

Laos in 2016

Difficult History, Uncertain Future

ABSTRACT

Briefly entering the international media spotlight coinciding with the first-ever visit by a sitting US president along with a galaxy of regional leaders, Laos in 2016 saw a new leadership lineup following a quinquennial party congress. Questions of Chinese versus Vietnamese influence over Laos and even the legacy of US bombing all gained an airing.

KEYWORDS: party congress, ASEAN summitry, US presidential visit, China, Vietnam

INTRODUCTION

As host of the ASEAN Regional Forum meeting in July and two months later, the East Asia Summit, bringing together US, Chinese, Japanese, Korean, Russian, and other regional ministers and officials, the Lao People's Democratic Republic (Lao PDR) in 2016 was briefly thrust into the international spotlight. Playing off all sides against the center, east met west on the banks of the Mekong and, thanks to the presence of US President Barack Obama, also called down some reflection upon history, rare in itself.

DOMESTIC POLITICS

With Laos's ruling People's Revolutionary Party holding its tenth quinquennial congress in January and with a new government sworn in the following April, the year also witnessed a leadership transition, albeit not necessarily in a direction away from its authoritarian bearings. In assuming the role of party secretary general, former Vice President Bounhyang Vorachit replaced Choummaly Sayasone, who held this position for two terms. Four other

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Asian Survey, Vol. 57, Number 1, pp. 206–210. ISSN 0004-4687, electronic ISSN 1533-838X. © 2017 by The Regents of the University of California. All rights reserved. Please direct all requests for permission to photocopy or reproduce article content through the University of California Press's Reprints and Permissions web page, <http://www.ucpress.edu/journals.php?p=reprints>. DOI: <https://doi.org/10.1525/AS.2017.57.1.206>.

Politburo members stepped down; in terms of composition, the new 11-member Politburo includes one serving military figure and one female member, the ethnic Hmong, Pany Yathotou. But with the military holding three out of nine positions in the central committee, the old guard remain firmly in control. As explained by Bounhyang, himself a former army commander, most of the leadership has been “tested on the battlefield during the struggle for national liberation,” a reference to Laos’s thirty-year civil war. The rest gained their laurels in “national development and protection tasks.”

With the new government and parliament sworn in by the National Assembly on April 20, Bounhyang was duly confirmed as president and head of state, with former Education Minister Phankham Viphavanh elevated to deputy president. The second-highest-ranking person in the Politburo, Thongloun Sisoulith, replaced Thongsing Thammavong as prime minister. Among other key appointments, Dr. Sonexay Siphandone, son of a revolutionary veteran and former Lao PDR president, was elevated to head the prime minister’s office.² Having served as the country’s foreign minister for a decade, Thongloun is also associated with attempts to diversify the country’s relationships; he has also acted to halt illegal timber and wildlife trade. Others “internationalists” of note include incoming Foreign Minister Saleumxay Kommasith, holding degrees from Moscow State University and Australia’s Monash University, along with Minister of Education and Sports Sengdeuane Lachanthaboune, a woman who also has a higher education background from Australia. Many of the Vietnam-educated officials included in Prime Minister Thongloun’s new government wasted no time in visiting Hanoi en masse, suggesting to some a positive assertion of ties with Laos’s prime revolutionary ally, as much demonstrating a hedge on China.³

ECONOMIC AND SOCIAL DEVELOPMENTS

According to data from Laos’s Investment Promotion Department, as of February 2016 the top sources of foreign direct investment (FDI) were Vietnam and Malaysia, ahead of China. But with respect to approved investment projects by country, China ranked number one, followed by Thailand, Vietnam, South Korea, Japan, and France.⁴ In 2015, China accounted for more than 40% of Laos’s public external debt, with the funding focused on infrastructure and power projects.⁵ In what appears to be an attempt to further diversify foreign investment and contacts, the Lao PDR initialed a Trade and

Investment Framework Agreement with the US in February 2016. Thongloun talked up cooperation during visits to Cambodia in June and Thailand in July. Another trend is the creation of special economic zones throughout the country: there are currently 12, with 200 registered businesses in different stages of development.

According to the Asian Development Bank (ADB), following on from a decade-long mining boom, electricity production and export are expected to maintain growth, especially as additional hydropower plants came online in 2016 along with the 1.9 gigawatt Hongsa lignite-fired plant. The planned multi-billion-dollar railway linking Vientiane with Yunnan Province in China was officialized in an opening ceremony conducted on December 25. Taking these factors into account, GDP growth for Laos is forecast at 6.8% for 2016, rising to 7.0% in 2017.⁶ These are impressive figures, although controversy dogs all these megaprojects, including the Xayaburi Dam, the newly-announced Pak Beng Dam in the northern province of Oudomxay, and the Don Sahong dam in Champasak Province near the Lao-Cambodia border, especially as to negative local and/or downstream social and environmental impacts.

INTERNATIONAL DEVELOPMENTS

The Lao PDR presided over the first of two rounds of regional summitry from July 21–26, 2016, drawing wide attention including from the international media. Of notable concern was how Laos would mediate between China and the group of ASEAN countries disputing China's claims in the South China Sea. Human rights was also an issue: the ASEAN Civil Society Conference/ASEAN Peoples' Forum (ACSC/APF) moved its meeting to Timor-Leste, citing no freedom for NGOs in Laos.

The Obama Visit

Preceded by US Secretary of State John Kerry (who discussed relations with Foreign Minister Saleumxay in the course of visits to Vientiane in January and again in July), Barack Obama became the first sitting US president to visit Laos when he attended the US-ASEAN Summit and the East Asia Summit from September 6–8. Although his presence served notice as to the importance of freedom of navigation in the East and South China Seas, the

summits issued no mention of the decision by the Permanent Court of Arbitration in The Hague favoring Philippine claims over China's.

Addressing an audience of more than 1,000 students, business people and officials in a speech larded with Lao phrases and cultural references, Obama acknowledged, "Given our history here, I believe that the United States has a moral obligation to help Laos heal." He did not apologize for the US carpet bombing of Laos during the Vietnam War. In a pointed message to his hosts, and undoubtedly mindful of the party-state's zero tolerance for dissent, much less opposition, he lauded "freedom of speech and assembly, and the right to organize peacefully in civil society without harassment or fear of arrest or disappearing."

In unprecedented remarks, Obama spoke of America's war in Laos in the 1960s and 70s; the devastating US bombing (2 million tons of ordnance), "more than we dropped on Germany and Japan, combined, in all of World War Two"; and the extensive unexploded ordnance (UXO) still strewn across the Lao countryside. The president also acknowledged:

Having a U.S. president in Laos would have once been unimaginable. Six decades ago, this country fell into civil war. And as the fighting raged next door in Vietnam, your neighbors and foreign powers, including the United States, intervened here. As a result of that conflict and its aftermath, many people fled or were driven from their homes. At the time, the U.S. government did not acknowledge America's role.

To be sure, as stated, this was "a secret war, and for years, the American people did not know." Moreover, "with many not fully aware of this chapter in our history, . . . it's important that we remember today."⁷ In fact, the dimensions of the "secret war"—an illegal conflict waged by the American CIA and its client Air America along with ethnic Hmong mercenaries—*had been exposed* by international media, but its impacts were precisely local. Those of the former "Vientiane-side" or losers in the war who, as refugees or migrants became Lao-Americans, were not forgotten: the US president invoked their name as "an unlikely bond between our two peoples" or part of a bridge to reconciliation. Typically with his many foreign visits, Obama also sought to reach out to local people, for example in the former royal capital of Luang Prabang, where he greeted a gathering of Buddhist monks.

In the broader diplomatic scheme, Washington's overture to Laos was also about the regional balance of power, notably keeping China in mind.

Meeting with President Bounhyang, Obama sought to strengthen a relationship that would “mean greater progress and opportunity for the people of Lao,” citing education as an area where the US role could make a difference. Building upon earlier support, he offered US\$ 90 million over three years for UXO removal and duly visited a group engaged in this dangerous work. Undoubtedly the history invoked by the US president is haunting for both the victors of the civil war (the current elite and rural-backed supporters who bore the brunt of the war) as well as the vanquished (the ex-king, most of the former urban classes, and members of the Hmong community who opposed the communists). As Obama conceded during his visit to Vietnam the previous July, this indeed was “difficult history.”