

Fry, S. (2008). Three Transformations of Industrial Relations in Laos. *The journal of industrial relations*, 50, 779 – 795.

Through tracing “the history of industrial relations in Laos,” this article divides it into four eras: “the French colonial era (1890s to 1947); the Royal Lao Government era (1947–1975); the first decade or so of the Lao People’s Democratic Republic following the communist revolution in 1975; and the contemporary reform era under the New Economic Mechanism (1986 to the present)” (p. 779). Three transformations occurred during the four eras. The first transformation from the French colonial era to the Royal Lao Government period was gradual and adaptive. The second transformation from the Royal Lao Government era to the third era and the third transformation between the last two eras were more profound and discontinuous.

Laos has been a country where reliable statistical data on industrial employment information is rarely available. Despite this, as the author argues, “it is safe to say that throughout its history, the level of economic and human resource development in Laos has been very low by international standards and Laos remains a predominantly agrarian society” (p. 783).

The first era was when the French colonized Laos. Regarded as a dependent economic entity and underprivileged colony, Laos was not able to develop a robust industry. Furthermore, the number of employees in Laos was unusually low. Although the French colonial government stipulated the French Indochina Labor code which provided labor protections to workers and formed a General Inspectorate of Labor and Social Welfare in the area of Indochina, Laos was void of such institutions because the labor affairs in Laos were considered unimportant. Unions were prohibited in this era.

The second era began since 1947 when the Royal Lao Government (RLG) seized power and reigned over the country. The transformation from the first period to the second one was incremental and adaptive. The RLG regained independence and claimed to boost economic development. Although the whole economy remained weak, some industrial sectors were preliminarily developed. In terms of regulating labor relations, the RLG released several pro-labor legislative acts and created attendant institutions, such as the Department of Labor. However, these initiatives have their deficiencies: first, the laws were confined to protecting workers in the public sector; second, the enforcement of the laws was “not much better than the French administration” (p. 785). For example, few results were obtained after the prohibition of unions was removed and the right to strike was granted.

In the third era of the post-revolutionary period, dramatic and discontinuous transformation occurred. The efforts made by the Lao People’s Revolutionary Party (LPRP) aimed to transform Laos into a socialist country. The model of central planning economy was imported from the Soviet Union, but the result was unsatisfactory as the country experienced sudden economic downturn, inflation dilemma, and the like. The previously liberal Lao Federation of Trade unions (LFTU) was turned into “an official, bureaucratic element of the party-state system” (p. 786).

After 1986, with the economic liberalization taking place, Laos entered into the fourth reform era, resulting in the development of an export-oriented national economy through privatization, international trades, and foreign investment. However, the political reform is still stagnant, and

the attitude of the government towards labor relations is conservative, reflected in “the prohibition on strikes, freedom of association, trade union assembly and collective bargaining” (p. 788).

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