



Directorate of
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Africa Review



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26 December 1986

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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

Zambia: Implications of Food Riots [redacted]

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Violent demonstrations against food shortages and sizable increases in food prices earlier this month created one of the gravest domestic crises in Zambia since independence in 1964. More generally, in our judgment, widespread popular dissatisfaction with declining living standards and with government austerity measures imposed at the urging of the International Monetary Fund (IMF) and Western creditors has eroded President Kaunda's personal popularity. Although Kaunda's decision to cancel price hikes has enabled his government to restore order, the disturbances will make it more difficult for Lusaka to proceed with its economic reform program.

[redacted]

The Disorders

US Embassy and press sources indicate that the rioting began in the northern town of Kitwe on 9 December, five days after the government announced it was more than doubling the price of a popular grade of cornmeal, the Zambian food staple. Protesters in Kitwe looted stores, seized trucks carrying food, and attacked the headquarters of the ruling party, [redacted]

Over the next several days, disturbances spread to other mining centers in the country's economically important copper belt, and minor rioting and looting were reported in Lusaka, according to the Embassy.

[redacted]

Official accounts reported at least 15 protesters were killed and dozens injured. Embassy observers [redacted] [redacted] have indicated that the demonstrations were spontaneous for the most part, and that many participants were unemployed youths. Although leaders of Zambia's powerful trade unions publicly opposed the price hikes, they do not appear to have directly incited the unrest. [redacted]

The Kaunda government attempted first to quell the disturbances by using police and paramilitary forces, but it was quickly forced to take the unprecedented step of calling out the Army to restore order. [redacted]

[redacted] the troops did little to deter looting, and in some cases appeared to sympathize with the rioters. Several days after the rioting began Kaunda publicly rescinded the price increases, nationalized the milling industry—which he blamed for food shortages—and announced that food subsidies would be financed in the future by cutting social programs.¹ [redacted]

Origins of the Unrest

There is little question that the government's decision to more than double the price of one variety of cornmeal and the shortages of substitutes triggered the riots. The disturbances, however, also came against a backdrop of longstanding frustration with deteriorating living conditions and a decade-long decline in Zambia's mineral-based economy. The country's mining industry, which accounts for approximately 90 percent of Zambia's foreign exchange earnings and slightly more than 30 percent of GDP, has been hard hit by the prolonged slump in world prices of copper and cobalt. At the same time, production costs have risen, as have fees that landlocked Zambia must pay to transport commodities to and from international markets. As a result of these and other factors, the US Embassy

¹ Ironically, the riots occurred at a time when the Embassy has reported that Zambia is having good harvests and is close to being self-sufficient in corn production. [redacted]

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reports that copper production fell from a high of 629,000 metric tons in 1975 to 480,000 metric tons in 1985. [redacted]

In an attempt to arrest the country's economic decline, the Kaunda government in recent years has adopted ambitious economic reforms. Many, such as the government's recent attempt to reduce cornmeal subsidies, have been the result of pressures by the IMF, World Bank, and other international creditors to pare the budget deficit as a condition for assistance needed to stabilize and restructure the economy. Earlier this year, for example, the IMF granted Zambia a \$275 million standby loan. [redacted]

Economic Impact of the Riots

The government was badly shaken, but, we believe, it is unlikely to totally abandon its efforts to restructure and reform the economy. In our judgment, Lusaka probably will slow the pace of reform. We expect Kaunda may postpone reform measures he has already agreed to, such as eliminating all food and fertilizer subsidies by the end of 1987, in an effort to bolster his political credibility. The government may also bow to growing pressure to modify Zambia's foreign auction system, which is under fire because it has resulted in a sharp devaluation of the Zambian kwacha. [redacted]

Although such delays may be politically popular, any slackening in the reform effort will make it more difficult for Lusaka to meet its economic performance targets. The IMF, for example, had urged Lusaka to reduce its fiscal deficit as a ratio of GDP from about 30 percent this year to 10 percent in 1987. Such a target, which was to have been accomplished largely through cuts in subsidies and better control over expenditures, no longer appears feasible. We also do not believe Kaunda will be able to compensate for higher-than-expected consumer subsidies by cutting other social spending. [redacted]

At the same time, US Embassy reporting indicates that Zambia's creditors now recognize that the Kaunda government is dealing with a politically explosive situation that may require some leniency on their part. Before the riots, Zambia had been under considerable pressure to clear its arrears with the

Major Accomplishments of Zambia's Economic Reform Program

- *Decontrol of prices except for corn and fertilizer.*
- *Adoption of an auction system allowing market forces to determine exchange rates and allocate foreign exchange.*
- *Liberalization of trade system, making tariffs less discriminatory.*
- *Restructuring of several government-owned firms.*
- *Substantial upward adjustment in agricultural prices and overhaul of the agricultural marketing system.*
- *Freeing of interest rates.*
- *Pruning of the civil service.*
- *Improvements in the planning and budget system.*
- *Implementation of new tax measures.*

[redacted]

IMF, World Bank, London and Paris Clubs, and a petroleum funding consortium. At a meeting in Paris in mid-December of the so-called Consultative Group for Zambia attended by 21 multilateral and bilateral creditors and donors, there was considerable sympathy for Zambia's plight, according to US diplomatic observers. These sources report that international lenders may now be prepared to reduce their demands on Lusaka and that they may be willing to help raise a substantial portion of the estimated \$400-500 million in external assistance Zambia will require annually between now and the end of the decade if it is to meet its debt payments and other obligations. [redacted]

Political Significance

Although we do not believe the Kaunda government faces an imminent threat, the rioting suggests that Zambia's longstanding political stability can no longer be taken for granted. According to Embassy reports, recent events indicate that Kaunda's popularity has declined and his authority has been undermined by his handling of the affair. In

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particular, Kaunda's decision to reverse course and repeal the price increases has created the impression that he capitulated to mob pressure, increasing the likelihood that Zambians may take to the streets again if the government seeks to reduce consumer subsidies or to make other politically unpopular moves. At the very least, the government's actions suggest that it seriously misgauged public attitudes and failed to anticipate the furor that the price increases would elicit. As recently as late November, Kaunda had informed a visiting Japanese delegation that his government would not permit conditions to deteriorate to the point where food riots might erupt, even while noting that people were approaching the limits of what they would endure. [redacted]

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The turmoil Zambia has experienced may also indirectly affect its foreign policy. Kaunda, who is chairman of the six-nation group of Frontline States, is likely to devote somewhat more of his time in the future to dealing with domestic difficulties. In view of the fragility of the Zambian economy, he will also probably redouble his efforts to avoid a confrontation with South Africa at this time. Kaunda almost certainly is aware that approximately 70 percent of Zambia's imports and about 40 percent of exports move along South African trade routes. Disruption of such traffic could reduce government revenues, lead to shortages of consumer goods, and prompt Zambians once again to take to the streets. [redacted]

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[redacted]

**Benin-Libya:
Closer Ties** [redacted]

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Ties between Libya and Benin remain strong and the 14-year-old leftist regime of President Mathieu Kerekou shows no signs of being willing or able to curb Libyan influence. By using a combination of financial support, bribes to key officials, and implicit threats, Tripoli has increasingly used Benin to support regional destabilization. [redacted]

[redacted] In addition to pursuing its broader objective of undermining moderate African governments and French influence in the region, [redacted]

[redacted] Libya continues to rely on Kerekou's cooperation to strengthen rebel forces in Chad and to provide a conduit for covert trade. For his part, we believe Kerekou, who must contend with mounting criticism from radicals within the ruling People's Revolutionary Party, the military, and students, as well as a failing economy, may become even more dependent on Libyan financial largess. [redacted]

Libyan Economic Leverage

[redacted]

The US Embassy reports this financial dependence gives Mustafa Abusetta, the head of the Libyan People's Bureau in Cotonou, ready access to the President and other party officials. Although Benin's Foreign Minister told US Embassy officials late last year that Kerekou would like to distance himself from the Libyans, he was afraid that refusing to cooperate in Libya's regional endeavors could cause Tripoli to cut economic aid and work to undermine the Kerekou government. [redacted]

Libyan Presence

Libyan People's Bureau. In line with Tripoli's decision to cut diplomatic staffs worldwide, it has reduced its personnel in Cotonou from about 40 earlier this year to four. In his six years in Benin, Bureau Chief Abusetta—now the Dean of the Diplomatic Corps—has developed extensive relationships with government officials. The US Embassy reports that Bureau staff members have not ingratiated themselves with the local population by running up over \$200,000 in debts.

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Libyan Military Group. The military group is directed from Tripoli by Col. Masud 'Abd Al-Hafiz and operates independently of the People's Bureau. It is responsible for planning Chadian rebel terrorist operations against the Habre government and coordinating the transfer of Chadian refugees from Nigeria to Benin for onward travel to Libya via weekly flights.

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Other Libyan Representation. Another 50 Libyans are assigned to various Libyan organizations in Benin, including the Libyan Arab Investment Company, which has provided almost \$7 million to various agriculture, mining, and fishing projects, and three joint Benin-Libyan companies that apparently manage the projects. A Libyan front company operating out of West Germany reportedly purchased the two US L-100s that were diverted to Libya last year. Although only about 12 percent of Beninese are Muslims, Tripoli has established a local Islamic Call Society and Islamic school, but neither is very active according to the US Embassy. The Libyans currently are negotiating for an Institute of Arab Languages to be located on the campus of the University of Benin.

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[redacted]

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Base for Regional Subversion

In return for Libya's financial assistance, [redacted] Kerekou has allowed Tripoli to use Benin as a base of subversion against other governments in the region. [redacted] [redacted] has actively recruited and trained exiled dissidents living in Benin for use against unfriendly regimes. Reports of such activities include:

[redacted]

- A report that a Togolese terrorist, caught in Togo in August carrying bombs to Lome from Benin, claimed that the Libyan Ambassador supplied him with explosives to be used against the US Embassy and other targets, according to the US Embassy.

[redacted]

- [redacted]

Support for Libya in Chad

[redacted] Tripoli has also used offers of economic assistance to secure Benin's help in building up Libyan-backed rebel forces in Chad. [redacted]

[redacted]

[redacted]

Tripoli also relies on Benin as a transit point for Chadian recruits. US Embassy reporting indicates that the Libyan military group in Cotonou is responsible for the infiltration of men and arms from Benin through Nigeria into southern Chad for terrorist actions, and that there are few checks, if any, on the group's activity. Cotonou also permits a weekly Libyan flight that ferries Chadian combatants from Benin to Tripoli, many of whom were recruited in Nigeria or at PK-18—a holding camp for Chadian refugees run by the Kerekou government. The US Embassy reports that some 1,100 Chadians transited Benin during 1986 en route to Libya for military training and eventual deployment to rebel units in Chad. [redacted]

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Conduit for US Aircraft and Spare Parts

Over the past two years, Libya also has repeatedly used Benin to circumvent US export controls. [redacted] Kerekou's recent agreement with Libya to organize a new airline—Benin Airways—was intended in part to help Tripoli evade the US embargo against sales of aircraft spare parts. Cotonou reportedly will buy three Boeing 707s and three smaller aircraft that will be maintained and flown by the Libyans. In an earlier arrangement, Libya last year purchased two Lockheed L-100s using a front company in Benin and arranged for the planes to transit Benin en route to Libya. The Kerekou regime later denied involvement, however, and cooperated with US officials investigating the incident, according to the US Embassy. [redacted]

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Outlook

We see little prospect that the Kerekou regime will abandon its close relations with Libya. In our judgment, the increased cooperation over the last year suggests that the longer term trend is likely to be toward greater Libyan activity, particularly if, as we expect, Cotonou's financial condition continues to deteriorate. Given Kerekou's refusal to implement austerity measures needed to secure an IMF accord, we see little likelihood that Western countries or international agencies will respond with adequate economic assistance. [redacted]

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In the unlikely event that Kerekou attempts to cut ties to Tripoli, we believe Libyan interests in Benin are such that Qadhafi could move to install a more compliant regime. Kerekou's fear of Tripoli's supporters in the government or the military subverting his beleaguered regime, however, probably mitigates against a dramatic lessening of Libyan influence soon even if Libya reduces its financial help.

[Redacted]

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[Redacted]

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**Ghana: A Look
at Cuban Influence** [redacted]

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Head of State Rawlings has forged fairly good but limited ties to Cuba since he seized power in 1981 and launched Ghana on a populist course. [redacted]

training for Tsikata's intelligence service [redacted] 25X1
[redacted] 25X1

[redacted] and Accra is a strong supporter of Cuba's foreign policy at international forums, according to the US Embassy [redacted]

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Nevertheless, Rawlings remains privately wary of Castro, and realizes that Cuba—itsself financially strapped—cannot provide the substantial economic assistance necessary for his country's economic recovery. [redacted]

Influence in the Military

Cuba has not been able to establish a permanent link to Ghana's military, according to the US Embassy.

There are no Cuban military advisers in Ghana, [redacted] 25X1
[redacted] 25X1

Political Ties

Publicly, Rawlings praises Cuba for its leadership in the Third World, but privately he is thought to dislike Castro. US Embassy reporting indicates that under Rawlings's rule, Accra has strongly backed Havana in the United Nations, and in 1984 the two countries signed a joint communique attacking the US intervention in Grenada and voiced solidarity with the Nicaraguan revolution and guerrillas in El Salvador, according to US Embassy reporting. [redacted]

[redacted] US Embassy and [redacted] 25X1
[redacted] has long opposed the establishment of military ties to the Communist Bloc. [redacted] 25X1

[redacted]

Nonetheless, pro-Cuban sentiment has been expressed by some of the predominantly pro-Western officer corps. For example, Major Quashigah—who commands the key Force Reserve Unit, a 500-man quick reaction force designed to respond to any coup attempts—visited Cuba in 1983. According to US Embassy reporting, he found the country to be "very African," and praised Cuba's "relatively free and easy lifestyle." The commander of the Air Force, Commodore Kotei, also toured Cuba in 1983 and reportedly was impressed with the country's youth movement, animal husbandry program, and educational achievements. [redacted] 25X1

The Cubans exert most of their influence through Ghana's Marxist security and intelligence adviser, Kojo Tsikata, who sits on the ruling nine-man Provisional National Defense Council. Tsikata has long sought to strengthen Cuba's role in Ghana. [redacted]

Economic Ties

Financially strapped Havana relies on low-cost, high-profile aid projects to enhance its reputation as an ally. The US Embassy reports that Cuba privately regrets it cannot provide the level of economic [redacted] 25X1

[redacted] According to US Embassy reporting, Tsikata claims "there is much for us to learn from Cuba." Since 1982 Havana has provided [redacted]

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assistance Accra seeks, but it offers limited help in the health and construction fields. According to the Embassy, Cuban medical teams visited Ghana in 1984 and 1985 in an effort to build good will among the populace [redacted]

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Havana is studying a project to build a cement plant in Ghana, and has already sent two prefabricated housing plants to Accra [redacted]

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Havana's longstanding efforts to promote stronger ties and spread its Marxist ideology through student scholarships have had mixed results. According to US Embassy and press reports, some 600 Ghanaians are currently studying in Cuba. While a small core return to Ghana as committed revolutionaries, many may return disillusioned or disappointed by their experiences. The US Embassy in Accra reports that extensive rumors of death, ill health, and student unrest at Cuba's Isle of Youth circulate in Accra, and that the educated public remains skeptical of the value of Cuban schooling. [redacted]

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Outlook

In our view, Cuban influence will be largely limited to Tsikata's security apparatus and to successful indoctrination of some Ghanaian students. We believe that even though Rawlings is obsessed with security matters, he almost certainly will never allow a Cuban military presence that would undermine his nationalist image, weaken public support, alienate Western-leaning military officers, and endanger Western economic assistance. Nonetheless, Rawlings will remain vulnerable to the pressures of the manipulative Tsikata, who no doubt will attempt to press Rawlings to forge closer links to Havana. Moreover, Rawlings almost certainly will strongly support Cuba in international forums to demonstrate his leftist credentials and placate critics who believe he is betraying the regime's original revolutionary goals. [redacted]

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[redacted]

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Malawi: The RENAMO Connection [redacted]

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Malawian President Banda, despite vehement denials and the possibility of retaliation from the Frontline States, is continuing to provide limited support to South African-backed Mozambican rebels. In our view, Banda backs the National Resistance of Mozambique (RENAMO) rebels because of his ardent anti-Communism and his hope that an ideologically compatible regime in Maputo would reduce Malawi's political isolation in the region.

[redacted]

- Malawi may permit Pretoria to use its territory for transshipping supplies to RENAMO. [redacted] 25X1
- [redacted] cargo planes—possibly from South Africa—have made night landings at rural Malawian airports conveniently located to resupply rebels operating near the Malawi-Mozambique border. [redacted] 25X1

[redacted]

Aid to RENAMO

Malawi's aid to the rebels takes various forms:

[redacted] RENAMO does not have bases in Malawi although we believe areas of safehaven and caches of food and other nonmilitary supplies exist. It is unclear whether Malawi would welcome bases or if bases in Malawi would be inconvenient for RENAMO's operations. [redacted] 25X1

[redacted]

Ngwata appears to have unlimited access to Banda and almost certainly is carrying out the President's wishes by aiding RENAMO. Given Banda's longstanding and well documented authoritarian style of government, we believe a policy of assistance for the rebels could not be carried out unless he ordered and supported it. [redacted] 25X1

- Malawi is the only African country that allows RENAMO to have a resident representative. The Banda government places no restrictions on the activities of the representative, Jimo Phiri, who has a Malawian passport and is military commander of RENAMO forces in neighboring Zambezia Province in Mozambique. [redacted]

The Many Talents of Charles Ngwata
Ngwata was appointed Deputy Inspector of Police—the position was created especially for him—in July 1985 and quickly consolidated power with his takeover of the notorious Special Branch. Clearly Banda's man, Ngwata has the authority to bypass his superior, Police Inspector Kamwana, many of whose duties have been assigned to Ngwata. We believe that he is a skillful political player who has built a network of loyal police officials. His loyalists include the chief of the important Criminal Investigation Division, [redacted] 25X1

[redacted]

[redacted]

[redacted] Ngwata also may [redacted] 25X1

Charles Ngwata: A Little-Known Figure

Chief of Malawi's Police Special Branch and Deputy Inspector General of Police since July 1985 . . . newest member of select group of advisers with access to President Banda . . . widely expected to replace current Inspector General . . . well respected by peers but does not get along with superiors . . . formerly junior assistant commissioner of police and deputy of special branch under ousted predecessor . . . once headed police training school . . . member of Banda's Chewa tribe . . . probably in his mid-40's.

[Redacted]

have some links to John Tembo, Banda's ruthless adviser, who is rumored to be the octogenarian President's preferred successor and the hand behind the police shakeup last year that brought Ngwata to power. [Redacted]

In the past year, Ngwata has established several external contacts, probably including intelligence liaison relationships with South Africa. These relationships, [Redacted] [Redacted] keep him well informed on activities and decisions made at the most senior levels of the Government of Mozambique, [Redacted]

As a result of these contacts, Ngwata probably has an accurate picture of Mozambique's counteroffensive capabilities and intentions toward Malawi and RENAMO. [Redacted]

Concealing the Facts

To maintain plausible deniability, the scope and nature of Malawi's support to the rebels remain limited, with probably fewer than 100 Special Branch personnel involved. Malawi's aid to the Mozambican rebels probably is relatively easy to conceal because it is a small operation directed largely by Ngwata himself. [Redacted]

Malawi publicly denies supporting the rebels and has taken cosmetic steps to improve its image and ease tensions in the region, including participating in a joint Mozambique-Malawi security commission. In addition, Ngwata personally escorted a group of

Zambian intelligence officers on a tour of the country last November to prove Malawi was not supporting RENAMO. [Redacted] In a good position to steer his guests away from supply operations or safehaven areas, Ngwata reportedly convinced them that Malawi was not cooperating with the insurgents. [Redacted]

Ngwata reportedly has also denied charges made by the Frontline States that Malawi supplies passports to RENAMO personnel. He contends that cases of passport fraud are extremely difficult to control because the artificial border between Mozambique and Malawi cuts across family and tribal lines. Malawi has continued to stress this theme, even after the late Mozambican President Machel had presented the Malawians with a photostatic copy of Phiri's passport. [Redacted]

Outlook

Ngwata will probably take further steps to conceal Special Branch activities in the face of Frontline States' pressure and accusations, but limited support for the rebels will continue. Banda probably feels he can depend on South Africa to protect him from Frontline States' punitive measures and would genuinely like to see RENAMO come to power in Maputo. He may reason that the recent death of Machel increases RENAMO's chances of gaining power [Redacted]

Should Frontline States' pressure cause Banda to reconsider or withdraw support to the rebels, however, RENAMO in effect could blackmail Lilongwe by threatening Malawi's vital interests. The rebels exercise some control over regional transport routes used by landlocked Malawi. Moreover, RENAMO could also threaten to set up large troop installations or training bases in Malawi—an action the small Malawi Army would be unable to prevent. Banda would probably go far to prevent this because it could entice Mozambican Government troops into hot pursuit actions in Malawian territory. [Redacted]

[Redacted]

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**Eastern and Southern Africa:
Slow Progress in Regional
Economic Cooperation** [redacted]

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Initial reporting from the summit meeting of the Eastern and Southern Africa Preferential Trade Area (PTA) held in Addis Ababa in early December suggests that little progress was made toward developing economic cooperation among member countries. In particular, most states remain reluctant to reduce tariffs on imports from other PTA countries. Moreover, the growing politicization of the PTA may divert its energies from its main purpose of promoting intraregional trade. [redacted]

Background of the Preferential Trade Area

The PTA is an organization of 15 countries with headquarters in Lusaka, Zambia, that was formed in 1981 and became operational in 1984. Its main goal is to promote trade among its members in a regional market of roughly 160 million people. The principal declared means of promoting intraregional trade are preferential treatment and tariff reduction for members, a clearing facility for trade that reduces the need for foreign exchange expenditures for imports, and a regional development bank for financing PTA projects.

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Early Initiatives

The PTA began operations in 1984 with a focus on reducing tariff and nontariff barriers among its members. According to US Embassy reporting, the PTA was able to agree relatively quickly on a number of economic issues. In 1984, for example, the group agreed on a list of 212 items traded between member countries and programmed tariff reductions in increments of 25 percent on these items to take place every two years, starting in 1986. In addition, they agreed that goods shipped between two member states could transit a third PTA country unhindered. The group also established a clearinghouse for PTA transactions, run by the Zimbabwe Reserve Bank, that would allow transactions to be set off against each other, thereby reducing the need for hard currency expenditures on PTA imports by member countries. [redacted]

[redacted]

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Recent Developments

At its Extraordinary Meeting in Burundi last May, according to US Embassy reporting, PTA members were able to reach a compromise on the issue of preferential tariff treatment within the PTA based on local ownership of firms. Under the new arrangement, goods produced by firms with at least 51-percent ownership by nationals are eligible for a 100-percent preferential tariff treatment, while firms that are 41- to 50-percent domestically owned qualify for a 60-percent preference, and those that are 30- to 40-percent locally owned are due a 30-percent preference. In addition, participants at the meeting agreed to review the common list of preferential trade items over the next five years, to settle all PTA transactions through the PTA clearinghouse, and to eliminate all tariff and nontariff barriers by 1992. Finally, the PTA put in place the charter of the PTA Trade and Development Bank and the rules for financing the bank. [redacted]

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Despite the initial agreements, the PTA made little progress in 1985. Member states failed to agree on a proposal to reduce the minimum level of local ownership for firms to benefit from preferential tariffs ranging from 51 percent to 30 percent. The 51-percent requirement had the practical effect of curtailing PTA trade benefits because major businesses with export capability in key PTA countries—such as Kenya and Zimbabwe—were, and remain, under majority foreign ownership or are subsidiaries of foreign firms. The PTA members, however, did agree in December 1985 to establish a Trade and Development Bank for promoting development projects and trade. [redacted]

In our judgment, the recent summit in Addis Ababa did little, if anything, to promote further intraregional trade. Faced with reluctance by PTA countries to

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PTA Membership

Current PTA Members

<i>Burundi</i>	<i>Mauritius^a</i>
<i>Comoros</i>	<i>Rwanda</i>
<i>Djibouti</i>	<i>Somalia</i>
<i>Ethiopia</i>	<i>Swaziland</i>
<i>Kenya</i>	<i>Tanzania</i>
<i>Lesotho</i>	<i>Uganda</i>
<i>Malawi</i>	<i>Zambia</i>
	<i>Zimbabwe</i>

Nonmembers Eligible To Join

<i>Angola</i>	<i>Mozambique</i>
<i>Botswana</i>	<i>Seychelles</i>
<i>Madagascar</i>	

^a Has given notice of withdrawal.

[Redacted]

reduce their tariffs within the framework of the 1984 tariff program, the summit rejected the scheduled across-the-board tariff reduction of 25 percent that was to have taken effect on 1 October 1986. Ethiopia and Somalia were prominent among the opponents of the scheduled tariff cut, according to US Embassy reporting. Moreover, the summit, in effect, backtracked on the May 1986 agreement to eliminate tariff and nontariff barriers by 1992 by deciding instead to undertake a study of the feasibility of eliminating such barriers within that time frame.

[Redacted]

Although the summit's final communique included agreements on plans for the PTA, it provided little substantive action on their implementation. For example, in the communique member states agreed to expedite the implementation of projects in the transport and communications sectors, launch new fertilizer projects, and establish expanded agricultural programs and projects [Redacted]

Obstacles to Progress

In our judgment, the PTA will continue to face major structural obstacles to progress in regional cooperation. PTA countries still have largely

agricultural economies with little demand for each other's agricultural exports. Moreover, disparate levels of industrial development in member countries have produced differing degrees of support for the PTA. We believe that the more highly industrialized countries in the group, such as Kenya and Zimbabwe, see the PTA as a means of promoting their industrial expansion and are its strongest supporters. Other less industrialized PTA members see fewer immediate advantages to membership. For these reasons the PTA has failed to convince any of the five eligible nonmembers—Angola, Botswana, Madagascar, Mozambique, and Seychelles—to join. [Redacted]

[Redacted] Mauritius formally gave a one-year notice in March 1986 that it planned to leave the PTA because it had received so few benefits.

[Redacted]

Emerging Politicization

In our judgment, the PTA's already limited economic impact may be further undercut by the growing tendency to use the organization to further political aims. Although they have no constituency for regional trade matters, the African National Congress and the South West African People's Organization were present as observers at the May 1986 Extraordinary Meeting in Burundi. Both groups, along with the Pan-Africanist Congress, attended the summit in Addis Ababa, and the summit communique approved unspecified measures by member states for strengthening economic sanctions against South Africa. The US Embassy also reports that John Garang, chairman of the rebel Sudanese People's Liberation Movement, was in Addis Ababa throughout the PTA meeting, presumably to meet with representatives of the PTA countries. Garang seized the opportunity presented by the presence of foreign journalists covering the PTA summit to call a news conference, where he publicized his insurgency.

[Redacted]

Outlook

We do not attach much political significance to the election at the summit of Ethiopian Chairman Mengistu Haile Mariam as PTA chairman for the

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next year. The post is rotated on an annual basis. Because of Ethiopia's opposition to the intraregional tariff reductions that are the rationale for a preferential trade area, however, we do not expect any major effort in this direction during Mengistu's chairmanship. We also do not foresee substantial progress in economic cooperation in the region over the next few years. Domestic economic pressures will continue to make most states reluctant to implement the intraregional tariff cuts out of fear of revenue losses. Furthermore, the poor state of the regional transportation network will continue to be a major barrier to trade development.

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**Liberia: Prospects
for the Trade Unions** [redacted]

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Organized labor—representing some 20 percent of Liberia’s work force—enjoys a limited degree of independence, despite the government’s six-year-old ban on strikes. President Doe is concerned that low-level labor unrest may spread because his government is unable to ease the country’s mounting economic problems. We believe that Liberia is likely to face increasing labor unrest in the coming year, particularly if rank-and-file workers in key unions carry out plans to oust their proregime leadership. Doe would almost certainly resort to armed force to put down widespread public demonstrations and restore law and order. [redacted]

Workers Union of Liberia was suspended for two years for allegedly instigating work stoppages at the Firestone rubber plantation, according to the US Embassy and press reporting. The Embassy reports that earlier this year the government recognized the Firestone Agricultural Workers Union as the sole representative of workers at the plantation, prompting other unions to charge the regime with “blatant political interference.” On the other hand, the Embassy also reports that last September, when the Shipworkers Union threatened to strike over low wages, Doe responded by recognizing the union’s more moderate faction and claiming the union rank and file had been subverted by a minority [redacted]

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The Uneasy Relationship

After he came to power in 1980, Doe initially took a hard line against the trade unions and outlawed strikes. According to press reports, he claimed Liberia could not afford labor unrest at a time of economic hardship, and he called on his countrymen to cooperate in the rebuilding of Liberia. Doe showed little patience with disgruntled workers. During 1981 some 400 dockworkers were fired for failing to obey a government decree to return to work and 240 workers at Liberia’s largest iron ore mining company were dismissed on Doe’s orders following a short-lived strike for back pay, according to press reporting [redacted]

The Liberian Federation of Labor Unions

The largest trade union organization, the Liberian Federation of Labor Unions (LUFU), has not directly challenged the Doe regime, partly because of internal problems. According to the US Embassy, LUFU has some 30,000 members, including 15,000 dock and port workers, mine workers, and workers at the Firestone plantation, all of whom joined during the past two years. The Embassy reports, however, that only about 14,000 members pay their dues regularly, and the union lacks the money to expand its recruitment activities. Although it has not yet organized a strike, the US Embassy reports that it provided limited support for short-lived strikes by dock and airport workers last May. [redacted]

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Doe, however, has been less forceful with professional and semiskilled workers because they cannot be replaced easily. Despite his threats of dismissal, doctors and nurses at a hospital in Monrovia struck several times over backpay between 1981 and 1983. During 1986, strike actions have included the hospital nurses again, university professors and staff, airport employees, port workers, and transportation workers and drivers, but no layoffs occurred as a result of the strikes, according to the US Embassy. [redacted]

The union’s hierarchy may find it increasingly difficult to control the rank and file. [redacted] a coalition of more radical members is attempting to remove the president, Ismael Sheriff. Elected in 1983, Sheriff is regarded as a strong supporter of Doe, and according to US Embassy reporting, many members believe he is more interested in furthering his personal ambitions than in advancing the cause of workers’ rights. [redacted]

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The government has occasionally harassed allegedly hostile unions, but has openly cooperated with proregime labor leaders. In 1982, for example, the 20,000-member National Agriculture and Allied

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Teacher Unrest

US Embassy reporting indicates the teachers union has been at the forefront of labor activities in recent years. The six-year-old National Union of Liberian Teachers (NULT) has staged frequent protests since 1984, including two in 1986. In February, nearly 1,000 teachers struck for several days, demanding a travel allowance, better working conditions, and the restoration of a 25-percent salary cut, according to press reports. In November teachers struck again over similar demands, but went back to the classroom when the government agreed to pay their salaries for September. [redacted]

Despite the union's willingness to challenge the government, some NULT members believe their leadership is not sufficiently confrontational. [redacted]

[redacted] some members of MOJA—an outlawed Marxist-oriented organization—are orchestrating a campaign to remove union president Saa Philip Joe, and replace him with their own candidate, Momulu Lavela.

[redacted] Lavela would almost certainly use his position to press for more frequent strikes and a less conciliatory tone in negotiations with the government [redacted]

Rumblings at Firestone

Since October, management-union relations at the Firestone plantation have been strained over a wage dispute. According to press reports, the union, the Firestone Agricultural Workers of Liberia, is pressing for a 40-percent wage increase, better working conditions, and the retention of free social services. For its part, the management claims it cannot afford a wage increase of more than 10 percent and will probably have to make further cuts in its work force, according to press reports. The US Embassy reports that tensions are high at the plantation, and the workers could turn to violence [redacted]

[redacted]

Outlook

Most of the unions are unwilling to challenge the government by launching indefinite strikes, but further worker unrest is all but certain in 1987. Doe will probably continue his policy of trying to meet some union demands with threats of crackdowns. We agree with the US Embassy that, for the moment, both sides see the need for compromise. However, the cumulative effects of salary arrears and pressures from the rank and file may force the trade union leadership to press their demands more aggressively.

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Africa Briefs

Madagascar

Economic Discontent [redacted]

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Civil unrest triggered by educational reforms and rice shortages has heightened government security concerns, but, in our judgment, has not reduced President Ratsiraka's commitment to economic reform. University students recently took to the streets in Antananarivo to protest money-saving reforms that would affect about 5,000 long-term students living at state expense. In an effort to reduce tensions, the government postponed the new measures for one academic year and promised to restudy them, according to US Embassy reporting. The student unrest follows serious rioting in the port city of Tamatave, where residents stormed warehouses containing government rice supplies and burned and looted several buildings. [redacted] residents were responding to perceived inequities and corruption in the government's distribution of rice, Madagascar's main dietary staple. Security forces were brought in quickly and helped to contain the violence, according to US Embassy reporting. [redacted]

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In our judgment, public disturbances are likely to continue. [redacted]

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[redacted] civil service leaders are planning work stoppages in January unless the government addresses grievances over low pay and rice distribution. Moreover, student leaders reportedly are hoping to instigate demonstrations in several cities. Though less threatening to the regime, a severe drought in the south has caused people to migrate northward in search of scarce jobs and food, according to press reporting. [redacted]

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We believe Ratsiraka is unlikely to reverse his IMF-backed economic reforms because his security forces are loyal and capable of quashing isolated strikes and demonstrations. Nonetheless, he is well aware that violent popular reaction has flared twice since independence when Malagasy governments failed to alleviate intolerable economic conditions. As a result, he probably will continue using political persuasion and timely concessions to keep discontented groups from coalescing and fomenting widespread violence that could overwhelm the Army and police. Working in favor of stability, the new US and World Bank rice aid programs already have brought rice prices down, according to US Embassy reporting, and will help ensure adequate rice supplies, defusing much of the discontent. [redacted]

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Togo

Reversal on Israeli Relations [redacted]

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A congress of Togo's ruling party earlier this month failed to consider a resolution prepared at President Eyadema's direction to reestablish diplomatic relations with Israel. [redacted]

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[redacted] The proposal had been overwhelmingly approved at the party pre-congress in November, [redacted] and the US Embassy commented that most observers believed its adoption by the full congress to be a sure thing. An Israeli diplomat in Lome for the party congress believed that new ties would be announced, according to the Embassy. Although some delegates at the pre-congress were concerned that Arab aid money would be lost if ties to Israel were reestablished [redacted] others criticized the Libyans for their ineffectual aid and their meddling. [redacted]

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Togolese officials have given conflicting reasons for the sudden reversal, but we believe Eyadema may have come under pressure from several Arab sources.

[redacted] a Saudi Arabian banking delegation, reportedly concerned about rumors of renewed Togolese-Israeli ties, visited Lome last month, and the PLO "ambassador" also met with Eyadema. Furthermore, a Togolese government assessment prepared last month showed that Arab aid for development projects totaled over \$100 million. Eyadema probably would like to renew ties to Israel to please the United States and his moderate African peers, in our judgment, but probably is unwilling to risk losing Arab aid. [redacted]

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