



**Directorate of
Intelligence**

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Indications of Political Instability in Key Countries



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May 1985

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May 1985*

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Indications of Political Instability in Key Countries

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This quarterly was produced by and coordinated within the Directorate of Intelligence. Comments and suggestions are welcome and may be directed to

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**Indications of
Political Instability
in Key Countries**



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Preface

This quarterly publication is designed to provide timely warning of significant instability in countries of key importance to US interests. The quarterly, which in this issue includes data from 1 January to 30 April, examines events and processes that could lead to major regime or policy changes. Although there are instances where the paper provides short-term warnings of coups or collapse, it is primarily designed to address the potential for instability during the next two years through the consistent application of 85 indicators. Those countries for which indicators have changed significantly or which are otherwise of special interest are treated in detail in the text.

The quarterly includes three parts:

- Part 1 includes an overview of developments during the quarter, a chart summarizing the status of key indicators, a brief narrative assessment of each country, and country-specific tables tracing political and economic changes during the past two years. We assess 30 countries that we have identified as particularly salient to US interests because they are strategic choke points, major oil producers or debtors, key US friends or allies, geographically close to the United States, or especially influential in the Third World.
- Part 2 presents a more detailed assessment of select countries in which there have been developments of interest. Included in each assessment are subsections listing indicators to be watched with reference to the scenarios that we believe are most likely to unfold and alternative scenarios.
- Part 3 lists the 85 indicators.



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Summary:
Levels of Concern

Among the 30 countries covered, *Sudan*¹ and *Nigeria* still register the highest level of instability, reflecting the overthrow of President Nimeiri and the grave insecurity of the Buhari regime. Analysts saw substantial unrest in seven other countries—in the *Philippines*, where the Marcos government faces strong opposition, including a growing Communist insurgency; in *Peru*, where the outgoing Belaunde government has made little headway against insurgency and economic disorder; in *Iran* and *Iraq*, where the war is taking a severe economic and human toll; in *Chile*, where we expect continuing violent opposition to the Pinochet regime; in *Guatemala*, where the election process may generate an upswing in political terror; and in *El Salvador*, where the Christian Democrats' election victory may sharpen political polarization. []

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Analysts expressed moderate concern about the outlook in 11 countries. In *South Korea*, President Chun's credibility vis a vis liberalization is on the line as the opposition becomes more vocal. A constitutional crisis showed the fragility of the system in *Honduras*, and the provocative politics of Prime Minister Papandreou introduced signs of potential instability in *Greece*. Turkey is experiencing heightened tensions with its neighbors; and *Pakistan*, *Morocco*, *Argentina*, and *Egypt* have to contend with tough economic problems. *India's* Prime Minister Gandhi's efforts to reconcile the embittered Sikh community will be a hard uphill battle, and political discontent continues to simmer in *Zaire* and *Kenya*. The Barletta government in *Panama* appears secure for the short term but remains vulnerable to a military coup. []

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Indications of instability were at low levels in *Mexico*, *Panama*, *Colombia*, *Venezuela*, *Brazil*, *Saudi Arabia*, *Somalia*, *South Africa*, and *Indonesia*. While these governments were coping with various political difficulties and sometimes violence, analysts judged that threats to the system remained minimal. The government in *Spain* appeared to be the most secure among the 30 countries examined. []

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¹ The indicators for Sudan prior to the April coup showed high levels of concern in the social conflict, economic, opposition, military, and regime capabilities categories; and the analyst had warned of Nimeiri's vulnerability to an overthrow. []

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Part 1. Developments and Trends

The six categories of indicators used in the following charts are drawn from the 85 indicators presented in Part 3. The *social change/conflict* indicators examine developments such as labor or religious unrest that could undermine the regime's legitimacy and ability to rule effectively. The *economic factors* link various dimensions of economic performance to potential instability. *Opposition activities* assess whether the opposition can mobilize effective antiregime activity or carry out acts that undermine public security. The *military attitudes/activities* category addresses the military's degree of dissatisfaction with regime policies, involvement in coup plotting, and behavior relevant to the political process. The *external factors* category looks at foreign influences that could affect internal stability. Finally, the *regime capabilities/actions* category focuses on what the government is doing that could lessen popular support, otherwise undermine its authority, and affect its ability to govern efficiently.

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Status of Key Indicators

**Developments in
First Quarter, 1985****Legend**

- Not of concern
- Low concern
- ◐ Moderate concern
- ◑ Substantial concern
- ◒ Serious concern
- ▲ Concern has increased since last quarter
- ▼ Concern has decreased since last quarter

		Social change/conflict	Economic factors	Opposition activities	Military attitudes/ activities	External factors	Regime activities/ capabilities	Concern for policy or irregular regime change during next six months	Concern for policy or irregular regime change six months to two years
Latin America	Mexico			●	●	●	●		
	El Salvador			●					●
	Guatemala	●	● ▲						●
	Honduras	●						▲	
	Panama	●		●	●	●	●		▲
	Colombia	●			●		●	▲	▲
	Venezuela	●		●	●	●	●	● ▼	
	Peru		●	●		●	●	●	●
	Brazil	●		●	▲	●	●	●	▲
	Argentina	▲		▲	▲	●	●		
	Chile								●
Europe	Spain	●	▲	●	●	●	●	●	●
	Greece	●		▲	▲	●	▲	▲	▲
	Turkey	●		● ▼	●	▲	▲		
Near East and South Asia	Morocco			● ▼	●	●	●		
	Egypt	●		● ▼	●	●	●		
	Sudan	●	●	●	● ▲		● ▲	● ▲	●
	Saudi Arabia			●	●		●		
	Iraq			● ▲	●	●	●		●
	Iran	● ▲	● ▲					● ▲	●
	Pakistan	● ▼	● ▼	● ▼	●	●	●	▼	
	India	●	●	● ▼		● ▼		▼	
Africa	Nigeria		●	●	●	●	●	●	●
	Somalia	●	● ▼	● ▼	●	●	●	●	
	Kenya	●		●	●	●	●		
	Zaire				●	●			
	South Africa			● ▼	●	▲	●	▲	
East Asia	Philippines	▼	▼			●			●
	Indonesia		●		●	●	● ▼		
	South Korea		●		▲	●			

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**Mexico:
Selected Political and Economic Indicators**

Outlook

Violent political protests over alleged electoral fraud early this year in Coahuila highlighted the potential for additional unrest as Mexico prepares for midterm elections in July. Popular concerns about official corruption also have been heightened by revelations of police involvement in drug trafficking. Inflation, a soft oil market, and weak business confidence still plague the economy.

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Prospects for major regime or policy change

During next six months

During next six months to two years

Indicators	Legend	● Not of concern ○ Low concern ◐ Moderate concern	◑ Substantial concern ⊗ Serious concern
-------------------	---------------	---	--

		1983			1984				1985
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent	●	●	●	●	●	●	●	●
	Demonstrations, riots, strikes				●				
Economic factors	General deterioration	●	●	●	●	⊗	●	⊗	●
	Decreased access to foreign funds					●	●		
	Capital flight								
	Unpopular changes in taxes, subsidies, or price controls	●	●	●	●	⊗			
	Food/energy shortages								
	Inflation				●	⊗	●	⊗	●
Opposition activities	Organizational capabilities	●	●	●	●				
	Opposition conspiracy/planning	●	●	●	●	●	●	●	●
	Terrorism and sabotage	●	●	●	●	●	●	●	●
	Insurgent armed attacks	●	●	●	●	●	●	●	●
	Public support								
Military attitudes/activities	Threat to corporate military interests/dignity				●	●	●	●	●
	Discontent over career loss, pay, or benefits				●	●	●	●	●
	Discontent over government action/policies				●	●	●	●	●
	Reports/rumors of coup plotting	●	●	●	●	●	●	●	●
External factors	External support for government	●	●	●	●	●	●	●	●
	External support for opposition	●	●	●	●	●	●	●	●
	Threat of military conflict				New category				●
Regime actions/capabilities	Repression/brutality	●	●	●	●	●	●	●	●
	Security capabilities	●	●	●	●	●	●	●	●
	Political disunity/loss of confidence					●	●	●	●
	Loss of legitimacy								

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El Salvador^a:

Selected Political and Economic Indicators

Outlook

The Christian Democratic landslide in the 31 March elections strengthened President Duarte's position while significantly undermining both the leftist insurgents and the extreme right led by Roberto D'Aubuisson. The overall potential for instability appears to be decreasing, but the fragility of Duarte's relations with the military and the prospect of rightist maneuvering to undercut the government pose continuing challenges for the country's emerging moderate forces.

^a See Part 2 for detailed discussion.

Prospects for major regime or policy change

During next six months

☛ During next six months to two years

Indicators**Legend**

● Not of concern

○ Low concern

◐ Moderate concern

◑ Substantial concern

● Serious concern

		1983			1984				1985
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent								
	Demonstrations, riots, strikes				●	●	●	●	●
Economic factors	General deterioration			●	●				
	Decreased access to foreign funds								
	Capital flight								
	Unpopular changes in taxes, subsidies, or price controls								
	Food/energy shortages		●	●	●	●	●	●	●
Inflation									
Opposition activities	Organizational capabilities	●	●	●	●	●	●	●	●
	Opposition conspiracy/planning		●	●	●	●	●	●	●
	Terrorism and sabotage		●	●	●	●	●	●	●
	Insurgent armed attacks	●	●	●	●	●	●	●	●
Public support									
Military attitudes/activities	Threat to corporate military interests/dignity				●	●			
	Discontent over career loss, pay, or benefits								
	Discontent over government action/policies				●	●			
	Reports/rumors of coup plotting	●		●	●	●			
External factors	External support for government	●	●	●	●	●	●	●	
	External support for opposition		●	●	●	●	●	●	●
	Threat of military conflict	New category							
Regime actions/capabilities	Repression/brutality			●	●	●			
	Security capabilities		●	●	●	●	●	●	●
	Political disunity/loss of confidence								
	Loss of legitimacy								

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**Guatemala:
Selected Political and Economic Indicators**

Outlook

Massive public opposition to subsequently aborted austerity measures has weakened the Mejia government as it attempts to administer the transition to civilian rule. The severity of the response—which included coup rumors and panic buying—reflects general nervousness over the continuing deterioration of the currency, an upsurge in political violence, and uncertainties associated with the elections scheduled for October. Meanwhile, transport problems are hampering military operations, and the guerrillas may exploit this weakness with an upturn in activity.

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Prospects for major regime or policy change

During next six months

During next six months to two years

Indicators

Legend

- Not of concern
- Low concern
- Moderate concern

- Substantial concern
- Serious concern

		1983			1984				1985
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent	●	●	●	●	●	●	●	●
	Demonstrations, riots, strikes	●	●	●	●	●	●	●	●
Economic factors	General deterioration								
	Decreased access to foreign funds								
	Capital flight								
	Unpopular changes in taxes, subsidies, or price controls			●	●	●	●	●	●
	Food/energy shortages		●	●	●	●	●	●	●
	Inflation				●	●	●	●	●
Opposition activities	Organizational capabilities	●	●	●	●	●	●	●	●
	Opposition conspiracy/planning								
	Terrorism and sabotage								
	Insurgent armed attacks								
	Public support	●	●	●	●	●	●	●	●
Military attitudes/activities	Threat to corporate military interests/dignity				●	●	●	●	●
	Discontent over career loss, pay, or benefits				●	●	●	●	●
	Discontent over government action/policies								
	Reports/rumors of coup plotting	●							
External factors	External support for government								
	External support for opposition	●							
	Threat of military conflict								●
Regime actions/capabilities	Repression/brutality	●	●	●					
	Security capabilities	●	●	●	●	●	●	●	
	Political disunity/loss of confidence	●	●						
	Loss of legitimacy			●					

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**Honduras:
Selected Political and Economic Indicators**
Outlook

President Suazo's attempts to control elections scheduled for November have alienated his own supporters and unified disparate opposition groups against him. Suazo apparently is gambling that the armed forces' preoccupation with tensions along the Nicaraguan border and reluctance to intervene in the political process preclude a coup. Conflict between the President and an increasingly fractious Congress and concerns for a fair election may force the military to assume a role in guaranteeing the voting process.

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Prospects for major regime or policy change

During next six months

During next six months to two years

Indicators**Legend**

● Not of concern
○ Low concern
◐ Moderate concern

◑ Substantial concern
● Serious concern

		1983			1984				1985
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent	●	●	●	●	●	●	●	●
	Demonstrations, riots, strikes	●	●	●	●	●	●	●	●
Economic factors	General deterioration								
	Decreased access to foreign funds								
	Capital flight								
	Unpopular changes in taxes, subsidies, or price controls	●	●	●	●			●	●
	Food/energy shortages	●	●	●	●	●	●	●	●
	Inflation				●	●	●	●	●
Opposition activities	Organizational capabilities								
	Opposition conspiracy/planning								
	Terrorism and sabotage	●							
	Insurgent armed attacks	●			●	●	●	●	●
	Public support	●	●	●	●	●	●	●	●
Military attitudes/activities	Threat to corporate military interests/dignity				●				●
	Discontent over career loss, pay, or benefits				●	●	●	●	●
	Discontent over government action/policies				●				
	Reports/rumors of coup plotting	●	●	●	●	●	●		
External factors	External support for government	●	●	●	●	●	●	●	●
	External support for opposition								
	Threat of military conflict	New category							
Regime actions/capabilities	Repression/brutality	●	●	●	●	●	●	●	●
	Security capabilities	●	●	●	●	●	●	●	●
	Political disunity/loss of confidence	●	●	●	●	●			
	Loss of legitimacy	●	●	●	●	●	●	●	●

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**Panama:
Selected Political and Economic Indicators**

Outlook

President Barletta's standing has been somewhat enhanced by passage of fiscal legislation after months of acrimonious debate. To satisfy international financial requirements, however, he must implement reforms that could incur further political costs. Erosion of the President's already fragile support or renewed civil unrest could prompt Defense Chief Noriega to seek Barletta's removal.

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Prospects for major regime or policy change

During next six months

During next six months to two years

Indicators	Legend	1983			1984				1985
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent	●	●	●	●	●	●	●	●
	Demonstrations, riots, strikes	●	●	●	●	●	●	●	●
Economic factors	General deterioration								
	Decreased access to foreign funds	●	●	●	●	●	●	●	●
	Capital flight				●	●	●	●	●
	Unpopular changes in taxes, subsidies, or price controls	●	●	●	●	●	●	●	●
	Food/energy shortages	●	●	●	●	●	●	●	●
	Inflation				●	●	●	●	●
Opposition activities	Organizational capabilities	●	●	●	●	●	●	●	●
	Opposition conspiracy/planning	●	●	●	●	●			●
	Terrorism and sabotage	●	●	●	●	●	●	●	●
	Insurgent armed attacks	●	●	●	●	●	●	●	●
	Public support	●	●	●	●	●	●	●	●
Military attitudes/activities	Threat to corporate military interests/dignity					●	●	●	●
	Discontent over career loss, pay, or benefits				●	●	●	●	●
	Discontent over government action/policies				●	●	●	●	●
	Reports/rumors of coup plotting	●	●	●		●	●	●	●
External factors	External support for government	●	●	●	●	●	●	●	●
	External support for opposition	●	●	●	●	●	●	●	●
	Threat of military conflict				New category	●	●	●	●
Regime actions/capabilities	Repression/brutality	●	●	●	●	●	●	●	●
	Security capabilities	●	●	●	●	●	●	●	●
	Political disunity/loss of confidence	●	●	●	●	●	●	●	●
	Loss of legitimacy	●	●	●	●	●	●	●	●

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**Colombia:
Selected Political and Economic Indicators**

Outlook

Congressional pressure and military unease have reduced President Betancur's flexibility in managing the truce with the guerrillas. Some insurgent groups reportedly are [redacted] threatening to break the cease-fire. Attacks by the drug mafia against Colombian and US officials may increase if the government follows through on plans to extradite additional accused traffickers to the United States. [redacted]

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Prospects for major regime or policy change

During next six months
During next six months to two years

Indicators	Legend	1983			1984				1985
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent	●	●	●	●	●	●	●	●
	Demonstrations, riots, strikes	●	●	●			●	●	●
Economic factors	General deterioration								
	Decreased access to foreign funds								
	Capital flight								
	Unpopular changes in taxes, subsidies, or price controls	●	●	●	●	●			
	Food/energy shortages	●	●	●	●	●	●	●	●
	Inflation				●	●	●	●	●
Opposition activities	Organizational capabilities								
	Opposition conspiracy/planning								
	Terrorism and sabotage								
	Insurgent armed attacks								
	Public support	●	●	●	●	●	●	●	●
Military attitudes/activities	Threat to corporate military interests/dignity				●	●	●		
	Discontent over career loss, pay, or benefits				●	●	●	●	●
	Discontent over government action/policies								
	Reports/rumors of coup plotting	●	●	●	●	●	●	●	●
External factors	External support for government	●	●	●	●	●	●	●	●
	External support for opposition								
	Threat of military conflict				New category				●
Regime actions/capabilities	Repression/brutality	●	●	●	●	●	●	●	●
	Security capabilities	●	●	●	●	●	●	●	●
	Political disunity/loss of confidence	●	●	●	●	●	●	●	●
	Loss of legitimacy	●	●	●	●	●	●	●	●

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**Venezuela:
Selected Political and Economic Indicators**

Outlook

Recent polls show a sharp drop in the government's approval rating because of austerity measures, but President Lusinchi's personal popularity remains high. Despite recent measures aimed at gradual reflation of the economy, the regime will probably face growing but manageable pressures, especially from labor. A widely published corruption scandal tarnishing the military appears to have blown over.

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Prospects for major regime or policy change

- During next six months
- During next six months to two years

Indicators **Legend**

- Not of concern
- Low concern
- Moderate concern
- Substantial concern
- Serious concern

		1983			1984				1985
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent	●	●	●	●	●	●	●	●
	Demonstrations, riots, strikes	●	●	●	●	●	●		●
Economic factors	General deterioration							●	●
	Decreased access to foreign funds							●	●
	Capital flight								●
	Unpopular changes in taxes, subsidies, or price controls								●
	Food/energy shortages	●	●	●	●	●	●	●	●
	Inflation								●
Opposition activities	Organizational capabilities	●	●	●	●	●	●	●	●
	Opposition conspiracy/planning	●	●	●	●	●	●	●	●
	Terrorism and sabotage	●	●	●	●	●	●		●
	Insurgent armed attacks	●	●	●	●	●	●	●	●
	Public support	●	●	●	●	●	●	●	●
Military attitudes/activities	Threat to corporate military interests/dignity				●	●	●	●	●
	Discontent over career loss, pay, or benefits				●	●	●	●	●
	Discontent over government action/policies				●	●	●	●	●
	Reports/rumors of coup plotting		●	●				●	●
External factors	External support for government	●	●	●	●	●	●	●	●
	External support for opposition	●	●	●	●	●	●	●	●
	Threat of military conflict								●
Regime actions/capabilities	Repression/brutality	●	●	●	●	●	●	●	●
	Security capabilities	●	●	●	●	●	●	●	●
	Political disunity/loss of confidence				●	●	●	●	●
	Loss of legitimacy				●	●	●	●	●

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**Peru:
Selected Political and Economic Indicators**

Outlook

Alan Garcia, standard bearer for the center-left American Popular Revolutionary Alliance and victor in the 14 April election, probably will win the upcoming runoff contest and assume the presidency in July. Only a surprise victory by his Marxist opponent would be likely to spark a military coup. Economic difficulties and the widening insurgency will mean a continuing high level of instability.



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Prospects for major regime or policy change

- ◡ During next six months
- ◣ During next six months to two years

Indicators

Legend

- Not of concern
- ◡ Low concern
- ◣ Moderate concern
- ◣ Substantial concern
- Serious concern

		1983			1984				1985
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent				●	●	●	●	●
	Demonstrations, riots, strikes	●	●		●	●	●	●	●
Economic factors	General deterioration				●	●	●	●	●
	Decreased access to foreign funds				●	●	●	●	●
	Capital flight				●	●	●	●	●
	Unpopular changes in taxes, subsidies, or price controls								
	Food/energy shortages								
Opposition activities	Inflation								
	Organizational capabilities								
	Opposition conspiracy/planning								
	Terrorism and sabotage	●	●	●	●	●	●	●	●
	Insurgent armed attacks	●	●	●	●	●	●	●	●
Military attitudes/activities	Public support								
	Threat to corporate military interests/dignity				●	●			
	Discontent over career loss, pay, or benefits								
	Discontent over government action/policies				●	●			
External factors	Reports/rumors of coup plotting								
	External support for government	●	●	●	●	●	●	●	●
	External support for opposition	●	●	●	●	●			
	Threat of military conflict				New category				●
Regime actions/capabilities	Threat of military conflict								
	Repression/brutality						●	●	●
	Security capabilities								
	Political disunity/loss of confidence	●			●	●	●	●	●
	Loss of legitimacy				●	●	●	●	●

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Brazil:
Selected Political and Economic Indicators

Outlook

The otherwise smooth transition to civilian rule in March was marred by President-elect Neves's medical problems and his death in late April. The new administration is functioning but doubts about President Sarney's abilities are building pressure for early direct presidential elections. Despite continuing political uncertainty and the formidable economic tasks facing the government, we see little chance that the military will interfere with the governing process any time soon.

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Prospects for major regime or policy change

- During next six months
- ◐ During next six months to two years

Indicators

Legend

- Not of concern
- ◐ Low concern
- ◑ Moderate concern
- ◒ Substantial concern
- Serious concern

		1983			1984				1985
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent	●	●	●	●	●	●	●	●
	Demonstrations, riots, strikes		●			●	●	●	●
Economic factors	General deterioration	●	●	●	●				
	Decreased access to foreign funds	●	●	●					
	Capital flight								
	Unpopular changes in taxes, subsidies, or price controls		●	●	●	●			
	Food/energy shortages	●					●	●	
Opposition activities	Inflation				●		●	●	●
	Organizational capabilities	●	●	●			●	●	●
	Opposition conspiracy/planning	●	●	●	●	●	●	●	●
	Terrorism and sabotage	●	●	●	●	●	●	●	●
	Insurgent armed attacks	●	●	●	●	●	●	●	●
Military attitudes/activities	Public support	●					●	●	●
	Threat to corporate military interests/dignity					●	●	●	●
	Discontent over career loss, pay, or benefits				●	●	●	●	●
	Discontent over government action/policies				●	●	●	●	●
External factors	Reports/rumors of coup plotting	●	●	●	●	●	●		
	External support for government	●	●	●	●	●	●	●	●
	External support for opposition	●	●	●	●	●	●	●	●
Regime actions/capabilities	Threat of military conflict				New category				●
	Repression/brutality	●	●	●	●	●	●	●	●
	Security capabilities	●	●	●	●	●	●	●	●
	Political disunity/loss of confidence	●	●	●	●				
	Loss of legitimacy	●							

305461 4-85

25X1

Secret

**Argentina:
Selected Political and Economic Indicators**

Outlook

President Alfonsin remains popular despite 800-percent inflation and rising unemployment. Suspension of the IMF program will exacerbate economic problems, however, and labor is increasingly critical of the government's policies. A recent shakeup in the military high command has strained the government's relations with the armed forces, but neither the discredited military nor the politically divided Peronists pose a political threat.

25X1

Prospects for major regime or policy change

During next six months
During next six months to two years

Indicators	Legend	1983			1984				1985
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent		●	●	●	●	●	●	●
	Demonstrations, riots, strikes			●					
Economic factors	General deterioration			●					●
	Decreased access to foreign funds			●					●
	Capital flight			●	●	●	●	●	●
	Unpopular changes in taxes, subsidies, or price controls		●	●	●	●	●	●	●
	Food/energy shortages		●	●	●	●	●	●	●
Opposition activities	Inflation				●	●	●	●	●
	Organizational capabilities		●	●					●
	Opposition conspiracy/planning		●	●	●	●	●	●	●
	Terrorism and sabotage			●	●	●	●	●	●
	Insurgent armed attacks		●	●	●	●	●	●	●
Military attitudes/activities	Public support		●	●	●	●	●	●	●
	Threat to corporate military interests/dignity				●	●	●		
	Discontent over career loss, pay, or benefits				●	●			
	Discontent over government action/policies								
	Reports/rumors of coup plotting			●	●	●	●	●	●
External factors	External support for government		●	●	●	●	●	●	●
	External support for opposition		●	●	●	●	●	●	●
	Threat of military conflict				New category				●
Regime actions/capabilities	Repression/brutality			●	●	●	●	●	●
	Security capabilities		●	●	●	●	●	●	●
	Political disunity/loss of confidence			●	●	●	●	●	●
	Loss of legitimacy			●	●	●	●	●	●

305462 4 85

25X1

Secret

Secret

**Chile:
Selected Political and Economic Indicators**

Outlook

President Pinochet's extension of the state of siege, his removal of cabinet moderates, and his plan to drag out the political liberalization process until 1989 are increasing prospects for polarization and violence. Moderate opposition forces are in disarray, but rightist groups are distancing themselves from Pinochet and an economic downturn is eroding middle-class and business confidence. The Communists and their allies plan protests, attacks on the military, and stepped-up terrorism during coming months.

25X1

Prospects for major regime or policy change

During next six months

During next six months to two years

Indicators	Legend	1983			1984				1985
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent		●	●	●	●	●		
	Demonstrations, riots, strikes		●						
Economic factors	General deterioration								
	Decreased access to foreign funds						●	●	●
	Capital flight								
	Unpopular changes in taxes, subsidies, or price controls		●	●	●	●	●	●	●
	Food/energy shortages				●	●	●	●	●
	Inflation								
Opposition activities	Organizational capabilities								
	Opposition conspiracy/planning								
	Terrorism and sabotage		●	●	●	●			
	Insurgent armed attacks		●	●	●	●	●	●	
	Public support		●						
Military attitudes/activities	Threat to corporate military interests/dignity				●	●	●	●	●
	Discontent over career loss, pay, or benefits								
	Discontent over government action/policies						●		
	Reports/rumors of coup plotting		●	●	●	●	●	●	●
External factors	External support for government			●					
	External support for opposition								
	Threat of military conflict								●
Regime actions/capabilities	Repression/brutality		●	●					
	Security capabilities								
	Political disunity/loss of confidence					●	●		
	Loss of legitimacy								

305463 4-85

25X1

Secret

**Spain:
Selected Political and Economic Indicators**

Outlook

Unemployment continues to rise, but Prime Minister Gonzalez remains popular. Continuing wide opposition to NATO membership may lead him to sidestep a pledge to hold a referendum on the issue, possibly by calling early elections. Such a move would probably only marginally reduce his currently good prospects for reelection.

25X1

Prospects for major regime or policy change

- During next six months
- During next six months to two years

Indicators

Legend

- Not of concern
- Low concern
- Moderate concern
- Substantial concern
- Serious concern

		1983			1984				1985
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent	●		●	●	●	●	●	●
	Demonstrations, riots, strikes	●						●	●
Economic factors	General deterioration								
	Decreased access to foreign funds	●	●	●	●	●	●	●	●
	Capital flight				●	●	●	●	●
	Unpopular changes in taxes, subsidies, or price controls	●	●	●	●	●	●	●	●
	Food/energy shortages	●	●	●	●	●	●	●	●
	Inflation				●	●	●	●	●
Opposition activities	Organizational capabilities	●	●	●	●	●	●	●	●
	Opposition conspiracy/planning	●	●	●	●	●	●	●	●
	Terrorism and sabotage	●	●						
	Insurgent armed attacks	●	●	●	●	●	●	●	●
	Public support	●	●	●	●	●	●	●	●
Military attitudes/activities	Threat to corporate military interests/dignity				●	●	●	●	●
	Discontent over career loss, pay, or benefits				●	●	●	●	●
	Discontent over government action/policies				●	●	●	●	●
	Reports/rumors of coup plotting	●	●	●	●	●	●	●	●
External factors	External support for government	●	●	●	●	●	●	●	●
	External support for opposition	●	●	●	●	●	●	●	●
	Threat of military conflict				New category				●
Regime actions/capabilities	Repression/brutality	●	●	●	●	●	●	●	●
	Security capabilities	●	●	●	●	●	●	●	●
	Political disunity/loss of confidence	●	●	●	●	●	●	●	●
	Loss of legitimacy	●	●	●	●	●	●	●	●

305464 4 85

25X1

Secret

Secret

**Greece:
Selected Political and Economic Indicators**

Outlook

Socialist Prime Minister Papandreou's promotion of a political unknown, Christos Sartzetakis, for president and his manipulation of the parliamentary voting created a political furor in March. A strained political climate most likely will prevail until the general election, which must take place between May and October. Military discontent has been aroused by the government's policies, rising terrorism, and Greek-Turkish tensions.

25X1

Prospects for major regime or policy change

During next six months

During next six months to two years

Indicators	Legend	1983			1984				1985
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent	●	●	●	●	●	●	●	●
	Demonstrations, riots, strikes			●	●				
Economic factors	General deterioration								
	Decreased access to foreign funds								
	Capital flight								
	Unpopular changes in taxes, subsidies, or price controls	●	●	●	●	●	●	●	●
	Food/energy shortages	●	●	●	●	●	●	●	●
Opposition activities	Inflation								
	Organizational capabilities	●	●	●	●	●	●		
	Opposition conspiracy/planning	●	●	●	●	●	●	●	●
	Terrorism and sabotage	●	●	●	●		●	●	
	Insurgent armed attacks	●	●	●	●	●	●	●	●
Military attitudes/activities	Public support	●	●	●	●	●	●		
	Threat to corporate military interests/dignity				●	●	●	●	●
	Discontent over career loss, pay, or benefits					●	●	●	●
	Discontent over government action/policies				●	●	●	●	
External factors	Reports/rumors of coup plotting	●	●	●		●	●	●	
	External support for government	●	●	●	●	●	●	●	●
	External support for opposition	●	●	●	●	●	●	●	●
Regime actions/capabilities	Threat of military conflict				New category				
	Repression/brutality	●	●	●	●	●	●	●	●
	Security capabilities	●	●	●	●				
	Political disunity/loss of confidence		●	●	●				
	Loss of legitimacy	●	●	●	●	●	●		

305465 4 85

25X1

Secret

Secret

**Turkey:
Selected Political and Economic Indicators**

Outlook

Despite continuing economic problems, Prime Minister Ozal has retained military support and appears secure for at least the short term. Several external factors have become sources of concern—heightened tension between Greece and Turkey, the public's increasing anger over Bulgaria's forced assimilation of its Turkish minority, and the possibility that Ankara would undertake anti-Kurdish cross-border operations into Iran or Syria if Kurdish guerrilla attacks intensify.

25X1

Prospects for major regime or policy change

During next six months
During next six months to two years

Indicators

Legend

- Not of concern
- Low concern
- ◐ Moderate concern
- ◑ Substantial concern
- Serious concern

		1983			1984				1985
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent	●	●	●					
	Demonstrations, riots, strikes	●	●	●	●	●	●	●	●
Economic factors	General deterioration	●	●	●	●	●			
	Decreased access to foreign funds	●	●	●	●	●	●	●	●
	Capital flight								
	Unpopular changes in taxes, subsidies, or price controls	●	●	●	●	●			
	Food/energy shortages	●	●	●	●	●	●	●	●
	Inflation								
Opposition activities	Organizational capabilities	●	●						
	Opposition conspiracy/planning		●						
	Terrorism and sabotage	●	●						
	Insurgent armed attacks	●	●	●	●	●			
	Public support	●	●	●	●	●	●	●	●
Military attitudes/activities	Threat to corporate military interests/dignity				●	●	●	●	●
	Discontent over career loss, pay, or benefits				●	●	●	●	●
	Discontent over government action/policies				●	●			
	Reports/rumors of coup plotting	●	●	●	●	●	●	●	●
External factors	External support for government	●	●	●	●	●	●	●	●
	External support for opposition	●	●	●	●	●	●	●	●
	Threat of military conflict				New category				
Regime actions/capabilities	Repression/brutality	●	●	●	●	●	●	●	
	Security capabilities	●	●	●	●	●	●	●	●
	Political disunity/loss of confidence	●	●		●	●			
	Loss of legitimacy	●	●	●	●	●	●	●	●

305466 4 85

25X1

Secret

Secret

Morocco:
Selected Political and Economic Indicators

Outlook

Student demonstrations in March presage further unrest over pending education reforms and hikes in food prices mandated by a harsh austerity program. Rabat must again reschedule its crushing foreign debt—foreign exchange reserves cover less than a week of imports. Despite economic problems, King Hassan will have to replace wornout military equipment in order to sustain combat operations in Western Sahara, deter the Algerian military threat, and thus forestall discontent in the armed forces.

25X1

Prospects for major regime or policy change

During next six months

During next six months to two years

Indicators	Legend	1983			1984				1985
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent	●	●	●					
	Demonstrations, riots, strikes		●	●	●				
Economic factors	General deterioration								
	Decreased access to foreign funds								
	Capital flight				●	●	●	●	
	Unpopular changes in taxes, subsidies, or price controls	●							
	Food/energy shortages	●	●	●	●	●	●	●	●
	Inflation				●	●	●	●	
Opposition activities	Organizational capabilities	●	●	●	●	●	●	●	●
	Opposition conspiracy/planning	●	●	●					
	Terrorism and sabotage	●	●	●	●	●	●	●	●
	Insurgent armed attacks	●	●	●	●	●	●	●	●
	Public support	●	●	●					
Military attitudes/activities	Threat to corporate military interests/dignity				●	●	●	●	
	Discontent over career loss, pay, or benefits								
	Discontent over government action/policies				●	●	●	●	●
	Reports/rumors of coup plotting	●	●	●	●	●	●	●	●
External factors	External support for government	●	●	●	●	●	●	●	●
	External support for opposition	●	●	●	●	●	●	●	●
	Threat of military conflict	New category							
Regime actions/capabilities	Repression/brutality	●	●	●					
	Security capabilities	●	●	●	●	●	●	●	●
	Political disunity/loss of confidence	●	●	●	●	●			
	Loss of legitimacy	●	●	●	●	●	●	●	●

305467 4 85

25X1

Secret

Secret

**Egypt:
Selected Political and Economic Indicators**
Outlook

The government's position remains secure as President Mubarak continues to move cautiously on economic reform. The release of Coptic Pope Shenouda from internal exile in January, a final step in reconciliation with the Christian community, proceeded with no Islamic backlash. Egyptian perceptions that Mubarak failed to secure more US aid or involvement in the Middle Eastern peace process may generate more strident criticism of the President.

25X1

*Prospects for major regime or policy change**During next six months**During next six months to two years***Indicators****Legend**

● Not of concern
○ Low concern
○ Moderate concern

○ Substantial concern
● Serious concern

		1983			1984				1985
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent	●	●	●	●	●	●	●	●
	Demonstrations, riots, strikes	●	●	●			●		●
Economic factors	General deterioration								
	Decreased access to foreign funds	●	●	●					
	Capital flight				●	●	●	●	●
	Unpopular changes in taxes, subsidies, or price controls		●		●	●			
	Food/energy shortages		●	●	●	●	●	●	●
	Inflation								
Opposition activities	Organizational capabilities	●	●						●
	Opposition conspiracy/planning	●						●	●
	Terrorism and sabotage	●	●	●	●	●	●		
	Insurgent armed attacks	●	●	●	●	●	●	●	●
	Public support	●							
Military attitudes/activities	Threat to corporate military interests/dignity				●	●	●	●	●
	Discontent over career loss, pay, or benefits								
	Discontent over government action/policies				●	●	●	●	●
	Reports/rumors of coup plotting	●	●	●	●	●	●	●	●
External factors	External support for government	●	●	●		●	●	●	●
	External support for opposition	●	●	●	●	●	●	●	●
	Threat of military conflict				New category				●
Regime actions/capabilities	Repression/brutality	●	●	●	●	●	●	●	●
	Security capabilities	●	●	●	●	●	●	●	●
	Political disunity/loss of confidence	●	●		●	●	●	●	●
	Loss of legitimacy	●	●	●		●	●	●	●

305468 4-85

25X1

Secret

Secret

Sudan:
Selected Political and Economic Indicators

Outlook

Widespread discontent over President Nimeiri's erratic policies culminated in a coup in early April. The ruling military council will have difficulty consolidating power, however, because of divisions within the armed forces and conflicting demands from various interest groups. The disastrous state of the economy and regional and religious factionalism are likely to keep the level of political instability high for at least the rest of the year.

25X1

Prospects for major regime or policy change

- During next six months
- During next six months to two years

Indicators	Legend	● Not of concern	○ Substantial concern
		● Low concern	● Serious concern
		● Moderate concern	

		1983			1984				1985
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent						●	●	●
	Demonstrations, riots, strikes								●
Economic factors	General deterioration							●	●
	Decreased access to foreign funds						●	●	
	Capital flight								
	Unpopular changes in taxes, subsidies, or price controls								●
	Food/energy shortages						●	●	
	Inflation								●
Opposition activities	Organizational capabilities						●	●	●
	Opposition conspiracy/planning							●	●
	Terrorism and sabotage								
	Insurgent armed attacks						●		●
	Public support								●
Military attitudes/activities	Threat to corporate military interests/dignity								
	Discontent over career loss, pay, or benefits								
	Discontent over government action/policies								●
	Reports/rumors of coup plotting							●	●
External factors	External support for government								
	External support for opposition								
	Threat of military conflict	New category							
Regime actions/capabilities	Repression/brutality								
	Security capabilities								
	Political disunity/loss of confidence								●
	Loss of legitimacy								●

305469 4 85

25X1

Secret

Secret

**Saudi Arabia :
Selected Political and Economic Indicators**

Outlook

Politically significant segments of the society are beginning to feel the pinch from decreased oil revenues. Bankruptcies, stiffer employment and business competition, and reduced government expenditures are undermining long-term confidence in the regime.

Antigovernment acts by Eastern Province Shi'a dissidents or externally directed terrorists are an ever-present threat.

25X6
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Prospects for major regime or policy change

During next six months
During next six months to two years

Indicators

Legend

- Not of concern
- Substantial concern
- Low concern
- Serious concern
- Moderate concern

		1983			1984				1985
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent	●	●	●	●				
	Demonstrations, riots, strikes	●	●	●	●	●	●	●	●
Economic factors	General deterioration	●	●	●	●	●			
	Decreased access to foreign funds	●	●	●	●	●	●	●	●
	Capital flight				●	●	●	●	●
	Unpopular changes in taxes, subsidies, or price controls	●	●	●	●	●	●	●	●
	Food/energy shortages	●	●	●	●	●	●	●	●
	Inflation				●	●	●	●	●
Opposition activities	Organizational capabilities	●	●	●		●	●	●	●
	Opposition conspiracy/planning	●	●	●				●	●
	Terrorism and sabotage	●	●	●	●				
	Insurgent armed attacks	●	●	●	●	●	●	●	●
	Public support	●	○	●	●	●	●	●	●
Military attitudes/activities	Threat to corporate military interests/dignity				●	●	●	●	●
	Discontent over career loss, pay, or benefits				●	●	●	●	
	Discontent over government action/policies				●	●	●	●	
	Reports/rumors of coup plotting	●	●	●	●	●	●	●	●
External factors	External support for government	●	●	●	●	●	●	●	●
	External support for opposition	●	●	●					
	Threat of military conflict	New category							
Regime actions/capabilities	Repression/brutality	●	●	●	●	●	●	●	●
	Security capabilities	●	●	●					
	Political disunity/loss of confidence	●	●	●	●	●	●	●	●
	Loss of legitimacy		●	●	●	●	●	●	●

305470 4 85

25X1

Secret

Secret

**Iraq:
Selected Political and Economic Indicators**

Outlook

Internal security deteriorated in February with the outbreak of hostilities between the government and a major Kurdish guerrilla group, the Patriotic Union of Kurdistan. Baghdad mounted a scorched-earth policy to clear the guerrillas from their strongholds, meeting vigorous resistance. The PUK began receiving aid from Iran in March, and it now appears Iran and Syria will try to establish a second front against Iraq in the northern Kurdish provinces.

25X1

Prospects for major regime or policy change

○ During next six months

● During next six months to two years

Indicators **Legend**

● Not of concern ○ Substantial concern
 ○ Low concern ● Serious concern
 ● Moderate concern

		1983			1984				1985
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent		●	●					●
	Demonstrations, riots, strikes	●	●	●					●
Economic factors	General deterioration		●	●	●	●	●	●	●
	Decreased access to foreign funds		●	●					
	Capital flight				●	●	●	●	●
	Unpopular changes in taxes, subsidies, or price controls	●		●	●	●	●	●	●
	Food/energy shortages	●							
	Inflation				●	●	●		
Opposition activities	Organizational capabilities			●	●	●	●	●	●
	Opposition conspiracy/planning	●	●	●	●	●	●	●	●
	Terrorism and sabotage		●	●					
	Insurgent armed attacks	●	●	●	●	●			●
	Public support	●	●		●	●	●	●	●
Military attitudes/activities	Threat to corporate military interests/dignity				●	●	●	●	●
	Discontent over career loss, pay, or benefits				●	●	●	●	●
	Discontent over government action/policies				●	●	●	●	●
	Reports/rumors of coup plotting	●	●	●	●	●	●	●	●
External factors	External support for government	●	●	●		●	●	●	●
	External support for opposition		●	●					●
	Threat of military conflict				New category				●
Regime actions/capabilities	Repression/brutality				●	●	●	●	●
	Security capabilities	●				●	●	●	
	Political disunity/loss of confidence	●	●	●	●	●	●	●	●
	Loss of legitimacy	●	●	●	●	●	●	●	●

305471 4 85

25X1

Secret

Secret

**Iran^a:
Selected Political and Economic Indicators**

Outlook

We now expect a significant rise in political instability even with Khomeini on the scene. A variety of factors, especially Iran's rapidly declining oil revenues, repeated failures in ground offensives against Iraq, and increasing domestic unrest, present the regime with formidable challenges. The impact of these challenges is intensified by Khomeini's faltering physical and mental health.

25X1

^a See Part 2 for detailed discussion.

Prospects for major regime or policy change

- During next six months
- During next six months to two years

Indicators

Legend

- Not of concern
- Low concern
- Moderate concern
- Substantial concern
- Serious concern

		1983			1984				1985
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent		●						
	Demonstrations, riots, strikes		●						●
Economic factors	General deterioration	●							
	Decreased access to foreign funds	●	●	●					
	Capital flight								●
	Unpopular changes in taxes, subsidies, or price controls	●							
	Food/energy shortages								
Opposition activities	Inflation								
	Organizational capabilities	●	●	●	●	●	●	●	●
	Opposition conspiracy/planning								
	Terrorism and sabotage								
	Insurgent armed attacks								
Military attitudes/activities	Public support	●							
	Threat to corporate military interests/dignity								
	Discontent over career loss, pay, or benefits								
	Discontent over government action/policies								
External factors	Reports/rumors of coup plotting								
	External support for government	●	●	●	●	●	●	●	●
	External support for opposition	●	●	●	●	●	●	●	●
Regime actions/capabilities	Threat of military conflict				New category				●
	Repression/brutality								
	Security capabilities	●	●	●	●	●	●	●	
	Political disunity/loss of confidence	●							
	Loss of legitimacy	●	●	●	●	●			

305472 4-85

25X1

Secret

Secret

**Pakistan^a:
Selected Political and Economic Indicators**

Outlook

The failure of an opposition boycott in February's nonparty elections has strengthened President Zia. The vote, which returned legislators willing to work with Zia, was regarded as legitimate by most Pakistanis. Zia's effort to maintain his domination of the political process, however, may revive dissent. Recovery in the agricultural sector improved the short-term economic picture but increasing budget deficits, falling worker remittances, and chronic balance-of-payments deficits cloud the long-term outlook.

^a See Part 2 for detailed discussion.

25X1

Prospects for major regime or policy change

During next six months

During next six months to two years

Indicators	Legend	1983			1984				1985
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent		●	●			●		●
	Demonstrations, riots, strikes		●			●	●		●
Economic factors	General deterioration								●
	Decreased access to foreign funds	●	●	●	●	●	●	●	●
	Capital flight				●	●	●	●	●
	Unpopular changes in taxes, subsidies, or price controls	●	●		●	●	●	●	●
	Food/energy shortages		●	●	●	●	●	●	
Opposition activities	Inflation								●
	Organizational capabilities	●			●	●	●		●
	Opposition conspiracy/planning	●			●	●	●		
	Terrorism and sabotage	●	●		●	●	●	●	●
	Insurgent armed attacks	●	●	●	●	●	●	●	●
Military attitudes/activities	Public support	●			●	●	●		●
	Threat to corporate military interests/dignity				●	●	●	●	●
	Discontent over career loss, pay, or benefits				●	●	●	●	●
	Discontent over government action/policies					●			●
External factors	Reports/rumors of coup plotting	●	●	●		●	●	●	●
	External support for government	●	●	●	●	●	●	●	●
	External support for opposition	●	●						
Regime actions/capabilities	Threat of military conflict				New category				●
	Repression/brutality	●			●	●	●		
	Security capabilities	●			●	●	●	●	●
	Political disunity/loss of confidence	●			●	●	●	●	●
	Loss of legitimacy	●			●	●	●	●	●

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India:
Selected Political and Economic Indicators

Outlook

Congress Party victories in national and state elections have bolstered Prime Minister Rajiv Gandhi's leadership. Gandhi's proposals to loosen government constraints on the economy have stirred popular expectations of progress. His efforts to ease Sikh discontent, however, are unlikely to succeed. While the outlook for political stability has improved somewhat, Hindu-Sikh divisions remain a serious problem. New diplomatic moves have reduced tensions with Pakistan and, to a lesser extent, with Sri Lanka.

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Prospects for major regime or policy change

During next six months

During next six months to two years

Indicators

Legend

- Not of concern
- Low concern
- Moderate concern

- Substantial concern
- Serious concern

		1983			1984				1985
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent							●	●
	Demonstrations, riots, strikes								
Economic factors	General deterioration						●	●	●
	Decreased access to foreign funds						●	●	●
	Capital flight						●	●	●
	Unpopular changes in taxes, subsidies, or price controls						●	●	●
	Food/energy shortages						●	●	●
Opposition activities	Inflation						●	●	●
	Organizational capabilities						●	●	●
	Opposition conspiracy/planning								●
	Terrorism and sabotage								
Military attitudes/activities	Insurgent armed attacks						●	●	●
	Public support								●
	Threat to corporate military interests/dignity						●	●	●
	Discontent over career loss, pay, or benefits						●		
External factors	Discontent over government action/policies						●	●	●
	Reports/rumors of coup plotting						●	●	●
	External support for government						●	●	●
	External support for opposition						●	●	●
Regime actions/capabilities	Threat of military conflict	New category							
	Repression/brutality						●	●	●
	Security capabilities								
	Political disunity/loss of confidence						●	●	●
	Loss of legitimacy						●	●	●

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**Nigeria:
Selected Political and Economic Indicators**

Outlook

[redacted] popular discontent, particularly in the south, continue to plague General Buhari's northern-dominated regime as it attempts to cope with declining oil revenues and a worsening economic crisis without turning to the IMF. Personal rivalries within the Supreme Military Council, sharpened by ethnic differences, could precipitate a palace coup and widespread violence, possibly setting the stage for younger, more radical officers to take over. [redacted]

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Prospects for major regime or policy change

- During next six months
- During next six months to two years

<i>Indicators</i>	<i>Legend</i>	● Not of concern	○ Substantial concern
		● Low concern	● Serious concern
		● Moderate concern	

		1983			1984				1985
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent	●						●	●
	Demonstrations, riots, strikes	●							
Economic factors	General deterioration				●	●	●	●	●
	Decreased access to foreign funds	●	●		●	●	●	●	●
	Capital flight								
	Unpopular changes in taxes, subsidies, or price controls	●	●						
	Food/energy shortages		●		●	●	●	●	●
Opposition activities	Inflation				●	●	●	●	●
	Organizational capabilities	●	●		●	●	●	●	●
	Opposition conspiracy/planning	●			●	●	●	●	●
	Terrorism and sabotage	●	●		●	●	●	●	●
	Insurgent armed attacks	●	●		●	●	●	●	●
Military attitudes/activities	Public support	●	●		●	●	●	●	●
	Threat to corporate military interests/dignity				●	●	●	●	●
	Discontent over career loss, pay, or benefits				●	●	●	●	●
	Discontent over government action/policies				●	●	●	●	●
External factors	Reports/rumors of coup plotting	●	●		●	●	●	●	●
	External support for government	●	●		●	●	●	●	●
	External support for opposition	●	●		●	●	●	●	●
Regime actions/capabilities	Threat of military conflict	New category							●
	Repression/brutality	●	●						
	Security capabilities	●	●						
	Political disunity/loss of confidence	●				●	●	●	●
	Loss of legitimacy	●	●			●	●	●	●

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**Somalia^a :
Selected Political and Economic Indicators**

Outlook

The government was able to contain the threat posed in January by northern rebels only by resorting to executions and the razing of villages, further alienating the local population. Mogadishu has accepted an IMF reform package, but President Siad's supporters who have benefited from the old socialist system are pressing him to reverse the program. Despite his many problems, Siad continues to outmaneuver his opponents and we expect no serious threat to his government in the near term.

^a See Part 2 for detailed discussion.

Prospects for major regime or policy change

- During next six months
- During next six months to two years

Indicators

Legend

- Not of concern
- Low concern
- Moderate concern
- Substantial concern
- Serious concern

		1983			1984				1985
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent								
	Demonstrations, riots, strikes	●	●	●	●	●	●	●	●
Economic factors	General deterioration	●	●	●	●	●	●	●	●
	Decreased access to foreign funds	●	●	●					●
	Capital flight				●	●	●	●	●
	Unpopular changes in taxes, subsidies, or price controls	●	●	●	●	●	●	●	●
	Food/energy shortages	●	●	●		●	●	●	●
	Inflation				●				
Opposition activities	Organizational capabilities	●	●	●	●	●	●	●	●
	Opposition conspiracy/planning								
	Terrorism and sabotage	●	●	●	●	●	●	●	●
	Insurgent armed attacks								
	Public support	●	●	●	●	●	●	●	●
Military attitudes/activities	Threat to corporate military interests/dignity				●	●	●	●	●
	Discontent over career loss, pay, or benefits								
	Discontent over government action/policies				●	●	●	●	
	Reports/rumors of coup plotting	●	●	●	●	●	●	●	●
External factors	External support for government	●	●	●	●	●	●	●	●
	External support for opposition								
	Threat of military conflict	New category							
Regime actions/capabilities	Repression/brutality		●	●	●	●	●	●	
	Security capabilities								
	Political disunity/loss of confidence	●	●	●	●	●	●	●	●
	Loss of legitimacy	●	●	●	●	●	●	●	●

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**Kenya :
Selected Political and Economic Indicators**

Outlook

The Moi regime remains secure. The government reacted strongly to a recent student protest and has performed well in handling the large donor and commercial food shipments sent in response to the drought. Further drought-induced economic pressures, however, could raise ethnic tensions.

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Prospects for major regime or policy change

During next six months

During next six months to two years

<i>Indicators</i>	<i>Legend</i>	1983			1984				1985
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent			●					
	Demonstrations, riots, strikes	●	●	●	●	●	●	●	
Economic factors	General deterioration								
	Decreased access to foreign funds	●	●	●	●	●	●	●	●
	Capital flight				●	●	●	●	●
	Unpopular changes in taxes, subsidies, or price controls	●	●	●	●		●	●	●
	Food/energy shortages	●	●	●	●	●			
	Inflation				●	●	●	●	●
Opposition activities	Organizational capabilities	●	●	●	●	●	●	●	●
	Opposition conspiracy/planning	●	●	●	●		●	●	●
	Terrorism and sabotage	●	●	●	●	●	●	●	●
	Insurgent armed attacks	●	●	●	●	●	●	●	●
	Public support	●	●	●	●	●	●	●	●
Military attitudes/activities	Threat to corporate military interests/dignity				●	●	●	●	●
	Discontent over career loss, pay, or benefits					●	●	●	●
	Discontent over government action/policies					●	●		●
	Reports/rumors of coup plotting	●	●	●		●	●	●	●
External factors	External support for government	●	●	●	●	●	●	●	●
	External support for opposition	●	●	●	●	●	●	●	●
	Threat of military conflict				New category				●
Regime actions/capabilities	Repression/brutality	●	●	●	●	●	●	●	●
	Security capabilities	●	●	●	●	●	●	●	●
	Political disunity/loss of confidence	●	●	●	●	●	●	●	●
	Loss of legitimacy		●	●	●	●	●	●	●

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Zaire:
Selected Political and Economic Indicators

Outlook

President Mobutu remains in firm control and is proceeding with economic reform. Sporadic attacks continue in remote eastern Zaire, but the rebels are few and militarily weak, posing no threat to the government or to mining enclaves. Several exile groups are receiving Libyan training and support, raising the possibility of a terrorist incident in Kinshasa.

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Prospects for major regime or policy change

During next six months
During next six months to two years

Indicators	Legend	1983			1984				1985
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent	●							
	Demonstrations, riots, strikes	●	●			●	●	●	●
Economic factors	General deterioration								
	Decreased access to foreign funds	●	●	●	●	●	●	●	●
	Capital flight				●	●	●	●	●
	Unpopular changes in taxes, subsidies, or price controls								
	Food/energy shortages								
Opposition activities	Inflation								
	Organizational capabilities	●							
	Opposition conspiracy/planning	●							
	Terrorism and sabotage	●	●	●		●			
	Insurgent armed attacks	●	●	●	●	●	●		
Military attitudes/activities	Public support	●	●						
	Threat to corporate military interests/dignity				●	●	●	●	●
	Discontent over career loss, pay, or benefits								
	Discontent over government action/policies				●	●	●	●	●
	Reports/rumors of coup plotting	●	●		●	●	●	●	●
External factors	External support for government	●	●	●	●	●	●	●	●
	External support for opposition	●	●	●	●	●			
	Threat of military conflict				New category				●
Regime actions/capabilities	Repression/brutality	●							
	Security capabilities	●	●	●	●	●	●	●	●
	Political disunity/loss of confidence	●	●	●					
	Loss of legitimacy	●	●						

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**South Africa:
Selected Political and Economic Indicators**

Outlook

Black unrest has worsened since March, when police fired on marchers commemorating the 25th anniversary of the Sharpeville shooting. Sporadic township violence is likely to continue, dampening prospects of dialogue on racial reform between the government and black representatives. Deteriorating economic conditions will further heighten tensions. African National Congress guerrillas were quiet during the period. Because security forces are able to handle the unrest and white areas remain largely unaffected, the regime's stability is not under threat.

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Prospects for major regime or policy change

During next six months

During next six months to two years

Indicators

Legend

● Not of concern

○ Low concern

○ Moderate concern

● Substantial concern

● Serious concern

		1983			1984				1985
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent								
	Demonstrations, riots, strikes			●	●	●		●	●
Economic factors	General deterioration					●			
	Decreased access to foreign funds	●	●	●	●	●	●	●	●
	Capital flight				●	●	●	●	●
	Unpopular changes in taxes, subsidies, or price controls	●	●	●	●	●			
	Food/energy shortages					●	●	●	●
	Inflation								
Opposition activities	Organizational capabilities		●	●	●	●	●		●
	Opposition conspiracy/planning			●	●	●	●		●
	Terrorism and sabotage	●						●	●
	Insurgent armed attacks	●	●	●	●	●	●	●	●
	Public support								
Military attitudes/activities	Threat to corporate military interests/dignity				●	●	●	●	●
	Discontent over career loss, pay, or benefits				●	●	●	●	●
	Discontent over government action/policies				●	●	●	●	●
	Reports/rumors of coup plotting	●	●	●	●	●	●	●	●
External factors	External support for government	●	●	●	●	●	●	●	
	External support for opposition	●	●	●	●	●	●	●	●
	Threat of military conflict				New category				●
Regime actions/capabilities	Repression/brutality		●	●	●	●	●		●
	Security capabilities	●	●	●	●	●	●	●	●
	Political disunity/loss of confidence		●	●	●	●	●	●	●
	Loss of legitimacy	●	●	●	●	●	●	●	●

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**Philippines:
Selected Political and Economic Indicators**

Outlook

Jockeying for the succession continues despite President Marcos's improved health.

The economy remains sluggish and foreign lending is on hold until Manila complies with targets set by foreign creditors. Violent labor unrest may erupt in the severely depressed sugar-growing areas and contribute to the growth of the Communist insurgency.

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Prospects for major regime or policy change

○ During next six months

● During next six months to two years

Indicators

Legend

● Not of concern

○ Low concern

○ Moderate concern

○ Substantial concern

● Serious concern

		1983			1984				1985
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent								
	Demonstrations, riots, strikes	●	●	●					
Economic factors	General deterioration	○	○	●	●	●	●	●	●
	Decreased access to foreign funds			●	●	●	●		
	Capital flight				●	●	●	●	●
	Unpopular changes in taxes, subsidies, or price controls			●	●	●	●	●	●
	Food/energy shortages				●				
	Inflation				●	●	●	●	
Opposition activities	Organizational capabilities				●				
	Opposition conspiracy/planning				●	●	●	●	●
	Terrorism and sabotage	●	●	●	●				
	Insurgent armed attacks	●	●	●					
	Public support		●	●		●		●	●
Military attitudes/activities	Threat to corporate military interests/dignity				●	●	●		
	Discontent over career loss, pay, or benefits								
	Discontent over government action/policies								
	Reports/rumors of coup plotting	●				●	●	●	●
External factors	External support for government	●	●	●	●	●	●	●	●
	External support for opposition	●	●	●					
	Threat of military conflict								●
Regime actions/capabilities	Repression/brutality		●	●	●	●	●	●	●
	Security capabilities								
	Political disunity/loss of confidence	●				●			
	Loss of legitimacy	●	●	●	●	●	●	●	●

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**Indonesia :
Selected Political and Economic Indicators**

Outlook

Terrorist incidents have picked up this year. Attacks against two of Indonesia's most revered cultural and spiritual landmarks—the Borobudur Temple and the Sultan of Solo's Palace—were clearly symbolic attacks on the Soeharto government, presumably by Islamic fundamentalists. Authorities maintain a heavy hand against the political opposition, which is leaderless and unorganized, and security officials have reportedly resumed assassination of criminal suspects.

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Prospects for major regime or policy change

During next six months

During next six months to two years

Indicators **Legend**

● Not of concern ○ Substantial concern
 ○ Low concern ● Serious concern
 ○ Moderate concern

		1983			1984				1985
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent	●		●	●	●			
	Demonstrations, riots, strikes	●	●	●	●	●			
Economic factors	General deterioration		●	●	●	●	●	●	●
	Decreased access to foreign funds	●	●	●	●	●	●	●	●
	Capital flight				●	●	●	●	●
	Unpopular changes in taxes, subsidies, or price controls	●	●	●	●	●	●	●	●
	Food/energy shortages	●	●	●	●	●	●	●	●
	Inflation				●	●	●	●	●
Opposition activities	Organizational capabilities	●	●	●	●	●	●	●	●
	Opposition conspiracy/planning	●	●	●	●	●	●		
	Terrorism and sabotage	●	●	●	●	●	●		
	Insurgent armed attacks	●	●	●	●	●	●	●	●
	Public support	●	●	●	●	●	●	●	●
Military attitudes/activities	Threat to corporate military interests/dignity				●	●	●	●	●
	Discontent over career loss, pay, or benefits						●	●	●
	Discontent over government action/policies				●	●	●	●	●
	Reports/rumors of coup plotting	●	●	●	●	●	●	●	●
External factors	External support for government	●	●	●	●	●	●	●	●
	External support for opposition	●	●	●	●	●	●	●	●
	Threat of military conflict				New category				●
Regime actions/capabilities	Repression/brutality		●						
	Security capabilities	●	●	●	●	●	●	●	●
	Political disunity/loss of confidence	●	●	●	●	●	●	●	●
	Loss of legitimacy	●	●	●	●	●	●	●	●

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**South Korea:
Selected Political and Economic Indicators**

Outlook

President Chun's mood, less confident following the February elections, will be only temporarily buoyed by his recent US visit. The opposition is demanding major reform, the ruling camp is divided, and criticism of his leadership is growing in the army. This environment may spawn intense student protests, particularly around the May anniversary of the anti-Chun riots in Kwangju. If hardliners convince Chun to tighten control, we foresee bitter confrontations with the opposition.

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Prospects for major regime or policy change

During next six months

During next six months to two years

Indicators

Legend

● Not of concern
○ Low concern
○ Moderate concern

● Substantial concern
● Serious concern

		1983			1984				1985
		II	III	IV	I	II	III	IV	I
Social change/conflict	Ethnic/religious discontent	●	●	●	●	●	●	●	●
	Demonstrations, riots, strikes							●	●
Economic factors	General deterioration	●	●	●	●	●	●	●	●
	Decreased access to foreign funds	●	●	●	●	●	●	●	●
	Capital flight				●	●	●	●	●
	Unpopular changes in taxes, subsidies, or price controls	●	●	●	●	●	●	●	●
	Food/energy shortages	●	●	●	●	●	●	●	●
	Inflation				●	●	●	●	●
Opposition activities	Organizational capabilities	●	●	●	●	●	●		
	Opposition conspiracy/planning								
	Terrorism and sabotage	●		●					
	Insurgent armed attacks	●	●	●	●	●	●	●	●
	Public support	●	●	●	●	●	●	●	
Military attitudes/activities	Threat to corporate military interests/dignity				●	●	●	●	
	Discontent over career loss, pay, or benefits				●	●	●	●	●
	Discontent over government action/policies				●	●	●	●	
	Reports/rumors of coup plotting	●	●	●	●	●	●	●	●
External factors	External support for government	●	●	●	●	●	●	●	●
	External support for opposition								
	Threat of military conflict				New category				●
Regime actions/capabilities	Repression/brutality	●	●	●	●	●	●		
	Security capabilities	●	●	●	●	●	●	●	
	Political disunity/loss of confidence	●	●	●	●	●	●	●	
	Loss of legitimacy	●	●						

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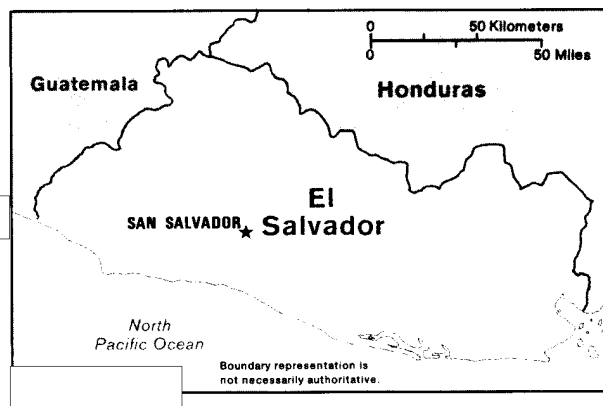
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Part 2. Countries in Which There Have Been Developments of Interest

El Salvador

- The Christian Democrats won a landslide election victory on 31 March, capturing an absolute majority in the Legislative Assembly and about two-thirds of the country's mayoralties.
- The election results have undermined the position of extreme rightist leader Roberto D'Aubuisson.
- The military appears increasingly buoyed by its successes against the 9,000 to 11,000 armed rebels.



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Comment

The March elections that gave President Duarte an absolute majority in the Legislative Assembly substantially bolstered Duarte's political standing while at the same time introducing new vulnerabilities. We believe the next few months will find Duarte buffeted by conflicting pressures. Elements within his own party are likely to press for more rapid implementation of social and economic reform, while the still-significant conservative sectors escalate demands for a broad-based government and look for ways to prevent the entrenchment of Christian Democratic rule. Even though Duarte remains sensitive to the concerns of conservatives in the military and elsewhere—immediately after the elections he sounded a conciliatory theme to the moderate right—he almost surely interprets the vote as a popular mandate. With his legislative majority, he will feel obliged to make moves that are bound to appear to many opponents as fulfilling their worst fears of a turn to the left.

The frustrations of D'Aubuisson, the big loser in the election process, are likely to grow. His negative tactics and image have come under attack from within his own party, and we expect his critics to become more audible, in part because his championing of an election coalition with the National Conciliationists backfired. D'Aubuisson's ARENA party

held its 29-percent vote, but under the coalition agreement some of their seats will go to the Conciliationists, who drew only 8 percent, less than half of what they received in 1982. D'Aubuisson is likely to play on conservative anxieties about Duarte's policies and to work at driving a wedge between the President and the military.

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Although the high command has been supportive of Duarte and takes pride in its protection of the electoral process, some elements of the military will be highly susceptible to D'Aubuisson's siren song regarding peace talks with the guerrillas. Duarte will be under growing pressure to pursue dialogue and reconciliation with the rebels, and the officer corps genuinely fears that the President will consider concessions threatening to the interests of the armed forces.

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We assume that government-guerrilla talks will be put back on track before long—if only in response to international pressure—and we see the possibility, though only a long shot, that a genuine dialogue will

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El Salvador [redacted] Christian Science Monitor ©

- The rightist elements, alarmed at a perceived leftist shift in Duarte's policies, overcome their differences and unify under an extremist leader.
- Military distrust of Duarte intensifies and coup plotting begins.
- The guerrillas rebound with activity in several fronts, stopping the military's momentum.
- Peace talks provoke massive guerrilla defections and open a process of reconciliation. [redacted]

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develop. The guerrillas cannot fail to recognize that their political and military prospects are poorer than at any time since the country began its move toward democratization in 1982. The elections underscored their declining capabilities, as evidenced by their increasing focus on soft targets, intimidation of the populace, and terrorism. [redacted]

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Key Indicators To Watch

Prospective Scenario: Duarte Pursues His Policies as Several Factions Seek To Undermine His Authority

- Frictions build between Duarte and conservative business and military leaders over proposed government-initiated reforms.
- Duarte initiates unpopular austerity measures.
- The extreme right escalates political violence, and D'Aubuisson attempts to intensify military distrust of the President.
- A power struggle develops among the right, resulting in severe curtailment of D'Aubuisson's power.
- The military retains the tactical initiative as the insurgents resort increasingly to terrorism.
- Political bickering breaks out within senior military ranks over negotiation strategy and conduct of the war.
- The third round of peace talks takes place, but neither side offers any key concessions. [redacted]

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Indicators That Would Suggest the Prospective Scenario Is Not Unfolding

- Implementation of austerity measures, including currency devaluation, provokes massive opposition.

Iran

- Tehran's oil revenues have fallen, and the country's readily accessible currency reserves are at an all-time low of about \$3 billion. [redacted]
- [redacted] coordinated actions by striking workers in several cities. [redacted]
- Infighting among factions within the regime is on the rise, partly because of jockeying in anticipation of Khomeini's demise. [redacted]
- Escalation of the war with Iraq has accentuated domestic strains over the conflict. [redacted]

Comment

We previously anticipated no serious threat to the regime so long as Khomeini is alive, but we now believe that instability will increase significantly even with the Ayatollah on the scene. In our judgment, socioeconomic, political, and military trends are converging against the government. [redacted]

Economic circumstances are taking a toll on the government's support. With oil revenues dropping by some 30 percent since last August, the government can no longer tap its foreign currency reserves to maintain imports at a sufficient level to meet consumer demand. [redacted] the economic downturn has had particular impact among the lower class—the clerics' major political base. The latest budgetary guidelines passed by the Consultative Assembly, Iran's parliament, call for further spending cuts of 10 percent, a 30-percent tax rise, and higher prices for heating oil and gasoline. [redacted]

Labor unrest and other urban problems are plaguing the regime. [redacted] interurban coordination among striking workers, and the government is probably concerned, particularly about protest activity in Iran's second city, Esfahan—an industrial center where workers have been susceptible to leftist agitation. [redacted] a secret organization called the Solidarity Committee of Iranian



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Workers claims to have instigated the recent round of strikes. Labor issues are exacerbated by the continuing influx of poor migrants and war refugees into most cities, often stretching public services to the breaking point. [redacted]

Complicating the regime's efforts to deal with such concerns is the rising incidence of factional infighting. Khomeini's declining health has intensified maneuvering for political advantage by the principal succession contenders, and the other leaders can no longer rely on him to prevent disputes from turning violent. Despite Khomeini's support for the moderates—as viewed in the Iranian spectrum—the more obstreperous elements remain active. For example, the ultra-conservative Hojatieh Society, a faction with significant support among merchants and the military, has been showing renewed vigor. [redacted]

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Iranian troops in training [redacted]

Key Indicators To Watch

Prospective Scenario: Falling Support for the Government Leading to Increased Tensions Among Powerful Factions, Greater Role for Security Forces, and Succession-Related Clashes

- Iran's financial reserves drop further as a result of falling oil revenues and constraints on moving to greater austerity.
- Populace nonetheless feels the economic pinch and reacts with more, better coordinated protests and strikes.
- The war with Iraq drags on, continuing the drain on Iran's human and economic resources.
- Factionalism worsens as war-related and economic issues become instruments of political leverage in the bid for succession.
- Khomeini dies or, more likely, becomes incapable of taking decisive action in regime affairs.
- Clashes between the factions occur, with each group acquiring greater Revolutionary Guard or army backing for its position. [redacted]

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Factionalism, as well as declining revolutionary fervor, is also affecting the paramilitary Revolutionary Guard, the most loyal of the security forces. Proselytizing of Guard personnel by rival contenders for power is on the rise, [redacted]

[redacted] Also underlining the malaise in the Guard is the fact that increasing numbers of disaffected members with a litany of grievances are appearing at US consular facilities in neighboring countries. [redacted]

The war itself is no longer a force for cohesion. Despite months of preparation, Iran's latest attacks gained no territory and cost perhaps 30,000 casualties, including 15,000 killed. The regime is suppressing news of the defeat, but the heavy cost eventually will become known and further anger those already sick of the long conflict. [redacted]

While we expect the regime to become increasingly shaky, it nevertheless possesses important residual strengths. The still-pervasive desire among Iranians for a state guided by Islamic principles and independent of both superpowers gives the government a certain legitimacy. At the same time, the regime's control of the media permits it to manipulate public opinion, and it shows no hesitance to employ the harsh means of repression at its disposal. [redacted]

Indicators That Would Suggest the Prospective Scenario Is Not Unfolding

- Unbridled factionalism and mutinies in the army and Revolutionary Guard lead to complete political chaos.
- The economy stabilizes or rebounds, permitting a rebuilding of the country's financial reserves.
- The Consultative Assembly becomes more supportive of proposals made by the government.
- Strikes and other protest actions drop sharply.
- Security elements, especially the Revolutionary Guard, display loyalty to the regime and stop coalescing around prominent individuals.
- Khomeini takes clear steps, such as publishing his will, to arrange an orderly succession. [redacted]

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Pakistan

- National and provincial assembly elections in February were peaceful, fraud free, and drew a respectable turnout.
- Most of the new legislators are moderates or conservatives, with no party or faction predominant.
- In March, President Zia promulgated a series of controversial constitutional amendments investing himself with sweeping powers over the legislature and judiciary.
- The opposition Movement for the Restoration of Democracy (MRD) remains in disarray.
- Zia has benefited from an economic surge brought by a record cotton harvest.

Comment

Smoothly orchestrated parliamentary elections—the first since President Zia seized power in 1977—have improved the outlook for political stability in Pakistan. Despite an opposition boycott campaign, voter turnout was high, giving Zia a major political victory.

Zia appears well on his way to achieving his longtime goal of remolding Pakistani politics by emasculating his principal opposition, the Movement for the Restoration of Democracy, and its primary component, the Pakistan People's Party. MRD efforts to recoup by courting the new legislators are having little success. Most delegates appear unsympathetic to the opposition and anxious to make the new constitutional structure work.

Whether Zia's new order can create durable institutions that will serve Pakistan over the long term is a major question. In contrast to Zia's record of compromise and collegiality with the military, he seems reluctant or unable to work with politicians, whom he viscerally distrusts. This attitude is reflected in his amendments to the Constitution that give him overwhelming power and risk leaving the new assemblies little credibility. If he declines to share power with the



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legislature, he risks discrediting the politicians who have cooperated with his scheme and thereby reawakening widespread discontent.

Some early signs of the National Assembly's taste for independence, however, suggest that the body may prove less malleable than Zia anticipated. The delegates accepted his choice for prime minister—Mohamed Khan Junejo—only after they had unexpectedly defeated Zia's favorite for Assembly speaker. Some delegates, like most independent newspapers, have criticized the effort to concentrate power in the presidency, and we expect the Assembly to attempt to limit the sweeping powers Zia is trying to arrogate to himself. Repealing Zia's proposals will be extremely difficult, however, since it would require a two-thirds vote of the combined Assembly and Senate.

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Zia's dialogue with politicians

The future of political parties will be another contentious issue. Zia ostensibly left the issue to legislative discretion, but emphasized his own belief that parties and the notion of a formal opposition group are anti-Islamic. Nonetheless, Prime Minister Junejo has endorsed the resumption of organized political activity and called for a swift end to martial law. We expect the Assembly to agree with this position.

Although Zia's political primacy seems secure, he is more respected than popular and his acceptance rests in part on the economic prosperity over which he has reigned. Recovery in the agricultural sector has particularly helped the short-term economic picture. Zia soon must contend, however, with some long-deferred problems. An antiquated tax system, heavy subsidies on food and other basic commodities, increasing defense spending, and the domestic debt burden are leading to significant government budget deficits. With remittances declining, imports rising, and exports disappointing, Pakistan's current account has deteriorated further. We foresee serious foreign payment problems within the next 18 months unless Zia halts the foreign exchange outflow or secures substantial new aid.

Other economic problems may aggravate already high regional tensions. For example, growing energy demand is severely straining electric power supplies—the government has been forced to an increasingly drastic load-shedding program that may adversely affect industrial productivity and lead to a cut in

imports. Allocation of scarce electricity—another issue likely to occupy the Assembly—may develop into a question of regional priority, pitting Punjab against Sind and Baluchistan.

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Key Indicators To Watch

Prospective Scenario: The National and Provincial Assemblies Supplant the MRD as the Main Vehicle of Partisan Activity but Attain Insufficient Power To Challenge Zia's Dominance.

- The national and provincial assemblies continue to pursue accommodation with Zia.
- No charismatic opposition figures emerge from among the new delegates.
- Regional divisions develop within the National Assembly but do not paralyze it.
- Zia suffers no serious foreign policy reverses.
- The Army continues to support Zia.

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Indicators That Would Suggest the Prospective Scenario Is Not Unfolding

- Zia and the Assembly clash—possibly over repeal of one or more constitutional amendments or the budget—and Zia invokes his constitutional or martial law authority to override the delegates.
- A spokesman for parliamentary authority, such as Prime Minister Junejo or Assembly Speaker Fakhr Imam, emerges in opposition to Zia.
- Zia suffers a foreign policy reversal or the economic decline accelerates; his Prime Minister loses a vote of confidence.
- Demonstrations in favor of National Assembly independence erupt in the major cities of Punjab Province.
- The MRD finds an issue to discredit Zia and reestablish its own prestige.
- Zia is forced to turn to the Army to restore order, and the generals refuse to carry out his orders.

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Somalia

- President Siad has managed to contain northern-based dissident activity that flared late last year, but the harsh methods used further alienated the population and enhanced recruitment prospects for the rebels.
- The fighting in the north reflects spreading tribal conflict in Somalia, where opposition to Siad's Marehan tribe is splitting the military and complicating the regime's efforts to address the country's varied problems.
- The Army's difficulty in defeating the insurgent challenge has focused attention on the military's overall weakness and Siad's inability to obtain substantial weaponry from the West.
- Somalia accepted IMF conditions to qualify for needed financial support, but the reform has cost him politically.



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Comment

The Siad government is beset by a growing array of political, military, and economic problems that slowly are undermining its stability. Despite the challenges facing Siad, he will probably remain in power for the near term. A master of manipulation, Siad also benefits from the inability of his opponents to unite against him.

Tribalism, characteristic of Somali society, has in recent years become of growing concern to the government. Siad's once-broad tribal support base has narrowed to his Marehan clan and its tribal allies. This group has used its ties to Siad to enhance considerably its political and economic domination of Somalia. Moreover, Siad uses the Army to support the Marehan in tribal fighting or to punish tribal groups that oppose the regime. These actions have fueled anti-Marehan sentiment, alienating large segments of the population.

Tribalism is also causing splits in the military. The US attache reports that younger officers resent the fact that promotions and assignments are based on tribal connections rather than competence. In addition, the 1982 wholesale purge of Issaq troops—whose loyalty became suspect after a series of riots in northern Somalia—had a severe impact on military morale and capabilities.

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At the same time, dissatisfaction is growing within the military over the marked inferiority of Somali forces to those of archrival Ethiopia. The Army had expected the West—the United States in particular—to provide large amounts of military hardware after Somalia terminated its alliance with the Soviet Union in late 1977 and granted Washington military access rights in 1980. The West's failure to meet these expectations has stirred unrest among midlevel and

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junior officers and put pressure on Siad to produce more tangible benefits. Siad has managed to contain any immediate threat by placing loyal officers in command of key units in the capital and skillfully playing his opponents against each other. This maneuver, however, treats only the symptom, not the cause, of the problem and clearly has not prevented the spread of disaffection. [redacted]

Siad has been reluctant to address the country's growing economic problems for fear of alienating his supporters, who have enriched themselves under the current system. The steady decline of the economy last year, however, forced him to initiate major reforms to obtain a crucial one-year \$22 million IMF credit. According to the US Embassy, the government devalued the shilling, ended price controls, abolished almost all export and import licensing, and instituted several other reform measures. These moves carry serious political risks for Siad, and he expects the West to provide the financing needed to turn the economy around quickly. [redacted]

Siad faces armed opposition from two groups that receive military and economic support from Ethiopia and Libya, but neither organization has been able to expand beyond its narrow tribal base. Indeed, one of them, the Somali Democratic Salvation Front, is suffering severe problems as a result of ideological, tribal, and personality conflicts. The northern-based Somali National Movement, in contrast, has increased its operations in recent months in an effort to capitalize on dissatisfaction over the regime's repression. Many Issaq, however, remain reluctant to support the group openly, fearing further harsh reprisals. [redacted]

Despite Siad's multiple difficulties, we expect no serious near-term threat to his position. Rather, we foresee a gradual crumbling of the regime's stability over a protracted period. Siad would be especially vulnerable if loyalty among his cadre rapidly eroded or if there appeared an attractive figure around whom the opposition could coalesce. [redacted]



Somali guerrillas [redacted]

Key Indicators To Watch

Prospective Scenario: Siad Uses Various Tactics To Try To Obtain Increased Western Support and Weaken His Opponents

- The government continues to characterize fighting along the border as Ethiopian aggression and to downplay the role of the dissidents.
- Siad sends delegations to the north to sustain talks with the Issaq, while allowing the military to harshly suppress open opposition.

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- Siad obtains significant economic assistance from Tripoli and an end to Libyan support for the Somali dissidents as a result of the recent resumption of diplomatic ties.
- Siad maintains nominal commitment to the IMF reforms but sacrifices all or part of the measures if a substantial turnaround of the economy does not occur, or if pressure from the program's opponents grows.

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Indicators That Would Suggest the Prospective Scenario Is Not Unfolding

- Unrest in the military reaches the point that active coup plotting occurs.
- Desertion from the military to the dissidents increases dramatically.
- Somali insurgents launch a series of coordinated attacks that the military is unable to contain, and the dissidents manage to occupy border villages.
- Harsh reprisals in the north result in more open support for the rebels and they expand their area of operations.
- The economy fails to respond to IMF prescription.

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Part 3. Indicators of Political Instability

The following indicators were used in our examination of each of the countries treated in this publication. While these factors—especially if taken individually—may not be predictive of instability for any single,

given country, they have been associated with political instability in the past. We will continue refining these indicators to make them more specific to each country and more predictive.

Social Change/ Conflict Indicators

Demonstrations and Riots

1. Are demonstrations/riots increasing in frequency, scale, and scope?
2. Is the government taking a more permissive view of the demonstrations/riots? If so, does this account in part for the increase? Or is it having a calming effect?
3. Are government repression and opposition violence escalating?
4. Is the violence in demonstrations/riots indiscriminate? Is it being directed against the government, a scapegoat minority or religious community, or other group?
5. Are demonstrations starting to assume a general antiregime tone, or do they focus on one specific issue, a minority group, or a particular region?
6. Does a demonstration attract a larger crowd than originally predicted? Does a demonstration called by one opposition group attract the genuine—not manipulated—support of other groups not previously involved, such as labor groups in support of student marchers, and so forth?
7. Are the media:
 - Becoming more critical of the government or supportive of the demonstrators/rioters?
 - Ignoring government guidance in their reporting of the incidents?
8. Are there indications that elements of the political elite or the security forces are beginning to sympathize with the demonstrators/rioters?
9. Is the government making concessions to the demonstrators/rioters for the first time? If so, are these having a calming effect, or are they seen as a sign of weakness?
10. Are the demonstrators/rioters disrupting any area of the economy? If so, does the concerned sector blame the government or the demonstrators/rioters? Are the disruptions affecting the government's ability to provide goods and services, patronage, and so forth?

Strikes and Other Job Action

11. Are strikes, slowdowns, sit-ins, and so forth, increasing in number, frequency, and location?

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12. Do the strikers have political objectives apart from economic motivations? If so, are these directed against the government?

13. Are labor groups that oppose the government forging links with nonlabor opposition groups?

14. Are the strikes and other job actions drawing increasing support from the general public?

15. Is the government starting to meet the workers' demands despite sound economic reasons that it not do so? If so, have the concessions persuaded workers to return to work?

16. Are the strikes, and so forth, starting to hurt the economy?

Maintenance of National Unity

17. Do increasingly large numbers of the public tend to sympathize with the demonstrators/rioters?

18. Is effective government control over some areas outside the capital being eroded? Are local officials increasingly unwilling or unable to implement directives from or to perform services, such as tax collection, for the central government?

19. Is the government starting to carry out policies that change the political or social status of any group; for example, is it increasing religious intolerance, suppressing the use of a minority language or culture, and so forth? If so, are the policies compelling those affected to oppose the government in any way?

20. Is the middle or merchant class starting to withdraw its support for the government?

21. Are religious leaders increasingly critical of the state of the nation? If so:

- Are religious figures becoming active in antigovernment activities?
- Is the general public beginning to support these activities and agree with the criticisms?

**Economic Stability
Indicators**

22. Is the government losing its ability to generate revenues? If so, is it finding difficulty in providing public services or maintaining popular subsidies?

23. Is the government increasingly turning to money creation to finance its operations?

24. Is the general public blaming the government for the deteriorating economy?

25. Are sudden price rises or drops in food or energy supplies likely or increasing?

26. Is the international economic situation starting to depress the local economy? If so:

- Is only one sector affected, or is the populace hurting across the board?
- Do popular perceptions tend to blame pernicious international forces or countries?

27. Have remittances from expatriots assumed an important place in the economy?

28. Is the government's ability to obtain foreign aid and investment starting to decline?

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29. Does the economy include a traditional sector, such as subsistence agriculture and barter, that remains isolated from the modern economic sector and that could provide a safety valve in times of crisis? If so, is this being eroded by overpopulation, landlessness, crop specialization, and so forth?

30. Do the country's reserves or the free market exchange rate reflect capital flight? If so, is the capital flight the result of economic reasons, such as lack of return on investments, or because of political fears?

31. Is the government unlikely to meet its debt service repayment obligations? If so, are the government's creditors willing to reschedule all or part of the debt?

32. Is the government starting to implement its own or IMF-imposed austerity measures? If so, can it withstand pressures from opposing domestic interests?

33. Are the government's economic policies benefiting only a small segment of the population, such as the elite and associated groups?

34. Conversely, are attempts to redress inequality through taxation, land reform, anticorruption drives, or other economic measures alienating important elements of the elite, such as the military or clergy?

Opposition Groups Indicators

35. Are opposition groups coalescing against the government? Are they increasingly able to mobilize large numbers of people for antiregime activities?

36. If opposition groups are organized along class, ethnic, religious, or regional lines, are these factional forces and their attraction growing?

37. Is any opposition group representing itself as the embodiment of the national identity?

38. Is a polarization of forces taking place, that is, are centrists and moderates increasingly compelled to choose among radical positions?

39. Is separatism a growing issue?

40. Is there an opposition leader whose charisma is increasingly recognized even by those who oppose him?

41. Are opposition parties increasingly claiming that the violent overthrow of the government is the only way to bring about change?

42. Are the intellectuals becoming alienated from the system? If so, does this lend strength to the opposition?

Terrorism and Sabotage

43. Are incidents increasing in frequency and intensity? If so, what has been the rate of increase in:

- The number of incidents?
- The number of cities or provinces in which incidents occur?

44. Are the terrorists or saboteurs being indiscriminate or selective in their targets? If selective, who are the targets—government supporters, the opposition, perceived traitors to one or another side, or others?

45. Is terrorism or sabotage starting to deter any part of the general public from supporting the government?

46. Is terrorism or sabotage starting to hurt the economy? If so:

- Is production declining in key areas such as energy?
- Is the government's ability to provide goods, services, and patronage being reduced?

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**Military Attitudes/
Activities Indicators**

47. Are there any signs of antiregime or coup plotting?

48. Are there indications that elements in the military and security services, particularly senior personnel, are becoming discontented over government actions or policies?

49. Are the corporate interests or dignity of the military being assaulted or threatened?

50. Are there elements in the military that are discontented over career loss, pay, or other benefits?

51. Are there signs of a split within or between military or police leaders?

52. Are the military or security services becoming less disciplined; are desertions and acts of disobedience, and so forth, increasing?

53. Are the security services being reorganized frequently or to an extent that affects their efficiency and morale?

54. Are expenditures for the military and security services a strain on the budget?

55. Is the government trying to upgrade the efficiency and morale of the military and police through such measures as:

- Better recruitment, pay, leave, and promotion policies?
- Increased training in dealing with civil disobedience?
- Better equipment?

**External Factors
Indicators**

56. Are foreign influence and aid being viewed negatively by the public and by influential power groups? If so, is this starting to hurt the regime?

57. Is the opposition receiving increased aid from radical foreign sources? Is the increased aid improving the recipients' capabilities, or is it evoking negative responses from any groups, indicating that they feel their interests are threatened?

58. Are neighboring countries or other external influences beginning to affect sectarian or regional groups in a way that is eroding loyalty to the government?

59. Is the government under threat of incursions or subversion by foreign elements?

60. Are other countries starting to pose a military threat? If so, does this enable the government to "wrap itself in the flag" and rally support it might otherwise have lost?

61. Is the public's mind being taken off deteriorating domestic conditions by the government's overseas adventures? Or, is the government's meddling abroad unpopular at home?

62. Is an influx of foreign refugees creating problems?

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Regime Capabilities and Actions Indicators

Repression of the Opposition

63. Does the general public increasingly see the government as more responsible than opposition groups for perpetrating domestic violence?

64. Is the government increasing the use of repression to counter opposition activities? Is there more torture, imprisonment without trial, banning of political parties, press censorship, or school and university closings?

65. Are the regular police having difficulty putting down demonstrations or riots? If so, is the government increasingly using paramilitary police units, hired thugs, or military forces?

66. Are government officials talking about the possibility of declaring martial law or perpetuating it?

67. If the government uses massive force, does this disrupt opposition groups and make them less effective? What is its effect on the general public: is it seen as a necessary sign of firmness, or is it seen as brutal and repressive?

68. Are there indications that the public sees the government as inconsistent: for example, does the average citizen complain that he has "no way of knowing what he can or cannot do to stay out of trouble?"

Government Leadership and the Ruling Elite

69. Is conflict breaking out or increasing among groups that make up the ruling elite or between the ruling and supporting elites?

70. Are there indications that government leaders are doubting their major policies or their ability to rule?

71. Are there any indications that the ruler may be considering stepping down because of age, ill health, a shift in public opinion, personal tragedy, and so forth? If so, is the political elite gearing up for an obvious succession crisis?

72. Is the ruler's style changing in such a way that lessens his ability to rule? Is he increasingly isolated in the "palace," becoming erratic, or losing his party's loyalty?

73. Is a weak coalition government leading to legislative paralysis?

74. Has the ruler shown that he is prepared to use the security forces to suppress demonstrations, riots, strikes, and so forth? If so, is he prepared to take extremely tough measures before the situation gets out of hand?

75. Is the government introducing reforms? If so, is it doing so under pressure or at its own initiative, and is it prepared to enforce them?

76. Are media criticism of and jokes about the ruler and the government becoming more direct and open?

Government Bureaucracy

77. Is the bureaucracy becoming less loyal to the government leadership because of divergent political views, distaste for the government's policies, and so forth?

78. Is effectiveness being eroded because the leadership is firing competent officials as scapegoats?

79. Has the government shown ineptitude in coping with natural disasters such as earthquakes, floods, crop failures, and so forth?

The Education System

80. Is the education system turning out too many graduates in relation to employment opportunities?

81. Are students becoming restive because of government repression or because of restrictive policies in the educational area?

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82. Are fundamentalists or other religious groups starting to set up schools in opposition to the public school system, or is enrollment increasing at such schools already in existence?

The Business Sector

83. Is the business sector starting to be hurt by specific government policies? If so, are losses sufficiently serious to make businessmen increasingly critical of these policies?

84. Are conditions in the country generally deteriorating to such an extent that the business sector is expressing doubt about the government's ability to rule?

85. Is a substantial segment of the business sector starting to support the opposition? If so, is this support political, financial, or both?

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