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Directorate of
Intelligence

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Zaire: Challenges Ahead for Mobutu

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An Intelligence Assessment

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ALA 86-10003
January 1986

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An Intelligence Assessment

This paper was prepared by Office of African and Latin American Analysis. It was coordinated with the Directorate of Operations.

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Comments and queries are welcome and may be directed to the Chief, Africa Division, ALA

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Zaire: Challenges Ahead for Mobutu [redacted] 25X1

Key Judgments

Information available as of 1 January 1986 was used in the report.

President Mobutu—a staunch ally of Washington—has achieved a stronger political position over the past three years. His energetic rule has been highlighted by unprecedented perseverance in a tough austerity program, substantial improvement in ties to his key Western backers, and greater involvement in regional affairs. We expect Mobutu's politically skillful leadership and pervasive patronage system to ensure the stability of his regime over the next two years or more, but daunting economic problems and increasing political disgruntlement are likely to slowly erode his authority over the longer term. [redacted] 25X1

Although Zaire's adherence to a stringent IMF-supported reform program has halted the country's economic decline, according to recent economic data, a growing debt service burden and low world prices for its major exports leave poor prospects for growth. We estimate that real GDP growth for 1985 was about 2 percent, well below the IMF target of 4 percent, and barring a major turnaround in commodity prices we believe Zaire will experience slow economic growth through the end of the decade and a continuation of the 10-year decline in per capita GNP. A shortage of foreign exchange has again fueled inflation and contributed to a slowing of business activity. Because of budgetary constraints in donor nations and the reluctance of private investors and commercial banks to put new money in Zaire, we doubt that Kinshasa can attract sufficient external funds to spur growth. [redacted] 25X1

Reporting from the US Embassy [redacted] suggests that 25X1
Mobutu—like the Zairian public—is becoming increasingly unhappy with the slow results of the economic reform program. Moreover, his disappointment is likely to increase if his efforts to gain IMF support for more expansionary policies and increased Western support are not successful, as we believe will happen. He also is likely to become increasingly frustrated with the greater involvement of IMF and World Bank officials in Zaire's policy decisions and what he perceives as IMF insensitivity to the political consequences of its program. While Mobutu may threaten to abandon the program, we believe he will stick with it for at least another year. As the painful aspects of austerity continue past 1986, however, we believe Mobutu will be increasingly tempted to backslide or even abandon the program, particularly if he perceives his political position to be weakening. [redacted] 25X1

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While Mobutu's political flanks are secure, we believe public discontent over declining living standards and over the absence of political competition may very well set the stage for increasing signs of protest, such as labor slowdowns or strikes, student agitation, and other antigovernment demonstrations. Simmering ethnic tensions among the ruling elite also probably will challenge Mobutu's political skills. We are fairly confident that Mobutu's long practice in the use of co-optation, compromise, and coercion will remain effective. If he missteps, however—for example, by employing excessive repression—such a miscalculation could fuel opposition and undermine confidence in his rule among the domestic elite, foreign backers, and the military leadership. [redacted] 25X1

Small-scale rebel activity continues in the east, and, although dissident groups pose no threat to the regime now, Libyan support may make them more of a challenge. Libya has stepped up efforts to subvert Mobutu, and, in our judgment, is moving to gain influence in neighboring countries in order to launch operations against Zaire. In our view, the possibility of Libyan-sponsored terrorism, particularly an attempt on Mobutu's life, has grown. Moreover, we believe Mobutu's current plans to improve military and security capabilities will have to be scaled back severely because of economic and other constraints. [redacted] 25X1

In the foreign policy arena we expect that Mobutu's efforts to enhance his stature with other black nations will yield only mixed results. We believe he will gain some influence by providing military training to other moderate regimes in the region designed to counter Libyan activity, but most of his bids for regional stature—such as his proposal to establish an organization solely for black African states—will be rejected because his close ties to the West and Israel will continue to isolate Zaire from the African mainstream. In dealing with the conflict in Angola, we believe Mobutu will continue his dual-track policy of providing covert logistic support to UNITA while maintaining a dialogue with Luanda. Because of his growing concern with the increased Soviet and Cuban presence in Angola, we believe he would welcome Western assistance to UNITA and be willing again to provide airfields, personnel, and intelligence support, despite the risks of Angolan retaliation. [redacted] 25X1

We foresee no major changes in Zaire's close relations with the West, but frictions with Washington are likely to arise over the level of US help and

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possibly over trade and commodity issues. Mobutu probably will publicly criticize the West on Third World debt issues and look for limited aid from non-Western sources, but he would probably stop short of jeopardizing the European and US ties he has nurtured so carefully. 25X1

Mobutu's death would greatly increase the potential for serious unrest, and a troubled transition period would open new opportunities for Soviet and Libyan inroads. We believe all of the identifiable contenders for power would continue a pro-US policy. It is possible, but we believe unlikely, that elements to which US officials have no access—such as lower ranking military officers who harbor anti-US views—could gain authority in a period of intense political infighting among elites. 25X1

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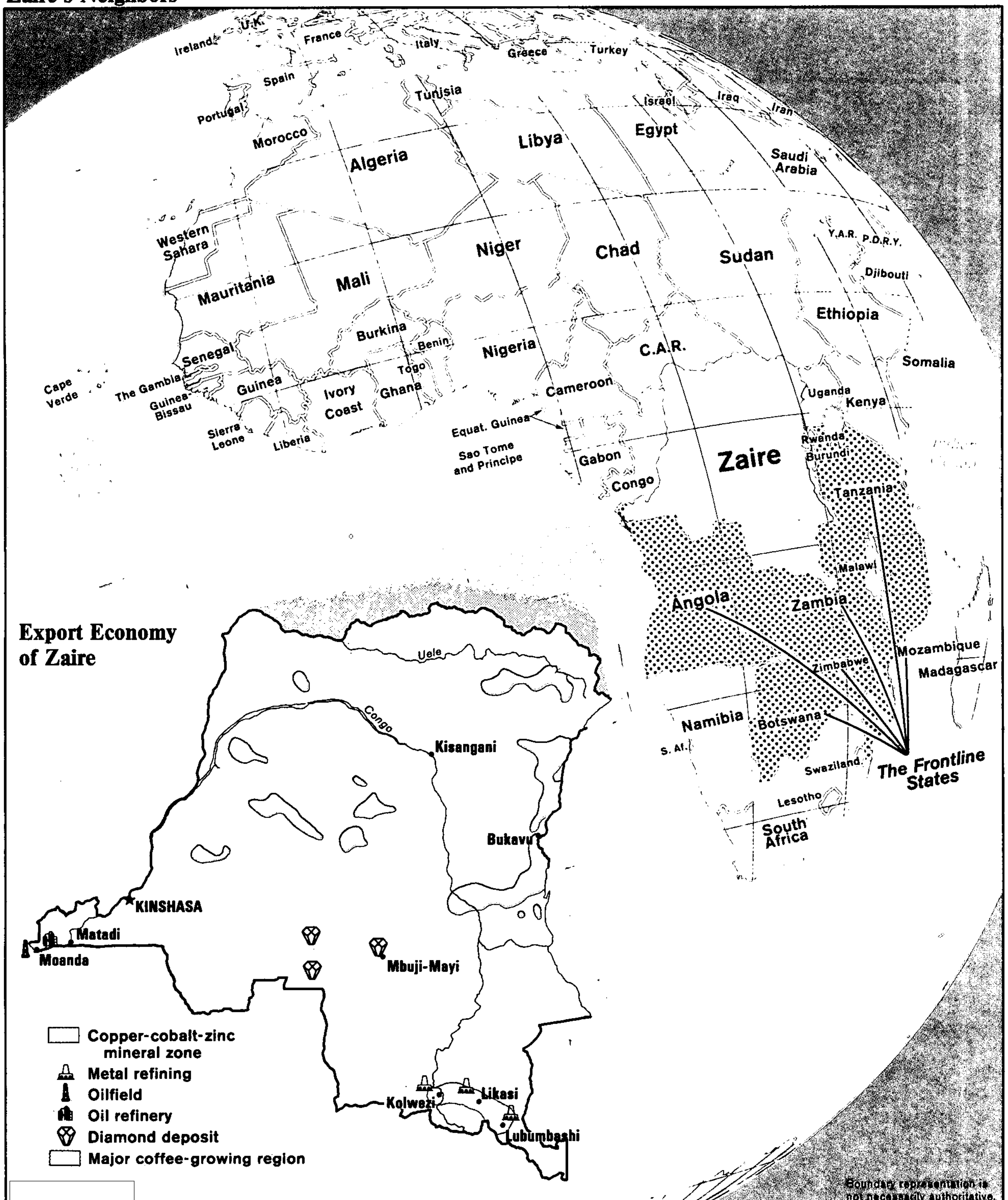
Figure 1
Zaire's Neighbors



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Zaire: Challenges Ahead for Mobutu

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Introduction

The past few years have been ones of accomplishment for President Mobutu. Through strong leadership he has been able to implement a rigorous IMF-supported austerity program, further consolidate his political power, somewhat improve military capabilities, and reenergize crucial Western support for his regime. Looking ahead, however, a variety of key issues will become more difficult for him to address: formidable economic problems stemming from a growing debt service burden and low world prices for major exports, simmering public frustration with both declining living standards and the autocratic political system, and increasing Libyan subversion because of Mobutu's close ties to the United States and Israel.

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This paper focuses on the principal challenges Mobutu faces over the next two or three years. Although we expect Mobutu to continue in power during this period, Zaire's political stability remains fragile. Because of the relative importance of Zaire in US dealings with black Africa, this report explores the forces working to weaken Mobutu's political position. It also analyzes some of the implications if Mobutu passed away unexpectedly or the military felt forced to seize power from civilian hands.

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Mobutu's Recent Record

As Mobutu enters his 21st year in power, we believe he is increasingly concerned with his place in history, and thus more sensitive to long-term issues such as economic development and Zaire's regional and international image. Regardless of the exact reasons, Mobutu—following a spell of lackluster leadership—has emerged over the past three years as active, strong, and self-confident.[1] During this period he has shown the ability to work with the IMF, improved the capabilities of key military units in the capital, continued to keep his opposition divided despite broad discontent with economic and political conditions, and smoothed relations with foreign backers.

Figure 2. President Mobutu

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On the economic front, Mobutu has publicly proclaimed development as the first priority of his regime. Since 1983, US Embassy reporting shows he has actively encouraged economic reform and demonstrated unusual perseverance in implementing tough austerity measures designed to set the stage for future economic expansion—a marked departure from the past in which four IMF programs failed between 1976 and 1981. Zaire successfully completed a 15-month standby arrangement that began in December 1983, and in the first half of 1985 reached agreement on a one-year IMF follow-on program and another debt rescheduling with the Paris Club. According to the US Embassy, a market-based exchange rate—which has reduced use of the parallel foreign exchange market—and lower budget deficits were instrumental in substantially lowering the inflation rate. Moreover, external debt obligations have been met on time, price liberalization has led to slightly improved agricultural production, and reforms have helped reduce diversions of funds into the pockets of the ruling elite.

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Over the past few years, Mobutu has also been consolidating his political base. According to diplomatic reporting, Mobutu has continued to master Zaire's politics, relying on manipulation, co-optation, and coercion to stymie the opposition and to defuse discontent among labor and students:

- He initiated an amnesty program several years ago that has led a number of prominent political exiles—including notables such as former Prime Minister Nguza—to reconcile with the regime, according to the US Embassy.

- The US Embassy also reports that Mobutu has kept a tight rein on labor activism through his control of the country's only labor union and has closed several university campuses at the first signs of student unrest.

In addition, he has devoted substantial time, energy, and financial resources to the pervasive and highly personalized patronage system that we believe serves as the font of his power. [redacted]

Mobutu's recent track record also shows some gains in improving Zaire's security infrastructure. His concerns about Libyan hostility and subversion, the poor performance of units in eastern Zaire, and widespread discontent among enlisted men and junior officers with living conditions probably prompted the recent attention to his military and security services. Mobutu has made wholesale leadership changes, announced an increase from 70,000 to 100,000 men in the armed forces, and created several new security units. Also, [redacted] created an armed forces Inspector General Staff to reduce fraud and improve the living standards of enlisted personnel, and, with French assistance, plans to form a second parachute brigade. Based mostly on Embassy reporting, we believe Mobutu's concern with the threat of Libyan-sponsored terrorism and distrust of the existing National Gendarmerie—an ineffective, quasi-military police force—led him to create the Civil Guard, a national police force whose responsibilities will include border patrol, counterterrorism, and counterespionage. [redacted]

Mobutu's efforts have not been limited to the domestic arena. In our judgment, Mobutu has been highly effective in regaining crucial Western support that had eroded in the early 1980s because of his intransigence on economic reform and repression of political opponents. According to diplomatic reporting, his visits over the past two years to the capitals of all his key foreign backers—Belgium, France, Israel, United States, and West Germany—have been highly successful, often setting the stage for new economic and military aid programs. He has, however, been less successful with his sometimes grandiose schemes to establish his nonaligned credentials and to gain a leadership role in the region. For example, [redacted] his bid to form a new organization solely for black African states is going nowhere. [redacted]

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Formidable Economic Problems

Despite Mobutu's successes to date, Zaire faces a growing array of problems. Economics is at the heart of Mobutu's long-term difficulties, and, from a domestic standpoint, a failure to tackle the country's economic needs will only further complicate the numerous political and security challenges facing Mobutu further down the road. Meeting IMF-sponsored program targets are Mobutu's most immediate concern. Over the longer haul, Mobutu faces additional problems—a growing debt burden, stagnant export revenues, insufficient foreign exchange for essential imports, limited foreign aid and investment, and political constraints. [redacted]

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Keeping in Compliance

In our view, Mobutu's most immediate economic challenge is keeping the budget in line with IMF performance criteria through March 1986 in order to complete successfully the one-year follow-on program. According to the US Embassy, Mobutu believes this will improve Kinshasa's negotiating position with the IMF and Western donors, and perhaps induce them to

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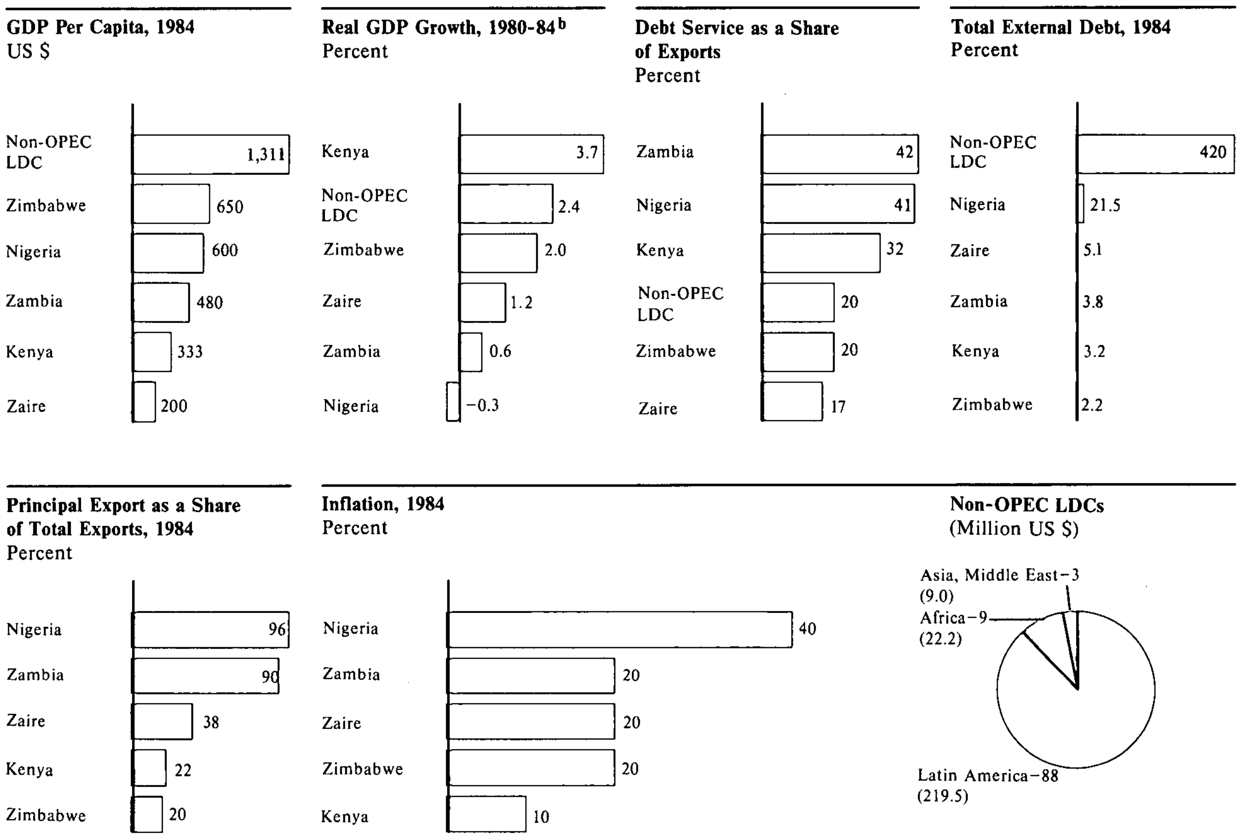
Figure 3
Zaire: Economic Indicators[a]



Note: Data for non-OPEC LDCs are average figures.
[a] Estimates quoted for non-OPEC LDCs, Nigeria, Zambia, and Zimbabwe unless otherwise stated.
[b] Annual average.

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Hard Times in Shaba Region

The austerity measures implemented in 1983 had a magnified impact on outlying regions such as Shaba, according to US Embassy reporting. Although copper and cobalt mined in Shaba generate the bulk of Zaire's foreign exchange, Kinshasa's dominance of the country's economic sector has prevented most of the wealth from returning to the province. Import liberalization has led to an influx of inexpensive basic consumer goods from Europe and South Africa that has replaced the higher priced locally manufactured products, further depressing private-sector activity. Moreover, unlike the inhabitants of Kinshasa, Shaban urban workers and rural farmers have not recovered from the massive devaluation in late 1983 that significantly reduced their purchasing power. According to the US Embassy, small businesses in Shaba's capital, Lubumbashi, have steadily gone bankrupt and larger businesses such as local producers of beer, soap, and textiles are producing at less than 50 percent capacity. [redacted]

Unlike the economy of Kinshasa, Lubumbashi does not have a diversified private sector and, consequently, has scarcely benefited from the economic reforms of the past three years. GECAMINES, Zaire's huge state mining enterprise, and SNCZ, the country's state railroad system, dominate Shaba's economy, which depends on expenditures by and service to their workers. Although the elimination of many corrupt practices has improved the financial position of GECAMINES, the firm continues to encounter problems in meeting production goals. [redacted] 25X1

[redacted] 25X1

Although farmers have fared well since the decontrol of prices for their corn, agricultural growth is threatened by several factors, including a severe shortage of credit needed by merchants to finance purchases of corn and competition from smuggled subsidized Zambian corn. Farmers also suffer from chronic fuel shortages and a deteriorating road and rail network that impede their ability to get goods to market. [redacted] 25X1

The unsettled security situation in eastern Zaire has also damaged the commercial sector in Shaba Province. According to the US Embassy, there has been a virtual shutdown of economic activity in the Moba and Kalemie areas. In addition, persistent border problems with Zambia throughout 1984 impeded trade. [redacted] 25X1

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We believe analysis of yearend 1985 data now under way will show that Zaire met—although just barely—December 1985 performance targets and thereby has positioned itself to begin negotiations for another program in 1986. In the event Kinshasa failed to pass the review, however, negotiations would be delayed and Mobutu's frustration with the IMF would probably increase, leading him to be less flexible in negotiating a new IMF program, in our view. According to the US Embassy, Mobutu now believes that Zaire's continued sacrifice in 1985 obliges creditor nations to grant better terms in 1986, and he is likely to present a forceful case for more expansionary policies. He believes he has new leverage because of his good track over the past three years and what he views as the West's desire to use Zaire as an example for the rest of Africa. In the event that Mobutu's requests for increased Western support are not met, he probably will threaten to abandon the IMF program and publicly berate creditor nations, but will unenthusiastically push ahead with economic reform and agree to another IMF program—recognizing the IMF and Western prescriptions as Zaire's best hope for long-term economic growth. As the painful aspects of austerity continue through 1986, however, Mobutu will be increasingly tempted to backslide or even abandon the program. [redacted] 25X1

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Growing Debt Burden

Another major challenge facing Mobutu is servicing the $5 billion debt. For the past few years, financial statistics show that debt servicing is absorbing an increasing share of the country's scarce foreign exchange. According to the US Embassy, debt repayments in 1985 will total close to 25 percent of export earnings and about 55 percent of the government's budget. By contrast, in 1982 the shares were only 16 percent and 10 percent, respectively. [redacted] 25X1

Given the problems in meeting debt servicing requirements, Zaire has turned to debt rescheduling. While this has reduced the burden in the short term, it has only delayed the problem and increased the overall size of the financial burden. We see little alternative to continued annual reschedulings of principal and interest payments. Without annual reschedulings, debt service ratios would range from 55 to 60 percent, contrasted with 25 to 30 percent with rescheduling. We calculate that annual reschedulings through the end of the decade at similar terms as in 1985 will add at least $1.5 billion in capitalized interest to total debt by 1990. [redacted] a comprehensive multiyear rescheduling is unlikely, given current lender attitudes. [redacted]

Domestically, we believe the effect of debt service on the budget has been compounded in recent years by Kinshasa's moves to hold down spending and deficit financing in order to reduce inflation and stay in compliance with IMF performance targets. According to the US Embassy, debt service, salaries, and nondiscretionary expenditures now represent 80 percent of total government spending, leaving only 20 percent of the budget for public investment and operational expenses. Moreover, we believe that under current rescheduling practices and prevailing interest rates Zaire will pay an ever-increasing portion of export earnings to debt service in the next few years, as nonreschedulable debt payments to multilateral lenders increase slowly and payments under the Paris and London Clubs increase substantially. [redacted]

Foreign Exchange Constraints

If Zaire is to meet its longer run debt obligations and still have currency to fund development programs, a healthy export performance is critical. Unfortunately, world prices for major exports—copper, petroleum, diamonds, and cobalt—remain low, and most commodity experts see little prospect for a turnaround any time soon. Exports will remain about the same in 1985 at $1.8 billion—significantly below IMF projections of a 12-percent jump—according to preliminary Zairian and IMF figures. Petroleum exports, largely responsible for the improved export picture in 1984, are likely to be about $100 million lower than expected for 1985 because of persistent production problems and declining world prices. The US Embassy estimated that low prices for diamonds, zinc, and coffee reduced expected export earnings in 1985 by another $35 million. Only copper and cobalt revenues met government goals.[2] [redacted] 25X1

The shortage of foreign exchange has already weakened growth prospects by slowing business activity. We agree with the US Embassy assessment that the poor export performance caused a loss of approximately $55 million in the government's overstretched foreign currency budget in 1985—three-fifths of which would have been available to the liquidity-starved private sector. Domestic firms are having to 25X1 reduce essential imports as limited foreign exchange is used by the government for debt service and other nondiscretionary expenditures, according to the US 25X1 Embassy.[3] Moreover, the IMF balked at a government request last August to raise commercial credit ceilings, arguing that it would only lead to inflation—already on the rise again after a drop in 1984—while not alleviating either the shortage of funds for public

[2] A 1-cent-per-pound change in average annual copper prices represents approximately $5 million in Zairian export earnings, while a $1-per-pound change in cobalt prices represents approximately $37 million in revenue. We estimate that copper prices will remain sluggish for at least the next two years, averaging 60 to 65 cents per pound, but cobalt will remain close to its current price of $11.70 per pound. [redacted] 25X1

[3] Preliminary figures and our estimates point to an increase in imports of about 3 percent in 1985, well below the IMF projected growth of 10 percent and the 7-percent increase in 1984. [redacted] 25X1

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Table 2
Zaire: Scheduled Debt Service Payments, 1985-90

Million US $

	Scheduled Principal Repayments		Interest Payments	Total Scheduled Debt Service
	Long Term	Short Term		
1985	441	310	334	1,085
1986	423	300	304	1,027
1987	411	310	274	995
1988	462	330	243	1,035
1989	474	320	213	1,007
1990	380	330	175	885

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Table 3
Zaire: Debt Service Payments With Rescheduling, 1986-90 [a]

Million US $

	Principal Repayments			Interest Payments	Total Debt Service
	On Previously Capitalized Interest	Scheduled Long Term	Short Term		
1985	0	441	0	0	441
1986	0	423	0	0	423
1987	0	411	0	0	411
1988	0	462	0	0	462
1989	33	474	51	0	558
1990	69	380	101	0	550

[a] Using table 2 figures as a base, we assumed that Zaire would continue to obtain annual rescheduling of principal and interest. To take rescheduling into account, we made the following assumptions: all scheduled interest payments are capitalized; all scheduled short-term debt is repaid with a six-year maturity with a four-year grace period; all long-term principal is repaid as scheduled; capitalized interest is repaid with a 10-year maturity with a four-year grace period. These terms are similar to those contained in previous reschedulings, although greatly simplified for ease of anaylsis. These numbers do not include payments on any new debt incurred after 1984, excluding capitalized interest that totals nearly $1.5 billion by 1990. Should any new borrowing occur, the debt service figures will understate the actual level of debt service for the 1985-90 period. The results are not to be taken as definitive, but as a guide to the impact of future rescheduling on debt service payments. Further information on the computation of debt service payments can be obtained from the author.

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Table 4
Zaire: Projected Growth of Import Capacity Under Alternative Scenarios [a]

Billion US $

	1984	1985	1986	1987	1988	1989	1990
Baseline export growth							
Exports	1.77	1.63	1.67	1.77	1.89	2.01	2.12
Plus gross borrowing	0.88	0.75	0.73	0.72	0.77	0.87	0.86
Plus other services balance	−0.68	−0.82	−0.82	−0.82	−0.82	−0.82	−0.82
Less debt service [b]	0.65	0.44	0.42	0.41	0.46	0.56	0.55
Less change in foreign exchange reserves	0.16	0	0	0	0	0	0
Balance (import capacity)	1.16	1.12	1.16	1.26	1.38	1.50	1.61
Change in import capacity (*percent over previous year*)		−3.4	3.6	8.6	9.5	8.7	7.3
Recession scenario [c]							
Exports	1.77	1.63	1.66	1.72	1.80	1.90	1.99
Plus gross borrowing	0.88	0.75	0.73	0.72	0.77	0.87	0.86
Plus other services	−0.68	−0.82	−0.82	−0.82	−0.82	−0.82	−0.82
Less debt service	0.65	0.44	0.42	0.41	0.46	0.56	0.55
Less change in foreign exchange reserves	0.16	0	0	0	0	0	0
Balance (import capacity)	1.16	1.12	1.15	1.21	1.29	1.39	1.48
Change in import capacity (*percent over previous year*)		−3.4	2.7	5.2	6.6	7.8	6.5

Note: The following is a summary of the findings in table 4:

	Percent per year			
	Exports		Import Capacity	
	Nominal	Real	Nominal	Real
Baseline	5.4	4.5	7.5	1.9
Recession scenario [c]	4.1	3.2	5.7	0.2

[a] To assess the probable impact of projected exports, debt servicing, and new credit availability on import capacity and economic recovery, we derived a methodology that linked our expectations for export growth, our figures for debt service payments, our estimate of the services balance (excluding interest payments), an assumption that the level of new credit extended to Zaire remains constant at the 1985 level, and an assumption that foreign exchange reserves remain unchanged at this year's level. We then used these estimates of import capacity to assess the potential for economic growth.

[b] Debt service figures include short-term payments.

[c] Unlike the baseline scenario that assumes 3-percent growth per year in the OECD countries, the recession scenario assumes an OECD recession. Since Zaire ships over 90 percent of its exports to the OECD, a drop in OECD real income growth, such as occurred in 1982-83, would reduce export gains, leaving Zaire with less foreign exchange to meet debt service payments and boost import growth. To quantify the impact of a recession in developed countries on Zaire's exports, we altered the baseline scenario so that OECD real GNP growth falls to 1.5 percent in 1986 and −1 percent in 1987, recovering to 1.5 percent in 1988 and 3 percent per year thereafter.

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investment or the liquidity squeeze in the private sector. The shortage of foreign exchange is creating excess demand for hard currency and putting downward pressure on Zaire's currency, which in relation to the dollar depreciated by about 35 percent in 1985, according to the US Embassy. [redacted]

Other potential sources of hard currency funds are also likely to be limited in the foreseeable future. Although international financial statistics show donors have responded to Kinshasa's reform efforts by providing increased bilateral aid over the past three years, we judge the prospects for massive aid increases unlikely, given Western budget constraints.[4] Even given present aid levels, the net flow of funds is negative. Indeed, according to World Bank statistics, in the past two years Kinshasa paid out approximately $440 million more to medium- and long-term creditors than it received in new loan funds. Further, reporting from international financial observers hold little hope that commercial banks or private investors will be willing to put much money into Zaire over the next several years. Despite an improved climate for foreign businesses—profits and dividends are being remitted for the first time since the mid-1970s—foreign investors remain deterred by the country's weak and declining infrastructure and history of corruption and economic mismanagement. [redacted]

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Political Constraints

Mobutu's style and political imperatives work against good economic decision making, in our view. Although IMF and World Bank programs have significantly improved fiscal management, [redacted] government officials still siphon off public funds for personal gain. From Mobutu's standpoint, some graft is almost inevitable. Indeed, among the elite it constitutes the mainstay of his patronage system and among the workers it serves as an essential supplement to their meager salaries. At a more personal level, Mobutu's penchant for centralized control—a style well documented in diplomatic reporting—probably will be an obstacle to moving the country toward more market-oriented policies. A good example of Mobutu's preference for centralization, in our view, was the creation in March 1985 of SONATRAD. It is responsible for purchasing supplies for all state enterprises and, according to the US Embassy, may become one of the largest state enterprises despite objections from the World Bank, Western donors, and senior Zairian officials. World Bank officials, concerned that SONATRAD will increase inefficiency and provide additional opportunities for large-scale corruption, have delayed the disbursement of two large loans until Kinshasa reduces the role of SONATRAD in purchasing decisions and adopts improved accounting procedures, according to the US Embassy. [redacted]

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Political and Security Challenges

Although Mobutu is in firm control, his political skills are likely to be tested over the next several years. The regime's economic problems will, in our view, only compound continuing demands for a more open political system, ethnic tensions, expectations of better living standards, Libyan-backed rebel activity, and the need to improve military performance. [redacted]

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Domestic Political Pressures

While Mobutu has proved himself adept at maintaining his personal rule through Zaire's sole legal party—the Popular Movement for the Revolution that he formed in 1967—we believe pressures for a more participatory system are growing. The US Embassy reports that, despite government intimidation, the illegal Union for Democratic and Social Progress (UDPS) continues to agitate for recognition as a second political party. [redacted]

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[4] [redacted] Zaire will need about $3.6 billion in financing over the next three years to achieve real economic growth. Kinshasa claims to have acquired $860 million of this amount, leaving a financing deficit of $2.8 billion, which they hope to cover with increased aid flows and debt relief. [redacted]

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Mobutu has made clear his intolerance for competition; in 1985 he jailed several UDPS leaders when, during reconciliation talks, they refused to drop their insistence on recognition as a second party. [redacted]

Simmering ethnic tensions are another source of pressure. Based on the way Mobutu has manipulated tribal rivalries, we believe ethnic issues have factionalized the ruling elite and led to ethnic tensions throughout the party, government, and military. According to US Embassy reporting, most key government and military positions are held by members of Mobutu's Ngbandi tribe from his home region of Equateur, and this almost certainly has fanned deep-seated jealousies among other groupings. Mobutu's placement of mulattoes—who are dependent on Mobutu because they lack a tribal base—and non-Ngbandi Equateurians into prominent positions has created further problems. The US Embassy has also reported that competition in the inner circle between the mulattoes and black Equateurians is constant and often bitter. Although Mobutu exploits this strife to ensure his political control, these tensions contribute to mismanagement and poor performance throughout the system, and, in our opinion, are likely to make difficult a smooth transition when Mobutu passes from the scene. [redacted]

In dealing with the pressure for greater political participation and the fallout from ethnic divisions, Mobutu will also have to cope with the impact of austerity. We believe keeping the lid on discontent with the harsh austerity program will become increasingly difficult for Mobutu. In our view, resentment is particularly strong among public-sector employees, as expectations for higher wages and better health care—raised by Mobutu's speeches over the past year—go unmet. Labor union members are increasingly unhappy with declining living standards and with the passivity and corruption of government-controlled union leaders, [redacted] Moreover, the US Embassy reports that workers in several state enterprises and banks have used work stoppages over the last several months to protest inadequate wages, rising school and transportation fees, and late salary payments. Workers are not the only dissatisfied group. US Embassy reporting has pointed to other areas: 25X1

- Rising frustration among members of the ruling party's Central Committee and private businessmen, who complain that the government is meeting IMF demands at the expense of wage increases, credit for businesses, and development plans. 25X1

- Cutbacks in education have provoked strikes at a number of universities in the last year, leading Mobutu to close several campuses and arrest some students and teachers.

We suspect that such sentiment is probably spread throughout all of society. [redacted] 25X1

Libyan-Backed Dissidence

While Mobutu is balancing internal forces, he also has to take into account an external threat. Even though the Zairian dissident movement is ethnically divided, disorganized, and militarily weak, [redacted] Libyan support is aimed at improving its capabilities. [redacted]

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Table 5
Principal Zairian Dissident Groups

	Leader	Ethnic and Regional Power Base	Primary Base of Operation	Membership [a]
Front for the National Liberation of the Congo (FLNC)	None, numerous factions	Shaba Province (former Katangan gendarmes)	Angola and northwestern Zambia	4,000 to 6,000
Congolese National Movement, Lumumba Faction (MNC/L)	Francois Lumumba	Shaba Province	Brussels and Congo	150
Coalition of National Unity (CUN)	President Lt. Gen. Mbumba (former President of FLNC)	Composed of MNC/L and FLNC cadres	Tanzania	200
Congolese Liberation Party (PLC)	Antoine Kibingu Marundura (former FLNC Central Committee member)	Bovira and Bafulero tribes of eastern Zaire	Eastern Zaire and Tanzania	50 to 100
Popular Revolutionary Party (PRP)	Laurent Kabila	Eastern Zaire	Eastern Zaire and western Tanzania	200

[a] No reliable figures are available; numbers are approximate.

[redacted] 25X1 25X1

[redacted] according to the US Embassy Mobutu believes that Libya is behind the recent increase in rebel activity in eastern Zaire, long a hotbed of opposition to the government. Various attacks against government troops and economic targets appear to have been carried out by a 75- to 100-man group from the Popular Revolutionary Party (PRP)—which, according to the US Embassy, is based in the rugged mountains between Moba and Kalemie and in western Tanzania. [redacted] 25X1 25X1 The group's longer run staying power is uncertain, however. According to the US Embassy, the rebels are poorly trained and equipped, and the Zairian military claims that a number of PRP rebels recently surrendered under Mobutu's amnesty program because of a lack of supplies and poor morale. Nevertheless, [redacted] 25X1 the rebels are successfully recruiting in eastern Zaire, and [redacted] 25X1 25X1 also claims they are growing rapidly. [redacted]

The potential for Libyan-backed terrorism in Kinshasa—particularly an attempt on Mobutu's life—is of growing concern among security officials, 25X1

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Armed Strength [a]	Foreign Support	Origin and Significance
1,000 primarily based in Angola	Angola, USSR, Cuba (no military support since 1981)	FLNC grew out of the Katangan secession movement led by Moshe Tshombe in the early 1960s. Katangan gendarmes formed the FLNC in 1975 and with Angolan and Soviet support invaded the Shaba region in 1977 and 1978. Since 1978, however, the group has been inactive because of inadequate external support, ethnic divisions, leadership struggles, and UNITA's control of much of Angola's border with Zaire. In the past few years, FLNC cadres have been integrated into Angolan military units to fight UNITA.
Unknown	Libya (small amount of funds, arms, and training)	MNC/L was founded by Francis Lumumba, son of Patrice Lumumba in the mid-1960s. Reportedly responsible for the bombs set off in Kinshasa in early 1984.
100	Libya (small amount of funds, arms, and training)	Formed in mid-1984 when the Tanzania-based factions of the FLNC and the MNC/L merged. Libyans reportedly forced a merger by threatening to withdraw aid to both groups. Although potentially the most capable Zairian dissident groups, it has yet to carry out a military operation. Group suffers from ethnic divisions, leadership problems, and a shortage of funds. [redacted] 25X1 25X1
50	Libya (small amount of funds and arms)	Formed in early 1984 when Antoine split from the Tanzania-based faction of the FLNC after disagreements with Mbumba. [redacted] 25X1 25X1
50 to 100	Probably Libya (small amount of funds and arms)	Formed in early 1960s and has long been active in antigovernment activity. Only group to operate inside Zaire in recent years. Probably responsible for recent rebel attacks in eastern Zaire. [redacted] 25X1

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according to the US Embassy. [redacted]

[redacted]

We believe Tripoli's efforts to expand its influence in neighboring states are partly aimed at establishing bases from which to launch operations against pro-Western regimes. [redacted] 25X1

[redacted] Tanzania and Congo, in particular, have turned a blind eye in the past year to Libyan activity aimed at undermining Zaire and other moderate central African regimes. Although we have no evidence to indicate that Burundi supports Libyan subversion, Qadhafi's visit last May, a recent delivery of Libyan military equipment, and promises of economic aid indicate that Tripoli is making a concerted effort to increase its leverage with Bujumbura. In our view, Zaire will only be more concerned with Libyan 25X1

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intentions if Tripoli can exploit the political turmoil in neighboring Sudan and Uganda. [redacted] 25X1

Constraints on the Military

A rebel attack during 1984 on Moba, a small town in easter[redacted] have clearly demonstrated the incompetence of local military units and pointed out problems such as the shortage of military transport and poor logistics, communications, and intelligence support to the troops in the field. Units from Kinshasa and Lubumbashi were needed in November 1984 to retake Moba from a rebel force we believe numbered fewer than 50, and, according to the US Embassy, military officers were forced to commandeer transport and food supplies from civilians to carry out the operation. In addition, civilian casualties are fairly high during combat operations, and government troops have extorted funds and supplies from the local population to supplement their meager military salaries. [redacted] 25X1

At a national level, budgetary problems are only further complicating the situation for Mobutu. Despite the need to upgrade military units outside the capital, we believe Mobutu's publicized plans to enlarge the Army, create the Civil Guard, expand counterinsurgency training, and otherwise improve capabilities will have to be scaled back sharply or even eliminated if Zaire is to stay within IMF guidelines. As it is, the [redacted] has been unable to take full advantage of Israeli and French training offers because of its inability to buy equipment. In addition, two C-130s and several other aircraft remain in Italy because of Zaire's inability to pay for repairs, leaving the military only two operational C-130s—one of which is Mobutu's private plane. [redacted]

Numerous other problems will also probably affect military performance. [redacted]

[redacted] Moreover, we believe Mobutu will continue to ensure that the elite Presidential Special Brigade and other Kinshasa-based units receive a larger share of the military resources, leaving troops in the outlying regions reliant on corruption and harassment of the civilian population. [redacted] 25X1

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The Foreign Policy Arena

While Mobutu is grappling with internal economic, political, and security difficulties, he also faces a number of delicate foreign policy challenges. In the international arena he is trying to further solidify Kinshasa's close relations with its key foreign backers, enhance his limited influence in regional affairs, and play a role in bringing about a solution to the conflict in Angola. [redacted] 25X1

Relations With Key Foreign Backers

We believe Mobutu's top foreign policy priority is maintaining excellent relations with key foreign backers. Without Western support not only would Zaire's other foreign policy initiatives be greatly complicated but Mobutu's internal challenges—especially on the economic front—would also be greatly magnified. Among key West European backers:

- Belgium has been Zaire's largest and most reliable source of technical, budgetary, and security assistance since independence in 1960. Brussels provided about $90-100 million in economic and military aid—one-third of its foreign aid budget—and 120 military advisers in 1985, according to the US Embassy. 25X1

- France worked to improve bilateral ties last year, according to the US Embassy, providing about $40-45 million and 109 military advisers, most of whom command and support the 31st Airborne Brigade—a key Kinshasa-based unit. [redacted] has agreed to begin training a second airborne brigade next year and is laying groundwork for a pan-African armored warfare training program near Kinshasa.

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[redacted]

Aside from European linkages, Mobutu considers himself a staunch friend of the United States, which has responded to calls for greater support by increasing economic aid from $29 million in 1983 to $56 million in 1985, and by backing Zaire in the IMF, World Bank, and Paris Club. In response to Kinshasa's fears of Libyan subversion, Washington increased military aid from $4 million in 1983 to $8 million in 1985, [redacted] and is considering helping with the refurbishing of Kamina Air Base in central Shaba region. [redacted]

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Mobutu also values his good relations with Israel. According to US Embassy reporting, his state visit to Tel Aviv last May solidified bilateral relations that were renewed in 1982, when Kinshasa became the first black African state to reestablish formal ties since the Middle East war of 1967. Israel provides important security assistance through its training and material support to the elite Presidential Special Brigade and the Shaba-based Kamanyola Division. More recently, Tel Aviv gave Kinshasa an $8 million grant in September for military equipment in return for a promise to buy $10 million worth of Israeli military equipment over the next 10 years. [redacted]

Regional Concerns

While US Embassy reporting underscores Mobutu's pretentions to regional influence, we believe his ties to the West and Israel will continue to isolate him from the black African mainstream. [redacted] most black African states do not support his proposal for an organization of black African states. Similarly, the Frontline States continue to reject his attempts to get more involved in southern African affairs. [redacted]

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This is not to say Mobutu will not find ways to improve his regional standing. Indeed, the US Embassy reports he is attempting to find ways of directly and indirectly supporting moderate states in the region that are subject to Libyan subversion. Kinshasa, for example, is pressuring neighboring states to limit Libya's presence and threatening military retaliation against countries that harbor Libyan-supported dissidents. [redacted]

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[redacted] In our judgment, however, Zaire's lack of resources severely limits Mobutu's ability to assist or influence other moderate regimes in the region, except at the margins. [redacted]

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The 10-year-old conflict in Angola between the MPLA regime and UNITA insurgents has long been Mobutu's principal regional security concern, according to the US Embassy, and he persists in promoting himself as an "honest broker" in seeking a solution. Despite longstanding distrust between the two capitals, Mobutu has maintained a dialogue with Luanda; he met with Angolan President dos Santos last February in Kinshasa where they concluded several economic and security agreements. [redacted] at the same time, however, Mobutu meets regularly with UNITA leader Savimbi and—as Luanda and Frontline leaders suspect—he continues to facilitate the covert transfer of materiel to UNITA through Zaire. [redacted]

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We suspect Mobutu's longstanding fear of Communism—he openly refers to the "red belt" around Zaire—has intensified in recent months because of growing Soviet and Cuban support to Luanda. Certainly, Mobutu fears a UNITA defeat that would leave Zaire prey to a Soviet-backed regime with a Cuban-based army. Because of his growing concern, we believe Mobutu would welcome Western assistance to UNITA and be willing again to provide airfields, personnel, and intelligence support. In our judgment, he sees Western backing for UNITA as substantively and symbolically important in blunting Communist inroads in the area, and also as an opportunity to gain additional economic and military aid for Zaire. [redacted]

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Status of the FLNC

The Angolan-based Front for the Liberation of Congo (FLNC), at one time Zaire's principal opposition group, has been inactive since it invaded Shaba Province in 1978, 25X1

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Although there is no hard figure, we estimate from fragmentary information that there are 4,000 to 6,000 FLNC members spread throughout Angola—at least 1,000 of whom are armed and have fought UNITA unenthusiastically in recent years in return for being allowed to remain in Angola. 25X1

25X1 *The FLNC's military capabilities have significantly deteriorated in the past seven years*

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25X1 *The US Embassy reports that harsh living conditions in Angola and the return to Zaire of former Prime Minister Nguza—a Shaban who claims substantial support within the FLNC—has led a number of senior FLNC military commanders and several hundred of their supporters to consider returning to Zaire under Mobutu's amnesty program.* 25X1

Nevertheless, the FLNC remains a potential threat to Mobutu, particularly if Luanda renews its support in an effort to press Mobutu to end his aid to UNITA. Over 1,000 FLNC members have military experience, and, in our view, the poor economic situation in Shaba provides fertile ground for recruiting young Zairians. In our judgment, Luanda is likely to have difficulties in forming a viable military force from the disparate factions spread throughout Angola because of ethnic divisions and the lack of a unifying leader. Moreover, Luanda would have to provide significant material support and relocate the dissidents to camps near the Zairian border before they could begin to conduct cross-border activity. In our view, however, Mobutu would be hard pressed without outside assistance to cope with renewed significant cross-border activity from Angola, particularly if rebels in the east remain active. 25X1

Mobutu's willingness to support Savimbi more openly, however, will be constrained by his fear of Angolan retaliation and concern that he will become more isolated in the region. According to the US Embassy, Mobutu is worried that Luanda, possibly with Soviet and Cuban backing, may decide to renew support to Zairian dissidents in Angola, which could lead to a rebel threat to western Shaba Province (see inset). In addition, he realizes that closer association with Savimbi would tie him to South Africa in the eyes of many black Africans, and could lead some neighboring states like Congo, Burundi, or Tanzania to begin directly supporting Zairian dissidents.

Alternative Scenarios

Although we expect Mobutu's political authority to remain intact over the next two years at least, we see the potential for other possible outcomes. There is always the risk Mobutu could pass from the scene unexpectedly. Alternatively, mounting economic problems and public frustration coupled with serious internal missteps could lead to urban unrest that becomes destabilizing to the regime. If Mobutu overreacted in suppressing discontent, he would probably speed erosion of his position. In the event the military begins to lose confidence in Mobutu, or Libyan-sponsored dissident attacks affect major urban areas, a military coup or assassination will become increasingly likely. 25X1

Mobutu's Death

Mobutu's death would greatly increase the potential for serious unrest. In the unlikely event that medical

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problems force Mobutu—now in good health, according to US Embassy reporting—to relinquish power, or, if he is assassinated, we would expect intense political maneuvering. Mobutu's highly personalistic rule has precluded the development of political institutions, the grooming of a successor, or legal procedures that would facilitate smooth succession.[5] Moreover, Mobutu's exploitation of rivalries among senior military officers and government leaders has created divisions among the ruling elite that will make the consolidation of power in the post-Mobutu era difficult. A protracted leadership struggle, particularly if combined with urban unrest, rebellion in outlying provinces, or foreign-inspired rebel attacks probably would convince the military to step in. Kinshasa-based commanders, especially Presidential Guard leader Nzimbi, are best placed to lead a coup. In our judgment, however, the military lacks the expertise to govern on its own and would almost certainly bring in civilians to run most ministries and key agencies. [redacted]

We believe a relatively smooth succession would occur if civilian and military leaders from Mobutu's Equateur region could be united to protect their interests and quickly agreed on a presidential candidate. We do not believe that Mobutu's son Niwya has adequate support among the Equateurian elite to succeed his father. In our view, the new leader probably would be a compromise candidate without the political skills necessary to consolidate control, leading to a period of political uncertainty until a new strongman—probably from within the military—emerges. [redacted]

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Military Coup

In our view, continued austerity—particularly limited wage increases and little public investment in health care and schools—in the face of rising inflation could set the stage for open unrest among various domestic interest groups who have quietly accepted the past three years of austerity. This, in turn, could spark the military to seize control. Under such a scenario, wildcat strikes and labor demonstrations probably would act initially as a catalyst to unrest, but we would expect students, small businessmen, and the urban unemployed to participate as well. Longstanding ethnic tensions would only add fuel to the fire. If the violence spread from Kinshasa to other urban areas such as Lubumbashi or Kisangani, we believe it would be difficult for the military to control. Moreover, if the military were called on to quell public demonstrations, junior officers and enlisted men—also suffering under austerity—could begin coup plotting, while senior officers would almost certainly question Mobutu's policies. Should Mobutu respond to military discontent by becoming paranoid about his personal security—as we believe he might be prone to do—he might arrest popular senior officers, thus setting the stage for a military coup. [redacted] 25X1

If social conditions began to spiral downward we would expect Mobutu to abandon the IMF program, in the belief that the short-term political and financial gains would take priority over the longer term economic consequences, even though this would risk scaring off foreign financial support. At the same time, the UDPS, in our view, would take advantage of the unsettled situation to publicly challenge Mobutu to move toward a more democratic political system, while exploiting public frustration to expand its base of support. The situation would only be complicated if Libyan-backed dissidents tried to exploit the situation by launching attacks in eastern Zaire or terrorist attacks in Kinshasa, or if Angola rearmed the FLNC and encouraged the rebels to conduct cross-border raids into western Zaire. [redacted] 25X1

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If the senior officer corps, faced with such a deteriorating situation, overcame the divisions Mobutu has fostered and seized control, it would confront the same set of problems facing any successor regime. Although another military strongman might quickly emerge, we believe it more likely that a coalition of civilian and military leaders would be formed. In our view, given the ethnic and ideological makeup of key military and civilian leaders at this time, such a coalition probably would be dominated by Equateurians and would look to the West for support. [redacted]

[5] Zaire's Constitution specifies that the 80-man central committee of Zaire's sole political party is to assume collective leadership exercised through the committee's septuagenarian dean, Deri-koye—a tribal chief from Haut Zaire region who has little political power. The committee must nominate a presidential candidate and schedule popular elections within 30 to 60 days. [redacted]

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Still less likely, but possible in our view, would be a power grab by junior officers or enlisted men able to win broad support among their colleagues in key units like the Presidential Special Brigade and the 31st Airborne Brigade. [redacted] there has long been considerable resentment among lower ranking personnel over low pay, chronic shortages of food and other supplies, Mobutu's tribal-regional favoritism, and the corruption that has enriched many senior officers. US officials have little access to junior officers or enlisted men, and we therefore are not sure whether radical elements are influential in these quarters. [redacted]

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Outlook and Implications for the United States

Because his regime is viewed throughout the region as a most consistent and staunch African ally of Washington, we believe Mobutu's fortunes will serve as a gauge of the value of close association with the United States. Diplomatic reporting suggests that Kinshasa's economic reform experiment is being closely scrutinized by the rest of Africa, and, in our view, if the program results in putting Zaire on a relatively better economic growth path, other countries will be encouraged to emulate it. We believe Zaire's regional importance also has the potential to grow, at least at the margins, because of Kinshasa's willingness to play an increasingly active role in obstructing Libyan inroads in central Africa. [redacted]

Keeping Mobutu on the hard road to success, however, will be increasingly difficult as the President grows more frustrated with the slow pace of recovery, unmet expectations for higher levels of Western aid and investment, less-than-generous debt reschedulings, and what he sees as bilateral inequities. [redacted] He probably views as unfair the fact that the net flow of funds from Washington to Kinshasa will be near zero for 1985 and probably negative in 1986 because Zairian debt repayments are growing faster than new US aid disbursements. Mobutu, in an effort to reduce the flow of funds out of Zaire, is likely to seek US support for a 2- to 3-year moratorium on principal payments and a multiyear rescheduling of interest payments. [redacted]

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Other sore points are likely to distract him from hewing to the austerity program. He resents the unwillingness of US private investors and commercial banks to put new money into Zaire. Human rights abuses in Zaire, US policy on Angola, and trade issues also are potential problems. According to the US Embassy, Mobutu vigorously protested US plans to sell cobalt from its strategic stockpile, claiming this would drive the world price down. [redacted]

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Mobutu and his senior officers are also unhappy, [redacted] over the low levels of military aid, given the negative effect of budget austerity on the armed forces and what they see as a significant increase in the Libyan threat. In the now unlikely event that the rebels were able to launch attacks that threatened major towns or vital mining enclaves in the Shaba region, we believe Mobutu would request US logistic assistance to help move elite troops and equipment from Kinshasa. Mobutu would also call on France and Belgium for support, and we believe both Paris and Brussels would again send troops as they did in 1977 and 1978 if the regime's stability were threatened by foreign-backed rebels. [redacted]

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We see only a slight chance that Mobutu's disappointment with the level of US generosity would alter his generally unfriendly relations with the Soviet Union. He remains a staunch anti-Communist and deeply distrustful of Moscow's motives in Africa. Mobutu, however, could come to think a gesture toward the East would gain him leverage with Washington, and make a move—such as reopening the Aeroflot office in Kinshasa or agreeing to a development project—that would provide Moscow opportunities it now lacks in Zaire. [redacted]

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If Mobutu died or were ousted, we believe Western interests would be protected if a successor emerged

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from the ruling party or military hierarchy. Countries such as Libya, Angola, or the Soviet Union, however, might try to exploit such a vulnerable transition period to either increase subversion or make a bid for influence. A prolonged succession crisis would, of course, raise the possibility for a radical leader to emerge as a new strongman, although even in this case we believe economic necessity would work to Western advantage. 25X1

A resurgence of intertribal warfare—reminiscent of the first few years after Zaire's independence in 1960—is also possible under almost any regime in the post-Mobutu period. Various groups may look upon Mobutu's departure as an opportunity to settle old scores. Nevertheless, we believe that there is a greater sense of national identity today and that most Zairians want no repetition of the anarchy and bloodshed of the early 1960s. In view of these conflicting factors, the ability of a post-Mobutu regime to minimize violence and instability may depend on the extent to which it is seen by the populace as firm and decisive, representative of the main tribal groupings, and genuinely attempting to address economic problems. In our view, a key factor in a successor regime's ability to consolidate control would be the degree to which Western countries—particularly Belgium, France, and the United States—demonstrated economic, political, and military backing. 25X1

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