LAOS TODAY ............................. 260
A communist state in name, Laos can look and feel like a free-wheeling capitalist entity to the average visitor.

HISTORY ................................. 262
Professor Martin Stuart-Fox traces Laos’ history from the kingdom of Lan Xang to the modern-day Lao PDR, which occupies a strategic crossroads in Southeast Asia.

PEOPLE & CULTURE ...................... 277
Laos is home to an incredible patchwork of peoples, with unique religious beliefs, arts and crafts.

ENVIRONMENT ........................... 292
Laos’ environment is among the best protected in the region, but hydropower development and vast mineral deposits make for a delicate balancing act.
Laos Today

Much of the change in Laos is relatively recent, following the liberalisation policies of the 1990s. Laos continues to rely on foreign aid, but the traditional donors in the shape of Western governments and NGOs are now overshadowed by private enterprise and the world’s newest superdonor, the People’s Republic of China. And despite dissatisfaction over a lack of freedoms and rising levels of corruption, the ruling Lao People’s Revolutionary Party (LPRP) faces minimal internal challenge to its authority.

Political System

At first glance the politics of Laos seem simple enough: a one-party system is controlled by ageing revolutionaries who themselves have become a new elite, who have the power to control the exploitation of the country’s natural resources, can squash any dissent and cooperate enough with foreign donors to keep the aid dollars coming in. But this generalisation is just that and the reality is more complex.

Laos is indeed a single-party socialist republic, with the only legal political entity being the ruling Lao People’s Revolutionary Party (LPRP). Few outside the inner sanctum really understand the political scene, but it’s accepted that the LPRP is loosely split between an older, more conservative guard and younger members pushing for limited reform. Cynics will tell you the infighting is mainly for the control of the lucrative kickbacks available to those who command the rights to Laos’ rich natural resources. Others say the reformers’ primary motivation is to alleviate poverty more quickly by speeding up development. The reality most likely lies somewhere between the two.

Economy

Economically, Laos is in a dynamic period. After the dark days of the Asian financial crisis in the late 1990s, the economy reported 8% growth in 2011, one of the best performances in Asia. However, other numbers don’t look so hot. The World Bank rates Laos as one of the least developed countries in East Asia, with more than 75% of people living on less than US$2 a day. More than three-quarters of the population still live as subsistence farmers and gross domestic product was just an estimated US$8.3 billion in 2011.

Major exports are timber products, garments, electricity and coffee, in that order. In recent years tourism