

9.1 Status

The consolidation and strengthening of higher education in Lao PDR has been a centerpiece of Government's educational development activities over the last five years and will remain so into the next five-year plan, as the initiatives now underway continue. However, the next five years will be a particularly important time for NUOL as responsibilities for some activities now funded by external sources are scheduled to be transferred to the university and the Government.

MOE observes that Lao PDR has the lowest per capita enrollment in higher education of any country in the region. The 1989 Education Sector Study identified the lack of senior level administrative, managerial, and technical personnel as a significant impediment to national development and recommended that strengthening higher education be given a priority in the five-year plan now underway. They also suggested that one strategy for accomplishing this strengthening would be to consolidate the existing postsecondary institutions to effect economies of scale and use this new institutional framework as a base for selectively starting new postsecondary degree programs.

Following recommendations emerging from the 1989 Education Sector Study, MOE, with ADB assistance, undertook a project to consolidate three university-level institutions into a new structure, NUOL, with the intention of then consolidating other postsecondary institutions into that structure and selectively opening new colleges in high priority subject areas.

National Goals and Strategies

Among the goals established by Government in its Strategy for Educational Development by the Year 2000 and its subsequent amendments was to reorganize vocational and higher education and, in particular, to establish a national university in Vientiane and polytechnic colleges in four regions of the country as a means of providing skilled manpower necessary to socioeconomic development of the country. This effort is well underway. At this point the short-term goal of MOE is to finish the consolidation process started under the ADB-funded Postsecondary Education Rationalization Project. This will involve completing development of the curriculum in the specialization areas, improving expenditure tracking and financial accounting at NUOL, and completing the construction scheduled to begin in late 1998.

The intermediate plans for higher education over the next five years are to consolidate other existing postsecondary institutes within NUOL structure and to selectively develop two to three additional colleges in areas of high demand. In the longer term, MOE officials express keen interest in regional college expansion to help avoid the concentration of higher education opportunities in Vientiane. One area of continuing discussion is whether these regional colleges could serve as a

focal point for the consolidation of vocational, technical, and teacher training as well as serve baccalaureate-level needs in the province.

Organization Structures

NUOL was formed in 1995 through the consolidation of three existing postsecondary institutions: The College of Medicine, the Polytechnic, and the Teacher Training College. Additional colleges were then merged into this structure so that by mid-1998, 10 colleges had been merged into NUOL. The university consists of nine faculties, as described in Figure 9.1. Students seeking entrance to the university take a common entrance examination that is administered in all provinces. Though it is not always possible to fill the quota, 50 percent of the places are reserved for students from the provinces. Places not filled under the quota system are supposed to be filled on the basis of examination results. During 1998, Vientiane newspapers reported citizen concern that some applicants were paying NUOL instructors to assist them in gaining admission. NUOL is presently investigating those charges. While data on student admission by home province is not available, MOE officials believe that most students are from the Vientiane area.

Figure 9.1
Colleges within the National University of Lao (NUOL)

Colleges within the University	Courses of Study Available
Faculty of Foundation Studies	A common core of courses taken by all students across the University; new in 1996/97
Faculty of Sciences	Mathematics, Physics, Chemistry, Biology
Faculty of Humanities and Social Sciences	History, Geography, Lao Language, Literature, Foreign Languages (English, French, German, Russian)
Faculty of Engineering and Architecture	Civil, Electrical, and Mechanical Engineering, Architecture
Faculty of Medical Sciences	Medicine, Pharmacy, Dentistry
Faculty of Agriculture and Forestry	Agronomy, Animal Husbandry, Forestry
Faculty of Economics and Management	Economics, Management, Planning
Faculty of Law	Law
Faculty of Education	Education

Source: Department of Higher, Vocational and Technical Education, MOE

Tuition and fees to the regular academic programs of NUOL are free for all students and boarding is provided for quota students. MOE is moving toward the introduction of a modest tuition, which will be introduced in gradual phases and eventually level off at about 50,000 kip per year.

In addition to the student places available through the general admission process, NUOL offers several programs on a private basis for which they charge

tuition of about 150,000 kip per year. These programs are in subject areas of particularly high demand, such as English language and English language instruction in engineering and architecture. No scholarships are offered. In 1997/98, approximately 4,000 students took the examination for entrance to the special program in English language, for which only 600 places were available. This suggests that potential students are willing to pay private funds for advanced education in areas they believe are in high demand.

Programmatic and Curricular Concerns

Given the economic problems affecting the country (100 percent inflation in the first 10 months of 1998), Government financial support to the university has been lower than expected, forcing the university to find other sources of operating funds, mostly through private certificate and degree programs which they offer in the evenings. These programs represent a creative, adaptive response to a difficult financial problem and should be encouraged. At the same time they result in distortion in the allocation of instructor time and motivation and threaten equity considerations in admissions. It may be possible to reduce these distortions while still encouraging the efforts of the university to become more financially self-sufficient.

Development of the curriculum at each institution is the responsibility of the instructional staff within each faculty. Some assistance in curriculum development has been provided by international experts.

One of the most notable developments to the curriculum was the formation of the Faculty of Foundation Studies, which provides two years of core foundation studies for all students entering the university. This program provides a bridge between secondary schooling and movement into students' areas of specialization. Students then take coursework in their area of specialization for three to five years, depending on their field of study. Curricula for these three to five years of specialization were expected to be completed by late 1998.

Implementation of the curriculum is limited by lack of necessary equipment and practice opportunities. While laboratories and additional equipment are being provided under the Postsecondary Education Rationalization Project, problems remain. For example, the university does not have a training hospital associated with the medical college, so medical students are not always able to acquire the practical experience they need. Some students are able to gain direct practice in hospitals in the Vientiane area. However, there have been some coordination problems between MOE, which is responsible for the Faculty of Medicine, and the Ministry of Health, which has responsibility for the hospitals.

Lao is the language of instruction at the university. This limits the availability and breadth of instructional materials, the feasibility of using international instructors, and the employment mobility of graduates. English is most often the language of instruction in the special evening programs, which tend to give those graduates a competitive advantage in the job market. The high demand for these special programs, despite the high tuition, indicates that this advantage is well understood.

Students and Teachers

In percentage terms, higher education is one of the fastest growing parts of the education system. Between 1991/92 and 1997/98, new enrollment in bachelor degree and university diploma programs increased by 315 percent (from 1,367 to 4,305 students); overall enrollment grew by 205 percent (from 6,004 to 12,296) (Table 9.1). The fastest growth occurred in the private programs offered through the university, where enrollment increased by 530 percent in just seven years. NUOL represents about 45 percent of this postsecondary enrollment in the country, special programs about 15 percent, with the remaining 40 percent distributed across TTCs and colleges sponsored by other ministries. Within NUOL, student enrollment is heavily concentrated in the Faculty of Social Sciences and Humanities.

Table 9.1
Enrollment in Higher Education
(Entrants are Graduates of Upper Secondary School)

School Year	Higher Education	Ministry of Education				Other Ministries Min. of Comm.	Total Enrollment in Ministries
		Dept. of Voc., Tech & Higher Ed	Dept. of Teacher Training	Dept. of Private Education	NUOL		
New Enrollment							
91/92	870	408	292	151	497	19	1,367
92/93	990	511	328	132	530	19	1,520
93/94	1,048	505	288	265	813	0	1,871
94/95	1,299	604	301	359	1,024	36	2,324
95/96	1,464	897	215	305	1,178	47	2,642
96/97	1,797	1,040	352	405	1,537	0	3,334
97/98	2,348	1,220	486	601	1,957	41	4,305
Number of Students Already Enrolled							
91/92	2,678	1,358	930	360	3,326	30	6,004
92/93	3,118	1,668	990	411	3,366	49	6,484
93/94	3,493	1,954	898	626	3,267	15	6,760
94/95	4,353	2,555	936	818	4,326	54	8,689
95/96	4,771	2,845	780	1,064	4,356	82	9,127
96/97	6,023	3,043	1,358	1,548	4,699	74	10,722
97/98	6,476	3,511	967	1,810	5,820	88	12,296
Number of Graduates							
91/92	426	157	269	0	595	0	1,021
92/93	606	237	352	0	403	17	1,009
93/94	657	341	301	0	579	15	1,236
94/95	876	446	401	10	679	19	1,555
95/96	830	463	354	13	667	0	1,497
96/97	944	527	390	0	650	27	1,594
97/98	1,609	609	928	34	650	38	2,259

Source: MOE (1998f)

Students apply to NUOL for admission to a particular faculty. However, their final acceptance into any particular faculty depends on their performance during their two-year foundation studies program, and only students with particularly strong performance are admitted to the Faculty of Engineering and Architecture or to the Faculty of Medicine. Academically weaker students are counseled into other academic programs, and typically end up in the Faculties of Education, Forestry, and Humanities.

Foreign study provides a smaller, but substantial, source of postsecondary education for Lao students. In 1996/97, 665 students were studying abroad at the baccalaureate level, with another 261 pursuing advanced graduate degrees.

An area of great concern within MOE and the individual colleges is the weak academic preparation of instructors across all three types of institutions (NUOL, TTCs, Higher Technical Colleges). About 60 percent of the instructors in the TTCs, 48 percent of instructors in the higher technical colleges, and 35 percent of NUOL instructors are considered unqualified. At NUOL, only about 30 percent of the instructors have Ph.D. degrees in their field of specialization. While most have masters degrees, some have only bachelor degrees.

While low instructor qualifications poses a serious threat to instructional quality over the next five years, it is also one of the most difficult to solve. Instructor upgrading at the higher postsecondary level most always involves short- and long-term study abroad. NUOL and Government rely almost exclusively on international assistance to support this upgrading because the foreign currency demands for foreign study are difficult for Government to meet, especially during the current period of inflation.

It appears that, upon their return, much of the knowledge and skill development staff gain during study abroad is lost to the regular program of the university as the instructors often find it necessary to concentrate their teaching in the special (tuition based) programs of the university or in private consulting.

As suggested later, the special programs of the university should be encouraged, but better strategies for ensuring support for the regular program of the university must be implemented. University instructors are expected to teach 10-12 contact hours per week, including laboratory time, with some reduction in teaching load for instructors who also have administrative responsibilities. Once teaching responsibilities are met, faculty members are free to leave campus, consult, and hold other employment.

Evaluation

As part of the consolidation of separate colleges into NUOL, all the faculties switched to the credit system for the evaluation of student progress. Each course is worth a specified number of credits and graduation requires that students take and pass courses across a set of defined areas that total the required number of credits. Students who fail courses can retake them without having to repeat the full year of coursework.

The evaluation of student performance occurs within each course. There is no overall examination at the end of a student's program. This puts new responsibility on individual instructors to make judgements about student performance.

This has resulted in difficulty for some instructors who do not yet understand (or are not yet comfortable with) this system.

Facilities and Equipment

The ADB-supported Postsecondary Education Rationalization Project provides US\$20 million in loan funds and the Lao Government provides US\$5 million. About US\$8 million of the Project was for new construction, rehabilitation of existing facilities, and furniture and equipment. Construction is about to begin on a new administration building, an auditorium, and new science laboratories. Some funds originally intended for new construction are being reprogrammed to provide for rehabilitation of existing facilities as a way of stretching funds.

Costs, Financing and Donor Support

One year of university education for one student costs about 7.5 times that of one year of primary education. This ratio is not out of line with other countries in the region and may represent an appropriate use of scarce resources if graduates develop the professional, administrative, and managerial skills needed in national development. Nonetheless, the cost for an entering student to enroll in two years of foundational studies and a five year specialization is about the same cost as 52 years of primary education. Whether this is a good investment is up to the Government, but it comes at a high cost (an issue discussed further in the external efficiency section).

The possibility of charging tuition at the university is under discussion and government is already moving in this direction. In the meantime, the university has instituted special courses outside of the normal university curriculum for which they already charge tuition of about 150,000 kip. About 20 percent of the tuition earned through these programs returns to the university to support operations. The remaining 80 percent is retained by those offering the special instruction. NUOL estimates that its share of the revenues for the evening English language engineering program can amount to 80 million kip annually (about US\$ 19,000). This means that engineering instructors in these special programs together may generate about 320 million kip (US\$ 76,000) in salary subsidy. This salary supplement is an important factor in faculty retention though, as discussed later, these subsidies can result in distortions to the regular academic program.

Faculty are also allowed to consult in private companies. For example, instructors in engineering often have professional associations with local engineering or construction firms. They can operate a business using university facilities if they negotiate and pay the university an overhead charge for the use of university space and equipment.

These private business arrangements offer three advantages. First, they provide a way for instructors to stay in contact with their field of professional practice. They keep their professional skills fresh and maintain a current knowledge of labor market demand in their area of expertise. Second, the private income provides an important salary subsidy without which it would be hard for the university to retain qualified instructors, particularly in specializations in which they could earn more

in the private sector than through their civil servant job. The salary structures across levels of the education system are quite flat. Mingat (1998a) estimates the average compensation of an instructor in higher education in 1996/97 to be about 739,200 kip, only about 25 percent more than the salary of a primary school teacher (589,696 kip). Third, NUOL is expected to generate at least 15 percent of its non-salary recurrent funds each year, much of which comes from their share of revenues from special programs and overhead collected for faculty who use university space and equipment for their private consulting or businesses.

At the same time, these salary subsidy arrangements have two negative effects. First, not all instructors participate in the evening programs or teach in specializations that offer consulting opportunities. The salary inequities can erode morale across the instructional staff. Secondly, the time and energy that instructors devote to special programs, private consulting, and business ventures pull time and attention away from their attention to the regular program of the university. NUOL officials already identify this as a significant problem.

Instructor salaries account for about 39 percent of the university's operating cost; overall, salaries account for slightly over 60 percent of costs. Student subsidies account for another 23 percent. This distribution of cost across components does not seem out of line with higher education expenditures in other countries.

Donor support to NUOL has been significant. Most notable has been the ADB-supported project initiated in 1995. The project was designed to be implemented over six years with project completion scheduled for December 2001. Funds are being used for staff development, international specialists, facilities development, equipment and furniture, instructional materials, project implementation and recurrent costs. Staff development activities alone comprised about 26 percent of the total value of the loan, covering 367 person-months (across 99 people) of short-term training in university management and supporting functions, and 90 person-years (across 34 people) of long term training of Lao national teaching staff in economics and management

9.2 Analysis

NUOL is still early in the consolidation process and many problems associated with merging previously separate institutions to create a single multi-campus system are still being worked out. Such mergers are not easy to implement. While NUOL needs time to resolve these start-up issues, it is important that MOE recognizes the issues that the university faces and acts early to help resolve them.

The original concept was that NUOL would operate as a multi-campus system in which savings would be achieved as teaching staff from a single department would serve the instructional needs across the multiple campuses, thereby reducing the need for redundant personnel at each location. In practice, transportation of instructional staff among campuses has posed a logistical problem for the university and caused discontent among staff. Communication across campuses has been poor, and staff on one campus frequently don't know what is happening on other campuses. If these logistical issues are not resolved, NUOL may not gain some of the economies of scale the multi-campus arrangement was intended to achieve.

The articulation of secondary and postsecondary curriculum is weak. That is, students do not necessarily graduate from secondary school with the knowledge and skills that NUOL requires of entering students. In the past, this necessitated an extra year of remedial instruction for a substantial number of students. This was replaced by the two-year program for all students in the Faculty of Foundation Studies. However, some NUOL faculty see the need for an additional one-year pre-foundations course for entering students who do not have the necessary prerequisite academic preparation. Moreover, this pre-course (prior to entering the Foundation Studies program) was also part of the original ADB planning for the university.

While such a pre-foundation course has not been implemented, the perceived need for it indicates the mismatch between secondary school achievement and NUOL expectations. Were the pre-course to be implemented, it would increase the length of university training from five to six years to six to seven years. Given the high unit cost of university education, this may be cause for concern. An alternative view is that it is less expensive to target the extra expenditure on those who are already accepted to the university than it is to try to upgrade all secondary students. The extra expenditure may still be cost-effective.

Only about two of every 100 Lao children make it through secondary school and receive admission to the university. These students represent the best the secondary education system can produce. They are, presumably, the brightest and best students in the country. If they do not have the skills necessary to do college level work, it suggests that the quality of primary and secondary education is extremely low, or the expectations of NUOL are inappropriately high, or a combination of both. It is an indicator of poor external efficiency of secondary school and low internal efficiency of the overall education system.

The exclusive use of Lao as the language of instruction at the university limits the availability and breadth of instructional materials, the feasibility of using international instructors, and the employment mobility of graduates. English is used for instruction in the special programs offered in the evenings. The use of Lao during the day and English at night has the unintended impact of giving greater career advantage to students who already have greater wealth.

Internal Efficiency

The purpose of the Postsecondary Education Rationalization Project was to consolidate existing campuses into a single university framework, start new faculties in high-need areas (e.g., economics and planning), and eventually develop regional campuses to serve the rural areas. The project addressed such issues as the autonomy of NUOL, the rationalization of staffing, reforms in the admissions system, and ways to increase cost recovery.

One of the main problems only now becoming fully evident is that the project did not give sufficient attention to the Government's ability to assume the recurrent costs of the new university. This problem is further exacerbated by the financial problems now being experienced in Lao PDR and the entire Asia region.

External Efficiency

One of the rationales for creating NUOL was to better provide the higher level professional and technical skills needed to support the economic development of the country. However, NUOL does not conduct tracer studies to track the experience of its graduates in finding employment, nor any employer studies to assess the relevance of the education graduates receive. Consequently, little is known within MOE or NUOL about the relevance or adequacy of the university training now being provided.

Higher education officials in MOE indicate they have trouble projecting demand for higher education and express interest in receiving international assistance to undertake such studies as part of the next five-year plan. NUOL could start this procedure by conducting tracer studies and employer surveys across its areas of specialization.

A meaningful estimate of future demand will need to take account of the impact of the current student subsidy system. As long as students' university education is heavily subsidized, NUOL can probably continue to fill most of the student places that it offers in its regular academic program. The heavy student subsidy and the advantages to rural students of relocating to an urban center during their college years are likely to sustain this demand. But this demand may not be well connected to the labor market. What students actually do with their university education is an equally important part of planning for future enrollment growth.

Information on the post-graduation experiences of graduates and on labor force demand could assist instructional staff in curriculum development and aid students in course selection. The high demand for the private programs offered through the university provide a powerful signal of workplace opportunity.

Access and Equity

Approximately half of the student places in each faculty across NUOL are allocated through the quota system, in which a fixed number of places are reserved for each province. Secondary school graduates wanting to attend must still take the entrance examination administered in every province each year. However, final selection of students for admission is made by the provincial education director based on entrance examination scores, recommendations, and other considerations.

The quota system, to the extent it is fairly administered, does ensure regional representation in student admissions. Quota students are required to return to their province upon completion of their university studies and remain in government service for five years, if their services are needed by the Government. This has not always worked smoothly. Three problems are most common: First, students from rural provinces often do not want to return to their home provinces, preferring to remain in urban areas where there employment options are more attractive. Second, graduates complain that the provincial administrations frequently do not assign returning students to work in the field in which they were trained. Finally, the requirement that graduates return is not consistently or effectively enforced. Those who do not want to return to their province often don't. These issues suggest the need for a tracer study to determine the extent that the quota system is contributing to increasing the professional and higher technical capacity of rural provinces.

Females account for about 28 percent of the overall enrollment of NUOL, but the distribution of students by gender differs by area of study. Women account for 46 percent of the enrollment in the Faculty of Medicine and 42 percent in Faculty of Social Sciences and Humanities, but only 9 percent in the Faculty of Engineering and Architecture.

The quota system ensuring provincial representation was also intended to help students from ethnic minority groups gain access to higher education. MOE does reasonably well in ensuring female and ethnic minority representation in higher education. The real equity issue is not in initial access, but in the quality of the academic programs available to quota students once they begin their studies. As discussed earlier, faculty time and energy tend to be directed toward the private programs that charge tuition, at the expense of the regular academic program. The regular academic program, in which ethnic minorities are more highly represented, are widely perceived to offer a lower quality academic preparation.

Administration, Management and Financing

Within MOE, DVTHE has overall responsibility for postsecondary education institutions. NUOL, while under the general administrative responsibility of MOE, has special standing. The rector is appointed by the Prime Minister while the two vice rectors (administrative and academic) are appointed by the minister of education, who also appoints deans of the various faculties. Deputy directors of each faculty are appointed by the rector. NUOL policy is determined by MOE in consultation with the Party.

University education is expensive. A considerable portion of that expenditure is to help students compensate for weak secondary school preparation. One question, then, is whether it is more cost effective to invest in improving secondary education or pay for the academic remediation of students entering NUOL.

While it is urgent that the quality of secondary education be improved, it is probably unlikely that a sufficient increase in quality could be achieved across the secondary system with the amount saved by shortening the university cycle by one or even two years. In 1996/97, the unit cost was 55,282 kip for a year of upper secondary education and only about three times more (182,508 kip) for a year of university education.

The private evening programs operated by NUOL provide a creative adaptive response to a difficult financial situation and should be encouraged. As discussed earlier, the average annual salary of university instructors (739,200 kip in 1996/87) is only about 3 percent more than the salary of an upper secondary teacher (719,830 kip in 1996/87), though they are expected to have significantly higher academic qualifications. While allowances increase the financial benefit of being a university instructor, teacher compensation is relatively flat across levels of the education system. It is unlikely that NUOL could retain its instructional staff without providing opportunities to earn additional income, or meet its own operating budget requirements without the funds it receives from these programs and from private consulting of staff. Moreover, these private programs provide a useful response to market demand.

While encouraging these private programs and individual consulting, it is important to ensure that they do not distort faculty allocation of time and energy away from the regular academic program of NUOL and exacerbate ethnic and rural disparities in the country. At present, that appears to be happening. NUOL officials express concern that instructors do not giving sufficient attention to their regular day classes. This results in low quality instruction in the regular academic day program serving quota students from the provinces and higher quality instruction in the special evening programs serving predominantly urban students from wealthier backgrounds. To the extent that graduates of the special programs will be the ones best equipped to enter the workforce, the best employment opportunities will go predominantly to children of wealthy, urban families.

9.3 Suggested Priorities and Recommendations

Priority 1 Improve the Linkage between NUOL Academic Programs and Labor Market Needs

One of the main rationales for creating NUOL was to meet an urgent need for trained personnel to fill upper level technical and professional positions. However, no tracer studies and employer studies have been conducted to determine if that goal is being achieved (with the exception of one in the Faculty of Engineering).

Recommendations

1. Conduct Tracer Studies of NUOL Graduates: It is recommended that MOE sponsor a series of tracer studies to develop a better understanding of the impact and relevance of its programs. A discussion of types of tracer studies is presented earlier in section 8 recommendations.
2. Conduct Employer Studies: Employer studies are conduct to determine the types of jobs available, the knowledge and skills employers want new employees to have, and employers assessment of the skills and abilities of NUOL graduates they have hired. The purpose of the study is to provide information that NUOL can use in refining their instructional programs.
3. Develop Information and Procedures for Student Advisement: To make wise choices about their education, students need to understand what types of employment opportunities are available in the country and projections of future employment opportunities. They also need to understand career ladders, that is, what entry jobs lead to what types of advanced positions. It is recommended that MOE (or other units of Government) undertake development of job advisement materials that could be made available to primary and secondary schools throughout the country.
4. Assess the Need to Implement More Effective Strategies for Encouraging Quota Students to Return to their Provinces: While the quota system has generally

worked well, two issues now need to be addressed. First, in some cases graduates have not returned to their province, choosing instead to stay in urban areas where job opportunities are better. Second, given the prospect of a serious shortage of secondary teachers in some provinces, it may be desirable to introduce more flexibility in the student quota contract, to allow education graduates to go to areas of teacher shortage instead of their own province upon graduation.

5. Encourage the Development of Private Higher Education: Encouraging the development of private higher education can improve the link between higher education and the labor market, since the financial viability of private higher education depends on their program of study being well aligned with employment opportunities for students.

Priority 2 Meet the Recurrent Budget Requirements of NUOL

Recommendations

1. Reassess the Feasibility of Meeting the Recurrent Cost Requirements Associated with Establishing Regional Colleges: Current plans of MOE are to establish a network of regional colleges that would operate as independent institutions attending to the particular needs of the provinces. (These would not operate as units of NUOL). While the idea of regional campuses has strong support from provincial leaders, the current problems in meeting the recurrent NUOL budget suggests that Government might have difficulty meeting the recurrent costs of additional colleges. For this reason, it recommended that the development of additional higher education institutions only occur when the Government can be sure that it can meet their recurrent budget needs. It is recommended that MOE and NUOL collaborate in reassessing the feasibility of developing regional colleges at this time.
2. Assess the Feasibility of Deferring Further Expansion of NUOL until Urgent Problems at Lower Levels of the Education System are More Adequately Addressed: Expanding higher education remains an important goal of Government, but the key issue raised in this recommendation is the timing of that expansion. The Government is caught in a dilemma. The urgent need to ensure a supply of qualified teachers and improve the quality of instruction at the primary and secondary levels competes for resources with the desire to extend higher education. NUOL needs time to develop stronger operating procedures and a stronger financial base before Government further expands the higher education. For these reasons, it is recommended that MOE assess the feasibility of deferring further expansion of baccalaureate education until the more pressing problems at lower levels of the education system are adequately addressed.

3. **Identify Ways to Increase Enrollment in the Faculty of Education:** Though capacity at the Faculty of Education would allow the admission of 200 new students per year, only 32 new students entered the Faculty of Education at NUOL during the 1998/99 academic year. It is recommended that NUOL allow two to three more years for enrollments to stabilize and a clear pattern to emerge. Since the NUOL Faculty of Education is new, it may take time for the program to develop and for enrollments to grow. If enrollment remains low, NUOL might need to consider the feasibility of closing the Faculty of Education, transferring upper secondary teacher training to the TTCs, and reallocating the facilities to higher demand areas of study. Instructors in the Faculty of Education might be given the option of transferring to a TTC, finding alternative employment in the university, or leaving the civil service.

Priority 3 Reduce Public Costs of Higher Education

Recommendations

1. **Increase the Tuition Charged at NUOL:** The current target level of 50,000 kip per year for NUOL tuition (for the regular day program) was set prior to the 100 percent inflation of 1998. It represents little more than the annual private cost to parents of sending their children to secondary school. At the same time, NUOL is experiencing unanticipated problems in meeting its recurrent budget needs. It might be appropriate to raise the target tuition to a level more appropriate to the current economic conditions of the country. It is recommended that MOE and NUOL undertake a study to assess the feasibility of raising tuition for students in the regular university program.
2. **Accelerate the Charging of Tuition:** The urgency of the need to increase cost-recovery at NUOL and the relatively high tuition already charged in the special programs provide some basis for accelerating the introduction of tuition in the regular day program. It is recommended that MOE and NUOL collaborate in a study of the feasibility of phasing in a tuition charge at a faster rate that was originally planned. The study should also consider a mechanism for providing loan or scholarship options for students unable to pay the tuition.
3. **Move To a Needs-Based Assignment of Bursaries:** Bursaries account for 23 percent of the total recurrent expenditures of NUOL. At present, most quota students receive a bursary regardless of financial need, though there are efforts underway to have PES use a needs-based assignment of awards. It is recommended that MOE and NUOL assess the success of the current efforts and the feasibility of moving to a needs-based assignment of bursaries.
4. **Continue to Encourage the Private Sector Efforts of NUOL:** The special, tuition-based programs offered at NUOL represent a creative, adaptive

response to a difficult financial problem and should be encouraged. At the same time, they may result in a distortion in the allocation of instructor time and motivation away from the regular academic program. See Recommendation 4.2 below.

5. **Identify Additional Income Producing Activities for the University:** In some countries universities are able to provide research and consulting services for public and private clients. In other countries, such as China, universities develop auxiliary business ventures unrelated to the mission of the university but which provide an income stream. MOE and NUOL already have been exploring the possibility of establishing a company or business that would provide an additional source of revenue for the university. It is recommended that MOE and NUOL continue this effort.

Priority 4 Ensure Fairness and Equity in Admissions and Program Operations

University officials and instructional staff express concern over the weak prior academic preparation of students entering NUOL. These concerns suggest that students are receiving low quality secondary education, that university expectations are unrealistically high, or some combination of these.

Recommendations

1. **Ensure that Postsecondary Admissions are Merit-Based:** One way to improve the academic preparation of students entering NUOL is to give greater emphasis to merit as the basis of admissions. Two issues need to be considered. First, there is evidence that quota positions are not always allocated in ways that reward academic merit. Schools of equivalent size vary widely in the number of quota positions they receive. In some cases, this difference is better explained by proximity of the school to the PES than to student scores on the grade 11 examination. Second, the recent problems at NUOL suggest that the admissions process is susceptible to personal considerations beyond the academic merit of the prospective student. NUOL is to be complemented on taking swift action to correct this problem. However, the incident suggests the need for continued vigilance to ensure that merit remains the foremost consideration in admissions.
2. **Minimize Distortions to the Academic Program Due to the Operation of Special Programs:** One form of inequity may be an emerging difference in academic quality between the instruction offered in regular day program of the university and that offered in the special evening programs. University officials point out that some instructors concentrate their time and attention on those activities that produce additional income, e.g., personal consulting and teaching in the special programs. This results in less preparation for or attention to their regular day courses. It is recommended

that NUOL monitor the quality of instruction in the regular academic program of the university to avoid this type of distortion in quality.

Priority 5 Establish NUOL as an Experimental Site for the Use of High Technology in Education

While Internet access has only been available in Lao PDR since September 1998, its use in higher education represents one of the lowest cost, high impact strategies for quality improvement. The introduction of e-mail and Internet access at NUOL could help compensate for the limitation of NUOL library and provide students and instructors with access to the latest work and ideas in their field of study.

Priority 6 Further Resolve Issues of Institutional Autonomy

Both MOE and NUOL see advantages in fuller financial autonomy for the university. This remains a sensitive point with MOF. It is recommended that MOE and MOF resolve this question so that NUOL is able to more effectively examine ways of offsetting public costs of university education.

Priority 7 Examine the Impact of Recent Faculty and Staff Upgrading Activities

NUOL has just undertaken a major program of short- and long-term training to upgrade the knowledge and skills of the instructional faculty and administrative staff. While upgrading is an urgent need, these earlier efforts have fallen behind schedule due to a series of logistical and language problems. Not all of those sent abroad for training have returned home or returned to their position at NUOL. It is recommended that NUOL and MOE assess the impact of this earlier training program before committing additional funds for staff upgrading.

