

## LAOS IN THE 1980s<sup>+</sup>

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In many ways the first five years of existence of the Lao People's Democratic Republic (LPDR) were disastrous for the country. The economy all but collapsed; inflation necessitated successive devaluations of the currency; almost the entire educated class fled abroad; the country was as dependent as ever on foreign aid; and the "special relationship" with Vietnam had led to confrontation with China and the prospect of increasing Chinese backed, anti-government insurgency. In part these developments were due to external factors beyond Laos' control; but in part they were also the result of structural weaknesses in the Lao People's Revolutionary Party (LPRP), its ideological dependence upon Vietnam for models of radical social change, and the eagerness of its leaders to apply those models without adequate consideration of whether they were really appropriate for Lao conditions.

On the positive side, however, the regime managed to consolidate its political position and extend its administrative control throughout the country. Some 700,000 people were resettled. A concerted attempt was made to develop a sense of national solidarity and identity among the country's multi-ethnic population. Security was generally maintained; and the broad lines of future economic policy were laid down.

This paper will begin by outlining the interaction between external and internal factors in accounting for these various developments, both positive and negative. It will then go on to examine, given this rather shaky foundation, the situation in Laos today and the country's prospects for the future. Discussion will centre upon the economy, the minorities question, internal security, and foreign relations with a view to indicating major problem areas which the Lao government is likely to encounter during the decade of the eighties.

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## THE POLITICAL SITUATION

Two external factors have radically affected internal politics in Laos over the last few years: the first was the collapse of rightist regimes in Phnom Penh and Saigon in April 1975; the second was the Vietnamese invasion of Kampuchea and subsequent border war between China and Vietnam. While the first greatly speeded up the seizure of political power by the Pathet Lao (PL) and strengthened pro-Vietnamese elements within the Party, the second forced Laos into an even closer dependency upon Vietnam than had already occurred, thus provoking the enmity of the People's Republic of China (PRC). Both events have had important repercussions on a further range of internal policy decisions.

The decision by Hanoi to seek a negotiated withdrawal of American forces from South Vietnam provided conditions for the Pathet Lao to enter into a third experiment in coalition government with the political right in Laos. The care with which PL coalition strategy was formulated, the structure of the Provisional Government for National Union, and the liberal-progressive consensus embodied in the PL's eighteen point political programme (support for the monarchy, a joint private-state economy, individual liberties, etc.) made it clear that the Party had embarked upon a long term strategy of building a mass following in those rightist areas not previously open to PL recruitment and propaganda. The political line implied in this policy of compromise and coalition can be characterized as in one sense moderate, and in another as essentially "Lao" in its recourse to traditional values and methods of dealing with political conflict.

The events of April 1975 immeasurably strengthened the position of the PL in the Lao coalition, and convinced the Party that conditions existed for a far more rapid seizure of power. There is no indication that this decision was anything but unanimous. Its effect, however, was to strengthen the position of those within the party who wanted to press ahead with more rapid and radical social change in accordance with models which in part were the common heritage of all Marxist states (democratic centralism, dictatorship of the proletariat, etc.), but which in their specific features borrowed heavily from Vietnamese experience<sup>1</sup>.

When the LPDR was formally established on 2 December 1975 this "Vietnamese" policy line was in the ascendant. In seizing power, methods had been applied which drew upon revolutionary precedents unknown in traditional Lao politics. Yet the Party encountered surprisingly little opposition. People were prepared for change. If some changes went further than expected, most Lao were still prepared to cooperate with the new authorities. Such a reaction undoubtedly strengthened the hand of those who wanted to push ahead faster with the socialization of Lao society.

The position of pro-Vietnamese elements<sup>2</sup> within the LPRP was further strengthened by the need, as Hanoi saw it, for Laos to be brought into a close and dependent relationship with Vietnam. The difficulties which the Vietnamese experienced in their dealings with both Kampuchea and China during 1976 and 1977 convinced them of the need to cement their position in Laos. With the signing of the 25 year Treaty of Friendship and Cooperation between Laos and Vietnam in July 1977, it became clear that no anti-Vietnamese sentiments would be permitted in the LPRP. Subsequent purges within the Party have borne this out. Lao policy options have thus been limited - not only as far as foreign and defence relations are concerned, but also internally, for there is always a danger that Lao nationalism, if encouraged, could take on an anti-Vietnamese complexion<sup>3</sup>.

The influence of these external factors explains much that happened in Laos during the first five years of the new regime. Within the broad context of the conditions created by these factors, decisions have been made which have exacerbated internal problems. In particular, actions taken by the government in the second half of 1975 and during 1976 created an atmosphere of fear and distrust which contrasted strikingly with the earlier enthusiasm which greeted the PL's eighteen point programme. Much of this change of attitude was induced by PL suspicion of anyone who had had dealings with the previous government, the forced detention in remote reeducation camps of thousands of military officers and civilian officials, many of whom had voluntarily gone to study the policies of the new regime, and the secret denunciation and arbitrary arrest without recourse to legal or even personal defence which threatened at any time.

While these actions on the part of the PL permitted the Party to consolidate its political power, they also reflected both organizational and ideological weakness: the former stemmed from the geographic and ethnic peculiarities of the "liberated zone"; the latter from the historic dependence of the LPRP on Vietnamese tutelage. Unlike the Vietnam Communist Party (VCP) and the National Liberation Front in South Vietnam, the Pathet Lao did not have a well developed apparatus of Party members and sympathizers in the "Vientiane government zone" when they seized power in 1975. Although most of the Party hierarchy were ethnic Lao, many lower ranking cadres and the bulk of the army were from tribal minorities, known collectively as Lao Soung (high altitude dwellers such as the Yao and Hmong) and Lao Theung (living on the lower slopes and speaking Austronesian languages). These cadres were often resented by ethnic Lao in the Vietiane zone, and their effectiveness as agents of the new regime was limited.

The Party's organizational weakness among the better educated and politically sophisticated ethnic Lao (or Lao Loum, comprising approximately half of the population) led it to isolate anyone who might serve as a focus of opposition

to the new regime. This action was taken as a security measure, but as detainees failed to return anxiety mounted among all those who had served the former regime. An obsessive concern with security also marked the government's reaction to the negligible threat posed by demoralized and discredited exiles in Thailand. Constant calls for heightened revolutionary vigilance engendered an atmosphere of mounting tension and fear.

The harsh line taken by the government in seizing and consolidating power had a disastrous effect upon the nation's economy. Fear of arrest, uncertainty over where the country was going, and restrictions on private enterprise combined to send thousands of refugees across the Mekong to Thailand. Those who fled included not only corrupt rightist politicians and their families, foreign traders (Chinese, Indian, some Vietnamese) but also many technically trained personnel whom the country could ill afford to lose - teachers, doctors, agricultural technicians, construction engineers and middle level civil servants. This movement built up its own momentum as those who had migrated to third countries urged others to leave. So great has been the loss of trained managers and technicians that the government in 1980 began bringing former ranking civil servants back from reeducation camps to responsible positions within the bureaucracy<sup>4</sup>.

Ideologically the weakness of the Party has been reflected in its acceptance of Vietnamese theoretical analyses which have often proved inapplicable to Lao conditions. Insufficient emphasis has been given to analyzing specific Lao situations in applying Vietnamese formulae such as the "Three Revolutions"<sup>5</sup>. In part this has been because of the close relationship between the VCP and the LPRP which enabled the Lao to appropriate the historical experience of the Vietnamese Communist movement without taking account of their own peripheral position and the particular circumstances this entailed. But in part it was also a product of the ethnic and geographic limitations of the Lao revolution. Far more thought went into development of an effective minorities policy during the war years, for instance, than into a study of the Lao Loum peasantry, their traditional relationship to the land, and their attitudes to social change.

Evidence that the Party did not devote sufficient analysis to material conditions in Laos comes from its failure to win the allegiance of the majority class it claimed to represent, the peasantry. The agricultural tax law of October 1976 and the cooperativization programme of 1978-79 both owed more to ideological preconceptions than to any grassroots understanding of the mentality and aspirations of peasant farmers or the traditional structure of Lao village communities. Little attempt was made to build from what existed. The agricultural tax failed to differentiate in practice between rich and poor peasants, and in addition penalized higher production through a progressive tax scale. This not only succeeded in alienating almost everyone, but also encouraged

the sale of surplus rice on the black market. The cooperativization programme took no account of land ownership patterns or traditional village relationships. Neither measure was adequately explained to farmers beforehand, and in neither case was the government equipped to fulfill its own role - either in tax collection, or in provision of inputs to make cooperatives attractive. Both measures were applied by poorly trained cadres in ways which were counter productive. In the case of the cooperativization programme insufficient attention was given to the need to permit some private agriculture, and coercion was often used where voluntary membership was essential<sup>6</sup>.

Peasant reaction to the forced pace of cooperativization took many forms, from deliberate non-cooperation in administration to the burning of crops and, in some cases in southern Laos, migration to Thailand. As much as anything it seems to have been the failure of the cooperatives programme which forced the government and Party to rethink their policies. The programme was terminated in July 1979. Five months later came the Party's Seventh Resolution which charted a radical change in direction for the Lao economy, and which seemed to take account for the first time of specific conditions in Laos<sup>7</sup>. This was confirmed by Kaysone Phomvihane in his speech marking the fifth anniversary of the founding of the Republic when he said: "In the present world there exists no model indicating the way to progress towards socialism for a small, economically backward country newly emerged from the trials of a long and brutal war, like ours"<sup>8</sup>.

This change of direction in Party policy in Laos was, of course, linked to external events - to Vietnamese desire for a solution to the Kampuchean problem and attempts to woo ASEAN away from China, and to more overt Chinese hostility towards the Lao regime. It was also dictated by the internal situation in Laos - by the need to improve the economy, stem the flow of refugees, and reduce the unpopularity of the government with a view to preventing the growth of anti-government insurgency. But in political terms, in carrying through the change the Party showed itself prepared to adopt a more flexible and pragmatic approach which interestingly is more characteristic of a "Lao": means of advancing towards socialism, than of the more dogmatic "Vietnamese" policies in force between 1975 and 1979. Any conclusion, however, that a "Lao nationalist" group is in the ascendent must be resisted. The economic and political liberalization which took place during 1980 could not have been carried through without Vietnamese approval. Clearly the "special relationship" which Laos enjoys with Vietnam must limit any nationalist overtones in this policy change. Nevertheless, it may be suggested that "Lao" influences within the Party have been strengthened by the realization that earlier policies were inappropriate, and may lead, Vietnam willing, to the building of a specifically Lao form of socialism in the years ahead. The alternative is to see enforced a carbon

copy of Vietnam which could only end by reducing Laos to the status of a Vietnamese province. Even the most staunchly pro-Vietnamese members of the LPRP Central Committee may balk at such a prospect.

## ECONOMIC PROBLEMS

That Laos' first five-year plan endorsed the provisions of the LPRP's Seventh Resolution seems to indicate that the changes introduced were not conceived as short term measures. In broad terms the government aims to end the economic backwardness of the country, increase national production, introduce progressive changes in the social domain, raise living standards, and guarantee national defence. More specifically the economic development plan for 1981-1985 envisages a total increase in national production of around 65% (total agricultural production to go up by 23-24% - rice by 20% maize, soybeans and peanuts by 60%, tobacco by 89% - industrial production to more than double)<sup>9</sup>. Investment in basic construction will rise by about 50%. Living standards are to be improved since employment by the government is to go up by 40-45%, and the budget for salaries will increase two and a half times. At the same time the government intends to provide more consumer goods and foodstuffs by increasing internal distribution (goods transported internally to go up 80-85%; availability of merchandise to increase 1.7 to 1.8 times). While these are ambitious enough targets, their realization is even more so if it is realized that the government intends to raise income obtained internally by as much as 40%. This is in line with the goal of self-sufficiency which the government claims to be pursuing, but as revenue falls far short of expenditure at present, the country will continue to be almost completely dependent on infusions of foreign aid for the foreseeable future. At present this is provided by the Soviet bloc, but Laos can ill afford the termination of Chinese aid, and lack of any commitment on the part of the United States and most Western countries, including France.

During the five-year period (1981-85), new budgetary regulations are to be introduced and a new customs and excise law drawn up. Badly needed monetary stability is to be ensured through the application of systematic controls, avoidance of deficits and wastage, and "the vigorous application of a regime of austerity". Ministries were called upon to propose special projects. In particular, the National Planning Committee and the Ministries of Finance, Industry and Commerce are to combine to devise measures to "reinforce the active dynamism of the nation" and to improve conditions for private commerce. The Party has accepted that, given the underdeveloped state of the Lao economy, private enterprise is still essential for economic welfare. All five sectors of

the economy (state, collective, mixed, private and subsistence) have their contributions to make.

Other important aspects of the five-year plan include priority work on routes 9 and 13, the former linking the Vietnamese port of Danang with the central Lao town of Savannakhet, the latter running north to Vientiane; the construction of a polytechnic university in Vientiane in 1983 or 1984 to train desperately needed technicians; and the opening of a number of cultural centres such as a national theatre, circus and library. Education is to receive special attention with adult illiteracy (ages 15 to 45) to be abolished by 1985, and primary school attendance to rise to 635.000 children. The number of doctors and medical assistants is to be increased three fold, and hospital beds to go up 32 % to 13.000. Finally, to increase foreign currency earnings tourism is to be encouraged by restoring and embellishing historic sites.

The Lao five-year plan points up a number of priority areas where economic weakness has been most pronounced. The first of these is inflation. Twice the government has changed all banknotes while devaluing the currency - from the kip of the former regime to the "liberation kip" of the Pathet Lao zone, and now to the "National Bank kip". Monetary instability plagued the former Royal Lao government since independence from France in 1953, and the new authorities have been no more successful in dealing with the problem. It is likely to persist until underlying deficiencies in the Lao economy have been overcome and people regain confidence in the government. Not until the country is self-sufficient in food supplies, and can increase exports of agricultural, forestry and mineral products to meet a substantial percentage of budget expenditure will the problem of inflation be overcome - a goal unlikely to be achieved this decade<sup>10</sup>.

Laos has abundant natural resources for a nation of little more than three million people, but faces difficulties in exploiting them. Transportation is a problem, and one that adds considerably to the cost of products. Lao dependency on Thailand for access for her imports and exports has meant that these are held up every time the Thai government closes the border. But the alternative route to Danang, while cutting dependency on Thailand, will add to costs. Also Thailand is in a better position than is Vietnam to supply Laos with basic consumer goods, and economic ties with Thailand remain essential to the Lao economy. However Laos lacks sources of foreign exchange: and payment for Soviet bloc aid, especially aid from Vietnam, has tied up a number of available resources. Article 9 of the five-year plan called for planning of "the programme guaranteeing (delivery of) agricultural market products destined for export within the framework of the various agreements and contracts already entered into"<sup>11</sup>. Just what these contracts are has never been made public.

Much depends upon the increase that can be obtained in agricultural production. The government has raised its procurement prices, modified its taxation law,

and all but abandoned its cooperativization programme with a view to improving the lot of the peasantry, and encouraging production. However unless inflation can be controlled and the lack of consumer goods overcome, peasants will have little incentive to produce more. One way in which the government intends to meet this problem is by introducing a barter system through state shops and a few model cooperatives where peasants can exchange rice directly for such items as agricultural implements and consumer goods<sup>12</sup>. If this is extended to such industrial crops as coffee, peanuts and tobacco it may enable the government to gain a greater share of these products for the benefit of the state, despite relaxation of controls on private commerce.

Investment in small scale industry and government enterprises depends almost entirely on what Laos' Soviet bloc partners are prepared to provide in terms of project aid. This in turn depends upon Soviet and Vietnamese decisions on successive stages of the Lao five-year plan. But it also depends on the availability of necessary Lao inputs, notably whether there are trained managers and technicians to run any new enterprise. The loss of trained personnel has seriously retarded the Lao economy, and it will still be some years before sufficient numbers of young cadres can be educated in Vietnam and the Soviet Union to take the place of those who are now refugees. A further problem concerns the centralization of decision-making in the LPRP, in part a legacy from the guerilla war, in part an inbuilt structural weakness. When even minor technical matters have to be decided by overworked deputy-ministers, unnecessary hold-ups inevitably occur<sup>13</sup>.

Finally something needs to be said about the difficulties of internal communication in Laos. Cost of fuel, the distances involved, few roads, and their poor state of repair, all make it extremely difficult to transport goods to outlying areas and to procure surplus products or collect taxes. The government has attempted to make a virtue of necessity by promoting the concept of regional self-sufficiency and permitting direct trading contacts with neighbouring provinces in both Thailand and Vietnam. This has resulted in a degree of provincial autonomy surprising in a centralized socialist state. It has also resulted in a lack of discipline when Central Committee directives had been misapplied at the regional level, or various excesses committed in the name of the Party<sup>14</sup>. This has had implications in two major areas: the treatment of ethnic minorities and internal security, both of which have been exacerbated by poor communications.



## MINORITY PROBLEMS

During the years of guerilla struggle, the LPRP extended its control over much of the mountainous region of northern and eastern Laos inhabited by various Lao Soung and Lao Theung minorities. However, not all the tribal peoples joined the resistance. Most notably the majority of the Hmong and Yao of northern Laos did not. These groups had been trained and supplied by the American CIA virtually as a private army, and knew they could expect no sympathy from the new regime. But the fighting which went on during 1976 and 1977 between Lao government forces backed by the Vietnamese and Hmong remnants who had refused to flee the country did nothing to further the government's professed policy of national reconciliation and unity. Nor did its often heavy handed attempts to get the hilltribes to abandon traditional ways of life in the name of national progress and production. The forced relocation of people in areas where they could practice wet rice cultivation instead of destructive slash and burn agriculture has met with considerable resentment. So too have official efforts to prevent the periodic slaughter of livestock for "superstitious" animist festivals.

The government is faced with the problem of forging a national identity among the country's sixty-eight different ethnic groups in which not only the culturally dominant lowland ethnic Lao, but also the tribal peoples can share. This is recognized as a national priority if Laos is to withstand the pressures being exerted on the country by the geopolitical power struggle taking place in mainland Southeast Asia. Yet there is a contradiction involved in the government's policy of encouraging traditional culture and promoting freedom of religious belief and practice, while at the same time stressing national unity and identity. Just about every ethnic group in Laos spills over one frontier or another: each therefore has more in common with at least some citizens of another state than with their fellow "Lao". The possibilities for subversion are therefore legion<sup>15</sup>.

A possible precedent for government policy towards minority cultures has been provided by its treatment of Buddhism. Buddhism had necessarily to be deposed as the national religion, both for the sake of national unity since half the population were animists, and in order not to compete with the political dominance of Marxism-Leninism. But so deeply was Lao history and culture impregnated with Buddhist values, that the government wisely decided to permit it a continuing role in Lao society. Buddhism has been subordinated to the requirements and goals of Party policy, and the Sangha (the monastic community) reduced to a mass organization similar to the association of Lao women, youth or farmers. Under these conditions its continued existence seems assured. As a result there are indications that Buddhism in Laos is

coming to terms with its new situation, and religious tensions do not now appear to be a serious problem for the regime<sup>16</sup>.

## INTERNAL SECURITY

The difficulties the government has encountered in generating a sense of national unity and identity, especially among those mountain peoples suspicious of its intentions have directly affected the nation's internal security. Ethnic divisions have always been exploited by those powers interfering in Laos' internal affairs - Vietnamese, Thai, French, Americans, and now Chinese. Tribal dissatisfaction in northern Laos is being exploited by Chinese backed propaganda teams to build up opposition to the government in Vientiane and its Vietnamese mentors. In so doing the Chinese are drawing upon the fund of goodwill they established in the region during their *de facto* occupation while constructing between 1962 and 1978 a network of roads linking the area with southern China<sup>17</sup>.

Whether or not significant numbers of tribesmen turn against the government to the point of taking up arms will depend on how the government handles its minority problem. In June 1981 the government called a conference of minority peoples with a view both to enhancing solidarity between different groups and with the regime, and to putting the government's point of view on the security situation. In January 1982, Kaysone Phomvihane could report to the Supreme People's Assembly that more youths from tribal minorities had been recruited into the Lao People's Liberation Armed Forces than in any previous year<sup>18</sup>.

In the minority areas, the Army is clearly the major integrative institution. But whether it is as effective as the government hopes will depend on the extent to which stated commitments to improving tribal living conditions can be fulfilled, while respecting traditional life styles. This will require increased provision of consumer goods, improved educational opportunities, and health and agricultural extension work. But these in turn depend on improved communications. Time may not be on the government's side.

Along the length of the Mekong, and especially in southern Laos, the government faces a different security problem posed by the presence in Thailand of various resistance organizations (*kou sat*) dedicated to overthrowing the present regime. While these organizations are politically divided and often ineffective, there are signs that they may be prepared to work together within a common Front, that they are receiving more material assistance than previously from Thailand and even from China, and that their guerillas can count on increasing support (if, in most cases passive support) from the peasant population inside Laos<sup>19</sup>.

The government in Vientiane has responded to the security threat both by attempting to upgrade its own security forces, particularly at the regional level, and by calling upon its defence agreement with Vietnam to station some 50,000 Vietnamese troops in the country, many along the Mekong and in southern Laos along the Kampuchean border. These measures have only been partially effective. While security around Vientiane and in major towns is good, in the countryside local defence forces are poorly trained and equipped, and poorly motivated. Attempts to use the cooperatives programme to improve security failed dismally when peasant opposition played into the hands of the resistance. In addition, the presence of Vietnamese troops has not always been as effective as might be expected. Like any occupation forces they are largely confined to their bases, leaving the villagers, the *kou sat* and whatever Lao security forces there are to come to their own *modus vivendi*. Also the presence of the Vietnamese provokes widespread dislike among the Lao, including Pathet Lao supporters and Party rank and file, which anti-government propaganda is quick to exploit<sup>20</sup>. Lao dependency upon the Vietnamese thus has its drawbacks; and nowhere is this more evident than in the field of foreign affairs.

#### FOREIGN RELATIONS

Since the Geneva Agreements of 1954, a central strand of Lao thinking on foreign relations has been the belief that for the country to survive, hemmed in as it is by more powerful neighbours, it should pursue a policy of neutrality. Despite concerted attempts by the United States to undermine this position, it was re-emphasized by the International Accords on Laos of 1962, only to be again subverted as the Vietnam war polarized political forces in the region. And yet a facade of neutrality remained, embodied in the figure of Souvanna Phouma. In reality, however, Laos became divided into three *de facto* areas of control, with the Vietnamese in the east, the Chinese in the north, and the Americans and Thais along the Mekong.

Widespread popular support for neutrality as Laos' foreign policy was recognized by its incorporation into the coalition's eighteen point political programme of 1974, and its inclusion in the national slogan for a Laos "peaceful, independent, democratic, united, prosperous and neutral". The only one of these to be dropped (to be replaced by "socially progressive") when the LPDR was founded in December 1975 was neutrality. Laos was no longer to be neutral, but aligned with the socialist bloc, an outpost of communism in South-east Asia. This sacrifice of neutrality, which had brought with it only doubtful benefits, was compensated for by the possibility at last of genuine national unity. In other words Laos' new leaders were prepared to exchange a pseudo-

neutrality which left the nation divided for the protection of a powerful neighbour under whose umbrella a socialist regime could promote real national unity and identity - not in the case of so ethnically divided a country an exchange to be necessarily condemned. If this could have been done with the benevolent approval of Beijing, while preserving essential economic ties with Thailand, it could well have proved an effective foreign policy.

There was, however, one unforeseen circumstance: the reluctance of the Chinese, as their relations with Vietnam cooled, to accept Vietnamese hegemony over Laos. The Chinese were loath to abandon their area of influence in northern Laos. Ironically China was only forced to withdraw its road construction teams when already at war with Vietnam<sup>21</sup>. Although there is evidence that Lao leaders were reluctant to see relations with China deteriorate, as the China-Vietnam conflict deepened Laos became of mounting strategic importance for the defence of Vietnam. Hanoi's pressures on Vientiane to follow pro-Vietnamese policies increased to the point where solidarity between the two countries, and Heng Samrin's Kampuchea, is now described as a developmental "law"<sup>22</sup>. Neutrality therefore is no longer an option for the present government.

This close relationship with Vietnam, said to be "as close as flesh and skin", has led to two serious adverse effects for Laos. The first is confrontation with China which threatens to lead to a new guerilla war in Laos; the second is strained relations with Thailand which have complicated the country's economic problems. In the third Indochina war, between China and Vietnam, Laos is of even greater strategic importance to both sides than it was during the second. For Vietnam, Laos protects the country's long and vulnerable western border, and provides access to both northern Kampuchea and north-eastern Thailand. For China, Laos would provide the possibility of containing Vietnamese ambitions in mainland Southeast Asia, encouraging Kampuchean nationalism, and exercising a large measure of influence on Thailand. For both sides in the new struggle for power in Southeast Asia, Laos is of central importance, and the outlook must be for conflict, by proxy, to develop there<sup>23</sup>.

Already there is every indication, as mentioned above, that the Chinese are deeply involved in laying the groundwork for an insurgency in northern Laos. This could possibly lead to re-establishment of a *de facto* zone of Chinese control in this region, providing the Vietnamese were content not to contest it<sup>24</sup>. But if, as seems likely, the northern insurgency is coordinated with a stepped-up insurgency in central and southern Laos mounted from Thailand with Chinese support, then the Vietnamese may decide that the position of the Lao government is so threatened as to require the kind of active military support Hanoi is forced to provide in Kampuchea.

Relations with Thailand have also suffered as a result of Laos' close relationship with Vietnam. Two years of patient effort to improve Lao-Thai relations

founded in mid-1980 on the problem of Kampuchea. A shooting incident on the Mekong led to closure of the Thai border largely because each side suspected the other of acting on behalf of a third power, the Thai for China, the Lao for Vietnam. But of the four powers involved or implicated, Laos suffered most. Prices rose dramatically, and the economic experiment ushered in by the Seventh Resolution suffered a setback. Once again, if the Lao needed to be reminded of it, the importance of Laos' economic relations with Thailand was demonstrated.

#### CONCLUSION: FACING THE 1980s

In relations with both China and Thailand, Laos' "special relationship" with Vietnam appears to have led to the sacrifice of Lao national interests for the sake of Hanoi. The fragile state of the Lao economy, and its dependence on foreign aid, both suggest the need for Laos to foster the best possible relations with Thailand and China, as well as with the West. Vientiane's links with Hanoi, however, are likely to continue to act as a constraint upon Lao freedom of action to shape such external factors to the country's advantage. Any moves to improve relations with any state can only be with Vietnamese consent. Initiatives aimed at improving relations with Beijing seem most unlikely in the absence of some overall settlement of the conflict between China and Vietnam.

For the present leadership of the Lao People's Revolutionary Party, however, the "Vietnamese connection" does have a positive side. To begin with it ensures their own political survival. So close is the relationship between the revolutionary elites of both countries, and so united is the Lao leadership, that there seems little likelihood of a political power struggle which could result in serious disruption of present policies. In addition the Vietnamese are assisting the Lao in almost every conceivable way - from providing ideological training and organizational expertise to economic assistance and military security<sup>25</sup>.

Far from reducing the Vietnamese presence in Laos, therefore, stepped up insurgency is likely to increase it. Depending on the extent and degree of unrest, communications and transportation could become more difficult than at present, as efforts to improve them are hampered. The economic effects of such an insurgency are difficult to foresee, though it seems certain that greater expenditure would have to be devoted to defence, and that regulations on private commerce and movement would need to be re-introduced as part of an effort to deny guerillas any popular support. This in turn might have the effect of undermining the government's present bold attempt to chart a new economic course, and lead to the imposition of a harder political line.

The above is a "worst case" scenario: the "best case" might be as follows. The wider geopolitical problems over which Laos has no possible influence could be resolved in such a way as to undercut external support for guerilla forces in Laos. If this were done, the outlook for the eighties would be more encouraging. The government seems determined to press ahead with its new economic policies for the duration of the first five-year plan. In agreeing on this more pragmatic line the Party has recognized the need to proceed more slowly than some of its leading cadres had hoped. It has shown itself more prepared to work out Lao solutions to Lao problems, rather than apply foreign models. If this tendency continues, a real improvement in living standards seems possible as the country peacefully develops its abundant natural resources.

To be realistic, however, it would seem unlikely that either the "worst" or "best" case will occur. On the one hand, peace seems likely to elude the Lao, in the future as in the past; on the other hand the preconditions for a full scale anti-government insurgency do not yet appear to exist. The outlook is rather for a continuing low level Chinese-backed insurgency, just sufficiently disruptive to make it difficult for the government to promote its development programmes in outlying rural and minority areas. Under these circumstances, perhaps the best that the Lao government can do is to adopt a low international profile, obtain economic assistance from whatever source possible, and commit all its efforts to ensuring the success of the first five-year plan. If this course of action is effective, and the Vietnamese embrace does not become too stifling, there is just a possibility that the Lao can build a form of socialism differing significantly from that of Vietnam - not least in its incorporation of traditional Lao modes of social interaction and cultural values. It may be a slim hope, but for the Lao people it is one worth pursuing.

### Notes

- 1) This experience was of the mobilization of a population at war, under conditions very different from those pertaining in a Laos at peace for the first time in more than twenty years. The Vietnamese themselves, however, drew upon similar inappropriate models. See Amphay Doré, *Le Partage du Mékong* (Paris: Encre, 1980), pp.188-191. Also Alexander Woodside, "Nationalism and Poverty in the Breakdown of Sino-Vietnamese Relations", *Pacific Affairs* 52 (1979), p.400.
- 2) The seven-man Politburo, and indeed all the top echelon of leadership of the LPRP, has displayed remarkable cohesion. However, it is possible to

discern two broad groups (faction would be too strong a term) favouring the use of different political means to attain similar goals. Within the Politburo, what might be called the "Lao" tendency is represented by President Souphanouvong, and Education Minister Phoumi Vongvichit; whereas the "Vietnamese" position is advanced by Prime Minister and LPRP Secretary-General Kaysone Phomvihane, Finance Minister Nouhak Phoumsavanh, Defence Minister Khamthay Siphandone, and Vice-President of the Supreme People's Assembly Sisomphone Lovansay. Foreign Minister Phoun Sipraseut stands somewhere between the two. Kaysone and the "Vietnamese" tendency is further strongly supported by the four powerful ministers attached to the office of the Prime Minister, namely Saly Vongkhamkao, Chanmy Douangboudy, Sisavath Keobounphanh and Maychantane Sengmany. On these two tendencies, see Martin Stuart-Fox, "The Lao Revolution: Leadership and Policy Differences", *Australian Outlook* 31 (1977), pp.279-288.

- 3) Thus the importance of "proletarian internationalism" is constantly stressed by Lao leaders, along with "solidarity between the three nations of Indochina". Just as Vietnamese nationalism easily takes on an anti-Chinese character, so Lao nationalism, like Khmer nationalism though less intensely, readily becomes anti-Vietnamese. For Lao attitudes to other races, see P. B. Lafont, "Images Laotiennes", *Revue de Psychologie des Peuples* 21 (1966), pp.472-488.
- 4) The author interviewed two such returnees during a research visit to Laos and Thailand in December 1980. The total number of Lao refugees has been estimated at 300,000 (*Bangkok Post*, 25 November 1980), but this includes a number of Thai who previously lived in Laos, obtained Lao papers, and since have returned to Thailand.
- 5) For a discussion of the "Three Revolutions" as these are conceived and applied as the essential theoretical line guiding the building of socialism in Laos, see Kaysone Phomvihane *La Révolution Lao* (Moscow: Editions du Progrès, 1980), especially pp.200-210.
- 6) For a detailed discussion of the cooperative programme, see Martin Stuart-Fox, "The Initial Failure of Agricultural Cooperativization in Laos", *Asia Quarterly*, no.4 (1980), 273-299. Of some 2,500 nominal cooperatives, only 60 or so retain any organizational basis, according to U.N. sources. Correspondents are told however, that the 2,500 are still in existence but that "property has not been touched; only work is performed in common and each (farmer) disposes of his own crop once agricultural taxes are paid" (*Le Monde Diplomatique*, December 1980, p. 7) - but this was always the case in the traditional Lao village. New agricultural taxes were introduced in August 1980 based upon yield per field to be assessed every five years. Private plots are not taxable. See Khaosan Pathet Lao, *Bulletin Quotidien*, 13 August 1980.

- 7) Kaysone Phomvihane, Speech to the Supreme People's Assembly, 26 December 1979, broadcast over Radio Vientiane, 27 December 1980 (translated by Foreign Broadcasts Information Service, 18 January 1980, and in a special supplement 8 February 1980). Ideological support for the change in direction embodied in the Seventh Resolution was provided by oblique reference to Lenin's New Economic Policy, but the political way for such a move was cleared by the earlier decision of the sixth plenum of the Vietnam Communist Party which ushered in somewhat less radical economic reforms in southern Vietnam.
- 8) Khaosan Pathet Lao, Bulletin Quotidien, 3 December 1980, p. 8. This change in direction was endorsed by the Third National Congress of the Lao People's Revolutionary Party, held in Vientiane, April 1982. See Political Report of the Central Committee, unofficial roneoed translation (Vientiane, April 1982).
- 9) These and subsequent figures are given in Khaosan Pathet Lao, Bulletin Quotidien, 29 November 1980 pp. 5-7, 1 December 1980 pp. 13-15, and 2 December 1980, pp. 14-16. Some figures have subsequently been revised. See Nayan Chanda, "Softly-softly socialism", Far Eastern Economic Review, 28 May 1982.
- 10) Annual imports of goods and services ran at more than four times the level of imports for the period 1976-79, while the current account deficit rose to US \$ 81 million in 1979, 27 per cent of that year's GDP. See International Monetary Fund, Report no. SM/80/174 of 22 July 1980, entitled "Lao People's Democratic Republic - Recent Economic Developments", pp. 27-28, and table A, p. 29.
- 11) Khaosan Pathet Lao, Bulletin Quotidien, 1 December 1980, p. 14.
- 12) Interview with Dr. Soumphavan Inthavong Deputy President of the National Planning Committee, Vientiane, 5 December 1980.
- 13) These points are made in the Asian Development Bank's "Economic Report on Lao People's Democratic Republic", No. LAO:Ec-4, May 1980, pp. 68-70.
- 14) Notably in connection with the cooperativization of agriculture. See, for example, the editorial in Sieng Pasason, 15 June 1979, translated by the Joint Publications Research Service, no. 835, 10 August 1979, p. 55.
- 15) For a discussion of the relationship between economic development and security as these affect minorities see Martin Stuart-Fox, "Socialist Construction and National Security in Laos", Bulletin of Concerned Asian Scholars 13, no. 1 (January-March 1981), 71-81.
- 16) The relationship between the new regime and Buddhism has been treated at length in Martin Stuart-Fox and Rod Bucknell, "Politicization of the Buddhist Sangha in Laos", Journal of Southeast Asian Studies 13, no 1, (March 1982), pp. 60-80.



- 17) For a discussion of the strategic significance of these roads see Paul F. Langer, "The Soviet Union, China and the Revolutionary Movement in Laos", *Studies in Comparative Communism* 6 (1973), pp. 80-82, and footnote 32.
- 18) Kaysone Phomvihane, speech to the Supreme People's Assembly, 11 January 1982, as carried by *Khaosan Pathet Lao, Bulletin Quotidien*, 12 January 1982, p. 4. For Kaysone's speech to the Nationalities Conference, and conference results, see *Foreign Broadcasts Information Service*, 16 and 18 June 1981.
- 19) See the Proclamation of 15 September 1980 and the "National Pact of Support and Solidarity" of 14 December 1980, published by the United Lao National Liberation Front, and report carried in *Beijing Review*, 27 October 1980, pp. 11. In July 1981 a number of exiled former Lao leaders met in New York during the U.N. debate on Kampuchea and agreed to cooperate in the Front. Nominal leader of the Front is former Lao strongman Phoumi Nosavan. See *Agence France Presse*, 24 July 1981 (*Foreign Broadcasts Information Service*, 24 July 1981).
- 20) I have examined Lao defence and national security at length in a paper to appear in Martin Stuart-Fox, ed., *Contemporary Laos: Studies in the Politics and Society of the Lao People's Democratic Republic* (Brisbane: Queensland University Press, 1982), pp. 220-244.
- 21) For a detailed examination of these events see Martin Stuart-Fox, "Laos: the Vietnamese Connection", in Leo Suryadinata, ed., *Southeast Asian Affairs 1980* (Singapore: Heinemann/Institute of Southeast Asian Studies, 1980), pp. 181-209.
- 22) So described in an editorial in the Lao Party daily, *Sieng Pasason*, carried in *Khaosan Pathet Lao, Bulletin Quotidien*, 15 August 1980, p. 5.
- 23) For a discussion of Chinese policy towards Laos, see Martin Stuart-Fox, "Laos in China's Anti-Vietnam Strategy", *Asia Pacific Community*, no 11 (Winter 1981), 83-104.
- 24) In May 1981 the Lao government reacted angrily to what it said were Chinese military incursions into Lao territory and continued Chinese provocations. See *Radio Vientiane* 16 and 23 May 1981 (*Foreign Broadcasts Information Service*, 18 and 26 May 1981).
- 25) The Lao-Vietnamese relationship is analyzed in depth by Carlyle A. Thayer, "Laos and Vietnam: The Anatomy of a 'Special Relationship'", in Martin Stuart-Fox (ed.), *Contemporary Laos*, pp. 245-273.