

LAO PEOPLE'S DEMOCRATIC REPUBLIC

EMPLOYMENT AND ENVIRONMENTAL SUSTAINABILITY FACT SHEETS 2017

The *Employment and Environmental Sustainability Fact Sheets* series provides key features of employment and environmental sustainability performance. Jobs that are green and decent are central to sustainable development and resource productivity. They respond to the global challenges of environmental protection, economic development and social inclusion. Such jobs create decent employment opportunities, enhance resource efficiency and build low-carbon, sustainable societies. The fact sheets include the most recent available data for selected indicators¹ on employment and environmental sustainability: (i) employment in environmental sectors; (ii) skill levels; (iii) vulnerability of jobs; (iv) jobs in renewable energy; and (v) scoring on the Environmental Performance Index.

Figure 1. Map of Lao People's Democratic Republic



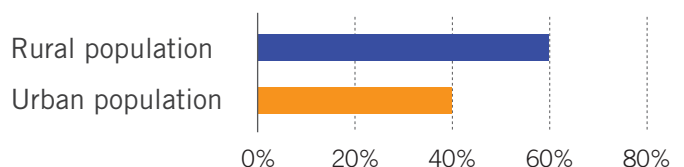
The Lao People's Democratic Republic² is a landlocked country in South-East Asia, bordered by Myanmar and China to the north-west, Viet Nam to the east, Cambodia to the south-west and Thailand to the west and south-west (Fig. 1). Its population is mostly rural and growing, with a fertility rate of 2.9 children and life expectancy at 66.5 years. Around 63 per cent of the population is of legal working age (15–64 years) (Fig. 2).

Figure 2. Demographics for the Lao People's Democratic Republic

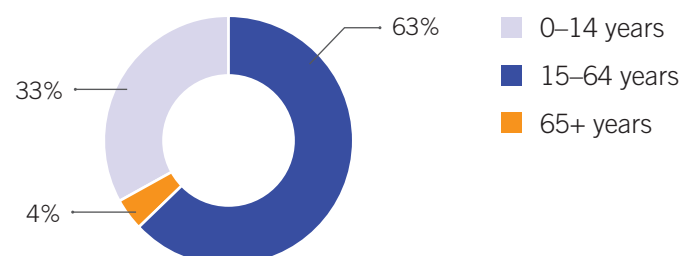
Population: 6.8 million



Population growth rate	Fertility rate	Life expectancy at birth
1.4%	2.9 children	66.5 years



Population age categories



Note: All data for 2016, except fertility and life expectancy, which are 2015.

Source: ILO compilation using World Bank: World development indicators, last updated 20 July 2017, <http://databank.worldbank.org> (accessed 30 July 2017).

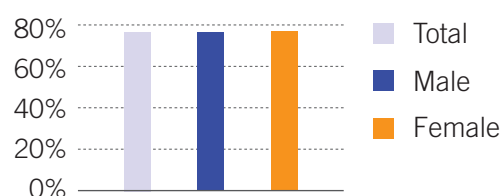
1. The fact sheet is based on available data only.

2. The Lao People's Democratic Republic became a member of the International Labour Organization in 1964.

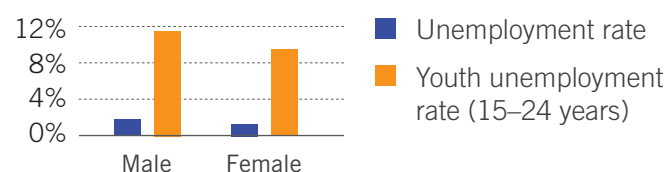
As of 2017, the labour force participation rate is 77.8 per cent and the employment-to-population ratio is 76.6 per cent, and both rates are almost at gender parity. The total unemployment rate is 1.5 per cent, and the youth unemployment rate (aged 15–24 years) is 10.4 per cent, with the male unemployment rate in this age group 2.1 percentage points higher than the female rate. The youth (aged 15–24 years) not in employment, education or training rate was 5.1 per cent in 2010. Formal employment is heavily reliant on agriculture³ and on medium-skilled occupations (Fig. 3).

Figure 3. Basic employment statistics for the Lao People's Democratic Republic, 2017

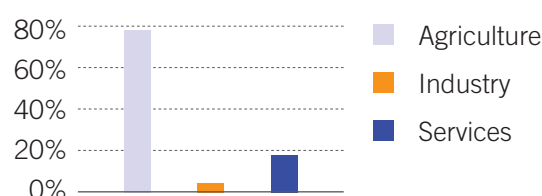
Employment-to-population ratio (15+ years)



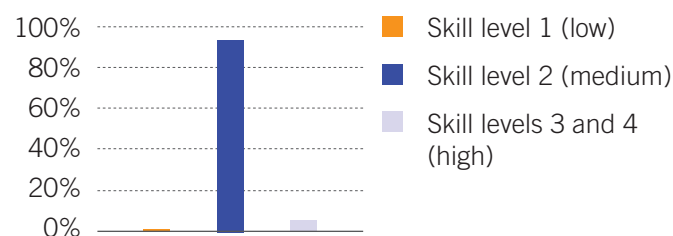
Unemployment



Employment by sector (15+ years)



Employment by occupation

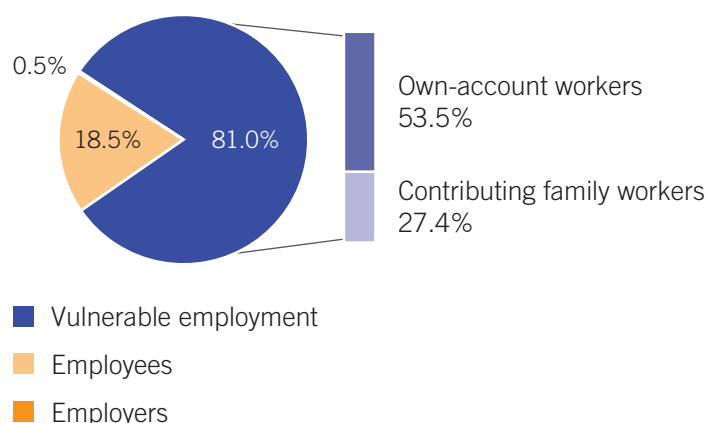


Note: ILO estimates. Labour force participation rate and unemployment: aged 15 years and older. Youth unemployment: aged 15–24 years. Employment by occupation: skill level 1 (low) for elementary occupations; skill level 2 (medium) for clerical, service and sales workers, skilled agricultural and trade workers, plant machinists and assemblers; and skill level 3 and 4 (high) for managers, professionals and technicians.

Source: ILO compilation using ILOSTAT, <http://www.ilo.org/ilostat> (accessed 17 July 2017).

Vulnerable employment in the Lao People's Democratic Republic accounts for 81 per cent of the labour force due to the large proportion of employment in agriculture. The majority of those workers have own-account status (53.5 per cent), and a large proportion are contributing family workers (27.4 per cent) (Fig. 4). Own-account and contributing family workers are more likely to experience low job and income security than employees and employers, as well as lower coverage by social protection systems and employment regulation.

Figure 4. Vulnerable employment, by status, 2017



Note: Vulnerable employment includes own-account workers and contributing family workers.

Source: ILO compilation using ILOSTAT, <http://www.ilo.org/ilostat> (accessed 17 July 2017).

According to the *World Risk Report*,⁴ the Lao People's Democratic Republic has a medium World Risk Index score. It ranks 110 (of 171 countries) despite its low exposure to natural hazards because the country has limited institutional capacity to respond and adapt. According to the Emergency Events Database,⁵ there was a spike in natural disasters in the 1990s. Overall, there was an increase in natural disasters⁶ and associated damage costs from the 1960s to the 2010s (Fig. 5), mostly due to floods, tropical cyclones and droughts which resulted in more than 586 deaths. Developing preventive measures to limit infrastructure and property damage and increase institutional capacity, particularly for small businesses to respond to climate events, can be a source of decent job creation while building resilience.

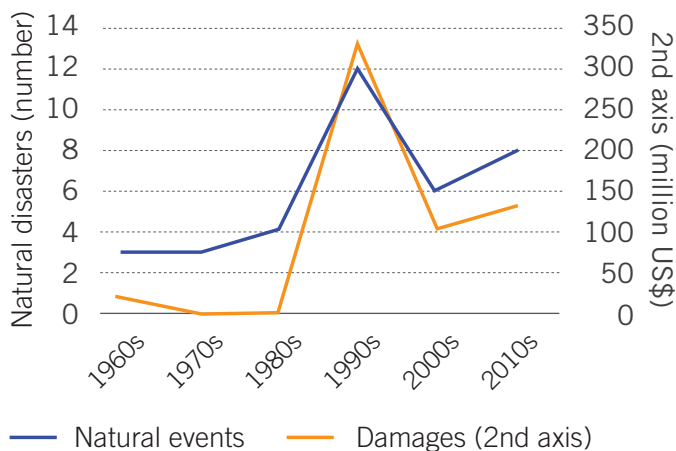
3. Informal employment (self-employed and contributing family members) is excluded from the agriculture calculations.

4. Bündnis Entwicklung Hilft and United Nations University: *World risk report 2016* (Berlin, 2016), <http://weltrisikobericht.de/english/>.

5. EM-DAT: The Emergency Events Database – Université catholique de Louvain (UCL) – CRED, D. Guha-Sapir – www.emdat.be, Brussels, Belgium.

6. Climatological, hydrological and meteorological disasters.

Figure 5. Natural disaster occurrence and damage costs in the Lao People's Democratic Republic, 1960s–2010s

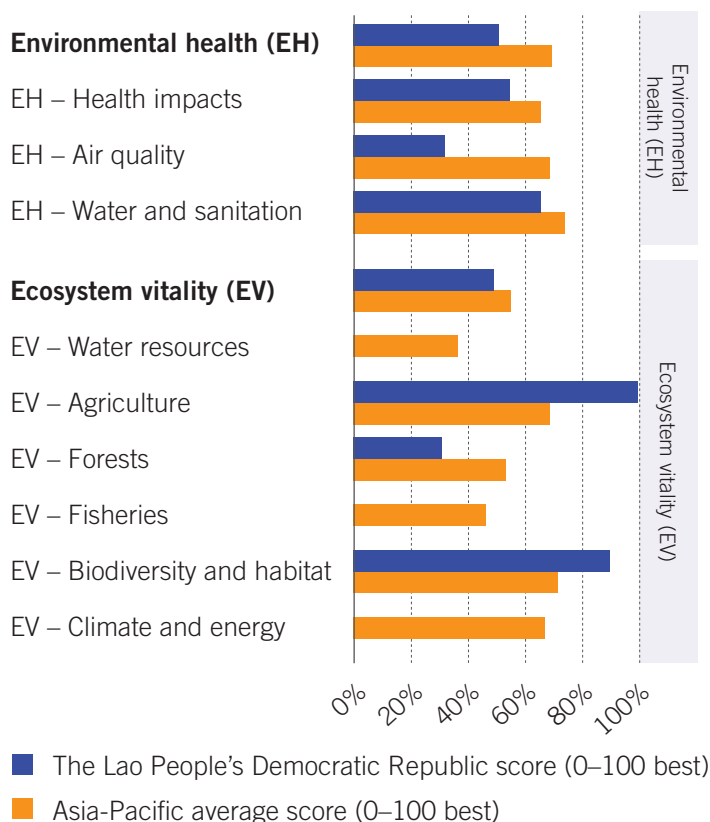


Note: Note: Natural events include climatological, hydrological and meteorological disasters. 2010s data are only for the first half of the decade.

Source: ILO compilation using EM-DAT: The Emergency Events Database – Université catholique de Louvain (UCL) – CRED, D. Guha-Sapir – www.emdat.be, Brussels, Belgium.

The Lao People's Democratic Republic ranks 148 of 180 countries in the Environmental Performance Index (EPI), with a score of 50.29 (with 0 being furthest from the high-performance benchmark target of 100). Agriculture and biodiversity and habitat are the only environmental EPI categories in which the country outperforms the average score for Asia and the Pacific (Fig. 6).⁷ There is significant room for improvement in most of the environmental areas, especially in environmental health (in health impacts, air quality, water and sanitation) and in ecosystem vitality (in water resources and forests). Action to improve environmental health, ecosystem vitality, climate change and resilience to weather disasters all have the potential to provide job creation, green economy growth and innovation in the country.

Figure 6. Environmental Performance Index 2016 for the Lao People's Democratic Republic



■ The Lao People's Democratic Republic score (0–100 best)
 ■ Asia-Pacific average score (0–100 best)

Note: Score 0–100 best. The Lao People's Democratic Republic: No score for EV–Fisheries; and EV–Climate and energy due to lack of data. Asia-Pacific: Each score is an average of all data for ILO member States in the region, excluding four countries with no data (Cook Islands, Marshall Islands, Palau and Tuvalu).

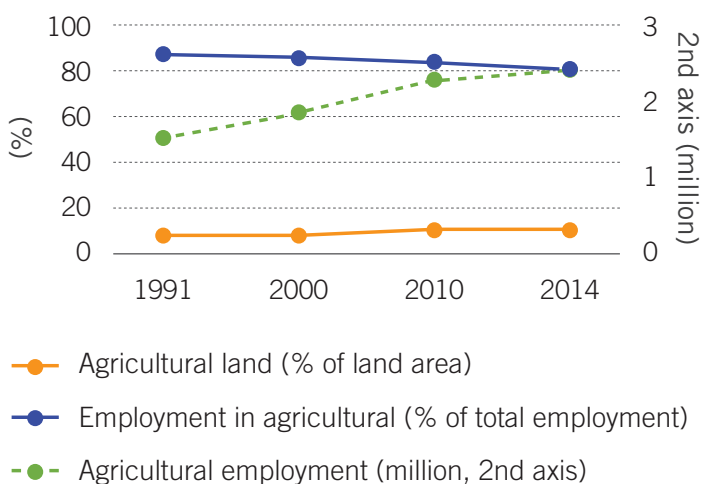
Source: ILO compilation using, A. Hsu et al.: 2016 *Environmental Performance Index* (New Haven, CT, Yale University, 2016), www.epi.yale.edu.

Rural population growth was a negative 0.4 in 2015. The share of agricultural land in total land area decreased between 1991 and 2014, while agricultural employment increased from 1.7 million to 2.7 million people. The share of agricultural employment in total employment fell by approximately 5.8 percentage points due to faster job creation in other sectors (Fig. 7). The share of forest area in total land area increased between 1990 and 2014 by 4 percentage points, reaching 80.5 per cent. During the same period, the share of terrestrial protected area increased by 15.2 percentage points, to 16.7 per cent of total land area (Fig. 8). In 2010, 71.3 per cent of all employment was in the agriculture, forestry and fishing sector (Fig. 9). Although reliance on agriculture is large, there are opportunities for job creation for sustainable production and organic farming. There will be greater prospects for employment opportunities if there is commitment to transition to a low-carbon and

7. Due to lack of data, it was not possible to calculate the score for EV–Climate and energy.

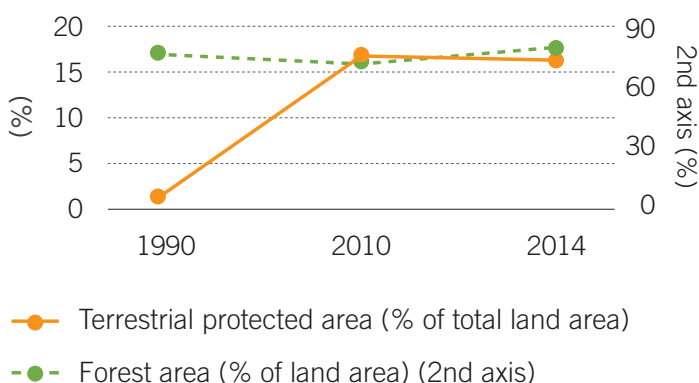
resource-efficient economy, such as jobs in resource management and environmental services.⁸

Figure 7. Agricultural land and agricultural employment, 1991–2014



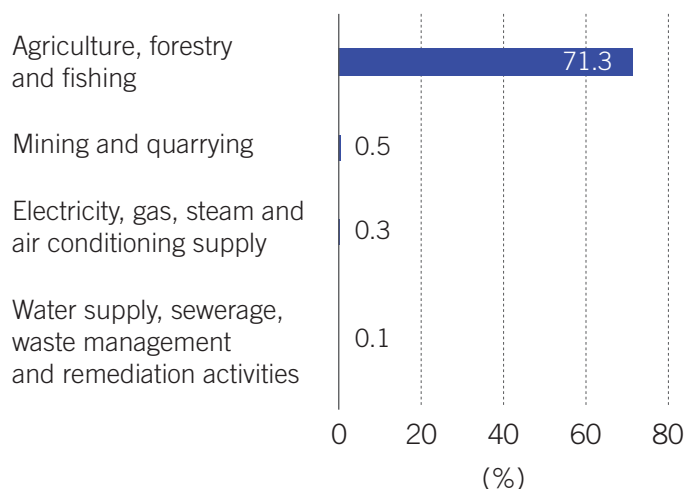
Source: ILO compilation using World Bank: World development indicators, last updated 20 July 2017, <http://databank.worldbank.org/>; ILOSTAT, <http://www.ilo.org/ilostat> (accessed 30 July 2017).

Figure 8. Forest area and terrestrial and marine protected areas, 1990–2014



Source: ILO compilation using World Bank: World development indicators, last updated 20 July 2017, <http://databank.worldbank.org/> (accessed 30 July 2017).

Figure 9. Employment in sectors with strong green jobs potential, 2010



Note: These sectors have the most potential for green job opportunities. Employment by selected 1-digit sector level (ISIC-Rev. 4, 2008).

Source: ILO compilation using ILOSTAT, <http://www.ilo.org/ilostat> (accessed 16 November 2017).

Since 2000, the percentage of the population with access to improved water supply has increased 30.2 percentage points, to 75.7 per cent in 2015. There has been more than a 42.9-percentage point increase in access to improved sanitation since 2000, to 70.9 per cent in 2015 (Fig. 10). Both rates, however, are still below the ideal threshold of 100 per cent. According to the World Bank and based on the most recent available data,⁹ municipal solid waste generation in the Lao People's Democratic Republic in 2008 was 0.7 kg per capita per day and is expected to increase to 1.1 kg per capita per day by 2025. The largest share of the waste in 2000 was organic (at 45 per cent), followed by other (at 20 per cent) and plastics (at 10 per cent) (Fig. 11).¹⁰ According to the Asia Foundation,¹¹ landfill sites are located only within the capital and four secondary towns. In some rural areas, community dumps have been set up, but these are poorly managed; most waste is either burned, including hazardous waste, or discarded (and ends up polluting waterways).¹² In 2010, only 0.1 per cent of the country's labour force was employed in water supply, sewerage, waste management and remediation activities (Fig. 9). Improvement in water and sanitation access and the much-needed implementation of a municipal waste management system for collection, safe and sustainable disposal, recycling and composting practices will provide decent job opportunities in the future.

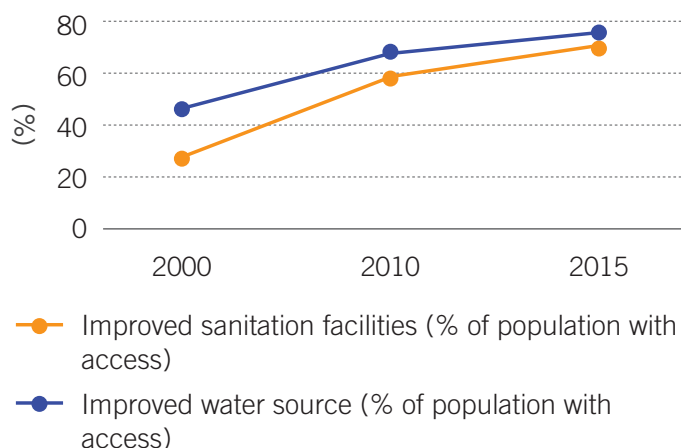
8. Organisation for Economic Co-operation and Development: The jobs potential of a shift towards a low-carbon economy, *OECD Green Growth Papers*, No. 2012/01 (Paris, 2012), <http://dx.doi.org/10.1787/5k9h3630320v-en>.

9. World Bank: *What a waste: A global review of solid waste management* (Washington, DC, 2012).

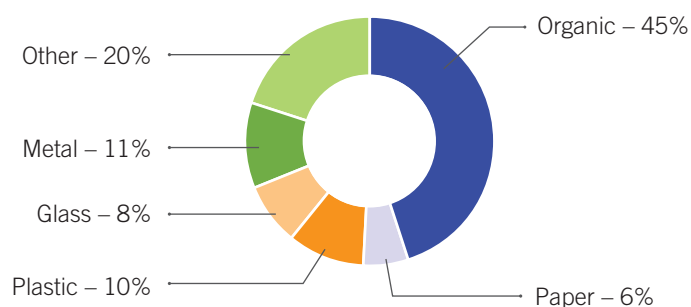
10. *ibid.*

11. See <https://asiafoundation.org/2017/04/19/love-laos-keep-clean>

12. *ibid.*

Figure 10. Improved sanitation and water supply access, 2000–2015

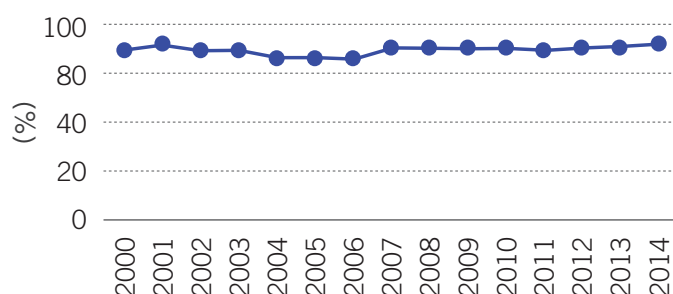
Source: ILO compilation using World Bank: World development indicators, last updated 20 July 2017, <http://databank.worldbank.org/> (accessed 30 July 2017).

Figure 11. Waste composition, 2000

Source: ILO compilation using World Bank: *What a waste: A global review of solid waste management* (Washington, DC, 2012).

In 2014, less than 5 per cent of the population relied primarily on clean fuel and technology, in the sense that they do not create indoor pollution within the home.¹³ The share of renewable energy in total energy consumption between 2000 and 2014 has increased slightly, at 90.34 per cent in 2014 (Fig. 12). Renewable energy generation rose by a little more than 50 per cent between 2011 and 2015, with hydropower the main source of renewable energy in 2015 (Fig. 13). According to the ASEAN Centre for Energy,¹⁴ most of the electricity in the country is generated by hydropower; but electricity shortages occur during the dry season when the hydro resources are insufficient to cover national electricity demand. To overcome the seasonal shortages, the Government established an electricity trade with neighbouring China, Thailand and Viet Nam.¹⁵ There

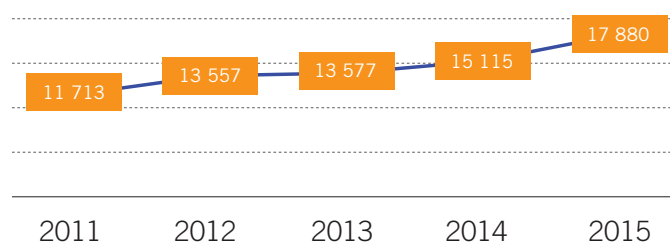
were no data available on renewable employment for the Lao People's Democratic Republic. The employment rate in electricity, gas, steam and air conditioning supply was 0.3 per cent in 2016 (Fig. 9). With a push for increasing reliance on renewable energy, there will be considerable potential for decent job opportunities in the future.

Figure 12. Renewable energy share in total final energy consumption, 2000–14

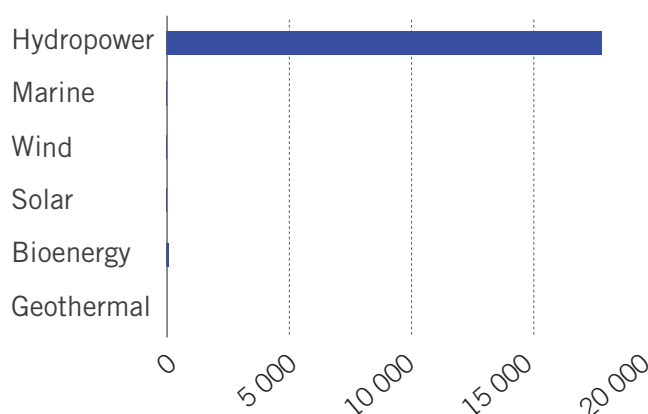
Source: ILO compilation using UN: SDG indicators: Global database (2017), <https://unstats.un.org/> (accessed 17 July 2017).

Figure 13. Renewable energy generation, 2011–15

Total renewable energy electricity generation (GWh)



Renewable energy electricity generation (GWh), by technology 2015



Source: ILO compilation using International Renewable Energy Agency: Dashboards (2017), <http://resourceirena.irena.org/gateway/dashboard/> (accessed 17 July 2017).

13. The proportion of population with primary reliance on clean fuels and technology is calculated as the number of people using clean fuels and technologies for cooking, heating and lighting divided by total population reporting any cooking, heating or lighting, expressed as a percentage. "Clean" is defined by the emission rate targets and specific fuel recommendations (against unprocessed coal and kerosene) included in the normative World Health Organization guidelines for indoor air quality; see the data for household fuel combustion, <https://unstats.un.org/sdgs/metadata/files/Metadata-07-01-02.pdf>.

14. ASEAN Centre for Energy: ASEAN renewable energy portal, Lao People's Democratic Republic: Country profile, <http://aseanrenewables.info/country-profile/laos/> (accessed 20 November 2017).

15. *ibid.*

Better data collection relating to the green economy and the environmental sector would be valuable for policy-makers in the Lao People's Democratic Republic and Asian-Pacific countries. Better data on green and decent jobs is particularly needed to assess the impact of climate change and climate-related policies on social inclusion. Without better data, it will be difficult to determine what policy changes are needed to assure a just transition to environmental sustainability and to monitor progress going forward.

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