

**Unofficial translation**



**LAO PEOPLE'S DEMOCRATIC REPUBLIC  
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY**

**Prime Minister's Office**

**No. 036/PM  
Vientiane Capital, dated 22 January 2010**

**DECREE**

*on*

**Building and Developing Labor Skills**

- Pursuant to the Law on the Government of Lao People's Democratic Republic, No. 02/NA, dated 6 May 2003;
- Pursuant to the Law on Labour, No. 06/NA, dated 27 December 2006;
- Pursuant to the Law on Education, No. 04/NA, dated 3 July 2007; and
- Pursuant to the Request Letter of Minister of Labour and Social Welfare, No. 058/MoLSW, dated 12 January 2010.

**The Prime Minister hereby issues a Decree:**

**Chapter 1**

**General Provisions**

**Article 1 Objective**

This Decree defines the principles, regulations and measures relating to the building and developing labour skills, and testing and certifying labour skill standards, to ensure that employees have knowledge, capabilities, creativities, skills, disciplines, positions, and legal basic knowledge, aiming to meet labour market demands and socio-economic development plans with the direction towards industrialization and modernization of the Party-Government.

**Article 2 Building Labour Skills**

Building labour skills is to provide technical-vocational learnings-teachings in vocational fields and other fields of education, aiming to build Lao labours with necessary knowledge, skills and attitudes, so that they can work in work places and business places by themselves in accordance with labour market demands, and also aiming to facilitate continuous learning or testing of labour skills.

**Article 3 Developing Labour Skills**

Developing labour skills is to upgrade skills and attitudes towards the works of employees who already have basic vocational knowledge and experiences, so that they would become expertized and disciplined in work performance. This is to

upgrade their techniques and technologies aiming to prepare themselves for competition and testing of skills, and for certifying their labour skills in accordance with national, regional and international skills.

#### **Article 4 Definitions**

Terms used in this Decree have the following meanings:

1. **Labour Skills** mean skills, expertise and capabilities in work performances;
2. **Labour Skill Standards** mean technical criterion indicating expertise and capability levels sufficient to perform the works properly and complete the works on time;
3. **Testing Labour Skills** mean assessment of knowledge, expertise and attitudes towards work performances of professionals in accordance with labour skill standards;
4. **Employer** means individuals, legal entities or organisations which employ employees with compensations by means of salaries, wages, benefits or other policies as stated in the employment contracts, laws and regulations;
5. **Employee** means individuals who work under the supervision of employers, and receive compensation in form of salaries, wages, benefits or other policies as stated in the employment contracts, laws and regulations;
6. **Labour Unit** means business units working on production, commerce or services in socio-economic sectors on regular or temporary basis;
7. **Tripartite Cooperation** means a cooperation among government organisations, employers' representatives and employees' representatives;
8. **Places for Building Labour Skills** mean vocational centres, technical-vocational schools, technical-vocational colleges, technical-vocational institutes, and technical-vocational training places of public and private individuals and legal entities authorized to conduct technical-vocational and professional trainings;
9. **Places for Developing Labour Skills** mean labour development centers and institutes, labour units, business places, public and private civil organisations authorized to develop labour skills and/or to certify labour skills;
10. **Trainer** means persons in charge of places for building and developing labour skills.

#### **Article 5 Principles of Building and Developing Labour Skills**

Building and developing labour skills shall follow the following principles:

1. Building and developing labour skills shall ensure the quality, standards and labour market demands, and shall be in line with socio-economic development plans of each period of the government and regional and international standards;
2. Learning-teaching and training shall have theory sessions in parallel with practical sessions at workshops or laboratories, and shall have internships at work places or production places;
3. Man and woman Lao labours regardless of ethnics have equal rights to access to the building and developing of labour skills;
4. Before starting the work, employees who are not yet certified of the standard level of their labour skills shall be tested of labour skill standards;
5. Employers have obligations to build and develop labour skills, and acknowledge standard labour skill certificates issued by labour skill testing organisations at each level.

**Article 6 Basic Factors of Building and Developing Labour Skills**

Building and developing labour skills shall have the following basic factors:

1. Facilities, materials and equipment sufficiently for training and testing;
2. Requirements regarding labour skill standards and curricula that meet labour market demands;
3. Handbooks, learning-teaching materials sufficiently and appropriately;
4. Standardised trainers and capable personnel;
5. Administrative regulations and labour skill testing principles.

**Article 7 Information related to Building and Developing Labour Skills**

Ministry of Labour and Social Welfare has duties to collect, study and analyse data in order to plan out labour skill development plan that meets labour market demands, in coordination and collaboration with Ministry of Education and other relevant sectors.

Labour skill development institutes, technical-vocational training centers and training service providers, as well as labour units and projects must have information databases in order to supply information to labour skill building and developing organisations.

Labour skill building and developing organisations shall have database systems relating to labour skill standards, which can be connected to both domestic and international sectors.

**Article 8 Advices on Careers**

Ministry of Labour and Social Welfare cooperates with Ministry of Education and other relevant sectors to develop mechanisms for organisation of career advices, awareness raising and consultation in relation to professional learning-training, and jobs before working for educational places and training institutes to provide consultation relating to building and developing labour skills, aiming that trainees can decide which career is appropriate to their talents and in line with labour market demands.

**Article 9 Scope of Application**

This Decree applies to specific areas of building labour skills in technical-vocational education system and developing labour skills for labour forces entering labour markets, as well as labours currently working at labour units, projects and business places.

This Decree does not apply to areas of arts that are under specific regulations.

**Chapter 2  
Building Labour Skills**

**Article 10 Objectives of Building Labour Skills**

Building labour skills has the following objectives:

- To prepare Lao employees in general for lawful and stable careers;

- To build Lao people to become specialized workers and skilled labours for supply to both public and private small-size, medium-size and large-size industrial factories in accordance with the direction to turn the country into industrialisation and modernisation;
- To build and upgrade Lao labours to become good citizen, have knowledge, good attitude, occupation, capability, creativity and enthusiasm, love nation, and compete skills for the construction and development of the country and themselves;
- To build Lao labours in line with occupational sectors and trends of labour market demands and socio-economic development plans of the government;
- To provide opportunities to students of lower and upper secondary schools to enrol in technical-vocational trainings, to have jobs, or to do their businesses.

### **Article 11      Types of Building Labour Skills**

Building labours skills has four types as following:

1. Technical-vocational education in schools is a type of mid-term and long-term learning-teaching in technical-vocational institutes, mainly in centers, technical-vocational schools, technical colleges and technical-vocational institutes in accordance with regular, continuous and connecting curricula.
2. Technical-vocational education out of schools, self-learning, and long distance learning are technical-vocational learnings-teachings with curriculum contents and educational levels same as technical-vocational learnings I schools, but learning methods, times, and types of learning-teaching arrangements are different. This type, learners can accumulate and transfer knowledge and experiences into credit units, and can connect to vocational education in schools.
3. Mixed technical-vocational education is a mixture of technical-vocational type out of schools with technical-vocational type in schools in which learning-teaching is organized in the same educational statute. This includes short-term trainings and learning in modules or in credit units which can be transferred to long-term learning as needed by target groups.
4. Participatory technical-vocational education is a type of collaboration and cooperation among technical-vocational institutes and enterprises and factories towards the building and upgrading labour forces with specific occupational curriculum by learning-teaching in two places i.e.: theories and basic skills are learned in schools and practical sessions or internships are conducted in business places, factories or production places.

### **Article 12      Organisations for Building Labour Skills**

Organisations for building labour skills can be:

- Public organisations;
- Public-private or public-foreign organisations;
- Domestic and foreign private organisations;
- Civil society organisations, foundations and associations.

### **Article 13      Structure of Building Labour Skills**

Structure of building labour skills in technical vocational education and professional training is the following:

1. First-level technical vocational education is a specialized technical vocational education for graduates from lower secondary schools which is divided into regular curriculum and continuous or connecting curriculum as detailed below.
  - First-level and regular line: 3 years of education;
  - First-level and continuous line: used for mixed professional trainings which is divided into four levels i.e.: basic or primary professional education 1; primary professional education 2; semi-specialized or primary professional education 3; and specialized or primary professional education 4.
  
2. Second-level professional education is technical and professional education for graduates from upper secondary schools which is divided into two different curricula i.e.: regular curriculum and continuous or connecting curriculum as detailed below.
  - Second-level and regular curriculum: 2-3 years of education for graduates from upper secondary schools or equivalent, basing on specialisation;
  - Second-level and continuous or connecting curriculum: 1-2 years of education for graduates from first-level professional education 4 or specialised professional education, basing on specialisation.
  
3. Tertiary-level professional education is technical and professional education for graduates from upper secondary schools or equivalent, which is divided into two different curricula i.e.: regular curriculum and continuous or connecting curriculum as detailed below.
  - Tertiary-level and regular curriculum: 2-3 years of education for graduates from upper secondary schools, basing on specialisation;
  - Tertiary-level and continuous or connecting curriculum: 1-2 years of education for all graduates from all types of second-level professional education, basing on specialisation.

In addition to the building labour skills at tertiary-level professional education, higher continuous or connecting curriculum can also be conducted.

#### **Article 14 Qualification of Building Labour Skills**

Qualification of building labour skills is the following:

1. Graduates from first-level professional curriculum 1 and 2 shall receive basic professional certificates;
2. Graduates from first-level professional curriculum 3 shall receive semi-specialised professional certificates;
3. Graduates from first-level professional curriculum 4 or 9+3 system of regular and continuous curriculum 3 shall receive specialised professional certificates;
4. Graduates from second-level professional curriculum of both regular and continuous curriculum shall receive second-level or technical professional certificates;
5. Graduates from tertiary-level professional curriculum of both regular and continuous or connecting curriculum shall receive tertiary-level professional certificates;
6. Graduates from a curriculum of building labour skills higher than the tertiary-level professional education shall receive educational qualification as stated in the curriculum.

**Article 15 Places for Building Labour Skills**

There are 4 types of places for building labour skills as follows:

- Technical-vocational and professional training centers;
- Technical-vocational schools or mixed vocational schools;
- Technical-vocational schools or missed technical-vocational schools;
- Technical-vocational colleges, technical colleges.

**Article 16 Learners and Eligibility of Participants for Building Labour Skills**

Learners and eligibility of participants for building labour skills shall follow provisions of Articles 34 to 40 of the Law on Education.

**Article 17 Teachers and Benefits for Teachers**

Teachers teaching for building and developing labour skills are divided into two types as following:

1. Theory teachers: are those who have been trained in both pedagogy and specialisation, and teach theories of various subjects and practices of fundamental science subjects and specialisation subjects;
2. Practice teachers or trainers: are those who have been trained in both pedagogy and specialisation, and teach practices of various subjects in workshops and business places (factories). In addition, they also lead students-learners for internship.

Teachers receive salaries, wages and other benefits in accordance with the laws and regulations. State organisations and civil organisations shall pay attention to teachers by providing opportunities to upgrade their knowledge, by allowing them to go to study pedagogy and other specialisations within the country or in foreign countries, and by providing appropriate benefits so that teachers will increase their knowledge and capabilities to successfully perform their duties in building labour skills.

**Article 18 Professional Standards**

Ministry of Education determines professional standards in coordination and cooperation with Ministry of Labour and Social Welfare and relevant sectors to study national professional standards in the development of technical vocational education and professional trainings.

**Article 19 Authorities responsible for Building Labour Skills**

Ministry of Education is responsible to build labour skills, approve and issue curricula, learning-teaching materials, endorse professional qualifications, and manage technical aspects of building labour skills in its vertical line from central to local levels.

### **Chapter 3 Developing Labour Skills**

**Article 20 Objectives of Developing Labour Skills**

Developing labour skills has the following objectives:

- To develop labour skills in accordance with socio-economic structure and development of regions in order to balance labours between urban and rural areas;
- To aim to promote knowledge, capability, expertise and attitude of Lao labours by upgrading, testing and certifying labour skill standards, so that people who have basic professional education or a professional level can upgrade to higher level, and people who have actual experiences and who are in disadvantage situations can participate in developing their labour skills, aiming to supply skilled labours to labour units and projects;
- To develop labour skills in accordance with the 3-level standards in order to develop Lao labours and become closely to ASEAN and international standards.

### **Article 21 Types of Developing Labour Skills**

Developing labours skills has two types as following:

- Developing labour skills in accordance with standards, and upgrading, testing and certifying labour skill standards in labour skill development centers and institutes;
- Training Lao labours outside labour skill development places, mainly in labour units, business places or occupational groups, and mobile trainings for regional economic structure development projects.

### **Article 22 Organisations for Developing Labour Skills**

Organisations for developing labour skills can be:

- Public organisations;
- Public-private cooperation organisations;
- Domestic-foreign cooperation organisations;
- Labour units and projects;
- Occupational groups;
- Head hunting enterprises or companies.

### **Article 23 Structure of Developing Labour Skills**

Structure of developing labour skills is determined by levels as following:

- Basic level labour skills: less than 6 months of learning, for labours that have never received professional trainings;
- Labour skills level 1: semi-specialised curriculum, 6 months of learning for general target groups;
- Labour skills level 2: specialised curriculum of 6-month training for those who have been tested for standards of labour skills level 1 with working experiences of 1 year;
- Labour skills level 3: craftsman-level curriculum of 6-month training for those who have been tested for standards of labour skills level 2 with working experiences of 1 year;
- Labour skills level 4: supervisor curriculum of 6-month training for those who have been tested for standards of labour skills level 3 with working experiences of 2 years;

### **Article 24 Development and Approval of Curriculum**

Labour skill development centers or institutes shall research and develop labour skill development curriculum and propose to Ministry of Labour and Social Welfare for consideration, approval and issuance.

#### **Article 25 Standard of Labour Skills**

Standard of labour skills is the determination of knowledge, capability, professional expertise and attitude of labours as references for testing and endorsement of labour quality. This has 3 levels i.e.:

- National labour skill standards;
- Local or occupational labour skill standards;
- Occupational group labour skill standards.

#### **Article 26 Building Labour Skill Standards at each Level**

Building labour skill standards at national level is to gather and improve local or occupational labour skill standards to a higher level, which is the national labour skill standards in accordance with ASEAN, regional and international labour skill standards.

Building labour skill standards at local or occupational level is to gather and improve labour skill standards of associations or occupational groups and projects to a higher level which is the local or occupational labour skill standards.

Building labour skill standards at occupational group level is to gather and improve labour skill standards of labour units to a higher level which is the occupational group labour skill standards.

Labour skill standards at each level shall be endorsed by national technical vocational education and labour skill development consultation council which consists of three parties: public organisations, employers and employees, and approved for use by Ministry of Labour and Social Welfare.

#### **Article 27 Category of Labour Skill Standards**

Labour skill standards are divided into four levels:

- Labour skill level 1 semi-specialised labours;
- Labour skill level 2 specialised labours;
- Labour skill level 3 craftsmen;
- Labour skill level 4 supervisors.

#### **Article 28 Places, Vehicles and Equipment for Developing Labour Skills**

Places, vehicles and equipment for developing labour skills shall be made available to examiners, committees, participants to labour skill developing, and for testing of labour skill standards, in order to facilitate the achievement of quality of labour skill standards in accordance with the laws and regulations.

Ministry of Labour and Social Welfare, local administrations and relevant sectors shall promote stakeholders to invest in building places, and providing vehicles and equipment for testing and developing labour skills.

Establishment of labour skill development centers or institutes shall be in line with national socio-economic development plan and labour skill development strategic plan, and approved by Ministry of Labour and Social Welfare.

**Article 29 Eligibility of Participants for Developing Labour Skills**

Participants for developing labour skills shall have the following eligibilities:

1. Wishing to have occupations or to change to new occupations;
2. Having a level of labour skills and wanting a higher level;
3. People who will work in foreign countries;
4. People who will start a new work in labour units and projects;
5. Having previous actual work experiences, and wanting to be tested labour skills, and receive labour skill certificates.

**Article 30 Teachers for Labour Skill Development**

Teachers for labour skill development are:

1. Theory teachers;
2. Practice teachers;
3. Examiners for labour skill standard testing.

**Article 31 Standards of Teachers for Labour Skill Development**

Teachers for labour skill development shall have the following standards:

1. Having stable political view, revolutionary attitudes, ethics, love of teacher profession, good human relationship, good role model and good responsibility;
2. Having graduated from relevant fields of profession with qualification of at least tertiary education, having been trained in pedagogy and labour skill standards;
3. Having knowledge in foreign languages and being enthusiastic to learn new technologies.

**Article 32 Benefits for Teachers for Developing Labour Skills**

Teachers for building labour skills receive salaries, wages and other benefits in accordance with the laws and regulations.

State organisations, civil organisations, legal entities and individuals shall pay attention to teachers for building labour skills by providing opportunities to upgrade their knowledge, by allowing them to go to study pedagogy and training relating to testing of labour skill standards and other necessary specialisations within the country or in foreign countries, and by providing appropriate benefits so that teachers for developing labour skills will increase their knowledge and capabilities to successfully perform their duties in developing labour skills.

**Article 33 Expenses of Participants to the Labour Skill Development**

The Government uses 1.5% of the fund of personal income tax in accordance with Article 11 of the Labour Law for the expenses each year for poor people, people with disabilities, disadvantage people, talent people, and children of people who have done great things for the nation, in the form of tuition fees and scholarship in accordance with the laws and regulations.

Labour units sending their labours to participate in the labour skill development shall use 1% of salary fund of their labour units in accordance with Article 11 of the Labour Law for registration fees.

Participants to the labour skill development falling within the two above-mentioned target groups shall be responsible by themselves of registration fees.

#### **Article 34 Obligations of Employers towards Labour Skill Development**

Employers of labour units or projects shall have the following obligations:

1. Before opening the businesses or projects in Lao PDR, [the employers] shall develop skills of Lao labours, so that they will have knowledge and capabilities to work;
2. For labours that have been certified of their labour skill standards, the employers shall acknowledge such certificates and determine salaries or wages in accordance with the certificates. For labours that have not been certified of their labour skill standards, the employers shall test them and determine salaries or wages in accordance with the result of the test of labour skills;
3. During the operation of businesses or projects, [the employers] shall train new employees, contribute to the participation to labour skill competition in the country or in foreign countries, upgrade skills of eligible employees, respond to expenses in relation to labour skill upgrading, and place the employees in positions and pay them corresponding to their labour skill levels;
4. The employers shall be responsible to require foreign labours working for their labour units or projects to transfer relevant knowledge, techniques and technologies to Lao employees since the beginning till the end of their employment contracts;
5. The Employers shall establish a fund equal to 1% of salary fund of all employees annually for expenses to build and develop labour skills within their responsibilities, without deducting salaries or wages and social welfares of the employees. Such fund, if not used for expenses to build and develop labour skills within labour units or projects, shall be transferred to the fund for building and developing labour skills of Ministry of Labour and Social Welfare.

#### **Article 35 Service Providers for Developing Labour Skills**

Service providers for developing labour skills are those who are authorized to establish training centers and institutes for developing labour skills, and approved by Ministry of Labour and Social Welfare.

Service providers for developing labour skills shall have the duties to manage participants to the trainings and training institutes, organise learning-teaching in accordance with the curriculum, implement strictly the state laws and regulations, set up rules, and provide appropriate benefits to personnel working in the places for labour skill development.

#### **Article 36 Organisations responsible for Developing Labour Skills**

Ministry of Labour and Social Welfare is responsible to develop labour skills, test and certify labour skill standards, including labour skill competition, approval for establishment of labour skill development centers and institutes, endorse, approve and issue curricula and handbooks for labour skill development, manage technical aspects in its vertical line from central to local levels, and coordinate and cooperate with both

public and private relevant sectors, especially the tripartite representatives: government organisations, employers and employees.

## **Chapter 4**

### **Testing Labour Skill Standards**

#### **Article 37 Objectives of Testing Labour Skill Standards**

Objectives of testing labour skill standards focus on certifying levels of skill standards of employees who graduated from training centers, institutes and colleges, and who have actual working experiences, to ensure capabilities in performing duties and determination of salaries or wages appropriately for employees.

#### **Article 38 Eligibilities of Participants to Testing of Labour Skill Standards at Various Levels**

Participants to the testing of labour skill standards at each level shall have the following specific eligibilities:

1. Testing of labour skill level 1: for graduates from semi-specialized curriculum (6 months) or people who have specialized actual experiences of more than 2 years;
2. Testing of labour skill level 2: for graduates from specialized curriculum (+6 months) with 1 year working experience or people who have been certified labour skill level 1 with specialized actual experiences of at least 2 years;
3. Testing of labour skill level 3: for graduates from craftsman curriculum (+6 months) with 1 year working experience or people who have been certified labour skill level 2 with specialized actual experiences of at least 2 years;
4. Testing of labour skill level 4: for graduates from supervisor curriculum (+6 months) with 2 year working experience or people who have been certified labour skill level 3 with specialized actual experiences of at least 4 years.

#### **Article 39 Standards of the Testing**

Testing labour skills shall meet the following standards:

1. Sufficient knowledge, capability and skill to perform the works;
2. Performing of works shall ensure safety and environment;
3. Know how to select, use and maintain vehicles, equipment and tools to properly perform the works;
4. To correctly follow steps of work procedures;
5. To select and use materials and equipment in an economic manner, and ensure the quality;
6. To perform duties and complete the works on time;
7. Results of the work shall meet standards of quality.

#### **Article 40 Principles applicable to Testing of Labour Skill Standards**

Testing of labour skill standards shall follow the following principles:

1. General principles;
2. Testing regulations;
3. Testing topics in accordance with testing subjects;
4. Testing procedures;

5. Scoring and testing of theory knowledge and testing of capability and skills in performing actual works. This has 100 scores as follows:
  - a. Testing of theory knowledge and attitudes in forms of questionnaires, multi-choice questions and interview 25 scores.
  - b. Testing of capabilities and skills in performing actual works, total of 75 scores consisting of:
    - Quality of work performance 45 scores;
    - Use of tools, material and equipment 10 scores;
    - Safety and environment 10 scores;
    - Speed of actual work performance 10 scores.
6. Summary of test results.

**Article 41 Organisations for Testing of Labour Skill Standards**

Ministry of Labour and Social Welfare authorises the testing of labour skill standards of each level as follows:

- Occupational groups including technicians from labour units shall organise the testing;
- Local or occupational level including technicians from relevant occupational groups and projects shall organise the testing;
- National level including experts and technicians from labour skill development institutes and relevant sectors shall organise the testing.

Places for testing of labour skill standards in each level shall be in line with actual contexts for appropriate tests.

**Article 42 Certification of Labour Skill Standards**

Certifying labour skill standards is to endorse test results of test committees which certify labour skill standards of those who have passed test procedures.

All employees who have eligibilities as stated in Article 38 and have passed the test in accordance with Article 40 of this Decree shall receive certificates of labour skills from labour skill standard test committees.

People who have been certified by the labour skill standard test committees shall receive certificates from labour skill development institutes.

**Article 43 Issuance of Certificates of Labour Skill Standards**

Labour skill building and development centers or institutes authorized by Ministry of Labour and Social Welfare shall issue certificates of labour skill standards of each level in accordance with regulations.

**Article 44 Professional Qualification Equivalency**

Professional qualification equivalency of labour skill development is as follows:

- Labour skill certificate of basic level is equivalent to first-level professional certificate 1 or 2;

- Labour skill certificate level 1 is equivalent to first-level professional certificate 3;
- Labour skill certificate level 2 is equivalent to first-level professional certificate 4;
- Labour skill certificate level 3 is equivalent to second-level professional certificate;
- Labour skill certificate level 4 is equivalent to tertiary-level professional certificate;
- Tertiary-level certificate with 1 to 3 years of learning or training is equivalent to supervisor.

Higher professional qualification shall be compared with learning or training curriculum of each occupation field.

**Article 45 Acknowledgement and Use of Labour Skill Standard Certificates**

Employers shall acknowledge professional qualification and certificates of labour skill standards of employees who will be accepted to work for such employers.

Business operators relating to an occupation shall have labour skill standard certificates of themselves or of their relevant technicians in order to comply with the laws and regulations.

Employees holding a labour skill standard certificate can attempt a test higher than their levels.

Labour units and projects that admit employees to work for them shall determine salaries or wages in accordance with labour skill standard certificates of the employees, in which semi-specialised or craftsman’s assistant level shall higher than the minimum salary of 100,000 Kip, and each higher level shall receive salary twice higher than immediate lower level.

**Article 46 Organisation for Labour Skill Competition**

Labour skill competition is a show off of knowledge, capabilities and skills among employees. It is also a way to promote and upgrade Lao labour skill standards. It is organised by state organisations, by state organisation in collaboration with private sectors, or by private sectors.

Organisation for labour skill competition shall follow the following regulations:

1. National labour skill competition is once a year, in which laureates of local or occupational level competition or professional group competition will attend this completion in order to select excellent labour skill competitors for competition in ASEAN and World competitions. This level of competition is considered and approved by Ministry of Labour and Social Welfare;
2. Local or occupational level competition or professional group competition can be organised many times a year in order to select excellent labour skill competitors for competition at national level. This level of competition is considered and approved by provincial/capital departments of labour and social welfare.

Hosting a competition at ASEAN level is considered and approved by the Government.

Regulations, procedures, competition rules, principles of giving competition awards, as well as participation to labour skill competition at ASEAN or World level are determined by Ministry of Labour and Social Welfare.

## **Chapter 5**

### **National Technical Vocational Education and Labour Skill Development Consultation Council**

#### **Article 47 National Technical Vocational Education and Labour Skill Development Consultation Council**

National Technical Vocational Education and Labour Skill Development Consultation Council, abbreviated to “NTVELSDCC” is a Government’s technical organisation, has the duties to lead, direct, consider, endorse and certify research results of important matters relating to building and developing labour skills in Lao PDR, and acts as a secretariat to the Government in coordinating with public and private sectors regarding this work.

#### **Article 48 Organisation Structure of the National Technical Vocational Education and Labour Skill Development Consultation Council**

National Technical Vocational Education and Labour Skill Development Consultation Council has the following organisation structure:

- Council committee;
- Standing committee;
- Technical Vocational education development committee;
- Labour skill development committee;
- Office of the “NVELSDCC”;
- Occupational groups.

#### **Article 49 Personnel Structure of the National Technical Vocational Education and Labour Skill Development Consultation Council**

National Technical Vocational Education and Labour Skill Development Consultation Council consists of personnel as needed which are appointed by Prime Minister to fulfil the following positions:

- |  |                   |
|--|-------------------|
| - Minister of Education  | Chairperson;      |
| - Vice Minister of Labour and Social Welfare                                     | Vice Chairperson; |
| - President of the Lao National Chamber of Commerce and Industry                 | Vice Chairperson; |
| - Director Generals or Heads of Cabinet of 3 central civil society organisations | member;           |
| - Director Generals or Heads of Cabinet from different ministries                | member;           |
| - Presidents of occupational associations  | member;           |
| - Directors of enterprises   | member;           |
| - Experts on building and developing labour skills                               | member;           |

#### **Article 50 Duties of the National Technical Vocational Education and Labour Skill Development Consultation Council**

National Technical Vocational Education and Labour Skill Development Consultation Council has the following duties:

1. To research and interpret policies of the [Lao People’s Revolutionary] Party and the Government relating to the building and developing skills of Lao labours in each period, and turn them into strategies, plans and projects in order to assign and supervise organisations, relevant research institutes and technical vocational education and labour skill development facilities to implement them;
2. To consider and endorse legislatures, strategic plans, programs, projects and policies relating to budget and use of funds for technical vocational education development and labour skill development, for submission to the Government to approve the implementation;
3. To consider and endorse training systems and forms, occupational standards, factory labour skill standards, standards of facilities for technical vocational education and labour skill development, labour skill examination or test standards, and endorse certificates of all levels in accordance with the development of the country;
4. To research, consider and endorse scientific status, ranks, honours and awards for individuals, legal entities, teachers and personnel of technical vocational education and labour skill development;
5. To supervise and research regarding the establishment of provincial/capital technical vocational education and labour skill development consultation councils in coordination and cooperation with provincial administrations;
6. To supervise and lead coordination and cooperation works between public and private sectors and organisations within the country and in foreign countries relating to the technical vocational education development and labour skill development.

**Article 51 Rights of the National Technical Vocational Education and Labour Skill Development Consultation Council**

National Technical Vocational Education and Labour Skill Development Consultation Council has the following rights:

1. To approve the use of operation plan of the National Technical Vocational Education and Labour Skill Development Consultation Council;
2. To request to the Prime Minister to appoint and replace positions within the National Technical Vocational Education and Labour Skill Development Consultation Council;
3. To approve the establishment and cancel units, to appoint and replace positions of personnel of “NVELSDCC” including the appointment of personnel for the works in the country and in foreign countries;
4. To endorse occupational standards or labour skill standards, training standards, curricula and examination or test standards for labour skill standards;
5. To exercise other rights as assigned by the Government.

**Article 52 Operation of the National Technical Vocational Education and Labour Skill Development Consultation Council**

Detailed operation of the National Technical Vocational Education and Labour Skill Development Consultation Council is provided in separate regulations, which are:

- Regulations applicable to national and local Technical Vocational Education and Labour Skill Development Consultation Councils;

- Regulations applicable to committees, offices and occupational groups.

## **Chapter 6**

### **Fund for Building and Developing Labour Skills**

#### **Article 53 Objectives of the Fund for Building and Developing Labour Skills**

Establishment of fund for building and developing labour skills is to ensure the operation of building and developing labour skills. The Government authorises to establish the fund for building and developing labour skills at national and provincial/capital levels, abbreviated to “FBDLS”, aiming to create opportunities and promote employees, people with disabilities, disadvantage people and talent people to receive trainings and development of labour skills in training centers, schools, colleges, institutes, labour units, projects, etc. It supports scholarships for studying and competition of labour skills, awards and short-term loans in order to improve skills of Lao labours and meet the demands to turn into industrialisation and modernisation gradually.

#### **Article 54 Sources of Fund for Building and Developing Labour Skills**

Sources of fund for building and developing labour skills are from:

1. Government’s budget which is 1.5% of tax on salaries of employees each year. The Ministry of Finance shall transfer the money to the fund in accordance with Article 11 of the Labour Law;
2. Money of employees which is 1% of salary or wage fund of the employees each year without deduction of salary or wage of the employees, but the fund of labour units with direct contribution in accordance with Article 11 of the Labour Law. If it is not used, it shall be transferred to the fund for building and developing labour skills;
3. Donation, support or assistance in cash or in kind from domestic and international individuals, legal entities and organisations, public organisations and civil society organisations;
4. Money received from contribution of membership enrolment of the “NVELSDCC”;
5. Interests or benefits derived from the fund, and other activities of building and developing labour skills.

#### **Article 55 Use of Fund for Building and Developing Labour Skills**

Fund for building and developing labour skills shall be used for the following works:

1. Building and developing labour skills for target groups that the Government promotes;
2. Meetings of committee and sub-committees of the “NVELSDCC”;
3. To purchase materials, equipment, tools, and machines for building and developing labour skills;
4. Testing and issuing certificates of labour skill standards;
5. Domestic and international labour skill competitions, and job fairs;
6. Statistical data collection relating to the building and developing of labour skills;

7. Congratulation, awards and other benefits for employers and employees who researched and produced excellent products for the society or who received awards from regional and international labour skill competitions;
8. To provide benefits for trainers, teachers of building and developing labour skills;
9. Use for other purposes as agreed by the “NVELSDCC”.

**Article 56 Use, Management and Inspection of Fund for Building and Developing Labour Skills**

Ministry of Labour and Social Welfare is the management and inspection organisation for the national fund for building and developing labour skills in accordance with Article 67 of the revised Labour Law.

Details relating to the establishment, management and use of the fund are provided in separate regulations.

**Chapter 7  
Administration and Inspection of the  
Building and Developing Labour Skills**

**Article 57 Administration and Inspection**

Administration and inspection is to perform the works relating to the administration and inspection of the building and developing labour skills, aiming to ensure the implementation of policies, laws, regulations, plans, programs, projects, and standards, and to ensure the quality relating to the building and developing labour skills. Positive aspects shall be encouraged. Negative aspects and violation of laws and regulations shall be restricted and solved. Results of the works shall be summarized, assessed and evaluated to ensure that the management and administration of the building and developing labour skills are correct and transparent.

**Article 58 Administration and Inspection Agencies**

1. Administration and inspection agencies for building of labour skills consist of:
  - Ministry of Education;
  - Provincial/capital departments of education.
2. Administration and inspection agencies for developing of labour skills consist of:
  - Ministry of Labour and Social Welfare;
  - Provincial/capital departments of labour and social welfare.

**Chapter 8  
Awards for Good Performance and  
Measures against Violators**

**Article 59 Awards for Good Performance**

Individuals, legal entities or organisations that have outstanding performances in implementing this Decree as certified by the “NVELSDCC” will receive awards and other policies in accordance with relevant regulations.

Employers and employees who researched and produced outstanding products for the society or who have received awards from regional and international labour skill competitions will receive awards appropriately.

**Article 60 Measures against Violators**

Individuals, legal entities, labour units, training centers, schools, colleges, and training institutes that violate this Decree will be educated, warned, recorded of the offences, fined and temporarily suspended the licenses.

In the event of continuous violation of this Decree, licenses relating to the operation of building and developing labour skills will be revoked. Violators will be punished in accordance with laws and regulations of Lao PDR depending of severity of the case.

**Chapter 9  
Final Provisions**

**Article 61 Implementation**

Ministry of Labour and Social Welfare and Ministry of Education are the center for coordination and cooperation with relevant stakeholders to implement this Decree with success and efficiency.

Ministries, ministry-equivalent organisations, local administrations and other organisations shall acknowledge and strictly implement this Decree.

**Article 62 Effectiveness**

This Decree is effective from the date of signature and from the fiscal year 2010-2011. Any regulations and provisions that contradict this Decree shall be cancelled.

**The Prime Minister of Lao PDR**

*[Signature and seal]*

**Bouasone BOUPHAVANH**