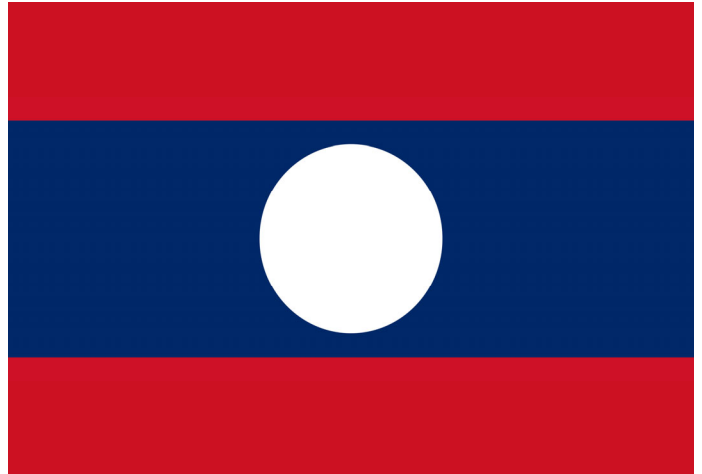


Laos: one of the last of a dying breed

June 2022

Laos is one of the last ‘true’ socialist nations left in the world, which openly endorse communism as the ideal system of government. Naturally, this has affected the country’s overall development since the country adopted the Marxist-Leninist ideology in 1975. Like other traditional socialist republics, Laos is governed by only one party, the Lao People’s Revolutionary Party (LPRP), which holds ultimate power and authority over



the state and its citizens. As one can imagine in state which shares its values with China and North Korea, there is not much freedom amongst Laos’ citizens and not much freedom generally. Despite this, the southeast Asian country has seen much hardship over the past couple of years. The Covid-19 pandemic and the Ukrainian war has put a strain on the country’s economy, and it is the people who are suffering.

In a country where the people are already struggling to make ends meet, the situation is worsening for them. Unfortunately for Laos, the country has not been coping well with the rise in global energy and commodity prices. To make matters worse Laos’ inflation rate stood at 12.8% in May 2022, one of the highest in Southeast Asia, with a record 9% increase during the first five months of the year compared to the same period in 2021. A lack of fuel and the ongoing depreciation of the Kip are the key perpetrators of inflation soaring. As a result, hundreds of Laotians line up daily outside the Ministry of Foreign Affairs in Vientiane to apply for or renew passports so they can go to neighboring Thailand, where the wages are three times higher than that of their native land and to escape the crippling inflation. As it stands the minimum wage is 1.3m Kip, equivalent to \$1.50 USD. It is no wonder why so many wish to emigrate.

Corruption is also one of the contributing factors to the worsening economy. The Lao government has reportedly lost \$767m USD to corruption since 2016, with government development and investment projects such as road and bridge construction the leading source of the widespread graft, according to the country’s State Inspection Authority (SIA). The SIA reported that nearly 3,700 members of the LPRP had been disciplined, with 2,019 expelled and 154 people charged. Lao officials have stated its commitment to fighting the endemic corruption. However, despite the enactment of an anticorruption law that criminalizes the abuse of power, public sector fraud, embezzlement and bribery, Laos’ judiciary is weak and inefficient,

and officials are rarely prosecuted. Like with all inherently corrupt countries, any talk or action against corruption is performative and does not focus on solving the problem, as the problem lies at the very top of power.

Being the last remaining Marxist-Leninist nations left means Laos has exceedingly good relations with China and North Korea. As it is already known, these two countries are some of the worst in the world in human rights violations. It should then come as no surprise that Laos is not that far behind its allies. According to independent non-profit/non-governmental organisations such as Amnesty International, Human Rights Watch, and Civil Rights Defenders, along with the US State Department, serious human rights violations such as arbitrary detentions, disappearances, free speech restrictions, prison abuses and other violations are an ongoing problem. Additionally, notable opposition figures have either 'disappeared' or been arrested and there have been worrying reports that political prisoners have been tortured. Overall, an undesirable place to live, let alone for business.

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