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OFFICE MEMORANDUM

November 30, 1966

TO : J. A. Mendenhall, Director
FROM : J. R. Andrus, Chief, Education Division
SUBJECT : Projection of Costs for Elementary Education, 1965 to 1980

Jim Chandler suggested that a study of the above problem would be in order in view of the near certainty of a multiplication of school population in the next few years. Harry Little, Martin Little and I have prepared the paper, with aid on the budget aspects from Rene Pear and in consultation with Jim.

The costs per pupil are not likely to decrease (assuming constant price levels) in the future and it may be argued reasonably that total costs for Elementary education will increase in about the same proportion as total enrollment. Thus, if we take the projection included in TOAID A-327, dated October 11, 1966, there will be 2.5 times as many elementary pupils in 1980 as in 1965-66. That figure now seems to us likely to be low and in the attached tables we have taken a formula more nearly corresponding to present trends, and have come out with a multiplier factor of 4.3 for 1980. This may prove high but it will probably be closer than the 2.5 figure.

Total cost to the RIG of its elementary schools in 1965-66 was K707 million, or 8% of the total budget. If the budget is re-stated to include the national police but not the military, the share of education was 17%. If both police and military are excluded, education received 22% of the budget. The minimum projection, based on figures in Appendix A and TOAID A-327, would raise the total cost of education by 2.5 times to K1,766.8 million by 1980. Our maximum projection would raise it by 4.3 times, to K3,071.8 million, assuming constant prices. In either case, it seems a fair bet that education will require an increased percentage of the budget.

It seems wise to face these prospects realistically now rather than later. We believe that education, both at the elementary and post-elementary levels, is essential to the creation of a self-reliant and reasonably productive and self-supporting Laos in 1975, 1980 or any later date. Therefore it is desirable to begin thinking about additional sources of revenue. The intense demand on the part of the citizenry, urban as well as rural, for more schools

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for their children suggests that special local taxes earmarked for education would be borne with better grace by the taxpayers than almost any other kind of tax.

There are so many uncertainties as respects post-primary education that no similar tables can be drawn up with any confidence at present. However, it seems clear that education cannot possibly contribute significantly to national development and economic self-reliance without a more than proportionate increase in enrollment and costs at the secondary and technical, as well as higher, level. We shall attempt to make similar studies there, if and when we feel we have enough objective facts to make such a study worthwhile.

I hope that the attached can be the basis of discussion with OP, OEA and your own office after which, perhaps, the financial projections with their implications might be included in an airgram to AID/W.

EDU:JRAndrus:bwc 11/30/66

Att: Position Paper, Subj: Elementary Education (with two attachments)

DIST
CD/DD
ADMD
ADRD
OP
EAB/POL
C&R-3
EDU 3
OEA

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POSITION PAPER ON ELEMENTARY EDUCATION

A. Contents of this study

This is a projection of the number of elementary teachers likely to be needed in Laos up to 1980 and of the probable budgetary implications of that increase.

B. Reasons for making this study

Experience in the US and in practically all developing countries shows that in one generation there may be a doubling or trebling of the proportion of children in school. This, coupled with normal population expansion has, in country after country, necessitated escalating costs of education, which in turn has taken officials and the public by surprise.

Within recent months EDU, working with Ministry of Education officials, has made several studies to determine future needs for elementary teachers. Undoubtedly many untrained emergency teachers must be employed for many years. When a suggestion was made that a crash program might be instituted to provide these emergency teachers with minimum qualifications, the Ministry raised the question of availability of funds to pay for them, since the CREC teacher costs the Ministry \$3 monthly (K1500) against about \$30 for the average trained teacher. The Ministry was right in raising this question which it, the Ministry of Finance, plus USAID, should study at this time.

Elementary education is only part of the total educational program in any country but it is the basis upon which the rest must be built. Laos has a more critical need at this time for expansion in secondary and technical education than in elementary. However, we are making the elementary projection first as the data available are much more complete. Elementary education provides the literacy required for an effective democracy and is preparatory to secondary, technical and higher education, without which economic development is virtually impossible.

C. Basic Facts and assumptions on which this study is made

1. The area controlled by the RLG has not changed drastically since 1960. Losses about matching gains thus far. It is assumed that this will continue to be the case.
2. The rapid expansion of elementary enrollment has been spontaneous ^{WHY} in that the RLG has made no attempt to enforce the compulsory education law. The attitudes of the Lao people have changed remarkably since before World War II when an observer reports that most parents

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Approx. 50%
Now,

were quite unwilling to send their children to what few schools were available. There is no sign of a further change in attitude on the part of Laos parents, so it is assumed that the present movement will continue until something like 60% to 90% of children in the 6-11 year bracket will, in fact, be in school. It is further assumed that nothing less than famine or military events will stop this expansion in enrollment, which averaged over 13% annually for the past four years. Whether USAID or even the RIG continues to support elementary education, there seems certain to be many more schools of sorts, built by the villagers with the demand that the Ministry send teachers. When villagers have fled the PL, among their first acts has usually been the erection of a school. When new areas are liberated, children come down from the hills (as in Nam Bak recently) and demand a school even though they have not seen a school for several years.

3. Hitherto the Ministry has paid very little for school buildings. The local people, through self-help, have done a great deal for rural schools and USAID for both rural and urban schools. Any change in this situation, requiring the Ministry to take over a larger share of construction costs, will further increase the cost figures cited in the tables attached hereto.
4. We assume that the present pupil/teacher ratio will continue (i.e., 31 to 1). As a matter of fact, the ratio is less favorable when the 200 or so "teachers" who are actually inspectors, clerks and officials are subtracted. We have seen classes running up to 100 or more and believe it poor economy to count on further increases in class size.
5. While it is clear that Lao schools must continue to operate on an austere basis for the foreseeable future, a minimum amount of blackboards, textbooks and other teaching aids will be necessary, if proper use is to be made of buildings and teachers available. Even if most modern school instructional aids are foregone, costs under the equipment and supplies categories must increase at least as fast as enrollment - probably a little faster.
6. Projections of availability of trained teachers indicate that the proportion of CREC teachers will remain roughly constant throughout the period covered by this projection.
7. Success of the Mekong Valley Program may conceivably attract more immigrants but we assume that the 3% annual increase in population normal to areas like Laos will continue to prevail. We further

assume that the provision in the 1962 Educational Reform Act for increase in craft schools and their enrollment, by adding 7th and 8th years to Groupes Scolaires, will not greatly affect the validity of the projections. We also assume continuation of a 6-year elementary program.

E. Explanation of Appendix A

Attached hereto is a table showing projected number of teachers and costs of elementary education for each year up to 1979-80. Naturally, we are much more certain of our figures for the next few years than for the period 1975-80 but nevertheless it seems desirable to look that far into the future. (Table B gives actual enrollments, 1946-47 to the present, and projected enrollment to 1980, assuming 13% and 10% annual increases.)

Columns 2, 3 and 4 show the total number of elementary teachers required by year. The actual figure of 4673 in 1965-66 is used as the base for each. This includes 3815 qualified teachers and administrators. They have had six years of elementary education plus a minimum of one year of teacher training. The remaining 868 were unqualified teachers - mostly CRECs at \$1500 monthly, but also including some bonzes and soldiers. About 200 of the qualified teachers are actually administrators, inspectors, clerks, etc., who do little if any actual teaching.

Column 2 gives the estimates of teacher needs as submitted by Mr. Khamphao Phonekeo, Director of Elementary and Adult Education. They are believed to be based on a UNESCO study which projected teacher needs for 1970, 1975 and 1980. Nevertheless, they are believed to be unrealistic, because:

1. They project an annual increase in the number of teachers of 4.8% and 6.0% the first two years, whereas the actual increase the past five years has averaged over 13% a year.
2. The annual increases between the years of 1970, 1975 and 1980 do not represent a smooth curve as would be expected.

Column 3 repeats the projections given in Table II of TOAID-A 327, projected to 1979-80. On the basis of further study, EDU concedes that this forecast is unrealistic since it projected the increase in the number of elementary teachers as 10% a year to 1970-71 and at 5% thereafter. These figures are now believed to be too low.

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Column 4 gives revised EDU estimates of total elementary teachers needed on the assumption that the numbers of pupils and teachers will increase 13% a year for the first five years and then, hopefully, slow down to 10% a year since it is hoped that the large percentage of pupils now in the first two grades will have by then advanced to the sixth grade and be ready to graduate from elementary school. (This represents our estimate of maximum enrollment if present trends continue.) There are no reliable census figures for Laos giving total and school age population but observations indicate that there is plenty of scope for a continuation of present trends for several years, especially in view of (a) the small proportion of children now in school, (b) the unusually high proportion of children who are in school in the first two grades, and (c) the expectation that population will continue to increase at the present high rate.

Columns 5 and 6 project the costs of the elementary schools of Laos, including the small central office in the Ministry. The starting figure of K707 million is approximately the amount actually spent by the RIG Ministry of Education for 1965-66. Annual increases in elementary school expenditures the past few years have increased over 13% a year (the same as the number of teachers), so this is used as the basis for future projected costs for five years, and thereafter 10% in Column 6 (the revised estimates) although for comparison the figures in Column 5 are based on earlier estimates of increases of 10% and 5%. In other words, the number of teachers required is used as the basis for projecting costs, assuming the costs of material, administration, etc., will vary according to the number of teachers. At this point an explanation is in order. CREC teachers make up a sizeable minority of the teachers and although their number is likely to increase, their percentage of the total teachers will remain about constant. Even though their cost is only about 10% as much as regular teachers, we believe that no serious problems result from ignoring distinctions in projecting costs, inasmuch as the percentage of CREC teachers is not likely to change significantly. Starting in 1967-68, FOL, maintenance and other expenses hitherto borne by USAID will be shifted to the RIG budget for education. This will further increase the figures shown.

In other words, we doubt if enrollment and expenditures will be as low as shown in Columns 3 and 5 and hence give Columns 4 and 6 as probably more realistic. Perhaps the reader will wish to consider Columns 5 and 6 as showing minimum and maximum probable expenditures for the 14 years ahead.

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F. Recommendations

1. That the RIG be encouraged to expand secondary and technical education at a faster rate than that forecast for elementary education. Naturally, this expansion should give maximum emphasis to preparing Lao for the types of useful work determined by actual surveys to be most in need of skilled recruits, both presently and in the decades ahead. (There were only 92 secondary graduates in 1966.)
2. That RD personnel be asked not to emphasize elementary education in discussions with villagers as to their felt needs and that, when villagers are in doubt as to what they wish, they be encouraged to work for items other than schools because of the shortage of teachers and funds and the imbalance between elementary and secondary education.
3. That we encourage the present policy of the RIG not only to increase the number of teachers in training (100 in 1955, over 2200 in 1966) but also and more importantly to emphasize the four-year course. Only graduates of the four-year teacher training course are eligible to teach in grades 4, 5 and 6. It is at this level that greatest gains in enrollment are to be expected and of course it is from the graduates of the 6th grade that recruitment for secondary and technical schools can be made.
4. That every encouragement be given to step up the pace of in-service teacher training. To increase the number of teachers in training in Laos and Thailand from approximately 1000 in the summer of 1966 to 1250 in 1967 and progressively higher figures thereafter.
5. That we continue to build elementary schools only on a self-help basis but, assuming agreement with the RIG on details, that we continue to help with buildings for teacher training, secondary and technical education with less emphasis on self-help.
6. That we encourage the Ministries of Education and Finance to make their own forecasts of educational expenditures in the years ahead. If this results in their discouragement in the face of inadequate financial resources, we should encourage them to think in terms of special local or national taxes, earmarked for education. In terms of present expressed wants on the part of most families, there is likely to be less resistance to a tax to build, equip and support schools than to any other kind of tax.

G. General considerations

Continued expansion of elementary education will make sense in terms of economic development, only if the secondary bottleneck is broken. Increases in productivity on the part of young men and women are much greater during the first cycle of secondary education, at least, than during elementary years. This is particularly true in Laos, where there are great numbers of drop-outs from elementary schools and also quite a few Groupe Scolaire graduates, but not enough Lao to fill USAID and other jobs requiring about 10 years of education. While we have not yet successfully concluded negotiations for the secondary school, it may be pointed out that the Ministry has recently increased to 13 the number of its secondary schools and further expansion is likely. True, many of these schools have only one teacher and inadequate buildings but they furnish a base, however inadequate, for future expansion. Moreover, Doug Harris' activities at Vang Vieng may help in implementation of the Ministry's plans for the creation of numerous additional craft schools, giving Groupe Scolaire graduates direct training in carpentry, masonry and commercial subjects.

Respecting the woeful lack of things for Groupe Scolaire graduates (or other Lao) to read, Mr. Connick reports that the Asia Foundation has at long last reached agreement with Mr. Khamphao on the starting in the near future of 38 Little Libraries in as many Groupes Scolaire. Moreover, he is negotiating with several Lao officials (not limited to the Ministry of Education) for the possible starting of a Lao Translation Society, to be backed by the Asia Foundation and to subsidize translation and/or writing of books in the Lao language in order to provide something more for people to read. Obviously the steady increase in the number of literates will increase the demand for books and magazines and free private enterprise, plus such organizations as the proposed Lao Translation Society, would help meet the demand. Connick hopes that Tay Keoulouangkhot, Sisouk na Champassak and Keo Viphakone will be interested in helping start such a society, along with the appropriate Ministry of Education officials.

It is clearly necessary in Laos, as in Vietnam, to support extensive military operations at enormous expense in order to maintain a Free World foothold at all. It is as clear that refugee relief, agricultural development and food imports are essential at this time. However, US military policy in South Vietnam has recently come to include heavy emphasis on civic action, including the more long-range aspects of education, health and agriculture, thus building a permanent basis for a free society. Unless something of the kind is done, on a fairly large

scale, no Southeast Asian country can become self-reliant and self-supporting in a free world sense. In other words, if something isn't done, Laos in 1980 will be no better able to be self-supporting than at present, even if military operations succeed. If the RIG and allies hope to counteract the subversive elements, they must first subdue the subversives but more importantly, they must substitute a better and more enlightened way of living for that promised by the subversives. The actions of villagers in building schools show that education plays a large part in their thinking, and the providing of assistance to education is likely to elicit enthusiastic response and an improved attitude toward their government.

While Laos cannot support this growing education system with its present tax base, it may be safely assumed that money wisely spent for education will more than repay itself in the long run. The long run in question must be 10 to 25 years in order for those now in school to acquire functional skills and assume their place in increasing total productivity. By 1980, therefore, the expenditures made now should be paying off in substantial assistance to economic development.

LDU deeply regrets the cut from K8.5 million to K6.0 in funds provided for in-service teacher training. The K6.0 thus provided is almost exactly equal to the cost of the rotor on one of the helicopters serving this mission. Of course we do not contend that the two are strictly comparable, as each has a different place in the scheme of things - but surely a country which can supply an ally with great numbers of helicopters, so costly as just indicated, could afford to double its provisions for assistance to in-service training! Teachers with seven or eight years of total education predominate, and summer training has proved to be a highly-important means of upgrading their teaching skills. Without skilled teachers our very much greater expenditures for buildings and texts, as well as American staff, will be largely wasted. Without more than seven or eight years of education themselves, the elementary teachers will continue giving their pupils a very shaky foundation for secondary and technical education.

Elementary Education Projection for Laos

Number of Teachers in Public Schools				Cost for Primary Education in K Million	
(1) Year	(2) Ministry Estimate	10% to 70-71 5% thereafter	13% to 70-71 10% thereafter	(5) Based on Column 3	(6) Based on Column 4
		(3) Preliminary USAID/EDU Estimate	(4) Revised EDU Estimate		
65-66	4,673	4,673	4,673	707.0	707.0
66-67	4,900	5,140	5,280	777.7	798.9
67-68	5,200	5,654	5,966	855.5	902.8
68-69	5,760	6,219	6,742	941.1	1020.2
69-70	6,232	6,840	7,618	1035.2	1151.8
70-71	6,640	7,524	8,608	1138.7	1301.7
71-72	7,150	7,900	9,469	1195.6	1451.9
72-73	7,680	8,285	10,416	1255.4	1576.3
73-74	8,235	8,699	11,458	1318.2	1733.9
74-75	9,432	9,135	12,604	1381.1	1907.3
75-76	10,000	9,591	13,864	1453.5	2098.0
76-77	"	10,071	15,250	1526.2	2307.8
77-78	"	10,571	16,775	1602.6	2538.6
78-79	"	11,104	18,453	1682.7	2792.5
79-80	13,132	11,659	20,298	1766.8	3071.8
	79-80 is 2.8 times 65-66	79-80 is 2.5 times 65-66	79-80 is 4.3 times 65-66	79-80 is 2.5 times 65-66	79-80 is 3.3 times 65-66

Since the foregoing calculations were made, Mr. Peer has continued his research, and has found, in obscure corners of the budget, an additional K7 million actually spent for education in 1965-66. In other words, the true figure was K714 million instead of the K707 million used in the tables. Since it is impossible to predict with precision future expenditures of this type, this 1% correction does not seem to justify re-calculation of the table.

Appendix B

PUPILS IN ELEMENTARY SCHOOLS OF LAOS
(Public schools only)

Year	Number	Increase or decrease from pervious year		Remarks
		Number	Percentage	
1946-47	24,057	-	-	
1947-48	31,414	7,357	30.58	
1948-49	36,517	5,103	16.24	
1949-50	38,331	1,814	4.96	
1950-51	34,087	- 4,244	- 11.07	(Underground Mv'mt.)
1951-52	36,902	2,815	8.26	
1952-53	41,412	4,510	12.22	
1953-54	33,357	- 8,055	- 19.21	(Dien Bien Phu)
1954-55	43,274	9,917	29.73	
1955-56	63,950	20,676	47.77	(Begin USAID)
1956-57	75,167	11,217	17.54	
1957-58	77,204	2,037	2.70	
1958-59	95,957	18,753	24.29	
1959-60	99,302	3,445	3.59	
1960-61	91,312	- 7,990	- 8.04	(Big Coup)
1961-62	88,312	- 3,000	- 3.28	(Loss of territory)
1962-63	108,603	20,291	32.97	
1963-64	117,111	8,508	7.83	
1964-65	128,040	10,929	9.33	
1965-66	<u>144,764</u>	<u>16,724</u>	<u>13.66</u>	

(From here on projected)

1966-67	164,003	19,239	13.29
1967-68	185,798	21,795	13.29
1968-69	210,490	24,092	13.29
1969-70	238,464	27,974	13.29
1970-71	270,156	31,692	13.29
1971-72	297,172	27,016	10.00
1972-73	326,889	29,717	10.00
1973-74	359,578	32,689	10.00
1974-75	395,536	35,958	10.00
1975-76	435,090	39,550	10.00
1976-77	478,599	43,509	10.00
1977-78	526,459	47,860	10.00
1978-79	579,105	52,646	10.00
1979-80	637,016	57,911	10.00

Notes:

1. From 1946-47 through 1965-66, there was an increase of 581%
2. From 1956-57 through 1965-66, there was an increase of 126%
3. The average increase from 1946-67 to the Coup of Dec. 1960 was 12.7% a year. The average increase after the Coup to the present is 13.29% a year.
5. If the projections above hold true there will be 4.7 times as many pupils in 1979-80 as at present.