

Central Intelligence Agency



Washington, D. C. 20505

37

you
Sourced

DIRECTORATE OF INTELLIGENCE

25 JULY 1985

NIGER: Challenges Facing Kountche [redacted]

25X1

Summary

Moderate President Senyi Kountche is confronted with an array of problems that threaten to undermine his 11-year-old military regime, a development that we believe would favor Libyan efforts to gain influence over yet another southern neighbor. In our view, deteriorating economic conditions and mismanagement of drought relief have drawn public attention to Kountche's political weaknesses and fostered ethnic tensions and rivalries in the military. A takeover attempt in 1983 by one of Kountche's closest advisers highlighted the vulnerability of his one-man rule, the absence of a designated successor, and the regime's dependence on the 3,700-man military, which put down the coup. Although Kountche has taken some halting steps toward developing political institutions--with the aim of eventually returning the former French colony to civilian rule--he has yet to find a workable power-sharing formula between deeply suspicious military and civilian leaders. [redacted]

25X1

This memorandum was prepared for Helen Soos, Deputy Director, African Affairs, National Security Council. It was written by [redacted] West Branch, Africa Division, Office of African and Latin American Analysis, [redacted] Africa Branch, Office of Central Reference. It has been coordinated with the Directorate of Operations. Questions and comments are welcome and may be directed to the Chief, Africa Division, ALA, on [redacted]

25X1

25X1

25X1

ALA M 85-10080

[redacted]

25X1

Kountche, however, is a proven political survivor and we judge that in the near term he probably will weather the pressures on his government. Over the longer term, however, we believe that the increasingly difficult task of balancing the need for political and economic reform with the competing demands of his supporters may compel Kountche to resort to more repressive measures, which would only serve to discredit his regime and fuel greater opposition. [redacted]

25X1

* * *

Declining Economic Conditions

Despite Kountche's commitment to economic modernization since he came to power in 1974, Niger remains heavily dependent on uranium mining, which is suffering from a prolonged slump. Industry sources estimate Niger's uranium reserves at 80,000 tons, the largest in sub-Saharan Africa. Prosperity appeared within reach in the late 1970s, when world energy prices boomed and Niger's uranium exports--some 75 percent of foreign exchange receipts--peaked at about \$460 million in 1980. This newfound revenue spurred a short-lived burst of economic growth--real GDP increased 8 percent annually from 1978 to 1980--and prompted the government to begin ambitious development projects. Despite the sharp downturn in the world uranium market after 1980, which reduced exports by about 50 percent, Niamey failed to curb expenditures and instead borrowed heavily abroad, saddling the country with almost \$700 million in public debts by the end of 1983, according to the US Embassy. While export earnings lagged, costs of imports, particularly petroleum products and food, have soared. The deteriorating terms of trade have contributed to what the IMF estimates has been a 20-percent decline in real GDP over the past three years. [redacted]

25X1

25X1

Kountche has attempted to slow the downward economic slide by implementing an austerity program and improving government efficiency, according to the US Embassy. Niamey turned to the IMF in 1984 for an \$18 million one-year standby agreement and secured another \$16 million one-year arrangement for 1985. The government abandoned or cut back on many development projects, reduced student scholarships, froze government salaries and hiring, and is working with the World Bank to reform some 54 state enterprises. Niamey has met, and in some instances, exceeded targets recommended by the IMF, reducing the budget deficit percentage from 7.3 percent of GDP in 1983 to 5.0 percent in 1984, and halving the 1984 current account deficit to 3.4 percent of GDP. Niger's IMF agreement opened the door for debt rescheduling, which reduced the public debt service ratio from 20 percent in 1983 to 16 percent in 1984. Nevertheless, long-term economic recovery depends heavily on more thorough

reform of state enterprises and the revival of world uranium demand--both of which we believe are unlikely in the near term. [redacted]

25X1

Troubles with Drought

Kountche's efforts to foster economic recovery were dealt a serious blow, however, by the worsening drought over the last two years. The UN Food and Agricultural Organization estimates that the drought-afflicted harvest in 1984 yielded less than half of 1983 production, resulting in a food deficit of some 375,000 tons. Starvation and disease have ravaged livestock, and the FAO calculates it will take up to four years to reconstitute the herds. The IMF estimates that export earnings from livestock, the country's major export after uranium, dropped 30 percent in 1984 and are expected to fall at an accelerated rate as long as the drought continues. The IMF estimates that as a result of decreased exports and the need for food imports, the balance of payments deficit will grow from 1.5 percent of GDP in 1984 to almost 9 percent this year.

25X1

Drought is not the only constraint on food supplies. Nigeria's closure of its border with Niger in 1983--to combat black marketeering and gain control over its own deteriorating economy--compounded Niamey's food supply problems, according to Embassy reporting. Closing the border has curbed the traditional black market trade in foodstuffs from Nigeria to Niger, and caused shortages and a sharp price increase. Although the Nigerian government opened its borders to permit US emergency food to reach Niger, administrative bungling and security checks have delayed shipments, as happened with relief supplies bound for Chad via Nigeria.

25X1

Despite the relief effort, serious food shortages are occurring in several northern prefectures, according to the Embassy, and we believe that the public perception that Kountche's southern-based regime has mismanaged relief again raises the specter of political upheaval. Widespread starvation and a pattern of discrimination in food deliveries led Kountche himself to overthrow former President Diouri's civilian government in a military coup in 1974. The US Embassy reports, for example, that informed Nigeriens blame the Army Chief of Staff, a southerner from Kountche's Djerma tribe who oversees relief, for neglecting the northern prefectures of Tahoua and Agadez in the food distribution system. [redacted]

25X1

Deteriorating Government Effectiveness

Niger's inability to deal with its food crisis highlights, we believe, a general deterioration in the government's cohesion,

effectiveness, and goals. A senior government official told US Embassy officers last month that Kountche has surrounded himself with corrupt advisers who do not share his goal of developing the country. According to the official, one such influential adviser is Idrissa Hassane, a member of Mrs. Kountche's extended family and manager of the president's personal finances, who also is one of several merchants who control smuggling operations throughout the country. US Embassy officials believe that Kountche probably has given tacit approval to Hassane's activities.

Moreover, [redacted] corruption in Niger is the worst he has seen in Africa. We believe that if Kountche's recently announced campaign against corruption touches his closest advisers, one of them may launch a coup similar to the attempt tried by a close friend and counselor of the president in 1983. [redacted]

25X1

25X1

The US Embassy also reports that the increasingly isolated Kountche receives poor counsel from his advisers, which impairs his decisionmaking. Lines of communication within the government apparently are breaking down as even the Foreign Minister is sometimes unaware of presidential decisions. [redacted] the 17-man Supreme Military Council no longer functions as a consultative body and Kountche makes most decisions alone. [redacted]

25X1

25X1

The US Embassy reports that the timetable for an eventual return to civilian rule was pushed back indefinitely last month and a draft constitution which was to be ratified in a national referendum in January 1986 has been delayed. The Embassy also indicates that although a civilian National Assembly will eventually be formed, the government does not envision a role for political parties under civilian rule. Moreover, informed Nigeriens have expressed skepticism that military influence will be effectively limited or that Kountche intends to follow through on the transition to civilian government, according to the US Embassy. [redacted]

25X1

Potential Strains in the Military

Against this backdrop of persistent economic problems and deteriorating government effectiveness, Kountche's greatest concern in maintaining the loyalty of the 3,700-man military, the force most capable of removing him. The military has required careful handling from Kountche to balance the sometimes competing demands of the senior officers and junior officers and enlisted men. We believe the small senior officer corps--slightly over 100 men--could use Kountche as a scapegoat to deflect public criticism from the military government if Kountche fails to control public dissatisfaction with the economic decline. We judge that if the president pushes a return to civilian rule too quickly or austerity threatens senior officers' benefits, they could move to replace him with a

fellow officer who would preserve the status quo.* Moreover, defense attache reporting indicates that senior officers resent capable and aggressive junior officers who they fear may threaten the system in which they have a vested interest. [REDACTED]

While we have no evidence of organized coup plotting among the Army's lower ranks, we believe that austerity-mandated reductions in salaries or benefits and cutbacks in equipment could trigger a coup attempt. In our view, junior officers and the enlisted men--who have fewer opportunities for corruption to supplement their income--could become convinced that a radical redistribution of political and economic power is necessary. The US Embassy reports that junior officers are unhappy with what they view as slow promotions while civilians surrounding the president "line their pockets". According to US Defense Attache reporting, the better-educated junior officers also are frustrated with senior officers, who rely heavily on French advisers to do their work and are perceived as lazy and corrupt. [REDACTED]

25X1

25X1

Aggravated Ethnic Tensions

Kountche also is contending with traditional ethnic tensions among Niger's tribes. Since independence, northern nomadic tribes--less than 10 percent of the population--have resisted attempts by successive southern-dominated governments to control them. The inability of the small military to police large portions of the northern territories opens these areas to potential subversion. Although unconfirmed reporting indicates that some Tuareg tribesmen accept small arms and funds from Libyan leader Qadhafi, we believe that these fiercely independent peoples probably are doing so to maintain their nomadic independence rather than out of political sympathy for Qadhafi or Libyan policies. Nevertheless, tribal discontent over the north's meager share of power, as well as the government's inadequate distribution of food, could serve Libyan interests by providing a rallying point for opposition to Kountche's southern-based regime. We believe tensions have increased following the government's expulsion earlier this month of over 400 Tuaregs who officials claim were from Mali and Mauritania and posed a security threat to the regime, according to Embassy reports. [REDACTED]

25X1

Kountche's government also could face eventual challenges from Hausa-Fulani tribesmen in the south who make up about 50 percent of the population. According to US Embassy reporting, the Hausa-Fulani have long

25X1

dominated Niger's commercial trade, while Kountche's fellow Djermas monopolize the military and civil service. We believe this traditional balance could be upset--a Libyan-backed Hausa coup attempt took place in 1975--if the Hausa-Fulani feel that they are bearing a disproportionate share of economic hardships. [redacted]

25X1

Libyan Meddling, Iranian Presence

Libya appears to be capitalizing on Niger's vulnerabilities by renewing subversive activities in the predominantly Muslim country. Nigerien officials blame a Libyan-backed opposition group--People's Liberation Front of Niger (FPLN)--for an attack on a remote government outpost in Tchín-Tabaraden last May. The group is rumored to be based in Libya and headed by the son of former President Dióri and Kountche's former special security adviser who engineered the 1983 coup attempt, according to US Embassy reporting. [redacted] that a Libyan official met last April with FPLN members in Benin to arrange for their travel to Libya for military training. Moreover, Kountche has privately expressed his fear to US officials that the thousands of Nigerien workers who cross into Libya each year in search of seasonal employment are an especially inviting target for Libyan subversion. In recent years, Qadhafi also has sought to encourage unrest by broadcasting propaganda urging Nigeriens to rise up against the government, bribing government officials, and encouraging them to defect to Tripoli. Niger alleged that Libya was behind a plot by northern Tuaregs in April 1982 to blow up the major uranium processing plant at Arlit, 1200 kilometers northeast of the capital. [redacted]

25X1

25X1

Libya also has become more active along the Libya-Niger border. [redacted] Libya is constructing a military airfield at Toummo along Niger's northern border, an area claimed by Tripoli. Libyan construction workers also have periodically occupied a well and small dirt airstrip at Bir al War, six kilometers inside Niger. We believe that the Toummo airfield will allow Libya greater access to Niger's northern border area and strengthen its territorial claims against Niamey. However, the slow pace of construction suggests that the Libyans have no immediate plans to use the airfield, whose location also is consistent with Tripoli's previous practice of building airfields near its border with Tunisia, Algeria, and Chad. When completed, the Toummo airfield will be capable of accommodating any aircraft in the Libyan inventory. [redacted]

25X1

25X1

Although Kountche deeply mistrusts Libyan intentions, according to the US Embassy, he still believes that he must placate Qadhafi, as indicated by his favorable response to Tripoli's proposal earlier this year that the two countries expand relations. Both the Libyan and Nigerien embassies currently are sparsely staffed, with two Nigerien

diplomats resident in Tripoli and one Libyan administrative officer in Niamey. Nevertheless, US Defense Attache reporting indicates that additional construction has begun on the Libyan Embassy, which will be the largest in Niamey when completed. [redacted]

25X1

In our view, Kountche--or any other Nigerien leader--will continue to avoid publicly taking anti-Libyan positions. Kountche has repeatedly and publicly indicated that he believes his weak nation must continue to deal with its stronger neighbor. Should Kountche be displaced, new leaders, perhaps less suspicious of Qadhafi's motives and in need of economic assistance, would be more susceptible to Tripoli's frequent offers of financial aid in exchange for another Libyan toehold in the region. [redacted]

25X1

25X1

Libya is not the only potential troublemaker for Niger. Iran established an embassy in Niamey last March consisting of six diplomats and a charge. In our view, the new Iranian presence probably is linked to Tehran's efforts to upgrade relations with Islamic countries in Africa and to Niamey's attempt to sell uranium. Unconfirmed reporting indicates that Iran sought to purchase a small amount of Niger's uranium last year under a barter agreement for Iranian petroleum products. The deal apparently fell through, however, because Niger already purchases ample fuel supplies at relatively low prices from Nigeria. Niamey has kept Iranian diplomats under close surveillance because of suspicions arising from Iranian efforts to foment religious fundamentalism among the country's moderate Sunni Muslim population, according to the Embassy. [redacted]

25X1

Relations with France

Although France traditionally has been Niger's most reliable and largest source of technical, budgetary, and security assistance, French acquiescence to Libya's occupation of northern Chad has shaken Nigerien confidence in Paris as a military ally. [redacted]

25X1
25X1

[redacted] Niamey and Paris do not have a formal defense agreement. US Embassy reporting also indicates that France plans to reduce military aid--which totals about \$2 to 3 million annually--and the number of French advisers in Niger as part of an Africa-wide cutback stemming from French budgetary constraints. Nevertheless, some 175 French advisers are involved in every aspect of the country's security. For example, the US Embassy reports that France has helped to equip a Nigerien armored squadron to be stationed in the northern town of Agadez to help protect against possible Libyan encroachment. [redacted]

25X1

Substantially deteriorated relations with France would be a severe blow to Niger. France provided about 25 percent of Niger's total foreign aid in 1983 as well as development loans on concessionary terms to finance

long-term government projects, according to US Embassy reports. France also is Niger's largest trading partner--buying 82 percent of Niamey's exports in 1981, the last year for which reliable data are available. France purchases the majority of the country's uranium production and has provided price subsidies in order to maintain a reliable, long-term source of supply. [redacted]

25X1

US Relations

Niger's relations with the United States are excellent. In fiscal year 1984, US security assistance reached about \$10.3 million and development aid totaled some \$19.6 million. Washington had budgeted about \$19 million in development aid, \$5 million in economic support funds, a \$5 million military assistance program, and \$175,000 for military training and education for fiscal year 1985. Niamey purchased several US C-130 transport aircraft and receives spare parts and associated pilot and maintenance training under the small military aid program. Washington also provided assistance to the Nigerien Army to equip and train a new parachute unit located at Maradi in central Niger for the first time in 1983, and a small Defense Attache Office is scheduled to open early next year. Emergency food aid from the United States is likely to total around \$50 million by the end of 1985 in response to Niger's serious food deficit. [redacted]

25X1 -

While US-Nigerien aid relations are strengthening, commercial ties are limited by Niger's lackluster economic prospects. US investment in Niger has dwindled in the last several years, in large part because the drop in uranium prices forced US mining companies to divest their holdings. The only US company remaining in Niger is Citibank, which finances short-term loans and guarantees letters of credit. Other US banks with outstanding loans to the government include the American Express International Banking Corporation, with a \$7.5 million loan to finance coal and electricity producing projects. [redacted]

25X1

Outlook

Barring an unlikely upturn in the world uranium market or a quick end to the drought, Niger's economy almost certainly will continue to weaken and render the country increasingly dependent on Western donors for economic and emergency food assistance. In our view, Kountche probably will find it difficult to distribute shrinking resources among his competing supporters, particularly in the military on whom he depends for his own security. Moreover, his reliance on corrupt advisers and the poor handling of drought relief is likely to inspire ethnic tensions and diminished public confidence in his leadership. Additional belt-tightening measures almost certainly would risk triggering serious unrest

among the financially hard-pressed Nigeriens, particularly in urban areas. [redacted]

25X1

Though unlikely, we cannot totally discount the possibility that out of desperation, Kountche may make risky foreign policy moves in hopes of promoting uranium sales or gaining additional economic aid, primarily from Libya and Iran. Tripoli or Teheran could use such an opening to stir increased opposition to Kountche by focusing local attention on his government's inability to deal with Niger's dismal economic prospects. We do not believe--despite Niamey's hopes--however, that the Libyans or Iranians are willing or capable of bailing out Niger in the short run or providing substantial long-term economic assistance. [redacted]

In our view, Kountche's mounting problems now make him more vulnerable to a coup than any other time during his 11 year rule. Any successor regime, in our judgment, probably would prove less stable and more vulnerable to foreign meddling than Kountche's. Although a new government headed by senior Army officers..probably would retain a moderate and pro-Western orientation, we believe that the less-experienced leaders would be prone to the same problems that would have brought Kountche's downfall. Moreover, the possible emergence of a radical regime dominated by junior Army officers could afford Libya the opportunity to gain enough influence to use the country as a base for subversion against an even more desirable regional target--northern Nigeria, which has the largest concentration of Muslims in black Africa. [redacted]

25X1

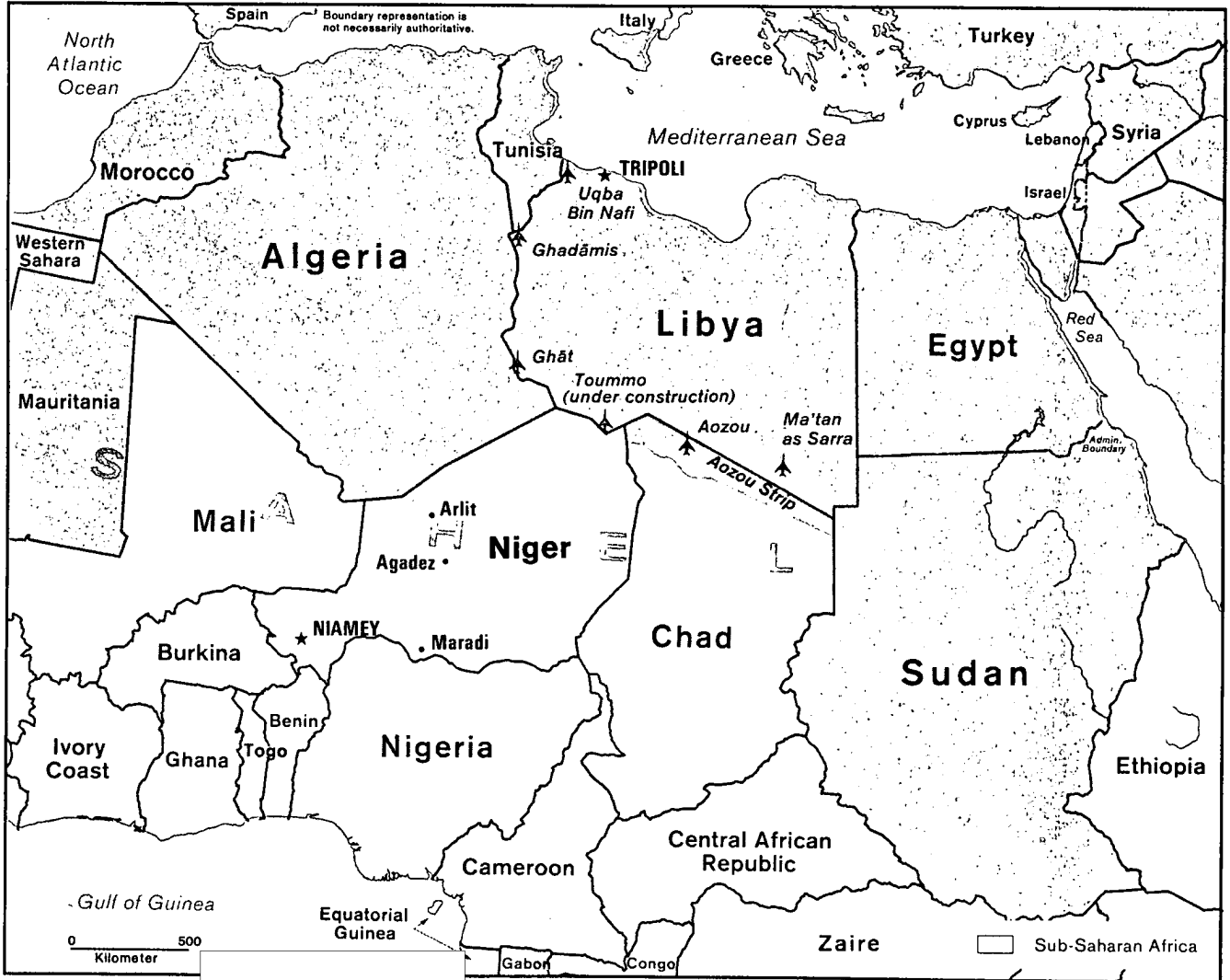
25X1

Page Denied

Next 2 Page(s) In Document Denied

Secret

Niger and Its Neighbors



703727 11-84

Secret

25X1

25X1

25X1

SUBJECT: NIGER: Challenges Facing Kountche [redacted]

25X1

Distribution:

- Original -- Helen Soos, Deputy Director, African Affairs, National Security Council
- 1 -- Phillip Ringdahl, Director, African Affairs, NSC
- 1 -- Ambassador James K. Bishop, Africa Bureau, Department of State
- 1 -- Robert Cabelly, Special Assistant to the Assistant Secretary of State, Department of State
- 1 -- Princeton Lyman, Africa Bureau, Department of State
- 1 -- Frank G. Wisner, Africa Bureau, Department of State
- 4 -- Anthony Dalsimer, Director, Office of Analysis for Africa, INR, Department of State
- 1 -- J. Maurice Ealum, Director, Office of Iranian Affairs, Department of State
- 1 -- Harlan Robinson, Office of Analysis for Africa, INR
- 4 -- Howard K. Walker, Director, West African Affairs, Department of State
- 1 -- Steven Brundage, Niger Desk Officer, Department of State
- 1 -- Steven Singer, Deputy Coordinator of Food for Peace, Agency for International Development, Department of State
- 1 -- Ronald H. Hinckley, Director, Special Studies Crisis Management Center, NSC
- 1 -- Gary Moser, Budget Examiner, Office of Management and Budget
- 1 -- Lt. General John T. Chain, Jr., Director, Bureau of Political Military Affairs, Department of State
- 1 -- Noel C. Koch, Principal Deputy Assistant Secretary of Defense, International Security Affairs, Department of Defense
- 1 -- [redacted]
- 1 -- Karen Puschel, INR/SEE, Department of State
- 1 -- Stephen Grummon, INR/NESA/Iran, Department of State
- 1 -- Steven Sestanovich, National Security Council
- 1 -- Vincent Cannistraro, National Security Council
- 1 -- DDI
- 1 -- ADDI
- 1 -- DDO/Africa
- 1 -- NIO for Africa
- 1 -- NIC Action Group
- 1 -- PDB Staff
- 1 -- ILS
- 1 -- C/DDI/PES
- 4 -- OCR/AFLAW/AF [redacted] 25X1
- 1 -- D/ALA
- 2 -- ALA/PS
- 1 -- ALA Research Director
- 4 -- CPAS/IMD/CB
- 4 -- ALA/AF
- 4 -- ALA/AF/W
- 2 -- ALA/af/W [redacted] 25X1

25X1

ALA/AF/W [redacted] (25 JULY 1985)

25X1