FROM THE EDITOR:

This is the inaugural issue of the Lao Studies Review of the Lao Studies Society. It seeks to share research results and academic writings relevant to members, researchers, scholars, other people and institutions with an interest in Laos and Lao communities living in different parts of the world. Its major objective is to promote knowledge based on relevant research being undertaken or completed privately and in universities in various countries. It also aims to encourage Lao and other scholars by providing an avenue where their writings can be published. Constructive comments on the contents of the Review would be very appreciated.

In this issue, Dr Martin Stuart-Fox, an internationally recognised scholar on Laos discusses Laos after the passing of Kaysone Phomvihanh. Two articles by Lao scholars look at Lao settlement in multicultural Australia and issues related to their community organisations within the context of a Western society. A detailed examination by Mr William Worner of agricultural change and development policy in Laos, especially in relation to the monetary system, provides rare and useful information on development in this area since the change of regime in 1975. Most of the statistics provided have been painstakingly collected and compiled from nay sources, although some of the data may need to be treated with caution. To provide a change of pace, we have included a short article on the Lao reed-pipe (Khene) musical instrument and its place in Lao culture by Viliam Praxayavong. The Society is fortunate to have been able to include an article on Hmong farming and land-ownership in America by an Ms Betsy Sheehan of the University of Connecticut, who discusses how former Hmong refugees from Laos are now making a new life for themselves in a Western society. For our Lao readers, we have published an article in Lao which explains the reasons why the Lao people have never witnessed true independence from neighbouring states and world powers.

The Society would like to hear from anyone who is presently engaged in research on Laos (agriculture, commerce, religion, education, technology, economic development, law, forestry, industries, etc..) or Lao people (Lao, Hmong, Imien, Khmu and others) living in Laos and other countries. Contributions to its shorter Newsletter and the Lao Studies Review should reflect well-documented evidence, whether from primary or secondary sources. Some readers may have recently completed a master or PhD research project on Laos or members of communities originated from that country, or may contemplate doing one soon. You may simply know someone who is doing such research or recently publishing anything of interest to the Society. Please let us have your information, research findings or proposed study plan, theses, books and short publications from authors and publishers for review or mention in its Newsletter and Lao Studies Review.

LAOS: THE POST-KAYSONE ERA

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When Kaysone Phomvihan died on 21 November 1992 at the age of 72, the occasion for most Lao expatriates was one for rejoicing. The architect of Pathet-Lao victory, President both of the Lao People's Democratic Republic (LPDR) and the Lao People's Revolutionary Party (LPRP) was dead. Surely the whole hated system would thereupon collapse. Today almost two years later, the regime shows no sign of collapse. It may not be very popular among expatriate Lao or indeed among many Lao in Laos, but it is in no danger of losing its monopoly of political power. In this presentation, I want to do three things: present evidence for the viability of the present Lao government; suggest why it is under no threat of imminent collapse; and speculate on what the future may hold.

Government Viability

In presenting evidence for the viability of the present Lao government, I shall limit myself to recent events. The year 1991, it seems to me, was a crucial one for the LPDR and for the Party. The collapse of Communism in the Soviet Union and Eastern Europe in 1989 had come as a severe shock: an editorial in Pasason, the LPRP newspaper, described it as "a nightmare year for socialism". Communist leaders in Laos feared for their own positions. By 1991, however, they had pulled themselves together, and regained some confidence. Though still on the defensive, the leadership went ahead with two important events: the Fifth Party Congress, and promulgation of the Constitution.

Together these events carried two important messages. The first was that the Party had no intention of relinquishing its monopoly of political power. The second was that economic as opposed to political liberalization would continue to be pursued. The "leading role" of the LPRP is strongly endorsed in the Party statutes where it is described as "the organised vanguard and representative of the Lao working class, workers of the ethnic groups, and the Lao nation". In the Constitution, the Party is mentioned only once, in Article 3 where it is described as the "leading nucleus" of the

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Address given to the Lao Studies Society in Sydney, Australia, on 14 August 1993.

political system. In both documents, the intention is clear. The Party intends to retain a monopoly of political power at all costs. Equally clear is the basis of its strategy to retain that power. The legitimacy of the regime is understood to rest on its ability to ensure an improved livelihood for the people of Laos through steady economic development - backed up, of course, by coercive force exercised through the imprisonment of political dissidents; control of information, particularly the press; limitation of human rights, such as freedom of speech and assembly; and effective use of the police to monitor internal dissent and the army to ensure suppression of externally based resistance. I need hardly point out that these coercive measures are working. The long prison sentences of 14 years handed down to three senior officials (Thongsouk Saisangkhi, Latsamy Khamphoui, and Feng Sakchittaphong) as punishment for publicly calling for a multiparty democratic system of government are clear warnings to anyone else with similar views. There are no independent publications in Laos and the sale of foreign publications is controlled. The formation of political associations and organization of public demonstrations is banned, despite the Constitution which in Article 6 states that the "freedom and democratic rights of the people ...cannot be violated by anyone".

As for threatening the regime by force through armed resistance, whether by Hmong in the north or Lao further south, this has proved over more than 15 years to be no more than an irritant to the regime. Never has the kou sat been able to mount any effective challenge to the regime, even in the early 1980s when it was briefly receiving support from both China and Thailand. Now what resistance remains is token and no more, because no outside power is prepared to support it. China has excellent relations with the LPDR. Many official delegations to Laos since the visits by respective prime ministers in 1990, and all Lao previously accepted by China as refugees are in the process of being repatriated. The new Thai government of Chuan Leekpai is providing no assistance to Lao resistance groups which are nothing more than an embarrassment - as they were in June 1992 when the so-called "Free Democratic Lao National Salvation Front" briefly occupied a village in Vientiane province.

Thailand has already closed the Ban Vinay Hmong refugee camp and Chieng Kham is due to close soon. All Lao refugees, including Hmong, not accepted by third countries by 1995 will probably be repatriated. Even the United States is cooperating to prevent Lao and Hmong with American citizenship from taking part in resistance activities. (The US has also offered $1.5 million to assist in repatriating Lao refugees). Negative coercive controls may be effective in enabling the regime to retain power, but it still needs to gain legitimacy through stimulating economic development and improving living conditions. Here success is mixed, and opinion within the Party differs about how to achieve this goal. There is virtual unanimity on the need for coercive measures to maintain political power: there is less agreement on what economic policies to adopt. Not that the broad economic policy direction is in doubt — just the degree of continuing Party involvement in economic production.

In relation to the economy, the Fifth Party Congress and the new Constitution both made it clear that Laos was following the direction of China and Vietnam. In both these countries the belief is that a capitalist market economy is better able to stimulate productive forces than is a centralised command economy. Economic liberalization in both China and Vietnam is now too far advanced to reverse, and the same is true of Laos. No new 1990-1995 five-year plan was endorsed by the Fifth Party Congress. In February 1993, the inaugural meeting of the new National Assembly set only broad economic goals — a target growth rate of 7% per annum from now until the year 2000. The Constitution, while maintaining that the Lao economy is "multi-sectoral", guarantees protection of "private ownership of domestic capitalists and foreigners" (Article 14). Moreover comparison with two earlier drafts of the Constitution shows clearly that the role of the state in the economy, in "orchestrating" relations between sectors (private and state-owned) had been reduced by the final draft.

Given Lao dependence, not only on the Chinese and Vietnamese economic model, but also on political and international support, it is most unlikely that the present regime would reverse the direction of economic reform. This does not, however, mean that everyone at the upper levels of the Party agrees about how quickly economic liberalization should progress. Kaysone was the leading proponent arguing for economic reform, with support from the late Sali Vongkhamsao, younger mostly western educated Party members, and the army. Those less eager for change looked to Nouhak for leadership. Nouhak's control over economic ministries during the first decade of the LPDR gave him great power and patronage that he was reluctant to lose. (I was refused a visa to visit Laos for two years after writing about these developments in 1986.) Now, of course, Nouhak is President of the LPDR. He is not, however, President of the Party or head of government, both posts held by former army commander and defence minister Khamtay Siphandone. Nouhak has lost much of his earlier influence, but there are still those in the Party who are unhappy about the policy of privatization of the former state sector of the economy, and the extent of foreign (especially Thai) investment.

So how effective have government economic reform policies been in Laos since 1988, and what have been their results? In two ways government policies have borne fruit. The first is that the LPDR has successfully overcome the loss of Soviet aid, which in the mid-1980s amounted to as much as 60% of all foreign assistance. When it is remembered that revenue barely meets day-to-day costs of running the government, it is obvious that economic development depends entirely on the level of foreign aid. To put it another way, Laos can call upon no resources of its own for economic development projects: it is entirely dependent on foreign capital. Diversification of sources of foreign aid was therefore essential. The government has worked hard and successfully at developing friendly relations with a variety of countries to replace its earlier dependency on the Soviet bloc. Aid is now provided by, in addition to Vietnam, China, Japan, Thailand, Sweden, France, Australia and the United States.

Most borrowing, however, is from the World Bank and the Asian Development Bank. This has never been blocked, as in the case of Vietnam, by the United States. The United Nations Development Program (UNDP) also has an active mission in the LPDR. According to government figures, the total amount of foreign aid received in 1992 was $176 million to fund 104 projects (with $127 million spent on agricultural and forestry projects, the rest on infrastructure construction, communications, education, health etc). This is a healthy sum, and about as much as the country has the capacity to absorb.

The second economic achievement since 1988 has been to open up the country to private investment. Of the 2,640 factories which the government claims are now operating throughout the country (namely in the region of Vientiane), only about 250 have any state involvement. Another 250 are owned by the provinces. Twelve large and ninety small enterprises have been privatized, but the government cannot find buyers for the rest. Investment has come principally from Thailand and Taiwan, with American, Australian, Japanese, and French investment also significant. From 1988 to 1992, over US $490 million was invested in 280 projects in Laos by 25 countries, about US $160 million from Thailand, more than double the US $75 million from the United States.

China has recently signed an agreement for joint investment, including construction of a cement factory (previously promised by the Soviets but never built) at Vang Vieng. Private Chinese, and Vietnamese, investment in Laos will probably follow in time. In order to encourage foreign private investment, the government has had to provide constitutional and legal guarantees both against expropriation and to permit repatriation of profits. The necessary legal framework has been slowly developed, but with the help of French and American legal experts much of the basic drafting has now been completed. (The Harvard Law School won the contract to draft internationally acceptable commercial law codes.) The Justice Ministry has recently announced a new journal that will publish all laws in three languages - Lao, English and French. While some questions and problems remain, the fact that foreign capitalists are now investing in the LPDR indicates that they are sufficiently sure of the government's intentions and the existing legal framework to take the risk.

Imminent Collapse?

The question remains whether all this foreign aid and private investment has had the desired effect — that is, to raise the living standards of the Lao people and thus generate popular acceptance of and support for the government. Here an assessment is much more difficult, because the effect has been anything but evenly distributed. Who then has benefited, and who has missed out? One could be cynical and say that the principal

beneficiaries are Party members in a position to influence decisions and provide patronage, and undoubtedly some families have benefited as a result of corruption. Large houses, official cars and lavish life style characterize the present political elite, as it did the previous one - and exactly the same forms of corruption by the same means apply now as they did before 1975. The scale of corruption is not quite as great as before 1975, but only because the scaler of American aid was greater during the war. Now much of the corruption is in relation to private investment, not foreign bilateral or concessional multilateral aid. The government has gone through the motions of setting up in June 1993 a Central Task Force on Corruption, answerable to the Prime Minster's Office. Some cases have been given publicity, especially in connection with timber smuggling in the provinces. It remains to be seen whether the Task Force is serious about combating corruption.

Judging by changes evident in Vientiane since 1980, and especially since 1988, economic liberalization has most benefited Party officials and the small but growing Lao urban middle class of private businessmen and professionals in partnerships with or providing services for foreign entrepreneurs. It is now common to see, as it was before 1975, a table of Lao businessmen drinking in one of the new night clubs and consuming more imported alcohol in an evening than a labourer could pay for in a month. New hotels, restaurants and night-clubs have sprung up in the last five years to cater both for foreign contractors and tourists, and for the new wealthy Lao elité. Some flow-on from economic investment has occurred particularly in the Vientiane area from employment (everyone wants to learn English) and from rural irrigation and agricultural projects.

Life has changed little in rural villages, however, especially in more remote regions. Projects have benefited Lao Loum more than the ethnic minorities. In fact the promises the Pathet Lao made to those who supported them during the so-called "thirty year struggle" have not been fulfilled. Few Lao Theung or Lao Soung villages have schools or health clinics. Some of those that did have seen them closed down as funds dried up, or were diverted to other purposes such as building houses for Party officials. Some attempt has been made to re-settle minorities in order to prevent slash-and-burn methods of agriculture, or the growing of opium. Periodically, the government destroys drugs with much publicity - mainly quantities of marijuana (five tonnes of marijuana and 300 kilograms of raw opium were burned in 1990 and 1991).

But interference in traditional ways of life produces resentment. Minorities are, however, part of the national political culture to a greater extent than ever occurred under the former regime: of the 85 deputies elected in last year's election to the National Assembly, 62 were Lao Loum (out of 108 who stood for election), 16 Lao

Theung (out of 29) and 7 Lao Soung (out of 17). Of the 62 Lao Loum, several were Phou Tai. So the National Assembly does reflect the make-up of the National population in a way it never did before.

In general, the groups that have benefited least from economic liberalization and foreign investment are the ethnic minorities. Unless the government makes more serious attempts to improve their condition of life it risks losing their allegiance entirely. From what I have said, it is possible to see why the present regime is under not threat of immediate collapse. To summarise: it controls effective means of coercion; the kou sat has no external support and is no more than a nuisance; the government has liberalized the economy and given everyone the freedom to make money; foreign aid and private investment are both flowing in; and Laos enjoys good relations with her neighbours and more distant powers.

I have had no time to discuss foreign relations, except in the context of foreign aid. Let me just say that the Untied States has upgraded relations with Laos to ambassador level and has begun a small aid programme. China has also concluded border and investment agreements, and China's foreign and defence ministers have both visited Laos recently; close cooperation continues with Vietnam on the level of both party and state; relations with Thailand are warm, with Thai investment leading the way (the Thai Prime Minister visited Vientiane in June 1993). On its part, Japan provides substantial aid and has a large embassy; Russia maintains a presence, though most Eastern European countries have withdrawn their diplomatic missions. As for Australia, it is enough to note that the two largest construction enterprises in the country - the Friendship Bridge across the Mekong at Thadeua, and the 600 megawatt hydroelectric project to be built on the Nam Theun river in central Khammouane province - are being undertaken by Australian companies. In fact relations between Laos and Australia are particularly warm, with more than fifty Lao students currently studying in Australian universities for everything from diplomas to doctorates.

There are two further reasons why the present regime is in no danger of collapse that need mentioning. One has to do with the nature of Lao society, and the size of the Lao educated elité; the other with the nature of Lao politics. Because 90% of educated Lao fled the country after 1975, the few who remained constituted a tiny elité, mostly comprising members of the LPRP. The Lao urban middle class was decimated. It is now increasing again, but only slowly. There exist no professional organizations to lobby governments, no civil society of the kind essential to a functioning democracy. It took the vastly larger Thai middle class a long time to challenge the exercise of political power by the Thai army: it will take the Lao middle class even longer before it is large enough or influential enough to challenge the combined power of the Party and the army. At present the new Lao elité, based on wealth and education that has grown up under the new regime, is more inclined to compromise with the Party than challenge it.

Turning to the nature of Lao politics, it is true that Marxism has been discredited, and along with it presumably all communist regimes. But single-party authoritarian regimes are not uncommon in Asia, be they military regimes, or communist regimes, or regimes based on the overwhelming political dominance of a single party, as in Singapore, or until recently in Japan. The regime in Laos is not as far out of step with the rest of Asia as it is when compared to Europe. Moreover democracy may mean various things. Multi party democracies are a good way of institutionalizing political differences in a non-violent form, but political differences still exist in single-party states, and much depends on how they are dealt with. In the LPRP, discussion at Kilometre Six is reported often to be heated. Different opinions are aired; but as with Australian party politics, once a decision is taken all Party members must loyally support it. The LPRP is a national party: it does represent all ethnic groups: it does allow debate. Many people believe that in the present stage of Lao social and political development the country is best ruled by a single party, rather than allowing a number of parties to compete and become instruments of foreign influence as happened before 1975. Because people believe this, few are agitating for a multiparty system.

The Future

Finally, let me briefly make some suggestions as to the likely future course of events in Laos, say up to the year 2000. First, provided communist regimes survive in China and Vietnam, it is likely that the LPDR regime will also survive as a single-party state. It will not really be communist, however, any more than China or Vietnam are, for it will not preside over a socialist economy. What it will be is an authoritarian, one-party state. Laos will increasingly be drawn into the capitalist world economic system. It will also increasingly be integrated with the economies of ASEAN, especially that of Thailand, though it can balance this by opening up communications with Vietnam and Southern China. The bridge at Thadeua will link Thailand with Yunnan via Laos, just as later a bridge further south will link Thailand and Vietnam, again via Laos. It will not be long before tourist buses are driving from Bangkok to Beijing via Luang Prabang, and heavy trucks are stopping for a quick snack at Sepone on the way from Bangkok to Danang. The days of isolation for Laos will be over. The effect on the people and society will be enormous, and hard to predict. Pakse and Savannakhet will become substantial cities, while Vientiane will be an industrial centre with a population eventually of perhaps a million people.

As the Lao economy modernizes, and Lao society becomes more sophisticated and complex, political changes will occur. They may entail conflict, or they may occur peacefully. But they will be brought about by those who live in the country, not by those looking on from outside. Nothing the west did brought about the end of

communism in Russia and Eastern Europe. No-one in the West even foresaw it. The people of those countries were alone responsible. So it will be in Laos, when the time is ripe. In the meantime, we in Australia can watch with sympathy and understanding, and help where we can when we are asked to assist those inevitable forces of change that are already at work.

LAO COMMUNITY ORGANISATIONS IN AUSTRALIA:

by

THONG PHOUMIRATH

Introduction

After nearly twenty years of settlement and boasting a large number of formally organised groups to serve its own members, the Lao community in Australia faces an uneasy problem: the lack of one single organisation to nationally represent its interests. Efforts have been made by various individuals during this time to form a national federation of Lao organisations, but this has been to no avail. These efforts, however, indicate the recognition that a national organisation is needed. The question remains as to why these efforts failed to achieve anything of substance. In this paper, I will firstly analyse the organisational problems within the Lao community that contribute to this difficulty. I will then attempt to put forward a model for reframing and developing a new organisation model, and to suggest a leadership style to achieve the aim of forming a national Lao federation in Australia.

Background

Lao settlement in Australia began in 1975 after the communist take-over of the three countries of Indochina, marking the end of the Vietnam War. The latest general estimate (including Australian-born children of Lao ethnicity) of number of Lao people in Australia puts it at about 13,000 in Sydney; 10,000 in Melbourne, 1,500 in Canberra; 1,000 in Brisbane and 400 in Albury, Adelaide, Hobart, Perth and Darwin. On last count, there are about twelve Lao associations in Sydney; seven in Melbourne, two in Brisbane, 2 in

Albury and one each in all the other places mentioned, 27 in all. The majority of these associations concentrate on activities in welfare, social education and cultural functions and meeting settlement needs of members. Some of these are organised along "regional" lines, a prerequisite for membership being an expatriate from a certain geographical location in Laos. There are others that are based on religious affiliation such as a Buddhist temple, or on specialised interests such as sports and intellectual pursuit. Being refugees from a communist regime, others have also formed organisations of a political nature, focusing on the "liberation of the homeland" as their only raison d'etre.

THEORETICAL FRAMEWORK

Bolman and Deal (1), in their discussion of community organisations, propose the following set of core assumptions for organisation structures:

1. an organisation exists primarily to accomplish established goals;
2. for any organisation, a structural form can be designed and implemented to fit its particular set of circumstances;
3. organisations work most effectively when not constrained by environmental turbulence, personal preferences, cultural norms or rationality;
4. specialisation permits higher levels of individual expertise and performance;
5. coordination and control are essential to effectiveness; and
6. organisational problems typically originate from inappropriate structures or inadequate systems and can be resolved through restructuring or developing new systems.

Using the Change Process method, I will analyse the problem of Lao community organisations in Australia against some of the above core assumptions.

In the current scenario, one of the main problems is that the organisation does not fit the first assumption that organisations exist primarily to accomplish established goals. With many Lao associations, there were no common established goals of any importance from the beginning. For the majority of members, the only goal is the lowest denominator of "having an association so as to be seen to have one to belong to". For the leadership, drawn largely from the middle class with public service experience from the old homeland and who is by definition more articulate, more committed and more able to interact with the outside world, the goal was to work toward achieving a better resettlement of the Lao people in the host country, be it in respect of social, cultural, education, health and welfare matters.