------|-------|
| | ALL LEVELS | PRIMARY ONLY | LSS AND USS | PRIVATE SCHOOLS | ALL | GIRLS | BOYS |
| Tuition and fees | 97.4 | 69.0 | 119.2 | 1,453.4 | 29.2 | 28.3 | 30.1 |
| Parent Association | 13.3 | 8.6 | 21.0 | 9.2 | 11.6 | 10.6 | 12.4 |
| Uniforms clothing | 175.1 | 124.4 | 256.4 | 249.9 | 154.6 | 152.3 | 156.7 |
| Textbooks | 26.6 | 15.7 | 43.0 | 72.2 | 19.3 | 19.4 | 19.2 |
| Other materials | 68.3 | 50.3 | 97.0 | 112.2 | 59.7 | 59.3 | 60.1 |
| Meals transportation | 310.1 | 151.7 | 588.1 | 939.3 | 201.7 | 203.0 | 200.6 |
| Other | 138.1 | 79.9 | 230.4 | 363.5 | 102.8 | 98.8 | 106.3 |
| Total Spending | 828.7 | 500.0 | 558.1 | 939.3 | 201.7 | 203.0 | 200.6 |
| Sample Size | 7,622 | 4,719 | 2,779 | 201 | 5,922 | 2,777 | 3,145 |

FIGURE

21

PERCENTAGE OF CHILDREN WHO REPORT
SUPPORTING ECONOMIC ACTIVITIES FOR THE FAMILY
AND HOURS PER WEEK SPENT ON ECONOMIC ACTIVITIES



Source: LECS 2012, 2013

B. LEARNING OUTCOMES

42. The low levels of learning outcomes among those children who do attend school starts with low reading ability in the early grades. The EGRA 2012 Survey Report (2014) had mixed findings in relation to reading ability - some were concerning and some were positive. Many students are only able to fluently read and comprehend a simple 60-word text after Grade 4 –that is, it takes about four years of instruction to achieve this basic level of literacy. On the other hand, the survey results also show that there is grade progression. In each grade, students gain new knowledge and skills in all sub-tests. However, although students are progressively learning to read more letters and words (and with increasing accuracy), fluent reading with comprehension is the ultimate goal of reading instruction.

43. In order to analyze fluency and comprehension together, students in the EGRA sample were divided into four groups:

- Non-readers.** Students unable to read any words correctly in the first (and easiest) row of the text.
- Readers without comprehension.** Students able to read some words correctly, but unable to answer any reading comprehension questions correctly.
- Readers with some comprehension.** Students able to read some words correctly, but able to answer three or fewer (out of five) reading comprehension questions correctly.
- Readers with high levels of comprehension.** Students able to read most of the words correctly, and able to answer four or five (out of five) reading comprehension questions correctly.

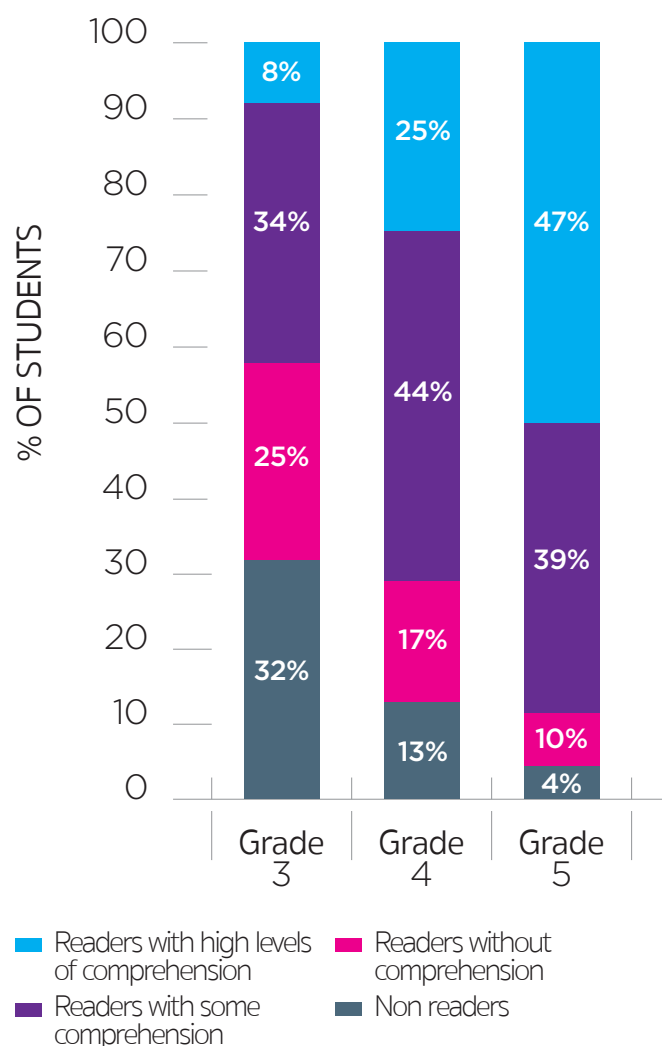




44. Figure 22 shows the distribution of students in each of these groups. At the beginning of Grade 3, only 10 percent of students have a high degree of reading comprehension and are therefore in the top band. By the start of Grade 4, 25 percent of students are able to read a simple story and extract most of the meaning, whereas in Grade 5, almost half of the students are able to show the same degree of comprehension. These results suggest that, on average, students make significant gains in fluency and comprehension in Grades 3 and 4 but it is only in Grade 5 that the majority (86 percent) of students are able to read with fluency and comprehension. This finding is relevant in terms of curriculum expectations, since Grade 5 coincides with the last grade of primary school in Lao PDR.

45. Figure 22 also shows the average composition of classrooms in Grades 3–5, in terms of the ability of students to read and comprehend a simple text. Teachers around the world are no strangers to variation in student performance in the classroom, and the challenge of adjusting their teaching strategies to student ability. Yet it seems that on average, Grade 3 teachers in the sample have the most challenging teaching environment, as Grade 3 shows almost equal proportions of students at three out of four levels of performance. By the start of Grade 4, both the proportion of students without comprehension and the non-readers have decreased substantially (17 percent and 13 percent, respectively). In Grade 5, although most of the students are able to read (with varying levels of comprehension), there are still a few students whose poor reading and comprehension skills compromise their ability to access content material.

FIGURE 22 | DISTRIBUTION OF STUDENTS BY READING SKILL AND GRADE



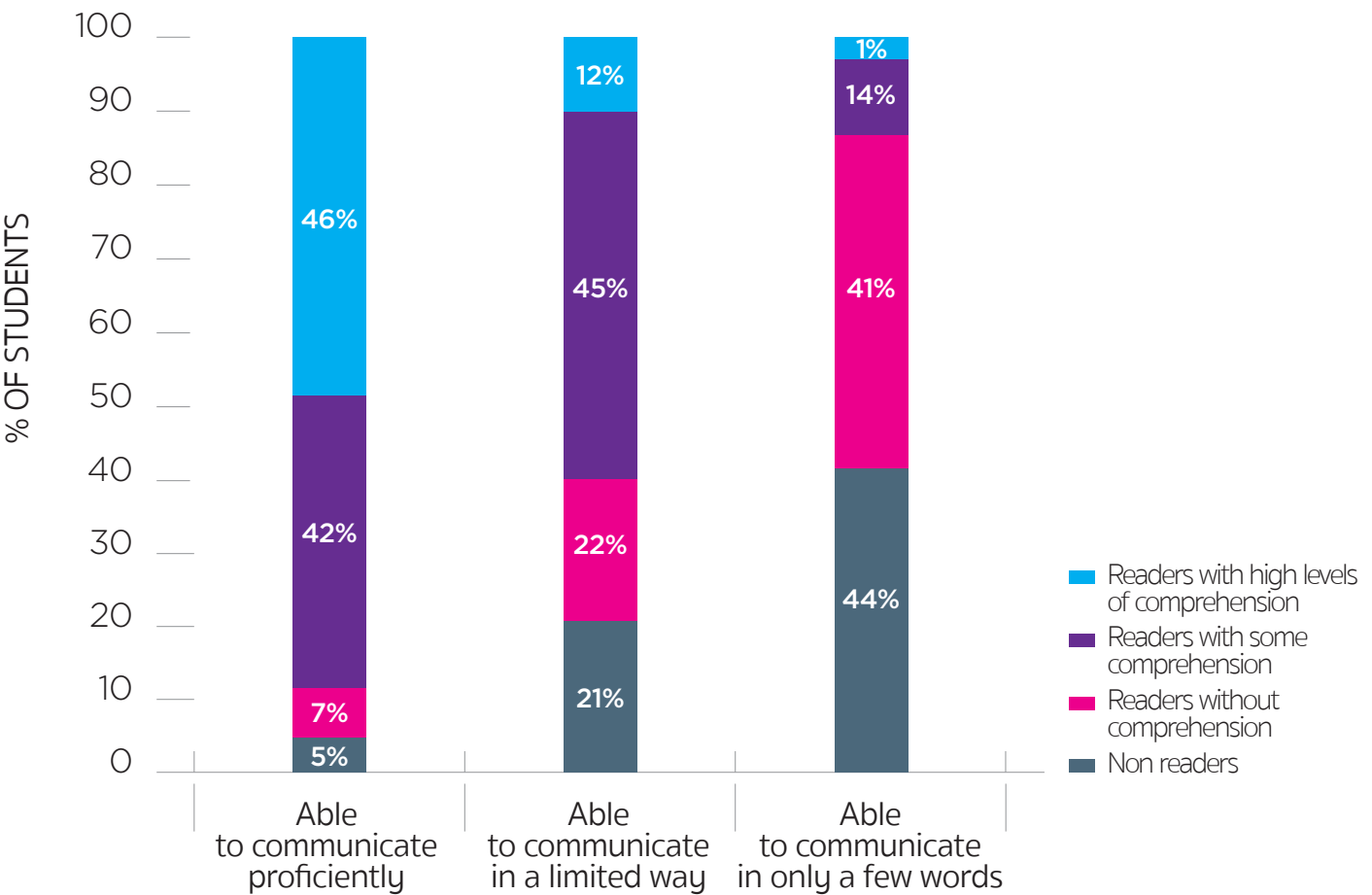
Source: EGRA 2012

46. If learning to read involves a second language, one that the beginner reader is still acquiring, the task of learning to map sounds to symbols is the same in general, but is severely complicated by the need to learn the second language simultaneously and, in some cases, in a second writing system or orthography⁸. The Lao EGRA noted that many students had difficulty communicating in Lao language, but this also improves over time. It is important to note that the survey did not follow the same children over time; it collected data through a random sample of students in each grade tested. Therefore the ‘improvements’ observed could be partly the result of actual improvements in Lao language proficiency, but could also be due to a more homogeneous composition of classrooms in Grades 4 and 5, as students with poor Lao language skills would be at high risk of dropping out before finishing primary school.

Across all grades tested, learning outcomes were weakest amongst students without adequate Lao language skills. Figure 23 presents the distribution of student proficiency in reading fluency and reading comprehension, depending on their ability to communicate in Lao language.

⁸ Research has already established that there is an advantage in learning to read in the reader’s first language (L1) since the learner can rely on her existing language knowledge as a vehicle to map sounds and symbols. Learning to read in a second language (L2) or a second writing system would be facilitated to some extent by the fact that reading is a process that firmly attached to language and writing systems. However, there are specific variations in languages, orthographies, and writing systems that will challenge the learner differently.

FIGURE
23 | **STUDENT DISTRIBUTION IN READING FLUENCY AND COMPREHENSION BY ASSESSED LAO LANGUAGE PROFICIENCY**

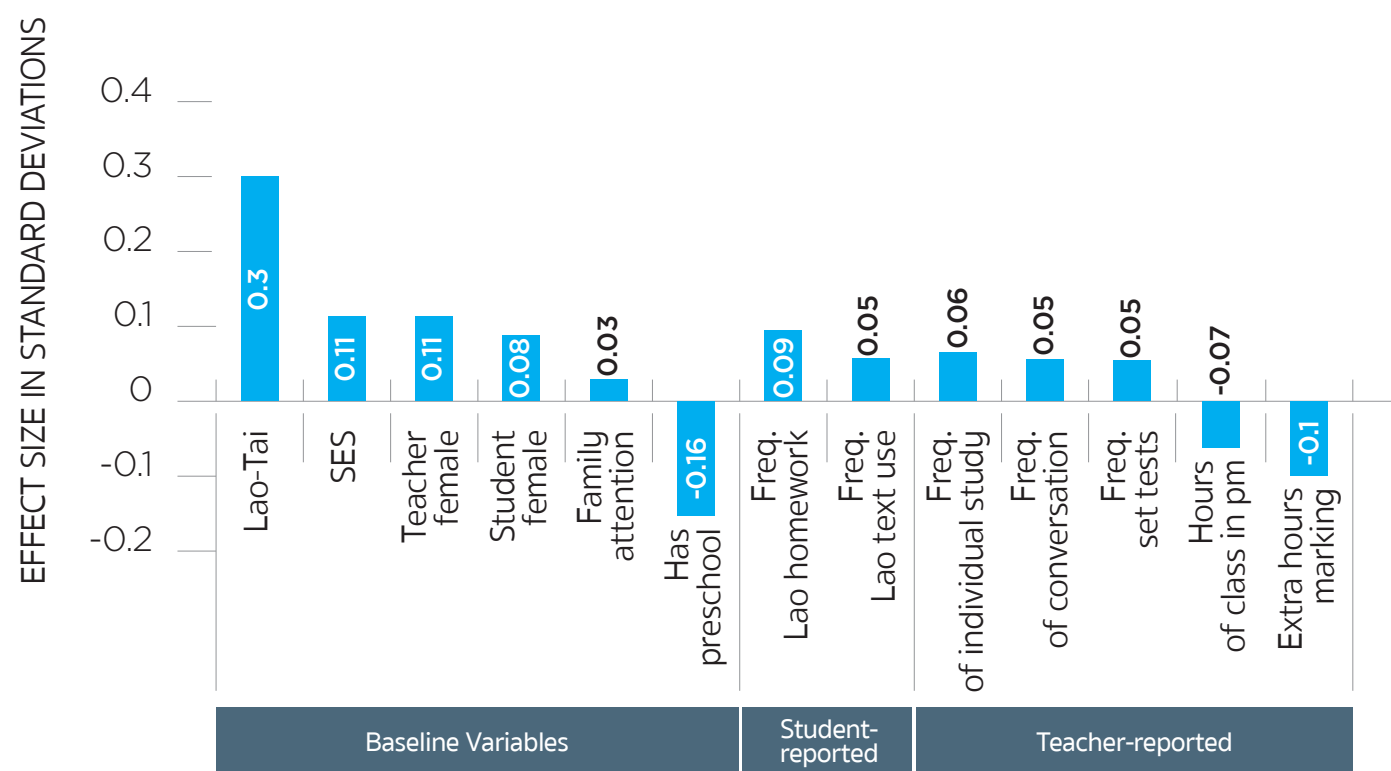


47. Students identified to be able to communicate only a few words in Lao language⁹ were most likely to fall into the non-reader and reader without comprehension categories. By contrast, the majority of students considered to be able to communicate proficiently in Lao language showed at least some reading comprehension skill, with nearly half of these students demonstrating a high degree of reading comprehension skill. In order to make gains in student outcomes, this evidence suggests that the complex interplay between language and literacy must be considered and supported.

⁹ Although the sampling strategy for EGRA did not allow for a contrast group by language proficiency, the survey team defined a simple yet consistent criteria to broadly classify students by their ability to communicate in Lao language during the interview, the student questionnaire questions and three additional questions where students could talk about freely about their family or hobbies at school.

48. When looking at the factors associated with learning outcomes, in both EGRA and ASLO, socioeconomic characteristics of students are very strong determinants of learning. Ethnicity and socioeconomic status (SES) are the main drivers of performance. Relatively few process variables are significant predictors of better language scores, and the effect sizes are smaller than those associated with the main background variables (such as ethnicity and SES). Student responses for the frequency they receive homework, and the frequency they use the Lao textbook in class, were averaged at the classroom level. This should make them more robust indicators of teaching processes, and not just capture the student's level of commitment (Figure 24).

FIGURE
24 | SUMMARY OF EFFECT SIZES FOR SIGNIFICANT PREDICTORS OF TOTAL LAO SCORE IN ASLO



Source: ASLO, 2013



50. Several factors could be driving this strong association between socioeconomic characteristics and performance – starting with differences in child development driven by malnutrition. In Lao PDR, 44 percent of children under five are estimated to be stunted, 27 percent are underweight, and 6 percent are wasted (Figure 25). Malnutrition in Lao PDR remains persistently high, and the factors associated are largely related to behavior. Stunting rates differ markedly among different groups and across provinces.

51. The aggregate number hides substantial spatial variations, with far worse outcomes in some provinces, and the absolute number of stunted children may actually have increased. Stunting rates are higher than 60 percent in Sekong and Phongsaly for example, far higher than the national average of 44 percent (see Figure 26). Child development has a very strong association with a number of outcomes, including learning. While a more comprehensive picture of different dimensions of child development outcomes (being supported by the LEARN project in collaboration with the World Bank) sheds more light on the particular needs of young children in Lao PDR, the differences in stunting rates are a clear sign that this is a key priority.



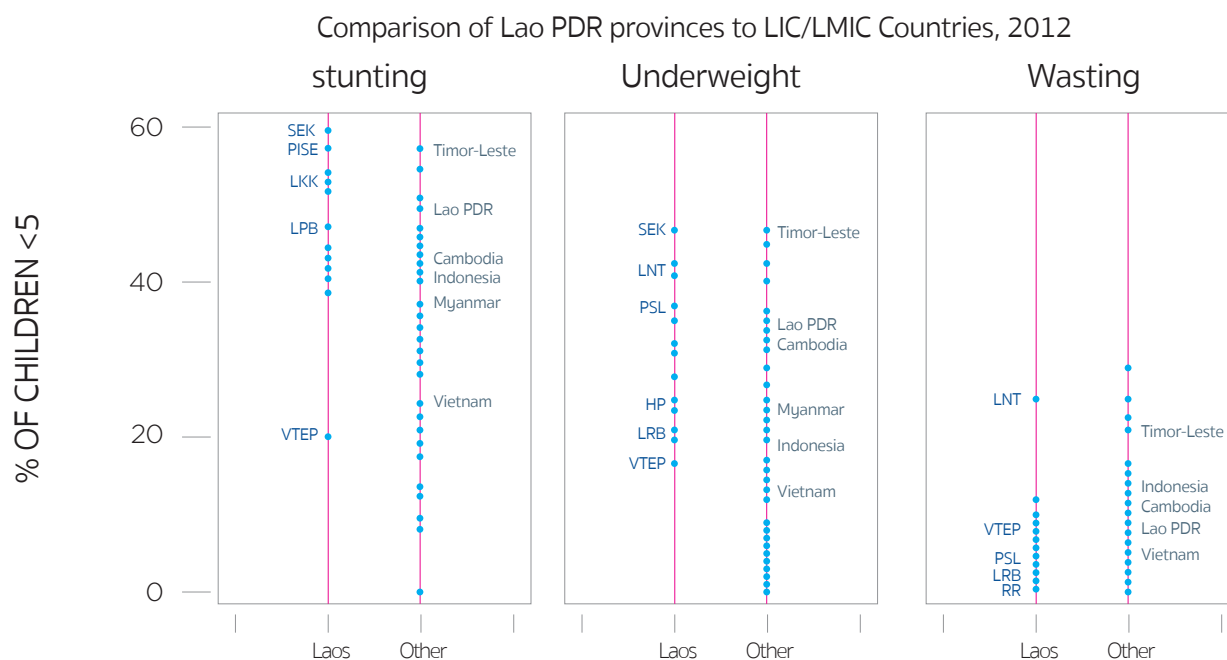
49. In EGRA, the results are similar, with socioeconomic characteristics having the largest effects on learning outcomes, although teaching practices are shown to have larger effects than in the ASLO results. Two teaching and learning process indicators have positive effect sizes of the same magnitude as the most significant background variables (e.g., gender, SES). Many variables from the EGRA questionnaires are not included in the summary due to a lack of statistical significance. These include the frequency of parental meetings, the frequency of pedagogical advisor visits, reading hours, coverage of pedagogical advisor topics, the existence of a reading corner at the school and the number of hours of its use. The preponderance of insignificant classroom environment variables, and general teaching variables, is not an unusual finding in quantitative research, and highlights the built-in challenges of identifying root causes for low reading scores.

FIGURE

25

NUTRITION INDICATORS AND STUNTING RATES BY PROVINCE

POOR PERFORMANCE ON KEY
NUTRITIONAL INDICATORS



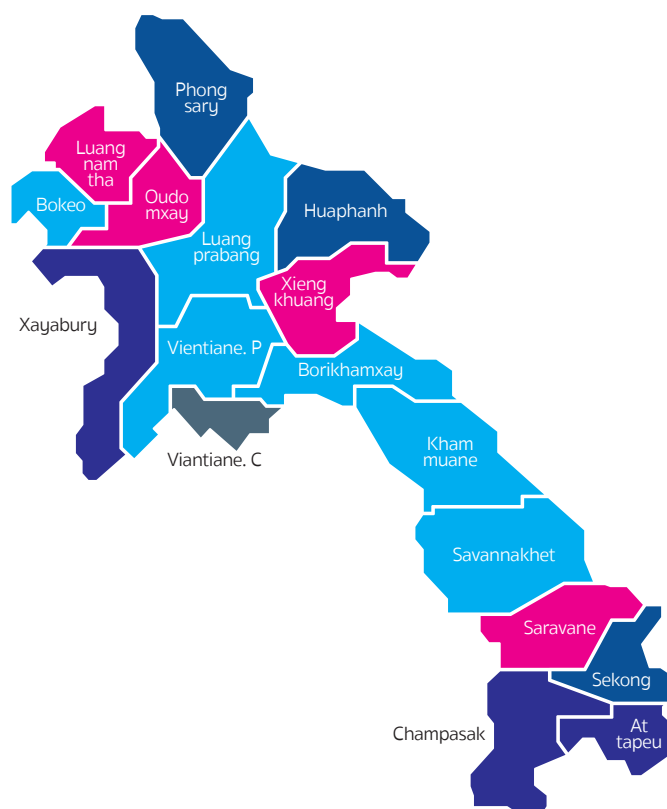
Sources: LSIS (Laos) & WDI (Other)

HP = Huaphanh; LNT = Luangnamtha; LPB = Luangprabang; PSL = Phongsaly;
XEK = Sekong; XK = Xiengkhuang; VTE = Vientiane Capital

STUNTING RATES BY PROVINCE: 2011/12

stunting rate (%)

- (60,70)
- (50,60)
- (40,50)
- (30,40)
- (20,30)
- (10,20)



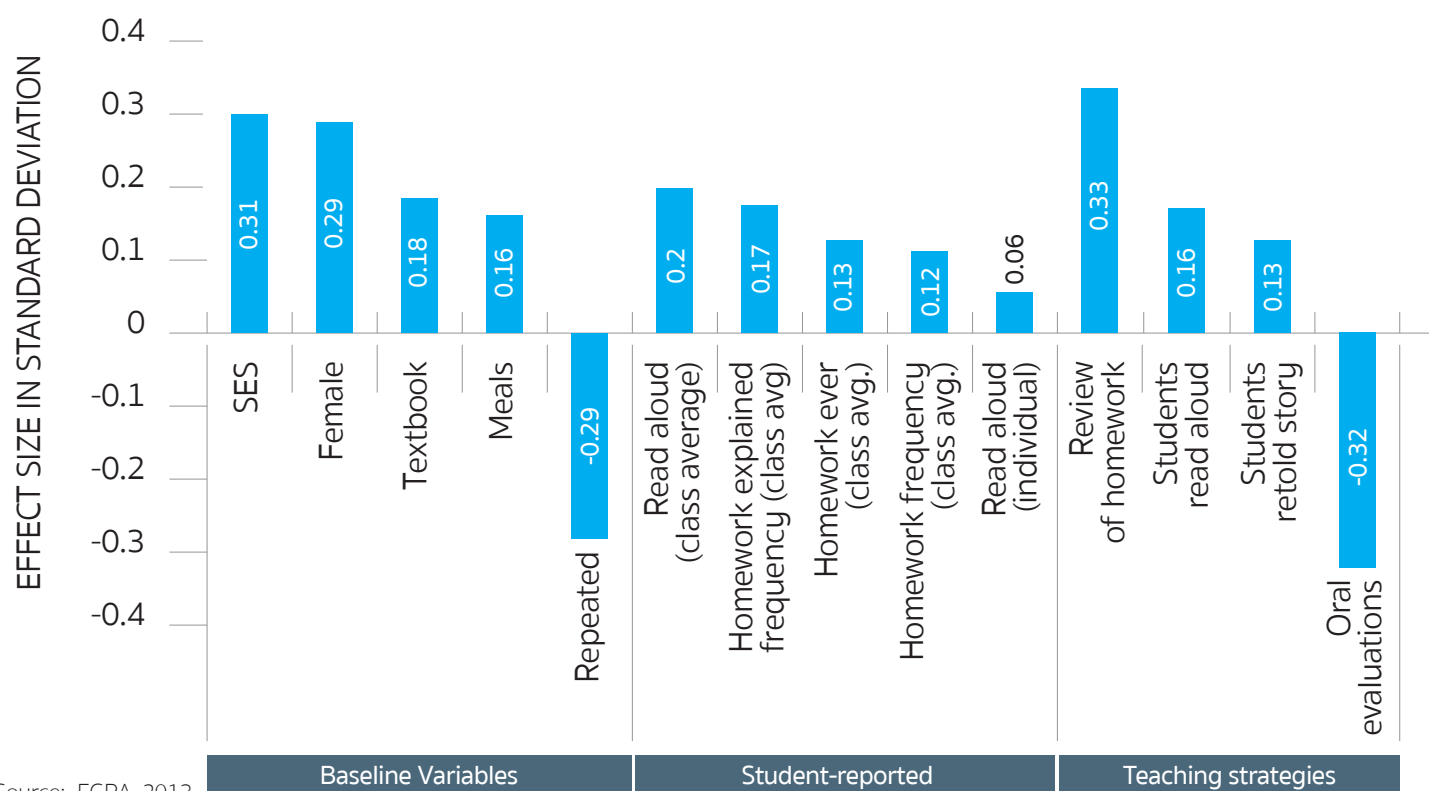
Source: LSIS, 2011, 2012



predicts better ORF scores is perhaps not surprising, and it should be noted that student ORF scores are lower when teachers report more frequent use of oral evaluations. Nevertheless, at the very least these results are a reminder of the importance of having opportunities to read out loud, with supervision, and (ideally) with feedback provided to correct mistakes. The second set of variables are for homework, which was one of the few significant predictors of ASLO achievement. As is the case for reading opportunities, the homework variables from the student interviews are significant individually, as well as when measured as a classroom average (which is likely to be a better indicator of the use of homework). This is another result that is hardly ground breaking, but it again points to the importance of having opportunities to improve reading in different formats (Figure 26).

52. Socioeconomic characteristics are not the only factor explaining outcomes: classroom practices matter. Firstly, several indicators related to oral reading activities (reading aloud in class, retelling a story, etc.) are associated with higher oral reading fluency (ORF) scores. This association is significant, based on the answers to questions posed to students, as well as on the answers to some of the questions in the teacher questionnaire. That a higher number of oral reading opportunities

FIGURE 26 | SUMMARY OF EFFECT SIZES FOR SIGNIFICANT PREDICTORS OF TOTAL LAO SCORE IN ASLO



Source: EGRA, 2013

53. The importance of classroom and school practices needs to be investigated further, but there is clear indicative evidence of its importance. In 2012, alongside the surveys for the EGRA report, a tool to assess school and classroom practices was used in a sample of schools, to explore if there were differences in the school and community environment that made some schools and classrooms more conducive to reading acquisition. A tool was selected for the purposes of this small exploratory study, which included Snapshot for School Management Effectiveness (SSME) questionnaires for teachers, students and principals, plus an inventory of school infrastructure and a log for classroom observations. All were translated and adapted to the Lao context. Additional questionnaires for pedagogical advisors and the village education development committee (VEDC) members were developed, reflecting their particular roles in supporting teaching and learning in their districts.



54. The SSME exploratory study took as its basis nine case study schools, selected from those schools who participated in the 2012 Lao EGRA survey. Three schools from the top performing 25% of schools, three from the middle 50% and three from the lower 25% were selected at random. Teams visited these schools to interview principals, teachers, students, pedagogical advisers, VEDC members and to observe classrooms. In total, 160 students, 27 teachers, nine principals, 25 pedagogical advisers and 18 VEDC members were interviewed, and 26 classrooms/lessons were observed, across six provinces and nine villages. The design of the study was largely qualitative rather than quantitative.

55. Lao language was the only language that enumerators observed in use by both students and teachers. The study's findings are in contrast to reports of students for whom Lao language is clearly not the language they are most proficient in. While a proportion

of students do not understand Lao well, in this study they have not been observed speaking other languages in the classroom. A consistent concern voiced by teachers was the difficulty in catering to students of ethnic groups and including them in teaching and learning activities. Achieving greater inclusiveness is an area worthy of further research.

56. Classroom activities with varied forms of reading, including students reading aloud, teacher assisted reading, buddy reading, group reading and comprehension questions were more likely to be observed in the top performing cohort than in the low performing cohort. Classroom resources more likely to be observed in the top performing cohort included a Lao alphabet, Lao spelling and vocabulary words, displays of student work, a good supply of printed materials, sufficient classroom space, a reading corner and marked exercise books.

57. Principals in the low-performing cohort reported teaching more hours in a week than their colleagues in other cohorts. They also reported more multigrade classrooms and irregular school closures. In the low and middle-performing cohorts, volunteer teachers were reported and teachers were more likely to leave the school for administrative duties. Principals reported higher levels of teacher absenteeism among these cohorts.

58. Principals in the top performing cohort were more likely to report a higher ratio of textbooks to students, and that it was easier to provide assistance to teachers. In the middle and top-performing cohorts, principals were also more likely to report regular assessment of students than in the low performing cohort.

59. Schools in the top performing cohort also had better facilities. They were more likely to have a water supply, a girls' washroom and library. Electricity was not supplied to any of the schools in the low-performing cohort. However, it was present in at least some of the schools in the other cohorts.



60. The role of the pedagogical advisors also seems crucial, as they provide support to teachers and to VEDC members. Both pedagogical advisors and VEDC members were interviewed. The typical pedagogical advisor interviewed had worked in that capacity for 12 years, and most had graduated from a training college. They were mostly male. In the middle and top-performing cohorts, all pedagogical advisors had graduated from training college. This was less common in the low-performing cohort. Those in the top-performing cohort reported spending less time on administrative work, more time observing teachers, and were more likely to report visiting schools. These pedagogical advisors in the top-performing cohort were also more likely to share their evaluations with the school.

61. Most VEDC members interviewed were local to their village, and those who were not had been in the village for an extended number of years. The committee members from the top-performing cohort reported having more experience than those in other cohorts. These community members were more likely to meet more often, more likely to monitor student absence and more likely to encourage students to attend school in the top performing cohort.



62. Overall, the differences observed between schools with higher and lower performance in the EGRA survey included differences in resourcing, teacher/principal experience, teacher support, education level of pedagogical advisors and classroom activities. Further, there are observed differences between both top and low performing cohorts in regards to community engagement and support. This evidence suggests that early grade reading is enhanced by participation by the community beyond the school boundaries.

C. CONCLUSIONS AND POLICY AREAS CAUSES FOR DROP-OUT AND LOW PERFORMANCE

63. It is important to stress the great progress Lao PDR has made in enrolling children in primary school. The expansion in the number of schools and enrollment has been truly impressive. Problems with children never enrolling or dropping out are now concentrated in remote rural areas, and are particularly prevalent for the poor and some ethnic groups. This facilitates the targeting of programs to ensure that every child in Lao PDR is enrolled in school.

64. Despite this progress, Lao PDR faces persistent problems of children remaining out of school or leaving primary school early in some populations. They tend to be poorer, live in rural and (especially) remote areas, and come from non-Lao Tai ethnic groups. Early leavers are more likely to be girls, who start leaving school earlier than boys, at ages 10-11. The number of out of school children is significant, but it is different according to different data sources. There are indications that the number may be overstated in EMIS. **Thus, a first recommendation is to improve the quality of the underlying enrollment data in EMIS.**





POLICY AREAS

67. The analysis presented here points to three priority areas for action: (i) focus on learning outcomes, especially early grade reading ability; (ii) increase the demand for education for those who perceive education to have a low value; and (iii) continue to increase and improve the supply of schooling. These priority areas and policy interventions are presented in Figure 27.

68. Firstly, there is the need **to focus on learning outcomes, especially early grade reading ability**. Simply attending schooling is not a sufficient condition for learning. The generally low results on early grade reading ability signal a dismal performance of students in remote schools and those with more nonLao-Tai students. This may explain why these households decide to pull their children out of the school system - because they do not see the value of attending. This may be due to low quality teaching, or a lack of materials, in addition to the language barriers for students with poor Lao language skills. School readiness through improved nutrition and early childhood education is crucial.

69. The Early Grade Reading Assessment report emphasizes the importance of improving teaching and learning methods for reading in the early grades. The ongoing effort to revamp the curriculum would have the biggest impact if it focuses strongly on early grade reading. Other factors that were mentioned in the workshops¹⁰ include: (i) concerns regarding school safety; (ii) a school environment that does not facilitate teaching-learning; (iii) limited capacity to accommodate children with disabilities; (iv) lengthy and poor quality primary curriculum; (v) low student learning achievement compared to the expected grade level competency; (vi) inexperienced teachers, and low quality of teacher training and professional development; and (vii) lack of pedagogical support.

¹⁰ A series of regional consultations on early grade were held in Vientiane Province, Savannakhet, Oudomxay and Xieng Khuang. Participants included 160 officials from 80 Districts Education and Sports Bureau (DESB) and representatives from all Provincial Education and Sports Services (PESS) responsible for Primary Education and Monitoring and Evaluation, March 2015

65. More importantly, too many children who remain in school show very low levels of reading ability and learning. This may be partly due to the rapid expansion in the supply of schooling, which can sometimes come at the cost of lower quality of education. There is overwhelming evidence about the importance of learning outcomes beyond schooling attainment. Ensuring that children are not only in school, but that they develop both cognitive and non-cognitive skills while they are there, is of fundamental importance. In 2012, in a sample of non-remote schools (of mixed ethnicities but never with a non Lao-Tai majority), about 1/3 of 3rd graders in 2012 could not read a single word in a text and about 70 percent could not understand what they read. It is safe to assume that the result in remote and ethnic schools is worse. Improving learning in general, and reading ability in particular, should be top priorities for the education sector.

66. Aggravating the problems with low quality of education is the fact that the lowest performers in reading and learning assessments are also those with the highest rates of drop-out, which suggests that the two phenomena are connected. The main reasons for never attending or dropping out are related mostly to low perceived quality or relevance of education. When looking at the determinants of learning, the same factors that drive drop-out are also associated with low early grade reading ability and low performance in standardized tests. This suggests that low progress in learning may be resulting in disinterest and eventual dropout. Unfortunately, this is not possible to test empirically with existing data, since we do not have access to a panel of students with socioeconomic information, learning outcomes and school enrollment. Even if such detailed data is gathered only in a sample of districts, it would allow a much more thorough analysis of the relationship between low academic performance and drop-out.

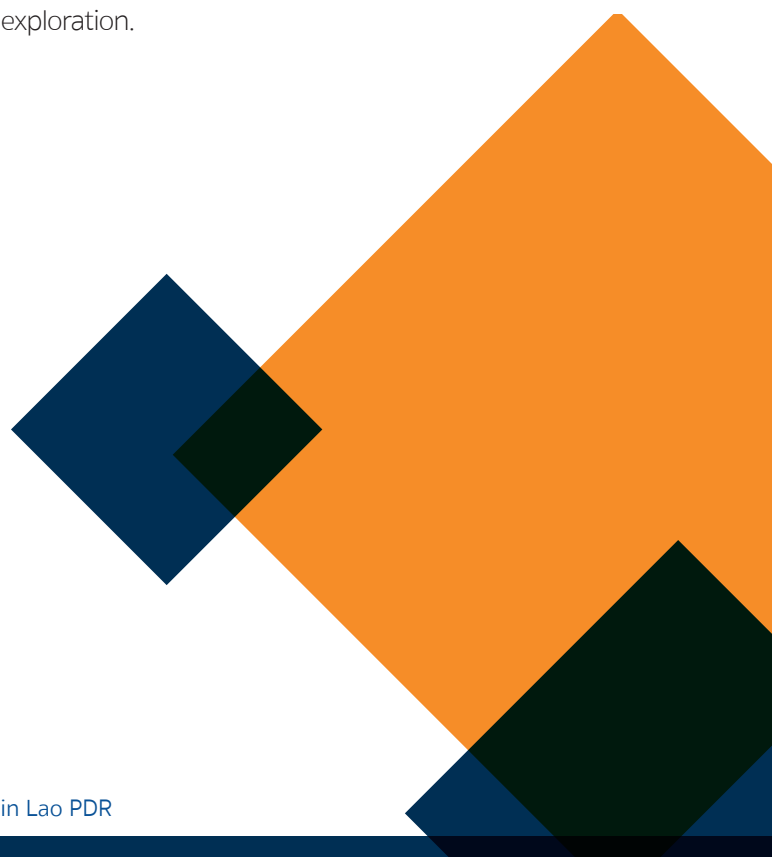
70. Secondly, the evidence in this report shows that the main factors driving never enrolling and drop-out are related to the need **to increase demand for education**. This starts from **preventing late enrollment** by addressing parents' concern that children are too young to enroll (at the right age) through providing information and through increasing school safety. Late enrollment is associated with lower attainment, so there is a need to inform parents of the importance of education. Many families of non-enrolled children aged between 6-9 years cite "too young" as the reason, and a significant share of households report "completed school" even if their child has left after grade 3 or 4 (see full report). The issue of late entry needs to be followed up with more qualitative research.

71. In addition, **low perceived value and the relatively high indirect cost of education** in certain contexts and for some population groups is one of the main reasons for enrolling late or dropping out before completing primary education. The prevalence of "not interested" as an explanation suggests the need to improve the relevance of education in some contexts, particularly in remote areas and among ethnic students. Language is an important factor in determining the relevance of education. If the language of instruction is Lao, it is essential that students arrive in grade 1 with good Lao language skills. It was cited in the consultation workshops that language difference is one of the barriers for learning. This needs to be addressed in early childhood education and pre-primary education. Non-formal education (such as that provided by Community Child Development Groups) can provide an avenue to introduce children to Lao language. However, the effectiveness of this approach has not been yet tested. Mother tongue instruction has been shown in other countries to be an effective way to improve learning outcomes, but it is not an easy policy to implement nationally when you have many languages, and have classrooms with a significant mix of languages (and low availability of teachers). In the Lao context, experimenting with different approaches and rigorously evaluating their impact is likely to be the best approach before scaling up any of these language policies.



72. There are also relatively **high costs** associated with education, especially opportunity costs, and again this influence is more prevalent for certain communities and household types. The findings from workshops suggest that demand for child labor (for household chores and economic work) and poverty level contribute to early grade dropout and repetition. When poor families face high direct and indirect costs for sending their children to school, they may be **especially sensitive** to the perceived relevance and quality of schooling. In other words, it is a mistake to attribute out of school children to "irrational" or shortsighted parents who are compromising their children's futures for the household's short term gain. These households may have very real concerns that need to be addressed, which in turn highlights both the need for more research, and for policy solutions that address these underlying factors.

73. Finally, there is still a need **to increase and improve the supply of schooling**, both in terms of providing complete schools with qualified teachers in remote rural areas, and ensuring that school materials (textbooks and learning materials) are available – and being used. About 40 percent of children who drop out live in a village that does not offer the grade in which they dropped out. This is especially significant in the transition between grade 5 and lower secondary education. **Safety** also seems to be a concern for about 3 percent of parents who choose not to enroll their children. While this is not a high percentage, it is still important to address. Unfortunately there is no specific information about what the perceived lack of safety relates to (building safety versus bullying, for example), so this warrants further exploration.

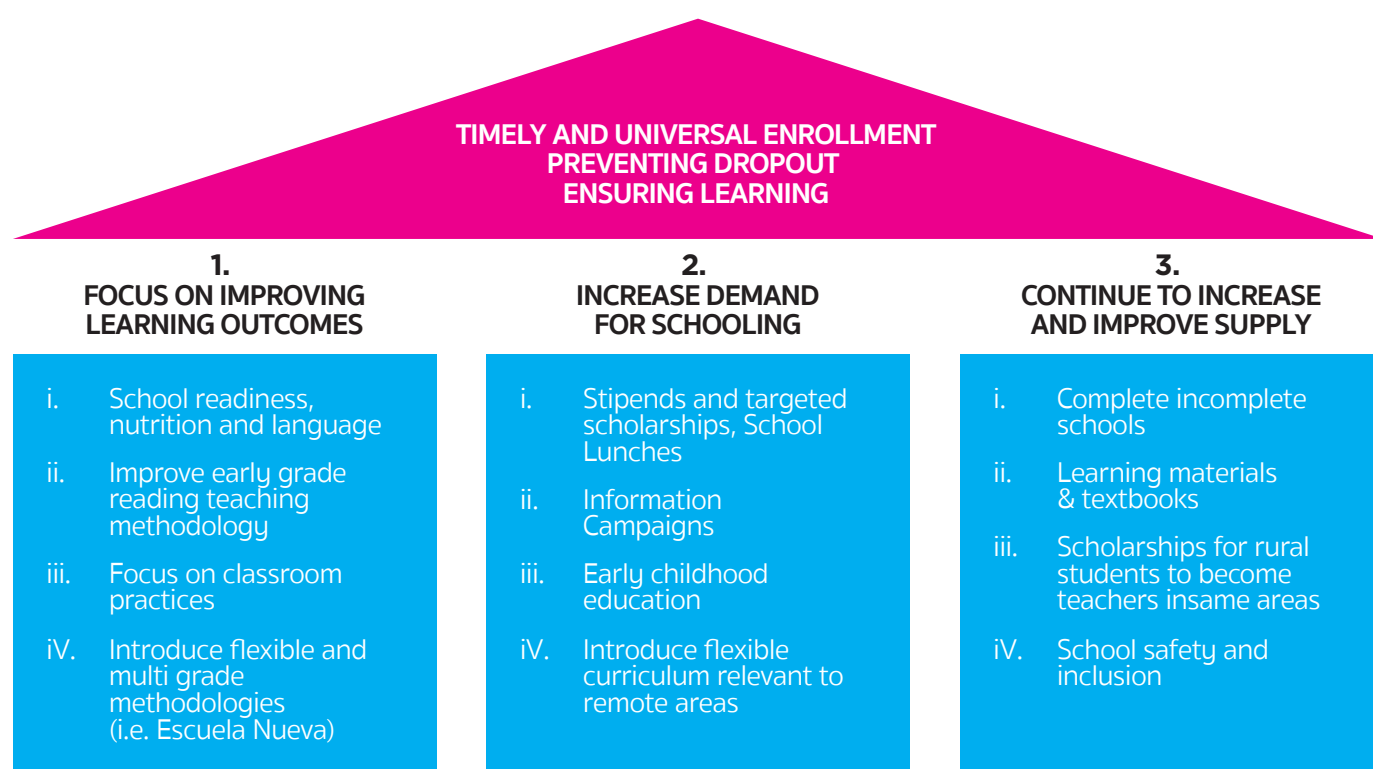


74. This diagnostic points to three potential policy areas which, based on existing evidence in similar settings, address the root causes identified in the diagnostic. The areas are prioritized in accordance with the analysis presented in this report. Improving the quality and relevance of education, with a focus on early grade reading and especially in rural areas and for ethnic populations is considered the number one priority. In addition to the overwhelming evidence about the importance of skills on labor market outcomes¹¹, the perceived low quality and relevance of education seems to be one of the most important drivers of children dropping out. Improving quality is thus also a strategy for improving enrollment and reducing drop-out.

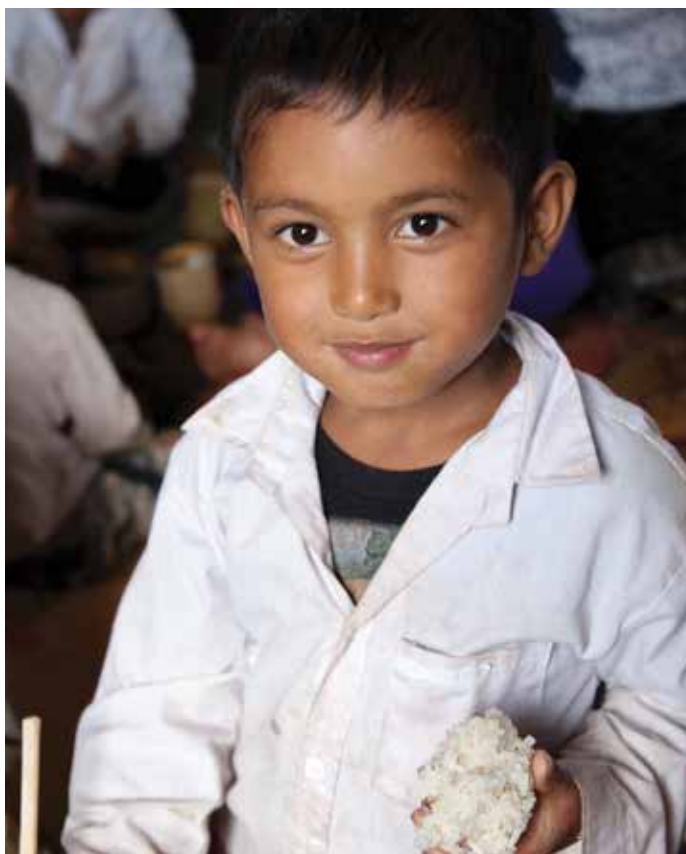
Second, there is a need to increase demand for schooling, reducing the indirect costs of attending school through stipends. For certain populations, reducing this cost may mean compensating for the opportunity cost of attending school (i.e., what the student would earn if she were attending and contributing to household activities, whether economic or household chores). In this case, targeted scholarships can provide incentives for attendance and even learning (if they are also based on merit and good progress). Lastly, there is still a need to continue to improve supply (completing schools and ensuring teachers are available to provide all five grades and pre-primary in all primary schools).

¹¹ Lao Development Report (2014) and Lao Skills Survey (2013) document the importance of skills in the adult population for labor market outcomes in Lao PDR.

FIGURE 27 | PRIORITY AREA AND POSSIBLE INTERVENTIONS



Possible Interventions to Address Root-causes



75. Improving learning, especially early grade reading, is perhaps the most important policy priority for Lao PDR, and not only to prevent children dropping out. If children do not learn how to read, they cannot absorb the rest of the curriculum, which puts them at risk of dropping out. The EGRA report identifies the current methodology of instruction in reading and writing in early grades as a key constraint for effective teaching and learning. With support from the Global Partnership for Education, the Ministry of Education and Sports is revamping this methodology. Continuing this work to ensure that the methodology is effective is crucial to prevent drop-out, among other things.

a. **School Readiness, including nutrition and language.** Improving child nutrition is a clear country priority and this would contribute to improving child development, school readiness and contribute to subsequent learning¹². Similarly, guaranteeing that students can learn in Lao language by the time they reach primary school is necessary for them to learn how to read and absorb the curriculum, but this is difficult to do. Community based early childhood education (such as that provided by the World Bank-supported Community Child Development Groups) can provide a good avenue to test interventions for language development including using mother tongue. Because of their complexity, these strategies should be piloted and evaluated before being scaled up.

b. **Improve early grade reading teaching methodology.** Improving reading outcomes is perhaps one of the most important priorities in the sector – and the right methodology of instruction can have very large impacts. The EGRA report points to reading instruction as one of the key priorities for the country. The Global Partnership for Education is supporting a pilot of this methodology. It is important that this pilot is evaluated before being incorporated into the national curriculum. Getting the methodology right is fundamental to ensuring that early grade reading ability improves in Lao PDR.

c. **Focus on classroom practices.** There is clear evidence in the EGRA report that school and classroom practices matter. However, the sample in that study was relatively small, so a more comprehensive look at classroom practices would be of great value. In the short term, strengthening the role of pedagogical advisors seems a clear priority.

d. **Introduce multi grade methodologies proven to be relevant and effective for rural areas.** In other countries, delivering the curriculum in short modules has proven to provide the flexibility needed for rural areas and in multi-grade schools. Delivering good quality education that is relevant for rural contexts is a challenge that many countries have faced. Rural education has certain characteristics which make traditional education difficult to deliver: difficulty in getting teachers to these areas, content that is not relevant to the rural context, and particularities in the schedules because of agricultural work. This demands flexibility, the ability to deliver content effectively in multi-grade settings and a new approach to the relevance of education. Educational models like Escuela Nueva¹³ in Colombia have proven to do this well by developing modular content that can be delivered simultaneously to students in different levels and with flexibility in schedules. Vietnam is implementing the model with World Bank support; Lao PDR also has the right conditions to implement these modalities. However, because the context of Lao PDR is different (and difficult), any of these initiatives should be piloted and rigorously evaluated before being scaled up.

¹³ See McEwan (1998) and Forero (2006) for a description and evaluation of the Escuela Nueva methodology. Filmer and Schady (2009), Barrera-Osorio & Filmer (2014).

¹² For a full set of recommendations on nutrition see Pimhidzai (2016).





76. Increasing demand for schooling. The second pillar includes interventions targeted to increase demand for schooling. Firstly, addressing the relatively high indirect costs that some households face through stipends can be an effective way to increase school enrollment. These sorts of stipends are intended to address the cost of attending. In addition, targeted scholarships (where need is combined with merit) or conditional cash transfers (where the transfer is conditional on the recipient meeting certain conditions, including attending school) have been proven to increase enrollment, retention and facilitate transitions between levels in many different countries and settings. The evidence from the impact evaluation of a scholarship program for girls in Cambodia (based on a combination of need and merit) is clear: these types of programs can have very large impacts on reducing drop-out and improving completion.¹⁴ Providing information to students and families has been proven to result in reduced drop-out and higher probability of completion.¹⁵ Secondly, considering the association between late enrollment and grade completion, preventing late enrollment should be a priority. Thirdly, since dropping out is partly driven by the high cost of attendance (both in terms of the direct cost and the opportunity cost of attending school) reducing the cost by providing targeted scholarships may be effective in keeping children in school. Lastly, improving the relevance and form of delivery of education in rural areas has also shown significant effects on both cognitive and non-cognitive outcomes¹⁶ in similar settings.

a. Stipends and targeted scholarships. The evidence presented in the report suggests that targeted scholarships may be an effective tool to address some forms of drop-out in the Lao context, especially for girls. There are clear signs that the opportunity cost of attending school in some contexts is considered high by some parents, and this is confirmed by analysis of household economic activity undertaken by children in these populations.

This is especially true for girls in poverty living in rural and remote areas. They are also more likely to belong to certain ethnic groups. Targeted scholarships based on need and merit have proven to have large impacts in school attendance and retention.¹⁷ In the case of Lao PDR, the analysis shows that a scholarship targeting ethnic girls in remote areas, especially in the transition to lower secondary education, would help reduce the cost of attending school and would likely lead to improvements in completion and transition rates. School lunches can also be an incentive for parents to enroll their children in school.¹⁸

b. Information campaigns. Information about the value of schooling has been shown to have significant impacts on school attendance.¹⁹ When information about returns to education is not available, and is only observed through peers in the community, parents may perceive those returns as low. Children who continue their studies very often move away from the community, especially in rural areas, so the returns are not observed by members of the community. The fact that children leave the community may be perceived as a negative return for parents who need the assistance of their children in household chores, or because of certain cultural perceptions. This is likely to be more important for girls than for boys, as reflected in the analysis presented in this report. However, information about the importance of and returns to education only seems to be effective when education quality is at acceptable levels. Otherwise, similar programs have shown no impact on drop-out.²⁰ In Lao PDR, community campaigns through the Village Education Development Councils are under way for Early Childhood Education, with support from the World Bank, which could provide an opportunity for LEARN to generate synergies with the World Bank-supported government programs.

¹⁴ Filmer and Schady (2009), Barrera-Orsorio & Filmer (2014).

¹⁵ The Heterogeneous effect of information on student performance : evidence from a randomized control trial in Mexico WPS7422 Fecha del documento: SEP 28, 2015 Avitabile, Ciro; De Hoyos Navarro, Rafael E. de Hoyos, Rogers. See also Jensen (2014).

¹⁶ Mckewan (1998), Forero (2006).

¹⁷ Fimer and Schady (2006)

¹⁸ See Lawson (2012) for a systematic review of the evidence on school feeding programs. Alderman and Bundy (2011) for a broader analysis of the impact of these programs. See also Impact evaluation of school feeding programs in Lao PDR. AM Buttenheim, H Alderman, J Friedman. World Bank Policy Research Working Paper, 2011.

¹⁹ In a randomized controlled trial in the Dominican Republic, Jensen (2010) shows that providing information about the returns to education to secondary students increases their chance of graduating and continuing their studies.

²⁰ See Glewwe and Muldharidaran (2015) for a comprehensive review of evidence of interventions to improve quality. Loyalka et al. (2013) for the China program that failed to show impact.



c. **Early childhood education and care.** Access to early childhood education can facilitate on-time transitions to basic education. In addition, when implemented well, early childhood education programs improve school readiness for children across various dimensions (not only cognitive), facilitating the successful transition to basic education. However, the effectiveness of such programs depends on parents actually wanting to take their children to early childhood centers.²¹ To the extent that cultural perceptions about the quality or relevance of education are a limitation on parents enrolling their children in primary school, they may also be a limitation for early childhood education. However, the importance of starting education early cannot be overstated. Increasing access to early childhood education is crucial to prevent late enrollment and drop-out before completing primary education. The quality early childhood education is also extremely important; monitoring and to ensure the quality of service provision is vital.

d. **Introduce, pilot and evaluate a flexible curriculum and methodologies of instruction.** In addition to improving quality, introducing a flexible curriculum that can be delivered in short modules can help improve the relevance (and facilitate instruction) for children who may have to miss school or and therefore fall behind frequently.

77. **Improving Supply.** The availability of schools, while not sufficient by itself, is a necessary condition for children to attend school. About 30 to 40 percent of children who drop-out early live in a village that does not offer the grade they were supposed to attend. Thus, increasing availability of preschools, completing schools and facilitating access to lower secondary school continue to be clear priorities in Lao PDR. Inclusion policies for disabled children and other groups, and school safety, also come out clearly in the analyses as important for certain groups of the population.

a. **Continuing with the use of community based construction to complete schools, including pre-primary.** Community based construction (CBC) has been used extensively in projects supported by the World Bank (and other development partners) and has been shown to be a cost-effective method of building which, with the right supervision of implementation, can lead to the same or better quality of construction. The lessons learned from the implementation of community based construction in Lao PDR highlight the fundamental role of having well qualified district engineers who support and supervise the construction, and who have adequate resources to perform this role. Without these structures in place, CBC runs the risk of resulting in low quality or unsafe construction, so CBC may not be appropriate in these circumstances.

b. **Ensure availability of adequate learning materials and textbooks.** However, more important than their availability in the school is their effective use. Pedagogical advisors in districts should support principals and teachers in the use of materials and classroom practices. At the moment, pedagogical advisors lack the resources and sometimes the skills to carry out this support.

²¹ Low demand from parents was one of the constraints in the program implemented in Cambodia (Filmer et al).

c. **Scholarships for teaching in rural areas**, in which secondary school students are provided a scholarship to become teachers if they agree to return to their village to teach, have proven effective in getting teachers to remote areas. While an evaluation of the program should be conducted before scaling it up significantly, there are indications from qualitative evaluations that this program is more effective than other alternatives (like bonuses) in bringing and keeping teachers in remote areas.

d. **Safety**. While not very prevalent in household responses as a reason for dropping out, there seems to be concerns about safety in school in some contexts. The importance of this for reasons beyond educational outcomes, and the lack of specific information in household surveys, means this is an issue to be evaluated farther.

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ANNEX A – ROOT CAUSES RESEARCH DATABASE SUMMARY

| DATABASE | COVERAGE | COMMENTS |
|--|---|--|
| National Assessment of Student Learning (ASLO), 2012 | 5,860 students in Grade 3, 444 schools, Lao and Mathematics | Nationally representative sample accompanied by detailed questionnaires for students, teachers, school director; summary of multivariate statistical analysis included in main report, our analysis builds on this previous work with a more detailed summary of variables that are associated with Lao language in G3. The main advantages of ASLO (relative to EGRA) is that it is nationally representative. However, it is only for one grade. |
| Early Grade Reading Assessment (EGRA), 2012 | 3,409 students in G3-G4-G5 (beginning of school year), 72 schools | Schools were drawn from 6 provinces and 3 regions, so not nationally representative although there are language minorities included; includes detailed student and teacher questionnaire; higher grades were selected since the test was conducted at the beginning of the school year, so these samples correspond (in theory) to end of year G2-G3-G4. The main advantage with EGRA is the focus on early age literacy (reading, dictation, oral fluency). However, the sample is not strictly representative at the national level. |
| Education Management Information System (EMIS) | Various years | EMIS data were obtained to get totals for enrollment and grade repetition; dropout rates can be calculated using a cohort change method that compares enrollments over time based on repeaters and new entrants; also, some of the EMIS figures reported in this study come from the UNESCO education indicator website that official EMIS data feed into. |
| Lao PDR Expenditure and Consumption Survey (LECS), 2012-13 | 43,000 persons, 8,200 households | Multi-purpose survey with focus on consumption and expenditure, less information on child's schooling and work activities (compared with LFS); surveys conducted between April-December 2012, and January-March 2013. The main advantage with LECS is that the data are more recent. |
| Labor Force Survey (LFS), 2010 | 58,000 persons, 10,800 house-holds, 540 villages | Detailed household survey that includes more information on children than in LECS, including child labor (inside the household and outside) as well as variables for age at school entry and age at school dropout; data collected during a short time period, mainly October-December 2010. The tradeoff with the LFS data is between variable coverage (more detail) and timing (older data). |

| DATA SOURCE | ADVANTAGES | CAVEATS |
|-------------|--|---|
| EMIS | <input type="checkbox"/> Census of schools <input type="checkbox"/> Collected directly from principals | <input type="checkbox"/> School level, not individual <input type="checkbox"/> No socioeconomic information <input type="checkbox"/> Well developed system but still insufficient quality control at school level |
| LECS V | <input type="checkbox"/> Detailed information about household <input type="checkbox"/> Includes education history of the household <input type="checkbox"/> Answered directly by parents | <input type="checkbox"/> Sample based <input type="checkbox"/> Spanning over two school years <input type="checkbox"/> Parents perspective, not child perspective |
| LFS | <input type="checkbox"/> Includes employment consumption, etc | <input type="checkbox"/> Relatively old data |
| EGRA | <input type="checkbox"/> Detailed reading outcomes diagnostic <input type="checkbox"/> Only focused on reading | <input type="checkbox"/> Sample based <input type="checkbox"/> Not nationally representative |
| ASLO | <input type="checkbox"/> Detailed learning outcomes diagnostic <input type="checkbox"/> Three subjects | <input type="checkbox"/> Relatively old data (new one planned) <input type="checkbox"/> Sample based |

ANNEX B – SUMMARY OF WORKSHOPS ON THE CAUSES FOR DROP-OUT

This annex provides a summary from MoES workshops conducted on the topic of Grade 1 Dropout and Repetition. A series of four regional consultations were held in Vientiane Province, Savannakhet, Oudomxay and Xieng Khuang in March 2015. Participants included 160 officials from 80 Districts Education and Sports Bureau (DESB) and representatives from all Provincial Education and Sports Services (PESS) responsible for Primary Education and Monitoring and Evaluation. The findings were expected to serve as inputs for the development of the Education Sector Development Plan (ESDP), particularly for the design of sub-sector policy and interventions. The workshop results describe eight key areas contributing to drop out and grade repetition, as follows:

- i. **Parents/Guardian and Community:** Key challenges in this area include parents/guardians' low perceived value of education, lack of involvement of VEDC in school management, and lack of parents' support to send disabled children to school.
- ii. **Children:** Key constraints include the needs for children to help with agricultural work, poverty, traditional customs and beliefs that prevent children to attend schools particularly for girls, lack of school readiness and early childhood development programs, and remoteness.
- iii. **School Environment and Facilities:** This largely relates to the quality of schools and the quality of teaching and learning. Key issues include insufficient operating budget (insufficient school block grant provided to schools), ineffective teacher deployment and lack of school facilities to facilitate teaching and learning.
- iv. **Curriculum of Teacher Education and Teacher Training:** This includes lack of relevance of teacher education curriculum and the actual teaching in schools, ineffective teacher development program, and lack of resources in Teacher Training Institutes.

- v. **Primary School Curriculum:** Primary curriculum is long and of poor quality, and does not reflect real situation in local areas. There is also lack of qualified/quality teachers; and students often do not achieve the expected learning competency at the end of each academic level.
- vi. **Teaching-Learning:** The problems raised in this area are poor teaching and learning quality and environment; low students' reading and analytical skills.
- vii. **Supervision:** There is lack of pedagogical support to teachers due to limited budget and capacity at local level.
- viii. **Management:** School principals do not receive sufficient trainings and do not work effectively with VEDC and local authority in school management. Some principals who also teach in classes do not have enough time to perform management tasks.

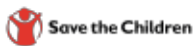
Taken together, the results from the workshops provide a very useful complement to the analysis in previous sections, including the stated reasons for dropout in the previous sub-section. **Regarding root causes, the responses in the workshops are generally consistent with what households were stating in the LFS and LECS, and provide some more detailed explanations.** For example, a number of specific school quality and management factors are cited in the workshops, although it is not clear if these are relevant to grade repetition only, or also to dropout. Regardless, the workshop responses provide some more specific clues about the underlying causes of low quality that may in turn result in higher rates of grade repetition and dropout.

For family background factors, the workshops also provided some more detail, with references to agricultural work calendars that require children to move around, ethnicity and concerns about the value of education and, presumably, the need to invest time and resources in the child's schooling.

Finally, the workshop responses are consistent with the LFS-LECS data sets in terms of some factors that do not appear to be very important. Access is infrequently referenced, including rainy season inaccessibility. Between the MOES workshops, and the LFS-LECS data, a more comprehensive picture about the root causes of early grade dropout in Lao PDR has emerged.



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