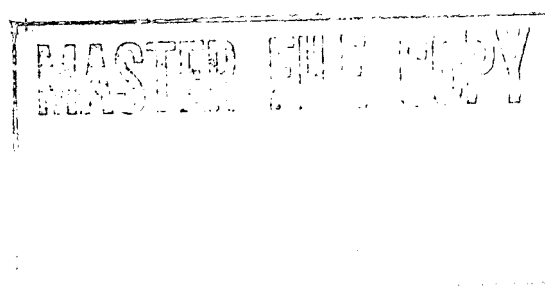




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Liberia: Prospects for Stability

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An Intelligence Assessment

State Dept. review completed

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*ALA 82-10015
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Liberia: Prospects for Stability

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An Intelligence Assessment

*Information available as of 1 January 1982
has been used in the preparation of this report.*

This assessment was prepared by [redacted]
[redacted] the Office of African
and Latin American Analysis. Comments and
queries are welcome and may be directed to the Chief,
West and East Africa Division, ALA, [redacted]
[redacted]

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This paper was coordinated with the Directorate of
Operations, the Offices of Soviet Analysis, Near
East-South Asia Analysis, and Central Reference,
and the National Intelligence Officer for Africa.
[redacted]

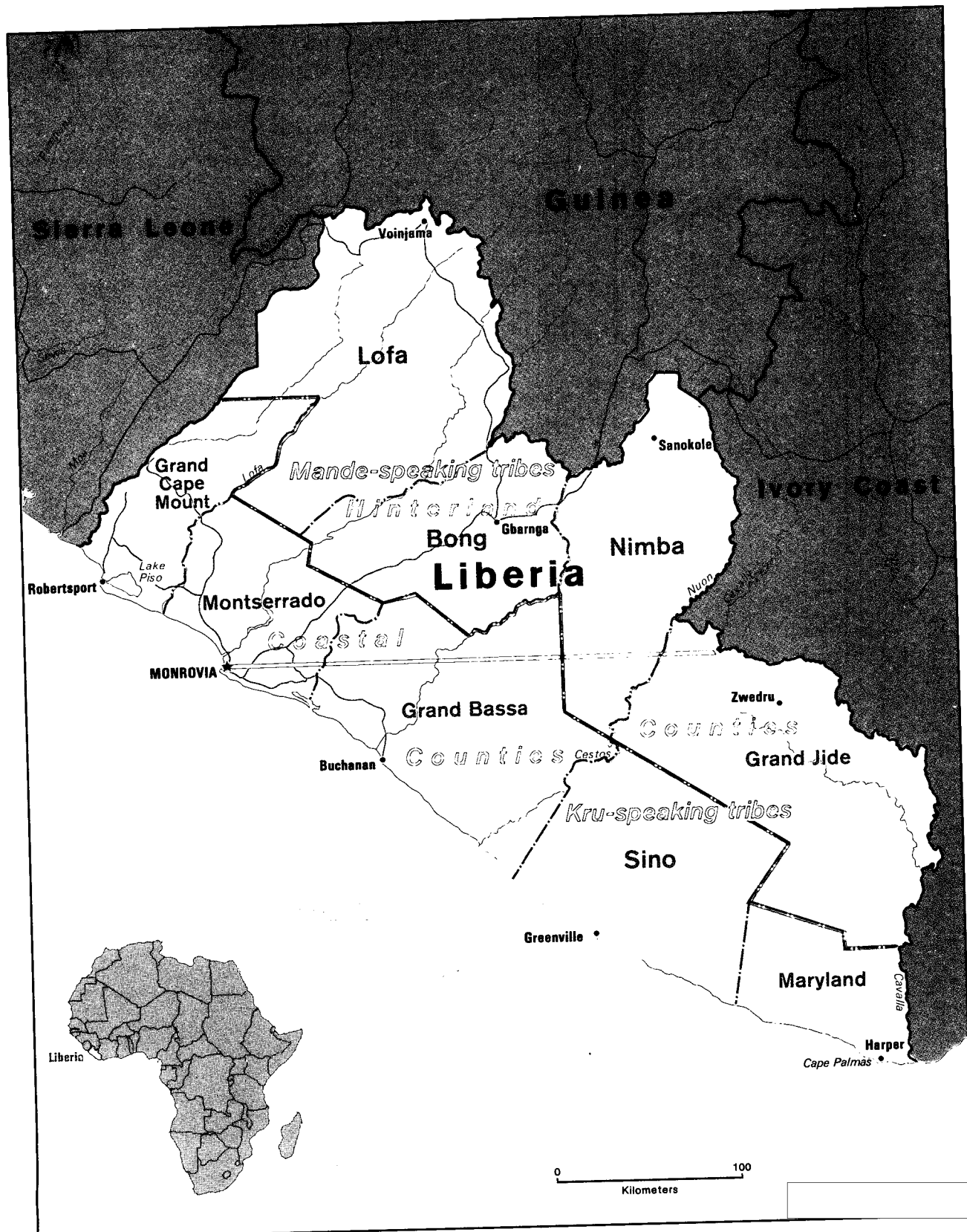
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**Liberia: Prospects
for Stability**

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Key Judgments

Head of State Doe's mounting frustration with the job of governing Liberia for the past 20 months prompted him last December to commit his regime to a date for returning Liberia to civilian rule. Chances for a smooth transition to civilian rule—now set for 1985—depend on Doe's ability to maintain civil order and placate the military in the interim. To do this, he will need substantial foreign aid to sustain the economy and to provide money for military programs and equipment. The regime probably will have difficulty attracting enough foreign aid to do both adequately.

If economic conditions worsen, Doe may accelerate the timetable for civilian rule. This is likely to produce open resistance from some in the military who are jealous of their power and perquisites, but Doe probably retains enough loyalty in the military to thwart a coup attempt. Even so, an early return to civilian rule also could result in the premature installation of a weak regime.

Liberia's financial resources are depleted as a result of long-depressed world demand for its chief exports, iron ore and rubber. Doe's government has been plagued by corruption and incompetence, and efforts to restore investor confidence have been undercut by the arbitrary actions and petty harassment of government officials. Doe looks to the United States and other Western benefactors to help stabilize the economy with substantial increases in economic assistance.

The drafting of a new constitution for civilian government may be finished by April, and civilian pressure could grow on the military to lift the ban on political activity and hold elections. This will test the resolve of Doe and the military to surrender power.

A change to civilian government would provide new opportunities for Libyan and Soviet meddling in Liberia's internal affairs. It could also increase chances for at least a minor downturn in close US-Liberian relations. A leftist civilian regime could try to extract additional US assistance by threatening to turn to Libya or the Soviet Union, or to close US communications facilities in Liberia. But poor Libyan and Soviet aid records, Liberia's lack of a large Muslim majority, and its pro-Western military would probably inhibit a radical tilt in Monrovia's foreign policy.

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Liberia: Prospects for Stability

Head of State Doe's pledge in late December to return Liberia to civilian rule by 1985 is fraught with risks, but it will boost his regime's sagging popularity at least over the short term.

Precipitous efforts to reintroduce civilian rule, without adequate political and economic groundwork, could generate serious military opposition and result in the installation of a weak civilian government no better prepared than the Doe regime to address the country's problems.

The announcement of a target date for civilian rule came in response to growing pressure from Liberia's urban and educated population on Doe's 20-month-old military regime to make its intentions known. Doe probably intended originally to stay in power for as long as eight years to put Liberia's house in order, but has now grown tired of the burdens of office. Although Doe has strengthened his grip on the government by eliminating or intimidating all immediate rivals, he has come to recognize that in the absence of any substantial improvement in living conditions the military government faces an erosion of popularity over the longer run.

Doe's frustrations grow mainly out of the inability of his military colleagues and civilian advisers to remedy the country's chronic economic ills and his recognition that the government is running out of promises it can fulfill. Doe's search for solutions to Liberia's problems is not being helped by his relative isolation from the majority of the 22-member People's Redemption Council (PRC) and the Liberian people in general.

Liberia's bleak economic situation—unimproved since the 1980 coup—poses the chief threat to the country's political stability. Weak demand for Liberia's exports (iron ore and natural rubber) and rising operating costs for the country's energy-intensive mining industry, coupled with inept financial management, have

produced ever worsening economic dislocation. Monrovia continues to face a minor financial crisis over each government payroll or payment for imported oil, and it needs continual and substantial foreign assistance.

Economic Woes

The PRC is unable to deal effectively with the country's economic difficulties. The council is made up of former enlisted men lacking in talent, discipline, education, and experience, who have often put their personal interests first. For example, individual PRC members have frequently sought personal gain by forcing civil servants and private businessmen to make specific financial decisions.

The Doe government's failure to bring spending under control, despite the deepening financial crisis, has produced consistent deficits and foreign payments problems. Some ministries subvert spending controls by purchasing goods with credits against future tax liabilities. Adding to widespread resentment of corruption, others simply do not process bills for payment. Doe has depended on eleventh-hour maneuvering, foreign aid, and heavy guidance from the US Embassy to avoid massive default. The targets imposed by the International Monetary Fund (IMF) for repaying loans to international banking concerns by 30 November 1981 were met only through short-run austerity measures which included a temporary ban on nonsalary expenditures and \$10 million in US aid.

The recent action by the United States and other industrialized countries to reschedule Liberia's official debt and continue the oil credit facility should give Monrovia some breathing space. The official creditors offered a favorable rescheduling of all debt payments coming due through June 1983 on the condition that Liberia continue to satisfy IMF requirements. This accord is likely to ease the harsh

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Head of State Doe (second from right) with members of the People's Redemption Council.



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Doe on Civilian Rule:

"We hereby pledge to hand over authority to a civilian government on 12 April 1985, the fifth anniversary of our revolution. We feel that during the next three years we will have become sufficiently determined that a government by the people, of the people, and for the people should emerge.

The sooner we can realize true signs of rapid and sustained progress, the sooner we are prepared to return to the barracks. We therefore use this occasion to once again appeal to our traditional friends to come to our rescue in these critical times. We urge the following nations to commit themselves to the Liberian economy in this way: The United States—\$1 billion; the European Economic Community—\$1 billion; Japan and South Korea—half a billion dollars."

Nationwide address by Head of State,
23 December 1981

terms being called for by bankers in commercial debt rescheduling talks and further improve Monrovia's shaky foreign exchange picture. The continuance, after protracted negotiations, of Liberia's \$50 million oil credit line prevented serious payment problems. Had the credit facility collapsed, the Doe government probably would have gone into default, activating cross default clauses for other loans made by banks in the group and inhibiting further access to international credit.

Domestic credit shortages for the private sector, a problem since the coup, have recently intensified, slowing the importation of goods and stifling normal business. Immediately after the coup, capital flight diminished the country's cash supply by nearly one-fourth. Liberia, which uses the US dollar as legal tender, cannot run the printing presses to ease the cash shortage, and US banks there have refused to make up for the outflows. Bankers, moreover, are refusing to accept public corporation accounts because they are continually overdrawn, and thus amount to unauthorized loans.

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Liberia's financial picture also is clouded by the increasing need to import rice, the major staple. Domestic production of rice, almost entirely for farm consumption, has stagnated. On the other hand, demand for rice—pushed by high population growth and accelerating urbanization—has risen steadily. As a result, imports of rice have grown at an average annual rate of 22 percent since 1975. Despite several minor shortages, therefore, the Doe government has been able to maintain rice supplies as well as to weather the repercussions of a 20-percent retail price hike. Doe almost certainly remembers that ill-advised plans by former President Tolbert to increase rice prices in April 1979 precipitated large-scale rioting and extensive property damage in Monrovia. This event undermined Tolbert's authority, and the political unrest that followed led to his ouster a year later.

Popular Attitudes

The PRC's performance during its first 20 months has tarnished Doe's "heroic" postcoup image as Liberia's first leader of indigenous tribal descent, replacing the Americo-Liberian settler elite. Conditions in rural areas have changed little since the April 1980 coup. Doe, in turn, has preferred to remain in Monrovia, spending relatively little time upcountry with his rural constituencies.

Should strong public opposition to military rule develop, it would probably start in the capital in response to agitation by potentially volatile segments of the population, such as students, intellectuals, or labor. Such agitation, in turn, could strike a responsive chord among urban slum dwellers. All these elements are frustrated with their economic lot and resent increasing corruption and unemployment. They also share a growing perception that Doe is granting political and economic favors to his own Krahn tribe at the expense of others.

So far, Doe has intimidated or adroitly manipulated dissidents into inaction despite their occasional rumblings. Labor has been quieted by wholesale firings in response to strike actions. Students and intellectuals are aware of Doe's penchant for responding harshly to

criticism of the government and have so far muted their concerns. Even so, without some economic progress, popular dissatisfaction is likely to mount.

Return to Civilian Rule

As a first step toward eventual civilian rule, Doe set up a commission in April 1981 to draft a new constitution. Public hearings began on a preliminary draft in November 1981 and could be completed by the end of February. So far, public hearings on the constitution have been well attended, and the commission is meeting its deadlines. The final step in the process will be the ratification of the constitution by the PRC and possibly by a national referendum.

Despite Doe's public commitment to a 1985 target date, there are signs that—because of his frustrations in running Liberia—he hopes to speed the constitutional commission's work and to lead the military back to the barracks possibly in 1983. Some members of the constitutional commission believe that the constitution could be ready for submission to the PRC by April 1982, to be followed by the organization of political parties and the scheduling of elections possibly as early as October. This is the date that presidential elections would have been held had the former Tolbert regime remained in power.

Constraints and Challenges

Doe faces several potentially serious obstacles to returning Liberia to civilian rule, particularly if he pushes for a date earlier than 1985. The decision to relinquish power within the next three years reportedly was made by Doe and his four senior colleagues on the PRC apparently with little or no consultation with the council's junior members or the Army's rank and file.

Many junior members of the PRC have grown used to the perquisites of power. As a start toward easing junior PRC members back to the barracks, Doe last December ordered the abolition of the PRC's many standing committees. These committees were chaired by junior PRC members who oversaw virtually all aspects of Liberian social, political, and economic life, and used their positions to harass businessmen and citizens for personal gain and power.

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Doe may have to provide substantial incentives to entice PRC members to step down by 1985. In addition, living standards for enlisted men will have to be raised. It will be difficult to meet these conditions quickly and Doe's position could be threatened by PRC members determined to stay in power, or by enlisted men whose potential power has been increased by the government's lax attitudes toward military discipline and command control. In addition, enlisted men would be dubious of a civilian government's willingness to better their condition. []

Doe is aware of these potential pitfalls and seems to have made a return to civilian rule by 1985 conditional upon his ability to stabilize the economy. In announcing the date for a return to civilian government, Doe called upon the United States, the European Community, and Japan to provide \$2.5 billion in grant aid to ensure a smooth transition. Prospects for substantial increases in foreign assistance are uncertain. By seemingly linking a handover of power to significantly increased aid levels Doe will be able to put the blame on the parsimony of aid donors should he decide or be forced to retain power for a longer period. At present, the Liberian economy is almost wholly dependent on financial assistance from the United States and the IMF. The fund will provide up to \$65 million during 1982 and US aid could reach \$80 million during the current US fiscal year. Other donors (mainly West Germany, Japan, and the Netherlands) provide development assistance at substantially lower rates. []

Once a date for elections is set, several challenges are likely to arise. Politicking—now dormant—will be revived, causing more headaches for the government. Some in the military probably will be attracted to one or another of the political parties that emerge, thus confusing their loyalties. The military regime's policies could become a preelection issue. Any resulting political ferment directed against the military regime may test Doe's resolve to relinquish authority. []

At present, there are no strong civilian political leaders on the scene who could generate broad public appeal in Liberia's tribally fractionalized society. Under these circumstances, a return to democratic []

rule could result in a weak civilian government with inexperienced leaders. If current problems with military indiscipline and economic decline persist, the postelection period is likely to be marked by a beleaguered civilian government heavily dependent on military good will for its survival. []

Additional problems would ensue if the mood of frustration among the economically disadvantaged resulted in a leftist election victory. Two of the parties likely to be in the running are the Marxist-oriented Movement for Justice in Africa (MOJA) and the more moderate but avowedly socialist Progressive People's Party (PPP). The chance that one of these parties could come to power is a source of concern to many in the largely pro-American military. A leftist victory could even cause the Army to void the elections and quickly reinsert itself into politics. []

Potential for Soviet and Libyan Meddling

The transition to civilian rule may offer new possibilities for foreign meddling. Libya, as it has done elsewhere in West Africa, is likely to offer financial assistance to political parties Tripoli feels it can influence. A weak civilian government beset with financial problems could also seek Soviet and Libyan aid as a means to expand its base of foreign economic donors, or as a ploy to extract more assistance from the West. []

In the aftermath of the 1980 coup that brought Doe to power, Libya and the Soviet Union saw an opportunity to expand their influence and to weaken Liberia's traditionally close relationship with the United States. Some of Doe's more radical civilian Cabinet appointees initially aided these efforts, inviting the Libyans to establish an Embassy, attempting to forge closer links with the Soviets, and allowing the Ethiopians to train some 60 Liberian student teachers. The strongly pro-Western Doe reversed this trend in early 1981 by expelling the Libyan Embassy after only a few months of operation, demanding the reduction of the Soviet Embassy staff to six, and ordering the firing of the Ethiopian-trained teachers. Doe's stand has antagonized many of his leftist political opponents who favor a more genuinely nonaligned foreign policy to reduce Liberia's image as a US client state in Africa. []

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Qadhafi's attempts to subvert West African governments have had their greatest chance of success in countries with substantial Muslim populations. Even in these areas his efforts have not been notably productive. In the period leading up to the 1979 elections in Nigeria, for instance, he attempted—unsuccessfully—to buy influence through campaign donations to Nigeria's two northern Muslim-dominated political parties. Elsewhere in West Africa, he has sought with limited success to undermine Western influence with lavish promises of money and support for leaders potentially sympathetic to Libyan aims. [redacted]

Libyan attempts to gain influence in Liberia will probably be thwarted by the limited appeal of Qadhafi's brand of radical Islam to its predominantly conservative and non-Muslim population. Promises of substantial economic assistance by the Libyans and Soviets could bring short-term diplomatic gains, but this advantage would quickly erode in the face of unfulfilled expectations. [redacted]

The Soviet and Libyan records elsewhere on the continent suggest that offers of military and security assistance are the most likely form of aid a potentially exploitable new regime in Monrovia can expect. Despite a Liberian desire to upgrade the status of its armed forces, tendencies to turn away from Washington will be impeded by the fear of a strong negative reaction by the United States and by pro-American sympathies among key Liberian military officials. Even in the unlikely event a radical civilian regime won election and was allowed to take office by the military, it would perceive that dramatic moves toward closer ties with Libya and the USSR would damage US-Liberian relations and undermine efforts to attract further US financial assistance. [redacted]

Implications for the United States

The transition to civilian rule increases chances for at least a minor downturn in the current close relations between Liberia and the United States. A radical or leftist successor government might be inclined to use the presence of important US installations in Liberia as a point of pressure in dealing with the United States.¹ Such a regime could threaten to close the installations in an effort to extract more US aid or to secure rent for the facilities that are currently provided gratis. Even a moderate successor regime might be tempted to burnish Liberia's nonaligned credentials and to bring it more into line with the African mainstream by distancing itself somewhat from Washington. But the temptation of any successor government to be less accommodating toward Washington almost certainly would be tempered by the realization that US aid is critical to Liberia's eroding economy and by the absence of alternative benefactors of proven reliability. [redacted]

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