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**Soviet Views of Democratically-Oriented Change  
and Economic Liberalization in the Third World**

Summary

Soviet analysts for the most part have viewed the transition of Third World military regimes to elected civilian governments as working to Moscow's advantage. Such moves, they have claimed, often opened opportunities for leftist forces, improved political and economic relations with the USSR, and seemed to accord with Soviet ideological conceptions of Third World progression toward socialism. Most Soviet observers, for example, have viewed the move toward democracy in Argentina, Brazil, and Uruguay favorably, seeing in these changes opportunities for local communists to prosper and for improved Soviet political and economic ties.

This Memorandum was prepared for Ronald St. Martin of the National Security Council by [redacted] Office of Soviet Analysis, with a contribution by [redacted] Office of European Analysis. Comments and queries are welcome and may be directed to the Chief, Third World Activities Division, SOVA [redacted]

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But recently, a series of such transitions have taken place -- in the Philippines, Pakistan, and Haiti -- that has led at least some Soviet observers to take a somewhat more skeptical attitude toward the whole issue of democratization in the Third World. These observers have expressed concern that the United States has engineered transitions to new elite-dominated regimes that are still willing to protect US interests while giving the appearance of responding to popular pressure for change.

At the same time, the Soviets have also been generally critical of Third World states when they liberalized their economies and expanded economic ties with the West. Yet, the turn in recent years of several socialist African states in this direction, recognition of the limited Soviet resources available for foreign aid, and a desire to avert economic disaster from premature leftist policies have led most Soviet observers to conclude that some economic engagement with the West is an unavoidable necessity. These observers have taken solace from the fact that the USSR's military relationships with these socialist states continue to endure and serve as a basis for continued Soviet influence.

West European states have welcomed the democratizing and liberalizing trends in the Third World, although they recognize that newly democratic governments may prove more difficult to deal with on issues such as international debt. The trend toward democracy has also in some cases alleviated potential US-West European discord over particular countries.

### Introduction

Over the past four years several Third World states have moved from authoritarian civilian and military regimes to democratic government or to systems committed to a transition to democracy, while others have liberalized ideologically-inspired socialist economies and turned to the West for economic assistance. For example:

- o In Argentina (1983), Brazil (1985), and Uruguay (1985), authoritarian military rulers gave way to elected civilian governments.
- o In the Philippines and Haiti (both 1986), autocratic leaders were forced out of office.
- o The military government in Pakistan held parliamentary elections, lifted martial law, and turned over extensive responsibilities to a civilian prime minister (1985-1986).

- o A number of West African socialist states including Guinea, Benin, Cape Verde, Guinea-Bissau, Congo, and Mali that once looked to the USSR as a development model and economic benefactor have moderated their socialist economic policies and turned Westward for economic aid.

Over the past three decades the Kremlin has usually looked favorably on political transition from military regimes to elected civilian governments. On a practical level, this change frequently opened opportunities for previously suppressed communist and leftist forces and removed what the Soviets described as "artificial barriers" to diplomatic and economic relations with the USSR. Moreover, political movement of this kind accorded with Soviet ideological precepts that posited a historically-mandated progression from feudalism through capitalism and "bourgeois democracy" to socialism. On the other hand, Soviet observers were generally critical when Third World states liberalized their economies, expanded trade with the West, and opened themselves to Western investment, seeing this as a step toward eventual domination by "imperialism."

The situations raised above have posed some challenges for Soviet international affairs analysts. Change in the democratizing states was not necessarily entirely favorable to the USSR or unfavorable to the West. Indeed, in some cases the US appeared to be the agent and prime beneficiary of such change. Also, the historically determined transition from pre-capitalist to capitalist and socialist forms of national development proved to be a rocky progression at best, and virtually impossible in many cases. Meanwhile, the failure of socialist models of economic development and the frustration of Third World socialist states with the Soviet Bloc's limited economic aid was patently obvious to Soviet observers by the late 1970s, leading them to look for new versions of "Soviet-approved" Third World development models.

#### The "New Democracies" of South America

Moscow's stake in Argentina, Brazil, and Uruguay was fairly limited under the military regimes. The Soviets had diplomatic relations and varying levels of trade with all three countries. However, Moscow and the military governments -- particularly those in Brasilia and Montevideo -- had little in common on foreign policy issues, and all three suppressed their national communist parties to varying degrees. Soviet analysis of the implications of the transition to civilian rule has concentrated on the following four questions:

- o Was change in a given country the result of pressure from internal political forces, or was it orchestrated from outside by "imperialist interests" -- the United States?
- o How do these political and economic changes affect the prospects of leftist -- especially communist -- forces in a given country?

- o What does the USSR stand to gain or lose in the realm of state-to-state and economic relations?
- o What are the chances that a country experiencing these changes will reorient its foreign policy? Will the reorientation be favorable to the USSR or, at least, unfavorable to the West?

Journalists and academicians who have examined the three cases individually do not credit the United States with a significant role in bringing about the end of military government. For example, Pravda and Izvestiya articles at the time of the Argentine elections focused on the actions of Argentine popular and "patriotic" forces -- left, center, and even elements of the right -- in forcing the armed forces from power. Similarly, an extended discussion of Uruguay in the academic journal Latinskaya Amerika did not mention the United States at all in its description of the Uruguayan political process.

In all three countries, Soviet publications saw the move to democracy as favorable to leftist forces in general and communist parties -- which were officially legalized by the new governments -- in particular, though this was qualified by an acknowledgement of the relative weakness of the communists. As the leader of the Brazilian Communist Party put it, the BCP "nowadays ...can really breathe, think and feel." However, he noted that the communists had to operate as part of a broad democratic front and not on their own, owing to their organizational weakness and the strength of anti-communist elements in Brazilian politics. TASS coverage of the December 1985 party congress of the Uruguayan Communist Party followed a similar line, highlighting the ability of the UCP to hold a conference legally after twelve years of repression, but noting the need for the party to increase its numbers, to consolidate its links to the working class, and to continue its participation in the "Broad Front" of Uruguayan "democratic" parties.

Soviet observers have given an almost universally positive assessment to the opportunities the New Democracies open for the USSR to improve diplomatic and economic relations with the three states. For example, press coverage of the visits of Brazilian Foreign Minister Setubal (December 1985), Argentine Foreign Minister Caputo (January 1986), and Uruguayan Foreign Minister Iglesias (July 1986) to the USSR prominently featured the growth in state-to-state contacts and the potential for expansion of trade between the USSR and these countries.

Soviet writings on the foreign policy implications of the New Democracies do not forecast serious deterioration in the relations of these countries with the United States. However, they do describe two trends favorable to the USSR. First, they see all three moving toward "genuine non-alignment" that contrasts favorably with the "pro-imperialist" stance of the military regimes, notably on the issues of international debt, the new international economic order, and

support for Non-Aligned Movement positions on disarmament. Also, and perhaps more significantly, several Soviet observers see the new governments as inclined to oppose US policy in Central America, most prominently on Nicaragua, and to reinvigorate relations with Cuba.

The positive Soviet assessment of the emergence of the New Democracies was reflected in a December 1985 general treatment of the subject by an official of the Latin America Institute in the Ministry of Foreign Affairs journal International Affairs. In the spring of 1986, however, an article by Vladislav Chirkov in the "popular" foreign affairs magazine New Times painted a gloomy picture. Chirkov argued that the US and international imperialism actually prefer the bourgeois parliamentary democracies of Argentina, Brazil and Uruguay to the military governments, the former being a more efficient system for suppressing revolutionary forces and covering up exploitation by multinational corporations. He implied that much of the optimism other commentators had expressed on the potential for improved state-to-state relations and foreign policy change favorable to the USSR was at least premature, if not entirely misplaced. While Chirkov appears to represent a minority position, the appearance of his article suggests that at least some figures with policy responsibility have doubts about the Kremlin's ability to take advantage of the rise of the New Democracies.

#### Haiti and the Philippines: Washington Exiles The Autocrats?

The predominant issue in Soviet discussion of events in Haiti and the Philippines has been the role of the United States in bringing about the deposition of the Duvalier and Marcos regimes. Soviet stakes in Haiti were virtually non-existent under the Duvalier regime, which they painted as a pliant tool of the US and multinational corporations. This line continued as the basis of their analysis of the overthrow of Duvalier, described in a New Times piece as a stage-managed American attempt to protect US interests from popular upheaval. While some commentators have seen the beginnings of real popular and anti-US opposition in Haiti that may offer some opportunities favorable to the Soviets over the long run, the New Times correspondent notes that the Haitians are politically inexperienced and that the US, while feeling threatened by the unrest, still has a variety of options for maintaining its control of Haiti's domestic and foreign orientation.

Soviet analysis of the situation in the Philippines has been less clear-cut, in part because of the policy line that Moscow took during the February 1986 elections. At the time, the Kremlin sought to appeal to President Marcos by portraying him as a victim of US interference in internal Filipino affairs. The Soviet media thus played the Marcos election "victory" in straightforward fashion while implying that Corazon Aquino was the favorite of the US and the Catholic Church. Coverage of subsequent events -- Marcos's flight, and Aquino's assumption and consolidation of power -- has had a schizophrenic quality. Some analysis has carried forward the election period

line that Aquino is an inexperienced and pliant representative of elite and American interests. Other more recent coverage, including a Pravda article by political observer Vsevolod Ovchinnikov, has argued that the new government does indeed represent some popular, "progressive," and potentially anti-American elements. To date this debate has not been resolved, and likely reflects a parallel debate in policy circles on how the USSR should proceed to deal with Manila in the aftermath of the failure of its bid to court Marcos.

Influential Izvestiya political analyst Aleksandr Bovin and New Times writer Vladislav Chirkov have looked at the general question of US ability to "replace" leaders that have supposedly outlived their usefulness and suggested that it could pose a threat to long-term Soviet interests in the Third World. Bovin sees the US-orchestrated replacement of Duvalier and Marcos as an example of American "neo-globalism" -- a policy of aggressive US political and military involvement in the Third World -- designed to thwart pressure for genuine revolutionary change. Chirkov, meanwhile, asserts that Chile's Pinochet and Paraguay's Stroessner are next on Washington's list, to which Bovin has added South African President Botha.

#### Pakistan: No Change On the Key Issue

Most Soviet coverage of Pakistan focuses on Islamabad's role in Afghanistan, where, the Soviets claim, the regime of President Zia has prostituted itself in the service of American imperialist objectives in return for massive military and economic aid. Analysis of domestic political change in Pakistan usually has been filtered through this prism.

The Soviet line that has emerged on Pakistan has acknowledged the fact that some steps have been taken in a democratic direction but this is almost always followed by sharp criticism of the Zia regime for not responding to "popular demands" that it change its policy in Afghanistan. In the most detailed analysis of the Pakistani political scene to date, the journal Asia and Africa Today claimed that even though the military "was compelled to manoeuvre and give civilians some secondary powers...the former basic trends of government policy remain intact behind the facade of the 'independent' civilian government." The article went on to state that "Pakistan's foreign policy, which has not undergone any essential changes, provides a vivid example" of this continuity and followed with an attack on Islamabad's role in Afghanistan. Some Soviet commentators have suggested that what they describe as rising popular opposition to the Zia regime will eventually lead either to its downfall, or at least to a modification of its Afghan involvement, but none seem optimistic that this will happen in the near future.

### The African Socialists Look to the West

The turn of several socialist African states -- Guinea, Benin, Cape Verde, Guinea-Bissau, Congo, and Mali -- away from extreme centralization and state control of the economy and toward the West for investment and economic aid\* contributed to a lively debate among Soviet international relations and development specialists, with most of the controversy centered on the foreign policy aspects of the issue. All of these states were dependent on the USSR for military aid and supported Soviet approved positions in the international arena.

On the domestic side, most Soviet observers have acknowledged that "real" socialist development in sub-Saharan Africa is very difficult to obtain in the short term due to most countries' lack of resources, the power of tribal, religious, and other traditional elements, the absence of clearly differentiated class forces, and the strong influence wielded by former colonial powers in many countries. These observers have argued that African leaders trying to build socialism should proceed relatively cautiously, avoiding "left extremist" policies -- notably overly ambitious nationalization and agricultural collectivization -- that could retard overall economic development and provoke a political backlash. As such, Soviet academic and journalistic observers have expressed relatively little concern about the domestic economic liberalization attempted in Guinea, Congo, Mali, and elsewhere.

Soviet writing on the foreign policy implications of the turn of the African socialists to Western countries for aid and to multinational corporations for investment has provoked a wider debate encompassing several schools of thought:

- o The Traditionalists. A few Soviet theorists have argued that Third World economic interaction with the West will inevitably promote neocolonialist dependency and the eventual subjugation of socialist oriented states to the capitalist world. They have usually advocated the elimination of such ties with the "capitalist system of production and exchange" as soon as possible.
- o A Third World "New Economic Policy?" At least one Soviet theorist has advocated an approach that has overtones of Lenin's New Economic Policy of the 1920s. This would involve taking maximum advantage of Western aid, trade, and investment to build the national economy, which would

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presumably take on a more socialist form at some unspecified time in the future. He is relatively unconcerned that this might lead the country in an unfavorable foreign policy direction.

- o A Middle Road. Most recent discussion has been dominated by the view that trading with and accepting aid from the West is an unavoidable necessity for socialist-oriented states in a "complex world economy," especially in view of limits to the Soviets' own ability and willingness to provide economic aid. Some theoreticians have worried that this interaction with the West could lead to gains in Western political influence at the expense of the USSR, while others have expressed confidence that a country's socialist orientation would not be in jeopardy as long as proper political control was maintained by the Third World government.

This question remains one of the more wide open subjects in Soviet international relations theory, and no one line had emerged as a guide to official views and policy. However, Moscow has not been forthcoming with the kind of economic aid that might encourage these countries to move back into the socialist fold, in spite of the fact that the Kremlin is probably not pleased with the departure from socialist forms and opening to the West. While Moscow's limited response to the problem is probably to some degree a function of economic constraints, we believe it also reflects a conclusion on Moscow's part that it is its military relationship with these states that underpins the Soviet position there and that as long as military ties are intact, the USSR can afford to acquiesce in the socialists' turn to the West without compromising its essential interests.

#### The West European Perspective

West Europeans have welcomed political democratization and economic liberalization in the Third World, but recognize that domestic constraints may make some newly democratic states more difficult to deal with on international economic issues such as the debt. With the notable exceptions of Grenada, El Salvador, and the Philippines, the US role in the democratization process is generally considered to have been minor and its success is attributed more to domestic conditions than to foreign influences, either US or Soviet. Nevertheless, this democratization alleviates one potential source of US-West European discord that the Soviets could otherwise effectively exploit.

The restoration of democratic rule in Argentina, Brazil, and Uruguay, in particular, is not strongly associated with specific US policies. Indeed, many Europeans criticize the United States for not pressing more actively for democratization in its Latin American "sphere of influence." This is especially the case in Chile, where many Europeans would like to see stronger US pressure on the Pinochet government, even though they recognize that the opposition remains weak and divided.



Paradoxically, in Central America and the Caribbean the United States is often criticized for being too active. Although the US military intervention in Grenada has proved remarkably successful, the operation was criticized for further legitimizing the use of force. In Nicaragua the West Europeans have become increasingly critical of the Sandinistas' authoritarian turn, but they believe that social conditions there require US patience and consider Washington's funding of the Contras dangerous and probably counterproductive. On the other hand, the strengthening of democratic rule in El Salvador, thanks largely to US influence, is cautiously applauded, and Europeans have also welcomed the tacit US support for the Duvalier regime's ouster in Haiti. In the eyes of the Europeans, however, the major triumph of American diplomacy is the Philippines, where they believe US support for the opposition at a critical juncture ensured a peaceful changeover.

The liberalization of a number of centralized socialist economies in west and southern Africa is welcomed since it opens up new markets for European products and investment. Europeans are not very optimistic about the chances for democratization anytime soon in most of these countries, but hope that these minor steps may portend some political liberalization in the future. In black Africa the Europeans see themselves as the principal point of African contact with the West and would probably look askance at significant moves by the US to increase its influence. South Africa is a major exception to this rule. Although it remains a divisive issue in Europe, there is a common sense -- outside of Britain -- that the US is in the best position to play a moderating role and pressure the white regime to reform.

Overall, the West Europeans will continue to welcome any sign that the United States is supporting democratic forces in the Third World. Western Europe's socialist tradition, however, will probably continue to incline some West Europeans to believe that US policymakers are too concerned about fostering elections and inadequately sensitive to the need to strengthen the social and economic underpinnings of democratic rule. This may provide the Soviets with at least some opportunities to drive a wedge between the US and its allies, but they will be hampered by the fact that, except for a few cases such as Nicaragua, Chile, and the unique case of South Africa -- which evokes ambivalence among West Europeans themselves -- the US and its allies see eye to eye on political and economic liberalization in the Third World: it is to be encouraged.

SUBJECT: Soviet Views of Democratically-Oriented Change and Economic Liberalization in the Third World

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