From Foes to Friends: China and the United States in Laos’ Foreign Policy

Soulatha Sayalath

Contemporary Southeast Asia: A Journal of International and Strategic Affairs, Volume 46, Number 1, April 2024, pp. 103-124 (Article)

Published by ISEAS–Yusof Ishak Institute

For additional information about this article
https://muse.jhu.edu/article/925577
From Foes to Friends: China and the United States in Laos’ Foreign Policy

SOULATHA SAYALATH

Domestic politics has shaped the foreign policy of Laos (formally the Lao Peoples’ Democratic Republic, or LPDR) since the 1970s, specifically its relations with China and the United States. During the 1980s, the communist government of the Lao People’s Revolutionary Party (LPRP) feared that China and the United States were supporting counter-revolutionary resistance groups, prompting Vientiane to adopt closer relations with Beijing and Washington to ensure its own internal security by motivating them to cut off their support for anti-LPRP groups. As the Soviet Union reduced economic aid to Laos in the latter stages of the Cold War, the LPRP adopted market-based reforms in 1986 to generate closer security and economic cooperation with China and the United States and to grow its economy. Domestic concerns of regime survival and performance legitimacy remain key drivers of Laos’ foreign policy.

Keywords: Laos, domestic politics, legitimacy, regime survival, China, United States.

The existing literature on foreign policy decision-making in Laos (formally the Lao People’s Democratic Republic, or LPDR) pays little attention to the role of regime survival or the communist government’s domestic sources of political legitimacy.1 Instead, it has tended to focus on the waxing and waning of relations between Laos and Vietnam—which played a key role in the victory of the communist

SOULATHA SAYALATH is an independent researcher and formerly a postdoctoral researcher at Hiroshima University, Japan.Postal address: P.O. BOX 9189, Vientiane, Lao PDR; email: sayalath.b@gmail.com.
Lao People’s Revolutionary Party (LPRP) against the US-backed Royal Lao Government (RLG) in 1975—and to downplay Vientiane’s agency in making independent foreign policy decisions. However, overly fixating on Laos’ relations with Vietnam does not explain why Laos normalized relations with China and the United States before Hanoi did. Moreover, much of the existing literature overlooks the fact that—unlike in multiparty, democratic countries, where national security relates almost entirely to the state’s survival—national security in one-party states (such as Laos) is intractably linked to the ruling party’s survival. For instance, Alouni Vixayphongmany has explored how the LPRP regime faced insecurity when China and the United States lent support to armed resistance groups that opposed the communist takeover in 1975, yet that study did not emphasize how this affected Laos’ relations with the two superpowers. As such, this article seeks to contribute a better understanding of how the LPRP’s objectives of regime survival and legitimization have shaped relations with Beijing and Washington since the 1970s.

On 2 December 1975, the LPRP, at the time known as the Pathet Lao, seized power from the US-backed royal government. The immediate threat to the new communist regime came from armed groups primarily composed of ethnic Hmong, who had been trained by the US Central Intelligence Agency (CIA) during the Laotian Civil War (1959–75) and who had refused to surrender after the communist takeover. With 2,000–3,000 troops, these groups held strongholds close to the nation’s capital, Vientiane. At the same time, the nascent communist regime made enemies for itself after imprisoning soldiers, police and high-ranking civil servants who had worked for the RLG, despite many of them having voluntarily agreed to work for the new government. Fearing execution, many escaped to refugee camps in Thailand, thus threatening the regime’s international credibility. Yet another security threat arose when the communist government forcibly introduced agriculture cooperatives between 1978 and 1979. Instead of joining these collectivized units, many farmers slaughtered their animals and destroyed their crops before also fleeing to refugee camps across the Thai border. In 1975, when the communists took power, there were around 10,000 Laotian refugees in Thailand. By 1978, the number had swollen to almost 48,000 refugees. There were more than 100,000 by 1980, many of whom were from the Hmong and Mien ethnic groups that had fought in anti-communist militias. These refugee camps in Thailand became safe havens for anti-LPRP resistance groups. Vientiane suspected that Washington, the financier of the ousted
royal government, supported the cross-border incursions these groups carried out during the 1980s.\textsuperscript{10}

As head of a small state with limited military capabilities, the LPRP government looked to communist Vietnam—which had supported the Laotian communists in the civil war—as a bulwark against these threats from across the Thai border. In July 1977, both countries signed a 25-year Treaty of Friendship and Cooperation, which allowed Vietnamese troops to be stationed in Laos. The LPRP government quickly suppressed what was left of the counter-revolutionary activity within Laos.\textsuperscript{11} Indeed, three months after the treaty was signed, the Lao and Vietnamese armed forces attacked the last stronghold of the Hmong militias.\textsuperscript{12} In November 1978, Vientiane and Hanoi issued a declaration of victory. Vietnamese troops, numbering between 50,000 and 60,000, remained in Laos until 1989, helping to put down what was left of the anti-LPRP resistance based in Thailand and to guard Laos’ borders.\textsuperscript{13}

As well as ensuring its own survival, the young communist government also sought to develop performance-based legitimacy, meaning it wanted to grow the economy—gross domestic product (GDP) per capita was just US$71 in 1975\textsuperscript{14}—to win support from the Laotian people. To do this, Vientiane needed to secure external assistance and maximize mutual benefits from foreign cooperation. Between 1975 and 1985, Laos received economic aid worth from US$40–50 million annually from the Soviet Union, as well as US$100 million worth of military assistance, including the transfer of Soviet-made trucks, artillery, tanks, helicopters and aircraft.\textsuperscript{15} Geopolitically, Moscow supported Vietnam in its disputes with China at the time—Beijing launched incursions into Vietnam in 1979 after Vietnamese troops had overthrown Cambodia’s Khmer Rouge regime, an ally of Beijing, that year—and also sent military advisors to train the LPRP’s new army.\textsuperscript{16} However, major economic problems within the Soviet Union during the 1980s meant Laos could not rely entirely upon Moscow’s largess, thus affecting the LPRP’s ability to satisfy the social and economic needs of the Lao people.\textsuperscript{17} To justify and consolidate its rule, in 1986, Vientiane transitioned from a socialist, centrally planned, command economy to a market-based economy. Ever since, economic reform has been the principal pathway towards regime legitimation, with the LPRP claiming its one-party rule is legitimate because it claims to have addressed the needs of the people—alleviating poverty, creating job opportunities, bridging the urban-rural divide and diversifying cooperation with new partners.\textsuperscript{18}
Laos’ early foreign policy decision-making was guided by the LPRP’s domestic imperatives of regime survival and legitimization. The same two concerns also motivated Laos to improve relations with China and the United States from the late 1980s onwards, including to the present day, as will be described later. The rest of this article is as follows. The first section demonstrates how domestic insecurity has shaped Laos’ foreign policy vis-à-vis China and the United States. The second section discusses how the LPRP advances its regime security and legitimacy with the two powers, while the third concerns how Laos has had to balance domestic concerns with international problems.

Regime Security Shapes Laos’ Foreign Policy

A single-minded fixation on regime survival shapes the LPRP’s foreign policy. Between 1975 and 1981, “peace, independence, friendship and non-alliance” were the central tenets of the regime’s foreign policy. Vientiane nominally declared non-alignment when trying to eliminate the coordinated opposition of those loyal to the royalist government it had ousted in 1975 while, at the same time, it also sought to maintain a semblance of cooperation with Beijing in the name of socialist solidarity. For instance, Chinese military engineering teams had been helping to construct roads in northern Laos as part of an aid programme financed by Beijing since 1962. However, all cooperation ended in February 1979 when China launched military incursions into Vietnam, Vientiane’s main ally.

Relations with the United States, which had backed the ousted royal government, were tense ever since 1975. Laos’ communist government believed that Washington—and Thailand’s anti-communist government—was sponsoring anti-LPRP resistance groups living in refugee camps in Thailand. At the LPRP’s Third Party Congress in 1982, it replaced its non-alignment policy with a socialist-framed foreign policy stance, mainly to signal its allegiances with Vietnam and the Soviet Union. At the same Congress, Washington and Beijing were accused of preparing “a series of variegated subversive acts against [Laos]” and of “threatening Laos with aggression.”

Indeed, Vientiane perceived China and the United States as the “gravest threat” to the stability of its communist regime, a perception heightened after China attacked Vietnam in 1979. The United States also vocally opposed Vietnam’s invasion of Cambodia that year, which had overthrown the Khmer Rouge regime (allied to Beijing), sparking China’s invasion of northern Vietnam. Amid the
Sino-Soviet split, Washington ostensibly took Beijing’s side against the Soviet Union, which was the patron of communist Vietnam and LPRP. After China attacked Vietnam in 1979, Vientiane demanded that Beijing suspend its road construction project in northern Laos. The Chinese embassy in Laos was ordered to reduce its staff to 12, and diplomatic relations were downgraded to chargé d’affaires level. The same demands were made on the United States’ mission in Vientiane. In retaliation, Beijing said it would accept and resettle 10,000 ethnic Hmong, many of whom were part of anti-LPRP militias, from refugee camps in Thailand. China also turned areas in Yunnan province, which borders northern Laos, into training camps where approximately 3,000 to 4,000 men were recruited, trained and armed as part of an anti-LPRP resistance movement. Reported clashes between the Lao army and these resistance groups, and Beijing’s decision to start stationing troops near its border with Laos, raised the threat of “a possible invasion aimed at overthrowing the LPRP government and replacing it by a regime loyal to [Beijing].” Naturally, Vientiane perceived this as a threat to its regime’s survival.

To counter the threats from Beijing, Kaysone Phomvihane, the Secretary-General of the LPRP, stated in the Political Report to the Third Party Congress in 1982 that Laos was ready to normalize relations with China based on respect for each other’s independence, sovereignty, territorial integrity, non-interference in each other’s internal affairs, equality, mutual benefit and the peaceful negotiation of bilateral tensions. According to Kaysone, Vientiane was “patiently trying to do everything in our power to preserve and strengthen good-neighbour relations between the Laotian people and the Chinese people. In the interests of the two countries, of peace in Southeast Asia and the world, we are ready to normalize our relations with the People’s Republic of China.”

In 1986, Vientiane hosted a high-level delegation of Chinese diplomats, led by Deputy Foreign Minister Lui Shuqing, to exchange ideas on improving cooperation. The following year, Beijing welcomed Lao First Deputy Foreign Minister Khamphai Boupha, who was reportedly given assurances from Beijing that it would not encourage or supply arms to the anti-LPRP resistance. As a result, in June 1988, the two sides restored diplomatic ties to the ambassadorial level.

According to Cheng-Chwee Kuik, by the late 1980s, Laos had come to terms with its asymmetrical relationship with China, compelling Vientiane to normalize relations with Beijing. Because
Laos knew it could not avoid its neighbouring giant, it had to make peace and live with it. When presenting the Political Report to the Fourth Party Congress in 1986, Kaysone acknowledged that “China is a great country, one of the permanent members of the UN Security Council, with the responsibility for peace and security in Southeast Asia, Asia-Pacific and the world. We hope that relations between our two countries would be normalized.” In 1989, Kaysone became the highest-ranking LPRP politician to visit Beijing, where he held productive talks with senior Chinese leaders and agreed to accept Chinese aid.

Laos’ relations with the United States underwent a similar rapprochement during the late 1980s. In 1981, the CIA had sponsored incursions into Laos by anti-LPRP groups that were tasked with finding evidence of US prisoners of war (POWs) who had allegedly been held captive in the south of the country since the end of the Vietnam War. Vientiane considered this evidence of the United States directly supporting the anti-communist resistance and made a formal diplomatic protest. Another incursion was launched from Thailand in 1982, when a team of 15 members of the anti-LPRP resistance, led by a handful of US citizens, entered Laos to search for POWs. All of these incursions failed to find any evidence of POWs.

The LPRP saw these incidents as threats to its domestic security. In response, it decided to accommodate Washington’s desire to resolve the question of POWs and US soldiers Missing In Action (MIA). In early 1983, Vientiane hosted the first technical-level meeting with US officials to negotiate joint search and recovery efforts. At the end of the year, a preliminary joint survey was conducted at the crash site of a US warplane. In 1984, both sides agreed in principle to conduct the first joint excavation of the remains of US soldiers. This took place the following year when US and Lao personnel excavated the site where a US AC-130 gunship had been shot down in 1972 to search for skeletal and dental remains. Vientiane said it would only agree to the joint excavation efforts if the United States publicly ended its support of anti-LPRP resistance groups in Thailand and agreed to recognize and respect Laos’ foreign policy decisions vis-à-vis Vietnam. Eventually, in 1987, Washington issued a joint statement with Laos stating that it respected Laos’ sovereignty and publicly distanced itself from the anti-LPRP resistance.

In other words, Laos’ desire to protect its domestic security shaped its relations with the United States. Vientiane utilized POW/MIA negotiations with Washington to reaffirm its sovereignty,
especially over its ties with Hanoi. Likewise, the United States used interactions with Vientiane to advance its agenda, which at first centred on the POW/MIA issue. However, from 1990 onwards, the United States also began cooperating with Lao authorities to address illegal narcotics trafficking, another of its main priorities in mainland Southeast Asia. US-Laos diplomatic relations, which had been downgraded in 1975, were eventually restored in 1992.

**Policy Orientation: Advancing Regime Security and Legitimacy**

During its first decade in power, the LPRP government heavily relied on external aid to subsidize its trade deficit. Between 1976 and 1978, imports cost Laos around US$180 million annually, sevenfold the value of its exports (around US$26 million). Aid from external donors plugged this trade deficit hole—project and commodity aid alone accounted for US$190 million during the same period. However, exports remained low throughout the 1980s. In 1986, for instance, exports were worth US$55 million—8.6 per cent of GDP—whereas imports cost US$186 million—29 per cent of GDP. Moreover, Laos was at risk because of economic instability in the socialist bloc, namely the Soviet Union’s collapsing economy, which was supplying about 70 per cent of Laos’ foreign assistance. According to Grant Evans, the LPRP government “acted swiftly before [the socialist bloc’s] dramatic collapse”.

In November 1986, at the Fourth Party Congress, the LPRP adopted market-based economic reforms known as *Chitanakan Mai* (literally translated as “New Thinking”). It was a decisive turn, similar to the Communist Party of Vietnam’s “Doi Moi” reforms of the same year. Intended to secure foreign resources and diversify Laos’ cooperation with non-socialist countries, the reform package provided fresh incentives to normalize relations with China and the United States.

Following the normalization of diplomatic ties with China in 1989, both countries agreed in 1991 to start demarcating their shared border, in line with the Sino-French Border Agreement of 1895 (which was agreed upon when Laos was part of French Indochina). Marker posts were placed along their 508 km-long border over the next two years. In 2000, Laos and China signed the Joint Statement on Bilateral Cooperation, which included an agreement to cooperate on border security. Much later, China and Laos agreed to enhance cooperation between their armed forces, which subsequently led to joint medical training exercises (known as
“Peace Train”) in 2017 and a combined humanitarian and medical rescue exercise the following year in response to deadly flooding in southern Laos after the collapse of a hydroelectric dam. It took place again in 2019, combining humanitarian and medical rescue drills. The China-Lao Friendship Shield 2023, a combined military exercise, was a significant development.

Following the elevation of bilateral relations with China to a Comprehensive Strategic Partnership in 2009, the primary focus of cooperation was public security. Both Laos and China had become increasingly concerned about transnational crimes, including drug smuggling, human trafficking and illegal migration. In 2010, the public security ministries of both countries signed an agreement on security cooperation to combat cross-border crime. Two years later, the Lao Public Security Ministry extradited Burmese drug trafficker Naw Kham—the leader of the criminal group that had murdered 13 Chinese nationals on a cargo ship in the Mekong River—to China. In 2013, the ministry also permitted the appointment of Chinese security coordinating officials to the Chinese embassy in Vientiane to strengthen coordination. The same year, their public security ministries signed a pact on intelligence gathering. However, the agreement, although designed to safeguard the two countries’ national security, also mandated the exchange of strategic information to fight against the “peaceful evolution of hostile forces”, an implicit reference to the United States using non-military means to overthrow their one-party socialist regimes. Both sides also agreed to provide security for important Lao and Chinese individuals and international events. In 2018, additional joint security cooperation agreements were signed in Vientiane to enhance cooperation over security for Chinese-led development projects with Laos, including the US$6.8 billion, 414-km long Lao-China railway that links Yunnan Province in southern China to Vientiane (which opened in 2021). The agreements also included terms on the extradition of criminals. Between 2018 and 2020, Laos extradited 527 suspected criminals who had committed crimes in China but then fled to Laos. Most of these cases involved cases of fraud, assault and murder. In 2023, Laos deported a further 462 Chinese nationals, including those accused of running call-centre scam networks and human-trafficking rings at the Golden Triangle Special Economic Zone in Laos’ Bokeo Province.

Between 1990 and 2015, China provided US$3.4 billion worth of development assistance to Laos, as well as US$1.9 billion of non-interest loans, US$10.42 billion of special low-interest loans and...
US$2.91 billion of additional loans. Thanks to China’s financial support, Laos was able to weather not just the collapse of the Soviet Union in 1991 but also the 1997 Asian Financial Crisis. Chinese development assistance grants and loans also meant that Laos was not dependent on similar assistance from the West, such as from the World Bank and the International Monetary Fund. Assistance from these sources often comes with demands for political reform, greater government accountability, protections for civil society groups and democratization—all of which the communist LPRP has been reluctant to accept. As such, Chinese aid and loans have acted as a buffer against Western pressure on the LPRP to loosen its monopoly on power, another indication of how domestic political concerns influence Laos’ foreign relations.

Chinese assistance has been critical to Laos’ economic development and, thus, the LPRP’s domestic legitimacy. A prime example is when Laos hosted the 25th Southeast Asian Games (SEA Games) in 2009. In anticipation of the event, Laos had agreed to accept US$100 million in concessional loans from several Chinese companies via the China Development Bank to build sports complexes in Vientiane. In 2007, the Lao authorities announced that these Chinese companies, coordinated by the Suzhou Industrial Park Overseas Investment Company, would also build the complexes, including a new 20,000-seat stadium in the capital. In return, the Chinese firms were given a 50-year concession to develop 1,640 hectares of swampland a few kilometres outside central Vientiane. At the opening ceremony of the SEA Games, Lao Deputy Prime Minister Somsavat Lengsavad—who was also the Minister of Foreign Affairs and the Head of the Organizing Committee responsible for supervising the loan agreement—proclaimed that hosting the SEA Games was “an important way of showing the development of Laos over the last 34 years”, a clear sign that these Chinese loans helped the LPRP to burnish its image as the architect of Laos’ national development.

Laos has also pursued closer bilateral security and economic cooperation with the United States since the 1990s. At first, joint excavation efforts for the remains of POW/MIA between the Lao Ministry of National Defense and the US Department of Defense dominated engagement. After three rounds of negotiations with Washington in early 1981, Laos permitted a joint excavation effort to investigate the site where a US AC-130 gunship with 13 men on board had crashed in 1972. The excavation, which took place in 1985, marked the beginning of military-to-military relations
between Laos and the United States. A team of 11 US military personnel inspected and cleared unexploded ordnance (UXO) at the excavation site before they unearthed the remains of soldiers; Lao military personnel acted as field guards for their US counterparts. Between 1985 and 2022, 288 sets of remains—out of a total of 573 cases registered by the US Department of Defence’s Defense POW/MIA Accounting Agency—were recovered. US personnel and their Lao counterparts continue to investigate and excavate sites throughout Laos.

Cooperation over the search and recovery of POW/MIA remains allowed Laos to address two areas of concern: national security and the legacies of past conflict. As stated earlier, national security was an integral reason why Vientiane permitted the first excavation in 1985. By allowing the United States to search for the remains of its soldiers, Vientiane received Washington’s public assurances that it would end its support for anti-LPRP groups. In 1987, Laos pushed for a joint statement as a framework for bilateral cooperation, the final draft of which included a national security clause in which Washington “reaffirmed its opposition to irresponsible private efforts”, a reference to anti-LPRP resistance groups incursions into Laos in 1981 and 1982 even though Washington denied involvement in these incidents.

At the same time, the Lao government also wanted better relations with the United States so that it could address the problem of UXO. The United States dropped more than two million tons of bombs on Laos during its “secret war” between 1964 and 1973. Most of the bombs were cluster munitions, of which around 30 per cent failed to explode upon impact. Around 80 million of the cluster munitions dropped on Laos did not explode, resulting in at least 50,000 victims being maimed or killed by UXO since 1973. Between 1977 and 1996, there were, on average, 500 UXO accidents each year. Annual casualty rates fell to an average of 115 per year between 1999 and 2017.

In order to safeguard the rural population and allow land to be accessed for agricultural development, Laos needed Washington’s assistance in the removal and disposal of UXO. To attain this, Vientiane accepted that it had to cooperate with the United States on the POW/MIA issue. In 1995, the United States began providing financial assistance to Laos, not all of it for UXO clearance. Between 1995 and 2010, US assistance averaged US$3 million annually. In 2012, US Secretary of State Hillary Clinton assured her Lao counterpart during a visit to Vientiane that the United States would
continue assisting Laos in resolving the UXO problem. In 2016, during the first visit to Laos by a sitting US president since the communist revolution in 1975, President Barack Obama extended US assistance with a three-year package worth US$90 million and agreed to a Comprehensive Partnership between the two countries.

Economically, Laos also wanted friendlier relations with the United States so that it could obtain Normal Trade Relations (NTR) status, a legal designation in the United States for free trade with a foreign nation. Negotiations began in 1997, an agreement was signed in 2003 and the US Congress approved Laos’ NTR status the following year. Between 2007 and 2019, Laos received development assistance from the United States through the Laos-US International and ASEAN Integration (LUNA) programme, which was designed to help Laos implement its NTR requirements, to support its accession obligations to the World Trade Organization (WTO)—Laos acceded to the WTO in 2013—and to integrate Laos into the ASEAN Economic Community (AEC). Because Laos received NTR status in 2004, its exports to the United States were no longer subjected to the highest tariff rates, averaging 45 per cent. As a result, exports from Laos to the United States increased 65-fold between 2005 and 2022, from US$4.2 million to US$273.3 million.

Because of its market-based economic reforms adopted in 1986, the LPRP improved its domestic legitimacy by demonstrating its ability to foster and advance security and economic cooperation with China and the United States. For instance, the 2000 Joint Statement on Bilateral Cooperation with China included provisions that Beijing would not interfere in Laos’ domestic politics nor infringe on its national sovereignty, thus ensuring regime security after China’s previous dalliance with anti-LPDR groups. Likewise, improved relations with the United States meant the LPRP government attained assurances from Washington that it would respect Laos’ independence, sovereignty and territorial integrity. Through the Joint Declaration of Comprehensive Partnership, signed by Lao President Bounyang Vorachit and US President Obama in September 2016, the LPRP again obtained a commitment that the United States would not interfere in “Lao PDR’s independence, sovereignty, prosperity, and integration into the international community”. According to then US Secretary of State John Kerry, “We are trying to help Laos, not to do what we think we want it to do, but with what Laos wants to do.”

According to Kuik, greater economic cooperation with China and the United States helped the LPRP’s “quest for legitimacy and
capacity to govern”. In simplistic terms, Beijing supports Vientiane’s ambitions of fast-paced economic growth, whereas Washington assists Laos’ integration into the global economy. Since the US Congress approved the NTR in 2004, Washington has assisted Laos’ integration into the global economy; it was admitted into the WTO in 2013 and into the AEC two years later. Laos regards Chinese loans, particularly those provided under the Belt and Road Initiative (BRI), as a mutually beneficial strategy, even if they have sparked concerns over the debt Vientiane has incurred in the process. For instance, the Lao state backed a significant portion of the loans for the US$6.8 billion high-speed Lao-China railway. In 2019, then Lao Prime Minister Thongloun Sisoulith pushed back against concerns that Vientiane might be unable to afford its debt repayments, as well as the long-term implication of economic dependency on China (the so-called “China debt trap”). According to Thongloun, his government has “its own measures to manage the debt”. Moreover, Vientiane contests that the China-Lao railway, which was opened in 2021, provides Laos with better access to Chinese markets. According to Kuik, this will “yield long-term gains by enhancing Laos’ trade and ability to attract investment”. Laos’ exports to China increased from US$1.55 billion in 2018 to US$1.67 billion in 2019 before falling to US$1.47 billion in 2020 because of the COVID-19 pandemic. However, they increased to US$2.25 billion in 2021 and US$2.45 billion in 2022.

In other words, improved relations with China and the United States have aided the LPRP’s political authority and legitimacy at home. The country’s GDP grew by an average of 6 per cent between 1990 and 1996 and 7 per cent between 2003 and 2018—although the COVID-19 pandemic has negatively affected growth rates. Indeed, GDP per capita grew from US$170 in 1989 to US$2,054 in 2022. According to Kuik, such economic growth has been a significant factor in the LPRP’s performance legitimacy since the post-Cold War era, making it “a principle pathway of LPRP self-justification” and a means to “enhance [its] political relevance and authority”.

**Defensive Diplomacy in Laos’ Foreign Policy**

With a small economy and military, Laos does not want to become entangled in the regional security competition between China and the United States, especially over contentious issues such as the South China Sea. When Laos held the annually rotating chairmanship of ASEAN in 2016, it managed to mitigate these tensions. The
Philippines, one of the main disputants in the South China Sea, wanted two legally binding phrases—“no legal base for China to claim historic rights”, a verdict awarded by an arbitral tribunal convened under the United Nations Convention on the Law of the Sea over the South China Sea dispute in July 2016, and “full respect for legal and diplomatic process”—to be included in the joint communiqué after the ASEAN Summit and in the Chairperson’s Statement after the East Asian Summit. However, Beijing would only sign off on the statements if they used vaguer language than Manila had proposed, while the United States preferred the stronger language. As ASEAN Chair, Laos toned down the language used in the Chairperson’s Statement after the East Asian Summit but, by way of a compromise, included the sentence “importance of the rule of law in international relations”. This was an illustration of Laos’ defensive diplomacy—“keeping everybody equally unhappy”, as a Lao diplomat has framed it—which seeks to keep Vientiane from becoming entrapped in another country’s strategic rivalry.

Indeed, Laos has adopted a neutral stance over the South China Sea conflict because it must maintain fraternal relations with China and Vietnam, both of which claim the same maritime territories. Not only does China purchase 80 per cent of Laos’ agriculture exports, but it is also the largest source of infrastructure financing in Laos, estimated to be approximately US$12.2 billion as of 2023. Yet, Laos must also maintain good relations with Vietnam, the LPRP’s oldest and most trusted ally. Their communist parties fought together against the United States during the Vietnam War—or the “American War”, as it is referred to in Hanoi and Vientiane. The Vietnamese military continues to train, assist and protect Laos from internal security threats, an arrangement that has been in place since 1975. Thus far, there are no indications that Laos shares the same degree of security relations with China. Moreover, while Vietnam knows it cannot compete with China for economic influence in Laos, it can counter China’s largess by providing landlocked Laos access to the sea for trading purposes. Both countries are in talks over a Vietnam-funded railway that will link Vientiane to the deep-water port of Vung Ang in central Vietnam’s Ha Tinh Province. According to Hanoi, this planned megaproject demonstrates its “great” and “special” relationship with Vientiane. According to Soulatha Sayalath and Simon Creak, the notion of Vientiane being absorbed into Beijing’s growing sphere of influence in the same way that Phnom Penh has been is, for now, “a simplistic and often misguided exercise”.


Vientiane must tread carefully around tensions between China and Vietnam while it must also be cautious about becoming too friendly with Beijing and Washington because of anti-China and anti-US sentiment that persists in Lao society. Indeed, sections of the Lao public have grown increasingly frustrated about the vast Chinese-led development that has taken place in recent years, especially when it is perceived as negatively impacting the Lao people. At the same time, Laos’ communist government is aware that senior officials within the LPRP maintain the anti-US attitudes that were prevalent in the post-revolution atmosphere. Some Laotian communist officials even think that Washington still intends to foment an anti-communist uprising in Laos, known in communist parlance as “peaceful evolution”.

In 2008, a year before Laos hosted the SEA Games, accusations circulated online of apparent “treason” by Deputy Prime Minister Somsavat Lengsavath—who was rumoured to have agreed to allow 50,000 Chinese families to live in the area leased to Chinese companies in return for them building a sports complex. The scandal went viral, and Somsavat presumably felt compelled to insist in a LPRP-run newspaper that “a patriot must know to seek means to build and develop the country”. Anti-China sentiment visibly manifested itself again in 2016 when a suspected bomb exploded near a Chinese-owned mining operation in Xaisomboun Province, killing two of the Chinese employees and injuring another. Beijing urged the Lao government to investigate the attack, which had ostensibly targeted Chinese nationals, while the Chinese embassy in Vientiane issued a safety advisory for its citizens travelling and residing in Laos. According to David Hutt, anti-China sentiment is the result of “growing disaffection with China’s rising economic clout” and its effects on the Lao people, which include land grabs, forced resettlement of communities to make way for China’s development projects and Chinese companies’ negligence in observing safety measures or in protecting the environment.

Moreover, despite improved cooperation with the United States, some within the LPRP still believe that Washington poses the threat of “peaceful evolution”. In communist parlance, this alleges that a foreign government (namely the United States) is secretly using non-military means—inciting people to protest over their minority and religious rights or whipping up public agitation over democratic and human rights—in order to overthrow the LPRP’s one-party rule.
In 2013, Lao Minister of Defence Lieutenant General Duangchay Phichit claimed that democracy and human rights were still being used to destabilize the regime. Such opinions, not uncommon within the LPRP, have limited political and security cooperation with the United States. In part, anti-US sentiment within the LPRP is a remnant of the siege-like mentality it adopted during the Cold War. The idea that Washington is fomenting “peaceful evolution” in Laos has become more rhetorical in the public sphere in recent years, with occasional mentions in state-run newspapers, radio and TV programmes and social media. However, it continues to be a prominent source of discussion at LPRP political seminars. Indeed, it is much more commonly held among senior cadres in public security and defence ministries than in other government departments.

Nevertheless, the LPRP is vigilant and responsive in managing China’s growing influence and improved relations with the United States. In 2021, for example, a Chinese company was reportedly ordered by the LPRP authorities to take down Chinese-style lanterns from utility poles that it helped build in Vientiane after public backlash on social media. This indicates the fact that despite having a monopoly on power, the LPRP is still concerned about public opinion. According to Oliver Tappe, one response to the improving relations with Washington was the decision to omit the letters “USA” from an ostensibly anti-US monument at the entrance of the Lao People’s Army Museum in Vientiane. The Vientiane Times implied in an article published in 2010 that this was an attempt to tone down anti-US sentiment and highlight Vientiane’s diplomacy efforts of “reducing enemies, increasing friends”.

Interestingly, the COVID-19 pandemic provided opportunities for China and the United States to strengthen their partnerships with Laos and dampen anti-China and anti-US sentiments. The pandemic hit Laos particularly hard. However, by the end of 2022, 72 per cent of the population had been fully vaccinated, close to the government’s target of 80 per cent. Vientiane relied entirely on donations of vaccines from abroad. Beijing supplied more than 9.1 million doses (as of December 2022), and Washington provided 2.9 million (as of October 2022). According to then Prime Minister Phankham Viphavanh, “China’s assistance has helped improve Laos’ capability to combat COVID-19 and demonstrated the long-standing and stable comprehensive strategic cooperative partnership as well as the spirit of good neighbours, good friends, good comrades and
good partners between the two countries.” Daniel Kritenbrink, the US Assistant Secretary of State for East Asia and Pacific Affairs, stated during a visit to Vientiane in October 2022 that US vaccine donations were a demonstration of the growing US-Lao partnership and that Washington “reaffirms the strong partnership, under the U.S. Lao Comprehensive Partnership, in combating the COVID-19 and setting the foundation to build back better.”

Conclusion
This article has discussed the role of regime survival and political legitimacy in shaping Laos’ foreign policy towards China and the United States. Perceived threats from the anti-LPRP resistance in the late 1980s drove its communist government to seek closer relations with both countries to ensure regime survival. But the collapse of the Soviet Union, Laos’ principal benefactor, forced Vientiane not only to adopt pro-market reforms in 1986 but also to look to China and the United States as necessary economic and security partners. By quickly demarcating their joint border in the early 1990s, it allowed Laos-China relations to expand in the security and economic realm, which, in turn, allowed Laos to benefit from Chinese development aid and loans, thus providing economic legitimacy to the LPRP at home. With the United States, Vientiane cooperated in the search and recovery of the remains of MIA personnel in return for Washington cutting off its alleged ties with anti-LPRP forces. Moreover, the United States also greatly helped Laos integrate into the NTR, WTO and AEC, boosting the Lao economy and, thus, the LPRP’s economic legitimacy.

However, despite improved relations, anti-China and anti-US sentiment remain a sensitive issue for the LPRP. There are growing concerns among the Lao public that China’s economic clout is having a negative impact on society and the environment. Anti-US sentiment, a legacy of the Cold War, means that many senior LPRP cadres still believe that Washington is promoting ideas of democracy and human rights in order to weaken and eventually overthrow the communist regime. Wary of public dissent or factions forming within its own ranks, the LPRP has sometimes had to constrain relations with China and the United States. Moreover, Laos’ historic ties with Vietnam, especially close cooperation between their militaries and security agencies, means that Vientiane has had to tread carefully around the South China Sea dispute, thus not automatically taking Beijing’s side in the dispute.
NOTES

Acknowledgements: The author is grateful to Chin-Hao Huang, Alice D. Ba and Arne Westad for their comments on the early drafts of this article. The author would also like to thank Selina Ho and David Hutt for their inspiring comments, suggestions and editing assistance. Any shortcomings are the author’s own.


8 Stuart-Fox, *Buddhist Kingdom*, p. 233.

9 Ibid.


15 Stuart-Fox, *Buddhist Kingdom*, p. 283.


17 Martin Rathie, “The History and Evolution of the Lao People Revolutionary Party”, in *Changing Lives in Laos: Society, Politics, and Culture in a Post-
Soulatha Sayalath


Ibid., p. 51.


Ibid., p. 106.


Ibid.


Stuart-Fox, *Buddhist Kingdom*, p. 286.


Ibid., pp. 473–74.

Ibid., p. 474.

Ibid., pp. 474–75.

Ibid., p. 477.

Ibid., p. 476.


China and the United States in Laos’ Foreign Policy

44 Thayer, “China Relations with Laos”, p. 216.
47 Ibid., p. 83.
48 Ibid.
49 Ibid.
50 Ibid., p. 84.
52 Ministry of Foreign Affairs, 70 Years of Lao Diplomacy, p. 195.
54 Ibid., p. 146; Thayer, “China Relations with Laos”, pp. 207–8.
56 Ibid.
65 Ibid., pp. 100–108.


Sayalath, Aid as an Instrument, p. 48.


The White House, “Joint Declaration between the United States of America and the Lao People’s Democratic Republic”.


Ibid., pp. 123–24.

Ibid., pp. 115–21.


Nguyen, “Vietnam’s Tug of War with China over Laos”.


Creak, “Sport as Politics and History”, p. 15.


106 Oliver Tappe, “From Revolutionary Heroism to Cultural Heritage: Museums, Memory and Representation in Laos”, Nations and Nationalism 17, no. 3 (2011).


