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THE INITIAL FAILURE OF AGRICULTURAL COOPERATIVIZATION IN LAOS

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Of all the countries of Southeast Asia, the Lao People's Democratic Republic (LPDR) faces the most serious problems in furthering economic development. Not only is the country ethnically divided and beset with problems of internal security, but it has the lowest per capita income in the region (with the present exception of Kampuchea) and the least developed economic infrastructure on which to build. Added to this, the LPDR has recently undergone a political and social revolution which has led to the flight of most of the country's trained personnel. The new government survives with the aid of massive economic assistance from the socialist bloc and the military support of the Socialist Republic of Vietnam (SRV).

Faced with this situation, the new regime took the only course open to it and determined to promote agriculture as the economic base for future development. In March 1978 the government launched the country on a three-year development plan to run to the end of 1980. This was to be followed by a full five-year plan to coincide with the 1981 to 1985 plan of the SRV and other Comecon nations. Agriculture and forestry were to receive priority over all other sectors of the economy; and overall economic development strategy was to be coordinated to support the demands of agricultural production. Soon afterwards the Political Bureau of the Lao People's Revolutionary Party (LPRP) announced the decision to collectivize Lao agriculture through the formation of village-based cooperatives. This programme received the full support of the Party and government, and yet in mid-1979, just over a year after its inception, the programme was brought to an abrupt halt. Mobilization of the peasants into cooperatives was discontinued and provision was made for those who wished to withdraw from cooperatives already formed. By the end of 1980, of some 2,500 cooperatives said to have been

established, as few as 60 retained any organizational basis.[1]

This paper sets out to examine the cooperativization programme in Laos, reasons for its introduction, its implementation, and its failure to measure up to what it was expected to achieve. As independent observers have not been permitted to study the implementation of cooperatives policy in Laos, and because Western journalists and diplomats have been largely confined to the capital, Vientiane (with occasional supervised visits to other major towns), reasons for the initial failure of cooperativization in Laos have to be pieced together using official government sources, backed up by reports compiled by international aid organizations working in Laos. Some of these, however, have been remarkably frank in assessing shortcomings of the programme, and reasons for popular opposition to it. An analysis of these sources throws interesting light on Lao attempts to promote the development of agricultural production through rapid collectivization; and provides an object lesson for other economically underdeveloped countries which might be tempted to follow a similar development strategy.

Early moves towards collectivization of agriculture

During the period from 1952, when Laos obtained its independence from France, to 1975, when the LPRP seized political power, the Lao communist movement, known as the Pathet Lao, came to control more than two-thirds of the country and something under one-third of the population. This zone of de facto Pathet Lao control was for the most part mountainous country inhabited by various tribal groups. From 1965 to 1972 this area was subjected to heavy aerial bombardment by the U.S. and Royal Lao air forces aimed at destroying the means of subsistence of the insurgents. Agriculture was carried on under extremely difficult conditions which required a united cooperative effort to overcome. The first agricultural cooperatives in Laos were set up during this time. Their success and the sense of achievement and solidarity they engendered have remained for a Lao leadership tempered by war and hardship as an example to be emulated by the entire nation.

[1] Figures from unofficial United Nations sources given to the author during a research visit to Laos in December 1980. The author would like to thank the History Department, University of Queensland, for funding this visit.

With the ceasefire of January 1973 and the subsequent formation of the Provisional Government of National Union between communists and royalists, the Pathet Lao were free to develop two rich agricultural areas under their control, the Plain of Jars in Xieng Khouang province in the north, and the Bolovens Plateau in Attopeu and Saravane provinces in the south. In both these areas resettlement of refugees from the bombing took the form of simple agricultural cooperatives providing tools, implements and draught animals on a communal basis.

In December 1975, the Pathet Lao succeeded in gaining total political power, abolishing the monarchy, and declaring Laos to be a People's Democratic Republic. However, the action programme announced by the new government at this time made no mention of cooperatives, except to call for the setting up of a number of state farms to experiment in growing commercial crops, fruit trees, and the raising of livestock.[2] Within a few months, however, peasants were being urged to join farmer organizations and to set up collective labour exchange teams.[3] By the end of the year, the government claimed that agricultural cooperatives existed in thirty-three communities in nine out of the thirteen provinces, almost all in former "liberated areas".[4] In addition a few collective state farms were established on land expropriated from rightist landowners who had fled the country; some for the reeducation through labour of soldiers and police of the old regime.

In the newly liberated areas formerly under royalist control the pace of agricultural reform was deliberately relaxed. Despite this, peasant suspicion of government motives remained high. One cause for distrust was the introduction in October 1976 of an agricultural tax of between 8 and 30 percent to apply on six graduated levels according to family rice production in excess of that allowed per member (100 kilos a year) and seed for the next season's crop. Other

[2] *Documents du Congrès National des Representants du Peuple* (n.p.: edition "Lao Hak Sat", 1976), p. 66.

[3] *Sieng Pasasonh*, 10 May 1976 (Joint Publications Research Service (JPRS), Translations on South and East Asia (TSEA) 654, p. 11). The Third Resolution of the Party Central Committee did foreshadow the setting up of cooperatives, but added that this would be carried out "firmly and gradually on the basis of the awakening of the peasants of all nationalities. A considerable period of time will be needed to complete the task." *Vientiane Mai*, 26 May 1976, p. 2 (JPRS 16 August 1976, TSEA 657, p. 19; see also p. 9).

[4] *Le Monde*, 3 December 1976.

crops, when they provided the principal source of income, were to be taxed at a flat rate of 8 percent. Despite assurances of "various" types of tax exemptions, said to demonstrate the government's compassion and concern about the people's living conditions,[5] farmers objected strongly to paying any taxes. No rice taxes had been collected by the previous regime, and as landlordism was never widespread in Laos, few had had even to pay rents in kind. So widespread was dissatisfaction that government ministers were forced publicly to defend the new agricultural taxation policy, even suggesting that it only constituted a temporary measure until other sources of government income could be developed.[6] *Sieng Pasasonh*, the party journal, told cadres

> We must make it clear to our people that paying agricultural taxes to the state now is different from paying taxes to the reactionary clique in the past. Then it only served to increase the wealth of a group of persons or their men and did not help the nation or the people; today it contributes to national construction and to the improvement of the people's living conditions.[7]

It is hard to see where else the government could have turned for a source of revenue to replace the budget subsidy previously provided by the United States. In retrospect, however, introduction of the tax without a concerted campaign to explain the reasons for it, only soured the government's relations with the very Lao peasantry it specifically claimed to represent. In the event, the tax proved almost impossible to collect, which merely encouraged farmers to circumvent this and other government regulations. Coupled with a refusal to comply with the government's rice buying policy (at the absurdly low price of 25 kips/kilo as against 200 on the open market) tax avoidance led to the development of a flourishing black market to dispose of taxable excess production, either in Laos or across the Mekong to Thailand.[8] The unpopularity

[5] *Sieng Pasasonh*, 13 November 1976 over Vientiane Radio in Lao 14 November 1976 (Foreign Broadcasts Information Service (FBIS) 17 November 1976).

[6] Phoumi Vongvichit to meeting of Lao intellectuals in Vientiane, Vientiane Radio, 21 December 1976 (FBIS 3 January 1977). See also speech by Nouhak Phoumsavan to Council of Ministers, 8 January 1977, Vientiane Radio, 9 January 1977 (FBIS, 14 January 1977).

[7] *Sieng Pasasonh*, 31 December 1976, Vientiane Radio, 31 December 1976 (FBIS 7 January 1977).

[8] *Sieng Pasasonh*, 9 June 1977.

of both rice taxation and rice purchase policies was important in laying the basis for later distrust over cooperativization.

The fourth resolution of the LPRP Central Committee early in 1977 called for the encouragement of peasant farmers "to gradually walk the path of collective production and socialism".[9] This was to take the form of mutual aid groups or solidarity teams ("unity units") and labour exchange units. In the former, peasants provide mutual assistance in such productive tasks as planting and harvesting, or by extension give their labour freely and voluntarily to perform some useful and mutually beneficial task, such as construction of a school house. The latter is "a form of collective labor in which labor is organized and those who engage in labor are compensated".[10] The increasing use of both forms of collective organization during 1977, as reported by provincial cadres, prepared the way for the decision in May 1978 to press ahead with a major cooperativization programme.

The decision to establish cooperatives

The successful use of elementary forms of cooperative organization in the countryside similar to traditional methods of mutual assistance at the village level was given as the principal reason for the decision to establish cooperatives. It was claimed that "the aspirations of the Lao farmers who are now working together in solidarity teams for production, or in mutual aid teams" was to set up cooperatives; and that "the motivation of farmers to join agricultural cooperatives ... [was] a thorough-going revolution in the countryside".[11]

A further reason given was that collectivized agriculture would lead to greater production by increasing areas farmed and facilitating the use of agricultural technology and irrigation, thus enabling the state to meet the goal of self-sufficiency in food supplies set by the three-year plan.[12] Increased crop yields, it was believed, would result

[9] Editorial in *Sieng Pasasonh*, 1 July 1977, Vientiane Radio 1 July 1977 (FBIS 8 July 1977).

[10] *Ibid.*

[11] *Khaosan Pathet Lao* (*KPL*) in English, Vientiane Radio 15 June 1978 (FBIS 16 June 1978).

[12] Set at one million tons, 890,000 tons of rice and the balance in secondary food crops. *KPL*, 21 March 1978 (FBIS 21 March 1978).

from the superiority of the collective over the individualistic mode of production — apparently without the need for additional incentives, such as higher procurement prices or the availability of basic consumer goods, about which there was no mention. Ideological commitment to the future of a socialist Laos was to take the place of crass material values.

But the decision to cooperativize all Lao agriculture was not taken on the basis of purely practical considerations, whether these consisted of irresistible popular movements or proven production gains in previously established cooperatives or state farms. Rather the decision was ideologically and politically motivated. In its resolution launching cooperativization the Lao Politbureau claimed that agricultural production would be furthered by converting "private relations of production" into "collective relations of production".

> The prime task of agricultural cooperatives is to organize a new production system, build a new productive force, and material and technical bases, step by step put industry in service of agriculture, and apply advanced science and techniques to agricultural production in order to increase labor productivity and agricultural [production] so as to serve the people's [welfare] and the socialist industrialization in our country better. [13]

From this it is clear that the ideological reasons for the establishment of cooperatives depended upon the Lao conception, borrowed from the Vietnamese, of the "three revolutions" — the revolution in production relations, the scientific-technical revolution, and the ideological and cultural revolution. [14] Of these the first is basic. The creation of new socialist relations of production will permit the full effect of the scientific-technical and cultural-ideological revolutions to be applied and realized. The scientific-technical revolution, however, is described as the "keystone" in the simultaneous implementation of all three.

> The technical contribution, the building of technical and material bases and the introduction of new technology in production are the primary factors and forces encouraging the classification of new work, reorganizing production, increasing efficiency in social work and effecting basic economic changes regarding the expansion of production

[13] *KPL* in English, Vientiane Radio 15 June 1978 (FBIS 16 June 1978).
[14] *KPL*, 30 June 1978 (JPRS, 21 August 1978, TSEA 777, p. 39).

forces and the consolidation, restoration and perfection of socialist production relations.[15]

Finally the cultural-ideological revolution aims at producing "a new type of socialist man", one "who engages in labor with a spirit of collective mastery, who profoundly loves the country and socialism and who has a clear spirit of internationalism".[16] Such a man is "a product of the three revolutions", all of which would be advanced simultaneously by the formation of agricultural cooperatives. Through them socialist production would prove its superiority over individualistic production, technology would transform the countryside, and a new socialist Lao farmer would be produced. Thus would most of the problems besetting the party, the government, and the country as a whole be overcome. Cooperatives would, it was proclaimed, heighten socialist consciousness, raise the cultural, scientific and technical standards of the peasantry, introduce them to their right of collective mastery, strengthen the worker-peasant alliance and the unity of all ethnic groups, reinforce democratic administration, the mass organizations and national security, strengthen party leadership, and promote political, economic, social and cultural change.[17]

How cooperatives were to function

The concrete guidelines stipulated by the Politbureau for the implementation of the cooperativization programme included "positive leadership ... to take the movement forward rapidly, vigorously and firmly", and yet to combine consolidation with development in moving "gradually from low to high, from small to big, and from easy to difficult".[18] Close coordination was required between the state and the people, presumably in order to provide the additional inputs necessary to demonstrate the superiority of the new mode of production. In addition, five principles were to be respected: voluntariness, mutual benefit, democratic management, planned

[15] Kaysone Phomvihane to joint session of Supreme People's Assembly and Council of Minister (SPA/CM), Vientiane Radio, 17-20 March 1977 (FBIS Supplement, 11 April 1977, p. 27).

[16] *Ibid.*, p. 30.

[17] *KPL* in English, Vientiane Radio, 15 June 1978 (FBIS, 16 June 1978).

[18] *Ibid.*

production, and distribution of produce and profit according to labour.

The voluntary nature of any collective commitment was emphasized in Article One of the regulations issued by the government on establishing cooperatives. It was reiterated in Article Four as a basic principle, and repeated in Article 11 where right of resignation at any time was also recognized — provided other coop members agreed. Cooperatives were to be based on villages, though a large village might contain two or three cooperatives. Members were to include anyone over the age of 16, with the exception (unless fully rehabilitated) of those making a living through exploiting others, those deprived of citizenship rights, hooligans and criminals. Members had duties towards the cooperative (such as to protect communal property and abide by cooperative regulations), and rights, including the right to vote, to receive assistance in adversity, and, importantly "to maintain the family's secondary economic activities in accordance with the suggestion of the cooperative". (Article 12 B 5) What was not clear from the official regulations was (a) how much private land a cooperative member could retain for his personal use; and (b) whether "the suggestion of the cooperative" could abrogate the right to any particular piece of private property. The regulations insisted that cooperative members "must hand over their cultivated and farm lands" (Article 15). If the land was freely given, no compensation had to be paid: if compensation was demanded this "must not exceed 7 to 15 per cent of the value of crops that can be harvested from the land at the time it is handed over" — a rather meagre token payment. The wording of the regulations on this vital question of land had the effect of confusing what should have been a two stage development: a first stage in which land is pooled but individual interests are still recognized by payment of a nominal rent; and a second, later stage in which all land would be communally owned.[19] (Provision was made for landless peasants to join a cooperative through contributing tools, livestock, or labour in lieu of land.)

"Primary means of production" were also to be handed over to cooperative control, including harrows, ploughs, water pumps

[19] These two stage are recognized in the Asian Development Bank's restricted report no. LAO: Ec-4, *Economic Report on Lao People's Democratic Republic*, May 1980, p. 16, but this seems to be a post facto rationalization of stages originally not clearly differentiated.

and draught animals. These were to be bought or rented at prices determined by the cooperative. In addition members "must contribute funds to the cooperatives for use in producing goods and carrying out business". (Article 17) The amount was to depend upon the financial status of each member, and could be paid in the form of materials or labour. All other possessions remained the personal property of individual members.

The administration of the cooperative was to be according to the principle of democratic management. A congress of all members to meet every six months was to act as the governing body of the cooperative. Congress members would elect by ballot from their number a Board of Directors and an Inspection Committee. Each would decide upon a chairman, the former to be the executive head of the cooperative, the latter a sort of ombudsman to provide an independent check upon the Board's activities. (The head of the Inspection Committee could not therefore himself be a Board member.) The Board of Directors was responsible for the day-to-day running of the cooperative, long-term planning, and income distribution. The Inspection Committee was to investigate planning implementation, income and expenditure, and report its findings directly to the Congress of Members. Though the structure of these bodies appears straightforward, the organization and administration of a cooperative would clearly require skills not generally possessed by peasant cultivators previously responsible for no more complex decisions than how to meet family needs in the coming year. This is even more apparent when the records and bookkeeping necessary for determining individual contributions and benefits are considered.

Labour teams of between 20 and 30 members were to be organized to undertake special tasks such as cultivation, irrigation, fertilization, livestock raising, and handicraft production. Members would be given a "labor classification" into "weak or strong" in accordance with the quality of their work.[20] Distribution of benefits would then depend upon the number of days worked at each type

[20] A later classification divided workers into strong (men from 16 to 60), average (women from 16 to 55), and weak (the old, young and sick). Categories could also be determined in accordance with work performed, so that average or weak workers could be credited with a higher classification for a day or so. See *Sieng Pasasonh* 30 May 1979 (JPRS, 3 August 1979, South and East Asia Report (SEAR) 834).

of labour, calculated according to a work point system.[21] This complicated procedure, based upon a Vietnamese prototype, clearly provided a potentially fertile source for dissatisfaction and disputation should the solidarity of members begin to break down.

"Mutual benefit" was a stated principle in the management of cooperatives, but it was clear from the regulations that such benefit was to be spread wider than the cooperative membership. Mutual benefit, Article Four stated, meant that "members of a cooperative, the cooperative and the state share ... benefits". Once total revenues were calculated and expenditures deducted, taxes had to be paid to the state — thus obtaining for the government what it failed to procure from individual peasant proprietors. An amount of between 5 to 7 percent of the total harvest was to be further deducted to provide funds for the cooperative. Of this, 60 to 70 percent was to be spent on improving means of production, while the rest went for collective welfare and public services. Next rents had to be paid to cooperative members for land, implements or animals, and an allowance provided for the sick and old.[22] Only then could the remainder be divided betwen coop members on the basis of work points accumulated.

The progress of the cooperative movement

The cooperativization programme in Laos was given impetus by Prime Minister Kaysone's tour of southern provinces in June. By July, less than three months after the programme was officially inaugurated, more than three hundred cooperatives were said to be flourishing, including 180 in Champassak and 110 in Xieng Khouang, some among tribal minority groups. Most of these cooperatives can be presumed to have been formed through resettlement of refugees and to have been in existence for some time, though it was claimed that many peasants were voluntarily joining established coops.[23] By October the number of cooperatives had risen to over 800, apart from

[21] Depending upon performance of different tasks "12 for good, 10 for fair, and 8 for bad" according to *Far Eastern Economic Review* (*FEER*), 8 October 1978.

[22] This was to amount to no more than 30 percent of what remained. *Sieng Pasasonh*, 20 June 1979 (JPRS, 10 August 1979, SEAR 835, p. 60).

[23] *KPL* in English, Vientiane Radio, 10 July 1978 (FBIS, 10 July 1978).

"tens of thousands" of mutual-aid and solidarity teams.[24] Champassak still led the way with 268 coops, an increase of more than a hundred in three months, while Savannakhet boasted an even greater increase from a handful to 160.[25] These figures tended to belie the claim of Information Minister Sisana Sisane that "we have been careful not to go too fast",[26] though the pace was slower on the Vientiane plain.

In November 1978 the government set up a Central Committee for the guidance of Agricultural Cooperatives under the chairmanship of Saly Vongkhamsao, the influential Minister in charge of the Prime Minister's Office, and Secretary of the LPRP Central Committee. The new committee was directly answerable to the Central Committee Secretariat and the Standing Committee of the Council of Ministers, and was responsible for recommending cooperatives policy, and for supervising and coordinating its implementation.[27] By the end of the year the number of cooperatives had doubled again to "over 1,600" comprising nearly 16 percent of all the farming families in the country. Khammouane province then led with 305, while Champassak had 304. In three districts in Xieng Khouang, Champassak and Khammouane provinces every village had reportedly formed a cooperative. Most cooperatives comprised some 30 to 40 families, but one in Saravane province was composed of 226 families from eight different villages.[28]

However, by the end of the year it was also clear that despite cooperativization, production targets for 1978, the first year of the three year plan, would not be met. A series of disastrous floods, following upon the drought of the previous year, kept production down. In some areas half the rice crops had been destroyed. New irrigation schemes, especially on the Vientiane plain, were not yet in operation, though the government was giving high priority to their

[24] Radio Hanoi in English, quoting *KPL*, 28 November 1978 (JPRS, 14 December 1978, TSEA 794).

[25] Radio Hanoi in English, quoting *KPL*, 20 November 1978 (FBIS, 21 November 1978). That these figures should have been given such prominence by the Vietnamese suggests that the programme at this time had full Vietnamese support.

[26] *Agence France Presse* (*AFP*), 17 November 1978 (FBIS, 17 November 1978).

[27] Vientiane Radio, 19 November 1978 (FBIS, 21 November 1978).

[28] Kaysone Phomvihane to joint session SPA/CM, 1 February 1979 (JPRS, 19 March 1979, TSEA 808, p. 15).

construction.[29] Resistance to cooperativization was growing, and was being exploited by opponents of the regime.[30] As Kaysone admitted in his report to the annual joint sitting of the Supreme People's Assembly and Council of Ministers, "a conflict appears to have developed between the emerging progressive production relations and the backward production relations".[31]

At the end of April 1979 the first All-Lao Congress on Agricultural Cooperativization was held in Vientiane. Figures released at this time placed the number of cooperatives at 1,732, representing a substantial slow-down since December in the rate of founding new coops.[32] Nevertheless the goal for 1979 was set at almost double that number, to comprise between 30 and 35 percent of all peasant families.[33] It was a goal not to be met. By the time the cooperatives programme was finally halted in mid-July, there were reported to be 2,800 in existence incorporating 25 percent of peasant families.[34]

Reasons for the initial failure of cooperativization

Soon after the cooperativization programme was commenced in Laos, reports began to circulate of peasant resistance, of their failure to respond to the entreaties of party cadres to join cooperatives. Such reports were difficult to confirm, given restrictions on the movements of independent observers. By September 1978, however, communist diplomats in Vientiane were admitting that the government was having difficulty in persuading peasants to join cooperatives.[35] Two months later the main reasons for peasant dissatisfaction with the programme were becoming clear,[36] and a series of

[29] Nayan Chanda, "Laos: Back to the drawingboard", *FEER*, 8 October 1978.
[30] Nayan Chanda, "The sound of distant gunfire", *FEER*, 8 December 1978.
[31] JPRS, 19 March 1979, TSEA 808, p. 30.
[32] *KPL* Bulletin Quotidien, 27 April 1979.
[33] Kaysone Phomvihane to the First All-Lao Congress on Agricultural Cooperativization, 24 April 1979 (*KPL* Bulletin Quotidien, 12 May 1979, p. 7).
[34] Kaysone Phomvihane to annual plenary session of the Supreme People's Assembly, 26 December 1979, Vientiane Radio, 27 December 1979 (FBIS, 18 January 1980, p. 14). Different figures are provided in the Asian Development Bank report LAO: Ec-4, appendices 3 and 4. There the total number of cooperatives is given as 2,452 comprising 537,036 members, or 15.1 percent of official population estimates.
[35] Nayan Chanda, "Laos: Back to the drawing board", *FEER*, 8 October 1978.
[36] See the perceptive report by Nayan Chanda from Pakse, *FEER*, 8 December 1978.

seminars was held for party cadres in an attempt to rectify mistakes and curtail excesses. But it was the frank report on the programme delivered to the Cooperatives Congress in April which opened the way for a critical, public examination of the problem in the Lao media. In June 1979 more appeared on cooperatives than in the previous twelve months combined. An examination of these sources reveals what had gone wrong.

The reasons for the failure of the cooperativization programme can be grouped under a number of headings. These include peasant attachment to traditional lifestyles, lack of understanding of the value of cooperatives, fear of effects of joining, the shortage of trained cadres, their failure to understand and implement the Central Committee directive and their use of coercion, failure of the government to provide material support, and the effectiveness of anti-government propaganda in exploiting peasant distrust of government motives.

Traditional Lao society has been described as "a loosely structured social system" [37] with "few formal associations or groups to which an individual can belong". [38] Relationships between individuals are informal and relaxed, and village society is marked by a "lack of regularity, discipline and regimentation". [39] Even in relations between the former traditional élite and rural farming communities "a lack of urgency and a pattern of flexibility were ... characteristic". [40] Land tenure in Laos is equally flexible and variable. Traditionally all land was nominally the property of the ruler, and could be expropriated, with compensation, at any time. [41] At the village level, however, land was held according to local custom, a situation never formalized either by the French or by the former Royal Lao government. Proprietory rights rested in the hands of individuals, families, communities, and even ethnic groups in the case of the

[37] Joel M. Halpern, *Government, Politics and Social Structure in Laos: A Study of Tradition and Innovation*, Yale University Southeast Asia Studies Monograph no. 4 (New Haven, Conn. 1964), p. 39.

[38] Frank M. LeBar and Adrienne Suddard (eds), *Laos: its people, its society, its culture* (New Haven, Conn.: Human Relations Area Files Press, 1960), p. 69.

[39] Joel M. Halpern, *Government, Politics and Social Structure in Laos*, p. 39.

[40] *Ibid.*, p. 37.

[41] Joel M. Halpern, *Economy and Society of Laos: a brief survey*, Yale University Southeast Asia Studies Monograph no. 5 (New Haven, Conn., 1964), p. 159, note 30.

swidden agriculture practised by most of the hill tribes. As a general rule, whoever cultivated free, unused land became the legitimate proprietor.[42] Transfer of ownership usually required the approval of the leading member of the local élite, but this was a mere formality where the transfer was not disputed. Since there has been very little population pressure on land use in Laos, landlordism was never widespread. Only in the vicinity of Luang Prabang were royal landholdings at all extensive. On the fertile Vientiane plain some 70 percent of farmers owned their own rice fields, while the rest were mostly tenant farmers for wealthy peasants rather than for absentee landlords. Tenant farming elsewhere was negligible.[43]

It can be seen even from this brief sketch of village life and conditions of land tenure that the Lao authorities faced certain problems in promoting cooperativization. For one thing, the loose social structure of the Lao village made it likely that people would be less amenable to collective action and the regimentation of cooperative methods of farming than in the case of the Vietnamese with their deeply engrained Confucian social values. Also for all the informality and lack of government regulation of land tenure in Laos, the attachment of peasant proprietors to their land was in practice as close and emotional as it is in most peasant societies. It is thus extraordinary that "a communist diplomat" could argue that lack of landlordism and widespread individual ownership of draught animals and implements meant that "there is no great problem in collectivizing the means of production: the problem is how to collectivize the labour".[44] For the problem of collectivizing the means of production proved to be the major difficulty facing the government, and the one on which the programme eventually foundered.

[42] T.D. Roberts, et al, *Area Handbook for Laos* (Washington, D.C.: U.S. Government Printing Office, 1967), pp. 217-218.

[43] In 1969 the number of tenant farmers in Vientiane province was estimated at 30 percent. See *Evaluation - Joint RLG/USAID Accelerated Rice Production Program, 1967-69* (USAID Agricultural Division, November 1969) quoted in Asian Development Bank report LAO: Ec-4, p. 18, note 1. Five years earlier Halpern estimated that over 80 percent owned their own land. See Joel M. Halpern, *Economy and Society of Laos*, p. 100. This would suggest that concentration of land ownership was increasing during the government of the previous regime.

[44] Quoted in *FEER*, 8 October 1978.

Given the difficulties inherent in convincing the Lao farmers to relinquish private or family ownership of their land and to pool their means of production and resources in farming cooperatives, it is surprising that more was not done to prepare rural communities for such a radical change in their life style. It is impossible to escape the conclusion, however, that despite official recognition of the need to raise the level of political and social awareness in the countryside, peasants in many cases simply did not understand what they were being asked to do. They appreciated neither the political nor economic reasons for cooperativization; nor did they see how they could personally benefit from such a move — especially given the added controls cooperatives would provide for the government to exercise its authority. A year after the programme got under way, *Sieng Pasasonh* complained that

> certain regions have not yet properly carried out propaganda on the continuing objectives of agricultural cooperatives. The masses have not yet determined to mobilize, nor acquired adequate political consciousness to volunteer to join cooperatives. [45]

This failure of preparation was particularly evident from peasant reactions to the formation of cooperatives in many areas — reactions which stemmed from fear and distrust of possible effects of joining a cooperative.

These fears centred upon what would happen to personal property, whether members would be permitted to retain and farm any private land at all, how hard they would have to work for the cooperative, how the cooperative would be managed and by whom and how the benefits would be divided up. Although little information on the initial stages of the programme was officially released by the government and foreign observers were not permitted to visit newly formed cooperatives, within the first three months of operation of the programme an official acknowledged that there had been cases where peasants had butchered cattle, eaten poultry, and cut down fruit trees rather than hand them over to a cooperative. [46] There were also reports of crops being burned before harvest. All such incidents were blamed upon misleading reactionary propaganda.

[45] *KPL* Bulletin Quotidien, 5 June 1979, p. 4.

[46] Nayan Chanda, "Laos: Back to the drawing board", *FEER*, 8 October 1978.

There was clearly a widespread belief that coop members would lose all their personal property, including even their houses, personal belongings such as clothing and cooking utensils, the production from fruit trees around the house, and any money they had saved.[47] This impression was probably reinforced by the publicity given to villages where land, animals, implements and cash had been pooled. It seems clear from the frequency with which the official media reiterated that implements, fruit trees, dwellings and belongings in daily use by a family remained private property,[48] that in many cases zealous cadres had been responsible for attempting to collectivize more than the means of production. In some cases this may have been done deliberately to dispossess unpopular wealthy peasants, but part of the blame for genuine "mistakes" must lie with the regulations themselves. While the property of the cooperative was described in detail, no mention was made of private property rights. And while it was stated that members did have the right "to maintain the family's secondary economic activities" (Article 12 B 5), these were not specified, and all such activities were in any case to be conducted "in accordance with the suggestion of the cooperative". It seems that whether or not private plots were to be permitted, and how large these could be, was to be left to individual cooperatives to determine.

Not until the Cooperatives Conference in April 1979 was it clearly stated that "the secondary economy in the families of cooperative members ... forms part of the economy of the cooperatives: it supplements the collective economy".[49] Private plots were not only allowed, they were to be encouraged as part of the effort to raise total production. Kaysone told delegates to the conference that peasants producing on private plots should be given aid and advice by the cooperative, and he regretted that insufficient efforts had been made to direct and assist this "secondary economy".[50]

The benefits of secondary economic activity were increasingly stressed as production became of increasing concern towards mid-1979. Cooperatives were organized to produce rice, *Siang Pasasonh* told its readers: all secondary crops, including fresh fruit and

[47] *KPL* Bulletin Quotidien, 15 May 1979 and 4 June 1979.

[48] *Sieng Pasasonh* editorial, *KPL* Bulletin Quotidien, 21 May 1979.

[49] Kaysone Phomvihane to First All-Lao Congress on Agricultural Cooperativization, 24 April 1979 (*KPL* Bulletin Quotidien, 7 May 1979, p. 6).

[50] *Ibid.*

vegetables and whatever was needed for animal husbandry, were to be produced by cooperative members in their spare time as part of the secondary family economy.[51] For this purpose, each cooperative was instructed to set aside land for family plots for its members, and to guide them in establishing a productive secondary economy.

Similar clarification proved necessary on what animals and implements were to be made available to the cooperative, and what prices or rents would be paid. For example, more precise instructions were issued on how payment was to be made. Draught animals, according to later instructions, were to remain the property of individuals. Farmers were assured that those "who contribute them to the cooperative will receive equitable interest according to their capacity, and these animals will in no case be confiscated".[52] In the case of agricultural machinery such as water pumps, current value was to be calculated by subtracting depreciation from the initial purchase price. A "binding contract" was to be drawn up for each item, and payment made in instalments.[53] And cooperative cadres were warned that

> Bringing machinery into the cooperative without careful, thorough pricing calculations will not guarantee the principles [of the cooperative] and the collective interest and is not correct in terms of policies set forth by the party and the state.[54]

Since this statement came a year after cooperativization got under way, it was clear that machinery had frequently not been adequately compensated for.

Similar strictures were made with reference to contributions of cash by coop members. Whereas in some cases peasants had been reluctant to donate sufficient funds for the cooperative to operate (400 or 500 kip was judged too little),[55] in other cases amounts demanded had been too high (at 7,000 kip per member). Four to five thousand kip was deemed a fair sum, but even this was not to be levied on a per capita or even per family basis. Allowance was to be made for very poor members to contribute less. Also contri-

[51] *Sieng Pasasonh*, 18 June 1979 (JPRS, 10 August 1979, SEAR 835, pp. 58-59).
[52] *KPL* Bulletin Quotidien, 15 June 1979, p. 6.
[53] *Sieng Pasasonh*, 15 June 1979 (JPRS, 10 August 1979, SEAR 835, pp. 57-58).

butions did not necessarily have to be made in the form of cash at all. Seed, animals, or machinery could be given to the cooperative in lieu of cash, or a member could contribute by providing unpaid labour.[56] Reading between the lines, it is possible to see where mistakes had been made. In some cases peasants had been reluctant to contribute funds; in others poorer peasants were prevented from joining nominal cooperatives set up by wealthy families to circumvent the spirit, if not the letter, of the movement.

Another factor in discouraging peasants from joining cooperatives was clearly the implication that they would have to work harder. Kaysone told farmers during a tour of northern provinces undertaken to encourage the formation of cooperatives that if they were to prove the superiority of collective over private production one of the things they would have to do would be to increase the 100 to 150 days work necessary to harvest a single crop of rice to around 200 in a year.[57] The extra days were to be used to construct the material base of the cooperative, for example by making roads, constructing irrigation canals, or erecting communal buildings such as a dispensary or school house. The need to work harder was a theme frequently stressed. By arguing that in order to prove the superiority of cooperatives farmers would have to work harder, however, officials were caught in something of a vicious circle. For farmers were only prepared to work harder providing they could see the benefits of doing so. Perhaps not surprisingly emphasis later came to be placed upon setting up model cooperatives and state farms which could serve as concrete examples of what cooperative farming might achieve.[58]

Another contentious issue was how the cooperative would be managed and by whom. Traditionally village leadership was exercised by wealthier and older men, whose standing was established by the

[54] *Ibid.*

[55] The official exchange rate was then $1 = 400 liberation kip, while the official procurement price for rice had risen to 45 kip/kilo.

[56] *Sieng Pasasonh*, 22 June 1979 (JPRS, 10 August 1979, SEAR 835, p. 61).

[57] *KPL* Bulletin Quotidien, 9 June 1979, p. 7. Kaysone pointed out at the Cooperativization Congress that workers in advanced socialist countries worked 250 to 300 days a year, *ibid.*, 9 May 1979, p. 9. This was a theme Kaysone sounded from the beginning of the cooperativization drive. Cf. Vientiane Radio, 13 June 1978 (FBIS, 13 June 1978).

[58] Cf. Kaysone Phomvihane to Supreme People's Assembly, 26 December 1979, Vientiane Radio, 27 December 1979 (FBIS Supplement, 8 February 1980, pp. 11-12). Of the 486 coops in Vientiane province, 18 were given special attention as models for the rest to follow.

popular Buddhist belief that they owed their position in large part to their own merit accumulated during former existences. A cooperative committee, however, had to be composed of "real revolutionaries, competent to direct production and enjoying the confidence of the mases".[59] In practice this meant the way was open for sycophants who enjoyed the confidence of party cadres to gain positions of power without having local respect. It also meant that efficient administration would increasingly depend upon trained cadres who owed their position and allegiance to the central government. Village affairs would no longer reside in the hands of village leaders.

Finally, there was the vexed problem of how the proceeds of the cooperative would be divided up. That this caused considerable concern is evident from an account of the establishment of a cooperative at Nongphong village in the province of Vientiane. There three "mobilization campaigns" were necessary before the objections of the people (that the move would lead to famine), and especially of "the old men who fear injustice because of their age" were overcome.[60] Injustice was feared concerning the way labour would be allotted and calculated and over how production would be distributed. The elderly, sick and incapacitated were apprehensive lest they be deprived of an adequate livelihood on the grounds that they had not contributed sufficiently to the general welfare. And not without reason, for abuses quickly crept in. As *Sieng Pasasonh* admitted

> Recently, some cooperatives have credited workdays to cooperative members who have gone off to visit families, hospital patients, sick people, maternity patients and for other activities which do not support production in the cooperative. This is wrong and should not be factored in.[61]

However, child minders, those transporting goods to or from the coop, and local guerrillas on patrol were to be awarded work points. So too were supervisory cadres involved in coop administration, though it was stipulated that their credited workdays should not exceed 5 to 10 percent of the entire cooperative's workdays.[62] Communal labour on public works did not count as coop workdays: they were "work for society" days, part of the extra work expected of everyone. These arrangements left open numerous possibilities for

[59] *KPL* Bulletin Quotidien, 9 June 1979, p. 2.
[60] *KPL* Bulletin Quotidien, 15 June 1979, p. 6.
[61] *Sieng Pasasonh*, 20 June 1979 (JPRS, 10 August 1979, SEAR 835, p. 59).
[62] *Ibid.*

petty corruption and popular disputation, especially in view of the suspicions illiterate peasants naturally hold of those in charge of making calculations and keeping records. For such a complex system to work it required not only well trained and honest cadres, but also a high degree of popular solidarity and trust. Both were lacking. There is strong evidence that in many areas in Laos social cohesiveness had been systematically undermined by the trauma of the previous years of radical political change. It is not surprising, therefore, that dissatisfaction, non-cooperation, and even outright sabotage of cooperative effort frequently resulted.

Lack of trained cadres affected both preparations for setting up cooperatives, and their initial administration. The failure of cadres to implement the programme was often due to their inability to understand it. Only after the cooperativization drive had been announced was a training programme for cadres established. Meetings were held in 1978 for coop cadres to exchange experiences and discuss problems. In February 1979 a seminar was held on accounting methods to be employed in cooperatives, but only a fraction of the 1600 coops then supposed to be in existence were represented. More regional meetings followed, while high ranking coop delegations visited Vietnam, Cuba and the Soviet Union. All this only served to emphasize the ad hoc nature of the programme and the lack of any proper preparation. The result was that, as the government admitted, many cooperatives were not established "in accordance with the provisional codes ... set forth by the Central Committee and the government".[63] As a result "errors" were being made and problems encountered. These stemmed from many causes,

> but the one definite, decisive issue is that cadres in the localities are not grasping the spirit of the turn to agricultural cooperatives set forth by the party and the state, [and are] acting in an arbitrary manner which is the same as sabotaging the party and state policy, whether or not [this] is intentional.[64]

Inadequate training of cadres was thus pinpointed as "the one definite, decisive issue" making for the failure of the programme.[65] In many cases, new cooperatives were "without a party base".

[63] *Sieng Pasasonh* editorial, 15 June 1979 (JPRS, 10 August 1979, SEAR 835, p. 55).

[64] *Ibid.*

[65] For the importance of cadre training see Kaysone to Supreme People's

Recruitment to the LPRP was thus a priority. A year after cooperativization began the party was calling for cooperatives with three or more full party members to set up cells and concern themselves with cooperative administration. It was not necessary to bring all party members into the administrative apparatus, but

> it must be party members who are in charge of such important tasks as accounting, technical sections, and as chiefs of production boosting... In case the leadership of the cooperatives fails in its task of building socialism, party cadres with organizational ability must be sent to guide the agricultural cooperative. [66]

Such a move, however, could all too easily lead to active coercion of peasants to join cooperatives, thus contributing to the factor which, together with lack of trained personnel, was probably as much to blame as anything for the initial failure of cooperativization in Laos.

Given the low level of preparation for cooperativization and the speed at which new coops were set up in the second half of 1978, it is obvious either that many coops were composed of very few members and existed as little more than statistics, or that considerable pressure was being brought to bear to force peasants to join in a hurry. In January 1979, the government considered the most significant obstacle to cooperativization remained "the ideology of farmers who still lack trust and confidence..., or still doubt that they will benefit from becoming members". [67] Faced with this reluctance, over-zealous cadres seeking the approbation of their superiors resorted to compulsion to get peasants to join. As Kaysone told delegates to the first Cooperatives Congress "in some localities [cadres] abuse their power by giving orders, obliging the masses to join cooperatives, and making them discontented". [68] This went directly against the stated principles according to which cooperativization was to be pursued. The effects of applying duress were spelled out by *Sieng Pasasonh*. Coercion led to dissatisfaction on the part of members which in turn produced difficulties in supervision

Assembly (FBIS, 18 January 1980, p. I 17) and for his estimation of this as a major failure of the government, *ibid.*, p. I 20.

[66] *Sieng Pasasonh*, 15 June 1979 (JPRS, 10 August 1979, SEAR 835, p. 56).

[67] *Sieng Pasasonh* editorial, 25 January 1979 (JPRS, 13 April 1979, TSEA 815).

[68] *KPL* Bulletin Quotidien, 12 May 1979, p. 6, and 5 June 1979, p. 4.

with the net result that production declined. Those who had been forced to join a cooperative should be allowed to leave with "the benefits to which they are entitled", and be able to reapply for admission at a later date, according to *Sieng Pasasonh*.

> We are to refrain from suppression, intimidation, and creating a poor relationship with those who are going to quit or those who have not yet joined the coop.[69]

That the formation of coops was often a result of orders from above rather than a popular movement from below as the government pictured it, was clear from official criticism of cadres who suffered from "the disease of not trusting the masses".[70] Cadres who tried to do everything themselves only ended by leaving jobs undone. But in many cases if cadres did not set up cooperatives, nothing would have been done. The contradictory position in which cadres found themselves is evident.

The government, in proclaiming cooperativization to be central to the struggle to the finish between rival individual and collective modes of production, was well aware of the importance of state support. The essential factor in the organization and development of a cooperative was

> the aid accorded by the socialist State, [which is] comparable to an indispensable lever forcing the new [relations] of production so that they develop and create conditions favourable to the new force of production...[71]

The low level of such support was another reason for the failure of many cooperatives.

Members of coops were supposed to have access to certain privileges not available to individual farmers. These included the right to purchase items at government subsidized stores, technical advice from government ministries and extension personnel, priority in obtaining agricultural implements and machinery, and government assistance in stocking and staffing the coop built dispensary, school house, etc. Due to a variety of factors, however, including lack of funds, an almost non-existent distribution network, lack of trained technical cadres, and a chronic shortage of consumer goods, most of these promised benefits failed to materialize. Not only were there

[69] *Sieng Pasasonh* editorial, 26 May 1979 (JPRS, 23 August 1979, SEAR 838).
[70] *Sieng Pasasonh*, 3 February 1979 (JPRS, 19 April 1979, TSEA 816).
[71] *KPL* Bulletin Quotidien, 5 June 1979, p. 5.

virtually no incentives forthcoming for joining a cooperative, there were just as few for raising production, either individual or collective.[72] Despite recognition of the importance of state assistance, therefore, especially in the initial stages of cooperative development, very little was forthcoming. The government did attempt to develop state farms and "state agricultural settlements"[73] to provide convincing examples of benefits to be gained, and to act as a source of material and technical assistance for nearby cooperatives.[74] But in the event, they too suffered from many of the same problems afflicting cooperatives.

Mention must be made of one final reason for the failure of many cooperatives to gain popular support: the effectiveness of anti-government propaganda in exploiting peasant distrust and grievances. This was a continued cause of concern for the government, especially in the mountain regions where attempts were made to induce the hilltribe peoples such as the Yao and Hmong (Meo) to relocate and take up collective wet rice farming on the plains.[75] From the inception of the cooperatives programme, but especially after the China-Vietnam border war, the government saw a close relationship between cooperativization and national security.[76] As opposition to the programme mounted, there was increasing concern that the exploitation of unrest would undermine internal cohesion and security. This, together with falling production and the disquieting flow of peasant refugees to Thailand, were the principal reasons for calling a halt to any further collectivization of agriculture in Laos.

[72] Cf. conclusions of the International Monetary Fund report on Laos quoted in the *New York Times*, 4 April 1979. In some cases where production was increased the government did not have the purchasing machinery or means of transportation to make use of it, which understandably led to peasant disillusionment.

[73] Kaysone Phomvihane to SPA/CM, 1 February 1979 (JPRS, 19 March 1979, TSEA 808, p. 32).

[74] *Sieng Pasasonh*, 28 June 1978 (JPRS 21 August 1978, TSEA 777).

[75] This was stressed in Kaysone's report on agriculture in the Lao three-year plan. Radio Vientiane, 1 April 1978 (FBIS, 5 April 1978).

[76] This relationship is examined in detail in Martin Stuart-Fox, "Socialist Construction and National Security in Laos", *Bulletin* of *Concerned Asian Scholars*, fortheoming.

The decision to suspend the cooperatives programme

In June 1979 two events occurred which convinced the Lao authorities to cease the formation of any new cooperatives: Nouhak Phoumsavan on a visit to Moscow was "strongly advised" by Soviet Premier Alexei Kosygin to curtail cooperativization before it provoked a major exodus of Lao peasants into northeast Thailand:[77] and at the end of the month a high ranking delegation of the Agricultural Committee of the Vietnamese Communist Party led by Central Committee member Vo Thuc Dong toured the country to see what was happening to the cooperatives programme. Vo met Lao leaders in charge of the programme at separate meetings for a round of talks which were officially described as an exchange of views "on the experiences acquired by each [side], particularly in the domain of agricultural cooperativization".[78]

In mid-July 1979 the Central Committee of the LPRP issued a directive calling for the "immediate and absolute suspension of the mobilization of peasants through cooperativization or the creation of agricultural cooperatives in the middle of the productive season".[79] Even after completion of the harvest, however, no move was made to reactivate the programme, and in his report to the Supreme People's Assembly at the end of December Kaysone called only for the consolidation of existing effectively functioning cooperatives. Where cooperatives had been formed against the will of the people, members were to be permitted to withdraw, even if this meant dismantling the venture. The July directive stipulated that

> if they are not voluntary members, they must absolutely not be forced; if they show any desire to withdraw, they must be given all facilities to do so, and over and above the facilities, the Party and government must mobilize them to fully pursue production ... with a better return.[80]

The reference to production indicates one of the principal reasons for terminating the programme. After two years of poor harvests due to drought and then floods, Laos desperately needed a good rice crop to reduce the previous shortfall of around 100,000 tons.

[77] Nayan Chanda, "The Capitalist Road to Socialism", *FEER*, 7 March 1980.
[78] *KPL* Bulletin Quotidien, 30 June 1979, p. 1.
[79] This order was dated 14 July 1979, but was not published in *KPL* Bulletin Quotidien until 2 August 1979.
[80] *KPL* Bulletin Quotidien, 2 August 1979, p. 1.

Production was to be the criterion, not only for deciding the superiority of competing economic modes, but also of the efficiency and success of each cooperative. As an editorial in *Sieng Pasasonh* stated,

> In general, the establishment of agricultural cooperatives is related to a number of issues. However, in specific terms, there is only one issue: that of expanding production, raising higher the efficiency of production and bringing happiness and abundance to the farmers. All agricultural cooperatives have these goals and use these guidelines as the yardstick to determine progress and to see whether the activities of a particular cooperative are correct or not. For example, when a cooperative is established if it is unable to expand production ... it means that that cooperative is not only functioning incorrectly but is repeating its errors. [81]

By the government's own criteria, therefore, it was clear by mid-1979 that cooperativization in many regions was a disaster. Opposition on the part of the peasantry was seriously affecting the rice crop. Organization and administration of several new coops was described as "chaotic". [82] In some places planting had not taken place; in others food supplies had been reduced by the felling of fruit trees, slaughter of farm animals, and even the burning of crops on land about to be collectivized. The outlook was for another massive rice deficit and continued low levels of government procurement of paddy to feed town dwellers, the army and the bureaucracy. [83] In the event, the deficit remained at about 75,000 tons in 1979, [84] but could have conceivably been higher had not cooperativization been halted.

One reason for lower production, and one which caused the Lao authorities increasing concern during the first half of 1979, was that peasants began to walk off their land rather than accept forced cooperativization. Some moved into the towns, but many crossed into northeast Thailand where they often had relatives among the Lao-speaking Isan Thai. Even in refugee camps the rice ration

[81] *Sieng Pasasonh* editorial, 15 June 1979 (JPRS, 10 August 1979, SEAR 835, p. 54).

[82] *The Economist*, Quarterly Economic Review of Indochina: Vietnam, Laos, Cambodia, 2nd Quarter 1980, p. 12.

[83] Estimated at 8 percent of production in 1977, *New York Times*, 4 April 1979.

[84] *The Economist*, Quarterly Economic Review: Indochina, Supplement 1980, p. 20.

compared favourably with amounts distributed on cooperatives — and was free. Coming after the flight of almost the entire Lao educated middle class of technicians and entrepreneurs, this additional loss of population from an already underpopulated country threatened to undermine further the viability of the state. Not only did it reduce the production base and call into question the government's claim to represent, in class terms, the worker-peasant alliance, but it also added to the pool of potential recruits for anti-government insurgency. [85]

National security was another important reason for abandoning the cooperativization drive. While internal discontent had not yet gathered momentum to the point of an armed uprising, there was always the possibility that, with provocation by anti-government insurgents operating from Thailand, this could occur, especially in southern Laos. In the north of the country Chinese support for tribal dissidents was already causing concern, especially in the light of the Chinese offer to accept 10,000 Lao (and Hmong) refugees and subsequent recruitment of volunteers in Thailand. [86] Massive social unrest could only be met through increased reliance by the Lao authorities on the Vietnamese, a move which would inevitably further alienate what popular support the regime still retained. Any anti-government uprising which required the use of Vietnamese troops to suppress, coming upon the heels of the invasion of Kampuchea, would severely embarrass both Hanoi and Moscow. The Lao government thus had no real alternative but to act upon the advice of its friends, and for the reasons given above, to suspend indefinitely its attempts to collectivize agricultural production. It remains to be seen whether conditions subsequently will permit the experiment to be continued. But it seems safe to say that while existing cooperatives can expect to be favoured in the allocation of agricultural aid and equipment, and some communities may decide to collectivize production in order to obtain such benefits, it is

[85] Fears have been expressed that underpopulation in Laos will lead to Vietnamese settlement. Indeed some settlement is already reported to have taken place. See John McBeth, "Laos: The government under guard", *FEER*, 24 August 1979.

[86] *Nation Review*, Bangkok, 21 October 1979; and for the Lao reaction Vientiane Radio, 1 December 1979 (FBIS, 3 December 1979) and 13 December 1979 (FBIS, 14 December 1979).

unlikely further attempts will be made on a nation-wide scale to push cooperativization in Laos in the immediate future. [87]

[87] This is especially so in view of the economic liberalization introduced in the Party's Seventh Resolution. See Kaysone Phomvihane to the Supreme People's Assembly, 26 December 1979. (FBIS, 18 January 1980, and Supplement, 8 February 1980). In the few functioning cooperatives which remain a barter system will be introduced as part of the first Lao five-year plan (1981-85) in which specific items such as implements and consumer goods which the government can guarantee to provide will be "priced" in kilos of paddy. Interview with Dr Soumphavan Inthavong, Deputy President of the National Planning Committee, Vientiane, 5 December 1980.