

Capitalism in Laos

Capitalismo no Laos

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ABSTRACT:

The present paper analyses Capitalism in Laos, a French colony which achieved complete independence only in 1975. Although one could expect a significant impact of colonialism and (colonial) capitalism, colonial rule only began in 1893 and was formally abolished in 1954. Furthermore, it did not penetrate society very deeply. Therefore, a broad capitalist transformation did not take place before the 1990s and precolonial structures persisted to some degree well into that period. At the same time, Laos is a socialist state under one-party rule, similar to China and Vietnam. The article concludes that the population of contemporary Laos comprises four habitus types, which are rooted in different sociocultures, namely baan, muang, socialism and capitalism. Two habitus types, the disciplined and the ambitious, are found in the socialist and the capitalist socioculture, while the depressed habitus type comprises those who are excluded by the capitalist transformation. While the majority of the population can be classified as belonging to the traditionalist habitus type, socialism has lost ground to the expanding capitalist socioculture. However, only a minority of Lao citizens are fully integrated into the capitalist economy, act accordingly and move into the urban and rural middle classes. Since the young are pushing in this direction as well, a strong movement toward capitalism, globalization and meritocratic ideology has gained ground.

Key words: Capitalism; Socialism; Laos.

RESUMO:

Este artigo analisa o capitalismo no Laos, ex-colônia francesa que alcançou a independência completa apenas em 1975. Embora se pudesse esperar um impacto significativo do colonialismo e do capitalismo (colonial), o domínio colonial só começou em 1893 e foi formalmente abolido em 1954. Além disso, não penetrou profundamente na sociedade. Uma ampla transformação capitalista não ocorreu antes da década de 1990, e as estruturas pré-coloniais persistiram em parte até aquele período. Ao mesmo tempo, o Laos é um estado socialista sob o regime de um único partido, semelhante à China e ao Vietnã. O artigo conclui que a população do Laos contemporâneo compreende quatro tipos de habitus, que estão enraizados em diferentes socioculturas, a saber, *baan*, *muang*, socialismo e capitalismo. Dois tipos de habitus, o disciplinado e o ambicioso, são encontrados na sociocultura socialista e capitalista, enquanto o tipo de habitus deprimido compreende aqueles que são excluídos pela transformação capitalista. Enquanto a maioria da população pode ser classificada como pertencente ao tipo de habitus tradicionalista, o socialismo perdeu terreno para a expansão da sociocultura capitalista. No entanto, apenas uma minoria de cidadãos do Laos está totalmente integrada à economia capitalista, age de acordo com ela e se move em direção às classes médias urbanas e rurais. Como os jovens também estão avançando nessa direção, tem ganhado terreno um forte movimento em direção ao capitalismo, à globalização e à ideologia meritocrática.

Palavras-chave: Capitalismo; Socialismo; Laos.

INTRODUCTION

We tend to think of capitalism as an economic system characterized by a free market regulated by competition and universal economic laws. This is gross distortion. Capitalism is a configuration in which a social group monopolizes economic capital, while the rest of the population has to labor. Capital, however, is only a mediator of domination, which, in turn, consists in a social hierarchy with a differential distribution of privileges. There is no competition for capital between the capitalists and the laborers, while hierarchies, privileges, domination and the use of capital are not regulated by universal laws.

Instead, the entire configuration of capitalism includes a multitude of factors, which are social and not economic. They comprise not only domination and privileges but also institutions, knowledge, habits, values, norms, politics and others. All of them form a particular version of a capitalist society. Each capitalist society is unique, since the combination of factors depends on historical and cultural conditions – or path dependency. Several scholars have therefore introduced the idea of a “variety of capitalisms” (see eg. AMABLE, 2003). There is not one standard form of capitalism but a multitude of possible and a variety of actual forms.

The form of capitalism also depends on the type and time of the capitalist transformation. Societies, where capitalism was introduced only recently, differ from those with a long capitalist past. And societies, where capitalism was introduced by external powers, differ from those with an internal development of capitalism. This distinction partly corresponds to the divide between colonial powers and colonized countries. The variety of capitalism can largely be explained by the combination of precapitalist history, especially in terms of social hierarchies and institutions, and the position of the society in the colonial system.

Laos was a French colony, which achieved complete independence only in 1975. One would expect a significant impact of colonialism and (colonial) capitalism. However, colonial rule only began in 1893 and was formally abolished in 1954. Furthermore, it did not penetrate society very deeply. Therefore, a broad capitalist transformation did not take place before the 1990s and precolonial structures persisted to some degree well into that period. At the same time, Laos is a socialist state under one-party rule, similar to China and Vietnam.

The very recent timing of the capitalist transformation and the weakness of colonial intervention make Laos a unique case to study – but maybe only just as unique as any other country. I began studying the capitalist transformation in Laos in the early 1990s, just when it began to unfold. Therefore, I was able to see the changes in society, social groups and individuals connected to the introduction of capitalism in real time. In this paper, I will present some of the findings of my research over the decades. The argument focuses on the particular form of capitalism in Laos, especially its adaptation by different social groups.

I - CAPITALISMS AND SOCIOCULTURES

Karl Polanyi (1944) has argued that any economy is and has to be embedded in a society, in a particular sociocultural configuration. He added that capitalism tends to be disembedded, it becomes a universe in itself. Against this, Robert Hefner (1998, p. 12) has tried to show that even capitalism depends on institutions and social arrangements: capitalism is re-embedded into society. It cannot function without moral, legal, political and social structures. However, these structures, Hefner (1998, p. 38) argues, are not universal but vary from one cultural space to the next. While many proponents of the varieties of capitalism approach merely distinguish an Anglo-Saxon from a continental European and an Asian capitalism, Hefner (1998, p. 3) demonstrates that capitalism in Asia is at least as diverse as the variety of nation states.

Robison and Goodman (1996) explain that capitalism in Asia developed in a much shorter period of time, within a more globalized framework, on a higher technological level and in a more developmentalist framework than capitalism in Western Europe. Just like Hefner, they point to the fact that each Asian nation state developed a singular type of capitalism: the Philippines were dominated by a well-organized bourgeoisie, Korea was characterized by an alliance of state and capital, while Indonesian capitalism was dominated by Chinese (ROBISON AND GOODMAN, 1996, p. 15). They add that within the nation states, multiple and contradictory forces exist: Asian states are western and anti-western, anti-communist and anti-liberal at the same time. This is because Asian societies, like any other society, are not homogeneous but different social groups pursue different strategies and have different economic cultures.

Along these lines, Robert Wade has studied capitalism in Taiwan, which is one of the great success stories of Asian capitalism. Wade (1990, p. 38) shows that very high economic growth, in Taiwan, coincided with an unusual equality of income, which contradicts all prevailing traditions of European economics. Economic success was created by a combination of a strong developmental state and neoclassic economics. However, most other states that tried this combination have failed (WADE, 1990, p. 256). For this reason, the study of institutions and policies has to be coupled with a detailed analysis of internal factors and a study of external factors (WADE, 1990, p. 346).

In this paper, I will study the adaptation of different social groups to capitalism in Laos by linking it to its historical development and global capitalism. The goal of the study is not to explain economic success or failure but to identify the particular “model” of capitalism that Laos developed and the adoption and adaptation of capitalism by different social groups. I will argue that precapitalist social structures and economic cultures determine the current configuration of capitalism in connection with Laos’ position in the global system.

By capitalism, I refer to an economic system that is based on profit-making. Max Weber defined a “capitalist action” as an investment with the expectation of a profit (1986, p. 12-14). Capital is an investment. There are other forms of wealth but they are not capital unless they are invested. And there are other forms of making a profit, such as begging or stealing, but they are not capitalist unless they flow from an investment of capital. A capitalist is a human being that owns capital as a property. The individual capitalist invests in order to replace the original capital and to generate a surplus, which is the profit. The capital itself is

not spent but always replaced, while the capitalist lives off the profit. Whoever spends his or her capital on consumption is not a capitalist.

As outlined above, we have to understand capitalism as a contextual phenomenon. It does not have one universal shape but comes in various configurations depending on the historical circumstances. Weber (1986, p. 14) argued that capitalism has existed in many places and times. Particular about modern Western capitalism is that it penetrates all spheres of life, so that we can speak of a *capitalist society* and not just of a capitalist economy. In ancient India or China or other places, it was limited to a small group of traders or capitalists. Capitalists were a caste or rank or community, often of subordinate status. With the globalization of capitalism, it penetrates all spheres of society and integrates more or less every member of any society.

Social structures constantly change. Some of these changes are so radical that they produce a new type of social hierarchy. I refer to these radical changes as *transformations*. Transformations are closely related to revolutions but can also occur in connection with a war, a natural disaster or massive technological innovation. Even though these changes are radical, they are merely transformations and not creations of a new society from scratch. This is due to the fact that they build on earlier structures. Social structures, cultures and institutional configurations are relatively persistent. This is true for the entire system of structures, cultures and practices, which partly persist even after a transformation. I refer to these persisting systems as *sociocultures*.

Social structures are embodied and often acquired in early childhood. Therefore, components of a social structure can persist even after radical social change in an embodied form. I refer to the embodied structure with Pierre Bourdieu's concept of *habitus* (BOURDIEU, 1984). A form of behavior is acquired and then repeated. With repetition, one adopts a pattern which is put to action when a similar situation arises. Through multiple repetitions the pattern becomes habitualized. The habitus not only tends to reproduce earlier behavior but seeks conditions which correspond to its own production – mainly because it is made for these conditions.

As sociocultures persist, so do those forms of behavior or institutions that appear outdated. Practices within their frameworks are determined and assessed against the background of their history. Many forms of behavior and values seem to belong to another time or even another world. An important reason for the persistence of sociocultures and outdated practices is the fact that humans do not invent themselves from scratch every day but learn their patterns of behavior under certain conditions. These patterns persist to some

degree even if the conditions change. This is what Bourdieu's concept of habitus seeks to express.

In *Distinction*, Bourdieu studied France (BOURDIEU 1984). This society had not undergone any transformations for decades or even centuries. Therefore, it seemed convincing that Bourdieu presented the habitus as uniform, homogeneous and reproductive. Most societies, however, are less stable than France. Interestingly, Bourdieu had first developed the concept of habitus with regard to the capitalist transformation in Algeria of the 1950s, a rapidly changing society. But he later failed to consider changing, heterogeneous and multiple forms of habitus. These forms are prevalent in a society like Laos, a homogeneous habitus only exists in an outdated version, that of the subsistence peasant. We have to take into account that different sociocultures exist in Laos at the same time and therefore, habitus can be diverse in themselves.

II - GLOBAL CAPITALISM

It is important to note that Laos was a colonial society. In fact, the country was created by the French colonial rulers. However, Laos differs from most other colonial societies, since colonialism lasted for only 82 years with several interruptions and it never penetrated the entire territory, let alone the entire population. Laos was integrated into the global colonialist economy with the beginning of colonialism in 1893 but the conversion into a capitalist society was very limited under colonial rule, in fact until the early 1990s. Nevertheless, colonialism left an imprint. The current position of Laos in the world as well as its internal structures are not intelligible without an understanding of the colonial transformation and the global structure of colonial exploitation.

Until 1893, Laos was a rural territory that had come under the domination of various local kings or princes for some periods. When the French colonizers began to take over one princely state after another, the majority of the population were peasants living in small villages (HALPERN, 1961, p. 8).

Apart from the court, only a small fraction of the population dwelled in towns. As late as 1943, the seven biggest towns had a total population of only 51,150, the total population of Laos being a little more than one million (HALPERN, 1961, p. 44).

The French intended to exploit resources in the mountainous area but mainly conquered it to get access to China. They joined the princely states into one state they called Laos. The new state proved useless to them, since it provided only very difficult access to China and the exploitation of resources was too expensive. Colonial capitalism was introduced only in the towns, while the rural population had to pay taxes. Otherwise, Laos remained a “colonial backwater” (GUNN, 1990, p. 4).

The colonial world was dominated by the European colonial powers, especially Great Britain. This was legitimized by racism: the dominant were supposed to be biologically or culturally superior. Colonialism and racism slowly gave way to a bifocal world in the twentieth century, which was characterized by domination of the two superpowers and modernization theory. In the colonial center, the formerly prevailing feudal socioculture had evolved into a class structure before the twentieth century, while the colonial socioculture in most of the rest of the world persisted in a slightly transformed shape well into the twentieth century (JODHKA et al., 2017). The relationship between the former colonial center and the rest remained just as unequal as the relationship between the former colonial elites and the formerly colonized populations. Colonialism gave way to dependency and racism to modernization theory.

After the end of the Cold War, an integrated global capitalism began to develop. There is a tendency toward one single capitalist class and a tendency toward a single economic system. We are also seeing organizations of global government emerging, such as the United Nations. The structure of the global system resembles the colonial world, since the descendants of the colonial elites form the upper classes around the globe and the colonial center mostly remains the center today. However, racism and modernization theory have been supplanted by meritocracy. Racism and modernization theory correspond to earlier sociocultures of the world: the colonial world into the twentieth century and the world of the Cold War until 1989. They shape the current structure of global capitalism and partly persist.

The structure of each nation state can be explained by a combination of its history and its position in the global capitalist system. We have to interpret the internal structure as a transformation of sociocultures. The position in the global system is a transformation of the state’s position in the colonial world and the order of the Cold War. Furthermore, the timing of the capitalist transformation and political measures as well as consequences of revolutions, war, disasters and other major events are important parameters in explaining the social structures and the specific variety of capitalism.

Laos has experienced the capitalist transformation only in the past decades. In fact, one could argue that it is still going on. It did not take place to a significant degree within the colonial world or even during the Cold War. The current transformation, however, displays elements of colonialism and developmentalism. Laos is economically dependent on external powers, especially on aid from international organizations. In this dependency, colonialism, developmentalism and capitalism intermingle. Most changes toward institutionalized capitalism during the past decades have been carried out in the framework of developmentalism.

III – LAOS SOCIOCULTURES

Laos declared independence several times and formally became independent in 1954. In fact, a large part of the country was a US colony, however, during the Vietnam War. Laos finally achieved independence as a nation state in 1975 under the leadership of a communist party. Like Vietnam, Laos began to introduce capitalism in 1986 while retaining the political system of a one-party state under the leadership of a communist party, while transforming the economy and many associated institutions into a capitalist society. The respective conditions under quasi-colonial rule before 1975, under quasi-Stalinist rule after 1975 and under capitalism since the mid-1990s differ very strongly from each other. This is reflected in the fact that four sociocultures co-exist, namely two pre-socialist ones, socialism and the capitalism. They are incorporated in people's habitus, and many habitus combine elements from different sociocultures.

Laos comprises a complex mosaic of ethnic groups and environments. The mosaic evolved historically through migration and adaptation. This complexity persists within the framework of the nation state. Any ethnolinguistic group is scattered over a large territory, sometimes beyond the national borders and has to adapt to different environmental conditions in each place. However, the entire rural population lives in villages and most people are and have grown up as peasants. In spite of the cultural, social and linguistic differences, the peasants share important elements of their habitus. Usually, most villagers are related to each other and the village's social structure is determined by kinship. This means that one's social position increases with age, since old age commands more respect than youth. In terms of gender, all kinds of hierarchies exist ranging from patriarchal to

almost matriarchal. Even within an ethnolinguistic group, these relations vary according to the history of the village.

Within most villages, a huge variation of lifestyles and behaviors will be tolerated but the basic patterns of behavior are very similar. One could say that all peasants share a basic habitus – but since there is little variation, the term habitus does not make much sense. I would rather speak of a culture – which has become a socioculture after the recent transformations. It is characterized by subsistence ethics, a term introduced by James Scott (1976). Peasants are not geared toward competition, profit and accumulation but toward having enough until the next harvest. A large surplus of food would rot and a large surplus of other items is useless. Scott identified mutual aid (reciprocity), reinforcing family ties and traditionalism as characteristics of subsistence ethics, which fit Lao peasant culture.

Villages of different ethnolinguistic affiliation have interacted for millennia across Southeast Asia. Pottery, metal and salt were traded over large distances. Even older are the divisions of labor between nomadic and sedentary as well as between mountain and valley peoples (LEACH, 1970). The different environmental conditions resulted in different types of production. Groups traded their specialties against items they needed or wanted. The centers of trade and communication developed into towns with an increasing division of labor and socio-political stratification. Many of the surrounding villages came under the domination of these centers. However, the entire population on the territory of contemporary Laos was only fully integrated into structures of political domination only in the late twentieth century. Many villages preserved their political and often economic independence over time because they were too difficult to access or they migrated elsewhere. The result was a mosaic of centers, dependent villages and independent villages without clear territorial demarcations. This structure is called “baan-muang” (or “village-town/state”) (RAENDCHEN AND RAENDCHEN, 1998). The main character of the relation was exchange of tribute and manpower against security. Loyalties shifted frequently according to the ability of the center to guarantee security and stability.

Muang structures were hierarchical and resembled family relations. A superior tried to accumulate as many bonds of loyalty by inferiors as possible to enhance his (and, less often, her) position while inferiors tended to look for superiors who could guarantee security. Just as subsistence ethics characterized the culture of the village, patrimonialism was the prevalent culture of the muang. The phenomenon in question is the loyalty of inferiors towards their superior in exchange for security (HANKS, 1975). It is appropriate to describe social relations in the framework of a baan-muang-structure – or in precolonial states of

mainland Southeast Asia. The structure consisted of some independent baan, various dependent baan, minor muang and a central muang. Baan and muang retained different sociocultures.

Much of contemporary Laos came under domination of the Siamese state (which was also organized as a muang) in 1828. In 1893, some of the Lao-speaking muang were integrated into the French colonial empire, while others remained with Siam. The French managed to move into Siamese territory but stopped short of integrating all Lao-speaking peoples into their colonial empire. They attempted to codify a national language on the basis of the former muang-languages, to define an orthodox Buddhism, to introduce a bureaucratic administration and to integrate the independent villages. These attempts transformed Laos but were only partly successful. After the Second World War, the French wanted to re-establish their colonial empire in Southeast Asia but had to grant independence to Vietnam, Cambodia and Laos in 1954.

The USA tried to preserve French Southeast Asia as a fortress against communism. The communists were important forces in the independence movements of all three states but were nowhere the strongest power. In Laos, the government was basically formed by a coalition of neutralists, a conservative faction and the communists. The neutralists were the strongest faction. The USA, however, insisted on the exclusion of the communists, which eventually resulted in a military coup in 1960. The US-backed coup pushed the neutralists and the communists out of the government and basically started a civil war. The communists withdrew to Northeastern Laos, which had been granted to them by the peace settlement of 1954. From there, they organized the revolution with help from the neighboring North Vietnamese communists.

There is no doubt that Laos would have remained a modernizing muang-state with a royal household on top if the United States had not intervened. Instead, Laos was as heavily bombed as Germany during the Second World War, became contaminated with agent orange, lost a sizeable part of its population and came under the rule of a communist party. The communists consisted of a small group of muang intellectuals, a few laborers and peasants from different ethnolinguistic families. From the perspective of muang culture, they were mostly unsophisticated.

The civil war had transformed the towns into centers of capitalism, while the Northeast had become socialist. After the takeover of the communist party in 1975, up to ten percent of the population, mostly urban dwellers with a patrimonial or emerging capitalist

habitus, left the country. One third of the population was displaced. The overwhelming majority of people remaining in Laos were peasants or had been brought up as peasants. They were ruled by a small party elite, which consisted of intellectuals, workers and peasants. The socialist nation state with less than three million inhabitants had very little infrastructure, basically no industry and a tiny urban population. It mainly reverted to a peasant economy. Attempts to build a Stalinist and even a more moderately socialist economy remained unsuccessful (EVANS, 1990). This is because the structure of Stalinist collectives contradicted subsistence ethics. The peasants were somewhat egalitarian and anti-capitalist but they were not proto-communists. This was quickly recognized by the party leader Kaysone Phomvihane (1985, vol. I, p. 106).

Socialist Laos comprised an overwhelming majority of peasants with a subsistence culture, a tiny group of patrimonial urbanites and a growing party apparatus with a hierarchical structure. In contrast to the patrimonial structure, the party apparatus allows for social mobility. With its ranks and corresponding powers, it resembles a *muang* but differs from it in its ideology and its relation to the population. Anyone can enter the party and rise through its ranks. And everybody is controlled by the party structure. Laos was part of the Soviet bloc that began to disintegrate in the mid-1980s.

Along with other socialist states, the Lao leadership introduced capitalism in 1986 and slowly opened up for foreign capital, installed a standardized institutional framework for the market economy and abolished direct state control of business. However, it did not introduce changes of the political system.

In the framework of the global system, there was no significant change between the period before 1975, socialism and incipient capitalism. Laos was subject to developmental policies by the international organizations as well as the US (before 1975) and the Soviet Union (from 1975 to 1989). These policies continue but decrease in relevance. They mainly target the groups outside global capitalism, mainly the peasants. Government and aid organizations move upland villages into the valleys, prohibit swidden cultivation, join small villages to market-places and improve the infrastructure. At the same time, the peasants start to consider themselves as poor, while they had been considered heroes of the revolution. The peasants are aware of the fact that they are viewed as backward, poor and underdeveloped by the rest of the world. They become depressed or migrate into towns (REHBEIN 2007, p. 60). Capitalism develops in the towns. Urban districts are considered developed, while districts comprising mainly subsistence peasants rank lowest in official

assessments (see e.g. SISOUPHANTHONG/TAILLARD, 2000, p. 147). Peasants with ample good land, especially those converting to commercial farming, rank in between.

IV - ECONOMIC CULTURES

Only people whose habitus was formed to a significant degree under capitalist conditions, develop a capitalist habitus and grow into a capitalist economic culture. Apart from capitalism, the economic cultures of subsistence ethics, patrimonialism, taking culture and occasionalism can be observed in Laos.¹ If one considers that most Lao were born and raised as peasants under socialism and still work at least as part-time farmers, it is not surprising to see many elements of subsistence ethics even in the capital city. Plenty of petty traders do not care about productivity and time-management. They sit around the entire day even if only one client shows up. This is fine as long as it allows the trader to buy the things of immediate necessity. In most instances, the traders still divide the market among themselves so that everyone gets a share. Related to this is the opening of many identical businesses in one place if somebody was successful at it.

Just as subsistence ethics characterized the economic culture of the village, patrimonialism was the prevalent culture of the urban population and the elites. Both cultures contradict capitalism in many respects as they do not favor competition, productivity and economic rationalism. This does not mean that Lao never knew how to do business. Actually, they are known to recognize and grasp an opportunity. In doing so, they do not adhere to textbook economics, however. They define the opportunity not according to profit but to their needs. Development workers complain that Lao are often unwilling to sell their products or to take products in demand into commission even if the profit is high. That is mostly because they perceive an opportunity only if they feel the need to do so. I call this economic culture occasionalism, which characterizes petty traders and casual sellers. It arises out of the clash of capitalism with an earlier economic culture.

In connection with foreign capital, occasionalism and patrimonialism transform into a taking culture. Whoever has access to foreign capital, especially development aid, tries to

¹ The following is adapted from Rehbein (2005).

take as much as possible. No reciprocity or loyalty is connected with taking because the giver is outside the Lao social structure. No patrimonial or family ties exist. Therefore, it is perfectly fine to take without giving anything in return. What one gets, may be distributed in the family or the entourage.

The five cultures overlap. All of them exist side by side. Most Lao interpret the rules of textbook economics at least in part according to their known cultures. In every group, one culture is stronger than the others. The rural population, of course, mainly acts and thinks in terms of subsistence ethics. In the old elite and a large proportion of the bureaucracy patrimonialism prevails. Occasionalism defines most people engaged in petty trade and petty production. People with access to foreign capital mostly have a taking culture, which is also true for civil servants and workers with access to development aid, people working in tourism and beggars.

V - HABITUS TYPES AND CAPITALISM

Four sociocultures coexist in contemporary Laos: *baan*, *muang*, socialism and capitalism.² The sociocultures can be detected in people's habitus today. Around forty percent still are peasants with little relevant interaction with capitalism. A tiny minority of old urban families have incorporated patrimonialism. The socialist structure comprises around twenty percent of the population. The remainder has arrived in capitalist structures. In my research, I found the strong insistence on having enough to be a clear indicator of subsistence ethics. Patrimonialism reveals itself in a preference for hierarchy. Socialists praise egalitarianism, are members of an organization associated with the communist party and regularly quote slogans from the latest party agenda. The capitalist socioculture is characterized by liberal individualism, the concept of wage-labor and notions of investment and return.

I have identified four habitus types. One cluster is characterized by very low levels of self-determination, self-confidence and satisfaction; another by traditionalism, community-orientation, dissatisfaction and a lack of goal-orientation; the third by self-determination, discipline and self-orientation; and the fourth by goal-orientation, an experimental attitude to life, satisfaction, a quest for power and ambition. The characteristic of self-determination distinguishes the upper from the lower levels in the social hierarchy, whereas traditionalism

² The following is adapted from Rehbein (2017, p. 83-93).

and community-orientation distinguish *baan* and *muang* from capitalism. I have called the first cluster the depressed habitus type, the second cluster traditionalist, the third disciplined and the fourth ambitious.

The traditionalist habitus type dominates, since it comprises most peasants (the *baan*) as well as some people rooted in rural life. I speak of a habitus with regard to the peasants, which I considered meaningless in respect to peasant society above, since they are today integrated into a capitalist nation state and distinguish themselves from other social groups. Almost all Lao have incorporated at least an element of traditionalism and the majority fits this habitus type. Everybody who was born between about 1965 and 1985 grew up as a peasant and more than half of those before and after were raised as peasants too. There is little variation between the ethnolinguistic groups as well. Their lifestyles are very diverse, but they share subsistence ethics and some principles, all of which are incorporated in the habitus. The other three habitus types are predominantly urban and cover both the socialist and the capitalist socioculture. There is no clear distinction because people in the socialist structure either remain peasants at heart or become capitalists. The disciplined habitus type prevails in the socialist socioculture but it extends to the laborers and the new urban middle class as well. The upper strata of the socialist and the capitalist sociocultures have mostly incorporated the ambitious habitus type.

The depressed habitus type prevails in the marginalized groups of the *baan* and capitalism. It comprises around ten percent of the population. This type is defined by lack of traits that are valued in society. I call the type depressed, because it has been oppressed and is characterized by a feeling of exclusion and marginalization. The depressed type comprises the social groups that enter capitalism with a minimum of capital. The core trait of this habitus type is the lack of initiative, due to continuous marginalization. On account of the poor and remote situation of the parental home, representatives of this habitus receive little schooling but rather have to work in and around the house from an early age. In most cases, no professional training is added to the poor educational background. As members of a marginalized family, they never accumulated any significant social and symbolic capital. The depressed social situation during the formation of the habitus results in low self-respect.

This habitus type probably emerged under colonialism – just like the other two predominantly urban types – but largely disappeared in the socialist period. It comprises a high proportion of ethnolinguistic minorities and is mostly restricted to descendants of poor peasants: unskilled workers, unemployed, beggars, rural laborers and marginalized peasants.

The majority lives in urban areas but many exist in the rural areas as well. Entire villages, which have been constructed as poor by government or aid programs, can transform into a depressed culture. Often, families from ethnic minorities who migrate into Lao-speaking areas become depressed, since they lack social networks, education, linguistic abilities and symbolic capital that is valued in the new environment.

The traditionalist habitus type comprises all those socialized in the *baan* or *muang*. The term traditionalism seeks to express this. Apart from traditionalism, it features community-orientation and a lack of goal-orientation, which are characteristic of subsistence ethics. They are also the direct opposites of the traits embodied by the urban middle and upper classes. Another characteristic of the traditionalist habitus type, namely dissatisfaction, also puts it in opposition to the upper classes and in proximity to the depressed type. Traditionalism and depression are partly created by developmentalism. The peasant was the hero of the revolution but now symbolizes underdevelopment and poverty. All peasants are aware of this. The economically poor peasants settling in remote areas have realized that they are regarded as losers. This is also the case for those peasants who live close to urban areas. They consider themselves as poor, because they are integrated into the money economy and can assess their relative poverty.

The peasants support the socialist agenda to the degree that it raises their status and calls for socio-economic equality. But the urban society and international organizations demonstrate disrespect for their way of life. 90 percent of all adolescents in rural areas and almost all adolescents in urban areas who I interviewed declare that they do not want to work in agriculture. The majority of peasants who regard themselves as poor would prefer a different source of income and a different way of life. Peasants learn from the village head, who disperses the party line, that development and eradication of rural poverty are associated with globalization and capitalism. The traditionalist habitus type associates individualism, competition, alienation, environmental degradation, corruption and crime with the capitalist transformation. These are evils that did not seem to exist in former times, especially not during the socialist period. No interviewee of this habitus group failed to point this out.

The traditionalist habitus type is less goal-oriented than the ambitious and the disciplined habitus type. Peasants do not pursue goals like wealth, a career, a powerful position or fame. However, they pursue the goal of subsistence with diligence, planning and devotion. They also strive for other goals, such as having a nice garden or weaving beautiful textiles. These are possibly more meaningful goals than making money or becoming famous,

but they do not lead to upward social mobility. This is the framework that defines a goal in a capitalist society.

Finally, a core characteristic of the traditionalist habitus type is the importance that is given to the community. This has to be interpreted as a component of subsistence ethics, since it includes reciprocity, a communal sense of identity, cherishing personal relations and togetherness, a sense of duty and mutual help. It can be observed even among many urban employees. Behind closed doors, especially during lunch, village culture suddenly spreads among many urbanites, bonds them into a community and clearly reminds of village life. Interestingly, this is when people appear to be happiest during their work-day.

The disciplined habitus characterizes members of the middle classes. In Laos, this habitus type comprises an orientation toward the self as opposed to the community and a significant degree of autonomy. It is incorporated mostly by the new urban middle class and the socialist administration as well as by commercial farmers and laborers in stable employment conditions. The habitus type can be found in the socialist and the capitalist socioculture because discipline plays a key role in both. The dignity of the person is defined by wage labor and the laborer along with the peasant is the epitome of a socialist revolution. The ideal is the fully disciplined and homogeneous society administered by a technocratic party leadership. While the Lao population did not comply with this program, the administrators themselves did. Core characteristics of this habitus type are self- and goal-orientation. Self-orientation means that survival depends on individual activity, not on the organization of the community. The meaning of goal-orientation is linked to this. The atomized individual in capitalism has to organize his or her own life. Those who have the means to organize their life can be classified as goal-oriented.

The ambitious habitus type is the characteristic elite habitus. It incorporates the values and symbols of capitalism. This type shares goal-orientation with the disciplined type but differs from it in its means and goals. Whereas the middle classes are characterized by discipline, the upper classes strive for more. The middle classes work to survive and are content with little, but the upper classes seek positions of power, creative and influential jobs and self-realization. This habitus type is set apart by ambition and self-confidence. Within the *baan-muang*-structure, peasants and urbanites have no possibility to be socially mobile. Within the socialist framework, mobility is possible, but the upper ranks have been reserved for the elite since the revolution. In capitalism, capital (in Bourdieu's sense) is necessary to be upwardly mobile. Ambition is closely connected to self-confidence. Persons in leading

positions in any society consider themselves a species apart from the rest of the population. This reconfirms their self-confidence. The ambitious habitus type also comprises an experimental attitude to life, as opposed to traditionalism. Change, challenges and new problems are the norm, not the exception, and require new solutions.

It is evident that the traditionalist habitus type implies a fundamental opposition to capitalism. The depressed habitus type is rather indifferent to questions of social organization, since daily survival is more pressing. The disciplined and the ambitious habitus type can be found in both, the socialist and the capitalist socioculture. Their support for one or the other depends on the integration into the respective institutions. They do not differ more on the level of lifestyle and ethos. Only these two habitus types are fully adapted to capitalist society.

VI - THE ADAPTATION OF CAPITALISM

Capitalism as an economic culture is adopted by the social groups who actively engage with capitalism on a daily basis – either as capitalists or as laborers. These groups are differentiated into social classes: upper class, new urban middle class, commercial farmers, proletariat and marginalized. The ambitious habitus type prevails in the upper class and parts of the middle class, the disciplined habitus type in the three middle classes and the depressed type among the marginalized. These types also extend into the socialist socioculture – the ambitious into the upper party ranks and the disciplined in the intermediate and lower ranks. The traditionalist type is found in the patrimonial and the subsistential sociocultures, while the depressed type extends into the lower echelons of rural society.

Where developmentalism has not yet penetrated the rural world, subsistence ethics still prevails and peasants have incorporated the fitting forms of behavior. As soon as the poorer peasants become subject to measures of development, they tend toward a depressed habitus type, since they now have to consider themselves backward and underdeveloped. The patrimonial socioculture and the upper echelons of the peasantry tend toward traditionalism, when they are subject to developmentalist measures. Developmentalism still is the strongest external force in Laos; colonialism has subsided, while capitalism is becoming stronger by the day. However, meritocracy and textbook economics have reached only a small fraction of the Lao population, less than thirty percent.

Taking culture and occasionalism can be considered cultures of transition. They develop where the earlier sociocultures and capitalism meet, especially in the depressed and

the traditionalist habitus types. Subsistence ethics and patrimonialism persist as economic cultures but recede where capitalism spreads. The spread of capitalism, in Laos, mostly comes in connection with developmentalism – and not so much with global capitalism and meritocracy.

Interestingly, only the political leadership, the socialist intellectuals and the state employees still preach the gospel of socialism. At the same time, they have incorporated capitalist economic culture to a significant degree. The political leadership still controls capitalist society in Laos. Almost all members of the political leadership are rich because they either belong to the historically dominant families or they use their position to enhance their property. And the members of the leadership are basically all related to each other. Everyone else with access to economic capital only qualifies for the new middle class. This is also true for many entrepreneurs (many of them Chinese) and the young technocrats in the administration. People with significant cultural resources do not typically belong to the upper class in Laos but to the new middle class.

The frontrunners of capitalist culture are entrepreneurs who have access to foreign capital, studied or worked abroad or went to one of the business colleges in Laos. All other business people depend on their clients' means. Once again, the best clients are foreigners, so the best businesses are the ones catering for their needs. Rich Lao are becoming potent clients as well. As most foreigners and rich Lao dwell in the towns, profitable business is concentrated there and along the roads. The only exceptions are the biggest companies operating in Laos that mainly export their products: gem stones, precious metals, electricity, timber.

Small business beyond the upper and the new urban middle class is mostly patrimonial in its economic culture. Ninety-seven percent of Lao enterprises have less than ten employees – most of the employees being members of the household, relatives or unpaid workers. Due to the very small labor market and the low level of education, workers are not in a good position. A high percentage of workers are migrants. The most vulnerable migrant workers end up in the marginalized class. They fall through the traditional social security system, which is the family. The only workers in a good position are the ones receiving training. This is mainly true for people working for foreigners or in close contact with foreigners.

More than fifty percent of the Lao population works in agriculture. Around forty percent are subsistence peasants. Only a minority, at this point, enters capitalism as petty

producers and traders. According to their resources, the agricultural population can be divided into three groups: people with plenty of good land, starting cash-crop producers, and people with little and poor land. The latter are mainly the ones with the poorest ethnic, educational, political, social and geographical resources as well. The best positioned farmers seem to be the early cash-crop producers that enjoy foreign aid. These are the ones who begin to adopt capitalist culture to some degree.

Those people who enter the realm of capitalism transform in different ways depending on their habitus and on the conditions. A behavior that complies with textbooks in economics or business only develops in the disciplined and the ambitious habitus types to the degree that they are integrated into the capitalist economy. This is a minority of the population even though it is growing constantly and rapidly. The key driver of capitalist culture in a general sense and in a more narrow economic meaning is the new urban middle class. This social class develops out of the former intermediate muang population, the colonial urbanites and the socialist administration. In capitalist Laos, only the capitalists themselves are positioned above this class. In Western countries, a privileged class of functional elites stands between them. It comprises all professions that require any education and are decently paid, from the clerk to the medical professor.

The growth of this social class in size and importance is of great concern to the Lao leadership. The new urban middle class spreads capitalist culture including consumerism and a market ideology but it also opposes one-party rule. Almost all members of the new urban middle class share negative opinions about the current state of affairs in Laos, which they can connect with their own experience. Whereas the new urban middle class opposes socialism, the traditionalist habitus type supports it if suitably framed. The traditionalist opposes the capitalist transformation, which entails almost exclusively negative consequences for him or her. Peasants in Laos are scared of the future. Many of them expressed fear of unemployment in the interviews, even though a peasant cannot technically become unemployed. But this could be the peasant's fate in the future. People experiencing this insecurity express a need for order. In Laos, this order, along with more respect for the peasants, is provided by the socialist agenda.

At the other end of the spectrum is the young urban population. They are the first generation in Lao history which cannot be fully prepared for life by their parents and which is turning away from the homes and customs of their parents. Western lifestyles are increasingly attractive to them. Lao adolescents largely reproduce their parents' social position, but they do not replicate their forms of life and their ideas. They clearly move

toward the capitalist socioculture. Since young people form the majority of the population, socialism is losing ground to consumerism and Western lifestyles on a large scale.

VII - CONCLUSION

The population of contemporary Laos comprises four habitus types, which are rooted in different sociocultures, namely baan, muang, socialism and capitalism. Two habitus types, the disciplined and the ambitious, are found in the socialist and the capitalist socioculture, while the depressed habitus type comprises those who are excluded by the capitalist transformation. While the majority of the population can be classified as belonging to the traditionalist habitus type, socialism has lost ground to the expanding capitalist socioculture. However, only a minority of Lao citizens are fully integrated into the capitalist economy, act accordingly and move into the urban and rural middle classes. Since the young are pushing in this direction as well, a strong movement toward capitalism, globalization and meritocratic ideology has gained ground.

Where developmentalism has not yet penetrated the rural world, subsistence ethics still prevails. As soon as the poorer peasants become subject to measures of development, they tend toward a depressed habitus type, since they now have to consider themselves backward and underdeveloped. The patrimonial socioculture and the well-off peasants tend toward traditionalism. Where they directly meet with capitalism, they generate a taking culture or occasionalism and only slowly develop into a capitalist economic culture.

Colonialism transformed Laos internally and integrated it into the global colonial structure. Its force was relatively low in Laos, however. Developmentalism has been the strongest external force in Laos since its formal independence in 1954 well into the twenty-first century. Capitalist structures, capitalist culture and the ideology of meritocracy have taken hold only recently. The spread of capitalism, so far, has been generated mostly by developmentalism.

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