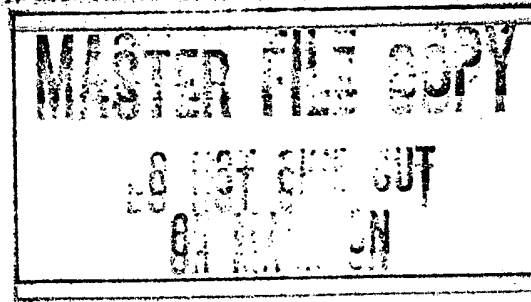


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**East Germany:
Soviet Partner
in the LDCs**

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An Intelligence Assessment

State Dept. review completed

Secret

*GI 83-10201S
October 1983*

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East Germany: Soviet Partner in the LDCs

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An Intelligence Assessment

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*GI 83-10201S
October 1983*

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**East Germany:
Soviet Partner
in the LDCs** [redacted]

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Key Judgments

*Information available
as of 31 August 1983
was used in this report.*

East Germany is an active partner in the USSR's drive to increase Communist presence and influence in the Third World. The East German programs are small compared with the Soviet effort but have grown in size and scope to the point where East Germany now provides a number of complementary services that serve Moscow's foreign policy interests. These services range from traditional military and economic assistance to specialized activities such as developing local security and intelligence services, establishing party and media links, and providing technical training courses. East Germany has contributed to the establishment or consolidation of a number of pro-Soviet regimes, notably in Angola, Mozambique, Ethiopia, South Yemen, and Syria. In addition, East Germany has used links with LDC Communist parties, media, labor unions, and front organizations to increase Communist presence and influence in the Third World. East German programs are most heavily concentrated in Africa and the Middle East, but recently have become more active in Latin America. [redacted]

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We believe that the East Germans in some instances act as surrogates performing duties at Soviet request and in other cases carry out programs in general coordination with Moscow but with the specifics left to East Berlin. The kinds of activities that appear to be most closely coordinated are those dealing with intelligence and security, military assistance, and covert support to nonruling leftist and Communist parties. Other activities—such as economic assistance—are apparently conducted much more independently, although with Moscow's knowledge and encouragement. [redacted]

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In addition to supporting Moscow's foreign policy goals, East German relations with the Third World have been driven by its desire to enhance its own international prestige, particularly vis-a-vis West Germany, and more recently, by economic necessity, particularly the need to gain access to hard currency and export markets. [redacted]

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We expect that the East German interest in the Third World will continue to increase because their activities provide benefits to the USSR and the LDCs as well as East Germany. Of the various East German programs, intelligence and security assistance and political influence activities are most likely to be expanded and pose the most direct challenge to US interests. While Africa and the Middle East probably will continue to be prime targets, recent East German activities in Nicaragua and Grenada indicate an increasing interest in Latin America and the Caribbean. [redacted]

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East German Programs in the Third World

Our knowledge about the size and scope of East German programs comes from [redacted] Embassy reporting, and East German and Third World press. We are confident that our data accurately reflect the general size and pattern of East German activities, but we are less confident about the specific details of individual programs. Our data show that the East Germans are active throughout the Third World and that their programs are most heavily concentrated in Sub-Saharan Africa and the Middle East. Programs differ from country to country, but one or more of the following elements are at the heart of East German efforts in each target country:

- **Intelligence and Military Advisers.** We estimate that in 1982 there were 1,000 to 1,500 East German advisers in LDCs. Most of them were involved in assisting leftist regimes develop their intelligence and security apparatus. Others were employed as weapons instructors, maintenance and repair technicians, logistic specialists, and staff advisers.
- **Political Influence Mechanisms.** East Germany uses a variety of mechanisms to penetrate or influence key sectors of LDC governments and populations—such as providing political advice and support to Marxist parties; training journalists and supporting leftist newspapers; and exploiting youth, labor, and front organizations. In 1982 friendship exchanges were conducted with fraternal parties in seven

LDCs, media agreements were signed with at least six LDCs, and some 300 East German youths were assigned to friendship brigades in nine LDCs.

- **Military Supply Program.** Since the start of its military supply program in 1964, East Germany has signed military sales agreements worth \$860 million with about 30 LDCs calling primarily for the supply of vehicles, artillery, small arms, and ammunition. Sales exceeded \$300 million in 1982 alone, largely reflecting sales to radical Arab states.
- **Economic Assistance.** East Germany has signed economic agreements totaling nearly \$3 billion with some 50 LDCs since the program began in 1955. A large share of the recent agreements has been trade credits that call for repayment in hard currency or oil. In addition, East Germany had some 5,000 technicians in LDCs in 1982—three times the number in 1978—to help organize and develop government administration, install and maintain East German equipment, and work on development projects.
- **Trade.** East Germany's trade with Third World countries amounted to over \$2 billion in 1981, accounting for 5 percent of East German foreign trade, as it has since the early 1960s. [redacted]

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Soviet and East German officers reviewing Angolan military equipment. [redacted]



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**East Germany:
Soviet Partner
in the LDCs** [redacted]

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East German efforts in support of Moscow's foreign policy objectives in the Third World have led to a substantial expansion of relations with LDCs since the early 1970s. Starting essentially as moral support for Third World "progressive" states and "liberation" movements, East German activities in the LDCs are now varied and include government-to-government diplomatic relations, party-to-party ties, cultural and media links, intelligence and security assistance, training programs, military and economic agreements, and trade. [redacted]

Although the East German programs are small compared with those of the Soviet Union, they complement Soviet programs by concentrating on selected countries and specializing in those areas that have the greatest potential for influence in LDCs. For example:

- By providing intelligence and security assistance to several African countries, the East Germans have been instrumental in helping to secure Moscow's position in the area.
- By developing party-to-party relations, East Berlin has been able to provide support to nonruling leftist and Communist parties in Latin America.
- East Germany's extensive media activities help meet Moscow's goals of broadly disseminating Communist propaganda.
- East Berlin's support of youth movements and trade unions exemplify East German efforts to penetrate key sectors in LDCs in order to secure current and future political advantage for itself and Moscow.
- East Germany's military supply program, while small, is used selectively to help support the needs of Soviet clients and potential clients. [redacted]

In addition to supporting Soviet Third World policies, East Germany's activities in the Third World are apparently also motivated by East Berlin's desire to:

- Enhance East German international visibility and prestige, particularly vis-a-vis West Germany.
- Provide East Germany with needed export markets and hard currency earnings to help finance imports from the West as well as from the Soviet Union and other Warsaw Pact countries. [redacted]

Support of Soviet Third World Objectives

Of the USSR's Warsaw Pact allies, East Germany plays the most active role in support of Soviet objectives in the Third World. East Berlin no doubt shares many of Moscow's motives for penetrating Third World countries. East German leaders have frequently stated their support for—and willingness to act as an instrument of—Soviet policy. For example, in a speech to the Parliament in June 1979 on the signing of "friendship and cooperation" treaties with Angola and Mozambique, Foreign Minister Fischer acknowledged that the treaties were an expression of the "coordinated foreign policy of the states of the socialist community." We believe, however, that some of the motivation for East Germany's activities stems not just from shared ideals but also from a desire to enhance its position with Moscow in hopes of increasing Soviet support for East German political and economic interests. [redacted]

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There are numerous examples of East German activities in the Third World that directly support Soviet objectives:

- East Germans have helped to consolidate pro-Soviet, Marxist-oriented regimes in South Yemen, Mozambique, Ethiopia, and Angola.
- East Berlin responded rapidly and fairly generously to the Sandinista takeover in Nicaragua, offering some \$30 million in military equipment and \$110 million in economic assistance since late 1979. East Germany has also provided limited aid and training to Guatemalan and Salvadoran insurgents.
- East Germany has provided assistance to the Palestine Liberation Organization (PLO), Syria, and Iraq in support of Soviet Middle East policies. East Germany's resupply of Iraq in the early days of the Iran-Iraq war preceded Moscow's own shift to supporting Baghdad, while Moscow was still trying to solidify its relations with Tehran.

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Media Activities

Through its involvement in Third World media, East Germany has had some success in casting events in a pro-East, anti-West light. Such involvement includes training journalists, providing news services, supporting party newspapers, and facilitating clandestine radiobroadcasting. [redacted]

Journalist Training

The Solidarity School run by East Germany's Journalist Union was established by the International Organization of Journalists, one of the 10 major Soviet front groups. The school has been largely used to train journalists from African countries such as Ethiopia, Tanzania, and Zambia. [redacted]

News Services

The East German news agency, ADN, is increasingly active in the Third World. The East Germans regularly supply material to Tanzania's government press service and local Tanzanian newspapers, and the East Germans along with the Soviets regularly plant stories hostile to the West in the Zambian media. ADN pieces are frequently printed in the Ethiopian press and Ghana is reported to receive free wire service from East Germany. [redacted]

East German involvement in the media of other countries has been less detectable, but ADN has recently signed agreements with news services in such countries as Burma, Cyprus, Greece, South Yemen, and Syria. In India, East Germany continues to be active in the media, conducting broadcasts in both English and Hindi and maintaining a bureau in New Delhi. [redacted]

Support to Party Newspapers

East Germany also provides printing equipment and supplies to a number of friendly Third World governments and to nonruling Communist and leftist parties for their party newspapers:

- Grenada recently received a GDR grant for printing equipment for its Free West Indian newspaper.
- According to press reports, East Germany covertly provided financial assistance to the publishing house of the pro-Soviet Greek Communist Party through a front company in Luxembourg. [redacted]

Clandestine Radiobroadcasts

East Germany has also provided broadcasting facilities to a number of Western and Third World Communist movements including Iran's Tudeh Party and the Greek Communist Party. In most cases, the listeners were led to believe that the broadcasts originated in the target country. The only clandestine stations still operating from Eastern Europe are two that broadcast in Turkish from East Germany: "Voice of the Turkish Communist Party" and "Our Radio." Broadcasts generally follow the Soviet line in commenting on Turkish foreign policy and emphasize themes designed to discredit the United States, NATO, and the West. On many issues, moreover, these broadcasts have been much more critical than the more cautious official Soviet and East German media. [redacted]

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Ethiopian journalists being taught by East German instructors. [redacted]



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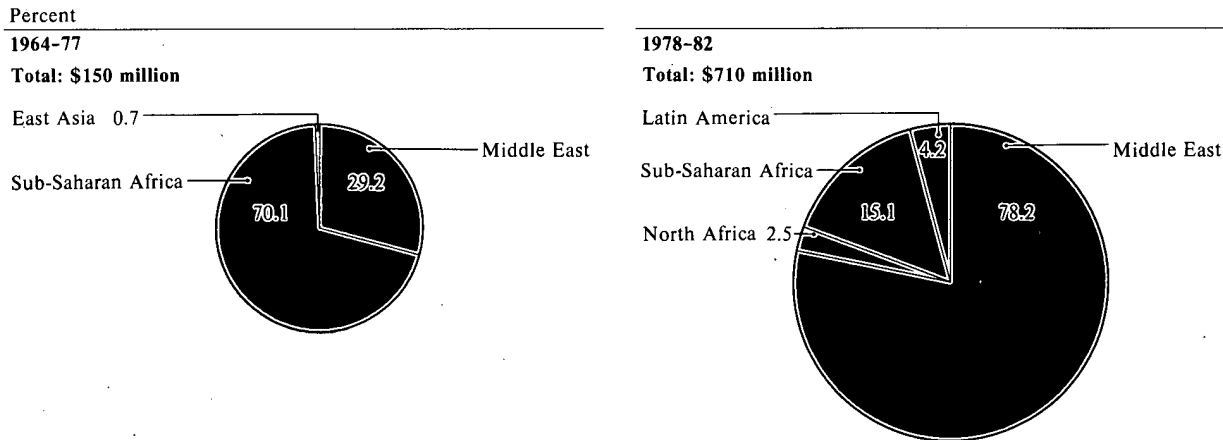
- East Germany has been among the most active Warsaw Pact countries in assisting leftist insurgent groups. It has provided support to the South-West Africa People's Organization, the African National Congress, and members of the PLO. These groups also have official representation in East Berlin.
- East Germany provides printing equipment and supplies to pro-Soviet leftist newspapers as well as news services to a number of Third World countries.
- East Germany is also an active participant in international Communist front organizations such as the World Peace Council and the Afro-Asian People's Solidarity Organization. It has representatives on the executive committees or secretariats of nine out of the 10 major Soviet fronts, and one of the fronts—the Women's International Democratic Federation—is headquartered in East Berlin. East Germany has also established friendship societies in countries throughout the Third World and has used these as well as cultural and sports activities as vehicles for promoting Soviet views.
- East Germany has several training programs for LDC personnel that complement Soviet and Warsaw Pact training programs. We believe that more than 1,000 trainees from LDCs—mainly from Ethiopia, Zambia, and Mozambique—underwent military and paramilitary instruction in East Germany between 1978 and 1982. Some 18,000 students from LDCs have also received academic training in East Germany.
- East Germany's Communist Party, the Socialist Unity Party (SED), has continued to develop and maintain direct links with leftist and Communist parties in Africa, South Asia, and Latin America. SED officials frequently attend party congresses and have been involved in organizing and training party cadre as well as providing advice and other support. For instance, an agreement was signed with the Congolese Labor Party calling for closer ties with the SED, including continued training of Congolese party cadre. [redacted]

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Figure 1
East Germany: Military Sales to LDCs



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Coordination of Activities

There appears to be coordination and some specialization of activities between the USSR and East Germany in the Third World. The degree of coordination apparently varies depending partly on geopolitical interests, but, in general, Soviet-East German coordination appears to be most prevalent in activities dealing with arms sales, intelligence and military technical assistance, party cadre development, and support to liberation movements. [redacted]

More coordination and specialization—particularly between the USSR, East Germany, and, in some instances, Cuba—is evident in Sub-Saharan Africa and Latin America than in other regions. In Ethiopia and Angola, for example, Moscow has provided the bulk of the Bloc military and economic aid, Cuba has supplied combat troops, while the East Germans have concentrated on strengthening and reorganizing local intelligence and security services. [redacted]

In Latin America—particularly in Nicaragua—a stronger East German effort in the area seems to have followed party leader Honecker's visit to Cuba in early 1980. The visit culminated in the signing of a 25-year friendship and cooperation treaty, the first of its kind signed by Cuba with a Warsaw Pact state. East Germany now has a contingent of military and economic technicians in Nicaragua. The Soviets, reportedly also look to East Germany as the vanguard for the Warsaw Pact in relations with the Communist parties and leftist groups in Latin America. [redacted]

Arms Sales. Warsaw Pact arms sales are coordinated with and, in some instances, orchestrated by Moscow—the amount of Soviet control varying with the size of the order, the type of equipment involved, and the political importance Moscow attaches to the client/supplier relationship. East Germany's military

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Table 1 *Million US \$*
**East Germany: Military Relations
 With Non-Communist LDCs, 1964-82**

	Agreements	Deliveries
Total	860	590
Sub-Saharan Africa	210	210
North Africa	20	—
Middle East	600	350
Asia	NEGL	NEGL
Latin America	30	30

[Redacted]

Table 2 *Number of persons*
**East Germany: Intelligence and
 Military Advisers in LDCs, 1982 ^a**

Total	1,000-1,500
Africa	650-900
Middle East	300-550
Latin America	50

^a Estimated number present for one month or more.

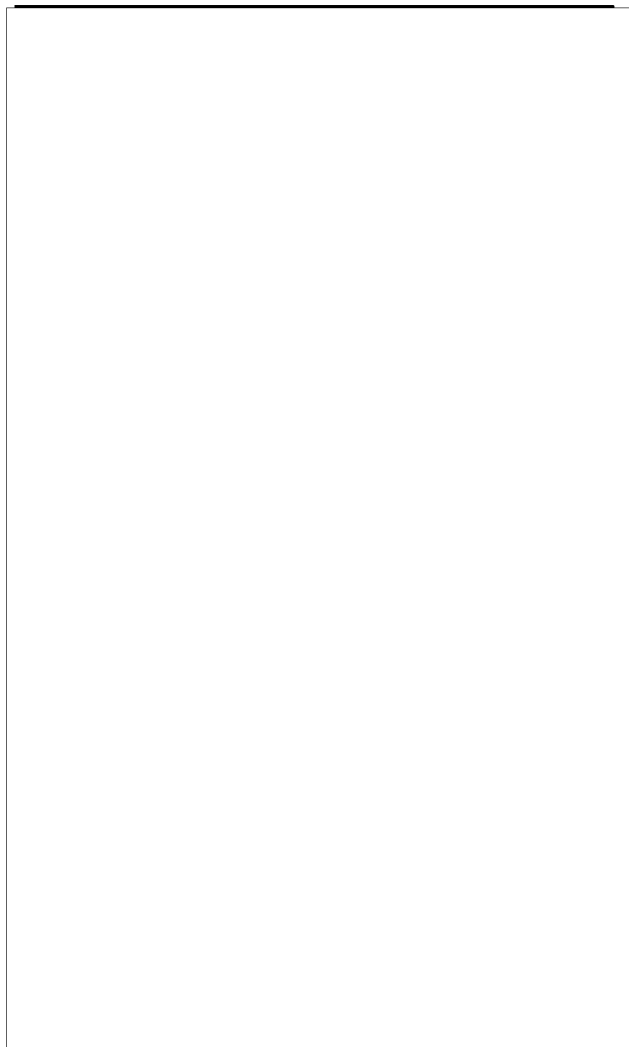
[Redacted]

equipment sales account for less than 3 percent of total Warsaw Pact sales to the Third World. As is the case with other Warsaw Pact suppliers, sales are mostly concentrated in the radical Arab states, southern African, and, more recently, Nicaragua. [Redacted]

Intelligence and Technical Assistance. There is evidence that some of East Germany's intelligence and security assistance, specialized technical training, and provision of advisers to Third World countries is done at Soviet request or in close coordination with Moscow. [Redacted]

Party Relations. The East Germans also play a role in helping the Soviets develop and maintain relations with Third World Communist and leftist parties. [Redacted]

Support of Liberation Movements. East Germany's support of liberation and revolutionary movements



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Honecker meeting with YAR
Vice President Abdul Aziz
Abdul Ghani [redacted]



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Other Motives

In addition to backing Moscow, East German activities in the Third World also support two of East Berlin's most important foreign policy objectives:

- The East German desire for international recognition and prestige comparable to West Germany.
- More recently, the need for increased earnings of hard currency or opportunities to barter with LDC raw materials for East German goods or services. [redacted]

The International Prestige Factor

The desire to attain recognition as a legitimate sovereign state is not the driving force it once was, as most states now recognize East Germany. Nevertheless, we believe that the rivalry with West Germany for prestige and influence in the Third World remains strong. With this in mind, the East Germans have paid special attention to liberation movements and new regimes in Africa and the Middle East. In agreements signed with Third World countries, the East Germans try to insert references to the inviolability of the inter-German frontier and to seek acknowledgment that West Berlin is not part of West Germany. [redacted]

East Berlin uses the image of increased prestige it has gained in the Third World to bolster the legitimacy of the East German Government with its own people.

Support of foreign revolutionary causes is justified to the East German populace as a necessary contribution of the "ultimate victory" of Communism over imperialism. East German Communist Party leader Honecker and other high-level East German officials have made frequent visits to Africa, the Middle East, and other Third World regions. These visits as well as those of Third World governments and party leaders to East Germany are well publicized in the East German and Bloc media. [redacted]

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East Germany's investment has paid off well in gains in international recognition and prestige. At the beginning of 1970, East Germany was recognized by only seven non-Communist countries. Today it has formal relations with over 130 and assistance agreements with 50. It has gained influence and respect, particularly in Africa and the Middle East where it has established close relations with a number of countries as well as with many of the leading African revolutionary movements and the PLO. It has signed treaties of friendship and cooperation with Angola, Mozambique, Ethiopia, South Yemen, and Afghanistan and a joint declaration of friendship and cooperation with Syria. Its influence also appears to be increasing in other countries such as Zambia and Nicaragua. [redacted]

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East German supplies being unloaded in Mozambique. [redacted]



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The East Germans, nevertheless, have also suffered some setbacks. East German police advisers in Somalia were sent home in 1981 when Mogadishu refused to renew their contracts, presumably a reflection of Somalia's distancing itself from the Soviet Bloc. The East Germans also experienced a setback in Zimbabwe that they now appear to be reversing. East Germany, along with Czechoslovakia and the USSR, backed the ZAPU which lost out to Mugabe's Zimbabwe African National Union (ZANU). Only after reportedly agreeing to sever all ties with ZAPU was East Germany able to establish diplomatic relations with the new Zimbabwean Government in November 1980. Prime Minister Mugabe's visit to East Germany, Czechoslovakia, and Hungary in 1983 is indicative of the improvement in relations. [redacted]

Economic Considerations

Although East Germany's economic and military programs in the Third World were at first motivated more by political and ideological considerations, East Germany began to increase its emphasis on economic considerations in the mid-1970s. At that time, economic constraints began impinging on East Berlin's ability to provide financial aid to Third World countries. This forced East Germany to look toward LDCs to expand its equipment and services exports in hopes of increasing hard currency earnings. [redacted]

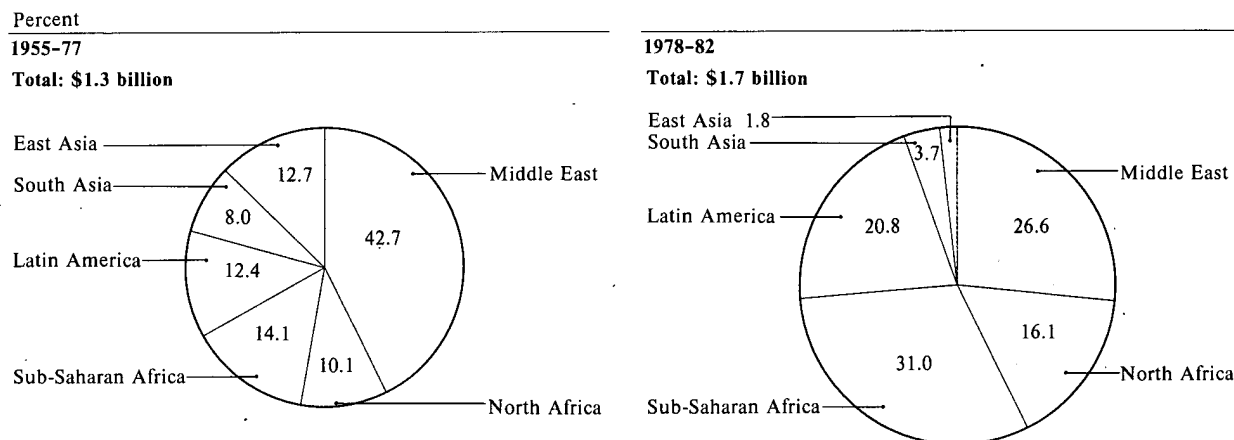
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Figure 2
East Germany: Economic Agreements With LDCs



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New measures during the past five years to increase economic returns from LDC relationships have included:

- Opening new markets for East German equipment by expanding the size and scope of credits provided under trade agreements. Of the \$1.7 billion in economic agreements signed in 1978-82, \$1.3 billion were trade credits, usually carrying 10-year repayment terms at 4.5- to 9-percent interest. Only countries with good credit records are being allowed deferred payment terms.
- Focusing on agreements with countries that can pay in hard currency or in needed raw materials such as oil. This pattern has become more pronounced in both military and economic agreements over the past five years. Three-fourths of the \$1.7 billion in economic agreements is repayable in hard currency, oil, or other raw materials. Seventy percent of the \$710 million in East German military agreements with non-Communist LDCs over the past five years have been with Middle Eastern oil producers, payable in oil or hard currency.

- Raising charges for technical services and requiring payment in hard currency. Because of the heavy concentration of personnel in countries that had been targeted for ideological purposes, East Germany had not enjoyed the same hard currency returns that other East European countries had been earning on their technical services programs. In 1980 East Germany began to demand salaries based on Western pay scales for technicians, with payment at least partly in hard currency.

Thus far the East German economic initiatives in Third World countries have had limited results. Total exports to LDCs amounted to only \$1 billion in 1981—down slightly from 1980—with the LDC share of East German trade steady at 5 percent since the early 1960s. We have not been able to quantify the hard currency earnings from the trade.

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Table 3
East Germany: Economic Aid to
Non-Communist LDCs, 1955-82

Million US \$

	Extended	Drawn		Extended	Drawn
Total ^a	2,976	959	Philippines	30	2
North Africa	402	135	Latin America	505	119
Algeria	377	127	Bolivia	15	3
Tunisia	25	8	Brazil	219	19
Sub-Saharan Africa	687	189	Chile	20	15
Angola	20	16	Colombia	60	5
Burundi	NEGL	NEGL	Grenada	16	5
Cape Verde	7	4	Guyana	36	17
Congo	27	23	Mexico	20	4
Ethiopia	235	32	Nicaragua	112	45
Ghana	64	15	Uruguay	6	6
Guinea	24	24	Middle East	800	390
Guinea-Bissau	5	5	Egypt	264	170
Madagascar	9	1	Iran	100	..
Mali	NEGL	NEGL	Iraq	84	55
Mozambique	104	41	North Yemen	10	10
Sao Tome and Principe	5	..	South Yemen	42	32
Somalia	1	1	Syria	250	122
Sudan	46	18	Turkey	50	..
Tanzania	19	5	South Asia	166	81
Uganda	24	1	Afghanistan	42	15
Zambia	96	2	Bangladesh	25	12
East Asia	195	40	India	2	2
Burma	8	8	Pakistan	35	10
Indonesia	144	29	Sri Lanka	62	42
Kampuchea	12	NEGL	Other	220	5
Laos	1	1			

^a Because of rounding, components may not add to totals shown.



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Table 4
East Germany: Economic Technicians in
Non-Communist LDCs, 1982

	Number of Persons ^a
Total	4,835
North Africa	700
Algeria	250
Libya	400
Tunisia	50
Sub-Saharan Africa	2,510
Angola	750
Ethiopia	500
Guinea	200
Mozambique	800
Zambia	100
Other	160
Latin America	105
Grenada	10
Guyana	15
Nicaragua	50
Other	30
Middle East	1,405
Egypt	100
Iraq	350
South Yemen	500
Syria	350
Other	105
South Asia	115
Afghanistan	100
Other	15

^a Number present for one month or more, rounded to the nearest 5.

Outlook

We believe that most East German programs will continue to grow over the next several years. In our view, economic aid and trade agreements will grow only slightly—the emphasis being on hard currency earnings—and will have little direct impact on the United States. In contrast, East Germany probably will make increased use of its intelligence and security training programs and its political influence mechanisms, activities that affect US interests more directly. In addition, East Berlin's military supply program,

Table 5
East Germany: Trade With
Major LDC Partners

Million US \$

	1975	1980	1981
Total	947	2,295	2,041
North Africa	43	352	243
Algeria	21	163	76
Libya	4	152	150
Morocco	14	19	12
Tunisia	4	18	5
Sub-Saharan Africa	17	259	257
Angola	..	83	60
Congo	NEGL	1	4
Ethiopia	NEGL	40	19
Ghana	4	15	14
Mozambique	..	83	112
Nigeria	1	14	45
Sudan	10	8	2
Tanzania	2	15	1
East Asia	13	48	43
Indonesia	6	22	28
Malaysia	7	26	15
Latin America	139	389	412
Argentina	8	66	72
Brazil	75	182	200
Colombia	11	67	43
Mexico	10	64	80
Peru	35	10	17
Middle East	526	927	711
Egypt	183	93	89
Iran	18	166	184
Iraq	218	455	216
Kuwait	9	11	12
Lebanon	17	33	38
Syria	60	118	130
Turkey	21	51	42
South Asia	113	145	189
India	100	134	180
Pakistan	5	6	4
Sri Lanka	8	5	5
Europe	96	175	186
Cyprus	2	11	9
Greece	52	105	82
Portugal	11	8	9
Spain	31	51	86

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East German airliner carrying
Nicaraguan wounded to East
Berlin for treatment.



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while small in comparison to Moscow's, can be used selectively in those areas where Moscow is reluctant to show its hand directly.

We believe that these trends are already evident in recent East German moves:

- In Nicaragua, the East Germans reportedly are involved in assisting the Sandinistas reorganize their party along Communist lines, as well as providing intelligence and security assistance. East Germany is providing limited assistance to insurgents in Guatemala and El Salvador.
- In Syria, East Berlin has agreed to provide the ruling Ba'ath Party with cadre training and assistance in party reorganization.
- During 1982 East Berlin signed agreements to provide news services to the local press in Greece, Cyprus, and Syria and provided a grant for newspaper printing equipment to the government of Grenada.

We expect that countries in Africa and the Middle East will remain prime targets for East Germany, but the opportunities for increased East German involvement in Latin America may be of most concern to the United States. East Germany's recent efforts in Central America and the Caribbean, its ties to leftist and Communist groups, and its effort to develop economic relations in the region indicate a growing interest in Latin America. How much further East Berlin will go is not yet clear. In considering this question, East Berlin will have to balance its desire for ties and influence with revolutionary regimes and nonruling leftist parties with its efforts to develop relations with countries like Brazil, Argentina, and Mexico, where East Germany has a growing economic stake.

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The impetus for continued expansion of East German activities in the Third World comes from the potential benefits to all parties—the East Germans, the USSR, and the LDCs themselves. In addition to helping

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secure its international position, East Germany's active role in the Third World reinforces its special relationship with Moscow. It also provides some opportunities—albeit as yet small—for economic gain. For the USSR, the presence of its Warsaw Pact ally in the Third World takes some of the burden off Moscow and helps diffuse some of the Western and Third World criticism of superpower interference. The Soviets can be expected to again look to the East Germans to test the waters in a target LDC when it is politically inopportune for them to do so. The LDCs benefit from East German programs because of the specialized technical expertise the East Germans have developed.

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