



Directorate of
Intelligence

~~Secret~~

25X1

Ethiopia: The Mengistu Regime and Its Relations With Moscow

25X1

An Intelligence Assessment

~~Secret~~

ALA 84-10084X
SOV 84-10137X
August 1984

Copy **366**

Page Denied



Directorate of
Intelligence

Secret

Ethiopia: The Mengistu Regime and Its Relations With Moscow

25X1

An Intelligence Assessment

25X1

This paper was prepared by [] Office
of African and Latin American Analysis, and []
[] Office of Soviet Analysis, with a
contribution by [] Office of Central
Reference. It was coordinated with the Directorate
of Operations. []

25X1

25X1

25X1

25X1

Comments and queries are welcome and may be
directed to the Chief, African Division, ALA, on
[]

25X1

Secret

ALA 84-10084X
SOV 84-10137X
August 1984

Secret

**Ethiopia: The Mengistu Regime
and Its Relations
With Moscow** []

25X1

Key Judgments

*Information available
as of 1 August 1984
was used in this report.*

The Ethiopian Revolution of 1974 destroyed the centers of power of the old regime—the imperial court, the landed aristocracy, and the Coptic Christian Church—but the country's new military rulers have been slow to establish the Communist party that they have long promised would replace these institutions. The party will finally be formally launched on the 10th anniversary of the overthrow of Haile Selassie in September. Contrary to preferred Communist theory and practice, the Ethiopians intend to keep the party subordinate to the government. We also expect the regime to change the name of the government to something like "The People's Democratic Republic of Ethiopia." []

25X1

Since Mengistu Haile-Mariam emerged seven years ago as the Chairman of the Provisional Military Administrative Council (PMAC) that has governed Ethiopia since the revolution, he has ruled in the style of a traditional Ethiopian autocrat—concentrating power in his own hands. In our view, he is using the establishment of the party and other Marxist-Leninist institutions to extend the military's control throughout Ethiopian society and to enhance his personal authority. []

25X1

Mengistu's military and economic policies have generated growing dissatisfaction with the regime, []. His insistence on a strategy of military victory in Addis Ababa's longstanding struggle against Eritrean and Tigrean insurgents in northern Ethiopia has cost him support within the Army, which has suffered heavy casualties, and among urban civilians, who oppose conscription. His attempt to socialize the Ethiopian economy has damaged productivity and been resisted by the country's peasants—who make up more than 80 percent of the population—forcing him to back off at least temporarily by tolerating some free market practices. Urban workers are also discontented because the government's austerity program has increased unemployment and limited the availability of consumer goods, but the working class is relatively small and lacks political clout. We do not expect Mengistu to change his goals, but we believe he will continue to be pragmatic—particularly in the economic sphere—when he thinks the country's national interest demands a nondoctrinaire approach. []

25X1

25X1

In our judgment, Mengistu is likely to remain in power for the next few years at least, barring an assassination, an incapacitating accident or illness, or—less probable—a successful coup. Most potential coup plotters probably will be intimidated by Mengistu's willingness and ability to use ruthless measures to crush opposition. Mengistu's extensive security network gives him a good chance to learn of plots before they become a threat.

Secret

ALA 84-10084X
SOV 84-10137X
August 1984

Secret

25X1

Junior military personnel—suffering from the effects of endless fighting and continuing economic decline—pose the greatest potential threat. Senior officers are more insulated from economic and military hardships and have less incentive to mount a coup. Moreover, Mengistu's recent moves to assure his high command of its continued key role in the government have further reduced the likelihood that senior officers would participate in a coup attempt. []

25X1

We believe that Addis Ababa's alliance with Moscow will survive at least as long as Mengistu remains in power, and probably beyond. Ethiopia values the relationship primarily because it ensures the supply of large amounts of military equipment needed to fight the insurgents. For Moscow, the relationship provides access to facilities useful in supporting Soviet naval operations in the Indian Ocean and the Persian Gulf and enhances Moscow's capability to project Soviet air and naval power in the region. Moscow also uses Ethiopia as a model for demonstrating to other Third World states the benefits of allying with the Soviets. []

25X1

Thus, while we believe the relationship is mutually beneficial, we think that Ethiopia's growing problems could increase Moscow's leverage with Addis Ababa. The lack of success with the insurgents, the continuing need for arms, the growing arms debt to the Soviets, and the absence of alternative sources of arms probably will increase Mengistu's dependence on Moscow and could lead him to grant the Soviets additional concessions. []

25X1

In any event, we expect that there will continue to be frictions. Moscow, for example, has pressed Mengistu to create a Communist party since the late 1970s in an effort to institutionalize Soviet influence. While grudgingly tolerant of Mengistu's intention to pack the new party leadership with members of his military clique, the Soviets probably believe the party will allow them to identify and cultivate young cadre who will help guide Ethiopia along a pro-Soviet course in the long term. Moscow undoubtedly also is identifying sympathizers among senior Ethiopian military personnel, but it is not trying actively to strengthen such individuals because it fears arousing Mengistu's suspicions and thus creating new tensions. For his part, Mengistu probably will remain dissatisfied with the level and quality of Soviet military and economic aid but probably will grant the Soviets partial concessions on such issues as greater access to Ethiopian naval facilities. []

25X1

Finally, in our view, a significant improvement in US-Ethiopian relations is unlikely not only because of Mengistu's dependence on the Soviets but because of his deep suspicion of US intentions. He is convinced that Washington is encouraging Somalia and Sudan to support the insurgents in Ethiopia. Although Mengistu probably will avoid direct, unprovoked attacks on Somalia and Sudan, we believe he will continue to work with Libya in assisting Somali and Sudanese dissidents. []

25X1

Secret

Secret

Contents

	<i>Page</i>
Key Judgments	iii
Internal Dynamics	1
Mengistu's Use of Marxist-Leninist Institutions	1
Economic Policies and Problems	3
Military Policies and Problems	5
Growing Discontent	6
Foreign Relations	7
With Moscow	7
With Washington and the West	10
With Neighbors	11
Outlook	12
For Mengistu	12
For the Ethiopian-Soviet Alliance	12
For a Successor Regime	13
Implications for the United States	13

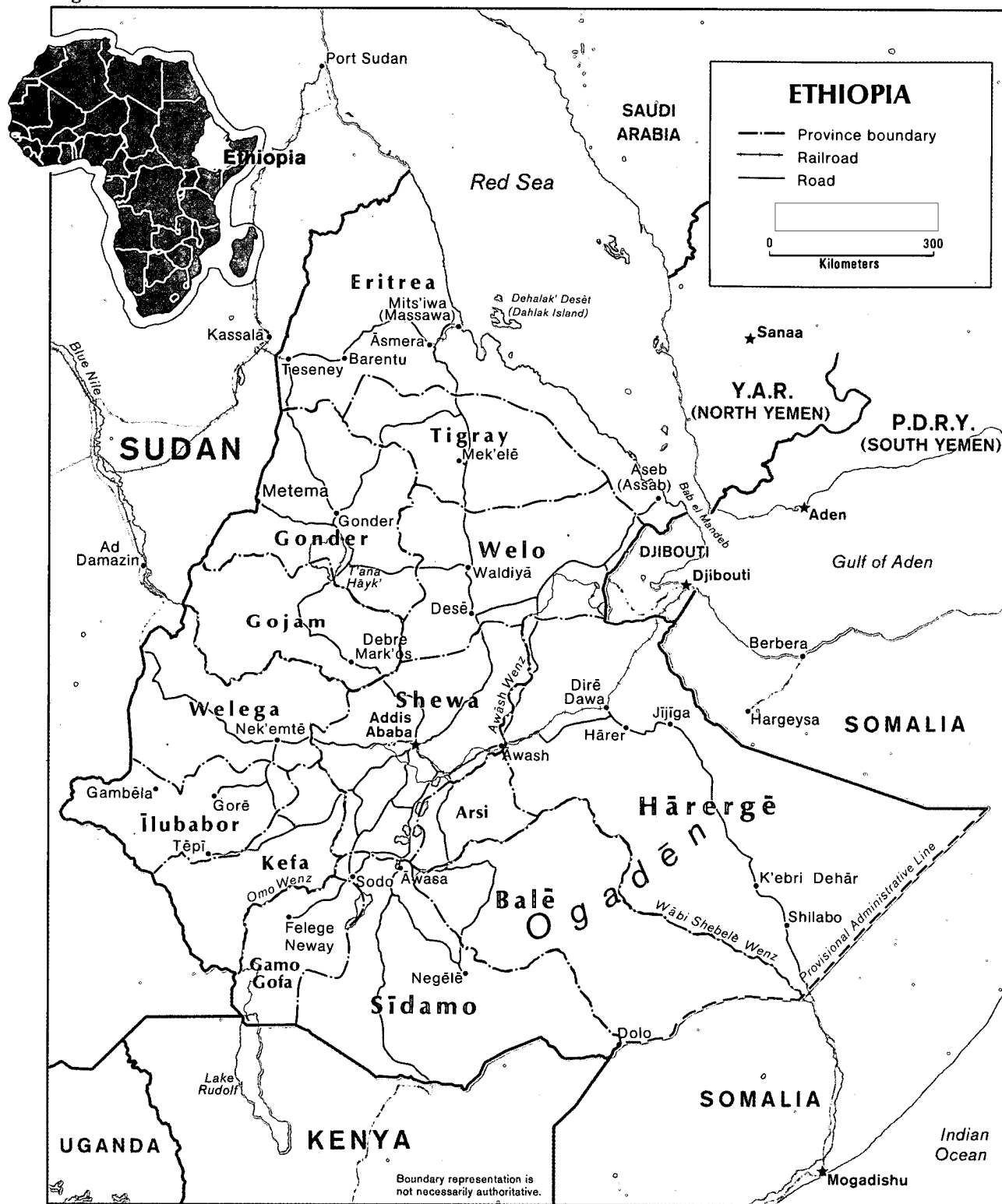
25X6

Secret

Secret

25X1

Figure 1



702172 (544695) 4-84

Secret

vi

Secret

Ethiopia: The Mengistu Regime and Its Relations With Moscow

25X1

Internal Dynamics

Mengistu's Use of Marxist-Leninist Institutions

Mengistu Haile-Mariam has ruled Ethiopia ruthlessly since he emerged seven years ago as Chairman of the Provisional Military Administrative Council (PMAC), which has governed the country since the overthrow of Emperor Haile Selassie in September 1974. []

[] he was personally responsible for the murder of his predecessor as Chairman of the PMAC in 1977. Since then, he has intimidated or eliminated all important rivals. He is a skillful politician, playing off potentially powerful individuals, groups, and organizations against one another. Rather than revolutionary, his style is characteristic of a traditional Ethiopian autocrat. His strategy has been to concentrate power in his own hands and to rely on the country's military and security apparatus to maintain control and to crush dissent.¹ []

Although we believe that Mengistu is first and foremost a pragmatist and an Ethiopian nationalist, we also believe that he is firmly committed to radical policies such as those designed to socialize the Ethiopian economy. He began advocating radical programs even before he became Ethiopia's unchallenged leader. In our view, he is using the establishment of Marxist-Leninist institutions throughout Ethiopian society both to enhance his own power and to transform the economic, social, and political order. []

A Communist Party. Despite pressure from Moscow and from Ethiopian radicals to develop Soviet-style institutions in Ethiopia, Mengistu has been slow to move in that direction. Although the new government destroyed the centers of power of the old regime—the imperial court, the landed aristocracy, and the Coptic

¹ While both Mengistu and Haile Selassie sought to concentrate power in their own hands, Mengistu has gone beyond what Ethiopia's emperors were able to achieve. Like Haile Selassie, Mengistu is skillful at outmaneuvering and playing off internal rivals against one another, but unlike the emperor, he has broken the independent authority of local potentates. Haile Selassie ruled through a fief and vassal system that allowed considerable local autonomy, but Mengistu has established a direct-rule, unitary system. []

Christian Church—Mengistu delayed for several years the creation of a Communist party. We believe that until recently he feared that the military would lose control of the government to civilian Marxist ideologues once a Communist party was established, thereby undermining his own power. []

25X1

25X1

Mengistu will use the occasion of the 10th anniversary of the overthrow of Haile Selassie this September to establish the Ethiopian Workers' Party (EWP)—a Communist party in structure if not in name, according to the US Embassy in Addis Ababa. The EWP will be considered a "vanguard" party, a "Leninist Party of the new type," according to the *Ethiopian Herald*, larger than an elitist, conspiratorial party but smaller than a mass party of millions. []

25X1

25X1

25X1

Mengistu has taken pains over a period of years to ensure that he and his trusted colleagues² will control the party apparatus, contrary to the preferred Communist theory and practice of government subordination to the party. When he created the Commission to Organize the Party of the Working People of Ethiopia (COPWE) in 1979, he made up its Executive Committee of himself and the same six colleagues who constitute the PMAC Standing Committee—the regime's highest level organ. According to the US Embassy in Addis Ababa, most of the 91 members of COPWE's Central Committee are former military officers, although only 19 are active duty personnel. COPWE had about 20,000 members as of early this year, [] of which 3 percent were peasants, 21 percent workers, and 76 percent bureaucrats and military personnel. We expect that the creation of the EWP will simply entail renaming COPWE and retaining, at least initially, its structure and leadership. []

25X1

25X1

25X1

25X1

25X6

25X1

Secret

Secret

25X6

Communist-Style Institutions. The party will complement other institutions that the regime is using to impose a Soviet-style political and social system and to indoctrinate the population on Marxist-Leninist ideology. Although associations of urban residents, peasants, trade union members, youth, and women have fallen short of stimulating broad popular support for the regime, they provide an effective network for

surveillance and control, [REDACTED]
The organizations are staffed by thousands of relatively well paid political cadres, highly motivated to teach the people about Communism, to keep watch on the Marxist school curriculum—ensuring that teachers adhere to the official line—and to be alert for

25X1

Secret

Secret

signs of dissent, according to the US Embassy in Addis Ababa. A special school, partially staffed by Soviets and East Europeans, trains these cadres as well as government officials in Marxist-Leninist ideology. In addition, the official press, radio, and television also are used extensively for propaganda and for promoting Communist ideology. []

The military receives systematic political indoctrination from political commissars in each military unit. The commissars also keep track of the loyalty of the officer corps. Although commissars are frequently low-ranking personnel, they can bypass the military chain of command to report directly to the Ministry of Interior, according to the US Embassy. Some commissars occasionally have even delayed or overruled planned military operations by calling mandatory political indoctrination sessions for their troops. []

We expect the regime to make additional semantic changes—some in September and others as soon as a new constitution outlining the structure of the Soviet-style state is formally enacted. According to the US Embassy, the name of the government will change from “the Provisional Military Government of Socialist Ethiopia” to something like the government of “The People’s Democratic Republic of Ethiopia”—and Mengistu’s new title will be “President.” []

Economic Policies and Problems

Mengistu’s Marxist-Leninist economic policies have more equitably distributed the country’s limited wealth, but Ethiopia remains one of the poorest countries in the world with a per capita income of about \$140, according to data compiled by the IMF. We believe prospects for significant improvement are bleak. The economy is heavily dependent on agriculture, which—despite chronic drought—generates nearly 45 percent of GDP. Although the abolition of the feudal system has benefited peasants, who are no longer forced to give a portion of their crops to landlords, Mengistu’s policies have been less successful in ensuring that adequate food supplies are produced and sent to market in the cities. []

Agriculture. Mengistu’s attempts to centralize state control of agriculture have not succeeded in boosting production, according to the US Embassy. Although the regime has given preference to state farms and

agricultural cooperatives in the provision of machinery and fertilizer, many are poorly managed, short of skilled personnel and funds, and lack incentives to increase production. [] 25X1

Ethiopia was self-sufficient in food production before Mengistu came to power; we estimate that food now accounts for more than 10 percent of the country’s total imports. The prices set by the government for food crops are too low to provide peasants with an incentive to produce a surplus. Food shortages also have been caused by periodic drought, soil depletion resulting from poor farming practices, and food distribution problems arising from an antiquated transportation system, according to the US Embassy. In northern Ethiopia, these problems have been exacerbated by the increased fighting between the Army and insurgent groups. [] 25X1

Although we doubt that Mengistu will give up his long-term goal of state-controlled agriculture, the failure of his Marxist policies has left him no choice but to tolerate private enterprise or to court economic disaster. As a result, small, individually farmed plots still account for 90 percent of the country’s agricultural production.³ Moreover, according to the US Embassy, the government may extend some new credits to peasants, reduce charges for fertilizer, and pay higher prices for food crops. [] 25X1

Industry. Mengistu also is taking a more pragmatic approach toward Ethiopia’s fledgling modern industrial sector because a more doctrinaire approach would also be disastrous. Although the regime has nationalized most large-scale businesses, Mengistu has publicly indicated that he does not plan many more business takeovers, apparently in part because the government knows it cannot manage thousands of small firms efficiently. We believe that the nationalizations and the close government regulation of small private firms have caused most of the fall in industrial growth from about 10 percent annually in the late 1970s to less than 6 percent in the early 1980s. Mengistu’s apparent flexibility on ownership, however, is unlikely to offset the depressing effect of [] 25X1

³ The government abolished the private ownership of land in 1975, but the peasants have individual user rights. []

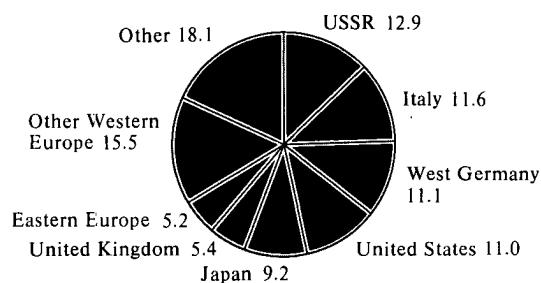
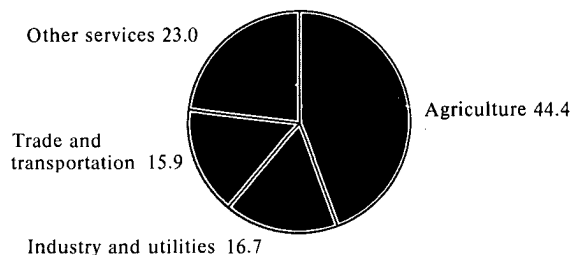
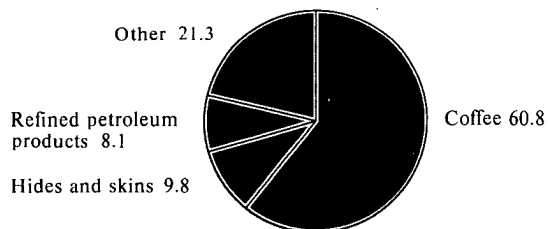
25X1

Secret

Secret

Figure 2
Ethiopia: Economic Indicators

Percent

Major Trading Partners, 1983^aComposition of Gross Domestic Product, 1984^bComposition of Exports, 1984^b

^a Trade is derived from official recorded trade figures, January-September. Soviet military equipment sales are not included.

^b Fiscal year ending 6 July.

persistent shortages of raw materials and weak demand for Ethiopia's exports. Moreover, price controls, a shrinking market, and difficulties in importing machinery and raw materials have discouraged domestic private investment, while many potential foreign investors are holding back because of government restrictions on profit repatriation. [REDACTED]

Economic Decline and Financial Squeeze. Mengistu's tolerance of some free market practices probably is only a temporary expedient to counter the economy's serious decline. Since 1980, low world prices for coffee, drought, poor management, and the low productivity of collectivized agriculture and nationalized businesses have caused average annual GNP growth barely to exceed Ethiopia's annual increase in population of 2.3 percent. [REDACTED]

The price of coffee, which accounts for nearly two-thirds of Ethiopia's export revenues, has been low since 1977, and Addis Ababa has not been able to increase exports enough to make up the loss. The resulting decline in revenues has caused foreign exchange reserves to fall to a level sufficient to finance imports for only one month, according to data compiled by the IMF. [REDACTED]

Addis Ababa's budget deficit has increased sharply because of growing development spending and rising military expenditures to combat the insurgencies. Development spending, concentrated in sectors such as agriculture, industry, mining, water resources, and road construction, has more than doubled over the past four years according to IMF data. Military spending now accounts for some 40 percent of the government's recurrent expenditures, according to US Embassy reporting. [REDACTED]

The government has responded to the shortage of funds with austerity measures, which have increased unemployment and limited the availability of consumer goods. [REDACTED]

Addis Ababa reduced by 10 percent the budgets of all ministries except defense for the 1983-84 fiscal year. It also cut crude oil imports by about 15 percent or about \$30 million, according to IMF data, reduced imports of consumer goods, and slashed development spending by more than 20 percent. [REDACTED]

302228 (A04370) 3-84

Secret

Secret

Ethiopia: Selected Financial StatisticsMillion US \$
(except where noted)

	1978	1979	1980	1981	1982	1983	1984 ^a
Trade balance	-230	-229	-235	-304	-399	-465	-504
Exports, f.o.b.	324	360	474	412	384	391	403
Coffee	247	262	305	253	231	240	245
Imports, c.i.f.	554	589	709	716	783	856	907
Net services and transfers	35	44	47	59	81	138	117
Current account	-195	-185	-188	-245	-318	-327	-387
External public debt ^c	511	587	697	764	990	1,142	1,308
Debt service ratio (percent)	7	5	6	7	12	11	18
International reserves ^b	153	173	75	255	178	119	142 ^d

^a Estimated.^b End of year.^c Does not include debt to the Soviet Union for military equipment—with an estimated value of over \$3 billion—delivered since 1977.^d End of June 1984.

Note: Ethiopia's fiscal year ends on 6 July.

25X1

Military Policies and Problems

Mengistu's military policies are motivated essentially by a traditional Ethiopian commitment to maintaining the country's territorial integrity. Mengistu has concentrated most of his troops in the two areas where armed insurgents have sizable forces: the Ogaden region of eastern Ethiopia and Eritrea and Tigray Provinces in the north.⁴ Although we believe that the insurgents do not pose a direct threat to Mengistu's control in Addis Ababa, they are draining the government of money and manpower and, in our view, are strong enough to withstand the Ethiopian Army's efforts to defeat them.

The Ogaden. Ethiopia has increased its control over the Ogaden in recent years, but the more than 60,000 Ethiopian troops in the region are spread thinly and cannot

prevent attacks by guerrilla units of the Western Somali Liberation Front (WSLF)—the ethnic Somali insurgent group supported by the government in Mogadishu. We judge that Mengistu believes he must maintain a considerable military presence in the Ogaden to ensure against another Somali invasion.

25X1

25X1

The Northern Insurgencies. Reports from the US Embassy indicate that the 100,000 Ethiopian army troops in northern Ethiopia have made almost no headway in defeating the insurgents of the Eritrean Peoples Liberation Front (EPLF) and its ally, the Tigrean Peoples Liberation Front (TPLF). We estimate that the Army has suffered about 35,000 casualties in its two major northern campaigns over the past two years, reducing the combat effectiveness of some units and undermining morale generally. EPLF and TPLF guerrilla units, although relatively small, operate effectively in the region's mountainous terrain and dominate the countryside in part because they have the support of the local population.

25X1

25X1

25X1

25X1

Secret

Although the Ethiopian Government holds discussions periodically with the EPLF and smaller Eritrean groups on the possibility of a settlement, neither side is willing to compromise, [redacted]

[redacted] The government's vague offers of autonomy have not gone down well with the EPLF, which says it will not be satisfied with anything less than full independence. [redacted]

The government may use the occasion of the 10th anniversary celebrations in September to proclaim "autonomy" on the Soviet model—for Eritrea, but we doubt that this will pacify the Eritreans or divert Mengistu from the pursuit of a military solution. Mengistu's uncompromising refusal to grant any real autonomy suggests that he believes he will be able eventually to wear down the insurgents because of the regime's advantages in military hardware and sheer manpower. Moreover, his own rise to power was at least partly based on the appeal he made to Ethiopian nationalism by demanding that the country become a unitary state. We believe he has locked himself into this position and will pursue a military victory so long as the Soviets provide the wherewithal. Although the government has recently instituted a system of national military service for all Ethiopians between the ages of 18 and 30, we doubt that conscription will have a major impact on the fighting any time soon. [redacted]

Growing Discontent

Urban Unrest. There have been signs recently of rising urban discontent over the government's security and economic policies. Many residents of Addis Ababa have complained about conscription and the use of press gangs to round up youths to fight the insurgents. Others have expressed dismay, according to US Embassy officers, about the steady decline in real wages. [redacted] urban workers have received no general wage increase since before the revolution. [redacted]

The unveiling of a large statue of Lenin in Addis Ababa brought discontent to the surface last fall, according to the US Embassy. Some Ethiopians stoned or attempted to deface the statue, which many regarded as an affront to Ethiopia's national tradition. This prompted the government to station guards to protect the statue, an admission of the lack of trust that exists between the regime and many citizens. [redacted]

Most members of Ethiopia's relatively small educated middle class are hostile to Mengistu's attempts to impose Marxist-Leninist institutions and to his ties with Moscow, [redacted]

[redacted] civilian radicals have long been alienated because their expectations of controlling the government after Haile Selassie's ouster were never realized. [redacted]

On balance, however, we do not believe that urban unrest is a serious threat to Mengistu. Almost all critics are cowed by the government's willingness to use firm measures to squelch dissent. The regime virtually eliminated organized opposition by civilian leftists in Addis Ababa and other cities during the late 1970s through a massive campaign of repression. Many of the former activists who were not killed or jailed went into exile, and the sympathizers who remain in urban areas generally refrain from overt political activity. [redacted]

Rural Unrest. Mengistu must also be wary of the potential for rural unrest. Although the peasants—who make up more than 80 percent of the population—had enthusiastically supported the revolution because it broke the power of the landlords, Mengistu's initial attempts at collectivization in the late 1970s provoked resistance. The peasants generally viewed collectivization as a scheme to take away their newly won rights. We believe that Mengistu's continuing reluctance over the last several years to force peasants into agricultural cooperatives reflects his concern that such a move would trigger more widespread peasant resistance and further impair food supplies to urban areas. [redacted]

Dissaffection Within the Military. We believe that disaffection in the military—Mengistu's principal power base—is potentially a much more serious problem for the regime than either urban or rural unrest. Discontent stems largely from a widespread belief among both senior officers and the rank and file that the war against the insurgents cannot be won, [redacted]

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

Secret

Secret

25X1

The discontent among the lower ranks centers mainly on living conditions and the protracted fighting in northern Ethiopia. [redacted]

delegations of troops have petitioned Mengistu for pay bonuses and shorter tours at the front, the withdrawal from the front of all Soviet military advisers, and even the replacement of the present regime by a civilian government. In one incident in late 1982, a brigade in Eritrea mutinied briefly over living conditions. [redacted]

[redacted] before senior commanders persuaded it to return to action. [redacted]

Few senior officers disagree with Mengistu's policy of fighting to maintain the country's territorial integrity. Moreover, none is known to have an alternative strategy that would be any more successful against the insurgents. Nevertheless, many senior commanders dislike Mengistu's commitment to Marxist-Leninist institutions and economic policies and resent the interference of political commissars in military matters. [redacted]

Mengistu has effectively contained dissent within the military by executing suspected ringleaders, intimidating other malcontents, making concessions, and dispensing favors, according to the US Embassy. He has been flexible enough to acquiesce at times over issues that do not directly threaten his authority, such as demands for better pay and living conditions. He also has taken several steps to appease his senior officers, including reassuring them that the military will continue to control the government, even after the new party is launched. [redacted]

Foreign Relations

With Moscow

In our judgment, Mengistu values his alliance with Moscow primarily because it provides the military equipment he regards as essential to pursue his goals of military victory over the insurgents and countering Somali irredentism. He almost certainly sees no alternative source of supply. [redacted]

Military and Economic Aid. The Soviets have agreed to supply Addis Ababa with a total of roughly \$4 billion in military assistance since 1976, of which over \$3 billion has been delivered—the largest amount Moscow has committed to any state in Sub-Saharan Africa.⁵ Soviet military aid includes MIG-23 and MIG-21 fighter aircraft, MI-24 helicopter gunships, T-54/55 tanks, armored personnel vehicles, surface-to-air missiles, Osa-II attack boats and other patrol vessels, air defense equipment, artillery, mortars, and small arms. In addition, we estimate that there are about 1,700 Soviet military advisers and 1,000 Soviet civilian technicians in the country, and Moscow almost certainly largely subsidizes the approximately 6,500 Cuban military personnel—reduced from 11,000 since late 1983—that are stationed in Ethiopia. The Cuban forces had been largely a strategic reserve and have not engaged in military activity since the hostilities with Somalia ended in 1978. In our judgment, the reduction in Cuba's troop presence should not diminish Soviet influence because Addis Ababa is still heavily in debt for Soviet military equipment and is dependent on Moscow for continued assistance. [redacted]

Moscow also has extended to Ethiopia some \$550 million in financial assistance since 1974, half of which was in the form of commodity credits and oil subsidies. Such subsidies represent an unusual concession by Moscow in dealing with a Third World ally. Although the Soviets have met all of Ethiopia's oil needs since 1980, they have insisted on increasingly tougher terms during renegotiations each year, according to US Embassy reporting [redacted]

Aims and Instruments of Soviet Policy. In our judgment, Moscow values its relationship with the Mengistu regime for several reasons. Militarily, the alliance provides the Soviets access to facilities useful in supporting their naval forces in the Indian Ocean and the Persian Gulf and enhances Moscow's capability to project air and naval power in the region and beyond. [redacted]

Secret

In a broader political and ideological context, a successful socialist revolution in Ethiopia would demonstrate the value of the Soviet alliance to other Third World states and lend credence to Moscow's claims of a pro-Soviet tilt in the "world correlation of forces." Moreover, the Soviets presumably see utility in having access to Ethiopia as a potential springboard from which to support or promote other leftist movements in Africa. [redacted]

Moscow has exploited Mengistu's perceived "vulnerabilities" to establish a strong position in Ethiopia. The USSR has played upon Mengistu's security concerns over US-backed adversaries in Somalia and Sudan as well as the internal threat posed by the Eritrean insurgents. The Soviets have also offered the ambitious Mengistu an organizational model to consolidate his political power. [redacted]

The Soviets have a number of tools at their disposal with which to secure their position in Ethiopia over the long term. Moscow's main source of influence is its role as Addis Ababa's principal arms supplier. The Soviets also can use their advisers to gain influence; Soviet military advisers are attached to each Ethiopian division headquarters and to most brigades as well. Since 1981, the Soviet role in planning military operations has grown; General Petrov, Commander of Soviet Ground Forces, directly advised Ethiopian commanders for two-month periods in each of the last two counterinsurgency campaigns in the north, [redacted]

[redacted] the Soviets tried unsuccessfully to establish a joint military academy in Ethiopia—presumably to identify and cultivate links to the coming generation of military leaders. [redacted]

Soviet academic and training programs also afford Moscow opportunities to cultivate new supporters and to enhance influence. In 1983, for example, there were some 3,350 Ethiopian students and 100 technical trainees in the USSR. An additional 1,800 Ethiopians were enrolled in programs in Eastern Europe. [redacted]

⁶ The Soviets have periodically suggested that Ethiopia consider a negotiated settlement to resolve the Eritrean problem, most recently during Mengistu's visit to Moscow in March, according to US Embassy sources in Addis Ababa. Mengistu has persisted, nevertheless, in following his own policy. [redacted]

Moscow and the "Vanguard Party" Question

The establishment of an Ethiopian Communist party has long been a key goal in Moscow's efforts to develop the Ethiopian revolution along Marxist-Leninist lines and to institutionalize Soviet influence with and access to the ruling elite in Addis Ababa. Soviet media commentary in 1976-77 frequently questioned the Ethiopian regime's ability to "secure the gains of the revolution" without a party. [redacted]

Moscow has frequently pressed the Ethiopians on this issue. [redacted]

During the visit of then Soviet Premier Kosygin to Addis Ababa in September 1979, Mengistu said that a commission to study the party question would soon be formed. The formal announcement launching the Commission to Organize the Party of the Working People of Ethiopia (COPWE) followed in December 1979. [redacted]

COPWE held its first congress in the summer of 1981 and a cooperation accord between COPWE and the Soviet Communist Party was concluded during Mengistu's visit to Moscow in November 1982. The Soviets subsequently increased the number of party-to-party exchanges, with COPWE delegations visiting Moscow to gain insights on how to build a party. This increased contact probably was designed to keep the party issue alive and to underscore Moscow's intent to hold Mengistu to his word. The Soviets probably also viewed the exchanges as an opportunity to strengthen their ties with Ethiopia's political leaders. [redacted]

Sources of Friction. Moscow almost certainly sees few alternatives to Mengistu within the current Ethiopian leadership. The only two pro-Soviet figures in the ruling military council do not have broad power bases or strong support within the military, [redacted]

[redacted] While Moscow presumably has identified and cultivated sympathizers among

Secret

25X1

senior Ethiopian military personnel, we do not believe the Soviets are actively trying to promote or strengthen these individuals. Moscow probably realizes that such activity would arouse Mengistu's suspicions and thus create new tensions. []

We believe that longstanding Soviet pressure on Mengistu to create a Communist party in Ethiopia stems from Moscow's desire to institutionalize its influence in the country over the long term. While unhappy that the new party probably will be dominated by Mengistu's military clique, Moscow probably believes the party will nonetheless allow it to identify and cultivate young, ideologically oriented cadres who over the long term will guide Ethiopia along a pro-Soviet course. The Soviets are still haggling, however, over the composition of the party. According to Embassy sources in Addis Ababa, the Soviets told Mengistu during his visit to Moscow in March that there should be more civilians in the party leadership. []

The Soviets also have sought to shape the broad outlines of Ethiopia's long-term economic policies. According to the US Embassy in Addis Ababa, Moscow has suggested that Ethiopia reorient its economy to resemble the Soviet economy and urged Ethiopia to avoid any new debts to Western countries because of the need to pay off its large outstanding obligation to the Soviet Union. []

[] Moscow is trying to maintain a direct involvement in economic planning over the long term by sending advisers to analyze and refine Ethiopia's investment program. []

[] Soviet advisers have been attached to ministries that deal with the economy and to each of seven recently established centers created to oversee Ethiopian economic development projects at the regional level. []

A persistent "tug of war" aspect to Ethiopian-Soviet dealings reflects, in our view, the tension that characterizes most patron-client relationships. In its efforts to assure a long-term role for itself, the Soviet Union has pressed for concessions and changes in Ethiopia that Moscow believes will institutionalize Soviet influence. Moscow has been careful not to push Mengistu too hard and has tolerated his foot-dragging on various Soviet requests. No doubt mindful of their

experience in Egypt and Somalia, the Soviets probably recognize that an arms dependency relationship is no guarantee of long-term influence. []

The record shows that Mengistu has sought to balance the need to cooperate with his patron against his desire to retain a large degree of autonomy and flexibility to govern Ethiopia as he chooses. He has largely succeeded in this endeavor, assuaging his Soviet patrons with partial concessions and compromises on such issues as the creation of a Marxist-Leninist party and Soviet access to Ethiopian facilities in order to obtain Soviet military aid. Mengistu almost certainly realizes, however, that some of Moscow's proposals—if fully implemented—could limit his maneuverability or even threaten his leadership. []

[] Mengistu and his advisers have been dissatisfied with Moscow's failure to give them even greater supplies of weapons, to offer more generous repayment terms on their military debt to the Soviet Union, or to provide greater economic assistance. We believe Addis Ababa will not be able to meet its military debt repayment schedule, which requires annual payments of \$200 million beginning this year—equivalent to almost one-half of what we estimate will be Ethiopia's total foreign exchange earnings. []

[] Mengistu informed the Soviets during his visit to Moscow in March that Ethiopia could not begin such payments. Several sources of the US Embassy in Addis Ababa report that the Soviets subsequently agreed to postpone repayment of the military debt until April 1986. []

[] there is a great deal of resentment within the Ethiopian military against Soviet influence, and particularly against the arrogance of Soviet advisers. Some Ethiopian commanders claim their battlefield failures result from bad advice by Soviet officers and from Moscow's unwillingness to provide more and better arms. We believe military dissatisfaction with Mengistu has been fueled by the regime's perceived close identification with Moscow and the increased Soviet advisory and planning role in military operations over the past three years. []

25X1

Secret

Secret

Soviet Naval and Air Access in Ethiopia

Soviet access to naval and air facilities in Ethiopia has been an issue in the bilateral relationship ever since Somalia's expulsion of the Soviets in November 1977. The Soviets did not immediately press for such facilities, however, at least in part because of their location in northern Ethiopia where Soviet personnel would be vulnerable to Eritrean insurgents. [redacted]

In April 1978 the Soviets began developing a fairly modest facility on one of Ethiopia's isolated islands in the Dahlak archipelago. After transferring a 7,700-metric-ton floating drydock—which had been in Somalia prior to 1977—to Dahlak, the Soviets improved the facility, adding housing for some 200 personnel, two floating piers, petroleum storage tanks, helicopter pads, and other necessities. In recent years, the Soviets have averaged some 80 to 100 ship visits a year to Dahlak, largely by vessels of the Indian Ocean squadron. We believe Moscow and Addis Ababa have an unwritten understanding that gives the Soviets nearly exclusive use of this facility. [redacted]

[redacted] 25X1

The Soviets have not obtained the same degree of access to the ports of Assab and Massawa, which have larger and better facilities than Dahlak. Inasmuch as Soviet naval practice emphasizes reliance on auxiliary ships and minimizes dependence on foreign facilities, access to Massawa and Assab is not essential to Soviet naval operations in the Indian Ocean and the Persian Gulf. Soviet ships nonetheless have called infrequently at both ports. [redacted] 25X1

[redacted] since 1978 of Soviet pressure to construct private facilities in or near these ports, but Mengistu has resisted such efforts. [redacted] 25X1

Since 1980, the Soviets have periodically deployed two IL-38 MAY maritime patrol and antisubmarine warfare aircraft to Yohannes IV airfield in Asmara; these are supported by a pair of AN-12 CUB aircraft. The IL-38s are used primarily for reconnaissance missions against Western ships in the Northwest Indian Ocean. We believe the Soviets intend to continue such deployments despite an insurgent attack on the airfield in Asmara in May. [redacted] 25X1

Ethiopia's dependence on Soviet arms, Mengistu's apparent decision to assuage Moscow on the party question, Addis Ababa's inability to meet its first major military debt payment, and Moscow's concern over increased US naval activity in the region may have combined to persuade the Soviets to renew requests for expanded naval access. The record strongly suggests that Mengistu's need for aid has prompted him to accede to at least some of Moscow's requests but that he is reluctant to agree to proposals that would entail Soviet control over Ethiopian facilities. We believe Mengistu's stand stems largely from his sensitivity to the potential for infringements on Ethiopian sovereignty and that his acquiescence to a substantial Soviet presence at Dahlak, an isolated island—while opposing a similar Soviet role at the ports of Massawa and Assab—reflects his desire to

keep Soviet personnel away from populated areas. Mengistu probably is concerned that a visible Soviet presence at the ports could spark increased anti-Soviet and antiregime sentiment. [redacted] 25X1

With Washington and the West

Mengistu and other key government officials are deeply suspicious of US policies in the region, according to US Embassy reporting [redacted] 25X1

[redacted] largely because of US military support for Somalia and Sudan. Mengistu and his key advisers believe Washington is behind their aid to insurgent groups in Ethiopia. Moreover, Addis Ababa still regards Mogadishu's forces as a potential direct military threat and believes US assistance encourages Somalia's designs on the Ogaden. [redacted] 25X1

Secret

Secret

Some Ethiopian officials occasionally have indicated an interest in seeking better relations with the United States, but nothing has come of these feelers. The official Ethiopian media has continued virulent attacks on the United States, and the regime expelled four US diplomats in February. The US Embassy in Addis Ababa believes that recent moves by some Foreign Ministry officials to seek better ties were made without Mengistu's approval. []

Mengistu is less hostile toward most other Western countries. He needs their economic assistance, and we doubt he views them as a threat to Ethiopia because most do not have a military presence in the region. Mengistu's efforts to obtain Western economic aid have gained him \$50-100 million annually from the European Economic Community and its member countries as well as smaller amounts of bilateral aid from a number of other Western countries, such as Sweden, Canada, and Japan. []

The World Bank is expanding its support for Ethiopia, and the IMF could be another source of funds. The Bank approved loans totaling some \$135 million last year alone. Because Mengistu appears to regard the IMF as an instrument of US policy, he has been reluctant to ask it for additional funds. Nevertheless, Ethiopia agreed to an IMF program in 1981 that provided Addis Ababa some \$100 million in balance-of-payments support. Ethiopia informally approached the Fund earlier this year regarding more financial support. []

Ethiopia probably would attract greater Western assistance if it settled claims from Western businesses that were nationalized during the revolution. Addis Ababa recently reached a settlement with the largest British claimant, but it generally moves very slowly on such claims. Although Mengistu may not want to be seen as knuckling under to Western "exploiters," we believe his foot-dragging stems primarily from a lack of funds to make substantial settlements. []

Despite its Marxist practices, Mengistu's government continues to do business with a number of Western firms, including US companies. Addis Ababa has been willing to make purchases from the West that it considers important, such as US aircraft to modernize the fleet of Ethiopian Airlines—an important source of foreign exchange. []

With Neighbors

The threat from Somalia—especially Mogadishu's support for ethnic Somali dissidents in the Ogaden—is, in our view, Ethiopia's greatest external concern. 25X1 We believe that Ethiopia's relations with Mogadishu will be strained for at least the next several years. We see no sign that attacks on Ethiopian installations by ethnic Somali insurgents based in Somalia will abate. []

25X1

Mengistu's difficulties in combating insurgents in northern Ethiopia have heightened tensions with Sudan. The Eritrean and Tigrean insurgents have their headquarters in Khartoum and use Sudanese territory for supply routes into areas they control inside Ethiopia, [] Mengistu 25X1 publicly blames aid to the insurgents from the US-backed government in Khartoum and Sudan's Arab friends for the failure of his northern military campaigns. According to the US Embassy in Khartoum, however, Sudan wants to avoid more serious trouble with its militarily stronger neighbor and gives only 25X1 limited help directly to the rebels. []

[] Men- 25X1 gistu gives limited aid and training to Sudanese dissidents. We believe he does not intend to engage in large-scale attacks into Sudan because he wants to avoid provoking greater Sudanese aid to the Eritrean and Tigrean insurgents or increased US military aid to Sudan. Moreover, the deteriorating security situation in northern Ethiopia leaves the Ethiopians with only a limited capability to threaten the Sudanese by moving troops to the border. []

25X1

Ethiopia is cooperating with Libya in providing economic and military assistance and training to Sudanese and Somali dissidents. Since Mengistu's alliance with Libya and South Yemen in the Aden Pact in 1981, Ethiopia has received about \$340 million in economic aid from Libya out of more than \$800 million that Tripoli has promised. The new tensions 25X1 between Ethiopia and Sudan have led to increased 25X1 Ethiopian-Libyan cooperation in supporting Sudanese dissidents, [] and could prompt Libyan leader Qadhafi to provide more funds to Ethiopia. []

25X1

25X1

Secret

Secret

Outlook**For Mengistu**

We believe Mengistu is likely to remain in power for the next few years at least, barring an assassination, an incapacitating accident or illness, or—less probable—a successful coup. He is only about 43 and appears to be in good health. []

We expect Mengistu to maintain his long-term commitments to a military solution to Eritrea and Tigrey and to the Marxist-Leninist course he has embarked on economically and politically. Even after the Ethiopian Workers' Party is installed, Mengistu is certain to manipulate Marxist-Leninist institutions to ensure that he remains in control. We believe he will continue to be somewhat pragmatic and flexible on policy matters—particularly in the economic sphere—when he feels the country's national interest demands a nondoctrinaire approach. []

Although some civilians, particularly in urban areas, will be increasingly unhappy as Mengistu moves ahead in making Ethiopia a Soviet-style state, we see no chance that civilians by themselves could pose a serious threat to stability. Moreover, differing interests and grievances make it unlikely that civilians would be able to forge an effective alliance with disaffected military personnel. []

Growing dissatisfaction within the military over basically intractable issues—chiefly the insurgencies and the country's economic difficulties—have, however, increased the chance of a coup attempt. We believe junior military personnel constitute the greatest potential threat because they suffer more than their superiors from the effects of endless fighting and continuing economic decline. Senior military commanders are more insulated from economic and military hardships and, in our view, have less incentive to mount a coup. Mengistu's recent moves to assure his high command of its continued key role in the government have further reduced the likelihood that senior officers would participate in a coup attempt. []

In our judgment, most potential coup plotters will continue to be intimidated by Mengistu's willingness and ability to use ruthless measures to crush opposition. Mengistu's extensive security network gives him a good chance to learn of plots before they become a threat. []

For the Ethiopian-Soviet Alliance

In our view, there also is little chance of any serious split between Addis Ababa and Moscow as long as Mengistu remains in power. Their mutual needs are likely to outweigh continuing friction between them. The two sides probably will not let the debt repayment issue become a major problem in relations, and Moscow may back off temporarily on its requests for naval access while still looking for opportunities to press Mengistu on the issue. Moscow probably will also reluctantly accept Mengistu's brand of Communism but will work discreetly to strengthen its ties with other members of the party hierarchy. []

Nevertheless, while we believe the relationship is mutually beneficial, we think the Soviets could gain increased leverage with Addis Ababa. The lack of success with the insurgents, the continuing need for arms, the growing arms debt to the Soviets, and the absence of alternative sources of arms probably will increase Mengistu's dependence on Moscow and could lead him to grant the Soviets additional concessions. []

In particular, we believe Mengistu could become even more dependent on the Soviets if confronted with coup plotting in the military. If Mengistu's government were threatened, the Soviets probably would be quick to demonstrate their support by extending intelligence and personal security assistance and perhaps by providing additional arms and advisers. The Soviets could then use Mengistu's increased dependence on them to extract further concessions in areas such as naval access. If Mengistu gave in on greater Soviet naval access, however, we believe he could be faced with even more opposition from the Ethiopian military. []

Contingencies. We see several potential—although less likely—developments that could precipitate a rift between Mengistu and his allies. If Mengistu sees Soviet attempts to cultivate other senior military and civilian officials as part of a move to replace him with someone more pliant, he might be tempted to throw the Soviets out. We believe Mengistu realizes, however, that a break with Moscow without first finding another source of arms probably would encourage the northern insurgents and Somalia to take advantage of Ethiopia's weakened military position. []

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

Secret

Secret

In the unlikely event that Mengistu's forces gain the upper hand against the northern insurgents, his reduced need for military aid might lead him to distance himself from Moscow. If the Soviets felt Mengistu was moving to eliminate their influence, however, they could use their arms supply leverage to persuade sympathizers in the Ethiopian military to try to replace him with someone more amenable to Soviet interests. In our view, however, Mengistu's network of informers and the considerable anti-Soviet sentiment in the military would give him a good chance to thwart such a coup backed by Moscow. []

For a Successor Regime

We know of no strong figure waiting in the wings to replace Mengistu in the event of his death or ouster. We believe that a new leader almost certainly would be selected through a power struggle in the military. We doubt that any civilian in the new party would have sufficient influence to contend for power. []

We believe Ethiopia is likely to remain dependent on Moscow whether or not Mengistu remains in power. Insurgent military pressure and the difficulty of finding a new arms supplier makes it unlikely that a new regime in Addis Ababa would succeed in reducing the need for Soviet military support. Moreover, Ethiopian military leaders who experienced the transition from Western to Soviet arms after Mengistu came to power know that another such shift would compound their military supply problems by requiring parts and servicing for new equipment while they attempt to keep Soviet equipment operational. They also would recall that any weakening of the Armed Forces encourages both the insurgents and Somalia to increase military activities. []

The Soviets almost certainly would move quickly to prevent a new government in Addis Ababa from eliminating its dependence on Moscow. At a minimum, the Soviets would try to use their military assistance role—and possibly the prospect of additional assistance—as a lever to persuade Ethiopia to maintain its alliance with Moscow. If its efforts were unavailing, Moscow probably would encourage and support pro-Soviet elements in the military in a counter coup. []

Thus, we doubt that a new government would be able to make major changes in Mengistu's policies. The probable weakness of a new Ethiopian leader would reduce Addis Ababa's ability to withstand Soviet pressure, however, such as for expanded naval access. []

25X1

Implications for the United States

We believe Mengistu's deep suspicion of US intentions makes a significant improvement in Ethiopian relations with Washington highly unlikely. Mengistu—or any successor—will be hostile to the United States as long as he views US military aid as abetting Somalia's designs on the Ogaden and US support for Sudan as hindering his efforts against the northern insurgents. []

25X1

We expect that Mengistu will continue to be cautious, however, about using Ethiopia's superior military strength vis-a-vis Somalia and Sudan for fear of provoking the United States to increase its aid to them and to support their efforts against Ethiopia. Although we expect Mengistu to avoid attacking Somalia and Sudan directly, he probably will continue to work with Libya in assisting Somali and Sudanese dissidents. []

25X1

25X1

On the other hand, we expect that Mengistu will continue to be pragmatic enough to seek help from the West when he believes it is in Ethiopia's interest to do so. He may even be willing to yield on relatively minor points—such as Western demands for compensation for nationalized businesses—in an effort to pry loose some Western aid, although we doubt that he will make major concessions such as significantly altering Ethiopia's socialist economic policies. []

25X1

We believe it highly unlikely that Addis Ababa can forsake its alliance with Moscow in order to obtain Western economic aid. Despite Mengistu's dissatisfaction with the level of Soviet economic assistance, therefore, we believe the United States and other Western countries have little ability to change the thrust of Ethiopian policies. []

25X1

25X1

Secret

Page Denied

Next 2 Page(s) In Document Denied

Secret

Secret