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Africa Review



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Articles have been coordinated as appropriate with other offices within CIA. Comments and queries regarding this publication may be directed to the Chief, Production Staff, Office of African and Latin American Analysis, [Redacted]

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Articles

Sub-Saharan Africa: Demographic Problems in Drought-Afflicted Regions

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The current drought and famine in Sub-Saharan Africa will aggravate the social and political turbulence already generated by three longstanding demographic trends in the region: rapid population growth, large numbers of internal and international refugees, and growing inequities in living conditions between urban and rural areas. We believe that these demographic pressures will complicate efforts by political leaders to maintain popular support and to foster economic development for at least the next decade:

- The population of Sub-Saharan Africa is growing faster than that of any other continent and of most LDCs. The rate of growth has accelerated from 2.3 percent a year in 1960 to 3 percent today, and the United Nations projects it will rise to 3.2 percent by the end of the century. At these rates the total population will grow from 415 million people today to about 690 million by the year 2000.
- The approximately 3 million refugees in Sub-Saharan countries are a constant drain on resources urgently needed for national development in both the home countries of the refugees and the countries that receive them. In combination with the civil wars, insurgencies, and food deficits that cause refugee movements, the problems created by refugee populations strain the economic, social, and political structures of both sending and receiving countries.
- African governments tend to favor urban over rural areas because they view unrest in the cities as the greatest potential threat to internal stability. They recognize that the rapid growth of cities—whether the result of natural increase, economic migrations,

or refugee flows—requires special attention and investment, usually at the expense of rural services and agricultural development.

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Rapid Population Growth: The Long-Term Threat

The statistics on population trends in Sub-Saharan Africa are discouraging. According to UN statistics for 1984, the average annual growth rate of 37 of the 44 countries in the region is 3.1 percent, considerably faster than the LDC average of 2 percent. The seven with slower growth represent only 1.2 percent of the total Sub-Saharan population but also have a relatively high average rate of growth of 1.8 percent. Although the United Nations projects that the LDC growth rate will drop to an average annual 1.8 percent by the year 2000, it expects that of Sub-Saharan Africa to rise to 3.2 percent.

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Beyond just the sheer magnitude of the demographic statistics, however, rapid population growth is the greatest single long-term constraint on economic development in Sub-Saharan Africa, according to the World Bank. Population growth of 3 percent a year—with rates close to 4 percent in such countries as Kenya and Tanzania—puts extraordinary pressure on national food systems and reduces the availability of goods needed for basic welfare. According to estimates by the World Bank, per capita income in Sub-Saharan Africa is now about 4 percent below the 1970 level, and food production per capita has fallen by at least 20 percent over the past 10 years because of population pressures on arable lands and rudimentary farming practices. Cultivators have been pushed onto more marginal agricultural areas in zones of lower and uncertain rainfall in parts of East Africa (Burundi, Kenya, and Rwanda), southern

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Africa (Lesotho, Swaziland, and Zimbabwe), and West Africa (Mauritania and Niger), according to analysis by the World Bank. Imports now provide a fifth of the Sub-Saharan region's food requirements. [redacted]

In our view, there is no lasting "Malthusian" solution to Africa's population growth. The loss of hundreds of thousands of persons through starvation and famine-caused illnesses over the past year will slow population growth only for the period of acute food deficits. The restoration of food supplies and some semblance of social order will allow for the quick rehabilitation of populations and the probable reassertion of pre-existing population growth patterns. Documented studies of the Dutch famine of 1944-45 and the famine in parts of Bangladesh in 1974 show a resumption of normal birth and death levels within months of the amelioration of the food crises. In the case of Ethiopia:

- If famine had not afflicted the country, we would have expected the prevailing high fertility (crude birthrates of 49 per thousand population) and relatively high mortality (crude death rates of 21.5 per thousand population) to have resulted in a population of about 50.3 million in 1990 (assuming the preliminary census figure of 42.5 million in 1984 is correct).
- If we assume a famine-induced decline in the birth-rate to 41.5 per thousand and an increase in deaths equal to the 300,000 estimated famine-induced deaths in 1984, and that these rates would be maintained for 1984 through 1986 when normal conditions of growth would return, we would expect a population of 48.6 million in 1990. [redacted]

Refugees: Destabilizing Consequences

In addition to the weight of famine itself, the burden of refugees and the costs of the other forces that generate them severely strain the ability of African nations to help themselves. They drain economic, physical, and human resources that ideally would be assigned to development projects to upgrade the national standard of living. Because of these costs, however, such resources must be expended on the rehabilitation of the failed physical and social

infrastructure that led to refugee flight or on providing for the basic needs of noncitizen refugees rather than on improved national services. [redacted]

International Refugees. Whether generated by civil war, insurgency, or famine, international refugees tend to cause social and political instability in both sending and receiving countries. A review of official, academic, and public literature on refugee movements throughout the world over the past several decades indicates that:

- The presence of refugees may draw the receiving country into the sometimes violent internecine conflicts or international disputes of the sending country, such as is currently occurring between Thailand, Cambodia, and Vietnam.
- Pressures for refugee assistance tend to aggravate already existing conflicts, such as those between Ethiopia and Sudan over suspected aid to insurgent groups under cover of refugee assistance.
- Ethnic and religious tensions can be distorted or heightened not only at the time of movement and resettlement but even decades later, as in the continuing impasse between Rwanda and Uganda over the proposed repatriation of 100,000 Tutsis who fled to Uganda following the 1959 Rwandan revolution in exchange for 31,000 Hutus forcibly sent out of Uganda to border camps in Rwanda in 1982.
- Donors of humanitarian aid often demand access to regions of a country or to institutions deemed politically sensitive by a government or its political opponents. This has occurred in Pakistan since the flight of Afghan refugees to Pakistani border areas began in 1979.
- The attention and care given to refugees may engender animosities among citizens of the receiving country who live in conditions not much better than a refugee camp—currently a major problem in Sudan and Somalia.

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- The sending country is always under regional and international pressure to arrange for and accept the repatriation of its citizens. Such repatriation may be difficult or impossible, at least in the short term, particularly if civil or social disorder was one of the causes of the refugee movement, as in the ongoing conflicts in Chad, Ethiopia, and Mozambique.

[redacted]

In the absence of voluntary repatriation or third-country resettlement, international aid resources are increasingly being shifted from care and maintenance of refugees to comprehensive programs integrated with host country development plans. The Second International Conference for Assistance to Refugees in Africa (ICARA II) in July 1984 was aimed at devising programs to help host countries cope with large, semipermanent refugee populations while at the same time accomplishing national economic and social development. Fourteen countries claiming about 2.5 million refugees or returnees submitted proposals for a total of 128 agricultural, educational, social, and physical infrastructure projects that would cost approximately \$300 million. Donors expressed interest in about one-third of the projects, all designed to reinforce the areas most affected by the arrival or return of refugees such as the provision of secondary, vocational, and technical education and agricultural improvement including reforestation and water supply.

Internal Refugees. Internal stability and opportunities for development are also undermined in countries experiencing spontaneous movements of large numbers of their own citizens seeking food or refuge. Governments are usually ill-equipped to cope with the physical needs of refugees and reluctant for political reasons to admit that a serious problem exists. Spontaneous settlement in and around capital cities and other major urban centers, where refugees tend to go in the belief food and security will be available, is usually met by the government's denials of their plight and alarm at the suggestion of unrest that their presence signals. This has occurred most recently, for example, in Ethiopia. At the same time, governments tend to try to force refugees out of cities or to deny entry altogether, such as currently in Ethiopia and Chad, to protect the existing urban populations from want, and to keep the sight of hungry or frightened

people from international view. Chad has established five feeding centers in the vicinity of N'Djamena in an attempt to prevent the major portion of the estimated 80,000 refugees flowing toward the capital from entering the city.

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While the historical record shows that internal refugees often return home when conditions permit, there have been increasing instances of groups staying permanently in their area of refuge, often remaining as outsiders with no inclination or ability to adapt to lifestyles dictated by the new region. As a result, a new permanent underclass, with few of the skills necessary for urban living, is being created in several already overburdened African cities. For example, nomads in Mauritania who remained around Nouakchott after the 1973 Sahelian drought are still living in impoverished neighborhoods and have been integrated only slightly into the life of the city. They have been joined by thousands of additional nomads made destitute by drought in the past few years. Nomads in Mali have followed a similar pattern.

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The Urban-Rural Split: A Worsening Problem

In addition to problems of rapid total population growth and refugee movements, most Sub-Saharan countries are woefully equipped to manage the rapid urbanization that is occurring there. Although Sub-Saharan Africa is the least urbanized region in the world, with only slightly more than a quarter of its people living in cities, urban growth rates average a high 5.5 percent a year, ensuring a doubling of the overall urban population in 12 years. As is the case with the total population, studies of urban development patterns show that it is the speed with which the cities are growing—rather than their absolute size—that strains governmental resources and management.

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A look at African demographic and social data indicates that generally poor rural conditions and the punishing physical drudgery of farming have led to rural flight even in good economic times, sharpening the urban-rural split. Numerous demographic surveys have shown that rural migrants view city life as

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preferable to rural in part because they expect greater opportunities to be available to their children if not to themselves. []

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The flight to the cities is intensifying in most drought-stricken countries and includes in some instances the unprecedented displacement of entire villages or tribal groups. In Mali, US Embassy officers estimate that nearly one-third of the 126,000-person population in the Niger River floodplain has migrated from farms to join extended family households in major towns or to set up makeshift camps on their outskirts. We estimate that a large proportion of these destitute people will remain in the towns and cities, even after the worst effects of the food crises are ameliorated, because they will be unable to return to rural areas until complex countrywide rural rehabilitation programs are begun. []

An Antirural Policy Bias. A review of academic literature and the policies of African states over the past several decades indicates that nearly all African governments favor urban over rural areas. One reason is that postindependence African leaders tended to view the agricultural sector as the source of surplus revenue to finance what they perceived to be more important industrial development. Consequently, governments devoted few resources to domestic food crops, preferring to focus development spending on export crops that could earn foreign exchange. Another reason is that most governments believe that the main threat to political stability comes from the demands of politically active or potentially disruptive urban residents, not from farmers who are not organized and are far from the centers of power. One way to reduce urban discontent is to assure the availability of plentiful, cheap food. []

The food pricing and marketing policies of African governments have reflected these priorities:

- In most African countries, prices of key staples are regulated by the state rather than the free market. Prices paid to farmers for their crops are kept deliberately low—often at levels insufficient to cover production costs—to subsidize politically volatile urban consumers. Farmers, as a result, have little incentive to expand production beyond the

immediate needs of their families. In our judgment, these conditions are especially acute in Tanzania, Mali, and Mozambique.

- According to US agricultural analysts, the food policies of African governments generally concentrate on filling urban preference for high-quality imported wheat and rice (often at subsidized prices) rather than relying on local grains and other local foodstuffs. This policy not only discourages domestic production but drains foreign exchange. Ethiopia, for example, is using scarce foreign exchange to cover urban food requirements while using the military to keep the rural hungry from entering the cities, according to reports from the US Embassy. []

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Under prodding from international and Western aid donors, some African governments are trying to liberalize their state-run agricultural sectors and to redress the antirural policy bias—with solid success in a few states such as Zimbabwe and Kenya. According to a review of press and Embassy reporting:

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- Senegal and Somalia have turned over the marketing of many domestic agricultural products to the private sector.
- Mali has relinquished the government's monopoly control over sorghum and millet as a condition for receiving an IMF standby accord.
- Since 1980 Kenya, Zimbabwe, Zambia, and Tanzania have raised prices paid to farmers for some food crops in order to encourage production.

In our judgment, these kinds of reforms offer some hope of progress in meeting the food needs of the rapidly expanding population, but their immediate impact has in many cases been offset by the effects of drought. []

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Outlook

We expect that the current drought will increase the social and political turbulence already generated by rapid population growth, refugee movements, and favoritism for urban over rural areas in the policies of African governments. In our view, these fundamental, long-term trends will be underlying determinants of instability in the severely drought-affected countries

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for at least the next decade. Moreover, we do not expect the reconstruction of normally functioning societies with even the low predrought levels of economic activity and public services in this decade. We expect that education, health, population programs, housing, public transportation, and other welfare and service sectors will suffer as a substantial portion of the limited human and monetary resources available will be drawn off into meeting crises connected with food shortages and agricultural rehabilitation.

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The need for governments to redirect their resources from economic and social development to crisis relief will, in our judgment, force some regimes to adopt coercive measures such as the current resettlement scheme in Ethiopia or the closing of borders to refugees as has been threatened by Sudan and the Central African Republic. In the short term, governmental efforts to resettle refugees or to deny them access to cities may achieve the desired result of getting the undesirables out of the public eye and away from the seat of government. Over the longer term, however, such moves will generate rising frustration, anger, and in some cases rebellion among those in both sending and receiving countries who have been made the scapegoat of inefficient and shortsighted policies.

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**Mali: Traore's Accommodation
With Reality** [redacted]

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Mali, which has a socialist, state-controlled economy and has been militarily dependent on the USSR since its close association with Moscow in the 1960s, is now showing signs of moderation, according to US Embassy reporting. Bamako is loosening ties somewhat with the Soviets, improving relations with France and the United States, and liberalizing some areas of its economy in search of greater Western economic aid and investment. We believe longtime President Traore is responding to unavoidable economic realities and a growing realization that the Soviets will not provide desperately needed economic assistance. [redacted]



President Traore [redacted]

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Mali's turn to the West has been modest so far and can be easily stopped or reversed. We believe Bamako will not completely abandon its socialist orientation at home or in international forums. Moscow will retain its influence by continuing to provide military assistance and by maneuvering behind the scenes to help Malian leftists. We conclude that chances for a coup will increase if economic and drought conditions continue to deteriorate and if the pursuit of international financial prescriptions fails to promote growth. A takeover by radicals might deter other African states from taking needed economic reforms and offer the USSR new opportunities for regional influence, but, in our judgment, Mali would still find itself dependent on the West for economic survival. [redacted]

centralized one-party political system with socialist policies based on extensive nationalization of the agriculturally based economy. Keita forged close military ties with the USSR and withdrew Mali from the French political community and the African franc zone, with debilitating consequences for the economy. Academic studies show that Keita's ambitious but unworkable development plans quickly ran afoul of peasants, who opposed collectivization, and traders, who disliked restrictions on free enterprise. By 1968, the government faced growing internal friction, farmers produced only for themselves, and workers endured rising inflation, salary cuts, and new taxes. [redacted]

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Background

Impoverished Mali gained independence from France in 1960 under the leftist leadership of President Modibo Keita, who ruled until 1968. He combined a [redacted]

In 1968, Keita was ousted by junior officers. Their leader, Moussa Traore, is now in his 16th year as Head of State. The military cited widespread corruption, rising foreign debt, and poor harvests as justification for its intervention. Although Traore sought to improve relations with France, he did not break with the USSR, which continued to provide significant military assistance. Traore labeled his ruling ideology "progressive" rather than socialist and publicly supported a mixed economy. He moved very gradually in trying to make the public sector more [redacted]

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[redacted] Each country study is geared to a common outline suggested by State Department's Africa Policy Bureau. The issues addressed are the country's Soviet connection; recent signs of Westward movement; reasons for moderation leeway for further movement; and prospects for reduction in Soviet influence, for economic liberalization, and for a more balanced international posture. [redacted]

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efficient, according to the Embassy, realizing only in the late 1970s that state companies—Keita's legacy—faced such serious managerial and financial difficulties that real reform could no longer be postponed. [redacted]

Traore, who the US Embassy reports has weathered three coup attempts over the years, has begun a transition from a military to a civilian form of government. In 1979, a single ruling party—the Democratic Union of Malian People—was created and Traore was elected President for a six-year term. Party officials now dominate key government positions, though the Embassy notes that the military remains the basis of Traore's rule. [redacted]

The Soviet Connection

Military and security ties between the USSR and Mali serve as the cornerstone of their relationship, and Bamako's dependence on the Soviet Union in those areas is extensive. Moscow provides minimal economic assistance, preferring to promote ties through provision of arms and military training, party-to-party relations, and student scholarships. Moscow continues to be the only major source willing to gratify Mali's desire for expensive and relatively sophisticated weapons. In our view, Mali faces no immediate or regional security threats; rather, the regime's desire for advanced equipment stems largely from the country's martial traditions. [redacted]

[redacted] as Mali's principal military supplier, has provided equipment from 1974 to 1983 valued at \$124 million, including T-34 tanks, 6 MIG-21 and 21 MIG-17 fighter aircraft, and Mi-8 helicopters.

[redacted] about 70 Soviet military advisers were in Mali in 1984. An unknown number of Soviets advise Malian pilots, [redacted]

[redacted] and perform all major maintenance for the Air Force. Moscow also provides some training to the Malian security service. [redacted]

[redacted] the Soviets first offered such training in 1981. [redacted]

[redacted]

[redacted]

As Traore has reoriented Mali from military to civilian government, Moscow simultaneously has fostered ties with the ruling party, encouraging Malian party members to attend the CPSU party school in the USSR. [redacted]

Moscow has cultivated Malians through both military and civilian scholarships. [redacted]

[redacted] some 100 Malian students attended schools in the USSR in 1983. We believe the Soviets will continue to offer academic scholarships as an investment in the future. [redacted]

The Soviet purpose in cultivating strong ties with Mali is not only to curry favor with its armed forces—the key political force in Mali—but to advance Moscow's limited military interests in West Africa. [redacted]

several years have been lengthening runways of the airfields in Gao and Mopti to approximately 10,000 feet—too long for current Malian needs—and that SA-3 surface-to-air missiles are deployed at these airfields. The US Embassy believes the airfields could be used to transport major Soviet arms and supplies to client states in southern Africa or even Latin America. US Embassy reporting a decade ago indicated that Mali was among several left-leaning African states that allowed Soviet cargo aircraft to transit their territory in 1975 when Moscow mounted an emergency arms ferry to Angola to stave off the defeat of the faction that now rules in Luanda. [redacted]

Trend Toward Greater Pragmatism

Despite Mali's heritage of socialism and close ties with the Soviets, the US Embassy has documented a trend on Bamako's part since 1980 toward expanding contacts with the West, primarily with France and the United States. This has been accompanied by a movement toward more pragmatic and market-oriented economic policies. In international forums, Mali increasingly takes US concerns into

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consideration, although it still prefers to abstain on most sensitive East-West issues. Moreover, in spite of a continued large-scale program of Soviet military and security aid, political relations with Moscow have cooled in recent years. [redacted]

Factors Underlying the Trend. More than any other factor, according to the US Embassy, severe economic problems have forced Mali to revise its socialist economic policies. The Soviet Union is unwilling to provide the amount and kind of economic assistance needed, which Mali has come to realize can only come from the West. Moreover, the Embassy reported that Western donors in the early 1980s let Mali know that assistance levels would not be increased unless the country began to formulate long overdue economic reforms. [redacted]

Two decades of socialist economic policies have failed to promote economic growth, according to the US Embassy. Landlocked in West Africa's Sahelian region, Mali remains one of the world's least developed countries, with an estimated annual per capita income of \$180. Periodic severe drought as well as historic mismanagement contribute to low output of food crops and cotton—the principal cash crop and source of export earnings. Per capita food production declined steadily in the 1970s even as the population has grown by an estimated 2.7 percent per year. Drought ravaged Mali from 1968 to 1974, and this year the country is again threatened by major drought. UN and Western donor estimates suggest that about one quarter of the country's 7.6 million people may face famine in 1985. [redacted]

Soviet economic influence is marginal because Moscow has failed to provide economic assistance sufficient to reduce Mali's economic dependence on the West. The Embassy points out that the Soviets provided no food aid to Mali during the great drought of the early 1970s and has provided only some token food assistance since then. While Malian officials have not publicly expressed disappointment with Soviet aid efforts, [redacted]

Mali: Selected Economic Indicators

	1979	1980	1981	1982	1983 ^a
<i>Million US \$</i>					
Exports (f.o.b.)	147.1	204.9	153.8	119.5	165.5
Imports (c.i.f.)	350.6	497.1	390.7	333.1	333.2
Trade balance	-203.5	-292.2	-236.9	-213.6	-167.7
Services (net)	NA	-40.8	-39.4	-39.9	-40.9
Private transfers (net)	32.4	33.2	29.5	28.7	24.1
Public transfers	87.8	145.9	129.6	93.0	107.2
Current account	-83.3	-153.9	-117.1	-131.8	-77.3
Capital (net)	103.3	117.4	75.1	103.1	91.1
Overall balance	-20.8	-32.2	-38.6	-2.5	4.0
Outstanding external debt (medium and long term)	504.0	686.5	747.2	828.4	879.3
<i>Percent</i>					
Real GDP growth	10.1	-1.2	-2.4	4.4	2.0
Debt service ratio	NA	13.0	25.0	27.0	34.0
Implicit GDP deflator	-8.3	7.1	11.0	8.8	7.9

^a Estimated.

US Embassy has picked up recurring reports of complaints by Malian officers and enlisted men about the quality of military equipment as well as over long delays in delivery of weapons. [redacted]

[redacted] Malian military trainees resent the condescending attitudes of the Soviet advisers in Mali. [redacted] some Malians training in the USSR are embittered by not being allowed to handle advanced Soviet equipment, [redacted]

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Maliens training in the USSR are embittered by not being allowed to handle advanced Soviet equipment, unlike their Angolan and Cuban counterparts. [redacted]

believe that their appointments reflect the ascension to power of moderates and indicate the government's continuing disillusionment with the socialist model. [redacted]

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Signs of Change

Economic Liberalization. The most significant development in Mali in recent years, according to the US Embassy, has been the government's serious effort to liberalize the country's socialist economic policies. Traore has received strong support from the IMF, the World Bank, and Western donor countries. In 1982, the IMF granted Mali a \$34 million standby credit, and a year later Mali received another \$42.3 million standby credit. While the IMF has praised Bamako's efforts at economic reform, Fund officials point out that the Malians so far have enacted only preliminary structural changes. [redacted]

Warming Relations With France and the United States. Franco-Malian relations have improved, as demonstrated by Traore's state visit to France in 1982, his first since coming to power, and Mali's rejoining the African franc zone two years later. According to the US Embassy, France's refusal in 1980 to continue to support the Malian franc outside the framework of the African franc zone—as it had since 1962—was a major impetus for the Traore government to turn to the IMF and to embark on economic reform. Paris is Mali's main bilateral aid donor—providing at least \$40 million annually, according to Embassy reporting—as well as its main trading partner. However, French investment has been insignificant, although French private capital can be found in most new investments. While the government is encouraging the development of the private sector, an inadequate banking system, a shortage of entrepreneurial ability, and geographical isolation hinder further French and Western investment. [redacted]

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Mali's economic adjustments, according to the US Embassy, are aimed at stimulating agricultural production, reducing public spending and debt, liberalizing domestic trade, and improving the efficiency of state enterprises. To this end, the Embassy reports Mali has reduced government involvement in the marketing of cereal grains and increased prices paid to agricultural producers. The government has adopted a more realistic currency exchange rate, reduced subsidies on food and fuel for urban dwellers, and tried to cut public spending that does not contribute to economic development. Bamako also is attempting to dismantle some inefficient public enterprises—so far, only three of 27 companies have been abolished, and reductions in civil service hiring are planned. [redacted]

According to US Embassy reporting, Bamako would like to increase its arms acquisitions from France.

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[redacted] Mali hopes France will extend credit for military purchases. According to one US Embassy report, the French Ambassador said Paris hopes to replace the Soviets as the principal source of Malian military equipment. Paris intends to demand cash for future arms sales, however, and any transactions depend upon Mali's ability to arrange third-party financing. In our estimation, Mali will most likely look to conservative Persian Gulf states for such financing and may expect Saudi Arabia in particular to help it ease away from the Soviet Union. France maintains a military attache in Bamako and provides approximately \$1 million in annual military aid, making Paris a distant second to the USSR in this area. Only small numbers of Malian soldiers train in France. [redacted]

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Moderates Gain Influence. Parallel with Mali's efforts to liberalize its economy, Western-oriented technocrats have been appointed to key ministerial positions in recent years, according to US Embassy reports. For example, in a 1982 Cabinet shuffle, Oumar Coulibaly—who played a key role in negotiating Mali's first IMF standby agreement and who is Traore's principal economic adviser—assumed the crucial post of Minister of State for Economy and Planning. The bent toward technocrats continued in 1984, when Col. Amadou Diarra became Minister of State for Planning and Djbril Diallo became Minister of State for Industrial Development and Tourism. We

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US-Malian relations are cordial, with no outstanding problems. According to US Embassy reporting, Bamako has expressed considerable satisfaction with the USAID program and US emergency food assistance. We believe Bamako will look to the United States for continued food aid as its drought and agricultural shortfalls continue. The United States has a small military training program with Bamako, and some 10 Malian military personnel were trained in the United States in 1983. [redacted]

Cooler Relations With the USSR. Although Malian-Soviet relations appear outwardly correct, the US Embassy reports that their political ties have cooled over the last four years and that private tensions continue. Despite Traore's recent travels to the West, including West Berlin in the face of Soviet pressure, he still has not scheduled an official visit to the USSR in response to a longstanding invitation. [redacted]

[redacted]

[redacted] The Embassy reports that the official press has criticized the Soviet treatment of Malian students in Moscow. [redacted]

Mali also is irritated with the Soviets' 20-year-old gold mining operation at Kalana, whose production is unprofitably low from Mali's perspective. [redacted]

[redacted] the Soviets have been smuggling gold out of the mines for several years; the Malian Government discovered illegal gold shipments in 1967, 1974, and 1981. [redacted]

Pace of Change: Determining Factors

Political. In our view, the trend toward greater pragmatism in Mali is heavily dependent on the continued ascendancy of President Traore and his key supporters. We agree with the US Embassy that, although Traore has experienced some shaky periods in his 16 years in power, he appears to be fully in control for now and faces no immediate threat. Trade unionists and students, the principal urban elements displeased with the belt-tightening associated with economic reform, lack the resources and unity to challenge the government. We are unaware of any significant faction of pro-Soviet officials in influential

military or government positions who oppose the trend toward economic liberalization and closer ties with the West. We further believe that Traore's consensus style of government offers at best limited opportunities for radicals to influence directly the decisionmaking process. [redacted]

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The pace of change depends in no little part, in our view, on whether Traore can continue to reconcile future differences between civilian and military officials within the government. We believe that, although moderates currently dominate the decisionmaking process, Traore still will face some pressure from those lower-ranking military officers and bureaucrats—including holdovers from the Keita era—who have a vested interest in the parastatal system. The role of junior officers trained in the Soviet Union remains the biggest question, in our view. Some may adhere to socialist, if not to Soviet ideals, and may see their opportunities for self-advancement and personal gain curtailed by Traore's efforts to give his regime a civilian cast. While US Embassy reporting consistently suggests that Malians trained in the USSR return home disillusioned, we cannot dismiss the possibility that at least some of them are committed to following Soviet economic and political models. [redacted]

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Economic. We agree with the US Embassy's judgment that the process of policy reform is made more difficult as the economy continues to deteriorate and resources shrink under the weight of drought and the legacy of socialist inefficiency. Traore has and, in our view, likely will continue to proceed very cautiously with dismantling parastatals to avoid increasing social stresses and alienating key interest groups. The state sector is Mali's largest employer and traditionally has absorbed some 90 percent of university graduates. Yet, public salaries consume about 80 percent of the budget and must be cut. [redacted]

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The regime has taken some modest steps to reduce public-sector employment, but the need to find alternative sources of work is one of Traore's biggest challenges. In early 1984, as part of an IMF-designed reduction of the state sector, the US Embassy reported the government laid off approximately 1,000

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workers, only to grant a 10-percent wage hike to remaining public-sector employees a few months later to help them make ends meet. The regime has introduced a civil service examination for university graduates, instead of hiring them automatically, as in the past. Moreover, graduates are being encouraged to seek employment in the private sector. This sector, offers scant opportunity, and we believe the swelling population will once again place pressure on the government to absorb workers into the state system. In addition, the contracting economies of Ivory Coast, Nigeria, and Libya—traditional sources of unskilled and semiskilled jobs for more than half a million Malians—are causing many nationals to return home.

[redacted]

The West. In our judgment, the extent of future Western support for Mali's economic reforms will be an important element in determining the degree to which the country is willing to turn further away from socialist policies and its traditional ties to the Soviets. In our view, much depends on France as the principal Western actor in Mali. US Embassy reporting suggests that Mali probably cannot expect significant increases in French economic aid and investment in the near term, in part because of the limits imposed by France's own depressed economy. Moreover, Embassy reporting indicates that French assistance for the deteriorating economies of Ivory Coast and Senegal takes priority over Mali, where France has fewer real interests.

The Soviets. We believe, on the basis of the USSR's past record in the area, that it will seek to limit Mali's Westward move and try to exercise influence by cultivating pro-Soviet sympathizers. Moscow's position as the principal supplier of military equipment and training to the Malian armed forces remains a constant. So will Soviet efforts to cultivate Mali's security officials, party cadres, and university students through training in the USSR and through Soviet personnel stationed in Mali.

[redacted]

As the Traore government has improved relations with the West and moved to liberalize the economy, the Soviets have sought from time to time to stir up antiregime sentiment. In 1981, for example, Mali expelled a Soviet military attache on charges of having been in contact with coup plotters. Suspicion of Moscow's complicity was heightened when the government presented evidence of Soviet incitement of dissident students two years earlier and of Soviet funding for antigovernment propaganda. Malian officials believed the Soviets hoped to destabilize Mali so it would look unattractive to prospective Western investors. Malian perceptions of further signs of Soviet subversion appeared in 1984 when two Soviet diplomats on home leave were asked not to return to Mali. According to the US Embassy, Mali accused the diplomats of trying to incite students at a teacher's college in Bamako.

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The Libyans. We believe that Tripoli's ambitions in West Africa are another factor that may weigh on the Traore government as it calculates how much movement toward the West is politically expedient. While there is no evidence that the Libyans are actively proselytizing Malians or that Tripoli is subverting the Traore regime, we believe Libya may seek to undermine France's position in Mali if Bamako's Westward shift goes too far in Tripoli's view. Although Chad, Sudan, and Niger are the priority targets for Libyan subversion, according to Embassy reporting, Tripoli in recent years has sought sporadically to stir opposition to the Bamako Government by Mali's Tuareg peoples. We further believe that Tripoli may recruit sympathizers from the thousands of Malians who work in Libya. In our view, Libya's support for radical coups in the region have not gone unnoticed by Bamako, which probably will try to stay on good terms with the Libyans and the Soviets.

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Outlook

Traore Holds on. In our view, the most likely scenario is for Traore to stay in power, but under slowly mounting pressure and facing tougher choices. He has maintained the support of the armed forces and has

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successfully managed the process of giving his regime a more civilian cast. We believe that so long as Traore remains in power, present trends will continue— experimentation with economic reform, closer ties with the West, cooler relations with the Soviets, and a somewhat more balanced foreign policy. On balance, however, Mali's Westward trend has been modest so far and we believe it will advance slowly. [redacted]

Soviets for arms, which we believe would argue for continued pragmatic dealings with both East and West. [redacted]

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In our judgment, Malians at this point still seem willing to give Traore the benefit of the doubt as he pursues IMF-designed austerity programs. Despite IMF optimism, however, the economy continues to deteriorate, particularly because of severe drought. If noticeable improvements are not publicly evident in the not-too-distant future, we believe Traore is likely to come under increasing pressure to modify his reformist tact. If economic and drought challenges go unmet, Traore's support probably will ebb and the possibility of a successful coup or assassination will grow. [redacted]

We cannot rule out the possibility of a junior officers' coup that might create a situation affording opportunities for exploitation by the Soviets or the Libyans. Such a scenario would be more likely if inexperienced and ill-educated junior officers assumed power and tried to emulate the nationalist revolutions in neighboring Burkina or Ghana, even though a majority of Malians do not appear to wish to see a return to the Keita-style radicalism of the early 1960s. A radical coup would hinder US efforts to promote economic reform in the region—as other regimes would fear implementing austerity programs—and could give Moscow a psychological victory. Libya might also gain a foothold for meddling in the area. [redacted]

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Our analysis suggests that continued Western economic and food aid will be critical to Mali's gradual Westward shift. But, in the absence of significant Western military help with Mali as well, we believe the Soviets will retain important leverage because of Bamako's unpaid arms debt and general military dependence on Moscow. As a result, we expect the Traore government will try to steer a careful path between East and West, with no dramatic lessening of Soviet influence or abrupt shift to the West in Mali's votes in international forums. [redacted]

On balance, however, we believe a junior officer regime would face the same serious economic problems as the present government and find it necessary to cooperate uneasily with the West to assure continued economic aid. As a result, we expect the new government would try to hide its radical intentions and play down its connections with the Soviets or the Libyans. [redacted]

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Palace Coup. Less likely, in our view, is a palace coup that probably would be motivated by discontent with Traore's failure to cope effectively with worsening economic and drought problems. Such a coup would not necessarily represent a rejection of Mali's Westward shift, although the process could be slowed or altered in ways we cannot now foresee. Most of Traore's key colleagues who might be involved in a palace coup appear to us to be moderates, although pro-Soviet officers might acquire some greater influence. In any case, a new senior military government would continue to be dependent on the West for economic aid and food assistance and on the

Cape Verde: Drifting Westward¹ [redacted]

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Despite their country's socialist heritage and military dependence on the Soviets, Cape Verdean leaders have proved quite pragmatic in their foreign policy. While maintaining close ties with Communist countries and voting against the West in international forums, the US Embassy reports that Praia's relations with Portugal—its former master—and the United States have warmed considerably in recent years. We believe Cape Verde's modest Westward movement reflects an increasing awareness by government and party officials that Western aid and investment is crucial to staving off economic ruin. The country's extreme poverty and complete dependence on foreign assistance, however, render it vulnerable to external pressures and enticements, in our judgment. Praia's flexibility could lead it to move closer to or further from the West, in our view, depending on calculations of what is required for political and economic survival.

After a coup in 1980, however, Bissau rejected federation, and the Cape Verdean wing of the independence movement was reborn as the African Party for the Independence of Cape Verde (PAICV).

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Pereira came to power committed to a socialist ideology and to governing through a Soviet-style political system. Soon after independence, the Soviets became the new government's principal military supplier. Although ostensibly nonaligned, Praia—along with the other newly independent Portuguese-speaking countries—associated itself with Africa's "progressive" camp. Despite its leftist credentials, however, Cape Verde has received almost all its economic assistance and humanitarian aid from the West, according to the Embassy.

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Background

The impoverished Cape Verde islands, located 400 miles off the west coast of Africa, achieved independence peacefully in 1975 under President Aristides Pereira following a coup in Portugal that ended 500 years of Portuguese colonialism in Africa. Pereira was a cofounder of a Soviet-backed, anti-Portuguese movement (the African Party for the Independence of Guinea-Bissau and Cape Verde) that fought a successful guerrilla war in mainland Guinea-Bissau and helped inspire Portugal's 1974 coup. Pereira's goal after independence, according to US Embassy reporting from that period, was to see Cape Verde federated with Guinea-Bissau as one state.

The Soviet Connection

Although Cape Verde is dependent on the Soviet Union for the bulk of its military needs—including 15 Soviet advisers and technicians, the US Embassy reports that the Pereira government has consistently refused repeated Soviet requests for a naval base and military air transit rights. From the perspectives of both the USSR and the West, Cape Verde's major attraction is its strategic location. The 10 islands that form the republic cover a 300-kilometer horseshoe off West Africa. The islands are astride the primary sea lanes between Europe and the Indian Ocean/Persian Gulf area. Military access to Cape Verde's main port and airfield would expand Soviet ability to monitor approaches to the Mediterranean and Western naval forces operating in the central Atlantic. At present, Soviet TU-95 naval reconnaissance aircraft staging from Angola can effectively monitor only the South Atlantic and the area off South Africa's Cape of Good Hope.

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[redacted] Each country study is geared to a common outline suggested by State Department's Africa Policy Bureau. The issues addressed are the country's Soviet connection; recent signs of Westward movement; reasons for moderation; leeway for further movement; and prospects for reduction in Soviet influence, for economic liberalization, and for a more balanced; international posture.

The US Embassy reports that Cape Verde allows Soviet, Cuban, and South African civil aircraft to

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land and refuel at its international airport. Under the terms of a 1975 civil air agreement, Cuban troops in civilian dress are allowed to transit Cape Verde en route to and from Angola. According to the Embassy, the Pereira government also allows both Soviet and Western naval vessels to make periodic port visits.

Apart from gaining access, the US Embassy reports that the Soviets want Cape Verde to maintain its position as a socialist state and to support Soviet positions in international forums. The Embassy reported in 1983 that 110 Cape Verdean civilians were receiving technical training in the USSR. Returning trainees from Moscow increasingly occupy positions of authority.

Pragmatism Toward the West

Right from independence, according to US Embassy reporting, the Cape Verdean Government has proved more pragmatic than might have been expected from the radical background of its leaders and their often fiery rhetoric. We agree with the Embassy that the leadership has become even less doctrinaire in recent years. We believe this moderation reflects the generally conservative nature of the population and an increasing awareness by the PAICV that the West is the country's most reliable source of assistance. While maintaining outwardly friendly ties with Communist countries and engaging in militant posturing against the West in international forums, the Embassy reports that Cape Verde desires relations with all friendly states willing to provide essential economic aid.

According to the US Embassy, Soviet reticence to provide economic development assistance has not gone unnoticed by Praia. We believe Pereira's recent chairmanship of an international committee on drought control in the Sahel gave him further opportunity to appreciate the relative importance of Western-versus-Communist economic assistance. Moreover, the Embassy points out that the Cape Verdeans are unhappy over obsolete Communist-supplied military equipment provided at excessive prices, racist behavior by Soviet advisers, and poor technical and military training.

The US Embassy reports that Cape Verde suffers from chronic drought, an absence of significant raw materials, overpopulation, and a 40-percent rate of

Cape Verde: Selected Financial Indicators

	1978	1979	1980	1981
<i>Million US \$</i>				
Exports (f.o.b.)	3.0	4.1	9.1	6.1
Imports (f.o.b.)	57.5	71.1	81.4	86.1
Trade balance	-54.5	-66.9	-72.3	-79.9
Current account balance	-29.5	-37.5	-25.1	-42.4
Gross foreign reserves	37.8	41.5	43.2	38.6
Disbursed debt outstanding	15.9	16.8	20.4	39.4
<i>Percent</i>				
Real GDP growth	9.7	3.1	0.6	4.9
Inflation	13.3	6.9	14.6	11.5

unemployment. About one-third of the country's 315,000 people depend on subsistence farming for a living, but drought from 1969 to the present has devastated agriculture. The government is the largest employer, and, with agricultural production stagnant, rural employment is dependent on public works projects underwritten by foreign aid programs.

Earnings from principal exports—bananas, lobsters, and salt—covered only 4.3 percent of import costs in 1981, according to one recent academic study. The US Embassy reports that the value of imports in 1982 exceeded exports by a ratio of 40 to 1. We believe Cape Verde's traditional negative trade balance may be worsening.

According to the US Embassy, two-thirds of Cape Verde's GNP comes from foreign aid and remittances from 300,000 Cape Verdeans living abroad, mostly in the United States. Some \$20 million in remittances is received annually from the United States. Although emigration and international food aid has prevented

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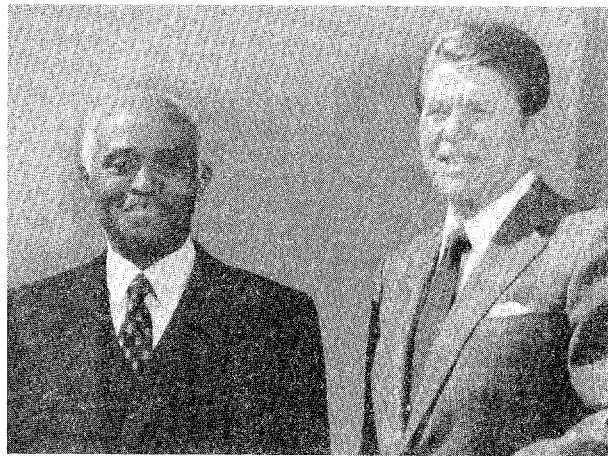
mass starvation, the Embassy reports that international loans have not been sufficient to allow the government to implement its fairly realistic first development plan intended to cover the period 1982-85. [redacted]

Signs of Change

Pragmatic Socialism. Four years ago, the US Embassy reported that Pereira purged the Cabinet of most pro-Soviet radicals—who had argued for a closer orientation of Cape Verde's policies toward the East—and that he consolidated control of his moderate leftist faction over the party and government. According to the Embassy, some remaining pro-Soviet individuals have shifted in recent years to a more pragmatic line, supporting diversification of the country's sources of economic and military assistance. These developments have paved the way for subsequent modest efforts by Pereira to liberalize the country's Marxist orientation. [redacted]

The US Embassy reported that resolutions adopted by the last party congress in mid-1983 were remarkable for their pragmatism and did not directly mention "socialism," while recognizing the "necessity of private enterprise within the primacy of the public sector." The regime has held back from instituting radical reform of the preindependence landholding system at the expense of the wealthy. Instead, according to the Embassy, Pereira has distributed small parcels of land to farmers on a very limited scale. We believe that Pereira's behind-the-scenes role since the late 1970s in hosting periodic talks on a Namibian settlement is indicative in part of his efforts to project a more balanced foreign policy. [redacted]

Closer Ties With the West. Relations with Portugal, Cape Verde's principal trading partner, and the United States have warmed considerably in recent years, according to US Embassy reporting. Cape Verde's first two ambassadors were assigned to Lisbon and Washington. By 1980, Portugal provided Cape Verde with over \$5 million for construction projects, university scholarships, and transportation improvements, in addition to over 50 technical advisers. Pereira visited Lisbon in 1981 to repay a visit to Praia the year before by President Eanes. Pereira's trip resulted in promises of additional



President Pereira meeting with President Reagan, September 1983 [redacted]

technical assistance and a number of fishing agreements. The Embassy reports that Pereira also signed a military training agreement, ending Cape Verde's policy of accepting military assistance exclusively from Soviet Bloc countries. [redacted]

Symbolic visits and modest economic assistance have strengthened US relations with Cape Verde. The US Embassy reports that ties were boosted in 1982 by two visits to the islands by Vice President Bush and reinforced by Pereira's visit to the White House the following year. Many Cape Verdeans feel a bond with the United States through relatives or friends there. [redacted]

The US Embassy reports that US private investment in Cape Verde is minimal and that US assistance in 1982 amounted to about \$2 million, a reduction from the previous year's level of \$3 million. The assistance includes a three-year PL-480 program that provides about 15,000 tons of corn annually, agricultural research assistance, and a modest military educational training program. Nonetheless, the Embassy reports that even this comparatively small amount of aid, coupled with emergency disaster assistance last year, has contributed to Cape Verde's appreciation of the value of closer ties with the West. [redacted]

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More Distance in Soviet Relations. The Pereira government has taken some modest gestures in recent years to demonstrate unhappiness with the lack of greater support from the Soviets. According to the US Embassy, Pereira has no plans in the near term to visit the USSR to counterbalance recent trips to Western countries, including a visit to France in 1984. The Embassy also reports that Pereira has loosened the ruling party's ties with the Soviet Communist Party [redacted]

In the military sphere, the Embassy reports that the PAICV decided in closed session early last year to take further steps to lessen reliance on the USSR for military assistance. According to the Embassy, Cape Verde is trying to reach agreement with Moscow for the return of two AN-26 transport aircraft and two patrol craft because of their high operational and maintenance costs. Partly to keep an eye on Soviet fishing and naval activities, [redacted]

How Far Can Praia Go?

Domestic Considerations. From our perspective, Pereira appears to be strong enough for the near term to pursue closer ties with the West. His country's need for substantial international economic assistance will not diminish any time soon and will continue to motivate Pereira to cooperate with the West. In our view, he faces no serious political challenges, despite the country's economic plight. The steady exodus abroad of the more disgruntled Cape Verdeans has been one important safety valve. We also believe that Pereira's considerable domestic prestige—magnified by his role as facilitator for Angolan-South African talks—has kept in check the influence of remaining radicals who favor closer ties to the Soviet Bloc. Moreover, Pereira's hand is strengthened by his close links with the leadership of the country's 2,200-man Army, dating from the independence struggle against the Portuguese. [redacted]

External Constraints. Despite his dominant position in the country's hierarchy, Pereira is well aware of external constraints on his freedom to maneuver. US Embassy reporting suggests that Western donor

interest in Cape Verde is slight and is largely an outgrowth of humanitarian concern and a desire to deny the Soviets access. Portugal, traditionally the principal Western actor in Cape Verde, is in no economic position to shoulder the burden of financial and military aid that would be required to wean the country completely away from Moscow. [redacted]

In our view, Pereira probably believes that he cannot afford to risk jeopardizing the Army's Soviet arms supply and provoking a leftist move against him by being more evenhanded in international forums. US Embassy reporting suggests that Pereira continues to closely monitor pro-Soviet elements out of concern that Moscow may try to protect its privileged position in Cape Verde by backing the leftist faction. Additionally, we believe Pereira feels he must cast a wary eye on Libya, as one of the Soviets' closest allies in Africa. The Embassy reports that Pereira fears the possibility of Libyan subversion in retaliation for his continued refusal to allow Libyan arms flights to transit Cape Verde en route to Nicaragua. [redacted]

Outlook

Our analysis suggests that most PAICV leaders on balance appear willing to deemphasize ideology, doing what they must to ensure their country's national security and to prevent its economic collapse. We believe that the most likely near-term outlook for Cape Verde, so long as Pereira remains in power, is for the government to continue its pragmatic brand of nonalignment. In our judgment, this will include increased efforts to cultivate the West for desperately needed food and financial assistance along with a continued reluctant dependence on the Soviets for most arms and an unwillingness to give serious offense to Moscow in international forums. Despite Praia's recent profession of greater understanding of US positions, we doubt that the government will make more than marginal improvements in its UN voting record and speeches on international issues of interest to the United States. [redacted]

In our view, however, Cape Verde's extreme poverty and complete dependence on foreign assistance render it vulnerable to external pressures and enticements.

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We believe some potential leaders would like to change the country's policies in order to solve its problems. For these reasons, the ideology of the Cape Verdean leadership—which still has shallow roots—cannot be considered immutable.

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From our perspective, Cape Verde could follow the wishes of a radical minority and move left toward more tangible cooperation with the Soviet Union. It also could move more markedly toward the United States and the West, clearly pleasing a substantial body of Cape Verde's population. Such changes, in our estimation, could result from a palace coup or a military takeover by factions representing a different mix of power between the country's relative pragmatists and its more radical elements, who would join forces out of a conviction that Pereira's policies were inadequate.

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**Africa
Briefs**

South Africa	Workers Threaten Strike <input type="text"/>	25X1
	<p>Black labor union officials are threatening a national strike by up to 1 million workers over a dispute with the government-owned synthetic fuel company, according to press and Embassy reports. The company fired 90 percent of its black workers—some 5,000—for joining a two-day general strike last November. The company has reinstated more than 1,500 of the workers and has promised to consider rehiring another 2,500, but union leaders demand 95-percent reinstatement. We believe that company and union representatives are likely to reach a compromise before the end of the 30-day conciliation period required prior to a legal strike. <input type="text"/></p>	25X1
Botswana	Devalued Currency <input type="text"/>	25X1
	<p>Botswana has announced a 15-percent devaluation to maintain parity with the declining South African rand. Even though Gaborone pegs the value of the pula to a weighted average of several major currencies, it is most concerned about the ratio with the South African rand. Economic authorities in Botswana have feared that a strong pula would make Botswana's manufactured exports less competitive in South Africa. The pula was devalued 5 percent last July, but since then the rand has fallen by 30 percent relative to the dollar. <input type="text"/></p>	25X1

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