

Mekong River Development Schemes for Laos and Thailand. – A Hope for the Future?

by Joel M. Halpern¹

Cambodia, Laos, South Vietnam, Thailand — even to the specialist concerned with Asian affairs these countries conjure up images primarily of war and destruction. With the present accelerating withdrawal of American forces in Vietnam, and despite the continual stalling of the talks in Paris, the war at least seems not to be increasing in overall intensity; and perhaps it is “winding down”, even though meaningful peace negotiations may not yet be in sight. While no one can possibly foresee the details of a potential peace settlement it is legitimate to begin to think not only about conceivable post-war political developments in the area but also to give attention to possibilities of socio-economic development.

The Mekong River

The Mekong with a length of 2,600 miles is one of the world's longest rivers. Rising in the Himalayas of Tibet it flows for 2,600 miles through China, Thailand and the countries of former Indochina. It reaches the sea through its delta in South Vietnam, an area of criss-crossing canals, the rice granary of South Vietnam. For a large part of its length the Mekong forms the political border of Thailand and Laos. This frontier, established as a result of French colonization, separates people of similar ethnic background (as is the case with so many others with a similar history). The Lower Mekong Basin, calculated as starting from the area of the Burma, China, Lao border, contains an area of some 236,000 square miles.

In terms of stream flow the Mekong is among the most mighty in the world. In flood stage it has exceeded by one-third the largest flow ever recorded on the lower Mississippi. It has never been bridged or dammed on its main stream. To give some idea of the potential of the Mekong, preliminary surveys undertaken for the Pa Mong Dam (planned for an area just to the north of the Laotian capital of Vientiane) estimate that the annual flow at that dam site is approximately 50% greater than the Aswan, and the estimated potential hydro-electric output is two and a half times greater. The irrigation capability is two to three times larger.

But having cited these and other impressive facts it thereby does not follow that by damming the Mekong in this region a prosperous future is assured for this part

¹ The author has served as chairman of the Mekong Seminar of the Southeast Asia Development Advisory Group (SEADAG) of the Asia Society of New York (sponsored by the Agency for International Development of the U.S. Government). The research on which this article is based was performed under a SEADAG grant.

of mainland Southeast Asia. Even assuming the end of military action there are formidable problems involved with securing the necessary capital for investment. Thus in order to build a Pa Mong costs are estimated to range from half to three-quarters of a billion dollars (indexed to 1967 prices), or up to 50% more than Aswan, exclusive of power lines. Then there are political problems to be resolved. In the case of the Pa Mong, for example, how would such a dam, built on the border of Laos and Thailand, be owned and operated? (Possibly the arrangements reached by Yugoslavia and Rumania on their Danube dam may offer some useful hints.) More difficult to cope with are the long-term ecological implications of such an enormous project. The economic and social aspects of an undertaking of this size must also be considered. But in a time of war the prospects of such peace-time difficulties can be seen only as encouraging for the future.

Multi-National Cooperation

A political scientist writing about multi-national cooperation in Southeast Asia and specifically about E.C.A.F.E. and its Mekong Project remarks, "There does not seem much prospect of any great development of E.C.A.F.E. as a major force in Asia because it is a creation of the U.N. and the members are represented officially. It has not taken on the form of a movement; each government sends its representatives and the representatives vote according to what their government wants them to do. There does not seem to be very much prospect of making a big step forward."² It is admittedly true that listening in on the proceedings of a meeting of E.C.A.F.E.'s Mekong Committee is not particularly inspiring. But then the "big step forward", which is anticipated by the above analyst, presumably refers to some supra-national political commitment. If so, then the Mekong Committee or its parent body of E.C.A.F.E. is the wrong place to look for such a development since, as the name of the parent committee implies, its work is of primary economic and social import. The political implications, although they do exist and are important, cannot be said to be the main focus of formal concern. Rather, it is in the working out of technical projects that gives significance to the Mekong Committee. This is often a tedious and undramatic business but is one which may have a more far-reaching significance than the political crises of the moment. The matter of acquiring technological competence is of vital importance to the countries of mainland Southeast Asia if they are ever to emerge successfully from colonialism and subsequent dependency.

Lao-Thai Cooperation

So far those projects which have been built involve single countries only. An example of this type is the Nam Pong Dam near the town of Khong Kaen in Northeast Thailand, constructed between 1964 and 1966 with the aid of a loan from the German government. The Nam Ngum Dam, now in the process of construction to the north-

² Prof. Vasant K. Bawa, "Regional Integration in Asia", Centre d'Etude du Sud-Est Asiatique et de l'Extreme Orient, Institute de Sociologie de l'Université Libre de Bruxelles, May 27, 1969, p. 27.

east of Vientiane (by a Japanese firm) goes a step further, in that it is planned that a substantial portion of the power produced will be exported to Thailand.

A meeting of the kings of Thailand and Laos on a barge in the middle of the Mekong to dedicate the construction of the transmission line for Nam Ngum power is perhaps symbolic of future kinds of cooperation that multi-national hydroelectric projects can help bring about.

Trained Personnel

As foreign reporters have never tired of pointing out, Laos until recently had such a shortage of trained personnel that virtually every professionally-trained person had had to become a minister or high government official. By 1970 this was no longer the case. Lao were being trained in France and elsewhere on government scholarships. In common with other Southeast Asian countries Laos was faced not only with the problem of recruiting and training personnel but of retaining them at home once their training had been completed. This situation was clearly outlined by a foreign consulting engineer in a report to the Mekong Committee in 1969:

"It is probable that in ideal circumstances a project such as Nam Ngum could be operated by a powerhouse staff of approximately 15 skilled persons of whom 3 senior positions would be filled by thoroughly experienced graduate engineers. In practice the staff structure will have to be related to the available skills and it is anticipated that a significantly greater work force will be required, including a higher proportion of graduates.

While Electricité du Laos has a good training program at the technician level, it may nevertheless be appropriate to record in this paper the concern felt by the Managers and Consulting Engineers regarding the availability of qualified Laotian engineers. It has not been the practice, in awarding fellowships for overseas technical education, to make provisions for the future employment of the graduate on specific projects in Laos. It follows that foreign-educated engineers are hard to trace. In some case they have found employment overseas. In other cases they have returned to Laos and occupy positions in various government departments, mainly in Vientiane. For the Nam Ngum Project it is essential that sufficient importance and prestige be associated with the development, so that suitably qualified engineers are willing to live and work at the project site."

It does not take much imagination to visualize what lies behind these dry words. How much nicer it is to have an office job in Vientiane and be able to politic and advance one's career while enjoying the city's pleasures rather than be stuck at a remote outpost in the jungle.

Dams and cultural values

An intriguing aspects of being concerned with dam development is that one is soon facing directly many of the problems which challenge our modern existence. Eugene R. Black, former President of the World Bank and advisor to President Johnson,

proudly observed the progress in Thailand, remarking, "My experts in the World Bank, grave and conservative men, were quite confident that by the early 1960's peak power demand in Bangkok would be rising at a healthy eight to ten percent a year and five percent in the countryside. . . . A decade after that first decision on the Chao Phya [dam], the demand on Thailand's power system was growing at the phenomenal rate of 29 percent a year" (speech of September 20, 1968). Grave and conservative men, would they feel at home in a garish neon-lit Bangkok night club or perhaps an air conditioned "massage parlor?" For these delights of the flesh they may be too conservative, but they are sure to feel comfortable in a similarly air-conditioned luxury hotel or office. No one who has seen Bangkok in the late fifties or again in the late sixties need be at all surprised at the source of increasing power demand. The enormous increase in hotels, office buildings and places of amusement is as overwhelming as the bumper-to-bumper traffic and the filling-in of the canals. Do the western nations, by supporting Mekong (or at least the Thai elite and their Chinese merchant associates) power projects, confirm the Thai in "their expanding sin of profit-making and self-indulgence?" Does ostentatiously ascetic Hanoi or the quiet of non-developing Rangoon, where yellow-robed monks file through that city's quiet mornings with their rice bowls, please the aesthetic senses of the westerner more and represent more positive human values than gaudy Bangkok? Such questions are clearly beyond the competence of the solemn financial bureaucrats of the World Bank, primary financier of the Nam Ngum and a potential one for other Mekong projects, that is as long as the capacity for repaying the loan exists along with the bright lights.

With colonialism receding into the past and the active interventionism and militant anti-communism of the United States seemingly tapering off, this is not quite the time for westerners to prescribe the future socio-economic development of Thailand or other Southeast Asian countries, to say nothing of the ambiguous model of "developed" societies set in western Europe and North America. However, it is reasonable for students of Southeast Asian change to inquire into the broader significance of the utilization of increasing capacity for power generation. This inquiry becomes even more pertinent if we examine the implications with respect to the objectives of Mekong development projects. A Thai official of ministerial rank, a graduate engineer trained in one of the best North American universities, remarked in his Bangkok office, against the background of the Buddhist altar occupying one wall of his spacious quarters, that the planning for the Pa Mong Dam project should proceed at top speed, for it would raise the standard of living of the poor peasants in the Thai Northeast and make them more resistant to communist appeals. He also strongly implied that the reservations, criticisms and comments of social and natural scientists retained as advisors in connection with Mekong River project planning were tending to get in the way of the engineers and to hinder negotiations necessary for raising the construction capital. He remarked about westerners criticizing what they had achieved and now were dissatisfied with and said they should then not stand in the way of attempts of others.

This may all be so, and not sufficiently recognized by certain self-righteous critics of grand developmental schemes. Yet even acknowledging the validity of at least certain of the official's criticisms and the often unconsciously superior attitudes of the western expert, which says to the Southeast Asian administrator in parental

fashion, "accept my superior knowledge and profit by the mistakes in my modernization history," still this does not thereby preclude questions about the minister's assumptions, such as the relationship between rural development and electrification.

Rural-urban differences

If one of the chief objectives of Mekong River development projects is to improve rural standards of living, then an additional point to be considered is the relative allocation of benefits, as for example between rural and urban areas. As might be expected in a weakly industrialized and primarily agricultural country such as Thailand, only somewhat more than 9% of the rural population has electricity as contrasted with 61% of the urban population. A total of 16% of the Thai population has been reached. Recently in Thailand there was a three to four year backlog of rural requests for electric power, based on villagers participation in providing labor and necessary local materials. However, the program is a very small one, reaching only some thirty villages a year out of a total of approximately 40,000 in all of Thailand. Thus even a dam such as Pa Mong, when built and operating, will not provide power to rural areas on a widespread basis unless an enormous additional investment is made to provide local transmission facilities. It seems clear then that until there is a drastic change in past patterns of allocation, most of the electricity generated by projected hydroelectric dams will go to urban areas. This is by no means totally negative from the point of view of the villager. New sources of electricity in towns can be used by developing industries and can create jobs, some of which may then become available to villagers who migrate to towns on either a temporary or permanent basis.

Many critics of developmental projects such as hydroelectric dams have claimed that these will increase disparity between rural and urban living standards and thus make the relative position of the peasantry worse than before the developmental program began. This is of course possible, but what such critics overlook is that a program which provides earning opportunities in the city can be as powerful an incentive for enlisting the support of rural folk as many programs of rural development. The critic presupposes that the villagers see opportunity for themselves and especially for their children in the village context only. This is emphatically not true, as the recent large-scale growth of most Southeast Asian towns attests. Seeing his children succeed in the town can give the villager great satisfaction.

An older Lao villager near Vientiane stresses how younger people have a different attitude than he about life as a farmer:

"Young people today are different. They want to get good jobs and make a lot of money. They want to study English, so they can talk to foreigners and travel. They want to live in town, build nice houses and have cars. They don't like to work as hard as we did. They want an easier life. I don't blame them. A lot of times I've wished my life were easier than it is."³

³ Fred Branfman, "The Village of the Deep Pond," (manuscript).

Thus electricity provided to urban areas can serve as a positive psychological development from the point of view of the villager if it broadens opportunity. Electricity for bars, bowling alleys and villas would not seem to fall primarily into this category. Urban development based on consumption stimulated by foreign assistance given for political reasons would not appear to lead to the developmental stability desired by the Thai official and many others.

Vientiane is a good example of this kind of situation. Electricity can be used to stimulate industrial development and help to make a country like Laos less dependent on foreign assistance. Yet even if factories are built to use the electricity these will not necessarily make the farmer more content with his poverty.

"Never any money! No money to get good medicine when you get sick, no money to buy nice food. Not enough money to give to the wat and to run religious festivals. No money for the poor farmer who works so hard. But the 'big people' who live downtown have all the money they need and don't do anything except sign papers."⁴

It is not a question of urban development versus rural development as such but rather a question of the evolving relationship between the two sectors of society. Naturally enough the farmer does not see bureaucratic tasks as productive, especially since he cannot relate these tasks to any positive changes in his own situation. When we read in a report advocating the construction of the Pa Mong Dam that the electricity demands of Vientiane will grow by an annual rate of about 16% in 1971, declining to about 11% by 1990, we are easily led to wonder what sort of city and society is envisioned by this development. Engineering planners, like the "grave and conservative" bankers, proud of their professional expertise, are for that very reason reluctant to speculate about the economic and social implications of their projects. However, a Pa Mong report does spread out a very attractive developmental menu. Among the potential industries seen as benefiting from an abundant power supply are chemical fertilizer production, iron and steel plants, calcium carbide and chlorine and caustic soda industry, pulp and paper, wood products and cement plants.

Laos is today virtually without industry. A 1966 report saw growth possibilities in forty different types of manufacturing including twelve food and seasoning processing facilities and twenty-eight industries manufacturing and processing hydrocarbons metal and metal products, chemicals and fabrics, rubber and construction. Most encouraging were those seen as using local raw materials, as in the case of pulp, paper and wood processing which can draw on large-scale available stands of bamboo, pine, varieties of softwood and rice straw. In pulp and paper industries electricity is used in substantial amounts through all stages of manufacture, so the cost of electricity has a great effect on the cost of production. Industries such as plywood and fibre board are closely related to housing needs created by expanding towns. Cement production can draw on large supplies of limestone present in Laos. More complex industries such as metallurgical and chemical are more appropriate to Thailand. This is particularly true where large investment in facilities is required. With respect to rural-urban relationships, not all of these industries need be located in large towns, in fact the economics of raw material supply would often seem to

⁴ Ibid.

indicate otherwise. Village electrification, although important for psychological reasons and for power for rice mills and irrigation pumps, can also involve industrial growth.

Irrigation and with it the potential for double — cropping is another important benefit of dam construction. Unlike power generation, which potentially can benefit both sectors of the economy, irrigation is almost exclusively rural in its implications (although urban vegetable gardens are of some economic importance). Other benefits of dam construction include flood control and navigation possibilities.

Engineering and social-biological surveys

It is not a novel observation to say that foreign aid programs frequently export yesterday's values. An example is the primacy accorded engineering in much of the planning of the Mekong Committee, on the part of the member governments, and AID. One can readily sympathize with some of the attitudes of certain representatives of the riparian countries. They want to see their countries occupy positions of increasing importance, to raise living standards, and to promote a climate of political stability. They see the power that could be generated by a Pa Mong dam as furthering these ends. Some who were trained as engineers in the United States or France seem to implicitly express the idea that their countries should strive for a kind of quick development so that as soon as possible they will no longer be dependent on others for assistance of any kind.

It would seem that some of their points of view with respect to the primacy of engineering surveys — demonstrating in economic terms the project's feasibility, securing the necessary financial support (making the project "bankable"), and then negotiating the required international agreements for the operation of the projects — are widely shared not only within the riparian countries but also on the part of aid administrators of supporting foreign governments. The implicit model seems to be the countries of western Europe and North America. Some of them seem to be saying that documentation and further studies are really not needed except for those of an engineering and cost effectiveness variety necessary to convince bankers. The desire of local officials (perhaps more in Thailand than in Laos) to draw abreast of the "developed" West through major projects is understandable. They are committed not only as technicians trying to get a job done, but some see a project such as the Pa Mong as fulfillment of a life's goal.

Writing this article from the United States in the 1970's where ecology has rapidly become a national issue, it almost seems superfluous to present alternative views to those cited above. As an academic one cannot help but be conscious of the unfortunate mass desertions of the physical sciences and engineering departments by American students. To confront "the engineers" with the "value of the social and biological sciences" would seem to be an unnecessary exercise. The fact remains that, if one examines the available documentary sources, there are virtually no comprehensive ecological, sociological or anthropological surveys for the Lao side of the river (although the situation with respect to Northeast Thailand is somewhat better). Some professionals have been involved but their reports are, for the most

part, general survey efforts undertaken some time ago. However a number of new efforts are being made.

These efforts should not obscure two important points: first, compared to the engineering and technical surveys, the work is barely begun. Second, almost all the social-biological science research has been undertaken by non-nationals of the riparian countries (this is apparently also true of most of the engineering surveys as well).

Some officials from the riparian countries and those in the Mekong Committee and donor countries may interpret social-biological research projects as potential criticism and possible obstruction when contrasted with the efforts of the engineers and the technicians who are more concerned with the how than the why. They are not completely wrong in their appraisal. However, they do sometimes underestimate the technical specialization of the scientists who frequently get more involved in specific processes than in a concern with broad consequences. On the other hand, there are many non-scientists, government officials, in the U.N., in a number of the riparian countries and in other concerned governments, who severely question whether a giant dam should be built even if these same resources would not easily be made available for alternative investments.

Lao Political and Institutional Structures

These matters, although important, skirt the main issue. How can the question of whether a dam is to be built or not be best approached? Further, from the donor countries' point of view, what is the proper role of the riparian countries, in this case Thailand and Laos, in the undertaking of feasibility studies and in the related evaluation of potential benefits?

In the case of the Pa Mong the major portion of the financing must come from outside Southeast Asia. This is also true for the major input of technical and engineering expertise as well as the involvement of the social-biological scientists. Neither adequate financial resources nor sufficient technical personnel exist at present within the area. Therefore, one may reasonably suppose that the "temporary" major involvement of foreign finance and personnel is essential so that the long range goals of economic development, lessened dependence, and improved living standards may be brought nearer. Are these assumptions, in fact, reasonable? Will a large dam promote these objectives for either Thailand or Laos?

While there were serious doubts on the part of some Thai who were interviewed, the opinion among Lao officialdom, outside of a few ministers and the personnel of the Lao Mekong Committee, was that the Pa Mong Dam was, at best, a premature proposal and, at worst, an attempt by Thailand to exploit Laos by pushing a project that will have little benefit to Laos. Many Lao officials cited the Nam Ngum Dam and suggested that it was first necessary for Laos to digest this smaller project, only now in the process of construction, before thinking of anything more elaborate. Others, especially the Lao engineers dealing with hydrological matters, suggested that a series of small dams would be much more beneficial to the interests of the people who inhabit the areas concerned.

While it would seem that, when compared to the moral and political questions raised by the war in Indochina, the involvement of the United States in the Mekong River

program can be regarded as a positive and peaceful enterprise in association with many other nations, it is, nevertheless, still possible to question some of the underlying motives of the participants, particularly the United States. It is now becoming increasingly clear, based on evidence accumulating in Africa and elsewhere, that major dam construction often has serious unintended ecological and social consequences. The relationships among dam construction, power generation, flood control, fisheries, irrigation, and recreational potential is not a closed one but includes a host of social and ecological variables.

These are now obvious, but what is less apparent is the symbolic meaning of a project such as the Pa Mong. It is certainly big and, therefore, to some, both beautiful and progressive. It is peaceful and developmental and it would seem, at least according to some reports, economically feasible. For Americans, at least, it represents something of a moral and political alternative to the war. It is also a way of fostering regional integration and bringing a consortium of nations together in an assistance effort and, therefore, is also appealing to the United Nations. These points are, of course, true of Mekong programs in general and it is hard to fault them directly.

But the Pa Mong may also be seen as a threat, an illusion, a cure-all, and, in certain ways, may appear to some even a vicious fraud in that it seems to offer a kind of easy solution to problems of development and political stability for which there is no easy solution. It perhaps may even be argued that projects as enormous as the Pa Mong may impede development. The implication here is that since a completed Pa Mong will usher in a new era of prosperity and stability, it is possible to be less concerned about the development problems faced by this region, the main step having been taken. It should be made absolutely clear that the reference here is to the Pa Mong Dam project and not to all programs concerned with the development of the Mekong. Taming a river may be a massive illusion and possibly a fraud, but the potentialities of the great Mekong and its basin are not. The people along its banks have lived with the river for millenia. They and their governments wish to modernize, but perhaps, more precisely, what many want to do is to seek new ways of living with the Mekong rather than controlling it in a western sense. Smaller dams, finite irrigation projects such as some of those already being built in Laos and planned for the Vientiane Plain, may be equally important in the long run.

At a recent meeting of the Mekong Committee the Lao representative spoke out boldly against "co-direction"; that is, he was opposed to having Europeans and/or Americans assume the primary responsibility for planning and directing of new projects. His statements were in reference to relatively small-scale irrigation undertakings envisaged for the Vientiane Plain. But, if his sentiments are at all characteristic, then it is apparent that a project such as the Pa Mong has the potential to smother the Lao and, to a lesser extent, the Thai, in co-direction. Clearly, no nation or group of nations is going to invest approximately a billion dollars without careful controls and supervision. Such monies are being spent freely in Vietnam, Laos and Cambodia for war, but they will certainly not be invested so unquestioningly for peaceful ventures.

What is the political and social environment in which the Pa Mong project is germinating? An American scholar involved with Southeast Asia has suggested the inverse of the domino theory. This applies particularly to those countries where there

is an enormous foreign aid program compared to the productive capacity of that country. Laos is a classic case in point. The result of the aid may be to prevent or at least retard the growth of responsible leadership and inhibit the development of the necessary institutional framework required for a nation to adequately manage its own development. A somewhat different point of view, but one that encompasses the same theme, came from a high-ranking American official long concerned with Southeast Asian affairs. Speaking specifically of Laos, he said he deeply regretted the role that he had played in formulating policy there in the early days of the American aid program. He felt that the aid program, as it had developed, undermined tendencies toward responsible administrative and technical leadership on the part of the Lao government.

These evaluations are fully shared by many responsible officials within the Lao government. As the director-general of an important technical ministry expressed it, "The Americans simply do not believe in Lao competence". When this remark was later discussed with a senior American diplomat in Laos, the American remarked that the statement of the Lao was absolutely correct. Another Lao official put forth the point of view that he realized how hard it was for the Americans "to be like parents to the Lao". An American official concerned with economic development put the whole matter in perspective by reminding the interviewer that the American aid program in Laos was an appendage to a war and not something to be considered primarily development oriented.

Nam Ngum Dam

Specifically in the case of the Nam Ngum Dam, no one who seriously looks at its progress can, it would appear, positively endorse a full-speed-ahead attitude on Pa Mong planning. (In this article emphasis is primarily on events as seen from the Lao rather than the Thai side of the river.) The Nam Ngum experience needs careful study because some of the problems that may occur on a much larger scale with the Pa Mong already are present in the relatively small-scale Nam Ngum project.

Officials who are knowledgeable and willing to speak frankly readily concede that the international consortium to finance the Nam Ngum (the United States is one of the main contributors) was put together primarily with political rather than economic development motivation in mind. Still, in a country like Laos, with few exploited resources and an economy almost totally dependent on foreign aid, any sort of undertaking that will at all lessen this dependence should, in the view of many concerned people, be strongly welcomed.

The way in which many aspects of the Nam Ngum project have been handled, by both foreign and Lao officials, however, does little to encourage optimism for an undertaking the size of the Pa Mong. The Nam Ngum project represents something being done to Laos by foreigners. Another question is the extent to which this something represents an undertaking for the long-range interests of Laos.

A critical issue with regard to the Nam Ngum, and one which may ultimately affect the Pa Mong, when and if it gets underway, is the war. It is true that the Pathet Lao were participating in the Royal Lao government (specifically in the Ministry of the Plan) at the time the Nam Ngum was planned, but they are not, of course, parti-

icipating in its construction. Taking the other side, it does not seem that they are doing all they might to impede its construction. While they have attacked the army camp at the dam site and blown up the house of the resident USAID American (in an unsuccessful attempt to kill him), they have not attacked the dam site as such nor the barracks of the Japanese engineers and technicians. Ambushes on the roads outside Vientiane are frequent, but Canadian, Japanese and Lao concerned with construction have continued to move relatively freely from Vientiane to the dam site.

The Pathet Lao have engaged in direct propaganda with respect to the motives of the foreign countries aiding in the construction of the dam, especially the United States, and have also tried to influence villagers about to be displaced by the flooding. They have achieved some success. A significant number of villagers have elected to go over to the Pathet Lao rather than be relocated by the government with the assistance of USAID. More important than the relatively small number of villagers who have deserted to the Pathet Lao and the minor attacks on the area of the dam site is the atmosphere of uncertainty and frustration the Pathet Lao attacks have created. Despite the enormous American aid effort, a large part of it military, foreigners who visit the area can testify to elaborate security procedures necessary. It is to the credit of the Mekong Committee that it has been able to function during the height of the war, bringing together countries which have had such diverse points of view as those of South Vietnam, Thailand and Cambodia, even when there was an absence of normal diplomatic relations. The relationship of a project such as the Pa Mong or even the whole Mekong River program to the nature of the post-war settlement is very difficult to guess at. Clearly, under present conditions big and even small dams make inviting military targets.

A prominent member of the Lao National Mekong Committee said that it was the view of a number of members of the Committee from the riparian countries that the Committee should serve not only as a coordinating body for development of the river basin as such but should also have as its purview the total development of the area. Such a view is very important when seen from the perspective of land-locked Laos. Power generated within the country could be exported not only to Thailand but to North Vietnam as well. This in turn might be related to access to the sea for Laos through North Vietnam — a condition which existed during the days of colonial rule when French Indo-China was one economic entity. The Pathet Lao, of course, have these land links. Importation through Bangkok is expensive, and obviously the development of supplemental routes would be highly desirable. The Nong Khai Bridge project on the Lao-Thai border below Vientiane, also within the scope of the Mekong Committee, would no doubt be useful.

The matter of several smaller tributary dams as opposed to a big Pa Mong dam has been mentioned. Would these dams produce as much power as the Pa Mong main-stream dam? Could they, like the Pa Mong, serve as a basis for regional economic integration? No clear answers would seem apparent at this point, but these matters do need detailed discussion before the Pa Mong is embarked upon.

Although the potential power generating capacity of a Pa Mong is of vital importance to weigh in the decision as to whether the project should be undertaken, there are other factors which do not easily fit into a cost benefit analysis. These include the ways in which the power, irrigation, fisheries and recreational potentials will be used

and then effects on rural development and urban growth. Insight into these future problems can be gained by a further examination of the Nam Ngum project.

Some members of the "feudal" Lao elite view the Nam Ngum as providing power for Vientiane and for export to Thailand as well as a place for recreation where one can have holiday bungalows and go water-skiing. ("Feudal" is a term applied by many younger Lao officials to refer to certain high-ranking officials who, in their view "are more concerned with their own position and comforts than with the future of our nation". This is not entirely an age matter since many of the officials who had achieved their positions on the basis of ability were very resentful of the younger members from "the great families" who, by means of their connections, it was felt, had reached their positions with little work or dedication.)

Because of the lack of military security and the relatively brief period before completion of the dam it was seen as being impossible to cut the timber in the Nam Ngum basin. Foresters and ecologists feel that the decaying vegetation will give off sulphurous fumes for some years, and the undergrowth left in place will prevent fishing in most of the area, (to say nothing of water-skiing or other resort pursuits). The recreational aspects were mentioned by a large number of officials who cited their concern with the problem of removing the trees. Most engineers associated with the project claim that because of its depth, failure to clear the reservoir will not affect its power generation capacity. This power-generating aspect of the dam is the primary reason for its construction. Recreation has not been seriously considered by the foreign planners as an important potential benefit. In assessing the impact of the Nam Ngum Dam on Lao society significant are both the image officials have of the dam and the use of its potential benefits. One can contrast the ideas of the dam basin as a recreation area to the concept of rural electrification. Many Lao officials are aware of the uses to which electricity could be put. Two issues emerge. Will there in fact be any comprehensive program of rural electrification? If there is a program of rural electrification what impact will it have on the economy and lives of the villagers?

Considering the first point, will the consumption of electricity generated by the dam within Laos tend to increase the already growing disparity in living standards between rural and urban areas and within rural and urban areas? If a program of rural electrification is instituted, will the benefits be disproportionately allocated to the more prosperous villagers and town-dwellers? In raising these issues the writer has no implicit simplistic model which equates economic development with social disorganization or which foresees economic development taking place with equal distribution of benefits to all concerned. But there should be some anticipation of the extent of social dislocation to be caused by technological innovation and economic development so that it may be dealt with as part of the planning process. These would be important potential problems even if there were not a war going on.

A monk, friendly to the government and with an important administrative position in the Buddhist hierarchy, stressed the need to inform the population at large about the dam project and to involve them in its implementation. Families have already been displaced in the basin area, and many Lao have been employed as laborers on the construction site. The Lao laborers have worked under the supervision of Japanese engineers and technicians, assisted in some cases by Thai specialists. As

might be expected, there has been some labor friction and even physical violence between the foreigners and the Lao workers. However, in the long run this would not seem to be very important — what is significant is the extent to which the construction of the dam will have proven to be a learning process for all the Lao involved, from high level officials to laborers. Will the next dam of comparable size built in Laos be able to be constructed with a smaller input of foreign management and expertise? An encouraging aspect is that Electricité du Laos, one of the principal organizations to distribute the power and manage the dam, has already embarked on a training program. If the dam can be run largely or even totally by Lao this will be an important achievement. More important is the question as to whether the input of extra power will serve to integrate Laotian society, or will it cause counter-productive tensions among emerging social classes?

Vientiane today

Judging by the present situation in the city of Vientiane, the outlook is not promising. The capital of Laos, with its some 200,000 people, swollen with refugees from the insecure countryside, is not an opulent city by Asian standards. Compared to any number of towns in neighboring Northeast Thailand it looks a bit drab and rundown. There had been much construction in Vientiane during the 1960's. An impressive structure is the Lao Arch of Triumph begun by a deposed right wing general in the early 1960's. This enormous unfinished concrete arch is regarded as a monstrosity by many westerners but it does seem to be a symbolic assertion of Laotian pride, as is the high but basically nonfunctional tower on the nearby new Ministry of the Interior building. The many new wats and refurbished older ones are also testimony to the continuing importance of institutionalized religion. That is, they are contemporary evidence of the traditional Lao use of money for symbolic and ideological purposes rather than functional developmental ones. These kinds of investments do, however, represent an assertion of Lao cultural identity which can be seen as providing a context for economic development.

In a different category are the many rows of new commercial shops being built on the airport road. This has been done largely with capital supplied by local Chinese and Vietnamese merchants. There are also some Thai as well as French and American commercial interests. These enterprises are maintained by the Lao economy which is principally dependent on foreign support, mainly American. Also deriving from this support is the large automobile traffic which again relies on imported cars and fuel.

Located mainly along the road connecting the landing docks opposite the Thai border town of Nong Khai and Vientiane are several industrial enterprises built in the course of the last few years. These include a cigarette factory, oil storage depot, saw mills, rice mills, a small clothing factory and nearby, in the process of construction, a pharmaceutical plant. However, with the possible exception of the cigarette factory none has more than a few dozen employees.

The only large-scale employers outside of the Lao army, police and civil service are the foreign governments. Since Laos maintains diplomatic relations with all countries the foreign employers also include the embassies of North Vietnam People's Republic

of China, and the U.S.S.R. Because of the extent of its aid program, by far the largest employer has been the United States government and its associated contracting agencies (such as the American subsidized airlines). It seems likely that the Laotian employees of the American government alone exceed by several times all Lao employed in industry and may equal or even possibly exceed those in commerce if the "foreign" Chinese, Vietnamese and Thai merchant communities are excluded.

Of almost equal importance to the new Lao government buildings, wats, and commercial establishments is construction associated with the presence of foreigners. Here again, because of their numerical preponderance, are the housing compounds of the Americans, as well as those of contract personnel. Much of this housing is built by Lao landowners (who also tend to be officials), constructed under Lao supervision, and then rented to foreigners. Some new housing has also been built for a few prosperous Lao. Clearly the cash income of a restricted social sector of the Lao population is a disproportionately large one. It may be related to the ways in which potential income generated by a dam such as the Nam Ngum may be utilized.

This housing may also be contrasted to the living conditions of a considerable portion of the population of Vientiane, who dwell in houses equivalent to those in rural areas. There is nothing wrong with the wood, bamboo and thatch houses as such, but they are a health menace when crowded together under urban conditions, without proper sewage and sources of clean water. There is also great underemployment since Vientiane lacks significant industrial and craft enterprises.

Foreign aid efforts, American, French, United Nations, Colombo Plan and others, have focused much of their resources on the rural areas outside Vientiane. Many Americans and other foreigners have been out in the countryside. But from a developmental point of view it is not clear that all these efforts by numerous foreigners in many fields of expertise have increased the ability of the Lao to manage their own affairs. This is symbolized by the failure of the Lao Army to maintain security on the Vientiane Plain adjoining the capital city. One can sympathize with the problems of the Lao in the country at large when confronted with large forces of Vietnamese, but this is not a sufficient explanation for their failure to maintain a greater degree of security in those areas adjoining the Mekong and the Thai border.

Competence coefficient

From a developmental point of view a vital question is, does a particular undertaking increase Lao competency to run their own country? A small uneconomic dam project might be "economically feasible" in the long run if it enhanced Lao ability to build a second dam project that was economic and decreased the input of foreign expertise and support. Foreign assistance is not good or bad in itself: rather it is useful only insofar as it enables a country to become more economically viable and take a greater role in managing its own destiny.

The inverse of this is seen in an irrigation project in the province of in Sayaboury. The project had a concrete dam and long irrigation canals and was designed to irrigate a large valley area inhabited by displaced Meo refugees and Lao. It was supervised

by an American engineer, with Thai technical assistants. The canals were constructed with American earth-moving machinery run by Meo and Lao workmen. One of the American officials remarked that the governor of the province took a great interest in the project. But this seems to beg the question as to whether the Lao will be able to maintain the canals and sluiceways once the project is turned over to them. Also, one would like to know, will any Lao engineers or technicians have gained sufficient experience from the construction of this project to be able to duplicate it elsewhere? A European engineer retained as a consultant to the Mekong Committee raised this question with respect to the Nam Ngum Dam. He felt that the design could have been simpler so that it could have been a learning experience for the Lao.

The above comments presuppose a primary developmental orientation with respect to Laotian activities rather than a political-strategic one. This is perhaps unrealistic. The urgency behind projects such as the Nam Ngum and the one in Sayaboury may be more strategic than developmental. Considering the status of the war in Laos this is not an unreasonable point of view as such on the part of the American government. However, it does seem that projects rushed to completion for strategic purposes are self-defeating if they do not, in the process, develop technical abilities and political confidence on the part of the citizens of the country they are designed to benefit.

It seems appropriate to suggest that a competence coefficient would be a fruitful measure for the usefulness of a project. This coefficient could be considered along with that of economic feasibility. That is, the potential value of a given project such as the Nam Ngum can be calculated not only in terms of its immediate economic benefits and its social feasibility, important as these may be, but also in terms of the extent to which it will, for example, aid Laos in undertaking the next step in its development. In the case of the Nam Ngum, what effect will it have on increasing the technical and administrative capability of Laos to participate in a project such as the Pa Mong? This is in part a question of trained personnel resulting from the project; it is also a question of organizational development. A key element in determining the feasibility of Pa Mong is the degree of institutional growth developed from Nam Ngum, as for instance in the trained personnel and organizational capabilities developed by Electricite du Laos, and also on the overall managerial competence of the Lao National Mekong Committee.

Also involved is the impact on other departments of the Lao government and on the rural population. In a sense this would seem to be the model of the demonstration project, or learning by experience, but it is much more than that. It is a view of development not in terms of a major project approach such as that of the Pa Mong but of development as a series of incremental steps having a broad-range goal. One might cite as a specific aim the decrease in the percentage of the Lao national budget derived from external aid. In discussing the development of the Vientiane Plain a major reason cited by Lao and foreign aid officials is that such development and the associated double cropping would reduce the volume of rice imports from Thailand and thus cut down on the drain of currency abroad. But what if the rice still should prove to be cheaper in Thailand than in Laos?

The Lao concern with co-direction seems to come to the heart of the problem. Projects, no matter how attractive, should be considered from the point of view of

whether they will increase Lao administrative and organizational capabilities so that the next project can be handled more successfully. It may be that the competence coefficient might make less sense in a country like Thailand with a relatively large supply of technically trained personnel, but in Laos no cumulative development can take place without an increasing level of technical competence.

If it is true that foreigners do not believe in Lao competence will a Pa Mong make them more likely to believe in the Lao after it is built? The central point is, of course, not what foreigners think of the Lao but what they think of themselves, and the extent to which they are able to manage their own destinies. Modified co-direction seems a hopeful start in this direction, but it will not progress very far unless they give a higher priority to the development of competence than to economic feasibility and the "bankability" of a project. It may even be possible to have a loan repaid without the parallel development of competency if enough foreigners are involved in the development, construction and administration of a project — and for such an undertaking the term neo-colonial would seem to be at least partially justified.

Another important factor from the point of the foreign aid administrator and concerned primarily with the competence coefficient is the needed commitment to subsidize a degree of immediate failure rather than the ambiguity of protected short-term success. An inefficient but reasonably maintained irrigation project constructed primarily with local leadership is better than one built entirely by foreigners and falling into non-functional disrepair after a few years.

Perhaps, from an American point of view, the question of the development of Lao competence should be viewed from the perspective of the ways in which Americans have begun to become progressively aware of their own incompetence in terms of achieving developed status with an environment fit to live in.

The overwhelmingly most crucial factor, however, is the bringing about of an end to the Indochina War. This will require an American military disengagement. The role of foreign participation in regional development schemes such as the Mekong will have to be worked out in a future context which is now difficult to anticipate.