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Indications of Political Instability in Key Countries



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January 1985

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Erratum

Notice to recipients of DI document *Indications of Political Instability in Key Countries*, GI IPI 85-001 January 1985.

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The two graphics on page 17 are incorrect. The yellow and green indicators were inadvertently reversed.

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January 1985

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January 1985*

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**Indications of
Political Instability
in Key Countries**



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Preface

This quarterly publication is designed to provide timely warning of significant instability in countries of key importance to US interests. The quarterly, which in this issue includes data from 1 October to 31 December 1984, examines events and processes that could lead to major regime or policy changes. Although there are instances where the paper provides short-term warnings of coups or collapse, it is primarily designed to address the potential for instability during the next two years through the consistent application of 94 indicators. Those countries for which indicators have changed significantly or which are otherwise of special interest are treated in detail in the text.

The quarterly includes three parts:

- Part 1 includes an overview of developments during the quarter, a chart summarizing the status of key indicators, a brief narrative assessment of each country, and country-specific tables tracing political and economic changes during the past several years. We assess 30 countries that we have identified as particularly salient to US interests because they are strategic choke points, major oil producers or debtors, key US friends or allies, geographically close to the United States, or especially influential in the Third World.
- Part 2 presents a more detailed assessment of select countries in which there have been developments of interest. Included in each assessment are subsections listing indicators to be watched with reference to the scenarios that we believe are most likely to unfold and alternative scenarios.
- Part 3 provides a reference list of the 94 indicators.



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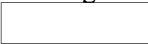
**Summary:
Levels of Concern**

Sudan and *Nigeria* again showed the highest level of instability, reflecting the odds for a coup in both countries. Analysts foresaw substantial instability in eight other countries—in the *Philippines* because of the expected succession crisis; in *Peru*, where the government is under fire for ineffectiveness against insurgency and economic distress; in *India*, given sharpened sectarian divisions; in *Chile* because President Pinochet's hard line has antagonized many sectors, including the military; in *Guatemala* because of continuing political polarization; in *El Salvador*, where the war continues unaffected by dialogue between the government and the guerrillas; and in *Iran* and *Iraq*, which are still at war.



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Analysts expressed moderate concern about the outlook in 10 of the 30 countries covered. *Honduras* faces a potentially unsettling election this year. *Turkey* will confront heightened terrorism as well as economic troubles. *Morocco* and *Egypt* will also have to cope with discontent over economic issues. The odds are lower regarding the threat of an Indian attack on *Pakistan*, but President Zia's domestic opposition may become more active. Growing alienation of the Kikuyus could lead to an assassination attempt on *Kenya's* President Moi, and in *Zaire* political discontent may inspire increased dissident terrorism. Dissident leader Kim Dae Jung's return to *South Korea* would substantially raise the level of instability there. Because of hard economic times ahead, we expect increasing problems for the governments in *Argentina* and *Venezuela*.



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Analysts registered low concern about instability in *Mexico*, *Brazil*, *Saudi Arabia*, *Somalia*, *South Africa*, and *Indonesia*. They saw no threat to stability in *Panama*, *Colombia*, *Spain*, or *Greece* over the next two years.



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[Redacted]

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Part 1. Developments and Trends

The six categories of indicators used in the following charts are drawn from the 94 indicators presented in Part 3. The *social change/conflict* indicators examine developments such as labor or religious unrest that could undermine the regime's legitimacy and ability to rule effectively. The *economic factors* link various dimensions of economic performance to potential instability. *Opposition activities* assess whether the opposition can mobilize effective antiregime activity or carry out acts that undermine public security. The *military attitudes/activities* category addresses the military's degree of dissatisfaction with regime policies, involvement in coup plotting, and behavior relevant to the political process. Finally, the *regime capabilities/actions* category focuses on what the government is doing that could lessen popular support, otherwise undermine its authority, and affect its ability to govern efficiently.

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Status of Key Indicators

Legend

- ☉ Not of concern
- Low concern (last two columns)
- ◐ Moderate concern
- Substantial concern (last two columns)
- ⬤ Serious concern
- ▲ Concern has increased since last quarter (color change)
- ▼ Concern has decreased since last quarter (color change)

Developments in fourth quarter 1984

	Social change/conflict		Economic factors				Opposition activities			Military attitudes/activities			External factors		Regime actions/capabilities		Judgments about the future											
	Ethnic/religious dissonant	Demonstrations and riots	Strikes	General deterioration	Decreased access to foreign funds	Capital flight	Unpopular changes in taxes, subsidies, or price controls	Food/energy shortages	Inflation	Organizational capabilities	Opposition conspiracy/planning	Terrorism and sabotage	Insurgent armed attacks	Attraction for public	Assault on or threat to military interests/dignity	Discontent over career loss, pay, or benefits	Discontent over government action/policies	Reports/rumors of coup plotting	External support for government	External support for opposition	Government hostility/attacks on US	Opposition hostility/attacks on US	Repression/brutality	Security capabilities	Political disunity/loss of confidence	Respect for ruler	Prospects for major regime or policy change during next six months	Prospects for major regime or policy change during next six months to two years
Mexico	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	
El Salvador	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Guatemala	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Honduras	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Panama	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Colombia	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Venezuela	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Peru	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Brazil	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Argentina	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Chile	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Spain	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Greece	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Turkey	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Morocco	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Egypt	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Sudan	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Saudi Arabia	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Iraq	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Iran	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Pakistan	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
India	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Nigeria	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Somalia	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Kenya	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Zaire	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
South Africa	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Philippines	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Indonesia	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
South Korea	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●

Selected Political and Economic Indicators/Developments and Trends

Mexico

	1982				1983				1984			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Social change/conflict	●	●	●	●	●	●	●	●	●	●	●	
Economic factors	●		●	●	●	●	●	●				
Opposition activities	●	●	●	●	●	●	●	●	●	●	●	●
Military attitudes/activities					New category					●	●	●
External factors	●	●	●	●	●	●	●	●	●	●	●	●
Regime actions/capabilities	●	●	●	●	●	●	●	●	●	●	●	●

Note: See page 3 for legend.

Antigovernment reaction to austerity measures and political manipulation remains sporadic and localized, reflecting the general success of President de la Madrid's efforts to control discontent. Higher public-sector spending, designed to ease social tensions and cultivate voters before important state elections this year, has set the stage for some economic recovery. Unless the government deftly handles the aftermath of the industrial accident near Mexico City, urban unrest may rise.

Prospects for major regime or policy change:
 During next six months
 During next six months to two years

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El Salvador

	1982				1983				1984			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Social change/conflict	●	●			●	●						
Economic factors			●	●	●	●						
Opposition activities	●			●	●	●	●	●	●	●	●	●
Military attitudes/activities					New category					●	●	
External factors				●	●	●	●	●	●	●	●	●
Regime actions/capabilities	●	●		●	●	●		●				

Note: See page 3 for legend.

President Duarte's peace initiative won him national and international acclaim, and his position appears secure for the next six months, but political polarization bodes more instability over the longer term. The military, leery of Duarte's plans for a cease-fire, remains supportive of his overall policies. The guerrillas, who expect little from the dialogue with the government, may begin to operate in urban and other areas thus far spared from the war.

Prospects for major regime or policy change:
 During next six months
 During next six months to two years

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Selected Political and Economic Indicators/Developments and Trends

Guatemala

	1982				1983				1984			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Social change/conflict								●	●	●	●	●
Economic factors												
Opposition activities	●	●	●	●								
Military attitudes/activities												
External factors												
Regime actions/capabilities	●	●						●	●	●		

Note: See page 3 for legend.

Progress in returning Guatemala to civilian rule has enhanced the standing of the Mejia government. Despite some discontent within the military over his economic policies, Mejia holds the support of key commanders. Political divisiveness will continue to endanger stability as the constitutional transition proceeds.

Prospects for major regime or policy change:
 During next six months
 ● During next six months to two years

25X1

Honduras

	1982				1983				1984			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Social change/conflict	●	●	●	●	●	●	●	●	●	●	●	●
Economic factors	●	●										
Opposition activities	●						●					
Military attitudes/activities											●	
External factors	●	●					●					
Regime actions/capabilities	●	●	●	●	●	●	●	●	●	●	●	●

Note: See page 3 for legend.

President Suazo has strengthened his position in the wake of an aborted coup plot, improving his chances of remaining in office through the November 1985 national election. Factionalism continues to plague the armed forces, but no military group appears capable of challenging the current military leadership.

Prospects for major regime or policy change:
 During next six months
 ● During next six months to two years

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Selected Political and Economic Indicators/Developments and Trends

Panama

	1982				1983				1984				
	I	II	III	IV	I	II	III	IV	I	II	III	IV	
Social change/conflict	●	●	●	●	●	●	●	●	●	●	●	●	
Economic factors	●	●	●	●	●	●	●	●	●	●	●		
Opposition activities	●	●	●	●	●	●	●	●	●	●	●	●	
Military attitudes/activities					New category						●	●	●
External factors	●	●	●	●	●	●	●	●	●	●	●	●	
Regime actions/capabilities	●	●	●	●	●	●	●	●	●	●	●	●	

Note: See page 3 for legend.

President Barletta, lacking an independent power base and facing an uncooperative legislature, was forced to repeal economic austerity measures because of widespread opposition. Despite Barletta's bad start, the government is likely to remain secure with Defense Chief Noriega exercising real political power.

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Prospects for major regime or policy change:
 ● During next six months
 ● During next six months to two years

Colombia

	1982				1983				1984					
	I	II	III	IV	I	II	III	IV	I	II	III	IV		
Social change/conflict	●	●	●	●	●	●	●	●	●	●	●	●		
Economic factors	●	●	●											
Opposition activities			●	●	●									
Military attitudes/activities					New category						●	●	●	●
External factors	●	●	●	●	●			●	●	●				
Regime actions/capabilities	●	●	●	●	●	●	●	●	●	●	●	●		

Note: See page 3 for legend.

Despite military concerns that guerrillas are using the cease-fire to reorganize and rearm, we see no signs of coup plotting or other threats to stability. Chronic political violence has abated somewhat following the truce, but government leaders and US officials face an intensified threat from the drug mafia in the wake of President Betancur's decision to extradite traffickers to the United States.

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Prospects for major regime or policy change:
 ● During next six months
 ● During next six months to two years



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Selected Political and Economic Indicators/Developments and Trends

Venezuela

	1982				1983				1984			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Social change/conflict	●	●	●	●	●	●	●	●	●	●	●	●
Economic factors	●	●										
Opposition activities	●	●	●	●	●	●	●	●	●	●	●	●
Military attitudes/activities					New category				●	●	●	●
External factors	●	●	●	●	●	●	●	●	●	●	●	●
Regime actions/capabilities	●	●							●	●	●	●

President Lusinchi is proving to be a skillful leader at home, and his economic restraint has gained favor with foreign lenders. Recent concessions to labor aimed at cushioning the impact of austerity, however, may provoke a backlash from the private sector and hurt long-term economic prospects. Reports of terrorist activity along the border with Colombia have raised government concern.

Prospects for major regime or policy change:
 During next six months
 During next six months to two years

Note: See page 3 for legend.

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Peru

	1982				1983				1984			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Social change/conflict	●	●	●	●	●	●	●					
Economic factors	●	●	●							●	●	●
Opposition activities	●			●	●	●	●	●	●	●	●	●
Military attitudes/activities					New category				●	●		
External factors	●	●	●	●	●	●	●	●	●	●	●	●
Regime actions/capabilities	●	●							●	●	●	●

Peru's precipitous economic decline and continuing insurgent activity continue to threaten stability. With public attention shifting increasingly to the presidential election in April, however, Belaunde's prospects for completing his term are strengthened. Center-left candidate Alan Garcia remains the current favorite to succeed Belaunde. A victory by the Marxist candidate, an unlikely development, would probably prompt the military to intervene.

Prospects for major regime or policy change:
 During next six months
 During next six months to two years

Note: See page 3 for legend.



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Selected Political and Economic Indicators/Developments and Trends

Brazil

	1982				1983				1984					
	I	II	III	IV	I	II	III	IV	I	II	III	IV		
Social change/conflict	●	●	●	●	●			●			●	●	●	
Economic factors	●	●			●	●	●	●	●					
Opposition activities	●	●	●	●	●	●	●	●				●	●	
Military attitudes/activities												●	●	●
External factors	●	●	●	●	●	●	●	●	●	●	●	●	●	
Regime actions/capabilities	●	●	●	●	●	●	●	●	●	●	●	●	●	

Note: See page 3 for legend.

Although some officers are concerned about a likely opposition victory in the presidential election this month, the military still firmly supports the process. Social unrest remains low. Preoccupation with re-scheduling the debt will make it difficult for the new government to focus on urgent domestic matters, including monetary and constitutional reform.

Prospects for major regime or policy change:
 During next six months
 During next six months to two years

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Argentina

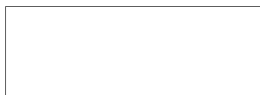
	1982				1983				1984					
	I	II	III	IV	I	II	III	IV	I	II	III	IV		
Social change/conflict	●								●	●	●	●	●	
Economic factors	●		●	●										
Opposition activities	●								●	●	●	●	●	
Military attitudes/activities												●	●	●
External factors	●	●						●	●	●	●	●	●	
Regime actions/capabilities	●								●	●	●	●	●	

Note: See page 3 for legend.

President Alfonsin's standing is high following the electorate's overwhelming approval of the Beagle Channel treaty with Chile. Despite economic austerity measures and continued triple-digit inflation, neither the Peronists nor the trade unions have been able to mobilize significant opposition to the government. Military disgruntlement with budget cuts and human rights policies is growing, but the armed forces remain discredited and internally divided.

Prospects for major regime or policy change:
 During next six months
 During next six months to two years

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Selected Political and Economic Indicators/Developments and Trends

Chile

	1982				1983				1984			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Social change/conflict	●	●	●			●	●					
Economic factors	●	●	●	●	●	●						
Opposition activities	●	●				●	●					
Military attitudes/activities					New category							●
External factors	●	●	●	●	●	●						
Regime actions/capabilities	●	●	●								●	●

Note: See page 3 for legend.

Stability is further endangered by President Pinochet's tough application of a new state of siege and by his intent to abort the political transition. His actions have antagonized the Church and led democratic opposition leaders to work on occasion with the radical left. Unless Pinochet holds out some promise of political accommodation, we expect better coordinated antigovernment activity after March, continuing terrorism, and some erosion in military backing for the President.

Prospects for major regime or policy change:
 ● During next six months
 ● During next six months to two years

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Spain

	1982				1983				1984			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Social change/conflict	●	●		●		●		●	●	●	●	●
Economic factors	●	●	●	●	●	●						●
Opposition activities	●	●		●		●	●			●	●	●
Military attitudes/activities					New category						●	●
External factors	●	●	●	●	●	●	●	●	●	●	●	●
Regime actions/capabilities	●	●	●	●	●	●	●	●	●	●	●	●

Note: See page 3 for legend.

Prime Minister Gonzalez enjoys broad popular support despite the country's high unemployment. He continues to outmaneuver the Communist-influenced peace movement on the issue of NATO membership.

Prospects for major regime or policy change:
 ● During next six months
 ● During next six months to two years

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Selected Political and Economic Indicators/Developments and Trends

Greece

	1982				1983				1984			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Social change/conflict	●	●		●	●			●	●	●	●	●
Economic factors	●	●										
Opposition activities	●	●	●	●	●	●	●	●	●	●	●	●
Military attitudes/ activities											●	●
External factors	●	●	●	●	●	●	●	●	●	●	●	●
Regime actions/ capabilities	●	●	●	●	●	●	●	●	●	●	●	●

Polls indicate that Prime Minister Papandreou maintains a strong leadership image among the electorate. The discouraging economic outlook and his controversial foreign policies may make Papandreou politically vulnerable with the approach of parliamentary elections later this year, but we see no threat to the democratic system.

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- Prospects for major regime or policy change:*
- During next six months
 - During next six months to two years

Note: See page 3 for legend.

Turkey ^a

	1982				1983				1984			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Social change/conflict		●		●	●	●	●	●				●
Economic factors	●	●	●	●	●	●	●	●	●	●		
Opposition activities	●	●	●	●	●	●						
Military attitudes/ activities											●	●
External factors			●	●	●	●	●	●	●	●	●	●
Regime actions/ capabilities	●	●	●	●	●	●	●	●	●	●	●	●

We expect Kurdish guerrilla provocations and government retaliation to lead to an increasingly serious cycle of violence. The terrorist problem and economic difficulties are likely to heighten tensions within the ruling Motherland Party. These frictions could usher in a new period of instability over the next year or two.

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^a See Part 2 for detailed discussion.

- Prospects for major regime or policy change:*
- During next six months
 - During next six months to two years

Note: See page 3 for legend.



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Selected Political and Economic Indicators/Developments and Trends

Morocco

	1982				1983				1984			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Social change/conflict	•	•	•		•		•	•	•			
Economic factors												
Opposition activities	•	•	•	•	•	•	•	•	•			
Military attitudes/activities					New category					•	•	•
External factors	•	•	•	•	•	•	•	•	•	•	•	•
Regime actions/capabilities	•	•	•	•	•	•	•	•	•	•	•	•

Public discontent is likely to grow in coming months as new austerity measures are implemented and as prospects for early benefits from the union with Libya fade. We expect an upturn in student and labor unrest, but security forces probably will be quick to quash protests.

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Prospects for major regime or policy change:
 During next six months
 During next six months to two years

Note: See page 3 for legend.

Egypt

	1982				1983				1984			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Social change/conflict			•	•	•	•	•	•	•	•	•	•
Economic factors					•							
Opposition activities			•	•	•	•						
Military attitudes/activities					New category					•	•	•
External factors	•			•	•	•	•	•	•	•	•	•
Regime actions/capabilities		•	•	•	•	•	•	•	•	•	•	•

The Mubarak government remains in firm control and is proceeding with economic reform and political liberalization. The legal opposition is active but non-confrontational, and, for at least the short term, sectarian tensions have eased following concessions to the Coptic community and the light sentences imposed on Islamic extremists.

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Prospects for major regime or policy change:
 During next six months
 During next six months to two years

Note: See page 3 for legend.



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Selected Political and Economic Indicators/Developments and Trends

Sudan

	1982				1983				1984				
	I	II	III	IV	I	II	III	IV	I	II	III	IV	
Social change/conflict	●								●	●	●	●	●
Economic factors													●
Opposition activities	●	●	●	●	●				●	●	●	●	●
Military attitudes/activities													
External factors	●	●	●	●					●	●			
Regime actions/capabilities	●								●				

Note: See page 3 for legend.

President Nimeiri's moderation of his Islamization program has temporarily weakened the opposition, but the regime will be severely tested in coming months. The increase in insurgent activity in the south, which began in early December, is likely to continue during the first part of this year. Economic conditions are deteriorating, and unrest sparked by food and energy shortages will make Nimeiri increasingly vulnerable to a coup.

25X1

Prospects for major regime or policy change:
 ▼ During next six months
 ● During next six months to two years

Saudi Arabia

	1982				1983				1984				
	I	II	III	IV	I	II	III	IV	I	II	III	IV	
Social change/conflict	●	●	●	●	●	●	●	●	●				
Economic factors	●	●	●	●	●	●	●	●	●	●	●		
Opposition activities	●	●	●	●	●	●	●	●					●
Military attitudes/activities													
External factors	●	●	●	●	●	●	●	●	●				
Regime actions/capabilities	●	●	●	●	●	●	●	●	●	●	●	●	●

Note: See page 3 for legend.

Our concern about Iranian-backed subversion has subsided following the relatively calm pilgrimage (Hajj) last fall. The general decline in the economy is provoking increasing criticism of the royal family's extravagance, but the country remains basically stable.

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Prospects for major regime or policy change:
 During next six months
 During next six months to two years



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Selected Political and Economic Indicators/Developments and Trends

Iraq

	1982				1983				1984			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Social change/conflict	●	●	●	●	●	●		●	●			
Economic factors							●	●				
Opposition activities	●				●	●	●	●	●	●	●	●
Military attitudes/ activities					New category				●	●	●	●
External factors					●	●	●	●	●	●	●	●
Regime actions/ capabilities	●	●	●	●	●			●	●	●	●	●

Note: See page 3 for legend.

The Ba'thist regime is firmly in control in the fifth year of its war with Iran. Over the longer term, however, increasing war casualties and continued economic austerity may pose serious problems for the government.

Prospects for major regime or policy change:

- During next six months
- During next six months to two years

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Iran

	1982				1983				1984			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Social change/conflict								●				
Economic factors				●	●	●						
Opposition activities		●	●	●	●	●						
Military attitudes/ activities					New category							
External factors	●	●	●	●				●	●			
Regime actions/ capabilities		●	●	●	●	●						

Note: See page 3 for legend.

The regime faces escalating discontent over official corruption, economic stagnation, deteriorating public services, and the human and financial cost of the long war with Iraq. A post-Khomeini era looms with no commanding figure capable of winning popular support or of containing the expected clerical infighting.

Prospects for major regime or policy change:

- During next six months
- During next six months to two years

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Selected Political and Economic Indicators/Developments and Trends

Pakistan

	1982				1983				1984					
	I	II	III	IV	I	II	III	IV	I	II	III	IV		
Social change/conflict	●	●	●	●					●	●			●	
Economic factors			●	●					●				●	
Opposition activities		●	●	●	●	●				●	●	●		
Military attitudes/activities					New category						●	●	●	
External factors	●		●		●	●	●						●	●
Regime actions/capabilities		●				●				●	●	●	●	

Note: See page 3 for legend.

The danger of conflict with India has fallen with the death of Indira Gandhi, and President Zia should have little trouble managing legislative elections this spring following the December referendum approving his continuance in office through 1990. We expect, however, some political backlash from Zia's high-handed treatment of the opposition—and from his own supporters if he welfhes on preelection political promises.

Prospects for major regime or policy change:
 ● During next six months
 ○ During next six months to two years

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India ^a

	1982				1983				1984				
	I	II	III	IV	I	II	III	IV	I	II	III	IV	
Social change/conflict	●	●		●	●	●	●						●
Economic factors	●	●	●						●	●	●	●	●
Opposition activities	●	●	●	●	●	●	●	●	●	●			
Military attitudes/activities					New category								
External factors	●	●	●	●	●	●	●	●	●	●	●	●	●
Regime actions/capabilities	●	●	●	●	●	●	●	●	●	●			

Note: See page 3 for legend.

Anti-Sikh violence following the assassination of Indira Gandhi claimed at least 2,000 lives, and sharp Hindu-Sikh divisions will almost certainly mean further turbulence over the next six months. Prime Minister Rajiv Gandhi's leadership is yet to be tested, but he may have a better chance than his confrontational predecessor to work toward national reconciliation.

^a See Part 2 for detailed discussion.
Prospects for major regime or policy change:
 ● During next six months
 ○ During next six months to two years

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Selected Political and Economic Indicators/Developments and Trends

Nigeria

	1982				1983				1984			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Social change/conflict	●	●	●	●		●				●		
Economic factors	●	●	●	●	●					●	●	●
Opposition activities	●	●	●	●		●				●	●	●
Military attitudes/activities					New category					●	●	●
External factors	●	●	●	●	●	●				●	●	●
Regime actions/capabilities	●	●	●	●		●	●			●	●	●

Note: See page 3 for legend.

General Buhari endured in office through his first anniversary on 31 December, but the threat of a coup will remain high. The bleak financial outlook aggravated by the weak oil market, regional and generational divisions in the armed forces, and labor and student discontent will keep his regime or any successor regime under siege.

Prospects for major regime or policy change:

- During next six months
- During next six months to two years

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Somalia

	1982				1983				1984			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Social change/conflict	●	●	●	●	●	●	●	●	●	●	●	●
Economic factors	●	●	●	●	●	●	●	●			●	
Opposition activities	●											
Military attitudes/activities					New category					●	●	●
External factors	●	●	●	●	●	●	●	●	●	●	●	●
Regime actions/capabilities			●	●	●	●	●	●	●	●	●	●

Note: See page 3 for legend.

Increased insurgent activity in the north does not yet threaten military control of the region, but the regime's heavy security measures will further alienate the population. Saudi assistance and a recently negotiated IMF agreement should ease the economic problems that had worsened last year, and, with the opposition weak and fragmented, President Siad's control is unchallenged.

Prospects for major regime or policy change:

- During next six months
- During next six months to two years

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Selected Political and Economic Indicators/Developments and Trends

Kenya

	1982				1983				1984			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Social change/conflict		●	●							●	●	
Economic factors			●			●					●	●
Opposition activities			●									
Military attitudes/activities			New category							●		●
External factors												
Regime actions/capabilities			●									

President Moi's tactics of stifling dissent and cowing opponents have kept his position secure. Discontent is growing among the Kikuyu—Kenya's largest tribe, whose political power Moi continues to whittle away—and may spread to other sectors if food distribution is perceived to be handled unfairly.

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Prospects for major regime or policy change:
 ● During next six months
 ● During next six months to two years

Note: See page 3 for legend.

Zaire

	1982				1983				1984			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Social change/conflict									●	●	●	●
Economic factors	●	●	●	●	●	●	●	●	●	●	●	●
Opposition activities	●	●					●	●	●	●	●	●
Military attitudes/activities			New category									
External factors												
Regime actions/capabilities		●							●	●	●	●

The Mobutu regime is under no immediate threat, although continued austerity measures probably will lead to some expression of discontent from students and labor. The international publicity given coup rumors in Kinshasa and a minor rebel attack in eastern Shaba may inspire dissidents to attempt terrorist activity.

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Prospects for major regime or policy change:
 ● During next six months
 ● During next six months to two years

Note: See page 3 for legend.



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Selected Political and Economic Indicators/Developments and Trends

South Africa

	1982				1983				1984			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Social change/conflict			●	●	●				●	●		
Economic factors				●							●	
Opposition activities	●		●		●	●					●	
Military attitudes/ activities					New category				●	●	●	●
External factors	●	●	●		●	●	●	●	●	●	●	●
Regime actions/ capabilities	●		●	●	●		●	●	●	●	●	●

The cycle of black unrest and government crackdowns is expected to continue in coming months. Violence in black townships may escalate but is unlikely to affect white areas or threaten government stability.

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Prospects for major regime or policy change:
 ● During next six months
 ◐ During next six months to two years

Note: See page 3 for legend.

Philippines

	1982				1983				1984			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Social change/conflict	●	●							●	●	●	●
Economic factors									●	●	●	●
Opposition activities												
Military attitudes/ activities					New category				●	●	●	
External factors	●	●	●	●	●	●	●	●	●	●	●	●
Regime actions/ capabilities	●	●						●	●		●	

Tensions in Manila were heightened by strikes and antigovernment demonstrations, by the implication of Armed Forces Chief of Staff Ver in the assassination of opposition leader Benigno Aquino, and by President Marcos's health crisis in November. Widespread anticipation of a succession crisis adds to the general instability.

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Prospects for major regime or policy change:
 ● During next six months
 ◐ During next six months to two years

Note: See page 3 for legend.



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Selected Political and Economic Indicators/Developments and Trends

Indonesia ^a

	1982				1983				1984			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Social change/conflict	●		●		●	●	●	●	●	●		
Economic factors	●	●	●	●	●		●	●	●	●	●	●
Opposition activities	●	●	●	●	●	●	●	●	●	●		
Military attitudes/ activities												●
External factors	●	●	●	●	●	●	●	●	●	●	●	●
Regime actions/ capabilities	●	●	●	●			●	●	●	●	●	

Note: See page 3 for legend.

Although this fall's rash of bombings and antigovernment violence has slowed, continuing antiregime activity reflects chronic social tensions and rising resentment of President Soeharto's suppression of Islamic activity. Opposition groups pose no near-term threat to the government, but the escalation in political violence likely presages intensified anti-Soeharto activity among Muslim radicals.

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^a See Part 2 for detailed discussion.

Prospects for major regime or policy change:

During next six months

During next six months to two years

South Korea ^a

	1982				1983				1984			
	I	II	III	IV	I	II	III	IV	I	II	III	IV
Social change/conflict	●		●		●	●	●	●	●	●	●	
Economic factors		●	●	●	●	●	●	●	●	●	●	●
Opposition activities				●	●		●	●				
Military attitudes/ activities										●	●	●
External factors			●	●						●	●	●
Regime actions/ capabilities	●			●	●	●	●	●	●	●	●	

Note: See page 3 for legend.

President Chun's Democratic Justice Party will hold its parliamentary majority in the February elections but probably will fall short of a strong popular mandate. The regime retains firm control, but we expect an upswing in activity by student dissidents. We are concerned that opposition leader Kim Dae Jung's return will add to the political unrest.

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^a See Part 2 for detailed discussion.

Prospects for major regime or policy change:

During next six months

During next six months to two years



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Part 2. Countries in Which There Have Been Developments of Interest

Turkey

- Attacks by Kurdish guerrillas have increased, particularly against military installations in the south-east. [redacted]
- The government's counteroffensive has included the destruction of Kurdish villages along the border with Iran and Iraq and the relocation of the population further inland. [redacted]
- The government has been unable to make headway against chronic economic problems, including a 20-percent unemployment rate and inflation at 55 percent, and is facing increasing resistance to its program for economic and bureaucratic reform. [redacted]
- Factional bickering is growing in the ruling Motherland Party, and opposition parties are broadly critical of the government. [redacted]

Comment

Terrorism, economic trouble, and political infighting—the same set of problems that brought down or crippled democratic governments and led to military intervention in 1960, 1972, and 1980—once again have surfaced. Unless an unexpected reversal of current trends develops, we doubt that the Ozal government will last through the next two years. [redacted]

The most pressing concern for Ankara is the upsurge in Kurdish guerrilla activity. Although Kurdish dissidents have been a problem for all Turkish governments in recent decades, the scope and intensity of the latest actions are unprecedented, and [redacted] Turkish military officers believe the problem is worsening. We believe Kurdish provocations and government retaliation will produce a spiral of violence that will become difficult to control. The government's decision to eliminate Kurdish villages



along parts of the border will almost certainly anger and embolden the guerrillas, who are likely to target not only military outposts, but also important symbols of the state, such as government buildings and officials. Security problems may become further exacerbated if the guerrillas begin to collaborate with other terrorist groups. Moreover, the ability of Kurdish guerrillas to "disappear" across the border into Iran and Iraq could lead to tensions between Turkey and its neighbors, despite Ankara's efforts to maintain good relations with Baghdad and Tehran. [redacted]

The government, beset by economic and political difficulties as well, is anxious not to appear weak or divided on the Kurdish issue because Kurdish successes are likely to inspire the reactivation of other extremist and terrorist groups. Besides creating a *cordon sanitaire* along its border with Iran and Iraq, Ankara will almost surely meet further Kurdish attacks with more force of its own. [redacted] the government has decided to reinforce local gendarmes with a new infantry division permanently garrisoned in the Kurdish areas. [redacted]

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Turkish troops rounding up suspected Kurdish guerrillas in southeastern Turkey. [redacted]

Milliyet

Economic problems are even more critical to Prime Minister Ozal's survival. Ozal came to power promising sweeping economic and administrative reforms to make Turkey competitive in world markets. We think his plan would produce beneficial results for the country, but we doubt he will have time to attain his goals. His restructuring efforts have produced many enemies, partly because his policies clash with the import-substitution state enterprise model that Ataturk espoused. Stubbornly high inflation and unemployment and painfully slow progress in the reform effort have led to some public disillusionment and increasingly vigorous opposition, even among senior military officers. [redacted]

Ozal also is finding it hard to keep his Motherland Party united. Unlike Turkey's other major parties, Motherland is not heir to one of the country's principal philosophical strains, but rather is an eclectic organization assembled primarily as an election vehicle for Ozal and his colleagues. Commitment to the party is tenuous, and other parties are encouraging defections by Motherland Party members. We expect tensions among the four factions in the party to grow, creating yet another destabilizing pressure point on the Ozal government. [redacted]

Ozal's slide could be halted, particularly if the economy unexpectedly perks up and terrorist problems do not materialize as we anticipate. Without such a reversal, however, we expect the odds against Ozal to mount. At the same time, the eventual removal of Ozal does not necessarily mean that the entire 1982 constitutional system will collapse. Although Ozal is a

very important figure in contemporary Turkey, there is sufficient commitment to the present constitutional order—on the part of the major parties, President Evren, and the military—to enhance its chances of survival even if the Prime Minister is removed or the government falls. [redacted]

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Key Indicators To Watch

Prospective Scenario: Support for Ozal Wanes, Leading to Increased Tension Between Evren and Ozal, Greater Military Involvement in the Government, and Eventual Ouster of Ozal

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- Spiraling violence in southeastern Turkey requires significantly more military resources to be diverted to the area.
- Armenian and leftist terrorism increases, fed by growing violence in the southeast and the perception of the government's increasing vulnerability.
- The economy deteriorates further, with rising inflation and unemployment; the institutional reforms falter.
- Factional fighting worsens within the Motherland Party, and members begin to defect to other parties.
- As tensions grow between Ozal and Evren, Evren distances himself from Ozal's economic policy and Ozal becomes disenchanted with the military's security efforts in the southeast.
- Reports of high-ranking military authorities openly criticizing the civilian government surface, including rumors of coup plotting. [redacted]

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Indicators That Would Suggest the Prospective Scenario Is Not Unfolding

- The economy stabilizes or rebounds, Ozal's policies gain new support, and institutional reforms begin to take hold.
- The military is able to control Kurdish guerrillas and other manifestations of terrorism.
- Ozal is able to mitigate factional disputes within the Motherland Party, winning a renewed sense of loyalty and unity from the four factions of his party.
- President Evren demonstrates more support for Ozal's policies, and the two men are seen cooperating on a broad range of issues. [redacted]

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Turgut Ozal, Hard-Working Innovator



The architect of Turkey's economic stabilization program, the 57-year-old Ozal is a highly intelligent and skilled innovator with considerable self-confidence. Despite growing political pressure and criticism, Ozal has not wavered from his program. A workaholic, he has maintained an exhausting pace in personally managing both the government and his party.

[Redacted]

[Redacted]

Trained as an engineer, Ozal is a pragmatic and judicious decisionmaker with a broad international perspective and good negotiating skills. Generally low-key and nonconfrontational, he nevertheless demands accountability and is a tough administrator. Although he usually seeks information from various sources, he can become singleminded when he sees his goals in jeopardy, ignoring dissatisfaction and threats to his leadership, and assuming even more of the burdens of decisionmaking.

[Redacted]

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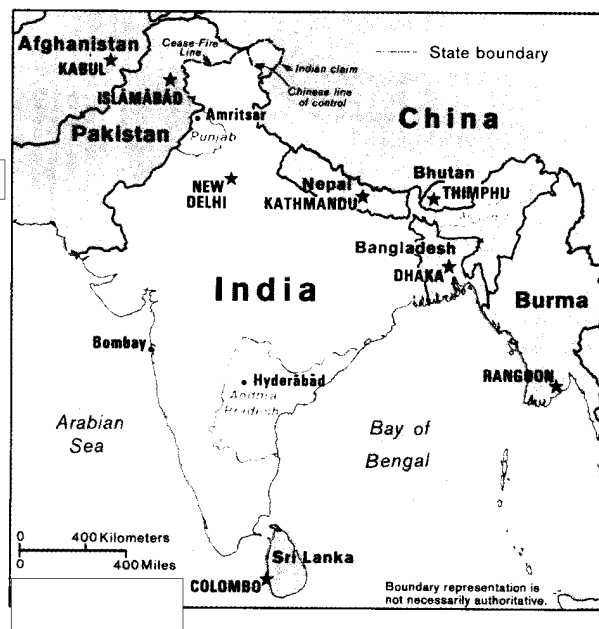
India

- Prime Minister Indira Gandhi was assassinated by two Sikh members of her personal security guard on 31 October.
- Post-assassination anti-Sikh violence, primarily in northern cities, killed at least 2,000 persons.
- Hindu officers pulled some Sikhs from paramilitary ranks and restricted others to quarters during the violence, and a few Sikhs were removed from sensitive military assignments.
- In elections held on 24 and 27 December, the Congress Party held its majority in Parliament, and Rajiv Gandhi was again selected Prime Minister.

Comment

Sharp political and social divisions will almost certainly keep turbulence at high levels in coming months, and the many remaining questions about Prime Minister Rajiv Gandhi's leadership ability make the long-term outlook highly uncertain. We are particularly concerned about sectarian and separatist threats to political stability. Nevertheless, we believe there is a reasonably good chance that efforts at political accommodation, national pride, and a possible reinvigoration of the ruling Congress Party will keep Indian democracy alive over the next two years.

Despite the conventional wisdom before Indira Gandhi's assassination that her son, Rajiv, was not ready to follow in his mother's footsteps—and his own assertions to that effect—he moved astutely to establish himself as an assertive leader representing stability and continuity. Within hours after her death, Rajiv took office as Prime Minister in a smooth and constitutional transfer of power. He quickly deployed troops to stop Hindu retaliation against Sikhs. His rapid move to hold elections caught the opposition offguard, won him a substantial sympathy vote, and



legitimized his authority. Favoring his political success are the inherited magic of his name, his age and modernist outlook, and his lack of personal enemies. He probably will work to reverse the atrophy afflicting the Congress Party that resulted from Indira's use of the organization as an instrument of personal power.

Although Gandhi has made an impressive start, we are unsure whether he has the desire and dedication to handle the challenges posed by communal separatists and political rivals. Sikh extremists probably constitute the biggest threat. Assassination attempts seem highly likely, and in Punjab—where Sikhs are a majority—radicals may try to embarrass Gandhi by provoking communal violence, leading antigovernment demonstrations, and disrupting the sale and shipment of grain to the rest of India. Ethnic violence may flare anew in Assam to test the new government's willingness to address political demands and

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capacity to prevent civil disorder. Gandhi also will be harassed by sniping from opposition leaders and disgruntled Congress Party activists who resent the Nehru dynasty or are shut out of the inner circle.

We think a significant threat to India's stability lies in the weakening of the secular underpinnings of the national polity. Congress Party governments historically have attracted votes from religious and social minorities as well as from the Hindu majority. Today, however, Sikhs and other minorities are seriously alienated from the political process, and cultural divisions have grown as the result of the government's assault on the Sikh's Golden Temple, Indira Gandhi's assassination by Sikhs, and the subsequent anti-Sikh communal violence. Moreover, the list of Sikh grievances has lengthened in recent months. In November, Congress Party youths directed vengeful Hindu mobs to Sikh homes and businesses; parliamentary elections were not held in Army-occupied Punjab because of the precarious security situation; and Sikh political figures captured in the takeover of the Golden Temple are still in jail.

Sikh alienation has already taken its toll on Indian Army morale and threatens the secular tradition that imbued the Army. Following the Army assault on the Golden Temple in June, at least 2,000 Sikh soldiers deserted in protest. The deserters have been imprisoned, and the ringleaders are to be court-martialed. In the wake of the assassination, clashes between Sikh and non-Sikh troops occurred in some units. Hindu officers restricted the movements of some Sikh personnel and removed a few from sensitive positions, and Rajiv Gandhi dismissed Sikhs from his personal security guard.

Although discipline within the military remains generally good, the repeated use of troops to suppress internal turmoil has raised concern within the Army that such entanglements in domestic turmoil detract from its defense mission. Local police and paramilitary units failed—as they had earlier in the year in Punjab, Bombay, and Hyderabad—to halt communal violence in New Delhi and other northern Indian cities following the assassination. Gandhi had to call out the Army to restore order.

Rajiv Gandhi's actions and the leadership style he develops over the next year will play a major part in determining whether these centrifugal forces will strengthen. His ability to strike effective national unity themes and particularly to dispel Sikh fears that they are becoming disenfranchised remains uncertain. We think his lack of appetite for personal power will allow him to make good use of the talent around him, however, and he may have a better opportunity than his confrontational predecessor to begin healing India's wounds. Nonetheless, reconciliation will not come quickly or easily, and we anticipate that political tension will remain high over the next six months.

Key Indicators To Watch

Prospective Scenario: Gandhi Remains in Power, but Tensions Remain High as He Finds his Initiatives To Reconcile Sikhs Rebuffed

- In an independent inquiry into post-assassination violence, Sikh clergy at the Golden Temple in Amritsar accuse Gandhi of negligence.
- Army occupation of Punjab continues.
- A few Sikh Army officers resign to protest New Delhi's decision to curtail recruiting in the Sikh community.
- Sikh farm leaders in Punjab urge their followers to block grain shipments to other parts of the country.
- Students stage antigovernment rallies.
- Protests against tax and price increases proposed in New Delhi's February budget induce Rajiv to postpone economic reforms.
- NT Rama Rao, opposition Chief Minister in Andhra Pradesh, soundly defeats Congress Party challengers in state elections scheduled for March.

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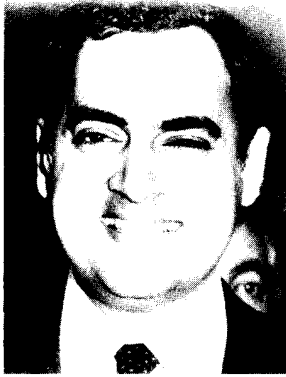
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Rajiv Gandhi, Reluctant Leader

Key Stone Press

Gandhi entered politics reluctantly, following the accidental death of his politically ambitious younger brother whom his mother preferred as her political heir. The 40-year-old Gandhi studied mechanical engineering at Cambridge University, avoided politics, and worked as a pilot with Indian Airlines from 1967 until 1980. Rajiv, reputed to be less ruthless and abrasive than his younger brother, was widely regarded as too mild mannered and low-key to survive in Indian politics. He has, however, proved to be a quick study. Over the last two years, he has worked hard to revitalize his mother's Congress Party, eliminate corruption, and create a renewed sense of commitment. Rajiv has emphasized the need to bring India into the modern world. Like his mother, who was widely regarded as ineffectual and weak when she came to power, Rajiv could lead India in new directions. His longtime avoidance of politics, however, suggests a strong degree of ambivalence toward power. Thus we believe he will turn to others for counsel and may be susceptible to manipulation.

**Indicators That Would Suggest the Prospective Scenario Is Not Unfolding**

- Gandhi retains Buta Singh as Minister for Parliamentary Affairs, Works, Housing, and Sports and names another Sikh to his Cabinet.
- Congress Party hooligans responsible for anti-Sikh violence in New Delhi are tried, convicted, and jailed.
- New Delhi widely publicizes the results of an inquiry headed by a Supreme Court Justice denying a broad Sikh conspiracy behind Indira Gandhi's assassination.
- Rajiv Gandhi encourages the appointment of Sikh military officers to senior positions and delays a decision to disband Sikh Army units and reduce recruiting from Sikh communities.
- Farmers in Punjab sell their rice and wheat to the government in response to New Delhi's willingness to discuss Punjabi demands on water-sharing issues.
- Gandhi is assassinated, setting off still higher levels of communal violence.

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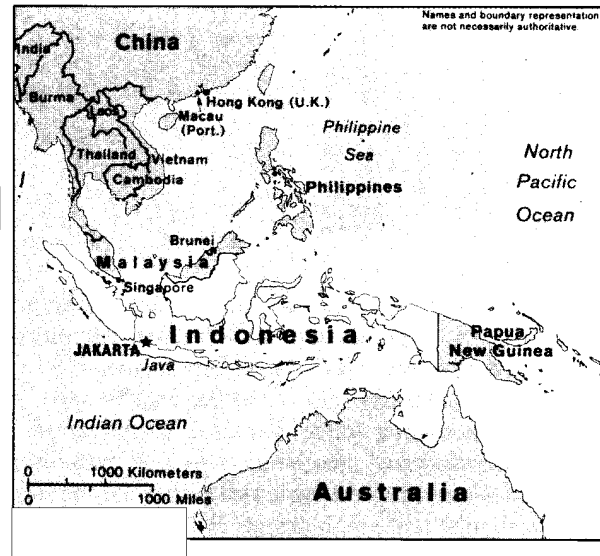
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Indonesia

- On 4 October coordinated bomb attacks were made against a Chinatown shopping center and two banks owned by a prominent Chinese business associate of President Soeharto.
- Since then, several major fires of unknown origin and numerous bomb threats have occurred.
- Antigovernment pamphleteering and speeches as well as anti-Chinese incidents have been on the rise.
- The government has cracked down hard on radical elements, arresting scores of suspects, including members of the dissident Group of 50—retired military officers and former government officials.



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Comment

Opposition groups pose no immediate threat to the government, but the bombings and other incidents represent a troublesome escalation of Indonesian political violence and portend continuing social unrest. Muslim radicals have capitalized on popular resentment of the ethnic Chinese, openly combining criticism of the regime's anti-Islamic policies with its ties to Chinese businessmen. Posters and speeches have specifically linked President Soeharto with Chinese financiers and criticized Armed Forces Commander Murdani, a Christian, as anti-Islamic and a protector of the Chinese.

Although reflecting longstanding social, racial, and economic tensions, the latest rash of violence indicates growing hostility to the Soeharto regime's determined efforts to suppress any independent Islamic political voice in the predominantly Muslim country. Although officials have sought to downplay the political significance of the recent incidents and to discredit radical activists, we believe the unrest is also an expression of increasing frustration among moderate Muslims over the lack of legitimate avenues for their political views.

The government's recent imposition of the secular state ideology, *Pancasila*, on the opposition Muslim political party and manipulation of the party's activities provided a focus for Muslim anger. Devout Muslims regard the government's promotion of *Pancasila* as an effort to downgrade the role of Islam in Indonesia.

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Jakarta's reaction to the unrest has been swift and decisive, underscoring Soeharto's hardline attitude to challenges to civil authority and his determination to neutralize Islam's potential as a political force. Having quelled several Muslim rebellions in the past, Soeharto and the military leadership remain firmly committed to the elimination of separatist movements and will not hesitate to use any means necessary to combat future terrorist attacks. The sharp crackdown on dissident groups and arrests of prominent members of the Group of 50 who criticized the government's handling of last fall's riots were followed by equally tough reactions to the bombings. The regime is treating the incidents as a matter of national concern, not as a simple police matter.

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President Soeharto. [redacted]

Key Indicators To Watch

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Prospective Scenario: Despite Continuing Antigovernment Activities, the Authorities Crack Down and the Regime Is Not Threatened

- Government successfully contains anti-Chinese and antigovernment demonstrations.
- Fires and bomb threats keep tensions high in major cities.
- An increase in antigovernment pamphleteering, speeches, and organizing by radical Islamic groups results in stronger security measures.
- Rumors circulate suggesting a substantial flight of capital by Chinese and native businessmen.
- Large numbers of suspects linked to incidents of unrest and radical organizations are detained.
- The government pushes compliance with the state ideology.
- Authorities continue to reassure mainstream Muslims that recent unrest is the work of radical elements.
- To appease public criticism, the government publicizes trials for some blatantly corrupt—but politically inconsequential—businessmen and government officials. [redacted]

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Indicators That Would Suggest the Prospective Scenario Is Not Unfolding

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- Government harshness leads to new efforts by the opposition to unite against Soeharto.
- Widening cycles of violence rapidly erode confidence in the government, and antigovernment sentiment grows among students and the unemployed.
- Prominent government, parliamentary, religious, and business leaders begin to criticize publicly Soeharto's ties to Chinese businessmen.
- Terrorist activities, including kidnappings and assassinations, become rampant, and the authorities have increasing difficulty coping with the security threat.
- Growing disarray appears within the military leadership.
- Growing isolation of President Soeharto from his Cabinet advisers becomes evident.
- Severe economic hardship is caused by developments such as a collapse of oil prices or a drought- or pest-stricken rice harvest. [redacted]

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The intelligence apparatus has already stepped up its monitoring of Muslim, youth, and dissident organizations. Although most students remain apolitical, [redacted]

[redacted] increasing numbers of youths are becoming active in radical Muslim activities and in politicized mosque services. The Iranian Embassy is known to cultivate ties with a number of fundamentalist and youth groups in Java, provide funding for underground religious publications, and sponsor unspecified training in Iran for youth leaders. Radical foreign elements will probably explore opportunities offered by the current unrest, but we do not believe Iranian or other foreign groups played a significant role in recent events. [redacted]

The underlying political and economic causes of discontent—poverty, anti-Chinese racial hostility, and the lack of effective political outlets for opposition views—will almost surely lead to continuing outbreaks of violence. We do not believe, however, that the unrest signals a breakdown in the regime's authority. Soeharto retains the loyalty of the military, control of the bureaucracy, and the respect of the majority of the population; we expect no effective organized opposition to emerge in the next year or two. Over the longer term, however, the government's heavyhanded retaliation against its opponents is likely to intensify anti-Soeharto sentiment among Muslim activists and other disaffected groups. [redacted]

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South Korea

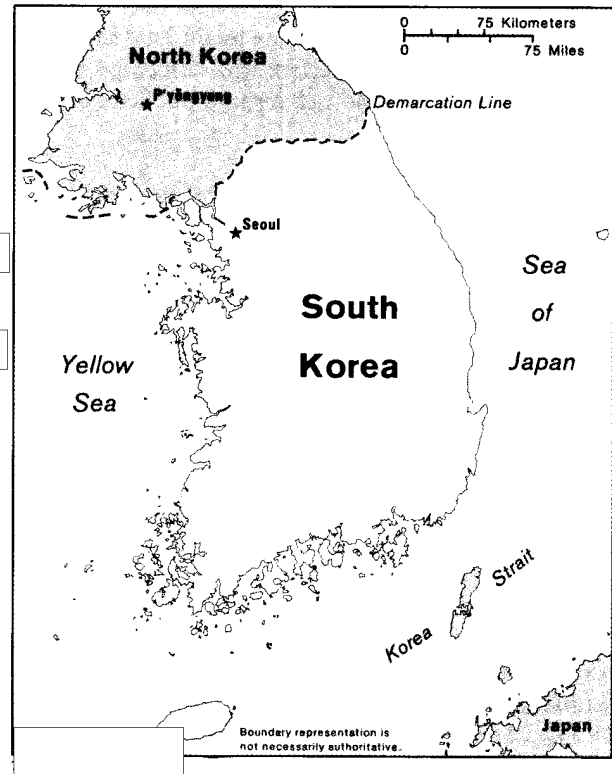
- President Chun's restoration of political rights to influential opposition figures has sparked divisive jockeying for the leadership of anti-Chun forces, accompanied by shriller attacks on government policies.
- Confrontations between students and the government have escalated as a result of Seoul's return last fall to a tougher policy toward student dissidents.
- Dissident leader Kim Dae Jung has announced plans to return to Korea around late January.

Comment

The military-backed government of President Chun Doo Hwan remains firmly in control, but parliamentary elections scheduled for mid-February could occasion some unrest. The balloting will be a major test of the ruling Democratic Justice Party's ability to mobilize public support, despite Chun's continuing unpopularity. For the public, the conduct of the elections will shape perceptions of Chun's sincerity in promising political reform and willingness to step down when his term ends in 1988.

Although the ruling Democratic Justice Party (DJP) is virtually guaranteed a continuing 55-percent majority because of the method of allocating seats, it has worked assiduously to enlarge the 36 percent of the popular vote it received in 1981. The party is anxious to demonstrate broad support for the President and, through an aggressive recruitment drive, has increased dues-paying party membership to over 1 million. To further enhance its appeal as well as tighten party discipline under Chun's lieutenants, the DJP is fielding many fresh new candidates.

Despite these efforts and the government's successes—for example, sustaining economic growth, raising South Korea's international stature, and smoothing relations with the United States and Japan—the



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regime faces a skeptical electorate. Many Koreans view national achievements as the product of their own hard work and look cynically at government attempts to solidify foreign backing for Chun's leadership. The ruling party itself invites disdain by its regular obstruction of parliamentary discussion of sensitive issues and by its rubberstamp role. Similarly, the public tends to judge recent government concessions on such issues as local self-rule and labor law reform as mere electoral window dressing.

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Chun's credibility will be further strained if opposition activity provokes a tough government response. Chun's lifting of the political ban on most of his

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opponents was intended in part to spark infighting within the opposition camp among contenders for leadership. This strategy will probably succeed, but we see some chance for it to backfire. The leadership battle may spur the various opposition groups to adopt highly confrontational campaign tactics that Chun may not be able to tolerate. This might lead the government to directly interfere with campaign activities, which in turn would risk a sharp public reaction.

We are particularly concerned that political stability will be undermined should dissident leader Kim Dae Jung return home from the United States. Kim remains an important symbol for Chun's opponents and probably hopes his presence will trigger serious problems for the government. The strong possibility that radical students will take up Kim's cause raises questions about the government's ability to tamp down unrest quickly, particularly if Kim appears during the election campaign. Seoul has already indicated that Kim will be imprisoned if he returns, and this move will be sure to revive the domestic and international pressures over human rights.

Dealing with regime critics during this coming tense period is likely to strain Chun's patience and may incline him toward his hardline advisers' preference for reinstating harsh political controls. Heavyhanded government actions probably would prompt massive street demonstrations when the colleges reopen in March. Seoul's decision in November to return riot police to the campuses and to prosecute protest leaders—a long retreat from the “campus autonomy” introduced early last year—dims prospects that the government can avoid the traditional reactive cycle of campus violence and police crackdown.

Key Indicators To Watch

Prospective Scenario: Chun Takes a Tougher Approach Against Dissidents but Mollifies the Public With Modest Reform Measures and an Orderly Election.

- The government selectively applies sanctions against student radicals, but deals tolerantly with nonviolent protestors and makes some concessions on elected student government.

- The government announces definitive plans for economic and labor law reform, removing these issues from the opposition parties.
- Kim Dae Jung's intransigence undermines efforts by various dissident groups to unite behind a new opposition party.
- Infighting splits the opposition into hostile factions, diluting the effectiveness of their campaign.
- Chun directs his party and the security services to avoid election irregularities that could discredit the balloting.

Indicators That Would Suggest the Prospective Scenario Is Not Unfolding

- Chun orders security services to deal harshly with all dissident student activities.
- Preelection Cabinet shuffle results in a loss of influence for Chun's moderate advisers.
- Kim Dae Jung returns and is imprisoned, galvanizing the dissident movement under a confrontational leadership.
- A new opposition alliance emerges around formerly banned politicians and begins to gain grassroots support.
- Chun announces emergency measures that restrict political expression, claiming national security needs, as Seoul moves into delicate negotiations with North Korea.

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Chun Doo Hwan:
A Tough Tactician Seeking National Unity



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President since 1980, the 53-year-old Chun is disliked by many South Koreans but enjoys the support of the security and military establishments. Viewing vigorous economic growth as the key to stability and security, Chun generally leaves economic management in the hands of experienced technocrats. His foreign policy has raised Seoul's international prestige and instilled national pride. Less skilled at managing domestic political crises, Chun tends to respond with quick fixes that fail to address underlying problems. Despite his promises for political development and a peaceful transfer of power in 1988, Chun does not appear to have a plan for doing so. We believe he views liberalizing gestures as means to achieve "national harmony," rather than ends in themselves. Chun's ability to deal with instability most likely would be hampered by his habit, when challenged, to isolate himself behind a protective circle of advisors.

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Part 3. Indicators of Political Instability

The following indicators were used in our examination of each of the countries treated in this publication. While these factors—especially if taken individually—may not be predictive of instability for any single,

given country, they have been associated with political instability in the past. We will continue refining these indicators to make them more specific to each country and more predictive.

Social Change/ Conflict Indicators

Demonstrations and Riots

1. Are demonstrations/riots increasing in frequency and intensity? If so, what rates of increase have there been in:

- The numbers of demonstrations or riots?
- The numbers of people taking part?
- The numbers of cities/places in which the events are occurring?
- The number of days on which demonstrations or riots take place?

2. Is the government taking a more permissive view of the demonstrations/riots? If so, does this account in part for the increase?

3. Are government repression and opposition violence escalating?

4. Are demonstrations/riots becoming status quo or “normal” events? Are there indications that those participating believe they will not suffer by demonstrating/rioting?

5. Is the violence in demonstrations/riots increasing in intensity? If so, is the violence indiscriminate, or is it being directed against the government, a scapegoat minority or religious community, or other group?

6. Are demonstrations starting to assume a general antiregime tone, or do they focus on one specific issue, such as an increase in food prices?

7. Does a demonstration attract a larger crowd than originally predicted? Does a demonstration called by one opposition group attract the genuine—not manipulated—support of other groups not previously involved, such as labor groups in support of student marchers, etc.?

8. Are the media:

- Becoming more critical of the government or supportive of the demonstrators/rioters?
- Devoting more time or space to the events?
- From the government’s perspective, starting to give a gloomier picture of events?

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9. Are there indications that elements of the political elite or the security forces are beginning to sympathize with the demonstrators/rioters?

10. Is the government making concessions to the demonstrators/rioters for the first time? If so, are these having a calming effect, or are they seen as a sign of weakness?

11. Are the demonstrators/rioters disrupting any area of the economy? If so, does the concerned sector blame the government or the demonstrators/rioters? Are the disruptions affecting the government's ability to provide goods and services, patronage, etc.?

Strikes and Other Job Action

12. Are strikes, slowdowns, sit-ins, etc., increasing in number and frequency? If so, what rates of increase have there been in:

- The number of incidents?
- The number of workers involved?
- The number of cities/places where the incidents are occurring?
- Extralegal actions, such as sabotage?
- The number of man-hours lost?

13. Do the strikers have political objectives apart from economic motivations? If so, are these directed against the government?

14. Are labor groups that oppose the government forging links with nonlabor opposition groups?

15. Are the strikes and other job actions drawing increasing support from the general public?

16. Is the government starting to meet the workers' demands despite sound economic reasons that it not do so? If so, have the concessions persuaded workers to return to work?

17. Are the strikes, etc., starting to hurt the economy:

- Is production declining in key areas such as energy?
- Is the decline in production diminishing the government's ability to provide goods, services, and patronage?
- Is labor disruption beginning to affect foreign investment flows?
- Do those adversely affected blame the government or the labor movement for their losses?

Maintenance of National Unity

18. Do increasingly large numbers of the general public reject the regime's legitimacy, as indicated in casual conversation, opinion polls, newspaper articles and editorials, books, etc.?

19. Is effective government control over some areas outside of the capital being eroded? If so:

- Is the government losing its ability to protect its officials and the general public in these areas?
- Are local officials increasingly unwilling or unable to implement directives from or to perform services, such as tax collection, for the central government?
- Is the opposition increasingly able to mobilize and organize the local populace?

20. Is the government starting to carry out policies that change the political or social status of any group; for example, is it increasing religious intolerance, suppressing the use of a minority language or culture, etc.? If so, are the policies compelling those affected to oppose the government actively in any way?

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21. Is the middle class starting to withdraw its support for the government? For example:

- Is any part of the middle class actively participating in new or radical opposition parties or violent activities?
- Are there indications that the middle class is starting to believe the government can no longer protect its interests?
- Are there signs that the middle class increasingly sees its values under assault and its economic position deteriorating?
- Are there indications that members of the middle class believe they can tolerate the coming to power of the opposition as a viable alternative?

22. Are religious leaders increasingly critical of the government? If so:

- Is alienation of religious figures from the government growing?
- Are more religious figures—priests, nuns, or other clerics—becoming active in antigovernment activities?
- Is the general public beginning to support these activities and agree with the criticisms?

Economic Stability Indicators

23. Is the government losing its ability to raise tax revenues? If so, is it finding difficulty in providing:

- Essential public services?
- Food, energy, and other popular subsidies?
- Patronage to keep its supporters in line?
- New equipment, pay increases, etc., for the military and police?

24. Is the government increasingly turning to money creation to finance its operations?

25. Is the general public blaming the government for the deteriorating economy?

26. Are sudden price rises or drops in food or energy supplies likely or increasing?

27. Is the international economic situation starting to depress the local economy? If so:

- To what extent is it affecting commodity prices?
- Is only one sector affected, or is the populace hurting across the board?
- Do popular perceptions tend to blame pernicious international forces or countries?

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28. Is the government's ability to obtain foreign aid and investment starting to decline? If so, what impact is this having on the economy?

29. Does the economy include a traditional sector, such as subsistence agriculture and barter, that remains isolated from the modern economic sector and that could provide a safety valve in times of crisis? If so, is this being eroded by overpopulation, landlessness, crop specialization, etc?

30. Do the country's reserves or the free market exchange rate reflect capital flight? If so, is the capital flight the result of economic reasons, such as lack of return on investments, or because of political fears?

31. Is the government unlikely to meet its debt service repayment obligations? If so, are the government's creditors willing to reschedule all or part of the debts?

32. Is the government starting to implement its own or IMF-imposed austerity measures? If so, can it withstand pressures from opposing domestic interests?

33. Are the government's economic policies benefiting only a small segment of the population, such as the elite and associated groups? If so:

- Is the government trying to redress the effects of the policies? If so, is it likely to succeed?
- Are the poor becoming aware that the gap between themselves and the rich is widening? If so, are they attributing this to the government?

34. Conversely, are attempts to redress inequality through taxation, land reform, anticorruption drives, or other economic measures alienating important elements of the elite, such as the military or clergy?

Opposition Groups Indicators

35. Are opposition groups coalescing against the government? If so, is the basis for this a shared ideology or shared opposition to the government?

36. Are opposition groups increasingly able to mobilize large numbers of people for antiregime activities? If so, are the reasons:

- Growing organizational capabilities?
- Better finances?
- Increased membership?
- External aid, etc.?

37. If opposition groups are organized along class, ethnic, religious, or regional lines, are these factional forces and their attraction growing?

38. Is any opposition group representing itself as the embodiment of the national identity?

39. Are symbols of popular nationalism changing; for example, is the picture of the ruler in houses, shops, etc., being replaced by that of the leading political or religious oppositionist?

40. Is a polarization of forces taking place, that is, are centrists and moderates increasingly compelled to make a choice between the left and the right?

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41. Is there an opposition leader whose charisma is increasingly recognized even by those who oppose him? If so:

- Is this person getting equal billing with major government leaders in the media and casual conversation?
- Are those not yet committed to the opposition making excuses for the charismatic leader by portraying him as a “moderate at heart” or a “social reformer” and saying that he can control the “crazies” or the Communists once in power?

42. Are opposition parties increasingly claiming that the violent overthrow of the government is the only way to bring about change?

43. Are people not yet committed to the opposition starting to speak of when rather than if the opposition comes to power?

44. Are the intellectuals becoming alienated from the system? If so, does this lend strength to the opposition?

Terrorism and Sabotage

45. Are incidents increasing in frequency and intensity? If so, what has been the rate of increase in:

- The number of incidents?

- The number of cities in which incidents occur?

46. Are the terrorists or saboteurs being indiscriminate or selective in their targets? If selective, who are the targets—government supporters, the opposition, perceived traitors to one or another side, or others?

47. Is terrorism or sabotage starting to deter any part of the general public from supporting the government?

48. Are there indications that the public is beginning to view terrorism or sabotage as a necessary evil to be acquiesced in or even supported?

49. Is terrorism or sabotage starting to hurt the economy? If so:

- Is production declining in key areas such as energy?
- Is the government’s ability to provide goods, services, and patronage being reduced?

Military Attitudes/ Activities Indicators

50. Are there any signs of antiregime or coup plotting?

51. Are there indications that elements in the military and security services, particularly senior personnel, are becoming discontented over government actions or policies?

52. Are there indications that military and security service leaders consider the civilian leadership unable to cope with events?

53. Are the corporate interests or dignity of the military being assaulted or threatened?

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54. Are there elements in the military that are discontented over career loss, pay, or other benefits?
55. Are there signs of a split within or between military or police leaders?
56. Are military or police leaders or groups becoming identified with opposition groups?
57. Are the military or security services becoming less disciplined; are desertions and acts of disobedience, and so forth, increasing?
58. Are the security services becoming less able to penetrate opposition groups and predict events?
59. Are the security services being reorganized frequently or to an extent that affects their efficiency and morale?
60. Are expenditures for the military and security services beginning to strain the budget?
61. Is the government trying to upgrade the efficiency and morale of the military and police through such measures as:
- Better recruitment, pay, leave, and promotion policies?
 - Increased training in dealing with civil disobedience?
 - Better equipment?

External Factors Indicators

62. Is the government or the opposition receiving increased aid from the Soviet Union, other Communist countries, Libya, etc.? If so:
- In what form and in what amounts?
 - Is the increased aid improving the recipients' capabilities, or is it evoking negative responses from any groups, indicating that they feel their interests are threatened?
63. Are neighboring countries or other external influences beginning to affect sectarian groups—for example, Islamic fundamentalists, Shiites, Roman Catholics influenced by liberation theology, etc.—in a way that is eroding loyalty to the government?
64. Is Western influence and aid—particularly from the United States—being viewed negatively by the public and by influential power groups? If so, is this starting to hurt the regime?
65. Are other countries starting to pose a military threat? If so, does this enable the government to “wrap itself in the flag” and rally support it might otherwise have lost?
66. Is the public's mind being taken off deteriorating domestic conditions by the government's overseas adventures?

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**Regime Capabilities and
Actions Indicators**

Repression of the Opposition

67. Does the general public increasingly see the government as more responsible than opposition groups for perpetrating domestic violence?

68. Is the government increasing the use of force to counter opposition activities? If so, what are the rates of increase in:

- Political assassination?
- Cases of firing on crowds?
- Summary executions?
- Cases of torture?

69. Is the government stepping up nonviolent repression? If so, what are the rates of increase in:

- Imprisonment without trial?
- Exile?
- Banning of political parties and activities?
- Press censorship?
- School and university closings?
- Other suspensions of civil liberties?

70. Are the regular police having difficulty putting down demonstrations or riots? If so, is the government increasingly using:

- Paramilitary police units?
- Military forces?
- Government-controlled "mass organizations" such as revolutionary guards or village scouts?
- Hired thugs or goon squads?

71. Are government officials talking about the possibility of declaring martial law or a state of siege?

72. If the government uses massive force, does this disrupt opposition groups and make them less effective? What is its effect on the general public: is it seen as a necessary sign of firmness, or is it seen as brutal and repressive?

73. Are there indications that the public sees the government as inconsistent: for example, does the average citizen complain that he has "no way of knowing what he can or cannot do to stay out of trouble"?

Government Leadership and the Ruling Elite

74. Is conflict breaking out or increasing among groups that make up the ruling elite or between the ruling and supporting elites? If so, what is the cause?

75. Are there indications that government leaders are doubting their major policies or their ability to rule?

76. Are there any indications that the ruler may be considering stepping down because of age, ill health, a shift in public opinion, personal tragedy, etc.? If so, is the political elite gearing up for an obvious successor crisis?

77. Is the ruler's style changing in such a way that lessens his ability to rule? Is he:

- Increasingly isolated in the "palace"?
- Increasingly dependent on advice from "yes-men"?
- Generally unaware of realities?
- Becoming erratic—such as changing domestic allies, neglecting his duties, falling under the influence of persons outside the government (spouse, astrologer or other fortune teller, lover, financial cronies, etc.), drinking, taking drugs, etc.?

78. Are changes taking place in the relations between government leadership and opposition groups?

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79. Is the ruler or other government leader starting to make trips to Communist countries to seek assistance or prestige?

80. Has the ruler shown that he is prepared to use the security forces to suppress demonstrations, riots, strikes, etc.? If so, is he prepared to take extremely tough measures before the situation gets out of hand?

81. Is the government introducing reforms? If so, is it doing so under pressure or at its own initiative, and is it prepared to enforce them?

82. When the ruler makes his final decision on a policy, do other government leaders who oppose this policy continue to argue against it publicly?

83. Are senior officials and/or progovernment politicians becoming factionalized, paralyzed, or fatalistic—signs that they feel the success of the opposition is inevitable?

84. Are media criticism of and jokes about the ruler and the government becoming more direct and open?

Government Bureaucracy

85. Is the bureaucracy becoming less loyal to the government leadership because of divergent political views, distaste for the government's policies, etc?

86. Is the bureaucracy becoming so large, corrupt, intimidated, and/or underpaid that its ability to implement policy and respond to policy shifts is becoming overwhelmed?

87. Is effectiveness being eroded because the leadership is firing competent officials as scapegoats?

88. Has the government shown ineptness in coping with natural disasters such as earthquakes, floods, crop failures, etc.?

The Education System

89. Is the education system turning out too many qualified graduates in relation to employment opportunities?

90. Is the government starting to implement policies that might enrage students, for example, an increase in fees, interference with faculty, closing down of student newspapers, etc.?

91. Are fundamentalists or other religious groups starting to set up schools in opposition to the public school system, or is enrollment increasing at such schools already in existence?

The Business Sector

92. Is the business sector starting to be hurt by specific government policies? If so, are losses sufficiently serious to make businessmen increasingly critical of these policies?

93. Are conditions in the country generally deteriorating to such an extent that the business sector is expressing doubt about the government's ability to rule?

94. Is a substantial segment of the business sector starting to support the opposition? If so, is this support political, financial, or both?



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