

Page Denied

Next 1 Page(s) In Document Denied



Directorate of
Intelligence

~~Secret~~



25X1

MASTER FILE COPY
**DO NOT GIVE OUT
OR MARK ON**

The Political Instability Quarterly

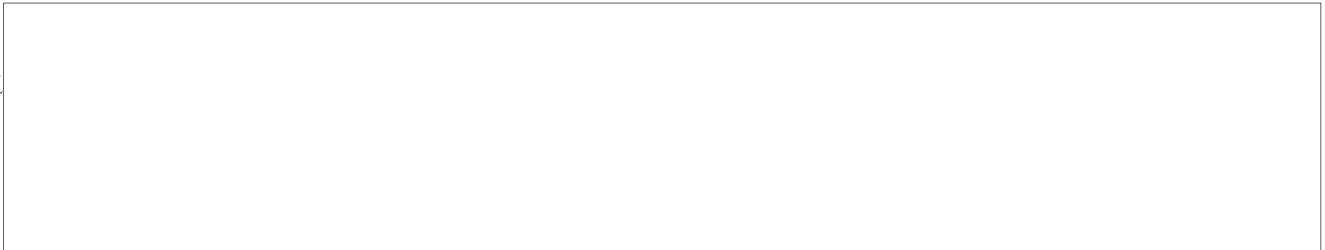


25X1

*With a Special Retrospective Annex:
Instability Patterns and Trends, 1984-86*

August 1986

ILLEGIB



~~Secret~~

GI IPI 86-003
August 1986

Copy 781

Page Denied



**Directorate of
Intelligence**

Secret



25X1

The Political Instability Quarterly



25X1

*With a Special Retrospective Annex:
Instability Patterns and Trends, 1984-86*

August 1986

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



25X1
25X1

Reverse Blank

Secret

*GI IPI 86-003
August 1986*

Secret

25X1

Contents

		<i>Page</i>	
Preface		v	
Summary:	Levels of Concern	vii	
Part 1.	Countries With Developments of Special Interest [redacted]	1	25X1
	South Africa: Into the Laager [redacted]	1	25X1 25X1
	[redacted]		
	Pakistan: Benazir Bhutto Plans "Street Politics" Campaign	5	25X1
	[redacted]		
Part 2.	Developments and Trends [redacted]	9	25X1
	<i>The prospects for instability in 30 countries, based on a specific indicator checklist</i>		
	[redacted]		25X1
Part 4.	A Special Retrospective Annex: Instability Patterns and Trends, 1984-86	43	25X1
	[redacted]		

Secret
[Redacted]

25X1

The Political Instability Quarterly [Redacted]

25X1

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 covers the period from 1 May through 31 July, examines events and processes that could lead to significant instability, including any one or a combination of the following—irregular regime change, coup d'etat, breakdown of order, major civil war, revolutionary upheaval, or major policy shift. The paper assesses our levels of concern regarding the potential for instability in the short term and over the next two years through the consistent application of 24 indicators.

This quarterly includes four parts:

- Part 1 presents essays on selected countries in which there have been developments of special 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 2 includes a brief assessment of the instability outlook in 30 countries, and country-specific tables tracing significant political and economic changes during the past two years. The countries we assess have been selected because they are key US friends or allies, located near strategic choke points, major oil producers or debtors, geographically close to the United States, or especially salient or influential in the Third World.

[Redacted]

25X1

- A Part 4 is included in some issues, such as the current one, for a special annex or assessment of a topic related to instability.

[Redacted]

25X1

Secret

25X1

Status of Key Indicators

Developments in Second Quarter, 1986, and Prospects

Legend

- Negligible concern
- Low concern
- Moderate concern
- Substantial concern
- Serious concern
- ▲ Concern has increased since last quarter
- ▼ Concern has decreased since last quarter

		Current Assessment						Prospects	
		Social change/conflict	Economic factors	Opposition activities	Military attitudes/activities	External factors	Regime activities/capabilities	6 mos.	6-24 mos.
Latin America	Mexico				○	○	○		●
	El Salvador	▼	●	●					▼
	Guatemala		●				▼		▼
	Honduras	○					▲	▼	▼
	Panama	▼	▼		▼		▲		
	Colombia	▲	▼	●	○	○	○	○	○
	Venezuela	○		○	○	○	○	○	○
	Peru		●		●▲		▲		●
	Brazil	▲	▼			○	○		
	Argentina	●▲		●▲			●▲		●
Europe	Spain	○		○	○	○	○	○	○
	Greece			○	○	○	○	○	○
	Turkey	○		○	○	○	○		
Near East and South Asia	Morocco			○		○			●
	Lebanon	●	●		○	○		●	●
	Syria	●	●▼	●▼	●▼			●	●
	Saudi Arabia	○		○	○		○	○	▼
	Iran		●▲					●	●
	Israel		●		▼	▼		▼	●
	Pakistan	●	▲	●	○	▲	▲	●▲	
Africa	India		○	○	○	○	○	●	●
	Nigeria	●	●	○	●	○	●	●	●
	Somalia	○	○	○	▲	○	▲	▲	
	Kenya	▼		▼	○▼	○	○	▼	
	Zaire	▼			○			●▲	●▲
East Asia	South Africa	●▲			○	●▲	▲	●▲	●▲
	Philippines		▼			○			●
	Indonesia			○	○	○	○	○	○
	Singapore		○▼			▼		●	

309914 8-86

Secret

25X1

Secret

25X1

The Political Instability Quarterly

25X1

**Summary:
Levels of Concern**

The summary chart on the facing page highlights the countries where our concerns about prospects for instability currently are greatest.

In Latin America our concern for stability in *Peru* has increased as the brutal quelling of rioting by imprisoned Sendero Luminoso insurgents has prompted a major crisis and aggravated already strained relations between President Garcia and the military. Concern about *Chile* is mounting as President Pinochet appears determined to crush growing antiregime protests. In *El Salvador* fighting between government forces and insurgents is likely to increase as both sides try to strengthen their positions before talks later this summer.

Prospects for stability have improved slightly in three Central American countries: *Guatemala*, where the seven-month-old government of President Cerezo has so far retained critical military backing; *Honduras*, where President Azcona is continuing to put civilian-military relations on a more even keel; and *Panama*, where President Delvalle remains subservient to the defense chief, Noriega.

In the Near Eastern–South Asian region, *Sudan* remains very shaky. Despite some recent improvements—including the installation of an elected, civilian government—this strategic country faces a formidable array of problems, including insurgency in the south and Libyan machinations. Our concerns about *Pakistan* have increased for the near term, mainly because of the campaign of “street politics” Benazir Bhutto aims to mount later this summer against the Zia-Junejo regime (see Part 1 essay).

Iraq remains high on the instability concern list because of its serious economic problems and because it is bracing for a major Iranian offensive that could produce heavy casualties and aggravate already significant morale problems. Concern about *Egypt* centers on the prospect that Mubarak may soon impose austerity measures recommended by the International Monetary Fund that risk sparking widespread riots that could result in his fall. *Iran*'s substantial economic problems do not pose an immediate threat to the regime, but they are prompting factional strife, and we are concerned that in the longer term the deteriorating economy combined with other possible developments—such as Khomeini's death or war reversals—could result in significant instability.

Secret

25X1

President Babangida's regime in *Nigeria* is in serious trouble. He faces acute ethnic and economic problems and depends on volatile military factions for support. In *South Africa*, the government of President Botha and blacks are locked in an increasing spiral of violence, but the regime retains the backing of the vast majority of whites and has formidable security capabilities (see Part 1 essay).

Concern about *South Korea* remains at a substantial level, although both the government and the opposition have signaled some flexibility on the contentious issue of a direct presidential election. Elsewhere in East Asia, President Aquino has made some progress toward consolidating power in the *Philippines*—initiating constitutional reform and cease-fire talks with rebels—but the recent abortive coup underscores the continuing uncertainties in Manila.

25X1

Secret

Secret
[]

25X1

Part 1. Countries With Developments of Special Interest

[]

25X1

South Africa: Into the Laager []

- The Botha government and the African National Congress (ANC) likely are locked into an increasing spiral of bloody ANC attacks and South African cross-border reprisals.
- Pretoria's decision to carry out such reprisals and to impose a state of emergency reflects its frustration with being unable to end nearly two years of almost constant black unrest and a growing perception in white ruling circles that they must now prepare more intently for "going it alone."
- The government's determination to crack down at home is matched by a willingness to strike more aggressively at neighboring black-ruled states that it accuses of harboring or supporting the ANC. The ANC appears to have launched a campaign of bombings that includes civilian, as well as government, targets.
- The Botha government also must contend with increasing dissatisfaction among whites who believe the government is moving too quickly in its reform program. Although rightwing white groups present no immediate political threat, the ruling National Party will work hard to prevent the erosion of the strong historical and cultural ties between Afrikanerdom and the National Party. []

monthly figure to date. Despite Pretoria's claims, the subsequent declaration of a state of emergency in June has not appreciably lowered the average number of daily deaths. []

25X1

25X1

All indicators suggest that the situation in black townships is continuing to degenerate and that many townships are approaching a state of anarchy. South African Government data indicate, for example, a trend toward greater factional violence in the townships, noting that thus far in 1986 more blacks have been killed by other blacks than by security forces. In some townships, government-backed black officials have turned increasingly to vigilante squads to try to reassert control and break the power of black activists, while other townships resemble "liberated areas," where gangs of militant youths calling themselves "comrades" enforce decisions made by people's courts and attack township residents who refuse to take part in protests or boycotts. Throughout these areas, attacks against black policemen, black townships officials, and more moderate blacks in general are justified by asserting that such people are "collaborators."

25X1

[] unrest is now spreading to rural areas, including many of the black homelands. []

25X1

The government increasingly has argued that, to continue its reform program and permit moderate blacks to come forward and negotiate, the government must first crack down hard to "restore order." Given this strongly held view, we see little likelihood that Pretoria will quickly lift the current state of emergency; the government forced through new security legislation that gives it the power to declare any part of the country an "unrest area" and to detain people for 180 days without trial. Although the government may gradually lighten restrictions on the press and media, we anticipate that the widespread detention of activists, heavy police and Army presence in the townships, and restrictions on black and multiracial political, civic, labor, and church groups now constitute at the very least a semipermanent feature of South African political life. []

25X1

25X1

Dealing With the Unrest

- The Botha Government clearly is frustrated by its inability to suppress almost two years of constant black unrest. Over 2,000 people have died in unrest-related incidents since the most recent violence began in September 1984, according to the respected South African Institute of Race Relations. Some 213 people were killed in May 1986—the highest

¹ The Afrikaner equivalent of "circling the wagons."

Secret

Black Politics

Pretoria's tough prosecution of emergency regulations—including detention of black activists, a ban on gatherings, press restrictions, and strong security presence in black townships—may succeed in quieting black protest temporarily. We believe that, while many blacks may lie low for some time, antigovernment groups will continue to be active. Some black leaders probably accept Pretoria's crackdown as a direct challenge and will continue efforts to circumvent security measures. The most credible black leaders, in our view, will continue to refuse to participate in talks with the government about constitutional change unless Pretoria releases political prisoners, remove the bans on the ANC and other organizations, and indicates that it will discuss a genuine transfer of power—all conditions that Pretoria is unlikely to consider in the foreseeable future. [redacted]

Meanwhile, Pretoria's crackdown is seriously disrupting day-to-day black politics and labor. For example, leaders of the antiapartheid United Democratic Front in eastern Cape Province, fearing detention, recently broke off negotiations on local issues being held with business and government representatives. Similarly, as black leaders have been primary targets for detention, labor-management relations and contract negotiations have been paralyzed. Retail workers have staged strikes protesting the detention of union leaders, and business leaders have complained that they have no union leaders with whom to negotiate. [redacted]

Pretoria's belief that it is following the correct path probably will be strengthened by the recent wave of bombings that have hit civilian as well as government targets. Although the ANC has not claimed credit for many of the recent attacks, the use of Soviet limpet mines and landmines in many attacks, the sophistication of several operations, and the absence of other effective guerrilla groups in South Africa strongly suggest that most of the acts are the work of the ANC. We believe the continued shift to civilian targets probably reflects the growing influence of restless, militant, rank-and-file youths opposed to what they see as inaction by the ANC's relatively moderate "old-guard" leadership. [redacted]



The triple seven AWB symbol, which bears a striking resemblance to a swastika, relates directly to the AWB's identification with Christianity and its efforts to foster group identity. The emblem represents the seven angels, seven stars, and seven seals alluded to in the Revelation of St. John as the antithesis of the 666 that symbolizes the Anti-Christ. [redacted]

In our judgment, Pretoria is likely to launch attacks against ANC targets in neighboring states—attacks that aim to inflict heavier guerrilla casualties than in the past and that may result in more incidental civilian deaths. South Africa's leading expert on the ANC—a former police intelligence officer—has boasted, for example, that an all-out effort by Pretoria during any given six-week period would wipe out the ANC. Some of President Botha's most influential

25X1

25X1

25X1

25X1

Secret

Secret

security advisers almost certainly agree with the assessment and probably are counseling the President that just such a tougher policy is needed now. [redacted]

Since the early 1960s, Pretoria has engaged in a program of import substitution and stockpiling that has included borrowing from third-country banks and subterfuge trade. In addition, South Africa has financed some 90 percent of its own capital investment. [redacted]

25X1

25X1

Rightwing Backlash

Pretoria also must contend with a political challenge to National Party dominance from white rightwing political parties and cultural organizations. Although public opinion polls indicate that a majority of whites support the government's reform program, persistent press reports about the possible release of jailed ANC leader Nelson Mandela and reports of possible negotiations with the ANC have fueled concerns among already skittish conservative whites that the National Party is not being firm enough in dealing with black unrest. [redacted]

Over the longer term, effective sanctions would seriously impede growth and intensify domestic political conflict. Although sanctions initially would help unify whites by involving them in a common struggle against an external enemy, in the long term, economic hardships, coupled with a realization that the world will not tolerate a racially based system, would sharpen political divisions among whites. Sanctions also would delay Botha's reform program, as spending would be diverted from black education and housing to vital industries, and black unemployment almost certainly would rise, intensifying unrest. [redacted]

25X1

25X1

Although these groups show no signs of being able to mount a credible challenge to the National Party's hold on the white electorate, the revival of the ultra-right Afrikaner Resistance Movement (AWB)—and its courting by more mainline conservative parties—represents a political reality that no white government can ignore. President Botha is likely to attempt to use a National Party Congress this August to gain a renewed party and popular mandate for his twin policies of reform and strict security. [redacted]

Pretoria almost certainly would retaliate for tough international sanctions by imposing a selective blockade against economically dependent neighboring black states. The government has contingency plans to retaliate and magnify the impact of sanctions by squeezing the more vulnerable economies in the region, according to US Embassy sources. [redacted]

25X1

Key Indicators To Watch

Bracing for Sanctions

Pretoria's willingness to impose harsh security measures in the face of growing international condemnation reflects the government's belief that nothing it is willing to do will satisfy the West or prevent additional economic sanctions. As the pressure for sanctions builds, we expect Pretoria to become more obstinate in refusing to alter the pace of its reforms or to ease security measures. President Botha, for example, has stepped up his stern denunciations of Western attempts to "meddle" in South African affairs. Botha's harsher tone in part reflects Pretoria's feeling that it is being pressed from all sides. [redacted]

Most Likely Scenario: In an attempt to give the appearance of a return to "normalcy," Pretoria begins gradually easing emergency regulations. At the same time, the government pushes ahead with its gradual reform program:

25X1

- Black organizations begin to regroup and adapt to life under harsher security measures.
- Pretoria begins to shift from a blanket state of emergency to a more selective application of security laws.
- The government eases some press restriction in an attempt to prove at least a partial return to normal conditions.
- Botha uses the National Party Congress to win a new mandate for his program of government-initiated and controlled reforms.
- Blacks show no signs of accepting government overtures, however.

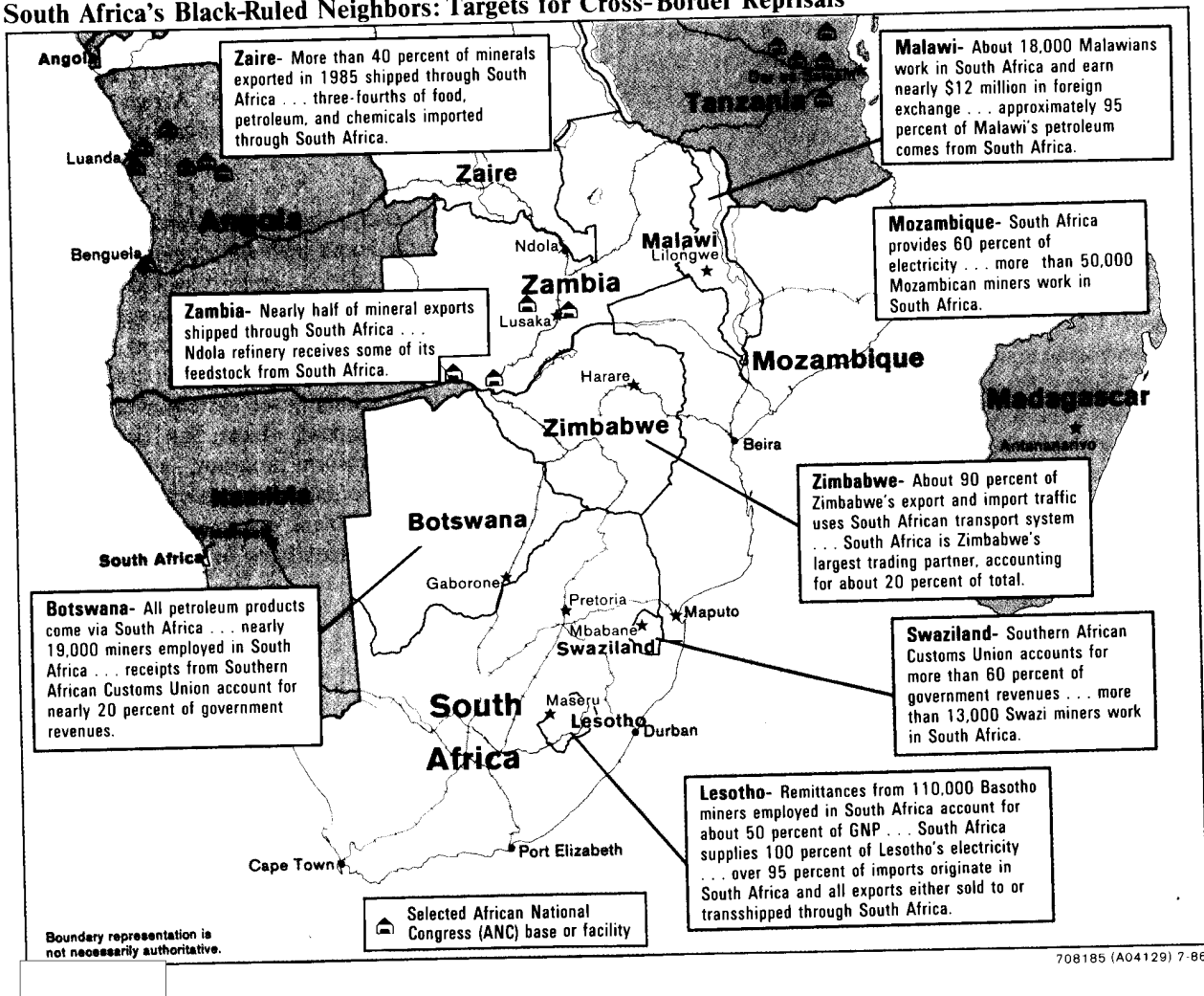
25X1

In the short run—the next several years—we believe South Africa is prepared for and probably capable of weathering even comprehensive economic sanctions.

Secret

Secret

South Africa's Black-Ruled Neighbors: Targets for Cross-Border Reprisals



25X1

- Despite Pretoria's statements, unrest-related deaths in the townships remain at roughly pre-state of emergency levels.
- The ANC continues to strike, and Pretoria persists in launching cross-border strikes against ANC facilities in neighboring black-ruled states.

Alternate Scenario: Pretoria—in the face of escalating unrest—cracks down even harder on opposition groups, banning numerous black organizations and lashing out at the ANC and neighbors:

- The Botha regime shows the West the danger of economic sanctions by implementing its own sanctions against its neighbors most critical of its policies, cutting transit facilities, or expelling guest laborers.

25X1

- South Africa conducts larger-scale operations against ANC facilities in neighboring countries with less regard to civilian casualties.

- Violence intensifies under the state of emergency and Pretoria attempts to stamp out completely all black opposition by banning groups such as the multiracial United Democratic Front and activist labor unions.

25X1

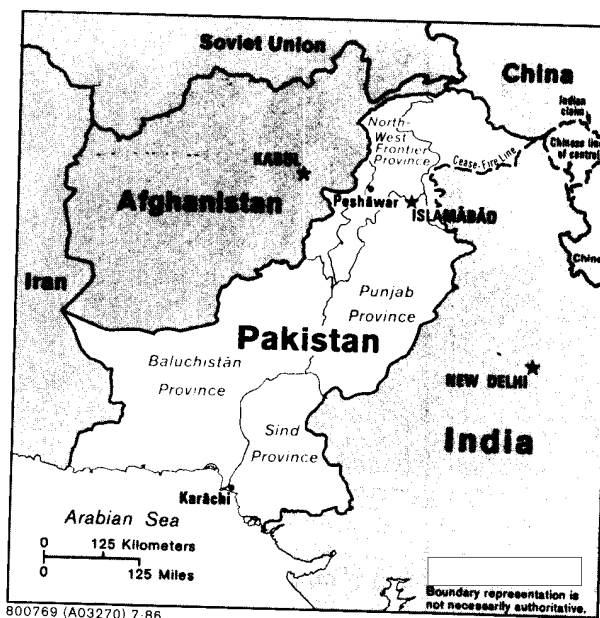
Secret

Secret

Pakistan: Benazir Bhutto Plans "Street Politics" Campaign

25X1

- Prime Minister Junejo faces a difficult summer and autumn. Preoccupied since early spring with the challenge from Pakistan People's Party (PPP) leader Benazir Bhutto, the Junejo government is now trying to regain public confidence in its ability to deal with security and law-and-order problems that include a serious, Soviet-inspired sabotage campaign along the border with Afghanistan and rising banditry in Sind.
- Junejo's difficulties are likely to be compounded this fall, when Bhutto is expected to launch a concerted campaign for new party-based elections. Despite a lack of broad support during the annual demonstrations against Zia's imposition of martial law on 5 July, the cooler weather is likely to usher in "street politics" by Bhutto and her party.
- The government probably will be able to contain demonstrations or violence by PPP supporters. If Junejo fails to do so, however, his regime would be in serious trouble. In the worst case, with violence becoming widespread in vital Punjab Province or with public confidence in the Junejo government collapsing, the Army would probably restore martial law.



25X1

change, Bhutto declares that, if Zia fails to meet her demands, her party will resort to "people power." She told US diplomats she intends to start with small demonstrations—one-hour strikes, one-day fasts—that would increase in frequency but remain nonviolent.

25X1

25X1

The Challenge From Bhutto

The three-month honeymoon for the government of Prime Minister Junejo—whose efforts to exert his authority and demonstrate his independence from President Zia had begun to win him popular approval—came to an abrupt end with the return of PPP leader Benazir Bhutto in early April. She demanded that Zia step down as Army chief and called for new party-based elections. Bhutto told US diplomats that the first phase of her campaign—a whirlwind national speaking tour that drew massive, peaceful crowds—was designed not only to prove her popularity but also to demonstrate that she is not a threat to Pakistan's stability. Although she claims to want peaceful

Publicly, Junejo has played down Bhutto's return, refusing to mention her by name while rejecting her call for early elections. In our view, Junejo believes that Bhutto eventually will run out of steam and that a precipitate move against her would be counter-productive. His strategy is to give the PPP the opportunity to discredit itself, believing that PPP-induced violence could be contained. Junejo has not joined with Zia in trying to discredit Bhutto by charging that the PPP's activities are funded by India and Libya. At the same time, Junejo almost certainly sees himself as the "man in the middle" and fears that a Bhutto-Zia confrontation might endanger his position. He has hinted that legal measures—a revision of

Secret

Secret

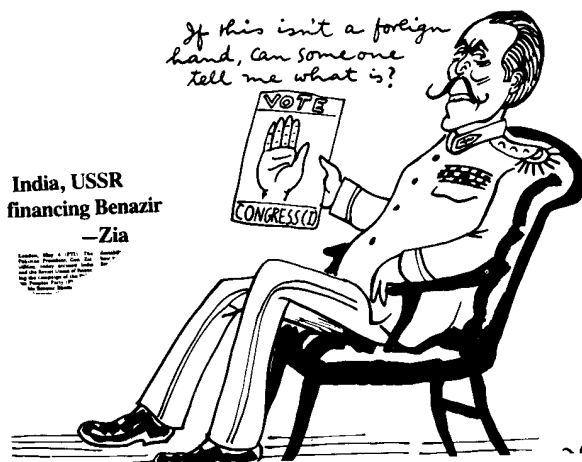


Pakistan People's Party leader Benazir Bhutto (center). [redacted]

legislation governing political activity—might be needed to prevent the PPP from threatening the fledgling civilian system. [redacted]

Junejo probably sees the modest turnout—much smaller than pre-Ramadan crowds—for the PPP's demonstrations nationwide on the anniversary of the coup against Prime Minister Bhutto as indication that his low-key approach is succeeding. He probably sees the summer—when hot weather will constrain street activity—as an opportune time to put legal restrictions on the People's Party to prevent renewed activity this fall. [redacted]

Bhutto is likely to see the demonstrations on 5 July more positively—as an indication of widespread popular support for the People's Party even without her presence as a drawing card. She already has set Pakistan's Independence Day, 14 August, as the next national action day. Even if the results on that day are disappointing, we believe that Bhutto is unlikely to abandon plans for further demonstrations this fall. She has demanded that the government hold national elections this fall and almost certainly does not see a conventional, moderate approach—for example, aiming for a show of strength in local elections in [redacted]



September 1987—as an alternative that would support the credibility of the People's Party. She probably will spend the remainder of the summer working on the party's grassroots organization and making provincial leadership more effective. She may also now be convinced of the need to mend fences with the opposition coalition Movement for the Restoration of Democracy, which boycotted the 5 July demonstrations. [redacted]

Pressure on the Western Front

For months, Junejo has been preoccupied with the threat from Bhutto, building up his own Pakistan Muslim League with populist programs rather than needed economic reforms in order to counter the appeal of the People's Party. Meanwhile, according to reporting from the US Embassy, Junejo has been cautious about making decisions that might give the opposition an easy target. Tensions with India have risen because Junejo slowed the pace of rapprochement in the face of potential resistance from the Pakistani business community to the trade measures New Delhi wants. According to reporting from the US Consulate in Karachi, lawlessness in historically troublesome Sind Province rose to embarrassing levels until Junejo finally sent in paramilitary units to round up bandits; he had delayed such a move out of concern that it might be seen as a step toward martial law. [redacted]

25X1

25X1

25X1

25X1

25X1

Secret

Secret

Junejo also has been slow to address the serious security, law-and-order, and other problems in North-West Frontier Province and Baluchistan. The Kabul regime is intensifying its efforts to pressure Islamabad into reining in the Afghan resistance and to reaching an early political settlement to end the insurgency:

- An escalating terrorist campaign claimed over 500 casualties in some 40 bombings between January and June.
- Violations of the Pakistani border by Soviet and Afghan aircraft more than doubled compared with the same period last year, and attacks on insurgent positions along the border increased. Between January and June, almost 200 Pakistanis were killed in cross-border artillery attacks or bombings.
- Late last year, the Kabul regime temporarily succeeded in suborning Pakistani tribal dissidents in the border area; only by a combination of force and bribery was Islamabad able to quell the resulting uprising. The allegiance of these tribes, however, is notoriously short lived, and Kabul is likely to continue its subversive efforts.
- Enforcement of the ban on poppy cultivation along the Frontier at the start of the early fall crop season is likely to spark protests. Embassy reporting indicates the government has delayed clarifying its policy on this year's crop out of concern for local reaction.

Reporting from the US Consulate in Peshawar suggests that Kabul has largely succeeded in turning local popular opinion against the nearly 3 million Afghan refugees in Pakistan. The government probably hopes its belated steps—measures to restrict the movement of refugees, the formation of special anti-terrorist units, and efforts to retaliate militarily against Afghan air violations—will be enough to shore up public confidence in Islamabad's ability to protect Pakistanis along the border and prevent rising domestic pressure for a peace settlement with Kabul.

Key Indicators To Watch

Most likely scenario: Benazir Bhutto mounts a campaign of "people power" but intensifies pressure in a measured way, and Junejo prevails for the next six months:

- Bhutto and the People's Party organize numerous late summer rallies, but they fall short of creating a regime-threatening crisis atmosphere.
- Army support for Junejo and Zia remains firm.
- The government passes and enforces legislation outlawing activity by the People's Party unless it registers and accepts regulation.
- Counterterrorist measures succeed in building confidence in Islamabad.
- Islamabad portrays enough progress in peace talks with Kabul to stem rising pressure for early and unfavorable settlement.

25X1

Alternative Scenario: Bhutto aggressively presses "street politics," seeking an early confrontation with Junejo, who fails to cope and is replaced:

- Bhutto's late summer rallies ignite widespread antiregime sentiment; other opposition parties collaborate with the People's Party in street agitation.
- Members of the National Assembly defect to the People's Party.
- The economic situation deteriorates, and unemployment among returning expatriates rises, creating greater support for Bhutto's socialist policies.
- Islamic fundamentalist political parties, concerned about Bhutto's leftist and secularist policies, engage in the kind of antiopposition party violence that brought down Benazir's father in 1977.
- Kabul steps up terrorist campaign along the border; the Army becomes increasingly concerned about Bhutto's antirefugee rhetoric and her conciliatory stance toward Kabul.
- The government is unable to contain unrest inspired by the People's Party; the Army steps in to restore order, forcing Zia's departure as Army chief and Junejo's removal as Prime Minister.

25X1

25X1

25X1

Secret

Part 2. Developments and Trends

25X1

The six categories of indicators used in the following charts focus on a broad array of issues that may impact on stability:

- The *social change and 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 attitude and 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 and actions* category focuses on what the government is doing that could lessen popular support, undermine its authority, and affect its ability to govern efficiently.

25X1

Secret

Secret

Mexico :
Selected Instability Indicators

Outlook

Early results from the elections in July indicate the ruling party is continuing its policy of rolling back previous opposition victories in key municipal races. The opposition is charging fraud, and protests are likely as the official results are announced. Elections continue through December, but the prospects for violence during the year will most likely decrease if the government can contain unrest at this juncture. Mexico has a new finance minister, but our concerns about its economic and financial problems remain high.

25X1

Prospects for major regime or policy change

During next six months
During next six months to two years

Indicators	Legend
	○ Negligible concern ● Low concern ● Moderate concern
	● Substantial concern ● Serious concern

		1984				1985				1986	
		I	II	III	IV	I	II	III	IV	I	II
Social change/conflict	Ethnic/religious discontent	○	○	○	○	○	○	○	○	○	○
	Demonstrations, riots, strikes	○									
Economic factors	General deterioration	●	●	●	●	●	●	●	●	●	●
	Decreased access to foreign funds		○	○						●	●
	Capital flight						●	●	●	●	●
	Unpopular changes in economic policies	●	●								
	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					○	○			○	○

309915 8-86

25X1

Secret

Secret

**El Salvador:
Selected Instability Indicators**

Outlook

The timing of President Duarte's proposal to renew a dialogue with leftist insurgents in August appears to have been an attempt to divert public attention from economic problems. Both sides are trying to mobilize popular support, even though neither is optimistic that any significant progress will be made at the talks. The government position probably will focus on integrating insurgents into the democratic process, a proposal the guerrillas have already rejected. Fighting probably will increase as each side tries to strengthen its military position before the talks.

25X1

Prospects for major regime or policy change

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

Indicators	Legend	1984				1985				1986	
		I	II	III	IV	I	II	III	IV	I	II
Social change/conflict	Ethnic/religious discontent	●	●	●	●	●	●	●	●	●	○
	Demonstrations, riots, strikes	●									
Economic factors	General deterioration	●									
	Decreased access to foreign funds										
	Capital flight							●	●	●	●
	Unpopular changes in economic policies							●	●	●	●
	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										

309916 8 86

25X1

Secret

Guatemala:

Selected Instability Indicators

Outlook

The seven-month-old government of President Cerezo has maintained the critical support of the military. We believe the backing results largely from Cerezo's moderate approach to reforming the police and security forces and his consensus style of policy formation. Cerezo's austerity program continues to draw public criticism, however, although protests against rising prices and unemployment have been muted. Continued slow progress in turning the economy around may increase the likelihood of more serious disturbances that could undermine the government.

25X1

Prospects for major regime or policy change

During next six months

During next six months to two years

Indicators

Legend

○ Negligible concern
○ Low concern
○ Moderate concern

● Substantial concern
● Serious concern

		1984				1985				1986	
		I	II	III	IV	I	II	III	IV	I	II
Social change/conflict	Ethnic/religious discontent	○	○	○	○	○	○	○	○	○	○
	Demonstrations, riots, strikes	○	○	○	○	○	○	●	●	●	●
Economic factors	General deterioration										
	Decreased access to foreign funds										
	Capital flight							●	●	●	●
	Unpopular changes in economic policies	○	○	○	○	●	●	●	●	●	●
	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	●									

309917 8-86

25X1

Honduras:
Selected Instability Indicators

Outlook

Our overall concern for stability in Honduras has eased slightly as President Azcona continues efforts to put civilian-military relations on a more even keel. The armed forces high command continues to believe that the President is soft on the left, but there is no evidence that the military's increasingly aggressive covert campaign against suspected subversives in government, labor, and education is targeted against him. Azcona's slow start in reviving the economy probably will continue to undermine his image and may encourage scattered labor strikes in coming months.

25X1

Prospects for major regime or policy change

During next six months
During next six months to two years

Indicators	Legend	1984				1985				1986	
		I	II	III	IV	I	II	III	IV	I	II
Social change/conflict	Ethnic/religious discontent	○	○	○	○	○	○	○	○	○	○
	Demonstrations, riots, strikes	○	○	○	○	○	○	○	○	○	○
Economic factors	General deterioration										
	Decreased access to foreign funds										
	Capital flight										
	Unpopular changes in economic policies	○				○	○	○	○	○	○
	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	○	○	○	○	○	○	○	○	○	○

309918 8 86

25X1

Secret

Panama:
Selected Instability Indicators

Outlook

Prospects in Panama have improved marginally because the military is content with President Delvalle and the opposition has been unable to muster antiregime sentiment. Defense Chief Noriega remains in control, despite press attacks charging him with crimes, including complicity in drug trafficking [redacted]. Opposition calls for Noriega to step down were met with public apathy. Meanwhile, the general staff, the ruling coalition, and Delvalle—who is subservient to Noriega—rallied to Noriega's support. [redacted]

25X6

25X6

25X1

Prospects for major regime or policy change

During next six months

During next six months to two years

Indicators **Legend**

○ Negligible concern ◐ Substantial concern
 ◑ Low concern ● Serious concern
 ◒ Moderate concern

		1984				1985				1986	
		I	II	III	IV	I	II	III	IV	I	II
Social change/conflict	Ethnic/religious discontent	○	○	○	○	○	○	○	○	○	○
	Demonstrations, riots, strikes	○	○	○	○	○				◐	○
Economic factors	General deterioration										
	Decreased access to foreign funds	○	○	○	○	○	○				
	Capital flight	○	○	○	○	○	○	○	○	○	○
	Unpopular changes in economic policies	○	○	○		○	○	○			○
	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	○	○	○	○	○					○

309919 8-86

25X1

Secret

Secret

**Colombia:
Selected Instability Indicators**

Outlook

President-elect Virgilio Barco, who takes office this month, does not appear to face an imminent crisis, but, in our judgment, the largest insurgent group still poses a substantial threat. Tight security prevented major guerrilla disruption of the election in May, but insurgent violence continues at high levels throughout the country. Attacks on rural authorities are increasing, insurgents are extending their influence in the major oil-producing region, and the M-19 insurgent group and its allies continue to challenge government troops in the central mountains.

25X1

Prospects for major regime or policy change

During next six months

During next six months to two years

Indicators

Legend

○ Negligible concern
○ Low concern
○ Moderate concern

◐ Substantial concern
● Serious concern

		1984				1985				1986	
		I	II	III	IV	I	II	III	IV	I	II
Social change/conflict	Ethnic/religious discontent	○	○	○	○	○	○	○	○	○	○
	Demonstrations, riots, strikes			○	○	○					
Economic factors	General deterioration									○	○
	Decreased access to foreign funds										
	Capital flight										
	Unpopular changes in economic policies	○	○					○	○	○	○
	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	○	○	○	○	○	○	○	○	○	○

309920 8-86

25X1

Secret

Venezuela:
Selected Instability Indicators

Outlook

Continuing economic stagnation and a deepening recession—caused largely by the decline of oil revenues—are slowly undermining the government’s popularity and bolstering the political prospects of the opposition for the 1988 election. There have been isolated protest demonstrations—primarily by leftist students—and recent controversy over press censorship. Despite these occasional disturbances, organized labor remains a strong base of support for the ruling party. In our opinion, Lusinchi is unlikely to face major challenges in the final three years of his term.

25X1

Prospects for major regime or policy change

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

Indicators

Legend

- Negligible concern
- Low concern
- Moderate concern
- Substantial concern
- Serious concern

		1984				1985				1986	
		I	II	III	IV	I	II	III	IV	I	II
Social change/conflict	Ethnic/religious discontent	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Demonstrations, riots, strikes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Economic factors	General deterioration				<input type="radio"/>	<input type="radio"/>	<input type="radio"/>				
	Decreased access to foreign funds				<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>			
	Capital flight					<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
	Unpopular changes in economic policies							<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Food/energy shortages	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Inflation					<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Opposition activities	Organizational capabilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Opposition conspiracy/planning	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Terrorism and sabotage	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Insurgent armed attacks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Public support	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Military attitudes/activities	Threat to corporate military interests/dignity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Discontent over career loss, pay, or benefits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Discontent over government action/policies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Reports/rumors of coup plotting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
External factors	External support for government	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	External support for opposition	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Threat of military conflict					<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Regime actions/capabilities	Repression/brutality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Security capabilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Political disunity/loss of confidence	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Loss of legitimacy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

309921 8 86

25X1

Secret

Peru:
Selected Instability Indicators

Outlook

The brutal suppression of prison riots in June, instigated by inmates who are members of Sendero Luminoso, precipitated the most serious crisis in Peru since President Garcia took office a year ago. Amidst rumors of coup plotting, Garcia took disciplinary actions against prison security police but largely avoided reprisals against the military. Nonetheless, we believe that Garcia's ambivalent counterinsurgency policy and propensity to appease leftwing critics have further damaged his credibility with the Army. The state of emergency has failed to curb terrorist acts.

25X1

Prospects for major regime or policy change

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

Indicators

Legend

- Negligible concern
- ◐ Low concern
- ◑ Moderate concern
- ◒ Substantial concern
- ◓ Serious concern

		1984				1985				1986	
		I	II	III	IV	I	II	III	IV	I	II
Social change/conflict	Ethnic/religious discontent	○	○	○	○	○	○	○	○	○	○
	Demonstrations, riots, strikes	◓	◓	◓	◓	◓	◓				◓
Economic factors	General deterioration	◓	◓	◓	◓	◓	◓	◓	◓	◓	◐
	Decreased access to foreign funds	◓	◓	◓	◓	◓	◓	◓	◓	◓	◓
	Capital flight	◓	◓	◓	◓	◓	◓				
	Unpopular changes in economic policies							◓		○	○
	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	◓	◓	◓	◓	◓	○	○	○	○	

309922 8-86

25X1

Secret

**Brazil:
Selected Instability Indicators**

Outlook

President Sarney has maintained high popularity ratings largely because of the immediate, dramatic benefits from his Cruzado economic stabilization plan. The plan's success in curbing inflation has sparked a consumer boom and retains widespread public and political support, despite some muted criticism from the opposition and labor. Sarney also is moving to defuse the explosive land reform issue in order to prevent the left and right from exploiting it in the crucial congressional election in November, which will determine who will rewrite Brazil's Constitution.

25X1

Prospects for major regime or policy change

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

Indicators	Legend
	○ Negligible concern
	○ Low concern
	○ Moderate concern
	◐ Substantial concern
	● Serious concern

		1984				1985				1986	
		I	II	III	IV	I	II	III	IV	I	II
Social change/conflict	Ethnic/religious discontent	○	○	○	○	○	○	○	○	○	○
	Demonstrations, riots, strikes		○	○	○	○					
Economic factors	General deterioration	●									
	Decreased access to foreign funds										
	Capital flight										
	Unpopular changes in economic policies	●	●								
	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								○	○	○

25X1

309923 8 86

Secret

**Argentina:
Selected Instability Indicators**

Outlook

President Alfonsin and his Radical Party retain firm control over the government, while the opposition Peronist Party is in disarray. Nevertheless, we believe that Alfonsin's popularity is gradually eroding because of his inability to resolve the country's most pressing problems. He has not implemented structural reforms that would significantly reduce the government's economic role and lay the foundation for long-term growth. Inflation is beginning to inch up and labor is resorting to more frequent strikes. Relations with the military remain strained over human rights issues.

Prospects for major regime or policy change

During next six months
During next six months to two years

25X1

Indicators

Legend

○ Negligible concern
○ Low concern
○ Moderate concern

⊗ Substantial concern
⊗ Serious concern

		1984				1985				1986	
		I	II	III	IV	I	II	III	IV	I	II
Social change/conflict	Ethnic/religious discontent	○	○	○	○	○	○	○	○	○	○
	Demonstrations, riots, strikes										
Economic factors	General deterioration										
	Decreased access to foreign funds					⊗	○	○	○		
	Capital flight										
	Unpopular changes in economic policies	○	○	○	○	○	○	○			
	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	○	○	○	○	○	○	○	○	○	○

309924 8-86

25X1

Secret

Chile:
Selected Instability Indicators

Outlook

Concern for stability in Chile is growing because President Pinochet, despite some rumblings in the military, seems determined to crush all protests and to avoid political liberalization. The newly formed moderate opposition group, the Civic Assembly, plans additional antiregime protests in the coming months. The purpose is to convince the military that the country is ungovernable under Pinochet's harsh policies and that only a transition to civilian rule can prevent total polarization of the country. Meanwhile, the Communists are expanding their terrorist operations.

25X1

Prospects for major regime or policy change

During next six months

During next six months to two years

Indicators	Legend
	○ Negligible concern
	○ Low concern
	○ Moderate concern
	⊕ Substantial concern
	* Serious concern

		1984				1985				1986	
		I	II	III	IV	I	II	III	IV	I	II
Social change/conflict	Ethnic/religious discontent	○	○	○							
	Demonstrations, riots, strikes										
Economic factors	General deterioration										
	Decreased access to foreign funds			⊕	⊕	⊕					
	Capital flight										
	Unpopular changes in economic policies	○	○	○	○	○	○	○	○	○	○
	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										

309925 8 86

25X1

Secret

**Spain:
Selected Instability Indicators**

Outlook

Prime Minister Gonzalez will see his reelection with an absolute parliamentary majority on 22 June as a mandate to continue his moderate domestic and foreign policies. He is nonetheless likely to press Washington hard in the current bilateral security talks to reduce the US military presence in Spain. Basque terrorism continues to be a considerable, if slowly fading, problem.

25X1

Prospects for major regime or policy change

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

Indicators

Legend

- Negligible concern
- Low concern
- Moderate concern
- Substantial concern
- Serious concern

		1984				1985				1986	
		I	II	III	IV	I	II	III	IV	I	II
Social change/conflict	Ethnic/religious discontent	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Demonstrations, riots, strikes				<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Economic factors	General deterioration										
	Decreased access to foreign funds	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	Capital flight	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	Unpopular changes in economic policies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	Food/energy shortages	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	Inflation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Opposition activities	Organizational capabilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	Opposition conspiracy/planning	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	Terrorism and sabotage										
	Insurgent armed attacks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	Public support	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Military attitudes/activities	Threat to corporate military interests/dignity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	Discontent over career loss, pay, or benefits	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	Discontent over government action/policies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	Reports/rumors of coup plotting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
External factors	External support for government	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	External support for opposition	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	Threat of military conflict					<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
Regime actions/capabilities	Repression/brutality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	Security capabilities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	Political disunity/loss of confidence	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	
	Loss of legitimacy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	

309926 8-86

25X1

Secret

Greece:
Selected Instability Indicators

Outlook

The Greek economy continues to be a problem, but polls show Prime Minister Papandreou's austerity measures have not significantly affected his popularity. He remains firmly in control of his party and faces few real challenges from either the Conservatives or the Communists. Disagreements with Turkey stemming from long-standing Aegean disputes and the Cyprus issue, however, have created a tense atmosphere in the region. Although neither side appears to want a fight, the likelihood that a miscalculation could lead to open conflict has increased.

25X1

Prospects for major regime or policy change

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

Indicators	Legend	○ Negligible concern ◐ Low concern ◑ Moderate concern	◒ Substantial concern ● Serious concern
-------------------	---------------	---	--

		1984				1985				1986	
		I	II	III	IV	I	II	III	IV	I	II
Social change/conflict	Ethnic/religious discontent										
	Demonstrations, riots, strikes										
Economic factors	General deterioration										
	Decreased access to foreign funds										
	Capital flight										
	Unpopular changes in economic policies										
	Food/energy shortages										
	Inflation										
Opposition activities	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										
	Repression/brutality										
	Security capabilities										
	Political disunity/loss of confidence										
	Loss of legitimacy										

309927 8-86

25X1

Morocco:
Selected Instability Indicators

Outlook

King Hassan is coming under increased pressure from radical Arab states for the recent meetings with Israeli Prime Minister Peres but has not suffered an erosion of political support at home. Nevertheless, the talks almost certainly diminished the King's attention to Morocco's pressing financial problems. Morocco has lost access to IMF financial support because of Rabat's inability to meet Fund-suggested economic performance targets. Establishing a new IMF program probably requires even greater budget stringencies, including cuts in politically sensitive food subsidies.

25X1

Prospects for major regime or policy change

During next six months

During next six months to two years

Indicators

Legend

○ Negligible concern
○ Low concern
○ Moderate concern

⊖ Substantial concern
⊖ Serious concern

		1984				1985				1986	
		I	II	III	IV	I	II	III	IV	I	II
Social change/conflict	Ethnic/religious discontent										
	Demonstrations, riots, strikes	⊖									
Economic factors	General deterioration										
	Decreased access to foreign funds										
	Capital flight			○	○						
	Unpopular changes in economic policies										
	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		○	○	○						

309929 8-86

25X1

Egypt:
Selected Instability Indicators

Outlook

Civil disorders waned last quarter, but we believe Mubarak is operating on a very narrow middle ground between an economic and political crisis. The government faces an acute and worsening hard currency shortage that already is hindering its ability to import food and other necessities. We believe Mubarak, to counter this trend, may be forced to impose unpopular austerity measures—including cuts in the near-sacred food subsidies—that risk sparking widespread acts of public discontent. The longer he delays reforms, moreover, the greater the risk of serious unrest.

25X1

Prospects for major regime or policy change

During next six months

☐ *During next six months to two years*

Indicators

Legend

○ Negligible concern
 ◐ Low concern
 ◑ Moderate concern

☐ Substantial concern
 ● Serious concern

		1984				1985				1986	
		I	II	III	IV	I	II	III	IV	I	II
Social change/conflict	Ethnic/religious discontent	○	○	○	○	○					
	Demonstrations, riots, strikes					○				●	☐
Economic factors	General deterioration									☐	☐
	Decreased access to foreign funds						○			☐	☐
	Capital flight				○	○	○				
	Unpopular changes in economic policies	○	○					●	●	☐	☐
	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		○	○	○	○	○	○	○		

309930 8-86

25X1

Sudan:
Selected Instability Indicators

Outlook

Prime Minister Sadiq al-Mahdi, who heads the government formed after the election in April, is still enjoying a relative respite from opposition pressures, but we believe he may face major challenges in the coming weeks unless he makes unexpected progress in consolidating his power. Clear lines of authority among key government figures have yet to be established, and already there are signs of rifts within the coalition. Army morale is dangerously low because of insurgent gains in the south, and efforts to open talks with the rebels have shown little progress.

25X1

Prospects for major regime or policy change

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

Indicators	Legend	Negligible concern				Substantial concern			
		Low concern				Serious concern			
		Moderate concern							

		1984				1985				1986	
		I	II	III	IV	I	II	III	IV	I	II
Social change/conflict	Ethnic/religious discontent			●	●	●	●	●	●	●	●
	Demonstrations, riots, strikes					●	●	●	●	●	●
Economic factors	General deterioration				●	●	●	●	●	●	☉
	Decreased access to foreign funds			●	●			●	●	●	●
	Capital flight									●	☉
	Unpopular changes in economic policies					●	●			●	☉
	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					●					

309931 8-86

25X1

Secret

Saudi Arabia:

Selected Instability Indicators

Outlook

The Saudi Government is firmly in control, but Riyadh remains concerned about Iranian determination to prosecute the war with Iraq and the possible spread of the conflict to the Arabian Peninsula. The Saudi oil policy of defending a greater market share has aggravated tensions with OPEC militants, including Iran, and increased the risk of military action involving Saudi facilities. Meanwhile, oil revenues remain depressed, reduced government spending is affecting the lifestyles of many Saudis, and some criticism of the royal family continues.

25X1

Prospects for major regime or policy change

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

Indicators

Legend

- Negligible concern*
- Low concern*
- Moderate concern*
- Substantial concern*
- Serious concern*

		1984				1985				1986	
		I	II	III	IV	I	II	III	IV	I	II
Social change/conflict	Ethnic/religious discontent										
	Demonstrations, riots, strikes										
Economic factors	General deterioration										
	Decreased access to foreign funds										
	Capital flight										
	Unpopular changes in economic policies										
	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										

309932 8-86

25X1

Secret

Iraq:
Selected Instability Indicators

Outlook

The outlook in Iraq is clouded by economic deterioration and Baghdad's expectation that Iran is preparing a major offensive, possibly as early as late this summer. Baghdad has ordered a large callup of men to brace for this coming trial. We believe that the fighting—if it materializes—will produce heavy casualties that Iraq can ill afford. Such losses would be certain to aggravate the already serious morale decline among the Iraqi public. Nevertheless, Iraq's leaders appear to retain the will and determination to continue waging the war.

25X1

Prospects for major regime or policy change

During next six months

During next six months to two years

Indicators	Legend
	○ Negligible concern
	○ Low concern
	○ Moderate concern
	○ Substantial concern
	○ Serious concern

		1984				1985				1986	
		I	II	III	IV	I	II	III	IV	I	II
Social change/conflict	Ethnic/religious discontent										
	Demonstrations, riots, strikes										
Economic factors	General deterioration										
	Decreased access to foreign funds										
	Capital flight										
	Unpopular changes in economic policies										
	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										

309933 8 86

25X1

Iran:
Selected Instability Indicators

Outlook

Iran is facing severe economic problems, but these do not pose a near-term threat to its stability. Reduced revenues—the result of low oil prices—are forcing factory closures and leaving all but essential food items in short supply. The deteriorating economy is increasing factional strife as radicals and conservatives conduct a bitter public debate over economic policy. Despite economic hardships, however, we have no evidence of open opposition to regime policies. Iran's recent military success has, in our view, softened the impact of austerity and solidified war support.

25X1

Prospects for major regime or policy change

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

Indicators

Legend

- Negligible concern
- Low concern
- Moderate concern
- ◐ Substantial concern
- Serious concern

		1984				1985				1986	
		I	II	III	IV	I	II	III	IV	I	II
Social change/conflict	Ethnic/religious discontent										
	Demonstrations, riots, strikes					●	●				
Economic factors	General deterioration							●	●	●	●
	Decreased access to foreign funds							●	●	◐	◐
	Capital flight					●	●	●	●	◐	◐
	Unpopular changes in economic policies									◐	◐
	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										

309934 8 86

25X1

Secret

Pakistan:
Selected Instability Indicators

Outlook

Our concern for stability in Pakistan in the near term has increased to a substantial level this quarter, prompted in large part by indications that Benazir Bhutto's Pakistan People's Party is gaining strength. Bhutto spent the Ramadan hiatus building up her party's grassroots organization, and the anniversary of the imposition of Zia's martial law on 5 July marked the renewal of her campaign for a new party-based election this fall. The Junejo government's problems have been compounded by law-and-order issues, including Soviet-inspired sabotage in Baluchistan. []

25X1

Prospects for major regime or policy change

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

Indicators	Legend	○ Negligible concern	● Substantial concern
		○ Low concern	● Serious concern
		○ Moderate concern	

		1984				1985				1986		
		I	II	III	IV	I	II	III	IV	I	II	
Social change/conflict	Ethnic/religious discontent	●			○							
	Demonstrations, riots, strikes			○	○			○	○		●	●
Economic factors	General deterioration											
	Decreased access to foreign funds	○	○	○	○							
	Capital flight	○	○	○	○	○	○					
	Unpopular changes in economic policies		○	○	○	○	○					
	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		○	○		○	○	○	○			

309935 8-86

25X1

Secret

Secret

India:
Selected Instability Indicators

Outlook

Prime Minister Gandhi is increasingly portrayed by the Indian press as being on the defensive. Political and security problems with the Sikhs in particular seem to have crowded other problems off his domestic agenda. New Delhi has failed for a third time to implement the territorial transfers called for in last summer's Punjab Accords, and Sikh extremists continue to attack Hindus in Punjab, despite efforts to improve security. Gandhi may return the Army to Punjab to restore order—a move that will exacerbate Sikh disgruntlement within the military.

25X1

Prospects for major regime or policy change

During next six months

During next six months to two years

Indicators

Legend

○ Negligible concern
 ○ Low concern
 ○ Moderate concern

⊛ Substantial concern
 ⊛ Serious concern

		1984				1985				1986	
		I	II	III	IV	I	II	III	IV	I	II
Social change/conflict	Ethnic/religious discontent				⊛	⊛	⊛	⊛		⊛	⊛
	Demonstrations, riots, strikes										
Economic factors	General deterioration			○	○	○	○	○	○	○	○
	Decreased access to foreign funds			○	○	○	○	○	○	○	
	Capital flight			○	○	○	○	○	○	○	
	Unpopular changes in economic policies			○	○	○	○	○	○	○	
	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			○	○	○	○	○	○	○	

309936 8-86

25X1

Secret

Nigeria :
Selected Instability Indicators

Outlook

Rankling social and economic problems continue, in our view, to threaten President Babangida's rule at the end of his first year in office. Student unrest forced the government to mobilize police and military in June, while Christian protests over Nigeria's membership in the Islamic Conference Organization have provoked a Muslim backlash and the danger of widespread communal violence. As oil earnings plunge, the regime has failed to reschedule debts or implement critical economic reforms. The military—a key factor in Nigerian politics—is divided over support for Babangida.

Prospects for major regime or policy change

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

25X1

Indicators **Legend**

○ Negligible concern ● Substantial concern
 ◐ Low concern ◑ Serious concern
 ◒ Moderate concern

		1984				1985				1986	
		I	II	III	IV	I	II	III	IV	I	II
Social change/conflict	Ethnic/religious discontent				●				●		
	Demonstrations, riots, strikes								●		
Economic factors	General deterioration	◐	◑	◑	◑	◑	◑	◑	◑	◑	◑
	Decreased access to foreign funds	◐	◐	◑	◑	◑			◑		
	Capital flight										
	Unpopular changes in economic policies										
	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		●	●	●	●	●	●	●		

25X1

309937 8 86

Secret

Somalia:

Selected Instability Indicators

Outlook

President Siad's brush with death in an automobile accident in May has heightened tensions between rival tribes and sparked jockeying among the leading candidates to succeed him. Vice President Samantar ran the regime during Siad's stay abroad for treatment, but the ruling tribe—including Siad's son and several Army commanders—kept a close watch on Samantar and reportedly considered moving against him if the President died. Samantar performed well, however, and probably will continue to play a central role in government affairs until Siad completes his recovery.

25X1

Prospects for major regime or policy change

During next six months

During next six months to two years

Indicators

Legend

○ Negligible concern
○ Low concern
○ Moderate concern

◐ Substantial concern
● Serious concern

		1984				1985				1986	
		I	II	III	IV	I	II	III	IV	I	II
Social change/conflict	Ethnic/religious discontent										
	Demonstrations, riots, strikes	○	○	○	○	○	○	○	○	○	○
Economic factors	General deterioration	○	○	○	○	○	○	○	○	○	○
	Decreased access to foreign funds					○	○	○	○	○	○
	Capital flight	○	○	○	○	○	○	○	○	○	○
	Unpopular changes in economic policies	○	○	○	○	○	○	○	○	○	○
	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	○	○	○	○	○	○	○	○	○	○

309938 8-86

25X1

Secret

Secret

Kenya:
Selected Instability Indicators

Outlook

Our overall concern about potential instability has abated somewhat following the episode of tribal unrest in April in which supporters of President Moi maneuvered against Vice President Kibaki, senior politician of the influential rival Kikuyu ethnic group. In addition, Kenya's top military position has passed smoothly to an ethnic Somali general whom Moi chose for his professionalism and loyalty. Although the government's economic policies have come under some criticism, we believe the regime is benefiting from high coffee revenues and record harvests.

25X1

Prospects for major regime or policy change

During next six months

During next six months to two years

Indicators

Legend

○ Negligible concern
○ Low concern
○ Moderate concern

● Substantial concern
● Serious concern

		1984				1985				1986	
		I	II	III	IV	I	II	III	IV	I	II
Social change/conflict	Ethnic/religious discontent										
	Demonstrations, riots, strikes	○	○	○	○		○	○	○		○
Economic factors	General deterioration										
	Decreased access to foreign funds	○	○	○	○	○	○	○	○	○	○
	Capital flight	○	○	○	○	○	○	○	○	○	○
	Unpopular changes in economic policies	○		○	○	○	○	○	○	○	
	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	○	○	○	○	○	○	○	○	○	○

25X1

309939 8-86

Secret

Secret

**Zaire:
Selected Instability Indicators**

Outlook

President Mobutu remains in firm control, although he continues to face daunting economic problems. His recent decision to increase civilian and military salaries places the IMF program in jeopardy and reflects his growing frustration with what he sees as the limited result of four years of IMF-supported austerity. Meanwhile, according to the US Embassy, Mobutu remains deeply concerned that Angola is planning to renew support to Zairian dissidents in retaliation for Zaire's support to the National Union for Total Independence of Angola (UNITA).

25X1

Prospects for major regime or policy change

During next six months
During next six months to two years

Indicators **Legend**

○ Negligible concern ● Substantial concern
○ Low concern ● Serious concern
○ Moderate concern

		1984				1985				1986	
		I	II	III	IV	I	II	III	IV	I	II
Social change/conflict	Ethnic/religious discontent										
	Demonstrations, riots, strikes		○	○	○	○	○	○	○		
Economic factors	General deterioration										
	Decreased access to foreign funds	○	○	○	○	○	○	○	○	○	○
	Capital flight	○	○	○	○	○	○	○	○	○	○
	Unpopular changes in economic policies							○	○		○
	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						○	○	○	○	○

309940 8-86

25X1

Secret

South Africa:
Selected Instability Indicators

25X1

Outlook

Substantial violence continues in the black townships, [redacted]
[redacted] The government, nonetheless, retains the backing of the vast majority of whites and has formidable security powers that make a regime-threatening crisis unlikely in the near future. Pretoria is unlikely to ease the harsh security measures it imposed in June; new legislation allows for a de facto state of emergency in any part of the country. In our view, the government now believes it must intensify efforts to reassert its control in the townships if it is to proceed with the limited reform of apartheid. [redacted]

25X1

Prospects for major regime or policy change

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

25X1

Indicators	Legend	○ Negligible concern ○ Low concern ○ Moderate concern	● Substantial concern ● Serious concern
-------------------	---------------	---	--

		1984				1985				1986	
		I	II	III	IV	I	II	III	IV	I	II
Social change/conflict	Ethnic/religious discontent										●
	Demonstrations, riots, strikes	○	○		●	●	●	●	●	●	●
Economic factors	General deterioration		○								
	Decreased access to foreign funds	○	○	○	○	○		●	●	●	●
	Capital flight	○	○	○	○	○	○				
	Unpopular changes in economic policies	○	○				○	○	○	○	○
	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	○	○	○	○	○	○	○	○	○	○

309941 8-86

25X1

Secret

Philippines:
Selected Instability Indicators

Outlook

President Aquino has made progress toward consolidating control by convening a constitutional commission and initiating talks with insurgents. We believe, however, that basic problems such as infighting in the Cabinet continue to hamper her efforts. The recent abortive coup by Marcos loyalists underscores Aquino's dependence on the military. Both foreign and Filipino businessmen probably will continue to withhold investment funds because of concerns over stability. If Aquino fails to sustain the economic recovery into next year, she stands to lose considerable popular support.

25X1

Prospects for major regime or policy change

○ *During next six months*

● *During next six months to two years*

Indicators

Legend

○ *Negligible concern*
 ○ *Low concern*
 ○ *Moderate concern*

● *Substantial concern*
 ● *Serious concern*

		1984				1985				1986	
		I	II	III	IV	I	II	III	IV	I	II
Social change/conflict	Ethnic/religious discontent										
	Demonstrations, riots, strikes									○	
Economic factors	General deterioration	●	●	●	●	●	●	●			○
	Decreased access to foreign funds	●	●	●						○	○
	Capital flight	○	○	○	○	○	○	○	○		○
	Unpopular changes in economic policies	●	●	●	●	●	●			○	○
	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	●	●	●	●	●	●	●	●	○	○

309942 8-86

25X1

Secret

Secret

Indonesia:**Selected Instability Indicators****Outlook**

The rapid decline in oil prices is straining Indonesia's ability to earn foreign exchange and plunging the nation into deeper recession. Foreign donors pledged \$2.5 billion in June, but the amount falls far short of net financial requirements for the fiscal year, which could reach \$5 billion. We believe a failure by the government to foster economic recovery would further alienate the beleaguered business community, worsen already severe unemployment—estimated at 35 percent—and could produce political problems for President Soeharto as next year's national election approaches.

25X1

Prospects for major regime or policy change

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

Indicators**Legend**

- *Negligible concern* ● *Substantial concern*
 ○ *Low concern* ● *Serious concern*
 ○ *Moderate concern*

		1984				1985				1986	
		I	II	III	IV	I	II	III	IV	I	II
Social change/conflict	Ethnic/religious discontent	○	○								
	Demonstrations, riots, strikes	○	○				○	○	○	○	○
Economic factors	General deterioration	○	○	○	○	○	○			●	●
	Decreased access to foreign funds	○	○	○	○	○	○	○	○	○	
	Capital flight	○	○	○	○	○	○	○	○		
	Unpopular changes in economic policies	○	○	○	○	○	○	○	○	○	
	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	○	○	○	○	○	○	○	○	○	○

309943 8-86

25X1

Secret

Secret

South Korea :

Selected Instability Indicators

Outlook

Both the government and the opposition, under public pressure to compromise on the key issue of direct presidential elections, have signaled some flexibility. Both sides are privately pessimistic, however, that an agreement on constitutional reform can be reached. We continue to have substantial concern, therefore, about the prospects for stability. President Chun will try hard to avoid actions that could cast a pall over the Asian Games in Seoul in late September, but a continued impasse on elections could cause the opposition to escalate its campaign this fall.

25X1

Prospects for major regime or policy change

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

Indicators

Legend

- Negligible concern
- ◐ Low concern
- ◑ Moderate concern
- ◒ Substantial concern
- Serious concern

		1984				1985				1986	
		I	II	III	IV	I	II	III	IV	I	II
Social change/conflict	Ethnic/religious discontent	○	○	○	○	○	○	○	○	○	○
	Demonstrations, riots, strikes				●	●	●	●	●	◐	◐
Economic factors	General deterioration	○	○	○	○	○				○	○
	Decreased access to foreign funds	○	○	○	○	○	○	○	○	○	○
	Capital flight	○	○	○	○	○	○	○	○	○	
	Unpopular changes in economic policies	○	○	○	○	○	○				○
	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									◐	

309944 8-86

25X1

Secret

Page Denied

Next 1 Page(s) In Document Denied

Part 4. A Special Retrospective Annex

25X1

Instability Patterns and Trends, 1984-86

This section reviews overall instability trends as published in the Political Instability Quarterly since 1984. During this period, coups or regime changes have occurred in four of the countries covered—Sudan, Nigeria, Panama, and the Philippines. We found that the rankings reflecting our level of concern usually anticipated what actually happened.

The “Danger Zone”

In order to track variations in our level of concern that a country might experience major regime or policy change, we generated a composite blue trend line tracing the analysts' level of concern for each quarter on each country.¹ As an analyst's concern grows (and the blue line rises), the level of instability in a country should be mounting. In preparing this retrospective analysis, we found that change was more likely to be imminent when a country's total score exceeded 65 and the blue line crossed into the area we have labeled the “danger zone.” In Sudan, Nigeria, and the Philippines, the trend line was continuously above 65.

Of the 30 countries covered, about a third are in or approaching the danger zone. Of the remainder, about half showed steadily declining concern, with fluctuating levels of concern reflected in the others.

As of this quarter, *Sudan*, *Nigeria*, and *El Salvador* remain in the danger zone, and *Peru*—which had fallen out—has returned. Recent arrivals in the zone are *Iraq*, *Chile*, and *Guatemala*. Three others—*South Africa*, *Egypt*, and *Pakistan*—are not there yet but are approaching this level of instability.

¹ The composite score represents a weighted total using the following scheme: green (one point), half yellow (two points), yellow (three points), half red (four points), and red (five points). It can range from 24 (if all indicators are green) to 120 (if all indicators are red).

Methodological Notes

The use of half circles to rank indicators was begun in the first quarter of 1986. As a result, some blue trend lines show an abrupt change from 1985 to 1986. The trend dropped markedly in Morocco and Turkey and somewhat less in Colombia and Zaire. The trend increased more sharply than it otherwise would have in Egypt and South Africa. For simplicity of presentation, the yellow and red lines at the bottom of the graph aggregate both half and full circles.

25X1

One indicator—the threat of external military conflict—was not introduced until the first quarter of 1985. We have retroactively ranked this indicator for each quarter in 1984 to keep the number of indicators constant.

25X1

25X1

For the first time in two years *Iran* is now below the zone. *South Korea* had been moving rapidly toward the danger zone in 1985, but developments in the past two quarters have halted the rise. The *Philippines* fell dramatically from the zone following Marcos's departure. Our concern level for other countries like *Brazil*, *India*, and *Zaire* has been steadily declining.

25X1

Several countries, including *Argentina* and *Mexico*, have fluctuated at generally moderate levels of concern. The most stable countries of the 30 monitored in this publication remain *Spain* and *Venezuela*.

25X1

25X1

The countries are presented in the same order as in Part II.

25X1

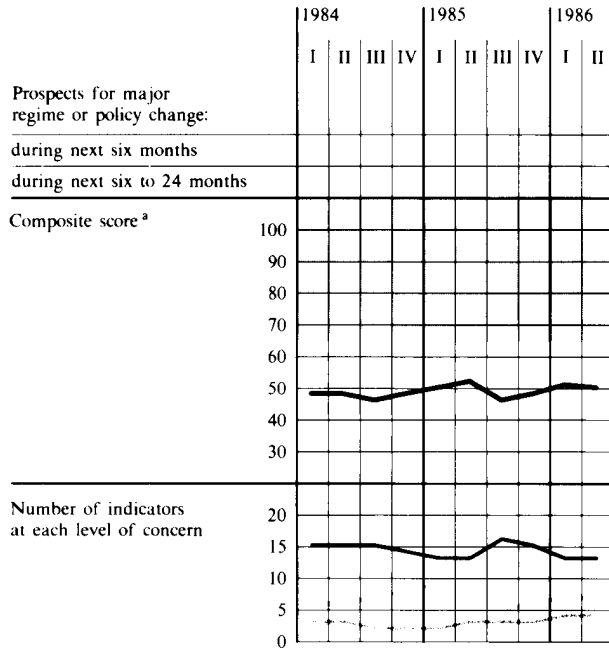
25X1

25X1

25X1

Instability Index

Mexico



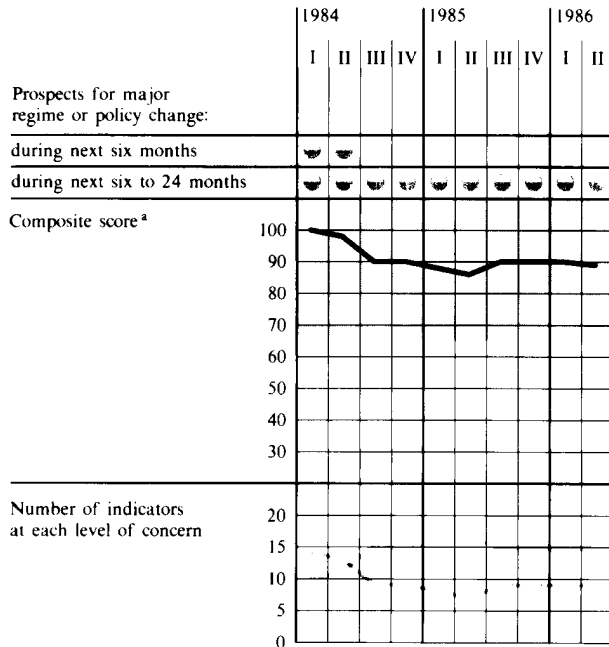
Changes in the economic and electoral arenas have had the greatest impact on our level of concern over stability in Mexico. Concern has grown steadily with a dramatic drop in oil prices and ill-advised economic policies that are causing increased capital flight and decreased access to foreign funds. The trend is moderated, however, by changing levels of concern during new election seasons. While the economic factors have gradually increased concern, variables relating to opposition strength and the regime's ability to control the elections have been more volatile. Concern at the threat of violence rose before the elections in July 1985 and abated when violence was avoided.

25X1

The trend toward greater instability since the third quarter of 1985 indicates the potential for violence during this year's elections and the effects of Mexico's worsening economic situation. Economic factors will remain a key predictor of future unrest, as will indicators of opposition strength and regime capabilities.

25X1

El Salvador



The overall improvement in stability over the last 10 quarters reflects declining concern over military attitudes and external factors as well as some increase in regime capabilities under President Duarte. Since his election in May 1984, Duarte has gained the cooperation of most senior military officers, hastened the decline in political violence, and helped moderate political forces gain strength. Duarte and the armed forces also have kept the insurgency on the defensive, and guerrilla credibility and support have fallen sharply. The slight increase in our concern since mid-1985 is largely attributable to greater public discontent—which is still manageable—with Duarte's economic policies.

25X1

The high trend line reflects continuing concern about stability and about the eventual impact of economic discontent, opposition activities, and security force capabilities. Key indicators of impending change would be military attitudes and activities, leftist opposition activities, and regime actions.

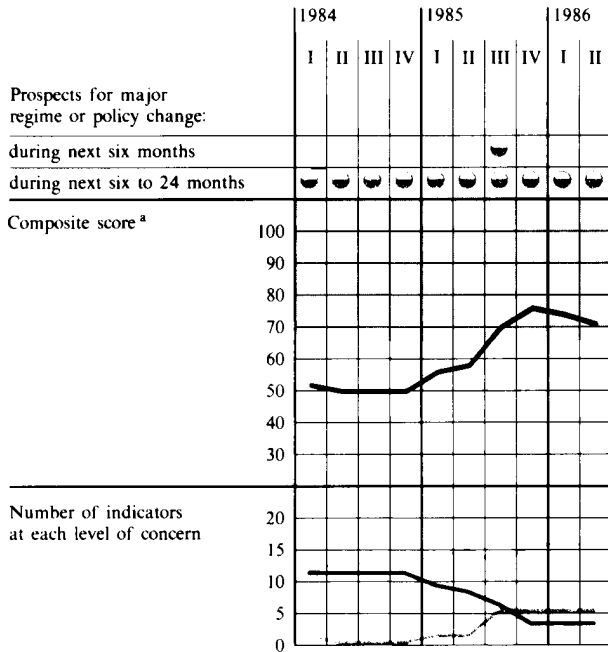
25X1

^a The shaded area above 65 is the "danger zone":



Instability Index

Guatemala



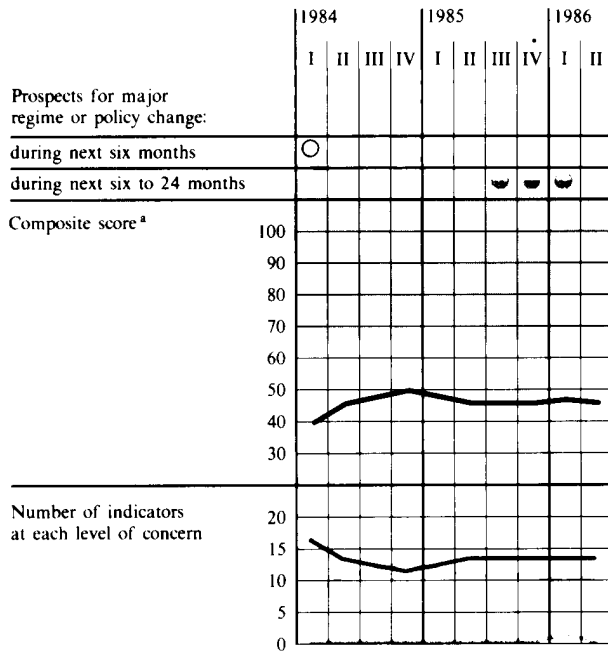
The trend toward rising instability in Guatemala through the end of 1985 mirrored the uncertainty over the transfer of power from military to civilian rule. Violent demonstrations and coup plotting over economic policies and rising consumer prices sharply boosted our level of concern in mid-1985. Since President Cerezo was elected last December, instability has improved, but remains high. []

25X1

Cerezo's emphasis on consensus and his support for the military's counterinsurgency program have gained him cooperation from the armed forces, but he still must exert civilian control over the security forces. The declining economy remains a problem, and Cerezo will need to follow through on his austerity program and better manage discontent. The most important indicators for monitoring Guatemalan stability will continue to be economic conditions, military attitudes and actions, and regime capabilities. []

25X1

Honduras



The higher concern for political stability in Honduras in 1984 reflected the growing propensity of an emerging group of military officers to become involved in civilian politics. After forcing out former military chief Alvarez in March 1984, these officers meddled in a Cabinet reshuffle. In 1985 several were sympathetic to former President Suazo's plans to disrupt the election, and in February 1986 they removed former military head Lopez. We believe the politicized Honduran colonels are not deeply committed to the democratic process, and we expect rumors of a coup against President Azcona to continue. []

25X1

We believe that the military will continue to play a critical role in shaping Honduran politics. The country's poor economic conditions, government disunity and incompetence, and opposition capabilities warrant moderate concern, but these areas have remained largely static since 1984. []

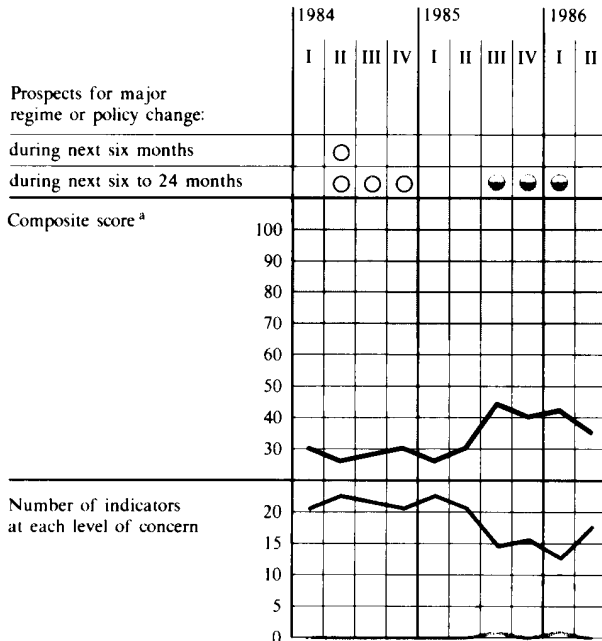
25X1

^a The shaded area above 65 is the "danger zone"

Secret

Instability Index

Panama



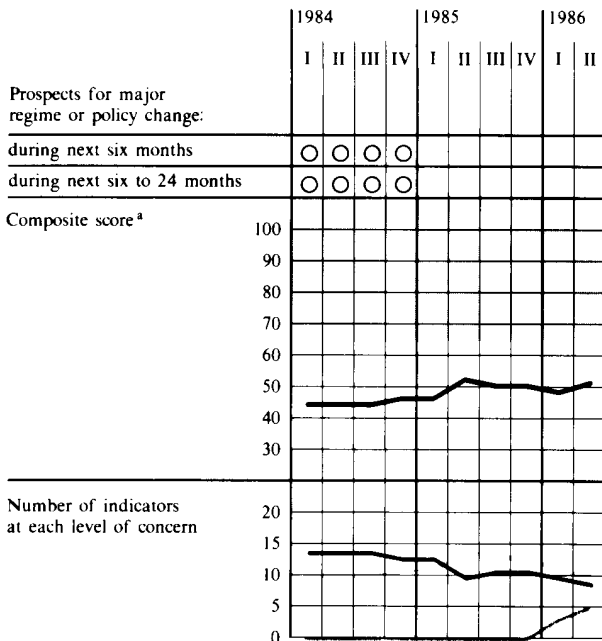
Concern about instability in Panama generally was low until early 1985, with changes attributable to shifts in military, regime, and economic indicators. The abrupt jump in concern in the middle of the year reflected the military's dissatisfaction with President Barletta's performance, fallout from the murder of regime opponent Hugo Spadafora, and Barletta's ouster in September for failing to support the military against calls for an independent investigation.

25X1

Our declining level of concern in 1986 reflects Panama's improved stability. Delvalle's subservience to Noriega has enhanced the prospects of Delvalle's completing his term, and a general strike called in March was unsuccessful. Key indicators of future instability would be military discontent and political disunity within the regime.

25X1

Colombia



Colombia's relatively stable political system has long survived chronic violence by several major insurgent groups. Slowly rising levels of concern reflect gradually building opposition activities, continuing economic problems, and declining security forces capabilities. Heightened concern in mid-1985 was attributable to the M-19 insurgent group's withdrawal from a government truce and to labor unrest. United insurgent actions and growing evidence of narcotics involvement by guerrilla groups underlie the current upward trend in concern for opposition and regime capability indicators.

25X1

We expect the trend toward greater instability to continue. The M-19, which spearheaded the formation of a rural guerrilla coalition, remains active in rural and urban areas, and the largest insurgent group, the Revolutionary Armed Forces of Colombia, has exploited its nominal truce with the government, to continue arming and recruiting. An improved financial situation has balanced social concerns, and, unless a longstanding territorial dispute with Nicaragua intensifies, opposition factors are likely to remain the major indicators of instability.

25X1

^a The shaded area above 65 is the "danger zone":



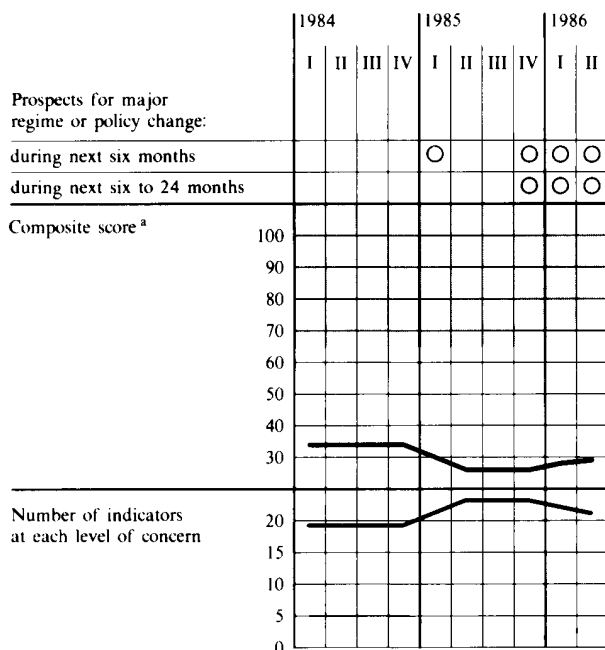
Secret

25X1

Secret

Instability Index

Venezuela



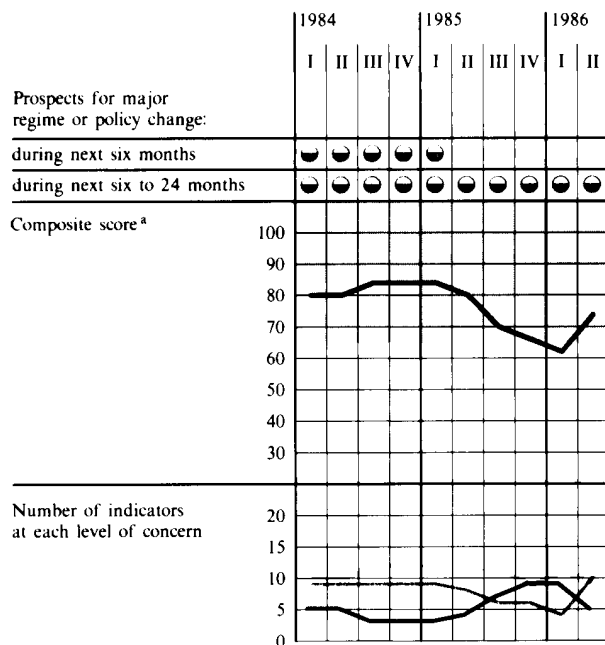
Venezuela is South America's most stable democracy, and we expect it will remain so. The drop in concern for instability that occurred at the end of 1984 reflected the popularity of the newly elected Lusinchi administration. Growing economic difficulties and diminishing public support since the beginning of this year have renewed pressures on the regime, and the democratic opposition is gaining in popularity. Moreover, former President Carlos Andres Perez—who heads a dissident faction of the ruling Democratic Action Party—is adding his own criticism to enhance his prospects for reelection in 1988.

25X1

While a deepening recession is undermining the ruling party's political prospects and President Lusinchi's ability to ensure his party's nomination in 1988, we believe the democratic system will remain intact. Economic factors will continue to be the main source of pressure on the regime.

25X1

Peru



The high level of instability in Peru in 1984 and early 1985 largely reflected a stagnating economy, a spreading insurgency, and diminished confidence in the regime's capabilities. The election of charismatic President Alan Garcia in April 1985 and his implementation of populist economic measures bolstered public confidence, but officers remain chary of Garcia's human rights policies and doubt his determination to eradicate the growing insurgency. Instability surged again last quarter after the aborted prison takeover by terrorist inmates, the summary execution of prisoners by the security forces, and rumors of coup plotting.

25X1

Garcia's current popularity probably will discourage a military move to oust him, but we believe his government has become more vulnerable. Key indicators of instability in the near term will be military attitudes and regime capabilities, with opposition and economic pressures continuing to challenge the regime.

25X1

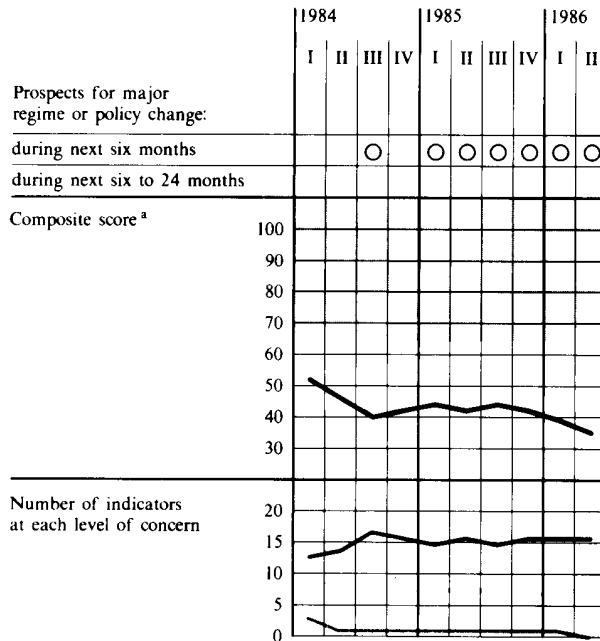
^a The shaded area above 65 is the "danger zone".

Secret

25X1

Instability Index

Brazil



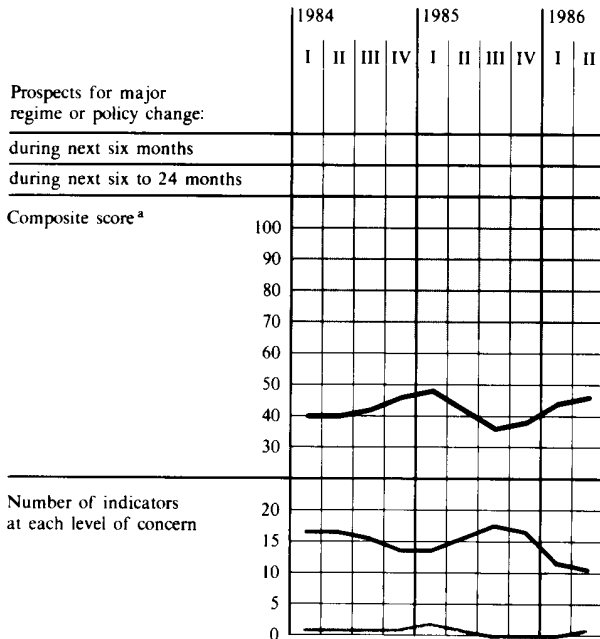
Brazil has enjoyed considerable stability in the past two years despite a complex transition from military to civilian rule. Rising concern in late 1984 and in the second quarter of 1985 reflected, respectively, waning public confidence in the outgoing regime and the unexpected death of President-elect Neves. Concern has declined steadily since then as the new regime's legitimacy has grown. President Sarney kept the transition process moving, and Brazil's economic growth last year was the highest in the world. [redacted]

25X1

Since taking office Sarney has not been threatened by coup plotting or significant unrest. His administration also confronted the country's main economic problem—hyperinflation—with a shock program last February. While the government appears to be on good footing, economic and regime indicators will remain the most powerful predictors of instability. [redacted]

25X1

Argentina



The shifting trends in levels of concern for Argentina reflect changes in the economy and in the public's confidence in the regime's ability to manage it. Concern over Alfonsin's poor handling of the economy in late 1984 and early 1985 was arrested when he implemented a major reform program in June 1985. The program halted spiraling inflation and dramatically boosted Alfonsin's popularity but began to run out of steam in early 1986. Moreover, the unresolved issue of human rights trials for the military continues to threaten the long-term stability of the government. [redacted]

25X1

In Argentina, the threat of a military coup—though currently faint—is ever present. Powerful predictors of such an event would include a severe deterioration of one or more of the economic indicators, combined with heightened military discontent over government policies. Less likely, but still possible, would be a coup precipitated by a threat to corporate military interests. [redacted]

25X1

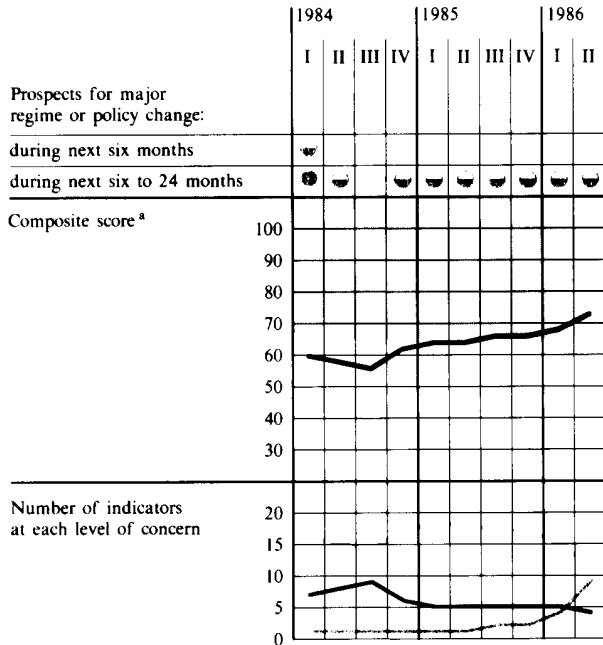
^a The shaded area above 65 is the "danger zone".

[redacted]

Secret

Instability Index

Chile



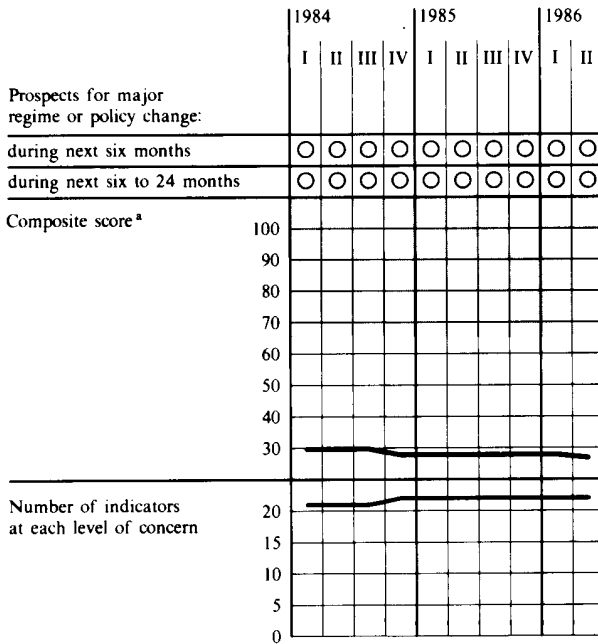
The instability indicators for Chile reflect a gradually rising trend in popular dissatisfaction with the Pinochet regime and persistent protest actions by both moderate opposition groups and the far left, which now are collaborating more closely than in recent years. The indicators also illustrate growing anxiety within the government and the military over Pinochet's intransigence as well as concern about whether and when power will be transferred to civilians. The slight dip in instability in mid-1984 largely reflected a decline in protest activity.

25X1

The rises in the trend lines and prospects depict a gradual polarization of society during the past year or so. There have been recent large-scale, violent, antiregime demonstrations, and leftist terrorist activity—consisting mainly of harassing actions—has surged in 1986. The most useful indicators in forecasting instability have been those tracking the opposition's organizational capabilities and the attitudes of the military toward government policies. Those concerning terrorism and demonstrations, while accurately reflecting levels of activity, have been less helpful in making projections.

25X1

Spain



Spanish democracy has taken root, as indicated by our negligible level of concern over prospects for instability. The great bulk of the citizenry favors moderation, rewarding middle-of-the-road parties while banishing antidemocratic extremists to the political margins. The principal threat to democracy—Basque terrorism—is gradually receding because of increasing Basque acceptance of home rule, better police work, and cooperation with the French. The other remaining problem is the internal conflict within the political center right. An effective alternative to Prime Minister Gonzalez's Socialist Party is not likely to emerge, however, for several more years.

25X1

Despite real and continuing problems, Spain has remained stable. The paucity of warning signs of instability has been a good predictor that the moderation in the country's political life will continue. Indicators of growing unrest would be an upsurge in terrorism and declining regime capabilities.

25X1

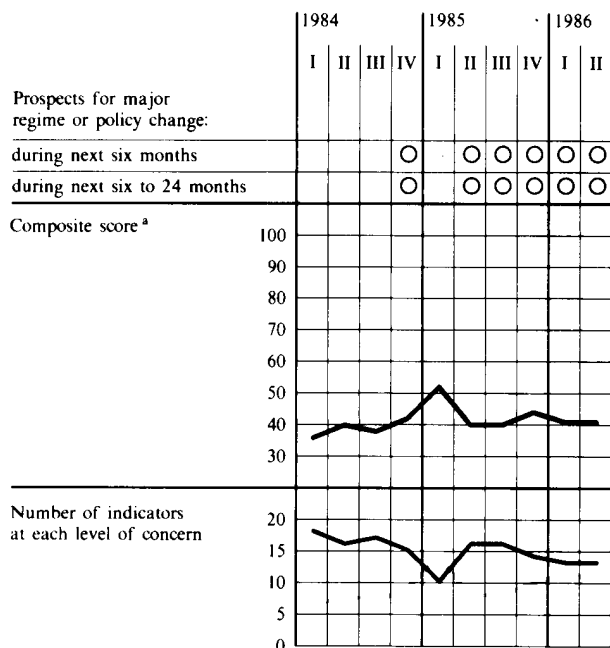
^a The shaded area above 65 is the "danger zone"

Secret

25X1

Instability Index

Greece



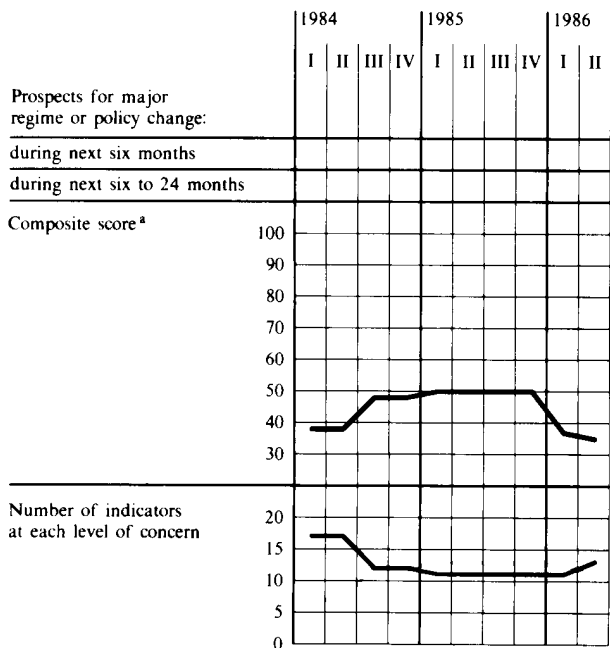
Fluctuating concern for stability in Greece through 1985 reflected political uncertainties before last June's national election and its persistent economic problems. Tensions peaked in the first quarter of 1985 when Prime Minister Papandreou unexpectedly replaced President Karamanlis with a politically unknown jurist, adding credibility to reports of military and public unrest. Subsequently, Papandreou's strong finish in the election and the solidifying of his position justified reducing our level of concern. Concern levels began to climb again as the economy continued to deteriorate in late 1985, but the successful implementation of an austerity program last fall has eased them somewhat.

We see little likelihood of a regime change over the medium term, but instability could grow if austerity fails to turn the economy around or if conflict erupts with Turkey. The key indicators to watch are economic, opposition, and external factors.

25X1

25X1

Turkey



Events in 1984 raised serious concerns about the prospects for Turkey's newly elected civilian government, as reflected in the indicators. A spate of economic problems—primarily a surge in inflation—provoked discussion among the political opposition about holding a new election to replace the administration. Concern over possible military involvement also grew. Separatist terrorism in the southeastern Kurdish region intensified, and reports circulated that officers were pressing the government to eliminate rightwing extremists from the ruling party.

Our level of concern has dropped as inflation declined and rumblings from the military subsided. Moreover, reports appeared that a working relationship based on mutual respect was developing between the civilian prime minister and the retired general—and former military junta leader—serving as president. The trends have reflected the primacy of economic factors for stability in Turkey, while highlighting the significance of internal security issues as a major concern.

25X1

25X1

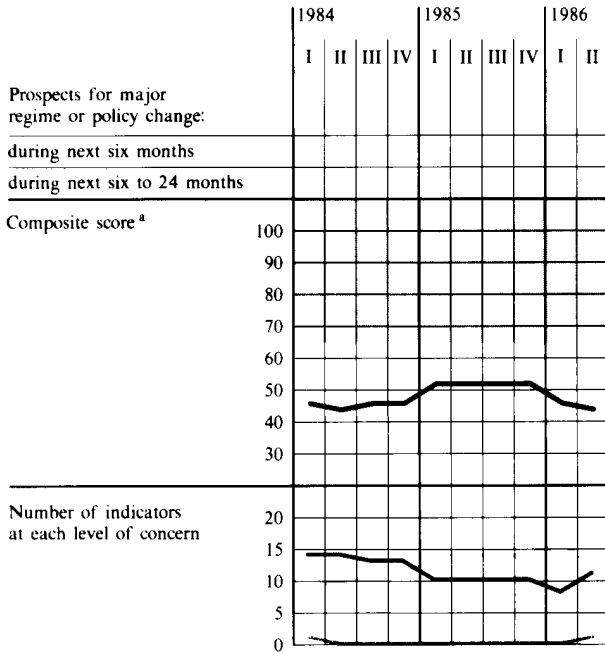
^a The shaded area above 65 is the "danger zone".



Secret

Instability Index

Morocco



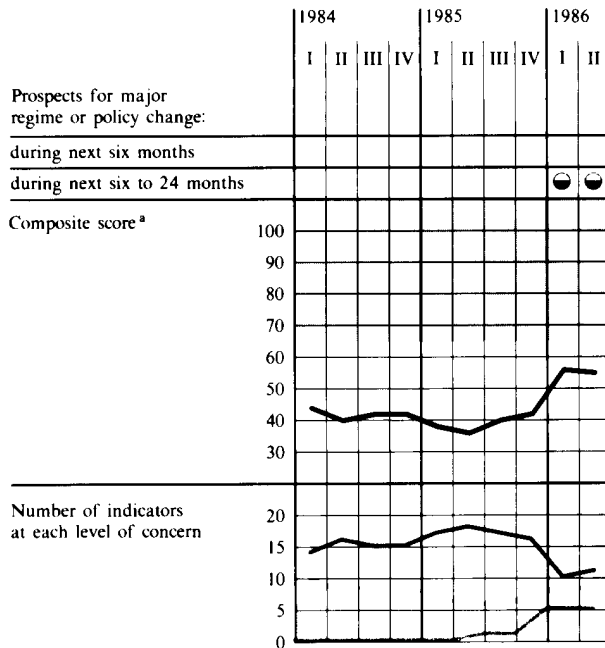
The slight rise in instability in 1985 is primarily a reflection of economic deterioration and financial decline. Severe droughts in several of the past five years have crippled agriculture—a key source of employment and hard currency—and have put added pressure on imports. In addition, the cost of the continuing conflict in Western Sahara—perhaps as much as \$500,000 per day—has reduced funds urgently needed to modernize the country's agricultural, industrial, and military sectors.

25X1

The trend line mirrors the general level of stability in Morocco because of the unique position of the King as the country's religious, military, and political leader. His ability to co-opt the opposition and maintain tight control of the military has resulted in a stable regime. Economic indicators have been—and are likely to remain—the key predictors of social change and low-level discontent in the military.

25X1

Egypt



The composite instability score for Egypt has been increasing steadily since the second quarter of 1985. The index has been driven upward in particular by our growing concern over social and economic factors—including unpopular changes in taxes, subsidies, or price controls. Recently, we also have become concerned about diminishing confidence in President Mubarak's ability to provide strong leadership and the increasing likelihood of strikes and demonstrations protesting economic austerity measures.

25X1

A series of events since late 1985—the Israeli raid on the PLO headquarters in Tunis, the US interception of the Achille Lauro hijackers, and the Egyptair hijacking—has kept the Mubarak regime off balance and eroded popular confidence in the President. Our concern over economic factors also has grown this year as the precipitate drop in world oil prices accelerated Egypt's general economic deterioration and hastened the need for austerity and reform. Rioting in February by the economically deprived security police raised the prospect of more widespread unrest if standards of living continue to erode. Further deterioration in social, economic, and regime factors is most likely to signal an impending regime change.

25X1

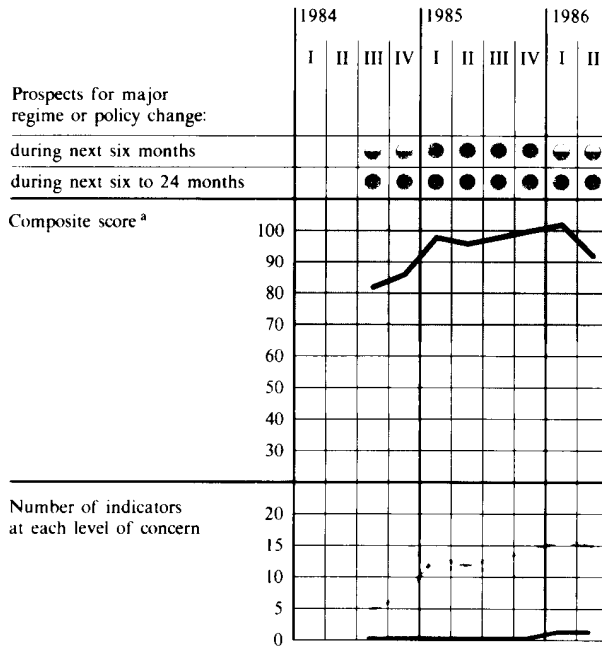
^a The shaded area above 65 is the "danger zone".

Secret

25X1

Instability Index

Sudan



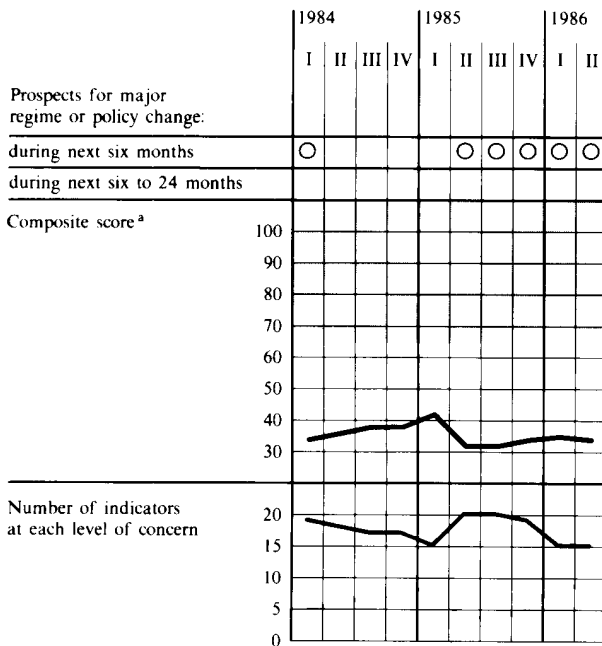
The steeply rising composite instability score for Sudan in the latter part of 1984 and early 1985 reflected a serious deterioration in economic, political, and social conditions. In early 1985 the regime of President Nimeiri faced an increase in insurgent activity, a sagging economy, and unrest sparked by food and energy shortages—making the regime increasingly vulnerable to a coup. On 6 April 1985, Nimeiri was toppled after 16 years in power. []

25X1

The concern level for stability in Sudan dipped slightly in this quarter because the Sudanese military delivered on its promise of an election in April and the new civilian regime has had a brief respite from opposition activities. Nonetheless, the combined weight of the economic, social change, and military indicators—which have proved most important for Sudan in the past—remains formidable. []

25X1

Saudi Arabia



The Saudi Government remains secure but has experienced two periods of heightened uncertainty. The first, spanning the last three quarters of 1984, was largely because of external factors—the continuing Iran-Iraq war and tension with Iran after the Saudis shot down an Iranian plane. The increase apparent in the last three quarters of 1985 reflects the domestic pressures produced by a dramatic change in Saudi oil policy in August 1985, continuing concern about the financial situation in the kingdom, and growing tensions with OPEC militants Iran, Libya, and Algeria over Saudi oil policy. []

25X1

The overall trend lines reflect the relative stability of Saudi Arabia. The two most powerful indicators of instability in the kingdom are economic factors and regime actions and capabilities. Others appear less significant—visible internal opposition is nearly nonexistent, and there is little evidence of social unrest or conflict. []

25X1

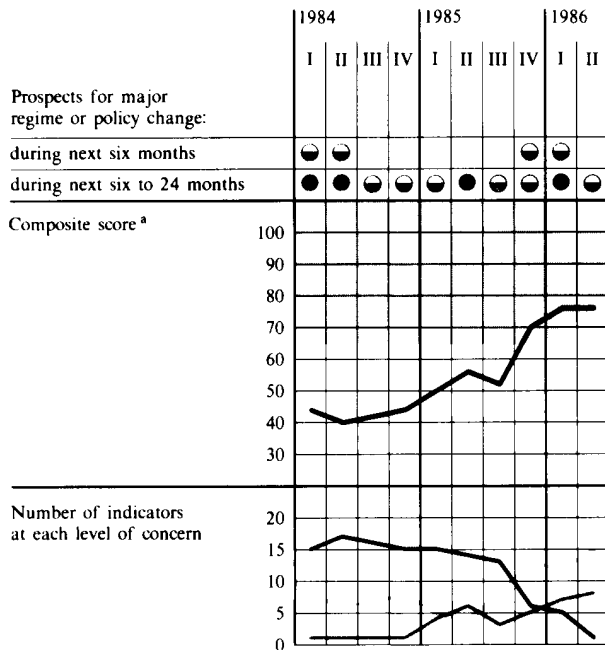
^a The shaded area above 65 is the "danger zone".

[]

Secret

Instability Index

Iraq



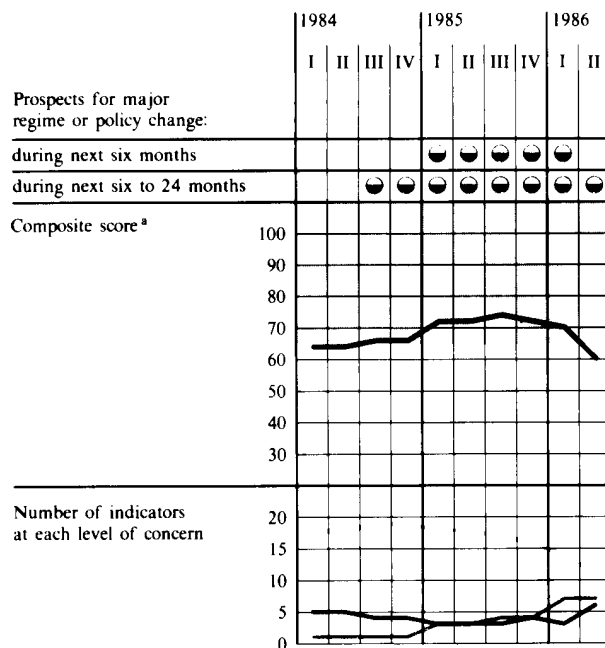
Iraqi stability has deteriorated as the costs of the war with Iran have grown. Increasing casualties, lackluster military performance, and economic austerity—exacerbated by the drop in oil prices—are serious problems that the regime has been unable to resolve. Fluctuations in the levels of concern for the indicators and the prospects also reflect the regime's changing fortunes against the Kurdish insurgency. [redacted]

25X1

There have been no changes in regime thus far, and our concern varies according to Iraq's success on the battlefield. Over the near term, we expect Saddam Husayn to remain in power. The strongest indicators that his position is threatened would be further decline in the economy, regime capabilities, and military support. [redacted]

25X1

Iran



Concern about instability in Iran grew through late 1985, primarily reflecting the deteriorating economy and the decline in Khomeini's health. The sharp increase at the beginning of 1985 reflected reports that Khomeini was increasingly incapacitated and no longer able to supervise government affairs closely. Strikes also occurred, and there were widespread demonstrations against the war and the regime following Iran's failed offensive that spring. [redacted]

25X1

Our concern over the antiregime demonstrations and setbacks in the war has been balanced by our appraisal that the regime has considerable resiliency. The indicators we believe to be the most powerful predictors of instability—political disunity following Khomeini's death or incapacitation, a crushing defeat in the war, or a crippling blow to the economy—have not yet occurred. The likelihood that one or more of these will take place still inclines us to view the long-term prospects for stability with substantial concern. [redacted]

25X1

^a The shaded area above 65 is the "danger zone".

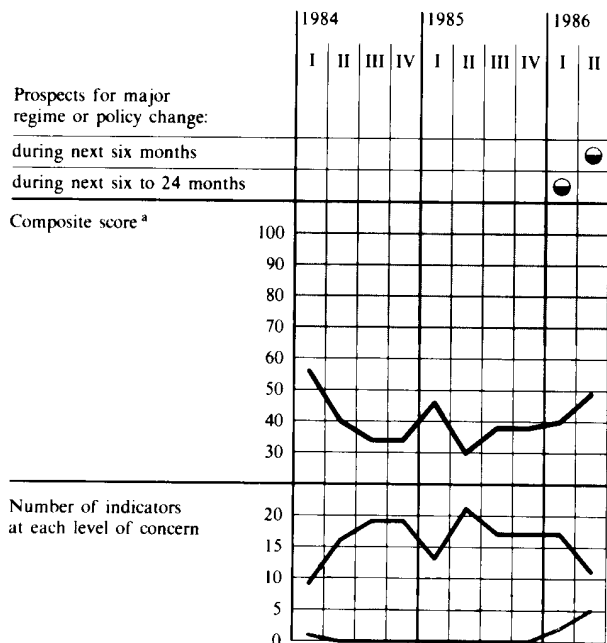
Secret

25X1

Secret

Instability Index

Pakistan



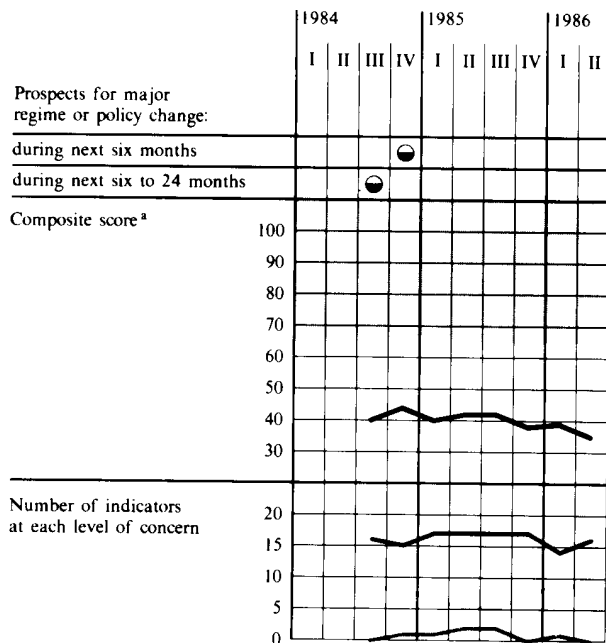
The sharp fluctuations in our levels of concern regarding instability in Pakistan generally reflect variations in ethnic tensions and opposition factors. The sudden rise in early 1985 tracked with ethnic unrest in Sind Province in 1984 and in 1985 with elections for the national and provincial assemblies. Popular criticism about the economy also has been a fairly constant source of concern despite generally favorable conditions. Military factors—specifically coup plotting—grew in importance toward the end of martial law in December 1985. The sustained rise in instability since then largely reflects the development of a serious opposition movement.

25X1

The levels of concern generally have mirrored our knowledge of the Zia regime's own perceptions of events, including relatively high concern about the March 1985 polls—elections in Pakistan traditionally are associated with unrest and coups. We believe indicators of opposition activity and social factors will continue as key predictors of unrest.

25X1

India



Stability in India has fluctuated as social and opposition factors—relating chiefly to the Sikhs—have varied. The intensified activities of moderate and extremist Sikhs following the attack on their shrine culminated in the assassination of Indira Gandhi in October 1984, and brought instability to its peak. Levels of concern dropped with the relatively smooth transition of power but rose again in mid-1985 when Rajiv Gandhi returned Punjab to the Sikhs.

25X1

Despite the continuing Sikh problem, prospects for change in India have been low to moderate since the first quarter of 1985. Because of India's diversity and large size, serious disturbances in one part of the country, such as Punjab, may not affect national stability. Nonetheless, indicators of social change and conflict have proved powerful predictors of instability in India. We believe the near-term threat to Gandhi comes from ethnic and sectarian conflicts that challenge the nation's secular leaders and institutions. They already have infected the military and weakened the security capabilities of the regime.

25X1

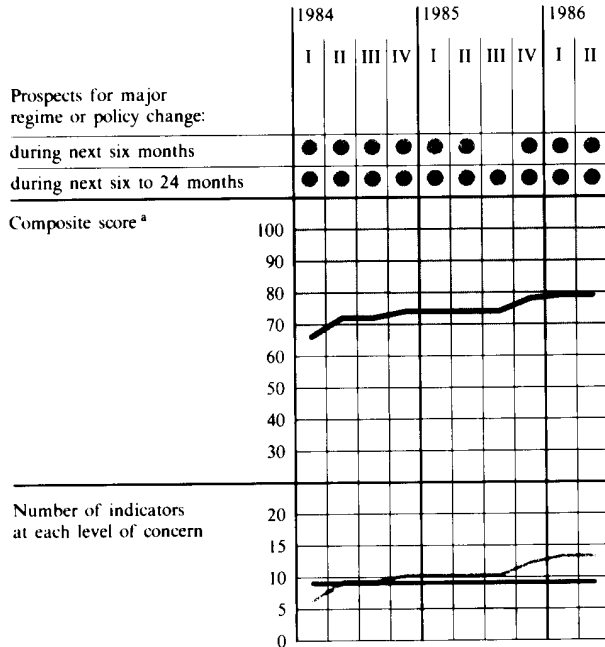
^a The shaded area above 65 is the "danger zone".

25X1

Secret

Instability Index

Nigeria



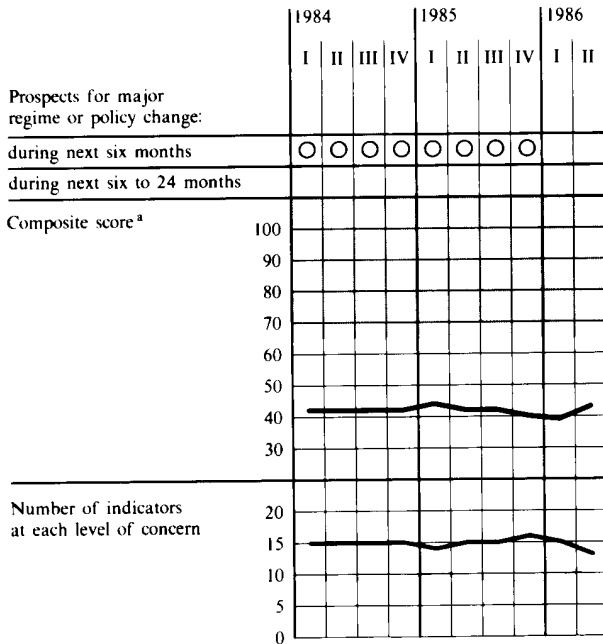
Indicators of instability over the past two years have forecast high and increasing instability for Nigeria's central government. We attribute this trend to a sharp deterioration of the national economy, profound discontent among the military, and widespread popular skepticism over Lagos's power or ability to unify the country's factionalized population and restore its economic prosperity. By early August 1985 ethnic and generational divisions in the military also were intensifying. [redacted]

25X1

A military coup replaced the Lagos government on 27 August 1985, but the anticipated honeymoon was short lived. Plunging oil prices further depressed the economy, and factionalism and violence over regional and religious differences have mounted. Opposition capabilities remain weak, leaving Babangida highly vulnerable to a challenge from the military. Coup rumors have resurfaced, and we expect instability to remain high this year and next. [redacted]

25X1

Somalia



Somalia has remained fairly stable over the past two years, with occasional fluctuations reflecting changing levels of tribal infighting. However, our concern has increased this year because of President Siad's eroding tribal support base, growing military dissatisfaction with the level of US assistance, and chronic economic stagnation. Moreover, Siad's strategy for keeping power—rewarding loyal clan supporters with political and economic privileges while dividing and repressing those opposed to him—is showing signs of strain as he ages and his opponents gradually multiply. Nevertheless, his opponents remain isolated, and Siad maintains the support of the military and the police—the key domestic pillars of his regime. [redacted]

25X1

The most powerful indicators of instability in Somalia have been military, regime, and social factors. Peaks in the trend line usually have corresponded to coup plotting and sporadic tribal clashes. We believe ethnic and religious discontent merits the closest watching because tribalism and intertribal violence—both endemic to Somali society—reflect Siad's ability to manipulate the clan rivalries and, consequently, the general level of political stability. [redacted]

25X1

^a The shaded area above 65 is the "danger zone".

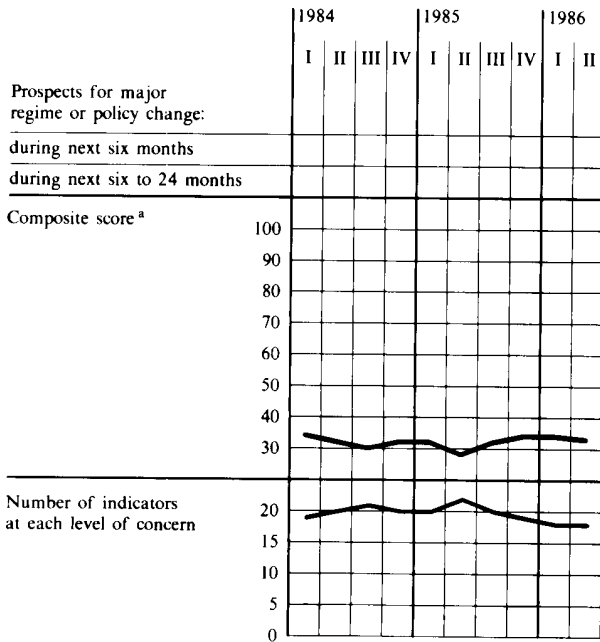
Secret

25X1

Secret

Instability Index

Kenya



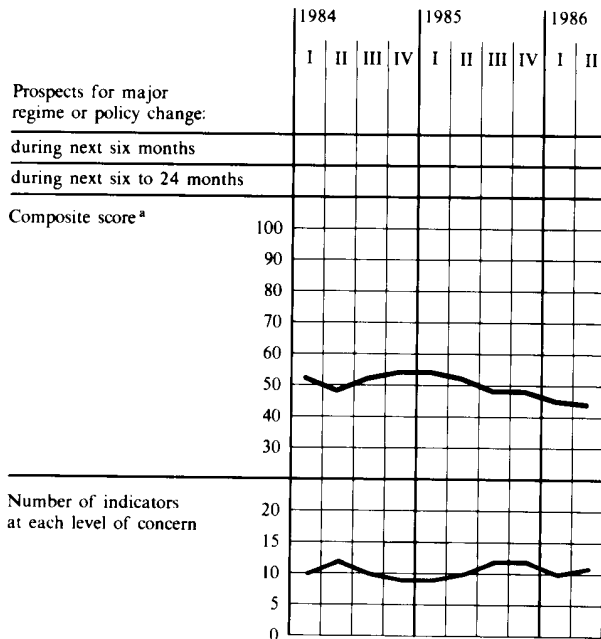
Kenya has been relatively stable for the past two years, and the regime remains strong. Most changes in our level of concern have been due to fluctuations in the political opposition and military indicators, although economic and social factors also have played a role. The decline during the second quarter of 1985 can be attributed largely to ebbing tensions at the University of Nairobi and to agricultural revival following the 1984 drought. The subsequent upward trend in our level of concern reflected discontent within the armed forces over pay, benefits, and politicization of the military by President Moi, as well as reports of antiregime plotting.

25X1

There have been no major disturbances or coup attempts in this period, but we remain concerned about the longer term implications of the persistently high rate of population growth. We believe that military attitudes toward the regime and opposition planning—particularly activity motivated by ethnic tensions and linked to the armed forces—would be key predictors of heightened instability in Kenya.

25X1

Zaire



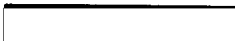
Zaire has been relatively stable, with most changes the results of economic factors and opposition activities. Concern grew in late 1984 in anticipation of popular protests against a harsh austerity program and in response to the first attack by Tanzania-based rebels since the late 1970s. The slight fluctuations in the trend line since then reflect waxing and waning protests over continuing economic problems and concern over the potential for Libyan-supported terrorism and rebel attacks.

25X1

We believe President Mobutu's political supremacy will be unchallenged for the near term. Key indicators of future instability are likely to be protests over declining economic conditions and diminishing regime capabilities.

25X1

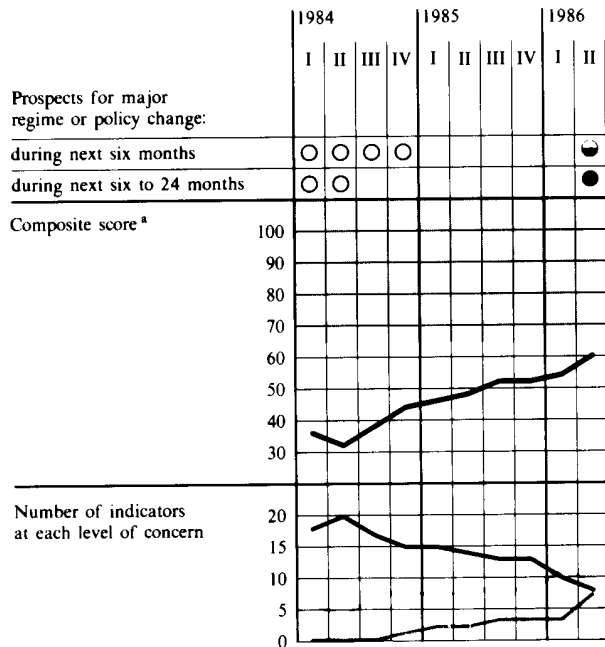
^a The shaded area above 65 is the "danger zone":



Secret

Instability Index

South Africa



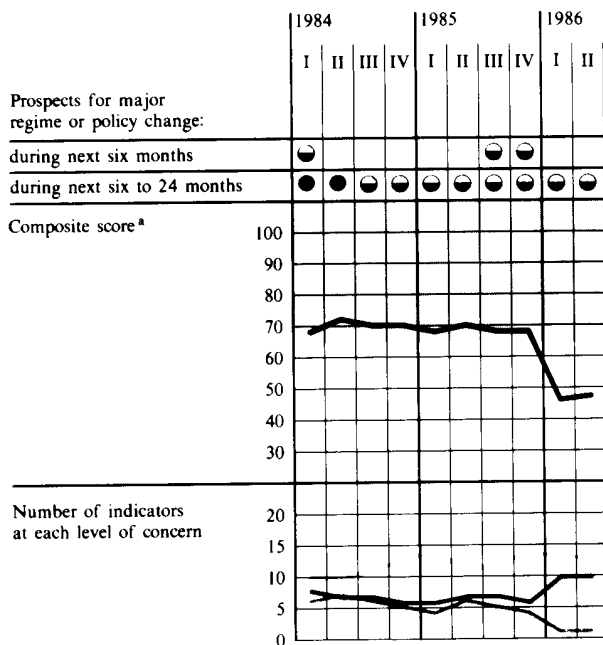
Social change and conflict factors largely have been driving South Africa's instability indicators to higher levels of concern since 1984. Concern about deteriorating conditions began to grow in late 1984 with the onset of unrest in South Africa's black townships. It has continued to rise, reflecting increasingly aggressive black protests, clashes with the security forces, and the growing politicization of black labor unions.

Levels of concern also have grown somewhat in most other areas. Attacks by African National Congress guerrillas have become more frequent and indiscriminate, Pretoria's security measures have grown increasingly harsh, and South Africa has become more isolated politically and economically—especially in its access to foreign funds. The only indicator for which concern has not increased is military attitudes, which remain a key source of government strength. Although we expect a further deterioration of social, economic, and political conditions, we believe a significant worsening of the regime capabilities indicators would be necessary before dramatic political change would occur.

25X1

25X1

Philippines



Concern for stability in the Philippines was substantial throughout 1984 and 1985, reflecting the crisis of confidence that developed in recent years under former President Marcos. During much of this period, however, Marcos's opponents still were fragmented. Three indicators appear to have been especially important in galvanizing Marcos's adversaries in February 1986—a growing perception by many Filipinos in the political center that the Marcos regime was repressive and unjust, growing discontent within the military, and an alarming increase in Communist activity. Concern about each of these issues increased as early as mid-1985, setting the stage for subsequent events that triggered Marcos's downfall.

Stability has improved markedly since President Aquino took office, but she still must resolve problems posed by the insurgency, opposition by Marcos sympathizers, and the economy. In the near term, we believe military attitudes will be crucial indicators of her ability to consolidate power.

25X1

25X1

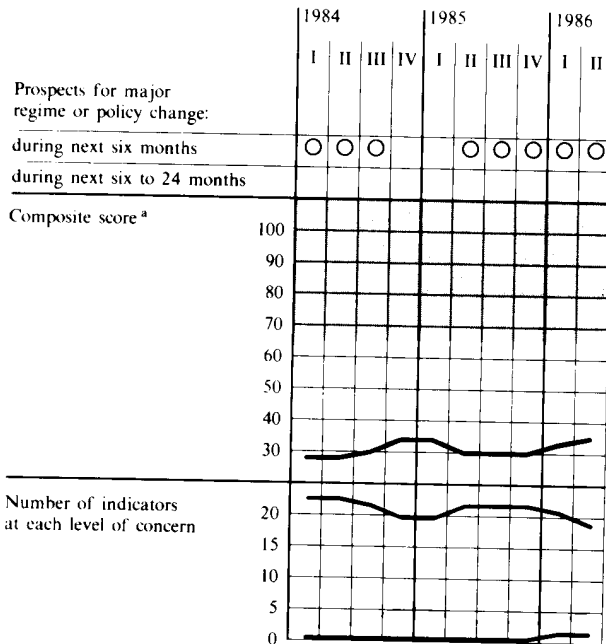
^a The shaded area above 65 is the "danger zone".

Secret

25X1

Instability Index

Indonesia



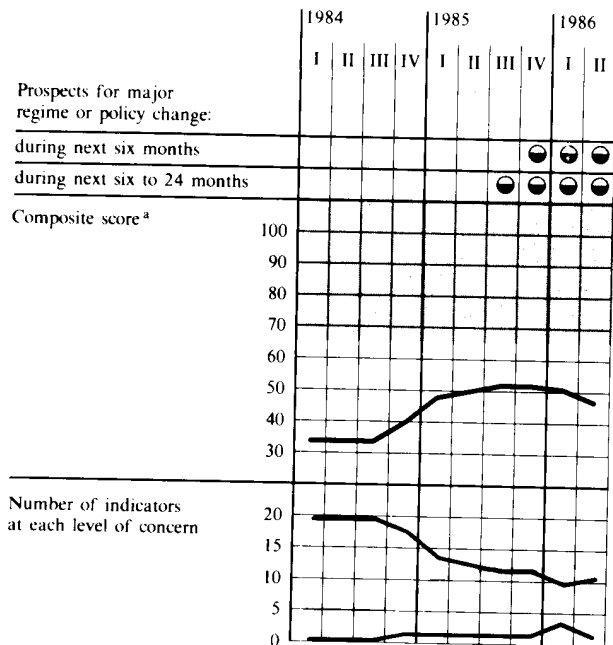
Despite plummeting oil revenues and the regime's increasing restrictions on opposition and Muslim political activity, Indonesia has remained calm since the disturbances of late 1984 and early 1985. During that period social conflict and opposition activity rose slightly with a surge of antiregime violence. We believe the unrest can be traced to Islamic radicals exploiting political and economic frustrations and ethnic animosity. The more recent rise in concern since last quarter is due more to economic factors. The sharp decline in world oil prices has forced Jakarta to implement austerity measures that have exacerbated unemployment.

25X1

The trend lines reflect Indonesia's basically sound economic position and the ability of the Soeharto regime to maintain internal order. Fiscal austerity, however, may undercut the government's ability to attack the underlying economic causes of Indonesia's political and social strains. Key indicators of instability would be a rise in domestic discontent, greater government repression, and deteriorating economic conditions.

25X1

South Korea



Warning signs of instability in South Korea moved upward in late 1984 and early 1985, chiefly as a result of heightened protests and the rebirth of a vigorous political opposition. Military grumbling about President Chun's handling of the unrest also became more audible, as did concern in military circles that public opinion was turning against the military generally. Our concern level moderated somewhat this year as South Korea's export-driven economy rebounded strongly.

25X1

Antiregime demonstrations and riots remain the most worrisome short-term indicator because of the potential that a government miscalculation could result in a spiral of confrontation and repression. The increase in opposition activities, as well as the Chun government's blemished legitimacy and apparent lack of self-confidence, carry greater weight in our longer term assessment. We will continue to monitor government handling of constitutional reform as the political transition scheduled for March 1988 approaches.

25X1

^a The shaded area above 65 is the "danger zone":



Secret

Secret