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LAOS: A SMALL STATE INVOLVED IN NEIGHBOUR'S CONFLICT

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LAOS has always been something of a forgotten country. The nationalist revolutionary wars fought first against the French, then the Americans in Indochina were, for the world at large, the Vietnam wars. Even Kampuchea after the overthrow of Prince Sihanouk in 1970 was something of a sideshow. Laos rarely rated a mention. Since the communist victories of 1975, attention has focused on Vietnam and Kampuchea—on the drama of massacre and famine, and the wars between " fraternal " socialist states. Even the flow of refugees from the Lao People's Democratic Republic (LPDR) has received little of the attention lavished upon the " boat people ", though as a percentage of total population they are more numerous.

Yet in the events which have shaken mainland South-east Asia over the last thirty-five years, Laos has played a key strategic role. The ill-fated French garrison at Dien Bien Phu was established astride the principal invasion route from northern Vietnam into Laos to prevent a Viet Minh thrust towards the undefended Lao royal capital of Luang Prabang. Later the communist war effort in southern Vietnam could never have been sustained had it not been for that network of roads and tracks known as the Ho Chi Minh trail running almost the length of eastern Laos. And as recently as the Vietnamese invasion of Kampuchea which overthrew the regime of Pol Pot, Lao territory served as an attack route for Vietnamese forces. Now once again it is the strategic position of Laos in the new confrontation between China and Vietnam which threatens to embroil the country in fresh conflict.

One has only to glance at a map of mainland South-east Asia to appreciate the strategic significance of Laos in the present stand-off between China and Vietnam. Laos thrusts like a finger south from the fist of southern China between Vietnam and Thailand to the northern frontier of Kampuchea. Control over Laos would enable the Chinese to contain Vietnam, supply Pol Pot's guerrillas in Kampuchea, and exert considerable influence on Thailand. But during the Vietnam wars China, still on relatively good terms with Vietnam, saw no need to build up a divisive and conflicting influence within the Lao communist movement. Given the strategic significance of Laos for Vietnam, it was only natural that Laos should fall within the Vietnamese orbit. Despite Chinese concern over the developing relationship between Vietnam and the Soviet Union during the late sixties and early seventies, no one could foresee the events which led, after 1975, to the China-Vietnam

border war in 1979. Chinese influence in Laos was therefore limited to the northern provinces along the Chinese border where Chinese aid mainly took the form of road construction. Only since Vietnam has adopted an increasingly pro-Soviet stance has Laos become of strategic significance to Beijing. Now, however, Laos is closely allied to Vietnam, tied to Hanoi and the Soviet Bloc through defence agreements and foreign aid. It is a situation the Chinese would like to alter.

Following the collapse of the Saigon regime in April 1975, Laos, the littlest domino, quietly carried out its own non-violent revolution. On December 2, 1975, following the abdication of the King and abolition of the coalition, Laos was proclaimed a People's Democratic Republic with Souphanouvong as President, and LPRP Secretary-General Kaysone Phomvihan as Prime Minister. Vietnam was the first country to recognize the new regime.

Anniversary Celebrations

FIVE years later the Republic celebrated its fifth anniversary with ceremony and panache. A dawn parade of troops, military hardware, and colourful floats from every ministry demonstrating the achievements of the new regime went off with clockwork precision, despite threats by Lao resistance groups to disrupt it.

But if the fifth anniversary festivities were by all accounts a success (one estimate put costs at 10 per cent of the Lao budget, and some ministries had been preparing for months), in reality the Government still faced numerous problems. After five years in power the new regime had only partially succeeded in overcoming the endemic weaknesses from which Laos has historically suffered. This is hardly surprising after three decades of war and corrupt rightwing government. Any government in Laos would face similar difficulties. But it is the strategic weakness of Laos, its divided population, weak economy and negligible military power in relation to its neighbours, which invites the clandestine extension of Sino-Vietnamese confrontation on Lao territory.

Ethnic divisions within Laos between the lowland Lao, comprising just over half the population, and the two main groups of mountain-dwelling tribal peoples, the Sino-Tibetan-speaking Lao Soung (Hmong, Yao etc.) and the Austronesian speaking Lao Theung, have been responsible for the nation's weak sense of national unity. But the experience of the Pathet Lao in motivating and marshalling the hill-tribe peoples to fight for their cause, and their attempts to involve the tribes more closely in their own administration, have been positive steps towards overcoming the dislike and distrust that has traditionally existed between lowland Lao and the mountain tribes.

Unfortunately for the Government, a combination of the American legacy of a semi-independent, CIA trained and paid Hmong (Meo) army in northern Laos, and its own over-zealous application of a policy of tribal resettlement

to protect Laos' valuable forests have led to renewal of the ancient conflict between a lowland Lao dominated government in Vientiane and the more fiercely independent hill-tribe peoples. Tribal discontent has also resulted from the Government's failure to live up to its promises of what it would do for the hill peoples. Consumer essentials which the tribesmen can obtain from the Chinese are in short supply in Laos. It is a situation the Chinese can easily exploit.

Problems of poor communications and inadequate transportation have created difficulties for the new Government and limited the effectiveness of its control over outlying provinces. The regime has responded by making a virtue of necessity in granting a surprising degree of autonomy to provincial administrators. Provinces are "paired" with their neighbours in both Vietnam and Thailand for purposes of trade and commerce. Fifty per cent of foreign currency earnings has to be remitted to the central Government, but the balance can be spent by the province. But while this system may go some way towards solving immediate economic difficulties, it threatens to stimulate the kind of regionalism that has plagued Laos in the past, regionalism which once again can be exploited to undermine attempts to create a strong and unified state.

The economy inherited by the Pathet Lao had been artificially propped up by massive American aid, both in direct support of the budget, and in military and project aid. The value of the currency was equally artificially maintained by a Foreign Exchange Operations Fund. After some twenty years of independence and huge injections of foreign aid, development of natural resources was still minimal and even the basic infrastructure necessary for economic growth did not exist. Initial measures taken by the new Government for largely ideological reasons had the effect of further weakening the economy, in part through the massive outflow of refugees, primarily from the educated and technical classes, that the country could ill afford to lose. Extremes of wealth and poverty have been reduced, and the Government is now endeavouring to raise real consumption levels.

Unpopular Measures

IN the countryside the traditional subsistence economy has continued much as before. However, some government policies have not been popular among the very peasant class the new regime claims to represent (the "worker-peasant alliance"—in Laos the proletarian working class was almost non-existent). The first unpopular measure adopted was the imposition for the first time in Lao history of an agricultural tax, virtually the only means open to the Government to raise revenue. This, most farmers managed to avoid by selling surplus rice on the black market. The second innovation was to urge villages to join co-operatives, a programme adopted for ideological reasons without adequate preparation by ways of explaining the benefits which might accrue from such a move. Many peasants did not even under-

stand what a co-operative was. Far too few trained personnel were ready to assist in agricultural extension work with members. Methods of administration were too complex and government inputs inadequate. Where production did increase the Government often did not have the means to purchase the surplus, or provide needed consumer items. Despite instructions that membership of co-operatives was to be voluntary, zealous cadres used coercion to force peasants into joining. Others packed up their belongings and moved into north-east Thailand, where the majority of Thai farmers are Lao by language and culture. Such popular opposition was naturally exploited by Lao resistance groups to discredit the regime. Little more than a year after the co-operativization programme was launched the Government in July 1979 ordered an immediate end to the formation of new co-operatives, and provision for those who had joined against their will to withdraw. Of some 2,500 co-operatives said to have been in existence at the height of the programme, only about sixty retain any real organizational basis today.

The failure of the co-operatives programme forced the LPRP to reconsider the whole thrust of its political line. The result was a radical liberalization of economic policy announced in the Party's Seventh Resolution at the end of 1979. In effect the Party admitted that, because of the particular condition and developmental stage of the Lao economy, orthodox socialist measures were inapplicable. Some form of private commerce would have to be re-introduced. Restrictions were therefore lifted on in-country trade, import and export, and private economic investment. Former owners of small industries such as plywood milling and light manufacturing were invited back to manage their factories in co-operation with the state. Unfortunately for the Government, this radical experiment has not been given a fair chance to work because of closure of the Thai border in June (it is now partially open) after a shooting incident on the Mekong River. Subsequent shortages forced up prices, but goods and foodstuffs have been more readily available in Vientiane's markets than any time since 1975.

The Population Drain

THE Lao authorities are well aware that the continued loss of population is a debilitating factor which can only further weaken the country. Already as many as 300,000 Lao of various ethnic groups have left, just under 10 per cent of the population. Only a new policy on the part of the Thai classifying those who cross into Thailand for economic reasons as illegal immigrants who will be returned to Laos will, so the Lao believe, stop the exodus. There are indications that such a policy may be introduced shortly.

The Lao authorities have three main reasons for wanting a change in refugee policy, two obvious and one unstated. Economically the loss of trained personnel is having a serious effect. As it is, the Government can hardly make use of the foreign aid it now receives because of lack of technical staff to work on new projects. From the point of view of defence,

the Government would like to see an end to resistance raids mounted from Thailand. The refugees provide a ready source of recruits for the various resistance groups which, though they pose no real threat to the stability of the regime, nevertheless do cause additional problems for internal security.

The third, unstated, reason for Lao concern over the exodus of refugees is more intangible, but no less real for an important group of those who have remained to serve the new regime. The more educated Lao who leave the country, the more Laos must fall under Vietnamese influence and control. If Lao technicians leave, Vietnamese must be brought in to take their place if projects are not to be abandoned. If the resistance becomes more active, the estimated 50,000 Vietnamese troops in the country will become even more evident than they are now, and Lao villagers will increasingly find themselves living under a Vietnamese military administration. Furthermore, if the new socialist man that Lao People's Revolutionary Party is intent on creating in Laos is to be a *Lao* socialist man, something of traditional Lao cultural values will have to be preserved and woven into Lao socialism.

Not surprisingly, when the Pathet Lao seized power in 1975 their ideas had been formed by experience of how the Vietnamese had mobilized a country for war. Attempts to apply this Vietnamese model to Laos in time of peace (notwithstanding problems of internal security) proved in the years from 1975 to 1979 to be inappropriate. As a result the Lao authorities have taken a step back in order to take two steps forward. In doing so, however, they have given an opportunity to moderates within the Party to shape a form of communism that is recognizably Lao, and which differs from the Vietnamese variety.

It is clear from the foregoing that the Lao will have difficulty enough simply in improving their standard of living, building their economy, and maintaining their cultural distinctiveness. But all these goals are at present threatened by the exigencies of international relations over which Laos has no possible control. Two sets of relations have a serious impact upon events in Laos: the contention that has arisen between Thailand and Vietnam over the presence of Vietnamese troops on Thailand's frontiers now that Vietnam has a military occupation force in Kampuchea; and the ancient antagonism that has surfaced between China and Vietnam.

Under the previous Thai Government of General Kriangsak Chamanand, relations between Thailand and Laos were placed on an amicable footing. The Mekong was to be a river of peace, and both sides pledged to control the operations of guerrilla groups based on their territory: the Thai were to limit the activities of the Lao resistance, and in return the Lao would expel the pro-Chinese cadres of the clandestine Communist Party of Thailand. Increasing tension along the Kampuchean frontier, and particularly the Vietnamese incursion into Thailand last July, have since convinced the present Thai Government that Vietnam is determined to exercise total control over all Indochina. Laos and Kampuchea, in the Thai view, have

been reduced to Vietnamese puppets without the power to take decisions on their own to improve relations with Thailand. Hence Thailand interpreted the shooting incident on the Mekong with Lao forces as a further provocation engineered by Vietnam. Thai closure of the frontier was aimed at hurting the Vietnamese, though it had the effect of forcing the Lao into greater economic dependence upon Hanoi.

From the Lao point of view, Thai actions are similarly interpreted as reflecting the hand of another power—this time the People's Republic of China. Thai refusal to settle what the Lao see as an unfortunate incident is taken as indicating Chinese determination to destabilize Laos and undermine the present Lao regime through deliberately causing further economic difficulties. Officially, for the Lao, as for the Vietnamese, China is seen as a potentially expansionist power bent upon asserting hegemony over the states of mainland South-east Asia. Unofficially the Lao wonder what it is that China really wants. Perhaps because of their own ideological commitment to the Soviet Bloc, and their friendly relations with the U.S.S.R., they find it difficult to understand China's almost paranoic suspicion and dislike of the Soviet Union, or to realize that Vietnamese refusal to recognize Chinese susceptibilities is in large part responsible for present Chinese attitudes.

The warmth of Chinese-Lao relations cooled with the signing in July 1977 of a twenty-five year Treaty of Friendship and Co-operation between Laos and Vietnam. But relations only really began to deteriorate a year later when Lao Prime Minister Kaysone pledged Lao support for Vietnam in its growing dispute with China over Kampuchea, and the Lao media began using the phrase " international reactionaries ", the Vietnamese term of abuse for China, in references to China's leaders. The Chinese were accused of providing support for anti-government hill-tribe guerrillas. It was clear, however, that the Lao were loth to buy into an unnecessary and unwanted confrontation with their most powerful neighbour. Vientiane reacted cautiously to China's border invasion of Vietnam, calling upon the two sides to negotiate their differences. Only after Soviet and Vietnamese reports of Chinese troops massed on the Lao frontier did the Lao, apparently rather reluctantly, join in condemnation of China. The Lao authorities demanded that Beijing withdraw all Chinese road construction workers in northern Laos, which the Chinese agreed to do while warning the Lao not to become too dependent upon Vietnam.

Since early 1979 the Lao have continued to accuse the Chinese of interfering in Laos' internal affairs. According to official sources in Vientiane, the Chinese are encouraging the Thai to step up their support for Lao resistance groups operating across the Mekong, especially in the south of Laos. A new Front organization has been set up to co-ordinate Thai-based resistance activities, members of which are reportedly also in contact with Lao resistance forces in Yunnan. The prospect, therefore, is for a co-ordinated Chinese and Thai backed resistance in Laos aimed at overthrowing the present pro-Viet-

namese leadership of the Lao People's Revolutionary Party and expelling Vietnamese forces from Laos. Whether or not a new guerrilla war will eventuate in Laos depends, howver, on the balance of international power. The Chinese appear to be biding their time, but the groundwork is apparently being laid for a new insurgency which could once again immerse Laos in the conflicts of her neighbours. This would inevitably set back the country's badly needed programmes for economic development and construction. Paradoxically too it would probably have the effect of forcing Laos deeper into the Vietnamese embrace by destroying what opportunities remain for the building of a specifically Lao form of socialism. Hence the greater concern expressed in Vientiane today over Chinese intentions than over the presence of the Vietnamese.