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AFRICA REVIEW

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This publication is prepared for regional specialists in the Washington community by the Africa Division, Office of Regional and Political Analysis, with occasional contributions from other offices within the National Foreign Assessment Center. The Africa weekly focuses on major African issues and their implications. We solicit comments on the articles as well as suggestions on topics that might be treated in future issues. Comments and queries can be directed to the authors of the individual articles or to [REDACTED], Chief, Africa Division [REDACTED]

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Charges by Benin's President of Gabonese involvement in raids on his country have provoked attacks on Beninese resident in Gabon and Gabonese efforts to deport them.

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President Traore is moving Mali gradually toward civilian government and seems assured of election to head the new regime, especially after having strengthened his position by effectively suppressing a coup attempt last spring.

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Angola: Pushing the Western Option

The Angolan Government has embarked on a major effort to improve its relations with the West. At the same time, it has taken steps on the diplomatic front to reduce threats to its security along its northern and southern borders. The parallel efforts seem aimed at permitting a reduction in Cuban and Soviet military and economic support.

Since President Neto met with Portuguese President Eanes in Guinea-Bissau in late June, Angolan officials have approached a number of West European states and Japan in an effort to establish diplomatic ties and to secure economic and technical assistance. The US decision to respond to Angola's invitation to send a high-level delegation to Luanda for bilateral talks and South Africa's attack on the South-West Africa People's Organization base at Cassinga last May probably served as major catalysts for this drive.

Angolan officials say they are turning to the West in part because they are disappointed by the quality and relatively high cost of technical assistance provided by the Communist states. The Angolans argue that Portuguese technicians could do the same job much more cheaply, and they believe other Western countries could provide a higher degree of expertise at the same or lower prices.

The Angolans also suspect that the socialist states--particularly the USSR--are exploiting Angola's resources. For example, Prime Minister Nascimento told Swedish development officials last month that the recent fisheries pacts concluded with the USSR and Poland posed major problems for his government, particularly when compared with a much more favorable pact Angola subsequently signed with Spain.

The Angolans hope greater Western involvement in their country will not only bring them economic benefits but also enhance the political legitimacy of the government and increase its flexibility in dealing with the

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USSR. The Angolans appear to be pleased with the results of Ambassador McHenry's visit to Luanda in late June, and the visit probably encouraged them to push harder on their opening to the West.

Despite the substantial Soviet and Cuban commitment to Angola, the economy has not improved, and the military situation has actually deteriorated. So long as Angola must divert most of its resources to the military struggle, there is little hope for economic progress. Given the apparent failure of several recent offensives against anti-Neto insurgents, the military establishment may have concluded that the guerrillas cannot be defeated on the battlefield--even with the substantial number of Cuban troops in Angola. The South African incursion last May further underscored the fragility of Angola's security situation despite the Cuban military presence.

The Angolans--already concerned by the tensions generated by the substantial foreign presence in their country--may have decided that the answer to their problem was not to ask for more troops but to push for a political solution. The Cubans may also have balked at the idea of sending more soldiers to Angola. In recent months, the Cubans have come under increasing attack in the nonaligned movement for their African activities, and they may be considering withdrawing some soldiers in order to refurbish their credentials before the non-aligned summit meets in Havana next year.

By forcing SWAPO to accept the Western proposals on Namibia, Angola opted for an internationally acceptable solution that should eliminate South Africa as a military threat along its southern border. In the north, the Angolans have begun an effort to neutralize the Katangans as a guerrilla threat in exchange for Zairian promises to pacify the border and to stop aiding anti-Neto insurgent groups.

The Angolans doubtless believe that once both borders are relatively secure, insurgent groups operating inside Angola--particularly Jonas Savimbi's National Union for the Total Independence of Angola--will be cut off from foreign support and will eventually wither away.

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Over the long term, the Angolans may also be counting on growing Western involvement with the Neto regime to undermine political and military support to UNITA.

The Angolans probably also hope that the establishment of peace on their borders will allow some Cuban troops to be withdrawn. A Cuban troop withdrawal would not only ease internal tensions, but would greatly facilitate efforts to improve relations with the West. If Neto's current peace initiatives allow a substantial Cuban troop reduction and UNITA's position is sufficiently undercut, Neto will be in a much stronger position to push for a political reconciliation on terms more favorable to his regime.

Recent Contacts with the West

Angola's desire to promote a more "nonaligned" image was a major theme during EC Commissioner for Development Claude Cheysson's visit to Luanda in early July. Neto had requested that Cheysson visit Angola before the OAU summit in Khartoum. On his arrival, he told Cheysson that although some senior Angolan officials were ideologically opposed to an opening to the West, the country's serious economic problems have compelled it to solicit Western economic aid.

Neto expressed interest in joining the Lome Convention--which links 53 developing African, Caribbean, and Pacific states to the EC--when the agreement is renegotiated in 1980. Cheysson indicated that in the interim the EC would be willing to provide some food aid and other limited assistance.

In mid-July, Neto instructed the Angolan Ambassador to Belgium to convey to West Germany his desire to normalize relations. West Germany is the only EC member that does not have diplomatic relations with Angola, and Bonn is willing to begin negotiations immediately. Several issues, including the presence of a commercial West German rocket launching facility in Zaire, have held up talks in the past, however, and it is unlikely relations will be established in the near future.

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During a recent visit to Japan, the governor of the National Bank of Angola asked if the Japanese would establish a diplomatic mission in Luanda. He also invited two major trading companies to participate in oil exploration activities off Angola's northern coast. The Japanese Ministries of Foreign Affairs and International Trade and Industry are reluctant to establish diplomatic relations and grant export insurance to Japanese firms dealing with Angola and consequently have agreed only to study the proposals. The Japan External Trade Organization which sponsored the governor's visit, has decided, however, to station a permanent representative in Luanda to facilitate commercial transactions.

Over the past two months, the Angolans have also:

- Signed a technical assistance agreement with Italy involving the ceramic, lock, and elevator industries.
- Approached the Dutch for assistance in the fishing, health, and shipping areas.
- Received a Spanish parliamentary delegation.
- Sent the Minister of Justice and the governor of the National Bank to Italy to discuss economic assistance.

Meanwhile, Angolan and Portuguese officials have been implementing agreements signed at the Guinea-Bissau summit. About 2,000 Angolan refugees in Portugal are now registered to return to Angola; of these, 600 are prepared to leave as soon as transportation and financing are arranged. Officials of the Intergovernmental Committee on European Migration estimate that between 4,000 and 5,000 refugees eventually will be authorized to resettle in Angola and that about half this number can depart by the end of the year if sufficient funding is found. They estimate that about 15 percent of the refugees are of European origin, 60 percent are African, and 25 percent mulatto. Many are skilled workers. (SECRET NOFORN-NOCONTRACT)

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Sub-Saharan Africa: Slow Economic Growth*

Most of the nations of sub-Saharan Africa have been unable to generate rapid economic growth in the 1970s. Economic progress has fallen victim to civil wars and coups, which in turn partly reflect the low level of economic development. Africa has fallen steadily behind in the competition for export markets. Along with internal political strife, sluggish world demand has hampered sales of nonoil minerals; persistent drought in some areas and widespread mismanagement have cut shipments of cash crops. Achievement of higher growth rates will require substantial increases in foreign aid, greater foreign investment (especially in transport facilities), and a backing off from "indigenization" policies. For most countries, little improvement in these areas is in prospect for the next several years at least.

Faltering Economic Growth

Since 1970, the aggregate GNP of the sub-Saharan countries has risen only 4 percent a year on average, down from 4.5 percent in the 1960s, and only about 1 percent in per capita terms. Performance would have been much worse--2.8 percent a year--without the strong oil-fueled growth of the Nigerian economy, which now accounts for 30 percent of sub-Saharan output. Africa's growth pattern looks particularly weak in contrast to the 6.9-percent annual average of all LDCs in the 1970s.

*This article summarizes a forthcoming OER Intelligence Report, Economic Trends in Sub-Saharan Africa. In it, the terms "Africa" and "sub-Saharan" are defined to include all continental African countries except South Africa, Namibia, and Arab North Africa--Morocco, Algeria, Tunisia, Libya, and Egypt. Also included are the islands of Madagascar, Mauritius, Seychelles, Comoros, Reunion, Sao Tome and Principe, and the Cape Verde Islands.

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Growth has lagged across all economic sectors. Although food production (outside the Sahel) has risen in most years since 1970, declines in the output of coffee, cocoa, and peanuts have kept agricultural growth at 1.4 percent a year, compared with 3.8 percent in all LDCs. Starting from a very low base, real growth in manufacturing has come closer to the LDC average--6.7 percent a year versus 7.1 percent. Only a few nonoil minerals have done well, notably bauxite, which has been boosted by a large expansion in Guinea.

Both political and economic factors have tended to undercut African economic development in the 1970s:

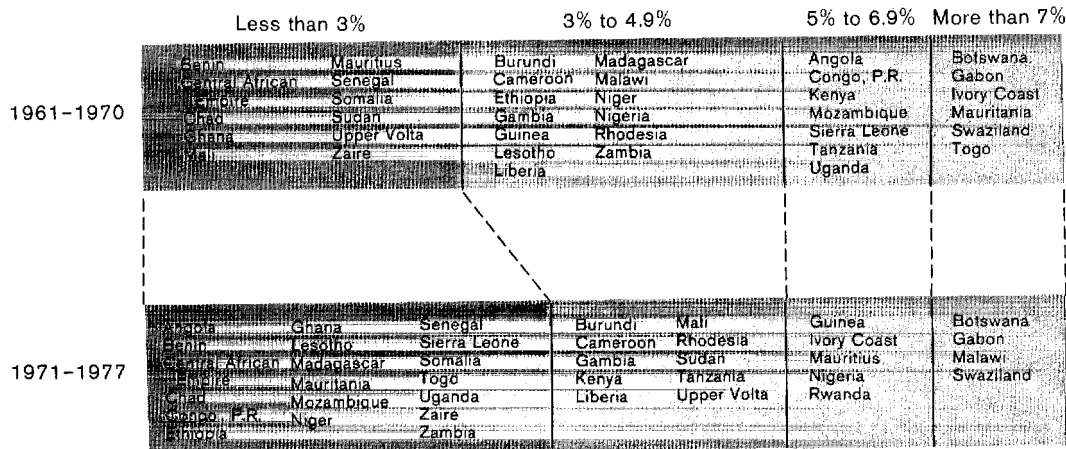
- The sub-Sahara has suffered from 10 local wars and insurrections during the decade; coups have taken place in 17 countries. The civil war in Angola and the transition to independence in Mozambique have proved particularly damaging economically, leading to sharp drops in output of coffee, cashew nuts, and diamonds. More recently, the Shaba invasion disrupted Zaire's copper and cobalt production and exports.
- The 1973-1974 oil price hikes and global recession have sharply reduced sales of major African commodities such as copper and sisal.
- Inflation of import costs, particularly for oil, has forced a number of African countries to introduce austerity measures to cut foreign payments deficits.

Overall data mask substantial variations in growth among individual sub-Saharan countries. Nine have boosted national output 5 percent or more annually since 1970. Of these, Botswana, Swaziland, Malawi, and Ivory Coast also have made noticeable strides in spreading income gains among average citizens. In other leading growth states, such as Nigeria and Gabon, prosperity has come as the result of the development of one or two major commodities for export, and the benefits have been confined largely to urban areas.

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SUB-SAHARAN AFRICA:
Real GNP Growth Trends
(Average annual rates)



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Countries experiencing average growth of less than 3 percent a year generally have suffered from political turmoil, a dearth of natural resources, or, in the case of the Sahel, repeated drought.

Falling Behind in World Markets

Many of the same economic and political factors that have suppressed growth have cost Africa world market shares in the 1970s. Growth in export volume averaged only 2 percent in 1971-1977. It may be even lower this year; copper exports in particular are suffering, reflecting not only production problems at home but also stiff competition of low-cost producers. Variable production costs for copper, for example, average more than 60 cents a pound in Zambia compared with 50 cents in Chile.

Among agricultural exports, peanuts registered the steepest drop in market share--from 72 percent in 1969-1971 to 49 percent in 1975-1977. The falloff mainly

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reflects the impact of drought and disease on major producers, particularly Nigeria. Formerly the world's leading exporter of peanuts, Nigeria has been forced to import peanut oil for the past two years.

The only dynamic element in the region's trade has been the sharp rise in petroleum exports--of benefit principally to Nigeria--which at \$11 billion in 1976 accounted for nearly one-half of total African exports.

Terms of Trade, Trade Balances, and Foreign Debt:
A Mixed Bag

The number of African countries that have gained from shifts in the terms of trade in the 1970s about matches the number that have lost. At the extremes are those benefiting from oil price increases (Nigeria, Gabon, and Angola) versus those hit by declining copper prices (Zambia and Zaire). Copper-producing Zambia and Zaire have been in arrears on import payments for several years, severely damaging their international credit ratings. Sudan's growing deficit is requiring bailout aid from the International Monetary Fund.

Despite the plight of the big terms-of-trade losers, sub-Saharan Africa's foreign debt amounts to only \$15 billion, less than 10 percent of the non-OPEC LDC total. Zaire, Zambia, Sudan, and Gabon account for nearly one-half. Except for these countries, the debt service ratios of the African countries remain well below the 15-percent average for all LDCs.

Foreign Economic Role Still Strong

Low debt service ratios partially reflect the high proportion of grants and concessional aid in international assistance--more than four-fifths of the \$5 billion received by Africa in 1976. Africa now receives twice as much foreign economic aid per capita as the average for all less developed regions--\$14 versus \$7. Although most is used to develop and maintain infrastructure and social services, in recent years a growing proportion has been required to cover foreign exchange deficits. Development Assistance Committee members remain

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the largest aid donors; resource flows from OPEC countries have recently been growing. The francophone countries absorb the biggest share of the aid, accounting for 40 percent of the total.

The stock of foreign private investment has increased in the 1970s, while the role of foreign manpower has decreased:

- The biggest investment jumped has occurred in Nigeria, where the stock of foreign capital has more than doubled since the mid-1960s due to the oil boom; in sub-Saharan Africa as a whole, the value of investment has risen by 60 percent.
- Foreign manpower has decreased steadily in almost all major countries except Nigeria, Gabon, and Ivory Coast; in Angola and Mozambique, where fear of political turmoil drove out the great majority of the Portuguese, the foreign presence has been drastically reduced.

Outlook

The chronic problems of political turmoil, inexperience in economic management, inadequate real capital, and rapid population growth will continue to hamper African development. Where political factors remain stable, the small markets and generally unskilled and poorly educated populations will continue to stand in the way of the large-scale investment needed to stimulate development on a broad front. Meanwhile, the continued sluggishness of the developed economies will limit demand for African products and could dim prospects for an expansion of economic aid. Given the slow growth in available industrial jobs and the continued population explosion, the proportion of subsistence farmers is not likely to fall much below 80 to 90 percent in the next decade.

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In particular, the stable political conditions needed to foster steady economic progress are likely to be lacking. The outlook for southern Africa is especially dim because of the black-white confrontation. Tensions in the Horn are unlikely to abate much in the near future, and hostilities between Chad and Libya and among Mauritania, Morocco, and Algeria could escalate. Given the sub-Sahara's record to date, coups can be expected in any number of countries. (CONFIDENTIAL)

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Benin-Gabon: Dispute Over Beninese Expatriates

Members of the Beninese community residing in Gabon were harassed and beaten by Gabonese last month. Gabonese anger was aroused when the media played up charges made at the recent OAU summit by Mathieu Kerekou, Benin's radical leftwing President, that Moroccan and Gabonese mercenaries had conducted raids into Benin in January 1977. The Gabonese attacks probably had the tacit approval of Gabon's President Omar Bongo, although he continues to disclaim any responsibility for the incidents. Bongo has ordered the repatriation of the Beninese residing in Gabon because he claims he can no longer guarantee their personal safety or security.

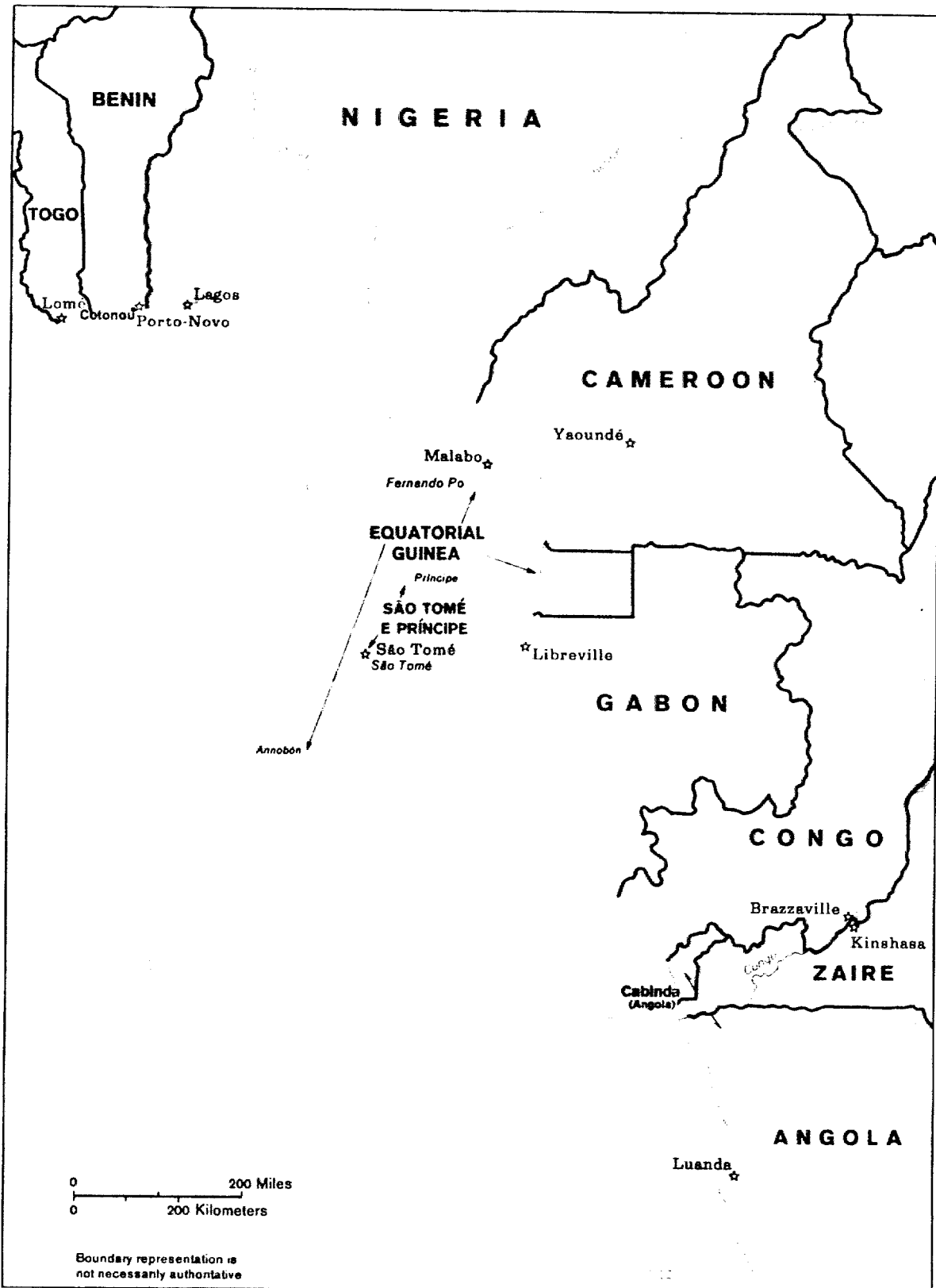
The Gendarmerie attempted to protect the expatriate community, but Beninese homes were systematically ransacked and gutted, and many Beninese were injured. Extensive damage also occurred when an outraged crowd, according to press reports, looted and destroyed roughly 80 percent of Libreville's central market, where many Beninese work.

Repatriation

The repatriation of the Beninese nationals has developed into a king-sized headache for Bongo. More than 4,000 Beninese awaiting deportation are reported to have sought police protection. These individuals have been temporarily settled in a secondary school near the airport. Transportation difficulties have hindered the operation. According to the Gabonese Foreign Minister, Gabon is unable to use its own aircraft to transport the returnees. Gabon has made several requests for transport assistance, but the Ivory Coast and Togo--as well as other West African countries--refuse to become involved in the dispute. US assistance was also solicited but denied.

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France has agreed to help and on 31 July sealifted about 450 Beninese to Cotonou. France will provide additional sealifts if there is no opposition from Kerekou, who may doubt the loyalty of the expatriates and may not permit all of them to return to Benin. Another 300 are reported to have made their own arrangements to return to Benin.

Bongo's worries are not over. A total repatriation of the Beninese community could create problems for Gabon's economy. Gabon is dependent on many services provided by the Beninese. Libreville's principal bakery, for example, is primarily staffed by Beninese and was unable to supply bread to the city during the recent disturbances. Because of Gabon's reliance on the expatriates, Bongo has relaxed his decision to repatriate all Beninese and agreed to allow political refugees, doctors, teachers, engineers, and Beninese who have Gabonese citizenship to remain in the country. Bongo may also face the problem of granting citizenship to the Beninese rejected by Kerekou.

Outlook

The actions against the Beninese have hurt Bongo's position in the international arena. In addition to the criticism Gabon has received for its complicity in the mercenary raid against Benin, Gabon will now be cited as a violator of human rights by Africa states. Bongo's attitude probably will be considered by other Africans as evidence of his support for the raid. Bongo's ire against Kerekou plus his move to repatriate the Beninese community sharply contrast with his past performance on similar matters--he intervened on behalf of Ugandan dissidents and Western journalists in the Central African Empire last year--and will probably raise serious doubts about the validity of his statesmanlike image.

The repercussions of Kerekou's accusations far exceeded his intentions--he probably only wanted the 1977 mercenary raid addressed officially in an international forum--and he did not expect the hostile reaction by the Gabonese or Bongo's orders to repatriate the Beninese community. French participation in Gabon's efforts to transport Beninese nationals to Cotonou may arouse more

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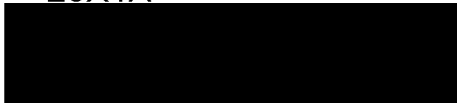
African concern about external intervention in a purely African controversy. This will be a particularly sensitive issue for Kerekou; he also accused Paris of involvement in the 1977 coup attempt. (CONFIDENTIAL)

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Mali: Traore in Control

President Moussa Traore, head of the 10-year-old military government of Mali, has long favored a return to civilian rule. A 1974 constitutional revision provides for the transition to be made in five years with the ruling Military Committee to retain control until that time.

Preparations for the new government has thus far proceeded smoothly. There is to be a single ruling party--the Democratic Union of the Malian People (UDPM)--for which local units have already been established. Traore has substantial popular support and is likely to be elected to head the new civilian government.

Traore has tried to defuse potential problems by emphasizing open dialogue with all segments of the populace. His efforts to create a national youth movement have paid off. In late June, the first congress of the National Union of Malian Youth was held. Debates were lively and candid, and in his concluding remarks, Traore praised the spirit of the attendees. He hopes that by achieving some degree of collaboration with the usually restive youth, chances for disruption during the coming months will at least be minimized, and perhaps a constructive coalition will evolve.

Traore is apparently serious about seeking popular support. In June, he sent the Interior Secretary to each of the regional capitals to hold town meetings, and he has solicited complaints and suggestions for improving the lot of the citizens.

Meanwhile, Traore appears to have further strengthened his position as a result of his strong and effective action in the wake of an abortive coup attempt last spring. He has carried out a widespread purge of those implicated, and his main adversary, the corrupt former Defense Minister who led the coup attempt, is in jail along with

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the other two coup principals, the Ministers of Security and Transportation. The coup failed mainly because of the plotters' lack of security and coordination.

Some of the lesser figures implicated in the coup plot were given reprieves but moved to different jobs. The purge offered Traore the opportunity to revamp the civil service and install some younger, well-educated technocrats. Some of those transferred were given better positions.

Immediately following the initial arrests, Traore assumed the portfolios of the three deposed ministers. He has since relinquished the security and transportation portfolios, but retains responsibility for defense. A new ministry has been created to help Traore with some of his expanded responsibilities. (CONFIDENTIAL)

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