

# WORLD MARK

## ENCYCLOPEDIA OF THE NATIONS

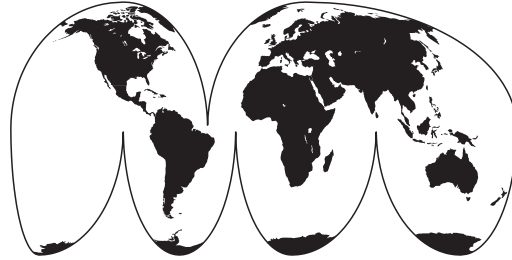


**WORLD MARK**  
**ENCYCLOPEDIA OF THE NATIONS**



**WORLD LEADERS**  
**2003**

# WORLD MARK ENCYCLOPEDIA OF THE NATIONS



# WORLD LEADERS 2003





## Worldmark Encyclopedia of the Nations World Leaders 2003

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# NOTES

## TO WORLD LEADERS

“World Leaders” became Volume 6 of *Worldmark Encyclopedia of the Nations* (WEN) with the Tenth Edition, published in 2001. For this new edition of “World Leaders,” entries for all 193 countries were updated. In 29 nations, a leadership change since the last edition necessitated the preparation of a new profile. The entries in “World Leaders” provide biographical profiles of the person who is the head of the nation’s government and who bears primary responsibility for the country’s policy. Thus, the focus of “World Leaders” is on the head of the government (e.g., the prime minister) rather than on the head of state (the monarch) when these two roles are not played by the same individual. In some cases, the person who appears to be running the country may not be in the position traditionally designated as that of the nation’s leader. In those cases, the person generally acknowledged to be in charge has been profiled, even though there may be questions as to the legitimacy of his or her claim to authority. “World Leaders” focuses on the nations of the world: leaders of protectorates, governments in exile, and heads of territories seeking independence are not included. Leaders profiled were in power as of 31 March 2003.

Profiles are arranged alphabetically by country, and begin with the leader’s name and title, accompanied by a recent photo except where none was available. The introductory sections provide a brief summary of the nation’s status, including location, geography, and characteristics of society. A map of the country, in context with neighboring nations and/or bodies of water, accompanies each entry. (Researchers seeking more detailed information on any aspect of the country and its people may refer to the full country entry in the appropriate volume of WEN.) Sections profiling the leader’s personal background may include date and place of birth, education, influences, and occupations and pursuits prior to entering political life. The leader’s rise to power, leadership, and his or her domestic and foreign policy positions are discussed in subsequent sections. Finally, the leader’s official mailing address is provided, along with a list of sources used in preparing the profile. The profiles were researched and written by knowledgeable experts, whose names and institutional affiliations appear at the end of each entry.

An index by name completes the volume.

## ABBREVIATIONS

The following abbreviations are used in the entries:

AU	African Union, formerly Organization of African Unity (OAU)
CARICOM	Caribbean Community
EC	European Communities
EU	European Union
GNP	Gross National Product
GDP	Gross Domestic Product
IMF	International Monetary Fund
MERCOSUR	Southern Cone Common Market
NAFTA	North American Free Trade Agreement
NATO	North Atlantic Treaty Organization
UK	United Kingdom of Great Britain and Northern Ireland
UN	United Nations
US	United States of America
USSR	Union of Soviet Socialist Republics

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# AFGHANISTAN

Hamid Karzai

President of the Afghan Transitional Authority

(pronounced "HA-mehd CAHRZ-eye")



*"Having experienced the ravages of war for 23 years and having been taken hostage by a group of terrorists, we are once again free to determine our destiny."*

The Islamic Republic of Afghanistan, located in Central Asia, is a landlocked nation slightly smaller than Texas. It has a total land area of 647,500 sq km (250,001 sq mi). It is bordered on the north by the former Soviet republics of Turkmenistan, Uzbekistan, and Tajikistan, on the east and south by Pakistan, and on the west by Iran. A strip of land less than 80 km (50 mi) wide and known as the Wakhan corridor extends to the northeast. It forms a 76-km (47-mi) border with China. The population was estimated in 2002 at 27.7 million, although decades of warfare make accurate population counts impossible. The capital, Kabul, is located in the east-central part of the country. The 2002 population of Kabul was estimated at 2.1 million; a large number of displaced persons, many of them refugees from neighboring countries, returned to the city in 2002.

The average elevation is 1,200 m (4,000 ft). The towering Hindu Kush mountain range, running southwest from the Wakhan corridor in the northeast, has elevations of more than 6,200 m (20,000 ft). In the provinces north of the Hindu Kush the altitude drops to about 460 m (1,500 ft), enabling farmers to grow cotton, fruit, grains, and other crops. The central part of the country features a plateau with lush valleys suitable for grazing sheep, goats, and camels. In the southwest, the land is a barren desert where the temperature extremes are the greatest found anywhere in the country. Decades of violent civil and international conflicts have caused widespread poverty, devastated the roads, bridges, and infrastructure, and left the countryside riddled with dangerous land mines. (The United Nations [UN] estimates that 7–10 million land mines remain buried in Afghanistan, rendering much farming and grazing land useless.) Earthquakes in the northern Hindu Kush region, overgrazing, and rampant deforestation by citizens in search of fuel and building materials all combine to present the government in 2002 with the challenge of resurrecting even the most basic services.

Pashtu and Dari (Afghani variant of Persian) are the official languages. Dari is the language spoken in Kabul and has historically been the principal language of Afghan literature, government, and business. Many Afghans are bilingual and almost all are Muslim.

## POLITICAL BACKGROUND

The former Union of Soviet Socialist Republics (USSR) occupied Afghanistan from 1979 until early 1989. By late 1987, the United Nations High Commissioner for Refugees

(UNHCR) estimated that one million Afghans had died in the fighting between Soviet troops and the mujahidin resistance forces (supported by arms from the United States and Islamic nations such as Pakistan). The Soviets withdrew in 1989, partly because of instability in their own government. (The USSR broke apart into independent states in 1991.) Afghanistan experienced internal chaos and President Muhammad Najibullah struggled to maintain control of the country as pressure from the mujahidin and outside forces increased. The country floundered, with rival factions battling for control of the government. In 1992, the mujahidin gained control of Kabul and Najibullah's government fell.

An interim government was established by a coalition of Islamic groups known as the Seven Party Alliance (SPA). Rival groups continued to clash violently and UN attempts to broker peace among the groups were unsuccessful. Burhanuddin Rabbani became president of the Interim Government in 1992, but maintaining control of the various factions in the country proved nearly impossible. Alliances continually shifted after President Rabbani took office; he was scheduled to leave office in December 1994 but refused on the grounds that political authority would disintegrate totally.

One of the major forces vying for power was the Uzbek militia of General Abdul Rashid Dostum, whose break with Najibullah in early 1992 helped overthrow the communist regime. In January 1994, Dostum led an unsuccessful rebellion against Rabbani. Another faction was the Iran-backed Hizb-e-Wahdat (Unity Party, an alliance of eight Shia Muslim groups). In early June 1992 Hizb-e-Wahdat had agreed to join the mujahidin regime but broke with Rabbani in January 1994.

In 1994, a new group known as the Taliban (Students of Religion, or Seekers) formed and began rallying to control the country. Consisting of Islamic clerics and students from seminaries that sprung up in Pakistan among the communities of Afghan refugees, the Taliban movement came into being after the war against the Soviets and Najibullah. The Taliban seized control of the southeastern city of Kandahar in November 1994 and continued to gather strength.

In February 1995, the Taliban gained control of areas on the outskirts of Kabul and demanded that Rabbani surrender. When Rabbani refused, and the Taliban rejected UN efforts to include it in a peaceful transition, an 18-month stalemate around Kabul ensued. In its drive to Kabul, the Taliban amassed about 25,000 troops, a few hundred tanks, and ten



combat aircraft. In September 1996, Taliban victories east of Kabul led to the destruction of the Rabbani government's defenses, and the government withdrew to the valley north of Kabul. With the Taliban capture of Kabul, the Northern Alliance formed, made up of differing factions that had one thing in common: their passionate interest in ousting the Taliban. Northern Alliance forces continued to fight for control of the north.

In spring 2000, the Taliban, claiming a series of defections from the Rabbani Northern Alliance camp, began preparations for a renewed offensive to gain the remaining part of Afghanistan not under their control. The Taliban government was led by mujahidin fighter-turned-religious-scholar, Muhammad Omar. He is thought to have been born in Kandahar in 1962. Described as a determined man, Omar had served as deputy chief commander in the *Harakat-i Inqilab-i Islamic* party of Mohammad Nabi Mohammadi during the Soviet occupation of Afghanistan in the 1980s. Virtually unknown until the Taliban's capture of Kandahar, Omar remained a mysterious figure with reportedly strong ties to Osama bin Laden and other Islamist radicals. Under Omar's Taliban government, the Afghan people were subjected to harsh imposition of Islamic law. Women were forbidden from working outside the home (except health workers), girls' schools were closed, and a strict Islamic dress code was imposed. The Taliban lost international support as it imposed harsh punishments on those who violated Islamic law. The UN and other international aid organizations (including UNHCR, UNICEF, Save the Children, and Oxfam) cut back or ceased operations in protest; many staff members were female and unable to adhere to the strict regulations. Taliban control did restore peace by suppressing and

disarming members of rival militias. The roads were reopened, leading to a greater availability of food in areas under Taliban control.

When terrorists attacked the World Trade Center in New York and The Pentagon in Washington, D.C., on 11 September 2001, international attention focused on Afghanistan. Most experts implicated Osama bin Laden and his close associate, Taliban leader Mullah Muhammad Omar, in the attacks. The U.S. government, with support of its allies, undertook a month of massive air attacks until the Taliban was driven out of power in October 2001 and an interim government was installed in December 2001. Hamid Karzai was named chairman of the interim government.

In the weeks and months following the fall of the Taliban, life in Afghanistan was fraught with danger. U.S.-led military operations were ongoing. International peacekeepers, aid workers, and Afghans became victims of grenade attacks, fire fights, and bombings, making the security situation precarious. Thus, the task of reconstruction and providing aid to Afghanistan has proven difficult. In January 2002, donor countries pledged US\$4.5 billion for the reconstruction effort. However, less than half of the amount earmarked for 2002 was ever actually delivered.

In June 2002, a *loya jirga* (council of elders) was convened to choose a government to lead the country for 18 months to two years until elections are held. Karzai was elected transitional head of state, garnering 1,295 of a possible 1,575 votes. On 19 and 22 June Karzai introduced a 28-member cabinet representative of many different ethnic and political backgrounds. He named three vice presidents—Mohammed Qasim Fahim, Karim Khalili, and Haji Abdul Qadir. Vice President Qadir was assassinated on 6 July 2002. Karzai himself narrowly escaped assassination on 5 September 2002, as a gunman dressed in an Afghan military uniform shot at him and Kandahar's governor Gul Agha Sherzai as they were getting into their car. On 22 November 2002, a plot to assassinate Karzai or his defense minister, Mohammed Fahim, was thwarted.

As of January 2003, there were still two million Afghan refugees in Iran and approximately 1.5 million in Pakistan. In 2002, an estimated two million Afghans returned home.

## PERSONAL BACKGROUND

Hamid Karzai was born 24 December 1957 in Karz, a village near Kandahar. His father, Abdul Ahad Karzai, was a senator in the Afghan parliament before the overthrow of King Mohammed Zahir Shah in 1973. Hamid Karzai has eight siblings, five of whom (four brothers and one sister) live in the United States where they run a chain of Afghan restaurants, *Helmand* (named after an Afghan province), with establishments in Chicago, Boston, Baltimore, and San Francisco. Karzai is a member of the *Popolzai* clan of southern Afghanistan; the *Popolzai* are one of the clans making up the largest ethnic group in Afghanistan, the *Pashtun*. Throughout history, most of the country's leaders have been *Pashtun*; Karzai's family and the family of the former king, Mohammed Zahir Shah, are both from the *Popolzai* clan.

After his early education was completed in Karz, Karzai attended secondary school in Kabul. In December 1979, the USSR invaded Afghanistan, beginning an occupation that



would last until February 1989. The Karzai family fled the country, taking up a life in exile in Quetta, Pakistan. At age 24, Hamid left to study political science at the Himachal Pradesh University in Simla, India. Later (1985–86), he studied journalism in Lille, France, at Ecole Superieure de Journalism de Lille. As a student he was an enthusiastic participant in the Afghan national sport, *buzkashi*, a game similar to polo played on horseback by two teams.

Karzai and his wife, Zinat, a medical doctor, married when Karzai was over 40, considered fairly late for marriage by Afghan standards. Karzai's aptitude for languages—he is fluent in six languages including English—helps him in international relations, notably with the powerful United States and United Kingdom. He is a memorable figure, traveling in a striking costume that combines business attire with traditional ethnic garments, such as a lambskin cap and dramatic, colorful cape.

### RISE TO POWER

Hamid Karzai first became involved in the mujahidin government of Burhanuddin Rabbani, serving as deputy foreign minister from 1992 to 1994. As was the case during the 1980s, the government in those years was immobilized by ethnic infighting. When the Taliban took control of Kabul 27 September 1996, Karzai initially supported them; in fact, the Taliban government unsuccessfully tried to name him as their ambassador to the UN, but the UN did not recognize the Taliban's right to Afghanistan's seat. Karzai and his father, growing suspicious that the Taliban was being controlled by foreign influences, broke with the Taliban and began to criticize the religious movement while in exile in Quetta, Pakistan. When Karzai's father was assassinated in 1999 as he walked home from a mosque, most in the government and in international organizations attributed the act to members of the Taliban.

Following his father's death, Karzai became leader of the Popalzai clan from his exile post in Quetta. He and his followers continued to campaign against the repressive Taliban regime, but they received little international attention or support. Karzai frequently traveled to the United States from Quetta to lobby for support to overthrow the Taliban. His visits included stops at the University of Nebraska where the faculty includes experts on Afghanistan; in 2001 Karzai testified before the U.S. Senate Foreign Relations Committee. When the 11 September 2001 terrorist attacks against the United States brought Afghanistan to the center of international attention, U.S. government officials began to listen more seriously to Karzai's ideas. In October, Karzai secretly entered Afghanistan in an attempt to build support for a plan to oust the Taliban and to convene a loya jirga (council of elders) to install a new government.

In 2001, after the Taliban government crumbled, the UN convened a meeting in Bonn, Germany, of four Afghan factions to begin to build a coalition government to lead the country in its next stage of rebuilding. All factions agreed to name Hamid Karzai as chairman of the interim administration; in addition, the factions agreed that the popular former king, Mohammed Zahir Shah, should return to Afghanistan (from Italy, where he had been living in exile) to play a symbolic role in the next administration. At a separate meeting at the same time, representatives of UN member

nations were considering funding and other issues of support for Afghanistan.

The loya jirga met from 11–19 June 2002 and Karzai was elected president of the Transitional Authority. The meeting of the loya jirga highlighted the power of faction leaders from the mainly Tajik former Northern Alliance, who were influential in assuring Karzai's election.

### LEADERSHIP

Karzai was initially designated leader of the interim government established in December 2001; the interim government prepared for the loya jirga in June 2002, which elected Karzai president of the Transitional Authority. He was to govern the country for 18 months to two years, until elections are held.

In August 2002, Karzai made his first national address on radio, focusing on the importance of national security. He called for the building of a national army representing Afghanistan's diverse populations. Karzai emphasized that having an army dedicated to protecting national sovereignty would serve to unify the country.

In November 2002, Karzai fired 24 regional officials in an attempt to curb abuses of power in office, including corruption, allegations of drug trafficking, and disobeying the law. Since becoming president, Karzai has struggled to exercise authority outside of Kabul, as many provincial warlords maintain control—including taxation, customs, and security—over their territories. They use violence to resolve ethnic and territorial disputes. In December, Karzai banned political leaders from taking part in military activity as another way of asserting authority over the warlords.

### DOMESTIC POLICY

After assuming the leadership of Afghanistan's interim government, Karzai confronted problems of the most basic sort—repairing roads to allow trade to resume, rebuilding schools and medical clinics, and installing basic utilities such as telecommunications, reliable electricity, and safe water. He struck a conciliatory tone by issuing pardons for over 300 Taliban members who agreed to surrender their weapons. Karzai also faced the need to build a new police force and military defense, and a system for collection of taxes and other revenues to begin to build self-sufficiency.

Karzai's stated top priority was the restoration of peace and security by bringing the conflicting factions of the country together. The UN delegation charged with creating the interim government put forward the names of 30 potential government ministers, representing the key factions still holding power within the country. Representatives of the Northern Alliance (made up primarily of Uzbeks and Tajiks), the group that assumed control of the capital, Kabul, when the Taliban collapsed, were named to three powerful ministries—interior, defense, and foreign affairs. To reflect the UN's position that any new Afghan government must guarantee women's rights, two women were among those recommended for ministerial positions. At the loya jirga held in June 2002, 160 seats were guaranteed to women, a representation of 11%.

Since becoming president of the Transitional Authority, Karzai has devoted the majority of his time trying to heal ethnic divisions, reining in the powerful warlords, arranging

for the security of the country, and surviving assassination attempts. Karzai is guarded by U.S. Special Forces, who are backed up by international peacekeepers. The Afghan police are undertrained and the national army had, as of January 2003, only begun to take shape. Karzai also found it necessary to negotiate with his defense minister, Mohammed Fahim, whose ministry is dominated by ethnic Tajiks loyal to him. The goal—to create a unified, well-trained army of 250,000 with all men ages 22 to 24 fulfilling two years of military service—was little more than a plan on paper as of early 2003.

Fahim, a former mujahidin leader, estimated that 20% of the men serving in the Afghan military as of 2003 were former Taliban fighters. Sizable weapons stocks had yet to be handed over to the national army. International observers are wary that, unless Karzai's government can wield complete control over the military, Taliban and al-Qaeda factions could channel arms to fighters in and outside Afghanistan. In addition, the military must address the dangerous problem of the millions of land mines remaining in the country; it will likely require 12 years and us\$500 million to clear the vast, mountainous terrain.

In September 2002, Karzai announced a nationwide campaign to eliminate the production of poppies (used to produce opium and heroin), one of Afghanistan's major crops. The country is the main source of opium and heroin sold in Europe. Karzai stated: "The drug destroys our agriculture; it destroys our crops; it destroys our good family life. Worst of all, it goes hand and hand with terrorism. It funds terrorism in Afghanistan and the rest of the world."

In November 2002, four Kabul University students were killed during protests demanding food and electricity. Karzai fasted in response and called the students' families to console them. "Just the basics is all they wanted," he said.

Although as of January 2003 Karzai had yet to travel to most areas of his own country to see the problems firsthand, he was attempting to improve the quality of life of Afghans and to make the government more representative, which will give his administration more credibility.

## FOREIGN POLICY

Karzai, in an early address after becoming chairman of the interim government, stated, "We will strive to build a government that responds to the wishes of our people and behaves as a responsible member of the international community, to whom we owe a great deal."

In January 2002 he traveled to the United States, where he was seated next to First Lady Laura Bush for President George W. Bush's State of the Union address. Karzai, speaking at Georgetown University in Washington, D.C., to an audience that included many expatriated Afghans, encouraged Afghans living outside their country to return to join him in rebuilding their nation. During his North American visit, he also addressed the UN General Assembly.

His travels in the weeks following his appointment included the United Kingdom, Germany, and India. Wherever he spoke, he urged foreign government officials and business people to consider investing in Afghanistan. With the Central Bank of Afghanistan essentially bankrupted by the Taliban regime, the interim administration actively sought interna-

tional help to build a financial system that could eventually support Afghanistan's participation in the global economy.

Karzai also emphasized that, for the immediate future, Afghanistan would depend heavily on the International Security Assistance Force (made up of forces from the United States, United Kingdom, Canada, and others) to keep the peace in urban areas and remote villages. He also noted that the Afghan people regard the presence of the international forces as evidence that Afghanistan won't be abandoned at this critical stage in their development as a nation.

Karzai also traveled to Paris, France, where he joined President Jacques Chirac at the opening of a museum exhibition of Afghan art and sculpture, most of which had been collected by French archaeologists with the assistance of the United Nations Educational, Scientific, and Cultural Organization (UNESCO), who feared the Taliban would destroy these important artifacts from Afghanistan's rich history. The artifacts will be returned to Afghanistan when the Museum of Kabul has sufficiently recovered to preserve and protect them.

Karzai met with U.S., Japanese, and European leaders after becoming president. In late September 2002, Karzai also traveled to the Persian Gulf to solicit aid for Afghanistan's reconstruction and security, speaking with leaders from Saudi Arabia, Qatar, and the United Arab Emirates. However, the large amount of international money pledged for reconstruction has been slow to arrive.

U.S. and European intelligence agencies agree that, as of January 2003, al-Qaeda and the Taliban were regrouping in camps on both sides of the border with Pakistan. Many are allied with a former mujahidin commander, Gulbuddin Hekmatyar. The security threat posed by these groups is another challenge confronting Karzai he struggles to lead Afghanistan to stability.

## ADDRESS

Office of the Afghan Transitional Authority  
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Profile researched and written by Jeneen Hobby, Ph.D. (2/2003).

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# ALBANIA

Fatos Thanas Nano  
Prime Minister

(pronounced “FAH-toess TAHN-ahs NAH-no”)



*“We [Balkan nations] all have the same priorities, but real change can happen only if we build a regional authority to lead the way.”*

The Republic of Albania is situated in southeastern Europe and is bordered to the south by Greece, to the east by the Former Yugoslav Republic of Macedonia (FYROM), to the north by Serbia and Montenegro, and to the west by the Adriatic Sea. The total area is 28,748 sq km (17,864 sq mi), of which over two-thirds is mountainous and the rest river valleys and coastal lowlands.

The country’s total population was estimated at 3.5 million in July 2002. Over 95% are ethnic Albanian, with Greeks comprising most of the rest. Outside of the country’s borders live about an equal number of ethnic Albanians, mainly in the Kosovo region within Serbia and Montenegro, and also in Macedonia, Greece, and Italy. About 70% of the population are Muslim; however, atheism is also widespread as a result of an official ban on religious worship from the 1960s to 1990. By 2002 the government had relaxed this ban, and the practice of religion increased slightly. The Albanian language has two main dialects, Geg and Tosk (considered the official dialect).

The country’s gross domestic product (GDP) was estimated at US\$13.2 billion in 2001, with per capita GDP estimated at US\$3,800 that year. The national currency is the *lek*. Albania’s natural resources include oil, gas, coal, and metals. Agriculture and mining constitute the largest industries. Frequent drought, obsolete equipment, and the need to consolidate numerous small farms have hampered the growth of the agriculture sector.

## POLITICAL BACKGROUND

Albania experienced a brief period of independence in the fifteenth century but was otherwise subjected to foreign rule. Independence was finally gained in 1912 after four and one-half centuries of Turkish Ottoman rule, and its national boundaries were set for the first time in 1913. After World War I, following a period of occupation by Italy, France, and Yugoslavia, the national independent state of Albania was reestablished. Italy occupied the country in 1939, forcing Ahmet Zogu (who called himself King Zog I) into exile. The Communist-led National Liberation Front (NLF) resistance movement, assisted by Yugoslav partisans, took power in November 1944. NLF leader, Enver Hoxha (1908–85), headed both the Albanian Communist Party and the country for four decades, until his death in 1985.

The Hoxha era was known for its extreme internal repression and isolationist tendencies. Albanian industries and agriculture were collectivized. The population was rigidly

controlled by the ruling Albanian Workers Party (the Communist Party, known in 2003 as the Albanian Socialist Party—PS) and its secret police apparatus. In foreign policy, Hoxha’s regime pursued increasingly isolationist tendencies. Albania broke away from Yugoslav tutelage after the 1948 split between Yugoslav leader Tito and Soviet leader Joseph Stalin. Ties with the former Union of Soviet Socialist Republics (USSR) were broken in 1961, and Albania withdrew from the Warsaw Pact in 1968. China became its main ally in the 1960s, but that relationship cooled in the 1970s, leaving Albania almost completely isolated.

Albania was the last Eastern European country to embark on democratization and market economic reforms in the 1980s. Hoxha’s successor, Ramiz Alia, was considered somewhat less repressive and began to increase Albania’s exposure to the outside world while maintaining the Communist Party’s exclusive hold on power. Large demonstrations in December 1990, triggered by widespread internal unrest, pushed the Alia government to accept multiparty elections. Albania held its first free elections in 45 years in March 1991, with candidates from both the newly formed Democratic Party (PD) and the Albanian Workers Party. Although its fairness was questioned by outside observers, the Albanian Workers Party (later renamed the Albanian Socialist Party—PS) won two-thirds of the vote and formed a government under Albanian Workers Party leader Fatos Nano, who formed a government made up entirely of Workers Party members. Following large-scale strikes and demonstrations, the Nano government ceded power in June 1991 to a coalition government including the renamed Socialist Party (PS) and the opposition Democratic Party. Members of the PD were given most of the key economic positions and were primarily responsible for initiating new economic policies. However, in December 1991, frustrated by their inability to pass any reforms, the PD withdrew from the government, forcing new elections.

General elections held in March 1992 resulted in a resounding victory for the PD, which gained 62% of the vote. The PS won only 25% of the vote (down from more than 67% the previous year). In April 1992, Alia resigned as the last Communist leader in Albania, and the new People’s Assembly (Parliament) convened, electing PD chairman Sali Berisha to the presidency. Berisha named Aleksander Meksi prime minister, and members of the PD dominated his cabinet. In the following years, the PD undertook measures to



stifle political opposition, including the arrest of opposition political leaders.

Albania's next parliamentary elections were held on 26 May and 2 June 1996. Amidst charges of voting fraud, virtually all opposition parties pulled out before polling ended and boycotted the second round. The Organization for Security and Cooperation in Europe (OSCE), as well as other international observers, noted serious irregularities during the vote, including fraud, ballot stuffing, intimidation, and coercion tactics. The PD won almost all of the parliamentary seats. The new Parliament was inaugurated on 1 July, but the PS boycotted the session. Berisha nominated a new government under Prime Minister Meksi on 11 July 1996.

Beginning in late 1996, numerous popular yet high-risk investment schemes collapsed, prompting violent riots in many Albanian cities. Over the previous two years, the so-called "pyramid schemes" promised exorbitant returns on investment, attracting over us\$1 billion from Albanian citizens. The collapse of these schemes led to widespread demonstrations, as many Albanians blamed the government for corruption and mismanagement in regulating the investment enterprises. In early March 1997, the demonstrations turned into armed rebellion in numerous cities in the south as anti-Berisha rebels stormed arms depots. Estimates of the number of Albanians killed in the ensuing conflict ranged from several hundred to 2,000. Thousands more fled to Italy and other countries. After international mediation and the installation of an international peacekeeping force, Berisha dismissed the Meksi government, released Fatos Nano from prison, pardoned him, and appointed him prime minister. Berisha and Nano agreed to hold parliamentary elections by June 1997.

New elections were held under close international scrutiny on 29 June and 6 July 1997. The opposition PS won a landslide victory at the expense of Berisha's PD. In Parliament, the PS won an absolute majority of 101 out of 155 seats. Berisha resigned on 23 July 1997. The Parliament elected PS leader Rexhep Mejdani to the presidency. Mejdani named Fatos Nano to be prime minister (for the second time) of the PS-led government, which was sworn in on 25 July 1997.

Relations between the ruling PS and Berisha's PD remained extremely contentious after the 1997 vote. The PD called for a boycott of some sessions of Parliament and favored early elections. Albania appeared on the verge of chaos again in mid-September 1998 when the murder of a prominent PD member led to violent demonstrations. Government authorities quickly regained control of sites that had been stormed by PD supporters. Nano accused Berisha of attempting to stage a coup. The United States, the European Union (EU), and major international organizations condemned the violence and appealed to all parties to work toward a peaceful solution. Nano resigned at the end of September, and the PS nominated Pandeli Majko to succeed him. Majko was sworn in on 2 October 1998.

In spring 1999, in the wake of bloody conflict between ethnic Albanians living in neighboring Kosovo and Serb forces who wanted to reclaim the land there, thousands of ethnic Albanians poured into the country, straining an already weak economy. President Mejdani, hoping that change might foster stability, appointed Ilir Meta to replace Majko in the post of prime minister. On 27 October 1999, Meta took over the post, but he was unable to bring an end to the conflict among factions in the Albanian government. In late January 2002, Meta resigned suddenly over unresolved conflicts with PS leader Fatos Nano. President Mejdani replaced Meta with his predecessor, Pandeli Majko, as prime minister. Majko, like Meta, could not bring the factions into alignment; he resigned in July 2002, to be replaced by Fatos Nano.

## PERSONAL BACKGROUND

Fatos Thanas Nano was born 16 September 1952 in the capital, Tirana. His family was Albanian Orthodox Christian, but religion was officially banned in Albania in 1960. However, religious identity persisted in a subtle way, and Christians were a minority, representing an estimated 20% of the population, with Muslims representing the majority (70%). His father, Thanas Nano, was a journalist who directed the state radio and television broadcasts during the decades of Communist control of the government.

Fatos Nano studied economics at the University of Tirana; he graduated in 1975 with a degree in political economy. He spent the following years as a researcher and lecturer in agricultural economics. In 1990, he entered government service when he was appointed by President Ramiz Alia to serve as secretary general of the Council of Ministers (the prime minister's cabinet).

Nano has two grown children. He is fluent in Italian and English, and is proficient in Russian, French, Serbian, and Spanish. In addition, he has some ability to communicate in Greek.

## RISE TO POWER

In December 1990, widespread civil unrest forced President Ramiz Alia to allow multiparty elections. He acted quickly to reorganize the cabinet, and Fatos Nano was among his appointments. Nano, named secretary general of the Council of Ministers, served briefly as deputy prime minister for economic reform in the months leading up to the March 1991 elections. Since then, Fatos Nano has never been far from the political fray in Albania.

Although the fairness of the 1991 election—the first multiparty election in over five decades—was questioned by outside observers, the voting was viewed as a first step in Albania's transition to democracy. The Albanian Workers Party (later renamed the Albanian Socialist Party—PS) won two-thirds of the vote and formed a government under Fatos Nano. Following large-scale strikes and demonstrations, the Nano government ceded power in June 1991, and Nano resigned.

The Albanian Workers Party reorganized as the Socialist Party and held its founding congress in June 1991. Nano, after having been forced to resign the prime minister post, was elected chairman of the PS, and won election to Parliament. The coalition government included the PS and the opposition PD. Nano won reelection to Parliament in 1992, but he was unable to fulfill his term. In July 1993, he was arrested on charges of corruption, including misappropriation of state funds, dereliction of duty, and falsifying documents. He was found guilty and sentenced to 12 years in prison. Amnesty International and other human rights groups declared the trial improper. While in prison, Nano was reelected chair of the PS in August 1996.

The economic crisis caused by the collapse of the pyramid investment schemes triggered widespread social unrest. In early March 1997, desperate to restore order, President Berisha dismissed the Meksi government, released Fatos Nano and others from prison, and issued pardons. Berisha then appointed Nano prime minister. Berisha and Nano agreed to hold parliamentary elections by June 1997. Nano was named prime minister, but his term would last just until October 1998, when continuing upheaval in the government forced his resignation; the PS nominated Pandeli Majko to succeed him. In November, Nano resigned as head of the PS.

Although not officially leading the PS, Nano continued to wield power over the next 11 months. Nano supported the government headed by Prime Minister Majko, but his faction within the PS continued to battle head-to-head with the faction led by Ilir Meta. In the face of growing violent conflict between ethnic Albanians and Serbs in neighboring Serbia, President Rexhep Mejdani named Ilir Meta prime minister; Meta took office in October 1999. When the PS held their congress that month, Nano was returned to the chairmanship. Meta was unable to bring stability to the government, although his PS would maintain their dominant position in the Parliament, even with a slim majority (73 of 140 seats) following the June 2001 elections. Meta resigned in June 2002, to be replaced by Majko.

The loyalties of the PS representatives were divided between Meta and Nano. Majko was seen as a possible mediator between the two factions, and his confirmation by Parliament in March 2002 supported that hope. Nano was

not inclined toward compromise or conciliation. PS infighting continued to exacerbate the country's ills.

On 15 July 2002, the PS's steering committee passed a resolution that the party's chairman should hold the post of prime minister. Ten days later, on 25 July 2002, Pandeli Majko resigned after only five months as prime minister. Majko stated that he hoped his resignation would bring an end to the conflict between factions of the PS. On 29 July, President Alfred Moisiu appointed Fatos Nano prime minister, and Nano took office two days later, on 31 July. Nano and Meta appear to have reached a delicate compromise. When Nano formed a government, it included Ilir Meta as deputy prime minister and foreign minister, and Pandeli Majko as minister of defense.

## LEADERSHIP

While Nano has been at or close to the seat of power in the Albanian government since 1990, his ongoing disputes with Ilir Meta contributed to instability in the late 1990s through 2002. As of July 2002, it appeared that the factions had finally found a way to coexist and perhaps even cooperate.

Nano, in an address given in 2002 at the start of his three-year term as prime minister, noted his priorities for the new government: improving the economy; fighting smuggling, corruption, and terrorism; and preparing for talks on the Stabilization and Association Agreement (SAA) with the EU.

## DOMESTIC POLICY

While there was no shortage of challenges facing Nano's government in 2003, the problem of infighting and turmoil that characterized Albanian politics in the first years of the twenty-first century seemed to be resolved.

The government continues to grapple with such basic and urgent problems as providing electricity to its citizenry, while developing a plan to curb the country's widespread and sophisticated organized crime.

In the late 1990s, Ilir Meta's government introduced reforms to restructure the judiciary system and to stem the decades-long practice of bribes for judicial action. Continuing these reforms is crucial for Albania to be successful in their quest to join the EU and the North Atlantic Treaty Organization (NATO).

Albania's future is closely tied to support from international organizations such as the International Monetary Fund (IMF) and the World Bank. In January 2003, Nano signed a memorandum with the IMF that outlined the government's 2003 plans for stabilizing the country's economic and political structure. The plans set goals of 6% real economic growth, inflation held between 2–4%, and the budget deficit maintained at just over 6%. Nano described the memorandum as “an important commitment for 2003 that reconfirms the successful and serious cooperation of Albania with the IMF.”

## FOREIGN POLICY

Nano served as chair of the Foreign Affairs Committee in the government of Ilir Meta, and was the first representative of the Albanian government to visit Yugoslavia after the two countries reestablished relations in December 2001.

In 2002, Nano's predecessor, Pandeli Majko, participated in a number of international meetings, including one in Bucharest, Romania, of the heads of the ten countries

(Albania, Bulgaria, Croatia, Estonia, Latvia, Lithuania, Macedonia, Romania, Slovakia, and Slovenia) that are candidates for membership in NATO. The prospect of joining NATO has widespread support in Albania, but the country must demonstrate firm commitment to economic and judicial reforms to gain membership.

Another notable meeting was Majko's March 2002 visit with the ambassador from China. That nation was formerly one of Albania's closest allies, although relations cooled during the 1970s and had not recovered as of the end of the twentieth century. The Chinese are particularly interested in becoming involved in the construction of a dam and hydroelectric power plant in Albania, a project under consideration for funding by the IMF and the World Bank that would bolster Albania's inadequate power supply.

The EU has been working with Albania since the late 1990s on an SAA. A draft, presented in November 2001, was aimed at preparing Albania for eventual EU membership. Stabilizing the government is a necessary first step, and the EU wants Albania to clean up its election procedures, to privatize the country's banks, to eliminate political interference in the court system, and to improve management of the country's electric utilities.

Every Albanian prime minister must try to convince other governments that his government will soon restore order to Albanian politics, and Nano appeared to be achieving some success in the months following his taking office in July 2002. By October, the EU agreed to reopen negotiations with Albania on the SAA, and established February 2003 as the date for the next round of negotiations.

As of 2002, Greece held the rotating EU presidency, and Greek foreign minister George Papandreou listed EU ratification of SAA accords for Albania and Macedonia and their Balkan neighbors as a top priority. Thus, Nano realized that,

with Greece as an important ally, Albania needed to work quickly and with commitment to achieve the goals of the SAA. He aggressively sought support from Albania's neighbors in the Balkans to form a regional Parliament as evidence that the days of factional squabbling in the region are in the past.

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**Profile researched and written by Susan Gall (3/2002).**

# ALGERIA

## Abdelaziz Bouteflika President

(pronounced “ab-DEL a-ZEEZ BOOT-ah-FLICK-ah”)



*“Over the course of the last 10 years . . . the Algerian population has paid a heavy price in the fight against terrorism. No one is protected from this terrible scourge.”*

The second largest country in Africa, Algeria is located in North Africa, between the Mediterranean Sea in the north and the Sahara desert in the south. It borders Morocco on the northwest, the Western Sahara and Mauritania on the southwest, Mali and Niger on the south, and Tunisia and Libya on the east. Algeria has an area of 2,381,740 sq km (919,595 sq mi), of which more than 80% is desert.

The Algerian population of more than 32.3 million was growing at an annual rate of 1.68% as of 2002. Arabic is the official language, yet French is widely spoken and used as the language of commerce. Ethnically, Algerians are of an Arab-Berber stock. Islam is the religion of 99% of the people. The local currency is the *dinar*. Algeria’s primary exports are natural gas and petroleum and petroleum products; other exports include phosphate rock, iron ore, citrus fruits, and dates.

### POLITICAL BACKGROUND

Algeria gained its independence from France in 1962, following a long and bitter struggle. The National Liberation Front (Front pour la Libération Nationale—FLN) led that struggle and dominated Algerian politics for the next three decades. From 1965 to 1978, under President Houari Boumedienne, Algeria engaged in a socialist development strategy that focused on heavy industries. The state controlled all natural resources, nationalized foreign assets, used centralized economic planning, and created a large public sector. This strategy achieved some positive results in economic growth, employment, education, health, and other services. However, by 1979, its negative effects started appearing, including a bloated bureaucracy, distribution bottlenecks, rampant inflation, major structural dislocations, growing income inequality, and very poor agricultural performance, which, in turn, stimulated urban migration and food scarcity. Moreover, citizens grew dependent on the state for almost every need without necessarily being required to be productive. The nation faced two significant challenges: a deep economic crisis and violent civil conflicts led primarily by Islamist militants. Several factors contributed to this situation, including the failure of the development strategy, the authoritarian nature of the government, and the rise of a very powerful Islamist movement.

After Boumedienne’s death, his successor, Chadli Benjedid, responded to the economic crisis with mostly ad hoc and ill-coordinated reform measures that were driven more by political imperatives than economic rationality. The power of

the only legal political party in Algeria, the FLN, was increased while the sphere of political expression was curtailed further. The reforms failed to halt economic deterioration, not only because of their inadequate nature, but also because of resistance among workers, conservative elements of the ruling elite, and managers of the public sector. The sharp drop in oil prices in 1986, which translated into a 42% drop in Algeria’s oil revenue, made economic revival almost impossible. This in turn aggravated the social problems and increased people’s resentment against the state and its leaders. In the first week of October 1988, major youth riots shook the country and led to the fiercest repression ever, with the resulting deaths of some 500 people.

Following the tragic events of October 1988, the constitution was amended to permit a multiparty system. Within months, several political parties and independent associations were born. The most important ones were those affiliated with the Islamist movement, headed by the Islamic Salvation Front (Front Islamique du Salut—FIS), which based its appeal on a plan to establish an Islamic republic governed by the *shari’ah* (Islamic law). The FIS became the main opposition party and won the most seats in the nation’s first multiparty municipal elections of June 1990. In the first round of parliamentary elections of December 1991, it captured 188 out of 430 seats while the ethnically-based Front of Socialist Forces (Front des Forces Socialistes—FFS) obtained 25 seats. The FLN captured a mere 15 seats. Between the two elections, the Islamist challenge grew even bigger and led to a violent showdown with the army. Thousands of people were arrested, including the two FIS leaders, and a state of emergency was instituted in the summer of 1991. In January 1992, the army canceled the parliamentary elections, pushed President Benjedid to resign, banned the FIS, and put the formal reigns of the country in the hands of a High State Council. The FIS responded to these developments by staging an armed rebellion that lasted for many years and caused the deaths of more than 100,000 people.

In the midst of an intricate and violent political stalemate, economic redress became even more difficult and pushed Algeria to agree to an International Monetary Fund (IMF) structural adjustment program as a condition to the debt rescheduling the country needed. By the end of May 1994, Algeria was also engaged in a new series of political reforms. After attempts at dialogue with the jailed FIS leaders failed, the state turned to a firmer repression of radical Islamists and overtures toward moderate opposition parties—both Islamist





and secular. In January 1995, most opposition parties (including the banned FIS) met in Rome and agreed on a national platform for resolving the crisis, but the government rejected it. A multiparty presidential election was held later that year, and incumbent General Liamine Zeroual won by 61% of the vote. A new political party, the National and Democratic Rally (Rassemblement National pour la Démocratie—RND), was created to support his candidacy. In 1996, a constitutional amendment was introduced. It reconfirmed Islam as the state's religion, prohibited parties based on "religious, linguistic, racial, gender, corporatist or regional" grounds, and reinforced the powers of the president. A second parliamentary chamber, the Council of the Nation, was created. New parliamentary elections held in June 1997 resulted in Algeria's first multiparty Parliament. The main winners were RND, FLN, and the moderate Islamist parties, Movement of Society for Peace (Mouvement de la Société pour la Paix—MSP) and al-Nahda (Renaissance). The RND and the FLN constituted a progovernment coalition that controlled an absolute majority and seven ministerial posts each. The Islamists were also awarded seven posts.

Economic and security conditions continued to worsen, and thousands of people were killed. The Islamist violence widened and new organizations, mainly the Armed Islamic Group (GIA) and the Army of Islamic Salvation (AIS), engaged in a series of killings. Their victims were not only military and police personnel, but also civilians and foreigners. The state countered with measures that left scores dead and thousands jailed. It was in this context that Zeroual decided in the fall of 1998 to resign from the presidency, well before the end of his term, and call for a new vote in April 1999. Abdelaziz Bouteflika quickly became the candidate

favored by the military and many elements in society. Following his election, Bouteflika succeeded in establishing a tentative peace in Algeria. In response to his election, the FIS dissolved its armed branch, the Islamic Salvation Army, in January 2000.

### PERSONAL BACKGROUND

Abdelaziz Bouteflika was born on 2 March 1937 in the Moroccan town of Oujda, near the Algerian border. In 1956, he joined the Algerian nationalist movement, which was fighting for independence from France. When Algeria gained its independence in 1962, President Ahmed Ben Bella appointed Bouteflika to be minister of youth, sports, and tourism. The following year he became the foreign minister. Despite the overthrow of the Ben Bella government by Colonel Houari Boumedienne in 1965, Bouteflika was able to retain his post until 1979. As foreign minister, he distinguished himself by successfully articulating Algeria's economic and political nationalism in the 1970s. He led negotiations with France that preceded the 1971 nationalization of the hydrocarbon industry. Bouteflika chaired the 1974 United Nations' special session on the new international economic order. He was also successful in making Algeria's influence felt on the nonaligned movement.

After the death of Boumedienne in December 1978, Bouteflika was considered a possible successor. However, he lost the ensuing power struggle and the military imposed Colonel Chadli Benjedid as Algeria's new president. Bouteflika remained in the government as minister without portfolio and advisor until 1980 when Benjedid dismissed him. The following year, Bouteflika was accused of having embezzled close to US\$12 million while he was foreign minister. Bouteflika abandoned Algerian politics and spent 16 of the next 19 years in exile in Switzerland. There he worked as a consultant to several Persian Gulf nations.

### RISE TO POWER

In February 1999, Bouteflika returned to Algeria after a group of top military, political, and business leaders persuaded him to run in the upcoming presidential elections. Six other candidates were on the ballot, but two days before the elections they decided to withdraw from the vote after the state refused to act on their complaints of electoral irregularities. By default, Bouteflika became the only candidate. This situation hurt the credibility of both the poll and its winner. Bouteflika had secured the support of the military and that of the FLN, the RND, and the MSP parties. Being from the era of the authoritarian but well-liked President Boumedienne, he was thought to be the ideal person to lead his country out of its deep and multidimensional crisis. According to official results, he won the election on 15 April 1999 by 73.79%, or 7.4 million, of the vote cast, becoming the first civilian president since 1965. In 2003, he announced his plans to run for reelection in 2004 and sought support for his reelection bid from French president Jacques Chirac.

### LEADERSHIP

During his electoral campaign and in his first presidential speech on 29 May 1999, Bouteflika promised to work hard to restore the trust of Algerians in their institutions, something that he regarded as essential for ending political violence in the country. To dispel the distrust that resulted from allegations that the election was rigged, he initiated



dialogue with the opposition party leaders and sought to implement reforms that would make the election process less vulnerable to rigging. Initially, Bouteflika enjoyed the support of the army, which holds real power in the country. Bouteflika has been called the “consensus candidate,” since he has sought support of all the parties in crafting a solution to the violence rooted in the country’s economic crisis.

Bouteflika is committed to solving the crisis, but balancing the interests of international investors, Islamic fundamentalists, and the army has proven challenging. By early 2003 he was reportedly ready to purge the government of army generals, citing their iron-fisted control of the government.

## DOMESTIC POLICY

In his first speech after taking office in 1999, Bouteflika acknowledged that the state’s institutions were ailing from abuses of authority, inefficiency, waste, and corruption. He indicated that social cohesion and peace depended on a regeneration of the state, which must be based on the rule of the law and on the promotion of the interests of the entire nation. Among the tasks at hand were a much-needed reform of the educational system, a better-orchestrated economic reform, a firm and tangible encouragement of private investment, the modernization of agriculture, and special attention to the country’s youth. He reaffirmed Algeria’s Islamic and Arab-Berber identity and called for the renewal of regional integration efforts. When he hosted the July 1999 Organization of African Unity (OAU) summit meeting in Algiers, 44 heads of African states were present, an indication that others in the region were open to working with the Bouteflika-led government.

Like his predecessors, Bouteflika is committed to reviving the economy and to addressing the most urgent social grievances while maintaining law and order. His task is huge, complex, and not without risks. In May 2000, as his first year in office was coming to an end, 30 members of the national assembly presented Bouteflika with a signed petition expressing dissatisfaction over the limited amount of legislative work completed during the previous 12 months. By 2001, Bouteflika still had not achieved an end to political violence and continued to struggle to unite the country’s many factions. He reshuffled his government in May 2001, hoping to eliminate internal opposition to his programs.

In April 2001, Bouteflika was forced to face the deep resentment of citizens in the Kabylie region (between Algiers and Constantine). The Berbers who live in the region adamantly adhere to Tamazight, their ethnic language, refusing to adopt the official government language of Arabic. The death of a Kabylie teenager while in police custody sparked violent protests, but Bouteflika initially took ten days to issue a response, adding to the resentment. Bouteflika, in an attempt to address Berber sentiments, took several actions aimed at winning their support (or at least calming their violence). In March 2002, Bouteflika announced that the Berber language would be added to the Constitution as an official language of the country (along with Arabic).

While concentrated in Kabylie, the violence was seen by many observers as a reflection of the frustration felt by all Algerian youth, who face widespread unemployment and repression at the hands of the Algerian military. As of 2002, about half of the population was under the age of 20. The

economy must come out of its slump to offer significant job prospects.

Bouteflika expressed commitment to speeding up privatization to stimulate economic development, but after two years in office his efforts had not made much headway. He seemed more interested in mediating international crises in the region than attending to the country’s domestic problems. Frustrated by his inability to make legislative progress, following the October 2002 legislative elections Bouteflika proposed a law that would exclude any political party that did not garner at least 5% of the total votes cast from participating in future political contests, a move designed to cut down on political conflict.

In December 2002, in a conciliatory gesture, Bouteflika marked Id al-Fitr, the end of the Muslim holy period of Ramadan, by pardoning or reducing the jail terms of 5,000 prisoners.

## FOREIGN POLICY

The United States and some Western European countries have criticized the way the last presidential election was conducted, but they have refrained from criticizing Algeria’s human rights practices. This tolerance has always been predicated on there being at least a semblance of a democratic process in place. The last election failed to offer such semblance.

At the time when Bouteflika was foreign minister, Algeria played a central role in anticolonialism, the nonaligned movement, the call for a restructuring of the international system, and the establishment of a new international economic order to help poor countries develop and gain economic independence. It has also fulfilled an important role within the Organization of Petroleum Exporting Countries (OPEC). Algeria has been a staunch supporter of the Palestinian struggle for statehood and has, since 1975, given moral and material support to the Western Sahara liberation movement (POLISARIO) in its struggle against Morocco’s annexation of former Spanish Sahara. Under Bouteflika’s leadership, Algeria remained committed to these issues and principles, but began to be more outspoken in the international arena. In a September 2002 address before the General Assembly of the United Nations, Bouteflika described Iraq’s decision to allow the return of weapons inspectors as “courageous” and urged the nations of the world to lift sanctions against Iraq in response. During later discussions in the General Assembly, Bouteflika emphasized that the creation of a Palestinian state was critical to ending international terrorism.

Bouteflika has begun to try to reestablish Algeria’s influential role in world affairs in general, and among the Third World in particular, by attending mediation efforts in various trouble spots. However, he has been criticized for not focusing more attention on the needs of his own people, which are at a crisis point due to years of civil conflict and deprivation.

In July 2001, Bouteflika traveled to the United States to meet with President George W. Bush. He sought support for an increase in U.S. foreign direct investment (FDI) in the economy in areas other than the petrochemical industry. After the terrorist events of 11 September 2001, Bouteflika was one of the first leaders of a Muslim nation to offer assistance to the United States. In October 2002, Bouteflika participated in

the ninth summit of the African Union held in Beirut, Lebanon, where, at Bouteflika's urging, the African Union adopted a plan to implement border controls and information exchange to curb international terrorism.

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**Profile researched and written by Azzedine Layachi, St. John's University (9/99; updated 2/2003).**

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# ANDORRA

Marc Forné Molné  
Executive Council President

(pronounced “MARK for-NAY mol-NAY”)

*“Institutions are the pillars of our community: a democratic parliamentary system that began in 1419, and a culture of peace which has continued uninterrupted since 1278.”*

The Principality of Andorra, despite its name, has been a constitutional republic since 1993. It is a landlocked state between Spain and France, and its culture, economy, and political life reflect the influence of those two neighboring countries. One of the smallest countries in the world, Andorra has only 468 sq km (181 sq mi) of territory, making it slightly more than twice the size of Washington, D.C. The capital city is Andorra la Vella. Andorra’s population was estimated at 68,403 in July 2002, with a growth rate of approximately 1.1%. Only about 30% of the population are Andorran citizens. More than 60% of its inhabitants are Spaniards and most of the rest are French nationals. Its large foreign population is comprised of migrant laborers seeking employment in its tourist industry and light manufacturing companies, and of wealthy individuals residing in Andorra because of its status as a tax haven. Historically, Andorra used both the Spanish *peseta* and the French *franc* as official currencies, but all three nations adopted the *euro* in 2002. Catalan, spoken primarily in northeastern Spain, is the official language, but most residents speak French and Spanish as well. Ethnically, Andorran citizens are indistinguishable from their French and Spanish neighbors. The population is overwhelmingly Roman Catholic. There is no state religion in Andorra and the Constitution explicitly permits all faiths. Andorra produces raw tobacco, cigarettes, and cigars, but its economy is built around tourism and a growing banking industry.

## POLITICAL BACKGROUND

Andorra has been considered a state since the 13th century, but only recently has its population attained a large measure of control over the country’s affairs. Archaeological evidence indicates that Andorra’s mountain valleys were inhabited as early as 4000 BC. During the early Christian era, the Romans encouraged resident tribes to surrender their nomadic life and form settlements there.

In 1278, the French count of Foix and the Spanish bishop of Urgel became the “co-princes” of the country, granting Andorra nominal independence but retaining authority over its foreign contacts and trade. For centuries, Andorra was an anomaly among states. Councils of Andorrans exercised an element of self-expression; at the same time, ultimate authority rested in the hands of the co-princes. The state was therefore neither a principality nor a republic.

France and Spain ultimately spurred the Andorrans to assume greater responsibility over their own affairs and to

move towards more democratic practices. For most of Andorra’s history, there was no functioning executive office within the government. Local councils and a national legislative body provided day-to-day governing authority. Until 1970, the vote was given only to males who were from families that had lived in Andorra for at least three generations. In that year, women obtained the vote. Few foreigners were allowed to gain citizenship. The Andorrans permitted no political parties and no labor unions. In 1975, the Spanish dictator Francisco Franco died and Spain embraced democracy. From that moment, Spain, together with France, encouraged reform in Andorra. In 1981, an institution with vague executive powers was created, but efforts to codify a coherent body of law and a constitution failed. In 1993, Andorrans declared their independence. A Constitution gave Andorra sovereignty over most of its domestic affairs, trade, and general foreign policy.

France and Spain, however, continue to guide important aspects of life in Andorra. French and Spanish officials oversee Andorra’s judicial system. Appeals to an ultimate court of jurisdiction are heard in courts in either France or Spain. Andorra has a small army comprised of males who own firearms. They have not been engaged in a conflict for over 700 years and today their duties are largely ceremonial. France and Spain maintain responsibility for Andorran defense policy.

The growing foreign population has provided much of the capital for Andorra’s economy. By the 1970s, foreign nationals began to seek a greater definition of their rights, including eligibility for citizenship and the right to organize. Andorrans, a minority in their own country, had traditionally sought to limit foreigners’ rights. The Constitution is a compromise in that it recognizes foreigners’ aspirations by opening the door to citizenship but preserves political power in the hands of the indigenous population. Political parties and unions are now legal. Andorran families of long standing dominate political life. Foreigners may gain citizenship after 30 years of residency or if they have lived in the country since before 1975. Conservative Roman Catholic traditions are strong in Andorra. Although women may vote, few have succeeded in politics or business.

The Executive Council president is chosen by the General Council, which has 28 members and is elected every four years by a direct vote of all citizens over 18. The Executive Council president appoints the cabinet, but the General Council may bring down the government at any time by a



majority vote. These practices resemble a parliamentary system, with the Executive Council president and the cabinet functioning as the executive branch and the General Council as the legislature. The most important cabinet offices are foreign affairs, finance, the economy, and justice.

Power is fragmented among several parties. In the legislative elections of 4 March 2001, more than 80% of eligible voters cast ballots. The Liberal Party of Andorra (Partit Liberal Andorra—PLA), a center-right party, won 16 seats on the General Council; the center-left National Democratic Group (Agrupament Nacional Democràtic—AND) won six seats. Three smaller parties—New Democracy (Nova Democràcia—ND), the National Democratic Initiative (Iniciativa Democràtica Nacional—IDN), and the Union of Ordino People (Unio Parroquial d'Ordino—UPO)—each won seats. In 2001, the PLA formed a government for the third time (the previous times were 1994 and 1997), again under Marc Forné Molné.

### PERSONAL BACKGROUND

Marc Forné Molné became Executive Council president in 1994 when the General Council removed Oscar Ribas Reig on a vote of confidence motion. Forné (the custom in Andorra is to use the second name as the last name) was born on 30 December 1946, in La Massana. He received his education at the University of Barcelona, Spain. He was trained as an attorney and worked in his family law firm from 1974–94, where he practiced criminal and real estate law. He also served as editor of a magazine for 11 years. Like most Andorrans, Forné is a practicing Roman Catholic. He has been active in Andorran political life since the 1970s, but restrictions on political organization meant that he and other

political figures in Andorra kept a low profile until the passage of the Constitution in 1993. In that year he founded the Liberal Union Party, later renamed the Liberal Party of Andorra (PLA). He was elected to Parliament in 1993 and a year later became head of government.

### RISE TO POWER

The government of Oscar Ribas fell because he was exploring the possibility of instituting a broader system of taxation in order to combat a growing budget deficit. By a vote of 20 to eight, the General Council removed his government on 25 November 1994; only the members of his own party voted for him. Forné was chosen to replace him because he was viewed as a well-educated moderate who would continue reform, but at a slower pace. Forné assumed power on 21 December 1994. Forné remained Executive Council president following the 1997 and 2001 elections when his party won the majority of seats in the General Council.

### LEADERSHIP

Forné believes that for Andorra's prosperity to continue, the country must gradually become more engaged in the outside world. Forné opposed Ribas's efforts to institute broader taxation and instead has concentrated on strengthening Andorra's links to the outside world in order to attract trade and investment. His leadership is evident in several steps taken shortly after he rose to power. In 1995, he attended meetings of the United Nations (UN) in New York and used the occasion to hold discussions with a number of current and future potential trading partners. In 1996, Forné's government took a firm stand on a key international issue by signing the Non-Proliferation Treaty. Signatories of this treaty do not possess chemical, nuclear, or biological weapons and pledge not to obtain them in the future. The treaty could prove to be an important step in the effort to stem the sale and development of weapons of mass destruction in the aftermath of the Cold War. The Forné government is expected to continue to support positions in the security field that promote peaceful relations among nations.

### DOMESTIC POLICY

Andorrans had traditionally pursued agriculture to make their living. While sheep are still raised and the traditional crops of tobacco and potatoes are still sown, Andorra's livelihood now depends upon tourism and an emerging service industry of financial institutions. Domestic policy, therefore, centers upon efforts to assure that outside guests and capital continue to flow into the country. There is no income tax in Andorra, a tradition that has attracted wealthy residents who live in the country and, in some cases, establish financial institutions such as banks and insurance companies. Andorra has tight banking secrecy laws to encourage the continued presence of such institutions. The U.S. government and several European governments have expressed concern that such laws encourage money laundering and the investment of illegally gained capital in Andorra.

Raising revenue has become an important problem for Andorra's government. Because large numbers of foreign laborers have been necessary to build Andorra's many hotels and restaurants, there has been a need to construct housing, hospitals, and schools for these laborers and their families. In addition, it has been necessary to improve roads, lay sewer

lines, and undertake a range of other tasks endemic in countries experiencing rapid growth—and to accomplish such efforts without an income tax. Some steps have been taken to keep the Andorran treasury at least partly filled. Foreigners must pay an annual levy in order to maintain the right to stay in the country. This annual levy provides funds for a substantial part of the country's budget. A small import tax on the large amount of consumer goods brought into the country for sale to visitors also supplies revenue for the country's treasury. The only tax on the individual Andorran citizen is a modest fee collected for telephone and electricity use. The Andorran government has run a deficit since the early 1990s and methods short of an income tax are being considered to raise further revenues.

## FOREIGN POLICY

Andorra has no armed forces trained for combat and its defense policy is handled by France and Spain. In part because it is landlocked between two large, powerful neighbors with which it is on good terms, Andorra has no apparent need for armed forces and defense arrangements beyond the protection or assistance that France and Spain provide.

From the mid-1980s, France and Spain attempted to nudge Andorra not only towards independence and democracy, but into firmer contacts with the outside world. To some extent, this effort by Andorra's neighbors was economically based: citizens from France and Spain sought greater certainty from their Andorran hosts when applying for work or residence permits. Politically, Paris and Madrid wished to see these workers gain rights of representation, something that was not allowed until a constitution guaranteeing such rights could be adopted. Independence in March 1993 was quickly followed by openings to the outside world and the establishment of civil and political norms common in European democracies. In July 1993, Andorra joined the UN. It has established diplomatic and trade relations with a number of countries, such as China, Cuba, South Korea, and Indonesia, from which it imports raw materials or finished goods for resale to foreign visitors. Although it has diplomatic relations with these countries, it has no diplomatic representation except in Paris, Madrid, and New York, at the UN. Andorra's ambassador to the UN is also its ambassador to the United States. As a further step towards marking its place as an independent, democratic state, in October 1994 it joined the Council of Europe, an international institution that sets standards for human and civil rights.

The Spanish and French governments have encouraged Andorra to take advantage of the European Union's (EU) free trade regulations by developing export industries. Through an agreement with the EU, Andorra obtained the right to export to EU countries with minimal tariffs on its goods. Tension between the countries of the EU and Andorra

developed during the 1990s because of growing evidence of widespread cigarette smuggling through Andorra. In the late 1990s, European nations estimated that they were losing about €400 million (US\$428 million) in tax revenue from illegal sales of cigarettes through Andorra. In response, in late 1999, the Andorran government tightened customs laws and modified regulations to make smuggling specifically illegal.

Andorra's future may well depend upon its continued efforts to mesh into broader European life. Because it depends heavily upon its neighbors and foreign guests to survive, Andorra is likely to continue to be accommodating to France and Spain when those countries insist upon changes of policy. In the twenty-first century, Paris and Madrid are most likely to urge reform of citizenship laws in order to provide a guarantee of rights for long-time foreign residents who wish to become Andorrans, as well as a softening of the banking secrecy laws in order to limit the flow of illegal capital into the country.

Forné is dedicated to furthering Andorra's international relationships. He regularly addresses the UN; in 2001, Andorra began a three-year term on the UN's Economic and Social Council. The Council's 54 seats are assigned based on geographical representation (14 to Africa, 11 to Asia, 6 to Eastern Europe, 10 to Latin America and Caribbean, and 13 to Western Europe and others).

## ADDRESS

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Profile researched and written by Paul E. Gallis (8/96; updated 3/2000, 3/2002, and 2/2003).

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# ANGOLA

Jose Eduardo dos Santos  
President

*(pronounced "JOE-zay ed-WAHR-doh dose SAN-tose")*

*"I vow to struggle for strengthened national unity for the fulfillment of the worker-peasant alliance, and for the building of people's power."*



The Republic of Angola is situated on the Atlantic (west) coast of Africa, just south of the Congo River. It is bordered to the north and east by the Democratic Republic of the Congo (former Zaire), to the southeast by Zambia and to the south by Namibia. The national territory covers 1,246,700 sq km (481,226 sq mi) and includes the enclave of Cabinda in the northwest. The capital is Luanda. Angola's population, estimated at 10.6 million in 2002, is primarily Bantu, who come from four distinct groups: the Bakongo in the northwest, the Kimbundu in the north-central region, the Ovimbundu in the south-central region, and the Chokwe in the east. Portuguese is the official language; of the several African languages, none is sufficiently universal to be adopted officially.

The unit of currency is the *kwanza*; inflation has rendered it virtually worthless both at home and abroad, which has allowed a black market to flourish. The Angolan economy, once prosperous and still possessing massive potential, has been devastated by civil war. The per capita gross domestic product (GDP) was estimated at US\$1,330 in 2001. Exports include crude oil, coffee, and diamonds. Potentially the breadbasket for all of southern Africa, Angola relies on massive food imports to avert widespread famine. Guerrilla activity has driven the peasants off the land, either to cities or neighboring countries. Despite war and political uncertainty, Cabinda's offshore oil reserves generate more than 85% of government revenue and attract private foreign investment.

## POLITICAL BACKGROUND

Angola is the largest of Portugal's former African colonies, first settled in the late fifteenth century by Portuguese navigators who were seeking trade routes to India. In 1951, the colony was designated an Overseas Province of Portugal, making it an integral part of the Portuguese state. Guerrilla opposition to colonial rule began in 1961 and continued for 13 years, even in the face of substantial Portuguese military presence. By 1974, there were three major independence movements, each operating in a different area of Angola. The National Front for the Liberation of Angola (FNLA) controlled a great deal of the north and had established a government in exile in the Congo as early as 1963. The central region, plus Cabinda, was controlled by the Soviet backed Popular Movement for the Liberation of Angola (MPLA). Eastern and southern Angola were in the hands of the National Union for the Total Independence of Angola (UNITA).

Independence for Angola became a real possibility in 1974, when a coup d'état overthrew the Portuguese government. On 15 January 1975, the leaders of the three independence movements, Holden Roberto (FNLA), Jonas Savimbi (UNITA), and Agostinho Neto (MPLA), met with Portuguese representatives. The parties agreed that Angola would obtain its independence effective 11 November 1975, the 400th anniversary of the founding of Luanda. In the interim, Angola was to be ruled by a Portuguese high commissioner and a three-person Presidential Collegiate composed of representatives of each of the independence movements.

Under the terms of the 1975 Constitution, the head of government is the president. The cabinet is composed of the president, 3 ministers of state, and 21 ministers; the president can hold ministerial positions. In 1991, a series of amendments provided for the establishment of a multiparty democracy. Legislative power was vested in the National Assembly, with 220 members elected for four years on the basis of proportional representation.

At midnight on 11 November 1975, after the departure of the high commissioner, Neto announced the establishment of the People's Republic of Angola, under MPLA auspices. Concurrently, FNLA and UNITA, which had formed an alliance in the preceding months, announced the establishment of the rival Democratic People's Republic of Angola. A long and crippling civil war ensued, fueled by East-West Cold War imperatives. The MPLA received support from the Soviet bloc, and UNITA and FNLA received aid from the West. By 1979, the FNLA's forces were virtually eliminated, and in 1984 the remaining FNLA guerrillas surrendered, leaving the field to UNITA.

In 1992, relatively free and fair elections were held for the presidency and the legislature. Of the 11 presidential candidates, Jose Eduardo dos Santos won 49.6% of the vote to Jonas Savimbi's 40.1%. Savimbi repudiated the results as fraudulent and refused to participate in a runoff. In the legislative elections, the MPLA scored 53.7% of the vote to UNITA's 34.1%, giving the ruling party a 129 to 70 seat advantage over UNITA. Holden Roberto's FNLA received only 2.1% (5 seats), and the others took the remaining 16 seats.

In 1994, dos Santos and Savimbi signed the Lusaka Protocol, which gave new hope for a peace settlement. In 1995, international sanctions were imposed on UNITA, though sanctions were violated repeatedly. In 1997, a

government of national unity was supposed to provide for powersharing between the MPLA and UNITA, but resumption of the war in violation of the Lusaka agreement rendered this arrangement null. While the National Assembly functioned nominally, the war severed rural areas from government services. An estimated 2.6 million persons were thought to be internally displaced in 1999, and up to 1.5 million lives may have been lost in fighting over the past quarter century.

Prospects for peace improved when the army announced in February 2002 that it had killed Savimbi in an attack in southeastern Angola, thus bringing to an end Savimbi's fight for power, which had lasted more than 30 years. The death from illness of Savimbi's second-in-command, General Antonio, further weakened UNITA's military capacity. In March 2002, UNITA commanders issued a joint communiqué with the Angolan army (FAA), confirming a cessation of hostilities and reiterating unequivocal support for a political settlement based on the 1994 Lusaka Protocol. Barring a situation in which warlords come to power, it was likely that UNITA rebels would be demobilized or incorporated into the FAA.

### PERSONAL BACKGROUND

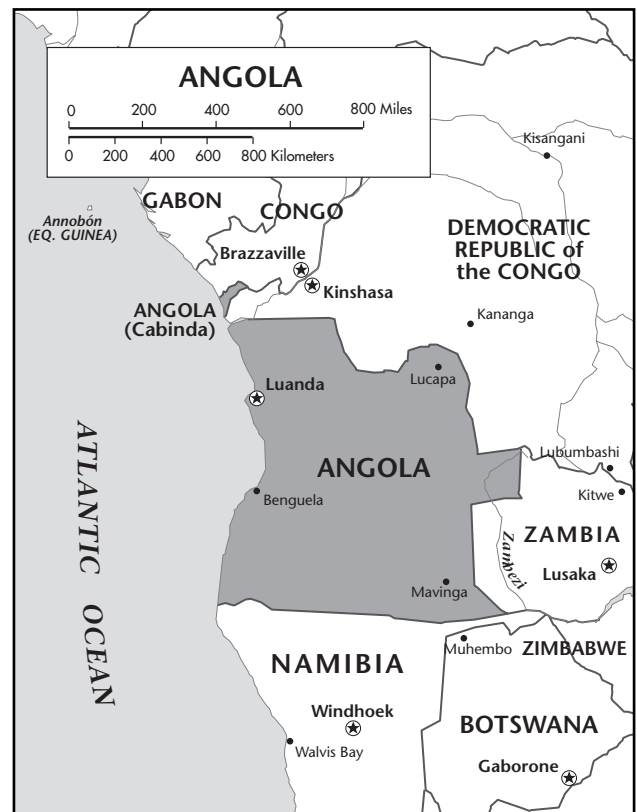
Jose Eduardo dos Santos was born in Luanda on 28 August 1942. His father was a bricklayer. Dos Santos was educated at the Liceu Salvador Carreira during the Portuguese colonial administration.

In 1961, dos Santos joined the MPLA in its fight for Angolan independence. He fled Angola later that year for exile in the Democratic Republic of the Congo, where he was a founding member and vice president of MPLA Youth, based in Kinshasa. In 1963, dos Santos was one of a group of students sent on MPLA scholarships to study in the Union of Soviet Socialist Republics (USSR). He graduated as a petroleum engineer in 1969 from the Institute of Oil and Gas in Baku. He completed a course in military communication shortly before returning to Angola in 1970, where he participated in the war against the Portuguese as a member of the Cabinda guerrilla front.

### RISE TO POWER

Dos Santos rose through the MPLA ranks in 1974 when he was named second-in-command of telecommunications services for the MPLA Second Politico-Military Region in Cabinda. He was also chosen as a member of the Provisional Readjustment Committee for the Northern Front. In September of the same year, he was appointed to the MPLA Central Committee and was ranked fifth on the Political Bureau.

At the formation of the first MPLA government in November 1975, dos Santos was named chairman of the MPLA and minister of foreign affairs. He moved on to the position of coordinator of the MPLA Foreign Relations Department. He was central committee secretary for several departments, including education, culture and sport, national reconstruction, and economic development and planning. In 1978 he was named minister of national planning, first deputy prime minister, and head of the MPLA's National Planning Committee. President Neto went to the USSR for medical treatment in September 1979, and before leaving he



designated dos Santos to take charge of the government during his absence. Neto died in Moscow on 10 September 1979. Thereupon, the central committee “unanimously and by strong acclamation” elected dos Santos to succeed Neto as president of the MPLA. He took office as president of the People's Republic of Angola on 21 September 1979.

### LEADERSHIP

When dos Santos became president the country was going through post-colonial reconstruction. Productivity was low and political institutions were weak or nonexistent. Committing to improve both productivity and the structure of political institutions, dos Santos tightened military security and resisted international efforts to undermine the regime. However, economic progress throughout his tenure has been hampered by a paucity of skilled manpower and undermined by the war.

Despite his revolutionary rhetoric, dos Santos has been a pragmatist more than an ideologue. He wooed both East and West for assistance, and in the early 1980s Cuban troops were defending U.S. oil installations against attacks from UNITA guerrillas supported by South Africa (with U.S. backing). With the end of the Cold War and the breakup of the USSR, dos Santos no longer could play the superpowers against each other. Economic and institutional interests took a back seat to the civil war, and dos Santos made the survival of his regime a priority. He has indicated that he will not seek reelection in Angola's next elections, which were expected to take place in late 2003 or 2004.

## DOMESTIC POLICY

President dos Santos has all but achieved his chief domestic policy objectives: the elimination of Jonas Savimbi and the demise of UNITA as a military entity. His generals' strategy to divide, isolate, and weaken the UNITA military leadership proved successful. However, with Savimbi off the scene and a settlement with UNITA according to the Lusaka Protocol imminent, dos Santos will no longer be able to distract attention from his failed economic and development policies with war. His decision to step down before the next election indicates a growing lack of support for his regime.

Dos Santos must face the prospect of rebuilding a war-torn, impoverished country. Agricultural production has not yet returned to preindependence levels, and because of huge crop shortfalls, massive food imports are required to feed the nation. Diamond and coffee production have fallen off, and as a result, foreign exchange earnings have declined. Transportation links are seriously damaged. Many areas in the country have no health facilities or access to medical care. Inflation was 110% in 2001, down from over 300% in 2000. Sixty-three percent of urban households live in poverty, and nearly 90% have no security of tenure or access to land. Angola's Poverty Reduction Strategy Paper (PRSP), a requirement for International Monetary Fund (IMF) assistance, was sent back to the Angolan government for revision because of its emphasis on large-scale infrastructure projects like dams and bridges instead of basic social welfare needs such as health and education.

Without the veil of war, dos Santos and his administration will open themselves to greater budget scrutiny by the IMF and other donors. Reports allege discrepancies in oil receipts for the year 2000 between us\$557 million and us\$1.6 billion. Dos Santos and his administration have been accused of concealing embezzlement through off-budget expenditures and opaque financial disclosures. Further, it is widely believed that the regime engaged in money laundering and unauthorized arms trafficking worth us\$600 million with a French company. It is estimated that dos Santos personally has amassed a fortune of us\$6 billion, while millions of Angolans are malnourished.

Given this past, dos Santos's departure is contingent upon a successor who can be trusted not to prosecute him, especially for the large-scale diversion of state funds under his rule. For insurance, he is expected to pick a hardline senior party leader who will permit dos Santos to run a shadow government behind the scenes if necessary. As Angola's second president, dos Santos will leave a legacy that includes 22 years of civil war and the unabashed plundering of public resources by a small elite that impoverished millions.

## FOREIGN POLICY

If the peace with UNITA holds, dos Santos no longer needs to engage in conflict with Namibia and Zambia, thereby improving relations with these neighbors. Dos Santos's relations with President Paul Kagame of Rwanda and President Yoweri Museveni of Uganda, whom he accused in

the past of supporting UNITA, have begun to improve. Sanctions with regard to Angola's "blood diamonds" should no longer be an issue. ("Blood diamonds" are diamonds smuggled by rebel groups—such as Angola's UNITA and Sierra Leone's Revolutionary United Front—RUF. These groups, notorious for grisly violence against their enemies, trade illegally mined diamonds for arms to sustain their terrorist activities. The diamonds are then passed through a free-trade zone, often in Switzerland.)

In the March 2002 Zimbabwe elections, dos Santos stood by beleaguered President Mugabe. Dos Santos was invited to the U.S. White House in February 2002, along with President Chissano of Mozambique, to discuss Zimbabwe and opportunities for peace. Because Angola supplies 7% of U.S. oil imports, it is unlikely that the United States would pressure dos Santos into making political and economic reforms he does not want.

South Africa remains suspicious of dos Santos's ambitions to be a center of influence in the Southern African Development Community (SADC) organization and in the region generally, but dos Santos appears firm in his leadership position. He began his term as chair of SADC by hosting the summit of SADC in Luanda in early October 2002. In his opening remarks, he noted the achievement of peace in his country, and called on the 11 heads of state in attendance to prioritize education for women, since higher literacy for women has shown to reduce child mortality.

With its diamonds, minerals, and petroleum, Angola is a force to reckon with. South African diamond mining company De Beers hopes to reestablish a partnership with the Angolan state diamond company, Sodiam. Sonangol, the state oil company, is providing advice to Equatorial Guinea's new state oil company, Gepetrol.

## ADDRESS

Gabinete do Presidente  
Luanda, Angola

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**Profile researched and written by Alison Doherty Munro (7/90); updated by Robert J. Groelsema (3/2002 and 2/2003).**



# ANTIGUA AND BARBUDA

## Lester Bird Prime Minister

(pronounced “LES-ter BURD”)



*“Comrades, the Antigua Labour Party, which has successfully guided this nation to the economic and social heights it has attained, is ready to lead it into the new century. On these strong foundations we have already laid, we will build a nation strong and healthy, a country robust and prosperous, a society that is just, fair and based on merit.”*

Antigua and Barbuda (pronounced “ann-TEE-guh” and “bar-BYOO-duh”) is made up of two main islands along the outer edge of the Leeward Islands of the Eastern Caribbean. It is estimated that as of July 2002, there were 67,448 inhabitants. The total land area is about 442 sq km (170 sq mi).

Ethnically, 95% of the population are descendants of West Africans who were imported as slaves. The remaining 5% are of European, Asian, Middle Eastern, or mixed descent. The official language of the country is English, although an English dialect is widely spoken. Christianity is, by far, the dominant religion, with Protestants accounting for more than 85% of adherents.

Major exports include refined petroleum and petroleum products, manufactured goods, including sea-island cotton, paints, furniture, machinery and transport equipment. Agricultural exports include sugar, mangoes, bananas, coconuts, and pineapples. However, tourism is the major foreign exchange earner, accounting for about 60% of gross domestic product (GDP). The national currency is the Eastern Caribbean (EC) dollar.

## POLITICAL BACKGROUND

Before the arrival of Columbus in 1493, the Amerindians settled Antigua and Barbuda. The name “Antigua” was given to the area in honor of Santa Maria la Antigua of Seville. English planters from the island of St. Kitts first colonized the country in 1623. After a brief period of French occupation, in 1667 it became a British possession through the Treaty of Breda. The country remained subject to British rule until 1981, when it became independent.

Although these two islands are 48 km (30 mi) apart, they have one government and form one independent state. Antigua and Barbuda is a constitutional monarchy in which the Queen of England is the titular head of state and is represented through a governor general appointed through advisement by the prime minister. The legislature is comprised of a bicameral Parliament with the council of ministers as the executive branch, headed by the prime minister. The bicameral legislature is made up of two chambers: an elected House of Representatives and an appointed Senate. The Senate (the upper house) has 17 members named by the governor general, 11 of whom are appointed on the advice of the prime minister. Of the remainder, four are named after consultation with the opposition; one is recommended by the Barbuda Council,

which is also vested with the authority to raise local revenue; and one is named at the governor general’s discretion.

The House of Representatives (lower house) has 19 members: 17 members who are elected every five years or at the dissolution of Parliament, one ex officio member, and one speaker. The opposition leader is normally chosen from the leading minority in Parliament.

There are five political parties in the country. The ruling party, the Antigua Labour Party (ALP), led by Lester Bird, has dominated Antiguan politics since the 1960s. Other parties include the Barbuda People’s Movement (BPM), led by Thomas H. Frank, and the United Progressive Party (UPP), a coalition led by Baldwin Spencer and made up of three small opposition political parties—the United National Democratic Party (UNDP), the Antigua Caribbean Liberation Movement (ACLM), and the Progressive Labor Movement (PLM).

## PERSONAL BACKGROUND

Lester Bryant Bird is the son of the former prime minister, Vere Bird, Sr. Before his retirement in 1994, Vere Bird had been the longest-serving prime minister in the English-speaking Caribbean. His son Lester was born on 21 February 1938 and attended the Antigua Grammar School. Bird is unique in that he is one of the few Caribbean leaders who excelled in competitive sports, academics, and politics. Between 1956 and 1957, he represented Antigua and the Leeward Islands in cricket. He also won a bronze medal for the long jump at the Pan American Games. In 1962, he entered the University of Michigan to study law and represented that institution in track and field. He gained the distinction of admission to an honorary fraternity for his performance as an academic athlete. In 1969, Bird was admitted to the bar at Gray’s Inn. He remained in private law practice until 1976.

## RISE TO POWER

On his return to Antigua, Bird became involved in politics, following in the footsteps of his father—a prominent trade union leader and political figure. In 1971, Bird became chairman of the ALP. This political party was aligned with the Antigua Trades and Labour Union (ATLU) and was led by his father, then chief minister and minister of planning. Between 1971 and 1976, he was nominated senator of the Upper House and served as leader of the opposition until 1976, when he was elected to Parliament. Between 1976 and 1981, he was named deputy premier and minister of



economic development, tourism, and energy. In 1980, he was reelected to Parliament with an increased majority and appointed to the post of deputy prime minister and minister of foreign affairs, economic development, tourism, and energy. He was reelected to Parliament in 1989 and served as minister of external affairs, planning, and trade. During his tenure as minister in his father's administration, Bird served as acting prime minister on several occasions.

In 1994, Vere Bird stepped down as leader of the ALP and was replaced by his son. In that same year, Lester Bird led his party to an electoral victory. He served as prime minister and minister of external affairs, planning, and services. In March 1999, Antigua and Barbuda held its fourth general election since the country gained independence. Lester Bird again led his party to electoral victory and the ALP won 12 of the 17 seats in the House of Representatives. Bird continued to serve as prime minister. In addition, as of 2002, he held the following government posts: minister of defense; minister of external affairs; minister of legislature, privatization, printing, and electoral affairs; minister of telecommunications and gambling; minister of public works, sewage, and energy; and minister of urban development and renewal. The next elections were scheduled for March 2004.

## LEADERSHIP

Bird's initial term as prime minister was marred by controversy within the party regarding allegations of corruption against the previous administration. Lester's brother, Vere Jr., was accused of fraudulent behavior when he served as minister of public works in his father's administration. Despite this, Lester was able to restore the confidence of the

nation in his administration. The ALP's overwhelming victory at the polls in 1999 was a reflection of that confidence.

Another major task that confronted Lester Bird when he began his first term was to ensure that there was continued growth in the Antiguan economy. Again, his success in this arena was noteworthy. Despite a 4.5% decline in the GDP in 1995 due to two destructive hurricanes, Bird was able to turn this situation around the following year. Increases in tourism contributed to the 4.6% growth rate in GDP in 2001.

Bird's first five years as prime minister did not conclude without criticism. He has been accused of selling out Antigua to foreign investors. However, Bird has countered this argument by stating that "investors bring jobs and development that have made Antigua one of the most prosperous Caribbean nations." The nation of Antigua and Barbuda has an unemployment rate of 7%, even though more than 3,000 citizens from the island of Montserrat have immigrated there. Bird now has to fulfill his promise of providing full employment for the people of Antigua and Barbuda.

In his second term in office, Bird worked to ensure continued economic growth and to reduce the size of the external debt.

## DOMESTIC POLICY

One of the most significant economic changes which has taken place for public servants is an increase in minimum wage. The ALP increased the minimum wage to EC\$1,000 per month on 1 August 1997. National savings also increased from EC\$770.4 million in 1997 to EC\$834.4 million in the first nine months of 1998. Bird attributed this increase to the fact that people now have greater disposable income; hence, they were able to save more. The tourism sector also saw a slight increase despite the damage done by the 1995 hurricanes. This increase has been seen mainly in cruise ship arrivals, which rose by 4.4% in the first nine months of 1998. The number of stopover visitors, however, declined by 7.8% during the same period due to hurricane damage to tourist facilities. The rate of inflation is one of the lowest in the region.

The ALP ensured efficient tax collection during its term in office. A Tax Compliance Unit was established with the objective of improving the tax collection systems of the Ministry of Finance. Central government revenue rose by 6.3% in the first half of 1996 when compared with the same period in 1995. Trade tax collections rose by 15.3%. In the tourism sector, collections from the cruise subsector rose by 13.3%. Overall, tax collections increased by 7.7% during the first six months of 1996.

The economy of Antigua and Barbuda continued to be one of the strongest in the region. Bird promised no new taxes during his second term in office. He strongly states that "our present tax base is sufficient to pay our way. Our goal is not to take money from the people's pockets, but to put more money in them." Although no new taxes will be introduced, Bird intends to make the tax system more efficient by providing an incentive scheme for tax and customs duty and by improving the tax administration and collection machinery. During his second term in office he planned to increase government revenue through economic expansion in tourism and the offshore financial sector. But while the prospect of growth in offshore banking was extremely

positive, the international community—led by the United States and the United Kingdom—began to pressure all countries where these activities were fostered, citing their own tax losses as their reason. Lester Bird's government had no choice but to bend to international pressure; failure to do so would have led to serious sanctions, something the small nation could not afford to risk. New hotel construction in 1999 and a revamped telephone system completed in 2000 were two important contributors to economic development.

In November 2001, Bird announced a five-point plan aimed at helping the economy diminish the impact of global recession. The plan called for reducing interest rates to boost private investment, a freeze on wages for the subsequent two years, and price controls on a variety of consumer goods. It also included a bank-granted five-year extension of mortgage arrangements for homeowners and generous tax subsidies for hotels to help them offer competitive prices. In addition, the government has launched an aggressive marketing campaign in Europe geared to increase the number of visitors from those countries. However, forecasted economic growth is tied closely to income growth in the United States, which accounts for about one-third of tourist arrivals.

In addition, Bird announced a plan in early 2002 to improve the government's cash flow by targeting tax evaders. This replaced an earlier plan to keep employment levels steady by retrenching public workers. However, Bird's reversal of the retrenchment plan goes against International Monetary Fund (IMF) advice, which sees the measure as critical to shrinking Antigua's fiscal deficit. The Eastern Caribbean Bank, Antigua's central bank, also voiced concerns, urging Bird to reconsider the plan.

Accusations of corruption again plagued Bird's party. In August 2002 a Royal Commission of Inquiry recommended appointing a special prosecutor to look into charges that the government had not paid the contributions it had deducted from its own employees for medical benefits. The inquiry took place after a sixth of the population signed a petition calling for investigation. It was found that instead the money was diverted into the health ministry's budget, and to pay for a \$37,000 children's party. Bird has resisted turning the medical benefits scheme into an autonomous agency, as the commission recommended. However, Bird himself was not criticized by the inquiry and the ministers involved in the affair are no longer active in Bird's government.

## FOREIGN POLICY

Antigua and Barbuda continue to have strong extraregional ties with the United States, Britain, and Canada. The nation participates in several international organizations, such as the African, Caribbean, and Pacific Countries (ACP), Caribbean Community and Common Market (CARICOM), IMF, Organization of Eastern Caribbean States (OECS), United Nations Educational, Scientific, and Cultural Organization (UNESCO), and the World Health Organization (WHO), among others.

The ALP has pledged to give continued assistance to countries within the region. Bird has already demonstrated his willingness to assist others by absorbing natives of Montserrat who had to flee their homeland due to volcanic eruptions. Other nationals from the region have also been given employment in Antigua and Barbuda, especially in the fields of nursing, teaching, and law enforcement. Bird sees this as a positive step towards Caribbean integration. By providing others with employment, he has stated, "we [Antiguans] benefit as much as they. It is not a one-way street." However, during the last general elections, Bird promised that priority would be given to Antiguans in employment.

Bird has managed to give Antigua and Barbuda a more outward-looking development policy, especially in the OECS and CARICOM. As minister of external affairs, Bird participated in several international forums and has sought to address global issues that not only affect Antigua and Barbuda but the entire Caribbean region.

## ADDRESS

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**Profile researched and written by Rachael Boxill and Ian Boxill, University of the West Indies, Jamaica (9/99; updated 2/2000 and 3/2002).**

# ARGENTINA

Eduardo Duhalde  
President



(pronounced “ehd-WAHR-doh doo-HALL-day”)

*“It’s been we Argentines and Argentine leaders—fundamentally, political leaders—who have led this country to this [economic] situation that afflicts us, anguishes us—and shames us.”*

The Argentine Republic is located on the southern half of the South American continent and extends to the southernmost tip of the continent. It is bordered to the east by the Atlantic Ocean and Uruguay, to the northeast by Brazil and Paraguay, to the northwest by Bolivia, and to the west by Chile. It is the second-largest country in South America, with a total area of 2,766,890 sq km (1,073,400 sq mi) and a population of approximately 37.8 million in 2002. Argentina also claims the Falkland Islands (which are known locally as the Islas Malvinas), the South Sandwich Islands, South Georgia, and part of Antarctica. The capital is Buenos Aires and 13.9 million people live in that metropolitan district.

Argentina has long been a country of immigrants; 97% of Argentines are of European descent, primarily Spanish and Italian. The official language is Spanish; other important languages spoken in Argentina are reflective of the European immigrant populations: Spanish, French, German, Italian, and English. There is also a significant Arabic population in the northwestern part of the country. The official religion is Roman Catholicism and 92% of Argentines are Catholic.

Argentina’s major exports are agricultural products, primarily grain and beef grown on the pampas. The Argentine unit of currency is the *new peso* which replaced the *austral* in January 1992; it was fixed at parity with the U.S. dollar until January 2002, when a currency crisis occurred in the country. As of 2000 inflation was less than 4% and unemployment was 14%; per capita gross domestic product (GDP) was estimated at US\$12,900 in 2000. As of 2002, these statistics held little meaning after the financial chaos that ensued in late 2001.

## POLITICAL BACKGROUND

Argentina’s political history dates to the sixteenth century when Spanish explorers first visited the region. Spain established a permanent colony in what is now Buenos Aires in 1580. In 1776, Spain created the Vice-Royalty of Río de la Plata and Argentina became a flourishing port and an integral part of the Empire. On 9 July 1816, Argentina formally declared its independence from Spain under the leadership of José de San Martín, who was a dominant force for national independence throughout the continent. The defeat of the Spanish brought with it a protracted period of conflict between federalist and centralist forces in Argentina to determine the future structure of the nation. The Constitution of the Argentine Republic was promulgated in 1853. Conservative forces dominated until 1916, when Hipólito Yrigoyen,

the candidate of the Unión Cívica Radical (UCR—Radical Civic Union), was elected president in Argentina’s first free popular election. Yrigoyen was overthrown in 1930 by a military coup. This event established a pattern in Argentine political history of alternating between civilian and military governments, which persisted until December 1983 when the Radical candidate Raúl Alfonsín assumed the presidency. In July 1989, Alfonsín ceded power to his constitutionally elected successor, the first time that had occurred since 1928.

One of the legacies of Argentina’s history is the phenomenon of Perónism, a mass movement created in the 1940s by Juan Domingo Perón, who came to power in a 1943 military coup. Perón was elected president in 1946 and in 1948 he created the Peronista Party, a movement focused on social programs and nationalist ideology. Labor unions and the working poor were the overwhelming basis of support for Perónism and in 1951 contributed to Perón’s reelection as president. Overthrown in 1955, Perón returned from exile in 1973 and was reelected president of Argentina. He died in office, and it was the chaos of his wife’s administration that precipitated the 1976 coup. The fact that many of the nation’s political woes stem from the Peronist period notwithstanding, the ideology remains a potent force in Argentine politics and it emerged essentially unchanged after the military dictatorships of the 1970s and 1980s. The country returned to democracy in 1983 after seven years of brutal military rule. At least 10,000 and perhaps as many as 30,000 Argentines “disappeared” during military rule. The prosecution of former military leaders charged with human rights abuses remains a major issue in the country.

Raúl Alfonsín was elected president in 1983, but he was unsuccessful in harnessing the runaway inflation that was plaguing the country. As a result, Carlos Saul Menem of the Justicialist Party was elected president and the first transfer of power from one democratically elected president to another in the country’s history took place. Menem, a former soccer player, cut government spending and liberalized the economy, pardoned former military leaders, and succeeded in accomplishing economic and political stability. In 1994, he was reelected. Although he tried to force a constitutional change that would allow him to run for a third term, he was forced to accept his rival, Eduardo Duhalde, as the Justicialists’ candidate for president in 1999; Duhalde lost to Fernando de la Rúa of the UCR.

De la Rúa took office in 1999, pledging to address the country’s economic problems, but by early 2001, the

economy was slipping further into recession. The International Monetary Fund (IMF) delivered us\$22.7 billion in emergency aid in two installments (January and August), which turned out to be not enough. By December 2001, with the country teetering on the edge of economic collapse, rioting protesters forced de la Rúa's decision to resign. Argentina then defaulted on its us\$155 billion foreign debt payments, the largest such default in history. After a period of instability that saw three candidates accept and resign the presidency in succession within days, Congress named Eduardo Duhalde president on 1 January 2002. Duhalde soon announced an economic plan devaluing the Argentine peso, which had been pegged to the dollar for a decade. The devaluation plunged the banking industry into crisis and wiped out much of the savings of the middle class. Thousands of people began to leave the country, primarily for Italy and Spain; thousands of others took to the streets, banging pots and pans in protest over the condition of their finances.

Argentina is a republic, the national leadership of which is vested in the president, who from 1995 until 2001 had been elected every four years. The president may succeed himself in office. The Congreso Nacional (National Congress) is composed of a 72-seat Senate, members of which are directly elected to six-year terms, and a 252-seat Chamber of Deputies, whose members are directly elected to four-year terms. The voting age is 18 and voting is compulsory for all Argentines between 18 and 70.

### PERSONAL BACKGROUND

Eduardo Alberto Duhalde Maldonado was born 5 October 1941 in Zamora, in the province of Buenos Aires. He has two sisters, Aurora and Cristina, and his parents were Hijo de Tomas Duhalde and María Esther Maldonado. Eduardo received his early education at the local primary school; his secondary studies were undertaken at the Commercial Tomas Espora school in Temperley, which his own children would later attend. In 1970, he received a law degree from the University of Buenos Aires.

He married Hilda Beatriz González in July 1971; they have five children—Juliana (married with twins Bernardo and Franco Ferri), Analía, María Eva, Agustina, and Tomas.

Prior to entering political life, Duhalde was professor of economics at the University of Lomas de Zamora. In 1996, an unauthorized biography, *El Otro* (The Other), by investigative reporter Hernán López Echague, alleged that Duhalde had ties to drug trafficking, had engaged in vote-rigging, and had accumulated unexplainable personal wealth since 1984. Duhalde called the author a criminal and broke down in tears during a televised interview about the publication. In 2002 when he assumed the office of the presidency, Duhalde was considered one of the most powerful men in Argentine politics.

### RISE TO POWER

Duhalde began his political career in Zamora, his hometown and a Buenos Aires suburb. He served first on the City Council (1973) and then as mayor (1983). In 1987, he won election to represent his home district in the National Congress; during his term, he was elected vice president of the Chamber of Deputies. Duhalde was then hand-picked in 1989 to run for vice president on the ticket with Carlos



Menem, but after two years in the Menem administration, relations between the two powerful men deteriorated and Duhalde left to run for governor of the province of Buenos Aires. He was successful and took over the leadership of the province, where about one-third of Argentina's population lives. He was reelected in 1995. In 1999, he ran unsuccessfully for president against Fernando de la Rúa, who took office in December 1999 promising to focus on the economy. In 2001 Duhalde was elected to represent the province of Buenos Aires in the national Senate.

In late 2001, with the economy in chaos, de la Rúa resigned. After three other candidates each briefly moved into and out of the president's office in the days immediately following de la Rúa's December 2001 resignation, Eduardo Duhalde was approved by National Congress (dominated by the Partido Justicialista—Justicialist Party) to assume the presidency in early January 2002. Because Duhalde had not been elected by the people, he faced an even greater challenge in winning popular support for the painful economic reforms necessary to bring the Argentine economy out of its nosedive.

## LEADERSHIP

Duhalde was in the unenviable position of trying to pilot the Argentine economy to recovery. In February 2002, he presented a budget and announced elections for 2003, urging citizens to be patient as he and his advisors implemented economic recovery measures. The budget contained some several billion dollars in cuts, a large percentage of which were to be accomplished by suspending scheduled debt payments.

Duhalde faced an uphill battle to win support for his tough recovery measures from the Argentine citizens, many of whom saw their life savings disappear when the currency's peg to the U.S. dollar was eliminated. Compounding the public's skepticism was Duhalde's reputation as a Perónist, the nickname for the party that has been plagued by allegations of corruption and scandal for decades. The historically placid Argentine middle class took to the streets in noisy protest as they saw their financial security destabilizing in the economic crisis of early 2002.

## DOMESTIC POLICY

In March 2000, the World Bank reported that ten million Argentines, or 29%, lived in poverty. Another 7% lived in extreme poverty. More dramatically, 43% of Argentine children lived in poverty. Argentina's economy had been growing at a double-digit pace during the early 1990s, but had entered a recession in 1999. By the time Fernando de la Rúa took office in 1999, unemployment was at 14% and the federal government faced an US\$11.5 billion fiscal deficit. In 2002 when Duhalde took office, Argentina was literally running out of money. Thousands of workers and retirees were receiving only partial salary or pension payments, bank accounts were partially frozen, and unemployment nationwide had reached nearly 20%, and was closer to 30% in the cities.

In February 2002, Duhalde introduced a three-month program aimed at reversing the economic downward trend and shoring up the country's banks. One dramatic measure the Duhalde government had taken immediately upon assuming office was to eliminate the one-to-one conversion of the peso with the U.S. dollar, noting that artificially keeping the peso strong had launched the four-year-old recession. Duhalde converted more than US\$40 billion in bank deposits, recorded in dollars, into devalued pesos; the citizenry responded with street protests, vandalism, and attacks on government officials. Since the government allowed the peso's value to float against the dollar, the peso's value plummeted by 70% and consumer prices were increasing by 10% per quarter.

Despite increasing pressure to resign and call elections much earlier than the scheduled September 2003, in May 2002 Duhalde reiterated that he did not think his resignation would help. By January 2003 however, Duhalde had moved up the date of the elections to April 2003, and vowed he would leave office by 25 May 2003. Duhalde and his advisors seemed to be running out of ideas, as pressure to keep up with debt repayment and domestic economic woes mounted.

One key may be in an area where Duhalde was especially frustrated over his government's lack of progress—winning commitment from the 23 provincial governments to join in the effort to right the unstable economy. The support of the

powerful—and free-spending—provincial governments was necessary before the IMF (or another international source) would consider extending more favorable financing terms to Argentina. Without provincial support, it seemed unlikely that the federal government could come up with a fiscal and monetary plan acceptable to the IMF. IMF auditors contended that a 10% cut in provincial spending would translate into a significant reversal of the mushrooming federal deficit, since the federal government provides an estimated 65% of the provincial governments' budgets, with little say in how the money is spent. Provincial officials, with no accountability to the federal treasury, routinely inflated the values of contracts, and awarded them in sweetheart deals to relatives or as political favors. Ironically, Duhalde had been criticized in the past for using federal poverty relief funds to buy votes in his election as governor of the Buenos Aires province and he was pleading with the provincial leaders to cut payrolls with unemployment at 20% and rising.

## FOREIGN POLICY

Despite the chaos at home, the financial crisis had not triggered international alarm. Brazil, the country's largest trading partner, experienced a dramatic drop in exports to Argentina in late 2001 and early 2002. Brazilian and other offshore companies are concerned over future orders from customers who have no hard currency for payments and worry whether they will be paid for goods already shipped to Argentina.

The devaluation of the peso, pegged at par with the U.S. dollar until January 2002, was causing much of the country's financial turmoil. Argentina's hard currency was in such short supply that there was no way to pay for critical goods. Brazilian president Fernando Henrique Cardoso responded to this problem with an offer to provide medications such as insulin to keep the country's pharmacies supplied. Thus, the international community may step forward to meet urgent life-or-death needs, but the average Argentine citizen will have no emergency assistance with purchasing everyday goods and services.

Duhalde believed that an agreement between Argentina and the IMF was necessary for Argentina to be reincorporated by the International Community. In September of 2002, Duhalde said the government would stop paying the foreign-debt service if there was no deal with the IMF. By early January 2003 though, the IMF and Argentina had worked out an interim agreement.

The United States and Argentina have maintained diplomatic relations since 1823, including those periods where relations between the two countries were strained, most notably during the military dictatorship of the 1970s and 1980s. Since the reintroduction of democracy, relations have steadily improved, although the cool U.S. response (or lack of response) to the economic crisis of early 2002 was seen by many as a sign that the two countries were moving into another era of strained relations. Others countered that the United States was forced to focus on recovering from the 11 September 2001 terrorist attacks on New York and Washington, D.C., and therefore had few resources to devote to Argentina's economic problems.

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**Profile researched and written by Ignacio Lobos (4/2000; updated 5/2002 and 3/2003).**

# ARMENIA

## Robert Kocharyan President

(pronounced “kochar-YAWN”)

*“There can be no real freedom and democracy if employment and minimum standards of living are not ensured.”*



The Republic of Armenia is bordered by Georgia to the north, Iran to the south, Turkey to the east, and Azerbaijan to the east and south. It has a total land area of 29,800 sq km (11,500 sq mi).

The population of Armenia was estimated at 3.3 million in 2002. Armenia conducted its first official census as an independent nation in October 2001, but as of February 2003, the results had not been released. An estimated 1.3 million reside in the capital city, Yerevan. The country is essentially ethnically homogeneous. The official language is Armenian, a distinct Indo-European language, though Russian is widely spoken. A majority of the population (94%) belong to the Armenian Apostolic (Orthodox) Church, one of the oldest churches in Christendom.

Armenia's currency, the *dram*, was introduced in November 1993. The economy suffers from the lingering effects of a 1988 earthquake that killed 25,000 and left 500,000 homeless. Nearly 400,000 refugees fled to Armenia when conflict erupted in neighboring Azerbaijan. That country's refusal to allow trade or transshipment of goods through its territory to Armenia has further damaged the Armenian economy. The gross domestic product (GDP) was estimated at US\$11.2 billion in 2001, with per capita GDP at about US\$3,350.

### POLITICAL BACKGROUND

Persia and Ottoman Turkey divided Armenia into eastern and western portions between the 16th and 18th centuries. Russia took over Persia's holdings in 1828. During World War I, Ottoman Turkey carried out forced resettlement and other harsh policies against Armenians that resulted in up to 1.5 million deaths. This national genocide remains a contentious issue in Armenian-Turkish relations.

Armenia declared its independence in 1918, following the Russian revolution. The Bolshevik army regained control of Armenia two years later, and it was named part of a Transcaucasian Soviet Federated Socialist Republic in 1922. Armenia became a separate union republic within the Soviet system from 1936 until its collapse in 1991. A referendum on independence was held on 21 September 1991. It was approved by 99% of the voters, and independence was declared two days later.

Beginning in 1988, conflict engulfed Nagorno-Karabakh (NK), an enclave within neighboring Azerbaijan, populated largely by ethnic Armenians. The legislature of NK has called for unification with Armenia, while Azerbaijan has resisted

the secession of its enclave. Emigration of 350,000 Armenians residing in Azerbaijan and over one million Azerbaijanis residing in Armenia followed conflict in both states. In 1993, Armenian forces gained control over NK, occupying 20% of Azerbaijani territory. A ceasefire has held fitfully since May 1994, but talks on a political settlement remain inconclusive.

### PERSONAL BACKGROUND

Robert Setrakovich Kocharyan was born on 31 August 1954 in Stepanakert, the capital of Nagorno-Karabakh. His father, Sedrak S. Kocharyan, studied and worked as an agricultural scientist; his mother, Emma Ohanian, graduated from Yerevan Veterinarian Institute. Robert Kocharyan graduated with honors from the Yerevan Polytechnical Institute in 1982, majoring in electrical engineering. Kocharyan was politically active as a youth and eventually joined the Communist Party, serving as secretary of the Silk Mills Committee from 1987–89. Kocharyan resigned from the Communist Party in 1989 and now claims to be nonpartisan. He is married to Bella Aloyan, a medical doctor who received her training at the Yerevan Medical Institute. They have two sons (Sedrak born in 1981, and Levon born in 1985), and one daughter (Gayane born in 1983), all of whom are currently students at the Yerevan State University. For recreation Kocharyan enjoys soccer, basketball, swimming, hunting, and listening to jazz.

### RISE TO POWER

Since early 1988, Kocharyan has been one of the top leaders of the Karabakh Committee, dedicated to freeing NK from Azerbaijan domination. Kocharyan was elected to represent Nagorno-Karabakh in the Supreme Council (legislature) of Armenia, serving from 1989 until 1994, and was named to its presidium. In 1991 he was elected to the Supreme Council of NK. When the Azerbaijani armed forces mounted an offensive in August 1992, Kocharyan was named the chair of the NK Defense Committee and as well as its prime minister. He organized a successful counteroffensive that led to NK control over its territory and surrounding areas. In December 1994, Kocharyan was elected by the NK Supreme Council to the newly created post of president of NK. He was reelected in November 1996.

Armenian president Levon Ter-Petrosyan appointed Kocharyan to the post of prime minister in 1997. Many observers believed that the appointment of this highly popular war hero was an attempt to garner greater public



support for Ter-Petrosyan's regime. As prime minister, Kocharyan worked on rebuilding areas still suffering from the 1988 earthquake, on reducing tax evasion, and stamping out corruption in the police and military forces. He revamped the cabinet and established ties with myriad political parties, which benefitted him when he later ran for the presidency of Armenia.

Ter-Petrosyan announced in September 1997 that he had accepted a peace plan proposed by the Organization for Security and Cooperation in Europe (OSCE) as a basis for resolving the NK conflict that would require "compromises" from Armenia. The two-stage plan called for NK Armenians to withdraw from most territories outside of NK and for international peacekeepers to be deployed, followed by discussion of NK's status. The announcement caused open criticism by Kocharyan. Yerkrpah, a legislative faction and militia group composed of veterans of the NK conflict, called for the resignation of Ter-Petrosyan. Many members of Ter-Petrosyan's legislative faction defected and heated debate in the legislature culminated in his resignation on 3 February 1998. The duties of acting president then devolved to Kocharyan.

An extraordinary presidential election was declared for 16 March 1998. The main contenders were Kocharyan, Vazgen Manukyan (who had run against Ter-Petrosyan in 1996 and was head of the National Democratic Union), and Karen Demirchyan (head of the Armenian Communist Party from 1974 until 1988). The top two vote-getters in the first round were Kocharyan and Demirchyan. No candidate achieved the required majority vote (over 50%), so a runoff election was scheduled for 30 March 1998. Many voters were attracted to Demirchyan because of nostalgia for the relative economic security of his Soviet-era rule over Armenia, and because Kocharyan at times appeared too low-key and soft spoken as a campaigner. Improving his appeal to the voters and benefitting from added endorsements from political groups such as the Armenian Revolutionary Federation (ARF), Kocharyan won the runoff election. He was inaugurated on 9 April 1998 as Armenia's second president since independence. He was reelected on March 5, 2003, for a second five-year term.

## LEADERSHIP

Kocharyan's presidential campaign stressed national traditions and values. In his inaugural speech, Kocharyan pledged that his administration "will act as a partner and advisor to its citizens." He promised that his government would guarantee freedom of speech and religion, allow the "unhampered functioning" of political parties, and ensure minority ethnic rights.

Kocharyan's campaign platform and inaugural address stressed the need for government intervention to rehabilitate industrial production and to create jobs. He called for government investments in Armenian industry, small and medium-sized businesses, and the creation of jobs. Kocharyan pledged to make the tax system fairer and clearer and to fight against illegal business activity, while simultaneously offering protection to legal businesses. He favored low-interest loans for small businesses and the elimination of government impediments to the creation of new businesses. Kocharyan also pledged to carry out social programs. His platform called



for increased wages and pensions, free medical care for the indigent, and improved integration of refugees into Armenian society by clarifying their status and providing housing.

At his inauguration, Kocharyan called for constitutional amendments to clarify relations between the presidency, the ministerial government, and the legislature. He also proposed a clarification of the powers of the Constitutional Court. These constitutional changes would enhance democracy by preventing power from being concentrated in the hands of one person. He proposed changes to 70 articles of the constitution to strengthen the legislature, increase the independence of the judiciary, bolster economic reforms, and permit dual citizenship. A package of amendments would be prepared by a proposed constitutional commission, and the amendments would be submitted to a popular referendum.

Kocharyan urged greater ties with the Armenian diaspora, including a possible constitutional change to allow dual citizenship. He intended to continue the policy he followed as president of NK—to promote the integration of the economies, financial and educational systems, and the culture of NK and Armenia. Kocharyan observed that NK and Armenia each had legislatures and presidents, but this constituted "one body and two heads....No force will dare or even stand a chance to divide that body." At the same time,

Kocharyan stressed that NK's ultimate status depended on the wishes of its people.

### DOMESTIC POLICY

Kocharyan has called for a strong security system with an efficient and disciplined army as the best way to maintain peace in the region. His cabinet was initially composed of many professional economists as well as holdovers such as Defense Minister Vazgen Sarkisyan and National Security Minister Serzh Sarkisyan (later named head of the presidential staff). His government, however, has been roiled by several changes in the prime ministership. Kocharyan's appeals to the diaspora were reflected in his appointment of Varden Oskanyan, a former U.S. citizen, as foreign minister. He rewarded the ARF for its support by naming an ARF leader (who pledged nonpartisanship) as minister of education and culture. Kocharyan also called for the development of civil service standards to prevent nepotism in acquiring government posts. He pledged that the activities of government officials would be public and open to oversight, and that they would declare the sources and amount of their incomes to foster both democratic and noncorrupt governance. After legislative elections in May 1999, the strong showing of the Unity bloc of parties led Kocharyan to accept the bloc's co-head, former Defense Minister Sarkisyan, as the new prime minister. Sarkisyan's assassination in October 1999 (see below) led to the appointment of Aram Sarkisyan, who was, in turn, ousted by Kocharyan in May 2000.

Kocharyan has expressed his determination to turn Armenia into the leading economic power in the region. Kocharyan placed partial blame for Armenia's current economic slump on the previous government's lassitude regarding economic reforms. He has called for the development of small and medium-sized enterprises in such sectors as mining, chemicals, machine tools, and electronics. The Armenian Statistics Department reported in February 2000 that economic growth in 1999 exceeded 3%, with the best performance in industry. Inflation was about 2%. Minister of Privatization Pavel Kaltakhchan stated that the government budget had received more than expected amounts from privatization during 1999. He also reported that Armenia had privatized 1,500 large-scale enterprises and about 7,000 small enterprises over the past six years, that it planned to transfer another 500 enterprises to private ownership in 2000, including large plants and factories, and that 75% of Armenia's GDP is being produced in the private sector. Negative economic trends in 2000 flowed from policy paralysis, and a lack of investor confidence following the October 1999 government assassinations. The government, in early 2000, was forced to reduce its planned budget spending by us\$32 million, and further cuts were anticipated. Kocharyan increasingly criticized Prime Minister Aram Sarkisyan as unable to exercise the budgetary and tax discipline necessary to pay government wages and pensions.

Illustrating the ongoing challenges faced by Kocharyan, on 27 October 1999, gunmen entered the legislature and opened fire on deputies and officials, killing Sarkisyan and Demirchyan, two deputy speakers, the minister and former president of Nagorno-Karabakh, Leonard Petrosyan, and three others. The purported leader of the gunmen claimed they were targeting Sarkisyan and were launching a coup to

“restore democracy” and end poverty, and took dozens hostage. President Kocharyan rushed to the legislature and helped negotiate the release of the hostages, promising the gunmen a fair trial. The killings appeared to be the product of personal and clan grievances. Abiding by the constitution, the legislature met on 2 November and appointed Armen Khachatryan as speaker (a member of the majority Unity bloc), and Kocharyan named Sarkisyan's brother Aram the new prime minister the next day, seeking to preserve political balances. Political infighting intensified. Appearing to implicate Kocharyan in the assassinations and hence force him from office, the military prosecutor investigating the assassinations (and linked to the Unity bloc) detained a presidential aide, who was released by court order in April. The Unity and Stability factions in the legislature also threatened to impeach Kocharyan in April 2000. Seeking to combat these challenges to his power, Kocharyan in May 2000 fired his prime minister and defense minister. In a national address on 3 May 2000, Kocharyan explained the firing by stating that the “constitution demands close work between the government and the president....Political games have become a way of life within the executive while at the same time the economic problems are snowballing.”

Continuing his efforts to build a stable and united Armenia, Kocharyan emphasized that the central and regional governments must work together in 2002. He reinforced the central government's intentions to provide funding and services to the regions, but asked the regions for assurances that they will meet their financial obligations to the state treasury.

### FOREIGN POLICY

Kocharyan has proposed enhanced cooperation with the Commonwealth of Independent States (CIS), including further development of traditional relations with Russia. One of his top priorities is to establish better relations with the neighboring states of Iran and Georgia. He has called for greater involvement in regional economic cooperation and for strengthening relations with countries such as the United States and European Union (EU) states, and organizations such as the United Nations (UN).

Kocharyan has been critical of the OSCE-sponsored peace process, stating that it was unlikely to succeed in mediating an end to the NK conflict. Both Armenia and NK reject the OSCE's proposal of broad autonomy for NK as part of Azerbaijan. Instead of talking through mediators, he has emphasized the importance of direct talks with Azerbaijani president Heydar Aliyev. He has encouraged all Armenians to support negotiations that would ensure self-determination for NK, its safe existence within secure borders, and its “permanent geographical ties” with Armenia.

The Kocharyan government has called on Turkey to accept responsibility for the “genocide” of 1.5 million Armenians during World War I as a precondition for improved relations. This stance has prevented an improvement of relations because Turkey refuses to admit that it carried out a genocide. In the fall of 2001 Pope John Paul visited Yerevan, where he provided some help in breaking the stalemate by speaking against the 1915 Turkish massacre of Armenians without using the word “genocide,” thus avoiding antagonizing the government of Turkey. In early 2002, although the Armenian

and Turkish governments were still not talking openly, relations between the two countries had thawed sufficiently to enable the establishment of a Turkish-Armenian Reconciliation Commission, which served as a precursor to direct negotiations. By June 2002 the two governments were holding secret talks in an undisclosed Central European city. The talks between Etran Tezgor of the Turkish Foreign Ministry and Karen Mirzoyan of the Armenian Foreign Ministry were hailed by Kocharyan, who announced, "We are now in the final stage of finding the ultimate solution to the Karabakh problem."

In line with a campaign proposal, Kocharyan established a government board to establish closer relations with ethnic Armenians living outside its borders—to help with cultural issues and facilitate trade and investment. By establishing closer ties, it is hoped that the diaspora will play a greater role in Armenian foreign policy.

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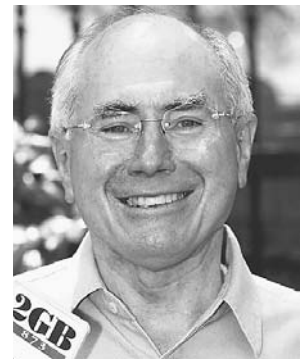
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**Profile researched and written by Jim Nichol, Library of Congress (5/2000; updated 3/2002 and 2/2003).**

# AUSTRALIA

**John Howard**  
**Prime Minister**

(pronounced “JON HOW-ard”)



*“There is something special about being an Australian...That Australian spirit, that capacity, that mateship that allows us to pull together in times of challenge and times of adversity...the things that unite us are infinitely greater and more enduring than the things that divide us.”*

The Commonwealth of Australia is situated in the South Pacific and Indian Oceans, southeast of Asia. To the north are Indonesia and Papua New Guinea and to the east is New Zealand. Including the island of Tasmania, which lies to the southeast, the country has a total area of 7,682,300 sq km (2,966,151 sq mi), a land mass about equal to the continental United States. Australia also claims vast territories in Antarctica. It is the sixth-largest country in the world and the smallest continent. Australia is, for the most part, a vast plateau, in which 75% of the continent has an elevation between 152 and 457 meters (500 and 1,500 feet). It includes many deserts and most of its lakes and streams contain water for only part of the year. Only 6% of the land is suitable for farming. Unlike all other continents, it has no mountains of truly alpine structure and elevation. Many of the plants and animals found in Australia are unique to the country, including the kangaroo, koala bear, wombat, barking lizard, and platypus.

English is the principal language, reflecting the country's colonial heritage. A variety of aboriginal languages are also spoken. Australia has an estimated 19.5 million people (July 2002 estimate), almost wholly Caucasian. Only 1–2% of the people are aborigine and Asian. The majority of Australians live in the principal cities of Sydney, Melbourne, Brisbane, Adelaide, Perth, and Canberra. The largest city is Sydney, home to 3.7 million people. Major religious affiliations are Anglican (26%), Roman Catholic (26%), and other Protestant denominations (24%). Many other faiths are practiced as well, including Judaism, Islam, and Buddhism.

With an estimated 2001 per capita gross domestic product (GDP) of US\$24,000, Australia is one of the world's most advanced industrial countries. Only 5% of the labor force is engaged in agriculture, 22% in industry, and 73% in service industries. The main products are wool (of which Australia is the world's largest exporter), beef, steel, copper, coal, uranium, machinery, and transport equipment. Australia imports petroleum, computers, manufactured goods, and industrial raw materials. Its major trading partners are the United States, Japan, China, the United Kingdom, Germany, South Korea, New Zealand, and Malaysia. The unit of currency is the Australian dollar.

## **POLITICAL BACKGROUND**

The original inhabitants of Australia form only a small minority of the current population. The country's name is derived from the Latin *Terra Australis Incognita*, a term used to describe an undiscovered “great south land” that Spanish

and Portuguese explorers set out to find in the 16th and 17th centuries. The island was first sighted by Europeans as they charted new trade routes to the East Indies. The most famous was Captain James Cook, who found the island in 1786 and claimed the eastern part for Great Britain as New South Wales. Originally established as a British penal colony, the first shipment of convicts arrived on 26 January 1788. The discovery of economic potential and the immigration of free settlers eventually ended the island's status as a penal colony in the 1840s. In 1901, Australia became an independent commonwealth.

On 6 November 1999, 55% of Australian voters rejected a referendum to replace the British monarch, Queen Elizabeth II, as their head of state. Thus, Australia remains a democratic state within the British Commonwealth of Nations, although 45% of those who voted would like to see the country become an independent republic. The formal head of state is Queen Elizabeth II, who is represented by an appointed governor-general. Real political power rests in the Parliament, which is bicameral. The lower house, the House of Representatives, has 148 members who are elected for three-year terms, each representing a single electoral district. The upper house, the Senate, has 76 members who serve six-year terms. Each senator is one of 12 who represents a single state. Most legislation is initiated in the House and sent to the Senate for ratification. Like many parliamentary systems, the House of Representatives is the more powerful of the two. The party or coalition of parties that controls the House also forms the government. Though the prime minister is traditionally a member of the House, cabinet ministers are often members of the Senate. The government need not hold a majority in the Senate and usually does not. Voting in national elections has been compulsory since 1924 and voter turnout in national elections generally exceeds 95%. The franchise extends to every citizen over the age of 18. There are five major political parties in Australia. Those currently in power are the Liberal Party and the National Party, conservative parties which have always governed in coalition anytime they held a majority in parliament. In 1996, they replaced the left-leaning Labor Party, whose leader, Paul Keating, resigned from the post after losing the election to John Howard. The Liberal-National coalition was returned to power in a 1998 election, when Howard defeated Kim Beazley, the Labor Party leader. The two smaller parties, the Democratic Labor Party and the Australian Democratic Party, are influential, primarily in the Senate.

## PERSONAL BACKGROUND

John Winston Howard was born in the working class Sydney suburb of Earlwood on 26 July 1939. His father was an automobile mechanic who ran his own small business. Howard attended Canterbury Boys High School and went on to the University of Sydney, where in 1961 he earned a law degree. He worked for a private law firm in Sydney for many years before entering politics. Howard is married and has three children. He is a great sports fan, cricket and rugby being among his favorites.

## RISE TO POWER

Howard's career in electoral politics began in 1974, when he won a seat in Parliament representing the Sydney district of Bennelong, a seat he has held ever since. Under the last Liberal government, led by Prime Minister Malcolm Fraser, Howard served as the minister for business and consumer affairs. He achieved recognition by rewriting the Australian Trade Practices Act, which prohibited boycotts on businesses and trade unions. Howard served as finance minister from 1977 until 1983 when the Labor Party came to power. In 1982, he was elected deputy leader of the Liberal Party and went on to become its leader in 1985. He led the party into the 1987 elections but lost. Two years later he was ousted from the party leadership, a position he did not regain until 1995.

Upon his reelection as party leader, Howard campaigned vigorously to oust the Labor Party. He benefited from the fact that the Labor Party had been in power for 13 years by capitalizing on the impression that Paul Keating was out of touch with ordinary citizens. However, the primary issues that were stressed in his election campaign were economic. At the time, Australia had run up a record foreign debt of A\$180 billion and was suffering from high unemployment. While Howard had advanced a conservative agenda during his previous tenure as party leader, in this campaign his message was altered. Learning that unabashed free-market capitalism would not win votes, Howard moved to a middle ground in the 1996 campaign by appealing to voters whom he had earlier derided or ignored, such as blue-collar workers who had grown disaffected with Labor. Making campaign promises that required more than A\$6 billion in government spending, he was prepared to forsake a balanced budget rather than break any of those promises. His success in the election amounted to the biggest victory for the Liberals since the formation of their party in 1944. The Liberal-National coalition won 95 seats in the House, the largest majority of any party in 21 years. In 1998 and 2001, voters returned the ruling Liberal-National government for second and third terms; in 2001 the number of seats won by Liberals was 68, and by Nationals, 13, for a total of 78, a 16-seat majority.

## LEADERSHIP

Howard once boasted that he was the most conservative leader the Liberals ever had. In keeping with that image, one of his first priorities has been to embark upon reforming labor laws, with an eye toward weakening the position of labor unions and increasing the power, flexibility, and efficiency of businesses. The Liberals would outlaw compulsory union membership, abolish unfair-dismissal laws, replace union-negotiated pay awards with contracts negotiated at individual workplaces, and end the monopoly



of the powerful Maritime Union on shipping. Accused of declaring war on organized labor, Howard responded by stating that while he has no intention of destroying the trade union movement, he is determined to carry out the Liberal platform, which was “clearly laid out” before the voters.

Claiming that his election represented an “emphatic mandate” to change after 13 years of Labor rule, Howard also indicated that his conservative government would take a tougher approach to people collecting unemployment benefits, ensuring that only those genuinely entitled to a benefit would receive payments.

## DOMESTIC POLICY

Upon assuming office, Howard announced a series of economic measures. Accusing the outgoing government of leaving the country's finances in tatters, he proposed spending cuts of A\$8 billion, the sale of the government's 50.4% stake in the Commonwealth Bank of Australia, and the sale of Telstra, the publicly-owned communications company. He also promised action to increase job opportunities and reduce the unemployment rate, which stood at 8%. At the same time, he promised tax rebates for people who use private health insurance, rather than the government health plan, and a new A\$1 billion fund to attack environmental problems.

By 1998, Howard's main policy objective was to overhaul Australia's inefficient tax system by cutting income tax rates and imposing a 10% tax on all goods and services, including food. The Labor Party responded with a counter proposal to lower income tax rates for the poor, while taxing luxuries and capital gains. Howard also proposed to sell off the publicly

owned telecommunications company, Telstra—a move feared by rural Australians, who worry that private companies might not continue to provide services to the more remote parts of the nation's vast hinterland.

A major factor in the 1998 elections was the rise of the populist One Nation Party. Led by Pauline Hanson, this party has its main power base in the northern state of Queensland. Hanson's party, which advocates stopping all non-white immigration to Australia and ending welfare spending on aboriginal Australians, had won almost a quarter of the vote in Queensland. With this impressive showing, it was thought that One Nation might play a significant role in the 1998 national elections. Hanson predicted that she would end up with enough seats at the national level to hold the balance of power. As it turned out, One Nation took only 8% of the vote in 1998 and just over 4% in 2001 and Hanson lost her own seat in the House of Representatives.

Howard called a constitutional convention in 1998 to reconsider Australia's status as a monarchy. (Queen Elizabeth II of Britain is still the nominal head of state.) Although Howard is personally opposed to this change, he agreed to allow a national referendum on the subject on 6 November 1999. Although the opinion polls indicated that just under 10% of voters favored retaining the monarch as Australia's head of state, 55% of voters on the referendum rejected a change. At issue is what form the government will become if Australia becomes an independent republic. Voters also rejected a new preamble to the Constitution, written by Howard himself, that would have recognized rights of aborigines (indigenous Australians) for the first time. Howard would like to see constitutional change fade into the background, but the debate over Australia's status as a Commonwealth nation was still heated in 2000. In 2001, Howard was reelected.

During the election campaign of 2001, the government embarked upon a spending spree that left the budget A\$3 billion in deficit for 2001/2002. Indexed taxes on petrol were dropped, more money was given to elderly Australians, and cash grants were made to first-home buyers. In addition, more was spent on defense in the wake of 11 September 2001.

In December 2002, Howard unveiled a government advertising campaign entitled "Let's Look Out for Australia" to tell the public how to spot terrorists. The campaign was inspired after a 12 October 2002 car bombing of a nightclub in Bali, Indonesia, that killed 190 tourists, more than half of them Australian. The bombing was attributed to the terrorist group al-Qaeda.

Howard faces a challenging domestic issue in what to do about illegal immigration. In 2001, Australia began detaining asylum seekers in camps while their visa applications were processed. By August 2001, with the numbers of refugees in the camps swelling, Howard ordered Australia closed to refugees seeking asylum and refused to allow a ship carrying 460 refugees (mostly fleeing Afghanistan and Iran) to land. Referring to the asylum seekers, Howard was quoted in the *New York Times*: "They're not coming to the Australian mainland. That's one choice that is not available." In 2002 Australia began building a processing center for asylum seekers on Christmas Island and pledged A\$2.5 billion over the next five years to strengthen Australia's borders and

upgrade security within the country. His strong stance on the refugee question was extremely popular among Australian citizens, especially after the attack on the World Trade Center in New York on 11 September 2001. The tiny Pacific Island nation, Nauru, accepted the refugees, housing about 1,200 in a detention camp. Australia promised to provide increased aid to Nauru to A\$15 million, an amount that equals 50% of Nauru's GDP. This process was dubbed Howard's "Pacific Solution."

## FOREIGN POLICY

As a member of the British Commonwealth, Australia's foreign policy, for most of its history, centered around relations with Britain, the Commonwealth nations, the United States, and Western Europe. In the 1980s and 1990s, the focus of the government of Labor's Paul Keating shifted to Australia's neighbors in Asia, giving relations with the countries of the Asia-Pacific region greater attention.

Howard came to office promising to reverse that focus. During the 1996 campaign, he accused the Keating government of turning its back on Australia's old friends in Europe and North America. He pledged to rebuild the strong ties that had existed previously. Within hours of his victory, Howard dismissed that vision. He has since sought to reassure both his countrymen and governments in the region by pointing out that the desire to have close relations with Europe or the United States is not inconsistent with the continuation of deepening integration of Australia into Asia. Two-thirds of Australia's foreign trade is conducted with Asian countries, and Howard has pledged to boost political and economic links with its Asian neighbors. At the same time, however, he has stated that Australia would not sacrifice its "values and principles" simply for better trade relations with its neighbors.

Australia has maintained a close relationship with the west, America included. In 2002 Australia stepped in line with the United States and refused to ratify the 1992 Kyoto Protocol, a treaty aimed at reducing greenhouse gas emissions. Howard opposed binding timetables for the reduction of emissions and stated that Australia would only ratify the treaty if the United States did. To do otherwise, Howard claimed, would cost jobs and damage Australia's industry.

Relations between Australia and the nations of Southeast Asia have become increasingly important to Howard. His tax cut plans are based on assumptions about continued robust economic growth in Australia and the Southeast Asian region. Those assumptions were threatened by the regional economic crisis that began in 1997, but Australia appeared to avoid being affected. However, many Southeast Asian leaders see Australian economic intervention as one solution to their crisis. In light of this situation, the rise of One Nation (with its overtly anti-Asian message), coupled with calls for higher tariffs, has severely strained relations with Asia. Howard has made an effort to improve relations by distancing himself from remarks critical of human rights abuses in Malaysia and other Southeast Asian nations.

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**Profile researched and written by Erik Gilbert, Arkansas State University, (3/99; updated 5/2000, 3/2002, and 2/2003).**

# AUSTRIA

Wolfgang Schüssel  
Federal Chancellor

(pronounced “VOOLF-gong SHOE-sel”)



*“We have a declaration where everything is enshrined, ‘a yes’ to human rights, ‘a yes’ to Europe, ‘a yes’ to guarantees for our minorities.”*

The Republic of Austria is a landlocked nation that is located in the center of Europe. Germany and the Czech and Slovak Republics are to the north; Switzerland and the tiny principality of Liechtenstein are to the west; Italy and Slovenia are to the south; and Hungary is to the east. Austria’s total area is 83,858 sq km (32,378 sq mi). In 2002, the population was estimated at 8.2 million. The historical unit of currency was the *schilling*, but as of January 2002 Austria was among the 12 European nations that adopted the *euro* as their common currency. German is the official language; small minorities of Austrians have nevertheless preserved different mother tongues, such as Slovenian in Carinthia and Croatian and Hungarian in Burgenland. Austria’s religious affiliation is 81% Roman Catholic; 5% Protestant; and 14% nonreligious, atheist, or other. Austria’s major exports are machinery and transport equipment, iron and steel, paper and paper products, and chemicals. Tourism plays an important economic role as well.

## POLITICAL BACKGROUND

Austria became a republic with its present borders established by the Treaty of St. Germain in June 1919. It was annexed by Nazi Germany in March 1938, but reestablished under Allied occupation in May 1945. Following its liberation, Austria was occupied by the four Allied Powers: the United States, United Kingdom, France, and the Union of Soviet Socialist Republics. In 1955, with occupation ending, Austria officially adopted neutrality as its foreign policy. Soon thereafter, Austria was admitted to the United Nations (UN).

Austria is a federal republic in which the executive power is divided between the federal president (Dr. Thomas Klestil as of 2003) and the federal cabinet. The president is elected for six years by popular suffrage. The president acts as a head of state, appoints the cabinet, and calls Parliament into session. He can dissolve the Nationalrat (National Council) during its four-year legislative period but must obtain consent of the cabinet, which is the real power center and is led by the chancellor. The Parliament is a bicameral legislature and consists of the Nationalrat with 183 members and the Bundesrat (Federal Council). The president appoints the chancellor (Wolfgang Schüssel as of 2003), who must maintain a majority in the Nationalrat. This feature makes the Austrian government a parliamentary system. In reality, the president is more or less a ceremonial state figure while the chancellor acts as the head of government.

Austria is a multiparty democracy with an electoral system based on proportional representation. The voting age is 18

and every citizen over the age of 19 is eligible to run for Parliament. The two preeminent parties since the end of World War II have been the Austrian People’s Party (Österreichische Volkspartei—ÖVP) and the Social Democratic Party (Sozialistische Partei Österreichs—SPÖ). There have been three minority parties: the Freedom Party (Freiheitliche Partei Österreichs—FPÖ), the United Greens of Austria (Verinten Grünen Österreichs—Green Party or GPÖ), and the small Liberal Party. The ÖVP represents the moderate right; the SPÖ represents the moderate left. The FPÖ is a mixture of different rightist attitudes, ranging from conservatism to fascism, built upon pan-Germanic traditions. The Green Party is an environmental party with certain leftist, pacifist, and feminist goals.

## PERSONAL BACKGROUND

Wolfgang Schüssel was born on 7 June 1945 in Vienna. (Note: When Schüssel is printed without the umlaut, or accent, over the u, it is often spelled Schuessel.) After primary school, he attended secondary school at the Schotten Gymnasium, where he obtained his higher school certificate in 1963. He then studied law at the University of Vienna where he graduated as a doctor of law in 1968. Schüssel is married to a psychotherapist and has two children.

## RISE TO POWER

Schüssel was secretary of the parliamentary Austrian People’s Party (Österreichische Volkspartei—ÖVP) from 1968 to 1975. He served as general secretary of the Österreichische Wirtschaftsbund (Austrian Economic Federation), which is a constituent organization of the ÖVP, from 1975 until April 1991. On 24 April 1989, Schüssel became federal minister for economic affairs in the coalition government formed by the Social Democratic Party of Austria (Sozialistische Partei Österreichs—SPÖ) and the ÖVP under Chancellor Dr. Franz Vranitzky. At the 30th annual congress of the ÖVP on 22 April 1995, Schüssel was elected the party’s leader. On 4 May of the same year he was sworn in as vice chancellor and federal minister for foreign affairs in the Vranitzky cabinet. He continued to hold these positions in the Vranitzky cabinet after the general elections in December 1995. Beginning 28 January 1997, Schüssel functioned as vice chancellor and federal minister for foreign affairs to Federal Chancellor Viktor Klima. By 1 July 1998, Schüssel was serving as president-in-office of the Council of the European Union (EU).



Upon assuming the rotating presidency of the EU, Schüssel called for a transition period of up to 10 years before a new member country's citizens would be allowed to live and work anywhere in the EU community. He claimed it was Austria's goal to maintain gradual access to the labor markets, reflecting general Austrian sentiment opposing EU enlargement.

In Austria's October 1999 elections, the Freedom Party (FPÖ) tied Schüssel's People's Party (ÖVP) for second place, with the Social Democrats (SPÖ) taking the lead. The prospect of a coalition government between the three parties created a national and international frenzy as the FPÖ's leader, Jorg Haider, had in the past expressed support for Nazi ideology. Schüssel, awaiting his appointment to the chancellorcy, vowed to take his party into opposition. President Thomas Klestil made it clear he was unhappy at the prospect of a government that included the FPÖ, but the results of the October 1999 elections left him with no choice but to swear it in. Consequently, Schüssel was sworn in as federal chancellor on 4 February 2000 alongside his controversial coalition partner, Jorg Haider.

### LEADERSHIP

Upon accepting the position of chancellor, Schüssel, along with Haider, was forced by Klestil to sign a statement renouncing the nation's Nazi past and promising to adhere to European priorities and values. Despite some 2,000 citizens who opposed Haider protesting in the streets of Vienna, Schüssel planned to work with Haider by making him part of the mainstream work. Critics doubted Schüssel's ability to control Haider. In outlining his government program to Parliament, Schüssel rejected international concern over the inclusion of the FPÖ in his government. He stated his administration believed in tolerance and democratic values and emphasized commitment to the EU. To defuse the tensions brought about by his controversial views, Haider resigned as FPÖ leader in May 2000.

### DOMESTIC POLICY

Schüssel's administration developed a safeguard against the FPÖ in the form of a negotiated treaty. He stated, "We have a declaration where everything is enshrined, 'a yes' to human rights, 'a yes' to Europe, 'a yes' to guarantees for our minorities."

In the general election held 24 November 2002, the FPÖ received only 10% of the vote, a far cry from the 27% that it got in the 1999 election. Schüssel's party received 42% of the vote. Without a majority though, and with the FPÖ's loss of popularity, the ÖVP now has the option of forming a new coalition with a different party or ruling as a minority government.

### FOREIGN POLICY

The swearing in of the FPÖ to Austria's coalition government prompted unprecedented sanctions on Austria by the EU. The EU acted to isolate Austria, one of its own members, claiming the government was working against its own democratic principles. Schüssel responded with surprise, emphasizing that his government intended to maintain the same quota of immigrants and refugees as in previous years, which he noted was a proportionally higher number than other European



countries. Despite Haider's resignation as leader of the FPÖ on 1 May 2000, EU sanctions still stood. In June, Schüssel called for his 14 EU counterparts to propose a way of ending Austria's political isolation; the EU members responded by establishing a "wise men's" panel to evaluate whether Austria is upholding "common European values." The panel announced its recommendation to lift the sanctions in September 2000.

As antinuclear citizens staged protests in late 2000 at the Austrian-Czech border over the safety of nuclear power generation, Schüssel pressured the Czech government and enlisted the support of EU member nations to address environmental and safety concerns before starting up the Temelin nuclear power plant in the Czech Republic. In April 2001, the Czech energy agency approved the Temelin plant for operation; by November, a team of experts organized by the UN's International Atomic Energy Agency traveled to Temelin, which had been shut down several times due to malfunctions. Austrian activists urged Schüssel to veto the Czech Republic's application for EU membership unless the Temelin plant is decommissioned permanently.

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**Profile researched and written by Jill Coppola (6/00); updated (3/02 and 3/03).**

# AZERBAIJAN

## Heydar Aliyev President

(pronounced “HEY-dar AL-ee-yev”)



*“We will never allow anyone to disturb the social and political stability and the healthy climate that have been established.”*

The Azerbaijan Republic is bordered by the Caspian Sea to the east, Iran to the south, Russia and Georgia to the north, and Armenia to the west. Azerbaijan has a total land area of 86,600 sq km (33,400 sq mi). Major administrative subdivisions include the Nagorno-Karabakh Autonomous Region (NK, now formally abolished as a political entity) and the Naxcivan Autonomous Republic (NAR). The capital is Baku, a major port on the Caspian Sea.

The total population was estimated at 7.8 million in 2002. Extended economic hardship and conflict have contributed to the emigration of over one million Azerbaijanis and the concentration of a majority of the citizenry in Baku and other urban centers. About 50,000 ethnic Azerbaijanis reside in neighboring Iran. While Azerbaijan’s language and ethnic background are heavily Turkish, Iran influences its religion and culture. Ethnically rather homogeneous, nearly 90% of the population is Azeri, 3.2% Dagestani, 2.5% Russian, 2% Armenian, and the remainder made up of other groups. The official language is Azeri, a Turkic language, but Russian and Armenian are also spoken.

Azerbaijan introduced its own currency, the *manat*, in August 1992. Since the late 19th century, Azerbaijan exported oil and natural gas to the former Soviet republics and elsewhere. In the late 1990s, Azerbaijan began to export its sizeable oil resources via refurbished pipelines through Georgia and Russia to the Black Sea. Chemical and textile industries are other major employers. Cotton, grain, tea, citrus fruit crops, livestock, dairy products, and fish are important sources of revenue. Azerbaijan is also a major wine and spirits producer.

### POLITICAL BACKGROUND

In 1828, Russia took full control of most of the area of present day Azerbaijan. Following the 1917 Bolshevik Revolution, Azerbaijan declared its independence. The first independent Azeri state, also the world’s first secular Muslim state, lasted only three years, from 1918 until 1921. Russia’s Red Army invaded the country and suppressed its independence effort. Azerbaijan was declared a part of Soviet Transcaucasia in 1922 and became a separate Union Republic in 1936. During the Stalin era, Azerbaijan suffered from the travails of collectivization and the purges.

With the disintegration of the Union of Soviet Socialist Republics, Azerbaijan was able to regain its independence in 1991. Ayaz Mutalibov was popularly elected to the post of president in an unopposed contest denounced as undemo-

cratic by opposition parties. In 1992, Mutalibov was ousted by the Azerbaijani Popular Front (APF) and other opposition forces following Azerbaijani military losses in combating separatism in NK, a region inhabited by 180,000 ethnic Armenians.

The chairman of the Supreme Soviet, Yakub Mamedov, was named acting president and retained this position until he too was forced from power as a result of continuing military defeats in NK. Mutalibov tried to regain power but was forced to flee the country after APF-led crowds stormed the Supreme Soviet building and presidential palace. The APF assumed power and APF leader Abulfaz Elchibey was elected president in June 1992. His government was soon discredited by further military losses in NK, and an internal uprising brought Heydar (Geidar) Aliyev to power in June 1993.

### PERSONAL BACKGROUND

Heydar Aliyev was born in the Naxcivan Autonomous Republic (NAR) in 1923. His parents were both blue-collar workers. Aliyev graduated in 1957 with a degree in history from Azerbaijan State University. A widower, he has a grown son and daughter and five grandchildren. Among his popular nicknames is “Heydar Baba” (Grandfather Heydar). Aliyev is a practicing Muslim.

### RISE TO POWER

Aliyev’s involvement in politics began in 1941, when he worked for the All-Union People’s Commissariat of Internal Affairs (NKVD or secret police). He officially joined the Communist Party in 1945 and held a series of responsible posts in government and state security in NAR until 1949. From 1950 to 1964, he worked in the Azerbaijani Ministry of State Security (later renamed the KGB). In 1964, he became the deputy chairman, then in 1967–69, chairman of the Azerbaijani KGB. (Azerbaijan was, until 1991, one of the states of the USSR.) In 1969, he was named first secretary of the Azerbaijani Communist Party (ACP) Central Committee, where he was responsible for purging Azerbaijani nationalists from the government and overseeing state-directed economic development.

Aliyev assumed leading Soviet party posts in the 1970s. In 1971, he became a full member of the Soviet Communist Party Central Committee and in 1976 became a candidate member of the Politburo. He supported the Soviet intervention in Afghanistan in 1979. Because of these efforts, Soviet general secretary Leonid Brezhnev awarded him



several Orders of Lenin and other medals. In 1982, he became a full member of the Politburo, the ruling body of Soviet politics. From 1982 until 1987, he also served as deputy chairman of the Soviet Council of Ministers (equivalent to the vice prime minister).

Despite his support for the election of Mikhail Gorbachev as general secretary of the Communist Party in 1985, in 1987 Aliyev was accused of corruption, ousted from the Politburo, and relieved of his duties as party leader in Azerbaijan. Aliyev lived in Moscow as a private citizen under pension for the next three years.

Upon returning to Azerbaijan in July 1990, Aliyev received a rapturous welcome from kneeling crowds of up to 30,000 individuals. He was elected to the Azerbaijani and NAR Supreme Soviets two months later on a nationalist platform, receiving over 95% of the popular vote. In July 1991, Aliyev resigned his Communist Party membership and, after the abortive coup against Gorbachev, called for total independence for Azerbaijan. Noting that Mutalibov had supported the coup plotters, he denounced Mutalibov's bid for the Azerbaijani presidency and orchestrated a ban on presidential voting in NAR. In September 1991, he was named chairman of the Supreme Soviet of NAR (renamed the Supreme Majlis).

An abortive attempt by the Elchibey government to disarm Suret Huseynov's paramilitary forces in the town of Ganja precipitated the fall of his government and provided the opportunity for Aliyev to assume power. Huseynov, a corps commander in NK, had been fired by Elchibey and blamed for defeats in NK. Returning to his hometown of Ganja in 1993, Huseynov amassed forces and weaponry (obtained from the departing Russian military) that posed an increasing threat to the Elchibey government. In early June 1993, the

government launched an attack aimed at defeating Huseynov's forces. This attack was easily repulsed and Huseynov began to march on the Azerbaijani capital of Baku, precipitating a government crisis. Elchibey endorsed Aliyev's election as the new legislative speaker, in effect conceding some power to his political nemesis in a futile bid to retain power. Threatened by Huseynov's approaching forces outside the capital, Elchibey fled Baku, returning to his home village in NAR.

Although Elchibey still claimed to be president of Azerbaijan, Aliyev announced that he was assuming responsibility and power as acting head of state, fulfilling his drive to regain political power. On 24 June, a bare quorum of legislators met and formally stripped Elchibey of his presidential powers, transferring them to Aliyev. A 29 August referendum overwhelmingly expressed lack of confidence in Elchibey's rule, opening the way for a new presidential election. This took place on 3 October 1993, with Aliyev winning almost 99% of the vote against two minor party candidates. Although there were some suppressed coup attempts, Aliyev held onto power until the October 1998 election, which he won with 76% of the vote. International observers reported that, although the voting was much improved over the 1993 election, there was still an unacceptable level of irregularities in the casting of ballots. Since the central election committee is made up entirely of Aliyev supporters, voting is under their control. The Council of Europe, after extending a conditional invitation to Azerbaijan to join its organization, could use the problematic election process as a reason to postpone consideration of Azerbaijan's bid for membership.

## LEADERSHIP

During the years when he was out of power, Aliyev retained popularity among many Azerbaijanis, including ex-Communist Party members and supporters in NAR. He was particularly respected among most in NAR since he had given preference to Naxcivans in filling government posts when he was the party leader. He also championed autonomy rights for NAR. As war losses in NK increased and the economy declined during 1992–93, calls for the return of Aliyev grew stronger.

In late September 1994, police and others launched a purported coup attempt. Aliyev hinted at Russian involvement. After defeating the attempted coup, Aliyev accused Huseynov of major involvement, forcing the paramilitary commander to flee the country. This and several other alleged coup attempts triggered mass arrests of Aliyev's opponents.

An Aliyev-drafted Constitution was approved by 91.9% of voters in a referendum in November 1995. It strengthened presidential power, established a new legislative system, declared Azeri to be the state language, proclaimed freedom of religion and a secular state, stipulated ownership over part of the Caspian Sea, and gave NAR quasi-federal rights. The president appoints and removes cabinet ministers (the "Milli Mejlis" consents to his choice of prime minister), submits budgetary legislation, and appoints local officials. Aliyev made several concessions to encourage the participation of prominent opposition parties in the October 1998 presidential election, including formal abolition of censorship and the adoption of some changes to electoral laws. However,

most opposition parties chose to boycott the election, claiming that pro-Aliyev forces were in control of the electoral commissions. Of the six registered candidates, the major “constructive opposition” candidate was Etibar Mammadov of the Party for National Independence of Azerbaijan (PNIA). Aliyev was elected to a second five-year term, with runner-up Mammadov receiving 11.6% of the vote.

Aliyev moved cautiously and adroitly to consolidate his power, displaying skills as a professional ex-Communist Party politician and security chief similar to those of President Eduard Shevardnadze in neighboring Georgia. He is described as charismatic, enjoying wide support among the majority of the people and repressing those who do not support him. Aliyev designated 15 June as a National Salvation Day in 1997 and provided his portrait to be hung in every school or office. Billboards dot the countryside bearing quotations from his speeches. He faced possible contenders for power in Mutalibov (who continued to have a following within Azerbaijan), the opposition party coalition (especially the Musavat Party, headed by Isa Gambar), and PNIA head Mammadov. As of early 2000, Elchibey, still a prominent member of the APF, was interested in regaining the presidency, but his death in August 2000 removed the only credible political challenge to Aliyev. Most analysts have predicted that Aliyev could win the presidential election scheduled for October of 2003.

### DOMESTIC POLICY

During his 1998 presidential campaign, Aliyev stressed that he planned no major changes in domestic and foreign policy if reelected. At his inauguration, he stated that the increasing political stability since his election in 1993, the 1995 legislative election and constitutional referendum, and his October 1998 reelection had “proved to the world that a democratic, legal, and civilized state is under construction in Azerbaijan.” He pledged to pursue continued dialogue with political opposition forces, stating that “democracy is impossible without opposition.” He praised the economic assistance Azerbaijan had received from the International Monetary Fund (IMF) and World Bank and declared that “we will move forward along the path to a market economy.” He pledged to combat corruption among governmental officials. In late 1998, Aliyev responded to the Asian and Russian economic crises by calling for increased tax collection and privatization efforts and an end to unnecessary inspections and other interference in the work of private industry. His goals include finding ways to attract foreign investment, combating corruption in law enforcement and elsewhere in government, and aiding the poor and refugees. Despite this impressive economic agenda, Aliyev appeared to be launching a new crackdown on political dissent and making efforts to restrict freedom of the press.

In response to criticism that he was stifling opposition media (after electricity was cut off to a printing factory where opposition newspapers are produced and an editor of an opposition journal was arrested), Aliyev announced measures in December 2001 aimed at easing economic pressure on newspapers and television and radio stations. These included eliminating the import duty on newsprint, reducing tariffs on broadcasting licenses, issuing guarantees that state-run

publishers would print both government and opposition newspapers, and encouraging the state-run bank to extend credit to media companies. Journalists, not satisfied that opposition media could survive, staged demonstrations in Baku over government repression; Aliyev responded by meeting with journalists personally to try to allay their concerns.

In early 2002, opposition rallies were becoming larger and more frequent. Opposition groups called for the release of political prisoners, an aggressive handling of the conflict with neighboring Armenia over the status of the enclave, NK, and sometimes even demanded Aliyev’s resignation. Aliyev has designated his son, Ilham, to succeed him, although he had no plans to leave office as of early 2002; however, he traveled to the Cleveland Clinic in the United States for prostate surgery in February 2002, raising questions about his health. Barring further health problems or other unplanned occurrences, Aliyev insisted that he planned to run for reelection in 2003 on a platform of liberating the occupied lands of Karabakh, conducting economic reforms, and maintaining stability. Analysts projected that he could win easily.

### FOREIGN POLICY

Aliyev has stated that Azerbaijan seeks to maintain good relations with all countries, especially its neighbors. In practice, Azerbaijan’s relations with foreign states have been guided by their position regarding continued Azerbaijani sovereignty over NK. Aliyev has reiterated that he would not agree to any settlement of the NK conflict that violates the “sacred” principle of the sanctity of Azerbaijan’s existing borders and its territorial integrity. Aliyev has continued Elchibey’s policy of pursuing close ties with Turkey. Ties with Iran have been rocky, influenced by Iran’s growing trade relations with Armenia and sensitivity between Azerbaijan and Iran over the status of Iran’s ethnic Azerbaijani population. In early 2000, Aliyev visited Iran and called for improved economic, cultural, and political ties.

Aliyev has endeavored to involve foreign firms in the development of oil and natural gas resources in order to give these countries an interest in Azerbaijan’s continued independence. In his inaugural address, Aliyev hailed the recent successes of Azerbaijan’s foreign policy. He noted the many foreign delegations that have visited his country and the many agreements signed. He is particularly proud of having hosted the European Union-sponsored Silk Road Conference in 1998, at which transport development in the region was discussed.

At a news conference in February 2000 following his visit to the United States, Aliyev described the positive state of United States-Azerbaijan relations. However, he has criticized a U.S. law that limits aid to Azerbaijan as an “unfair decision.” Sources of friction with Russia include the rejection of a predominantly Russian peacekeeping force in NK, allegations of a Russian “tilt” toward Armenia in NK peace talks, and the refusal to permit Russian troops to patrol its borders. In early 1997, then-Russian president Boris Yeltsin admitted that some Russian weaponry had been transferred to Armenia without authorization, fueling Azerbaijan’s view that Russia tacitly supports Armenia in the NK conflict. In meeting with Russia’s president Vladimir Putin in late January 2000, Aliyev reported that Putin praised Azerbaijan’s

treatment of ethnic Russians in Azerbaijan and recognized that Azerbaijan was not aiding separatism in Russia's breakaway Chechnya region, an earlier point of contention.

As of 2002, Azerbaijan and Armenia had not succeeded in resolving their long-standing dispute in the NK conflict. NK is located within Azerbaijan's borders but has a population consisting primarily of ethnic Armenians. During a September 1999 summit of Baltic and Black Sea political leaders in Yalta, Aliyev met with Armenia's president, Robert Kocharyan, and the two leaders attempted to arrive at an official status for the disputed region that would be agreeable to both countries. Armenians wanted the region to be granted de facto independence while the Azerbaijanis proposed making it an autonomous republic, basically the same designation accorded it when it was part of the former Soviet Union. International hopes that a statement of intentions could be signed by the two sides at the November 1999 Organization for Security and Cooperation in Europe (OSCE) Summit were not met. The Summit Declaration endorsed "a lasting and comprehensive solution" to the NK conflict (and did not reaffirm Azerbaijan's territorial integrity). Both Kocharyan and Aliyev called for the OSCE to foster the creation of a Caucasian regional security system (though they disagreed on details). Such a system was also discussed when the two presidents met with President Vladimir Putin in Moscow in late January 2000.

In early 2002, Aliyev and Putin met again to discuss who would control the Caspian Sea region; Azerbaijan, Russia, Kazakhstan, Turkmenistan, and Iran all make claims to the landlocked Caspian Sea, known to be rich in natural

resources. Russia, Kazakhstan, and Azerbaijan had all agreed on boundary lines as of early 2002 and discussions were ongoing with Turkmenistan. The former Soviet states agree to limit their claims according to their relative coastlines, but Iraq favors dividing the sea equally among the five nations that enclose the Caspian Sea.

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# THE BAHAMAS

**Perry Gladstone Christie**  
**Prime Minister**

*(pronounced "PAIR-ee GLAD-stone KRIS-tee")*



*"In politics I would rather lose by doing what is right, than win by doing that which is wrong."*

The Bahamas is a nation of islands, an archipelago that stretches southeasterly for more than 805 km (500 mi) south of Florida to the edge of the Caribbean Sea. The chain comprises more than 700 islands, but less than 30 of them are actually inhabited. The total land area amounts to 13,940 sq km (5,382 sq mi). The census of 2000 recorded a total population on all islands of 304,913. The smallest of these islands, New Providence, boasts 65% of the nation's population, most of whom live in the capital city of Nassau. The other significant island, in terms of population concentration, is Grand Bahama, which has approximately 15% of the population.

The Arawak Indians inhabited the islands when Christopher Columbus first set foot in the New World in 1492. Like many of the other English-speaking Caribbean countries the Bahamas was colonized by the British during the 17th century, although the Spanish were the first Europeans to make landfall on the islands. African slaves were brought by the British to work on plantations. The current ethnic composition is 85% of African descent, 12% of European descent, with the remaining 3% of Asian, Hispanic, or mixed descent. The official language is English, although Creole is spoken among immigrants from Haiti. The overwhelming majority of the population is Christian, with approximately 32% Baptist. The official currency is the Bahamian dollar. Tourism is the most important industry. The major exports include fish and crawfish, rum, salt, chemicals, and fruits and vegetables. The per capita gross domestic product (GDP) was estimated at US\$16,800 in 2000.

## **POLITICAL BACKGROUND**

The Bahamas is an independent member of the Commonwealth of Nations. The Bahamian Constitution established a parliamentary system, very similar to the British model. The head of state is the British sovereign who is represented by the governor general. The duties of the governor general include appointing the prime minister and deputy prime minister, cabinet (on the prime minister's recommendation), and the leader of the opposition. Political power and responsibility for running the government reside with the prime minister, who is the leader of the majority party in the Parliament. The cabinet, which the prime minister also heads, is made up of a minimum of eight ministers. The opposition leader is usually the head of the majority opposition party in Parliament.

The bicameral Parliament consists of the Senate and House of Assembly. The Senate is comprised of sixteen

members appointed by the governor general, nine of whom are appointed after consultation with the prime minister, four on the advice of the opposition and three after consultation with others at his/her discretion. The House of Assembly consists of 40 elected members. Members of the House are directly elected every five years. Suffrage is universal over the age of 18.

There are four political parties in the Bahamas. The two major ones are the Progressive Liberal Party (PLP) and the ruling Free National Movement (FNM), which is the product of a merger between the United Bahamian Party (UBP) and the Free Progressive Liberal Party (FPLP). The two smaller parties are the Bahamian Democratic Movement (BDM) and the Coalition of Democratic Reform (DCR), founded in 2000. Although there are no fundamental ideological differences between the FNM and the PLP, politicians distinguish themselves on the basis of their leadership style, the efficiency of the government, or their professed integrity.

All of the islands, except for New Providence, are administered by district commissioners whose legal authority is limited to local concerns. District commissioners are responsible for law and order administered through local courts.

## **PERSONAL BACKGROUND**

Perry Gladstone Christie was born on 21 August 1943 in Nassau. He is the eldest son of Gladstone L. Christie, a taxi owner, and Naomi (nee Allen) Christie, a nurse, both of whom are deceased. He attended the Eastern Senior School in New Providence, and was dismissed from school when he fell behind in his work. He went on to attend the University Tutorial College in London, Inner Temple and the University of Birmingham, UK, from which he earned an L.L.B degree with honors in 1969. He distinguished himself as chairman of the University's Debating Society. He began practice with the law firm McKinney Bancroft and Hughes, setting up his own practice, Christie Ingraham and Company, which became Christie Davis and Company. His law partner, Hubert Ingraham, leader of the Free National Movement, was prime minister from 1992 until he was defeated by the PLP in the elections of 2002.

Christie is a founding member of the Valley Boys (the "valley" refers to an area surrounded by the Centerville, Hawkin, and Sears Addition hills), an organization noted for its entries in the annual Junkanoo parades. He was also a founding member of the Pioneers Sporting Club. As a young man, Christie was an accomplished track and field athlete; he





represented the Bahamas at the 1960 West Indies Federation Games in Kingston, Jamaica, and at the Central American and Caribbean Games in Kingston in 1962, when he won a bronze medal in the triple jump. In recognition of his political leadership, he was presented with the Trumpet Award's Global Hero Award in 2003 for his "demonstrated commitment to the progress and development of his people and nation throughout his 30-year political career." An Anglican, he is married to the former Bernadette Hanna, a chartered accountant and attorney-at-law; the couple has two sons, Steffan and Adam, and a daughter, Alexandra. He enjoys gardening.

### RISE TO POWER

In 1973, subsequent to beginning his law practice, Perry Christie was appointed to the Board of Directors of the Broadcasting Corporation of the Bahamas. In November 1974, Prime Minister Sir Lynden Pindling appointed him to the Senate where he served until 1977. (Christie is believed to be the youngest Bahamian ever to be appointed to the Senate.) In January 1977, he gave up his Senate seat when he was appointed chairman of the Gaming Board, which regulates casinos in the Bahamas. Also in 1977 he received the PLP nomination for the seat in Parliament representing Centerville. He was elected, and won reelection in five subsequent general elections (1982, 1987, 1992, 1997, and 2002). He was appointed Minister of Health and National Insurance after the 1977 election, serving until 1982.

In 1982 he was appointed Minister of Tourism, a post he held until 1984. The PLP and Prime Minister Pindling were increasingly subjected to detailed accusations of corruption and involvement in drug trafficking. Pindling repeatedly and

vehemently denied all accusations. In 1984 Christie resigned from Pindling's cabinet to protest the alleged corruption related to drug trafficking in the PLP. He vowed never to return to the PLP. However, he ran and won in the Centerville constituency as an independent. Furthermore, he earned the nickname "Vomit," when he promised "For the people's love, I will swim in the vomit" of the party. Hubert Ingraham of the FNM also resigned in protest against Pindling in 1984.

In March 1990, Christie returned to the PLP and was appointed Minister of Agriculture, Trade and Industry, serving until 1992. In the August 1992 general election, the PLP was defeated by the FNM. Following this defeat in January 1993, Christie was elected as co-deputy leader of the PLP with responsibilities for party activities outside Parliament. On 5 April 1997, following the resignation of Sir Lynden Pindling (who had led the PLP since 1956), Christie was elected the leader of the PLP at a special convention. Victorious in the general election in the newly created Farm Road constituency, he was appointed Leader of the Opposition on 4 April 1997 by Prime Minister Hubert Ingraham.

In the general election of 2 May 2002, the PLP triumphed over the FNM winning 29 of 40 parliamentary seats in the largest landslide election the Bahamas had ever seen. On 3 May 2002, Christie was sworn in as the third prime minister of an independent Bahamas. Upon taking office, Christie declared that his victory "belonged] to the people."

### LEADERSHIP

Prime Minister Perry Gladstone Christie is presently the longest-serving member of the Bahamian Parliament with over thirty years of service. His career has been marked by dedication and service, but it has not been without controversy and conflict.

Christie's leadership as Minister of Tourism (1982-84) was considered dynamic and led the ministry to new heights. However, in 1984 he resigned from Prime Minister Pindling's Cabinet and from the PLP as a protest over the alleged corruption, i.e. taking bribes from drug traffickers, in the government and the party. He ran as an independent in his same constituency and won. After he returned to the PLP fold in 1990, he was assigned ministerial duties. Christie was co-Deputy Leader of the PLP from 1992 to 1997. Upon Pindling's resignation in 1997 he was elected Deputy, and has since led the PLP.

When the PLP won a landslide election in 2002 over the FNM, Christie became the Prime Minister. In his first Ministerial address to Bahamians, Christie said he was "determined to lead a government of integrity." At the 2003 Trumpet Awards ceremonies Christie was the first individual to be designated a Global Hero, someone who has the "value of character and perspective of an effective leader." The Trumpet Awards honor African-American achievers in diverse fields who have helped form the status of blacks throughout the Americas. The PLP in congratulating him on the award noted his "impeccable record in public life."

However, upon his return from the Awards he faced the perennial issue haunting Bahamian politicians, drug money. Opposition Leader, Tommy Turnquest, had made allegations that the PLP election campaign was funded with drug money. Christie again denied any link with drug trafficking money. In



addition to this long-lived issue, nine months after his first term as prime minister began one government critic asked if Christie would be “the nation’s first one term wonder?” This censure regarded what were claimed as ongoing issues that were still not addressed. And even furthermore, that Christie lacked a “blueprint, a map and a vision for the way forward.” Another more measured point of view contrasted the former reign of the almost frenetic government of the FNM as an extremely hard act to follow, especially with the “progressive conservatism” of the PLP. “Heaviness,” “inertia,” “crawl” were all terms used to describe current political conditions leading to a sense of restiveness among Bahamians.

## DOMESTIC POLICY

The Bahamas is considered to be one of the thirty-seven high-income countries of the world. The principal sources of that income are tourism and offshore banking. Tourism alone accounts for more than 60% of GDP and directly or indirectly employs almost half of the archipelago’s labor force. Financial services constitute the second-most important sector, accounting for 15% of GDP, due to the country’s status as a tax haven and offshore banking center.

The PLP’s platform on domestic issues includes securing the financial services sector, promoting real estate development, energizing tourism, subsidizing agriculture, improving the investment climate for Bahamian investors, addressing issues of residency, preserving the environment, creating jobs, and introducing a national savings program.

Christie appointed a full sixteen-member Cabinet (including three women), repositioning the preexisting ministries to respond more effectively to national priorities. Among his appointees was Cynthia “Mother” Pratt, who became the first woman Deputy Prime Minister and Minister of National Security.

Christie also set about fulfilling election campaign promises. In December 2002, he introduced a bill in Parliament to amend the real property tax. By increasing the exemption on real property in an escalating real property market, he aimed to collect more revenue. He created a Constitutional Review Commission to reform the Constitution. For the first time Bahamian women would participate in the constitutional process, having been excluded in 1972. He also called for parliamentary reform, as the procedures had not been revamped in 273 years. Three e-commerce bills introduced by Christie were passed. The primary objective of these bills was to develop an “environment of integrity” and “legal certainty... to inspire confidence in on-line commercial activity.”

With a crime recidivism rate approaching 70% and a recent Amnesty International Report calling prison conditions in the Bahamas inhumane, Christie considered prison reform a priority. In 2002, his Prison Reform Commission issued a report that included a strategic review of the prison, a security and safety audit, and a draft inmate handbook. Christie predicted that these reports would impact the entire Caribbean region and that they provided a comprehensive assault on deviant conduct in the Bahamas.

## FOREIGN POLICY

Historically, the Bahamas has limited its foreign policy initiatives to the Commonwealth states, the Organization of American States (OAS), the Caribbean Community (CARICOM), the African Caribbean and Pacific (ACP) nations, and the United Nations (UN). Among other international organizations, the Bahamas is also a member of the International Monetary Fund (IMF), the World Bank, and the Inter-American Development Bank. It has strong bilateral relationships with the United States and the United Kingdom, represented by an Ambassador in Washington and High Commissioner in London. The Bahamas is party to thirty-one treaties and agreements with the United States, which cover issues such as defense, extradition, consuls, trademarks, and property.

The Bahamas has diplomatic relations with Cuba, although not with resident ambassadors. A repatriation agreement was signed in 1996 with Cuba, and there are commercial and cultural contacts between the two countries. In December 2002 Christie was the first Bahamian prime minister to make an official visit to Cuba. He said that the relationship with Cuba “ought to remain cordial but correct.” The Bahamas also maintains a diplomatic mission in Haiti. In December 2002 Christie’s government welcomed a Haitian delegation engaging in high-level talks over matters of mutual concern—illegal immigration and drug trafficking.

The PLP’s platform on foreign policy issues includes maintaining the Bahamas strong position in offshore private banking, providing the best climate for foreign corporations to operate, welcoming legitimate foreign investment, increasing the joint effort with the United States to stem illegal activity (especially drug trafficking and money laundering).

Christie’s government hopes to stimulate investment by welcoming foreign investors and by reducing red tape. The Organization for Economic Cooperation and Development (OECD) had placed the Bahamas on its blacklist of jurisdictions engaged in so-called harmful tax practices. In response, the former FNM government under Prime Minister Hubert Ingraham, passed legislation that devastated the offshore finance sector. These laws damaged the Bahamas’ reputation as an offshore finance center. Christie was a vocal opponent to the FNM’s anti-offshore finance position; the Bahamas Supreme Court eventually declared some of these laws unconstitutional. Christie believed that these laws put the Bahamas at a competitive disadvantage compared to other offshore centers. His first Cabinet appointment, James Smith as Minister of State within the Ministry of Finance, was a strong signal to the business and banking community. The PLP government recognized the importance of meeting international standards. The Bahamas was removed from the OECD’s blacklist in 2002, but the issue remains a sensitive one that the PLP government must address.

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**Profile researched and written by Jeanne-Marie Stumpf (4/2003).**

# BAHRAIN

## Hamad bin Isa al-Khalifa King

(pronounced “HA-mad bin EE-sah all-kah-LEEF-ah”)

*“There are no differences among citizens, either in rights or obligations, all citizens are equal under the law.”*



Bahrain officially became a constitutional monarchy and changed its designation from State of Bahrain to Kingdom of Bahrain in February of 2002. The country is located 24 km (15 mi) off the coast of Saudi Arabia and 28 km (17 mi) off the coast of Qatar in the Persian Gulf. The country consists of 35 islands covering a total area of 691 sq km (267 sq mi). Bahrain Island, which is 80 km (50 mi) long and has a width of 13 to 24 km (8 to 15 mi), is the largest island in the archipelago.

The total population was estimated at over 650,000 in 2002, about 73% of whom are indigenous Bahrainis or of other Arab descent; 13% are of Asian descent and 8% Iranian descent. Like other countries of the Gulf, Bahrain's population includes a large number of migrant workers who reside in Bahrain but are not considered citizens. Non-citizens make up 30–40% of the total population. More than 90% of Bahraini citizens are Muslims, 75% of whom belong to the Shi'a branch of Islam, while the other 25% are Sunnis. Bahrain's Christian population numbers about 43,000, while some 49,000 residents practice other religions. The ruling al-Khalifa family belongs to the Sunni branch of Islam. The official language is Arabic. Bahrain's currency is the *dinar*. The major industries are petroleum processing and refining and aluminum smelting and fabrication. The per capita gross domestic product (GDP) was estimated in 2000 at us\$15,900.

### POLITICAL BACKGROUND

For much of the 17th and 18th centuries, Bahrain was ruled by Iran. In 1783, the Arab Utub tribe ended Iranian rule, and members of its main branch, the al-Khalifa, established themselves as rulers. In 1861, faced with threats from Iran and Ottoman Turkey, Bahrain sought assistance from the United Kingdom and agreed to become a protectorate. In return for British protection, the government of Bahrain agreed to abstain from piracy and the slave trade. Furthermore, Bahrain agreed not to establish relations with any foreign country without British approval. Although Britain and the Ottoman Turks acknowledged Bahrain's independence in 1913, the country remained under British control. The al-Khalifa family, however, maintained its position of prominence under British rule.

In 1970, a United Nations commission recommended total independence. The State of Bahrain became fully independent on 15 August 1971 under the rule of the al-Khalifa family. At first, a form of parliamentary government was established, and elections for a Constituent Assembly were held in

December 1972. A year later, the National Assembly was elected. In August 1975, the prime minister resigned, charging that the assembly had made it impossible for the government to function. The emir dissolved the assembly and asked the prime minister to form a new government. In February 2002, the emir declared Bahrain a constitutional monarchy, changed his own designation from emir to king, and set national legislative elections for 24 October 2002.

As of 2002, Bahrain was administered by a 17-member cabinet of ministers, appointed by the king (formerly emir). The council was headed by Prime Minister Sheikh Khalifa bin Salman al-Khalifa (since 1971) and dominated by the members of the al-Khalifa family—nine of the cabinet positions were filled by members of the al-Khalifa family. They also play an important role in lower administrative positions.

Although Sheikh Khalifa is the head of government, effective power is in the hands of his elder brother, King Hamad Isa bin Salman al-Khalifa. (Their father, Sheikh Isa, died of a sudden heart attack on 7 March 1999 after a 38-year reign. Crown Prince Hamad assumed the throne within hours of his father's death.) Under the Constitution of 1973, the emir was the head of state and commander in chief of the armed forces; in February 2002, the Constitution was amended to change the country's name to Kingdom of Bahrain and make it a constitutional monarchy. These measures also changed Sheikh Hamad's title from emir to king, but his role remained essentially unchanged. He has the power to conclude treaties and international agreements and to establish diplomatic relations with other countries.

### PERSONAL BACKGROUND

Hamad bin Isa al-Khalifa, which translates to “Hamad son of Isa al-Khalifa,” was born in Riffa on 28 January 1950, the eldest son of then-emir Isa bin Salman al-Khalifa. At the age of six, Hamad began his education in Bahrain, including Arabic studies, from which he developed an appreciation for Arabic poetry. Upon completion of his primary education, he was declared crown prince (27 June 1964). He became an experienced military officer following training in Bahrain and Britain at the Moons Officer Candidate School and Sandhurst Military Academy. He subsequently studied at the U.S. Army Command and General Staff College at Fort Leavenworth, Kansas, from which he graduated with honors on 9 June 1973. Hamad became a qualified helicopter pilot in 1978 and was a permanent member of the Helicopter Club of Great Britain in 1979. He speaks English, enjoys raising Arabian



horses and is an accomplished horseman, and enjoys water-skiing. Hamad used to play basketball and football with his soldiers and is fond of tennis and falconry. He has three sons and two daughters.

### RISE TO POWER

The al-Khalifa family dominated Bahrain before independence and has continued to do so. The political career of Sheikh Isa (Hamad's father) began in June 1953, when he represented his father at the coronation of King Faisal of Iraq. In 1956, after a series of disturbances in Bahrain's capital city of Manama, Isa was named to head the municipal council by his father, the ruling emir. He subsequently held a variety of administrative posts, including a position on Bahrain's administrative council and president of the education committee.

Isa's leadership status was formally recognized on 31 January 1958 when he became the designated heir apparent to his father. Over the next two years, because of his father's failing health, Crown Prince Isa came to play an increasingly important role in governing Bahrain. He also became the acting head of the al-Khalifa family council. This council, which is still in existence today, consists of the senior members of the al-Khalifa family and is primarily responsible

for family matters, including disbursement of oil profits and other favors among members of the clan and their associates. The al-Khalifa council confirmed Isa as the new ruler of Bahrain on 16 December 1961. He subsequently guided Bahrain through the Organization of Petroleum Exporting Countries (OPEC) oil crisis and the Gulf War, steering a largely pro-Western course. Isa then delegated authority to his brother the prime minister, and to his son Hamad. As commander in chief of the Bahraini Defense Force and National Guard, Hamad played a prominent role in suppressing internal dissent in the 1990s.

Sheikh Isa presided over the transformation of Bahrain into a modern society, but he continued some of the traditional practices common in the Bahraini society for centuries. One of these is a public assembly known as the *Majlis*. At these assemblies, anyone, regardless of their social or citizenship status, can directly petition the emir concerning any issue and ask him to personally adjudicate the matter. This traditional tribal practice, which is common in many Gulf states, provides citizens with direct access to the ruler. Sheikh Hamad attended the *Majlis* of his father, seeing it as an opportunity to learn traditional storytelling and to gain an understanding of the factors that contribute to victory and defeat, success and failure. When Sheikh Isa died suddenly in 1999, Sheikh Hamad became emir.

### LEADERSHIP

Hamad quickly demonstrated his commitment to move Bahrain toward more political freedom. Among his first acts was the release of political prisoners and the welcoming home of political exiles. He also made several overtures to the beleaguered Shiite majority, including allowing Shiites into the army for the first time and releasing hundreds of Shiite political prisoners, most notably Sheikh Abdul Amir al-Jamri, the country's best-known Shiite dissident. While Sheikh Hamad seemed to be allowing for more openness internally, some observers believed that his approach to disputes with Bahrain's neighbors, especially Qatar, would be heavier handed than his father's.

A referendum held in 2001 called for amendments to the Constitution to make the country a constitutional monarchy with a democratically elected Parliament. Sheikh Hamad called for the creation of a Parliament with two houses, one made up of appointed expert ministers and the other made up of representatives elected by Bahraini citizens. He also gave his approval to a provision allowing both men and women the right to vote and run for office and gave his royal approval to a constitutional amendment changing his own title from emir to king, making Bahrain a kingdom.

### DOMESTIC POLICY

Bahrain's economy is heavily dependent on oil. Its oil reserves, however, are much smaller than that of its neighbors and it is estimated that they will soon be exhausted. Recognizing this fact, Bahrain's leaders have tried to diversify the country's economy. Their efforts, however, have produced mixed results. Outside of the oil sector, the most successful industrial enterprise has been aluminum production. In cooperation with British, French, Swedish, and U.S. companies, the government built Bahrain's first aluminum smelter in 1969. The company, known as Aluminum Bahrain

(ALBA), has been the most successful non-oil industrial venture. In January 2002, ALBA opened a coke calcining plant in Bahrain; heat produced by the calcining process will be recycled, contributing to a seawater desalination operation that contributes fresh water to Bahrain's water supply. There are several industries that further process ALBA's output, including a joint venture between the government of Bahrain and a German firm that produces atomized aluminum for export.

Another successful industrial venture has been the Arab Shipbuilding and Repair Yard Company (ASRY). Jointly owned by the members of the Organization of the Arab Petroleum Exporting Countries (OAPEC), ASRY began operation in 1977 and two floating docks were added to the operation in 1992.

Bahrain has also achieved success in the service sector. The oil boom of the mid-1970s transformed Bahrain into the financial capital of the Gulf. By 1988, 65 international commercial and investment banks had established branches in Bahrain. By the late 1990s, Bahrain had become the Gulf's Islamic banking center. Islamic banks either charge no interest or only minimal interest in an attempt to reconcile modern banking practices with Islam's prohibition on interest.

The oil income has enabled the government to rapidly expand social services. Bahrain's Constitution provides for free education and health service for all citizens, although fluctuations in oil prices adversely affect these social programs.

The main domestic challenge facing the new emir in 1999 came from Bahrain's Shi'a community. Although the Shi'as constitute a majority of the population, they are underrepresented among the political and business elite. In the 1990s, "fundamentalist" elements in the Shi'a community, possibly supported by Iran, challenged the regime. The situation was further complicated by a rising unemployment rate (estimated to be as high as 18% for Bahraini citizens), demands from across the religious and economic spectrum for greater citizen participation in the functioning of the government, and resentment of the large number of foreign workers in Bahrain. In 1994, a charity-sponsored running race, whose participants were mostly foreign workers, was violently disrupted by villagers who were upset by the participation of women. Some of the villagers were arrested. A month later, rioting erupted all over the main island when cassette tapes of sermons by a Shiite imam from Manama began to circulate. These tapes condemned the presence of women in a foot race, the large number of foreign workers in Bahrain, and the decline of moral standards. They called for a revival of the 1973 Constitution, which had allowed for a representative assembly.

Under King Hamad's leadership, the country seems to be rapidly transitioning from a repressive state to a more open political system. In early 2002, King Hamad agreed to constitutional changes that would create a two-house Parliament, and called for national elections in October 2002. The changes were nearly unanimously approved in a referendum in February 2002; as a result, Bahrain guarantees freedom of expression and religion and extends universal suffrage to all citizens (men and women). Under the new constitutional provisions, women have the right to run for public office for the first time in the country's history. Dissident leaders of

opposition parties were guardedly optimistic that elections would be free and fair, noting the governments wide-ranging powers.

The Parliament, elected in October 2002, held an opening session in December 2002. It was the first meeting of the 40-seat legislative body since the mid-1970s. Election turnout was as high as 53%, a figure taken as a sign of the health of Bahrain's new democracy. The elections were, however, boycotted by Islamic Leaders and their followers. The Leaders objected to women participating in the elections.

## FOREIGN POLICY

In general, Bahrain maintains friendly relations with its neighbors. In the 1980s and 1990s, however, relations with Iran had been problematic. For much of the twentieth century, Iran claimed sovereignty over Bahrain. This claim was based on Iran's former control over the islands in the seventeenth and eighteenth centuries. In 1970, the government of Iran announced that it had no objection to Bahrain's gaining independence from the United Kingdom, but it did not renounce its earlier claims. After the Iranian revolution of 1979, prominent elements within Iran again called for Iranian control of Bahrain. However, in April 1980, Teheran officially renounced all claims to Bahrain. Although for the time being this issue is moot, it has nevertheless complicated relations between the two governments.

Of more immediate concern in the late 1980s and early 1990s were allegations that Iran was providing support for fundamentalist Islamic groups in Bahrain. After the Islamic Revolution, some Iranians called on Bahrain's Shi'a community to rise up against the al-Khalifas. Radical elements within Bahrain's underprivileged Shi'a community seemed to have been receptive to these suggestions. In December 1981, 60 Bahraini Shi'as were charged with plotting to assassinate key officials and members of the royal family. The government of Bahrain alleged that the group was supported by Iran. Another plot to overthrow the government was discovered in 1985. In December 1988, Iran was implicated in an alleged plot to sabotage Bahrain's oil refinery. Relations with Iran have improved and, since 1990, a Bahraini ambassador has been in Teheran. In 1992, a protocol for industrial and commercial cooperation was signed. In August 1999, then-Sheikh Hamad responded positively to an invitation to visit Iran by that country's president, Mohammad Khatami, with the hope that the two leaders could find ways to bring moderation to the fundamentalists' actions.

Bahrain has also had problems historically with its Arab neighbor and fellow Gulf Cooperation Council (GCC) member, Qatar. Both countries claimed sovereignty over three regions: the island of Hawar (which the International Court of Justice awarded to Bahrain in 2001); the Fasht al-Dib coral reef; and the Zubara region. In 1996, Bahrain had rejected an offer by Qatar to build a causeway connecting Qatar to Bahrain.

In its relations with other countries Bahrain generally follows the lead of Saudi Arabia. Like Saudi Arabia, Bahrain's foreign policy is pro-Western and generally favorable to the United States. Bahrain supported the allies in the 1990-1991 Gulf War. Bahrain is home to the largest U.S. naval base in the region; as of mid-2002, the base was slated for significant

expansion. King Hamad is expected to continue Bahrain's close ties with the United States; however, the challenge of balancing a pro-United States stand while retaining the identity of an Arab nation complicate the relationship.

Just prior to his death in 1999 Sheikh Isa's government protested U.S. and British air strikes against Iraq provoked by Saddam Hussein's refusal to cooperate with United Nations (UN) weapons monitors and UNSCOM (UN Special Commission) demilitarization measures. Another major problem in Bahrain's relations with the United States is American policy pertaining to the Arab-Israeli conflict. Like many other Arab countries, Bahrain does not recognize Israel and has often been critical of U.S. support for Israel. General unhappiness among the Arab nations about the 1997 decision to construct new Jewish settlements in disputed territory in Israel further chilled relations between Bahrain and Israel.

Despite the tension created by the situation in the Middle East, King Hamad supported the U.S.-led war on international terrorism. Hamad met with U.S. president George W. Bush at the White House in October 2001; during the meeting Hamad pledged unreserved support for the United States in the aftermath of the terrorist attacks on New York and Washington on 11 September 2001 and Bush designated Bahrain a "major non-NATO ally." (NATO is the acronym for North Atlantic Treaty Organization.) Bahrain, Egypt, and Jordan are the only Arab states to achieve this special diplomatic status, which establishes conditions for increased economic cooperation and expanded U.S. investment.

The rapid changes King Hamad is fostering in his country are dramatic in a region where change often takes centuries.

Towards the end of 2002, the U.S. military, with the support of the governments of Bahrain and Qatar, began to increase its presence in those two countries.

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**Profile researched and written by Erik Gilbert, Arkansas State University (9/99); updated (2/2000, 3/2002, 2/2003).**

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# BANGLADESH

**Begum Khaleda Zia-ur Rahman**  
**Prime Minister**

*(pronounced "BAY-guhm cah-LEED-ah ZEE-ah-ur Rah-MAHN")*

*"We must live up to the people's expectation about the country's law and order."*



Among the world's poorest nations, the People's Republic of Bangladesh (formerly East Pakistan) is located in southern Asia. Nearly surrounded by India, except for a short southeastern frontier with Myanmar (Burma) and a southern coastline of 575 km (357 mi) on the Bay of Bengal, Bangladesh has a total area of 144,000 sq km (55,600 sq mi), roughly the size of Wisconsin. Most of this area is a flat alluvial plain, consisting of the delta of three major river systems: the Ganges (or Parma), the Brahmaputra (or Jamuna), and the Meghna. Alluvial deposits from these rivers make the region extremely fertile for growing rice, the country's most important food crop, and jute, the most important cash crop.

The population of Bangladesh was estimated at around 133 million in 2001. With over 825 persons per sq km (2,137 per sq mi), Bangladesh is one of the most densely populated countries in the world. More than 98% of the people are ethnic Bengalis who speak Bangla, the country's official language. Minorities include Urdu-speaking Biharis and tribal groups living in the Chittagong Hills. Bangladesh is a predominantly Muslim nation and Islam is the state religion. Hindus, who number about 21 million, make up the country's largest religious minority.

Bangladesh has a developing economy which is primarily agrarian; over 60% of the people earn their livelihood farming rice, jute, sugarcane, wheat, and tea. Economic progress and diversification have been hobbled by a burgeoning population, few natural resources, lack of skilled labor, and a limited industrial base. Moreover, recurring cyclones, floods and other natural disasters that adversely affect agricultural production also take a toll on the nation's economic performance. All these factors combine to make Bangladesh heavily dependent on foreign aid and assistance. The country's main exports are garments, jute and jute goods, leather goods, and fish products. Its principal trading partners are the European Union (EU), the United States, India, and Japan. The unit of currency is the *taka*.

## **POLITICAL BACKGROUND**

When British rule in India ended in August 1947, the country was partitioned to create a new independent nation, Pakistan. Comprised of the Muslim-majority areas in the northwest and northeast of British India, Pakistan came into existence as a country divided in two parts, West and East Pakistan, whose people, the majority of whom share a common religion, were separated by nearly 1,600 km (1,000 mi) of

Indian territory and differences in language, culture, and traditions. Over the years, West Pakistan's economic and political domination of the more populous East Pakistan sharpened awareness of these differences among many East Pakistanis, fueling Bengali nationalism and demands for greater autonomy. Spearheading this call was the Awami League, a leading political party in East Pakistan. In late 1971, India and Pakistan fought a war that ended with the surrender of Pakistani troops in East Pakistan and the independence of Bangladesh on 16 December 1971.

Attempts to establish a parliamentary system failed when the government proved unable to cope with the challenge of reconstructing and rebuilding an economy and civil society devastated by war. Amidst growing political and economic anarchy, a state of emergency was declared and most constitutional rights were suspended. Opposition parties were suppressed and Bangladesh became a one-party state, plagued by coups and counter-coups. A popular uprising on 6 December 1990 paved the way for parliamentary elections and ended 16 years of political instability.

Under the present system, Bangladesh has a unicameral legislature, the Jatiya Sangsad, comprised of 300 members. Members are directly elected from single-member constituencies for five-year terms on the basis of universal adult franchise. The constitutional amendment reserving 30 additional seats for indirect election of women members expired in May 2001. The leader of the party with a majority in the National Assembly serves as prime minister and is vested with full executive powers as head of government. The prime minister appoints a Council of Ministers, or Cabinet, whose members administer the departments that carry out the government's functions. The president plays a largely ceremonial role as head of state and is indirectly elected by the National Assembly to serve a five-year term.

The country's main political organizations are the Awami League (AL, People's League), the Bangladesh Nationalist Party (BNP or Bangladesh Jatiyatabadi Dal), the Jatiya Party (JP), and the Islam Conference Bangladesh (JI or Jamaat-e-Islami Party, Islamist). Parliamentary elections held in June 1996 brought the Awami League to power after a hiatus of more than 20 years. The AL won 178 of the 300 directly elected seats in the National Assembly and formed a government with the parliamentary support of the Jatiya Party's 33 members. As of February 2000, the AL had an absolute majority with 177 seats in the 330-member People's Assembly. But in elections held in October 2001, the BNP and



its coalition partners controlled 215 seats (of 300) to the AL's 62 and Begum Khaleda Zia was named prime minister of the coalition government.

### PERSONAL BACKGROUND

Begum Khaleda Zia was born on 15 August 1945, the third of five children. She was educated at Dinajpur Government School and Surendranath Women's College. In August 1960, when she was 15, she married Zia-ur Rahman, an officer in the Pakistan army and founder of the Bangladesh Nationalist Party (BNP); he helped lead Bangladesh to independence in 1971 and became president of Bangladesh in 1977.

Begum Khaleda Zia did not enter political life until after the assassination of her husband in May 1981. At that time she assumed leadership of the BNP and for the next 20 years was involved in the government, either in leadership or opposition. She has also been a global leader in the area of education for women of third world nations. Khaleda Zia is a Muslim and has two sons.

### RISE TO POWER

After the BNP won a two-thirds majority in the National Assembly after the 1979 elections, Zia-ur Rahman restored the parliamentary government that had been suspended since 1975 while the country went through a period of unrest. Zia was assassinated during a failed military coup attempt in May 1981; his vice president, Abdus Sattar, succeeded him. Zia's widow, Begum Khaleda Zia, became Sattar's vice president. Sattar served until he was deposed by the army chief, General Hussain Mohammad Ershad, who reinstated martial law and suspended the Constitution. Ershad tried to promote Islam, to the consternation of the strong Hindu minority; to keep

any opposition under control, Ershad placed Khaleda Zia, a Muslim, under house arrest. Ershad retired from the military in 1986 and was elected president as a civilian, with opposition parties boycotting the election. The opposition parties, in a strong coalition, exerted pressure on the Ershad administration, leading him to dissolve Parliament and declare an emergency, calling for March 1988 elections. His Jatiya Party retained the majority when opposition parties again boycotted the election. Hindu-Muslim tensions escalated until, in late 1990, Ershad resigned and the chief justice of the Supreme Court, with opposition support, assumed the leadership of the government.

After her husband was assassinated in 1981, Zia found that the BNP was looking to her for leadership. Determined to continue her husband's work toward establishing a free democracy in Bangladesh, she agreed to accept leadership of the BNP. Under her guidance, BNP formed a seven-party alliance in opposition. In elections held February 1991, Begum Khaleda Zia, candidate of BNP, won an overwhelming victory. She took the oath of office as prime minister on 20 March 1991, becoming the first woman to head Bangladesh's government. She restored the parliamentary system and assumed the role as head of the parliamentary government in September. By 1994, however, her support in Parliament had eroded and the opposition parties refused to participate in parliamentary activities for the next two years. Following voting in February 1996 (boycotted by the main opposition parties), the BNP won 116 seats in the National Assembly and Khaleda Zia began a second term as prime minister. Controversy over the elections would not die, however, causing Khaleda Zia to resign; new elections were set for June 1996. The Awami League, headed by Sheikh Hasina Wajed, daughter of the first prime minister of independent Bangladesh, managed to gain control of the government with Sheikh Hasina as prime minister. But the government was still in chaos, with the BNP leading protests over taxes, electoral fraud, and government repression. In addition, bombings and other terrorist activities were on the rise. Sheikh Hasina fulfilled her five-year term and stood for reelection in October 2001. But elections held on 1 October 2001 put the four-party alliance, made up of the BNP and its coalition partners, back in control of the Parliament. Khaleda Zia was sworn in as prime minister on 10 October 2001.

### LEADERSHIP

The cycle of accusations, recriminations, strikes, and political violence from the rivalry between the BNP and Awami League has continued to plague Bangladeshi politics. With a four-party alliance of parties, Khaleda Zia was heading one of the stronger coalitions in the country's history. Upon taking office, she announced a 100-day plan to implement her election promises, notably the restoration of law and order and a climate of peace and security. She had mixed results in that effort. Zia's chronic rivalry with Sheikh Hasina resulted in nearly every governmental action having polarizing partisan implications. In November 2002, opposition Awami League leader Tofail Ahmed was arrested without charges, a detention described by Ahmed as a "political vendetta," and journalists who had criticized Zia's administration were arrested under the Special Powers Act. Despite Bangladesh's democratic framework, Khaleda Zia seemed unable to



tolerate dissent and appeared increasingly autocratic in her leadership style.

### DOMESTIC POLICY

At the top of Zia's agenda upon taking control of the government was rejuvenation of the stagnant economy and finding a solution to the increasing outbreaks of violence, generally attributed to Islamic militants. Zia's Council of Ministers, made up of 60 members, is comprised of individuals who are experienced and loyal government insiders.

In late 2001, the country's high court asked the Zia government to investigate its own programs to protect the Hindu minority in the country. Judicial officials were responding to charges that Hindus were increasingly being subjected to persecution and that Hindu refugees were fleeing Bangladesh for India. In April 2002, Zia met with Chakma tribal leader Shantu Larma regarding the peace accord for the Chittagong Hill Tracts. Zia had spoken against the five-year-old accord, but now appeared committed to its continuation.

Terrorism (particularly bomb explosions in public places such as movie theaters) has been common in Bangladesh, apparently the result of local grudges as much as Islamic extremism. Controversy arose over possible al-Qaeda links to the BNP due to its coalition with Islamist hard-line parties. A much-publicized government list of Bangladesh's "most-wanted terrorists" produced only four arrests in the administration's first year. The opposition claimed that many criminals operated with impunity because of connections to Zia's ruling party.

The need to suppress violent criminal activity, which is often gang related, occupies much of Zia's attention. Police forces are understaffed, particularly in the sprawling capital, Dhaka, although steps were taken to recruit 5,000 more police in early 2003. Crime statistics continue to climb. According to an October 2002 BBC News report, "On average, 325 people are murdered in the country every month, a further 300 are raped, and there are around 18 acid attacks." In October 2002, facing increasing criticism, Zia called out the army for an anticrime campaign, "Operation Clean Heart," in which over 10,000 people were detained, of whom at least 44 died. Zia's own party members were not immune to arrest. The opposition claimed that the anticrime campaign was a dictatorial mass violation of human rights. The campaign, in which more than 25,000 troops participated, began to wind down in January 2003.

In the first six months of her government, Khaleda Zia's major accomplishment—introducing compulsory education and expanding educational opportunities for girls—reflected her personal priorities. Zia has said that the key to economic progress is an educated workforce that includes women. She also proposed legislation with tougher penalties for perpetrators of acid attacks against women.

Khaleda Zia had pledged during the campaign to eliminate corruption in the government. This followed the usual pattern of being directed at the previous administration, and in March 2002 the government filed corruption charges against the main party opposition leader (and former prime minister) Sheik Hasina. This action triggered protests in the capital, Dhaka. Sheik Hasina and six of her fellow Awami League Party members were charged with financial irregular-

ities in connection with the building of a planetarium and purchase of Russian aircraft. Awami League leaders characterized the charges as political.

Bangladesh's economy has stayed weak, with export earnings depressed. A rise in fuel prices in January 2003 brought on an Awami League-inspired general strike in an ironic replay of the tactics used by Zia's BNP to destabilize the Awami League when it was in power.

Some progress has been made on environmental issues. Causes of pollution, such as two-stroke engine "baby taxis" and disposable plastic bags, were banned in many areas. Public health and innovative poverty-reduction programs continue. While arsenic contamination of drinking water remains a public health crisis, a major step forward was made when it was discovered that cholera could be prevented by filtering water through old sari (women's traditional dress) cloth.

### FOREIGN POLICY

Bangladesh enjoys cordial relations with the main global powers influential in the region: the United States, Japan, and China (which Zia visited for five days in December 2002). Ties with these countries center primarily on trade and economic assistance. Khaleda Zia's government faced challenges in building peaceful relations with the other developing countries in the region, especially India, while keeping the support of powerful Western nations, especially the United States. Soon after her government was sworn in, the United States asked to reopen discussions on the Status of Forces Agreement (SOFA). The SOFA would facilitate military cooperation between the two countries. The previous AL-led government had failed to approve the SOFA, although the U.S. military did deliver four military aircraft to Bangladesh in 2001. The U.S. ambassador to Bangladesh described the aircraft delivery as a "gift" to Bangladesh to enhance the country's peacekeeping capabilities and dismissed any questions of corruption related to the aircraft delivery.

Early in 2003, Bangladesh was added to the list of countries whose nationals visiting the United States must register with immigration authorities for security purposes.

The main focus of the government's foreign policy agenda has been to resolve outstanding issues with its neighbors. India and Bangladesh have been at odds over sharing and managing common water resources since the mid-1970s when India built the Farakka Barrage, 18 km (11 mi) upstream from its border with northwestern Bangladesh to divert water from the Ganges River to Calcutta. In December 1996, however, the two countries signed a 30-year water-sharing agreement, with India also receiving road transit rights across Bangladesh territory to its remote northeastern states.

Tensions arose again in February 2003, as India attempted to deport people it claimed were Bangladeshi migrants, but Bangladesh refused to accept them, insisting that they were Bengali-speaking Indians.

On Bangladesh's southeastern frontier, Zia's administration appears to be courting the Myanmar (Burma) regime with plans for road building and petroleum pipelines between the two countries. Rohingya Muslims from Myanmar continue to seek refuge in Bangladesh.

In May 2002 the national airline of Bangladesh reintroduced direct air service to India's capital, New Delhi.

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# BARBADOS

Owen Arthur  
Prime Minister

(pronounced “O-wen AR-thur”)



*“No country can ever truly develop unless it finds the means of engrossing everyone in the task of nation building, whatever their class, creed, color or political persuasion.”*

With a total area of 430 sq km (166 sq mi), Barbados is the easternmost island in the Windward chain of the Caribbean islands. The population was estimated at 277,000 in 2002. Its racial composition reflects a population that is 90% black, 4% white, and 6% Asian Indian or mixed race. The official language of the country is English, although a Barbadian or Bajan dialect (a mixture of English and Africanisms) is widely spoken. The overwhelming majority of the population is Christian, 40% of whom are Anglicans.

The local currency is the Barbados dollar. Major economic activities include tourism and offshore banking, followed by sugar production and manufactured goods (mainly electrical equipment and chemicals). The per capita gross domestic product (GDP) was estimated at US\$14,500 in 2001.

## POLITICAL BACKGROUND

Originally settled by the Arawak Indians, Western civilization credits a Portuguese explorer for the discovery of the island in 1536. It was the Portuguese who named the island “Los Barbados” after the ficus tree that grew there in great abundance. The British later settled Barbados in 1627. The current population is descended from African slaves who were brought to the country by the British to work on the sugar plantations.

Barbados is a democratic, self-governing country, functioning through a governor-general appointed by Queen Elizabeth II of Britain and a prime minister who is usually the leader of the majority party in the House of Assembly. The prime minister presides over a cabinet selected from elected members in the House of Assembly. The bicameral legislature consists of the House of Assembly, with 28 elected members, and the Senate, with 21 members selected by the governor-general.

Barbados boasts having the third-oldest parliament in the world. However, universal adult suffrage was not introduced until 1951, 15 years before Barbados achieved its independence in 1966. Barbados has three political parties. The Barbados Labour Party (BLP) and the Democratic Labour Party (DLP) have traditionally monopolized the political life of the country. The third party is the National Democratic Party (NDP), a faction which broke away from the DLP in 1989.

## PERSONAL BACKGROUND

Owen Seymour Arthur was born in Barbados on 17 October 1949. He gained his primary and secondary education at All

Saints Boys School, Coleridge and Parry School, and Harrison College. He attended the University of the West Indies (UWI) in Barbados and Jamaica, the latter on a post-graduate scholarship. Arthur holds a bachelor of arts degree in economics and history, and a master of science in economics. He began his working career in Jamaica as a research assistant on the faculty of social sciences at the UWI. However, Arthur’s career has largely been one of a technocrat. In 1974, he became assistant economic planner at the Planning Agency in Jamaica and within five years was appointed chief economic planner. Between 1979 and 1981, Arthur served as director of economics at the Jamaica Bauxite Institute. He represented Jamaica at the United Nations Conference on Trade and Development (UNCTAD) Intergovernmental Group of Experts on the transfer of technology in 1975 and 1976 and was a member of the Caribbean Technology Policy Studies Project between 1977 and 1978. Arthur has also served as a member of the board of directors of the Jamaica Scientific Research Council.

In 1981, Arthur returned to Barbados and took up the post of chief analyst in the ministry of finance and planning. Two years later, he joined the Institute of Social and Economic Research, UWI, Cave Hill Campus, Barbados. In 1985, he returned to the Ministry of Finance and Planning as a parliamentary secretary for one year before assuming the post of part-time lecturer in the Department of Management Studies at the UWI.

Arthur, an avid hobby gardener, is married to Beverley Jeanne Bachelor.

## RISE TO POWER

Arthur’s entry into the political arena was in many ways difficult. He faced two by-elections in the same year. In 1984, Arthur’s party, the BLP, went to court to contest the outcome of a House of Assembly by-election that was officially won by his opponent in the DLP, Sybil Leacock. The High Court later ruled that there should be a new poll, which was subsequently won by Arthur. Since then, he has never lost an election in his constituency.

Prior to 1983, Arthur was the consummate technocrat who worked as an economist under Prime Minister Michael Manley’s democratic socialist government in Jamaica. When Arthur became a member of the BLP, Tom Adams, leader of the BLP and prime minister of Barbados, projected him as a bright young economist with future leadership potential. In 1983, Arthur was appointed to the Barbados Senate and



became chairman of his party. Following his 1984 victory at the polls, Arthur became a member of Parliament. In 1985 and 1986 he served as parliamentary secretary in the Ministry of Finance. After his party's defeat in two successive elections between 1986 and 1994 by the DLP, Arthur was made opposition leader and leader of the BLP.

Arthur became the fifth prime minister of Barbados on 7 September 1994, when he successfully led the BLP to an electoral victory, capturing 19 of the 28 seats in the House of Assembly. In the election of January 1999, Arthur was again successful. This time his party won by an even greater margin. The BLP took 26 seats while the opposition Democratic Labour Party won only two seats in the House of Assembly. The next election was scheduled for January 2004.

## LEADERSHIP

Arthur has always been described as a grassroots leader because of the close relationship that he has with people of all levels of society. He has strong socialist ideals, having been influenced by the Michael Manley administration during the 1970s. He is the first and only professional economist to become prime minister in the English-speaking Caribbean, and he continues to approach economic matters with much caution.

Arthur promotes "the politics of inclusion" that encourage nation building by the entire population. This has been a major factor in Arthur's success as a political leader. He has argued that no one in society should be excluded from the development process.

Arthur's administration brought growth to the Barbados economy. During the run up to the general elections of 1999,

he successfully attracted politicians from the opposition DLP to his party. He also received the endorsement of Richie Haynes, leader of the NDP.

Arthur emphasizes cultural emancipation and economic development; he has promised to transform Barbados into the smallest developed country.

## DOMESTIC POLICY

The United Nations Development Program (UNDP) ranks Barbados as the developing country with the highest Human Development Index (HDI). Notwithstanding, economic growth has been inconsistent. The country experienced a recession during the latter part of the 1980s to the early 1990s. The BLP, under the leadership of Arthur, sought to end this recession and stimulate economic growth as its term in office began in 1994. Since then, the GDP has increased significantly. After experiencing growth of 5% in 2000, GDP declined by 2% in 2001 due mainly to a decline in tourism.

In the 1990s, tourism surpassed agriculture as the country's main economic activity. However, agriculture output continued to grow, with sugar production expanding significantly in the late 1990s and other agricultural output also expanding, but on a slower pace.

The growth of tourism sparked an increase in construction activity, including three new hotels, the expansion and renovation of a number of existing properties, and the construction of the Port Charles Marina and associated facilities. This activity reflected the government's change of emphasis in the late 1990s from the industrial to the services sector.

The rate of unemployment decreased, from a rate of 19.7% in 1995 to 10% in 2001. This is in keeping with Arthur's aim to develop human resources within the country, a policy that has been welcomed by both the private and the public sectors. The BLP also seeks to create an information system that is aimed at facilitating universal and public access to manpower, the labor market, and working conditions in Barbados. In addition, the current government seeks to implement a national minimum wage that will ensure a satisfactory standard of living for all working Barbadians. In 1999, most workers made substantially more than the proscribed minimums by sector.

However, the Barbadian economy slowed sharply in 2001, according to Marion Williams, the president of the central bank. Modest growth posted in the first quarter turned negative, with the downward trend persisting into the third quarter. This was the first negative result since 1992. This economic recession will be a key factor in the 2004 election, as the DLP hopes to challenge Arthur's government.

Arthur's belief in free universal education was demonstrated as he continued to support free access to post-secondary and tertiary level institutions in Barbados and the University of the West Indies. He pledged BBD\$100 million for education through a new seven-year strategy, "Edutech 2000." This strategy sought to modernize existing schools, increase the use of information and multimedia technologies, and enhance teacher training. Arthur hoped to strengthen the educational institutions through curriculum reform, as well as administrative reform in the ministry. This is in keeping with the BLP view that full employment in Barbados can be

achieved, but only if individuals are trained with relevant skills.

The BLP seeks to promote the acquisition of land and construction of houses for all income groups through the Barbados Housing Authority while implementing measures to redevelop overcrowded areas.

### FOREIGN POLICY

Barbados seeks to strengthen its relations with the United States, Canada, the United Kingdom, Ireland, and the Commonwealth by negotiating for new trade and economic relationships. As a member of the Caribbean Community and Common Market (CARICOM), Arthur continues to negotiate for entry into a Free Trade Area of the Americas and promotes Barbados as a gateway for extraregional investment in the region. Barbados will continue to play an active role in shaping the new order through its involvement in several international organizations, such as the United Nations (UN) and the World Trade Organization (WTO).

Arthur has recognized that a single market and economy within CARICOM will provide Barbadian entrepreneurs and workers with greater economic opportunities. Therefore, he continues to promote the implementation of this policy. Arthur said that his aim is to make Barbados the most competitive Caribbean country by the year 2005. Looking ahead to 2005, Arthur announced that he has already begun negotiations with the European Union and the North American Free Trade Area. In his annual televised speech to the House of Assembly (1999), Arthur said that for Barbados to compete on the world market, it must curtail excessive consumer demand driven by easy access to credit and seek to reverse the trend of falling exports and declining tourism.

As part of the ongoing effort to stimulate trade and tourism, Barbados signed a new Air Services Agreement with the United Kingdom on 23 June 1999, replacing an agreement signed in 1971. The new agreement will expand coverage and improve the transport of people, cargo, and mail.

In a step toward a single Caribbean market, Arthur announced in July 1999 that Barbados would lift the ban against importing soft drinks. Later, in August, he pressured Trinidad and Tobago to lower oil prices. Because of treaties, Barbados is locked into buying oil from within the region, and Arthur complained that Trinidad and Tobago were charging above world market prices for gasoline and diesel fuel.

Although Barbados still has no representation in any of the African capitals, Arthur intends to systematically develop

cultural and economic links with Africa through trade missions and tourist and cultural exchanges. He appointed an African ambassador and established the Commission for African Affairs to promote people-to-people contacts.

Arthur intends to play a leading role in the Association of Caribbean States, especially by having the Caribbean Sea recognized by the international community as a special area for environmental protection. Barbados was the host country for CARICOM during the 1997 visit of then-U.S. president Bill Clinton. Arthur himself has been a presence in international meetings, leading or participating in a number of high-level international trade missions, including a Commonwealth mission to the WTO.

At a meeting of the Organization of American States in St. Vincent in January 2003, the island nations of the Caribbean discussed ways to cooperate to improve security. This issue arose in the wake of the terrorist attacks on the United States on 11 September 2001 and the resulting downturn in tourism in the Caribbean, a mainstay of the regional economy. The nations acknowledge that their relaxed security atmosphere could enable terrorists to use the region as a stopping point on their way to the United States.

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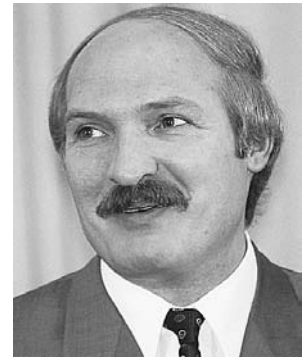
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Profile researched and written by Ian and Rachael Boxill, University of the West Indies (6/99); updated (2/00, 3/02 and 2/03).

# BELARUS

## Aleksandr Lukashenko President

(pronounced "al-ak-SAHN-der loo-kah-SHEN-koh")



*"There is no exit from [our] situation without help from Russia."*

Bounded by Russia on the east, Latvia and Lithuania on the north, Poland on the west, and Ukraine on the south, Belarus occupies some 207,600 sq km (80,154 sq mi) and has been a major east–west passage in both war and peace for more than 1,000 years.

Its population was estimated at 10.3 million in 2002, 81% of whom are ethnic Belarusians; 11% are ethnic Russians, with the remainder made up of Polish, Ukrainians, Tatars, and a scattering of other smaller nationalities. Its capital, Minsk, is also home to the headquarters of the Commonwealth of Independent States (CIS). Belarusian is the official language, but Russian, which is closely related to Belarusian and spoken by most Belarusians (including President Lukashenko), also enjoys a privileged status. A distinct cultural community since at least the 10th century, Belarus has been subjected to outside influences because of its location. Intense Russification took place under both the tsars and the Soviets. The Belarusian nation consists mainly (80%) of followers of the Eastern Orthodox Church. The remainder of the population is composed of Roman Catholics, Protestants, Jews, and Muslims.

Following the collapse of the Soviet Union, the Belarusian government introduced the *Belarusian ruble* as a parallel currency to the *Russian ruble*. Because of hyperinflationary policies, the *Belarusian ruble* rapidly lost ground to the *Russian ruble*. In 2000, the *ruble* was redenominated at one new *ruble* to 2,000 old *rubles*. At the center of Belarusian politics in the mid-1990s were efforts by the government to conclude an economic union with Russia. To date, these efforts have been unsuccessful, with close Russian relations and the possibility of reunion coloring the economic picture.

Historically, Belarus has been a major industrial region even though it lacks significant raw material resources. By the 1980s, industry accounted for over 60% of the economy. While that percentage declined somewhat given the economic difficulties following independence, Belarus still sees itself as an industrial society. As of 2000, industrial production accounted for about 40% of gross domestic product (GDP). Among the most important products are machinery, computers, machine tools, and petrochemicals. Privatization is almost nonexistent due to the government's failure to make market reforms. Agriculture, notably potatoes, grain, peat, and cattle, stood at about 13% of GDP in 1998.

## POLITICAL BACKGROUND

Because of its geographical location and the absence of any naturally secure borders, Belarus often has been a battleground among more powerful countries and an important east–west trade route between Europe and Russia. After the fall of Kievan Rus' in 1240, most of the territory of what is now Belarus fell under Polish and then Lithuanian influence. Russia absorbed the area during the partitions of Poland in the eighteenth century and formalized it as the so-called "pale of settlement" for Jews in the Russian empire.

Because the region's economy could not support the burgeoning population and because of the tsarist government's restrictions on Jews, more than 1.5 million Jews and Belarusians fled to the United States and to the Russian Far East in the 50 years preceding the 1917 Russian Revolution.

Like so much of the Russian borderlands, Belarus was the site of major fighting during World War I and the Russian Civil War, with Red, White, Polish, and some indigenous Belarusian forces all playing a role. In 1922, Belarus became one of the founders of the Union of Soviet Socialist Republics and began to assume its current borders. Those were enlarged in 1924, at the expense of Ukraine and Russia, and further increased after the Molotov-Ribbentrop Treaty in 1939, at the expense of Poland.

Under the Soviets, Belarus was subjected to intense Russification and seldom represented a challenge to Moscow's policies. But in the 1980s that situation began to change: a Belarusian People's Front was organized, albeit with its initial headquarters in Vilnius, Lithuania, after the Chernobyl nuclear accident contaminated much of Belarusian territory. Adding to a nationalist upsurge was the discovery of mass graves from the Stalinist terror of the 1930s at Kuropaty and other locations.

Along with other republics of the former Soviet Union, Belarus held competitive elections for a new Parliament in March 1990, but significantly, the conservative Communists dominated that body. Nonetheless, in response to the nationalist Popular Front, the Parliament declared Belarus a sovereign state within the USSR in July 1990. At the time of the August 1991 coup in Moscow, the leader of the Belarusian Parliament backed the coup leaders: he was subsequently deposed and Belarus declared its independence. His replacement, Stanislav Shushkevich, a nuclear scientist who had helped expose the consequences of Chernobyl, led Belarus toward independence via the CIS.

But if Shushkevich was a reformer, Belarus's prime minister Vyacheslav Kebich was not. A longtime Communist Party functionary, he resisted change, rejected efforts to have a referendum on early elections, and ultimately led the Parliament in deposing Shushkevich. In March 1994, the Parliament adopted a new constitution to replace the Soviet-era one. This document created the position of president as chief of state and called for elections, which were held on 10 July 1994. In these elections, Aleksandr Lukashenko unexpectedly triumphed, winning 80% of the vote on an anti-corruption and pro-Russian platform. Two years later, Lukashenko proposed constitutional reforms that disbanded the sitting Parliament, creating a bicameral body chosen in controversial elections in November 1996. In addition, Lukashenko extended his own presidential term—which was to have ended in 1999—until 2001. Throughout the latter half of the 1990s, Belarus pursued political and economic union with Russia. Various agreements were signed by the two countries and are on their way to implementation.

### PERSONAL BACKGROUND

Born on 30 August 1954 in Vitebsk Oblast, Lukashenko graduated from the Mohylev Pedagogical Institute and the Belarusian Agricultural Academy. Following a brief teaching career as a historian and two years as a Soviet border guard, he worked in the collective farm system, rising to become the manager of the Gorodets State Farm in the Mohylev region in 1987. In 1990, he became a deputy in the Belarusian Supreme Soviet. Married with two children, Lukashenko speaks Russian and a Belarusian patois rather than formal Belarusian. His wife, also a teacher, is not interested in politics. She did not move with Lukashenko to Minsk in 1998 upon his election. Lukashenko himself has been handicapped by a serious back problem that has required frequent hospitalization.

### RISE TO POWER

Lukashenko first attracted public notice when he formed a parliamentary faction called "Communists for Democracy" and when he was the only Belarusian deputy to vote against the establishment of the CIS. He wanted to retain or restore the USSR, a position he maintained more or less consistently into early 1994.

But Lukashenko's breakthrough to political prominence came when he was named chairman of the Interim Parliamentary Anti-Corruption Committee. Although that body was created by conservative Communists who wanted to drive reformist parliamentary chairman Shushkevich from office and, thus, open the way for Prime Minister Kebich to take power, Lukashenko exploited his mandate to move against corruption in all parts of the Minsk administration. For that reason, and because of his often flamboyant personal style, Lukashenko earned his nickname as the "Belarusian Zhirinovskiy," a reference to the colorful Russian political figure, Vladimir Zhirinovskiy. (In this context, it is perhaps instructive to point out that his two "idols" are U.S. president Theodore Roosevelt and Soviet secret police chief Feliks Derzhinsky.) Drawing on popular unhappiness with the deteriorating economy, Lukashenko swamped his opponents in Belarus's first presidential elections.



In the first round on 23 June 1994, Lukashenko led a six-man field with 45.1% of the vote. Because he did not receive a majority, however, he faced a runoff with the number two candidate, Prime Minister Kebich. In that second round, Lukashenko received 80.1% of the vote, trouncing his opponent and driving him from office.

On 24 November 1996, Lukashenko won a referendum to greatly expand his powers. He signed a new constitution, effective 27 November 1996, authorizing the dissolution of Parliament and establishing a new bicameral National Assembly. In elections held 9 September 2001, he reportedly won 75% of votes cast, despite the fact that the international news media characterizes his leadership style as dictatorial and the opposition alleged that the voting process was unfair.

### LEADERSHIP

Lukashenko's populist style, his willingness to exploit the mass media, and his ability to reach out to the population were reflected in his campaign for the presidency. Often saying contradictory things to different audiences, he played to the anti-incumbent mood of a population that had suffered greatly since independence, promising to prosecute the mafia and imprison or deport corrupt officials. He frequently said that Belarus could not survive without a closer union with Russia, one involving not only monetary links but political and military ones as well. But at the same time, he often worked closely behind the scenes with the old and corrupt party elite—the very people he was publicly attacking.

Lukashenko's cabinet has included enthusiastic economic reformers and partisans of independence. But others—particularly in the "power ministries" of defense and internal affairs—have been deeply conservative and pro-Russian, a

mix suggesting that Lukashenko wanted to play one faction against the other.

A major feature of Lukashenko's tenure as president has been the quest to increase his own power and his suppression of political dissent. In 1996 he pushed through a series of constitutional reforms that enhanced the power of the presidency and extended his presidential term from five years to seven years, or until 2001. After disbanding the elected legislature, he handpicked a Soviet-style "rubber-stamp" Parliament. The referendum that approved the reforms was declared invalid by the country's Constitutional Court. Lukashenko's political opponents attempted to elect their own legislators and president, but faced a wave of arrests, interrogations, beatings, and disappearances. Lukashenko retained his grip on power and in 1999 instituted a renewed crackdown on his remaining opponents. In September, a prominent opposition figure, Victor Gonchar, was reported missing. On 9 September 2001, Lukashenko was reelected with a majority of the vote over trade union leader Vladimir Goncharik, remaining Europe's nicknamed "last dictator" since the fall of Slobodan Milosevic of Yugoslavia in 2000. European leaders denounced the election as undemocratic and a farce, but agreed to stop penalizing Belarusian citizens by isolating the country from the rest of the world. The U.S. State Department also planned to pursue measures to restore democracy in Belarus and has banned Lukashenko from entering its country.

In early 2002, Lukashenko started jailing, on "flimsy-sounding fraud charges," some of the country's industrial leaders. Their crime seemingly was a failure to support the president strongly enough during the election campaign, which many considered fraudulent and rigged. Mounting signs of dissent among the country's elite underscored the emptiness of Lukashenko's campaign promises of reform, especially when his country's progress is compared with the relative prosperity of neighboring countries.

## DOMESTIC POLICY

Lukashenko has been reluctant to push for many structural changes in the economy lest they result in social upheaval. As of 1999, Belarus still had a tightly centralized Communist-style economy that was yielding hyperinflation and shortages of consumer goods, and the World Bank was withholding further loans unless market reforms were implemented. Many entrepreneurs left for Russia and observers estimated that the private sector fell from 30% to 10% of Belarus's economy as a result. Then when Vladimir Putin was hand-picked by the resigning Boris Yeltsin to lead Russia in December 1999, the new Russia no longer had any prosperous political niche for Aleksandr Lukashenko. The brotherly feelings that had been demonstrated by Yeltsin were replaced by Putin's impartial, more practical approach. By 2001, most Russian politicians had begun to realize that Belarus could be more of a burden than an asset were the two countries to consolidate their economies further. In late 2002, Putin summoned Lukashenko to a meeting in Moscow, but observers felt it was unlikely that Russia would agree to a union with the poverty-stricken Belarus.

## FOREIGN POLICY

Lukashenko's foremost foreign policy objective has been the campaign for union with Russia. Although a bilateral treaty with Russia calling for military and political cooperation was signed in 1996, implementation has moved slowly. At the end of 1998, new agreements provided for a single currency, tax and customs unions, and other measures. A further agreement authorizing an economic alliance between the two countries was approved by both of their Parliaments and signed by Lukashenko and Russian president Boris Yeltsin at the end of 1999; the agreement had not been implemented as of early 2003. In addition, conditions in Belarus have worsened under the leadership of Lukashenko and the international community was turning its back on his country as a result. When the North Atlantic Treaty Organization (NATO) met in Prague in November 2002, Lukashenko was denied a visa to travel to any European Union (EU) nation; this action reflects growing international ire over his crackdown on dissent in Belarus and his closing of the office of the Organization for Cooperation and Security in Europe (OCSE), a human rights group. These conditions left the future status of Belarus in the international community in question.

With the 1999 agreement signed by Yeltsin and Lukashenko a long way from being implemented, hope for true Russia-Belarus union seemed dim.

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Profile researched and written by Paul A. Goble, Carnegie Endowment for International Peace (11/94; updated 6/2000 and 3/2002).



# BELGIUM

Guy Verhofstadt  
Prime Minister

(pronounced "GEE fer-HOFE-stott")



*"This country must function better and rebuild its image in the world."*

The Kingdom of Belgium lies in the northwest corner of Europe and shares borders with France, Luxembourg, Germany, and the Netherlands. Even by European standards, Belgium is a small country with a total area of 30,510 sq km (11,781 sq mi), making it smaller than Switzerland or the Netherlands. The population of Belgium was estimated at 10.2 million in 2002. The majority of Belgian citizens profess Christianity as their faith, with approximately 75% of citizens being Roman Catholic, and 25% Protestant or other denomination. However, the Belgian people are divided linguistically, with attendant social and cultural differences that are expressed in a contentious political climate. While the country is officially bilingual (Dutch and French), the northern part of the country, known as Flanders, is largely Dutch (Flemish)-speaking (60% of the population, one-fifth of whom also speak French). The southern part of the country, known as Wallonia (and its people as Walloons), is French-speaking (40% of the population). An eastern sliver of the country, near the German border, is German-speaking (less than 1% of the population).

Belgium is a highly industrialized country, but the more prosperous industries are in the Dutch-speaking region, a development that has caused political divisions between north and south. In the 1990s, economic growth in Flanders was four times that of Wallonia. The per capita gross domestic product (GDP) was estimated at us\$26,100 in 2001. Principal exports include machinery and equipment, chemicals, diamonds, and metals and metal products. Banking and other service industries, concentrated in the capital city of Brussels, are also important. The unit of currency was the Belgian *franc* until 2002, when Belgium was among the European nations that converted to the *euro*.

## POLITICAL BACKGROUND

Centuries of rule by the Spanish, Austrian, French, and Dutch ended in 1830, when Belgium won its independence. The country became a constitutional monarchy in which sovereign power theoretically lay with the monarch. Since 1993, the head of state has been King Albert II, son of the popular and long reigning (1951–93) Baudouin I. Like all Western European monarchies, the focus of Belgian politics is its Parliament. In the 1990s, the Belgian Parliament was reorganized and reduced in size. The Parliament is bicameral, with a Chamber of Representatives having 150 seats and a Senate having 72 seats. The Chamber is directly elected, with proportional representation. Forty members of the Senate are

elected in the same fashion, while 31 are elected indirectly. Elections for Parliament must be held at least every four years. Voting is compulsory. In 1981, the minimum voting age was lowered from 21 to 18.

Belgium has a multiparty system as a result of its linguistic diversity and its system of proportional representation. In the June 1999 elections, nine parties received sufficient votes to be considered important in the political process. For nearly three decades, three principal "families" of parties have received the vast majority of electoral support: the Christian Democrats, the Socialist Party, and the Liberal Democrats. Since the 1970s, each of these parties has divided formally into French- and Flemish-speaking branches. In the 1990s, two new parties emerged: the Ecolos (Francophone Greens), and Vlaams Blok. Vlaams Blok, though founded in 1977, was winning increased support in the 1990s among those interested in Flemish independence.

The June 1999 elections saw an upheaval in Belgian politics. Political scandals and the perception of poorly managed government led to the ousting of the coalition of Christian Democrat Jean-Luc Dehaene. The temporary escape from prison of a notorious pedophile revealed deep discord among community and national police forces and caused a public outcry. A series of bribery and corruption charges against high-ranking officials, yielding a number of convictions in December 1998, brought the long-powerful Flemish Christian Democratic Party (CVP) of Dehaene into disrepute. The final blow against the government came in early June 1999, when health inspectors discovered that dioxin, a cancer-causing agent, was present in chicken feed. The European Union (EU) charged the Belgian government with covering up information about the presence of dioxin in the food chain and banned the sale of Belgian chicken in EU-member states. The long-ruling Christian Democrats were thrown out of office. The Liberals, traditionally ranking third behind the CVP and the Socialists, prevailed with the largest number of votes. Not since 1937 had the Liberals been able to name a member of their party as the head of government. Guy Verhofstadt replaced Dehaene as prime minister on 12 July 1999.

## PERSONAL BACKGROUND

Guy Verhofstadt was born in Dendermonde, Belgium, on 11 April 1953. He lived much of his early life in Ghent, where he studied in a high school emphasizing Greek and Latin studies. Verhofstadt received a law degree from the Rijksuniversiteit



in Ghent in 1975. He is married to a professional opera singer, with whom he has a son and a daughter. His passions are opera, bicycling, and the study of Italian culture.

### RISE TO POWER

Politics has been in Verhofstadt's blood since his university days. From 1972 through 1974, he headed the Flemish Liberal Student Party, which served as a training ground in the party's ideas and taught its members how to shape an agenda and put together leadership teams. In 1977, Verhofstadt became the political secretary to a senior Liberal Party politician, Willy De Clercq. De Clercq was masterful at forging compromises behind the scenes and in bringing disparate elements in the party together. As political secretary, Verhofstadt learned from direct involvement how the party was structured and how power was utilized.

Verhofstadt was a strong advocate of free markets from the 1970s through the mid-1990s. The Liberal Party is a pro-business party, with strong support from a variety of white-collar businesses, including private financial institutions. For some in Belgium, Verhofstadt's devotion to the free market was once considered too rigid. Socialists, Christian Democrats, and some of the country's newspapers derided him as "Baby Thatcher" due to his admiration for former British prime minister, Margaret Thatcher. Nonetheless, he was widely viewed as having a brilliant legal mind. In 1982, at the age of 29, he became president of the Liberal Party. From 1985 until 1988, while the Liberals were a junior partner in a coalition government, Verhofstadt served as a vice prime minister and as minister of state for the budget. Out of power in 1988, the Liberals named him to their "shadow cabinet" in a position-in-waiting should the party

rejoin or lead a government. It was rare for someone so young to rise so quickly. The Belgian French press referred to Verhofstadt as "the big blue bad boy" due to his considerable height, the color associated with his party, and his sometimes rough, ardently ambitious ways.

### LEADERSHIP

Verhofstadt had twice attempted to form governments when the Liberals had not won a plurality of the votes. In 1991 and again in 1995, after initial failures by both Christian Democrats and Socialists to form governments, he had stepped in but was unable to forge a coalition. Bitter rivalries within his own party had impeded his efforts as much as opposition from other parties. His failure to form a coalition in 1995 weighed particularly heavily upon him. He resigned his leadership of the Liberal Party and decided to take time away from politics. He moved temporarily with his family to Italy, where he spent over a year reading and reflecting.

From all accounts, the year Verhofstadt spent in Italy was an intellectually formative one. When he returned to Belgium in 1997 to take a seat in the Senate and once again lead his party, his political views were substantially broader and less ideological. While in Italy, he had developed an interest in the environment. He also saw that while Italy had a contentious political culture, its governing institutions functioned quite well. He began to take a greater interest in the efficiency of governmental institutions and in policies that might curtail corruption. No longer was his focus strictly on the business community and the free market.

Upon returning to his home, he declared that Belgium "is still a country afflicted by politicization, scheming, wheeling, and dealing—the country of missed opportunities." This would be a central theme in his rise to government leadership.

The 1999 parliamentary election campaign gave Verhofstadt ample opportunity to exhibit his broadened interests and ideas, as well as his ample leadership skills. During the campaign, his party hammered at the corruption of elements of the Belgian political elite, some of whom had recently been convicted of bribery. While Verhofstadt accepted political horse trading as necessary to the functioning of a multilingual nation, he repeatedly told voters that the line must be drawn at under-the-table payments from the business world to political parties and at cronyism. He referred scathingly to the "kleptocracy" that was running the country. The campaign took place in a contentious atmosphere. A racist party was demanding that immigrants be sent out of the country. Flemish nationalists verbally attacked the Walloons, their poorer neighbors to the south, as draining away public resources. For the first time in many years, the idea that the country might split into separate states, a Dutch-speaking north and a French-speaking south, was raised as a serious option by political commentators and a growing band of local politicians.

The parliamentary election results of 13 June 1999 left the Liberals with 41 seats in the Chamber, the most of any party. The Socialists won 33 seats, and the Ecolos (Francophone Greens) won 20—the last a striking development for a party little more than a decade old. The Christian Democrats (Christian People's Party) fared poorly. Normally, forming a coalition in Belgium requires several months of negotiation among the leading parties. The daunting task of coalition

building again seemed at hand because the three strongest parties had many divergent views. The Liberal Democrats remained at heart a free-market party of business, with considerable support from the intellectual community as well. The Socialists remained the party of the workers and the lower middle class and in opposition to free-market policies that might throw its supporters out of work in hard economic times. The Ecolos often vilified the business community as bent on making money at the expense of the environment and the interests of the average citizen.

Verhofstadt's concerns over the environment, his desire to end corruption, and his intention to make the institutions of government function persuaded the Socialists and the Ecolos to join the Liberals in a government after only a month of bargaining. Verhofstadt is serving as prime minister with a cabinet that holds nine Liberal ministers, eight Socialist ministers, and four Ecolo ministers. The new government took power on 12 July 1999 and controls 94 of the Chamber's 150 seats.

## DOMESTIC POLICY

It is in domestic policy and style of governing that Verhofstadt may represent a break with the Belgian past. He has pledged to fight corruption and restore a functioning democracy. Verhofstadt has promised to stop the rivalries between local and national police and to end political appointments to judicial posts. For the latter, he would abjure political pressure and allow a Supreme Council of Justice to appoint judges based on their merits, not on their political affiliation. True to his Liberal Party tradition, Verhofstadt promised to reduce costs to businesses by lowering the amount of money that they must contribute to employee pension systems. Although his Socialist coalition partners did not welcome this position, he promised them that he would take measures to revive Belgian industry. This would be accomplished by selling state assets to profitable private enterprises that might endure and create jobs, and by continuing the previous government's policy of allowing mergers with Belgian companies by more profitable foreign companies.

To the Ecolos he pledged that Belgium would end reliance on nuclear power between 2015 and 2021. In January 2003, he announced cuts in both corporate taxes and personal income taxes, noting that he wanted to change Belgium's position as a country with one of the highest tax rates in the world.

## FOREIGN POLICY

Verhofstadt sees little need for change in the country's foreign policy. Belgium's small size and catastrophic losses in the two World Wars have led it to pursue membership in a range of international organizations aimed at preserving peace and building prosperity. Belgium has proved a strong member of the North Atlantic Treaty Organization (NATO) and an enthusiastic supporter of a long-term EU effort to build not only an integrated economy but ultimately a joint foreign and defense policy with other member states. The headquarters of

both NATO and the EU Commission are in Brussels, a symbol of the country's dedication to international institutions.

Verhofstadt supported the Dehaene government's effort to join the European Monetary Union (EMU), which occurred on 1 January 1999. In 2002, Belgium was among the 12 European nations that converted to the *euro*.

Verhofstadt has sharply criticized nationalism as a force leading to conflict. In doing so, he has clearly signaled that he opposes moves by any of his Flemish-speaking or French-speaking countrymen to divide Belgium into two states. As a way to build stability across the continent, Verhofstadt supports a continued but cautious expansion of both EU and NATO membership to include newly democratic states in central Europe.

Verhofstadt, though he is on the center-right of Belgian politics, has opened a dialogue with liberal antiglobalism activists, calling them "a real breath of fresh air in this post-ideological age." While other European leaders have scoffed at the activists, in October 2001 Verhofstadt invited them to an international conference in Ghent on globalism.

Belgium held the six-month presidency of the EU's Council of Ministers from 31 July to 31 December 2001. In the wake of the 11 September 2001 terrorist attacks on the United States, Verhofstadt found this a challenging time to be leading the EU. In a letter to European Council members in September, he spoke of the "need first of all to confirm and put into practice our pledge of solidarity with the American people and leaders." As for his agenda for the EU, Verhofstadt hoped to make firm progress in the ongoing enlargement talks with 10 countries in eastern and southern Europe, to meet the goal that some of them will become members in time to participate in meetings by 2004, and expand the EU from 15 to as many as 24 nations.

In March 2002, EU representatives opened a year-long constitutional convention in Brussels designed to chart more efficient and more democratic structure for the growing union.

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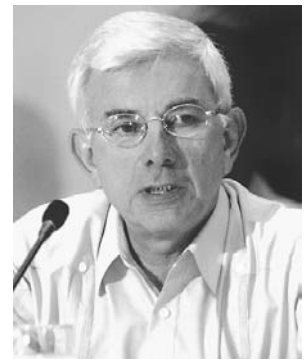
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- Profile researched and written by Paul E. Gallis, Congressional Research Service (12/99); updated (2/00, 3/02, and 3/03).**

# BELIZE

Said Musa

Prime Minister

(pronounced "sa-EED MOO-sa")



*"Our new economic initiatives are designed to inject substantial long-term capital into export industries and tourism while ensuring that the environment is protected and that the people participate in and benefit from development."*

Belize is situated on the Caribbean coast of Central America, south of Mexico and east of Guatemala. It has an area of 22,966 sq km (8,867 sq mi) and a 280-km (174-mi) coastline. The north of the country consists of limestone lowlands, the south is dominated by the Maya Mountains, and off the coast lies the world's second-largest barrier reef, with dozens of small islands. The largest town is Belize City, with some 55,000 people. Belize City (the former capital) was twice ravaged by hurricanes, in 1931 and 1961, so a new capital, Belmopan, was built inland in 1970.

The population was estimated at 263,000 in 2002, and is composed of 49% mestizo (Spanish and Indian); 25% Creole (primarily African descent); 11% Ketchi, Mopan, and other Maya Indian; 6% Garifuna (African and Carib Indian); and 9% white, East Indian, and other. Migration is changing the ethnic composition of the population, as most of the thousands of Belizeans who move to the United States are Creole, while thousands of Spanish-speaking Central Americans have migrated into Belize. Although the official language is English, the majority of the population now speaks Spanish. About 25% of the population speaks Creole, a language derived from a mixture of English and various African languages.

Most schools are government-supported denominational schools, chiefly Roman Catholic. Approximately 50% of the population is Roman Catholic; 27% is Protestant, including Anglican, Methodist, Mennonite, Seventh-Day Adventist, Pentecostal, and Jehovah's Witness. There are also small groups of Mormons and Bahai.

The economy is chiefly agricultural (sugar and bananas are the major exports), supplemented by fishing, small-scale industry (fertilizer, beverages, cigarettes and food processing), merchandising, and most recently, tourism and construction. The United States and the United Kingdom are Belize's biggest trading partners. The unit of currency is the Belize dollar.

## POLITICAL BACKGROUND

Belize, a member of the British Commonwealth, has a Westminster-style parliamentary system. A British colony until 1981, known until 1973 as British Honduras, Belize became independent in 1981. Queen Elizabeth II is the formal head of state, represented in Belize by an appointed governor-general (since November 1993, Sir Colville Young, Sr.) who plays a ceremonial role. The legislature consists of a National

Assembly comprising an twelve-member appointed Senate and a House of Representatives, members of which are elected in 29 constituencies to five-year terms. The head of government is the prime minister, who in the parliamentary system commands a majority in the legislature. The prime minister and his cabinet are usually the leader and members of the majority party in the House of Representatives.

Party politics began in Belize in 1950 when the People's United Party (PUP) was formed. It won the first election contested after universal adult suffrage was introduced in 1954. Belize achieved internal self-government in 1964 and complete independence on 21 September 1981. The PUP, led by George Price, dominated politics for 30 years, until the United Democratic Party (UDP), which was formed by a coalition of small opposition parties in 1973, won the 1984 election under the leadership of Manuel Esquivel. Although frequently divided by tensions among its constituent parties, the UDP has remained viable in opposition as well as in government, returning to power for one term following the elections of 1993.

In August 1998, the PUP was returned to power with 60% of the popular vote, winning 26 of the 29 seats in the House of Representatives, with UDP controlling the remainder. Voter turnout was estimated at over 90%, the highest in the country's history. Said Musa, the party leader, became the nation's third prime minister. The next National Assembly elections were scheduled for August 2003.

## PERSONAL BACKGROUND

Said Wilbert Musa was born in San Ignacio on 19 March 1944, the son of Belizean Aurora Gibbs and Palestinian immigrant Hamid Musa. After attending primary and secondary school in Belize, he went to Manchester, England, where he received a law degree from Manchester University in 1967. He married the former Joan Pearson in 1967.

Musa returned to Belize in the late 1960s, serving as Circuit Magistrate (1967-68) and Crown Counsel (1968-70), before going into private law practice, setting up the law firm of Musa and Baldermos in 1970. He also became involved with the United Black Association for Development (UBAD) and was co-founder of the People's Action Committee (PAC) and the Society for the Promotion of Education and Research (SPEAR). PAC, with UBAD, eschewed party politics in favor of popular organization. But after the PAC/UBAD alliance broke up, Musa joined the PUP,

making an unsuccessful bid for Parliament in 1974. By joining the PUP, he believed he could be more effective in what he considered the country's major challenge, increasing popular participation in government and political life.

### RISE TO POWER

Appointed senator in 1974, Musa joined Senators Harry Courteney and Assad Shoman in persuading the party to adopt a revised constitution, one designed to increase party democracy and rank and file participation. In 1979, Musa was elected from the Fort George Division and became a member of cabinet, serving as minister of education, attorney general, and later minister for economic development. With Shoman, then minister of health, he sought to expand the principles of party democratization to government itself and, in 1982, challenged the party leadership, issuing a public declaration that the economic crisis then engulfing the region could only be solved by increasing democracy and opening participation "to strengthen and deepen democracy in Belize." The two ministers also worked successfully to gather support for Belizean independence within Latin America and the international community.

Defeated in 1984, when the PUP won only 7 of the 28 seats, Musa was elected party chairman in 1986 and worked to expand party membership and attract new leaders. He was victorious in the next general election in 1989, serving in the PUP government as foreign minister, minister of economic development, and minister of education. Musa held onto his seat in 1993, when the PUP narrowly won the popular vote but captured only 13 of 29 seats, the number having been increased to avoid the possibility of a tied House. In 1996, George Price, PUP founder and Belize's prime minister in all but two governments, stepped down as party leader. The previous year Musa had solidified his position in the party with the support of John Briceño, a young mestizo politician with a solid following in the northern districts, the base of Musa's primary rival, Florencio Marin. Musa defeated Marin in the election for party leader, becoming only the second person to fill that post.

### LEADERSHIP

Musa's leadership has been consistently characterized by efforts to open the political process to the broad masses of Belizean people, believing that fundamental to their participation is the freedom from economic deprivation and want. Thus, within the party he has focused on increasing democracy and on attracting new, especially younger, leaders. Within the government, he has concentrated on the liberalization of education and media and the implementation of a sustainable economic development strategy based on a partnership between government and the private sector. During his first term as minister of education, Musa initiated a series of social studies texts that made the colony's history accessible to school children for the first time and openly presented coverage of nationalism, imperialism, and racism.

During his second term, Musa implemented an open media policy in Belize, transferring the government-owned television and radio stations to a public/private corporation and granting licenses to competing broadcasters. He also moved decisively to resolve one of the most controversial policies of the previous government, the dependent link



between Belize's only post-secondary institution, the University College of Belize (UCB), with the U.S. Ferris State University in Michigan. Said severed this relationship while nevertheless continuing to support UCB. In 1992, he authored the government's economic development plan, stating: "The urgent task at hand is to raise income and productivity for sustainable growth while also securing human development and social equality for all."

Upon taking office as prime minister in October 1998, Musa announced that the controversial timber licenses granted on Mayan lands in Toledo, a largely rural district in the south, would be subject to review. He also named the country's first Mayan cabinet member, Toledo representative Marcial Mes, as minister of rural development, thus signaling the importance of integrating the nation's indigenous peoples more closely into its economic development. In another effort to diversify Belize's political leadership, he named three women to high posts in the government. Newly elected Dolores Balderamos Garcia was named minister of human development, women, and youth; Sylvia Sarita Flores, a Garifuna, speaker of the House; and Betty Zabaneh, president of the Senate.

Musa's commitment to party democracy placed him on the party's left wing. His early years in politics were ones of successive internal struggles with those content with the party's tight control of education and media as well as the political process. His commitment to third-world liberation struggles, including those in Cuba and Central America, as well as his participation in the PAC, with its avowedly anti-government stance, brought anticommunist attacks from inside his party as well as from the opposition, charges which were renewed again in the 1998 election. Amiable and well-

liked, however, Musa has an easy style that effectively denies the image of a left-wing ideologue. For four years, the UDP leadership repeatedly accused him of wrongdoing while in government, hiring special investigators and seeking to remove him from Parliament. Ultimately, the accusations went nowhere and, in fact, were widely regarded as a form of political victimization. In 1999, Musa made a historic visit to Cuba, reinforcing the friendly relationship of the two countries by presenting Fidel Castro with the Order of Belize, Belize's highest award for a non-Belizean.

### DOMESTIC POLICY

Perhaps the most innovative aspect of current domestic policy is the commitment to political reform, long a Musa priority. Beginning in 1994, SPEAR, revitalized in the mid-1980s as an independent nongovernment organization (NGO), carried out nationwide public hearings on constitutional reform, arguing that under the existing Constitution, there is "tremendous concentration of state power in the hands of the executive." SPEAR proposed a number of reforms, which were adopted by a coalition of 100 NGOs and presented to both parties in February 1998. The major proposals were adopted by the PUP and incorporated into its electoral manifesto. These included the creation of a presidential office distinct from the National Assembly, a measure designed to more clearly separate executive and legislative power; increased independence for the judiciary; and a strengthening of local government. A coalition evaluation of the government's first 100 days called political reform the area of "greatest achievements," especially commending Said's formation of a political reform commission headed by an NGO umbrella development group.

There is no doubt that Belize's small, insecure, and dependent economy remains the party's major challenge, however. The PUP campaigned against a stagnant economy, caused by excessive taxes, promising to abolish the widely unpopular 15% value-added tax (VAT) in April 1999. It was replaced with a lower sales tax and the financial services industry was reformed to encourage foreign investment. When asked about lost revenues, Musa talked about growth-led development, targeting a 60% increase in gross domestic product (GDP), and increasing per capita GDP from US\$2,750 (in 1999) to US\$4,000. (By 2001, per capita GDP had reached just \$3,250.) The new government also promised to create 15,000 new jobs and build 10,000 new homes—primarily through economic stimulation and private sector investment—and increase spending on education and social services. As of 2001, most major capital projects were moving slowly due to a general economic slowdown worldwide and the aftermath of hurricanes in the late 1990s. The reduction of poverty remains the government's short-term goal.

Tourism, which became the most important sector of the economy in 1997, fell off slightly in 1998, but grew 6% in 1999 and 4% in 2000. The government was expected to continue to promote its growth, including the development of "ecotourism," encouraging small-scale, environmentally sensitive development. Offshore financial services are a growing sector; facilitated by a 1996 offshore banking act allowing nonresidents to conduct banking and related business in foreign currencies, securities, and assets, by 1997 there were more than 6,000 international business companies

(IBCs) registered in Belize. The first offshore bank was established in November 1998.

### FOREIGN POLICY

While Belize has considered itself an ally of democracy and has depended on good relations with the United States, it also has consistently supported third world nationalist movements—including the Palestine Liberation Organization (PLO), the Polisario Front (fighting for the independence of Western Sahara), and Cuba. Belize has good economic and political ties with both Mexico and the Caribbean Community and Common Market (CARICOM), to which it belongs; it has also joined the 77-member African, Caribbean, and Pacific Group of States (ACP Group), created to manage trade relations with the European Union (EU).

Export competition from Mexico and Guatemala, along with concern about Mexico's continued appeal to Belizean consumers, have strained relations between the two countries. Belize joined other CARICOM nations in opposing the U.S. campaign against European Union (EU) import preferences for Caribbean products, especially bananas. Belize's export of bananas (the country's top export product) to the EU created tension in trade relations with the United States and led to restrictions on Belizean banana exports to the United States. In December 1998, the Musa government launched a vigorous "Buy Belizean" campaign, aimed at winning the attention—and budgets—of growing number of Belize consumers who travel north to Mexico to shop.

While the economy remained the major challenge, the government has taken steps to achieve a permanent settlement of the country's most volatile political issue, its relationship with neighboring Guatemala, which long claimed Belize. The issue, and the political divisions surrounding its resolution, effectively delayed Belizean independence for at least a decade. Even after independence, a British garrison remained in Belize to support the tiny Defense Force against any Guatemalan threat. In the late 1980s, however, Guatemala, concerned about its growing international isolation, indicated its willingness to resume negotiations on settling the dispute. In 1991, Guatemalan president Jorge Serrano recognized Belize's right to self-determination and the two countries agreed to establish diplomatic relations. The PUP pledged to enact legislation stating that Belize would not claim its territorial sea rights beyond three miles in the south and would undertake mutual development projects, including tourism and agroindustry, in a Joint Development Zone.

Initially endorsed by the UDP leadership, the terms of the agreement, embodied in the legislation, encountered widespread opposition, especially in the economically neglected south, and provoked a split in the opposition coalition. The UDP leadership then reversed itself, proposing legislation not take effect until a referendum was held. The government passed the Maritime Areas Act (MAA) in January 1992, amended to state that it would be subject to a national referendum. Then, in May 1993, Britain announced that its troops would be reduced and eventually withdrawn from Belize. Three weeks later, Serrano was overthrown and replaced. In the midst of this uncertainty, the PUP leadership, confident that its mandate would be renewed, called a general election for 30 June even though their term did not expire

until September 1994. But the PUP underestimated the depth of Belizean concerns on this issue, which intensified with the fear that 5–10% of the GDP—and some 3,000 Belizean jobs—would be lost with the British withdrawal.

After the UDP victory in June 1993, the MAA, while not repealed, was never put to a referendum and the issue was again put on hold. In Guatemala, the new government acknowledged the interim agreement but declared that until a final treaty was concluded, its claim remained valid. In late 1993, however, Belize and Guatemala pledged to refrain from using force against each other and, on 1 January 1994, Britain handed over security responsibilities to Belize and began its troop withdrawal. This was completed in 1996 and talks resumed between Belize and Guatemala on normalizing relations.

Long-standing fears about Guatemala, stemming from its more developed economy and large and growing population, as much as its more powerful military, kept the issue volatile in Belize and made broad-based economic development a central policy issue. Perhaps recognizing this, the PUP made economic empowerment of the south part of its election manifesto.

The territorial dispute erupted anew in 2000 with the murders of two Guatemalans by Belizean border guards. Yet on 20 July 2000, Belize and Guatemala signed an agreement based on the de facto boundary (which is not recognized by Guatemala) at the Organization of American States (OAS) toward a resolution of the border dispute. The agreement is tenuous at best, as evidenced by a flare-up of tension in January 2001. Border patrols accused 200 Guatemalans of trespassing in Belize and Guatemala defended their rights to settle the area. Officials from both countries met with OAS representatives to find a solution to the stand-off. The countries are committed to building a relationship of peace.

In 2002, Belize and the United States signed an agreement to combat drugs, violent crime, and money laundering. Under the agreement, the United States would commit \$434,500 to a series of projects, including the Belize Law Enforcement Infrastructure, the establishment of a forensics laboratory, and programs for case management and prosecution of criminal activity.

Said must balance his country's need to develop its economy with its relations with neighboring Guatemala and its powerful trading partner, the United States.

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**Profile researched and written by Karen Judd, Ph.D. (6/99); updated (3/00, 3/02, and 2/03).**

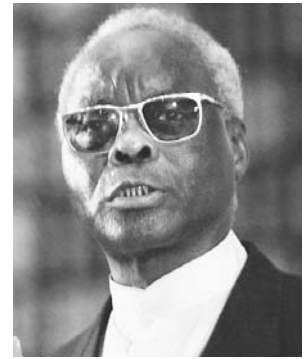


# BENIN

## Mathieu Kérékou President

(pronounced “mah-tee-OO kay-ray-KOO”)

*“I formulate the wish that the entire country will live in peace, concord, and tolerance, and the democratic gains will be consolidated in order to create the proper conditions for a stable, durable, peaceful and harmonious development.”*



Known as the Republic of Dahomey before December 1975, Benin was a former French colony until independence was granted on 1 August 1960. This West African nation borders on Nigeria to the east, Burkina Faso and Niger to the north, and Togo to the west. With a July 2002 estimated population of 6,787,625 inhabitants and a land mass of 112,620 sq km (43,483 sq mi), Benin is a small country compared with its neighbors.

Despite its size, Benin is composed of more than 40 ethnic groups. The largest indigenous groups are the Fon, Adja, Yoruba, and Bariba. While the official language is French, the principal spoken languages are Fon and Yoruba in the south, and several languages, including Bariba and Fulani, in the north. The dominant group is the Fon-Adja, accounting for approximately 60% of the population, while the Bariba and Yoruba account for 10% and 9% respectively. The Beninese are primarily animist (50%), with the remainder being divided into Christians (approximately 30% of the total population, mostly in the south) and Muslims (20%, mostly in the north). The life expectancy at birth is 51 years for males and 56 years for females. The literacy rate is 37%.

The economy of Benin is mostly based on agriculture, which employs more than 50% of the population. The main agricultural products are cassava, yams, cotton, and maize. Benin has traditionally run massive trade deficits, but principal exports are cotton and energy products. The leading trading partners are France, the United States, Côte d'Ivoire, and People's Republic of China. The per capita gross domestic product (GDP) was estimated at US\$1,040 in 2001. Cotonou, the economic capital, and Porto Novo, the political capital, are its largest cities. The national currency is the *Communauté Financière Africaine (CEA) franc*.

### POLITICAL BACKGROUND

Benin has withstood six coups, autocratic rule, and a Marxist-Leninist experiment. Major Mathieu Kérékou seized power on 26 October 1972 and dictated one-party rule, nationalization of private enterprises, and a Marxist ideology. His regime suffered from corruption on many levels. Amid mounting political pressure, Benin became a model for democratization in Africa when Kérékou convened a National Conference in 1990 that ushered in multiparty democracy. For the first time in African history, an incumbent leader was defeated at the ballot box as Nicephore D. Soglo, an economist and technocrat, replaced Kérékou on 24 March 1991. His regime was criticized for adhering to impossible

demands by the International Monetary Fund (IMF), and this resulted in a major electoral defeat for Soglo's Benin Renaissance Party (PRB) in the 28 March 1995 national assembly elections. In 1996, the voters turned Soglo out and gave Mathieu Kérékou a second chance at leading the country.

The present political structure is a product of the February 1990 National Conference. The new Constitution, approved by referendum on 2 December 1990, instituted a multiparty presidential system. The president is elected by universal suffrage for a five-year term, renewable once. In presidential elections, a single candidate must win a majority of the votes. If there is no majority winner, then the two candidates with the most votes participate in a two-way runoff election. The National Assembly consists of 83 deputies serving four-year terms. To check executive authority, the Constitution guaranteed an independent judiciary and a Constitutional Court, an Economic and Social Council, and a media-regulating authority.

Local government consists of twelve provinces subdivided into 86 districts and 510 communes, while local administration, appointed by the national government, is assigned to elected provincial, district, town, and village councils.

### PERSONAL BACKGROUND

Known as “Django” to close family and friends, Mathieu Kérékou was born on 2 September 1933 in Koufra, Natitingou, in the Atakora province of northern Benin. His father was a soldier from the Bariba ethnic group; he was prepared for a military career in a country where military service was seen as a way to increase opportunities for a better life. Kérékou attended primary and secondary schools for children of soldiers at Kati in Mali and St. Louis in Senegal and then went to officers school at Frejus, France. Kérékou served with the French army until 1961, after which he joined the national army upon Dahomey's independence.

Kérékou began his political career as a military aid to President Hubert Maga (1961–63). Initially, he did not take an active role in the political administration of the government, preferring to manage military affairs. In 1980, he converted to Islam and took the name Ahmed. Unofficial sources allege that he subsequently converted to Christianity and became a born-again Christian. Kérékou maintains residences in Cotonou and northern Benin.



## RISE TO POWER

Mathieu Kérékou first attracted public attention as the commander of a paratroop unit that played an important role in the 1967 coup that overthrew General Soglo. Although a key player and later chairman of the Revolutionary Military Council (1967–68), which was responsible for organizing the coup, Kérékou did not assume a cabinet position in the subsequent government of President Alley. However, he continued to play an important behind-the-scenes role as the most powerful military figure. In 1968, during the civilian administration of Dr. Emile Zinsou, he furthered his education in France and subsequently returned to take a more active role in government.

By 1970, the government floundered as three men bickered and jostled for power in a rotating presidency. To stop this ineptitude, Kérékou staged a coup on 27 October 1972 and threw Ahomadegbe out of power. His paratroopers from Ouidah took over the capital by symbolically toppling the gates of the presidential palace. Kérékou assumed the positions of president, prime minister, and minister of defense; detained all previous government officials; and set up a commission to investigate their corruption. He formed a government composed entirely of army officers under the age of 40.

The first part of his presidency was characterized by adherence to Marxist-Leninist ideology. Banks, schools, oil distribution centers, and the insurance sector were nationalized. On 30 November 1975, Kérékou renamed the country “People’s Republic of Benin,” adding a socialist twist to the great seventeenth-century Kingdom of Benin.

Beginning in the mid-1980s, Kérékou adopted a more pragmatic approach by encouraging the development of private enterprise. Yet the economy continued to suffer from mounting debts, budgetary imbalances, and border disputes with neighbors. The IMF austerity program in 1986 provoked widespread strikes by students, teachers, and civil servants over the nonpayment of salaries. The army also increased its pressure for political change.

In February 1990, Kérékou convened a national conference, which ultimately led to multiparty elections and his defeat on 25 March 1991 by Soglo. Having received only 32.4% of the vote, Kérékou asked “forgiveness from the victims of the deplorable and regrettable incidents” that took place during his 17-year reign. He stated his “deep, sincere, and irreversible desire to change.” Granted full amnesty by the Soglo government, he went into retirement, conducting his social and business life late into the night at his Cotonou home.

Kérékou became politically active again after Soglo’s PRB suffered a humiliating legislative defeat in the National Assembly elections on 28 March 1995. The subsequent presidential elections on 3 March 1996 pitted four major veteran politicians against each other: Mathieu Kérékou, Nicephore Soglo, Adrien Houngbédji, and Bruno Amoussou, who received 34.08%, 37.07%, 18.72% and 7.39% of the votes respectively. In the run-off elections on 18 March, Kérékou won the support of candidates Houngbédji and Amoussou, in addition to that of former 1991 presidential candidate Albert Tevoedjre. In a stunning turnaround, Kérékou defeated the incumbent President Soglo 52.49% to 47.51%. Despite initial



protests about foreign intervention and electoral irregularities, Soglo left the presidential palace and Kérékou made a triumphant return in an inaugural ceremony on 4 April 1996. In the ceremony, he evoked the name of God repeatedly and promised a government of national unity.

During the first round of the 2001 elections, which began with 17 candidates, allegations of fraud, including the disappearance of opposition ballots and padded voter registration lists by Kérékou followers, led to a boycott of the run-off poll by the main opposition candidates. Following the first round, the four top-ranking candidates included Mathieu Kérékou (incumbent) 45.4%, Nicephore Soglo (former president) 27.1%, Adrien Houngbédji (National Assembly speaker) 12.6%, and Bruno Amoussou (minister of state) 8.6%. Soglo and Houngbédji withdrew with a call to supporters to boycott the second round of elections, leaving Kérékou and Amoussou, who had already announced full support of Kérékou, as the second round candidates. With citizens loyal to Soglo and Houngbédji, as well as those angered by the apparent fraud of the election, staying away from the polls, Kérékou easily won the elections.

However, following the results of the 1999 elections, the majority of seats in the National Assembly belong to the PRB (27), led by Soglo, and the Democratic Renewal Party—PRD (11), led by Houngbédji.

## LEADERSHIP

Kérékou is considered a charismatic and pragmatic leader. Most Beninese regard him as “The Chameleon” who repeatedly changed policies in order to ensure political survival. The nickname originated from his motto: “the branch will not break in the arms of the chameleon.”

Kérékou's leadership abilities were developed during his tenure as a military officer where he rose from the rank of lieutenant to brigadier general. In 1972, before staging his coup, Kérékou distinguished himself by successfully ending an army mutiny and winning strong support within the upper echelons of the army. He was then credited for rehabilitating a fragmented and demoralized military and became its undisputed leader.

During his first 17 years as president, Kérékou survived many attempted coups including one in January 1977 led by "Colonel" Bob Denard and a group of armed Europeans and Africans. His administration was ruthless and dictatorial. One coup plotter, Michel Ailpe, was allegedly shot trying to escape after Kérékou caught him having an affair with his wife.

Having renounced his Leninist tendencies before the 1991 multiparty elections, Kérékou now defines "revolutionary" according to psychological and theological frameworks. While Kérékou's major support base is northern Benin, he must also maintain the consensus of many politicians representing different ethnic and regional interests.

## DOMESTIC POLICY

Economic growth that benefits the entire population has been the major focus of the Kérékou administration. In fact, figures for 2001 show an estimated growth rate of 5.4% for the economy, improving slightly on the growth rate that averaged 5% from 1997–2001. During the presidential campaign, he repeatedly spoke about the need to alleviate the hardships of the average citizen brought forth by IMF controls over the national economy. While the campaign rhetoric won widespread support from a public that saw little or no benefit from IMF-imposed fiscal and monetary austerity, Kérékou created a dilemma. International agencies and donors expect him to continue the austere economic policies that toppled his predecessor. Increased privatization and severe limits on government spending led to debilitating strikes and huge losses of customs revenue.

Kérékou may also be losing popularity for having tightened libel laws. The Higher Audiovisual and Communication Authority (HAAC) authorized eight commercial and seven noncommercial radio stations along with one TV station and three satellite TV stations. The decision reflected the will of the 1991 National Conference to break the state monopoly on airwaves. However, stations must subscribe to the state-owned Benin News Agency (ABP), which distributes national and international news at exorbitant rates. Furthermore, under a new defamation law, journalists face up to five years in prison or a fine of up to US\$17,000 for libel.

Finally, the government is beset by trafficking of children and by drug traffickers who operate with impunity despite a tough antitrafficking law enacted in 1997. Confusion over which government agency should enforce the law and how it should be enforced gives traffickers and money launderers free reign in the country. Heroin, cocaine, and marijuana are moved in moderate amounts through Cotonou, which serves as a transshipment point between Nigeria and the United States via Europe.

## FOREIGN POLICY

The two foreign policy areas that the Kérékou administration must concern itself with are good relations with neighboring countries and the maintenance of foreign aid. Relations with Benin's neighbors deteriorated during the Soglo administration because their military leaders feared Beninese democracy. However, tensions with Niger and Nigeria have lessened since Kérékou's election and since Obasanjo's election in Nigeria. A border issue over refugees seeking political asylum from the military regime of Sani Abacha was resolved in April 1996. In June 1999, Benin began withdrawing its 140 troops from Guinea-Bissau. In December 1999, Benin strained relations with Togo over its bid to host the African, Caribbean, and Pacific trading partners accords, which Togo has hosted since 1975. Benin will be a beneficiary of the future West African gas pipeline.

Foreign and multilateral aid is vital for the economic survival of Benin. Kérékou has had to convince donors and international relief agencies that he is committed to market reforms. While IMF-initiated structural adjustment policies under Soglo have been credited with restoring budgetary health, they have led to increased unemployment and hardships for the vast majority of Beninese. Faced with tremendous domestic pressure for an expanded government role, Kérékou has had to balance austerity with growth. In December 1999, US\$30.4 million became available for private sector development through the International Development Association (IDA).

Based on the IMF's endorsement in November 2001 of the government's handling of fiscal, monetary, and economic reforms, donors (including the European Union (EU), Switzerland, and the World Bank) approved further assistance to Benin. The largest of the assistance packages was a World Bank credit of US\$21.9 million for programs for the prevention and treatment of HIV/AIDS.

In 2002, Kérékou's immediate priority was to meet several conditions for reaching the completion point under the World Bank-IMF's heavily indebted poor countries (HIPC) initiative. The most controversial of these points could be the privatization of Benin's cotton parastatal, the National Society for Agriculture (Société Nationale pour la Promotion Agricole). Benin's trade unions protested reforms affecting public sector employment and virtually shut down the economy with their strikes from January to March 2002. In March, Kérékou conceded defeat and granted the strikers' demands for wage increases. The strikes were a setback as the country struggled to meet the World Bank and IMF requirements.

Regionally, the Kérékou government faced security threats from robbers and bandits crossing the borders from Niger, Burkina Faso, and mainly Nigeria. Armed robbery also has increased in Cotonou and Porto Novo, with negative implications for Benin's tourist industry. Local communities have resorted to vigilante law, burning and lynching thieves.

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**Profile researched and written by Robert W. Compton, Jr. (7/96); updated by Robert J. Groelsema (5/00, 3/02, and 2/03).**

# BHUTAN

## Jigme Singye Wangchuk King

(pronounced “JIG-mee SEEN-gay wang-CHOOK”)



“We will slowly and gradually develop into a constitutional monarchy.”

The Kingdom of Bhutan is a small landlocked nation encompassing 47,000 sq km (18,147 sq mi). The country is bordered to the east, south, and west by India and to the north and northwest by China. Located in the Himalaya Mountains, Bhutan is a rugged mountainous country with great extremes in climate. The southern slopes of the mountains receive heavy rainfall and are covered with thick forests. The low foothills in the south are extremely hot and the Himalaya Mountains in the north are extremely cold.

The population was estimated at 2.1 million in 2002 by the U.S. Department of State, with a note that other estimates of Bhutan’s population range as low as 810,000. The population is estimated to be growing at an annual rate of about 2%. The two major cities—the capital, Thimphu, and Phuntsholing on the border with India—have estimated populations of 22,000 and 10,000 respectively. About 50% of the population is comprised of Bhote (native Bhutanese), who live in the eastern portion of the country. About 35% of the remainder are ethnic Nepalese, who live mainly in the south. About 75% of the population are Lamaistic Buddhists and about 25% are Hindus.

The Bhutanese unit of currency is the *ngultrum*, but the currency of India, the *rupee*, also circulates freely in Bhutan. The per capita gross domestic product (GDP) in Bhutan was estimated at US\$1,200 in 2001. In 1999, the country introduced its first income tax for residents earning more than US\$100 per month, with rates ranging from 5% to 30% and the first deadline for filing tax returns set at February 2000. The major Bhutanese exports are electricity (to neighboring India), cardamom, gypsum, timber, handicrafts, cement, oranges and other fruits, precious stones, and spices. On 2 June 1999, the twenty-fifth anniversary of King Jigme Singye Wangchuk’s coronation, Bhutan’s first television station began broadcasting.

### POLITICAL BACKGROUND

Bhutan’s political history is intertwined with its religious history. A dual theocratic system evolved in which religious institutions were administered by the *je khempo*, or Head Abbot, while civil power was retained by a high officer known as the *tiruk desi*. During the eighteenth and nineteenth centuries the country encountered constant political strife that undermined the authority of the high officer and increased the power of regional governors. In 1885, the high officer sought aid from China to crush the power of the governors, but one of the regional governors, Ugyen

Wangchuk, turned to the British for support. By 1907 Ugyen Wangchuk had consolidated his power enough to be named Bhutan’s first hereditary king. In 1910, Bhutan and the United Kingdom signed a treaty allowing the United Kingdom to “guide” Bhutan’s foreign affairs, providing British India would not interfere in the internal affairs of Bhutan. Bhutan made the same arrangement with independent India in a treaty signed in 1949.

Since 1969, Bhutan has functioned as a limited monarchy. (Although the country functioned without a constitution for over three decades, in 2002 a committee was established to draft one for the king’s review.) The king is appointed from the royal hereditary line by the legislature and may be removed by a two-thirds vote. The late King Jigme Dorji Wangchuk (ruled from 1952–72), father of the current king, undertook reforms to help modernize the country’s political institutions (serfdom was not officially abolished until his rule). A Tshongdu (National Assembly) was created in 1953; 105 of the 150 seats are elected to represent villages, 10 represent religious bodies, and 35 are appointed by the king to represent nonreligious interests. In 1965 the king established a Lodoi Tsokde (Royal Advisory Council) and in 1968, a Lhengye Shungtsog (Council of Ministers) to bring more Bhutanese into the political system. The *je khempo* also maintains considerable authority in the country and most levels of government contain members from Buddhist monasteries. The current monarch, Jigme Singye Wangchuk, has continued his father’s political reforms. In 1998, he relinquished his position as head of government and transferred many of his executive powers to a cabinet elected by the National Assembly. He also introduced into law a provision under which the king would abdicate in favor of his hereditary successor if the National Assembly supported a vote of no-confidence by a two-thirds majority.

Political parties are illegal. An opposition party, the Bhutan State Congress, which primarily represents the Nepalese minority, has its headquarters in India. The country is divided into 18 *dzongkhag* (districts), each governed by a district officer appointed by the king. Popular elections, in which each family is granted one vote, are held at the village level every three years.

In 1968 an eight-member High Court, comprised of judges appointed by the king, was established to hear appeals from decisions made by local headmen and magistrates. The final appeal is made to the king.

## PERSONAL BACKGROUND

Jigme Singye Wangchuk was born on 11 November 1955. He received his early education in Bhutan and then spent one year studying at North Point in India. In 1965, he went to England to continue his studies, but he returned in 1970 to Bhutan to attend the Ugyen Wangchuk Academy. As the son of the reigning king, Jigme Singye was granted many privileges and never personally experienced the poverty of many of his citizens. He rarely travels abroad. Like other Bhutanese, he is an avid sportsman; it is reported that he plays basketball every day.

In 1988, Wangchuk officially married the four sisters to whom he had been privately married for the previous nine years. At the time of the official marriage, Wangchuk already had eight children, four sons and four daughters. The king's reason for making his marriage public was to confirm the succession to the throne of his eight-year-old son, His Royal Highness Prince Jigme Gesar Namgyal Wangchuk.

## RISE TO POWER

Crown Prince Jigme Singye Wangchuk was installed as king on 24 July 1972 following the death of his father three days earlier. The Tshongdu, along with the Lodoi Tsokde, had already agreed that the new king should be vested with full powers. This decision had been facilitated by the fact that Wangchuk had been made crown prince in March of that year. Additionally, in May he had been made Tongsa Penlop, a privileged position similar to that of the Prince of Wales.

The quick response by the political and religious elites of the country to Wangchuk's accession indicated the widespread consensus that had already been formed around the new king. At the time of taking the throne, the new king was the world's youngest ruling monarch.

## LEADERSHIP

Immediately upon taking the throne, the new king announced that he was determined to follow in his father's footsteps. He indicated that he planned to slowly and gradually develop the country into a constitutional monarchy. And he made it clear that there was a division of power between the head of the monastery and the king. In all religious matters, he contended, the *je khempo* is the deciding authority; for the state administration, the king will have the final say.

However, the powerful Buddhist clergy retains great influence. The *New York Times* in 1988 reported that the clergy was able to prevent large-scale tourism because it feared that outside influences would hurt national character and the morality of the young. The word "revered" has often been used to describe the people's attitude toward the king. But Wangchuk still retains a lingering mistrust in delegating authority. The legislature does little more than rubber stamp bills initiated by the monarch. However, it has also been suggested that there has not been much demand for greater political participation by the populace. In 2002, a 39-member committee drafted a constitution for the king's review. Newspapers in Bhutan reported that political parties would be legalized and the legislature would have more authority if a new constitution were adopted.

Bhutanese society has had a reputation for nonviolence and tolerance. In 1988, Wangchuk turned his attention to



reforming the country's civil service. He reduced the number of bureaucrats, which also weakened somewhat the influence of the religious sects that had played a substantial role in government, and rationalized the salary system. In 1998, he introduced a law that would require the king to abdicate if the Assembly supported a vote of no-confidence by a two-thirds majority, but there appeared to be little threat of such a vote, since there was virtually no organized opposition to the king or his policies.

## DOMESTIC POLICY

Bhutan is one of the poorest countries in the world. But until recently the country had been totally self-sufficient in food. Most people live by subsistence farming or herding; together they account for about 95% of the country's economy. The natural resources of the country, including timber and swift-running waters for hydroelectric plants, remain little utilized.

Historically, economic development has not been allowed to undermine cultural traditions. However, the 1959 Chinese invasion of Tibet and the massing of Chinese troops on the Sino-Bhutan border led Wangchuk to undertake a modernization program out of fear that Bhutan would suffer the same fate as Tibet. In 1962 the government embarked on a series of five-year plans, relying heavily on Indian assistance, to build the country's infrastructure and develop its resources. Considerable improvements have been made in agriculture, irrigation, and road transportation. The country has come to rely on financial assistance from not only India, but also the United Nations (UN) and other international organizations. With widespread illiteracy (over 30% of men and 60% of women as of 2000) and an unskilled labor force, dramatic improvements in living standards are unlikely to occur

quickly, although the government has been attempting to improve this situation. During the 1990s, economic growth was slow, largely because of Bhutan's internal problems. Since 1997, however, the economy has been expanding at over 6% per year, and this has been reflected in increased government domestic spending.

The most pressing domestic issue, besides economic development, has been the status of the Nepalese minority and Tibetan refugees. Members of the Nepalese community have felt discriminated against in both political affairs and economic matters. They have formed a party-in-exile based in India, the Bhutan State Congress, to pressure the Wangchuk regime for reforms, although their emphasis has been more on the liberalization of immigration and increased electoral representation in the government rather than a demand for a complete restructuring of Bhutanese political institutions.

Tibetan refugees resettled in Bhutan in the aftermath of the 1959 Tibet revolt against Chinese rule. However, many of the refugees refused Bhutanese citizenship in hopes of returning to their country. In 1979, in light of their uncertain status, the Bhutan government issued expulsion orders to those who refused to become citizens of Bhutan. Most of the refugees at that point agreed to accept citizenship, while those who refused went to India.

#### FOREIGN POLICY

As expected, given the 1949 treaty signed between India and Bhutan, India plays a major role in Bhutan's relations with the rest of the world. However, beginning in the late 1970s, Bhutan began moving away from its reliance on India for guidance in foreign affairs. The country has played a more independent role in the nonaligned movement and has joined a number of international organizations including the World Bank, the International Monetary Fund, and the Asian Development Bank. A major break with previous practices occurred in 1980 when the country established direct diplomatic relations with Bangladesh and allowed that country to open an embassy in the capital city, Thimphu. It has also entered into direct negotiations with China to resolve a border dispute between the two countries. The influence of India persisted, however, since most countries have their representative to Bhutan in New Delhi rather than Thimphu. In 1985, Bhutan was a founding member of the South Asian Association for Regional Cooperation (SAARC).

In early 2002 Bhutan and India convened the twelfth Border District Coordination Meeting (BDCM) with the goal of clarifying issues of mutual interest and resolving disputes, especially related to the two countries' shared border. Issues on the agenda included the possibility of building a wall to

separate the countries and improve security, since the areas along the border were being used by Indian militant groups. 2002 saw continued violence by these militant groups and, in August of that year, Bhutan and India again promised to address the issue.

Contact with other countries remains limited. The country retains quotas on the number of tourists allowed to visit despite the purchase in 1988 of its first passenger jet in order to promote tourism. Tourist arrivals in 1999 numbered about 7,000. The Department of Tourism increased tourist fees for 2001 to control the growth of the tourist industry. No formal diplomatic relations exist between the United States and Bhutan although the U.S. State Department has indicated that informal and friendly contact is maintained between the two countries.

In the late 1990s, significant changes occurred reflecting the king's interests in increased—but controlled—contact with the world beyond Bhutan. In late 1998, for the first time ever, foreign (non-Indian) financial institutions were allowed to purchase shares in the Bhutan National Bank. And in 1999, after two years of debate, officials allowed the nation to be connected to the global Internet and to receive television broadcasts (the latter changes in part came about because of the king's avid interest in basketball). It remained to be seen how such changes will impact Bhutan and its people.

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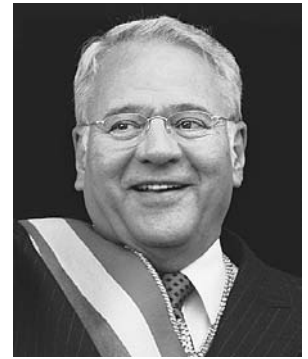
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# BOLIVIA

## Gonzalo Sánchez de Lozada Bustamante President

(pronounced “gahn-ZAH-low SAHN-chess day low-ZAH-dah boo-stah-MAHN-tay”)

*“We can’t be fighting each other and misunderstanding each other,  
because the country is in crisis.”*



The Republic of Bolivia is a landlocked country in the center of South America. Bordering Brazil to the north and northeast, Paraguay to the southeast, Chile and Peru to the west, and Argentina to the south, Bolivia is the least developed country in South America. Bolivia’s 1,098,580 sq km (424,164 sq mi) occupy a large segment of the Andes highlands and a part of the Amazon jungle. As of 2002, its 8,445,134 inhabitants are mostly of Quechua (30%) and Aymara (25%) descent. Creoles, or mestizos (30%), and people of European descent (15%) account for the rest. Although there are three official languages, Spanish is used primarily in large cities in the business world while Aymara and Quechua are spoken mostly in rural towns and among indigenous communities. More than 40% of the population speak Spanish as their second language. The literacy rate, at 76%, is one of the lowest in South America. The population is predominantly Roman Catholic. In recent years, however, evangelical Protestant movements have made some gains and now comprise 8% of the population. Infant mortality stands at 57.5 per 1,000 births, the highest in South America. Life expectancy is 62 years. With Sucre as its legal capital, Bolivia’s economic and political center is La Paz, located at 3,658 m (12,000 ft) above sea level in the Andes highlands. La Paz (1.8 million inhabitants), Santa Cruz (1.3 million), and Cochabamba (500,000) are the largest cities (all populations are as of 2002 estimates).

The unit of currency is the *boliviano*. The gross domestic product (GDP) was estimated at us\$8 billion in 2002. The economy has grown slowly over the past few years, with GDP experiencing a 2.6% growth in 2000, 1.3% in 2001 and 2.0% in 2002. Because the population was growing at almost 2% annually, per capita GDP has actually shrunk in the last two years. Inflation remains low, estimated at 2.3% in 2002. Bolivia’s main legal exports are natural gas, zinc, tin, gold, soya, silver, wood, and sugar. The country has historically been a major supplier of coca paste, which is refined into cocaine for the international drug trade, but the government’s Dignity Plan of 2001–02 was aimed at eradicating coca production. Imports include raw and capital goods for industry, transport equipment, and consumer products.

### POLITICAL BACKGROUND

Bolivia gained its independence from Spain in 1825. Domestic instability and conflicts with neighboring states have marred its history since that date. In regional conflicts, Bolivia has lost territory to Brazil, Chile, Paraguay, and Peru.

No country in Latin America has experienced as many military coups—on average about one every other year since independence. A 1971 coup overthrew the government of General Juan Torres and brought Colonel Hugo Banzer Suárez to power. Banzer ruled from 1971–78, and then stood for election over the next three years, although the election results were either annulled (1978) or failed to produce a winner (1979 and 1980). In 1980 Banzer founded the National Democratic Alliance (Alianza Democrática Nacionalista—ADN) party, one of the largest opposition groups.

A July 1980 coup brought General Luis García Meza to power. He suspended Congress, but he was toppled in the country’s 190th coup in August 1981. The country was under control of the military, and the Congress was reinstated. From 1982–85, the presidency of Hernán Siles Zuazo was characterized by social tension and unrest. Siles called for elections a year early (1985), and Banzer obtained the first plurality of votes, but Congress chose Víctor Paz Estenssoro. In 1989, after placing a close third, Banzer’s party threw its support behind Jaime Paz Zamora, the leftist candidate. Paz Zamora’s Nationalist Revolutionary Movement (Movimiento de la Izquierda Revolucionaria—MIR) party members had been persecuted during the Banzer dictatorship of the 1970s. The surprising alliance between the MIR and the ADN prevented Sanchez de Lozada, the front runner, from being elected in 1989. It all but guaranteed that Banzer would have MIR support in future elections. An era of peaceful transition in the presidency was begun. In 1993, Sánchez de Lozada became president when ratified by Congress. When he finished his term in 1997, it was the longest period of democratic life in that country’s history. During his term, indigenous people of Bolivia made significant strides due to the leadership of Sánchez de Lozada.

The 1997 elections once again failed to produce a clear winner, and negotiations between the five largest parties were needed to select the next president. Banzer secured support from the MIR and populist Citizen’s Solidarity Union (Unión Cívica Solidaridad—UCS). After having tried five times, he finally succeeded in becoming the democratically elected president of Bolivia at the age of 71, only to resign before serving his full term due to health problems. Jorge Quiroga Ramírez, Banzer’s vice president, stepped in to serve the remaining months of Banzer’s term. Although many believed that Sánchez de Lozada had retired from politics in 1997, he returned to run for president in the 30 June 2002 election.





According to the 1967 Constitution (amended in 1994), Bolivia is a representative democracy. A bicameral Congress composed of a 27-member Senate and a 130-member Chamber of Deputies holds legislative power. Coups and periods of political unrest occur frequently; the Congress has been dissolved by the military twice—1969–79 and 1980–82. The 1994 amendments provided recognition for Bolivia's indigenous people and increased the presidential powers.

Voters elect members of both houses for four-year terms. Executive power is vested in the president who appoints the ministers of state. The president is elected directly for a four-year term; if no candidate wins a majority of votes, the Congress chooses the president. Although voting is mandatory for all adults 21 years or older (18 or older if they are married), compliance is low—particularly in rural areas.

Bolivia has an electoral system based on proportional representation that fosters the existence of several mid-size political parties. The four largest parties are the center-left National Revolutionary Movement (Movimiento Nacionalista Revolucionario—MNR); the leftist MIR, the center-right ADN, and the UCS.

### PERSONAL BACKGROUND

Gonzalo Sanchez de Lozada Bustamante was born in La Paz on 1 July 1930 to a very influential Bolivian family. Shortly after his birth, his family moved to the United States, where Sánchez de Lozada's father served as Bolivia's ambassador in Washington, D.C. He later became a political exile after a change of government in Bolivia. Gonzalo Sánchez de Lozada completed most of his education in U.S. institutions. After studying in Iowa, he graduated with a bachelor of arts in English literature from the University of Chicago. He started

a number of business enterprises during his youth. His business interests were mostly related to mining activity in Bolivia, a trade familiar to most Bolivian upper class families. He first entered Bolivian politics in 1979, when he was elected to the Chamber of Deputies representing the mining city of Cochabamba. He was reelected in 1982, after a period of authoritarian rule that suspended the legislature. In 1985, he was elected Senator and became president of that Chamber. In 1986, he joined the Víctor Paz Estenssoro government as minister of planning. Sánchez de Lozada championed the adoption of neoliberal reforms that helped the government drastically reduce the high inflation that had historically hindered the Bolivian economy.

### RISE TO POWER

After serving as minister of planning and becoming the strongest advocate of neoliberal reforms in the Paz Estenssoro government, Sánchez de Lozada became a presidential candidate in 1989. Chosen by Paz Estenssoro's MNR party, Sánchez de Lozada replaced the aging president as leader of the strongest Bolivian party. Although he obtained the first plurality of votes in the 1989 election, Sánchez de Lozada lost the presidency when Congress elected leftist Jaime Paz Zamora with the support of the legislators loyal to conservative Hugo Bánzer. Sánchez de Lozada positioned himself as the leader of the opposition and benefited from Paz Zamora's weak support in Congress. After four years of Paz Zamora, Bolivians were ready to support Sánchez de Lozada for president. He served during the 1993–97 period and his government was characterized by moderate economic growth, solid fiscal policies and a conscious effort to modernize the national economy. Sánchez de Lozada's good standing with the international lending community helped Bolivia achieve an unprecedented period of economic stability and social peace. Sánchez de Lozada, aware of his ethnic and cultural difference with the indigenous majority in Bolivia, made especial efforts to reach out to those communities by appointing more indigenous leaders to high government posts and by targeting many of the government social programs to help alleviate indigenous poverty. Although many observers believed that Sánchez de Lozada would retire from politics at age 67 after ceding power in 1997, he decided to return to electoral politics after President Bánzer resigned for health reasons and Vice President Quiroga served the remaining of the term. In the 30 June 2002 election, Sánchez de Lozada obtained the first plurality of votes with 22.5%, edging indigenous leader Evo Morales (20.9%) and populist Manfred Reyes Villa (20.9%). Congress ratified Sánchez de Lozada as president.

Although many observers expect the second Sánchez de Lozada administration to show the same leadership and fiscal discipline that characterized his previous administration, others acknowledge that, because of his age, it is possible that the 72-year-old president will not complete his five-year term.

### LEADERSHIP

Sánchez de Lozada is a proven leader with a solid record of fiscal economic management. As a wealthy businessman with excellent relations with the international community and lending institutions, Sánchez de Lozada's only downside is his advanced age. In a country where life expectancy is just 64



years, the 72-year-old president is older than more than 99% of his country's population. Even though he successfully maintained control of the MNR party and achieved a presidential nomination, some observers felt his leadership would be counterproductive in the long run. Yet, as leaders from established parties failed to move ahead in the polls and antiestablishment candidates gained support, Sánchez de Lozada became the candidate of choice of the political elite and the international financial institutions. He contrasted his leadership and experience with the antiestablishment and populist discourse of indigenous leader Evo Morales and probusiness populist Manfred Reyes. The United States sent strong and influential signals against the candidacy of Morales, implying that much of his support came from coca leaf (from which cocaine is produced) growers. In turn, many voters expressed their concern over the scant political experience of Manfred Reyes. When the elections were held and Congress was forced to choose between the former president and indigenous populist Evo Morales, Sánchez de Lozada was voted into his second term as president of Bolivia.

### DOMESTIC POLICY

Although inflation and macroeconomic instability have disappeared from Bolivia's daily life, the economy has failed to achieve sustained rates of growth. Poverty remains widespread and unemployment and underemployment are high. While President Sánchez de Lozada's challenges during his first term were clear, his tasks for the second term are more complex. In his first term, Sánchez de Lozada had to fight inflation and balance the fiscal accounts. That generated conflicts with different interest groups and forced the government to cut fiscal spending.

During his second term, the aging president will need to maintain his solid economic policies but will need to be more proactive in generating conditions for economic growth and employment creation. Pressures from different interest groups and government workers will make it difficult for the new president to balance the budget. Yet, running budget deficits will have a negative effect on the availability of credits in the domestic and foreign markets. Luring foreign investors to bring capital to generate economic activity will also be more difficult than during his first administration. Because of the slow world economic growth, mining production has fallen along with declining world prices. Political and social conflicts have hindered other economic opportunities. A recent project to build a gas pipeline from Bolivia to the Pacific Coast in Chile has been delayed for almost two years as a result of Bolivian nationalists who demand that Chile make territorial concessions to get the project done. Although the gas was going to be transported to California, having it loaded in Chilean ports that were part of Bolivia in the nineteenth century made the multibillion dollar deal impossible.

President Sánchez de Lozada will need to show political muscle to take advantage of business opportunities for his country even at the expense of alienating hardcore nationalists. Popular discontent with the economic situation will likely turn into discontent with the Sánchez de Lozada government if the economy does not grow at healthier rates in the first two years of his administration. A weakened and

unpopular Sánchez de Lozada government will further fuel speculations about an early retirement for a president that will turn 77 during his last year in office.

### FOREIGN POLICY

President Sánchez de Lozada will focus his foreign policy on attracting foreign investors to Bolivia to help reinvigorate his country's economy. Showing a decade of solid fiscal management and relative social and political peace, Sánchez de Lozada will seek to present Bolivia as the most stable country in the Andean region. Contrasting it with the political turmoil experienced in Peru, Ecuador, Venezuela, and Colombia in recent years, the unprecedented decade of economic prosperity, political peace, and democratic stability will serve as Bolivia's foremost letter of recommendation to world financial institutions.

Yet, the recent social unrest produced by the ongoing tensions between the government and the police over salaries and benefits has cast a shadow of doubt over the government's ability to maintain social peace after three years of meager economic growth. The last presidential election left some concerns about the strength of Bolivia's political system. The emergence of populist and antiestablishment indigenous leaders who together captured more than 50% of the votes has left many preoccupied with the consolidation of Bolivia's democracy. Joining efforts to strengthen mechanisms of democratic accountability in the region and promoting the consolidation of democratic practices throughout Latin America will be President Sánchez de Lozada's best strategy to prevent further deterioration of the Bolivian democracy.

President Sánchez de Lozada is expected to pressure the United States to deliver on its promise of creating a Free Trade Zone for the Americas by 2005. Bolivia would benefit enormously from having freer access to U.S. markets. Much of President Sánchez de Lozada domestic success will depend on his ability to generate economic growth. Opening new markets for Bolivian products is an essential condition to generate growth in Bolivia. President Sánchez de Lozada will use his well-earned reputation to promote freer access for Bolivian products in industrialized countries. Also, Bolivia—with Colombia, Peru, Ecuador, and Venezuela—forms the Andean Community that established the Andean Free Trade Zone in 1993 and expected to create a free market zone by 2005. Ongoing instability in the economies of the region could threaten its viability.

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# BOSNIA-HERZEGOVINA

*Three-member presidency with rotating chairmanship*

*Left: Dragan Covic (Croat)*

*Middle: Barislov Paravac (Serb)*

*Right: Sulejman Tihic (Bosniak, Muslim)*



Bosnia-Herzegovina, one of five successor states to the Socialist Federal Republic of Yugoslavia (SFRY), is located in southeastern Europe, between Croatia to the north and west and Serbia and Montenegro (which has also been known as the Federal Republic of Yugoslavia) to the east. Its land area is 51,129 sq km (19,741 sq mi). Bosnia refers to the entire republic, except for the mountainous southwestern region of Herzegovina.

The population of Bosnia was estimated at 3.9 million in 2002, of whom 48% are Bosniaks, 37% ethnic Serbs, and 14% ethnic Croats. The breakdown of Muslim (40%), Serbian Orthodox (31%), and Roman Catholic (15%) religious communities closely corresponds to the ethnic breakdown. Before the 1992–95 war, many parts of Bosnia-Herzegovina resembled an ethnic patchwork. “Ethnic cleansing” and displacement of hundreds of thousands of people during the war have brought about a much greater separation of the three communities. The official languages are Bosnian, Serbian, and Croatian.

The official currency of Bosnia is the convertible *marka* (KM), pegged from 2002 to the *euro*. The Yugoslav *dinar* circulates widely in the Republika Srpska (RS), while the Croatian *kuna* circulates in Croat-dominated areas.

## POLITICAL BACKGROUND

In 1908, the Austro-Hungarian empire formally annexed Bosnia. The move provoked neighboring Serbia, which coveted Bosnia because of its large Serbian population. When a young Bosnian Serb assassinated Austrian Crown Prince Ferdinand in Sarajevo in the name of Serbian national unity, World War I began. In 1918, Bosnia was incorporated into the newly formed Kingdom of Serbs, Croats, and Slovenes (later renamed Yugoslavia). During World War II, the Nazi puppet state in Croatia annexed all of Bosnia. This period saw mass murder of Serbs by the ruling Croatian fascists, as well as massacres of Muslims and Croats by Serb nationalists. The communist Partisans, led by Josip Broz, popularly known as “Tito,” led the resistance. After the war, Bosnia-Herzegovina became one of six republics in the reconstituted Yugoslavia. Tito ruled from 1945 until his death in 1980.

In the 1980s, Bosnia, like the other republics, experienced rising anticommunist and nationalist sentiment. In 1990, a number of independent political parties were formed, including nationalist Muslim, Serb, and Croat parties. Multi-party elections were held in November 1990, based on a system of proportional representation by nationality. The nationalist parties ran on a platform of defense of their

cultures, but none of them called for dismembering Bosnia. The election resulted in a Parliament divided along ethnic lines. The presidency of the republic included two members from each of the three ethnic groups, plus one ethnically mixed member. Alija Izetbegovic, head of the Democratic Action Party (SDA), was chosen to lead the presidency.

The three nationalist parties formed a coalition government. The Bosnian government at first did not seek independence but rather promoted remaining in a new Yugoslav federation. In March 1991, however, the presidents of Serbia and Croatia secretly agreed to partition Bosnia between them. By fall 1991, working closely with Belgrade, the Bosnian Serb Democratic Party (SDS) had established numerous “Serbian autonomous regions” throughout Bosnia and began forming its own militias. The SDS declared a “Serbian Republic of Bosnia and Herzegovina,” uniting these regions. In January 1992, an independent Serb republic in Bosnia was created, claiming over 60% of the Republic’s territory. Meanwhile, the European Union (EU) backed the idea of holding a referendum on independence as a preliminary move to international recognition. The Bosnian Muslim and Croat communities voted overwhelmingly in favor of independence, but the Bosnian Serb leadership called for a boycott of the vote.

In April 1992, Bosnia-Herzegovina gained recognition from the EU and the United States as an independent state. About the same time, Serbian irregular forces, backed by the Yugoslav Army, launched attacks throughout the republic. They quickly seized more than two-thirds of the Bosnian territory, carrying out policies of “ethnic cleansing” to drive non-Serb populations out of their territory. More than two million people were driven from their homes, creating the greatest flow of refugees in Europe since World War II (1939–45). An estimated 200,000 persons were killed. Fighting between ethnic Croats and Muslims in 1993–94 also resulted in “ethnic cleansing” by both sides. In response to U.S. and European pressure, Bosnian Croat and Muslim leaders agreed to a ceasefire between their communities and to the formation of a Muslim-Croat federation in Bosnia-Herzegovina. In this way, the Croat and Muslim communities were officially allied against their common Serb enemy.

Numerous international attempts to negotiate a peace settlement failed. United Nations (UN) peacekeepers on the ground, with a mandate to provide humanitarian aid to the victims of the war, were unable to keep the peace. In August 1995, a North Atlantic Treaty Organization (NATO)



bombing campaign, coupled with a series of successful Muslim-Croat counteroffensives against the Bosnian Serb forces, brought the parties to the negotiating table. Serbian president Slobodan Milosevic accepted responsibility for the Bosnian Serb leadership. After three weeks of negotiations at Wright-Patterson Air Force Base in Dayton, Ohio, the presidents of Bosnia, Croatia, and Serbia agreed to a wide-reaching peace accord (known as the “Dayton Accords”) in November 1995.

Under the terms of the Dayton peace agreement, Bosnia-Herzegovina maintains its current external borders. Internally, it comprises two equal entities, the Muslim-Croat Federation and the Republika Srpska. Each entity has its own Parliament and government with wide-ranging powers, as well as its own armed forces. Each entity may establish “special parallel relationships with neighboring states,” meaning Croatia and Serbia. At the all-republic level, there is a joint presidency, council of ministers, and a bicameral legislature.

Under the accords, the Muslim-Croat Federation received roughly 51% of the territory of Bosnia-Herzegovina while the Republika Srpska received 49%. The parties to the accords could not agree on who would control the Brcko region, a strategic northeastern corridor between the Serb-held regions. The status of Brcko was submitted to binding arbitration. In March 1999, a tribunal determined that Brcko would have its own multiethnic autonomous government. The military part of the Dayton accords committed the two sides to maintain the ceasefire and separate their forces. A NATO-led force was

deployed to ensure implementation of the military section of the agreement. The accords required the parties to cooperate fully with the international war crimes tribunal for the former Yugoslavia. In 2001 and 2002, the tribunal began issuing indictments and arresting those charges with war crimes, including Slobodan Milosevic, Radovan Karadzic, and Ratko Mladic. The agreement included guarantees on the right of refugees to return to their homes and on the protection of human rights.

Implementation of the military aspects of the agreement proceeded smoothly, although NATO had to extend its initial one-year deployment numerous times. In June 1998, NATO pledged to keep its peacekeeping force in Bosnia until a self-sustaining peace is achieved. General elections were held in September 1996, September 1998, and October 2002. The three nationalist parties continue to dominate the political scene despite some inroads made by moderates in the 1998 elections. In the 2002 poll, just a little over 50% of the populations of the entities turned out to vote. Among younger citizens, participation in the polling was dramatically lower. Election monitors reported that 75% of voters were over 40 years old and fewer than 10% of young people who had become eligible to vote since the last elections had even registered to vote.

There were three winners in the presidential vote of 2002. Sulejman Tihic of the nationalist Party of Democratic Action (SDA) represented the Bosniak Muslim faction. Dragan Covic of the Croatian Democratic Union of BiH (HDZ-BiH) won the Croatian post. Mirko Sarovic was elected from the Serbian constituency. Sarovic was the first to serve, but early on in his presidency he was engulfed in a political scandal when a United States intelligence agency operating in the area revealed that a military factory in the Republika Srpska had sold arms to Iraq in violation of an international arms embargo imposed by the United Nations. No link was ever established directly implicating Sarovic in this scandal, but the United States put great pressure on the UN High Representative to take action. When it became apparent that he would be removed from office, Sarovic resigned his post in April 2003 and was replaced by his Serbian colleague Barislov Paravac.

Central Bosnian government institutions have remained largely deadlocked by interethnic disputes. In December 1997, the UN High Representative acquired greater powers to impose decisions and has since imposed numerous measures and forced the dismissal of obstructionist officials. Many indicted war criminals, mainly Bosnian Serbs, remain at large. In April 2002 several were negotiating their surrender to the UN war crimes tribunal based in The Hague, Netherlands, and in early 2003, former president of the Republika Srpska Biljana Plavsic surrendered to the tribunal and pleaded guilty to one count of crimes against humanity. She was sentenced to 11 years in prison. Aid from international donors has facilitated the reconstruction effort in Bosnia and spurred economic growth. The effort has not, however, led to a self-sustaining recovery. A key shortfall in peace implementation has been the inability of the vast majority of refugees to return to their former homes, especially in areas controlled by a different ethnic group.

Since the three-member presidency was established on 5 October 1996, there have been five chairmen: Bosniak Alija Izetbegovic (who served 5 October 1996–13 October 1998); Serb Zivko Radisic (who served 13 October 1998–15 June 1999); Croat Ante Jelavic (15 June 1999–14 February 2000); Alija Izetbegovic (14 February 2000–14 October 2000); Zivko Radisic (14 October 2000–14 June 2001); Croat Jozo Krizanovic (14 June 2001–14 February 2002); and Bosniak Beriz Belkic (14 February 2002–14 October 2002); Serbs Mirko Sarovic (15 October 2002–2 April 2003 [forced to resign]); and Borislav Paravac (10 April 2003–14 June 2003).

Since October 2002 the presidency has been comprised of Bosniak Sulejman Tihic, Serb Mirko Sarovic (replaced by Borislav Paravac in April 2003), and Croat Dragan Covic.

## PERSONAL BACKGROUNDS

As of May 2003, the members of the rotating presidency and their terms were Borislav Paravac, Serb (10 April 2003–14 June 2003); Dragan Covic, Croat (15 June 2003–14 February 2004); and Sulejman Tihic, Bosniak (15 February 2004–14 October 2004).

Sulejman Tihic heads the Party of Democratic Action (SDA) founded in Sarajevo in 1990. He was born on 26 November 1951 in Bosanski Samac. He studied law at Sarajevo University and worked as a judge and prosecutor in his hometown from 1975–1983. He was engaged in private law practice from 1983 until 1992. Tihic was taken prisoner during the war and was kept for three months in camps run by the Bosnian Serbs. After being released, Tihic served from 1994 to 1996 as head of the consular department of the Bosnian embassy in Germany. He was a member of the Republika Srpska Parliament (1996–2002). At the time of his election to the presidency, he was serving as deputy speaker of the Parliament, a post he held from 2000 to 2002. Tihic is married and has two sons and a daughter.

Dragan Covic is the leader of the Croatian Democratic Union of Bosnia and Herzegovina (HDZ-BiH). He was born on 20 August 1956 in Mostar. Covic was educated at the University of Mostar and Sarajevo University. He holds two master's degrees (engineering and economics) and a doctorate in economics. For most of his professional life, Covic worked in Mostar as a manager for an industrial firm. From 1998 to 2001 Covic served as deputy prime minister and minister of finance of the Muslim-Croat Federation, and was elected to the presidency in October 2002. Covic is married and has two daughters.

As of May 2003, no personal information on Borislav Paravac had been published by English-language sources.

## LEADERSHIP

The joint presidency of Bosnia and Herzegovina consists of three members, one representing each of the country's three main ethnic constituencies (Bosniak, Serb, and Croat). Members are directly elected by voters in one of the country's two political entities (the Republika Srpska [RS] for the Serb member; the Bosnian Federation for the Muslim and Croat members). Chairmanship of the joint presidency rotates among the three members, with each occupying the post for eight months, during which time he is the country's official head of state.

The major presidential responsibilities are in the area of foreign policy and include relations with foreign countries and international organizations, appointment of ambassadors and other international representatives, negotiating treaties, and cooperation with nongovernmental organizations. The members of the presidency are also responsible for presenting an annual budget to Parliament and executing parliamentary decisions.

In its first years, the tripartite presidency was viewed as a marginal institution and the least effective of all of the joint Bosnian institutions. Further progress is seen as contingent on the ability of the three members to work together productively. Due to the postwar conditions of Bosnia, and because of the heavy Western military and UN presence, much power is held in the hands of the international community. The UN High Representative for Bosnia in particular has great power, including the power to dismiss any public official who engages in action contrary to the Constitution of Bosnia. Wolfgang Petrisch, who served in the post from 1999–2002, turned over the post to former British parliamentarian Paddy Ashdown in May 2002.

## DOMESTIC POLICY

Progress on refugee returns remains a key priority. Of the more than two million Bosnian refugees and displaced persons at the end of the war, slightly less than half (950,000) had returned to their homes by 2003. Most of those who returned have settled in areas where they represent the ethnic majority. Minority returns have been minimal, especially to the Republika Srpska. During the course of the NATO air operation against Yugoslavia in March–June 1999, Bosnia accepted 70,000 Kosovar refugees. Most have since returned, but many thousands may remain in Bosnia. Another issue of concern has been the status of the strategically located town of Brcko. It was claimed by the Serbs in 1992 but declared an autonomous neutral district by UN High Representative Carlos Westendorp in March 1999, a decision protested by Serbian officials, including the joint presidency chairman at that time, Zivko Radisic, who briefly resigned his position but later retracted his resignation.

In July 2000 the Constitutional Court of Bosnia ruled that all ethnic groups must be granted equal status regardless of their place of residence. Serbs must be granted equal status in the Bosnian Federation and Bosniaks and Croats must receive the same in the RS. It further ruled that the constitutions of each entity must be revised to provide these guarantees and, additionally, a quota of ethnic representation in each Parliament was imposed. The ruling faced immediate and vehement opposition in both entities, but particularly in the RS. After ignoring the order for two years, the UN High Representative summoned all parties to Sarajevo in 2002 to hold a conference on implementing compliance with Constitutional Court ruling.

On 27 March 2002, what became known as the Sarajevo Agreement was reached and signed by all sides. Once the agreement was taken up by the entities' Parliaments, however, resistance immediately emerged. The RS Parliament resisted the quota system, whereby a specific number of Bosniaks and Croats would by law be required to serve in the Parliament. Croat parliamentarians in the Federation also objected to

segments of the agreement. Implementation of the Sarajevo Agreement is one of the last conditions set out by the Council of Europe prior to allowing Bosnia membership. By fall 2002, however, both entities had agreed to implement the quota system and in the elections held in October 2002, the Parliaments of both entities complied. According to the agreement, the government of the Republika Srpska is required to set aside eight of sixteen ministerial seats for non-Serbs. The Muslim-Croat Federation's government will be required to comprise seven Bosniaks, five Croats, and three Serbs. Having agreed to the quota system, Bosnia and Herzegovina became a member of the Council of Europe on 24 April 2002.

Continuing economic reforms, countering organized crime, and promoting economic growth represent other domestic priorities. Bosnia's economy experienced significant growth in the first postwar years, largely fueled by the inflow of massive international reconstruction aid amounting to US\$14 billion by 2003. Much of this was wasted, however, or lost due to corruption and mismanagement. The country also was so poor, even rapid rates of growth had little impact. The massive corruption was a result of a relic of the Communist era whereby the state controlled all financial systems. Despite belabored efforts by the international community to have these abolished, it was not until 2001 that they were. Privatization of state-owned enterprises has been slow going as well. And even if the enterprises were put up for international investment, the fragmented state is not looked on favorably by investors. In an economic report published in 2001, Bosnia was ranked last—59th of the 59 countries studied—in terms of competitiveness, based on criteria such as infrastructure, government, finance, and civil institutions.

Domestic issues facing Bosnia as a result of the long war include the presence within its borders of indicted war criminals and the slow pace of refugee return (particularly in the RS). Muslims attempting to return to their homes in the RS in May 2001 were met by mobs that attacked a contingent attempting to rebuild historic mosques, resulting in several deaths. On Christmas Eve (24 December) 2002, three members of Croat family who had returned to their ancestral home in a Bosniak-dominated area were killed. The two most-wanted war criminals from the Bosnian wars—Radovan Karadzic and Ratko Mladic—are widely believed to be in hiding in RS, with the complicity of the government. NATO troops made attempts to capture the men in 2002 and 2003 but were unable to find them. It is widely believed that more covert attempts will be made to bring about their transference to the war crimes tribunal. In 2002, after the Yugoslav Parliament passed a law demanding the arrest and extradition of indicted war criminals in Yugoslavia (later renamed Serbia and Montenegro) and in the RS, several lesser-known criminals were apprehended or turned themselves in.

In 2003, the UN High Representative instituted two reforms of the entities to lessen suspicion and hostility within Bosnia-Herzegovina. The first measure eliminated the Supreme Defense Council of the Republika Srpska, a vigorously nationalistic committee that ran the military in the entity. Authority was moved to the republic's president on a temporary basis until the entity could come up with a permanent civilian structure. The UN High Representative

also had the words "sovereignty" and "independence" removed from the Constitutions of both entities.

## FOREIGN POLICY

The international community has remained intensely involved in Bosnia's affairs. NATO's mandate continues, and the UN High Representative continues to exercise expanded executive powers. An international donors' conference for Bosnia was held in May 1999. Two months later, Bosnia hosted a summit meeting of leaders from more than 30 countries and international organizations. The meeting launched the Balkan Stability Pact, an initiative to strengthen peace and stability, deepen democracy and civil society, and promote economic reforms throughout southeastern Europe, including Bosnia. While Bosnia-Herzegovina had no real prospect of being chosen as a candidate for European Union membership when, in late 2002, the EU listed the ten candidates it had chosen for its first round of expansion, eventual integration into the EU remains the country's main international aspiration.

In November 1999, to mark the fourth anniversary of the Dayton peace accords, the three members of Bosnia's joint presidency addressed the UN Security Council, pledging to strengthen national institutions bridging the divided country's two political entities. They also made several specific joint proposals, including the institution of a common national passport for all Bosnians, a 15-member secretariat for the presidency, and the formation of a multiethnic border patrol and a peacekeeping unit to aid UN troops already in place. In 2002, negotiations began among Bosnia, Croatia, and Serbia and Montenegro to eliminate visa requirements for travel between the three countries. In July 2002, the then-chairman of the presidency, Beriz Belkic, hosted a meeting in Sarajevo among the heads of state of Yugoslavia (later renamed Serbia and Montenegro), Croatia, and Bosnia-Herzegovina.

In 2003, Bosnia-Herzegovina entered into bilateral negotiations with the United States on a treaty granting some degree of immunity to U.S. personnel serving in Bosnia-Herzegovina. The United States had initiated such discussions with several countries around the world, fearing its military personnel would become victims of politically motivated prosecutions by the newly established International Criminal Court in The Hague.

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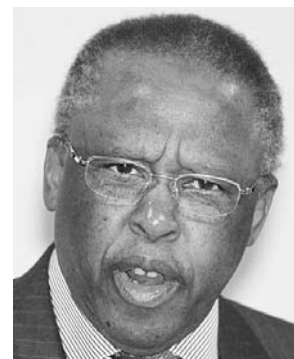
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**Profile researched and written by Jim Henry (5/03); sections contributed by Julie Kim (12/99).**

# BOTSWANA

**Festus Mogae**  
**President**

*(pronounced "FES-tus Mo-HIGH")*



*"The killer disease [AIDS] has raised the national human toll to nightmarish proportions."*

The Republic of Botswana is a landlocked country in southern Africa, bordered by Namibia to the west and north, Zimbabwe to the northeast, and South Africa to the south and southeast. The national territory encompasses 600,370 sq km (231,804 sq mi) and the southern and western regions are geographically defined by the Kalahari Desert. The capital is Gaborone, which is located in the southeast near the border with South Africa. Approximately 80% of the 1.5 million inhabitants live in the eastern strip, which is the most developed region of Botswana.

The Tswana ethnic group makes up 55–60% of the population; Kalanga account for 25–30%; Kgalagadi, Herero, Basarwa ("Bushmen"), Khoi ("Hottentots"), and whites make up the remaining 5–10%. The official language is English, with Setswana and Ikalanga also widely spoken. Christianity is practiced by some 60% of the people while 40% profess indigenous beliefs.

Botswana's economy is among the best performers in Africa, with annual growth rates averaging around 3%. Botswana has weathered the African economic decline better than most countries. While per capita income is approximately US\$3,600, that figure masks the fact that subsistence farming and cattle raising predominate in the country, with 80% of the population engaged in agriculture. The currency is the *pula*. Unemployment is high, running near 20%; inflation is less than 10%. Significant natural resources include diamonds, copper, nickel, salt, soda ash, coal, iron ore, and silver.

## **POLITICAL BACKGROUND**

The Batswana, a term which refers both to all citizens of Botswana as well as to the country's major ethnic group, arrived from neighboring South Africa during the Zulu wars in the early 1800s. Hostilities between the Batswana and Boer settlers from the Transvaal in the late 19th century led the Batswana to appeal to the British for help. In 1885, the British government put Bechuanaland (as Botswana was formerly known) under its protection. The northern territory remained under direct British administration and became what is now Botswana.

In 1920, two advisory councils were established, representing Europeans and Africans; in 1934, the councils issued proclamations regularizing tribal rule and powers. A joint European-African advisory council was formed in 1951. Ten years later the Constitution established a consultative legislative council. In 1964, the British accepted proposals for

democratic self-rule and the seat of government was moved to the new city of Gaborone in 1965. These developments, along with the formation of political parties in 1960, were the precursors to general elections held in March 1965 and independence in September 1966.

Botswana boasts one of the few flourishing constitutional multiparty democracies in Africa. Since independence, elections have been freely contested and held on schedule. The Constitution provides for a president elected every five years in a national election, who, as of the 1999 election is limited to two terms. The cabinet is drawn from the National Assembly and includes a vice president and a flexible number of ministers. The National Assembly is elected to a five-year term and consists of 40 elected and 4 appointed members; it is adjusted every 10 years after the national census. Suffrage is universal, and the voting age, set at 21 upon independence, was lowered to 18 by constitutional reforms enacted in 1995. The House of Chiefs is an advisory body representing the eight major subgroups of the Batswana; any legislation with ethnic implications must be referred to the House of Chiefs.

The first president of the Republic of Botswana was Seretse Khama, the former heir to the chieftainship of the Bamangwato ethnic group and a founder, in 1962, of the Bechuanaland (later Botswana) Democratic Party (BDP). The BDP won 28 of 31 seats in the legislative assembly during the 1965 election, and Khama became prime minister and later president. He was reelected to the presidency three times, although the BDP faced challenges from several opposition parties that gained support during that period. Nonetheless, the BDP retained the majority in all succeeding governments.

Khama died in 1980 and was succeeded by his vice president, Quett Ketumile Masire, another BDP founder. He was elected in his own right in 1984 and was reelected twice. During his 18-year tenure, Masire was able to maintain power for the BDP despite significant internal tension and rising support for opposition groups. The 1990s were marked by concern regarding a successor to Masire within his party, by corruption scandals that forced the resignations of the vice president and three ministers, by increasing demands for electoral reform, and by sporadic rioting which reflected rising social discontent. In January 1998, Masire announced that he would resign the presidency in favor of Festus Mogae, his vice president. This resignation was intended to allow Mogae to build support prior to the October 1999 election and it appeared to accomplish that goal; Mogae won that election with 54.3% of the vote in the National Assembly.



## PERSONAL BACKGROUND

Festus Gontebanye Mogae was born 21 August 1939 in Serowe, a town of about 35,000 in the eastern part of Botswana. He earned a bachelor of arts degree in economics from Oxford University in 1968 and a master of arts degree in development economics from Sussex University two years later. Mogae is married with three children. He has received numerous honors and awards, having been given the Presidential Order of Honour of Botswana in 1989 and made an Officier de l'Order Nationale in both Côte d'Ivoire and Mali.

## RISE TO POWER

Upon completing his education, Mogae returned to Botswana and embarked on a career in the government bureaucracy, serving in the Ministry of Finance and Development as a planning officer, as director of economic affairs, and as permanent secretary. He has also held a variety of posts in international organizations, including the International Monetary Fund (IMF), the African Development Bank, the International Bank for Reconstruction and Development, and the Commonwealth Fund for Technical Cooperation. In addition, he has served on the board of directors of several major corporations.

In January 1982, Mogae was named permanent secretary to the president and secretary to the cabinet in Masire's government. Ten years later, he was named minister of finance and development planning and in September 1992, amid a corruption scandal that forced the resignation of the vice president, Mogae was named vice president. He remained in that post, his reputation intact and untarnished by the scandals that periodically erupted within the administration, until 1998. On 31 March 1998, Masire stepped aside and Mogae became the third president of the Republic of Botswana; he won election in October 1999.

## LEADERSHIP

Mogae was seen by many to be a compromise successor to Masire, whose tenure was, in later years, marked by dissension within the BDP ranks. Masire's decision to step down and allow Mogae to take over the presidency can be viewed as an indication of his confidence that Mogae would be able to mend the rift in the party prior to 1999 elections. This was a significant challenge facing Mogae in the period prior to those elections, since the party had split in two, with a division between the moderate and conservative factions of the leadership. Shortly after his inauguration, Mogae reshuffled his cabinet and reassigned leaders of the factions to portfolios designed to keep them more involved in government issues, with less time to pursue activities that erode party unity. Many observers expected Mogae to select one of the two faction leaders as his vice president, but instead, in a move that many viewed as politically shrewd, he named Lt. General Ian Khama to that post. Khama is popular in his own right and is the son of Botswana's first president. He is respected by both party factions and brings with him the grassroots support that Mogae himself lacks.

Eighteen months later, Mogae's party, the BDP, won 33 of the 40 parliamentary seats in the general elections held on 16 October 1999. The remaining seats went to the Botswana National Party (six seats) and the Botswana Congress Party



(one seat). Festus Mogae was inaugurated as president based on the landslide win of his party in these elections.

Mogae came to the presidency with ample government experience, having the distinction of serving under both of the country's post-independence presidents. Even prior to assuming presidential powers, Mogae indicated that he would concentrate on implementing policies of his predecessor, especially those targeting job creation and poverty, with just a few refinements. Thus it is unlikely that Mogae's administration will herald a significant departure from that of Masire.

Precisely because Botswana's democracy is stable, the likelihood of political crisis is remote. Political issues that have the potential to paralyze or destroy other African governments are readily handled by the democratic institutions that have developed in Botswana. Thus Mogae should be able to devote a significant amount of attention to retaining the BDP leadership.

## DOMESTIC POLICY

In 1966 at the time of independence, Botswana was ranked as one of the 20 poorest nations in the world. Since then the economy has become among the strongest in Africa, averaging an annual growth rate of more than 10% during the 1976–1991 period. This was due primarily to the discovery and exploitation of huge mineral resources, most notably diamonds. Mining has transformed the economy; Botswana is now Africa's third-largest mineral producer. The nation's infrastructure and manufacturing sector have been

improved, while social services have been expanded. Job creation has been impressive as well, with formal sector employment growing at nearly 10% in the years since independence.

Growth at these high levels, especially when it is predicated on an expansion in one particular sector, is hard to sustain. Thus it is not surprising that Botswana's economy cooled down during the 1990s, but nevertheless maintained a respectable 4–5% annual expansion. The government had anticipated this slowdown in its development planning and adjusted budget items accordingly. In February 1997, the government unveiled its seventh National Development Plan, which was the blueprint for the economy through 2003. It emphasized sustained and sustainable economic diversification, encouraging private sector growth.

Unemployment is perhaps the single most troublesome factor on the economic horizon. Because of a decrease in the number of Botswana working abroad and a reorganization of parastatal enterprises, some 21% of Botswana are unemployed. Job creation has slowed to a crawl, with some estimates putting it at only 1% in recent years. The government was also forced to scale back a planned expansion of the mining sector due to a lack of skilled labor in the country. There has been a rapid population influx to the cities from rural areas, but these are largely unskilled workers whose contribution to the growth of the economy is negligible and whose presence has strained social and government services. In April 1998, in response to these factors, the administration embarked on an ambitious public sector spending program; 3.5 billion *pula* (US\$1 billion) was earmarked to build schools, clinics, and offices.

A growing concern across Africa is the spread of AIDS. In his annual state of the nation addresses, Mogae refers to the challenge of dealing with the epidemic. According to the United Nations (UN), Botswana has the highest rate of infection in the world, with more than 30% of all adults in Botswana infected with the virus that causes AIDS and about 50% of all nonaccidental deaths attributed to AIDS. In the 1990s, average life expectancy dropped from the mid-60s to 39 years, according to the U.S. Census Bureau. The country's workforce has been dying in frightening numbers. To combat the epidemic, Mogae has implemented a widespread program of providing AIDS medicine through the public health service. He plans to spend around US\$200 million on AIDS medicine from 2002 to 2007. This initiative is the first sponsored by an African government.

Another serious issue facing the country is the international controversy over the role of diamonds in civil conflicts in Africa, especially in Democratic Republic of the Congo, that affects the market for all African diamonds.

The Mogae government continues to encourage foreign investment in the national economy and has developed partnerships with some international corporations. Diversification will depend, in part, on increasing economic investment from abroad. Economic ties to other southern African countries have proven beneficial in the past and there is no reason to expect these ties to erode in the future.

## FOREIGN POLICY

Botswana's foreign policy has historically put a premium on economic and political integration in southern Africa. This has led to the development of the 12-nation Southern African Development Community (SADC), to which Gaborone is host. The SADC has been the primary vehicle for diplomacy in the region, as well as an instrument of regional development. Post-apartheid South Africa has been welcomed as a partner in these regional initiatives.

The Southern African Customs Union (SACU), which includes Botswana, Namibia, Lesotho, Swaziland, and South Africa, dates to 1910. The SACU has provided duty-free access for Botswana's exports to the larger market in South Africa. However, South Africa's dominant role in the union became increasingly troublesome to other members. Barriers to the import of non-South African capital and consumer goods have caused a good deal of controversy. In 1995, an effort was made to renegotiate the terms of the SACU agreement.

Botswana maintains friendly diplomatic relations with most African nations, as well as with many European and Arab nations. The country is a member of the UN, where it established a reputation for consensual, constructive participation during its term on the Security Council. Botswana tends to exhibit solidarity with the African consensus on most international matters and was a member of the so-called "front-line states" that gave crucial support to the independence movements in Zimbabwe and Namibia, as well as in the opposition to apartheid in South Africa. In early 2002, Botswanan disaster relief agencies assembled tents and other supplies in anticipation of an influx of refugees from neighboring Zimbabwe after the controversial reelection there of Robert Mugabe. International observers described the elections as not "free and fair," and it seemed likely that citizens would flee the country and his repressive policies.

United States-Botswana relations have been warm since independence, with the United States viewing Botswana as a force for stability in Africa. The United States has had a significant presence in the country, providing development aid since the 1960s. In December 1997, after 30 years, the U.S. Peace Corps ended its mission in Botswana, leaving behind a legacy of assistance in education, business, health, agriculture, and the environment. The United States Agency for International Development (USAID) also closed out its programs in 1996, although as of 2000 Botswana continues to benefit from USAID's initiative for southern Africa as a whole.

Nonetheless, several organizations, including the Bill and Melinda Gates Foundation, The Center for Disease Control and Prevention, Merck Pharmaceutical Co., and Harvard University maintain presences in Botswana to combat the AIDS epidemic. While the government continues to seek financial investment for economic development, Botswana's most urgent need is for medical aid to stem the tide of the AIDS epidemic. Botswana is the only nation in Africa that has pledged to provide AIDS drugs to all citizens who need them; the country is among those likely to benefit from the pledge U.S. president George W. Bush made during his 2003 State of the Union address to provide aid to African nations struggling to cope with the AIDS epidemic.

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**Profile researched and written by Alison Doherty Munro (9/98); updated by Ezekiel Kalipeni, University of Illinois (3/2000 and 3/2002) updated 2/2003.**

# BRAZIL

Luiz Inácio Lula da Silva

President

(pronounced “loo-ESE ee-NAY-thee-oh LOO-la dah SEEL-vah”)

*“More than ten years after the fall of the Berlin Wall, there are other walls that divide those who eat from those who are hungry, those who have jobs from the unemployed, those who live with dignity from those living in the streets.”*



The Federative Republic of Brazil dominates the South American continent, encompassing 8.5 million sq km (3.29 million sq mi), which represents 40% of the continental land mass. Brazil is bounded to the east and northeast by the Atlantic Ocean; to the north by French Guiana, Suriname, Guyana, and Venezuela; to the west by Colombia and Peru; to the southwest by Bolivia and Paraguay; and to the south by Argentina and Uruguay.

Home to more than 176 million people (2002 estimate), Brazil is the sixth most populous country in the world. The population comprises four major groups: those of Portuguese descent, whose ancestors colonized Brazil beginning in the 16th century; descendants of Africans who were brought as slaves to Brazil; Europeans and Asians who began emigrating in the mid-nineteenth century; and indigenous peoples, primarily of Tupi and Guarani language groups. The national language is Portuguese. More than 80% of Brazilians profess the Roman Catholic faith; others belong to Protestant sects or practice spiritualism.

The unit of currency is the *real*. The Brazilian economy is diverse and export oriented. Economic expansion occurred at an annual rate of 1.5% in 2001, down from 4.5% in 2000. Inflation was 7.4% in 2001 and 10.9% in 2002. Unemployment stood at 6.2% in 2001 and 7.3% in 2002, with a large segment of the population being employed in the informal sector.

## POLITICAL BACKGROUND

Claimed in 1500 by the Portuguese navigator Pedro Alvares Cabral, Brazil was ruled from Lisbon as a colony until 1808. In that year, fleeing Napoleon's army, the Portuguese royal family established the empire's seat of government in Rio de Janeiro. In 1821, the royal family returned to Portugal, leaving Prince Dom Pedro as regent of the newly established Brazilian kingdom. On 7 September 1822, Dom Pedro proclaimed Brazil's independence from Portugal and declared himself Emperor Dom Pedro I. His son, Dom Pedro II, ruled from 1831 to 1889 when a bloodless and unchallenged coup, led by army marshall Deodoro da Fonseca, established the United States of Brazil as a federal republic.

During the first 40 years of its republican history, Brazil was a constitutional democracy. In 1930, a military coup established the civilian Getulio Vargas as president. He remained dictator until 1945 when the nation returned to democratic practice. Alarmed by a spiraling economic downturn and growing social instability, the military inter-

vened once again in 1964. Army chief of staff General Humberto Castelo Branco led a bloodless coup against the left-leaning administration of President Joao Goulart. Castelo Branco became president and eventually assumed dictatorial powers. All political parties were banned. Successive military governments ruled Brazil until 1985 when a majority faction in the electoral college chose Senator Tancredo Neves as the next president, the first civilian to occupy that office since 1961. Although Neves died unexpectedly prior to his inauguration, his vice president, José Sarney, was sworn in as president in April 1985. In 1989, direct presidential elections were held for the first time in 29 years, and Brazilians elected Fernando Collor de Mello. (Collor defeated the young and charismatic leader of the Workers' Party, Luis Inácio Lula da Silva.) Amid allegations of corruption and mismanagement, Collor resigned from office in 1992, and Vice President Itamar Franco completed his term. This smooth transition was hailed as a rebirth for the nation—the crisis and succession having been managed entirely within the dictates of constitutional procedure.

Upon the return to civilian government in 1985, Brazil moved quickly to reestablish fundamental democratic processes. In May 1985, a constitutional amendment reestablished direct elections by universal suffrage. The right to vote was extended to illiterates (20% of the population in 1985, approximately 17% in 2000). In 1987, a Constituent Assembly was seated and began debate on the new Brazilian constitution. The final draft was approved by the National Congress and promulgated on 5 October 1988.

The Constitution contains 245 highly specific articles, some of which remain controversial. The fundamental points establish Brazil as a federal republic of 26 states and the Federal District. A bicameral National Congress exercises legislative authority. The Federal Senate is composed of 81 members who serve eight-year terms. The Chamber of Deputies is elected every four years by a system of proportional representation. The 1988 Constitution stipulated that executive power be held by a president elected to a five-year term. In 1994, the term was changed to four years. Two years later, the Constitution was altered to allow a president to serve more than one term in office. Presidential elections are structured in a two-round system. The first round is open to all comers. The second round is a contest between the two top contenders from the first round, unless a candidate receives an outright majority of votes cast.

## PERSONAL BACKGROUND

Born as Luiz Inácio da Silva on 27 October 1945 in the rural state of Pernambuco in northeastern Brazil, Lula was the seventh of eight children. A few months after his birth, his father abandoned his family to go work in the nearby port city of Porto de Santos. Lula grew up with his mother, first meeting his father when he was five years old. During his childhood years, Lula experienced poverty and dispossession. In 1956, his mother divorced his father and took the children to São Paulo, Brazil's industrial and financial capital. Living in poverty, Lula left school and found a job at a laundry store at age 12. At age 14, he was already working at a factory. In 1964, the military overthrew the civilian government and installed General Humberto Castelo Branco as president. Repression against labor union leaders was common. It was during this time that Luiz Inácio, at age 21, began to work in a steel company where he first became associated with labor unions. Luiz Inácio's older brother, nicknamed Frei Chico, was a labor union leader and convinced Luiz Inácio to run for a leadership position in his local union. Lula was first elected in 1969. Because of his charismatic leadership, he easily won reelection in 1972. As it is common in Brazil, Luiz Inácio adopted a nickname, Lula, by which he became known to others. Because his nickname became so popular, he incorporated it into his full name in the 1980s.

In 1966, he married Maria de Lourdes, who died when giving birth to their first child, who also died. After fathering a boy with Miriam Cordero in 1972, he married his second wife, Marisa Casa, in 1974, a divorcee and mother of a two-year-old son. Together, they have three children, but Lula's and Marisa's children were also officially adopted by the couple. Lula always proudly claims to be the father of five children. In 2002, they ranged in age from 18 to 32.

## RISE TO POWER

Lula's first experience with running for office came during his years as a labor union leader. He was influenced to run for a low-level post in his steel factory union in 1969 by his brother, a seasoned union leader. Lula's charisma, leadership skills, and effectiveness in bargaining with the factory management helped him gain the respect and confidence of his fellow workers. By 1975, he was the president of a union that represented more than 100,000 factory workers. It was that position that first drove him to try to influence government policy. Lula combined his concern for the living conditions of his union members with a growing concern over the decisions made by the central government. Although Brazil was under military rule, Lula actively sought to influence the government's labor policies through peaceful means.

Although he was not a member of any political party, his sympathies were with the left. Thus, Lula did not rely on political connections to negotiate on behalf of his union and to bring about reforms that would benefit all Brazilian workers. When the military government moved towards greater liberties and a transition to democracy emerged as a possibility, Lula formed a coalition of labor leaders, intellectuals, rural and religious leaders, and left-wing politicians to form the Brazilian Workers' Party (PT) in 1980. In 1982, the PT participated in legislative and state elections. Lula was unsuccessful in his campaign to become governor of the state



of São Paulo, but eight PT militants were elected into Brazil's Chamber of Deputies. In 1986, Lula headed his party's list for the legislative election and was elected to the Chamber of Deputies with more votes than any other candidate in the country.

In 1989, when Brazil held presidential elections for the first time since 1960, Lula ran as the PT candidate, losing by a narrow margin in the runoff election. He tried again in the elections of 1994 and 1998, but was easily defeated by Fernando Henrique Cardoso. Yet, Lula continued to focus his efforts on building his party, supporting PT candidates running for other offices, including Senate, Chamber of Deputies, state governorships, and mayoralties. His efforts paid off, as he was widely considered a reliable and trustworthy candidate in the 2002 presidential election. In the first round of voting, Lula obtained 46.4% of the vote, short of an absolute majority. A mandatory runoff was held on 6 October 2002; Lula garnered 61.3%, easily defeating Social Democratic Party candidate José Serra (38.7%). More PT candidates won seats in the Chamber of Deputies (91 out of 513) than any other party.

## LEADERSHIP

Lula's presidential campaign platform called for increased social spending to help alleviate Brazil's historic problems of urban poverty and marginalization of the rural population. Brazil has one of the worst income distributions in the world, with levels of inequality worse than most third-world countries. The state has also been very ineffective in building a social safety net, as patronage and corruption have taken a heavy toll on the government's budget. Lula promised to increase spending for education and health care, paying particular attention to programs that would reduce hunger. Lula's "zero hunger" commitment seeks to eliminate hunger

in Brazil in four years (by 2006). The first target groups of the program will be children and rural families. Lula has also vowed to reduce military spending. In fact, as soon as he took office, he froze a number of military acquisitions and sought to redirect those funds to social spending. In terms of economic policy, Lula has been hard-pressed to reassure the financial sector and foreign investors that he will not change the policy program adopted by his predecessor, Fernando Henrique Cardoso. Fearing a return to years of high inflation and economic volatility, international financial lending institutions have pressed Lula for his commitment to a balanced budget and his pledge not to tinker with the exchange rate. Brazil owes us\$230 billion to foreign banks, almost twice as much as when F. H. Cardoso first became president in 1994. Thus, the government budget is constrained by the need to finance the interest and repayments of foreign debt. Yet, Lula has made it clear that he will seek to balance the need to maintain macroeconomic stability with his commitment to use government resources to alleviate poverty and provide opportunities for the large number of Brazilians who lack access to education, basic health care, and employment. He will need to show his leadership to successfully balance the demands for more social spending with strict fiscal responsibility.

### DOMESTIC POLICY

Lula will seek to find a balance between his ambitious social spending program and the constraints placed on the government by Brazil's huge external debt. As he began his term as president, he faced the challenge of responding to the concerns of international lending institutions over potential inflation resulting from increased government spending. Lula spent his transition period and the first few weeks of his presidency reassuring the financial sector. He vowed to maintain a strict limit on government spending and to avoid a budget deficit. When appointing his cabinet ministers, he sought to send a strong signal to the world that his government would not abandon the strict economic policies of his predecessor.

He also made cabinet appointments aimed at delivering on some of his campaign pledges. Lula, having experienced hunger firsthand as a child, is committed to using his four years in power to eradicate hunger from Brazil. Lula's vocal and emotional stand on the issues of hunger and poverty have brought those two issues to the forefront of Brazilian politics. Although many within his Workers' Party are correctly perceived as intransigent leftists, early on Lula has shown that he is a remarkably skillful politician who understands that building consensus is a central component of a president's mission.

Shortly after being inaugurated, Lula traveled to Davos, Switzerland, to explain his economic plan to the financial, political, and social leaders of the world. Yet, before traveling to the World Economic Forum in Davos, he made a stop to address the 75,000 attendees at the alternative annual antiglobalization world forum, the World Social Forum, in Porto Alegre in southern Brazil. Lula was the only world leader to attend both forums. He explained that as president of a country full of poverty and marginalized communities

but fully immersed in the world, he needs to enlist all those concerned with economic growth and the creation of wealth to transform Brazil into a land of opportunity for all.

Lula will also have to deal with Brazil's growing crime rates and Brazilians' widespread mistrust of political and social institutions. He is probably the least-educated president in Brazil's history, and he entered office in an era when the country faces some of its greatest domestic challenges. In the first months of his presidency, he demonstrated remarkable ability to build coalitions and construct consensus behind his policy proposals. If he can continue on that route, Brazil will likely be a more stable country at the end of the four years of Lula's first term as president.

### FOREIGN POLICY

As the second largest economy in Latin America, Brazil plays a major role in shaping political and commercial relations between the region and the rest of the world. Historically characterized by an aggressive foreign policy approach (Brazil fought alongside the United States in World War II, 1939–45), Lula's Brazil is likely to exercise an even more aggressive role in Latin American politics. Identified with other left-wing presidents in the region, Lula has already made gestures to Cuba's Fidel Castro and Venezuela's Hugo Chávez. Because both Castro and Chávez are foes of the U.S. government, many U.S. experts have warned about a left-wing turn in Latin American politics. But unlike Castro and Chávez, Lula has shown signs that he is serious about building consensus and promoting understanding on all fronts. Lula has sent strong signals to the United States that his government wants to move forward on the negotiations for the Free Trade Agreement of the Americas scheduled for 2005. Brazil exports totaled more than us\$70 billion in 2002, the second-largest exporter in Latin America. Brazil's diversified export portfolio has allowed it to enter markets as diverse as the United States, Japan, Germany, Italy, Netherlands, and the rest of Latin America (especially Argentina). Lula will seek to improve Brazilian access to world markets.

Lula is expected to lead a worldwide drive against hunger and poverty. Legitimized by his lifelong involvement in labor unions and his humble origins, Lula has already captured the attention of world leaders and international organizations. His first foreign policy initiative was announced a few weeks after taking office, during Lula's first trip to Europe. Lula called for the creation of an international fund to combat hunger. During his four-year term, the war against hunger will be Lula's main international concern.

Brazil's relationship with the United States has historically been strong, but the worldwide economic downturn in late 2001 cooled even the warmest of international relations. At the World Trade Organization (WTO), Brazil was engaged in a dispute with the United States over a Brazilian law affecting the pricing of U.S.-patented AIDS drugs sold in Brazil; under the threat that generic drugs would replace their patented ones, U.S. drug manufacturer Merck agreed to reduce prices for AIDS drugs in Brazil. The Brazilian government also

objected strongly to new tariffs on steel imposed by the United States. But the main source of potential conflict with the United States will emerge from Lula's friendly relations with Cuba's Castro, Venezuela's Chávez, and the PT's links with many leftist and anti-U.S. groups in Latin America. Lula must maintain the delicate balance between his need to foster positive international relations and to remain true to his ideals forged in the labor movement.

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**Profile researched and written by Patricio Navio, New York University (2/2003).**

# BRUNEI

## Hassanal Bolkiah Sultan

(pronounced “HAH-sob-nol boal-KYE-ah”)



*“We have tried it. We had elections before 1962 and we had a few political parties, but people competed against each other and chaos resulted.”*

Officially known as the Sultanate of Brunei (Negara Brunei Darussalam), Brunei is situated on the northwest coast of the island of Kalimantan (Borneo), most of which is Indonesian territory, and faces the South China Sea. Both of its two parts are surrounded by Sarawak, which is part of Malaysia. Brunei has a coastline of about 161 km (100 mi). Its total area is 5,770 sq km (2,228 sq mi), and its capital is Bandar Seri Begawan. The population was estimated at 350,898 in 2002. The unit of currency is the Brunei dollar.

The official language is Malay, and ethnically Brunei is comprised of Malay, 67%; Chinese, 15%; and indigenous races and others, 18%. The official religion is Islam (67% of the population), with smaller numbers adhering to Buddhism (13%), Christianity (10%), and animism and other beliefs (10%). The terrain is heavily forested, and the crops include rice, sugarcane, and fruit. Its natural resources consist almost exclusively of petroleum and natural gas, which together account for 99% of Brunei's exports. Brunei's per capita gross domestic product (GDP) was estimated at us\$19,000 in 2001.

### POLITICAL BACKGROUND

Brunei has been a center of human settlement since at least the eighth century AD, and by the thirteenth century it was an Islamic state. The Sultan of Brunei ceded Sarawak to James Brooke, an English adventurer, in 1841, and Brunei was then placed under British protection in 1888. The country was occupied by Japanese forces during World War II from 1941 to 1945. After the war, Brunei was a protected state, with the United Kingdom (UK) taking responsibility for its defense and foreign relations until 1 January 1984, when it became a fully independent nation.

Brunei is a monarchy. Under the provisions of the Constitution promulgated on 29 September 1959, sovereign authority is vested in the sultan. As the head of state, the sultan presides over a Council of Ministers and is assisted and advised by a Legislative Council, a Religious Council, a Privy Council (to deal with constitutional issues), and the Council of Succession. Hassanal Bolkiah is the twenty-ninth sultan in a royal line that stretches back in time further than any other existing monarchy. He came to the throne by virtue of having been first born. Since 1962, when a state of emergency was declared, the sultan has had virtually absolute political power.

Political parties do not wield much power in Brunei. The only legal political party is the Brunei Solidarity National Party (PPKB), with just 200 members. PPKB was first regis-

tered in 1985, but it has had many periods since then when it was inactive. The Brunei People's Party (PRB) has been banned since 1962, and the Brunei National Democratic Party lost its government registration in 1988.

### PERSONAL BACKGROUND

Born on 15 July 1946 in Brunei Town (now Bandar Seri Begawan), Hassanal Bolkiah Mu'issaddin Waddautah is the first son of the late Sultan Muda Omar All Si Fidem. In childhood he was educated at home by tutors at Istana and in schools in Brunei and Kuala Lumpur, Malaysia. In 1961, at age 15, Hassanal Bolkiah was installed as the crown prince and invested with the family order of Darjah Kerabat First Class. While attending Britain's Royal Military Academy at Sandhurst, he was suddenly recalled to succeed his abdicating father. Although he did not finish his education, the academy later awarded him an honorary commission. Installed as the new ruler of Brunei on 5 October 1967, Hassanal Bolkiah's official coronation took place on 1 August 1968 in a lavish ceremony.

Hassanal Bolkiah is one of the most accessible leaders in the world. He has no bodyguard, and he moves among his people with ease, frequently making helicopter tours of outlying villages. His hobbies include fancy cars and polo, and he loves sports. With a fortune of us\$30 billion, he is also considered to be one of the three wealthiest men in the world. He is married to Her Majesty Raja Isteri Penigran Anak Hajjah Saleha and Her Royal Highness Penigran Isteri Hajjah Mariam. He has ten children—four princes and six princesses.

### RISE TO POWER

Initially accepting his father as the power behind the throne, Hassanal Bolkiah gradually sought to take over the reins of government. By the early 1980s he was able to assert his authority. With the death of his father in 1982, Hassanal Bolkiah became the undisputed supreme authority in Brunei, and he enjoys almost absolute respect and loyalty from his people. The sultan shares his power with only a handful of close relatives. When Brunei achieved independence in 1984, Hassanal Bolkiah established a cabinet, naming himself prime minister and minister of finance and home affairs, and appointing members of his immediate family to other key government positions.



## LEADERSHIP

Political activity is muted in Brunei, as there is no real drive for it in the “Shellfare state” (referring to Shell oil) with its wide range of welfare benefits. There are no elections. The Brunei National Democratic Party (BNDP), formed in 1966, was deregistered in early 1988 because of inactivity. In May 1985, the sultan had agreed to the formation of the BNDP, but at the same time prohibited all government employees (about 40% of the country’s work force) from joining, thus depriving the party of a potential source of support. The members of BNDP were mainly Brunei Malay businessmen and young professionals, and their political agenda was to gain government support for Brunei Malay commercial interests. The new party quickly split into two factions in October 1985, with one of the resulting parties proposing radical changes; not surprisingly, it was squelched by the government. The BNDP was finally dissolved by the authorities early in 1988 after it had openly demanded the resignation of the sultan as the head of government, the lifting of the 26-year-old state of emergency, and democratic elections. As of 2003, the only legal political party is an offshoot of the BNDP, the Brunei Solidarity National Party (PPKB).

Hassanal Bolkiah favors maintaining the status quo and opposes any rapid development which might bring about social and economic change. To this end, Hassanal Bolkiah places great emphasis on Islamic values and strongly promotes Islam to keep his Brunei Malay power base stable. Malays enjoy preferential treatment and numerous benefits, while 90% of the ethnic Chinese inhabitants have been classified as “non-citizens,” thus ceasing to qualify for many state benefits.

## DOMESTIC POLICY

Brunei is the third-largest oil producer in Southeast Asia after Indonesia and Malaysia, and the sultan’s government has been heavily involved in developing its rich natural gas and petroleum resources. Enormous wealth has been generated from royalties on both oil and liquefied natural gas. Oil is produced by Brunei Shell Petroleum and Brunei Shell Marketing, in both of which the government now holds a 50% interest; gas is produced by Brunei LNG, in which the government, Shell, and Mitsubishi of Japan hold equal shares. Brunei’s per capita income is one of the highest in the world, and the citizens of Brunei receive free health care and generous state pensions. There is no income tax, and government loans are freely available at an annual interest rate of 1%. Brunei’s balance of trade is consistently favorable, and government revenues consistently exceed expenditures.

However, the petroleum sector was adversely affected by depressed prices on the world oil market in the 1980s. Also, in 1987, the country’s reserves of petroleum were estimated to be sufficient for production at current levels for only 27 more years. Thus, Brunei faces the problem of how to diversify its economy and move away from total dependence on a dwindling resource. In 1985, the sultan’s government proposed a 20-year master plan to broaden the economy, suggesting development of a microchip and optics industry. In 1986 the government introduced a fifth National Development Plan, which was designed to reduce reliance on petroleum and natural gas income and to achieve self-sufficiency in food production. The government provides



technical training in order to generate more attractive jobs. The sultan’s long-term objective is to turn Brunei into a center for banking, trade, and financial services. As of 2003, the government still faced great challenges in its effort to promote the development of technological industries.

One of the sultan’s major achievements was the establishment of the Sultan Haji Hassanal Bolkiah Foundation in 1992. The foundation is a gift from the sultan to his people and focuses on, among other things, financing research-related works.

## FOREIGN POLICY

As the ruler of a small country, Hassanal Bolkiah tries to protect his nation’s independence by maintaining a defense relationship with the United Kingdom, and by strengthening ties to neighboring Asian states. In the past, both Indonesia and Malaysia had territorial disputes with Brunei and supported the sultan’s political opponents. In addition, Malaysia regularly called upon the United Kingdom to “decolonize” Brunei and advocated United Nations (UN) supervision of elections in the sultanate. However, recently relations between Brunei and its neighbors have improved. In July 1980, the sultan paid the first official visit to Malaysia in 17 years. In September 1987, Brunei and Malaysia announced a joint plan to produce defense equipment. In October 1984, Hassanal Bolkiah met with Indonesian president Suharto at Jakarta, and Indonesia subsequently denied any territorial ambitions in regard to the sultanate. In September 1987, Hassanal Bolkiah offered an interest-free loan of us\$100 million to Indonesia for industrial and transport projects. In 1986, at the request of the United

States, Hassanal Bolkiah sent us\$10 million to the Nicaraguan contras.

Following independence, Brunei became a member of the Association of Southeast Asian Nations (ASEAN), the Commonwealth, the Organization of the Islamic Conference, and the UN. In 1999, the sultan began discussing the creation of a Philippines-Brunei Joint Commission for Bilateral Cooperation with the Philippines president Joseph Estrada. By 2001 Gloria Macapagal-Arroyo had replaced Estrada as president; during a state visit to Brunei in August 2001, the two countries signed a memorandum of understanding related to increasing cooperation in defense. In January 2003, Brunei and the United Kingdom held the first joint commission for defence cooperation, stemming from a 2002 memorandum of understanding between the two nations.

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**Profile researched and written by Junling Ma (7/90); updated (4/2002, 2/2003).**

# BULGARIA

Simeon Saxe-Coburg-Gotha  
Prime Minister

(pronounced "SIM-e-ohn SAX KO-berg GOE-tha")

*"Although I am pragmatic and realistic, I will take the liberty of dreaming of a richer, stronger, more secure, fairer and more moral Bulgaria. The road will be hard but my government and I are confident in our success."*



Bulgaria is situated in the Balkan Peninsula in southeastern Europe. Its territory covers 110,910 sq km (42,811 sq mi). It shares borders with Turkey, Greece, Macedonia, Yugoslavia, and Romania. To the east lies the Black Sea. About three-quarters of the countryside is mountainous. The country's total population was estimated in 2002 at 7.7 million. Of this number, ethnic Bulgarians comprise 83.6%; ethnic Turks 9.5%; Roma 4.6%; and other groups 2.3%. Most Bulgarians (83.8%) belong to the Bulgarian Orthodox Church. Other religions practiced in Bulgaria are Islam (12.1%), Roman Catholicism (1.7%), and Judaism (0.8%). Most people speak Bulgarian, a Slavic language written in the Cyrillic alphabet. The other significant language in Bulgaria is Turkish, spoken by the ethnic Turkish minority.

The national currency is the *lev*. Bulgaria was traditionally an agricultural country, but industrialization accelerated during the communist period. Major industries include machinery, metallurgy, and fuel and chemical production. Major agricultural products include tobacco, grain, wine, and produce.

## POLITICAL BACKGROUND

Bulgaria remained under the control of the Ottoman Empire until the end of the nineteenth century, gaining autonomy in 1878 and complete independence in 1908. Badly defeated in the second Balkan war of 1913, Bulgaria twice chose to ally itself with the losing side in World Wars I and II. The Soviet Red Army drove out Axis forces from Bulgaria in September 1944. The Bulgarian Communist Party deposed King Simeon in September 1946 and declared Bulgaria to be a People's Republic.

Communist leader Todor Zhivkov came to power in Bulgaria in 1954 and remained in power until 1989, the year of democratic revolutions throughout Eastern Europe. While under Communist rule, Bulgaria was known as the most faithful ally of the Union of Soviet Socialist Republics among the communist Eastern bloc. Bulgaria did not have a well-organized dissidents' movement, and the regime did not embark on limited market economic experimentation, as other East European countries had. In 1989, opposition to Zhivkov grew, and a coalition of more than 20 opposition groups formed the Union of Democratic Forces (UDF). Meanwhile, on 10 November 1989, the Bulgarian Communist Party Politburo forced the resignation of Zhivkov in a "palace coup." Beginning in January 1990, negotiations between the Communist Party and the UDF opposition

opened the way for democratic elections in June 1990. With about 90% of eligible voters participating, the Bulgarian Socialist Party (BSP), the former Communist Party, nearly won a majority of the vote. The UDF came in second with 36%, winning all of the urban centers by a large margin but losing the vote in the countryside.

The Parliament passed a new constitution on 13 July 1991. Elections to the new Parliament, now called the National Assembly, were held on 13 October 1991. This time, the UDF won a slight plurality, with 34% of the vote. BSP came in a close second with 33%. The UDF allied with the Movement for Rights and Freedoms (MRF) and formed Bulgaria's first entirely noncommunist government on 8 November 1991, headed by Filip Dimitrov of the UDF as premier (prime minister). The first direct presidential elections, held 19 January 1992, brought incumbent president Zhelyu Zhelev, a founder of the UDF, to the presidency for a five-year term.

The Dimitrov government significantly improved Bulgaria's international reputation as a country swiftly transforming into a democratic state with a market economy. Politically, however, signs of trouble began to emerge by mid-1992. Tensions increased between the coalition partners of the UDF and MRF, and divisions within the UDF also became apparent. On 28 October 1992, the MRF, allied with the BSP, voted in favor of a motion of no-confidence in the Dimitrov government, an action which led to his resignation. The political crisis lasted two months, as the parties could not agree on a new cabinet. Finally, on 22 December 1992, the MRF nominated economics professor Lyuben Berov (unaffiliated) to be prime minister.

Beginning in 1993 and continuing in 1994, the Berov "government of experts" withstood numerous challenges. The most substantial differences arose between the UDF (especially former premier Filip Dimitrov) on the one hand, and the Berov government and President Zhelev (one of the founders of the UDF) on the other. The UDF repeatedly sought to force the resignation of the Berov government. A currency crisis and the serious illness of Prime Minister Berov in March 1994 prompted President Zhelev to withdraw his support for the Berov government in April of that year. In May 1994, Prime Minister Berov himself introduced a vote of confidence in his government for a three-month period. On 2 September 1994, the Berov government submitted its resignation to the Parliament, ending a tenure which lasted far beyond most expectations. President Zhelev dissolved



Parliament and set 18 December 1994 as the date for early elections—nearly one year ahead of schedule.

Thus, elections for the 240-seat National Assembly were held on 18 December 1994. The BSP won 43.5% of the vote and 125 seats in Parliament, an absolute majority. The UDF came in second with 24.2% of the vote and 69 seats. BSP head Zhan Videnov became Bulgaria's prime minister on 25 January 1995.

Economic reforms under the Videnov government stalled. The Bulgarian economy suffered a shrinking gross domestic product (GDP), high inflation, and a collapsing currency. In the political arena, the Videnov government and President Zhelev remained at odds over numerous issues, especially economic policy and foreign policy priorities. Within the BSP, a reformist faction began to demand Videnov's resignation by mid-1996.

Bulgaria held presidential elections in October and November 1996. In a move to unite the non-Socialist opposition parties, the UDF, Agrarian Union, and the MRF agreed to put forth a joint candidate determined by a primary election. On 1 June, incumbent President Zhelev ran opposite UDF candidate Petar Stoyanov, and Stoyanov defeated Zhelev by a wide margin. In the first round on 27 October, opposition candidate Stoyanov led with about 44% of the vote. BSP candidate and former culture minister Ivan Marazov trailed with 27%, and Bulgarian Business Bloc candidate George Ganchev pulled in 22%. In the second round on 3 November, Stoyanov won nearly 60% to Marazov's 40%. Stoyanov's victory marked a turning point in Bulgarian politics. The opposition, buoyed by Stoyanov's victory, set sights on forcing early parliamentary elections in

1997. Stoyanov was sworn in as president on 19 January 1997.

Facing growing internal and external opposition, Prime Minister Videnov resigned from office and party leadership at the BSP party congress in December 1996, reversing earlier vows not to relinquish power. New BSP leader Georgi Parvanov pledged to form a new BSP-led government. Tens of thousands of Bulgarian citizens, however, launched demonstrations on 3 January 1997 against the BSP government and in support of opposition demands for early elections. On 10 January, riot police violently broke up a blockade of the Parliament building by demonstrators. Outgoing President Zhelev refused to offer the BSP a mandate to form a new government under the BSP's prime minister-designate, Nikolay Dobrev. Western economic and financial institutions warned that economic stabilization efforts and outside financial assistance could not begin until a new government was put in place.

President Stoyanov upheld a constitutional requirement to offer a governing mandate to the BSP in late January but urged the BSP not to accept it. He instead urged them to work out a consensus arrangement on emergency economic policies and early elections. With its approval of a new cabinet line-up on 3 February, the deeply divided BSP appeared set for a standoff. The next day, however, President Stoyanov, the BSP, and the opposition announced an agreement, reached "in the name of civic peace" on holding early elections in mid-April 1997.

On 19 April, Bulgaria held new parliamentary elections. The UDF coalition (comprised of the UDF, the Popular Union, and the Bulgarian Social Democratic Party) came in first with an absolute majority of the vote (52.3%) and seats in Parliament (137 out of 240). The BSP came in second with 22.1%. A new government led by UDF leader Ivan Kostov was approved by Parliament on 21 May 1997. However, the country's economic and unemployment crises continued under the new leader, and accusations of corruption, particularly in the areas of political appointments, mounted. Meanwhile, the former king, Simeon Saxe-Coburg-Gotha, having returned to the political arena in 1996, had been successfully forming a coalition between his Simeon II National Movement (SNM) Party and the MRF. In elections called 20 June 2001, the SNM won 120 seats of the 240-seat Parliament, receiving nearly twice as many votes as the UDF. Simeon Saxe-Coburg-Gotha, once the nation's king, now found himself its prime minister.

## PERSONAL BACKGROUND

Simeon Saxe-Coburg-Gotha was born in Sofia, the capital, on 16 June 1937, heir to the throne as Prince of Tirnovo. He spent his early childhood with his parents, King Boris and Queen Joanna, and older sister in the palace of Vrana near Sofia. The death of his father in 1943 made him King Simeon II. Since he was a minor at the time of his father's death, a three-member Council of Regency ruled the country. In September 1944, a Communist coup changed everything. Many former leaders and intellectuals were executed, although Simeon II was permitted to remain on the throne. Conditions deteriorated, however, and in September 1946, a referendum toppled the existing government, abolished the monarchy, and replaced it with a people's republic. The royal

family left Bulgaria, but without abdicating. The exiled family settled at first in Alexandria, Egypt, but subsequently moved to Madrid, Spain, having been granted asylum there in 1951.

Simeon Saxe-Coburg-Gotha began his education at the British school, Victoria College, while a child in Alexandria. In Spain, he attended the Lycee Francais, graduating in 1957. For a short time, he studied law and political science at home, then in 1958 he enrolled in Valley Forge Military Academy in Pennsylvania, graduating in 1959 as a second lieutenant.

Throughout his years in exile, Saxe-Coburg-Gotha developed business interests; for 13 years he was chairman of the Spanish subsidiary of a French defense and electronics group. He remained active in matters pertaining to Bulgaria and Bulgarian refugees, traveled frequently, and formed many international relationships with business leaders, connections that would help reestablish him in Bulgaria.

In 1962, Saxe-Coburg-Gotha married Spanish aristocrat Dona Margarita Gomez-Acebo y Cejuela. The couple has five children—four sons and a daughter. An accomplished linguist, Saxe-Coburg-Gotha is fluent in English, French, Spanish, German, and Italian, with some facility in Arabic and Portuguese. Among his hobbies are cross-country skiing, walking, reading history, and listening to religious Slavonic music.

## RISE TO POWER

In one sense, Simeon Saxe-Coburg-Gotha was born into power, becoming King Simeon II in 1943. Throughout his decades in exile he regarded himself as the rightful king of Bulgaria; however, he chose to reestablish his right to rule through legitimate, popular election rather than launching an attempt to regain his throne through a restored monarchy. No other exiled monarch has even achieved such a feat.

Saxe-Coburg-Gotha only returned to Bulgaria in 1996, after the fall of communism. He immediately made himself a conspicuous public figure and spoke of the need for Bulgaria to regain a stronger feeling of national identity. The populace responded enthusiastically, making him a celebrity and making it feasible for him to form alliances (most important, with the Turkish MRF) in support of his SNM party. It took only three months from the time of the SNM's formation to win the general election in 2001.

## LEADERSHIP

Saxe-Coburg has described his goal as an embarkation on the road to Bulgaria's economic and spiritual revival. His SNM party declares itself as "conservative yet liberal," willing to cooperate with all political organizations that support universal human values and democracy. At the same time, he states that the SNM is neither a coalition of existing parties nor a union of leaders, but a movement "that will target exclusively the real daily problems of the Bulgarian people." He intends to eliminate corrupt political practices, not just of his predecessors, but of all governments that have followed the fall of communism.

Because he comes to power from the private sector rather than the traditional political route, Saxe-Coburg intends to pursue a different policy for economic growth, one marked by greater privatization. He speaks of having a vision for the twenty-first century that seeks stability, progress, and

prosperity for the country by greater participation in world affairs. He has described three essential goals his SNM intends to achieve: one, foster immediate and qualitative change in the Bulgarian standard of living by establishing global partnerships that bring capital to the nation's economy; two, abandon divisive political partisanship; and three, eliminate corrupt practices that continue to cause poverty by repelling foreign investment.

## DOMESTIC POLICY

The SNM will pursue an economic strategy that encourages foreign investment and development of small, medium-sized, and large businesses. Saxe-Coburg hopes to preserve the fixed exchange rate for Bulgaria's currency with the goal of joining the European Monetary Union as soon as possible. Citing advantages to Bulgaria's geographic location, he hopes to capitalize on the country's role as a "bridge" between east and west, between Southern Europe and the Middle East.

To appear attractive internationally, Bulgaria must not only reduce unemployment and improve the personal standard of living, but also meet new standards of government operation. This includes taking decisive measures against corruption, enhancing the effectiveness of legislation for financial control, and buttressing the legal system. All these actions favor the development of enterprises, foreign and domestic. Overall, Bulgaria must present itself as united, strong, and self-confident to foreign investors.

Saxe-Coburg proposes a comprehensive national strategy for the development of agriculture that includes land consolidation, land sharing, and a land market. Organic farming and food quality control feature largely in this system. He also favors health reform measures that would create a large-scale hospital network, provide equal access to health care for all Bulgarians, and establish national health care standards and special programs for mothers, children, and the elderly.

On Wednesday, 12 February 2003, the UDF called for a vote of no-confidence after the Saxe-Coburg government introduced a value-added tax (VAT) on medications manufactured in Bulgaria. The Saxe-Coburg government prevailed easily, winning 134 votes to just 50 in support of no-confidence. Economic reforms, even those that are unpopular or painful for the citizenry, are prerequisite to Bulgaria's joining the EU.

## FOREIGN POLICY

Bulgaria's foreign policy environment has been completely transformed since the end of the Cold War. Bulgaria was once the closest ally of the USSR and a member of the Warsaw Treaty Organization (WTO) and the Council for Mutual Economic Assistance (CMEA), all of which dissolved in 1991. Since then, the government has sought to foster improved relations and eventual integration with Western Europe, as well as to act as a stabilizing force in the Balkans. Bulgaria has enhanced political, economic, and security links to Western institutions, such as the Council of Europe, the European Union (EU), and the North Atlantic Treaty Organization (NATO). Bulgaria signed onto NATO's Partnership for Peace program in February 1994, and has been an active participant in the initiative. An association treaty with the EU came into force in February 1995.

The dissolution of both the USSR and Yugoslavia presented Bulgaria with some difficulties. The ongoing conflict in Yugoslavia severed trading links with the West. Bulgaria's observance of United Nations (UN) economic sanctions against Serbia and Montenegro cost substantial economic losses, and the Bulgarian government remains concerned about instability in the Balkans. After the Dayton Peace Accords for former Yugoslavia were reached in November 1995, the government swiftly suspended trade sanctions against Serbia and sought to normalize bilateral economic relations. Bulgaria has supported other regional institutions such as the Organization for Security and Cooperation in Europe (OSCE) and the Black Sea Economic Conference.

In February 1997, the Kostov government issued a declaration that Bulgaria would seek full NATO membership. Though not among the three countries invited by NATO in July 1997 to begin accession negotiations, the government continued to press for Bulgaria's eventual membership. In mid-July 1997, the European Commission could not recommend Bulgaria for membership in the EU because of the state of its economy, although it did note that Bulgaria was on its way to meeting the political criteria for membership.

The unabashedly pro-Western stance of the government was in evidence as soon as NATO air strikes against Yugoslavia began in late March 1999. Although the overwhelming majority of Bulgarians opposed the conflict (as was the case in neighboring Greece and Macedonia), the Bulgarian government supported NATO's action wholeheartedly and even went to the length of permitting Turkish warplanes to fly over Bulgaria on their way to targets in Yugoslavia. As one headline summed up this policy, the pro-NATO policy was indeed a "brave gamble" for Bulgaria. Not only did nearly all Bulgarians oppose the war, Bulgaria itself suffered from the continuation of hostilities. Errant NATO missiles struck suburban Sofia; the bombing of Yugoslavia cut off Bulgaria from the Danube River, its primary trading route; and expected economic growth declined by over half, from 5% to 2%.

In the final analysis, however, Bulgaria's gamble paid off. NATO's recognition of Bulgarian support for the war effort bodes well for Bulgaria's desire to be included in a subsequent NATO expansion. The United States also extended much

needed economic assistance, and Saxe-Coburg-Gotha met with U.S. president George W. Bush in late April 2002 to reiterate Bulgaria's interest in becoming a contributing member of NATO. On 30 April 2002, Norway opened its first embassy ever in Sofia, further evidence of the strengthening of Bulgaria's position in the eyes of its European neighbors.

Like his predecessor Kostov, Simeon Saxe-Coburg-Gotha has unequivocally favored Bulgaria's relations with and accession to the EU and NATO. Saxe-Coburg-Gotha acknowledges Kostov's successes and promises to guarantee their continuance. The main foreign policy priority for 2002, garnering an invitation to NATO membership, was realized on 21 November 2002 when Bulgaria was invited to begin accession talks to join NATO, with formal membership to be completed by 2004. Meanwhile, Bulgaria was elected a nonpermanent member of the UN Security Council effective 1 January 2002, in recognition of the nation's successful, balanced foreign policy and role as a stabilizing influence in southeast Europe. On 20 January 2003, Bulgaria participated in a meeting of the UN Security Council where the issues of Iraq, North Korea, and NATO enlargement were addressed.

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**Profile researched and written by David H. Long (4/2002); sections contributed by Julie Kim, Library of Congress (7/1997).**

# BURKINA FASO

## Blaise Compaoré President

(pronounced “BLEHZ comp-pah-OAR-eh”)

*“I don’t think it’s the financial assistance that accounts for the wealth of a country...it’s the capacity of a given country, and its own wealth, that create true prosperity. And there’s no doubt that if you read about Burkina or if you come here yourself, this is certainly not the most well-endowed country in the world, whether in natural or mineral resources or whatever else.”*



The Republic of Burkina Faso is a landlocked nation in West Africa. It borders Mali on the northwest and Niger on the northeast; to the south and southeast are Benin and Togo; to the south and southwest Ghana and Côte d’Ivoire. Burkina Faso’s total area equals 274,200 sq km (or 105,869 sq mi).

The population was estimated at 12.6 million in 2002. Although French is the national language of administration, more than 60 African languages are spoken throughout the country; principal among these are More, Jula, and Fulfulde. Burkina Faso encompasses a large variety of ethnic groups, including the Mossi (40%), Gurunsi, Senufo, Lobi, Bobo, Mande, and Fulani. In terms of religious practice, statistics vary widely. Some studies suggest that more than 40% of Burkinabe citizens practice traditional African religions while 50% are Muslims and 10% are Christians (primarily Roman Catholic).

The unit of currency is the *Communauté Financière Africaine (CFA) franc*. Burkina’s principal food crops are peanuts, sesame, millet, sorghum, corn, and rice. Its primary exports include cotton, unworked gold, and animal products. Burkina’s major trading partners are France, Venezuela, and Côte d’Ivoire. The per capita gross domestic product (GDP) was approximately US\$1,040 in 2001.

## POLITICAL BACKGROUND

Burkina Faso is a former French colony, known until 1984 as Upper Volta. The country gained its independence from France in 1960 and has been under military rule since 1980. In 1960, Colonel Saye Zerbo overthrew the government of Sangoule Lamizana and abolished the 1977 Constitution. Important political actors in Burkina have traditionally included the powerful trade unions, the traditional chiefs, and military officers.

In 1983, however, the established pattern of Burkinabe politics was overturned by the formation of the National Revolutionary Council (CNR—Conseil National de la Révolution), headed by Captain Thomas Sankara. Under Sankara, political activity was extended into the countryside, where peasant farmers were mobilized by grassroots organizations known as Committees for the Defense of the Revolution (CDRs). But Sankara aroused opposition among established groups who feared that their privileged positions would be threatened by his revolutionary principles. In 1987, Captain Blaise Compaoré led a successful coup in which Sankara was killed.

## PERSONAL BACKGROUND

Blaise Compaoré was born 3 February 1951 in Ziniaré, a village near the capital city of Ouagadougou. He is the eldest of seven children from a prominent military family. Following his family tradition, Compaoré joined the army in 1971 and underwent infantry training in Montpellier, France. He received further military training at the officers’ school in Yaoundé, Cameroon, returning to Burkina Faso as a second lieutenant. He was later sent to Morocco for paracommando training. Compaoré is married to Chantal, daughter of the late president of Côte d’Ivoire, Houphouët Boigny.

## RISE TO POWER

After his return to Burkina, Compaoré was stationed at the Po garrison, headquarters of an elite commando unit of Burkinabe paratroopers. He developed friendships with several young officers at Po, including Captain Thomas Sankara. When Sankara was appointed commandant of the paracommando school at Po in 1974, he brought in Compaoré as his deputy. Seven years later, when Sankara obtained a ministerial position in the Zerbo government, Compaoré became commander of the Po garrison.

Compaoré led a paracommando revolt in 1983, which resulted in the formation of a radical government headed by Sankara. Compaoré was generally regarded as second in command to Sankara in the new government. Officially, he held the post of minister of state of the presidency, and later became minister of justice as well. Compaoré also maintained his command of the Po paratroopers. He participated in the arrest of political dissidents, including former presidents Yaméogo and Saye Zerbo.

During 1987, personal disagreements between Sankara and Compaoré became increasingly evident. Sankara began to lose his grip on the direction of the regime. On 15 October 1987, fearing that he was going to be removed from power, Compaoré seized power in a bloody coup that resulted in the assassination of Sankara. At least 80 people lost their lives, including 13 of Sankara’s advisors and guards. At the time, Compaoré denied having ordered the deaths, but he justified the coup by claiming that Sankara had planned to have him murdered. Reaction, both internationally and internally, was highly negative. Compaoré declared himself president on 18 October 1987, becoming Burkina Faso’s sixth head of state since its 1960 independence.





## LEADERSHIP

Compaoré denounced Sankara as a traitor to the revolution and declared his intention to initiate a “rectification” of the revolution. He ruled through the Popular Front, made up of many of the groups that had originally backed Sankara. In early 1988, Compaoré began dismantling some of the governmental structures that Sankara had put in place, starting by replacing the CDRs with revolutionary committees that were, at this point, disarmed. Committees were to be elected by each village, office, factory, and military unit. Local committee members then were to select representatives to serve on regional and national committees. He also began appeals for more private investment, dropped some unpopular taxes, raised the salaries of public officials to generate support among civil servants, and repressed most political opposition through arrest and torture. In 1988, the Popular Front initiated negotiations with the International Monetary Fund (IMF) and the World Bank, a move rejected by the previous government.

Opposition to Compaoré has, at times, come from within the military. In 1988, Compaoré responded to military unrest by ordering the death of several soldiers accused of plotting against the government.

Compaoré has attempted to stabilize a political system historically divided by factionalism among the powerful left-wing organizations and trade unions. However, he has been unable to mobilize widespread popular support for his regime. In April 1989, the government sponsored the creation of the Popular Democratic Organization–Worker’s Movement (ODP-MT) in an attempt to unify the many small leftist organizations in the Popular Front. Some progressive

leaders strongly against this move were ousted from the Popular Front.

Compaoré’s own party formally abandoned Marxism-Leninism in 1991 and endorsed the new Constitution that was accepted by referendum. It provided for a president elected for a seven-year term by universal suffrage and a bicameral national legislature, composed of a 107-member Chamber of Deputies and a 178-member Chamber of Representatives. This latter appointed body, first constituted in 1995, was abolished unanimously by a vote of Parliament in January 2002. (As of 2002, the legislature is comprised of a unicameral 111-member National Assembly.) Following the elections of 5 May 2002, the Congress for Democracy and Progress (CDP) held 57 seats; the African Democratic Rally-Alliance for Democracy and Federation (RDA-ADF) 17; the Party for Democracy and Progress-Socialist Party (PDP-PS) 10; and the Confederation for Federation and Democracy (CFD) 5.

The president appoints the prime minister, who appoints the Council of Ministers. Local government consists of 30 provinces divided into 250 departments, further divided into communes administered by mayors and municipal councils. On 24 September 2000 the CDP won 802 of 1,100 municipal seats, gaining control of 40 of 49 municipalities. The opposition RDA-ADF gained 133 seats. Radical opposition groups boycotted, but altogether 14 parties won seats with a 68.4% voter turnout.

Compaoré was successful in his first bid for the presidency in December 1991. He ran uncontested, with opposition parties boycotting the polls. With a low 25% voter turnout, Compaoré was frequently called the “badly elected” president. After opening the political process to other parties, legislative elections were held in 1992. Twenty-seven parties participated, with Compaoré’s ODP-MT winning 78 of the 107 seats. The next strongest party won 12 seats.

In February 1996, the CDP, a new pro-Compaoré political party, was formed. The following year, the Compaoré-controlled Assembly approved constitutional amendments that removed restrictions on the renewal of the presidential mandate, allowing Compaoré to run again and increasing the number of parliamentary seats to 111. In 1997 parliamentary elections, 13 political parties and 569 candidates contested for the 111 seats. Compaoré’s CDP won 101 seats, further increasing his tight control on the government.

On 15 November 1998, voters were asked to choose between Compaoré and two other contenders. Many observers claimed that the contenders were convinced to run by the president’s people in order to legitimize the political process and prevent another unopposed election. A coalition of opposition parties had, as in 1991, called for a boycott. Fifty-eight percent of the electorate turned out, and Compaoré polled 87.53% of the ballots cast, becoming the only Burkinabe president to complete his term of office and be reelected.

In December 1998, the body of Norbert Zongo, editor in chief of an independent weekly newspaper and an outspoken critic of the government, was found, along with the bodies of three of his colleagues, in his burned and bullet-ridden car. Zongo had been investigating the death of Compaoré’s brother’s driver, David Ouédraogo. At Zongo’s funeral 50,000 mourners filled the streets, and rioters looted several



cities. Public outcry forced Compaoré to establish an independent investigatory commission and a committee of elders to investigate unpunished political crimes. In August 2000, two presidential guards (including Marcel Kafando, head of the guard) were given prison sentences in connection with the driver's death. In February 2001, Marcel Kafando was charged with arson and the murder of Norbert Zongo and three others, but by March 2002 he was gravely ill in prison. With one of the convicted in the Ouédraogo death already having died in prison, speculation existed that Kafando was being poisoned to silence any eventual confession.

### DOMESTIC POLICY

Failure to bring anyone to trial in connection with Zongo's death, corruption scandals, and increased banditry has perpetuated a three-year-long period of social unrest marked by strikes, student demonstrations, and public protests involving thousands of people. On the defensive, Compaoré has undertaken a series of institutional reforms. Besides the elders' council, he has established a Constitutional Court, a Council of State, a National Audit Court, a more-independent national elections commission (CENI), and a national elections observers group (ONEL) with multiparty representation. He has allocated us\$7.75 million to families and victims of political violence and human rights abuses. Furthermore, he has made concessions such as abolishing the appointed Chamber of Parliament. He organized a national Day of Forgiveness at which he made apologies before 30,000 people for state crimes dating to the 1960s.

The reforms appear to have succeeded in buying Compaoré time. The Collectif—a coalition of opposition parties, unions, and human rights groups—supported the May 2002 parliamentary elections. Further, despite a number of dour regional and global economic developments such as drought in the year 2000, low cotton prices (us\$0.55 cents/lb), the loss of remittances from migrant labor in Côte d'Ivoire following the December 1999 coup, and inflation of 4.9% in 2001, the economy posted a 6.2% GDP growth rate in 2001. Burkina's poverty reduction strategy paper (PRSP) and debt relief under the highly indebted poor countries (HIPC) were expected to release funds for social spending. In addition, the government launched a number of agriculture initiatives including village irrigation systems, rice farm irrigation, manure pits, and the establishment of 13 chambers of agriculture, each with 20–60 elected members. The fragility of the economy and its dependence on subsistence agriculture greatly limits its ability to recover from any sudden economic downturn or bad harvest. Compaoré and the CDP were expected to maintain their virtual monopoly over power.

### FOREIGN POLICY

When Compaoré took power in 1987, many West African states condemned the assassination of Sankara. The following year, Compaoré conducted a series of diplomatic visits to neighboring countries in an attempt to normalize relations. Since then, Burkina Faso has established close ties with Côte d'Ivoire and Togo—two countries that had been hostile to the Sankara government. Compaoré has assumed active mediation and regional peacekeeping roles in Africa, helping

to resolve internal conflict in Togo and assisting in negotiations between Tuareg rebels and the governments of Niger and Mali. He has sent troop contingents to Rwanda and to the military observer mission in the Central African Republic. In June 1989, Burkina received the chairmanship of the Economic Community of West African States (ECOWAS), a regional group which includes all West African nations. Compaoré has also improved relations with France, which had grown cool under Sankara's leadership. His rebuilding efforts were so successful that Burkina Faso was chosen to host the Franco-African summit in December 1996. Compaoré has managed to maintain links with Libya that had been forged under Sankara. In February 1998, he met with the presidents of Mali, Niger, Chad, Sudan, and Libya for the creation of a sub-regional cooperation group: the Sahara-Sahelian Community States Rally (RCES in French). The group is headquartered in Tripoli, Libya, and the first chairman was Muammar Qadhafi. In June 1998, after a good deal of politicking, Compaoré was elected chairman of the Organization of African Unity, giving him an international platform.

Relations with the United States have been strained by Burkina's ties with Libya. In January 1989, the United States recalled its ambassador after Compaoré denounced the U.S. downing of two Libyan planes. Relations between the two countries were further strained when Burkina's assistance to Liberian rebel leader Charles Taylor became known. In 1997 and 1998, Compaoré moved to join the West African peacekeeping force, ECOMOG. This action helped to improve relations with the United States. In 2001, Compaoré projected a more moderate image by meeting with Liberian opposition leaders Ellen Sirleaf-Johnson and Amos Sawyer, and by withdrawing his support for UNITA and for the RUF of Sierra Leone. A visit from Laurent Gbagbo of Côte d'Ivoire in December 2001 improved dialog with this neighbor and enhanced prospects for Burkinabe migrant labor. Following a 19 September 2002 military uprising in Côte d'Ivoire, Compaoré focused on ensuring the safety of Burkinabe citizens living in Côte d'Ivoire, as violence against them has been alleged. By November 2002, tensions had relaxed between the two countries, and Compaoré reaffirmed Burkina's friendship with Côte d'Ivoire.

The questions surrounding the Zongo assassination raised questions about the ruling party and harmed diplomatic relations. Amnesty International and numerous international human rights organizations have called on the government for an independent investigation and report. In early 2002, Denmark announced a reduction in aid to Burkina from us\$27 million to us\$21 million because of failure to control arms imports and for lack of progress in the Zongo case.

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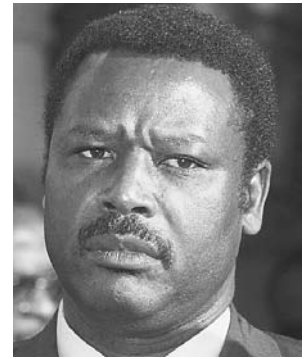
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# BURUNDI

## Pierre Buyoya President

(pronounced “pee-AIR boo-YOH-yah”)



*“We have to bring back democracy, but how long it will take, we don’t know; it could be 12 months, 18 months or more.”*

The small, landlocked Republic of Burundi lies in the center of Africa, bordered by Rwanda to the north, Tanzania to the south and east, and Democratic Republic of the Congo (DROC—formerly Zaire) to the northwest. Lake Tanganyika forms the southwestern border of the country. Bujumbura is the capital. With a population estimated at 6.2 million living on an area of only 27,830 sq km (10,745 sq mi), Burundi ranks among the most densely populated countries in Africa. The unit of currency is the Burundian *franc*. Burundi has three ethnic groups: the Hutu (85% of the population), the Tutsi (14%) and the Twa (1%). Burundi is heavily Christianized: 62% of the population belong to the Roman Catholic Church, and 5% are members of Protestant churches. Much of the population, including many Christians, continue to practice indigenous religions.

Burundi’s per capita income has been estimated at us\$720. Agricultural production dominates the economy, with coffee and tea being the primary exports. There is little industry other than the processing of coffee, cotton, and tea; the extraction of vegetable oil; and small-scale wood mills.

### POLITICAL BACKGROUND

In contrast to most African countries, Burundi existed as a political unit prior to European colonial rule. Nevertheless, German and (after 1916) Belgian rule profoundly affected Burundi’s political future by exacerbating ethnic divisions and concentrating power in the hands of the Tutsi minority. Burundi gained independence in 1962 as a constitutional monarchy under a Tutsi king. After political gains by the Hutu majority in 1965, Tutsi leaders moved to reassert their own power, leading to a bloodless coup in November 1966 that installed Tutsi army captain Michel Micombero as president.

Conditions for the Hutu deteriorated under President Micombero, as they were gradually excluded from the army and administration. In 1972, fears of a potential Hutu rebellion led to massacres in which approximately 150,000 mostly professional and intellectual Hutu perished. Ethnic relations continued to degenerate during the 11-year rule of Colonel Jean Baptiste Bagaza, who deposed Micombero in 1976.

Major Pierre Buyoya, a Tutsi, first came to power in a 1987 coup. Beginning in 1988 he initiated a program to ease ethnic tensions between Tutsi and Hutu factions by bringing Hutu into the government. His reforms culminated in a multi-party presidential election in June 1993 in which Buyoya ran

as the candidate for the Union for National Progress (UPRONA) and received 32% of the vote compared to 64% for Melchior Ndadaye, a Hutu from the Front for Democracy in Burundi (FRODEBU). Contrary to expectations, Buyoya agreed to step down and urged his supporters to accept the results of the vote.

After taking office in July 1993, Ndadaye, the first Hutu leader of Burundi, attempted to appease opponents by appointing Tutsi from UPRONA to a number of important posts, including prime minister. Nevertheless, many Tutsi refused to accept his authority as president, and in October 1993 Ndadaye was killed in a coup attempt. Although the coup ultimately failed to bring down the government, it initiated a new period of on going ethnic conflict, violence, and instability. In the months that followed Ndadaye’s assassination, thousands of people were killed in ethnic clashes throughout the country. Ndadaye’s successor as president, Cyprien Ntaryamira, was himself killed several months later in a plane crash in Kigali, Rwanda, that also killed Rwandan president Junvenal Habyarimana. Ntaryamira’s successor, Sylvestre Ntibantunganya, served from April 1994 until he was deposed by Buyoya in a July 1996 coup. During the intervening years, Burundi has seen continuation of intense interethnic fighting. Thousands of refugees had fled the country, and thousands more are dead.

### PERSONAL BACKGROUND

Pierre Buyoya was born in Burundi in 1949. His background is nearly identical to two of his immediate predecessors in office. Like both Micombero and Bagaza, Buyoya came from Rutovu in Bururi province and was part of the historically low-status Hima subgroup of the Tutsi. He graduated from the Royal Military Academy in Brussels and received additional training in Germany before returning to Burundi to assume an army post. Although a high-ranking officer, Buyoya was little known outside of the military before his 1987 coup.

### RISE TO POWER

During the decade that President Jean-Baptiste Bagaza held power (1976–87), he earned a reputation as a hard-liner. He excluded Hutu from nearly all government and military posts and outlawed public discussion of ethnicity. His ethnic extremism, intolerance of dissent, and attacks on perceived threats to his rule (particularly the Catholic Church) made him increasingly unpopular. On 3 September 1987, while



Bagaza was attending a summit of francophone states in Quebec, a group of military officers took power in a bloodless coup. The officers created a 31-member Military Committee of National Salvation to lead the country and named Major Pierre Buyoya as president of the Third Republic.

During his seven years as president, Buyoya oversaw a transition to democratic government and gained a reputation as a moderate. After losing the June 1993 elections, he voluntarily left office and insisted that his supporters back the new president. Buyoya subsequently withdrew from the national spotlight but remained influential in the military. The October 1993 coup attempt was apparently carried out by soldiers associated with Bagaza, and Buyoya's refusal to support them helped to ensure their failure.

Following Ndadaye's assassination, ethnic clashes left more than 50,000 dead, but violence diminished after several weeks. The country remained relatively calm following Ntaryamira's death in April 1994, but under his successor, President Ntibantunganya, security conditions gradually deteriorated. By late 1994, both ethnic groups had formed civilian militias and had begun to terrorize Burundi's population. Militia attacks drove most Hutu out of the cities and most Tutsi out of the countryside, creating for the first time a geographic division between the two groups. The military, who remained overwhelmingly Tutsi, frequently supported the Tutsi militia, leading Ntibantunganya to declare in March 1995 that a genocide had begun against Burundi's Hutu.

Meanwhile, Ntibantunganya began to face increasing opposition from Hutu who felt he was too moderate. In mid-1994, former Interior Minister Leonard Nyangoma fled

Burundi and from exile in Switzerland organized a faction called the National Coalition for the Defense of Democracy (CNDD). A military wing of the CNDD operating out of DROC began to launch guerilla attacks on Tutsi communities in northern Burundi. In 1996, CNDD attacks on Tutsi gradually spread throughout the country, and the military responded with increasing repression against the Hutu population. With violence spreading and becoming more intense, rumors surfaced in mid-1996 of a potential military coup, possibly to be led by former President Bagaza. Buyoya, who was in the United States preparing to teach at Yale University, evidently planned his coup to preempt action by Bagaza's supporters. While in the United States, he apparently gained promises of international support, based on his reputation as a moderate. He cut short his American sojourn, returned to Burundi, and announced that he had relieved Ntibantunganya of his duties and was taking power.

### LEADERSHIP

During his first term as president, Buyoya gained a reputation as a supporter of democracy and a moderate on ethnic issues. After taking power, Buyoya initially seemed little different from his predecessors, showing no inclination to relinquish Tutsi political dominance. However, after clashes in northern Burundi in mid-1988 left several thousand dead, including many Tutsi, Buyoya launched an aggressive program to ease ethnic tensions, naming a Hutu prime minister and placing Hutu in other important government posts. In 1992, Buyoya supported the adoption of a bill of rights and a new Constitution that legalized political party competition. He organized multiparty elections and gained international acclaim for peacefully handing over power after his June 1993 electoral loss.

Buyoya's second coup, in July 1996, received a much less enthusiastic response. While some people were relieved that a relative moderate had taken power, Buyoya's support was limited among both Hutu and Tutsi. After taking power Buyoya defended his coup as due to declining security conditions, and promised to again ease ethnic tensions and bring peace to Burundi. He named a Hutu prime minister and Hutu to other cabinet posts and promised that no punitive action would be taken against ousted president Ntibantunganya and his supporters.

Nevertheless, few Hutu have supported Buyoya's return to power. They blame him for the failed democratic transition because as president, he brought no Hutu into the military—the real center of power in Burundi. The Tutsi-dominated military, in which Buyoya remained influential, figured in much of the violence that began in 1995 and showed little regard for President Ntibantunganya's authority. While Buyoya has blamed Hutu rebels for the instability in Burundi that necessitated his coup, most Hutu blame the military itself for creating instability. Some Hutu leaders have claimed that Buyoya intentionally set up Burundi's democracy for failure, so that he could play the role of peacemaker and return to office with international support.

Many Tutsi are also mistrustful of Buyoya. Tutsi leaders accuse Buyoya of betraying the national interest by transferring power to the Hutu in 1993. Tutsi leaders such as Charles Mukasi, head of UPRONA, have urged Buyoya to take a hard line against Hutu guerillas. Buyoya suggested in a

letter to former President Julius Nyerere of Tanzania that he might be willing to meet with CNDD rebels, which prompted a group known as Youth Solidarity for the Defence of Minority Rights (SOJEDEM) to accuse him of "high treason." Because SOJEDEM, UPRONA, and other groups pushed Tutsi civilians to take a more extreme position, Buyoya had to rely heavily on the military. But even within the military his support was limited since factions associated with Bagaza also supported a hard-line position. With the population of Burundi increasingly polarized, Buyoya's position was tenuous.

## DOMESTIC POLICY

Buyoya's primary domestic policy concern since regaining power has been establishing law and order in Burundi. He has attempted to accomplish this by appeasing the Hutu and by using force extensively. Immediately after the coup, Buyoya suspended the Constitution and dismissed the National Assembly. He then appointed Hutu to his government. In September he lifted a ban on political parties and restored the National Assembly. Members of FRODEBU refused to participate, however, as long as the Constitution was suspended. Buyoya also announced a three-year transition back to democracy, designed to allow time to establish order and adopt a new Constitution.

In the weeks following Buyoya's return to power, Bujumbura remained relatively calm, but in the countryside the military launched an operation to root out guerillas. Since the CNDD guerillas were based in DROC, this operation was targeted primarily against Hutu civilians considered sympathetic to the rebels. According to Amnesty International and the United Nations (UN), more than 10,000 civilians were killed in the first three months after the coup. Thousands of other Hutu civilians fled into Tanzania, Rwanda, and DROC. Given this extensive use of military force, few Hutu were wooed by Buyoya's political overtures.

In 1998, Buyoya's regime reached a political agreement with the opposition-dominated National Assembly, which adopted a Transitional Constitutional Act and a transitional political platform. This agreement brought the predominantly ethnic Hutu opposition party FRODEBU into the Cabinet. Buyoya holds power in conjunction with a political power structure dominated by members of the Tutsi ethnic group, and political parties operate under significant restraints. The judiciary is controlled by the ethnic Tutsi and is not impartial.

In addition to bringing an end to the ethnic violence, Buyoya faced the challenge of harnessing the runaway economy. With inflation running at 30% in 1997, dropping to 12% in 1998, and then spiraling back to exceed 25% in 2000, Buyoya was finding little success. Still, he pledged to curb inflation, and set a target of 7% for 2004.

In 1999, the government struggled to impose curfews and other regulations aimed at curbing attacks by rebels and warring ethnic factions. Peace talks, initiated in Tanzania in January under the leadership of Julius Nyerere, appeared promising, but the death of Nyerere in October stalled the process. The efforts were largely unsuccessful, however, as the country continued to be ravaged by violent civil unrest. Thousands of refugees are homeless or living in makeshift camps while malnutrition and disease overwhelm them.

In his 2003 New Years address, Buyoya pledged to continue a mission to preserve the citizens and property of Burundi from armed robberies, which had become increasingly frequent.

## FOREIGN POLICY

The presidents of Burundi, Rwanda, Uganda, and Zaire (now DROC) began a regional initiative in 1995 to negotiate peace in Burundi. But Buyoya's July 1996 coup received mixed international response. Although publicly condemning the coup, many Western governments have privately supported Buyoya's return to power, believing that as a moderate he can bring peace to Burundi. Burundi's neighbors, however, have taken a surprisingly strong position against the coup. Immediately following the seizure of power, an emergency meeting of leaders of east African states implemented an economic blockade against Burundi, which was widely enforced. According to the new prime minister, more than US\$162 million were lost in the first three months of the blockade.

Buyoya's main foreign policy concern has been gaining support for his regime. While officially calling for a return to democracy, Western governments have become increasingly open about their support for Buyoya. In an October trip to Africa, the U.S. secretary of state attempted to persuade the east African states to end the blockade, but their leaders subsequently reiterated their intention to isolate Burundi. Buyoya attempted to appeal to the leaders of the neighboring states by expressing a willingness to negotiate with the CNDD rebels, but the continuation of government-sponsored violence undercut his message of moderation. However, with conditions swiftly deteriorating in eastern DROC and the possibility of international intervention, Buyoya's promise to restore order gained greater international support.

Finally in 1999, after three years of economic sanctions against Burundi, East African nations met and voted to lift the sanctions. As one of the world's most heavily indebted nations, Burundi also qualified for debt relief from the United States. The economy of Burundi continued to flounder, however, with income from coffee exports declining due to lower world demand and global oversupply, and ongoing civil unrest and violent conflict between Hutu and Tutsi factions undermining the development of enterprise and commerce.

In February 2002, Buyoya held discussions with the European Union (EU) on funds reserved for Burundi within the framework of the ninth European Development Fund. The Fund earmarked €115 million for Burundi, with an additional €17.5 million to provide for human-sanitation aid. However, the EU has granted this aid on the condition of guaranteed security for its representatives charged with overseeing the implementation of EU programs. Buyoya also held talks in 2002 with the World Bank and the IMF on institutional cooperation with Burundi. Buyoya hopes that these talks will lead to other aid, as he believes "When one has a good relationship with the two Bretton Woods institutions, relations with other donors should not be a problem."

At the death of Julius Nyerere in October 1999, Nelson Mandela took over the task of moderating peace talks for Burundi, but Hutu rebels refused invitations to join the talks. The resulting plan, the Arusha Agreement, was drafted in 2000, and detailed a three-year power sharing agreement including a transitional presidency process, with Buyoya at

the head, and a military and Parliament balanced between Tutsi and Hutu parties. Hutu rebels responded with greater, bloodier attacks that continued throughout 2001. Buyoya was inaugurated as president of the transitional government in November 2001. Peacekeeping troops from South Africa were in Burundi when the transitional government assumed power; other African nations planned to contribute troops to the effort in 2002, as the country prepared to hold elections.

By the end of 2002 though, progress had been made towards peace. In continuation with the implementation of the Arusha Agreement, the government had reached cease-fire agreements with three rebel groups, the CNDD (National Council for the Defence of Democracy), the CNDD-FDD (National Council for the Defence of Democracy-Forces for the Defence of Democracy), and the Palipehutu-FLN (Party for the Liberation of the Hutu People-National Liberation Forces). Buyoya still hopes to bring the Agathon Rwaso faction of the Palipehutu back to the negotiation table, and to assure the implementation of the agreements that have been made.

In early 2003, meeting in Addis Ababa, Ethiopia, the African Union (known until July 2001 as the Organization of African Unity—OAU) pledged to send military forces to observe the peace efforts in Burundi, where armed rebels continued to skirmish with government forces. African Union members—notably South Africa, Ethiopia, and Mozambique—hope that the presence of their peacekeeping forces will induce rebels to disarm while also preventing government reprisals.

The U.S. Department of State lists the Burundian government and the rebel factions among those nations in

severe violation of human rights. Instability in neighboring DROC has caused governments of nations in the region, including Burundi, Rwanda, and Uganda, to send troops to support Congolese Tutsi in their attempts to restore security to border regions.

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**Profile researched and written by Timothy Longman, Vassar College (12/96; updated 3/2002, 2/2003).**

# CAMBODIA

**Hun Sen**  
**Prime Minister**

(pronounced “HUN she-YEN”)



*“I must respond to the expectations of... the people, who want to see a new government function better and be stronger and more effective than before.”*

Cambodia is one of the smallest nations in mainland Southeast Asia, occupying 181,040 sq km (69,900 sq mi). Its neighbors include Thailand on the west and north, Laos on the northeast, and Vietnam on the east. The Gulf of Thailand, to its southwest, provides Cambodia’s only access to open waters. Its varied topography consists of a level central plain formed by the Mekong River basin and mountains in the country’s southwest and southeast regions. The tropical climate brings 127 to 203 cm (50 to 80 in) of rain annually in the lowlands and about twice as much in the mountain regions. About 75% of Cambodia’s land is forested, and 16% is considered arable. The Mekong River flows southward from Laos through eastern Cambodia, and the Tonle Sap Lake serves as its natural flood reservoir.

Cambodians are a relatively homogeneous people, with the Khmer comprising 90% of its 12.8 million inhabitants (2002 estimate). The remaining population consists of Vietnamese (5%) and Chinese (1%). The official language is Khmer, but French and local dialects are also spoken. The literacy rate is 35%, and life expectancy for males and females is 54.8 and 59.5 years, respectively. Theravada Buddhism, which has a long history in the region, is the major religion.

The Cambodian economy is based primarily on agriculture and forestry, which together employ more than 80% of the population. Rice farming and milling, forestry, fishing, and rubber production represent major economic activities, with timber, rubber, fish, and precious stones serving as important sources of foreign exchange. With an estimated per capita gross domestic product (GDP) in 2001 of us\$1,500, Cambodia is one of the poorest countries in Southeast Asia and depends heavily on international aid. The national currency is the *riel*.

## POLITICAL BACKGROUND

Cambodia’s long history dates to 200 BC with the formation of kingdoms known collectively as Funan. Khmer kingdoms first appeared in the fifth century AD, the most famous of which is Angkor (ninth to fifteenth centuries). A Hindu-Buddhist kingdom, located in northwestern Cambodia, is the site of the famous temple complex known as Angkor Wat. At its peak in the twelfth century, the Khmer empire dominated much of present-day mainland Southeast Asia. Pressure from Thailand and Vietnam threatened the sovereignty of Cambodia in the nineteenth century, and King Ang Duong requested French protectorate status.

After 90 years of French colonial rule, Cambodia gained independence in 1953 under the leadership of Norodom Sihanouk. Since independence, Cambodia’s history has been marked by civil war, foreign invasions, bloody revolution, and four types of political systems: a constitutional monarchy headed by Sihanouk (1953–70); a military-dominated republic led by General Lon Nol (1970–75); a communist regime led by Pol Pot (1975–79); and a socialist republic led by Hun Sen (1979–92).

The 1970–79 period was particularly brutal. Sihanouk was overthrown as head of state in a coup led by Lon Nol, paving the way for civil war. Simultaneously, Cambodia was dragged into the Vietnam War upon the invasion of U.S. and South Vietnamese troops. It is estimated that U.S. planes dropped 500,000 tons of bombs and destroyed countless villages and farms. When the Khmer Rouge emerged victorious in April 1975, the leadership of Pol Pot imposed a radical and murderous social revolution involving the systematic relocation, torture, and execution of educated Cambodians and urban residents. The capital of Phnom Penh became a ghost town as an estimated 2 million people (almost 25% of the total population) perished. Meanwhile, repeated border conflicts reached a climax in 1978 when Vietnam invaded Cambodia. In January 1979, Cambodia fell to the Vietnamese and Pol Pot’s followers fled to the countryside to carry on their revolution.

From 1979 to 1992, the country was in a state of civil war with factions loyal to Pol Pot, the monarchy, and the Vietnam-installed regime. The Hun Sen period, however, is generally viewed as a significant improvement over the Lon Nol and Pol Pot regimes.

## PERSONAL BACKGROUND

Relatively little is known about Hun Sen. He was born on 4 April 1951 in the Stung Trang district of the Kompong Cham province. He was educated in Phnom Penh at Wat Tuk La’ak school prior to joining the Khmer Rouge in 1970. Hun Sen left Phnom Penh when a communist partner was arrested. He fled to eastern Cambodia, where he initially became a courier for a local communist leader. Hun Sen rose to the rank of commandant in Pol Pot’s Khmer Rouge army by 1976 and received further military and ideological training. He is married, and has six children and a granddaughter.



## RISE TO POWER

Hun Sen broke with Pol Pot in 1977 and allied himself with Vietnamese forces. His political fortunes were greatly enhanced by the Vietnamese invasion of Cambodia. When Vietnamese armies captured Phnom Penh in 1979, Hun Sen became part of a new government supported by Vietnam. Having developed cordial relations with the Vietnamese, he became one of the preferred choices for political leadership. In the new government established by the People's Revolutionary Council, he became minister of foreign affairs and vice premier in 1979. Hun Sen moved rapidly to the center of power in the following years by becoming a member of the Politburo of the People's Revolutionary Party (PRP) in 1981 and then chairman of the Council of Ministers of the PRP and premier in 1985.

In 1989, Vietnamese troops withdrew from Cambodia, setting the stage for national reconciliation. A peace agreement, drafted by five permanent members of the United Nations (UN) Security Council, was signed in October 1991, opening the way toward a comprehensive settlement involving the largest peacekeeping mission in UN history. The UN Transitional Authority in Cambodia (UNTAC) had a budget of US\$2.8 billion and a staff of 22,000 soldiers and civilians from more than 50 countries. UNTAC was responsible for preparing the country for democratic elections by supervising the government's departments of foreign affairs, information, finance, defense and public security, and for laying the legal and administrative framework for a democratic society.

Despite widespread violence orchestrated by the Khmer Rouge and Hun Sen's forces in the 1993 national elections, 90% of the Cambodian electorate voted. However, Pol Pot's Khmer Rouge boycotted the elections and maintained its guerrilla campaign. The royalist National United Front for an Independent Neutral, Peaceful and Cooperative Cambodia (FUNCINPEC) Party, led by Sihanouk's eldest son, Ranariddh, received 45% of the vote and 58 of 120 National Assembly seats. The incumbent Cambodian People's Party (CPP), led by Hun Sen, received 38% and 51 seats. Questions about electoral irregularities threatened the peace agreement until Sihanouk persuaded both Ranariddh and Hun Sen to become co-prime ministers. On 21 September 1993, the National Assembly ratified a new constitution that resurrected the monarchy under King Norodom Sihanouk. With his new powers, Sihanouk appointed Prince Ranariddh as first co-prime minister and Hun Sen as second co-prime minister. An uneasy relationship between Hun Sen and Ranariddh followed.

## LEADERSHIP

As a communist nation, party and governmental positions were equally important in Cambodian politics. The 1993 constitution defined the political system as a multiparty democracy with separate legislative, executive, and judicial powers. In spite of this, Cambodia remained largely authoritarian, with power centered in personalities rather than institutions. While Ranariddh was able to wrap himself in the symbolism of royalty and tradition, Hun Sen had to appeal to populism. Considered to be a fiery orator, he conveyed an aura of competence. Most analysts considered him to be enthusiastic, intelligent, and sincere. He was also viewed as being a shrewd politician who understood the importance of political alliances and the practicalities of governing.

On 7 July 1997, Hun Sen staged a bloody coup, and Ranariddh was ousted from power. International criticism, including an Association of Southeast Asian Nations (ASEAN) decision to defer Cambodia's admission, led to strained foreign relations and a poor international image after the coup. Western nations suspended foreign aid and refused to recognize the Hun Sen government. International pressure forced Hun Sen to hold national elections on 27 July 1998 in order to legitimize his government.

Hun Sen's CPP won over half of the votes cast, securing 64 of 122 National Assembly seats. However, it lacked the two-thirds majority of parliamentary seats necessary to form a government. Hun Sen was forced to enter into negotiations with Ranariddh's royalist FUNCINPEC party, which had won the second-largest percentage of the vote. An agreement to form a coalition government was reached and approved by the National Assembly on 1 December 1998, after months of political uncertainty and civil strife. According to the terms of the agreement, Ranariddh is the assembly president while Hun Sen is the sole premier and recognized ruler of Cambodia. The coalition government did not decrease Hun Sen's tendency towards autocratic behavior. Political and media opponents been barely tolerated, and have often been severely harassed, and Hun Sen has interfered with the workings of the judicial system.



## DOMESTIC POLICY

Hun Sen's coup had a chilling effect on the domestic scene and threatened the entire framework of the 1993 peace agreement. As a result of the July 1998 elections and the power-sharing agreement worked out in November, Hun Sen is now in a stronger position. However, his legitimacy remains significantly lower than it had been during his previous coalition government. Citizens expressed their disapproval of Hun Sen by rioting and protesting after the 1998 elections. Further violence appeared during campaigns for local elections, the first held since independence from France. More than 20 candidates and activists (mostly from the opposition) were killed prior to the February 2002 district voting. The local elections did result in an end to the CPP's complete control of district seats. National elections scheduled for July 2003 were delayed for a month by Hun Sen's command, reportedly so that they would fall on a date equaling his lucky number, 9. Political killings continued into 2003. In January, Sok Chan, an opposition activist, was shot dead; her politician husband and daughter had been murdered in August 2002.

Hun Sen's desire to play kingmaker in the succession of ailing King Sihanouk, in opposition to the choice of Prince Ranariddh, remained controversial. "I don't want to be king, but I have the right to establish the king, to select the king, and to protect the king," Hun Sen asserted. In May 2002, FUNCINPEC, the royalist opposition party led by Prince Ranariddh, was split by the decision of his brother, Prince Norodom Charkapong, to start his own Khmer Soul Party for the 2003 national elections. The Khmer Soul Party would possibly form an alliance with the opposition Sam Rainsy Party (led by reform activist Sam Rainsy).

The Cambodian economy was badly damaged as foreign investment and aid ceased due to political uncertainty following the coup. An aggravating factor was the Asian economic crisis, which lowered demand for Cambodian primary products in neighboring countries. Still dependent on foreign aid for much of its annual budget, Cambodia requested a three-year infusion of us\$1.4 billion at the annual donors' conference in June 2002. The international funding bodies demanded conditions for such aid, including judicial reforms, human rights improvements, and action against corruption.

Since 1999, the need to hold the surviving Khmer Rouge leaders accountable for the 1975–79 genocide, in which an estimated two million Cambodians died, dominated news of Cambodia. As the whole Khmer Rouge top echelon, minus Pol Pot who died in 1998, was taken into custody in 1999, international pressure increased for their trial and punishment. The UN called for an international genocide tribunal, with the support of four members of the Security Council. The fifth, China, supported Hun Sen's wishes for a Cambodian trial. Hun Sen was willing to compromise to the extent of allowing foreign judges and prosecutors to participate but would not allow UN control of the tribunal. Suspicions were widespread that without UN supervision, local courts would hold mere show trials weakened by the threat of renewed warfare with remaining Khmer Rouge troops, pressure from China, and the possible implication of members of Hun Sen's own party. After five years of negotia-

tions, in February 2002, the UN, unable to reach a compromise with Hun Sen's government, backed out of the process. Later in the year, a General Assembly vote favored reviving negotiations with Hun Sen.

## FOREIGN POLICY

Historically, Cambodia has aligned itself with the Soviet bloc, maintaining close ties with its neighbor, Vietnam. After the 1993 elections, closer ties with the United States and ASEAN countries were gradually established. In 1995 and 1996, both the United States and Japan promised increased foreign aid and investment. Hun Sen's 1997 coup deferred Cambodia's admission into ASEAN and led to the termination of Western aid and investment.

Following the formation of the coalition government in 1998, Hun Sen sought to repair the damage. Japan and the European Union (EU) announced the resumption of economic links with Cambodia. He continued to appeal to other countries for the reinstatement of foreign economic investment and aid. In May 1999, Cambodia was finally accepted as the tenth member of ASEAN, earning the country new respectability and the opportunity to participate in regional policy conferences.

When the Cambodian government agreed to import hazardous waste and garbage from Taiwan, the decision led to a series of riots in Sihanoukville. In March 1999, the responsible party (Formosa Plastics) pledged to remove the toxic wastes. Human rights activists who had been arrested for protesting the toxic dumping were released, and the government banned future import of toxic waste.

During a June 1999 visit by Vietnamese Communist Party officials, Vietnam and Cambodia agreed to end border disputes, but border tensions continued with Thailand. Relations with Thailand took a dramatic turn for the worse when rioters burned the Thai embassy and several Thai-associated businesses in Phnom Penh on 29 January 2003, reportedly because of rumors that a Thai television actress claimed that the Angkor Wat temples should belong to Thailand. Military planes evacuated Thai citizens from Cambodia, diplomatic relations were downgraded, and Thai aid projects were suspended. Thai prime minister Thaksin Shinawatra blamed Hun Sen for being slow to quell the riots and for remarks that may have stirred the violence.

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**Profile researched and written by Robert W. Compton, Jr., Western Kentucky University (3/1999); updated by Edith Mirante (4/2002 and 2/2003.)**

# CAMEROON

## Paul Biya President

(pronounced “PAHL BEE-yah”)



*“We are determined to stick with democracy. We know that our democracy is not perfect, but we are doing everything to improve it.”*

The Republic of Cameroon, located in Central Africa, has an area of 475,440 sq km (183,567 sq mi). It lies on the Gulf of Guinea and is bordered by Equatorial Guinea, Gabon, Republic of the Congo, Central African Republic, Chad, and Nigeria. The physical geography of Cameroon is quite diverse, ranging from dense rainforest in the south to thorn steppe in the north.

Cameroon had an estimated population of 16,184,748 in 2002. The country is experiencing rapid growth, averaging 2.4% a year, but this may be countered in the future by the rising death rate due to AIDS, which is a serious health threat in Cameroon. Approximately two-thirds of the people live in rural areas. The main ethnic groups are semi-Bantu Highlanders, Northwestern Bantu, and Sudanic Northerners. The largest cities are Yaounde, the capital, and Douala, the economic and industrial center. Official languages are French and English.

The national currency is the *Communauté Financière Africaine (CFA) franc*. The per capita gross domestic product (GDP) was estimated at US\$1,700 in 2001, with an annual growth rate of 5.5% that year. Major exports include coffee, cocoa, and cotton. Principal trading partners are France, United States, Germany, Belgium, and Guinea.

### POLITICAL BACKGROUND

The former German protectorate of Kamerun came under the administration of France and Britain in 1916. The French-controlled area (about 80% of today's Cameroon) gained its independence in 1960, with Ahmadou Ahidjo as its president. After a 1961 referendum, the British section was divided between Nigeria and the former French Cameroon. Federalism was replaced by a unitary state in 1972.

Since independence, Cameroon has had a highly centralized, autocratic political system with a strong executive, a judiciary under the control of the executive, and a National Assembly dominated by the ruling party. Until 1990, Cameroon had a single party, the Cameroon National Union (Union Nationale Camerounaise—UNC), later renamed the Cameroon People's Democratic Movement (CPDM or Rassemblement Démocratique du Peuple Camerounaise—RDPC).

As democratization swept over Africa in the 1990s, the authoritarianism of President Paul Biya, in office since 1982, began to buckle. In 1990, multiple parties were allowed, but Biya was widely accused of stealing the 1992 elections from Social Democratic Front (SDF) candidate, John Fru Ndi. Biya

agreed in May 1993 to hold the Great National Constitutional Debate. In 1994, 16 opposition parties formed a loose alliance, dominated by John Fru Ndi's Social Democrats to work for constitutional and electoral reform. In December 1995, the National Assembly adopted a number of amendments, which were promulgated in 1996. They included a reformed judiciary, a 100-member Senate (one-third of its members appointed), regional councils, and extending the presidential term to seven years, renewable once. Municipal elections were also held in 1996 in which the opposition emerged victorious in nearly every city. In May 1997, legislative elections were condemned by the opposition and international observers as fraudulent, leading to the opposition's boycott of the presidential elections later that October.

In November 2000, deputies staged a sit-in at the parliament building to protest Biya's failure to establish a national elections observatory and to demand state funding for political parties and electoral campaigns. Widespread protests and marches were held in mid-2001 over the government's alleged extra-judicial killings of nine young people charged with robbery. Municipal elections, scheduled for 21 January 2001, were postponed until June 2002 to allow the newly constituted elections supervisory body (ONEL) to prepare for both local and legislative elections.

### PERSONAL BACKGROUND

Paul Biya was born 13 February 1933 in Mvomeko, Sangmelima District, Southern Cameroon. His family belonged to the Boulou minority ethnic group. Biya received his early education at a Roman Catholic mission school. He gained admission to Edea and Akono Junion Seminaries at the age of 14 to be trained for the priesthood. After seven years of study, he went to the Lycee General Leclerc to obtain a secondary school certificate in philosophy. This allowed him to pursue university studies in France, where he specialized in law and political science. Biya has been married twice. His first wife died in 1992. He remarried in 1994. Biya has three children.

### RISE TO POWER

Biya's political career was directly linked with that of former president Ahmadou Ahidjo. In 1962 he served the Ahidjo government as delegate in charge of foreign missions. Five years later he was named director of the president's civil cabinet and secretary general. Promotions continued until



1975 when Biya was named prime minister, making him Ahidjo's legal successor.

Ahidjo's resignation as head of state in 1982, for reasons of ill health, stunned the entire country. It was initially thought that Ahidjo intended to remain firmly in control as party chief with Biya acting as his puppet. However, in 1983 Biya reshuffled the cabinet and removed several longtime Ahidjo associates. The same year he announced the discovery of a coup plot and formally implicated Ahidjo, who resigned his post as party chief and retired to France. The following month, Biya was elected president of the UNC and in 1984 was elected president of Cameroon.

The new government was soon challenged by another coup attempt. Ahidjo, who lived in exile in France, was again accused of being behind the plot. Biya tightened security, purges followed, and 46 of the plotters were executed. A 1985 party congress gave Biya firm control over the party and government.

## LEADERSHIP

After 18 years in power, Biya's record of accomplishments is thin. According to local press reports, he averages more than 100 days off per year, mostly outside the country at his luxurious estates in Europe. He is reported not to have convened his government even once in 1995 and rarely met with ministers. In 1997, analysts noted that he avoided the office, leading to speculation that his government was adrift and in disarray.

For most of his rule, he has presided over economic decline and unprecedented corruption. Critics talk about a 30% rule, meaning that nothing goes through the Finance Ministry without a 30% fee. However, after topping Transparency

International's list of most corrupt countries in 1998/99, Biya was eager to clean up his government. He dismissed government ministers accused of corrupt practices and announced an anticorruption campaign in his New Year 2000 address.

Biya risks leaving a legacy of subverting political reforms. Although he caved to demands for multiparty democracy in 1990, he manipulated voter registration, vote counting, and other phases of the electoral process in national-level elections. In spite of a law authorizing private media, he has not promulgated it and has kept a tight grip on the broadcast media. His government has cracked down harshly on dissidents, particularly those from the English-speaking (Anglophone) provinces. Amnesty International has reported that human rights abuses were common during the 1990s. In April 2000, about 100 alleged secessionists in Kumba, a major town in Anglophone southeastern Cameroon, were detained by police for sabotage.

Biya continues to struggle with the issue of national unity. Anglophone separatism continues to fester, with some members calling for greater autonomy through a federal structure. The Southern Cameroon National Council has submitted application to the United Nations (UN) for membership as the Republic of Southern Cameroon and has attempted to invalidate the 1961 plebiscite. In his New Year's address 2002, Biya warned secessionists against violence, insisting that no threat to national unity would be tolerated. He also made it clear that he would not tolerate the rising tide of undisciplined behavior in military ranks.

## DOMESTIC POLICY

Biya faces severe domestic constraints, exacerbated by the political chaos following the 1997 elections. There are continuing protests over human rights violations, opposition demands for an independent electoral commission, and secessionist efforts from Anglophone elements. However, Biya has managed to stitch and hold together a coalition bridging the north-south divide, and he has shuffled his cabinet twice—in March 2000 and April 2001. Given divisions in the opposition, and Cameroon's economic upturn and eligibility for debt relief under the heavily indebted poor countries (HIPC) initiative, the ruling party had no problem winning the June 2002 local and legislative elections resoundingly. The government will be expected to maintain a tight grip on the military, judiciary, and the media.

Compared with gloomy economic performance of late, Biya's economic and fiscal policies since 2000 have met International Monetary Fund (IMF) guidelines with all sectors showing sustained activity. Real GDP growth reached 5.5% in the fiscal year 2000-01 and oil exploration in the Logone-Birni basin has shown promising results. Oil prices were expected to rise to US\$20.5 per barrel, improving Cameroon's economic prospects. The CFA *franc*, pegged to the euro, was expected to remain weak, further benefiting exports. The construction of the Chad-Cameroon 1,050-km (652-mi) buried pipeline to the port of Kribi on the Atlantic coast was expected to keep GDP through 2003 at above 5%. Access fees alone from the pipeline will bring millions of dollars each year to the Cameroon treasury.

Biya will continue to clean up Cameroon's reputation as one of the least transparent countries in the world by cooper-

ating with the IMF on improving governance and privatization. The three-year enhanced structural adjustment facility (ESAF) approved by the IMF in August 1997 was considered successful and paved the way for the next three-year ESAF in 2003. To comply with IMF standards, anticorruption units must be established in 10 ministries, public procurement must be reformed, the judiciary and public spending must be audited, and several utilities and agro-industrial corporations must be privatized. New legal regulations by the Central African Economic and Monetary Community (CEMAC) on microfinancial institutions were expected to improve the performance of Cameroon's 650 microfinance organizations and help their 600,000 customers.

Cameroon's government is also in danger of slipping back into one-party dominance. In 2003, Biya's party holds 149 of the 180 parliamentary seats, up from 89 seats in 1992. The National Union for Democracy and Progress, (UNDP), formerly the largest opposition party, now controls only one seat.

### FOREIGN POLICY

In world affairs, Cameroon became a member of the British Commonwealth in 1995. Cameroon's application was widely seen as an attempt by Biya to lessen the Anglophone criticism of Francophone domination. It remains to be seen if there will be any practical impact for the Republic from this membership. In the meantime, ties with France remain strong, with French financial and technical support constituting the bulk of foreign assistance. In 1996–97 Biya served as chairman of the Organization of African Unity (OAU, known as the African Union since July 2001), stepping down in June 1997. Though this position gave him an international stage, negative reports of his domestic policies lessened the impact that the office could have provided.

Regionally, Cameroon's diplomacy is focused on border disputes with Nigeria, especially that of the oil-rich Bakassi peninsula. The Bakassi dispute lasted several years and in 1994 was brought before the International Court of Justice (ICJ) in The Hague. In October 2002, the ICJ ruled in favor of Cameroon, granting it the peninsula. Prior to the ruling, the two governments had pledged to abide by the judgement; following the ruling, however, Nigeria's government stopped just short of accepting the ruling, stating, "The judgement will resolve many outstanding matters between the two states and provide a way forward for both in areas which have caused difficulties in the past." Since the cessation of hostil-

ities in early 1996, Cameroon had detained more than 120 Nigerian prisoners of war and civilians. In 1999, the ICJ declared inadmissible Nigeria's request for an interpretation of the 11 June 1998 judgment concerning the Land and Maritime Boundary between Cameroon and Nigeria. At issue beyond the peninsula was the demarcation of maritime boundaries. The deep waters of the Gulf of Guinea hold significant oil reserves within the tri-point boundaries area of Equatorial Guinea, Cameroon, and Nigeria. Equatorial Guinea has requested the ICJ to protect its boundary claims while settling the Cameroon-Nigeria dispute. Although Nigeria and Cameroon had pledged to resolve their differences peacefully, the dialog was tinged with jingoistic rhetoric about fighting for national integrity and sovereignty.

Donors will continue to press Biya on human rights, democracy, and corruption. Amnesty International has been an outspoken critic of the Biya regime. It has issued several reports alleging blatant disregard for human rights—citing arrests, beatings, torture, and continuing detention of opposition supporters.

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# CANADA

Jean Chrétien  
Prime Minister

(pronounced "ZHAN KRIH-tyehn")



*"I will try to bring us together by appealing not to what divides us, but what unites us."*

Canada, which occupies the northern part of North America, is a vast but sparsely populated country. Canada's land area is 9,976,185 sq km (3,851,809 sq mi), and its population was estimated at 31.9 million in 2002. Most Canadians live in the country's southern region, within 161 km (100 mi) of the U.S. border. Reflecting its colonial heritage, the official languages are English and French. The largest religious denominations are Roman Catholicism (46%) and Protestantism, the latter represented mostly by the United Church of Canada (16%) and the Anglican Church of Canada (10%). The unit of currency is the Canadian dollar. The country's major trading partners are the United States, Japan, the European Community, South Korea, Taiwan, and Mexico. Its major exports are machinery, wood products, automobiles, chemicals, oil, and agricultural products.

## POLITICAL BACKGROUND

Canada was a former colony of Great Britain. Unlike other nations, it did not achieve independence by means of revolution. Instead the process was a gradual one, culminating in the British North America Act in which the British parliament awarded self-rule in 1867. Its last formal legislative link with the United Kingdom was not severed until 1982, and Canada remains a member of the Commonwealth of Nations. As such, the head of state is Queen Elizabeth II of England. She is represented by the governor-general, a post currently held by Adrienne Bing Chee Clarkson (since 7 October 1999). However, the roles of the queen and governor-general are largely ceremonial.

Real political power lies with the prime minister and the Parliament. The Parliament consists of a Senate of 104 members appointed for life and a House of Commons of 301 members elected from single-member constituencies for maximum terms of five years. The House of Commons is the stronger of the two bodies and carries out the day-to-day governance of the country. The majority party in the House of Commons forms a government, and its leader becomes the prime minister. As of January 2002, the Liberal Party, led by Jean Chrétien, held a majority in parliament with 172 seats. The official opposition is the Conservative Alliance, led by John Reynolds, with 66 seats. Other major parties include the Bloc Québécois (BQ), 38 seats; the New Democratic Party (NDP), 13 seats; and the Progressive Conservatives, 12 seats.

Canada has a well-developed federal system in which power is shared between the national and provincial governments. Each of the country's 10 provinces has a lieutenant governor and a legislature, from which a premier is chosen.

The provinces enjoy a large measure of autonomy and are responsible for matters including education, municipal affairs, direct taxation, and civil law. This autonomy is especially important to Canada's largest province, Quebec, which was originally settled by the French, and is the only province with a French-speaking majority. National unity has always been a particular challenge in Canada because of the desire for separatism on the part of many in Quebec.

## PERSONAL BACKGROUND

Joseph Jacques Jean Chrétien was born in rural Shawinigan, Quebec, on 11 January 1934, the eighteenth of nineteen children. His father was a machinist who was deeply committed to the Liberal Party and acted as an organizer in local politics. Young Jean inherited his father's love of politics and by the age of 12 was working for the Liberal Party. After attending schools in Shawinigan, Jollette, and Trois-Rivieres, Chrétien entered Laval University to study law. Admitted to the bar in 1958, Chrétien joined a law firm in Shawinigan and served as director of the bar of Trois-Rivieres in 1962–63. He was first elected to the House of Commons in 1963, representing the constituency of St. Maurice-Lafleche. Jean Chrétien married Aline Chaine in 1957. They have three grown children.

## RISE TO POWER

Chrétien's rise to the top of Canadian politics was long in coming. Throughout his career he has held most of the top cabinet positions in Canada's government. In July 1965, after being reelected to the House of Commons, Chrétien was appointed parliamentary secretary of Prime Minister Lester B. Pearson. Over the next decade and a half, he served in a variety of ministerial posts, including national revenue, Indian affairs and northern development, treasury, industry, trade and commerce, finance, justice, constitutional negotiations, and energy and resources. Thus, before becoming prime minister, he had gained experience in virtually every facet of Canadian government.

On 16 June 1984, Chrétien unsuccessfully ran for the leadership of the Liberal Party against John Turner. After the election, Turner appointed him to serve as deputy prime minister and secretary of state for external affairs. Unfortunately, Turner's government was short lived. In September 1984 the Liberals were swept from power by the Conservative Party, led by Brian Mulroney. The Conservatives won 211 seats in the House of Commons, the largest majority ever

in Canadian politics. There were angry recriminations after this crushing defeat, with Turner accusing Chrétien of not fully supporting him in the election. Exasperated, Chrétien resigned from the Conservative-dominated House of Commons in February 1986 and returned to the practice of law. However, Chrétien was still powerfully attracted to politics, and polls indicated that he remained one of the most popular politicians in Canada. Thus, when John Turner announced his resignation as Liberal Party leader in May 1989, Chrétien declared his candidacy. On 23 June 1990, Chrétien was elected leader of the Liberal Party. In December 1990, he was elected to Parliament and sworn in as leader of the opposition on 21 December.

Brian Mulroney resigned as prime minister in June 1993, his popularity at an all-time low. His position had become untenable because of the deteriorating economy, which was suffering under the burdens of low growth, high unemployment, and massive deficits. Mulroney was replaced by Kim Campbell, whose survival depended upon her ability to convince Canadians that her party had a viable strategy for economic renewal. As elections had to be held by November according to the Constitution, Campbell was left with little time to develop and implement her own policies. In the October elections, the Conservatives were rejected outright. Campbell lost her own seat, and the party retained only two of the 153 seats it held. Chrétien's Liberal Party won 178 seats, guaranteeing it a comfortable majority. On 4 November 1993, Jean Chrétien was sworn in as prime minister, 30 years after he first entered Parliament. He was reelected in 2001. Chrétien has announced his intention to step down in February 2004 when his current term expires.

## LEADERSHIP

The result of the 1993 election left Chrétien as the leader of the only party with a national following, as all other major parties were either regionally based or held too few seats to remain influential. This situation gave him a great deal of latitude to cut social spending and attack fiscal problems, such as cutting the budget deficit and reforming social security. Chrétien's success in these efforts, and the economic expansion which accompanied them, prompted him to call early elections in the hopes of solidifying his majority to enact further reforms. Chrétien took a large gamble when he called for a vote in June 1997. Constitutionally, he was not required to do so for another 18 months, but he determined that it was best to go to the polls while the Liberals remained popular. However, instead of bolstering his parliamentary strength, Chrétien barely managed to hang on to a majority, as his 58-seat majority was reduced to four. Chrétien was blamed for running a lackluster campaign and letting the agenda and tone be set by former Reform leader Preston Manning. Moreover, the regional fragmentation that was evidenced in 1993 became even greater in 1997. Not only did Reform and BQ draw from a regional base, so too did the Conservatives, who won all their seats in the East, and the Liberals, who won 101 of their 155 seats from Ontario alone.

It was up to Chrétien to enforce discipline in his party in order to ensure passage of the Liberal agenda. In early 2000, he faced an attempt to challenge his leadership by finance minister Paul Martin, author of the deficit reduction plan and quite popular in the party. However, as one supporter of the



prime minister said, Chrétien is at his best when others underestimate him.

## DOMESTIC POLICY

When Chrétien came into office he inherited an array of economic difficulties that had cost the Conservatives the 1993 election. Facing slow growth, high unemployment, and an out-of-control budget deficit, Chrétien sought to revive the economy by bringing social spending under control. Under a program of strict austerity measures, his government managed to bring the budget deficit close to zero, keep inflation in check, and spur economic growth. However, the unemployment rate barely fell, remaining at 9.5% by the time Chrétien called the 1997 election. Because of his poor showing in so many provinces, Chrétien promised to change his focus. Responding to Conservative voters along the East Coast, who have felt the effects of cuts in social programs but have not benefited from economic growth, he promised to spend more money for job creation and social programs.

By far the biggest problem that Chrétien has had to face during his tenure has been the increasing regional fragmentation that threatens to split the country in two. At issue is the province of Quebec, whose secessionist Bloc Québécois was the official opposition party until mid-1997. Outnumbered more than two to one by English speakers, Francophone Québécois have long sought constitutional recognition as a "distinct society" within the Canadian federation. Amidst complaints of being treated as second-class citizens, Quebec has twice since 1980 held a referendum to decide on the question of leaving Canada and becoming an independent country. In 1995 the province came within a small margin of voting for secession, as the federalists (those who support unity) won with only 50.6% of the vote. Chrétien, from Quebec but adamantly opposed to a split, only began to vigorously campaign against secession when it appeared that the federalists might lose. In the end, it was the Anglophone vote which tipped the balance. Lucien Bouchard, who led the secessionist movement and is currently premier of Quebec, has vowed to continue the fight for an independent Quebec, promising another referendum in the years to come. However, Chrétien has moved to thwart a renewed fight by

working to provide the constitutional recognition that Quebec has sought.

The consequence of this longstanding conflict has been a backlash, especially in the Western provinces, resulting in the success of the Reform Party. Drawing the bulk of its support from British Columbia and Alberta, Reform politicians have expressed resentment toward Quebec, questioning its demands for special treatment. Led by John Reynolds, the Reform Party has said it would be willing to let Quebec go rather than give it special recognition and preferences. With Reform now the official opposition in parliament, there is concern that Manning will galvanize nationalist sentiment in Quebec, further exacerbating what has been called the "balkanization" of Canada.

In addition to the difficulties of regional fragmentation, Chrétien has also had to address the grievances of Canada's Native American population. In the face of increasing economic expansion, many tribes have protested that they are being disregarded, and several have turned to militant tactics to make their grievances known. Adopting a more traditional conception of land ownership and usage, many groups are questioning the idea that "Canadian" is their only identity. In 1999, the government established a new territory, known as Nunavut, whose population of 25,000 is 85% Inuit.

## FOREIGN POLICY

Canada is a member of the United Nations (UN), North Atlantic Treaty Organization (NATO), and the Organization for Economic Cooperation and Development (OECD). Chrétien has played an increasingly active role in global politics. His government has supported the expansion of the NATO alliance, favoring the admission of former Cold War enemies Poland, Hungary, and the Czech Republic. He has also given Canada a high profile role in UN peacekeeping efforts, sending troops to more countries than any of its allies. Since 1994, Chrétien has led Canada's provincial premiers and territorial leaders in a series of "Team Canada Missions," designed to open markets for Canadian businesses in various countries. These have included agreements with China and Hong Kong (1994); India, Pakistan, Indonesia, and Malaysia (1996); South Korea, the Philippines, and Thailand (1997); Mexico, Brazil, Argentina, and Chile (1998); Japan (1999); Beijing, Shanghai, and Hong Kong (2001); and Russia and Germany (2002).

Chrétien describes Canada's relationship with the United States as his country's most important foreign tie, and has appointed his nephew as ambassador to the United States. Still, Chrétien has kept a safe distance from his southern neighbor. He is careful to avoid the appearance of being too pro-American and not sufficiently protective of Canadians' national interests.

Generally, there is a friendly atmosphere of cooperation across the border. This is most evident with respect to the North American Free Trade Agreement (NAFTA). This agreement is designed to eliminate all trade barriers between Canada, the United States, and Mexico. It was approved by all three countries in 1993 and is being slowly implemented over the next several years. In addition to removing trade barriers, it also allows for disputes to be addressed by resolution panels. This process keeps most conflicts contained and prevents them from becoming openly political. Still,

critics of NAFTA contend that Canada is being dwarfed economically by the United States and that the political fragmentation of the country is a result of its deeper economic ties to the United States.

While Canada and the United States generally enjoy friendly relations, there remain points of friction between them. Chrétien has clashed with the United States over fishing rights in Pacific waters off the Canadian coast. He has also been an outspoken critic of American policy toward Cuba. The United States has, since 1996, sought to punish companies from around the world that do business in Cuba. Several Canadian businesspeople have had their visas to enter the United States revoked. Several firms may eventually be the target of lawsuits in U.S. courts, their assets in the United States threatened with seizure. Though the U.S. government imposed an indefinite ban on any lawsuits, Chrétien has threatened retaliation against American firms operating in Canada if Canadian firms are ever sued.

Another issue on which Canada and the United States hold different views is the Kyoto Protocol, an International Agreement calling for the reduction of greenhouse gas emissions. Canada ratified the agreement in December of 2002, and will be required to reduce its greenhouse gas emissions to 94% of its 1990 levels by 2012. Though the treaty was ratified by the federal government, the provincial governments still must implement the regulations called for by the agreement. This process looks to be a politically difficult one, as several provinces have objections to the federal government's Kyoto Plans.

Chrétien has led his country in general support of the War on Terror, initiated in part by U.S. president George W. Bush (in response to the Pentagon and World Trade Center terrorist attacks in the United States on 11 September 2001), by dispatching troops to fight in Afghanistan against terrorist al-Qaeda and Taliban fighters. However, Chrétien has expressed concern about moving too quickly into war with other countries, such as Iraq. Chrétien has said that he supports action against Iraq only if it is under a UN resolution, and with the objective of eliminating weapons of mass destruction, not regime change. Speaking before the Council on Foreign Relations in Washington, D.C., in February 2003, Chrétien observed that much of world questions U.S. motives in its aggressive stance toward Iraq.

Chrétien, in an effort to stimulate growth on the African continent, announced in a 1 October 2002 speech that as of 1 January 2003 Canada will eliminate tariffs and quotas on almost all products from the least developed countries in Africa and elsewhere.

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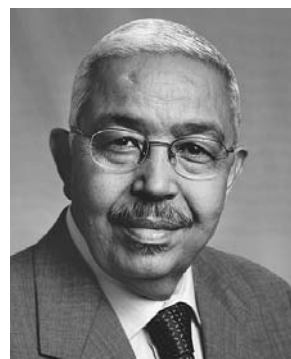
**Profile researched and written by Mary Sugar (4/2000; updated 3/2002 and 2/2003).**

# CAPE VERDE

Pedro Verona Rodrigues Pires  
President

(pronounced "PAY-drow veh-RONE-ah rod-REE-gez PAIR-ez")

*"It will never be possible to build the future that we envision for our children without the active participation of the women of Cape Verde. The majority of Cape Verdean heads of households are women."*



Cape Verde is a nation made up of ten islands and five islets. The archipelago nation is situated in the Atlantic Ocean approximately 500 km (311 mi) west of Dakar, Senegal. Sao Tiago (Santiago) is the largest island at 922 sq km (356 sq mi); it is also the location of the capital, Cidade de Praia. Mindelo, on the island of Sao Vicente, is the other main population center and the major port of the country. The total population was estimated at 408,760 in 2002. Cape Verde has a high birth rate with an average of 27.8 births per 1,000 population in 2002. Government efforts to curb population growth (0.85% per year in 2002) through family planning programs and legalization of abortion have not met with much success. Significant migration off the islands eases what would otherwise be an even greater burden. It is estimated that well over twice as many Cape Verdeans live outside the country (primarily in the United States, the Netherlands, Italy, and Portugal) as in the islands. The remittances sent home by these overseas Cape Verdeans are a significant source of income for the island population. Except for Sao Tiago, where the majority of the population is of African descent, most of the Cape Verdean people are of mixed African and European descent. The official language is Portuguese, but the vernacular is Crioulo, a mix of Portuguese with African vocabulary and syntax. Because of a concerted educational effort, illiteracy for those over 15 years of age averages only 28.4%. Life expectancy was 66 years for males and 73 years for females in 2002. That year, Cape Verde enjoyed one of the highest Human Development Index ratings for an African nation at 91. Approximately 96% of the population is Roman Catholic.

The islands are of volcanic formation and many are rugged, rocky, and deeply eroded. They are also very dry and experience periodic droughts of some severity. São Vicente has almost no potable water and relies on a desalination plant for the city of Mindelo. Due to poor soil, erosion, and frequent drought conditions, Cape Verde relies on international relief for most of its food supply and receives the second-highest level of aid per capita in the world. Eighty percent of this aid comes in the form of straight grants. Cape Verde continues to receive such substantial international support because the government has shown itself to be concerned with keeping its debt-servicing costs as low as possible. This international confidence has allowed the government to keep a high degree of control over the distribution of aid and thus has been able to direct its resources to projects in keeping with its national development plans. Cape

Verde's chief exports are bananas, tuna, and lobsters. Its principal trading partners are Portugal, the Netherlands, Spain, Brazil, and the United States. The unit of currency is the *escudo*, pegged to the euro.

## POLITICAL BACKGROUND

The Cape Verde islands experienced the longest period of European colonization of any African nation. The Portuguese remained in direct control of this island archipelago from 1460 to 1975. In their struggle for independence from Portugal, beginning in the 1950s, the people of Cape Verde linked their fortunes to that of Guinea Bissau on the West African mainland under a unified movement, the PAIGC (African Party for the Independence of Guinea-Bissau and Cape Verde), formed in 1956. This movement was headed by Amilcar Cabral, whose father was Cape Verdean and whose mother was Guinean. Due to Cabral's influence on other independence movements in the region, Cape Verde and Guinea-Bissau hold an important position in African nationalist history. The armed struggle against the Portuguese lasted from 1963 until 1974 when a negotiated peace settlement was arranged. While achieving independence for themselves, the Portuguese African resistance movements, including those of Angola and Mozambique, had succeeded in bringing down the fascist Portuguese government in Lisbon. Elections were held in June 1975, and the Republic of Cape Verde was declared formally independent from Portugal on 5 July.

Amilcar Cabral was assassinated in 1973 in a Portuguese-backed coup attempt. The secretary general of the PAIGC, Aristides Pereira, became president following the 1975 elections. For the first few years of independence, Guinea-Bissau and Cape Verde attempted to pursue a formal union. In 1980, Cape Verde was officially declared a single-party state under the PAIGC, with all other political parties banned. However, that same year the president of Guinea-Bissau, Luiz Cabral (brother of Amilcar Cabral and considered a Cape Verdean through his father), was removed from office in a coup. The Cape Verdeans responded by separating from the PAIGC and forming in 1981 a separate party, the PAICV (African Party for the Independence of Cape Verde).

For the next 10 years, Aristides Pereira ruled over Cape Verde but also oversaw the transition to a true multi-party democracy. In the mid-1980s, non-PAICV members became increasingly and openly involved in public life, including election to the national assembly. The Pereira regime also

began the process of privatization that has been increased in recent years.

The government consists of a president elected for five-year terms under direct universal suffrage. The National Assembly, a unicameral legislature, contains 72 members elected for five-year terms by proportional representation. The prime minister is elected by the National Assembly and officially appointed by the president. The prime minister appoints the Council of Ministers from members of the National Assembly. The Constitution adopted in September 1992 was revised in July 1999, giving more powers to the president.

### PERSONAL BACKGROUND

Pedro Verona Rodrigues Pires was born 29 April 1934. He received his primary education in Praia, was educated at the Liceu Gil Eanes de São Vicente, and in 1956 at the Faculty of Science at Lisbon University. Shortly afterwards, he undertook his obligatory military service by joining the Portuguese air force. In June of 1961 he left the Portuguese armed forces clandestinely and after a brief imprisonment in Spain, he made his way to Paris and then to Ghana. In September 1961 in Conakry, Guinea, he met Cape Verde-Guinea Bissau freedom fighter, Amílcar Cabral for the first time. He is married and has two daughters.

### RISE TO POWER

Pires left Portugal in 1961 to join Cabral's Partido Africano da Independência da Guiné e Cabo Verde (PAIGC). Involved in the independence movement for Cape Verde, he served in a number of positions, including as a member of Central Committee of the PAIGC of 1965, and of the PAIGC Council of War 1967. He was re-elected as a member of the Comissão Permanente do Comité Executivo da Luta (CEL) and of the Council of War 1970. He also was involved in the administration of liberated areas of southern Guinea-Bissau from 1971 to 1973. He was president of the National Commission of PAIGC for Cape Verde for 1973, and appointed assistant state commissioner in the first government of the Republic of Guinea Bissau in 1974. He was director of PAIGC policies during the transitional government before independence of Cape Verde in 1975.

In 1975, Pires was appointed prime minister and served in that capacity until 1991. He was elected secretary of the Partido Africano da Independência de Cabo Verde (PAICV), which replaced the PAIGC in 1981. He served as the secretary general from 1990 to 1993. He was appointed to the newly created post of party chairman in 1993. He was elected president of the party in 1997, but resigned in 2000 on announcing his candidacy for president.

President Pires was inaugurated in March 2001, after defeating Carlos Veiga in the 11 February 2001 election by just 17 votes in the second round of voting. Although the result was contested by Veiga, the Supreme Court upheld the election and confirmed Pires as the new president. In the legislative elections held on 14 January 2001, Pires's PAICV party took 47.3% of the vote, obtaining 40 parliamentary seats. The incumbent Movimento Para Democracia (MPD) followed with 39.8% of the votes and 30 seats. The Democratic Alliance for Change (ADM) took 6% and 2 seats, while other parties gained only 6.9% of the vote.



### LEADERSHIP

The Constitution instituted in September 1992 formally declared the Second Republic and emphasized human rights, equality of all citizens, a commitment to democratic principles, and full participation of all citizens. It was revised by Pires's predecessor, President Mascarenhas, in 1999 to give more power to the president.

Pires and the PAICV capitalized on this change, in light of revelations that the previous MDP administration was responsible for significant budgetary and economic slippages during its tenure. These disclosures damaged the technocratic reputation of the MPD and threw its leadership into disarray. In this vacuum, Pires moved to build an alliance with smaller opposition parties including the Partido da Renovação Democrática (PRD) and the Partido Social Democrático (PSD). The coalition put the MPD on the defensive, and gave Pires and the PAICV the upper hand.

### DOMESTIC POLICY

The domestic policy of any Cape Verdean government is closely connected to continual economic struggle. In 1995, it was estimated that fully 25% of the work force was unemployed, and a further 26% was under-employed. Only 10% of the land is arable, which is made even worse by the series of droughts that were experienced in the 1980s and 1990s. Less than 10% of the arable land is under irrigation. A holdover from the colonial period is a tenure system of absentee landlords, which discourages those actually farming the land from making any improvements. Despite these deficiencies, fully 40% of the working population is engaged in agriculture (including forestry and fishing). Yet agriculture contributes only around 20% of the GDP and provides only

about 10% of the domestic food requirements. The main cash crop exports are bananas, arabica coffee, groundnuts, castor beans, and pineapples. The principle food crops are maize, beans, cassava and sweet potatoes. Beans and maize are intercropped staples. Half of Cape Verde's irrigated land is in sugar cane, which is used to produce a local alcoholic beverage. The Mascarenhas government attempted to reallocate this land to staple and cash crops.

Pires's main challenge will be to reduce the fiscal deficit he inherited from Mascarenhas's administration. In October 2001 the International Monetary Fund (IMF) reported that the budget deficit had grown to 20% of GDP. The previous government had raised expenditures by nearly 50% in two years, mainly to cover petroleum subsidies and to reimburse foreign exchange advances. Pires was planning to reduce this deficit to 6% of GDP by introducing a value added tax (VAT) scheduled for March 2002, and more independence from the Central Bank to limit its financing of the budget. He also planned major capital investments for 2002 with financing from foreign grants. Privatization, which he opposed during the campaign, may be unavoidable to help pay off the budget shortfall. Despite a bad harvest in 2001–02 growing season due to poor rains, an upswing in the tourist market and expansion of the state airline promise significant growth. On 1 January 2002, the Cape Verdean *escudo* was pegged to the euro, which reflects Pires's and Cape Verde's close ties to Europe. Later, in September 2002, Cape Verde received a us\$3.3 million loan from the African Development Bank (ADB) to finance a second phase of economic reforms. The reforms will seek to alleviate poverty and complete privatization of state-run enterprises.

### FOREIGN POLICY

Cape Verde pursues a neutral, nonaligned foreign policy and expends considerable effort in seeking out sources of development aid. Substantial gains have been made in this direction through grants from both Israel and Arab states and from new diplomatic embassies and offices in the People's Republic of China, South Africa, Sweden, Spain, Singapore, the United Kingdom and the United States. Cape Verde remains in close contact with lusophone Africa through PALOP (African Peoples of Portuguese Official Language), and with Portugal and Brazil. These seven countries (Cape Verde, Guinea-Bissau, Angola, Mozambique, São Tomé and Príncipe, Brazil, and Portugal) formed a lusophone organi-

zation to promote cooperation on development and cultural issues in July 1996. Pires has made his concern over the political instability in Guinea-Bissau a public matter and in December 2001 sent his political adviser on mission to visit President Yala. Cape Verde also has had observer status since 1977 with the francophone Agency of Cultural and Technical Cooperation (ACCT) and is debating full membership.

Cape Verde's dependence on Portugal and the EU as its key economic partners gives Pires little choice other than to orient his policy priorities in this direction. His swift condemnation of the 11 September 2001 terrorist attacks on New York and Washington, D.C., followed by his offer to allow the U.S. air force to use the country's airspace, dispelled any doubts about the PAICV's socialist past. Further, the large number of Cape Verdeans in the United States and the reliance of Cape Verde on Western aid means that Pires is likely to pursue close ties with Western Europe and the United States.

### ADDRESS

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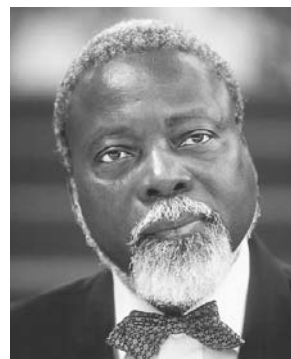
Profile researched and written by Robert J. Groelsema (4/2002; updated 2/2003); sections contributed by Kathryn L. Green, California State University, San Bernardino (6/1997).

# CENTRAL AFRICAN REPUBLIC

Ange-Felix Patassé  
President

(pronounced “AN-je FEE-likes pa-TASS-a”)

*“Today I am president of all Central African men and women without exception...  
Let us...reconstruct the Central African Republic, our dear and beautiful country  
which is in an unprecedented state of ruin.”*



The Central African Republic (CAR), which was known as the Central African Empire between 1976 and 1979, is a landlocked nation located in the geographic center of the African continent. It shares a northern border with Chad and a southern border with both the Republic of Congo and the Democratic Republic of Congo. Its western and eastern frontiers are shared with Cameroon and Sudan respectively. The total area of the CAR is 622,984 sq km (240,534 sq mi). The south-central and western portions of the country contain the bulk of the population while the east-central and northeast portions of the country remain sparsely inhabited. The largest cities are the capital of Bangui, Bouar, and Berberati.

In 2002, the population of the CAR was estimated at 3.6 million. There are more than 60 different ethnic groups including the Aka or Babinga peoples sometimes referred to as pygmies, though the Baya, the Banda, the Manja, and a group known as the Oubanguian or Riverine, comprise almost 90% of the population. The national language is Sangho, which is widely spoken throughout the country, though the official language is French, which is used in government. The people of the CAR are approximately 25% Roman Catholic, 25% Protestant, 15% Muslim, while the remainder practice a variety of indigenous religions, including animism.

The per capita gross domestic product (GDP) was estimated at us\$1,300 in 2001. The unit of currency is the *Communauté Financière Africaine (CFA) franc*, a currency that the CAR shares with Chad, Cameroon, Republic of Congo, and Gabon. The five nations that hold the *CFA franc* have an arrangement with the French treasury to manage their balance of payments and guarantee the exchange of the *CFA franc* for the French *franc*. The Central Africans grow cotton, coffee, and tobacco for export and cultivate manioc, corn, millet, sorghum, and peanuts for food crops. Diamonds and timber are harvested for export, and the country also contains reserves of uranium and gold.

## POLITICAL BACKGROUND

The CAR is a former French colony known as Oubangi-Chari that was part of a larger federation of French colonies grouped under the name *Afrique Equatoriale Française* (French Equatorial Africa). It gained independence from France in 1960, as did most of the French colonies in Africa. However, the CAR maintains close cultural, economic, and political ties to France, based on both the continued impor-

tance of the French language and the reliance on French foreign assistance. The country's first modern political leader was Barthélémy Boganda. Boganda is seen as the “father” of the CAR, though he died in a plane crash prior to formal independence. His successor and the nation's first president was David Dacko, who served until 1965 when he was overthrown by Jean-Bedel Bokassa in a military-led coup d'état. Bokassa was president until 1976, then a self-proclaimed emperor until 1979 when he in turn was removed by a French-supported coup that briefly returned Dacko to the presidency. Bokassa's regime was internationally known for its personal excesses and a brutal record of human rights violations.

Dacko's return to power was followed by a hastily drafted new Constitution and a presidential election he managed to win by the narrowest of margins, 50.2% of the total vote. One of Dacko's opponents in the 1980 presidential election was Ange-Felix Patassé, who won the second largest portion of the vote, 38.1%. Dacko's narrow victory and his own inability to broaden his support base ultimately led to his decision to step down from the presidency in September 1981 in favor of André Kolingba, the army's top general. Kolingba ruled the CAR until the summer of 1993 as both a military authority and a civilian head of a one-party government, *Rassemblement Démocratique Centrafricain* (RDC—Central African Democratic Party). In September 1993, Kolingba lost the presidency to Ange-Felix Patassé of the *Mouvement pour la Libération du Peuple Centrafricain* (MLPC—Movement for the Democratic Evolution of Central Africa) in the first real multiparty election in 12 years in the face of economic collapse and growing international pressure for reform.

## PERSONAL BACKGROUND

Ange-Felix Patassé, born 25 January 1937, comes from Ouham-Pendé, the northwest border region. He is a member of a small ethnic group called the Sara. People of Saga origin, along with the larger ethnic groups of the Baya and the Banda, had long been excluded from political power by the minority, but politically influential, Riverine people. Given these historical conditions it is remarkable that Patassé was able to enter the civil service in his twenties and rapidly advance into higher levels of authority. Patassé was dismissed from the government in 1978 and left the country for France in January 1979 to form an opposition to the Bokassa regime. He returned shortly after the coup that removed Bokassa but was arrested trying to leave the country in November 1979.



Along with several members of his family, he was jailed for a time in the infamous Ngaragba prison in Bangui, well-known for torture and mistreatment of prisoners.

### RISE TO POWER

Beginning with CAR's independence, Patassé has been involved in the government. Under Bokassa he held a number of government ministerial posts, including Transportation, and Development and Tourism (1969–70); Agriculture, and Environmental Resources (1970); Transportation and Commerce (1970–72); Rural Development (1972–73); Health (1973–74); Environmental Resources and Tourism (1974–76). Since 1980, Patassé and the MPLC have comprised the most consistent and, in some measure, the most effective opposition to both the Dacko and Kolingba governments of the 1980s and early 1990s. This was accomplished despite the fact that Patassé spent a large portion of the 1980s in hiding in his own country or in exile in France, Chad, or Libya. Although he was able to maintain an active core of support, his absence from the country and his former association with the Bokassa regime hindered the development of a large and consistent base of support within the country. His most consistent base of support had been among the peoples of the northwest and north-central portions of the country and among the young and unemployed of the major urban areas, particularly the capital of Bangui.

In the election held September 1999, 10 candidates were on the ballot for the office of president, including Ange-Felix Patassé and former presidents André Kolingba and David Dacko. Official results declared President Ange-Felix Patassé the winner although the other nine candidates charged that

Patassé intimidated voters into supporting his candidacy. Patassé reportedly won 51.6% of the vote of the one million votes cast (out of 1.7 million registered voters), with Kolingba winning 19.3% and Dacko 11%.

### LEADERSHIP

Patassé's task of rebuilding the economy and infrastructure in the CAR is a large one. In his own words, the country is in a state of ruin. The challenges he faces would be significant for any president, given the current economic and political conditions. The nation's schools have been essentially shut down for three years; the civil service has been on strike for months and unpaid for over a year; and France, the CAR's chief financial donor, has reduced the overall amount of its financial support for the government. Moreover, Patassé will have to work hard to increase the base of his support in the nation's legislature, the National Assembly, if he hopes to enact the necessary programs and reforms. His slim chances of finding a political solution improved somewhat when his party, MPLC, strengthened its position in the National Assembly in the 1998 parliamentary elections, increasing their number of seats from 34 to 47 of the 109 seats; however, the opposition parties are still the majority by one seat.

Patassé's main leadership challenge will be to reorganize and regain the support of the country's civil service, which remains the most politically active and economically important group in the country. In the 1980s, as much as 95% of the CAR's annual receipts went toward the payment of salaries for public employees. The United Nations (UN) estimates suggest that up to 50% of the capital's population is supported directly by salaries paid to the 70% of all civil servants who are posted in the capital. Attempts at reform have had some success, but shortage of financial resources and long term structural problems in the domestic economy will make the reform of the civil service particularly difficult. Citing progress in the area of reform, in mid-1999 the International Monetary Fund (IMF) extended an us\$11 million loan to CAR to help the government catch up on nine months of back payment owed to about 20,000 government workers.

In addition to the need to reform the civil service, Patassé faces a major hurdle in the need to develop a trust and respect for the democratic process among both politicians and the general population. In a country long accustomed to arbitrary and authoritarian rule, engendering a spirit of compromise and national unity will be a major task.

Since his election, there have been several coup attempts. A May–June 2001 attempt had been attributed in part to the opposition leadership of former president Andre Kolingba. The coup attempt, with an estimated death toll in the hundreds, was quelled in part by military support from Libya.

The success of his reform depends on his ability to form alliances within the National Assembly, gain the support of the people who supported his opponents in the elections, and convince the international community, particularly France, to support the rebuilding of the country.

### DOMESTIC POLICY

In addition to the leadership issues mentioned above, the challenge to the Patassé-led government centers on health care, revitalization of the agricultural sector and the continu-

ation of the market-based approach to the pricing of its two key exports, coffee and cotton. The manufacturing sector remains very small (8–11% of GDP), and efforts to encourage its expansion will require additional foreign support and the further development of its potentially large hydro-electric generating capacity.

Unrest and repeated coup attempts have thwarted Patassé's ability to build an efficiently functioning government. Twice during 2001—in May and again in November—the government of Libya sent troops and equipment to assist Patassé in restoring order after dissident factions in the military attempted to take control of the government. The November unrest was triggered after the Patassé government fired a top army commander, General Francis Bozize, and then attempted to arrest him. In late October 2002, unrest plagued the capitol again as fighting broke out between rebel elements and the government. The rebels, led by an exiled Bozize, were defeated by Libyan troops brought in to protect Bangui.

### FOREIGN POLICY

Since independence in 1960, maintaining an atmosphere of cooperation between France and the government of the CAR has been the key foreign policy objective. It is without doubt the single most important political and economic relationship for the CAR. The new government will require continued French assistance and financial support for reform to succeed. However, it is also true that due to its landlocked position on the continent and the economic and political practicalities which follow, the CAR has actively attempted to foster close relations with its neighbors. Former president Kolingba summed up this two-pronged focus of foreign policy in a 1986 speech: "Our foreign policy is based on good relations with our neighbors and particularly favored by a linkage to France as the understanding between our two countries is total."

The French view the CAR's location as central to maintaining a presence in sub-Saharan Africa, reflected in the continued presence of French troops, and as a venue for maintaining French culture and language in the developing world. The 3,000 French expatriates who live in the CAR are more often than not technical advisors or aid workers who draw salaries from various French aid programs. Moreover, the French view their continued presence in the CAR as both a buffer against Libyan expansion in Chad (another former French colony) and an area of its former empire it wants to protect against encroachment by another power. Patassé has

benefitted politically from this relationship both in terms of his ability to remain in opposition to the government while living in France during the 1960s and by the application of French pressure to the former regime to hold multi-party elections and accept the results.

Despite the historic relationship, France has been increasingly reluctant to continue direct support of the CAR government without some hope of improvement in its financial condition in the foreseeable future. This has led to growing pressure from the international community, particularly the IMF, the World Bank, and the UN Development Program (UNDP), in attempts to reform the public structure of the CAR economy, with an emphasis on privatization and market prices for its commodities.

The unrest in CAR from 2001–2002 caused the United States to close its embassy and warn U.S. citizens against travel there. Western governments are increasingly wary of the large Libyan presence in CAR, as they say the troops harass citizens and seem to be there only to protect the president.

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Profile researched and written by Raymond P. Webb, Milton Academy (3/94); updated (4/2002, 2/2003).

# CHAD

## Idriss Déby President

(pronounced “IH-driss DEH-bee”)



*“I am the president of all Chadians...any development effort is only possible in national unity.”*

The Republic of Chad became independent from the French Equatorial African Federation in 1960. It has a land area of 1,284,000 sq km (495,800 sq mi) and is bordered by Libya, Niger, Nigeria, Cameroon, Central African Republic, and Sudan. The country’s official languages are Arabic and French, but more than 100 languages are spoken within the country. The largest ethno-linguistic group is the Sara peoples, accounting for about a quarter of the population. They are concentrated in the central parts of the southern river basins. Speakers of Niger-Congo languages live to the west of the Sara peoples. Saharan language speakers are concentrated in the Lake Chad region and Arabic speakers, divided among themselves by tribal rather than ethnic affiliations, predominate in the north and east. Tubu nomads reside in the Tibesti massif and Ennedi and Borkou plateaus. The country is as diverse religiously as it is linguistically with approximately 50% of the population practicing Islam, 30% Christianity, and 20% practicing traditional African religions. The population was estimated at 8,997,237 in 2002. Approximately one-fifth of the population is urban, with about one-half of these urban dwellers living in the capital of N’Djamena. Life expectancy was 51 years, with a literacy rate of 40% in 2001. The currency of Chad is the CFA franc. The per capita gross domestic product (GDP) is estimated at us\$1,030 (2001 estimate), and Chad’s primary exports are raw cotton, cattle, and gum arabic. The country was expected to begin exporting petroleum exports in 2004. Principal trading partners are Portugal, Germany, and France.

### POLITICAL BACKGROUND

Since gaining its independence from France in 1960, Chad has been wracked by coups, war, and political turmoil that have disrupted the political process and weakened political institutions. By June 1982, Hissène Habré used his troops to take the capital by force, quickly achieving recognition for his government by the international community.

Idriss Déby, former commander in chief of the Chadian army, formed a military unit in Sudan and began an invasion of eastern Chad. By December of 1990, he captured the capital and dissolved the assembly. A period of democratic transition began with Déby authorizing political parties in 1991 and a national conference to work out the transition process in 1992. Numerous postponements of a new Constitution and elections followed. Finally, in July 1996, Déby won the long-awaited presidential election.

### PERSONAL BACKGROUND

Idriss Déby was born in Fada, a village in the Ennedi province of eastern Chad in 1952. His father was a shepherd of the Zughawa ethnic group. He achieved his baccalaureate and then joined the military officers school in N’Djamena. In 1976, he traveled to northern France where he obtained a professional pilot’s license at l’Institut Aeronautique Amaury de la Grange at Hazebrouck. After returning to Chad, he became a second lieutenant in the Forces Armées du Nord (FAN) that successfully brought Habré to power in 1982. He became commander in chief of the Chadian armed forces, Forces Armées Nationales Tchadiennes (FANT), where he achieved great success against Libyan troops in 1983. The French were so impressed with his desert fighting tactics that they began to call him the “cowboy of the desert.” His military success began to make Habré fear him as a possible rival. Déby therefore quietly arranged for additional military training in France. He was replaced as chief of the armed forces by his cousin, Hassan Djamous. Upon completion of his training course, he returned to Chad and was appointed advisor for security and defense, with his cousin Djamous remaining as chief of the armed forces. Déby is married with four wives, one of whom was the wife of his deceased father—an obligatory custom of the Zughawa. He is the father of 10 children.

### RISE TO POWER

In the late 1980s, Hissène Habré became worried about possible rivals and began an increasingly repressive period of arbitrary arrests and executions. He created a security force consisting solely of members of his own ethnic group and equipping them better than the forces of which Déby and his cousin were in charge. The favoritism towards this force provoked a rebellion of the regular forces. Déby and his cousin were warned that their lives were in danger and fled the capital.

Déby made his way to the Sudan, where he formed the Patriotic Movement of Salvation (MPS) and began a reconquest of Chad. Déby’s mission was completed by December 1990, having obtained military equipment from Libya, his former enemy. The French acquiesced to his designs by withholding support and information on Déby’s troop movements and location from Habré. Habré fled the capital, allegedly with carloads of stolen funds, and Déby took charge of the country.



Though Déby declared his intention of moving toward a democratic government, the process moved slowly. Political parties were recognized in 1991, and a national conference to work out the transition began in January 1993. It concluded its work with a transitional charter and prime minister elected by the delegates. Déby was to remain as president and chief of the armed forces during the transition period. This period was expected to last one year, with the possibility of a one-year extension. In 1995, Déby finally set up a national independent commission. A draft Constitution was ready for referendum vote in March 1996. The new Constitution, which was approved by the voters in a 71% turnout, set up a president elected by universal suffrage for a five-year term with eligibility for reelection to one more five-year term.

During the election campaign, Déby was careful to travel to all regions of the country and even to apologize to the electorate in some areas that had experienced harsh treatment from his troops. He was the designated candidate of the MPS, which had been reformed into a political party. But he campaigned as the Republic Front candidate, a coalition made up of 12 political parties. Fifteen candidates were eventually accepted for the official list, including many of the major political and military figures and representing a wide range of viewpoints. The turnout in the first round of voting was 69%. The second round achieved a 77% turnout, with Déby garnering 69% of the votes. The legislative elections that followed in January and February 1997 brought Déby's MPS an absolute majority of 63 of the 125 assembly seats, with nine other parties sharing the remaining 62 seats.

In the controversial May 2001 presidential elections, the Constitutional Council denied the opposition's appeal to annul the elections, and on June 13 declared Déby the winner with 63.17% of the votes, followed by Yorongar with 16.35%, and Kebzabo and Kamougué with 7% and 6.02% respectively. The Council reported a voter turn-out of 61.4%. Alleging fraud, malpractice and irregularities in vote counting, six of the defeated candidates called for a boycott of the next legislative elections.

## LEADERSHIP

Déby's ability to lead Chad has been impaired by his unconvincing mandate at the polls. Considering the votes received by other candidates and abstentions, Déby only received one-third of the possible votes in the 1996 elections. In the May 2001 elections, Déby was reelected with 63% of the vote. He is relatively unpopular among Chadians, partly due to regionalism and the cultural, language, and religious differences that arise in a country of this size undergoing nation-building.

In addition to the challenges of governing a highly pluralistic state, Déby was faced with reducing the size of the armed forces from over 40,000 to 25,000 soldiers. Because the army had been his key source of support, its reorganization was considered a test of Déby's commitment to civilian government. However, insurgencies in the north and south, and elections-related civil unrest led Déby to adopt an authoritarian style of rule subjecting the opposition to harassment, detention, and imprisonment, and undermining freedom of the press.

Predictably, opposition to Déby's autocratic style has been growing, but Déby is unlikely to jeopardize his power by reforming Chad's unitary political system with its imbalance



of power between the executive and legislative branches and partisan judiciary. The success of the Doba oil project—so critical to revitalizing the impoverished economy—depends on Déby's ability to establish an alliance between government and political leaders of the south that will satisfy demands for revenue sharing and enhance prospects for peace and stability. Although the project had experienced delays, Chevron Texaco announced in early 2003 that the oil project in Chad and a related pipeline project in Cameroon would be operational by the end of the year.

## DOMESTIC POLICY

In the face of political and armed opposition, Déby has had to maintain his grip on power partly through military and repressive means. Four parties called for a boycott of the April 2002 legislative elections unless a new census was conducted with a revision of the voter lists. A European Union (EU) study in late 2001 confirmed that electoral revisions had given northern Chad, Déby's power base, disproportionate numbers. However, Déby was unlikely to conduct a new census for fear that the results would invalidate his victory at the polls in May 2001. To appease his opponents, he stated that he would respect the Constitution by stepping down in 2006, and while he succeeded in concluding a peace accord with the rebel group, Mouvement pour la démocratie et la justice au Tchad (Movement for Democracy and Justice in Chad—MDJT), there was speculation that the fighting would resume and that security concerns in the south and east would persist.

Déby also moved to prevent the formation of a vocal Islamic opposition that became a source of unrest in the south. Of particular concern to church groups, were alleged

links between new Muslim converts in the south of Chad with the Sudan. The Minister of the Interior published a decision in August 1996, dissolving all Islamic associations and designating the High Council of Islamic Affairs as the sole organization responsible for Islamic affairs in Chad.

In addition to his political challenges, Déby must find a way to invigorate a rural-based economy where more than 70% of the work force is engaged in agriculture. Infrastructure is poorly developed, making transport of people and goods very difficult and expensive. Due to drought in the 1980s, Chad was forced to import about 75% of its food, placing further strain on its ability to import needed equipment for infrastructure development. Manufacturing consists mainly of processing agricultural products, mostly cotton. Chad's cotton and sugar production and refining industries have been badly hurt by illicit imports from Nigeria. In fact, illicit trade makes it difficult to provide trade figures for the Chadian economy.

Given the large food deficits and political unrest, Déby's handling of economic and fiscal policies during 2001 was generally given favorable marks by the International Monetary Fund (IMF). The government has undertaken measures to collect more taxes, to control expenditures, to audit customs and procurement processes for the oil bidding process, and to produce its poverty reduction strategy paper (PRSP), which was scheduled to be submitted to the World Bank and IMF by May–June 2002. Thus, despite some lapses in performance, Chad's policies are presumed to be more or less on track by the Bretton Woods institutions. If they stay on track, the IMF would expect to see more spending in health, education, infrastructure, rural development and governance with an increase in tax surveillance and spending controls. Privatization of the cotton parastatal, CotonChad, is underway and is indicative of efforts to reform the public sector.

Chad's energy sector holds promise for GDP growth and increased standards of living. The Sedigui oil and gas deposits north of Lake Chad could eventually produce electricity to power N'Djamena and industry. However, the demand for intermediate and capital goods spurred by the project has created a steep rise in imports. Despite this imbalance, Déby's policies overall are likely to help Chad alleviate its severe budget deficits through sustained donor lending and lower interest payments made possible under the heavily indebted poor countries (HIPC) initiative.

## FOREIGN POLICY

In the region, Déby moved to repair and solidify relations with neighboring countries placing high importance on securing the support of Libya and Sudan, both of whom backed his takeover in late 1990. In August 1996, a tripartite Chad-Sudan-Central African Republic summit was announced to set up a regional integration program. In November 1996, Chad and Libya met for their third joint commission and reaffirmed their desire for cooperation. Good relations with Libya have proved a challenge because of historical antagonism between Libya and Chad over the Aozou strip, and because of the delicate role Qaddafi played in mediating the hostilities between Déby and the MDJT. The mistreatment and forced repatriation of Chadian migrants from Libya in 2000-01 further strained relations between the

two countries. Déby has also sought and received economic and political linkages with various Arab states.

Déby also has had difficulties with the Central African Republic (CAR) over the exile in Chad of the former CAR armed forces commander, General Francois Bozize, who also was suspected of plotting against the CAR government. However, Chad reportedly sent troops to defend President Ange-Félix Patassé after the May 2001 coup in CAR. Mediation from the region was expected to improve relations between the two countries. However, in 2002 border clashes continued between rebel groups of the two countries, and Déby blamed CAR president Ange Felix Patasse for the situation. Chad has withdrawn its troops from the Democratic Republic of the Congo (DRC) sent there to repel rebels backed by Uganda and Rwanda. Diplomatic relations with President Wade and Senegal have been important because of the multiple law suits in N'Djamena demanding the extradition and repatriation from Senegal of former president Hissène Habré for alleged human rights abuses.

International human rights groups have documented human rights abuses under Déby's regime as well. In October 1996, Amnesty International strongly criticized the French government, charging them with "silence or complicity" in the face of arrests and executions being carried out by Déby's government. Amnesty's attacks were directed against France because approximately 800 French troops were then stationed in Chad. France responded by claiming no knowledge of abuses and no authority to intervene. They have considered a reduction in the number of French forces based in Chad. Though the French are only tepid in their support of Déby, they recognize the strategic importance of Chad in relation to contemporary trouble spots on the African continent and do not want to lose their military position there. For Déby, maintaining good relations with the EU and the multilateral lending institutions is key, but will depend on the quality of elections, measures to control corruption, and adherence to IMF policies.

In January 1995, the Esso-led oil consortium, Chad, and Cameroon signed a pipeline management agreement, which was to have oil moving from southern Chad to the Cameroonian port of Kribi by 1999, thus further solidifying relations between Chad and Cameroon. However, turmoil in the region, weakening of resolve of some consortium partners, and international environmental and human rights concerns have delayed the project. Overruling these concerns, on 6 June 2000, the World Bank agreed to lend US\$39.5 million to Chad and US\$53.4 million to Cameroon to help build the 1,070-km (665-mi) pipeline. ExxonMobil is the lead company in the pipeline project and had required, before it would proceed further with the project, that the World Bank participate in the project in order to protect private company investment from possible future nationalization of the company by Chad or Cameroon. Chadian political opposition has not responded favorably to the World Bank's decision to become involved. The opposition condemns World Bank funding because they contend that it fuels government corruption, embezzlement, and drug trafficking. As of early 2003, the pipeline was scheduled to become operational by year's end.

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# CHILE

## Ricardo Lagos President

(pronounced “Ree-CAR-doe LA-gos”)



*“We must end the two Chiles. No longer can we accept an unjust nation where the rich live comfortably while too many people live in poverty.”*

The Republic of Chile is long and narrow, covering an area of 756,950 sq km (292,260 sq mi). It lies along the Pacific coast of Latin America, bordered by Peru and Bolivia to the north, Argentina to the east, and Cape Horn to the south. Easter Island (Isla de Pascua), the Juan Fernandez Islands, and many other small islands to the west and south also form part of Chile. The Andes Mountains separate Chile from Argentina, leaving Chile relatively isolated within Latin America. Chile is among the nations that claim territory in Antarctica; Chile claims ownership of 1.2 million sq km (463,320 sq mi) of Antarctica.

Chile had an estimated population of 15,498,930 in 2002. Approximately 95% of the population is mestizo, which is mixed Spanish and Amerindian. About 3% is Amerindian, and about 2% is of other descent, mostly European. Of Amerindians, the Araucanians (also known as Mapuches) are the largest in number. Most Chileans are Roman Catholic, with about 11% Protestant. The capital of Chile is Santiago.

Chile's wealth has traditionally been found in its natural resources; however, it is now becoming a modern industrial nation. Exports include minerals, nitrates, fish meal, wood products, and fruit and vegetables. Chile has long remained the world's leading producer and exporter of copper. Chile had success with its economy in the 1990s, during which growth averaged 6% a year and was accompanied by a substantial increase in real wages. Chile obtains a significant percentage of its gross domestic product (GDP) from its exports, which increasingly include not just products but capital and know-how. The per capita GDP was estimated at US\$10,000 in 2001. Unemployment in 2001 was 1999 when unemployment reached about 11%, optimism for future growth remains high. By 2000, unemployment had dropped to just 9%, but government programs to stimulate the economy remained stalled. The Chilean unit of currency is the *peso*.

### POLITICAL BACKGROUND

The Republic of Chile gained its independence from Spain in 1818, and by the mid-twentieth century had become one of Latin America's most advanced and stable nations. In 1970, Chileans elected to the presidency Salvador Allende Gossens, an enthusiastic Marxist who represented a coalition of five left-wing political parties, and for the next three years, Chile had a socialist government. Repeated violent clashes between pro- and anti-government forces, as well as covert U.S. intervention against the Allende government, led to chaos and a

deteriorating economy. Allende's government was overthrown on 11 September 1973 by the Chilean military, with help from the U.S. government and significant support from Chile's middle and upper classes. The military formed a four-man junta government composed of the commanders-in-chief.

General Augusto Pinochet Ugarte, commander-in-chief of the army, soon came to dominate the other three. All political activity was banned, the National Congress was dissolved, and censorship and repression followed. Pinochet proclaimed himself president in 1974 but ruled Chile as a ruthless dictator for the next 15 years. Pinochet's goals were the eradication of socialism and the construction of a modern capitalist nation-state. Those unfortunate Chileans who opposed the dictatorship faced the possibility of imprisonment, torture, and death. Several thousand were murdered, while thousands of others were exiled. Opposition to Pinochet, however, continued throughout his rule. Pinochet gave signs of retaining power indefinitely, but national and international pressure to return the country to democracy continued to increase through the 1980s. In Chile, key political alliances between former foes led to a more unified voice against the dictatorship.

By 1988, Pinochet was forced to hold a national plebiscite—a yes or no vote on whether he should remain in office. Pinochet was confident that he would stay in power, but Chileans overwhelmingly voted to return Chile to democracy. The plebiscite led to presidential elections in 1989, with the right-wing candidate closely allied to Pinochet. Patricio Aylwin Azocar, the respected candidate of the Partido Democrazia Cristiana (PDC—Christian Democrats) was backed by a center-left coalition of parties that supported a return to democracy. The coalition, known as the Concertación para la Democracia (Concert of Parties for Democracy), brought together an unlikely alliance of former political foes like the PDC and the Partido Socialista (PS—Socialist Party). The politically important Partido por la Democracia (PDD—Party for Democracy), an amalgamation of reformed leftists and centrists, was also part of the Concertación.

Aylwin, the country's first freely elected president since Allende, was inaugurated in March 1990. His election was hailed as a victory for democracy, but Pinochet's power had not diminished at all. During his regime, Pinochet helped write a new Constitution that favored the military with unprecedented independence. The Constitution, promulgated in 1981, came into full effect in 1989.

Under the Constitution, Chile has three official branches of government: the executive (president), the legislative, and the judicial. The president is elected by direct popular vote to a six-year term and is not eligible for reelection. The bicameral legislature consists of a 48-seat Senado (Senate) and a 120-seat Camara de Diputados (Chamber of Deputies). The judicial branch consists of the Supreme Court, which has 21 judges appointed for life by the president. When the court has a vacancy, the judges submit five names to the president from which the president must make his appointments. A two-thirds vote in the legislature is needed to change the Constitution.

Pinochet also had named key allies to just about every important position of power in Chile, from university presidents to Supreme Court judges. His political maneuvers allowed him to remain head of the armed forces until 1998 when, as dictated by the Constitution, he became a senator for life. The Constitution also had allowed Pinochet and his allies to name eight senators for life who were sympathetic to the military. These senators prevented Congress from reaching the two-thirds majority needed to make constitutional reforms.

Because of these serious obstacles, Aylwin and the Concertación were unable to return Chile to complete democracy, but Chileans respected them for trying. Aylwin retired on 11 March 1994 with an approval rating of more than 50%. Eduardo Frei Ruiz-Tagle, another Concertación candidate, was elected to the presidency in 1994. Frei, also a member of the PDC and son of former president Eduardo Frei Montalva, took office with promises to spend more to help the poor. The military, with occasional threats from Pinochet, continued to assert its independence.

Economically, the country continued to improve under the Concertación presidents. Aylwin had promised not to alter the basic market-oriented economic structure developed under Pinochet, and that promise was kept. Also, nations that had not been willing to do business with Pinochet flocked to invest in Chile under the new government. The wine, agriculture, and tourism industries flourished during the 1990s, and the economy continued to expand at a high rate until late 1998–99 when the Asian economic crisis, lower prices for exports, and a decrease in tax collections led to a fiscal crisis.

In October 1998, the arrest of Pinochet in London on charges of human rights violations shocked Chileans and spun the Frei administration into a serious crisis. The military demanded Pinochet's return and pressured Frei's government to break relations with England and Spain, since both countries sought to bring charges against the former leader. After holding Pinochet in detention for 16 months, the British government released him, citing health and humanitarian reasons. Pinochet returned to Chile in March 2000 to a different political climate. Aged and disgraced by the detention, Pinochet had become a political liability even for the right.



Ricardo Lagos, newly elected Socialist Party candidate, was inaugurated president just a few days after Pinochet's return. Lagos immediately called for a new Constitution and major political reforms. In the meantime, Pinochet was facing nearly 80 separate charges of human rights violations in Chilean courts. In 2002, the Chilean Supreme Court ruled that Pinochet was mentally unfit to stand further prosecution. A day after that ruling, Pinochet resigned from the Chilean Senate.

## PERSONAL BACKGROUND

Ricardo Lagos Escobar was born on 2 March 1938 in Santiago, the only son of Don Froilán Lagos, a small landowner, and Emma Escobar, a teacher. Lagos was only eight when his father died, leaving his mother to raise him. He received a law degree from the University of Chile in 1960 and a doctorate in economics from Duke University in 1966. Lagos worked as professor, attorney, and secretary-general of the University of Chile prior to entering politics, where he has spent the bulk of his adult life. In 1971, he married Luisa Duran (his second marriage); the couple has one daughter. Lagos has two sons from his first marriage.

## RISE TO POWER

Lagos's interest in politics began while he was a university student. At 18, he was elected president of a student group. In 1961, he left the Radical Party after it backed the conservative Jorge Alessandri for president, and he moved ideologically closer to the Socialist Party (PS). During the Allende administration, he was named secretary-general of the University of Chile and was the president's choice to be ambassador to Moscow. But he was never to take that post. The military coup on 11 September 1973 and the repression that followed forced Lagos to leave for Argentina, and later the United States, where he taught at the University of North Carolina until 1975. From 1976 to 1984, Lagos worked as an economist for United Nations (UN) agencies. He began to take a more active role in the opposition to Pinochet when he returned to Chile in 1978. In the early 1980s, Lagos and many other Chileans founded the Alianza Democrática (Alliance for Democracy) to oppose military rule. He was president of the Alliance in 1983–84, becoming a prominent voice for the left. In 1986, leftist rebels attempted to assassinate Pinochet. In the crackdown that followed, Lagos and many other opposition leaders who were not involved in the plot against the dictator were detained, and Lagos spent 20 days in prison. In 1987, Lagos founded the Party for Democracy (PPD), which pressed for an end to the dictatorship.

During the yes/no plebiscite campaign for continued Pinochet rule, Lagos traveled throughout the country encouraging Chileans to let go of their fears and register to vote. In a now-famous televised political roundtable, Lagos pointed a finger to the camera and said “you, Mr. Pinochet are responsible” for violations against human rights. Lagos's defiance boosted his political career, and his direct attack on Pinochet was credited for loosening the fear that gripped Chileans. He played a pivotal role during the plebiscite, but it was not enough to bring him to office. His ties to the left hurt him during the 1989 campaign for a Senate seat, when he garnered only 30% of the vote. But President Patricio Aylwin named him minister of education. In one of his most notable actions, he prohibited schools from preventing pregnant girls from attending classes.

In 1993, with the backing of the PPD, Lagos sought to become the Concertación's second presidential candidate, but he was defeated in the primaries by Eduardo Frei Ruiz-Tagle, who went on to become president. Frei named Lagos minister of works. Lagos used the post to build a solid reputation as a capable technocrat. By 1996 and 1997, polls consistently named Lagos as one of the most important political figures in Chile and the most likely person to become Chile's third freely elected president since Pinochet. At least within the Concertación, no one measured up to Lagos's stature. During a primary to decide the Concertación's presidential candidate in May 1999, Lagos received 71.34% of the vote to defeat Andrés Zaldívar, a Christian Democrat and Senate president, who received 28.7% of the vote. At first, Lagos was an overwhelming favorite to win the presidency over the conservative candidate Joaquín Lavín, a former member of the Pinochet government. But Lavín's appeal to working classes, growing dissatisfaction with the Concertación, and a troubled economy after many years of growth hurt Lagos. In the December 1999 election, Lagos and Lavín, who distanced

himself from Pinochet after his arrest, finished in a virtual tie, with a little more than 49% for each candidate. While Lagos finished slightly ahead of Lavín, he did not gain the necessary 51% of the vote to avoid a runoff election. With the key backing of influential politician Soledad Alvear, and votes from Communist Party members, Lagos narrowly defeated Lavín, 51.3% to 48.7%, in the January 2000 run-off for the presidency. On 11 March, Lagos was inaugurated president.

## LEADERSHIP

Lagos's inauguration speech symbolized his decade-long efforts to straddle a center position in Chile's highly polarized politics. He acknowledged his leftist roots by paying tribute to Allende's widow, calling her a “representative of Chile's dignity.” As Chile's first president of the twenty-first century, Lagos carefully pointed to the unresolved and painful issues of the Pinochet era. But he quickly moved to a theme of unity, mentioning prominent conservatives who have played a major role in shaping the history of the country. Lagos's careful approach is a hallmark of his political career, despite the defiant shaking of a finger at Pinochet in 1988.

He has courted the working classes, often delivering hard-hitting speeches about Chile's unjust social system. Yet, he has never displayed the fiery rhetoric of his leftist predecessors, who called on Chileans to take over factories and land. Lagos has been careful to avoid polarizing the country's upper classes and the Concertación's conservative partners, the Christian Democrats. He has courted prominent U.S. businessmen and has promised to leave virtually untouched the country's free market economic policies. His moderation has angered the Communists and Socialists, many of whom don't consider Lagos to be one of their own. Much like Britain's Tony Blair, Lagos believes nations do not have to embrace the United States' model of capitalism. Yet, he does not hold that socialism is the answer. Instead, he and others like him tout a “Third Way” in which the government has a greater regulatory role in a free market economy. This is a key point for Lagos, who has described himself as a social democrat. He wants to increase workers' rights decimated by the Pinochet regime without angering industrialists who worry Lagos's proposed changes could simply lead to strikes.

Lavín's surprisingly strong results at the polls meant Lagos faced the challenge of maintaining the delicate balance of the center-left Concertación coalition. However, many Chileans have become increasingly disillusioned with the center-left coalition. Once the undisputed voice of democracy, the Concertación has been criticized for reverting into a political machine that hands out coveted government jobs to a small elite. In legislative elections held 16 December 2001, the Concertación's majority (70 seats) in the 120-seat lower legislative house (Chamber of Deputies) dropped to 63 (reducing their majority from 20 seats to 6 seats). In the Senate, Concertación retained control of just 20 seats, wiping out their one-seat majority.

Lagos has been described as having a sober personality, and distaste for impulsiveness. He is considered an efficient technocrat and admired for a no-nonsense approach to government. He chose cabinet ministers carefully, stressing their expertise rather than party affiliations. Among his 18 cabinet members, five are women, a reflection of his personal views on equal rights for women.

Aylwin and Frei were unable to make reforms to the Constitution engineered by Pinochet. Congress, by a 113–27 vote, approved a constitutional reform titled “Dignity of the ex-President” shortly after Lagos’s inauguration. The law allows Pinochet to keep his Senate salary and immunity after his resignation (Senator for Life). Lagos has promised he will guarantee the independence of the judiciary if Pinochet is brought to trial. A conservative Supreme Court and Senate that remain sympathetic to the former dictator would hinder Lagos.

An able minister during the Aylwin and Frei administrations, Lagos was perceived as a leader who could get things done. For thousands of poor Chileans, Lagos represented the best opportunity to improve their lives. However, the depth of Chile’s economic woes challenged even Lagos’s leadership. By mid-2001, his low ratings in public opinion polls indicated that Chilean people were holding Lagos responsible for the government’s ineffectiveness in dealing with the sluggish economy.

### DOMESTIC POLICY

Chileans see Lagos as the culmination of Chile’s long transition to democracy. Yet, Lagos believes that legislative reforms based on a new Constitution are needed to cement the end to the transition. Unlike Aylwin and Frei, Lagos has taken a stronger and more public stance towards reform. Engineered by Pinochet, the Constitution severely limits civilian control of the armed forces. It prevents the president from appointing and removing military leaders and prevents civilian oversight of the military budget. In early 2002, Lagos negotiated a contract with the U.S. aircraft manufacturer, Lockheed Martin, for 10 F-16 military aircraft. The purchase makes creative use of the allocation of 10% of export revenue earned by the state-owned copper company, Codelco, to the Chilean military. Some observers speculated that Lagos chose to buy new aircraft from a U.S. manufacturer to strengthen his country’s position in free-trade negotiations with the United States. Lagos has called for military budget cuts and the creation of a professional and better army staffed by volunteers. Military service is compulsory in Chile.

Yet, Chile’s conservative leaders are unlikely to back constitutional reforms without assurances that Pinochet and other military and police leaders will be allowed to retain immunity for human rights violations. Some Christian Democrats have even rejected giving the president the right to appoint and fire military leaders.

Dealing with delicate military issues is only one of Lagos’s many domestic challenges. Following the December 2001 legislative elections, Lagos pledged to move forward with his agenda to reform the public health system, to pass a divorce law (strongly opposed by the Roman Catholic Church), and to revise the Constitution (especially in those areas relating to the president’s relationship to the military). In the short-term, Lagos sought ways to create jobs to reduce unemployment. While Lagos favors privatization of some state-owned properties, his government is likely to hold onto its most important and most profitable industries. They include Codelco, a copper corporation, Enami, a mining company, and Enap, an oil company.

### FOREIGN POLICY

Lagos has promised he will not tinker with his country’s free trade policies, and is in fact committed to increased integration with the world’s largest markets. He will seek tighter relations with the Mercado Comun del Cono Sur (MERCOSUR—Southern Cone Common Market) trade bloc of South America. Chile has the lowest tariffs in Latin America, but a free trade agreement with the United States would likely result in rapid growth in export revenue. Chile has been so far unsuccessful in establishing a free trade agreement with the United States, but Lagos is not expected to give up as the country continues to seek economic alliances elsewhere. In May of 2002, Chile reached a free trade agreement with the European Union.

In an interview with *El Mercurio*, Chile’s largest daily newspaper, Lagos said the country needs to establish key alliances with other South American nations to counter-balance the great trading blocs of North America, Europe, and Asia. Without an alliance, Latin America does not stand a chance to compete, he said. He also wants greater economic and political coordination in Latin America similar to the European Union. (Lagos has compared MERCOSUR to an evolving European Union.)

Lagos indicated that he is willing to renew relations with Bolivia if that country is willing to enter diplomatic talks without preconditions. Bolivia, which lost access to the Pacific Ocean in the War of the Pacific of 1879–83, has been pressing Chile for access to the sea.

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Profile researched and written by Ignacio Lobos, Journalist (3/2000; updated 3/2002, 2/2003).

# CHINA

Hu Jintao

General Secretary of the Communist Party

(pronounced “who-gin-TOW” [as in towel])

*“We in China are working hard to build up a strong, prosperous, democratic, and culturally advanced modern socialist country. We need an international environment of lasting peace, and we long for living harmoniously with all countries of the world.”*



The People's Republic of China is located in central and eastern Asia. Its total area is 9,596,960 sq km (3,705,407 sq mi), making China the third-largest country in the world. With a population estimated at 1.3 billion in 2002, it is also the world's most populous nation. China is a climatically and geographically diverse nation with primarily temperate climate in most of the nation, but dense tropics in the south, warm and humid coastal regions, and frigid northern and Tibetan regions. Of the total land mass, only 10% is cultivated regularly. Some of the world's longest rivers, including the Chang Jiang (Yangtze) and Huang He (Yellow) rivers, and the world's highest mountains are located in China.

China is a relatively homogeneous nation, linguistically and ethnically, with the Han Chinese comprising 92% of the population. The remaining 8% consists of minorities such as the Zhuang, Uygur, Hui, Yi, Tibetan, Miao, Manchu, Mongol, Buyi, Korean, and others. Mandarin Chinese is the official language, and the literacy rate is 81.5%. The largest cities are Shanghai, Beijing (the capital), and Tianjin.

In 2001, an estimated 50% of the labor force was engaged in agriculture and forestry, while another 23% was involved in industry and 27% in services. The *yuan* is the national currency. China's major trading partners include Japan, Taiwan, South Korea, the United States, Germany, Singapore, and Taiwan. Its primary exports are machinery and equipment, textiles, footwear, toys and sporting goods, and mineral fuels. Since 1991, the booming Chinese economy has grown approximately 10% annually. The per capita gross domestic product (GDP) was estimated at us\$4,300 in 2001.

## POLITICAL BACKGROUND

The People's Republic of China was proclaimed in 1949, following a lengthy civil war when Communist leader Mao Zedong consolidated power and forced the Nationalist forces under Chiang Kai-shek to flee to the island of Taiwan, located off China's southern coast. The Chinese Communist Party (CCP) transformed the political, economic, and social system of the country by emphasizing socialist egalitarianism combined with a nationalistic drive toward modernization. The 1982 constitution specifies that supreme political power resides in the 2,979-member National People's Congress (NPC—Quanguo Renmin Daibiao Dahui), but real power lies in the Politburo of the CCP Central Committee, with crucial decisions made by a small circle of the CCP select Standing Committee of the Politburo. The NPC's members meet annually and elect most of the leading government officials,

including the president, vice president, premier, and vice premier.

The State Council, similar to the cabinet in other countries, is the top executive organ of the national government, and it reports to the CCP Secretariat, which encompasses the Central Committee and the Politburo. All senior members of the State Council also hold concurrently significant influence within the party. The State Council is headed by a premier (the head of government, Zhu Rongji since 18 March 1998). At the local level, China is divided into 23 provinces with representation consisting of provincial and municipal People's Congresses further decentralized by prefectural, city, county, and town assemblies.

Prior to the sixteenth Communist Party Congress held in November 2002, power in China was shared by three individuals: Jiang Zemin (president, general secretary of the Communist Party, and chairman of the Central Military Affairs Commissions—both the party and state commissions); Li Peng (chairman of the NPC Standing Committee); and Zhu Rongji (premier). All three resigned their posts in the Politburo Standing Committee in November 2002, and the three were expected to give up their state positions at the Tenth NPC to be held in March 2003. Jiang Zemin was expected to retain his position as head of the military.

## PERSONAL BACKGROUND

Hu Jintao was born in December 1942 in Shanghai, but he grew up in the provincial city of Taizhou, about 250 km (160 mi) northwest of Shanghai. Official biographies list his birthplace as the town of Jixi in Anhui province, his ancestral clan village. He is the oldest of three children, born to an educated family of affluent tea merchants. He was raised largely by his paternal grandmother and his great-aunt, since his mother died when he was five, and his father was operating the family tea shop in Shanghai. He has been described by his great-aunt as being reticent and studious. In 1959 he entered the elite Qinghua University in Beijing, where he studied hydroelectric engineering. He was the youngest student in his class. There he joined the Communist Party.

Hu met his wife, Liu Yongqing, at Qinghua University, and they were married after a long courtship. They have one son and one daughter. Liu works in the Beijing Municipal Construction Committee.

Hu has been labeled by intellectuals as “sunzi”—literally translated as “grandson” but also a colloquial synonym for “yes-man.” There is a Chinese saying that describes the risk



of showing one's political or ideological leanings: "The bird that sticks its head out gets shot." Some have said Hu reflects the proverb, in that his image as a political enigma reflects his cautious personality.

## RISE TO POWER

After finishing his studies in hydroelectric engineering, Hu was a postgraduate and political instructor at the Water Conservancy Engineering Department at Qinghua University, participating in research and development. After he left the university, he worked for 12 years in the underdeveloped western province of Gansu as a hydroelectric engineer on the Liujia Gorge Dam project, and was in charge of building homes for farmers who had been displaced from their native villages by the construction of the dam, among other tasks. Gansu's Communist Party secretary, Song Ping, helped him become an alternate member of the party's Central Committee in 1982, the youngest such member in the country. Song once described Hu as a "walking map of Gansu," because he had visited every part of the province and knew the counties and their problems intimately.

Hu was named vice-secretary of the Communist Youth League in 1982, and named party secretary of Guizhou province by Communist Party general secretary Hu Yaobang (no relation) in 1985, which made him China's youngest party secretary. When liberal Hu Yaobang was demoted in mid-1987, Hu Jintao was criticized for not standing by his mentor: he condemned Hu Yaobang and his supporters, saying they had been contaminated by the values of Western democracy.

In 1988, he was named party secretary of the Tibet Autonomous Region; apparently his demonstrated management skills were seen as useful in the turbulent province. In February 1989, large crowds led demonstrations carrying Tibetan national flags after the death of the Panchen Lama that January. During the days leading up to 10 March, the thirtieth anniversary of the 1959 Chinese occupation of Tibet, security forces killed 70 unarmed demonstrators, and Premier Li Peng declared martial law. Many regard this action as a prelude to the introduction of martial law and crackdown on pro-democracy demonstrators in Beijing's Tiananmen Square in June 1989. Hu kept his position in Tibet until 1992, despite suffering from altitude sickness that kept him from spending long periods of time in the province.

Former Communist Party general secretary Deng Xiaoping, who referred to Hu as the most promising leader of his generation, orchestrated his placement on the seven-member Standing Committee of the Politburo in 1992. He was charged with overseeing personnel and propaganda.

In 1993, Hu became president of the Central Party School—a think tank and training center for rising party members—setting up an international relations center and starting a project with Harvard University to conduct studies on the Cold War and the parameters of Sino-U.S. relations. It taught finance, Western economics and management, and Marxist theory. The school was charged with reconciling economic liberalization, foreign investment, and privatization with the demands of state control. Hu continued to hold the job of president of the Central Party School until December 2002.



In March 1998 Hu was named China's vice president. In October 1999 he was named vice chairman of the Central Military Affairs Commissions (both the party and state commissions), and began to take part in a series of military reforms, including one that would remove the military from all business activities.

At the sixteenth Chinese Communist Party Congress held 8–14 November 2002, Hu was named general secretary of the Communist Party, replacing Jiang Zemin, and would also assume the role of president of China in March 2003.

## LEADERSHIP

Hu is regarded as a consummate politician who is the leader of China's "fourth generation" of leaders. He has shown that he can work effectively with others, both those above and below his rank, and with those of differing points of view. Spending a long time rising in the ranks of the party, he has demonstrated patience and moderation. As a technocrat, it has been speculated that he might be a political reformist, but that theory has yet to be tested. Hu has diligently adhered to the party line, including supporting the "three represents" theory of Jiang Zemin. The theory, written into the party constitution at the sixteenth Party Congress held in November 2002, is seen as a reorientation of the party away from its sole mission to serve the proletariat. The theory of the "three represents" emphasizes the importance of the middle class, stating that the party will represent not only workers and peasants, but the "advanced productive forces, advanced culture and the broad masses of the people."

In December 2002 Hu stated that China's constitution was of supreme importance and that no individual or organization could operate above it. This was seen as an indication that he relegated the Communist Party's status to a position where it will be governed by the law, not operating above the law.

## DOMESTIC POLICY

One of Hu's tasks as leader of China will be to manage and sustain the country's growth. To accomplish this, he needs to encourage continued direct investment in technology, to promote the reform of an unprofitable state sector, and to continue to draw foreign investment into China. Another major goal is the alleviation of poverty, which is caused by inequitable distribution of benefits derived from economic growth and by poor performance of the agricultural sector in many provinces.

After years of rapid growth, the Chinese economy as of 2003 suffered from some significant structural flaws. In particular, glaring differences between the coastal and inland regions threaten the unity of the nation. These regional differences not only contribute to massive migrations into Shanghai and Guangdong, but also cause resentment by poorer provinces that view the richer regions as benefiting from excessive governmental attention at their cost. Alternatively, richer coastal provinces resent public spending in poorer regions. Hu needs to alleviate the severe economic differences among the regions without weakening the growth of the coastal areas.

Another serious domestic issue is the restructuring of state enterprise operations, which have become a severe budgetary burden. In the late 1990s and early years of the twenty-first century, the Chinese government began a major privatization campaign. The government has become concerned about a potential backlash against the government resulting from increased social problems related to economic changes. The government has cracked down on the religious sect, Falun Gong, resulting in increased international condemnation of the country's human rights practices.

It will be important for Hu to maintain the flow of foreign investment into China, and the government needs to promote investment in the interior of the country. In particular, agricultural productivity must be improved in many regions where gripping poverty and hunger are a way of life. The rush to industrialize has left interior regions largely neglected. Even though labor costs are low in these regions, the infrastructure is not conducive to large-scale foreign investment.

## FOREIGN POLICY

Hu has major obstacles to overcome in the international arena. Over the years, China's reputation has suffered internationally over its treatment of political prisoners and dissidents and continues to remain tarnished more than a decade after the 1989 Tiananmen Square massacre. Issues of fair trial and prison conditions have enraged Western human rights activists. Contributing to this problem is the lack of democracy in China, as measured by Western standards.

As the Chinese economy grows and its export-led growth strategy produces significant trade surpluses, critics in the United States are likely to question China's dedication to free trade principles. Significant pressure will continue to emanate from the White House with calls for the reform of Chinese copyright protection laws and labor laws. However, in order to maintain its high growth, China will have to export increasingly higher value-added products. In order to do this, China needs to convince the foreign business community that its domestic political and economic situation is stable and that reforms of the legal and investment codes are forth-

coming. China's global position has improved since it became a member of the World Trade Organization (WTO) in late 2001 and won its bid to host the 2008 Summer Olympics.

The perennial Taiwan problem, the return of Hong Kong and Macau, and constant attacks from Western critics of Chinese democracy and human rights have combined to increase nationalism within China. From a security standpoint, Asian neighbors have expressed concern over China's growing economic and military power and how that may fuel rising Chinese nationalism and consequent military action.

During his rise to power, Hu played an increasingly central role in Chinese foreign policy, making trips to numerous countries and occasionally making policy statements. In 1995 he visited Central Asia and Romania, and in 1997 he visited Portugal, Mexico, Colombia, and Cuba, where he complained about U.S. sanctions on Cuba. In April–May 1998, he visited Japan and South Korea, and in December attended the Association of Southeast Asian Nations (ASEAN) summit in Hanoi, Vietnam. In July 1999, he attended the second anniversary celebrations of the handover of Hong Kong. In July 2000, he visited Myanmar (Burma), Thailand, and Indonesia. In January 2001 he visited Iran, Syria, Jordan, Cyprus, and Uganda. In November 2001 he made a formal state visit to Europe, including Russia, Germany, France, the United Kingdom, and Spain on his itinerary. All of these trips strengthened his credentials as a statesman.

By January 2002, Hu had initiated an informal task force on Sino-U.S. relations. The task force will develop long-term strategies toward the U.S. Congress, plans to improve China's image in the United States, and a strategy for building relations with Taiwan. Hu engaged in short meetings with U.S. president George W. Bush in Beijing in February 2002. However, his few publicized statements regarding the United States have reflected suspicion. He expressed anger over the U.S.-led North Atlantic Treaty Organization (NATO) bombing of the Chinese embassy in Belgrade in spring 1999, saying "the hostile forces in the U.S. will never give up [their] attempt to subjugate China." Later he tempered his remarks, and urged demonstrators protesting the bombing to "guard against overreactions." When he visited Washington, D.C., on 1 May 2002, meeting with President Bush and Vice-President Dick Cheney, the impression that he left among U.S. officials, academics, and journalists was of someone the United States could work with. Bush and Hu expressed confidence the two countries could resolve their differences over Taiwan and human rights. They discussed the U.S.-led war on terrorism, agricultural issues, missile proliferation, and trade, in addition to Taiwan and human rights. It is uncertain how Hu will react to rising nationalism in China.

## ADDRESS

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**Profile researched and written by Jeneen Hobby, Ph.D. (2/2003).**

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# COLOMBIA

Álvaro Uribe Velez  
President

(pronounced “AL-vah-roh yoo-REE-bay VEH-lehz”)

*“We need the United States’ help to preserve our democracy . . . we can no longer suffer terrorism.”*



The Republic of Colombia is located in the northwest corner of South America. Bordering Ecuador and Peru to the south, Brazil to the southwest, and Venezuela to the east, Colombia is the only South American country with a coastline on both the Pacific and Atlantic Oceans. Colombia connects the South American continent with the Central American isthmus through a narrow and densely forested border with Panama. In total, the country occupies 1,138,910 sq km (439,736 sq mi).

Colombia is the third most populated country in Latin America, with more than 40 million inhabitants (2002 estimate). Its population is 58% mestizo (mix of Spanish and indigenous), 20% white, 14% mulatto (black and indigenous), 4% black, and 4% mixed black-Amerindian, and 1% Amerindian. A majority of Colombians are nominally Roman Catholic (90%), but in recent years Protestants have made important gains in urban areas. Population growth stood at an annual rate of 1.64% in 2002. Improvements in health conditions have helped infant mortality decline to a rate of 23.2 deaths per 1,000 live births (2002). Life expectancy in 2002 was 70.85 overall (66.71 years for males and 74.83 years for females). The literacy rate has also increased in recent years, and now stands at 91.3%.

The economy has grown at an average of 2.5% over the past decade. Total gross domestic product (GDP) was estimated at US\$255 billion in 2001. Exports were valued at an estimate US\$12.3 billion in 2001, while imports were valued at an estimated US\$12.7 billion. Colombia’s leading trading partners include the United States, the Andean Community of Nations, and the European Union (EU). The nation’s main exports are petroleum, fresh-cut flowers, bananas, rice, tobacco, corn, sugarcane, cocoa beans, oilseed, vegetables, forest products, and shrimp. Colombia imports industrial equipment, consumer goods, chemicals, and paper products. With a labor force of more than 18 million, the major source of employment is services (46%), followed by agriculture (30%), and industry (24%). The Colombian currency is the *peso*.

The illegal production and sale of cocaine has served as an important source of financial resources for the informal economy. Colombia is the world’s largest processor of coca derivatives and the main supplier of cocaine to the United States and other international markets. More than 50,000 hectares (123,550 acres) of coca leaves are cultivated illegally, and the estimated profits from illegal drug production and export is more than US\$5 billion annually.

## POLITICAL BACKGROUND

Originally inhabited by tribal groups dominated by the Chibchas, Colombia was first visited by Spanish sailors as early as 1500. Yet, the first permanent European settlement was not established until 1525. Declared a Spanish colony in 1549, Colombia was organized into the vice-royalty of New Granada in 1717, along with what are now Venezuela, Ecuador, and Panama. Under the tutelage of South America’s liberator, Simón Bolívar, the country began its quest for independence. With the defeat of the Spanish army in 1819, the Republic of Gran Colombia was formed as an independent state comprising the territory of the former vice-royalty. Two further wars created the autonomous states of Venezuela and Ecuador (1830) and Panama (1903).

The political history of Colombia has been dominated since independence by two opposing groups, eventually organized as the Liberal Party (PL, Partido Liberal) and the Conservative Party (PSC, Partido Conservador), which is historically linked to the followers of Simón Bolívar, Colombia’s liberator and first president. The PSC helped to create a strong centralized government. The PL contributed a separation of church and state and universal suffrage to the political landscape.

Colombian politics is marked by extraordinary violence. Citizens resort to arms to resolve political differences to a degree unmatched on the continent. Three presidential candidates were assassinated during the 1990 campaign, and others had attempts made on their lives. The election of Cesar Gaviria in 1990 brought an opportunity for political peace. A new Constitution was written in 1991, and several guerrilla groups entered the political arena after being demobilized. By that time, drug lords had come to replace guerrilla leaders as the main threat to political and social stability. Pablo Escobar, the leader of the powerful Medellín drug cartel, was imprisoned but eventually managed to escape. At that point, Gaviria declared war on drug cartels and was killed in a 1993 confrontation.

Demand for drugs in the United States remained high, and despite government efforts to eradicate coca leaf plantations, the influence of drug lords contaminated the country. The 1994 presidential elections showed the extent to which drugs had invaded every aspect of the nation’s life. Liberal candidate Ernesto Samper won the election, but accusations of drug-related campaign financing almost toppled his government months after his inauguration. In the 1998 presidential election, Conservative candidate Andrés Pastrana ran

on a peace platform, promising to reduce conflicts with guerrilla groups and drug cartels. Four years later, crime and violence had increased and the influence of cartels had grown. The United States developed a strategy (known as *Plan Colombia*) with the Pastrana government to aid the Colombian military to combat the illegal production of cocaine. Implementation of the multiyear plan began in 2001, but critics claimed that it would lead to a civil war and to the occupation of Colombia by U.S. troops. The 2002 presidential elections were primarily about strategies to put an end to violence and to effectively combat the growing influence of drug cartels in Colombian society.

## PERSONAL BACKGROUND

Alvaro Uribe Velez was born on 4 July 1952. In 1980, when he was 28 he married Lina Moreno. They have two children, Tomás and Jerónimo. Uribe holds a law degree from Antioquia University in Colombia and a master's in business administration from Harvard University. He taught at Saint Anthony's College at Oxford University in 1998 and 1999 on a scholar-exchange program. Uribe's upbringing reflects Colombia's tradition of a strong provincial middle class. Although he did not belong to a wealthy family, he had access to good elementary and secondary education and was easily admitted to Antioquia University to pursue a law degree. Uribe's formative years were apparently deeply marked by the political violence that erupted in Colombia after the assassination of Liberal Party candidate Jorge Gaitán in 1948. Colombia went through a five-year period of political violence—known as *La Violencia*—that ended with a military coup led by General Gustavo Rojas Pinilla one year after Uribe was born. Rojas Pinilla was himself overthrown in 1957 and a new pact between the large Liberal and Conservative parties gave the country much desired peace and stability.

While Uribe's early memories date back to Rojas Pinilla's years, he grew up during the subsequent peace era brokered by political leaders in Colombia. Under the agreement, the presidency would be alternated between Conservative and Liberal candidates. Yet, the rise of guerrilla groups in the 1960s, following the example of the Fidel Castro's revolution in Cuba and the death of the leaders who brokered peace in 1957, created a new wave of violence in Colombia in the 1970s. As a young adult, Uribe witnessed the deterioration of social peace in his country. That experience marked his political vision and shaped his career as an elected politician.

## RISE TO POWER

As most members of Colombia's middle class families, Uribe began his career as a law student and later entered politics as a young bureaucrat. His first important political post was at the age of 22, as general secretary in the Ministry of Labor during the Alfonso López presidency (1974–78). At age 26, during the Julio César Turbay (1978–82) administration, Uribe was appointed director of the Civil Aeronautic Division. From 1986 to 1990, he served as the elected mayor of Medellín, one of Colombia's most important cities. His opponents have highlighted Uribe's tenure in Medellín because it coincided with the rise of Pablo Escobar Gaviria, the notorious Medellín drug cartel leader of the 1980s. Uribe was then elected to the Senate in 1990 in the Liberal Party



ticket at the age of 38. As a rising star of the Liberal Party, Uribe actively participated in legislative initiatives but was notoriously absent from the process that resulted in the writing of a new Constitution for Colombia in 1991. His interests were elsewhere in public service. After eight years in the Senate, Uribe was elected governor of his native Antioquia Province in 1994. He temporarily abandoned politics in 1998 to pursue an academic career at Harvard and Oxford. But he returned to Colombia and launched a campaign for the presidency in the 2002 election. Rejecting the choice of Horacio Serpa as the party candidate, Uribe resigned from the Liberal Party and became an independent. He won the presidential election, marked by a traditional low turnout, with 53.1% of the vote, easily defeating Serpa who obtained 31.8%.

## LEADERSHIP

Despite having built a career as a Liberal Party politician, Alvaro Uribe reached the presidency as an independent running on an antitraditional party platform. Having lived through most of his life under the arrangement initially made in 1957 by the leaders of the Conservative and Liberal parties to alternate in power, Uribe rejected party elite agreements and instead advocated the direct participation of the people in choosing the national leadership. The demise of traditional parties began in the 1970s with the return of violence to Colombia's countryside and the rise of the left-wing guerrilla movement. The emergence of drug cartels in the 1980s brought violence back to Colombian cities and altered national politics. Difficult-to-understand and always-evolving ad hoc alliances and coalitions between local drug lords,

guerilla organizations, paramilitary groups, and the Colombian armed forces have characterized much of Colombia's political life during the 1980s and 1990s. While Uribe built a political career during those decades, the influence of drug cartels in Colombian politics was made evident through leaked information on campaign financial contributions to presidential candidates and notorious cases of government corruption.

The two traditional parties, Conservative and Liberal, were directly associated with corruption. Voters first chose to punish the incumbent Liberal Party in 1998 when conservative Andrés Pastrana easily won the presidency. That year, for the first time in decades, Colombians witnessed the rise of alternative presidential candidates who blamed both the Conservative and Liberal parties for Colombia's violence and widespread levels of corruption. After Pastrana's effort to negotiate with the guerrilla movements to reach a ceasefire accord failed, his presidency lingered on until his term expired. Pastrana did sign an agreement with the United States whereby Colombia would receive more than us\$500 million per year to combat drug trafficking and promote alternative crops among Colombian peasants who plant coca leaves. Critics denounced the heavy military focus of the plan and the limited resources for the alternative crop programs.

In any event, Pastrana's failure to bring about peace with the guerrillas and his inability to effectively curb drug production and trafficking substantially weakened the chances of the Conservatives for the 2002 presidential election. In addition, an increase in the level of urban violence, particularly of kidnappings, created the conditions for the rise of a candidate willing to campaign on an anticrime platform, who would promise to use all available means to defeat the guerrillas, combat drug cartels, and eliminate urban violence. Because the Liberal Party candidate entered the campaign with a more cautious approach, Uribe decided to renounce the Liberal Party and become the candidate that Colombians were waiting for. He rapidly rose in the polls and his popularity led many Liberal Party sympathizers to switch sides and support Uribe. When it was clear that the race was between Uribe and Liberal Party's Serpa, the Conservative candidate withdrew and called on his supporters to vote for Uribe. Uribe easily won the presidential election for a four-year term (2002–06).

### DOMESTIC POLICY

Uribe's main challenge as president will be to deliver on his promise to combat guerrillas and drug traffickers, and to bring peace to Colombia. He has several things going for him. Because of the withdrawal of the Conservative presidential candidate, the Liberal Party secured an overwhelming majority of seats in the Senate and Chamber of Deputies. Given his previous relationship with the Liberal Party, Uribe quickly reached an agreement after his inauguration with the party leadership to get that party's support in the legislature. Uribe commands the support of 143 of the 161 members in the Chamber of Deputies and 86 of the 102 seats Senate. Yet, Uribe's main source of opposition will come from the

guerrillas and the drug traffic cartels. Uribe's August 2003 inauguration in Bogotá was disrupted when a bomb attack killed 19. Uribe travelled to rebel territory the next day, pledging to take a strong stand against violence and to restore peace to Colombia. After the fall of the Union of Soviet Socialist Republics in 1991, the left-wing guerrillas, have increasingly become linked with drug-trafficking cartels. Because Uribe vowed to abandon the ceasefire agreement brokered with the guerrillas by former president Andrés Pastrana, the guerrillas decided to show their will to make Uribe's life very difficult. By bringing the conflict from the rural areas to Colombia's major cities, the guerrillas seek to disrupt everyday life and to make it more difficult for Uribe to deliver on his promise to defeat the guerrillas in the countryside.

In early 2003, opinion polls showed President Uribe's approval rating declining, from 74% in November 2002 to 66%. Bad news continued relentlessly, as Uribe tried to pull together a united, effective government. In early February, Juan Luis Londono, a key minister in the government regarded as both brilliant and capable, was killed when the plane he was traveling in crashed into an Andean mountainside. The next day, a private club in Bogotá was bombed, killing 35 and injuring nearly 200.

The involvement of the U.S. military in training and providing technical support to the Colombian armed forces also threatened to escalate the conflict. Uribe has vowed to make his authority prevail and to defeat the insurrectional guerrilla movement. As a part of a larger plan to combat drug trafficking, Uribe has also vowed to provide military support to civilians who join the effort to combat drug production. Many are concerned that Colombia's twentieth-century history of rural violence might turn the effort to combat drug production into a new civil war. Yet, the influence of drug cartels in Colombia's daily life, exacerbated by the side effects of drug trafficking, threatens to convert Colombia into a lawless society. Uribe must strive to achieve real results in his war against drug cartels, guerrillas, and urban violence if he hopes to maintain high levels of public support. If he succeeds in achieving positive results early on, he might build enough momentum to make real progress in bringing peace and the state of law back to every region of the country. Otherwise, his presidency will be marked by growing violence and urban conflict, in addition to already existing rural confrontations.

### FOREIGN POLICY

Over the past several decades Colombia has emerged as the world's leading cocaine exporter. Its drug cartels are the most successful organizations for the production and export of this illicit drug. Many argue that the drug problem should be solved primarily at the consumption end, by targeting demand rather than production. If other countries reduce consumption of cocaine, Colombian peasants would stop producing it.

Under the previous Pastrana administration, relations with the United States improved significantly. In 2002, the United States pledged approximately us\$400 million in additional funding for programs that include a combination of military and police assistance to increase counternarcotics capabilities and projects for human rights, humanitarian assistance, alternative development, and economic and judicial reforms.

The attacks against the World Trade Center in New York and the Pentagon in Washington, D.C., on 11 September 2001 led the international community to join in the effort to combat terrorism. Because Colombians have had to deal with terrorism for decades, the new international focus on fighting terrorists and those who protect them has put Colombia at the center stage of antiterrorist activities in the Americas. The left-wing guerrillas, closely linked to the drug trafficking business in the country, have been denounced by the government as terrorist organizations. The United States has provided funds to help combat terrorists, and President Uribe has vowed to eliminate terrorism from Colombia. Yet, Uribe will have to be vigilant about preventing the emergence of right-wing militias that can turn the war against terrorism into a civil war. Because of similar experiences elsewhere in Central America, and Colombia's prior history of civil violence, the threat of a civil war is real. President Uribe's effort to draw support for his war against terrorism in Colombia must rest on a solid human rights record for his government and for Colombia's military. If human rights violations increase during his tenure, President Uribe will find it more difficult to present his case against terrorism before the international community.

Because the main market for Colombia's drugs is the United States, President Uribe understands that he must actively engage the U.S. government in his fight against drugs. Yet, Uribe knows that he must dissuade the U.S. government from approaching the fight against terrorism in Colombia exclusively as a military affair. Support to develop alternative crops for peasants who plant coca leaf, economic aid to bring about the development, and consolidation of democratic institutions must all be central components of Uribe's plan if his war is to succeed.

Perhaps the only area where President Uribe can safely count on credible and effective support is the international front. His foreign policy objectives are cut out for him: he must convince the world that he is fighting a real war against terrorism—without employing the weapons of terror and human rights violations that terrorists use to advance their goals.

Colombia is a member of the Andean Common Market, which includes Bolivia, Ecuador, Peru, and Venezuela. In the 1980s, Colombia also joined the Contadora Group, which later joined with the Lima Group to form Rio Group, and the Non-Aligned Movement, which it chaired from 1994 until

September 1998. In addition, it has signed free trade agreements with Chile, Mexico, and Venezuela. The nation has played an active role in the United Nations (UN) and the Organization of American States (OAS). Colombia also regularly participates in CICAD, the OAS's body on money laundering, chemical controls, and drug abuse prevention.

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Profile researched and written by Patricio Navia, New York University (3/2003).

# COMOROS

Assoumani Azali  
President

(pronounced “*ah-zah-LEE ah-soo-MAH-nee*”)



*“I have seized power to save the Comoros from falling into chaos and anarchy.”*

Located in the Indian Ocean between Mozambique and the northwest coast of Madagascar, the Federal Islamic Republic of the Comoros is a chain of three small volcanic islands covering a total area of 2,170 sq km (835 sq mi). The population of the Comoros was estimated at 614,382 in 2002, with over half the people living on the main island, Grand Comore, where the capital city of Moroni is located. In addition to Grand Comore, the Comoros are comprised of Anjouan and Mohéli. Since 1977, the islands have also been referred to locally by the Swahili names Njazidja (Grand Comore), Nzwani (Anjouan), and Mwali (Mohéli).

Arabs who settled on the islands brought Islam to the Comoran culture. A majority (98%) of Comorans are Sunni Muslim. The linguistic heritage of the Arabs can also be felt in the Comoros where Arabic, along with French and Comoran (a mixture of Arabic and Swahili), are the national languages.

The currency is the *Comoros franc*. Known as the “perfume islands,” the Comoros grew famous for their exports of perfume essences, as well as vanilla and cloves. Comoran farmers also produce cassava (tapioca), coconuts, coffee, copra, and bananas. Major imports include meat, rice, and petroleum products. Despite their strategic location in the Mozambique Channel, none of the islands has been able to develop a viable economy, leaving the Comoran people among the poorest in the world. Per capita gross domestic product (GDP) was estimated at us\$710 in 2001.

## POLITICAL BACKGROUND

Like other islands of the Indian Ocean, the Comoros were settled by successive waves of explorers, traders, and colonists. During the fifteenth and sixteenth centuries, Malayan and Arab traders and immigrants settled on the archipelago. Later, slaves were brought to the islands and more immigrants arrived from neighboring Madagascar and the African continent. During the sixteenth and seventeenth centuries, French, Dutch, Indian, and Chinese traders also made their way to the islands. Native Comorans were often enslaved and exported to other French-occupied territories in the Indian Ocean (e.g. Mauritius, Reunion, and the Seychelles) to work on sugar plantations.

An Islamic political structure was established during the fifteenth century by Shirazi Arab traders who settled on the islands of Grand Comore and Anjouan. These settlers divided the two islands into sultanates and eventually expanded their rule over the islands of Mayotte (the fourth island in the

archipelago) and Mohéli. The Shirazi introduced a dynamic economic system and built a booming center of commerce where rice, spices, and slaves were traded in abundance. Indeed, as trade on the islands grew, so too did competition among sultanates for the rich European merchants’ business. This competition led to strife and warfare between various sultanates. In the late 1700s, Sakalava slave raiders from the coast of Madagascar attacked the Comoros with such furor that they virtually depopulated the island of Mayotte. Following the defeat of the Sakalava kingdoms at the hands of the Merina, many liberated slaves returned to Mayotte and Mohéli. In the mid-1800s Comoran traders began importing captives from East Africa and disseminating the human cargo to the plantation economies of other Indian Ocean islands. This trade proved lucrative for Shirazi businessmen and contributed to the formation of a three-tiered social system with Shirazi elites, middle-class traders, and slaves.

France officially acquired Mayotte in 1843 and by 1886 had taken control of the remaining three islands in the archipelago. The French governor-general of Madagascar administered all four islands as one territory. In 1947, the Comoros became an overseas territory of France and did not gain internal independence until 1961. Full independence was not achieved until 1975 when 96% of Comorans approved a national referendum to split from France. However, the population of Mayotte rejected the referendum, opting instead to remain a dependent of France.

Since independence, there have been numerous shifts of power in the Comoros, almost always precipitated by a military coup d’état. President Ahmed Abdallah was designated president of the government council and head of state in July 1975. By August of that same year he was deposed by Ali Soilih, who seized power with the help of French mercenary Bob Denard. This political instability continued for the next 25 years.

After four unsuccessful coup attempts during the mid-1970s, Soilih was overthrown in 1978 by Denard and 50 of his fellow mercenaries. The coup plotters replaced Soilih with Ahmed Abdallah and Soilih’s former deputy, Muhammed Ahmed—effectively creating a co-presidency. Nevertheless, Denard was effectively in control of the Comoros for the next 11 years.

Following the 1978 coup, France resumed aid to the Comoros that had been suspended during the Soilih administration. In October 1978, a new Constitution for the Comoros was approved by 99% of the electorate, officially



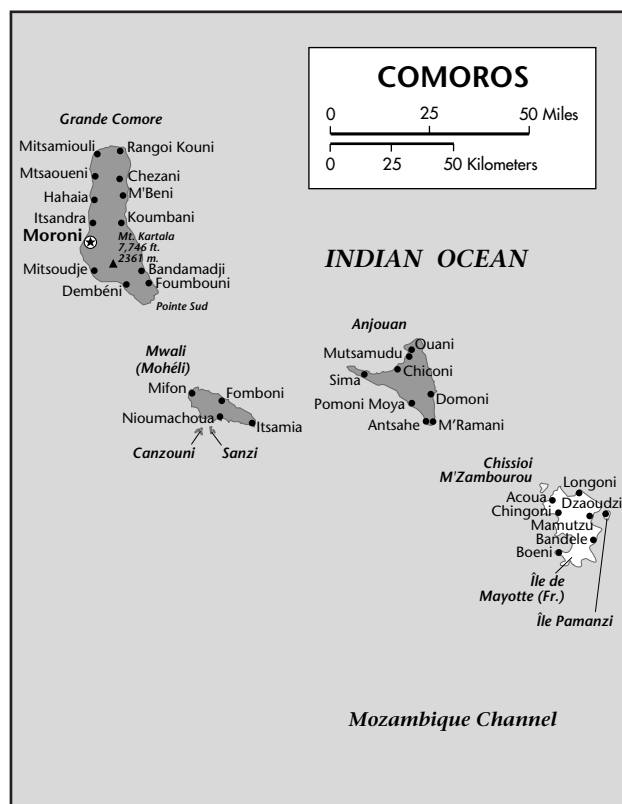
changing the name of the nation to the Federal Islamic Republic of the Comoros. Under this new Constitution, individual autonomy for each island was guaranteed. Individual governors were elected and a 38-member federal assembly, comprised of representatives from each of the islands, was put into place. Although the assembly was meant to represent all of the political parties in the Comoros, it voted in 1982 to create an official state party, known as of 2003 as *Rassemblement National pour le Développement* (RND—National Assembly for Development).

In 1984, Abdallah was elected to another six-year term. Buoyed by his new mandate, he set out to extend and consolidate his power. One year later, Abdallah succeeded in abolishing the office of prime minister, and, in 1989, pushed through a constitutional amendment that would allow him to run for a third term for the presidency. On 26 November 1989, members of the presidential guard, under the direction of Denard, assassinated Abdallah.

The Comoran Constitution proscribed that Said Mohammed Djohar, the president of the Supreme Court, assume the role of interim head of state. Denard and his supporters, however, continued to maintain de facto control of national political and military power. Indeed, Denard and his band of mercenaries remained ensconced in Moroni until France intervened and they fled to South Africa.

Djohar held elections in February 1990 that were widely viewed as fraudulent and later annulled. Opposition parties were allowed two months to organize but were still narrowly defeated by the sitting interim president: Djohar received 55% of the vote while the leader of the *Union Nationale pour la Démocratie aux Comores* (UNDC—Union for Democracy and Decentralization), Mohamed Taki Abdulkarim, received 45%. Djohar's presidency was marked by instability, with periodic dissolution of federal assemblies, charges of corruption, strikes, and several attempted coups. On 25 September 1995, Denard returned to the Comoros and again took control of the government, forcing Djohar into exile. Captain Ayaiba Combo headed the "transitional military committee" and claimed responsibility for the coup. In October of that same year, Combo handed power over to two civilian opposition party leaders, Said Ali Kemal and Mohamed Taki Abdulkarim. Thus, interim officials again ruled the Comoros until another set of elections could be organized and a political transition could be achieved.

The elections of March 1996 involved 15 candidates and were well contested. Mohamed Taki Abdulkarim won the race and, for the first time in the nation's history, presided over a peaceful political transition. Peace in the Comoros, however, was short-lived. By 1997, the country was gripped by economic and social crises and fell prey to secessionist fervor. Recognizing that the state was once again in disarray and disgusted by the greed of politicians in the capital, the people of Anjouan decided in August 1997 to break from the union and declare independence. Indeed, the Anjouanais sought to rejoin their former colonizer, France, in a territorial arrangement similar to the French-Mayotte accord. The secession movement also took root on Mohéli, which also asserted its independence from the government based in Moroni, further destabilizing the nation. Complicating the matter further was the fact that more than 70,000 Anjouanais



live on Grand Comore and make up about half of the "national" army's approximately 800 troops. This dynamic has created an ethnic division that runs deep in the military.

Taki's tenure as president was short-lived. He died from an apparent heart attack in November 1998. Again, the president of the Comoran Supreme Court, Tadjiddine Ben Said Massonde, was elevated to interim president on 6 November 1998. But the Massonde administration had little success in returning the Comoros to stability. Anjouan and Mohéli reasserted their demands for secession, which heightened political and ethnic tensions on Grand Comore. Indeed, tensions surrounding the secessionist debate spiraled out of control in April 1999, leading to three days of rioting in the capital, during which businesses were looted and destroyed and hundreds of Anjouanais were forced to flee Moroni.

The chaos ended on 30 April when Colonel Azali Assoumani, the army chief of staff, staged a bloodless coup, overthrowing Massonde and restoring order to the streets of Moroni. While this event marked the eighteenth coup attempt in the Comoros 24-year history, and the fourth to succeed in ousting a sitting government, Comorans greeted it as a "necessary evil" to reestablish security and calm in the nation. Azali promised the people that his interim military government would last only a year. However, stability did not return, and the island of Anjouan continued to fight the Grande Comore government into 1999.

In a move to stop the ongoing Anjouan rebellion, the Organization of African Unity (OAU) ended all communications with the island in March 2000. Further, it imposed a

trade embargo and insisted that Azali turn rule back over to a civilian authority. Finally, in February 2001 he signed a reconciliation agreement with leaders of the three islands; it was even signed by Colonel Said Abeid, the rebel leader of Anjouan (who would soon be ousted in a coup). Negotiations were also initiated for a new Constitution. Finally brokered by the OAU and signed in the Madagascar capital of Antananarivo, the so-called "Antananarivo Agreement" gave each of the three islands its own president, parliament, and local government and established the presidency of the Comoran federation, to rotate between the three island presidents every four years. The federal president would have overall authority of the Union of Comoros. The president of Grande Comore would have the first rotation. In December 2001 voters approved a new Constitution.

In January 2002 Azali stepped down from the military presidency in order to qualify for new elections to select the Grande Comore president. Three candidates presented themselves in the election: Said Ali Kemal, Mahamoud Mradabi, and Azali Assoumani. But just before the 14 April 2002 elections, Kemal and Mradabi boycotted and withdrew, claiming irregularities. Thus Azali, running unopposed, emerged the winner. At first the election results were declared invalid by a national election monitoring commission, but the commission was dissolved, and a new commission confirmed Azali the winner with 75% of the vote. This decision, supported by the African Union (the renamed OAU as of July 2001), made Azali the union's first federal president.

Between the time Azali stepped down in January and his official inauguration, Grande Comore and the Union was run by an interim government with Hamada Madi Borelo as head of state/prime minister. The interim government was dissolved when Azali assumed power as federal president.

### PERSONAL BACKGROUND

Born around 1959, a native of Grande-Comore, Azali Assoumani received his military training in Morocco and France. He was the army chief-of-staff under presidents Djohar and Taki. While little has been written about Azali, he has the reputation for being authoritarian and a blunt administrator.

### LEADERSHIP

When Azali seized power, the Paris-trained officer declared that he had intervened "to save the Comoros from chaos and destruction." Moreover, as head of a heterogeneous army that is being torn by ethnic loyalties, it is also thought that Azali seized power, at least in part, to avoid further internal strife among his forces.

Following the ousting of Massonde and his reformist prime minister, Abbas Djoussouf, Azali was sworn in as president on 5 May 1999, taking the positions of premier and defense minister as well. He dissolved all elected institutions in the country, suspended the Constitution, and announced that he would form a 12-person executive body called the "Committee of State," consisting primarily of civilians and young technocrats. Yet it was clear that Azali intended to keep his hands firmly on state controls. At the president's inauguration ceremony in 1999, a new charter was officially endorsed, endowing Azali with sweeping legislative and

administrative powers. He was not expected to surrender such powers under the new constitutional government.

### DOMESTIC POLICY

The bid for secession by Anjouan and Mohéli and the resulting constitutional crisis will remain the priority of the archipelago's new constitutional government. Azali made good his vow to remain in power until an agreement to keep the Comoros Republic intact was signed and implemented. However, it was unlikely that the forces pushing for secession would acquiesce to the government's entreaties to accept increased autonomy and political representation while remaining in a national union. The Azali regime was reportedly considering sending an African Union peace-keeping force to Anjouan to disarm the secessionists, and the Azali government was working to improve relations with the African Union. Meanwhile, the Azali government outlawed demonstrations and was actively seeking to restore security and discourage anti-Anjouannais and Mohélian hysteria on Grande Comore. In January 2003, the first of several French mercenaries who participated in the December 2001 coup attempt were extradited to France.

In addition to ensuring law and order and defusing nationalist sentiments in the Comoros, the immediate goal of the new Azali administration will be to win the support of civil servants by providing them with regular and timely paychecks. At the same time it seems clear that the military government will also try to marginalize the political opposition. The fact remains, however, that Comorans today continue to face falling living standards and a deteriorating economic situation that impoverishes the vast majority of the archipelago's citizens.

### FOREIGN POLICY

Building up the Comoran economy will not be an easy task and will largely depend on the support of the international community, namely international financial institutions and donors. It will also depend on local trade. In 2002 though, Madagascar suspended its cattle trade with Comoros, among other nations, forcing the two countries to enter negotiations. Although Azali seems to be popular among Comorans and his election as federal president seems endorsed by the African Union, the Azali administration remains faced with the daunting challenge of winning wide international recognition and legitimacy and securing vitally needed International Monetary Fund (IMF) and World Bank assistance. In a step towards that direction, France resumed military cooperation with Comoros in September of 2002. France had suspended the defense pact after the 1999 coup d'état.

In February 2003, Azali joined other African heads of state at a summit meeting of the African Union (formerly known as the Organization of African Unity) in Addis Ababa, Ethiopia.

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**Profile researched and written by David H. Long (5/2002; updated 2/2003); sections contributed by Timothy W. Docking, Boston University (9/99).**

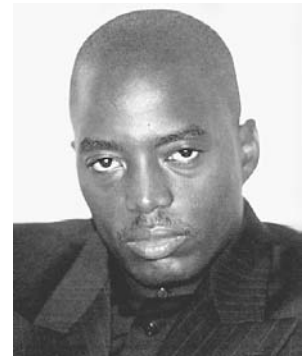
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# CONGO,

## DEMOCRATIC REPUBLIC OF THE

Joseph Kabila  
President

(pronounced “JOE-seff ka-BEE-la”)



*“We need to have peace in the Congo.  
The priority is that the forces that invaded the Congo leave the Congo.”*

The Democratic Republic of Congo, formerly known as the Republic of Zaire, is the third-largest country in Africa. The country covers 2,345,410 sq km (905,563 sq mi), most of it contained within the Congo River basin. The population, estimated at 55.2 million in 2002, is comprised of more than 200 ethnic groups. Peoples of Bantu ethnicity make up the largest sector (three of the four largest tribes—Mongo, Luba, and Kongo—are Bantu). The Bantu tribes, combined with the Hamitic Mangbetu-Azande tribe, comprise about 45% of the population. The official language is French, but over 400 Sudanese and Bantu dialects are also spoken. Congo’s economy is based primarily on mineral extraction. Cobalt and copper are the principal exports; other minerals commercially exploited include diamonds, gold, silver, zinc, manganese, and tin. Agricultural products include coffee, rubber, cocoa, and tea. Congo also has offshore oil reserves. Despite these assets, it is the fourth-poorest nation in the world, due largely to mismanagement, corruption, and war. Per capita gross domestic product (GDP) was estimated at US\$590 in 2001. Following the floating of the exchange rate for the Congolese franc in May 2001, hyperinflation dropped from a high of 500% in 2000 to 15% in 2002.

### POLITICAL BACKGROUND

The territory once known as the Belgian Congo gained independence from colonial rule on 30 June 1960, with Patrice Lumumba as prime minister and Joseph Kasavubu as head of state. In less than a week, the armed forces had mutinied, and Katanga province threatened to secede. United Nations troops were brought in to maintain order. Kasavubu dismissed Lumumba in September 1960. Later in the same month, the government was overthrown by then-Colonel Joseph-Desiré Mobutu. He returned power to Kasavubu in February 1961.

United Nations (UN) troops left the country on 30 June 1964, but political chaos once again erupted. Another struggle for the presidency took place between Kasavubu and the newly designated premier, Moïse Tshombe, head of Katanga province. On 24 November 1965, Mobutu led a second bloodless coup. This time he declared that he personally would assume the presidency for a period of five years and proclaimed the “Second Republic.”

Mobutu declared that his would be a government by decree. These decrees would have the power of law unless Parliament voted to reverse them. In March 1966, faced with intransigent parliamentary opposition to most of his reforms,

Mobutu stripped the legislature of the bulk of its power and rescinded its right to debate his decrees. A new Constitution was adopted in June 1967. Presidential elections, in which Mobutu ran unopposed, were held in late 1970, and he was elected to a seven-year term. Elections were again held in 1977 and 1984, with Mobutu as sole candidate. Though elections were also held regularly for the national legislature, the sole legal political party was Mobutu’s *Mouvement Populaire de la Révolution* (MPR—*Popular Movement of the Revolution*). In 1971, the government of Zaire and the executive council of the MPR were merged into the National Executive Council, further solidifying Mobutu’s political domination. He personally appointed provincial governors and their cabinets, leaving them with little real authority.

In the early 1970s, Mobutu undertook a campaign of Africanization of the former Belgian Congo. The names of the country, currency, and the Congo River were changed to Zaire, colonial place names were Africanized, and individuals were required to take African names. Following closely on the campaign for authentication came “*Mobutisme*,” whereby Mobutu was elevated to the stature of “*Father and God of the nation*.”

Mobutu considered the country his personal fiefdom, much like the Belgian monarch King Leopold had. He diverted foreign aid, siphoned profits from the country’s highly profitable mines, and thus amassed a personal fortune estimated at US\$7 billion. Following his example, a public culture of corruption ensued, which observers labeled kleptocracy, or government by theft. Its pervasiveness once led Mobutu to admonish his brethren: “When you steal, steal cleverly,” meaning, I understand you are stealing from the state, but invest your ill-gotten gains in the country. This piece of advice was freely given though not practiced.

The threat to Zaire’s strategic importance to the West subsided following the collapse of the Soviet Union in 1991. To placate Western donors, Mobutu opened a national dialogue with the Zairian people and convened a series of hearings around the country. More than 5,000 individuals and organizations submitted written critiques, revealing to Mobutu the deep and pervasive dissatisfaction with his rule. Devastated by the criticism, he announced far-reaching reforms. He declared that a new prime minister would be named to form a transitional government. A new Constitution was drafted that in theory limited the executive power of the president. Political parties were legalized, and a popular presidential election was proposed but never took

place. Dissidents were allowed to resume political activity, and exiles were permitted to return to Zaire.

Mobutu again reneged on his promises, but he was unable to postpone reform any longer. He was driven from power by Laurent Kabila's coalition, the Alliance of Democratic Forces for the Liberation (AFDL) of Congo-Zaire. Kabila was backed militarily by Rwanda and Uganda, without whom his campaign likely would have floundered. AFDL principals included Bugera, a Rwandan Tutsi; Masasu, the son of a Tutsi mother and Shi father; and Ngoma, a Congolese and the first leader of AFDL. Mobutu fled on 16 May 1997, first to Togo and then to Morocco; he died soon after from prostate cancer, living in exile. Kabila arrived in Kinshasa on the evening of 20 May 1997 and was declared the new head of state.

Laurent Kabila's rule was short-lived. In 1998, his former allies, who saw the overthrow of Mobutu as their victory, turned on him when he refused to acquiesce to their demands. Kabila was unable, even with the military support of Southern African Development Community (SADC) member states and Chad, to repel the Rwandan- and Ugandan-backed rebel invasions and their subsequent occupation of nearly half of Congolese territory. His rejection of United Nations negotiator, former president Masire of Botswana, and his hard-line stance against a negotiated settlement according to the Lusaka peace accords (signed in 1999) isolated him internationally. With neither side able to gain the upper hand, a political and military stalemate ensued. The country fell further into economic chaos due to gross mismanagement of monetary and fiscal policy. On 16 January 2001, he was assassinated by a member of his presidential guard, who was shot and killed before he could be tried. His son, Joseph Kabila, succeeded him.

## PERSONAL BACKGROUND

Much speculation surrounds Joseph Kabila's personal life and is gleaned mostly from popular news sources. According to an official statement issued by the Congolese Supreme Court on the occasion of his inauguration, Joseph Kabila was born 4 June 1971. Joseph Kabila is the eldest of ten children of the late Laurent-Desiré Kabila; the elder Kabila was born in Ankoro, a small town on the banks of the Congo River in North Katanga. Some reports suggest that the elder Kabila adopted Joseph at a young age, while others maintain that Joseph is indeed Laurent Kabila's biological son. Official statements indicate that his mother is a member of the Bangubangu tribe of Maniema province in eastern Congo, while other reports suggest that his mother was a Tutsi possibly from Rwanda.

Joseph Kabila completed his primary and intermediate education in Tanzania where he attended Anglophone schools based on the British tradition. He is fluent in both English and Swahili, but not in Lingala, the language of the army, the capital city, and Congolese music. He is said to have studied French for approximately three years, and he underwent military training in Rwanda in 1995 while waiting to begin university studies at Makerere University in Kampala.

## RISE TO POWER

Joseph Kabila rose to head of state from virtual obscurity. In 1996, he was called by his father to join the fight to



overthrow President Mobutu Sese Seko. Laurent Kabila sent him to China for military training from which he returned in six months to participate in the offensive against Mobutu. Subsequently, he was promoted to the rank of major-general and chief of the armed forces. From this vantage point, Joseph Kabila led the campaign against Rwanda and Uganda and their proxies after their 1998 invasion.

One view of Joseph Kabila's extraordinary ascent to the presidency is that he satisfied the requirements for leadership, and as the son of the deceased head of state, was the least contentious choice to fill a dangerous power vacuum. Another view is that he was involved in the assassination plot, and that the assassination was calculated to spare the country from a free fall. In any case, the presidents of Angola, Zimbabwe, and Namibia met in Luanda three days after the event and agreed to increase troop levels in DROC while supporting Joseph Kabila. He was confirmed unanimously by his father's appointed Parliament to be the new head of state on 27 January 2001. In mid-January 2003 the trials of the accused for the assassination of Laurent Kabila were concluded, and despite questionable evidence, 29 people were found guilty and condemned to death.

## LEADERSHIP

One basic measure of Joseph Kabila's leadership is his survival as head of state two years after the assassination of his father. Kabila inherited a bankrupt treasury, a failed economy, and a partitioned state. Given his youth and inexperience, few observers thought he would be able to orchestrate the power-sharing agreement signed in Pretoria on 17 December 2002 between his government, the Mouvement pour la Libération du Congo (MLC), the

Rassemblement Congolais pour la Démocratie (RCD-Goma), the unarmed opposition, and civil society. Notably, the agreement permits Kabila to remain president of the DROC until elections are held, a condition on which he insisted throughout the Inter-Congolese Dialog (ICD) talks. With national elections due two years after the political transition begins, Kabila might serve four unelected years before being eligible to run for an undetermined number of elected terms.

Another indicator of Kabila's leadership is the way he has won the public relations battle in the court of world opinion. By taking tough-minded decisions to reform his government, Kabila has improved his image abroad, and obtained international support for peace and national reconstruction. At a consultative meeting in Paris in December 2002, donors pledged us\$2.5 billion to rebuild the country, and in March 2003, the UN authorized an increase in the existing force of foreign troops to 8,700 to safeguard the interim government. Analysts predicted that a transition government could be in place by April 2003.

Kabila has yet to regain undisputed control over rebel-held territory in the north and east, and he also must curb human rights abuses inflicted by the MLC against Pygmies in the Ituri Forest. However, he has shown himself tough-minded in his commitment to various reforms as evidenced by his suspension of government officials named in a UN report on illegal resource plundering in DROC. He could also boost international confidence in his government if he commutes the death sentences rendered in the assassination trial verdicts. His leadership will continue to be tested as the cumbersome transition begins.

### DOMESTIC POLICY

Politically, Joseph Kabila's main challenges have been to hold the country together and to reestablish a sense of predictability and confidence in the economy. He therefore has had to focus his attention on the country's civil war and on negotiating a ceasefire and settlement acceptable to the rebels, warlords, and elite resource entrepreneurs. Kabila's crowning success is the December agreement, which calls for him to head a unity government with 35 cabinet positions, along with four vice presidents representing the government, the unarmed opposition, the MLC, and the RCD. The agreement also establishes a transition Parliament, made up of a 500-member National Assembly and a 120-member Senate with deputies appointed by their respective parties. Other transition bodies include an electoral commission, a media-regulator, a truth and reconciliation commission, a national human rights watchdog, and an anticorruption commission.

In the economic sphere, Kabila's administration has conformed to International Monetary Fund (IMF) monetary and fiscal discipline, which has brought the budget in line with the Poverty Reduction Strategy Paper (PRSP). Accordingly, the IMF approved a three-year poverty reduction and growth facility (PRGF) in June 2002, which was the first formal assistance to the DROC from the IMF in over a decade. The World Bank also assisted the government in infrastructure, poverty reduction, and business environment and tax reforms. These were the most significant stabilization policies in the DROC's 42-year history.

On the negative side, while diamond mining expanded, little progress was made to restructure the state copper and

cobalt company, Gecamines. Further, the Minister of Finance, Matungulu Nguayamu, resigned in February 2003 when Parliament refused to approve his annual budget. Nguayamu, a former IMF employee, had been one of the administration's brightest lights. Nevertheless, real GDP growth was expected to improve from 3.5% in 2002 to 5.5% in 2003 and 6.5% in 2004. Inflation was expected to remain low, and an upsurge in exports was predicted.

Given threats to state integrity, Kabila's domestic policy will stay focused on issues of national security. The Rwandan-backed RCD and the Mai-Mai militias, both of whom have been guaranteed cabinet representation in the transition, are still fighting in the Kivu provinces. Moreover, ethnic and political conflicts in the northeast will be hard to resolve, particularly because of small arms trafficking. Under Kabila's direction, the transition government will have to elaborate a new Constitution, form a new national army, and ensure the security of transition government delegates in Kinshasa.

### FOREIGN POLICY

Foreign and domestic policies converge in the sense that President Kabila's objectives have aimed for a negotiated settlement to DROC's civil war and the withdrawal of foreign troops from Congolese soil. He has succeeded in part by concluding peace deals with Rwanda (in August 2002) and Uganda (in September 2002, and again in March 2003). Although the December 2002 agreement would not have been concluded without the diplomatic prowess of UN mediator, Moustapha Niasse, Kabila deserves much credit for staying committed to these negotiations. By April 2003, most but not all, foreign troops had withdrawn, and Kabila had extracted commitments from his neighbors to respect pre-1997 Congolese borders.

Kabila's allies are still involved in resource extraction, but the number of Zimbabwean troops has been reduced, as has the influence of the Mugabe government over the DROC. The ceasefire in the Angolan civil war since April 2002 has ended the Congo's strategic role as a UNITA refuge, but Angolans are likely to remain in the country to suppress rebel activity in the oil-rich Cabinda enclave between the DROC and the Republic of the Congo. It remains to be seen what Kabila's position will be vis-à-vis Francois Bozize, leader of the military coup in the Central African Republic. The African Union (AU) condemned the March 2003 coup and called for the reinstatement of former President Ange-Félix Patasse.

Relations with Rwanda remain tense and are likely to be so until the threat against Rwandan security by the Interahamwe and other rebels is diffused, and until the Rwandan government abandons its aggressive policies in the Kivu provinces. Relations with Uganda appeared to be improving in mid-March 2003 with the conclusion of a peace deal between Kabila and the Ugandan president, Yoweri Museveni, involving the demobilization and disarming of the Hema and Lendu tribes in the Bunia region and an arrangement between the two governments that would swap sharing of the proceeds from natural resources in return for Ugandan recognition of the territorial integrity of the Congo.

In part, the approval by Western governments of President Kabila's foreign and domestic policies is based on Kabila's

cooperation with UN observer teams, and his willingness to implement the power-sharing arrangement specified in the transition. In January 2003 the UN Security Council voted to renew the mandate of the UN panel on illegal resource exploitation for six months. The report, which named Uganda, Rwanda, and Zimbabwe as principal violators, has garnered world opinion in favor of accelerating the disengagement of foreign countries from the Congo.

#### ADDRESS

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Kinshasa  
Democratic Republic of Congo

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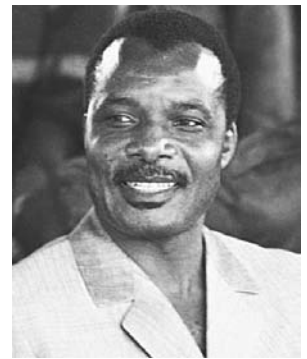
**Profile researched and written by Robert J. Groelsema (4/02); revised (4/03).**

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# CONGO, REPUBLIC OF THE

Denis Sassou-Nguesso  
President

(pronounced "DEN-ee SAH-soo en-GESS-oo")



*"We must respond to the call of history. In this country with a multitude of political groups, we must organize so that people see in us the fulfillment of their legitimate aspirations."*

The Republic of the Congo lies in Western Africa, bordering the South Atlantic Ocean and Gabon to the west, Cameroon and Central African Republic to the north; the Democratic Republic of the Congo (formerly Zaire) lies across the Congo River to the country's east and south. The capital is Brazzaville, and the country is sometimes referred to as Congo-Brazzaville (to distinguish it from its neighbor, Democratic Republic of Congo, known as Congo-Kinshasa). The national territory encompasses 342,000 sq km (132,047 sq mi), which spans the equator.

The country's population was estimated at 2,958,448 in 2002. Ethnic groups are the Kongo (about 48% of the total population); Sangha (20%), M'Bochi (12%, mostly in the north); and Teke (17%, in the central area of the country). There were fewer than 10,000 Europeans (primarily French) in the country prior to political unrest in 1997, and many of these were evacuated. French is the official language, but African languages—especially Lingala, Monokutuba, and local dialects (such as Kikongo)—are spoken by many Congolese. About half of the people in the Republic of the Congo are Christians and almost as many (48%) practice animist religion. There is also a small (2%) Muslim population.

The Congolese economy, or what remains of it after the political turmoil in 1994 and 1997, consists primarily of two distinct sectors: village agriculture and handicrafts. Forestry, once the driving force of the Republic of the Congo's economy, has been surpassed by oil, which contributes significantly to both government revenues and exports. Other exports include lumber, plywood, sugar, cocoa, coffee, and diamonds. The Republic of the Congo imports capital equipment, petroleum products, and construction materials. The currency is the *Communauté Financière franc (CFA Fr)*, also called the Central African *franc*.

## POLITICAL BACKGROUND

Part of the French colonial system dating back to the nineteenth century, the territory known as the Republic of the Congo became autonomous within the French Community in 1958. Full independence followed on 15 August 1960, and the country held its first presidential elections in 1961. Long-standing ethnic tensions led to the eventual resignation of President Abbé Fulbert Youlou. The Mouvement National de la Révolution (MNR), a Marxist-Leninist party, was established in 1964 as the sole political party in the country. Conflict between the MNR and the army led to a military

coup in 1968, headed by Captain Marien Ngouabi, who had emerged as the principal player in Congolese politics. December 1969 saw the replacement of the MNR with a new Marxist-Leninist party, the Parti Congolais du Travail (PCT, Congolese Worker's Party). Ngouabi remained in power, despite increasing ethnic and political tensions, until his assassination in 1977. The new government was unable to control the military governing committee and the left wing of the powerful PCT and was forced to relinquish power to a provisional committee. In March 1979, the president of that committee, Colonel Denis Sassou-Nguesso, was appointed president of the Republic of the Congo.

## PERSONAL BACKGROUND

Denis Sassou-Nguesso was born in 1943 in the town of Edou in the Republic of the Congo's northern district of Owando. After graduating from the local primary schools, he attended secondary school in the city of Loubomo. Sassou-Nguesso obtained a degree from a teacher's college and taught school briefly, during which time he became involved with a radical youth movement that played a critical part in the nation's independence and subsequent politics. He left teaching to join the army and trained as an officer in Algeria and France. Sassou-Nguesso was commissioned a second lieutenant in 1962 and was appointed commander of the autonomous military zone of Brazzaville. In the army, the young officer excelled and, over time, received increasingly important assignments and promotions. By the early 1970s, he had attained the rank of colonel. Sassou-Nguesso is married to Marie-Antoinette, the daughter of Omar Bongo, president of Gabon. The couple has a number of children.

## RISE TO POWER

In addition to his military duties, Sassou-Nguesso became increasingly active in politics. He came to be considered a protégé of President Marien Ngouabi, who ruled from 1968 until 1977. President Ngouabi appointed Sassou-Nguesso to the position of minister of defense in 1975. Soon afterwards, Sassou-Nguesso was named to a special revolutionary staff. In 1977, he became vice president of the PCT military committee. In that same year, President Ngouabi was assassinated and succeeded by Sassou-Nguesso's rival, Joachim Yhombi-Opango, a former chief of staff. Yhombi-Opango was more sympathetic toward the West than the former Marxist regime. Economic problems, and Yhombi-Opango's attempts to resolve them, brought him into conflict with the



left wing of the PCT. In February 1979, he was forced to relinquish power to a provisional committee appointed by the PCT. As president of that committee, Sassou-Nguesso was appointed president of the Republic the following month.

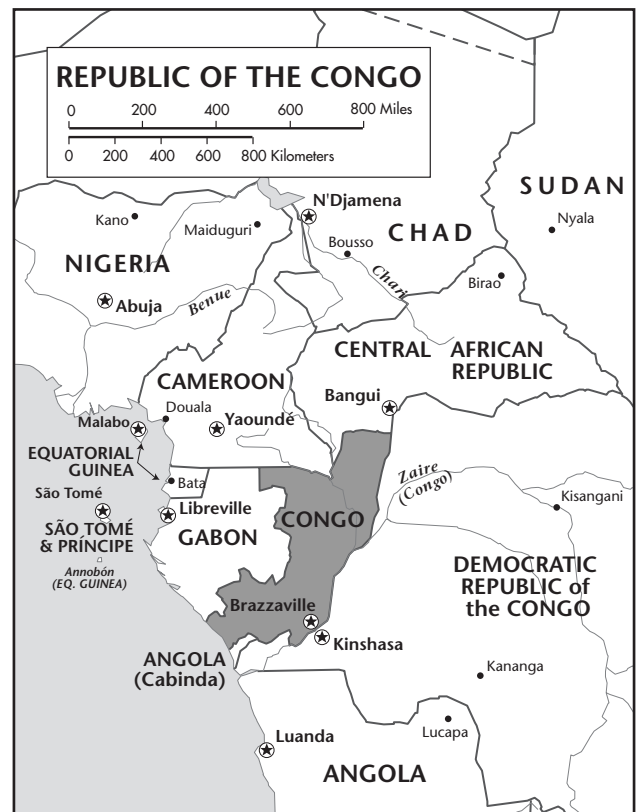
### LEADERSHIP

Sassou-Nguesso immediately undertook to temper the course charted by previous governments. Elections for a national people's assembly were held in July 1979, and a new socialist Constitution was approved. Sassou-Nguesso promised that exiles opposed to the regime could return to the country without fear of repression. He adopted an increasingly pro-Western foreign policy and a liberal economic policy. In 1984, Sassou-Nguesso was reelected, both to the chairmanship of the PCT's central committee and to the presidency for another five-year term. Despite continued ethnic tensions and a floundering economy, Sassou-Nguesso was reelected in 1989.

The legislative elections held in September 1989 were historic. The list of candidates that was presented to the voters included, for the first time, candidates that were not members of the PCT. This was the first of many changes to come, no doubt precipitated by the dramatic changes occurring in Eastern Europe and the USSR. Two months later, Sassou-Nguesso announced a series of reforms intended to liberalize the economy, to reduce the role of the state, and to foster private enterprise.

Increased political pressure forced the Sassou-Nguesso government to abandon its Marxist-Leninist orientation. Trade union activity served to hasten the movement toward a multiparty system, and the PCT announced that political parties would be permitted to register, that a transitional government would take power in early 1991, and that a national conference would take place to decide the nation's future. In 1992 general elections, the Union Panafricaine pour la Démocratie Social (UPADS, Panafrikan Union for Social Democracy) won a majority in both houses of the Parliament. Pascal Lissouba, a former prime minister and head of UPADS, succeeded in winning the presidency with 36% and 61% of the votes in successive rounds of a two-round election.

Conflict within the government quickly ensued. UPADS and the PCT attempted to form a coalition government, but the PCT left the alliance after being denied ministerial posts it had been promised. The PCT immediately allied itself with the Union Pour le Renouveau Démocratique (URD, Union for Democratic Renewal). The PCT-URD pact created a new majority in Parliament and demanded the right to form a new government. When they were unable to win an outright majority in the National Assembly, the PCT-URD leadership formed a rival cabinet and encouraged a campaign of civil disobedience, which turned violent as militias loyal to Sassou-Nguesso clashed with government security forces. Despite repeated attempts to disarm the militias, violence continued to escalate from 1993 through 1997. Combatants were divided primarily along ethnic and political lines, both among the militias and within the nation's armed forces. Brazzaville itself was partitioned into three zones, each one controlled by supporters of one of the three principal political factions: districts in the north were held by Sassou-Nguesso's supporters; those in the south were controlled by Lissouba's; and the Bacongo suburb was held by Bernard Kolelas,



chairman of the PCT-URD coalition. For four months in 1997, Brazzaville became a war zone as these factions fought for control of the city. Most of the residents fled, and the fighting reduced the capital to a ghost town. Finally, on 15 October 1997, President Lissouba was forced to leave the country and Sassou-Nguesso declared himself to be the victor and new leader.

After being inaugurated on 25 October, Sassou-Nguesso lost no time in naming a new government, relying heavily on old allies from his previous administrations. He declared a willingness to work with anyone who severed ties to the former president. In January 1998, he established a 75-member transitional assembly. By late 1998, however, a rebellion against Sassou-Nguesso's government forces by armed opposition loyal to Lissouba and Kolelas disrupted hopes for smooth transition to democracy. This new violence caused great destruction, loss of life, and displaced hundreds of thousands of persons. However, in November and December 1999, the government signed agreements with representatives of many, though not all, of the rebel groups. The December accord, mediated by Sassou-Nguesso's father-in-law, President Omar Bongo of Gabon, called for inclusive political negotiations between the government and the opposition that would lead to a new Constitution and new elections.

It was only in response to international pressure that Sassou-Nguesso began the process of constitutional reform. The amended Constitution, finally presented and accepted by the government in January 2002, called for a restructuring of government with an elected president limited to two seven-year terms and a bicameral assembly consisting of a House of

Representatives and a Senate. The amendments further specified that a candidate for president must be Congolese by birth, be within the ages of 45 to 75 on the date they register their candidacy, and must have resided continuously in the Republic for 24 months before the elections. This latter requirement essentially disqualified the candidacy of both Lissouba and Kolelas for the 2002 election. Both had been living in exile for the previous four years, having been found guilty in absentia of crimes allegedly committed during the 1997 civil war.

As a result, the only major opponent to Sassou-Nguesso in the March 2002 election was former prime minister Andre Milongo. Milongo, however, withdrew from the race after the first round of voting, citing polling irregularities and urging supporters to boycott the remaining elections. European Union (EU) observers affirmed many of the allegations. Nevertheless, Sassou-Nguesso won with nearly 90% of the vote, the first time he was ever elected to the office he had seized twice. In April 2002, the Supreme Court confirmed the election results, reporting that Sassou-Nguesso received 1,075,247 votes (over 89%) of the 1,295,319 total votes cast. Milongo announced that he would lead a newly formed coalition, *Convention pour la democratie et le salut* (Convention for Democracy and Security), which would enter candidates in the legislative elections.

Sassou-Nguesso's new term did not begin peacefully. Despite a ceasefire that had been signed in December 1999, Ninja rebels set off antigovernment violence two weeks after Sassou-Nguesso's reelection. The violence escalated through the year, inspiring Sassou-Nguesso twice—August and November—to issue calls for the rebels to surrender. (Following his August plea, 250 fighters surrendered, but with seemingly little effect on the violence.) An estimated 50,000 people had been displaced because of violent fighting.

### DOMESTIC POLICY

Sassou-Nguesso has vowed that his highest priorities are to implement economic reform, reduce poverty, and tackle unemployment. Such attention to the economy is absolutely necessary for a nation that has been crippled by nearly a decade of civil war. More than 80% of the population was urban-based prior to the fighting in 1997; as former residents trickle back from neighboring Gabon, Cameroon, and Angola (where they fled during the fighting), they have been faced with rebuilding homes destroyed in the war and to living without the most basic of services. The economic infrastructure, from roads to sanitation and beyond, has been devastated. Since 2000, the government has been working on a program of economic and structural reforms with the support of the International Monetary Fund (IMF) and the World Bank. The IMF, however, has been disappointed in the slow progress made on many projects. They have demanded a greater degree of openness and accountability from authorities in charge of the petroleum industry, tighter controls over the treasury, and a push for greater progress in the privatization of the railways, water, and electricity sectors. In June 2002, the IMF warned Nguesso to keep his election pledges of openness and reform.

Oil production, the country's economic mainstay, will continue to be instrumental in rebuilding the nation, but oil revenues are subject to the vagaries of the world commodities

market and can fluctuate widely with demand. Further complicating the situation is the fact that oil production is centered in the south, Lissouba's stronghold. From exile, Lissouba and Kolelas have both issued statements refusing to accept Sassou-Nguesso's election. The instability in the region due to the lingering civil war could lead to the government losing control of its most significant source of revenue. Thus, Sassou-Nguesso's economic agenda will be driven at least in part by his need to maintain political peace with opposition parties.

### FOREIGN POLICY

Recent hostilities in the Republic of the Congo highlighted the role that international actors have come to play in sub-Saharan Africa. Sassou-Nguesso's military campaign was largely financed by France. Lissouba had broken the French monopoly on oil extraction, awarding some concessions to U.S. companies. The French, in supporting Sassou-Nguesso, clearly hope that he will reinstate that monopoly.

Relations with the United States are likely to remain unchanged. The country is not, in itself, of political significance to U.S. strategic interests, but it is important to U.S. oil companies. The U.S. government tends rather to view the Republic of the Congo as part of a regional sphere, in which Angola takes priority.

Relations with its African neighbors are, for the most part, cordial. The Republic of the Congo played an important role in brokering the Cuban withdrawal from Angola and the move towards Namibian independence from South Africa. Angolan troops also played a significant role in Sassou-Nguesso's victory, largely a reaction to Lissouba's support for the National Union for the Total Independence of Angola (UNITA), a rebel movement that fought the Angolan government for two decades. In December 2002, the Angolan troops began to pull out of Republic of the Congo, ending their five-year presence. A long-standing border dispute with the Democratic Republic of the Congo (formerly Zaire) remained unresolved in early 2003.

Despite the disappointment of EU officials concerning the shortcomings of the Republic's 2002 elections, the EU has recognized that the democratic process is still in its infancy in the Republic of the Congo. The EU will continue to support and encourage efforts that allow the Congolese a more active role in their own government and negotiations for peace.

In September 2002, Sassou-Nguesso met with Libya's president Mu'ammarr al Qadhafi to discuss ways the two nations could work together to foster trade, settle violent civil conflicts on the African continent, and improve the profile of the African Union (known until July 2001 as the Organization of African Unity). Sassou-Nguesso also sought increased Libyan investment in the Republic of Congo.

The Republic of Congo is a member of the United Nations, African Union, African Development Bank, World Trade Organization (WTO), Economic Commission for Central African States, Central African Customs and Economic Union, International Coffee Organization, Union of Central African States, International Telecommunications Satellite Organization (INTELSAT), International Criminal Police Organization (INTERPOL), Nonaligned Movement, and Group of 77.

**ADDRESS**

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**Profile researched and written by Alison Doherty Munro (3/98); updated 4/02 and 3/03).**

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# COSTA RICA

Abel Pacheco de la Espreilla  
President

(pronounced “AY-bell pah-CHAY-koh duh lah ess-PREE-yah”)



*“We will compete without destroying nature because, beyond the events of the moment, our rich biodiversity will always be a great wealth and we will preserve it.”*

The Republic of Costa Rica is bounded on the north by Nicaragua and on the southeast by Panama, with coastlines on the Pacific Ocean and the Caribbean Sea. The total area is 50,560 sq km (19,560 sq mi). One-fifth of the land lies less than 122 m (400 ft) above sea level. The rest is highlands and volcanic chains.

The population was estimated at 3.8 million in 2002, growing at a rate of 1.61% annually. The population is 94% white and mestizo (mixed Spanish and Amerindian descent), with the remaining 6% being black, Amerindian, and Chinese. While Spanish is the official language, English is also spoken in some areas. About 76% of the population is Roman Catholic, the remainder being predominantly Protestant. There are small but active Jewish and Buddhist communities as well. The infant mortality rate was estimated at 10.87 deaths per 1,000 live births in 2002; that year life expectancy was 76 years. A high literacy rate (over 95%) and good access to basic health care and education make Costa Rica the most developed country in Central America.

The per capita gross domestic product (GDP) was estimated at us\$8,500 in 2001. Average annual growth was fluctuating between 3–5% in 1998–2000, but had slowed to just 0.3% in 2001. Unemployment rose to just over 6% in 2001, with much underemployment also reported. While the country exported about us\$5 billion in 2001, it imported more than us\$6.5 billion that same year. The unit of currency is the *colón*, named for Christopher Columbus.

The late 1990s were difficult for the Costa Rican economy. The international price of coffee and bananas, the country's main exports, remained low. The exploitation of rainforests was slowed to protect the environment, causing unemployment in the export sector and a trade balance deficit.

By the early years of the twenty-first century, tourism was expanding, with ecotourism becoming one of the fastest growing industries. Another segment of the economy that was on the rise was the *maquilas*, or finishing plants, attracted to the region by low labor costs. Critics view the expansion of the unregulated *maquilas* negatively, referring to these assembly plants as “sweat shops.” However, Costa Rica has more environmental protection laws and labor regulations than any other Central American or Caribbean countries. In addition, high literacy levels and a productive workforce has enabled Costa Rica to attract industries employing more highly skilled (and more highly paid) workers than its neighbors. The economy, after an upturn in

1999 in part due to the austerity measures implemented in then-president Miguel Angel Rodríguez's first year in office, had begun to stall by 2000, and was sputtering by the time of the 2002 presidential elections. The government withdrew subsidies for banana and coffee farmers, and the state-run telecommunications business was bogged down, with over 100,000 people waiting for mobile phone service. However, when Rodríguez floated the idea of allowing private enterprise to compete with the state telecommunications agency, protesters flooded the streets.

## POLITICAL BACKGROUND

In the pre-Columbian period the region was inhabited by several small and independent indigenous tribes. Christopher Columbus reached Costa Rica in 1502, at Puerto Limón on the Caribbean coast. Permanent European settlement was not consolidated until 60 years later when the indigenous tribes were suppressed. For the next 300 years Costa Rica remained a Spanish colony, but never played a significant role in the regional economy. Coffee and bananas were the principal cash crops. Most of the native Amerindian population did not survive, and the colony was too poor to import many African slaves. Spaniards were not attracted to the region because it lacked mineral deposits. In fact, when other areas of Central America were reorganized as *intendencias* of the Spanish Crown in the eighteenth century, Costa Rica remained under the control of Nicaragua.

The entire Central American region declared independence from Spain in 1821. However, the failure of this unified effort led Costa Rica to become an independent nation in 1838. A coffee-based economy helped development in the late nineteenth century. The construction of a railroad between Cartago and Puerto Limón encouraged the development of a banana-based economy in lands that were previously inaccessible.

In 1890, Costa Rica celebrated the first truly democratic elections in Central America. There has been a tradition of strong democratic institutions ever since. Religious tolerance was guaranteed and public education made mandatory. The growth of a national business sector and labor unions in the Caribbean region led to the development of progressive, socialist, and communist parties.

Economic ties with Germany and Italy affected Costa Rica negatively during World War II (1939–45), paving the road to power for a progressive alliance of liberals, communists, and Roman Catholics. Following the international trend of

strategic alliances to defeat Germany, Costa Rica's president, Rafael Angel Calderón, forged an antifascist alliance that governed until 1949. However, the landed coffee-producing elite opposed Calderón and a brief civil war followed. The antigovernment forces, led by José Figueres Ferrer, were successful and a revolutionary junta took power. A 1949 constitution, set up by the victorious junta, abolished the army and established the present governmental system.

The president is elected to a four-year term and cannot be reelected for consecutive terms. The president, two vice presidents, the 57 members of the unicameral Asamblea Legislativa (Legislative Assembly), and 87 municipal authorities are all elected on the same day every four years, by universal adult suffrage. Costa Ricans are proud of their democratic traditions. The president becomes somewhat of a "lame duck" on the day of his election because the president cannot run for a second term; he depends on his cabinet to initiate legislation. Weak party discipline often means that majorities in the Legislative Assembly are hard to create and precarious. All budgetary matters must be passed by the legislature, which also appoints judges to the Supreme Court for eight-year terms. There are many autonomous governmental institutions that can ignore presidential authority. The result is that the Costa Rican presidency is a weak office compared to many in Latin America.

The major political party is the Partido de Liberación Nacional (PLN—National Liberation Party), which is descended from the groups which won the 1948 civil war. José "Pepe" Figueres founded the party, won the presidency three times, and is still revered. The party has traditionally promoted a strong welfare state, a leading economic role for the central government, and a managed economy. The size of the government has always increased under PLN administrations. However, pressure from the International Monetary Fund (IMF) has forced the PLN to adopt more free market features and to reduce the size of government.

The second major party, the Partido Unidad Social Cristiano (PUSC—Social Christian Unity Party), is descended from the defeated government coalitions of 1948, and from the followers of Rafael Calderón Guardia. The various anti-PLN groups formed a unity coalition, and created the PUSC in 1984. The party favors a free enterprise, market approach to economics, and a much-reduced bureaucracy and national budget. In the past, the PUSC has benefited from anti-PLN sentiment. In recent years political commentators have noted large areas of informal political agreement in national policies and priorities between these two leading parties.

Leading up to elections in 2002, the polls showed that the two parties were in a dead heat. Abel Pacheco from the Costa Rican ruling PUSC won 38.5% of the vote in the first round of balloting in February 2002, PLN candidate Rolando Araya, a chemical engineer, garnered 30.9%, and Partido Accion Ciudadana (PAC—Citizen Action Party) candidate Otton Solís, 26%. An estimated 30% of voters abstained from casting ballots in the first round. Pacheco prevailed in the second round held in April, the first time in the country's history that a runoff election was required.

## PERSONAL BACKGROUND

Abel Pacheco de la Espreilla was born 22 December 1933 in the port city of Limón. He received his early education in



local schools, later studying medicine in Mexico and psychiatry in New Orleans, Louisiana, and in Europe. In addition to his psychiatry practice, in the 1980s he hosted the television programs "Yesterday and Today in History" and "Legend and Tradition," for which he won a Latin American television award. As a published author, he won a national literature award for his book *Underneath the Skin*; he also published *Gentes sin ancla* (People without Anchor) in 1994.

He is married to Leila Rodrigues Corrales; the couple has three daughters (Yolanda, Elsa Martha, and Valeria) and three sons (Abel, Sergio, and Fabian).

## RISE TO POWER

Abel Pacheco, active in PUSC party politics, was still something of an outsider in his run for the presidential nomination. Trained as a psychiatrist and well known to the Costa Rican people as a television host, the PUSC leadership opposed his candidacy in the 2002 election. His platform, based on a plan to streamline the Costa Rican economy and increase government spending for social programs, was regarded as a challenging one to implement. He points to The Netherlands as the model to use in crafting an efficient economy and superior social services for Costa Rica.

Pacheco took the oath of office 8 May 2002, choosing to hold his modest inauguration ceremony in the 1,000-seat Melico Salazar Theater in the capital, San José, rather than at the customary site for such swearing-ins, the 40,000-seat National Stadium in La Sabana. The government pledged the related cost savings (estimated at us\$150,000) for housing for poor single mothers. (A small but dark cloud over the inauguration was the fact that his opponent, Rolanda Araya, had been hospitalized on election night after Pacheco

supporters, scuffling with Araya's sons, beat Araya himself on the head with sticks when he tried to break up the disturbance.)

### LEADERSHIP

Abel Pacheco's PUSC won just 19 of the 57 seats in the legislature, while the PLN won 17. The surprisingly strong showing of the third-party PAC, which won 14 seats, guaranteed a term characterized by negotiations and compromise.

Pacheco's predecessor, Miguel Angel Rodríguez, was criticized for allegedly using public funds to help run his meat and milk businesses and for having ties to the controversial Mexican politician, Carlos Hank. Pacheco is generally well-respected and the public hopes he will be successful in working with the other parties in fostering progress for the nation.

Because neither the president nor legislative representatives can run for more than one term, many office holders feel little accountability. Some observers of Costa Rican politics feel that constitutional reform to allow reelection would foster a more productive political environment.

### DOMESTIC POLICY

During the campaign, Pacheco promised to seek new foreign markets for Costa Rican coffee by promoting the environmentally sound cultivation methods used by Costa Rican growers. Like both his PLN opponent and his predecessor, Pacheco was committed to working toward privatization of the country's telecommunications and electric utility industries. But Pacheco will have to find a way to sell the idea to Costa Ricans; when his predecessor, President Rodríguez, broached the subject of privatization, massive protests forced Rodríguez to back away from the subject. In his inauguration speech, Pacheco set the goal of 6% annual growth in GDP, and promised to improve education, health care, national and citizen security, and environmental protection. Reflecting his background as a psychiatrist, he emphasized the need for a national plan for mental health. Pacheco may be forced to opt for tax reform and even the introduction of a value-added tax (VAT) to pare down the budget deficit.

In January 2003, Pacheco's government announced a large public works project designed to improve transport links between the nation's major tourist and commercial centers. The Naranja-Florencia de San Carlos roadway will cost us\$66 million, and is being partially funded by loans from the Taiwanese government. A Taiwanese construction company will also be doing the construction on the project.

A topic that demands immediate attention from Pacheco is unemployment, which rose to about 6.1% in 2001. Pacheco pledged to make alleviation of poverty his top priority, outlining a seven-point program to create jobs, improve education, and redistribute wealth. He asserted that, if spent wisely, the us\$500 million in the federal budget earmarked to alleviate poverty would be adequate.

In addition, observers predicted that the Pacheco administration would toughen environmental laws. One of his early pledges was to "declare peace with nature" in Costa Rica. His government proposed the elimination of financial incentives for logging in the pristine rainforests of Costa Rica; while Pacheco does not oppose all logging, he feels the industry must be carefully managed to preserve the rainforest

environment for future generations. Another industry that is often viewed with suspicion when it comes to the environment is oil exploration. In March 2002, the previous administration rejected plans by a U.S.-based oil company to drill for oil in the Caribbean Sea off the coast of Costa Rica, citing the company's weak environmental impact study. Pacheco, in his inaugural address, announced that Costa Rica will be free of oil exploration and exploitation and open-pit mining. He also declared "absolute protection for primary forests so that not a single tree there is cut."

### FOREIGN POLICY

Pacheco was expected to continue to foster trade relations with the other nations of Latin American, particularly Mexico and Chile. Costa Rica will most likely continue to act independently of the United States, but will remain an ally on major international issues. As an active member of the Organization of American States (OAS), the Pacheco government could play a major role in helping soften political and economic relations between Cuba and the United States, which moved into the spotlight in 2002 when former U.S. president Jimmy Carter visited Cuba. Shortly after, U.S. president George W. Bush addressed Cuban Americans, promising that there would be no change in the U.S. position toward Cuba as long as Fidel Castro maintained dictatorial power in that country.

Costa Rica played an important role in peace negotiations that ended the Central American wars of the 1980s. Costa Rica is positioned to lead the process of regional economic integration. Pacheco's first international trips were to the United States, neighboring Central American states, and the Summit of the Americas held in Santiago, Chile.

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Profile researched and written by Susan Gall (5/2002; updated 2/2003); sections contributed by Patricio Navia, New York University (4/2000).

# CÔTE D'IVOIRE

## Laurent Gbagbo President

(pronounced "low-RAHN BAH-bow")



*"We continue to dream of a day where the whole Ivorian society will reconcile with itself."*

The République de Côte d'Ivoire (Republic of Ivory Coast) is located in West Africa with a 507 km (315 mi) Gulf of Guinea coastline as its southern border and Liberia and Guinea to the west and northwest, Mali and Burkina Faso to the north and northeast and Ghana to the west. Its area is 322,463 sq km (124,503 sq mi). Three vegetation zones define Côte d'Ivoire: a narrow coastal/lagoon region, a central forest belt covering approximately one-third of the country, and a grassy woodland northern region. There are four major rivers draining north-south into the Gulf of Guinea: the Comoe, the Bandama, the Sassandra, and the Cavally (moving from east to west). They are only navigable a short distance from the coast due to rapids created by the primarily southward-sloping plateau nature of the Ivoirian topography.

Côte d'Ivoire's population is approximately 16.8 million. Average life expectancy at birth has dropped to 45 years (2002), and will be affected by the HIV/AIDS adult prevalence rate, which was 10.76% in 1999. The population growth rate, once one of the highest in the world at 3.8%, decreased by 2002 to 2.45%. The population is not evenly distributed; the northeast and southwest have very low population densities.

Over 60 ethnic groups, each with its own language has made the country highly pluralistic. The major ethnic/language groupings are the Akan, Voltaiques or Gur, Northern Mande, Kru (Krous), and Southern Mande. The official language of the country is French. Approximately one-third of the population is foreign, with a 6% annual rate of immigration. Côte d'Ivoire has one of the largest French communities in Africa, numbering approximately 30,000 in 1999. There is also a substantial Lebanese population (estimated variously between 100,00 to 300,000) living mostly in the urban areas of the country. About 20–30% of the population identifies itself as Christian, 35–40% as Muslim, and 25–40% as practitioners of indigenous religions (mostly animist). The literacy rate was 48.5% in 2001.

Yamoussoukro is the official political capital of the country, but the economic capital and most of the government offices remain in the former capital of Abidjan, which has experienced rapid population growth at 3.3 million (2002 estimate). The Ivoirian unit of currency is the *Communauté Financière Africaine franc* (CFA franc). The per capita gross national product (GNP) was us\$1,550 (2001). Cocoa, coffee, cotton, bananas, palm oil and kernels, pineapple, and rubber dominate exports and more than half

of the country's export revenues came from coffee and cocoa products in 2000. Timber exports have fallen greatly due to over-harvesting. Cotton production has increased and the country is now third in cotton production for African countries. Expanding rubber production is another healthy sign in the diversification of the Ivoirian economy. In food crops, Côte d'Ivoire is self-sufficient in cassava, yams, plantains, and maize. It produces 40% of the meat that its population consumes.

## POLITICAL BACKGROUND

Colonized by the French and part of the French West African Federation, Côte d'Ivoire received its independence in 1960 under Félix Houphouët-Boigny. Houphouët-Boigny was a member of the French National Assembly and minister in the French government before his country's independence, and he continued to maintain very close ties with France throughout his 33-year presidency. When Houphouët-Boigny died on 7 December 1993, he was succeeded by Henri Konan Bedié, the president of the National Assembly, in accordance with the succession rules outlined in Article 11 of the nation's Constitution. He remained in power until 24 December 1999, when a military coup took place. The spark igniting the coup appears to have been the government's withholding of all wages earned by the nation's soldiers when they served as United Nations (UN) peacekeepers in the Central African Republic. The mutinying army placed General Robert Gueï in power, thus making him the de facto president. Gueï stated that he wanted to restore the country to democratic rule and hold general elections within the year. He also stated his desire to restore the dignity of the military, eroded by poor salaries and inadequate equipment, and to free the political prisoners, members of the opposition Rassemblement des Républicains (RDR—Rally of the Republicans) party who were jailed for damages caused during their political rallies. While the United States, Canada, and other nations were quick to condemn the coup, many citizens of Côte d'Ivoire reportedly welcomed it as an improvement to the authoritarianism and corruption of the Bedié regime.

Until the December 1999 coup, Côte d'Ivoire had a constitutional democracy, with a Constitution that had been amended several times. Upon claiming power, Gueï formed the Conseil National de Salut Public (CNSP—National Committee of Public Salvation) with nine senior military officers as members and himself as head. CNSP's stated goals were to create the conditions necessary for democracy and to





organize free elections. Gueï also created a transition government from members of the major opposition parties, and assigned it the task of rewriting the Constitution.

A referendum on the new draft Constitution was held on 23 July 2000 with voting having to be carried over to the following day. The turnout was estimated at 56%, and officially, 86.5% of the voters approved the new Constitution. Surprisingly, all parties—even Alassane Ouattara's RDR—supported the referendum despite the controversial “nationality” article, which barred anyone—including Ouattara—from being president unless their claim to Ivoirian citizenship could be proven.

Presidential elections were scheduled for mid-September 2000 then postponed until 22 October because of litigation and uncertainty surrounding the eligibility of Ouattara and Bedié, both of whom announced their intentions to run, and because of Gueï's decision to reverse his declaration not to stand for elections. In mid-September, mutineers intent on overthrowing Gueï were repelled, and the Supreme Court upheld a ban on Ouattara and Bedié, leaving Gueï and Gbagbo the two main contenders. With preliminary results showing Gbagbo leading, Gueï suspended the electoral commission and declared himself the winner. Gbagbo supporters took to the streets in a display of people's power, and rather than risk a blood bath, the army and gendarmerie (armed police force) withdrew their support of Gueï, who fled. The counting resumed with Gbagbo declaring victory with 59.4% of the votes to Gueï's 32.7%. Gbagbo's swearing in, however, was marred by violent demonstrations and street fighting between Front Populaire Ivoirien (FPI—Ivoirian Popular Front) and Ouattara supporters, the latter believing their candidate was barred unfairly from running. Some 150

died in the fighting, at least 50 of whom were Ouattara supporters, their bodies dumped in an Abidjan suburb. Gbagbo refused to cave in to demands that the election be rerun, sparking several weeks of killings of northerners in Abidjan and fueling tensions between northerners and southerners.

Legislative elections held on 10 December 2000 and January 2001 gave the FPI 96 seats, the Parti Démocratique de la Côte d'Ivoire (PDCI-RDA—Democratic Party of the Ivory Coast) 94, and a moderate wing of the RDR, 5 seats. The main wing of the RDR backing Ouattara boycotted. A coup was foiled in January 2001, and political stability was given a boost in March when Ouattara's party agreed to participate in municipal elections. The elections validated the RDR's popularity across the country, even in Gbagbo's hometown, giving it 54 municipalities to 59 for PDCI-RDA, and 34 for FPA. Independents won 38 districts, but, in April, 21 of these joined the PDCI-RDA. During the fall 2001 (October–December), all four main political parties participated in a national reconciliation forum, whose (non-binding) recommendations included forming a government of national unity with representation from the FPA, PDCI-RDA, and the RDR along with other smaller parties.

Less than a year later, on 19 September 2002, rebels from the Patriotic Movement of Côte d'Ivoire (MPCI), led by Guillaume Soro, rose up in a coup against Gbagbo. Though the coup failed, the MPCI occupied the north of Côte d'Ivoire, while two smaller rebel groups—the Far Western Ivoirian People's Movement (MPIGO) and the Movement for Justice and Peace (MPJ)—held the western part of the country. The groups demanded Gbagbo step down and elections be held earlier than scheduled. A civil war ensued, until two tentative ceasefires were declared in October 2002 and January 2003. On 15 January 2003, talks were held in Paris between the three rebels groups, a government delegation, the political parties represented in the National Assembly, and the RDR. Those assembled agreed to form a government of national unity and reconciliation in which the rebels would be represented, and Gbagbo would remain as head of state, albeit with diminished powers. Ten cabinet posts were reserved for President Gbagbo's FPI; the PDCI, RDR, and MPCI each are granted 7 posts; 7 posts are shared by the MJP and the MPIGO. The first meeting of cabinet ministers in the new government was held on 17 April 2003, but fresh fighting broke out soon after. However, a total ceasefire on all fronts was agreed to on 1 May 2003.

## PERSONAL BACKGROUND

Laurent Gbagbo was born 31 May 1945 in Gagnoa, Côte d'Ivoire (Ivory Coast). His education includes a degree in philosophy from the Lycée Classique d'Abidjan in 1965, a *licence d'histoire* from the University of Abidjan in 1969, and a doctorate third cycle in contemporary history at the University of Paris in 1979. He has authored several books. He met his wife Simone Ehivet, who also is a leading figure in the FPI, during their activist days in the teachers' union.

## RISE TO POWER

Although a researcher and historian, Laurent Gbagbo is a veteran of Ivoirian politics. Gbagbo began his career as teacher at the Lycée Classique in Abidjan from 1970–71. He joined the union movement, and was subsequently jailed for



two years for “subversive” teaching. In 1974, he became a researcher at the Institut d’Histoire, d’Art et d’Archéologie Africaine (IHAAA—Institute of History, Art, and African Archaeology). He became director of IHAAA in 1980. In 1982 he clandestinely cofounded a radical teachers’ union that would become the Front Populaire Ivoirien (FPI—Ivorian Popular Front) political party. He was subsequently exiled in France from 1982 to 1988 for trade union activism. Upon his return to Côte d’Ivoire, he was elected as the secretary general of the FPI, and became a member of Parliament in 1990 winning 11% of the vote. He was jailed once again in 1992 for six months, after leading demonstrations in protest against the army’s intervention to crush student riots. Gbagbo claimed victory in the 2000 elections and was sworn in as president on 26 October despite doubts about the legitimacy of the election.

### LEADERSHIP

Gbagbo has displayed courage, tenacity, and opportunism over the years in his bid for the presidency. Just prior to the 2000 elections he ditched his alliance with Ouattara when it was apparent that the northerner would be a liability to him. As head of state, Gbagbo has displayed considerable political acumen. In the ministerial reshuffle following the legislative elections, he retained Affi N’Guessan as prime minister, the former minister of industry and tourism in Gueï’s government, and constituted a mixed government that included ministers from the PDCI-RDA, the Parti Ivoirien des Travailleurs (PIT—Ivorian Workers Party) and two independents. The national reconciliation forum was considered a success, and to his advantage, none of the resolutions were binding. The return of stability spurred multilateral and bilateral donors to renew cooperation with Côte d’Ivoire. Donors were expected to fund projects totaling some us\$700 to us\$800 million in 2002, including the launching of a poverty reduction and growth facility (PRGF).

Since the civil war broke out in September 2002, Gbagbo will have to work with the other members of the government of national unity and reconciliation to reestablish the unity of the nation, the confidence between northerners and southerners, and to restore the disrupted economy.

### DOMESTIC POLICY

Gbagbo established an ambitious domestic program emphasizing the rebuilding of political, cultural, social, and economic institutions and defense and national security. Nevertheless, he faces major political and economic challenges. Gbagbo must help bring an end to the political crisis that began in September 2002, and work with rebel leaders. He must also continue to pay attention to trade unions, which are disgruntled with wages. Some of Gbagbo’s priorities are to contain trade union strikes and dissatisfaction in certain branches of the military over wages and favoritism.

Given social unrest especially among union workers and the armed forces, Gbagbo had to balance economic reforms with social spending and wage increases. The government has already reformed electric and oil utilities, and has begun to pay off domestic and international debt arrears. It needs to liberalize the oil sector, privatize key public systems, and reorganize the coffee and cocoa sectors.

When it comes to the economy, however, the reconciliation government has an uphill task ahead of it. In only six months of civil war (September 2002–February 2003), the damage to the country’s economy was immense. Hundreds of small businesses, in services, manufacturing, and agriculture, have been severely disrupted or are bankrupt. In the northern part of the country, the sugar cane and cotton agribusinesses suffered production and export disturbances. The quality of cocoa beans dropped, and producers began to sell the 2003 harvest to buyers from Guinea, Mali, and Burkina Faso instead of on the local market. Thousands of workers were out of jobs, and the road and rail transportation networks between north and south were severely disrupted and damaged. The growth rate for Côte d’Ivoire was expected to be -3.5% in 2003, even worse than the -2.5% experienced in 2002.

### FOREIGN POLICY

Prior to the start of the political crisis in 2002, international organizations were optimistic about successes made on Gbagbo’s part with regard to domestic affairs. The World Bank decided to resume lending at us\$240 million with budgetary support to follow. The International Monetary Fund (IMF), the European Union (EU), and France committed to giving support to Gbagbo’s government, which was expected to bring bilateral donors back onto the scene. French support is critical to Côte d’Ivoire because so much of the nation’s economy is based on the export of agricultural products to other nations and the receipt of European aid and loans from international banking institutions, some of which were suspended after the December 1999 coup.

Regionally, Gbagbo champions a more economically integrated West Africa, and relations with neighbors generally improved prior to September 2002. Gbagbo’s visit with President Blaise Compaoré of Burkina Faso in December 2001 helped reduce tensions with Burkina Faso over immigration and guest worker issues. Compaoré was suspected to have backed the coup plotters of January 2001. However, Burkina Faso and Mali reinforced security on their borders and were expected to continue to pressure Côte d’Ivoire to control Ivoirian xenophobia.

In April 2003, the UN launched an appeal for us\$85.8 million in donor funds for approximately 2.8 million people in West Africa who were victims of the 2002–03 civil war in Côte d’Ivoire. The funds were to be used to aid 750,000 internally displaced people within Côte d’Ivoire and an estimated 400,000 people who were forced to flee to Burkina Faso, Mali, Guinea, Liberia, and Ghana. It is clear that the unrest in Côte d’Ivoire was causing serious problems in the region. The crisis was regarded by the UN as being particularly destabilizing for Liberia, where Charles Taylor’s government was losing ground to two rebel movements; more than 70% of the country was inaccessible to aid workers due to the fighting.

By the end of December 2002, close to 2,500 French troops were in Côte d’Ivoire, and the Economic Community of West African States (ECOWAS) and the Economic Community of West African States (ECOWAS) sent a peacekeeping force, ECOFORCE, to stabilize the situation. At the end of April 2003, UN Secretary General Kofi Annan requested us\$48 million from the Security Council for ECOFORCE, to triple its troop size to 3,300 and extend its mandate. ECOFORCE was originally established to monitor the implementation of

the January 2003 peace accord; its expanded role is to include protection of the government and border controls, particularly along the border with Liberia, and to take responsibility for demobilizing and disarming militias and creating conditions for the government of national unity and reconciliation to have full control of the territory.

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# CROATIA

## Stjepan Mesic President

(pronounced “stee-YEH-puhn MEH-sitch”)



*“Croatia has committed itself to Europe democracy, civil society and the rule of law. This commitment has not been forced upon us; it reflects our awareness that united Europe is not only our wish but also our destiny, because it is only within united Europe that we shall achieve the Croatia we want and the Croatia we are building.”*

The Republic of Croatia, one of the successor states to the former Socialist Federal Republic of Yugoslavia, is bordered by Slovenia on the north, Hungary on the northeast, and Serbia and Montenegro and Bosnia-Herzegovina to the east. Croatia has a 5,790 km (3,590 mi) coastline along the Adriatic Sea.

The entire country covers an area of 56,542 sq km (21,830 sq mi), and had an estimated population of 4.4 million in 2002, of whom 78% are Croats and 12% are Serbs. The remainder of the population is made up of small groups of Bosniaks, Hungarians, Slovenians, Czechs, Albanians, Montenegrins, and others. The official language is Croatian, written in the Latin alphabet. The country is mostly Roman Catholic (76.5%), with smaller percentages of Eastern Orthodox (11.1%) and Muslim (1.2%).

The official currency is the Croatian *kuna*. Croatia has a per capita gross domestic product (GDP) of us\$5,800 (2000 estimate). Forty-four percent of the Croatian economy is concentrated in the industry and mining sector (especially textiles, food, and chemicals); 16% in trade; 10% in transport and communication; 9% in agriculture; and 5% in tourism.

### POLITICAL BACKGROUND

With the collapse of the Habsburg Empire after World War I, political representatives of Croats and Serbs in Croatia voted to join with the kingdom of Serbia in a new Kingdom of Serbs, Croats, and Slovenes (Yugoslavia). But the authoritarian rule of the Belgrade-based governments and of the Serbian king caused resentment in Croatia. In a compromise meant to stabilize the country in the face of imminent war in the rest of Europe, Belgrade in 1939 granted Croatia limited autonomy. But the events of World War II soon overwhelmed Yugoslavia, and in April 1941 the advancing German army declared an independent Croatian state, ruled by a small fascist group called the Ustaša. This group ruled through terror, targeting Serbs for extermination or forced conversion to Roman Catholicism.

After the war, Croatia was included as one of the six republics of Marshal Tito's communist-ruled Yugoslavia. Although manifestations of national sentiment were suppressed, the 1960s saw an upsurge of Croatian national feelings, triggered by economic reforms, which sought to decentralize the country and thus cede more power to local officials. By 1971, a full-scale Croatian Spring was underway, in which support for Croatian nationalism was a means of

expressing dissatisfaction with the existing system. The ruling League of Communists of Croatia (LCC) co-opted the nationalist issue in an attempt to gain legitimacy and to keep the nationalist wave from getting out of control. In 1971 and 1972, however, Tito cracked down on these Croat reformists, purging them and replacing them with more conservative officials, but also giving Croatia and other Yugoslav republics a greater degree of autonomy.

After Tito's death in 1980, political and economic difficulties escalated. The federal government began to fall apart as attempted reforms failed. The conservatives in the Serbian leadership sought to quash reemerging reformist trends and to reimpose a greater degree of centralization of the ruling party and state, in particular by trying to subvert the leadership of the other Yugoslav republics. The result was that by 1989, the previously conservative Croatian party, reacting to Serbian pressure, came under the control of more liberal forces that in December of that year scheduled the republic's first multiparty elections for April 1990. The Croatian Democratic Union (HDZ) won those first free postwar elections on a platform of nationalism, anticommunism, and privatization. The HDZ was comprised of Croat nationalists ranging from far right émigrés with connections to the wartime Ustaša regime to moderate, democratically-oriented officials who had been thrown out of the Communist Party in the purges of the early 1970s. In the presidential election, HDZ candidate Franjo Tudjman won with 55% of the vote. He remained in office until his death in 1999.

On 25 June 1991, Croatia declared its independence. One month later, the conflict between Serbs and Croats in Croatia escalated into civil war begun by Serbian invasion. The United Nations (UN) initiated a ceasefire in 1992, but the agreement only stayed in effect for one year, when Croatia fought to regain territory taken by Serbs. Civil war continued, despite repeated UN attempts for ceasefire agreements, until August 1994, when Croatian forces recaptured Krajina with a major offensive, and some 150,000 Serbs fled the region, many to Serb-held areas in Bosnia and Herzegovina.

### PERSONAL BACKGROUND

Stjepan Mesic was born in the eastern Croatian town of Orahovica on 24 December 1934. His family espoused communism, fighting against Nazi Germany and the Ustaša during World War II. He studied law at Zagreb University,



the oldest established learning institution in Croatia, where he became a prominent student leader. Mesic is married and has two daughters and two grandchildren.

### RISE TO POWER

During the Croatian Spring of the 1960s and 1970s, Mesic promoted the Croatian Nationalist movement against Tito and was jailed in 1971 for one year in the Stare Gradiška prison. After his sentence was over, Mesic joined Franjo Tudjman's National Democratic Union (HDZ) as secretary, later becoming Croatia's first prime minister (in the Yugoslavian Federation) in 1990. He is credited with helping to create the first independent Croatian government since the middle ages. The next year, he was appointed to the rotating presidency of the Socialist Federal Republic of Yugoslavia (SFRY), but quickly withdrew from the post under criticism from Serbians when Croatia declared independence on 5 December 1991. He was made speaker of the Croatian Parliament (Assembly of Sabor) in 1992, but became increasingly disenchanted with Tudjman's authoritarian style of government. By 1994, Mesic had withdrawn from the HDZ with other top officials, creating the Croatian Independent Democrats (HND), which split in 1997, part of which helped to build the Croatian People's Party (HNS). Mesic presided over the Zagreb branch of the HNS and was vice president of the entire HNS until he was elected president of the Republic of Croatia in February 2000.

### LEADERSHIP

The president of the Republic of Croatia is the head of state and is elected by popular vote for a five-year term. There is a two-term limit on the office. The president has an extensive

veto power and may also issue decrees with the force of law. He appoints the prime minister and the cabinet, a council of ministers that is proposed by the prime minister. The president is also the commander in chief of the armed forces.

Mesic was elected with 56% of the vote in 2000. Mesic's personality reflects an openness and hope for change and ethnic reconciliation for the Balkans that is reflected in his policies and demeanor. After his election to the presidency, he appointed Ivica Racan to the office of prime minister.

### DOMESTIC POLICY

Croatia has an executive and judiciary that are difficult to separate, which makes the transition to democracy harder in this somewhat authoritarian government. To correct this situation, Mesic has discussed his intention to limit the power of the presidency, with the exception of supreme command of the armed forces and the ability to disband Parliament and call early elections. Early in 2000, Mesic called meetings with top advisors to help create the transition from the semipresidential system to a parliamentary system, with a balance of power between the executive, legislative, and judiciary systems.

Mesic's administration has inherited the challenge of a weak economy stemming from years of communist mismanagement and the effects of civil war. Seeking ways to lower unemployment (23%, 2001 estimate) and to provide opportunities for foreign investment capital are high priorities in Mesic's domestic policy. The administration has focused on pursuing further privatization of the Croatian economy. In 2002 the government sold a 25% stake in a major oil and gas group. Political bickering has slowed the country's reform process though. In 2002, Prime Minister Ivica Racan resigned briefly, ending a five-party governing coalition and asking for a mandate to establish a new government in the hopes of excluding the HSLs. Almost immediately, Mesic reappointed Racan to the prime minister's post.

### FOREIGN POLICY

By his own account, Mesic agrees that the major challenges and tasks in foreign policy are to adjust to European standards in order to qualify for membership in the European Union (EU), and to restructure the nation's armed forces to qualify for membership in the North Atlantic Treaty Organization (NATO). Croatia was granted observer status in NATO Parliament in April 2000, and the EU began negotiations on an Agreement for Stabilization and Association with Croatia in the same month. Croatia is also a member of the NATO-linked Partnership for Peace. Croatia was admitted to the Organization on Security and Cooperation in Europe and the UN in 1992, and to the Council of Europe in 1996.

Croatia has been pressured into cooperating with the International Tribunal for War Crimes in The Hague, turning over several officers accused of atrocities in the war in Bosnia.

Despite intense international coordination in the restructuring mission of the Balkans, Croatia and its neighbors have retained their territorial animosities. Croatia and Italy are still arguing over property rights on the Dalmatian coast from World War II and earlier. Slovenia wants a part of Croatia that will give it direct access to the sea in the Adriatic. Serbia and Montenegro dispute Croatia's claim to the Prevlaka Peninsula in southern Croatia because it is the entrance to

Boka Kotorska in Montenegro. On 5 December 2002, the two countries approved a provisional border agreement in the Prevlaka Peninsula dispute. Croatia maintains that the agreement is not final and a compromise in which they ceded their rightful water boundaries. There are also a growing number of ethnic Serbians reentering Croatia who will demand adequate representation in the Croatian government or look to Serbia for freedom.

In 2002 an agreement on terms of investment and the use and dismantling of the Krsko nuclear power plant was ratified with neighboring Slovenia. The agreement was controversial in Croatia because it gives Slovenia the right to shut the plant down without consulting Croatia.

Relations with the United States and the EU focus on implementation of the Dayton Accords, the Erdut Agreement, ethnic reconciliation, facilitation of the return of refugees and displaced persons, and democratization. The Croatian government has also come under scrutiny for slow progress in implementing broader democratic reforms. Current government control includes restrictions on freedom of speech, one-party control of public TV and radio, and repression of independent media, to name a few. The United States has offered financial support to Croatia through the Southeastern European Economic Development Program (SEED). In 1998, SEED funding in Croatia totaled us\$23.25 million. More than half of that money was targeted toward programs encouraging sustainable returns of refugees and displaced persons. About one-third of the assistance was used for democratization efforts, and another 5% funded financial sector restructuring.

In his 2002 address to his government, Mesic established his commitment to focus on initiatives that will continue to

develop, create, and strengthen full democracy, civil society, and rule the of law.

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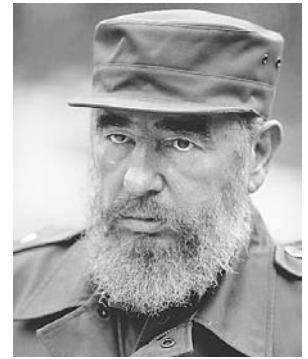
**Profile researched and written by Mary Sugar (4/2000); updated (3/2002, 2/2003).**

# CUBA

## Fidel Castro President

(pronounced “fee-DELL KAS-tro”)

*“As Marxist-Leninists we fight not to create individual millionaires, but to make the citizenry as a whole into millionaires.”*



The Republic of Cuba is situated in the Caribbean Sea, 145 km (90 mi) south of Florida. This archipelago is composed of two main islands, Cuba and the Isle of Youth (formerly Isle of Pines), and about 1,600 keys and islets. Its total area is about 110,860 sq km (42,803 sq mi). In addition to the United States, Cuba lies in close proximity to Jamaica, Haiti, the Dominican Republic, and Mexico.

Cuba's population was estimated at 11.2 million inhabitants in 2002, of which about 51% were considered mulatto (mixed white and black), 37% white, and 11% black. The official language is Spanish. About 49% of the population declare themselves nonreligious, 40% Catholic, 3% Protestant, 2% African American Spiritualist, and 6% other. (About 85% of the population was Roman Catholic prior to 1959 when Fidel Castro assumed power.)

The unit of currency is the *peso*. Cuba's main exports are sugar (73% of export earnings), nickel ore, tobacco, citrus fruits, and fish products. Its main imports are mineral fuels and lubricants, machinery, transport equipment, and consumer goods.

### POLITICAL BACKGROUND

According to the Constitution of 1976, Cuba is a unitary socialist republic, in which the Communist Party of Cuba is the leading force of society and the state. The state is responsible for the organization and direction of the economic life of the country, in accordance with a central social and economic development plan. Legislative authority resides in the National Assembly of People's Power, which is composed of 601 deputies. Deputies are elected for five-year terms by direct vote of all Cuban citizens over the age of 16.

The National Assembly of People's Power elects a Council of State (31 members) that represents the assembly between sessions. The president of the Council of State is the official head of state and the head of government. Moreover, the president presides over the Council of Ministers, which is the highest ranking executive and administrative organ. The Executive Committee is led by the president, and includes the first vice president and the vice presidents of the Council of Ministers.

### PERSONAL BACKGROUND

Fidel Alejandro Castro Ruz was born on 13 August 1926 (some sources state 1927) on his family's sugar plantation near Biran. His father had come to Cuba from Galicia, Spain, as an immigrant laborer, but eventually became a landowner.

Castro attended Jesuit schools in Santiago de Cuba and later entered the Jesuit Colegio Belen, a preparatory school in Havana. In 1945, Castro began his studies in the Faculty of Law of the University of Havana, where he soon became president of the University Students' Federation. In 1947, Castro joined a force that was training to overthrow the dictatorship of Rafael Trujillo in the Dominican Republic, but it was disbanded by the Cuban government after only a few months in training. Later, in 1948, Castro participated in a violent uprising in Colombia, known as the *Bogotazo*, while he was attending a student congress there.

After becoming a lawyer in 1950, Castro spent much of his time defending the poor. As a member of the liberal Partido del Pueblo Cubano (also known as the Partido Ortodoxo), Castro became a candidate for Parliament in the national elections scheduled for June 1952. In March 1952, however, General Fulgencio Batista overthrew the elected government of President Carlos Prío Socarrás and established a military dictatorship.

Castro reacted to the coup by submitting a petition to the Court of Constitutional Guarantees in which he accused the dictator of having violated the Constitution of 1940. When his petition was rejected, Castro organized a small rebel force of 165, which on 26 July 1953 attacked the Moncada Barracks in Santiago de Cuba, with the hope of provoking a popular uprising in the Oriente province. The attack was a failure; about half of the rebels were killed and most of the rest were captured, including Fidel Castro and his brother Raúl. During his trial, Castro defended himself by giving a speech that later would become known by the phrase, "History will absolve me." Castro was found guilty and sentenced to 15 years in jail.

In 1955 Castro was released under a general amnesty. For a period of time, he tried to present a nonviolent opposition to the regime, but was denied access to the mass media. Unhappy with the situation in his country, Castro left for Mexico where he organized the "26th of July" movement with Cuban exiles who were anxious to return to Cuba and overthrow the Batista dictatorship.

### RISE TO POWER

On 2 December 1956, Fidel Castro, his brother Raúl, Ernesto "Ché" Guevara (an Argentinean doctor whom they met in Mexico), and a force of about 82 men landed on the north coast of the Oriente province. The trip from Mexico was made on *Granma*, an old yacht that had been acquired with

money donated by deposed president Prío-Socarrás. Shortly after their landing, the rebel group was met by the Batista forces, and most of the rebels were killed. A few of the survivors, including the brothers, Fidel and Raúl Castro, and Ché Guevara, escaped to the Sierra Maestro Mountains, where they regrouped and began recruiting new members. Beginning in early 1958, the rebel movement gained a series of victories against the Batista forces, which encouraged massive civic resistance in the cities.

The growing success of the rebel forces led to increasingly brutal repression by the Batista forces. In early 1958, the administration of U.S. president Dwight Eisenhower suspended arms shipments to Cuba, accusing Batista of having violated agreements with the United States by using the weapons not for national defense, but to fight internal enemies. This decision increased public disenchantment with Batista. Finally, on New Year's Day 1959, Batista accepted his defeat and went into exile in the Dominican Republic. The next day, Fidel Castro and his "26th of July" movement marched into Havana and assumed control of Cuba.

## LEADERSHIP

In the four decades that Castro has ruled Cuba, he has proven to be a skillful politician and a survivor. Castro has not only consolidated his power domestically, but has also survived many international challenges, especially from the United States. Initially Castro's revolution had widespread support not only from the Cuban population, but also from many Americans, who had been shocked by the abuses of the Batista dictatorship. (The U.S. government recognized the new Cuban government within days of its victory.)

Moreover, the first provisional government was composed of a broad coalition of forces that had opposed Batista, ranging from former Batista officials who had broken with the dictatorship to liberal and Marxist groups. From the beginning, however, Castro's "26th of July" movement was the leading group within the coalition.

In the early days of the revolutionary regime, there were numerous arrests and executions of former members of the Batista dictatorship. The new government ruled by decree and promised that elections would be held within 18 months. The government began an agrarian reform and started nationalizing industrial enterprises, most of them owned by U.S. companies. These policies were not popular with many Cubans, some of whom went into exile. The U.S. companies that had been expropriated with little compensation were, of course, also unhappy with the new regime. Additionally, Castro's nationalistic rhetoric and critical view of the previous involvement of the United States in Cuban politics further weakened relations with the Eisenhower administration. Moreover, in early 1960 Cuba signed an agreement with the Soviet Union to purchase Soviet oil in exchange for Cuban sugar. Soon afterwards the United States cut the quota for sugar imports from Cuba, and the Eisenhower administration broke relations with Cuba.

In January 1961, John F. Kennedy was inaugurated as U.S. president. On 11 April 1961, a U.S.-sponsored force of about 1,300 Cuban exiles landed on Cuba's southern coast (the Bay of Pigs) with the purpose of overthrowing Castro. The



invading forces were soundly defeated in what proved to be a major embarrassment for the Kennedy administration. After the invasion, Castro consolidated his power, and in December 1961 proclaimed Cuba to be a communist state with a Marxist-Leninist program.

In October 1962, the tension between Cuba and the United States reached its highest level after Soviet missiles with nuclear warheads that had the capability of reaching the United States were discovered in Cuba. After a U.S.-imposed naval blockade and several days of tension between the superpowers, the Soviet Union withdrew its missiles and the United States agreed not to invade Cuba. After surviving this ordeal, which was considered to be the worst international crisis since World War II, Castro moved closer to the Soviet Union and other socialist countries. In 1964, his government was ostracized by Latin American countries when the Organization of American States (OAS) imposed diplomatic and commercial sanctions against Cuba.

In 1965, with the consolidation of the revolution, groups that had supported the revolution were united into the Communist Party of Cuba. In 1972, Cuba became a full member of the Council for Mutual Economic Assistance, and thus received preferential trade from the Soviet Union and Eastern European countries. Throughout this period, Castro continued to be the undisputed leader of the Cuban Communist Party and of Cuba.

In 1976, after being approved by a popular referendum, Cuba's first constitution since the revolution came into force. The same year, the National Assembly of People's Power elected the members of the Council of State with Castro as president. Since then, Castro has been reelected several times,

including the election of 1998, in which no other political party was allowed representation.

### DOMESTIC POLICY

Under Castro, Cuba's economy was transformed from a capitalist economy, which was extremely dependent on U.S. investment, to a socialist economy. The Cuban state not only owns most enterprises but also sets economic plans for all sectors of the economy. In terms of economic development, the Castro government has been successful in addressing many of the problems that affect developing countries. For example, advances have been made in terms of life expectancy, health services, housing, living conditions, and education.

In the early 1990s, however, Cuba suffered a severe decline prompted by the collapse of the Soviet Union and consequent termination of favorable aid and trade arrangements that had supported its economy. This resulted in shortages of petroleum and basic raw materials, which seriously affected production. To deal with this crisis, Castro was forced to soften many of his fundamental socialist principles and move toward a more market-oriented economy. A graduated income tax, price increases on goods and services, and limited individual private enterprise were introduced. Government subsidies to inefficient state enterprises were reduced. Business laws were revised and the banking system was restructured to facilitate foreign investment. The government reported that gross domestic product (GDP) declined by 35% from 1989–93 (the years following the loss of Soviet aid), but since then the GDP has been increasing, reportedly by 1.2% in 1998.

However, the terrorist attacks of 11 September 2001 did not help the Cuban economy. Although it was not directly affected by the attacks, the Cuban economy is highly dependent upon tourism, and thus suffered when worldwide tourism markedly decreased.

In response to the economic downturn, and the fact that after the collapse of the Union of Soviet Socialist Republics, Cuba must sell sugar on the open market, Cuban officials announced in 2002 that they plan to close half of the state-owned sugar mills, a plan that will eliminate many jobs in one of Cuba's largest sectors.

At the 1997 party congress, Castro endorsed policies intended to maintain the status quo for as long as possible. Sheer necessity has forced him to seek foreign investment in state companies and allow some limited self-employment. In 1999, the government announced that it would use the euro as the official currency for trade with European nations, although the U.S. dollar would not be eliminated completely.

In 2002, Cuba's National Assembly passed an amendment to the Constitution to make Cuba's socialist system "irrevocable." To mark the occasion, Castro closed down all factories, banks, schools, and offices for three days so that citizens could watch the proceedings on television. In the days before the session, eight million voters signed a petition supporting the measure.

### FOREIGN POLICY

The survival of the Castro regime has, from the very beginning, been threatened by active U.S. opposition, which reached its height in 1961 during the U.S.-sponsored Bay of

Pigs invasion. The Castro government has also had to deal with a continuous U.S. embargo. The Helms-Burton Act, introduced in March 1996, imposed sanctions on those countries trading with, or investing in, Cuba. Its controversial Title III provision allowed U.S. citizens to prosecute any foreign corporation or investor with business dealings involving property that had been expropriated during the Castro regime. Faced with strong opposition from the European Union, Mexico, and Canada, the U.S. government under President Bill Clinton (term of office 1993–2000) imposed a temporary moratorium on Title III. As of 2003, U.S. president George W. Bush was continuing the suspension. The United States continues to condemn the Cuban government for human rights violations. However in 2002 there was an increase in communication between the United States and Cuba. In May, former president Jimmy Carter traveled to Cuba. Carter was allowed to meet with dissidents and speak freely on television, criticizing Cuba's lack of democracy and calling for free expression and the lifting of the U.S. embargo. Carter became the highest ranking American to visit Cuba since Castro took power.

September of 2002 saw American business men and politicians in Havana for the U.S. Food and Agribusiness Exhibition. Representatives of crop producing states and businessmen met to explore the Cuban market.

While the United States continues to enforce many provisions of its trade embargo, in 1999 new regulations were proposed to allow the sale of food, medical equipment, and agricultural supplies to nongovernmental entities in Cuba. Travel bans on American visitors to Cuba have been eased to permit travel with a special license (issued by the U.S. Treasury Department) for journalists, academics, government officials, and those on humanitarian missions. Investment by other nations in joint ventures has been steadily increasing since the mid-1990s. Economic relations with Russia improved significantly with the signing of a trade protocol, under which Cuba will provide Russia with sugar in exchange for petroleum.

The Castro government has tried to break its relative isolation by improving relations with other countries, a policy that has met with some success. In 1988 diplomatic relations were established with the European Community. Cuba signed a number of accords in 1992, establishing diplomatic relations with republics of the former Soviet Union. Full diplomatic ties were resumed with Colombia in 1993 and Chile in 1995. In 1998, Castro welcomed a visit by Pope John Paul II, the country's first-ever papal visit; he also lifted his 1969 ban on the celebration of Christmas. In 1999, for the first time since assuming power, Castro allowed a Protestant open-air religious service to take place. He also welcomed visits by leaders from African nations and Cambodia to explore the improvement of relations and international cooperation.

Cuba remains on the U.S. Department of State's list of State Sponsors to Terrorism, based on Cuban government connections to countries with known terrorist activities, such as Iraq. This designation may cause increased pressure against the Cuban government if those countries are targeted in the War on Terror, an action initiated by President George W. Bush in response to major terrorist attacks in the United



States against the Pentagon in Washington, D.C. and the World Trade Center in New York on 11 September 2001.

In late 2002, Castro surprised most international observers when he announced that he would ask for Cuba to be included in the trade agreement between countries of the EU and the Africa, Caribbean, and Pacific (ACP) group. The agreement, known as the Cotonou Agreement, was negotiated in 2000 in Benin, and allows the participating countries to share in us\$12.6 billion in EU aid and preferential trade treatment over five years. Cuba became an ACP member in December 2000, but declined to participate actively in negotiations with the EU because of the EU's support of the United States in its policy toward Cuba.

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**Profile researched and written by Claudio Hidalgo-Nunez (7/90; updated 9/97, 3/02, and 2/03).**

# CYPRUS

## Tassos Papadopoulos President

(pronounced "TAH-sose pah-pah-DAH-poe-luss")

*"I want to express sadness and disappointment at the fact that the efforts of many months as well as the intensive negotiations [over relations with Turkey] we have had here in The Hague...have ended in failure."*



The Republic of Cyprus, the third largest island in the Mediterranean Sea, is located south of Turkey and west of the coast of Syria and Lebanon. It has a total area of 9,250 sq km (3,571 sq mi).

The population was estimated at 767,314 in 2002, of which approximately 85% are Greek Cypriot (including Maronites, Armenians, and Latins) and 12% Turkish Cypriot. The religious composition reflects the ethnic division of the Republic. The Greek Cypriots are predominantly Eastern Orthodox, while the Turkish Cypriots are Sunni Muslim. In addition to Greek and Turkish, English is widely spoken.

The unit of currency is the Cypriot *pound*. The per capita gross domestic product (GDP) of the Republic of Cyprus has been estimated at us\$15,000, while the per capita GDP of the Turkish-Cypriot northern part of the island has been estimated at us\$7,000. Most Cypriot exports are directed toward the European Union (EU) and the Middle East. They consist of fruits, beverages, cement, clothing, footwear, and minerals. Major imports come from the EU, Japan, and the Middle East. They include petroleum and petroleum products, consumer goods, and other agricultural and industrial products.

### POLITICAL BACKGROUND

Cyprus has played a major role in the history of the Eastern Mediterranean. Its prehistoric settlements date to the sixth millennium BC. Early in the second millennium BC, the Greeks established their first city kingdoms on the island and introduced their language and culture. The Turkish Cypriot community established itself following the Ottoman conquest of 1571. The island was ceded by the Ottomans to the British Empire in 1878, and remained a crown colony until 16 August 1960, when it became an independent state. The Constitution of Cyprus was drafted on the basis of a political compromise reached in 1959 by the governments of Britain, Turkey, and Greece.

The 1960 Constitution required the election of a Greek Cypriot to the presidency and a Turkish Cypriot to the vice presidency, by separate communal electoral rolls. The Turkish community was granted disproportionate representation in all branches of the government along with extensive veto powers and separate voting majorities. Constitutional lawyers have described the Cypriot Constitution as "unique and unprecedented." Difficulties in the implementation of this Constitution and the unwillingness of the Turkish

Cypriots to accept amendments led to intercommunal clashes late in 1963. In January 1964, the Turkish Cypriots withdrew from the government of Cyprus.

The interference of Greece and Turkey in the affairs of Cyprus hampered the talks sponsored by the United Nations (UN) from 1968 through 1974, which sought revisions to the Constitution. Following a coup against the elected president of Cyprus by the junta ruling Greece at the time, Turkey invaded Cyprus on 20 July 1974. Turkey claimed a right to intervene militarily under the Treaty of Guarantee, which was one of the independence treaties. Since then, nearly 39% of Cyprus remains under Turkish army occupation. The two communities had co-existed throughout the island, but were forced to relocate by the Turkish army. Nearly 50% of the population of Cyprus became refugees. Turkey introduced some 85,000 Turkish settlers in the occupied areas. Turkish troops, estimated at 35,000, control a dividing line that runs roughly on an east-west direction from Famagusta to the east, through the capital city of Nicosia, to the town of Morphou on the northwest of the island.

The government of Cyprus, under the control of the Greek Cypriots, retains international recognition and membership in all international organizations. The Turkish Cypriots have established separate political and administrative institutions in the area occupied by the Turkish army. In 1983, following a unilateral declaration of independence, the Turkish Cypriots established the Turkish Republic of Northern Cyprus, which has been proclaimed illegal by UN Security Council Resolution 541 (1983) and by all other major international organizations. This "state" is not recognized by any nation except Turkey. Since the Turkish invasion of 1974, the government of Cyprus and the leader of the Turkish Cypriots, Rauf Denktaş, have undertaken talks to amend the Constitution of Cyprus and to reunify the island. These talks have been held under the "good offices" of the UN secretary general. The Turkish Cypriots seek the establishment of a loose bizonal confederation, with minimal contact between the two communities. The government of Cyprus hopes to establish a functional and viable federation in which all Cypriots enjoy rights guaranteed by European conventions. In November 2002, UN Secretary General Kofi Annan proposed a comprehensive peace plan for the island, envisaging a Swiss-style confederation of two equal component states, presided over by a rotating presidency. In December 2002, the European Union invited Cyprus to become a member on 1 May 2004. It was hoped that accession would

take place for a united Cyprus, based on the UN plan. Because a settlement was not reached, however, the EU stipulated that negotiations would begin with the Greek-Cypriot Republic of Cyprus. In February 2003, responding to a 28 February deadline set by the United Nations for the Greek and Turkish halves of the island to be unified, Greece and Turkey agreed to talks. Within weeks of the announcement of talks, the presidential election (held 16 February) resulted in a surprising upset of incumbent Glafcos Clerides when Greek Cypriot Tassos Papadopoulos was elected. In the election—contested by 10 candidates—Papadopoulos had the support of his own Democratic Party (Diko), as well as the communist Restorative Party of the Working People (Akel) party, and the Social Democrats Movement (Kisos). Papadopoulos won 51.5% of the vote to Clerides's 38.8%.

### PERSONAL BACKGROUND

Tassos Papadopoulos, born on 7 January 1934 in Nicosia, is one of Cyprus's most successful lawyers. He received his legal education in London, England, and is described as an expert on constitutional law. He is married to Photini Michaelides, and the couple has four children: Constantinos, Maria, Nicholas, and Anastasia. Papadopoulos speaks English in addition to Greek.

### RISE TO POWER

Papadopoulos's life in politics began early. He was a member of the guerrilla group Eoka, which in the 1950s agitated against British colonial rule. He was a leader of the Akritas organization in the 1960s, whose intent was to have Turkish Cypriots removed from the island. He was one of four Greek Cypriot representatives responsible for drafting Cyprus's constitution. When Cyprus gained its independence in 1959, Papadopoulos became a minister in the new government. In his twenties, he was the youngest member of the newly formed administration. He went on to hold several different cabinet positions in that first government of independent Cyprus, serving in such capacity from 1959–1970. He was elected a member of the House of Representatives in 1970 as a candidate of the Eneao (Unified) Party (which no longer exists). He was reelected as an independent in 1976, and for six months in 1976 served as president of the House of Representatives. Papadopoulos was appointed negotiator in intercommunal Cyprus talks that took place in 1976, a position he held until 1978. He represented Cyprus at many international conferences and bodies, including the UN and the Council of Europe. He was elected to the House of Representatives once again in 1991, 1996, and 2001, as a candidate for the Democratic Party (Diko). In 2000, he was elected president of the Diko party unopposed.

Although his heritage is Greek and he is regarded as a conservative and nationalist, Papadopoulos has also been closely involved in negotiations with the Turkish segment of the population, and their representatives in government. In campaigning for the presidential election held on 16 February 2003, he called for "change" and implied he was ready to work for a settlement on the island. His election was an upset victory over Glafcos Clerides; he won 51.5% of the vote and was inaugurated on 1 March 2003.



### LEADERSHIP

Although Papadopoulos had long been regarded as a conservative and antagonistic to Turkish interests, with the somewhat improved climate in inter-communal relations on the island in 2003 (including a relaxation of border restrictions on behalf of Turkish Cypriots), he was seen as responding to the times and moderating his views. Pledging in his 2003 campaign to reach a settlement with Turkish Cypriots, and backed by the communist party Akel, which supports reconciliation, he may turn out to be a leader who can guide the island to reunification.

Papadopoulos will also have to guide the country into the EU. "I want to take a united Cyprus into Europe," he was quoted as saying following his election. With only just over a year between his election and the country's planned accession to the EU in May 2004, Papadopoulos's work was cut out for him.

### DOMESTIC POLICY

The Republic of Cyprus is an upper middle-income country with a free market economy. Government five-year economic plans provide an appropriate climate for the flourishing private sector. Agriculture in Greek-controlled Cyprus accounts for less than 5% of GDP, industry some 20%, while tourism and services amount to 75%. Since the mid-1970s, Cyprus has become a regional center for foreign offshore companies and banking and is the third-largest registry for commercial vessels in the world. The economy suffered severe dislocations in the aftermath of the Turkish invasion of 1974, because most substantial economic resources and productive capacity were located in the occupied north of the island. Until 2001, sustained foreign assistance and a sound

economic recovery program transformed Cyprus into an economic success story with low inflation and unemployment. In 2001–02, however, Cyprus suffered from low growth, largely due to a decline in tourism.

Because of its small and open economy and its heavy reliance on tourism, the Cypriot economy is affected by external developments. Cyprus has had an association agreement with the EU since 1973, which was upgraded in 1987. Three years later, Cyprus applied for full membership. In December 1997, the European Council agreed to include Cyprus in the next phase of EU expansion. Accession negotiations with Cyprus commenced on 30 March 1998. All Cypriot presidents coming from the ideological center/center-right have supported dynamic growth policies, the concept of Cyprus acting as an economic and political bridge between Europe and the Middle East, and the full membership of Cyprus in the EU. In December 2002, the EU scheduled Cyprus's accession for 1 May 2004.

The political problems confronting Cyprus since independence have dominated the domestic and foreign policy agenda of all presidents. Thus, the quest for membership in the EU and active participation in organizations such as the UN, the Nonaligned Movement, and the Commonwealth have been important objectives of all administrations as they seek to reunify the island, to protect the rights of all Cypriots, and assure the sovereignty and territorial integrity of their country. Early in 2003, when it became obvious that the plan for reunification was not going forward, Papadopoulos announced the establishment of a special commission within his cabinet to address the issues of importance to the Turkish Cypriot population.

## FOREIGN POLICY

In one of his first public speeches after winning the election in February 2003, Papadopoulos emphasized that he wanted negotiations—not to deprive the Turkish Cypriots of their rights, but to ensure that both communities had before them a workable plan that would last. Marathon talks held in March in The Hague, mediated by UN Secretary-General Kofi Annan, ended without an agreement. The UN had worked hard to get Turkish Cypriot leader Rauf Denktaş and Greek Cypriot leader Papadopoulos to consider a plan that would reunite Cyprus as two states, each with control over its own internal affairs but with a central government to oversee international relations. The agreement called for the Turkish portion of Cyprus to surrender land to Greek control. (Prior to 1974, the Turkish Cypriot population was about 18% of the island's population, but as of 2003, Turkish Cypriots controlled nearly 40% of the land area.)

The Turkish government opposed Cypriot membership in the EU until a settlement had been accepted in which the EU recognized and accepted Turkish control of the northern region. In November 2001, Turkey threatened to annex the northern third of the island if accession took place without an agreement. However, in January 2003, Recep Tayyip Erdoğan, the leader of Turkey's governing party, the Justice

and Development Party, criticized Rauf Denktaş for blocking progress on the proposed UN plan for reunification.

Nonetheless, Cyprus signed the EU treaty on 16 April 2003 (with nine other countries), with provisions for the country to join the EU in 2004, whether reunification was successful or not.

A week after the Greek Cypriot government signed the EU treaty, the Turkish Cypriot administration announced it was easing border restrictions between the two halves of the island. The Greek Cypriot government welcomed the decision, but stated it drew attention away from the Turkish Cypriots' reluctance to pursue the peace process.

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Profile researched and written by Jeneen Hobby, Ph.D. (6/2003); sections contributed by Van Coufoudakis, Indiana University-Purdue University, Fort Wayne (6/98).

# CZECH REPUBLIC

Vladimír Špidla  
Prime Minister

(pronounced “vlah-DEE-meer SHPEED-lah”)



*“Our goal is a modern social state and EU entry.”*

The Czech Republic is a small, landlocked country in central Europe consisting of two lands, Bohemia and Moravia. To the country’s west lies Germany, to the north, Poland, to the south, Austria, and to the east, Slovakia. Its total area is 78,900 sq km (31,560 sq mi).

The population was estimated at 10.3 million in 2002. Czechs comprise 81% of the total, Moravians 13%, and Slovaks around 3%. Smaller percentages of Poles, Germans, Hungarians, and Roma (Gypsies) also live in the Czech Republic. About 40% of the population are Roman Catholic, 40% have no religious affiliation, 5% are Protestant, 3% are Orthodox, and 13% have other religious affiliations.

The government began a process of overhauling the formerly centrally planned economy in 1991. The Czech economy now has all the characteristics of a free market, with approximately 75% of gross domestic product (GDP) produced in the private sector. Primary exports include machinery and transport equipment, industrial goods, agricultural products, minerals, and chemical goods. Nearly two-thirds of its trade is with European Union (EU) countries. The GDP at per capita purchasing power parity was estimated in 2002 at us\$15,300. The unit of currency is the *koruna* (Kč).

## POLITICAL BACKGROUND

The Czech Republic and Slovakia gained independence as a unified state in 1918 at the end of World War I, with the fall of the Austro-Hungarian Hapsburg monarchy. The idea of Czech-Slovak nationalism emerged during the late 19th century and received strong backing from the victorious Allied powers, especially the United States under President Woodrow Wilson. During the inter-war period (1918–39), Czechoslovakia became the only economically prosperous and stable democracy in central and eastern Europe. Nevertheless, in 1938 the Western powers allowed for Czechoslovakia’s dismemberment at the hands of the Nazis. The Czech lands were incorporated into the Third Reich, while Slovakia became an independent puppet state. In 1948, Communists seized power in a reunified Czechoslovakia. The country was ruled as a single-party dictatorship and satellite of the Soviet Union. The first attempts at resistance came during the 1968 “Prague Spring,” when Alexander Dubcek introduced some democratic reforms within the Communist Party. Dubcek’s effort to create “socialism with a human face” was crushed later that year by Warsaw Pact troops. The “Prague Spring” inspired the formation of several dissident groups, of which

the Charter 77 Movement, led by playwright and dissident Vaclav Havel, was the most prominent.

In late 1989, the Czech and Slovak protest movement, led by the Czech Civic Forum and the Slovak Public Against Violence, swelled to many thousands. It would eventually lead to the peaceful end of communist rule in a “Velvet Revolution.” Havel was named president in December 1989. Czechoslovakia’s first free elections were held on 8 June 1990. The Civic Forum and Public Against Violence won impressive victories. The new government began a radical overhaul of the country. New elections, held in 1992, reinstated a center-right government. Continuing progress, however, became stalled by discord between the Czech and Slovak lands. Despite continuous popular support for the federal state, increasing differences emerged between the two most prominent politicians of the two republics, Vaclav Klaus of the Czech Republic and Vladimír Meciar of Slovakia. These differences led to the eventual split of the Czech and Slovak Federal Republic, taking effect on 1 January 1993.

Under Klaus’s leadership, the newly independent Czech Republic experienced numerous economic achievements: impressive growth, low inflation, and low unemployment. In the 1996 elections, however, the center-left Social Democratic Party (CSSD), led by Milos Zeman, narrowed the gap with Klaus’s Civic Democratic Party (ODS). The ODS won a plurality but lost their parliamentary majority and were forced to form a minority government. In return for support in Parliament, the opposition Social Democrats gained leadership positions in Parliament. Relations between the government and opposition remained acrimonious. In addition, the Czech economy became mired in numerous scandals that were attributed mainly to the lack of adequate regulatory controls over entrepreneurial activities. In 1997, the Klaus government introduced numerous stabilization measures. In the fall, however, after his party became linked with charges of corruption, Klaus’s government resigned. President Havel appointed a caretaker government for a six-month term under central bank governor, Josef Tosovsky.

In the 1998 elections, the CSSD won a plurality of the vote and the ODS came in second, performing better than was expected. The CSSD was allocated 74 seats in the 200-seat lower house of parliament and the ODS got 63 seats. After failing to achieve a coalition agreement with other parties, the CSSD leadership worked out an agreement with the opposition ODS to form a single-party, minority CSSD government. Havel, who was reelected to a five-year term in



January 1998, appointed Zeman of the CSSD to serve as prime minister, despite reservations about CSSD-ODS accord.

Following the June 2002 elections, which were won by the Social Democrats, Vladimír Spidla, who had become leader of the CSSD that April, was named prime minister. The CSSD took 70 seats in the Chamber of Deputies, and entered into a coalition with a group aptly named “Coalition,” consisting of the Christian-Democratic Union/Czechoslovak People’s Party, and the Freedom Union. (The Coalition held 31 seats for a majority of 101 seats in parliament). The ODS finished second with 58 seats. Havel stepped down as president in February 2003, and Klaus was elected president by a slim majority in Parliament.

### PERSONAL BACKGROUND

Spidla was born on 22 April 1951 in Prague. He graduated from the Charles University Faculty of Arts in 1976, majoring in history and prehistory. After graduation, he took up a variety of blue-collar jobs, including working in a dairy, sawmill, and as a scene-shifter. He also worked as a caretaker for national monuments and as an archaeologist. In 1990, he was appointed deputy chairman for education, health care, social affairs, and culture in the District Office at Jindřichuv Hradec, and from 1991–96 worked as director of the Labor Office in the same town. He speaks German and French, and his favorite hobbies are caring for historical monuments, running cross-country, and other outdoor sports. He is married, and has two children from his first marriage, and two step-children from his second.

### RISE TO POWER

Spidla was not affiliated with a political party until 1989; however, he was a member of Civic Forum and was one of the founding members of the Social Democratic Party (CSSD). In 1996 he was elected to the House of Deputies (lower house of Parliament), and was appointed chairman of the Parliamentary Committee for Social Policy and Health Care. He was appointed Deputy Prime Minister and Minister of Labor and Social Affairs in 1998, and was given the task of coordinating the work of the Ministry of Health, Ministry of Education, Youth and Sports, the Ministry of the Environment, and the Ministry of Culture. Former Prime Minister Milos Zeman tapped Spidla as his likely successor as party leader and prime minister in early 2001. Spidla became the leader of the CSSD in April 2002, and was named prime minister on 12 July after parliamentary elections were held in June.

### LEADERSHIP

With a reputation as a somewhat uninspiring but methodical politician, Spidla set out to lead his 101-seat coalition composed of the Social Democrats, Christian Democrats, and Freedom Union in the direction of EU membership. Following the June 2002 elections, Spidla named 16 other members of the cabinet and claimed the government would be a strong one.

Spidla was faced with his first crucial test as prime minister in August 2002, when the Czech Republic was hit with torrential rains that caused the most catastrophic flooding in the country’s modern history. The floods culminated in Prague on 14 August, when the water in the Vltava River reached its peak. The floods began to subside on 17 August, but they affected 10 regions and 753 municipalities. About 220,000 people were evacuated and 17 people were killed as a result of the flooding. Over 1,000 homes were destroyed, and the Prague metro was particularly hard hit, with half of its stations ceasing operations due to flooding and damage. Spidla later reacted in a televised speech by stating the country would cope with the floods, and that it had enough strength to help affected citizens and undertake reconstruction.

In early 2003, Spidla faced opposition from within his own party in the elections for president held in February. Vaclav Klaus, Spidla’s long-time opponent, was elected president on 28 February, after several members of the CSSD voted for Klaus instead of the party’s own candidate. Klaus’s victory prompted Spidla to call a vote of confidence in Parliament on 11 March. Spidla’s calling of the confidence vote was seen as an assertion of authority over his own party as much as the election of Klaus itself. A sizeable faction of Spidla’s CSSD is loyal to Spidla’s predecessor, Milos Zeman, and does not approve of the coalition formed with the center-right Christian Democrats and Freedom Union. Spidla does not favor forming a coalition with the Communists or Klaus’s Civic Democrats, as do some of the opposition members of his party. Spidla reshuffled his cabinet and indicated he would wait until the Social Democrats would hold their annual conference to see if he would be reelected as party leader.

### DOMESTIC POLICY

Spidla will have to focus a great deal of energy on keeping the economy moving forward in terms of growth, curbing

unemployment, and finalizing the privatization of state-owned companies. As of 2003, most of the state-owned property in the Czech Republic had been sold, but 189 companies were still awaiting sale. Although the Zeman administration was in favor of privatizing the energy sector, Spidla announced that he was against this. The August 2002 floods, the global economic slowdown, and weaker demand in the EU for Czech products (the EU is the Czech Republic's largest market) created slower growth in 2002—it stood at only 2.7%. Spidla led the government in seeing through an increase in the minimum wage in December 2002, taking effect as of January 2003. However, unemployment broke the 10% barrier at the end of January 2003.

Spidla announced in October 2002 that the estimated damage caused to the Czech Republic due to the August flooding was Kc 70 billion, but that figure was not definitive. He suggested that a provisional budget for 2003 not be passed, in that it would hinder the flow of money needed for assistance in repairing the flood damage. The year 2002 was the worst year since the fall of communism in 1989 for Czech farmers, due to the floods and lower commodity prices, and farmers have demanded they receive the same subsidies as their counterparts in the EU. In October 2002, some 3,000 farmers protested the conditions of EU admission, demanding more government support for agriculture.

### FOREIGN POLICY

Since the “Velvet Revolution,” the primary foreign policy goal of successive Czech governments has been to integrate into Western security and economic structures, especially North Atlantic Treaty Organization (NATO) and the EU.

In 1997, the Czech Republic was invited, along with Poland and Hungary, to join NATO. Accession protocols with the Alliance were signed in late 1997, and the Parliament ratified accession in April 1998. Czech troops had already served with NATO in peace keeping operations in Bosnia since the end of 1995. The Czech Republic became a full NATO member on 12 March 1999. The first NATO summit held in a former Warsaw Pact country took place in Prague in November 2002, and dealt with NATO's further enlargement and its cooperation with Russia.

The process of accession into the EU began in March 1998, along with four other central European countries and Cyprus. It was among 10 new EU candidate countries to be formally invited to join the body in December 2002, and the Czech Republic is expected to become a full member in May 2004, pending an EU accession referendum to be held in June 2003.

Spidla traveled to Afghanistan in early October 2002 to meet with Afghan leader Hamid Karzai, and to visit Czech doctors in the field there. In November, the government approved a plan to reform and professionalize the army; the army is to become fully professional by 2007.

In line with former President Vaclav Havel's support for the U.S. position regarding the disarmament of Iraq in late 2002, Spidla in February 2003 adamantly voiced his disagreement with French President Jacques Chirac's statements that the Czech Republic and other EU candidate countries had engaged in “childish and irresponsible behavior” in supporting the position of the United States on disarming Iraq, by force if need be. Chirac said those EU candidate countries missed a good opportunity to “keep quiet,” and implicitly warned the candidates that their position could be dangerous because EU enlargement had not yet been ratified by the member countries. Spidla labeled Chirac's comments as “neither balanced nor correct.” The Czech Republic sent its elite anti-chemical weapons unit to Kuwait prior to the start of the war in Iraq on 19 March 2003.

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# DENMARK

## Anders Fogh Rasmussen Prime Minister

(pronounced “AHN-durs FOEHG RAS-muh-senn”)



*“We need to change attitudes in society, so that it becomes natural to strive for greater goals. We need to place people before the system and show respect for the individual. The right to decide over one’s own life will be the backbone of our policies.”*

The Kingdom of Denmark is situated in the north of Europe, between the Baltic and North seas. Its southern border with Germany is the only land connection to the continent. Denmark consists of the Jutland peninsula along with 100 inhabited islands, including the large Arctic island of Greenland and the Faroe Islands in the North Atlantic, which are self-governing territories. Denmark proper has an area of only 43,094 sq km (16,638 sq mi), with a population estimated in 2002 at 5.4 million. The capital city is Copenhagen.

The population is 95% Scandinavian in origin, but a significant immigration during the past 30 years has eroded the previous homogeneity. Likewise, 95% of the Danish people are Lutheran in religious affiliation, and Danish is their first language.

Danes enjoy one of the world’s highest standards of living, with a per capita gross domestic product (GDP) equivalent to us\$28,500 in 2001. Denmark exports machinery, meat, dairy products, and chemicals. Its principal imports are machinery, heavy industrial products, and raw materials. The monetary unit is the Danish *kroner* or crown. Denmark was one of three countries in the European Union (EU) not to adopt the *euro* as its currency in 2002.

### POLITICAL BACKGROUND

Denmark has been a constitutional monarchy since 1849. The present Constitution dates from 1953 and establishes a unicameral Parliament, the Folketing. Executive power is vested in the monarch, currently Queen Margrethe II, who appoints the prime minister and his cabinet. In practice, the queen’s role is purely ceremonial, as she must consult the parties in the Folketing in making her choice, and the Parliament can dismiss any minister or government by a majority vote of no confidence. Likewise, the prime minister can dissolve Parliament and call new elections at any point during the four-year electoral term.

The Folketing is composed of 179 seats, most of which are elected by a system of proportional representation (parties gaining at least 2% of the vote receive seats in proportion to their share of the popular vote.) This has produced a multi-party system, with 10 parties currently represented in the diet. Since the establishment of parliamentary democracy in 1901, no single party has held a majority; thus, governments have been based on coalitions of parties. Denmark has mainly been governed by a series of minority governments that had to bargain continuously in order to get a majority of the

Folketing to support individual legislative matters. The Social Democrats seek to nationalize monopolies and redistribute income through tax policy; the Liberal Party is just left of center, but has often supported nonsocialist coalitions on domestic issues; other parties are the Center Democratic Party, Danish People’s Party (far-right), Conservative Party, Social Liberal Party (sometimes called the Radical Left), Socialist People’s Party, Christian People’s Party, and the Red-Green Unity List (comprised of the Left Socialist Party, Communist Party of Denmark, and Socialist Workers’ Party).

### PERSONAL BACKGROUND

Anders Fogh Rasmussen was born on 26 January 1953 in Ginnerup, Nørre Djurs, in Århus county on the east coast. He became active in politics at a young age, helping to found the Young Liberals while still in high school. The Liberals in Denmark are a center-right party and Fogh has said that he helped found the conservative youth faction of the long-established Liberal Party in reaction to the mass student leftist movements of the time—the late 1960s. He studied economics at the University of Århus, from which he graduated in 1978, and was elected that year to the Parliament. He is married and has three children.

### RISE TO POWER

Fogh has been involved in the politics of Denmark since high school and was elected to Parliament right after graduating from college. In the Liberal Party he has held many posts, including chairman of the education committee, vice-chairman on the national organization, and vice chairman of the housing committee. His first ministerial post came in 1987 when he served as minister for taxation, an area of great interest to the economist. He served in that ministry until 1990 when he took over the ministry of economic affairs, which he led until 1992. Fogh did not hold any ministerial posts again until becoming prime minister in 2001. During his time out of government, he served as spokesman for his party and held various high posts within it.

In 2001, then-prime minister Poul Nyrup Rasmussen called for parliamentary elections to be held in November, even though they were not due until March 2002. It was reported that Nyrup feared electoral defeat and saw in the political solidarity that followed the terrorist attacks on the United States in September an opportunity to hold onto power. Like much of Western Europe in the late twentieth and early twenty-first centuries, however, the Danish



electorate had been moving to the right on issues like taxation and immigration. Also contributing to the defeat of Nyrup was a simple desire for change after nine years of his administration. Fogh's Liberals won 31% of the vote (56 seats in Parliament); Nyrup's Social Democrats won 29% (52 seats); the far-right Danish People's Party took a stunning 12% (22 seats), and the Conservatives won 9% (16 seats). It was the first time since 1920 that the Social Democrats had not held the most seats. Fogh formed a coalition with the Conservatives.

## LEADERSHIP

Fogh has long been an advocate of introducing free-market reforms to both the Danish economy and to the Danish state, particularly its generous welfare programs. He is the author of *From Social State to Minimal State*, a book published in 1993. In it he makes the point, which he also emphasized throughout the 2001 campaign, that Danes pay the highest taxes in the world. He promised to institute a tax freeze immediately upon assuming power. He also spoke forcefully on immigration, a hotly debated topic in much of Western Europe, particularly in ethnically homogenous nations like Denmark. The far-right Danish People's Party, only founded in 1995, took a very hard line on immigrants, as have similar parties in Austria, Italy, France, and the Netherlands. Fogh took a middle line on the issue, saying he was not opposed to immigration but wanted to make it more difficult for immigrants to be granted residence, and to extend to seven years the period immigrants must wait before receiving welfare benefits. The other major issues he campaigned on were crime prevention, support for the retired, and lessening the waiting time for certain medical procedures.

## DOMESTIC POLICY

Fogh's domestic policies are far reaching and are meant to radically reform many aspects of the Danish state, which he and the Liberal Party see as having grown too large and inefficient. Fogh seeks to create a system which is far more favorable to private-sector individual initiative by greatly reducing the tax burden on ordinary Danes. He wants to introduce private enterprise into the health care and welfare systems, but not to dismantle them. Fogh promised to introduce tough new immigration laws and to crack down on violent crime, a pressing issue for Danes who have seen their normally peaceful, law-abiding country becoming increasingly violent. By March 2002 Fogh had managed to deliver on many of his campaign promises, relying on the parliamentary support of the Danish People's Party to produce an absolute majority. The formerly ruling Social Democrats had been so marginalized by their defeat in the November elections there was little they could do to stop the center-right government from achieving most of its goals. The government had introduced new immigration laws limiting the number of immigrants and limiting immigration to only those individuals who qualified as refugees by internationally agreed definitions. Fogh's government also ended the right of families of immigrants to be granted residency automatically. New laws were passed stiffening punishment for violent crimes. Fogh also fulfilled his campaign pledge to provide more assistance to Denmark's growing elderly population. Like many countries in the developed world, the ratio of



retirees to workers is growing, and it is becoming increasingly difficult to provide services to this growing population. Fogh introduced legislation providing 500 million Danish krona in new spending for the retired and also passed legislation providing for 12 months of maternity leave. Fogh has also eliminated more than 103 administrative boards and committees, reportedly saving the country us\$35.5 million.

## FOREIGN POLICY

Fogh's vision for Danish foreign policy is not drastically different from the traditional foreign policy pursued by Denmark for many years. The Liberal Party is firmly engaged in the European Union (EU) and the North Atlantic Treaty Organization (NATO) and is a vocal supporter of the enlargement of both. Denmark is one of three countries in the EU that opted out of the currency harmonization scheme and so, along with Sweden and the United Kingdom, it has not adopted the *euro*, though it may join at some point in the future. Denmark has also opted not to join any EU-funded defense force. Fogh's government believes it is not in the best interests of Denmark to be nonparticipants in these areas but respects the Danish rejection by referendum. The Liberal Party officially would like Denmark to join the "eurozone" by adopting the euro as the country's currency, and also supports Danish participation in a common EU defense policy and the EU military force. This will only happen if Danish voters elect to do so by referendum. Denmark, as one of the smaller countries within the EU, has fought recent moves within the body to provide the larger countries with a greater voice in EU decision-making as expansion continues.

As a member of NATO, Denmark was an immediate supporter of the U.S. War on Terror following the attacks on

the United States in September 2001. Denmark contributed troops to the multinational peacekeeping force led by the United Kingdom in Afghanistan. Three Danish soldiers were killed in March 2002 as they tried to defuse an unexploded bomb. Fogh has also lined up behind the U.S. president George W. Bush on the issue of Iraq. He is convinced that Saddam Hussein has weapons of mass destruction, and that he is prepared to use them. Fogh also wants to revise parts of a defense agreement with the United States and Greenland first reached in 1951.

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**Profile researched and written by Jim Henry (5/2002; updated 2/2003); sections contributed by Eric Einhorn, University of Massachusetts, Amherst (9/1998 and 3/2000).**

# DJIBOUTI

## Ismail Omar Guelleh President

(pronounced “EESH-mail O-mar gu-ELL-a”)



*“The port of Djibouti is the country’s major source of government revenue. We are ready to lay down the foundation for cooperation among port authorities in the surrounding region.”*

The Republic of Djibouti, formerly known as French Somaliland and subsequently renamed the French Territory of Afars and the Issas, became an independent republic in May 1977. Located in the Horn of Africa, just south of the Bab el Mandeb Strait, Djibouti occupies the strategic entrance into the Red Sea. Its neighbors include Ethiopia to its north and west, Somalia to the southeast, and Eritrea to its northwest. With a total land area of 22,000 sq km (8,494 sq mi), Djibouti consists of a coastal plain and plateau, separated by central mountains. Most of the land is volcanic desert, and the climate is hot and arid. Due to a shortage of precipitation, drought and water shortages are common. Djibouti has no arable land and is 9% permanent pastures.

An estimated 472,810 people lived in Djibouti in 2002, with approximately 383,000 residing in the capital, Djibouti. The country’s main ethnic groups include the Issa—of Somali descent—accounting for 60% of the population; the Afars for 35%; and French, Arabs, Ethiopians and Italians for 5%. French and Arabic are the official languages; however, Saho-Afar and Somali are widely spoken. Ninety-four percent of the population is Muslim, and 6% is Christian. With a literacy rate of 46.2% and life expectancy of only 49.4 and 53.1 years for men and women respectively, Djibouti is a poor country with a per capita gross domestic product (GDP) estimated at us\$1,400 in 2001.

Most economic activity is centered around the capital and port city of Djibouti, but the majority of Djiboutians are pastoral nomads. The country’s main trading partners include Great Britain, France, and Somalia. Djibouti imports 97% of its food and is heavily dependent on foreign aid to survive. The national currency is the Djibouti *franc*.

### POLITICAL BACKGROUND

Formerly a French colony and overseas territory, Djibouti became independent in 1977, following a referendum in which an overwhelming majority (98.9%) voted to sever ties with France. During the colonial period, French administrators favored the Afar minority over the Issa majority, laying the foundation for postindependence ethnic distrust and conflict.

Following independence, the Issa supported the *Ligue Populaire Africaine pour l’indépendance* (LPAI), which was later renamed *Rassemblement Populaire pour le Progrès* (Popular Rally for Progress, RPP). Its leader was Hassan Gouled Aptidon. The RPP and Aptidon dominated postindependence Djiboutian politics. Initially, Aptidon sought to

create a balanced government consisting of both Afars and Issas by naming Afars to the cabinet, but his efforts failed to halt rising ethnic tensions. In December 1977, Prime Minister Dini and four other Afar cabinet members resigned. By 1981, Djibouti became a one-party state with only RPP-approved candidates standing for legislative elections in 1982 and 1987. By the mid-1980s, ethnic tensions between the Afars and the Issas increased, resulting in violence by 1989. In 1991, the *Front Pour la Restauration de l’Unité et de la Démocratie* (Front for the Restoration of Unity and Democracy, FRUD) began a full-scale guerrilla war against the government. Many Afar leaders were arrested, detained, and tortured during the first part of the 1990s.

With mounting international criticism and the loss of French support due to severe human rights violations, Aptidon agreed to political change. Multiparty elections followed a constitutional referendum in December 1992, despite widespread electoral fraud and opposition boycott. The FRUD boycott ensured total victory for Aptidon’s party. Meanwhile, by the mid-1990s, factional rivalry split FRUD, and some members entered into negotiations with the government and subsequently agreed to a power sharing arrangement. In December 1997, legislative elections resulted in RPP-FRUD capturing all 65 seats. Aptidon decided to retire due to old age and mounting health problems, paving the way for presidential elections in 1999.

The current constitution, approved in a September 1992 referendum, states that executive power is vested in the president, elected by universal adult suffrage for six-year terms. The prime minister, appointed by the president, presides over the cabinet, known as the Council of Ministers. The national legislature, the Chamber of Deputies, consists of 65 members elected to five-year terms by universal suffrage and through a party-list proportional representation system. Djibouti is divided into five administrative districts called *cercles*.

### PERSONAL BACKGROUND

Ismail Omar Guelleh, the nephew of former president Aptidon, was born in 1947 in Dire-Dawa (Ethiopia) to Omar Guellah and Moumina Rirache of the Issa ethnic group and Mamassans clan. During his youth, Guelleh attended a primary school based on Koranic principles, first in Dire-Dawa and then in Djibouti. In 1968, he began his employment with the French colonial administration, rising to police inspector by 1970.



In 1975, Guelleh left his employment with the French colonial administration and became an independence activist with the LPAL, working as part of an editorial committee for *Popular*, a pro-independence newsletter. Later, he launched his own newspaper, *Djibouti Today*, pressing for Djibouti's independence.

From 1975 to 1977, Guelleh participated in several delegations abroad to negotiate for the country's independence. He visited Libya and Somalia to obtain foreign support. After independence was achieved, Guelleh became an important leader and Aptidon's chief of staff. He occupied that position for the next 22 years.

Guelleh is married and has four children.

## RISE TO POWER

Guelleh's rise to power commenced when he became an integral part of Aptidon's administration in 1977. As chief of staff, he was responsible for maintaining domestic security. He actively cultivated the support of the armed forces and the RPP. Since its formation in 1979, Guelleh steadily advanced in the party hierarchy. In 1983, he became a member of the party's central committee. In the following years, he served on a variety of party committees and became its vice president in 1996.

As former president Aptidon's health deteriorated, Guelleh assumed increased responsibility for daily governmental affairs. Using his political base within the military and police in addition to the RPP, he developed a solid reputation within the government and party. In particular, he enjoyed strong support from Aptidon and the Issa community—who referred to him by his initials, IOG.

When Aptidon decided not to seek another term because of his deteriorating health, Guelleh became his handpicked successor. During the campaign, Guelleh stressed the importance of economic development, nation-building, and peaceful relations with Djibouti's neighbors. He spoke about the need to maintain an orderly transition in government based on his experience and ties to Aptidon. In the 9 April 1999 election, Guelleh garnered 73.89% of the vote while his opponent, Moussa Ahmed Iddris, obtained only 26.11%. Guelleh dominated in rural districts but still managed to poll 62% in the capital. Despite charges of fraud by the opposition, the Chamber of Deputies certified the elections, and power was transferred from Aptidon to Guelleh on 7 May 1999.

## LEADERSHIP

While Guelleh enjoys significant support from the Issa community and the military, Djibouti remains an ethnically divided society. Most Issas remain suspicious of him, and he needs to demonstrate his leadership skill independent of Aptidon.

The recent alliance between RPP and moderate members of FRUD creates a unique opportunity to reduce ethnic conflict in Djibouti. Despite allegations of electoral irregularities, Guelleh has broad support in the country.

Guelleh's administration has sought to create a more ethnically balanced government by reaching out to the Afar minority. He has emphasized economic development and growth as the primary foundation for a prosperous Djibouti. Indeed, with the economy having declined over 10% in the mid to late 1990s, Guelleh continues to represent a hope for the future.

## DOMESTIC POLICY

Guelleh's primary areas of domestic concern include economic development and ethnic harmony. Current statistics reveal that 50% of the labor force remains unemployed, but the overall economy has stabilized after several years of negative growth. The economy remains heavily dependent on foreign aid, and repeated cuts in international aid during the 1990s worsened the overall economic picture. Coupled with these difficulties, increased military expenditures from 1991–94, to quell an insurgency, resulted in the government's inability to meet its international loan obligations that exceeded us\$250 million. International Monetary Fund (IMF) loans worth us\$6.8 million could not be disbursed because Djibouti failed to complete economic reforms after riots and strikes ensued. The government failed to meet interest payments in 1996. However, the problem was partially alleviated by a 1998 IMF line of credit for us\$2.8 million. In 2002, the European Union (EU) announced a €34.8 million aid package aimed at development projects.

With a lack of natural resources, Guelleh's administration has hoped to focus somewhat on trade. Djibouti is a member of the 20-nation Common Market for Eastern and Southern Africa (COMESA). Djibouti has recently joined with 9 other member states to establish a free-trade zone, with hopes to allow free movement for skilled laborers by 2004, free movement for people by 2014, and a single currency by 2025.

A general boost for the economy has come from capital expenditures on port facilities, as the persistent war between

Ethiopia and Eritrea have created a shipping boom in Djibouti. As a consequence of the Ethiopia-Eritrea conflict, Ethiopia became increasingly dependent on Djibouti for cargo transport. Based on Guelleh's ties to Ethiopia (his birthplace), a favorable environment for port commerce is likely to continue for the foreseeable future. There are plans to revamp the port's facilities and create an industrial zone and free port to complement the existing free trade zone.

Ethnic tensions between the Afars and the Issas have historically been a threat to domestic stability. But under Guelleh's leadership, there may be a chance for lasting peace. In the 1980s and 1990s, conflict increased to the point that some Afars began to participate in armed conflict against the incumbent government. The FRUD signed a peace accord with the government in December 1994 to end the conflict. Two FRUD members were made cabinet members, and in the presidential elections of 1999, the FRUD campaigned in support of the RPP. In February 2000, another branch of FRUD signed a peace accord with the government. On 12 May 2001, Guelleh presided over the signing of what is termed the final peace accord, officially ending the decade-long civil war between the government and the armed faction of the FRUD.

## FOREIGN POLICY

Since independence, Djibouti has maintained close relations with France and the Arab world, receiving significant foreign aid and development assistance from both sources. In addition, much of the country's trade is with France. In 1991, following the fall of the Siad Barre and Mengistu governments in Somalia and Ethiopia, an estimated 100,000 refugees of both countries came into Djibouti. In 2000, a three-year drought brought in 50,000 more Somalian refugees. Adding to this, Somalia has extended territorial claims over Djibouti in the past and harbored FRUD insurgency rebels. In 2000, Guelleh's government hosted both the Somali Reconciliation Conferences and the Arta Conference, which brought together various Somali clans and warlords. These efforts to promote reconciliation in Somalia have led to the establishment of the Transitional National Government (TNG) in Somalia. Guelleh appears optimistic that the TNG will move toward bringing peace and stability to Somalia.

Having been born in Ethiopia, Guelleh enjoys the support of that country and promises greater economic integration. He campaigned on a program of increased ties with Ethiopia for economic and territorial security. As the fighting between Ethiopia and Eritrea increased, relations between Ethiopia and Djibouti were strengthened. The two countries have been desperately dependent on each other for survival, and Guelleh had announced his intention to seek an economic and political federation with Ethiopia. However, close ties with Ethiopia resulted in conflict with Eritrea in November 1998, when Djibouti severed diplomatic relations with Eritrea on grounds that the latter provoked conflict with Ethiopia. With the Ethiopia-Eritrea war of 2000, Guelleh, with the hope of remaining nominally neutral, reconsidered his relationship

with Eritrea, and sought to renew relations with that country. In 2001, Eritrean President Isaias visited Djibouti and Guelleh made a reciprocal visit to Asmara to establish if not friendly, at least neutral, relations.

Djibouti's relations with the United States have been strong, as the Djibouti government has generally been supportive of U.S. and Western interests. This was demonstrated both during the Persian Gulf war of 1990–91 and in Guelleh's offer of the full support of his nation in the U.S.-initiated War on Terror, a response to the 11 September 2001 terrorist attacks on the U.S. Pentagon in Washington, D.C., and the World Trade Center in New York. As a victim of past international terrorist attacks, Guelleh takes a pro-active position among Arab League members to support coalition efforts against terrorism. However, in early 2003, Guelleh was among those leaders who opposed military action against Iraq (being proposed by the United States) without a United Nations (UN) resolution. Despite his opposition to military action, in 2002 and 2003, Guelleh allowed the United States to construct a military base on Djibouti land. The Horn of Africa is a base for U.S. military operations with proximity to the Middle East. The million-dollar military project was controversial because it did nothing to alleviate the extreme poverty of Djiboutians living near the new base. On 11 December 2002, President Guelleh hosted a visit from U.S. secretary of defense Donald Rumsfeld during Rumsfeld's visit to military installations in the region.

Djibouti is a member of the Arab League, as well as the African Union (known until July 2001 as the Organization of Africa Unity—OAU), and the Intergovernmental Authority on Development (IGAD).

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Profile researched and written by Robert W. Compton, Jr., Western Kentucky University (9/99; updated 3/02 and 2/03).

# DOMINICA

Pierre Charles  
Prime Minister

(pronounced “pea-AIR SHARLL”)

*“While I am hopeful and indeed optimistic, I am also chastened to the realities of the economic downturn being experienced not only here in Dominica, but across the region and the world.”*



The Commonwealth of Dominica is a Caribbean island about one-half of the way from Puerto Rico to Trinidad and Tobago. Its total area of 754 sq km (291 sq mi) consists of one island a bit larger than four times the size of Washington, D.C. Roseau is the capital city. The population, estimated at 70,786 in 2001, is of African and Carib Amerindian descent and is primarily Roman Catholic (73%). English is the official language, though many use a French patois. The per capita gross domestic product (GDP) was estimated at US\$3,700 in 2001, down from US\$4,000 in 2000. The unit of currency is the *East Caribbean dollar* (EC\$). The country's traditional agricultural exports include bananas (50%), soap, vegetables, grapefruit, and oranges. Since the late 1980s, the country has worked to develop an ecotourism trade to replace its historic reliance upon agriculture as the chief source of income.

## POLITICAL BACKGROUND

Carib Amerindians supplanted the island's indigenous Arawak people in the fourteenth century. Columbus landed in November 1493. In 1635, France claimed Dominica, and shortly thereafter French missionaries became the first European residents of the island. Dominica remained officially neutral for the next century, but the attraction of its resources remained; British and French lumbermen harvested timber in the eighteenth century. France eventually became predominant and established an active settlement. However, as part of the 1763 Treaty of Paris, the island became a British possession. In 1831, reflecting a more liberal official British racial policy, the brown privilege bill accorded political and social rights to free nonwhites. Three blacks became members of the legislative assembly the following year. Following the abolition of slavery in 1838, Dominica became the only British Caribbean colony to have a black-controlled legislature in the nineteenth century. In 1865, the colonial office replaced the elective assembly with one that consisted of one-half elected members and one-half appointed, but a Crown Colony government was reestablished in 1896. Following World War I, an increase of political consciousness and unrest throughout the Caribbean led to the formation of the representative government association, which won one-third of the popularly elected seats of the legislative assembly in 1924 and one-half in 1936. Shortly thereafter Dominica became part of the Leeward Island Administration and was governed as part of the Windwards until 1958 when it joined the West Indies Federation. In 1967, Dominica, among other islands, became a self-

governing state within the West Indies Associated States. On 3 November 1978, the Commonwealth of Dominica gained its independence from the United Kingdom. The Dominica Freedom Party, under Prime Minister Eugenia Charles, the Caribbean's first female prime minister, ruled from 1980 through 1995. The United Workers Party, led by Prime Minister Edison James, governed until the February 2000 election, when the Dominica Labour Party (DLP), under the leadership of Roosevelt (“Rosie”) Douglas, won control of the Parliament. Upon the sudden death of Douglas during the first year of his term, Pierre Charles became prime minister, taking office on 1 October 2000.

## PERSONAL BACKGROUND

Pierre Charles was born 30 June 1954 in Grand Bay, Dominica. Grand Bay, on the south coast of Dominica, is considered the center of Dominican culture. Much of the country's political and social activism has roots in the Grand Bay area. Charles's parents were Francis and Theodora Charles. He was educated at the Grand Bay Boys School (1956–67), Dominica Grammar School (1967–70), and Saint Mary's Academy (1970–72). Later, he attended Teachers' Training College (1978–79). Through his school years and into his adult life, he was involved with community organizations such as Boy Scouts, and various sports, including the National Basketball League of Dominica. He taught school (1972–79) before becoming involved in government, as a representative of one of the most politically active constituencies in the country. His political constituents nicknamed him “Pierro.”

Charles and his wife, Justina Musgrave, have three children.

## RISE TO POWER

When Prime Minister Patrick John was ousted from office in June 1979, Pierre Charles was among those who served in the interim government. At the time, he was also involved in the management of an agricultural trade organization, Farm to Market. In 1980, he ran for election on the left-wing Dominica Liberation Movement (DLM) ticket; he lost in that race to the candidate of the Dominican Freedom Party (the party led by Mary Eugenia Charles). By 1985, Pierre Charles had left the DLM to join the Dominica Labour Party (DLP), the traditional opposition party led by Roosevelt Douglas. Pierre Charles won his election contest in 1985, and when he became prime minister in October 2000, he had served longer in Parliament than any other member. When Roosevelt

Douglas assumed the prime minister post in February 2000, Pierre Charles was appointed minister of communications and works; Charles became prime minister in October when Douglas's unexpected death stunned the nation.

## LEADERSHIP

Pierre Charles has served in government and community organizations ever since his years as a student. He developed his political skills beginning in 1975; with a group of his friends from his high school years, Charles formed the activist group, L'Echelle. Their goal was to raise social consciousness and political involvement among the young people of his home town of Grand Bay. L'Echelle was also devoted to the cause of Dominican independence. It was during these days that Charles probably first met and worked with Roosevelt Douglas, who was a driving force behind the Popular Movement for Independence for Dominica, a group with a strong base of support in the Grand Bay area during the mid-1970s.

Pierre Charles's leadership and ambition were not limited to the arena of politics. He was a member of the Grand Bay village council for over a decade, served as president of Dominica's National Youth Council, and was a district chairman of the trade organization, Banana Growers Association.

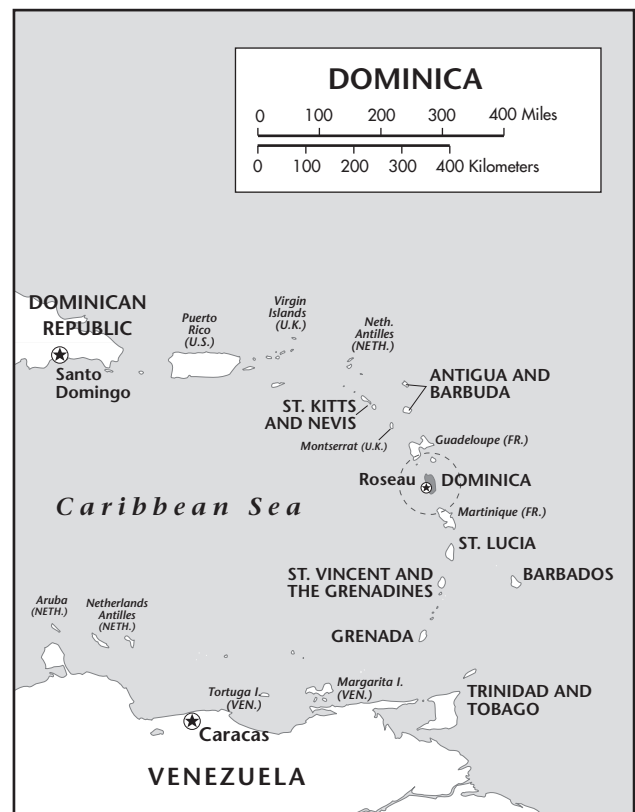
In late 2000, during his first months as prime minister, Pierre Charles took an honest, open approach to delivery of the news about the economic downturn the country faced. He was straightforward in his request that citizens prepare for the challenge of sacrifice to cope with the effects of a difficult economy. By early 2003, after two years in office, the economy was in dire straits and the Charles administration was under siege from the opposition inside the government and even its supporters among the citizenry.

## DOMESTIC POLICY

The new government in 2000 faced numerous problems: education and youth training, persistently high unemployment, lack of health care, an inadequate infrastructure, and a continued dependence upon agriculture as the world market for agricultural products underwent significant changes. Like his predecessor, Charles faced heavy indebtedness and a slumping economy. The unemployment rate had not fallen below 20% since the 1990s; in 2000 it was 23%.

Despite efforts made in 2000—such as the inauguration of an express airline to transport tourists to Dominica—by Charles's predecessor, Prime Minister Rosie Douglas, the country's tourism market was stagnating in 2001–02. In February 2002, Charles warned Dominicans to expect serious austerity measures to help the economy recover in the wake of the dramatic downturn in tourism being experienced worldwide following the 11 September 2001 terrorist attacks on the United States. In response to these austerity measures, Dominicans protested, staging massive demonstrations. In May 2002, Charles named representatives from nongovernment organizations to a special Economic Stabilization Consultative Group, with the challenge of preparing a plan to get the country's economy turned around.

Besides trying to adjust to lower tourism revenue, the administration in 2002 was investigating any and every



possible option to reduce government spending and increase government revenues. The downturn in tourism, coupled with a changing world market for bananas, stressed the government budget to an unacceptable level. The International Monetary Fund (IMF), the World Bank, and the Eastern Caribbean Central Bank (ECCB) joined together early in 2002 to urge Dominica to take measures immediately to shore up its economy. Among the measures considered was raising the retirement age for public servants from 55 to 60, to cut down on the expense of government pensions. The 2002–2003 budget included a 4% tax on all salaries that took effect 1 July 2002, and 5% taxes on telephone service, television service, and most petroleum products. The organization, Consumers Against High Utility Rates (CAHUR), warned the government that poverty-stricken Dominicans were simply unable to pay the new taxes.

Dominica's economy, like the economies of most of its neighbors in the Caribbean region, was in a serious recession as of 2002. GDP continued to decline, by more than 4% in 2002, with all sectors of the economy affected. Bananas, a staple of the economy, faced stiffer competition after the 1999 World Trade Organization (WTO) decision to force European Union (EU) member countries to phase out preferential trade terms for the former colonies. The economic downturn at home was further aggravated by the fact that many Dominicans, accustomed to relying on payments sent home from relatives working abroad, found that their relatives were suffering similar economic pressure elsewhere in the region and around the world.

Since 1979, the government of Cuba has offered full scholarships to hundreds of Dominican students wishing to pursue



advanced degrees in medicine, engineering, agriculture, and architecture at Cuban universities. In turn, the Dominican government has paid an annual stipend of around US\$900 to each student, amounting to US\$240,000 in 2000. In 2002 the government was considering the elimination or reduction of these stipends.

## FOREIGN POLICY

One of the critical elements of the LDP's successful campaign that led to Rosie Douglas's election as prime minister was criticism of the country's Economic Citizenship Program. For much of the 1990s, Dominica provided foreigners with passports in exchange for investments totaling millions of dollars. At the end of 1999, there were an estimated 1,000 such citizens, largely from Russia, China, Europe, and the United States, with most residing outside Dominica. In April 2000, Dominica reviewed and "fundamentally changed" the program to eliminate abuses, but continued to sell passports to foreigners; in addition, the Dominican Parliament approved measures that would allow the government-owned National Commercial Bank to become involved in offshore banking. However, after being named to a list of 19 uncooperative countries in the fight against money-laundering by the Paris-based Financial Action Task Force, in late 2001 the legislature passed the Exchange of Information Act, a new law that would allow foreign authorities access to offshore banking information.

Douglas had also sought new investments from Libya and other old allies, but also worked for closer economic relations with Europe, Canada, Japan, and the United States. In September 2000, just prior to his death, he met with Japanese representatives to discuss ways the two countries might work together. In July 2001, Charles continued to pursue Dominica's close relations with Japan, meeting with Prime Minister Junichiro Koizumi and other officials. Issues relating to tourism, fisheries, and information technologies were discussed, and the two countries pledged mutual cooperation on a variety of topics.

Prime Minister Douglas also had negotiated with the French government, which gave a commitment to improve the Melville Hall and Canefield airports to increase air traffic. Charles hoped to build on these international alliances. The

airport improvement projects were not without controversy, however. In 2002 Dominica sued Citibank, the bank that handled the island's bond issue for the airport project, charging that Citibank unfairly exaggerated fees and interest charges levied against the Dominican government.

Upon Douglas's death, Prime Minister Charles pledged to attract more foreign investment, create jobs, and diversify the country's economy away from its prime reliance upon tourism and the export of bananas. In February 2001, in an address to the heads of government of the Caribbean Community (CARICOM), Charles stressed the importance of integration for the Caribbean region, for unhampered travel between the CARICOM states, and for setting an agenda for achieving a single market and economy. Two years later, Dominica's economy was weaker than ever, with prospects for progress on any of Charles's goals appearing dim.

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Profile researched and written by Susan Gall (5/2002; updated 2/2003); sections contributed by John Ranahan (5/2000).



# DOMINICAN REPUBLIC

Rafael Hipólito Mejía Domínguez

President

(pronounced “RAFF-ay-el ee-POH-lee-toh may-HEE-ah dom-ING-ez”)

*“I’m going to govern from a glass house, with transparency...I am totally conscious of the responsibility of this post and I assume it with humility and with respect for the Dominican people and the international community.”*



Known by its inhabitants as la Republica Dominicana, the Dominican Republic is located in the West Indies. It occupies the eastern two-thirds of the island of Hispaniola, which it shares with Haiti on the west. To the north lies the Atlantic Ocean, with the Mora Passage on the east separating the island from Puerto Rico. To the south lies the Caribbean Sea. Covering an area of 48,730 sq km (18,810 sq mi), the terrain is dominated by a central mountain chain and several lesser ranges. Despite the country’s subtropical location, it enjoys a moderate climate, well suited for agriculture.

Spanish is the Dominican Republic’s official language, reflecting its colonial heritage. The predominant religion is Roman Catholicism, which receives state support. Nearly two-thirds of the country’s 8.6 million people (as of 2001) live in the northern and eastern regions, where farmland is excellent, and water is plentiful. However, more than one million people live on the southern coast, in the capital city of Santo Domingo. The largest city in the Dominican Republic, it is also the nation’s economic and cultural hub. Ethnically, about 75% of Dominicans are of mixed European and African descent while the remaining 25% of the population is made up of non-mixed blood whites and blacks. Haitians make up the largest minority group.

Life expectancy is 73 years of age, but infant mortality rates remains high at 34.67 deaths per 1,000 live births. Per capita gross domestic product (GDP) was estimated at US\$5,700 in 2000.

The Dominican economy is based largely on agriculture, with its chief products being sugar, coffee, cocoa, and tobacco. However, there is also a strong mining sector which produces gold, silver, and nickel. In recent years, tourism has become a significant source of income. Primary imports, half of which come from the United States, include foodstuffs, petroleum, manufactured goods, chemicals, and pharmaceuticals. Major trading partners are the United States, the European Union (EU)—especially Germany, Mexico, and Venezuela. The unit of currency is the *peso*.

## POLITICAL BACKGROUND

The Dominican Republic is a representative democracy in which all citizens may vote once they reach 18 years of age, or even earlier if they are married. The country’s 1966 Constitution divides power among three branches: legislative, judicial, and executive. This similarity to the U.S. Constitution is no accident. After years of dictatorship under Rafael Trujillo, the country was in the midst of civil war when the

United States invaded in 1965. The invasion was ostensibly to protect American citizens, but was also meant to curb the growing influence of leftist rebels and prevent their success. After establishing an inter-American peacekeeping force, the United States assisted the Dominicans in the formation of a new government. Following the U.S. model, legislative action is conducted by a bicameral National Congress, which consists of the Senate and the Chamber of Deputies, whose members face election every four years. The Senate’s 30 members each represent a province while the chamber’s 120 deputies are apportioned by population. Executive power is vested in the president who is elected to a four-year term. The president has the authority to appoint provincial governors and to remove them as well. He is also commander-in-chief of the armed forces although military commanders have also wielded great power as well.

There are four major political parties in the Dominican Republic: the Dominican Liberation Party (PLD), led by Leonel Fernández; the Social Christian Reformist Party (PRSC) of former president Joaquin Balaguer; the Dominican Revolutionary Party (PRD), the party of President Mejía, led by Hatuey De Camps; and a smaller party called the Democratic Union (UD). As in the United States, the party of the president does not necessarily enjoy a majority in the National Congress. Following the May 2002 elections, the president’s PRD had 29 seats in the Senate and 73 in the Chamber of Deputies.

## PERSONAL BACKGROUND

Hipólito Mejía was born on 22 February 1941 in Gurabo, province of Santiago. He is married to Rosa Gómez de Mejía, and they have four adult children (Carolina, Lisa, Felipe, and Ramón) and seven grandchildren. He is fond of sports, and has played softball and baseball. He studied at the Polytechnical Institute of San Cristóbal, where he graduated as an agronomist in 1964. At the University of North Carolina, he specialized in agribusiness, especially the processing of tobacco. In 1966, he began working for the U.S. agrochemical manufacturing company Rohm and Haas. He served as secretary of agriculture under the administration of Antonio Guzmán. He was chosen by José Francisco Peña Gómez as his running mate in the presidential elections of 1990.



## RISE TO POWER

In the first round of presidential elections of 16 May 2000, Hipólito Mejía of the PRD won 49.8% of the vote, beating both 92-year-old blind Joaquín Balaguer of the PRSC (who served as president for six terms and who had run in every election since the early 1960s); and Danilo Medina Sanchez, handpicked successor of former president Leonel Fernández of the PLD. There was a large turnout; Medina came in second, and because Mejía did not win 50% of the vote, a runoff election was called. In the Dominican Republic, women vote in the morning and men vote in the afternoon, a result of a 1996 voting reform measure intended to make voting more orderly and to reduce voter fraud. Two election-related deaths occurred, but otherwise the elections were seen to be free and fair. Hipólito Mejía won the run-off election on 30 June. He became president on 16 August 2000.

## LEADERSHIP

Hipólito Mejía, a populist, promised more redistribution of wealth to the approximately 20% of the population who live in poverty. He promised to focus more governmental resources on the agricultural sector, which had been neglected by the Fernández administration, and with which he had a great deal of experience. As of December 2001, Mejía claimed that he had complied with more than 80% of his campaign promises—primary of these being his commitment to the needy.

## DOMESTIC POLICY

Mejía has stated that all social and political change cannot come from the government alone; there has to be cooperation

between the state, industrialists, unions, international agencies and non-governmental institutions. He has stressed the need to spur farm production, to invest in education and infrastructure, including the improvement of health, energy, and potable water services. In late 2000, his administration was successful in enacting new legislation that will infuse revenues into the national budget to help the government cope with global increases in the cost of oil and the costs associated with the country's foreign debt.

By spring 2002, he began to back away from the controversial constitutional reforms that would permit him to run for reelection. In public statements, he claimed to be planning a run for president again, but not until 2008, thereby avoiding the constitutional prohibition on reelection by staying out of the 2004 contest. However, the sponsors of the constitutional reform are close allies of his, causing his critics to doubt the sincerity of his claim that he had no interest in the 2004 contest.

Many families in the Dominican Republic have relatives living in the United States, and therefore, a large percentage of the population has actually had occasion to do business with the Dominican Republic's consulate in New York. (In November 2001, Mejía designated three official days of mourning for a 12 November 2001 plane crash in New York that killed 175 Dominicans.) Soon after he took office in 2000, Mejía fulfilled a campaign promise to reduce fees at the Dominican Republic's consulate there for services such as returning a body to the Dominican Republic for burial. The reduction of such fees had become an important issue to voters in the election that brought Mejía to power.

In November 2001, Mejía's administration launched a program largely funded by the United States to eliminate child labor. The Dominican Republic was one of four countries to undertake such a program, the others being El Salvador, Nepal and Tanzania.

Even though the tourism industries of Caribbean nations suffered in the wake of the 11 September 2001 terrorist attacks on the United States, the Dominican Republic realized a 3% growth in 2001. Some of this growth was attributed to tax reforms and lowered interest rates. The inflation rate had dropped to just over 4% by the end of 2001, and was projected to remain below 6% in 2002.

Mejía has said the government has a high interest in promoting trade and tourism, taking into account the country's geographic position. He has stressed that such projects spur the growth of economically depressed areas by creating new jobs. He has been in favor of modernizing ports—one of his proposals was to authorize the construction and operation of a private commercial port in Azua province.

Regarding trade, as of May 2002 the Dominican Republic's exports to Germany increased by more than 230%, and import from Germany increased by nearly 90% since the same time in 2001. German tourism to the Dominican Republic increased by more than 35% in 2001–02. The European Union (EU) has become a strong market for the organic cocoa grown in the Dominican Republic. Mejía has also been active in building the largest bamboo nursery in the Caribbean, and has coordinated technical cooperation programs for the industry with Taiwan.

Although the economy of the Dominican Republic was outperforming those of its neighbors in the Caribbean, only

24% of Dominicans felt confident that the positive economic climate would continue, according to a poll published in summer 2002. Experts attributed the pessimism to worldwide political and economic insecurity.

## FOREIGN POLICY

A small country with little strategic significance to the world's great powers, the Dominican Republic has been able to stay out of most major international conflicts. Since the country lies within the U.S. sphere of influence and receives most of its foreign aid from the United States, good relations with its powerful neighbor have been a cornerstone of its foreign policy. Mejía hopes to continue the close relation the two nations have, and in September of 2002 urged President Bush to include the Dominican Republic in free trade talks along with five other Central American nations.

Relations with neighboring Haiti have long been strained. Former Dominican Republic President Fernández was beset by problems with Haiti. Haiti's president refused to attend Fernández's inauguration due to events that happened during the 1996 election, when about half a million Dominicans of Haitian descent were prevented from voting in the first round, and thousands of black "illegal immigrants" were deported before the polling took place. The relationship with Haiti has improved during the Mejía administration. Haiti's president Jean Bertrand Aristide and President Mejía decided to work together on the verification of border markers in 2001.

In October 2001, Mejía announced a plan to harden the punishment against money laundering, and to coordinate efforts with other Caribbean countries to combat illicit activity.

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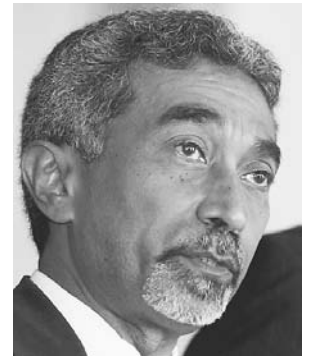
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Profile researched and written by Jeneen Hobby, Ph.D. (5/02; updated 2/03), sections by Patricio Navio, New York University (5/00).

# EAST TIMOR

**Mari Alkatiri**  
**Prime Minister**

(pronounced "MAH-ree Al-ka-TEE-ree")



*"We have achieved the goal to free our homeland, and today we are a step closer to achieving political, economic and social freedom."*

East Timor, also known as Timor Lorosa'e, became an independent nation in 2002. With a total area of 14,609 sq km (5,641 sq mi) and a population estimated in 2002 at 952,618, East Timor consists of the eastern half of Timor island, plus a small enclave, Oecussi, in West Timor. Indonesia is to the north and west, and Australia is to the south. Dili is the capital and largest city, with a population of approximately 67,000.

East Timor is about 92% Roman Catholic. The ethnic mixture includes Melanesian, Austronesian, and Malay ancestries. Tetum, widely spoken, and Portuguese are the official languages. There are 15 other indigenous languages, and English and Bahasa Indonesian are also in use. The literacy rate is 47%.

Some 49% of citizens subsist below the poverty line, and per capita annual income is US\$300. Exports from East Timor include coffee, cloves, and coconuts. There is considerable potential revenue from petroleum reserves and seafood exports. Trading partners include Indonesia, Australia, and the United States. The U.S. dollar has been designated as the official currency.

## **POLITICAL BACKGROUND**

East Timor was a Portuguese colony for over 400 years, until decolonization in 1975. Factional conflict took place in 1975 between the Timorese Democratic Union and a leftist group called the Revolutionary Front for an Independent East Timor, known by its Portuguese acronym, Fretilin. Indonesia invaded and took over East Timor in 1976 with the tacit approval of the United States.

Indonesia's dominion over East Timor was officially recognized only by Australia, but it was accepted by the United Nations (UN) and the Association of South East Asian Nations (ASEAN). During the years of Indonesian occupation, an estimated 200,000 East Timorese were killed or died from war-related starvation and disease. East Timor became one of the most impoverished places in the world. A neocolonial administration was set up and run by Indonesians. An occupying army was brought in to suppress pro-independence guerrilla actions, particularly by Falintil (National Liberation Forces of East Timor), Fretilin's armed wing. Falintil was led by Xanana Gusmao for 10 years, up to his arrest and imprisonment in Indonesia in 1992. In 1991, Indonesian troops fired on a pro-independence demonstration in Dili, killing over 200 people. East Timor gained international attention when the 1996 Nobel Peace Prize was

shared by East Timor's Bishop Calos Ximenes Belo and exiled human rights activist Jose Ramos-Horta.

Following the fall of the Suharto regime in Indonesia in 1998, a UN-sponsored referendum on East Timor's independence was held on 30 August 1999. Despite intimidation by pro-Indonesia militias trained and funded by the Indonesian military, voter turnout was 98% and nearly 80% cast their ballots in favor of complete independence. Following the vote, pro-Indonesia militias went on a rampage throughout the country, killing an estimated 1,000 persons, looting systematically, and completely destroying 70% of homes and infrastructure. Tens of thousands of East Timorese were forcibly deported across the border into still-Indonesian West Timor, and tens of thousands fled as refugees. On 15 September 1999, the UN Security Council authorized a UN peacekeeping force; an Australian force arrived on 20 September and a multinational peacekeeping force arrived in February 2000.

The UN Transitional Administration in East Timor (UNTAET) was set up to facilitate the shift to complete independence by 2002, working with a National Consultative Council of East Timorese political leaders. Under UN mandate, a civil service, the East Timor Transitional Authority (ETTA), was set up. UNTAET established a legal system, as well as addressed economic necessities such as basic infrastructure repair and relief aid distribution.

Independence arrived officially on 20 May 2002; with it, the number of UN peacekeeping troops declined from 8,000 to 5,000.

## **PERSONAL BACKGROUND**

Mari Alkatiri was born 26 November 1949, and grew up in Dili. A practicing Muslim, he is the descendant of immigrants from Yemen. His father, who died at age 100, was a leader of Dili's small Arab community. The family had ties to Indonesia, with a cousin who was an "incorruptible" finance minister under Suharto, but Alkatiri became a pro-independence activist. He was one of the founders of Fretilin, along with Nicolau Lobato, Francisco Xavier do Amaral, and Jose Ramos-Horta, and he served in the short-lived postcolonial government, the Democratic Republic of East Timor, during December 1975. Alkatiri and Ramos-Horta left East Timor as emissaries in December 1975 and were safely overseas when Indonesia invaded East Timor. Alkatiri took refuge in Mozambique, a former Portuguese colony in Africa with a leftist government. During the occupation of East Timor, he

served as a diplomatic representative for independent East Timor. He completed a law degree at Eduardo Mondlane University in Mozambique. He married Maria Ribiero, from East Timor, when they both were in exile in Mozambique. The couple has three children. After the referendum in 1999, the exiled pro-independence leaders—including Alkatiri and Jose Ramos-Horta—returned to East Timor, and Xanana Gusmao was released from an Indonesian prison and returned as well.

### RISE TO POWER

During the UN administration period, the National Council of Timorese Resistance (CNRT) was formed as a loose coalition with Fretilin and its long-time rival Timorese Democratic Union; Xanana Gusmao was the guiding force and unifying factor for the CNRT. Gusmao stepped down as leader of Falintil in August 2000 to become a civilian leader. A congress of the CNRT was convened in August 2000 to begin drafting a constitution. Having evolved from a popular underground movement to a well-organized national political party, Fretilin, with Mari Alkatiri in charge, dominated the drafting process.

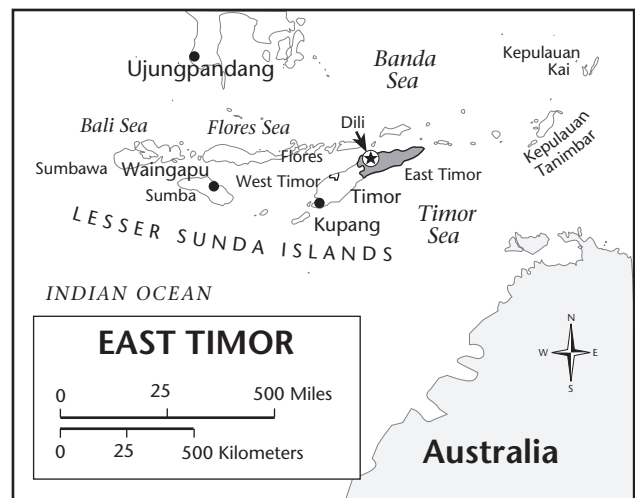
The first democratic elections in East Timor were held on 30 August 2001. After a campaign in which it was accused of intimidating behavior, Fretilin won 55 seats in the new 88-member Constituent Assembly. The Democratic Party won 7 seats; the Social Democratic Party, 6; the Timorese Social Democratic Association, 6; and the Timorese Democratic Union, 2. The margin of victory was less than Fretilin had predicted, and left Fretilin without the two-thirds majority it needed for automatic approval of its draft Constitution. The Constituent Assembly convened on 15 September 2001, and produced the official Constitution based on that of Portugal, and having a parliamentary structure. The Constitution guarantees a free press, does not specify a state religion, but does specify a nonpolitical military. The government has three branches: executive, legislative, and judiciary. Power in the executive branch is shared by a prime minister and a president. As secretary general of Fretilin, the majority party, Mari Alkatiri became the first prime minister and economics minister, and Jose Ramos-Horta was made foreign minister.

Xanana Gusmao, having quit Fretilin to run as an independent, was overwhelmingly elected president on 14 April 2002. During the presidential campaign Alkatiri had announced that he would not endorse Gusmao and would cast a blank vote.

Although the presidency ended up an essentially ceremonial role due to the influence of Alkatiri and Fretilin, Gusmao's status as a national hero (he is called "the Mandela of East Timor," a reference to South Africa's anti-apartheid hero, Nelson Mandela) means that he continues to play a prominent role. Gusmao is seen as a reconciler, a "referee" between factions, and an anticorruption prodemocratic influence. Gusmao's relations with Alkatiri have often appeared strained, and he is considered the key to preventing Fretilin from making East Timor a one-party state.

### LEADERSHIP

Alkatiri, who has been described as an introspective person, has insisted that he would rather be an academic than a politician. Nonetheless, he is considered a strong negotiator



with a realistic grasp of economic necessities. Alkatiri is respected as a founder of the independence movement. His critics consider him much less-suited for democratic give-and-take than for the one-party (Fretilin) rule. In his first months in office, he clearly favored his Fretilin party members for public positions, and appeared to operate as a one-party, rather than consensus-seeking, leader. His supporters believe that he is more flexible than that, while remaining a staunch defender of East Timor's rights who is not intimidated by larger countries.

During the first months of independence, friction between Alkatiri and Gusmao became more and more open. Late in 2002, Gusmao demanded that Interior Minister Rogerio Lobato be dismissed for "incompetence" related to rioting in Dili, and Alkatiri refused to do so. The opposition Democratic Party became openly critical of Alkatiri and his party. Democratic Party leader Fernando de Araujo claimed that "Fretilin is failing to answer the people's aspirations and they have lost the confidence of the people." Riots in December 2002 were interpreted by many as a sign of deep popular discontent with Alkatiri's leadership.

### DOMESTIC POLICY

Emerging from centuries of colonialism, Alkatiri's new government faced the challenges of nation-building, which includes convincing citizens to accept the U.S. dollar as currency in place of the Indonesian *rupiah*, and to accept Portuguese (spoken mostly by the older elite) as an official language. Reconciliation and accountability regarding the human rights violations of the occupation period are seen as a major priority for the new government. A Truth and Reconciliation Commission, based on those of South Africa and Guatemala, was established in January 2002, to cover the period of Indonesian occupation. It is intended to provide a forum for airing grievances and recognizing suffering; but major crimes will be prosecuted in the courts. A UN war crimes tribunal, on the postreferendum violence of 1999, has been slow in development because most of the high-level people accused are safe in Indonesia, and because it lacks personnel and funding. An amnesty bill intended as a compromise between prosecution and "forgiveness" was criticized as too soft on those who committed crimes against humanity during the Indonesian occupation. The phasing out

of UN troops made the establishment of a functioning police force a priority. Militias still at large in West Timor posed a threat to East Timor security, apparently raiding a border area in January 2003.

The government of East Timor has the daunting task of becoming economically self-supporting. East Timor has extremely high unemployment, especially in Dili. There has been a huge gap between the wages of employees of UN and foreign aid organizations, and other workers; and there is a legacy of economic corruption from the Indonesian occupation. Because of the impoverished state the country was in at the time of the referendum and the destruction following it, East Timor has had to reconstruct most of its roads and buildings, and improve its agricultural production. The country's environment is in terrible condition, particularly from large-scale deforestation. Educational needs are great at all levels, and the same is true of health care. Some progress had been made in the area of health care, however. By 2002, there were 47 qualified doctors in the country, up from only 15 in 2000, but still far short of the number needed to provide adequate care for almost a million citizens.

A visionary National Development Plan for ending East Timor's poverty was adopted after extensive consultation with the people of the new nation. Aid was solicited in the form of grants rather than loans, so that East Timor did not start off as a debtor country. Slow economic progress and a gap between the elite and the impoverished brought about disillusionment not long after independence, though. The months following independence saw public protests over "neocolonial" domination by the UN, poverty, lack of jobs for former resistance fighters, and lack of accountability for human rights violations during Indonesian occupation. There was also a major jail-break in Dili, emphasizing the need for development of law enforcement to replace the UN peacekeepers, most of whom had left the county.

Tensions over high unemployment gave way to violence when severe rioting broke out in Dili in early December 2002. A student demonstration was joined by disgruntled former guerrillas, and fires were set across town. Alkatiri's residence and that of his brother were among the buildings burned. Police and international peacekeeping forces quelled the violence. Supporters of Gusmao blamed the unrest on Alkatiri's lack of leadership and his divisiveness. Some blamed Fretilin itself for inciting the rioting, and pro-Indonesian militias were implicated for involvement in the violence as well.

## FOREIGN POLICY

Alkatiri carries grudges and mistrust regarding Indonesia and Australia, but fully understands the need for decent relations with those neighboring countries. Megawati Sukarnoputri, the Indonesian president, had shown a reluctance to recognize East Timor's independence, being much less enthusiastic about it than Abdurrahman Wahid, her predecessor; she has become more receptive and seems to have cordial relations with Alkatiri and Gusmao. An Indonesian ad hoc court trying Indonesian officials implicated in the 1999 East Timor violence resulted in acquittals and light sentences in 2002, angering East Timorese (including Alkatiri) and international supporters, who called for an international tribunal. In February 2003 the UN indicted 32 suspects, including

Indonesian military officers, for crimes against humanity during 1999, but there was little hope of their being extradited by Indonesia for trial. The issue of repatriation (back to East Timor) of refugees from West Timor and elsewhere in Indonesia has also caused tension with Indonesia.

In a videotape released late in 2002, Osama bin Laden threatened Australia for helping East Timor to gain independence from predominantly Muslim Indonesia. This, along with the bombings on the Indonesian island of Bali, raised concerns about possible al-Qaeda terrorism in East Timor, but Alkatiri cautioned against "unnecessary alarmism."

It remains to be seen how supportive East Timor will be for ongoing secessionist movements from Indonesia, particularly those of Papua and Aceh. Sharing the island with East Timor, West Timor remains securely Indonesian. This could change in the future.

Negotiations have been ongoing and difficult regarding payment for petroleum reserves (worth an estimated US\$7 billion over two decades) in the Timor Gap between East Timor and Australia. As the negotiator for East Timor over the Timor Gap Treaty, Alkatiri has refused to compromise over the maritime boundaries with Australia and has accused Australia of being "unfriendly" about the delineation. He continued to hold a hard line on the negotiations after becoming prime minister. Australia appeared to be ready early in 2003 to ratify agreements on terms that East Timor could accept. It was predicted that petroleum revenues could begin flowing to East Timor as early as 2004. In the meantime, East Timor relied on infusions of emergency foreign aid, and on exports of high quality organically grown coffee, but coffee exports were hit by bad market conditions and drought during 2002. Land ownership ambiguities dating back as far as the 1975 Indonesian invasion have hampered foreign investment.

U.S. companies are involved in Timor Gap petroleum, and import coffee from East Timor. Grover Reese was named the first U.S. ambassador to East Timor in November 2002. Relations with the old colonial power, Portugal and other members of the European Union (EU) have been friendly and a major source of aid. Alkatiri stated that the country's "natural allies are the Portuguese-speaking countries." He traveled to Portugal, Angola, and Mozambique, and offered enthusiastic congratulations to Brazil's new president, Luiz Lula da Silva, who had been a supporter of East Timor's independence movement. The frequent international travel by East Timorese officials was criticized by the country's leading moral authority, Bishop Belo.

East Timor became the 191st member of the UN in September 2002. East Timor hopes to be accepted for membership in the Association of South East Asian Nations (ASEAN) in the future. Alkatiri cited ASEAN member Malaysia, along with Portugal, as a guarantor of East Timor's security following the departure of UN peacekeeping forces.

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**Profile researched and written by Edith T. Mirante (5/2002; updated 2/2003).**

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# ECUADOR

## Lucio Edwin Gutiérrez Burbua President

*(pronounced "LOO-chee-oh AID-win goo-TYAIR-ez bore-BOO-ah")*

*"It is time to send into retirement those old style politicians who have done so much damage to Ecuador."*



The Republic of Ecuador is located on the western coast of South America, north and west of Peru and south and west of Colombia. Ecuador has an area of 283,560 sq km (109,483 sq mi). The Galapagos Islands, a famous wildlife sanctuary, are also a part of Ecuador. With a tropical climate in the coastal area, the country also encompasses land in the drier and colder Andean region. Ecuador's highest mountain, the Chimborazo, reaches 6,267 m (19,000 ft) and forms part of the Andes mountain chain that extends from Colombia in the north to Argentina and Chile in the south.

Ecuador is a densely populated country of 13.5 million people (2002 estimate). With about one-third of the land area of Chile, Ecuador's population is almost equal to that of Chile. The capital city, Quito, is located in the Andean region. The Pacific port of Guayaquil, in the coastal region, is equally important for the country's economy. About 65% of all Ecuadorans are mestizo (mixed Spanish and Amerindian), 25% Amerindian, 7% Spanish, and 3% black. Ecuador's population grows moderately at a 2% increase per year, with more than 35% under the age of 15. The infant mortality rate of 33.02 deaths per 1,000 live births (2002) is somewhat higher than most South American nations, but lower than Bolivia and Peru. Life expectancy was 71.6 years in 2002. Approximately 95% of the population considers itself to be nominally Roman Catholic, but practicing Catholics are much fewer in number. Protestant churches have made important gains in recent years, particularly in urban areas.

Ecuador's main natural resources are petroleum, fish, and timber. The country's major exports are primary products, most notably oil, bananas, rubber, coffee, cocoa, cut flowers, and shrimp. The gross domestic product (GDP) in 2001 was us\$18 billion, 6.0% higher than in 2000. The GDP was expected to expand by 3.4% in 2002, marking the third year of economic growth after the 1999 recession where the economy shrank by 7.9%. Inflation reached a staggering 96% in 2000, but after the national currency was dropped and Ecuador adopted the U.S. dollar as its new currency, inflation fell to 22.4% in 2001 and 9.7% in 2002. Still, because domestic inflation has risen faster than international prices, Ecuadoran exports are expensive and foreign goods are cheap. In 2002, Ecuador exported us\$5.9 billion and imported goods and services for a total of us\$7.9 billion. A negative trade balance, despite high oil prices in recent years, has kept the foreign debt at a relatively high level of us\$15.9 billion. Ecuador's main trading partners are the United States (37%), other Latin American nations (30%), and the countries of the European Union (EU—20%). Japan and

other Asian countries have also entered the Ecuadoran market in recent years, but this trade has not grown as rapidly as in other Latin American nations. While unemployment stood at 8.7% in 2002, underemployment is common in rural and coastal areas.

### POLITICAL BACKGROUND

At the end of the fifteenth century, the Incas from Peru conquered much of what is now Ecuador, uniting the various indigenous groups then living in the area. In 1534, the short-lived Incan rule was brought to an end by the arrival of the Spanish, who set up their colonial system, which lasted nearly 300 years. In 1822, Ecuador won its independence from Spain when General Antonio José de Sucre was victorious in the Battle of Pichineha. After an eight-year confederation with Colombia and Venezuela, Ecuador became an independent republic in 1830.

For most of the time since independence, a small elite group of people of European ancestry—who engaged in fierce struggles for power amongst themselves—has ruled Ecuador. During much of the nineteenth century, the conservatives ruled, drawing their support largely from the wealthy landowners and the Roman Catholic Church. In 1896, however, the Liberal Party took over, ending the strong influence of the church and shifting power toward the military and business leaders. By 1925, widespread dissatisfaction with the failure of government to address Ecuador's economic and social problems resulted in the disintegration of the political system.

Between 1925 and 1948, Ecuador saw a succession of 25 presidents or heads of state, none of whom served a full term in office. Between 1948 and 1960, however, the country enjoyed a brief period of political stability. Each of the three presidents who served during that twelve-year period, though affiliated with different political parties, pursued similar programs of increasing political participation, economic development, and moderate social reform.

During the 1960s and 1970s, political instability returned, along with a period of military rule and frequent coups. In 1978, the country moved toward the restoration of democratically elected civilian government, adopting a new Constitution and holding elections in 1979. The first civilian elected under the new Constitution was Jaime Roldós Aguilera, a charismatic young lawyer from Guayaquil. Two years later, Roldós was killed in a suspicious plane crash, and the next year the Ecuadoran Roldosista Party (PRE) was formed to continue the policies and programs that Roldós had



advocated. However, since the return to civilian rule, no political party has become dominant in Ecuadoran political life.

In 1996, the Roldosistas elected their first president. Abdalá Bucaram, the former mayor of Guayaquil and a businessman of Lebanese extraction, scored a surprising upset victory over his opponent. Bucaram's ability to govern depended largely on his relationship with the Congress and the country's financial and business community. His fortunes with the deeply divided and contentious Congress, however, were not promising. Bucaram also faced formidable economic challenges. Perhaps the greatest of these was to make good on his campaign promise to redress the widening gap between rich and poor, while keeping the financial and business sectors from panicking. Shortly after taking office, Bucaram abandoned his populist platform in favor of the policies of his predecessor. This ignited the disappointment and disaffection of the poor, who had supported his election. Widespread charges of corruption, nepotism, and incompetence also began to surface. When he introduced harsh austerity measures, curbing government subsidies to balance the budget, and sending utility rates soaring, violent street protests began to occur with increasing frequency.

On 6 February 1997, six months after taking office, Congress ousted Bucaram following two days of massive popular protests against his economic measures. Congress chose Fabian Alarcón to serve as interim president. In the May 1998 elections, candidate Jamil Mahuad was elected to the presidency. Mahuad had promised economic reforms, but by late 1999, the country's indigenous peoples had grown disenchanted with his policies, which had done nothing to improve their social and economic situation. Massive banking scandals also had tainted his administration. In January 2000, Mahuad announced plans to replace the  *sucre*, the national currency, with the U.S. dollar, to stabilize the economy and end chronic inflation. Indigenous peoples said the plan would destroy their savings, driving them further into poverty. On 21 January 2000, thousands of indigenous peoples led by the Ecuadoran Confederation of Indigenous Nationalities (CONAIE), marched to Quito to protest "dollarization" of the economy. With aid from the military, they ousted Mahuad from office. A three-member junta, which included a prominent leader of CONAIE, held power for a few hours. The junta was dissolved after the United States and other nations threatened to isolate Ecuador if it did not return to democracy. Congress named Vice President Gustavo Noboa Bejarano as president of the country, despite protests by Mahuad and indigenous leaders. Noboa served for the remainder of the term, but he announced in late 2001 that he would not seek another presidential term.

Elections were held as scheduled in October 2002, with Gustavo Noboa replaced by Alvaro Noboa. Lucio Edwin Gutiérrez Borbua, running as an outsider, won the support of Ecuador's indigenous population. Voters blamed the country's economic woes on the traditional political parties, and their candidates suffered as a result. Gutiérrez won easily in the runoff election.

## PERSONAL BACKGROUND

Born in the capital city of Quito on 23 March 1957, Gutiérrez attended elementary and secondary school in the town of Tena-Napo in central Ecuador, near the capital city

of Quito. He joined the army at age 17 where he finished his secondary education. In addition to military courses in Ecuador, Gutiérrez received military training in Brazil and at the American Defense College in Washington, D.C. During his career in the armed forces, he was a member of the United Nations Peacekeeping Forces in Nicaragua in the 1990s. As most educated members of the ill-trained and poorly funded Ecuadoran military, Gutiérrez moved up through the military ranks. He was given the rank of colonel shortly after his fortieth birthday in 1997.

Lucio Gutiérrez is married to Elsa Ximena Bohorquez and has two daughters, Karina and Viviana.

## RISE TO POWER

As with many other military men who have entered politics in Latin American countries, Gutiérrez's first experiences in a public forum date back to a period of political and social unrest. Indigenous and poor Ecuadorans staged massive protests when the Jamil Mahuad government decided to adopt the U.S. dollar as the national currency in 2000. Gutiérrez disobeyed the government's order to repress the protestors and instead, together with fellow officers and their troops, joined the movement to depose president Mahuad. Days later, the Ecuadoran Congress deposed the president and the vice-president took the presidential chair.

Gutiérrez was arrested and imprisoned, but popular mobilization and domestic pressure brought about his release. Gutiérrez resigned from the army and opted to form his own political party, the January 21 Patriotic Society Party, named after the day popular mobilization toppled the Mahuad government. Running an antiestablishment campaign, Gutiérrez skillfully courted the support of the large—but until then politically uninfluential—indigenous population. Grouped under the Pachacutik New Country National Movement, most indigenous people rallied behind Gutiérrez as he actively campaigned for the 2002 presidential election. Because traditional parties had paid a dear price for the 1999 economic crisis, he quickly emerged as the frontrunner among the presidential candidates. Yet, the multiparty and fragmented system that has characterized Ecuadoran politics for decades resulted in a packed field of 11 presidential candidates competing in the election. Gutiérrez obtained 20% of the vote, and was forced into a runoff election against Alvaro Noboa, a member of a traditional political family in Ecuador. In the runoff election held on 20 October, he was able to win the support of most minor candidates. He easily defeated Noboa by a 58.7% to 41.3% margin.

## LEADERSHIP

With no previous experience in elected office and with a short political career resulting from his involvement in a popular protest, Gutiérrez's leadership skills have been untested. The political party he founded only captured two of the one hundred seats in the unicameral legislature. The indigenous party that allied with Gutiérrez clinched an additional five seats. Altogether, the new president began his term with the support of less than 10% of the legislators. Because the political party he formed was solely designed to provide a presidential platform for himself, Gutiérrez needed to transform his electoral victory into a durable political support base. His appointment of cabinet ministers reflected his effort to build a wider base of support. Yet, he leads an eclectic



coalition of conservatives, liberals, socialists, and indigenous advocates that may be perceived as lacking cohesion.

During his short political life, Gutiérrez has not built a reputation as a consensus builder, nor has he successfully proven that he can effectively work with the politicians he so heartily campaigned against. His supporters claim that he has not been given the chance; they contend that he will prove as successful leading the government as he proved running a political campaign. Without question, Gutiérrez's leadership skills will be tested when he is forced to take a stance on specific legislative initiatives favored by some within his coalition and strongly opposed by others. Gutiérrez has vowed to advocate for what is best for all Ecuadorans, a pledge that may prove easier to make than to implement. Regional conflicts between the agendas of the probusiness port city of Guayaquil elite and the more conservative and traditional Quito elite have in the past proved fatal for the political careers of inexperienced presidents. In addition, by portraying himself as the advocate of indigenous Ecuadorans, Gutiérrez may stir up class and ethnic tensions that will not contribute to consensus-building and democratic consolidation.

### DOMESTIC POLICY

After several years of political instability, Ecuador adopted the U.S. dollar as its domestic currency, a move that helped to drastically reduce inflation and diminish uncertainty about the government economic policies. Yet, it also took away the government's ability to print its own currency to finance social spending. Thus, Gutiérrez will be forced to depend on taxes or foreign indebtedness to finance his ambitious social programs. Because of the downturn in the global economy in the 2002–03, Ecuador's economy is expected to grow slowly in the first two years of Gutiérrez's term. That will deprive the

government of much-needed new tax revenues and will increase the burden on poorly financed social programs. Unless the government improves its tax collection—or borrows abroad, piling up more foreign debt—the Gutiérrez government will be unable to deliver on most of its campaign promises, especially those aimed at improving the living conditions of the dispossessed indigenous population. Because the business elite will likely receive support from Congress to block new taxes, claiming that it will further hinder economic recovery, Gutiérrez may be hard-pressed to reallocate government funds from other areas to finance social programs. Populist governments often rely on reductions in defense spending to finance new social programs, but because Gutiérrez is a retired army colonel and has named several former military officers to top posts in his government, that will be a difficult path to choose. Moreover, most analysts believe that Gutiérrez will try to develop a tighter grip on the military by replacing unfriendly high-ranking officers. In fact, rather than reduce the military budget, Gutiérrez will likely need to increase it if he wants to maintain tight control of the military. Forced to choose from among difficult options—picking a fight with the business elite (the faction that indirectly commands majority support in the legislature), abandoning his plan to control the army, or reneging on some of his populist campaign promises—Gutiérrez will likely have to alienate some of those who supported his presidential campaign. Because he strongly campaigned as an outsider—as a friend of the large indigenous population and foe of the political and financial establishment—Gutiérrez will need to reduce tensions and heal wounds from the presidential campaign period. Having campaigned as a divider, he will need to quickly transform into a consensus builder if he wants to avoid social tensions similar to those that toppled Jamil Mahuad, the last democratically elected Ecuadoran president.

### FOREIGN POLICY

Because of the adoption of the U.S. dollar as its national currency, Ecuador became the poster child of many international institutions that see the adoption of the U.S. currency as the best remedy against fiscal instability, inflation, and currency devaluations in Third World countries. The success of Ecuador's economic experiment will be a benchmark for the advocates of standardizing world currencies. Yet, Ecuador's ability to succeed also depends on the government's ability to borrow money abroad to help finance social programs and to offset the increases in the domestic costs of living that have already made Ecuadoran exports less competitive in world markets.

President Gutiérrez surprised many observers when he toured the United States shortly after his election. He met with Ecuadoran citizens living in the United States. In addition, he met with U.S. government officials and Wall Street financial institutions. He reassured them of his commitment to adhere to the neoliberal economic policies championed by the previous administration, and vowed not to abandon the U.S. dollar as the national currency. Despite these assurances, his request for financial support and new lines of credit were not enthusiastically received. Reductions in government spending—rather than more foreign debt—were recommended to Gutiérrez as better policies. Gutiérrez will need to demonstrate his unequivocal support for free

market policies and a strong commitment to fiscal discipline if he wants to enlist the support of international lending institutions and the U.S. government.

Ecuador's commitment to the war against drugs in the Andes region has not been questioned in recent years. Yet, Gutiérrez's admiration of Venezuelan president Hugo Chávez, a man after whom Gutiérrez designed his own political career, might generate some conflicts with the U.S. government. The more distance Gutiérrez keeps from his fellow military colonel, democratically elected in Venezuela, the better Gutiérrez's relations with the U.S. government will be. Because other Latin American countries fear that the populist tactics of President Chávez extend beyond that country's borders, President Gutiérrez will improve his international position if he demonstrates a strong support for democratic values and principles and strict adherence to the existing Ecuadoran Constitution. Because many observers expect him to turn into a populist leader, Gutiérrez will need to be very careful to convey the impression that he holds the Ecuadoran Constitutions and laws in very high regard.

Ecuador is a member of the United Nations (UN), the Organization of American States (OAS), and a number of regional groups, including the Rio Group, the Latin American Economic System, the Latin American Energy Organization, the Latin American Integration Association, and the Andean Pact.

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# EGYPT

## Hosni Mubarak President

(pronounced "HAHS-nee moo-BAR-ak")



*"Our goal is to create an equal society, not a society of privilege and class distinctions. Social justice is the first rule for peace and stability in society."*

The Arab Republic of Egypt is located in North Africa but is commonly referred to as part of the Middle East. It is bounded at its northeastern tip by Israel, on the east by the Red Sea, on the south by Sudan, on the west by Libya, and on the north by the Mediterranean Sea. Even though the total area of Egypt is 1,002,000 sq km (386,900 sq mi), the cultivated and settled areas of the Nile Valley, delta, and oases, cover only about 35,580 sq km (13,740 sq mi). About 90% of the country is desert, and rainfall averages only 20.3 cm (8 in) per year.

The population of Egypt was estimated in 2002 at 70.7 million and is growing at a rate of almost 2% annually. The official language is Arabic, although French and English are widely spoken. Islam is the primary religion (and the religion of the state) and is considered to be the faith of about 90% of the population. Approximately 7% of the Egyptian people are Coptic Christians, the remainder being Roman Catholics, Protestants, or Greek Orthodox, with a small number of Jews.

The Egyptian unit of currency is the *pound*. Egypt's major exports are crude and refined petroleum, as well as cotton. The per capita gross domestic product (GDP) has been estimated at US\$3,700 and is estimated to be growing at a rate of 2.5% annually.

### **POLITICAL BACKGROUND**

Part of the Ottoman Empire from 1517, Egypt became a British protectorate in 1914 and an independent monarchy in 1922. The Anglo-Egyptian Treaty of 1936 recognized full Egyptian sovereignty and provided for the gradual withdrawal of British troops. However, troop withdrawal was postponed when Italy invaded Egypt in 1940. After World War II, British forces did withdraw, with the exception of a military contingent in the Suez Canal Zone.

The monarchy was overthrown on 23 July 1952, in a bloodless military coup led by Colonel Abdul Nasser, and the country was declared a republic one year later. Egypt merged with Syria in 1958 to form the United Arab Republic. The former retained that name when Syria broke away from the union in 1961, finally readopting the name of Egypt in 1971. Under its present constitution, Egypt has a democratic-socialist system of government. The Islamic code is a principal source of legislation.

The president, who must be of Egyptian parentage and at least 40 years of age, is nominated by at least one-third of the members of the People's Assembly, approved by at least

two-thirds, and elected by popular referendum. His term is for six years, and he may be reelected for subsequent terms. He has broad executive authority and may appoint one or more vice presidents, as well as all ministers. He also holds the power to dismiss these individuals.

The People's Assembly, elected for five years, is a legislative body that approves general policy, the budget, and the development plan. Under the state constitution, it has not less than 444 elected members, at least half of whom are workers or farmers. The president may appoint up to 10 additional members. Elections to the People's Assembly were held in November 2000. The ruling National Democratic Party (NDP) took 353 seats in the People's Assembly.

A second legislative body, the Advisory Council, functions only as an advisory body. It held elections in 1995 and the NDP took 99% of the 264 seats. This near sweep was aided by a provision allowing the president to appoint 88 members to the council. A date for the next election to the Advisory Council has not been determined.

In June 1977, the People's Assembly adopted a new law, which permitted the formation of political parties for the first time since 1953. Presently, there are four opposition parties represented in the assembly, but their representation is negligible compared to the overwhelming majority enjoyed by the NDP. All new parties must be approved by the government, and religious parties are illegal. Since the main source of opposition to the current government is the Muslim Brotherhood, an illegal religious organization, the real contest for power in Egypt takes place outside the party and legislative systems.

### **PERSONAL BACKGROUND**

Mohammed Hosni Mubarak was born on 4 May 1928 in the village of Kafr El-Meselha, in the Nile River Delta province of Menoufiya. He was one of five children born to an inspector in the Ministry of Justice. Mubarak received his early education at local elementary and secondary schools. Afterward, he enrolled in the National Military Academy, from which he graduated in 1949. He continued his military education, pursuing a two-year course at the Air Force Academy. From 1952 through 1959, he served as a flight instructor at the Academy. In 1964, Mubarak went to Moscow for a year of study at the elite Frunze General Staff academy, the most prestigious military school in the former USSR. Upon his return to Egypt in 1965, he served as commander of several air force bases. He rose through the

ranks rapidly, being promoted to commander of the Air Force Academy (1967), air force chief of staff (1969), and commander in chief of the air force and deputy minister of war (1972). Mubarak presently lives in a modest two-story house in suburban Heliopolis with his wife, Suzanne. They have two sons, Alaa and Gamal, and one grandson.

## RISE TO POWER

Mubarak acquired instant fame and the respect of then president Anwar Sadat with his successful offensive against the Israeli forces on the first day of the October 1973 Arab-Israeli War. Pilots destroyed 90% of their targets within 20 minutes, thus minimizing Egyptian infantry casualties. After the United Nations (UN)-sponsored cease-fire in late October, Sadat dispatched Mubarak to every Arab country to explain the Egyptian government's determination to achieve a peaceful solution to the conflict.

Sadat named Mubarak vice president on 15 April 1975, and over the next few years entrusted him with several important diplomatic missions. Perhaps the most significant was Mubarak's involvement in negotiations with Israel. After Sadat's decision to accept the Camp David Peace Accords in 1978, which provided the foundation for an eventual settlement of the Arab-Israeli dispute, Egypt was practically ostracized from the Arab world. Despite the agreement, lingering conflicts between Israel and Egypt remained unresolved. Sadat sent Mubarak to Germany to solicit that government's help in settling the Arab-Israeli dispute. Later in the year, after Sadat had begun to doubt the possibility of ever resolving differences between his government and that of Israeli Prime Minister Menahem Begin, Mubarak took part in meetings with the leaders of several Israeli opposition parties. He eventually took over the daily chores of running the government, freeing Sadat to pursue foreign policy interests. Mubarak was elected in 1980 to the vice chairmanship of the NDP, which secured his position as Sadat's heir apparent.

On 6 October 1981, Sadat was assassinated by a band of militant Islamic fundamentalists. The following day, the NDP nominated Mubarak as its presidential candidate, and the Egyptian parliament approved his immediate succession to the office, subject to confirmation by the voters. This was accomplished on 13 October, when Mubarak was accepted by more than 98% of the electorate. Voters confirmed Mubarak's nomination for three subsequent six-year terms in 1987, 1993, and 1999.

## LEADERSHIP

As of 2003, Mubarak is Egypt's longest-serving modern leader, respected for his achievements in both domestic and foreign policy. In his 19 years in power, he had steered the nation through difficult economic times and largely eradicated the wave of Islamic fundamentalist violence that had threatened both Egypt's security and its lucrative tourism industry in the 1990s. He had also survived some 10 assassination attempts. As he embarked on his fourth term in office, there was considerable speculation about a political successor, a post for which no long-standing candidate had been groomed. (Mubarak had never named a vice president.) Some observers saw the appointment of Mubarak's son Gamal to a senior position in the ruling political party in February 2000



as an attempt to pave the way for political succession, in spite of previous disavowals of dynastic ambitions by Mubarak.

## DOMESTIC POLICY

First among Mubarak's domestic policy initiatives as president has been the campaign to quell Islamic opposition. In the wake of Sadat's assassination he ordered the arrest and imprisonment of more than 2,500 people. He continued to detain nearly all of the more than 1,500 prisoners taken a month earlier during Sadat's crackdown on critics of his regime. Through most of the 1990s, Islamic opposition to Mubarak's government remained his foremost domestic policy problem. During a 1995 visit to Addis Ababa, Mubarak survived an assassination attempt by Egyptian Islamists, allegedly supported by the government of neighboring Sudan. An extended crackdown on members of Islamic groups was implemented over several years, resulting in the detention of an estimated 20,000 persons by 1999. By 1997, the main opposition groups declared a cease-fire, but a terrorist attack on a tourist bus in Luxor and continued fighting in the southern part of the country suggested that the problem had not yet been resolved. In the late 1990s, the number of violent incidents decreased sharply. By 2000, observers considered the problem to be largely under control, and the government had released some 5,000 of the detainees arrested during the crackdown.

Mubarak made great progress toward economic as well as political stability in Egypt through the 1980s and 1990s. In the early 1990s, the Mubarak government embarked upon a program of structural reform that brought the inflation rate under control, reduced the budget deficit, and began the

process of selling off state-owned companies to reduce the degree of government regulation. Shortly after his reelection in September 1999, Mubarak replaced Prime Minister Kamal el-Ganzouri with Atif Muhammad Ubaid, a move seen as a response to el-Ganzouri's perceived failure to deal effectively with economic issues, including privatization of the financial sector and exchange rate problems.

Mubarak's reforms helped promote a steady increase of gross national product (GNP) and the annual growth rate. However, the Egyptian economy has relied heavily on tourist revenues, and the tourism sector suffered tremendously following a terrorist attack on tourists in Luxor in October 1997, and the 11 September 2001 terrorist attacks against the United States, which led to the War on Terror. Also, with an increase in violence between the Israeli and Palestinian states, foreign investments in Egypt have dropped dramatically.

In February 2002, the government appealed to 37 nations and international financial institutions and, as a result, received pledges of US\$10 billion in aid. The promise of aid came with conditions, however. The Egyptian government must show greater progress and commitment to free enterprise before all the aid dollars are delivered.

In 2002 Mubarak opened the *Bibliotheca Alexandrina*, a modern installment of the ancient Alexandria Library. The library became the largest cultural edifice in the Middle East, and its opening was meant to send a message of peace to the world.

## FOREIGN POLICY

Mubarak has worked diligently for peace within the region. So much so that in recognition of his internal role as a peace leader, he was twice elected as the Chairman of the Organization of African Unity (OAU), during the periods of 1989-1990 and 1993-1994. Upon taking over from Sadat, Mubarak reconfirmed his commitment to the Camp David Peace Accord and to the peace process with Israel. Although relations have occasionally been cool, Egypt remains one of only two Arab nations at peace with Israel, and is a leading player in the effort to resolve differences between Israel and the Palestinian state. The 1993 Oslo agreement between Israel and the Palestinians led to an interim agreement which was negotiated in Egypt in 1995. Egyptian-Israeli relations were strained during the 1996 to 1999 tenure of hardliner Benjamin Netanyahu as Israel's prime minister, especially over the Israeli government's efforts to build housing for settlers at Har Homa outside Jerusalem. But with the elections of Ehud Barak (1999) and Ariel Sharon (2001), the Egyptian and Israeli leaders began to hold talks as part of a wider effort at revitalizing the Middle East peace process. In 2002, as violence escalated in the Israeli-Palestinian conflict, Mubarak offered to host talks between Palestinian leader Yasser Arafat and Israeli prime minister Ariel Sharon at any time, though that offer was not accepted. Mubarak has been working closely with foreign government leaders in efforts to secure some sort of peace agreements in the area. In December 2002, he called on U.S. president George W. Bush to put a stop to Israel's violence against the Palestinians, as

well as Israel itself to seek a negotiated end to the conflict rather than a military one.

Mubarak has developed a significant advisory relationship with the United States concerning actions in the region and has become an important U.S. ally. In 2001, Mubarak offered firm support to the United States as President George W. Bush initiated the War on Terror by dispatching troops to fight in Afghanistan against terrorist al-Qaeda and Taliban fighters. The attacks came as a response to major terrorist attacks in the United States on 11 September 2001 that targeted the Pentagon in Washington, D.C., and the World Trade Center in New York. However, Mubarak has cautioned the United States to more seriously consider the effects of continued U.S. aid and support of Israel and the build-up of the Israeli military as the situation in Israel-Palestine escalates and as the United States makes future plans for strikes against terrorism in nearby countries, such as Iraq.

Towards the end of 2002, Mubarak seemed convinced that the United States would attack Iraq, a plan he condemned. While acknowledging that Arab leaders had little influence in preventing the conflict, he stated his fear that conflict with Iraq would likely spread throughout the Middle East, and that oil production would be interrupted. Mubarak also stressed that he would prefer to see the United States deepen its commitment to resolving the Israel-Palestine conflict than to attack Iraq.

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Profile researched and written by Erik O. Gilbert, University of Vermont (3/98); updated by Kathryn L. Green, Ph.D., California State University, San Bernardino (5/2000); updated (3/2002 and 2/2003).

# EL SALVADOR

Francisco Flores  
President

(pronounced “fran-SIS-koh FLOR-es”)

*“The foremost and most urgent requirement of our government is to promote jobs. We must encourage all enterprises and businesses to create employment as the only alternative to neglect and poverty.”*



The Republic of El Salvador is located on the Pacific coast of Central America. It is the smallest and most densely populated of the five Central American republics and the only one without a coastline on the Caribbean Sea. It shares a long border with Honduras to the north and a shorter border with Guatemala to the west. The Gulf of Fonseca lies to its east and separates it from Nicaragua. The country's 21,040 sq km (8,124 sq mi) of terrain is mostly mountainous, with a narrow belt of fertile coastal lowlands and central plateau, where nearly three-fourths of the nation's six million people live. Geologically, it is located on one of the world's volcanic plates and has been subject to frequent and sometimes quite destructive earthquakes. The capital city of San Salvador has experienced earthquakes on 14 separate occasions.

Spanish is the official language, with a small percentage of the population speaking Nahua. Ethnically, almost all Salvadorans are mestizo; the Indian population is variously estimated at 5–10%. Although Roman Catholicism continues to be the dominant religious affiliation (86%) among Salvadorans, a growing percentage identify themselves with various Protestant and evangelical groups. An estimated one million Salvadorans considered themselves Protestant evangelicals. Literacy is at about 70% (1995 est). Life expectancy is 66 years for men and 74 years for women.

The Salvadoran unit of currency is the *colón*. Coffee production and export have dominated the economy for the last century. The largest source of revenue into the country, however, is from remittances from Salvadorans living in the United States, currently running at us\$1.6 billion. El Salvador's primary trading partner is the United States, followed by neighboring Guatemala. Per capita GDP has been estimated at us\$4,000.

## POLITICAL BACKGROUND

Since the 1930s, the military had been the primary source of authority within El Salvador. For 60 years, its power over Salvadoran political life was nearly absolute. The armed forces operated with a high degree of independence and internal loyalty—a loyalty forged through the *tandas* (cohort) system of military education and promotion. This loyalty transcended even that given to the country's president. Since the end of the 12-year civil war in 1992, the military has been drastically scaled down, largely purged of human rights abusers, and essentially removed from politics.

Even so, the transition to a broad-based democracy and thriving economy is far from being achieved. Corruption and

violence, particularly against peasants, have been the hallmarks of Salvadoran society for centuries. The introduction of coffee into the country during the 19th century established the social structures that still exist today. Land has been, and continues to be, a primary issue. Land ownership has been concentrated in the hands of a few, with the consequence that the livelihood of the vast majority of Salvadorans has been subject to the whims of the wealthy landowners. Throughout the 20th century, an iron-fisted oligarchy—the so-called “fourteen families” that control coffee production—have dominated the Salvadoran economy and political system in concert with the military.

During the 1960s, there was a small opening in Salvadoran political life when middle class reformist politics (in particular the Christian Democrats) began to participate in the political process. This opening was abruptly shut in 1972 when the military stole the election from Jose Napoleon Duarte and Guillermo Ungo, who were sent into exile. Other moderates were systematically killed. Salvadoran society became increasingly polarized and anti-government guerrilla movements began to form. In 1980, these groups coalesced into the Frente Farabundo Martí de Liberación Nacional (FMLN), and civil war broke out. The horrors of this war were not confined to military clashes. The Salvadoran military had also formed clandestine “death squads” that indiscriminately tortured and killed. During the course of the 12-year war, more than 75,000 civilians—including mayors, union leaders, teachers, health care workers, priests, religious workers, and the country's archbishop were murdered largely, but not exclusively, by government security forces.

Over the 12-year period of civil strife, the United States poured nearly us\$6 billion in military aid into the country, and funded candidates, parties, and processes in a series of “demonstration” elections. By the mid-1980s, this aid made El Salvador the second highest per capita recipient of U.S. aid in the world. For several years running, this aid equaled us\$1.5 million a day and constituted half of the entire budget of the Salvadoran government. United Nations-brokered negotiations led to the Peace Accords signed on 16 January 1992 in Chapultepec, Mexico.

El Salvador operates under a 1983 constitution, the Pact of Apaneca. Engineered by the U.S. government, it was an attempt to establish common ground among El Salvador's ideologically disparate political parties, based on principles of representative democracy. The head of state is the president, elected independently of the Legislative Assembly to one five-





year term. The national legislature is a unicameral Legislative Assembly, expanded from 60 to 84 members in 1991 in order to give smaller political parties more opportunity to gain access to the legislative process. The Assembly now consists of 64 locally and 20 nationally elected deputies simultaneously chosen every three years. The country is divided into 14 departments, which are subdivided into 262 municipalities. The municipalities elect mayors every two years.

Although seven political parties nominated candidates for the office of president in 1999, four are primary. The incumbent party is the Nationalist Republican Alliance (ARENA), a right-wing party founded in 1980 as a coalition of the military and the country's economic elite. It is well financed and highly organized. The leadership is well educated and bilingual. The former president, Armando Calderon Sol, represented a more moderate wing of the party.

The newest party, and ARENA's principal rival, is the Farabundo Marti National Liberation Front (FMLN), whose political base is primarily among the poor. Formerly the name of the leftist guerrillas, they kept their name after the peace accords were signed in 1992. Although the FMLN had been gaining popular support over the last five years, divisions surfaced during the nominating process and blunted its effectiveness. Some wanted to follow more radical, Marxist policies. Others were more moderate pragmatists who have taken on issues such as tax policy and public safety.

The Christian Democrats (PDC) is a centrist party based largely in the country's interior. However, during the 1980s they became associated with widespread corruption and economic calamity. Their support has steadily dwindled. The United Democratic Center (CDU) is a left-of-center party of reform-minded members, based in the large urban centers,

with ties to various labor and popular organizations. Except for ARENA, the organizational state of the political parties is rather poor.

## PERSONAL BACKGROUND

Francisco Guillermo Flores Perez was born 17 October 1959 in El Salvador's second largest city, Santa Ana. He is the son of a well-known lawyer and an ethnographer. Unlike his party's last two presidents, who were conservative businessmen, Flores was previously a philosophy professor. Flores received his bachelor's degree in political science from Amherst College in Massachusetts and studied philosophy at World University, a small unaccredited institution in Ojai, California. In the early 1980s, he visited India several times to study mysticism and philosophy under Hindu swami, Sri Sathya Sai Baba, who preaches tolerance, patriotism, and nonviolence. Despite this training, Flores considers himself to be a devout Roman Catholic. During the late 1980s, he lectured at the Central America University (UCA) and Jose Matias Delgado University.

Leftist guerrillas were responsible for the death of Flores's grandfather and father-in-law. But Flores did not participate in the civil war. Instead he attended college and graduate school, taught philosophy, and managed an irrigation project for a community of 300 families living adjacent to the cattle ranch and stud farm he had inherited from his grandfather. He joined the government in 1990 in ministerial and advisory positions before becoming elected to the National Assembly in 1994. By 1998, he had become head of his party's congressional delegation and the assembly's speaker. Known by the nickname of "Paco" or "Paquito," Flores is an expert horse tamer. His wife, Lourdes Rodriguez, is a schoolteacher. They have two children, a daughter, Gabriela, and a son, Juan Marcos.

## RISE TO POWER

As a member of El Salvador's National Assembly, Flores was known as "the peacemaker" and developed a reputation as a consensus builder. But he shocked his own party when he announced his candidacy months before other parties had decided on nominees. Though his party had been well-known for its vehement anticommunist rhetoric in past elections, Flores avoided the polarizing rhetoric of his predecessors.

Instead he portrayed himself as a moderate centrist, and used a massive, costly media campaign to get across his message. In March 1999 he won by a landslide, garnering 52% of the vote. His closest rival was Facundo Guardado of the FMLN, who collected a mere 29% of the vote. Turnout, however, was low. Of three million eligible voters, only about 1.2 million cast ballots.

## LEADERSHIP

Flores, who became the youngest president in the Americas when he took his oath of office on 1 June 1999, wants to form a broad-based government, which he has dubbed the "New Alliance." He is known to be an independent thinker and may find himself at odds within his own party, particularly with former president Alfredo Cristiani, who has let it be known that he wants to influence the shape of the government.

Flores has to contend with determined opposition from at least one faction within the FMLN. The FMLN had been



gaining popular support during the last several years, winning the election in San Salvador's mayoral race and capturing nearly an equal number of legislative seats to those held by ARENA. In the 1999 election, division surfaced between hardline socialists and moderates during the party's nominating process. FMLN candidate, Facundo Guardado, more moderate than some elements within his wing of the party, nonetheless indicated his lack of enthusiasm for working with Flores. His actions will also be closely followed by the Roman Catholic Church, which has been pressing the government to provide more security, better education, and improved health care.

In the March 2000 legislative races, FMLN won 31 seats in the Legislative Assembly and the ARENA won 29.

### DOMESTIC POLICY

During the election campaign Flores stressed issues of poverty and crime, however, his administration continues to face some major challenges. First, Flores wants to raise the standard of living in a country where 48% of the population live below the poverty line and where unemployment officially stands at 10% (2000 est.), with underemployment estimated at 31%. He also promised to expand access to health, housing, and educational services and find ways to protect the environment, since both air and water pollution levels are alarmingly high in El Salvador. Flores has worked to continue the privatization program of public services begun during Calderon Sol's administration. He was also able to improve the tax collection system to increase revenues. However, the economy still relies on the inflow of dollars from family remittances of Salvadorans working in the United States. In 2000, these remittances offered an estimated us\$1.6 billion to offset the trade deficit and support the exchange rate. With massive reconstruction projects still needed to recover from the 1998 Hurricane Mitch and devastating earthquakes in 2001, even large amounts of foreign aid have not been able to significantly boost the economy. Flores boasted that his government would rebuild all 243,000 houses (20% of the country's housing) destroyed by the earthquake, and rebuild the schools within a year. However, thousands of earthquake survivors were still living in tin shacks one year after the disasters. With funds from international donors for disaster relief drying up, El Salvador was being forced to take on more debt.

In January 2001, just days before the beginning of the January and February earthquakes, Flores's government undertook a "monetary integration plan," through which the U.S. dollar became legal tender alongside the *colón*. Though the natural emergency briefly suspended the program, the economy is expected to be fully dollarized, and the Central Reserve Bank dissolved, by late 2003. By 2002, dollarization had advanced enough to bring down interest rates; however, one poll showed that 60% of citizens believed dollarization to be harmful. The FMLN is strongly opposed to the plan, which they call unconstitutional, and planned to make it an issue in the 2003 legislative elections.

The Flores's government has been struggling with gaining confidence from and inspiring hope in the general population. By 2002, record numbers of Salvadorans had left the country or were seeking ways to emigrate, by both legal and illegal means. A survey indicated that one out of three citizens

would leave the country if given the opportunity. An unfortunate proof of this came early in 2002, with a rumor that the Swedish government was offering housing and funds within Sweden for Salvadoran earthquake victims. Over 600 Salvadorans reportedly quit their jobs, sold their homes and headed off to Stockholm, only to be sent home with nothing when Swedish authorities corrected the rumor.

Poverty has further fueled an already rampant crime rate in El Salvador. In 2000, the murder rate in El Salvador was nearly 200 per 100,000 residents. In comparison, the U.S. murder rate for 2000 was 5.5 murders per 100,000 people. Most of the killings are attributed to the estimated 20,000 gang members in El Salvador. Flores has promised to crack down on organized crime, toughen penalties, and improve the prison system. He appointed Mauricio Sandoval, the former head of intelligence, to be his new national police chief. But not much has changed the situation.

### FOREIGN POLICY

El Salvador continues to be dependent upon external support and world commodity prices for its economic stability and well-being, particularly from the United States. The Hurricane Mitch and earthquake disasters prompted a tremendous response from the international community, nongovernmental organizations (NGOs), and private citizens alike. Following the hurricane alone, 961 tons of goods and food were received in El Salvador. The Ministry of Foreign Affairs estimates contributions in cash given directly to the Salvadoran government totaled us\$4.3 million. The U.S. government provided us\$37.7 million in assistance through USAID and the U.S. Departments of Agriculture and Defense. After the 2001 earthquakes, the U.S. government responded with military assistance for rescue operations, emergency supplies, and damage assessment teams. USAID's Office of Foreign Disaster Assistance provided assistance totaling more than us\$14 million. In addition, the Department of Defense provided more than us\$11 million. For long-term reconstruction, the international community offered a total aid package of us\$1.3 billion, over us\$110 million of it from the United States. In March 2002, President Bush of the United States made a short visit to El Salvador, pledging even more aid for 2002, and hoping to work out a Free Trade Agreement. Bush also stated that El Salvador is considered a close friend and ally of the United States, and referred to Flores as "mi amigo" (my friend in Spanish).

Flores continues to expand the Salvadoran economy, pursuing an aggressive strategy of export-led growth together with a strong program of boosting foreign investment and increasing Central American integration. He is expected to pursue full North Atlantic Free Trade Agreement (NAFTA) parity for El Salvador, though the immediate prospects seem dim. Moreover, the region's economic troubles have resulted in a new wave of emigrants moving to the United States in search of jobs and money to send home. In 2001, U.S. president George W. Bush offered "temporary protected status" to undocumented Salvadorans. Reports indicate that Flores may be relying too heavily on this "gift" of the United States, hoping that the legalization of 100,000 Salvadorans may be possible, which could produce an additional us\$300 million a year in family remittances.

In 2002, President Hugo Chávez of Venezuela was briefly replaced by an interim government. Although he was quickly reinstated, Flores was alone among Latin American leaders in expressing support for the interim government, a move that was extremely unpopular in both El Salvador and the region.

El Salvador is a member of the United Nations, the Organization of American States (OAS), the Central American Common Market (CACM), the Central American Parliament (PARLACEN), and the Central American Integration System (SICA). It also participates in the Central American Security Commission (CASC), which seeks to promote regional arms control. El Salvador belongs to the World Trade Organization (WTO) and is pursuing regional free trade agreements. An active participant in the Summit of the Americas process, El Salvador chairs a working group on market access under the Free Trade Area of the Americas initiative. El Salvador has joined its six Central American neighbors in signing the Alliance for Sustainable Development, known as the Conjunta Centroamerica-USA or CONCAUSA to promote sustainable economic development in the region.

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# EQUATORIAL GUINEA

Teodoro Obiang Nguema Mbasogo  
President

(pronounced "tay-oh-DO-ro OH-bee-ong eng-GWAY-muh em-bah-SOH-go")



*"This idea that there has been a climate of intimidation doesn't correspond to concrete reality."*

The Republic of Equatorial Guinea (La República de Guinea Ecuatorial) is in west central Africa at latitude 2° north and longitude 10° east. The country's territory comprises the coastal enclave of Rio Muni, situated between the southwest corner of Cameroon and the northwest corner of Gabon; the island of Bioko, off the coast of Cameroon; and Annobon and Corisco in Corisco Bay. The total land area is 28,050 sq km (10,831 sq mi). The capital of Equatorial Guinea is Malabo on the island of Bioko. Bata is the principal city of Rio Muni. The country contains seven provinces: Pagalu, Bioko Norte, Bioko Sur, Centro Sur, Kie-Ntem, Litoral, and Wele-Nzas. Bioko and the smaller islands are of volcanic origin. In Rio Muni, a coastal plain rises to thickly forested hills in the interior. The climate is very hot and humid year-round.

Eighty percent of the country's population belongs to the Fang tribe. The Bubi account for about 15% of the population. A half dozen other ethnic groups, each speaking its own language, make up the remaining 5% of the population. A small European community, mostly Spanish, also lives there. Because of Equatorial Guinea's recent colonial history, the country's official language is Spanish. Fang and Pichinglis (Pidgin English) are the lingua franca. Minority languages include Benga, Bubi, Crioulo, Krio, Ngumba, Ngumbi, and Yasa. Three-fourths of the population practices Roman Catholicism, sometimes mingling it with pre-Christian traditions. About 20% of the population is animist. The population of Equatorial Guinea was estimated at 498,144 in 2002.

The vast majority of Equatoguineans still practice subsistence agriculture, raising bananas, manioc, yams, cassava, oil palm nuts, and livestock. Agriculture, forestry, and fisheries account for roughly one-half of gross domestic product (GDP) with coffee, timber, and cocoa being the primary export commodities. Export crop production has dropped dramatically since independence, however. Once known as the "Switzerland of Africa" cocoa production on Bioko has declined since the late 1960s. The country's precarious financial situation is expected to improve soon, as major new offshore oil deposits are phased into production. The country may also have untapped mineral resources, including alluvial gold, iron ore, manganese, titanium, and uranium. The unit of currency is the *Communauté Financière Africaine (CFA franc)*. Per capita GDP was estimated at US\$2,100 in 2002.

## POLITICAL BACKGROUND

Like its West African neighbors, Equatorial Guinea experienced a long history of colonial rule under a series of European powers. Portugal claimed Fernando Po in 1494, hoping to establish a trade base there. The settlers who came to the island found the growing of sugar cane more lucrative, however, and they developed a thriving plantation economy instead. By the late sixteenth century, the slave population had outgrown the capacity of the plantations, and the settlers started moving their operations to Brazil. Fernando Po became a holding port for slaves who were to be shipped to the New World. In 1781, the British Navy occupied the island, using it as a base for its antislavery patrol and as a settlement for liberated slaves. These slaves became known as "Fernandinos"; their descendants still populate the island today.

Spain acquired the rights to Fernando Po and Annobon Island in 1844 and later added Rio Muni, forming the colony of Spanish Guinea, as the territories were collectively known. Under Spanish rule, Fernando Po was once again developed as a plantation economy, this time worked by a contract labor force of Nigerian migrants. Cocoa and coffee exports made the Bubi and Fernandinos living on the islands relatively prosperous, but Rio Muni was neglected, and the Fang tribe was left to eke out a survival through subsistence farming and fishing.

When Spain finally granted Equatorial Guinea its independence on 12 October 1968, the country was heavily stratified along ethnic and regional lines. Thus, in the first constitutional election, the Fang, determined to assert their numerical dominance, succeeded in electing Macías Nguema, a civil servant, as the country's first president. Nguema quickly surrounded himself with Fang supporters. Within a year, perceiving that their interests were dangerously threatened, the minority groups staged a coup. It failed, and Nguema's response was swift, far-reaching, and deadly. Unsure of himself and trusting no one, Nguema began what was to become a brutal reign of terror. The political murders, arrests, tortures, beatings, atrocities, and corruption perpetrated by his regime eventually reached throughout the country, devastating even his own ethnic group. In a country gripped by fear and distrust, Nguema held power until 1979, when he was overthrown in a violent coup by his nephew, then Lt. Colonel Teodoro Obiang Nguema Mbasogo. Macías Nguema fled but was soon arrested, tried, and convicted of genocide, murder, treason, violation of human rights, and misappropriation of



public funds. Nguema was executed by firing squad, along with six of his associates.

### PERSONAL BACKGROUND

Teodoro Obiang Nguema Mbasogo was born on 5 June 1942 in Acoa-Kam in the east-central Mongomo district of Rio Muni. He attended secondary school at Bata, completing his studies at evening school. In 1963, Obiang traveled to Spain to attend the Saragossa Military Academy. He graduated in 1965 with the rank of junior lieutenant and returned home to begin his military career. Obiang is married to Constanca de Obiang Nguema. They have several children.

### RISE TO POWER

Obiang's first assignment was as a territorial guard. He was soon promoted to the rank of lieutenant. As the nephew of then-President Macías Nguema, Obiang was given several important positions and promotions. He served as the military governor of Fernando Po and as director of the Playa Negra prison. In 1975, he was promoted to lieutenant colonel and became Nguema's aide-de-camp, a position he held until ousting his uncle from power.

In the spring of 1979, Macías Nguema had Obiang's brother executed. Obiang reportedly began planning his uncle's overthrow at this time. He evacuated his family and on 3 August 1979 set into motion the coup d'état that would place him in power.

### LEADERSHIP

Obiang Nguema's government is widely viewed as a continuation of the clan politics practiced by his predecessor, albeit in a less vicious form. It is generally believed that Obiang personally carried out many of the repressive and expul-

sionary orders issued by Macías Nguema. Thus support for the Obiang regime has never extended far beyond its immediate beneficiaries.

For the first 10 years, Obiang ruled as chairman of the Supreme Military Council. Political activity was banned, but opposition groups were organized abroad and at home. Under pressure from international donors to effect political and economic reforms, Obiang's government has ostensibly been preparing for the transition to a multiparty democracy since 1982, but in fact, there have been no free elections in Equatorial Guinea since independence. The 1982 Constitution provided for a return to civilian rule after a seven-year transition. Parliamentary elections were organized for August 1983, but opposition parties were not permitted to participate, and all 41 candidates seated were nominated by Obiang. In 1987, Obiang announced the formation of the government Partido Democrático de Guinea Ecuatorial (Democratic Party for Equatorial Guinea—PDGE), of which he was the head. At the end of the transition period, presidential elections were held. Brigadier General (Ret.) Obiang Nguema ran uncontested and on 25 June 1989, won a new seven-year term.

Elections to the 80-seat House of People's Representatives held in 1993 were boycotted by the opposition as fraudulent and condemned by foreign observers. Municipal elections held on 17 September 1995 were preceded by widespread government use of arbitrary arrest, illegal detention, and beatings of opposition organizers and candidates. Opposition candidates stayed in the race, however, and on polling day, international observers declared reports from polling stations indicated that the Plataforma de la Oposición Conjunta (Joint Opposition Platform—POC) had won with 60% of the vote, and the ruling PDGE had received 25%. The government refused to release these results. Ten days later, it announced that the PDGE had won a two to one majority of seats.

Opposition groups redoubled their efforts to campaign for the presidential election scheduled for June 1996. In a boldly unconstitutional move, Obiang announced in January 1996 that he was moving the date of the election up to 25 February. The government next decided to abandon the voter's poll that had been drawn up in 1995 with foreign donor participation. Finally, election procedures were changed to eliminate the possibility of a run off. Eventually all but one opposition candidate, Secundino Oyono of the Social Democratic and Popular Convergence Party, withdrew from the race, charging fraud and intimidation. International observers agreed. The voting itself, which was witnessed by international observers, was fraught with irregularities. When the official results were announced, Obiang had been awarded 97.9% of the vote, and the four opposition candidates who had withdrawn shared the remaining 2.1%.

In the 1999 parliamentary elections, the ruling PDGE obtained all but 5 seats. Again, most of the opposition boycotted the election.

The power of the PDGE became most apparent in February 2001 when, following months of attacks from the PDGE, citing an "institutional crisis" of corruption, the entire Equatorial Guinea cabinet resigned. The statement presented by then-Prime Minister Angel Serafin Seriche Dugan to Obiang indicated the dissolution resulted because the existing government, presumably Parliament, did not represent or

respect the majority opinion of the people and the priority interests of the country. Obiang appointed a new prime minister, Cándido Muatetema Rivas, in March 2001. The United Nations Development Program has proposed a broad governance reform program, but Obiang has seemed somewhat reluctant to accept or implement the program. In fall 2002, Obiang called for elections to be held in December 2002, a few months earlier than the official date of February 2003. The African Union (AU) sent observers, but Obiang was unopposed on the ballot, and thus was reelected.

### DOMESTIC POLICY

This country of less than half a million people has an army, a navy, an air force, a rapid intervention force, and a national police force, all of which Obiang commands as chief of state. The Constitution of 1991 guarantees citizens fundamental liberties, but in practice, Obiang rules Equatorial Guinea with an iron fist, and Equatoguineans have almost no political rights.

In the months preceding the 1995 municipal elections, the government released numerous political prisoners, including prominent opposition leader Severo Moto Nsa. The releases raised hopes among the opposition and international community for the possibility of genuine political reform. The optimism was short-lived. In mid-January 1996, political activist Genoveve Nchama was arrested after criticizing the government on a Spanish radio program. She was held in detention for several weeks and beaten. On 16 February 1996, several members of the POC were arrested, detained in custody for up to two days, and severely beaten. Roman Catholic priests were also reportedly arrested and tortured for opposing the regime.

Obiang met with opposition leaders on 18 March to co-opt them into participating in the new government but clearly failed to do so. Of the 40 members of government, only five positions went to junior members from minor parties that ultimately supported the president's reelection. The three key ministerial portfolios—interior and local government, foreign affairs and international cooperation, and mines and hydrocarbons—went to long-time supporters from Obiang's home town. In April, the 53-member United Nations (UN) Human Rights Commission adopted unanimously a resolution condemning Obiang's government for "grave and persistent" violations of human rights.

The prospects of newfound wealth from the discovery of oil-rich deposits near the maritime border with Nigeria virtually ensured that Obiang would employ all possible means to stay in power. By 1999, oil had become the country's major export, accounting for approximately 70% of the gross national product (GNP). In 2001, the government took in around \$200 million from oil, but much of the wealth seems to benefit the government hierarchy.

In March 1999, the second multiparty legislative elections in the country's history featured nearly 700 candidates representing 13 political parties. Obiang's party, PDGE, won 75 of the 80 seats. Members of the opposition parties argued that the elections were unfair, but international observers reported that the elections could stand.

When Parliament opened in April, the five opposition candidates were away on what was reported to be official business in Spain. The next month, Obiang rejected a plan by the Parliament of Spain to send a delegation to investigate

alleged irregularities in the March legislative elections, insisting that the voting had been free and fair.

### FOREIGN POLICY

Soon after taking power, Obiang sought to reestablish relations with Spain, which had deteriorated during his predecessor's regime. As a measure of his success, Spain signed permanent agreements to provide economic and technical assistance.

Obiang also moved to develop relations with France. In 1985, Equatorial Guinea joined the African Financial Community, switching currencies to the fully convertible Communauté Financière Africaine franc (CFA franc). Soon afterward, he instituted a policy of compulsory study of the French language in the schools in an effort to make the country bilingual in Spanish and French. In 2001, the promise of financial aid from France inspired collaboration on two development projects designed to reduce poverty and refurbish infrastructure, including bridges and schools in rural districts. French technical advisors work in the finance and planning ministries on these and other projects.

Through the late 1980s, however, relations with others in the international community began to sour. Donors began linking development assistance to political and economic reform, a policy that Obiang viewed as a direct assault on his country's sovereignty. During both the 1993 and 1999 parliamentary elections, diplomatic relations with the West were severely strained or severed because of questions from outside the country about the progress of political reform.

Relations began to soften however, with the discovery of oil. In fall 2001, U.S. president George W. Bush authorized the opening of a new embassy in Malabo. In fact, the United States buys over two thirds of the 500 million barrels of oil that Equatorial Guinea produces. The influx of foreign oil investors was projected to contribute to a 34% growth in the economy in 2002.

Equatorial Guinea is a member of the Central African Economic and Monetary Union (CEMAC), which includes Cameroon, Central African Republic, Chad, Congo/Brazzaville, and Gabon. However, as of 2003, Equatorial Guinea was involved in a number of territorial disputes with its neighbors, including Nigeria, Cameroon, and Gabon, because of offshore oil fields.

### ADDRESS

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Profile researched and written by N. Lynn Graybeal, researcher and consultant in political affairs (9/96; updated 3/2002, 2/2003).

# ERITREA

Isaias Afwerki  
President

(pronounced “uh-ZAY-us aff-WER-kee”)



*“Men make history, and we have made an independent Eritrea.”*

The State of Eritrea, a former province of Ethiopia, voted its own independence from that country in April 1993 in a United Nations (UN) sponsored election. That election ended 30 years of civil war in the new nation, which borders on the Red Sea in the east, the Sudan in the west and north, and Ethiopia and the Red Sea in the south. Eritrea covers an area of 121,320 sq km (46,842 sq mi) and has a population estimated at 4,465,651 in 2002. Eritrea’s land varies dramatically between highlands above 2,134 m (7,000 ft) and its surrounding lowlands, which descend to sea level on the Red Sea coast in the east and the arid Sudan border in the west and north. Between the capital city, Asmara, and the Red Sea port at Massawa, the road descends 2,286 m (7,500 ft) in only 80 km (50 mi). Eritrea’s climate, especially its rainfall, is erratic. Because Eritrea lies in the easternmost part of the African Sahel, it frequently has been vulnerable to drought. Eritrea has few natural resources, though deposits of salt in its eastern lowlands have long been an important product for both animal and human consumption in the region. Its river valleys flowing west to the Nile River basin are potential resources for irrigation agriculture.

Eritrea is a rich blend of cultures, religions, and languages. About half of its population is Ethiopian Orthodox Christians, and about half are Muslim. The dominant language is Tigrinya, a Semitic language. Other important languages include Afar, Amharic, Tigre, and Arabic. Most highlanders are farmers, while many lowlanders continue to be nomadic herders of camels and goats. Residents of towns generally are merchants or civil servants.

The effects of the civil war and major famines caused by drought have shattered much of Eritrea’s economy. Roads, factories, and water and irrigation systems have been damaged or destroyed. Per capita gross domestic product (GDP) of Eritrea is US\$740 (2001 estimate), making it one of the poorest countries in Africa. The unit of currency is the *birr*.

## POLITICAL BACKGROUND

Eritrea’s history derives from its position on the northern limits of the Ethiopian highlands. It formed part of the Axumite Empire established in the first century AD. Over the course of its history, however, its strategic geographic location along the Red Sea coast has made it the object of numerous invasions by external powers that sought to control trade along the coast and in the interior. Along with the Ethiopian highlands, much of Eritrea converted to Christianity in the

fourth century AD, though Islam spread in the lowlands beginning in the seventh century. Conflicts over religion and territory between Christian highlanders and Muslim lowlanders have characterized Eritrea’s internal history. That history has also seen cooperation between the groups in trade and responses to outside invaders. The major external invaders have been the Ottoman Turks (sixteenth century), Egypt (nineteenth century), and Italy (late nineteenth century).

Italy controlled Eritrea as a formal colony from 1890 until 1941. During that period, Italy invested in building an industrial and transportation infrastructure to serve as a base for expansion of its empire to Ethiopia. Italians established Asmara as their capital and built large irrigation schemes, recruited Eritrean men into a colonial army, and attempted to shift Eritrean trade to Italy’s benefit. In 1935, Italian dictator Benito Mussolini used Eritrea as a base for his invasion of Ethiopia. In 1936, Eritrea became a province of Italian East Africa, which consisted of Eritrea, Ethiopia, and Italian Somaliland. Italian rule ended in 1941 with the defeat of Italian forces by the combined efforts of Allied troops and Ethiopian resistance fighters.

Between 1941 and 1952, Britain controlled Eritrea first as an Allied force and then under a UN mandate. In 1952, the UN agreed to federate Eritrea to the Empire of Ethiopia, then ruled by Emperor Haile Selassie. Eritrea retained its own Parliament and control over its economy and local government. In 1962, the Ethiopian government forcibly annexed Eritrea as its fourteenth province. In that year, a small resistance movement calling itself the Eritrean Liberation Front (ELF) started fighting in the western lowlands to reclaim Eritrea’s independence. This movement gathered momentum after the 1974 Ethiopian revolution, led by a new group, the Eritrean Peoples’ Liberation Front (EPLF). This group was dominated by highlanders and led by Isaias Afwerki.

The Eritrean war intensified as both sides sought a military solution, driving hundreds of thousands of refugees into the Sudan and also to Europe and North America. The EPLF organized its refugee community overseas to lend political support to its efforts inside Eritrea. In May 1991, the Ethiopian government under Mengistu Haile Mariam collapsed and withdrew its army from Asmara. The new government in Ethiopia declared itself amenable to an independent Eritrea and agreed to cooperate with the Eritrean government over access to the port of Assab. The

EPLF entered Asmara and set up a provisional government in anticipation of the April 1993 elections. In those elections, 99.8% of the voting public approved the referendum for independence and the formation of a new government under Isaias Afwerki. Eritrea officially became a nation on 24 May 1993, and Isaias Afwerki became its first and only president.

The National Assembly has set the following goals: the drafting of a democratic Constitution to guarantee the basic rights of all citizens and the establishment of an elected government.

### PERSONAL BACKGROUND

Afwerki was born on 2 February 1946 in Asmara, now the capital of Eritrea. He graduated from Prince Mekonnen Secondary School in Asmara, then attended the University of Addis Ababa in Ethiopia. In 1966, Afwerki was a second-year engineering student when he interrupted his university studies to join the ELF as a combatant.

Despite his powerful role and his long leadership of the EPLF, Afwerki has kept a low profile in public life. Unlike many heads of state in Africa who have cultivated a cult of personality in their style of rule, few details are known about his background, and he is rarely photographed. He often attends official functions wearing jeans and sandals. His trademark is his simplicity. His struggle to build an unshakable unified Eritrean nationalism has gained him popularity among his people.

### RISE TO POWER

After leaving university in 1966, Afwerki served as deputy division commander in the ELF (1967–70). In 1970, he and his group founded the EPLF, which later became the dominant power in the history of the country. Until 1977, he held various leadership positions and in 1987, the Front, in its Second Congress elected him as the organization's Secretary General.

During the civil war, Afwerki chose not to base himself and his leadership in Europe or North America. Instead, he remained within Eritrea (often at the stronghold of Naqfa) organizing guerilla warfare against the Ethiopian government troops. Overseas, his supporters waged an extremely effective campaign of political persuasion, winning international support, if not official recognition.

The EPLF has played a critical role throughout Eritrea's independence struggle. In 1988, the EPLF was able to force the Ethiopian army to withdraw its forces from Keren, Eritrea's second largest city, and several western lowlands. Under his leadership, the EPLF won the war with Ethiopia in May 1991, and Eritrea gained independence. The government that took power in Ethiopia in May 1991 declared itself amenable to an independent Eritrea and agreed to cooperate with the Provisional Government of Eritrea (PGE) over access to the port of Assab.

### LEADERSHIP

In April 1993, the vote for Eritrean independence also included the election of Afwerki to the position of president and chairman of the National Assembly. Afwerki thus enjoys control over both the legislative and executive branches of Eritrea's government. He is the head of government and commander in chief of the army. Afwerki has the authority to



nominate individuals to head various ministries, authorities, commissions, and offices—pending approval of the legislative body.

Afwerki states that he is dedicated to bringing democracy to Eritrea. Yet he has declared that democracy should be subservient to stability. Elections were promised for 1998 but did not take place. The ongoing border war with Ethiopia seemed to be the main obstacle to elections, although some complain about the lack of political openness in Eritrea. Although the opposition parties, most of which are remnants of the ELF, call Afwerki's government dictatorial, the great majority of the population does not seem to have complaints about his government. Afwerki, a Christian, has included Muslims in his cabinet. He has also declared his opposition to political parties based on religious or ethnic lines.

### DOMESTIC POLICY

Eritrea's leadership not only faces the problems of reconstructing a national economy but of building confidence in the government's commitment to democracy. In 1996, a draft Constitution, creating a free, multiparty system was presented. While ratified in a May 1997 referendum, it has not been entirely implemented. Elections scheduled for May 1998 were not held due to outbreak of conflict with Ethiopia along the 998-km (620-mile border). The government had announced that the National Assembly elections would take place in December 2001 but these have been postponed and new elections have not been rescheduled. In September 2001, after several months in which a number of prominent People's Front for Democracy and Justice (PFDJ) Party members had gone public with a series of grievances against the



government and in which they called for implementation of the Constitution and the holding of elections, the government arrested 11 prominent dissidents (holding them without charges) and shut down the press, arresting several reporters and editors.

The effects of war have damaged Eritrea's ability to serve as the region's exporter and importer. Together with the threat of periodic droughts to agriculture, Eritrea's economy can expect to be dependent on international aid for some years to come. The economic policy of Eritrea is contained within an Emergency and Recovery Action Program that concentrates its efforts on transportation, agriculture, and industry—three areas which had historically been the basis for Eritrea's economy. Despite its socialist ideology during the war for independence, the government has pledged to pursue a mixed economy that encourages foreign investment and joint ventures.

## FOREIGN POLICY

The border dispute with Ethiopia, estimated to have generated well over 100,000 casualties between the two sides, lingered until 2002. The border dispute started with the invasion and occupation of territory within northeastern Ethiopia by Eritrean soldiers in the first week of May 1998. International intervention in a search for peace had generally failed as each country accused the other of demanding impossible conditions for the implementation of framework agreements, while saying they accepted them. Though the war formally ended with a Cessation of Hostilities agreement in June 2000, followed by the Algiers Agreement signed in December of the same year, governments on both sides refused to demobilize their troops, apparently waiting for the other to move first.

A major tenet of the Algiers Agreement allowed that the International Boundary Commission (headquartered in The Hague, Netherlands) would "delimit and demarcate the colonial treaty border based on pertinent colonial treaties (1900, 1902, and 1908) and applicable international law." Their ruling was issued 13 April 2002. The ruling gave to Ethiopia the disputed border villages and towns that it had claimed. The ruling was hailed as a final legal settlement, and an important milestone in the peace process. In the meantime, the UN Security Council has continued to urge both sides to refrain from any military actions, and to help implement the decision. In March 2002, the UN country delegations for Ethiopia and Eritrea met for the first time in Addis Ababa to consider future humanitarian and development assistance that would support peace and reconciliation. The UN is now providing support for demining the war zone around the demarcated border.

The destruction and dislocation of three decades of war have meant that Eritrea's foreign policy in the early years of the twenty-first century, will continue to focus primarily on securing foreign development assistance and addressing the difficult problems of repatriating 750,000 refugees. About 500,000 are in Sudan and the rest are in the Middle East, Persian Gulf, Europe, and North America. Of these refugees,

the government has given priority to repatriating those in Sudan. Many refugees, including those in North America and Europe, have prospered in business, academia, and politics and now constitute an important body of wealth and opinion. Expatriate Eritreans form a large source of the private funds invested in the country's recovery and are a source of support for gaining bilateral aid from foreign governments and international agencies such as the World Bank, which has already allocated us\$270 million as part of an emergency reconstruction package. In August of 2002, after a severe drought, Eritrea called on these international aid funds for relief in the form of food donations.

Eritrea is a member in good standing of the Organization of African Unity (OAU) and of Common Market for Eastern and Southern Africa (COMESA). It has had close relations with the United States, Italy, and a number of other European nations, including the United Kingdom, Germany, Norway, and Denmark, which have become important aid donors. These relations have been strained, however, as a result of the recent government arrest of political dissidents shutting down the independent press. In March 2002, the European Parliament issued a resolution accusing Eritrea of human rights violations.

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# ESTONIA

## Arnold Rüütel President

(pronounced “ARE-nahld ROO-tell”)



“For Estonia the equal treatment of all states and nations is significant. Europe should treasure its diversity—a source of its co-operation and ideas.”

The Republic of Estonia lies on the shores of the Baltic Sea and the Gulfs of Riga and Finland, and borders Latvia and Russia. The total land area of Estonia is 45,226 sq km (17,462 sq mi). Estonia’s population was estimated at 1.4 million in 2002. Estonians account for 65% of the republic’s population, while Russians make up 28%. Ukrainians, Belarusians, and Finns account for most of the remainder. The official language is Estonian, which is a member of the Finno-Ugric family of languages, more similar to Finnish and Hungarian than Russian or English. No reliable recent figures regarding religious affiliation are available, but Estonians tend to be Lutherans while Russians tend to be Russian Orthodox.

The official currency is the *kroon*. Estonia’s per capita gross domestic product (GDP) was estimated at US\$10,000 in 2001. Estonia produces excavators, electrical engines, cotton cloth, and furniture. It is a net exporter of agricultural products. Leading exports are machinery and equipment, wood products, textiles, food products, metals, and chemical products. Top imports include machinery, light industrial goods, chemicals, and food. Estonia is the world’s second-largest producer of shale oil.

### POLITICAL BACKGROUND

After centuries of foreign domination by Danes, Germans, Swedes, Poles, and Russians, Estonian leaders declared independence from the Russian empire on 24 February 1918. An unstable but democratic parliamentary system operated from 1919 until 1934 when acting president Konstantin Päts seized power and dissolved Parliament. In 1940, the USSR annexed Estonia, making it the Estonian Soviet Socialist Republic (Estonian SSR). The German army invaded Estonia in 1941, ruling it until 1945. It is estimated that 90,000 people, or 8% of the prewar population of Estonia, died in the course of the war. During Stalin’s reign, 80,000 people were arrested or deported and 15,000 died in a guerrilla war of resistance.

Under Communism, Estonian culture and other forms of national expression were repressed, and large numbers of Russians settled in Estonia. Russified Estonians (some of whom spoke no Estonian), Russians, and others were brought in to rule Estonia. In the post-Stalin era, dissidents calling for observation of human rights or protesting the repression of the Estonian nation were harassed, arrested, exiled, and even killed.

Significant changes came after Mikhail Gorbachev became leader of the USSR. In fall 1987, the policies of *glasnost* (openness) and *perestroika* (restructuring) provided the opportunity to discuss openly various economic, environmental, and historical issues in Estonia for the first time. The Popular Front, an organization dedicated to bringing about progressive changes and unaffiliated with the Communist Party, was established in April 1988. Soon thereafter the government legalized the flag of independent Estonia and declared Estonian the official language of the republic. In November the Estonian Parliament, the Supreme Soviet, interpreted the meaning of “sovereignty” in the republic’s Constitution in the broadest possible terms, provoking an angry attack from Gorbachev.

A constitutional amendment adopted in February 1990 stripped the Communist Party of its leading role in Estonian society. In March 1990 the Estonian Communist Party split into two factions, one supporting Moscow, the other declaring itself independent from Moscow. Also in March, 16 parties ran candidates for the 105 seats in the Estonian Riigikogu (Parliament). Estonian nationalists won an overwhelming majority. Arnold Rüütel was elected president by the new Parliament.

When the coup d’état against Mikhail Gorbachev began in Moscow in August 1991, the Estonian government immediately allied with Russian president Boris Yeltsin. On 20 August, Estonia declared itself independent of the USSR; the following day the Russian Federation recognized Estonia as an independent state. The Communist Party of the USSR and other organizations supporting the coup were outlawed. In September, the USSR recognized Estonian independence. The Estonians began to dismantle the Soviet secret police (KGB). The Soviet government agreed to withdraw all its troops from Estonian soil by the end of 1994.

In 1992, a constitutional assembly introduced amendments to the 1938 Constitution. After the draft Constitution was approved by popular referendum, it came into effect 3 July 1992. Elections for the new Parliament and president were held on 20 September 1992, with Lennart Meri as victor.

On 5 March 1995, Estonia held its second parliamentary elections since achieving independence from the USSR. The center-left Coalition Party/Rural Union alliance won an impressive victory, taking 41 seats in the 101-seat Parliament.



The market-reform-oriented Estonian Reform Party-Liberals coalition won 19 seats. The center-left Estonian Center Party finished third with 16 seats. The rightist Pro Patria/Estonian National Independence Party group (now known as the Fatherland Union), fell to only eight seats. A coalition representing the Russian-speaking population, Our Home Is Estonia, won six seats. The Moderates won six seats, and the Rightists won five.

On 5 April 1995, the Parliament elected Coalition Party leader Tiit Vahi as prime minister of Estonia. He formed a government with the Center Party. After a wiretapping scandal, the Center Party was forced out in October 1995 and was replaced by the Reform Party. In November 1996 this coalition collapsed in turn, and the Coalition Party appeared headed back into coalition with the Center Party. Meri ran for reelection as president of Estonia in August 1996. According to Estonia's Constitution, the president is elected by a two-thirds majority in the Estonian Parliament. If no candidate receives the required number of votes after three rounds of voting, an electoral college of members of Parliament and local legislatures selects the president by a simple majority. On 26 and 27 August, Meri handily outscored his main opponent, Arnold Rüütel, in the three rounds of parliamentary voting but did not win a two-thirds majority. In the vote of the electoral college on 20 September Meri won a majority, beating Rüütel by a vote of 196 to 126 (with 44 abstentions and 6 invalid ballots) in the 374-member electoral college.

Meri was constitutionally barred from a third term. Following a stalemate in Parliament over the choice of a new

president, Arnold Rüütel won a run-off election on 21 September 2001 and took over duties as president 7 October.

## PERSONAL BACKGROUND

Arnold Rüütel was born on 10 May 1928 in Saaremaa, the larger of the two islands that lie off the west coast of Estonia in the Baltic Sea. Rüütel attended the Agricultural Technical High School there, and worked as a divisional manager in the department of agriculture in Saaremaa. In 1957, at age 29, Rüütel became the head expert in livestock management, rising to the post of general director of the Estonian Institute for Animal Husbandry and Veterinary Science's experimental station a few years later. In 1963, he assumed the post of Director of the Tartu Model State Farm in eastern Estonia (near Chudskoy Ozero), managing to graduate from the faculty of agricultural sciences of the Estonian Agricultural Academy in 1964; he subsequently became rector of the Academy in 1969.

Throughout his political career, Rüütel continued his scientific research, and in 1991 earned a doctorate in agriculture. (He has also been awarded an honorary doctorate by Bentley College in the United States.) Author of over one hundred scientific papers, he has published his work in Estonia and abroad.

Rüütel's wife Ingrid is known internationally as an expert in folklore; she holds a doctorate in humanities. The couple has two daughters and five grandchildren.

## RISE TO POWER

Rüütel has held numerous state positions since 1977, in both the legislative and executive branches of government. In 1983, when Estonia was still part of the USSR, he was elected chairman of the Presidium of the Supreme Council of the Estonian SSR (Soviet Socialist Republic). But by the mid-1980s he stood against the central authorities in Moscow, helping to prepare a document declaring Estonian sovereignty in 1988. In March 1990 Rüütel was again elected to the Supreme Council and made chairman. He participated in preparing a new resolution of sovereignty that this time declared the state power of the USSR in Estonia illegal. By May the Estonia Soviet Socialist Republic was no more; the new state had officially become the Republic of Estonia. Rüütel was chairman of its Supreme Council until October 1992. Rüütel also instigated the formation of the Council of Baltic States, headquartered in Tallinn, which presented a formidable united front in the Baltic States' struggle for independence. On 17 September 1991 the Republic of Estonia became a full member of the United Nations (UN) organization. Arnold Rüütel was head of state throughout the period of struggle for national independence and one of its chief architects.

In 1992 Rüütel was a candidate for president of the Republic of Estonia, but the position went to Meri in a runoff election after no candidate won a majority. Rüütel was elected a member of the Riigikogu in 1995 and then its Vice-Chairman. That same year he was elected leader of the delegation of the Baltic Assembly of Riigikogu and the chairman of the Presidium of the Baltic Assembly. Throughout this time he was chairman of the center-right Rural Party (later the Estonian National Association).

## LEADERSHIP

Rüütel is known as a defender of Estonian sovereignty and one of the authors of the sovereignty declaration in 1988 that precipitated the disintegration of the USSR. His supporters point to his conciliatory, diplomatic character and his willingness to negotiate.

Estonian presidential elections have been characterized as more a vote of no-confidence for a current government than an endorsement of a new one. Great political changes from a new president are unlikely to be realized, for the largely ceremonial post does not provide for much direct action. But some experts argue that Rüütel is capable of fostering new modes of political discourse that will lead to change. It is widely held that he can give voice to elements of Estonian society—the people of the countryside and the urban poor—who before had little political impact. Foreign investment, commercial banking, and modernized communication do little to address Estonia's rapidly rising HIV problem or its soaring unemployment outside of the cities. Rüütel offers hope to Estonia's underprivileged classes.

## DOMESTIC POLICY

Since independence, Estonia has made dramatic economic progress by implementing a tough austerity program of scaled-back, balanced budgets, tight monetary policy, and the establishment of a strong currency. Inflation for 1999 was 4.1%, an improvement over the 1995 level of 29%, and a dramatic improvement over 1,069% in 1992. Dependence on the former Soviet market has been reduced while trade with the West and foreign investments, especially from Finland and Scandinavia, and other European Union (EU) member states, have grown substantially. Privatization has also moved forward in Estonia, with very few large, state-owned companies remaining.

Although GDP shrank 1.1% in 1999, the economy recovered well in 2000, with growth of 6.4% among the highest in Central and Eastern Europe. Gross domestic product is expected to continue growth in the early years of the twenty-first century. Estonia was the second Baltic state to join the World Trade Organization, which it did in November 1999.

Like Estonian society as a whole, Estonian politics are complicated by the question of how to integrate ethnic Russians (who comprise 28% of the electorate) into Estonian national life. One-third of Estonia's 1.4 million inhabitants are Russian-speakers, and some areas are predominantly Russian, such as the depressed industrial border town of Narva, which is 95% Russian. Not unexpectedly, relations between Estonians and ethnic Russians are often strained. The Estonian government has imposed strict citizenship examinations that require knowledge of the Estonian language, and Russians find these are significant obstacles to obtaining full Estonian citizenship.

Arnold Rüütel has promised to devote his experience in agricultural and environmental issues to what he calls the purification of Estonia and the Estonian Sea in the aftermath of Soviet policies that polluted and despoiled the country for decades. His vision is to maintain a clean, nature-friendly Estonia for the benefit and enjoyment of generations to come. Much of his support comes from local officials in rural areas, who expect him to initiate reforms beneficial to the

countryside. Rüütel also endorses a reform that would institute direct presidential elections. Direct elections are supported by the Parliament as well, and could come about by the end of 2003.

## FOREIGN POLICY

Estonia's foreign policy focuses on integration of the Baltic States into European and international institutions in order to protect itself against possible reemergence of a hostile and aggressive Russia. Estonia applied for European Union (EU) membership in 1995. The EU opened talks with Estonia on possible membership in March 1998 and announced in October 1999 that Estonia was close to meeting the economic requirements for membership in the EU and was one of twelve nations being considered for membership. In December of 2002, the EU announced that accession talks with Estonia had successfully come to an end. The EU announced in March 1999 the committal of us\$60 billion over a seven-year period for building up the economies and infrastructures of prospective member countries in Central and Eastern Europe, Estonia among them; Germany, however, refuses to fund further spending in this direction. Estonia was also admitted to the NATO Alliance in 2002, as it was asked to join the alliance against Iraq. Estonia accepted, and pledged support for any action NATO might take against Iraq and its leaders.

Considering its geographical situation, Estonia has naturally developed strong economic ties with the Scandinavian countries. Scandinavian banks have sought aggressively to expand into the Baltics, where growing economies and underdeveloped markets make for prime investment territory. SwedBank gained a majority interest in Hansabank, the largest bank in Estonia and a preeminent Baltic financial institution. The banking industry is relatively nascent in Estonia due to its Soviet past, and as of 1999 total bank deposits in Estonia comprise only some 30% of its GDP. The country now has five commercial banks as the result of closures and mergers, including foreign mergers.

Relations between Estonia and its Scandinavian neighbors are not without tensions, however. Strong diplomatic, military, and economic ties between Finland and Estonia have been tested by wage disparities between the countries. Efforts to resolve such issues, however, have largely been successful.

Russian-Estonian relations have been strained since Estonia's independence. The 31 August 1994 withdrawal of Russian troops resolved one key issue, but other issues remain, including the Russian-speaking minorities in the Baltic states, and a border demarcation dispute. Estonia struggles to assert its new-found identity against the influence of its huge neighbor to the east. The Estonian town of Narva cut off water and sewage treatment it had provided to the Russian town of Ivangorod across the border after the latter failed to pay more than us\$1 million for services received. A 78-year-old man, a former member of the Soviet secret police, was convicted and given an eight-year suspended sentence for having ordered the deportation of over 20 families during the Stalinist era. For their part, Russian authorities expelled an Estonian man after he confessed to gathering secret information about the Russian air force for the intelligence wing of a militant group in Estonia. Yet the government in Estonia remains stable; according to Transparency International, a

non-governmental group that monitors governmental corruption, Estonia is among the former Communist bloc nations least affected by government corruption.

The communist background of the new president (he was a Central Committee member of Estonia's Communist Party in the Soviet era) makes many Estonians—as well as some international interests—uneasy. But Rüütel assures his people that the goals of incorporation into the greater European society will not change under his leadership.

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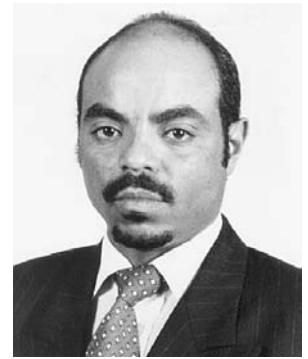
**Profile researched and written by David H. Long (4/2002, updated 2/2003); sections contributed by Steven Woehrel, Specialist in European Affairs.**

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# ETHIOPIA

Meles Zenawi  
Prime Minister

(pronounced “MELL-eh zeh-NAH-wee”)



*“We are now able to make the transition to a fully democratic government which will satisfy the wishes of our peoples and their centuries-old longing for such a system.”*

The Federal Democratic Republic of Ethiopia is situated in northeastern Africa. To the north lies Eritrea and the Red Sea; to the east, Djibouti and Somalia; to the south, Kenya; and to the west, Sudan. Its total area is 1.1 million sq km (435,186 sq mi) and consists of high plateaus, mountains, and dry lowland plains.

The population of Ethiopia was estimated at 67,673,031 in 2002. Ethnically, the country is comprised of 40% Oromo, 32% Amhara and Tigre, and 9% Sidamo, with the remainder made up of other groups. Religiously, about 40% of the population is Ethiopian Orthodox; about 45% is Muslim; and the remainder practice indigenous beliefs. Amharic is the official language; Tigrinya, Orominga, Arabic, and English are also spoken.

Ethiopia's economy is among the least developed in the world. Its per capita gross domestic product (GDP) was estimated at US\$600 in 2000. The chief source of livelihood is agriculture. About 90% of Ethiopians are subsistence farmers. Coffee is the country's primary cash crop; other exports include hides and skins, pulses (vegetables and legumes), and live animals. The Ethiopian unit of currency is the *birr*.

## POLITICAL BACKGROUND

Modern Ethiopia dates its political origin to 1896, when Emperor Menilik defeated the Italians at the famous battle of Adewa. Upon the death of Menilik, his cousin, Ras Tafari Markonnen, became the regent of Menilik's daughter. In 1930, Ras Tafari proclaimed himself Emperor Haile Selassie of Ethiopia. In 1974, Haile Selassie was deposed by a coup of leftist soldiers led by Mengistu Haile Mariam.

Under the Constitution of 1987, Ethiopia became a socialist country based on Marxist-Leninist principles. The supreme power belonged to the president, Mengistu, who was also commander in chief of the armed forces and president of the Council of Ministers. The People's Democratic Republic of Ethiopia, as it was then called, became a one-party state, ruled by the Workers' Party of Ethiopia. Mengistu was responsible for the brutal deaths of thousands of people. His reign lasted from 1974 to 1991, and it was marked by the massive execution of intellectuals who were perceived to be enemies of the regime. Mengistu was widely regarded as a ruthless killer. According to the *New York Times* of 22 May 1991, “Even by the bloody standards of African power-grabbing during the era of Idi Amin of Uganda and Emperor Bokossa I of the Central African

Republic, Colonel Mengistu was considered notorious.” The opposition to Mengistu was led by Eritreans, organized under the banner of the Eritrean People's Liberation Front (EPLF) and the leadership of the Tigray People's Liberation Front (TPLF).

Mengistu was also responsible for the destruction of traditional methods of agriculture and the introduction of Marxist-Leninist ideas of joint ownership of the tools of production and state ownership of all land. The famine that struck much of Africa in 1984 and 1985 created a food crisis in Ethiopia that the Mengistu regime could not resolve. This combination of famine and the loss of military support from the Union of Soviet Socialist Republics proved too much for Mengistu to survive. In May 1991, when three factions of rebel forces converged on Addis Ababa, Mengistu fled the capital to Zimbabwe. One week later the rebel forces entered the capital and the demise of the Mengistu regime was complete.

In a week-long conference convened 1–5 July 1991 in Addis Ababa, the new transitional government agreed to draft a constitution within two years. Political representation was distributed in proportion to the population of the nationalities. For example, the Ethiopian People's Revolutionary Democratic Front (EPRDF), a coalition of four parties, received 32 seats, and the Oromo Liberation Front, 12 seats. The rest of the groups received from one to three seats each. The Council of Representatives elected the transitional president, Meles Zenawi, who would appoint the prime minister. The Council of Representatives, with 87 members, exercised legislative functions and oversaw a Council of Ministers. The Council of Representatives was composed of 27 ethnic and political groups. It was decided that Eritrea should be given its independence through a national referendum held in mid-1993. In exchange, the Eritreans promised the EPRDF that Assab, an important port on the Red Sea in the north that accommodates 70% of the country's trade, would be accessible to Ethiopians. Without Assab, Ethiopia would be landlocked.

In May and June 1995, Ethiopia's first multiparty elections were held across the country, and the members of the new Council of People's Representatives (Parliament) were selected. On 22 August 1995, the newly elected Parliament was sworn in for a five-year term, bringing to an end the transitional government that followed the overthrow of Mengistu Haile Mariam. During a four-day session, the Council of People's Representatives selected a new president,



Negasso Gedda, an Oromo official of the Oromo Democratic Coalition; swore in the prime minister, Meles Zenawi; and adopted the new constitution.

A democratic federal state structure was established, comprising nine states that are delineated on the basis of the settlement patterns, identity, language, and consent of the people concerned. The newly named Federal Democratic Republic of Ethiopia has two houses: the Council of the People's Representatives (547 seats), which is the highest authority of the federal government; and the Council of Federation (155 seats), which has the power to interpret the Constitution. The position of the head of state is purely honorary, while executive power is held by the prime minister. It is the prime minister, elected from among the members of the Council of People's Representatives, who names the government ministers, members of the Central High Court, and the auditor general. He also monitors the execution of laws and decisions, presides over the Council of Ministers, controls the armed forces, and sets Ethiopia's foreign policy.

### PERSONAL BACKGROUND

Legesse (Meles) Zenawi was born on 8 May 1955 in the Tigrean town of Adwa. His name at birth, Legesse, was replaced by the adopted name, Meles, in the 1980s. Following an Ethiopian custom, Meles was taken to honor a hero who was executed in 1985 by the Mengistu regime.

Meles attended secondary school in Addis Ababa at the General Wingate High School. Meles started his undergraduate studies at the Medical Faculty of Addis Ababa University. He discontinued his studies in 1974 while a second-year student to join the TPLF, which spearheaded the

popular struggle against the military dictatorship of the Mengistu regime. Meles has been described as an "energetic, wiry, hyperactive, cautious, and able" leader. Meles speaks fluent Amharic and English besides his native language, Tigrinya. He is married and has two children. Meles holds a master of business administration from Open University, United Kingdom.

### RISE TO POWER

Meles became head of the TPLF in 1989. The TPLF was the main part of the EPRDF, of which Meles also became chairperson. With the end of the Mengistu regime in 1991, Meles became president of the transitional government. On 23 August 1995, he was chosen to be prime minister of the newly established Federal Democratic Republic of Ethiopia. The following day, the new Cabinet of Ministers formed by Meles was endorsed by the Parliament.

The confidence that the Parliament has in Meles is evident in that he retained his position of prime minister after the 2000 elections, when his own TPLF party moved to third position in Parliament with only 38 seats. The Oromo People's Democratic Organization (OPDO) sits first with 177 seats, and the Amhara National Democratic Movement (ANSMD) second, with 134.

### LEADERSHIP

Meles told Parliament that he selected his cabinet on the basis of ability and dedication to implement the EPRDF's five-year development plan. The 17 members were carefully chosen from different ethnic groups and political affiliations. The new regime prides itself in establishing a government based on the recognition of "ethnicity" as a legitimate form of assigning rights and liberties. This concept was anathema to the previous regimes, which were grounded on the uncontested right of the Amharas, who traced their ancestry to the Solomonic dynasty, to rule. As Prime Minister Meles stated, "Ethnic identity cannot simply be wiped away... It has always been part of life in Ethiopia and always will be. The best thing is to see it as a blessing, not a curse. We should not hide, or else it will break out in some hateful manner."

The political vision of the EPDRF began with strong Marxist-Leninist convictions. Over the years, the vision has evolved into a cautious embracing of democratic thought and free market principles. Meles is reputed to have favored multiparty elections with participation of all organizations in Ethiopia.

The U.S. Department of State described the human rights record of Meles's government as generally poor but improving. Serious problems, such as extrajudicial killings by security forces, remained. Ethiopia has been criticized for the handling of Eritreans and Ethiopians of Eritrean origin since the outbreak of the border conflict in May 1998. More than 67,000 Eritreans left Ethiopia for Eritrea, most of them deported, and some 1,200 males are being held in internment camps.

The Ethiopian government's commitment to peace, specifically on the Eritrean border, has increased, and in 2002 Meles won the top honor award given by the U.S.-based World Peace Awarding Council. His efforts to end the war with Eritrea were recognized, as well as work he has done to aid national reconciliation in Somalia and the Sudan.

## DOMESTIC POLICY

The current government action plan emphasizes that peace is a political condition that cannot flourish without democracy and development. Furthermore, it stipulates that democracy must be institutionalized by constitutionally mandated articulations and specifications of citizen's rights and liberties. Toward this goal, the police force will be the backbone of democracy. Similarly, courts will be strengthened; human rights commissions will be established; and political parties will be encouraged to participate in the dissemination of political culture.

The current government has also embarked on a program of economic reform, including privatization of state enterprises and rationalization of government regulation. In order to encourage foreign investment and trade, the government has introduced additional reforms that emphasize the use of free market mechanisms and liberalized trade laws. However, the government is also encouraging domestic entrepreneurs to play a larger role in the economy. While the process is still ongoing, the reforms have begun to attract much-needed foreign investment. In 2002, The International Monetary Fund (IMF) granted loans totaling US\$30 million as part of the Poverty Reduction and Growth Facility (PRGF) arrangement with Ethiopia.

In response to escalating armed rebel insurgency, the Ethiopian military has had to intensify its military operations, especially against the Oromo Liberation Army (OLA—armed wing of the Oromo Liberation Front, OLF). As a result, over 2,000 rebels and Ethiopian soldiers died in battles between May and August 1999. Military forces also intensified operations against the Somali-based Al'Itthad terrorist organization, rebel elements of the Ogaden National Liberation Front, and Tokuchuma (another terrorist group operating in eastern Ethiopia), both in the country and southern Somalia and in northern Kenya. Ethiopia accuses Eritrea and Somalia of financially supporting and training the OLF and Al'Itthad.

Health issues continue to plague the population, which in 2001 had an estimated life expectancy of only 45 years. HIV/AIDS affects nearly 11% of the adult population. Polio is still prevalent and in September 2001, an outbreak of meningitis began, accumulating 2,329 cases by March 2002 with 118 deaths. In response, the World Health Organization initiated a polio vaccination campaign and the European Commission allocated one million euros to support a similar meningitis vaccination campaign. Both campaigns began April 2002. The Ethiopian government also appealed to the United States for an additional US\$2.5 million to control the meningitis epidemic.

More urgently though, the Ethiopian government has appealed to the international community for famine relief. Fall 2002 found the country facing severe drought and famine, with up to 15 million people facing disaster. The famine could be much worse, officials say, than a 1984 famine in Ethiopia that killed one million people. In response to Meles's appeal, the United States donated thousands of tons of food aid, as well as US\$87 million in emergency aid.

The famine came on the heels of the collapse of the coffee industry in Ethiopia. Prices have fallen dramatically for the country's primary product, due in part to unfair global trading. Coffee plantations began to replace their crop with

chat, a narcotic drug, a practice that has further complicated the social structure in Ethiopia.

## FOREIGN POLICY

Under Mengistu, Ethiopia maintained a strong military alliance with the USSR, which provided the country with arms. When this alliance ended in December 1990, a casualty of the end of the Cold War, military assistance came to a halt. Before and after the flight of Mengistu, the U.S. government played a key role in supporting the EPRDF's effort to enter the capital city of Addis Ababa. Although a U.S. official attended the conference held in Addis Ababa only as an observer, Washington officials appeared to be involved in the preconference proceedings. Now that Meles has embraced democracy, the U.S. government expects the foreign policy to be less ideological and more pragmatic. In return, the Ethiopian government will expect substantial economic and humanitarian aid from the United States to relieve the food crisis and lead the country toward economic recovery. Ethiopia has since made considerable progress on the economic reform front and is considered a showcase for the World Bank and IMF.

Since July 1991, the government of Ethiopia has effectively embraced peace with its neighbors as a beacon of its foreign policy. It played the role of peaceful mediator in the civil war in Somalia, in Rwanda, and in the conflicts between Eritrea and Yemen. Meles is the architect of this policy and has often emphasized the promotion of fraternal ties with Ethiopia's neighbors. The peace mission is strikingly consistent with the Organization of African Unity (OAU) mission of promoting and protecting peace in the continent of Africa. Meles was elected chairman of the OAU in June 1995, the headquarters and secretariat of which are located in Addis Ababa.

In 1997, diplomatic relations between Ethiopia and Sudan were at their lowest ebb since the attempted assassination of Egyptian president Hosni Mubarak in June 1995. Ethiopia accused Sudan of harboring some of the fundamentalists who tried to kill Mubarak as he arrived for the annual summit of the OAU on 26 June 1995. The relations were further strained amid Sudan's claims that Ethiopia was helping an alliance of Sudanese rebels who seized several towns. Despite massive war rhetoric and threats from Sudan, Meles exercised great restraint and refused to go to war with Sudan. Relations have since improved somewhat. A territorial dispute with Somalia over Ogaden remains unresolved. Most of the southern half of the boundary with Somalia is a Provisional Administrative line.

In 2002, a ruling on a border dispute ostensibly brought an end to a long running war with Eritrea. The border dispute started with the invasion and occupation of territory within northeastern Ethiopia by Eritrean soldiers in the first week of May 1998, and is estimated to have claimed over 100,000 lives on both sides. International intervention in a search for peace had generally failed as each country accused the other of making impossible preconditions to implementing framework agreements, while saying they accepted them. Somewhat of a breakthrough came in December 2000. Officials of Ethiopia and Eritrea, with the intense mediation efforts of the OAU, the United States, and the United Nations (UN), met in Algiers and signed a peace agreement which allowed that the International Boundary Commission (of The

Hague) would “delimit and demarcate the colonial treaty border based on pertinent colonial treaties (1900, 1902, and 1908) and applicable international law.” Their ruling was issued on 13 April 2002, giving Ethiopia the disputed border villages and towns that it had claimed. The ruling was hailed as a final legal settlement, and an important milestone in the peace process. In the meantime, the UN Security Council has continued to urge both sides to refrain from any military actions. In March 2002, UN delegations for Ethiopia and Eritrea met for the first time in Addis Ababa to consider future humanitarian and development assistance that would support peace and reconciliation. The UN is now supervising the demining of the militarized zone, and Meles says that as far as Ethiopia is concerned, the war is over.

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**Profile researched and written Teodros Kiros, Boston University (1/96); revised by Leo Zulu, University of Illinois at Urbana-Champaign (4/2000; updated 4/2002 and 2/2003).**



# FIJI

## Laisenia Qarase Prime Minister

(pronounced “lay-SEN-ee-ah kar-ACE-ee”)



*“I give every citizen this assurance: we will strive for a constitution that works, that unites Fiji and that has genuine public support.”*

The Republic of Fiji comprises 322 islands spread over 700,000 sq km (270,000 sq mi) of the southwest Pacific Ocean. Total land area is slightly more than 18,270 sq km (7,054 sq mi). The two largest islands are Viti Levu, with an area of 10,388 sq km (4,011 sq mi), and Vanua Levu, which has an area of 5,538 sq km (2,140 sq mi). Geographers consider Fiji the eastern border of Melanesia, but language and traditional culture are more closely linked to the Polynesian islands to the east. These connections are especially close to Tonga in the southeast. Fiji’s other near neighbors are Vanuatu to the west and Samoa to the northeast.

Fiji has a multi-ethnic population, estimated in 2002 to total some 856,346. About 52% are Fijians native to the islands, while 43% are Indians or Indo-Fijians, who are descended from laborers brought from India by the British to work on the sugar plantations in the late 1800s. The remaining 5% of Fiji’s residents are Europeans, part-Europeans, Chinese, and other Pacific Islanders. English is the main language of business and government. It is widely spoken, along with native Fijian and varieties of Hindi. The main religions are Christianity and Hinduism. A minority of Indo-Fijians are Muslim.

Fiji has the most developed economy in the South Pacific. More than 75% of all households engage in crop production, livestock, forestry, or fishing. Sugar production dominates commercial agriculture, accounting for 40% of that sector. Tourism has been growing over the last decade and exceeds agriculture as a source of foreign exchange earnings. Fiji’s per capita gross domestic product (GDP) was estimated at US\$5,200 in 2001. The unit of currency is the Fijian dollar.

### POLITICAL BACKGROUND

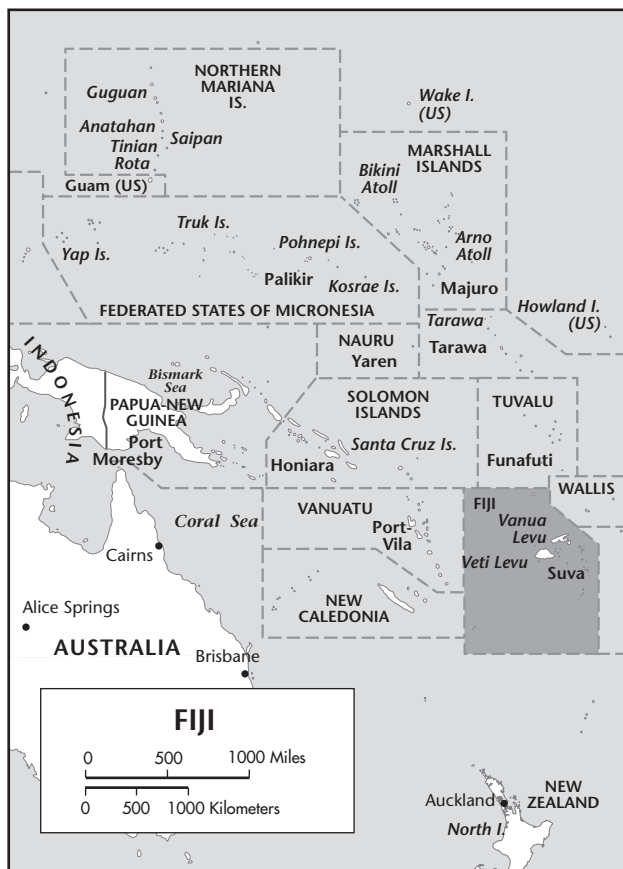
Europeans entering the southwest Pacific in the late nineteenth century set in motion many changes among the islanders. Fijians attempted to create new forms of political organization out of what had been an array of often-warring chiefdoms. Increased numbers of Europeans and Americans settled in Fiji to pursue commercial and other interests. Conflicts among settlers, and between them and their Fijian hosts, presented a threat to the new political system. This led the ruling chiefs to seek British protection. In 1874, the chiefs signed a “Deed of Cession,” making Fiji a British crown colony. This colonial status continued for nearly 96 years. Within five years of secession, the first group of laborers was imported from India to work on the emerging sugar planta-

tions. By 1916, when importation of workers ceased, more than 60,000 men, women, and children had arrived in Fiji.

Many social changes, including increased militancy by Indo-Fijians, resulted in new elections in 1963. For the first time, all adults were given the right to vote. Two years later, two political parties had emerged as strong forces. The National Federation Party (NFP), associated with Indo-Fijians, called for independence and a common electoral roll rather than contests based on ethnicity. The Alliance Party, seen as the party of native Fijians, favored gradual political change and continued ethnic or communal voting. These parties continued to dominate national politics after Fiji achieved its independence in October 1970.

In 1985, Fiji’s national politics changed forever with the formation of the Fiji Labor Party (FLP). The FLP boasted of its genuine multiethnic nature, dominated by younger, less conservative Fijians and Indo-Fijians with close ties to labor unions. Though the FLP had been critical of NFP leadership, these two parties formed a coalition, headed by native Fijian Timoci Bavadra, to contest the 1987 general election. Although this coalition won 28 seats, its electoral victory was short lived. On 14 May 1987, Sitiveni Rabuka, a lieutenant colonel in the Royal Fijian Military Forces, led a bloodless coup with the stated goal of restoring Fiji to the Fijians. A series of interim governments resulted in a second Rabuka-led coup in September 1987. After this action, Rabuka declared Fiji to be a republic and asked the former Alliance leader and prime minister, Kamisese Mara, to serve as prime minister of a new government. This government ruled Fiji from December 1987 until 1992.

In 1990, a new Constitution was formally promulgated that was clearly designed to strengthen the political dominance of native Fijians. It created a new House of Representatives of 70 members: 37 Fijians, 27 Indo-Fijians, 5 general electors, and 1 Rotuman from an island of Polynesians in the archipelago. All voting was to be on a purely communal or ethnic basis—Fijians and Indo-Fijians could only vote for representatives of their own group. Electoral boundaries were redrawn so that only five of the Fijian electorates were in urban areas. This reduced the voting strength of urban Fijians who had supported the FLP in 1987. The Constitution provoked considerable debate, and a number of new political parties were formed, including the Soqosoqo ni Vakavulewa ni Taukei (SVT) which claimed to represent native interests. In the 1992 general election, this party won 30 of the 37 Fijian seats, but could only form a



government in coalition with other parties. This party chose Rabuka as prime minister.

Political unrest that followed the 1987 coup had serious repercussions. Fiji lost its membership in the British Commonwealth of Nations. Many Indo-Fijians, including a number of educators, civil servants, and businessmen, immigrated to other countries. Tourism suffered and the nation was the object of international criticism. In 1995, a Constitution Review Commission was established to create a system that could deal with these and other issues. This commission spent almost two years at its task and achieved a success that, in terms of positive response within Fiji and internationally, could not have been imagined a decade earlier. Its recommendations were unanimously adopted by Parliament in July 1997.

The new Constitution created a system that avoids purely ethnic politics and at the same time takes into account the concerns of the native Fijian community. It specifies that the president must always be a native Fijian and gives considerable recognition to the Great Council of Chiefs. The Council not only nominates and participates in electing the president, but also has responsibility for all matters relating to native Fijians. Parliament consists of two houses. The lower chamber, the House of Representatives, where all legislation must originate, has 71 members. Of these, 46 seats are communal: 23 are reserved for Fijians, 19 are reserved for Indo-Fijians, 3 are reserved for other ethnic groups, and 1 for

the constituents of the Council of Rotuma. The remaining 25 are open seats, contested on a common roll basis without any reference to ethnicity—either for the voters or for the candidates.

The president appoints as prime minister the member of Parliament who commands the majority support in the House of Representatives. The Constitution also provides for mandatory power sharing in cabinet. Any party with more than 10% of the seats in the House (eight) can be invited to join the cabinet in proportion to the number of seats it holds. The upper house, the Senate, consists of 32 appointed members: 14 nominated by the Great Council of Chiefs, 9 by the prime minister, 8 by the leader of the opposition, and 1 by the Council of Rotuma. Parliament serves a maximum of four years after a general election, though it can be dissolved by the president, acting on the advice of the prime minister.

In May 1999 the first legislative elections took place under the new Constitution. Indo-Fijian parties led by Mahendra Chaudhry defeated Rabuka's coalition. Chaudhry became the first Indo-Fijian prime minister of Fiji.

A year later, in May 2000, gunmen led by ethnic Fijian nationalist George Speight took Chaudhry and most other members of Parliament hostage in the parliament building. The takeover remained at standoff for eight weeks. Because he was incapable of leading, Chaudhry was removed from office while still a hostage. Finally the Fijian military negotiated a release of the hostages. (Speight, however, was soon afterward arrested for violating the terms of the agreement. He was later tried for treason, convicted, and given a life sentence—remarkable considering that just before his sentencing Qarase's government amended the Constitution to abolish capital punishment.) In July 2000, the military and Great Council of Chiefs named former banker Laisenia Qarase interim prime minister and head of the interim civilian government. A new constitution was then drafted by a constitutional review commission.

## PERSONAL BACKGROUND

Laisenia Qarase was born in Suva in 1941. He attended the Suva Boys Grammar School for his primary and secondary education; later he received a degree in commerce from the University of Auckland in New Zealand. Qarase subsequently held various positions as a public servant in the banking industry, becoming managing director of the Fiji Development Bank in 1983. He left public service banking in 1998 to become head of the Fiji Merchant Bank.

Qarase is married to Leba Qarase, whom he met soon after she graduated from nursing school in Suva. The couple has five children.

## RISE TO POWER

Laisenia Qarase's rise to power was unusual, to say the least. An economist and banker by education and training, his only significant role in public service was as managing director of the Fiji Development Bank, which he left in 1998. A year later Fiji's military and powerful Great Council of Chiefs nominated him senator. In an even more startling move, he was appointed interim prime minister in July 2000 following the Speight coup attempt that toppled the elected government of Indo-Fijian Mahendra Chaudhry. Suddenly Qarase was

responsible for organizing a general election, rescuing the ailing economy, and drawing up a new Constitution.

The international community, as well as many Fijians, questioned the legitimacy of this first Qarase government, born as it was from desperate political insurrection and military intervention. However, when his government was dissolved under pressure in September 2001, Qarase, an ethnic Fijian and head of his own newly created nationalist Soqoso Duavata ni Lewenivuaana Party, immediately won back his office in legitimate public elections, taking 31 of 71 seats in Parliament. He was sworn in as prime minister once again on 10 September 2001.

## LEADERSHIP

The coup of 2000 and the ensuing political crisis of the months following had a devastating effect on the Fiji economy. International trade bans halted sugar production, resort closings strangled tourism, and thousands lost their jobs. As a banker, Qarase understood better than most what was happening—and what needed to be done economically. But his priority, and the route he felt would most quickly lead to recovery, was to promote the political standing of native Fijians. His campaign capitalized on the fears and frustrations indigenous Fijians felt regarding the perceived political domination of the minority Indo-Fijian population. Most ethnic Fijians believed that Indo-Fijians held control of too much of Fiji's economy. Qarase outlined a plan of affirmative action for native Fijians to advance their economic development quickly. However, he was quick to insist that a new Constitution not disenfranchise persons of any ethnicity, specifically not Indo-Fijians, who made up 44% of the population.

Some analysts have argued that Qarase's installation in effect gave the hard-line nationalist coup plotters their chief demand—a return of political power to indigenous Fijians. On the other hand, with his economic expertise and soft-spoken manner, Qarase was likely the country's best hope for stability in an era when three armed coups had disrupted Fiji's government since 1987.

## DOMESTIC POLICY

Low investment rates and uncertain property rights were significant long-term economic problems inherited by Qarase. In response to investor doubts he relaxed work permit requirements and made investment laws more advantageous to business. But political instability had clearly eroded investor confidence in Fiji, and also hurt tourism. Fiji's sugar industry had enjoyed preferential price and access arrangements with the European Union (EU), and its garment industry received preferential treatment from Australia. If under Qarase there was a return to a racially biased constitution, such favors could be withdrawn.

The sugar industry encountered further problems in 2002 from a series of land disputes. Native land leases were expiring, and crown land was returning to native ownership. The shake-up of land ownership, in addition to Australia's challenge of EU sugar subsidies to Fiji and other producers, threw the sugar industry into disarray.

From his earliest appointment as head of state, the prime minister said the government must move quickly to arrest the decline in the economy. "The crucial thing now is to restore

confidence in the economy. Without confidence, consumers will not spend, investors will not invest, tourists will not come, and other countries will not buy our goods."

Equally important was the need for the Qarase government to ease the tensions among Fiji's various ethnic groups, particularly the indigenous Fijians and the Indo-Fijians. When the new government was sworn in 10 September 2001, the Department of National Reconciliation outlined a mission to promote harmony and social cohesion among the diverse communities of the nation and create a united Fiji in which all communities live in peace. The focus of the department included providing relief and rehabilitation for affected families along with equal opportunities and correction of development disparities. In addition, the department promoted social and political unity at all levels of government and hoped to foster greater patriotism and national allegiance.

## FOREIGN POLICY

Fiji has a long-standing prominence in the Pacific Islands; Ratu Mara was instrumental in establishing the first regional organization, now the South Pacific Forum. On 13 October 1970, Fiji became the 127th member of the United Nations (UN). It still participates actively in UN functions, notably in its contributions to UN peacekeeping missions. In fact, in 2002 Qarase indicated to the UN that Fiji would like to be involved in even more peacekeeping missions. Fiji has nearly 1,000 soldiers on active overseas duty, primarily in the Middle East. The country is also a member of the World Bank and the Asian Development Bank and recently was reinstated in the British Commonwealth, a membership that was withdrawn in the wake of the 2000 coup. The new prime minister has significant international ties to build upon.

Fiji's foreign policy remains generally pro-Western. Australia and New Zealand are its traditional close trading partners, although the 1987 and 2000 coups caused some strain to these relations. In the South Pacific region, Fiji has always been a leader, regarded favorably by other Pacific Island governments despite the country's frequent internal political problems.

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**Profile researched and written by Eugene Ogan, Professor Emeritus, University of Minnesota (9/99; updated 2/2000, 5/2002, and 2/2003).**

# FINLAND

**Anneli Jaatteenmaki**  
**Prime Minister**

*(pronounced "AH-nee-lee YAH-teen-mah-kee")*



*"Such support from the people requires us to work for the people and make everyday life for the Finns better."*

The Republic of Finland lies in northern Europe, bordering on Norway to the far north, Sweden to the west, and Russia to the east. In area, Finland covers 338,145 sq km (130,559 sq mi); its western shores extend approximately 1,164 km (710 mi) along the Baltic Sea.

The population was estimated at 5,183,545 in 2002. Despite a history of language antagonism, both Finnish and Swedish are official languages. Approximately 94% of the people are Finnish-speakers, and the remaining 6% principally Swedish-speakers. There is a small population of several thousand nomadic Saami (Lapps) in the far north.

Timber, paper, and other forestry-related products are major exports, but the metal, machine tool, and especially electronics industries are leading employers. Industry, construction, and transportation employ about one-third of the labor force, while agriculture, forestry, and fishing employ about 8%, and public and private services account for about 56% of total employment. Although Finland has significant mineral resources, its design and high technology sectors were more important as of 2003. As of 2000, the Finnish currency is the *euro*. The per capita gross domestic product (GDP) was estimated at US\$26,200 in 2002.

## **POLITICAL BACKGROUND**

Russian expansion incorporated all of Finland into the Russian Empire as an autonomous grand duchy in 1809. Finland kept many of its political institutions and developed its own cultural and political consciousness under the Tsars. By the end of the nineteenth century, Finnish nationalism was increasingly hostile to Russian autocracy, and the collapse of the Russian state in war and revolution paved the way to Finnish independence in 1917. A brief but extremely bloody civil war followed, in which socialist Reds supported by the Bolsheviks in Moscow were defeated by nationalist Whites.

A democratic Constitution was adopted in 1919, and Finland was one of the few newly independent states in Eastern Europe to sustain democracy and repay its foreign debts throughout the inter-war period. Finnish rejection of Soviet demands for naval bases and other territorial concessions in southeastern Finland led to an invasion by Stalin's army in November 1939. Although its troops performed heroically, Finland was forced to cede most of the heavily populated Karelian isthmus to the Soviet Union in March 1940. Seeking to recapture their lost territories, the Finns joined Nazi Germany as co-belligerents in attacking the USSR in June 1941 but were forced to sign an armistice in September 1944.

Under the 1947 peace treaty, Finland ceded some 12% of its territory to the USSR, imprisoned several prominent politicians, reduced its armed forces, and undertook to pay heavy economic reparations. A Soviet naval base was established only 25 km (16 mi) from Helsinki. A separate Treaty of Friendship, Cooperation, and Mutual Assistance, concluded in 1948 under heavy Soviet pressure, obligated Finland to resist attacks on itself or the USSR and in effect precluded Finland from undertaking any significant foreign policy initiative without the Kremlin's approval. After 1955, when the Soviets withdrew from their Finnish base, Finland became an increasingly active member of the United Nations (UN) and Nordic Council, as well as various Western economic organizations. Despite Soviet pressure, the Finnish Communist Party steadily declined in influence. Finland's standing was further enhanced by the signing of the 1975 Helsinki treaty, which called for pan-European cooperation in security, economic, political, and human rights matters.

Finland's republican Constitution combines a parliamentary system with a strong presidency. Legislative powers are vested in the Eduskunta (Parliament), a unicameral body of 200 members elected by proportional representation from 15 multimember electoral districts. After the 1999 elections, nine parties were represented, but the five largest (and traditional) parties share 176 seats. The normal parliamentary term is four years, but the president may dissolve the assembly at any time. The president is elected directly in a two-stage vote. If no candidate gets a majority in the first round, a second round is held between the two candidates with the largest first-round totals.

Finland's political system is more like France's than most other European parliamentary democracies because of the division of executive power between the president and the prime minister. The president is the constitutionally designated head of state who appoints the cabinet, serves as commander-in-chief of the armed forces, and, until the breakup of the Soviet Union in 1991, played a special role in reassuring the Soviets of Finnish good intentions. Since then, foreign and security policy are responsibilities shared between the president and the cabinet, with the prime minister taking an active role in asserting full Finnish independence. The prime minister serves as the actual head of government, with strong influence on the country's day-to-day affairs. Party leaders with the most seats in Parliament select the prime minister in a complex bargaining process. Since 1945, no single party has ever held an absolute parliamentary majority,



so all political decisions involve coalitions. The cabinet is composed of the heads of government ministries, and has as its primary responsibility the preparation of governmental budgets and legislation and the administration of public policies. The prime minister and cabinet serve only so long as they enjoy the support of a working majority in Parliament, and there have been frequent changes of government.

As of March 2003, the prime minister was directly elected by Parliament and will no longer have to be approved by the president to form a government. Following the March 2003 elections, the new prime minister was Anneli Jaatteenmaki, the first woman to serve in that capacity. When she took office, Finland became the only European nation with women holding both the president's office and the prime ministership. (Tarja Halonen became president in 2000.)

Jaatteenmaki received 111 votes out of 200, and became the first prime minister elected by Parliament in Finland's history. Jaatteenmaki replaced Paavo Lipponen, and will head a coalition government. She is the leader of the Center Party, governing in coalition with the Social Democrats and the Swedish People's Party.

### PERSONAL BACKGROUND

Anneli Jaatteenmaki was born on 11 February 1955 in Lapua, Finland, a rural farming community. She is the daughter of Oiva Jaakoppi Jaatteenmaki, a farmer, and Anna Irja Latvala, a housewife. She has been married since 1994 to

Jorma Melleri, the head of the news service in Finland. Jaatteenmaki, a lawyer, lives in the capital, Helsinki. She completed her law degree in 1980 and has been a senior lawyer since then.

### RISE TO POWER

After receiving her law degree, Jaatteenmaki held several civil and government offices. She has been a member of the Fundamental Rights Committee since 1991; a member of the Bank Committee; member of the Tiitinen Constitutional Executive Committee; and member of the 2000 Constitution Committee. In 2000 she became the deputy chair of the opposition Center Party under the previous prime minister, Paavo Lipponen of the Social Democrats; in 2002, she ascended to chair of the Center Party.

In March 2003, the contest between Jaatteenmaki's Center Party and Lipponen's Social Democrats was considered a virtual dead heat until the final votes were tallied.

The election was very close, with the Center Party and the Social Democrats alternatively in the lead as the votes were tallied. In the end, the Center Party prevailed by a narrow margin, capturing 55 out of 200 seats in the parliamentary election. News agencies reported that Jaatteenmaki's campaign expenditures (at €70,689) far surpassed those of Lipponen (at €42,505). Although the two parties formed a coalition government, Lipponen said he would not be part of Jaatteenmaki's cabinet.

### LEADERSHIP

As Lipponen's government was known as the "rainbow coalition," Jaatteenmaki's will be known as the "red earth" coalition, referring to its roots in the rural farming communities of Finland. Traditionally, farming families have been matriarchal so it is not surprising that a woman is the leader of the Center Party. Together, Jaatteenmaki and the current president Tarja Halonen will represent the only government in Europe to be headed by two women. Center Party officials have indicated that the 18-member cabinet will be assembled with eight seats each going to the Center Party and the Social Democrats, with the remaining two to be filled by members of the Swedish People's Party.

Jaatteenmaki's only experience inside government is her tenure as minister of justice in 1994–95. However, she has been a member of Parliament since 1987 and has held leadership positions in the Center Party; she has been the party's chair since 2002. As the new prime minister, Jaatteenmaki will have to address Finland's problems of growing unemployment and a struggling economy.

### DOMESTIC POLICY

During her campaign, Jaatteenmaki stated that she would address unemployment as a top priority; her stated goal for 2003 is "full employment" (which means not more than 5% unemployment). She also promised to lower taxes and increase family allowances.

Most of the tax reductions Jaatteenmaki was proposing would come from taxable income and corporate taxes. Finland's tax burden was a central issue of the 2003 campaign. Finland's strong socialist policies will make it difficult to cut taxes without sacrificing government programs. And, like almost all sectors of the global economy,

Finland's high-tech businesses, led by telecommunications firm, Nokia, are suffering from the downturn in business worldwide, and were generating less revenue to be taxed. Moreover, the government intends to raise the average age of retirement (currently below 60 years), a move that is not likely to be popular with the citizenry.

Jaatteenmaki's government has as its motto "employment, entrepreneurship, and common solidarity." To accomplish this, the Center Party will have to work closely with its previous opponents, the Social Democrats. Ville Itala, the chairman of the National Coalition Party, said that the decision of Paavo Lipponen not to participate in the new government may bode ill for Jaatteenmaki, undermining her government. Itala predicts there may be new elections may be called for sooner than the scheduled traditional four years.

Like her, Jaatteenmaki's predecessor, Paavo Lipponen made it clear that economic recovery would continue to be the government's highest domestic priority. Although his first government succeeded in cutting the 1995 unemployment rate nearly in half (to below 10% by conventional measurement), the new government hoped to reduce it further, to below 5%. Reduction of public debt to below 50% of GDP is another goal, which will be aided by the planned sale of government shares in industry.

Economic growth with low inflation was impressive under the Lipponen government. Lipponen had refused to promise significant tax cuts until public debt was reduced and deficit spending was curbed. This was a central issue in the electoral campaign. Lipponen was criticized in 2002 for too strict a fiscal policy by Etna, the Finnish financial research institution. Lipponen rebutted the criticisms in a newspaper column, saying his policies for 2003 were clearly stimulating, but his narrow loss to the Center Party indicates that not all voters were convinced.

In 2002, Lipponen took a strong stand in support of the construction of Finland's fifth nuclear power plant, which jeopardized his coalition's support by the Greens, who adamantly oppose nuclear power. As of early 2003, it remained to be seen what direction the Jaatteenmaki government would take with regard to nuclear power.

## FOREIGN POLICY

Between 1944 and 1990, democratic and capitalistic Finland lived in the shadow of the Soviet Union. This fact affected nearly every aspect of Finnish public life. Both the 1947 peace treaty and the 1948 Treaty of Friendship, Cooperation, and Mutual Assistance restrained domestic politics and gave Finnish presidents a special role in managing Finland's sensitive relations with the USSR. The collapse of the Soviet state and empire directly affected Finland and its foreign policy, as evidenced by the severe economic recession, the renewed independence of Finland's Baltic neighbors, and the integration of Finland into the EU in 1995. Politics can change quickly, but geography does not. Finland continues to pay close attention to its relations with the Russian Federation; under the Northern Dimensions initiative, and relations with Russia and Finland's other Nordic neighbors remain strong. The Lipponen government is pushing Russia to exercise more control over use of its natural resources, and to enact legislation to protect and preserve the two countries' share environmental resources.

Although fully part of the EU and, since 1999, a member of the Economic and Monetary Union, Finland has resisted integration into exclusive European and Western defense arrangements. Emphasis remains on the United Nations (UN) and the inclusive Organization of European Security and Cooperation (founded in Helsinki in 1975). Relations with North Atlantic Treaty Organization (NATO) are close but channeled through the Partnership for Peace. While the door to NATO remains open, the Jaatteenmaki government planned no significant changes in Finnish security policy, and as of 2003, had no plans to push for NATO membership. A recent opinion poll found that three out of every four Finnish citizens were opposed to joining NATO. An alliance with NATO was even more uncertain after United States declared war on Iraq. Jaatteenmaki accused former prime minister Paavo Lipponen of being too closely allied with the United States. She favored a less-passive stance for Finland against the war with Iraq. Her Center Party is less pro-European than the Social Democrats. Under Jaatteenmaki, Finland's orientation may shift in subtle ways. A sign of this was Jaatteenmaki's recent visit to China, where she made overtures to the government for increased cooperation.

Foreign policy is closely tied to the United Nations and the Organization of European Security and Cooperation (OESC). Finland has been a consistent contributor of troops and resources to UN peacekeeping missions since 1956. During the Kosovo crisis of 1999, then-president Martti Ahtisaari drew on his vast diplomatic experience to promote communication and bargaining between NATO and Russia, as well as with Yugoslavia itself. Finland has urged moderation and pragmatism in its relations with its Baltic neighbors, especially its nearest neighbor, Estonia.

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# FRANCE

Jacques Chirac  
President

(pronounced “ZHOCK sheer-ROCK”)



*“I would like all fellow citizens, more at ease about their future, to feel they are part of a collective destiny,...more patriotic and at the same time more European.”*

The French Republic is the largest west European country, encompassing 551,670 sq km (220,668 sq mi), including the Mediterranean island of Corsica. It is bounded to the west by the Atlantic Ocean; to the north by the English Channel; to the east by Belgium, Luxembourg, Germany, Switzerland, and Italy; and to the south by the Mediterranean Sea and Spain. The Republic also includes overseas territories and departments. The capital is Paris.

The population of almost 60 million is overwhelmingly nominally Roman Catholic (approximately 88%); fewer than 2% are Protestant, 1% are Jewish and 1% Buddhist; and recent immigration trends have created a Muslim community that is an estimated 8% of the total population. The language is French, which has several significant regional dialects; Breton and Basque are spoken by some as well.

The fourth-largest Western industrialized economy, France has a gross domestic product (GDP) of us\$1.54 trillion. Per capita income is us\$25,700. Inflation is low at 1.8%, but unemployment has reached 9% in the general population and stands at nearly twice that for younger workers. France is one of the world's leading producers and exporters of dairy products, wheat, and wine; industrial output includes aircraft and engines, electrical equipment, cosmetics, and pet care products. The currency is the *franc*.

## POLITICAL BACKGROUND

France was one of the first nation-states and during the reign of Louis XIV (1643–1715) was the dominant European power. Financial over-extension coupled with popular resentment of the privileged classes led to the French Revolution (1789–94). Despite advocacy of the ideals of republicanism and egalitarianism, the country reverted to monarchy, or absolute rule, four times: during the Empire of Napoleon, the Restoration of Louis XVIII, the reign of Louis-Philippe, and the Second Empire of Napoleon III. In 1870, at the close of the Franco-Prussian War, the Second Republic was established; it lasted until the military defeat of 1940. In July 1940, on the heels of the German invasion and occupation of France, the Third Republic was installed. Known as the Vichy Government, the leaders openly collaborated with the Nazis in the hope of maintaining some resemblance of French sovereignty. Liberated in 1944, France was briefly governed by a provisional government led by General Charles de Gaulle, who oversaw the creation of the Fourth Republic and the drafting and promulgation of a new constitution. The Fourth Republic was beset with successive cabinet

crises and changes of government, primarily over the divisive issues of French colonial policy in Indochina and Algeria. In May 1958, the government collapsed under the weight of the Algerian conflict, and de Gaulle was called upon to head a new government in order to avert civil war. De Gaulle became prime minister in June 1958. The Fifth Republic was constitutionally established in September 1958, and de Gaulle was elected president in December of that year. Since de Gaulle's tenure ended in 1969, France has elected as president Georges Pompidou (Gaullist, 1969–74); Valéry Giscard d'Estaing (Independent Republican, 1974–81); François Mitterand (Socialist, 1981–95); and Jacques Chirac (1995–present).

Under the 1958 Constitution, executive power in France is held by the president, who, from 1962–2000 was elected by direct popular vote for a seven-year term. A referendum held on 24 September 2000 changed the presidential term of office to five years. Elections are provisionally structured in two rounds to provide a run-off if no candidate wins an outright majority in the first ballot. The president appoints a cabinet of varying numbers, headed by the prime minister, whom he also appoints. The president may submit questions to a national referendum and has the power to dissolve the National Assembly. Parliament is composed of the 577-member National Assembly, the members of which are directly elected every five years, and the Senate, one-third of whose 321 members are chosen every three years by an electoral college to serve nine-year terms. Legislative power lies with the National Assembly. Suffrage is universal, but non-compulsory at age 18.

## PERSONAL BACKGROUND

Jacques René Chirac was born in Paris on 29 November 1932 to François and Marie-Louise Chirac. He attended Lycée Carnot, an old established school. Although an unexceptional student, Jacques did well enough to transfer to the elite Lycée Louis-le-Grand. He graduated in 1950, taking a baccalaureat with honors. Chirac's education continued with his enrollment at l'Institut d'Etudes Politiques (IEP/Institute for Political Studies), a university that trained those interested in careers in politics and diplomacy. In the summer of 1953, Chirac studied at Harvard University. Having received his degree in political science from IEP, he planned to enter l'Ecole Nationale d'Administration (ENA/National School of Administration), another government service school. He was drafted into the army, however, prior to enrollment. After a six-month course at officer's training school, Chirac volun-



teered for duty in Algeria, where France was engaged in a colonial war. Chirac was involved in a great deal of the fighting and was wounded in action. He won several awards, including the Grand-Croix de la Légion d'Honneur, the Grand-Croix de l'Ordre National du Mérite, and the Croix de la Valeur Militaire. His military service ended in 1957, whereupon he entered ENA in 1958 and graduated in 1959. Chirac and his wife, the former Bernadette Chodron de Courcel, have two daughters.

## RISE TO POWER

After completing his extensive education, Chirac immediately embarked upon a career of government service. He worked briefly as a civil servant in Algeria, after which he was employed as an auditor in the Cour de Comptes (similar to the U.S. General Accounting Office). In April 1962, he joined the General Secretariat of the Council of Ministers and before the year's end had been named to the staff of Prime Minister Georges Pompidou. In 1965, he became municipal counselor for his parents' hometown, Sainte-Féiéole. In 1967, he was elected deputy to the National Assembly for Corrèze. Also in the same year, Pompidou named Chirac to be under secretary of state for social affairs and in the following year secretary of state for economic affairs and finance. Chirac continued in the same capacity under the new minister, Valéry Giscard d'Estaing, and was subsequently given responsibility for the budget. In 1973, he was appointed minister of agriculture and rural development. When Pompidou died in office, Chirac was instrumental in the victory of Giscard d'Estaing. In May 1974, he was repaid for that support when the president named him prime minister. Ideological differences later provoked a rift between the two men, and in April 1976 Chirac resigned as prime minister.

In December 1976, Chirac was elected president of L'Union de Démocrates pour la République (RPR), the conservative political party of which he had been under secretary since 1974. Chirac immediately changed the name to Rassemblement pour la République, which was evocative in name as well as ideology of the party of de Gaulle. Chirac soon became the driving force within the party and consequently a significant actor on the political right.

Despite his earlier opposition to the creation of the office of mayor of Paris, in 1977 Chirac declared himself a candidate for the post. He won the March elections, and the following year RPR candidates swept to victory in the parliamentary elections. His disputes with Giscard d'Estaing widening, in 1981 Chirac announced his intention to run for president. He finished third in the first-round balloting with only 16% of the vote. In the run-off Chirac declined to endorse Giscard d'Estaing, and the victory went to the Socialist candidate, François Mitterrand.

Although sidelined in the national political arena, Chirac retained his municipal level positions, continuing as mayor of Paris and gaining reelection to the National Assembly. In 1986, he returned to national prominence when a coalition of conservative candidates won a majority in the National Assembly. Mitterrand appointed Chirac prime minister and asked him to form a government. "Cohabitation," as the arrangement between the Socialist Mitterrand and the Conservative Chirac came to be called, helped establish Chirac as a national leader even as he remained mayor of Paris. Social



and economic reverses eroded support for his policies. Though he campaigned again for the presidency in 1988, he ultimately lost the election. Mitterrand's reelection marked the end of cohabitation, and Chirac's tenure as prime minister came to an end. Chirac was reelected deputy for Corrèze in June 1988 and as mayor of Paris in March 1989. He also continued as leader of RPR. Chirac was widely credited as a key to the passage of the Maastricht treaties on the European Union in the 1992 national referendum. The 1993 Treaty of Amsterdam paved the way to a strengthened European community in social policy and employment, influencing Chirac's approach to social policy-making as president of France.

In the months preceding the first round of voting in the 1995 presidential campaign, Chirac's place as front-runner among the nine candidates was well established. Therefore, his second-place finish on 23 April 1995 with only 20.4% of votes cast was surprising. That he finished behind Lionel Jospin, the Socialist candidate, was nothing short of astonishing. In the second round of voting on 7 May 1995, Chirac emerged victorious, with 52.6% of the vote; Jospin polled 47.4% in an unexpectedly strong finish. On 5 May 2002, Chirac was reelected, with 82% of the vote, defeating Jean-Marie Le Pen with the widest margin of victory seen during the Fifth Republic.

## LEADERSHIP

Inaugurated on 18 May 1995 amid very little fanfare, Jacques Chirac became the fifth president of the Fifth Republic. In 1995 and again in 2002, conservatives control a majority of the seats in the National Assembly, the Senate, and the regional councils, as well as a large number of municipalities.

Such ideological consensus is unprecedented in the history of the Fifth Republic, and brings with it the potential for enormous presidential power. The passage in July 1995 of a constitutional amendment granting the president greater power to present questions directly to the French people via referendum enhances that power further.

In 2002 Chirac chose Jean-Pierre Raffarin as his prime minister, a former member of the European Parliament, but relatively unknown by the French people. His selection may signify a renewed appeal to the common men and women of France during Chirac's present administration.

Chirac inherited a nation with great strengths and serious weaknesses that many analysts argue is at a critical juncture. The French economy is strong at home and abroad, but high unemployment hinders growth. The European Union (EU) has, with France's support, become an important global force.

### DOMESTIC POLICY

Chirac pledged throughout the 1995 presidential campaign that his number one priority would be to address the high unemployment rate plaguing the French economy and the poverty associated with it. In the heat of the campaign, Chirac promised an array of programs that would deal with the unemployment issue and spur job creation. At the same time, he promised to lower taxes and to cut the budget deficit. These could not be accomplished simultaneously; especially in an economy that has had zero growth rates in the early 1990s and was growing only slowly by the end of the decade. Chirac has continued privatization of state-owned companies, which may lead to job losses. Pledges made during the campaign raised expectations in many sectors of French society, and when it became clear that Chirac could not deliver, tensions in the government grew. Chirac called for parliamentary elections in May 1997, ten months earlier than were required by law. Voters surprised Chirac by handing the Socialist Party control of parliament, pushing Chirac's center-right coalition out. Legislative elections in 2002, however, restored majority rule to Chirac's party. The legislature has successfully reduced the workweek from 39 to 35 hours to help ease the unemployment problem, and unemployment has been lowered significantly. Following his 2002 reelection, Chirac pledged more reforms to help the country's youth find jobs.

### FOREIGN POLICY

France is a charter member of the United Nations (UN) and holds a permanent seat on the UN Security Council. France is a signatory to the North Atlantic Treaty Organization (NATO), and for the first time since 1966, France participated in a NATO military peacekeeping mission in Bosnia and Herzegovina, in 1997.

In the late-1990s, France was deeply enmeshed in the former Yugoslavia crisis. It had the largest contingent of troops in the UN peacekeeping forces on the ground. France argued vociferously, both through diplomatic channels and publicly, for a more active role for other Western democracies.

France's relations with other countries are cordial. Especially in former colonial holdings, France participates in a wide range of social and humanitarian programs

throughout the world and is committed to establishing and maintaining democracy and human rights worldwide. France and the United States share similar values and tend to enact similar policies on important issues. When conflicts arise, they are addressed in a spirit of close cooperation. In Europe, France is a significant power and has chosen to work closely with Germany in order to strengthen the institutions and influence of the EU, economically as well as strategically. In January 1999, France joined with 10 other European nations in launching the euro, which began circulation in January 2002.

Following the attacks on the World Trade Center in New York and the Pentagon in Washington, D.C. on 11 September 2001, Chirac pledged to support the United States in its efforts against terrorism. U.S. President George W. Bush praised France as an ally.

In 2002–03, Chirac was faced with a major foreign policy dilemma, regarding the situation with Iraq. The UN Security Council unanimously passed Resolution 1441 on 8 November 2002, calling on Iraq to disarm itself of any chemical, biological, or nuclear weapons or weapons capabilities it might possess, to allow for the return of UN and International Atomic Energy Agency (IAEA) weapons inspectors, and to comply with all previous UN resolutions regarding the country since the end of the Gulf War in 1991. The United States and the United Kingdom were amassing troops in the Persian Gulf region, and if Iraq did not comply with Resolution 1441, "serious consequences" were to result. Chirac was strident in demanding UN and IAEA weapons inspectors be allowed to continue their work, and threatened to use France's veto power in the Security Council should the United States and the United Kingdom call for another resolution authorizing the use of force against Iraq.

Diplomatic efforts at conflict resolution ended in March 2003, and on 19 March, the U.S.-led coalition went to war in Iraq. After the fall of the Iraqi regime in April, Chirac, German Chancellor Gerhard Schröder, and Russian President Vladimir Putin united to call for a leading role for the UN in reconstructing Iraq. The conflict over Iraq has led to a serious rift in U.S.-French relations. Although after the war ended, Chirac proclaimed, "France, like all democracies, rejoices" at the fall of Iraqi leader Saddam Hussein's regime, he maintained that the war had been illegitimate under international law, would encourage international terrorism, and further destabilize the Middle East. Iraq owes France around \$8 billion in debt, a part or all of which the United States has indicated France should forgive, so that a new Iraqi regime will not be burdened by it. In assuming the voice of leadership against the war in Iraq, Chirac has staked out a new independent path for France in international politics.

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**Profile researched and updated by Jeneen Hobby, Ph.D. (4/03); sections contributed by Alison Doherty Munro (8/95).**

# GABON

## Omar Bongo President

(pronounced “oh-MAR bone-GOO”)



*“I urge the people of Gabon to look towards the future with hope.”*

Gabon (formally known as the Gabonese Republic) lies on the Atlantic coast of Central Africa. It shares borders with Equatorial Guinea to the northwest, the Congo Republic to the east and south, and Cameroon to the north. Gabon’s land area comprises some 267,667 sq km (103,347 sq mi). There is a narrow coastal plain with a hilly interior and savanna in the east and south. Some 77% of the land is heavily timbered. The main cities are Libreville, with 260,000 inhabitants, Port-Gentil, with 78,000, and Franceville with 23,000.

There are more than 40 distinct ethnic groups in Gabon. The largest of these include the Fang, Eshira, Bapounou, and Bateke. French is the official language, though many Gabonese speak languages belonging to the Niger-Congo group.

In January 1956, petroleum was first produced in the Port-Gentil area, south of Libreville. Uranium was discovered in December 1956, and production began five years later. Other major sources of income include wood, cocoa, coffee, natural gas, and manganese. Gabon’s population has been estimated at 1.2 million (2002 estimate). In 2001 per capita gross domestic product (GDP) stood at us\$5,500. The national currency is the CFA franc.

### POLITICAL BACKGROUND

The French established colonial rule over the region in 1886. In 1910, the colony became part of the federation of French Equatorial Africa. Gabon became an independent nation in 1960 and established its first Constitution the following year.

Gabon has a highly centralized political system with two main institutions, the presidency and the official political party, Parti Democratique Gabonais (PDG or Gabonese Democratic Party). The PDG was created in May 1968 after President Bongo dissolved all other political parties. The president of the republic is also the secretary general (and as such the top official) of the PDG. In 1975, the Constitution was revised, and the office of prime minister was created. In 1981, a second revision made the prime minister head of government and responsible to the president, the Central Committee of the PDG, and the legislature (National Assembly). The latter consists of 84 members elected by the people and 9 nominated by President Bongo. The president of the republic is elected by universal direct suffrage for a seven-year term. Were the president temporarily unable to perform his duties, his function would be taken over by a college comprising of the prime minister, the president of the

National Assembly, a member of the Political Bureau of the PDG, and a member of the government.

### PERSONAL BACKGROUND

Albert Bernard Bongo was born on 30 December 1935 at Lewal, in the Lekori prefecture of Haut-Ogodeue province. He is from the Teke group, an ethnic group closely related to the Bateke of the Congo Republic. His father died when he was seven years old. The youngest of nine children, Bongo attended a public school in the Bacongo section of Brazzaville, in the Congo Republic, where he had relatives. He completed his secondary studies in commerce at the technical high school in Brazzaville. In 1958, Bongo obtained a position with the Post and Telegraphic Service. In 1959, he married Josephine Kama. The couple divorced in 1985, and Bongo remarried four years later. His second wife is Edith Sassou-Nguesso, the daughter of President Dennis Sassou-Nguesso of the Congo Republic. Bongo changed his given name to “Omar” in 1979 after converting to Islam.

### RISE TO POWER

Between July 1958 and October 1960, Bongo was second lieutenant in the French Army of the Air. During this time he earned his baccalaureate (high school diploma) at Brazzaville. While serving as a lieutenant, he was assigned to the Ministry of Foreign Affairs (1960–62). Bongo then served as assistant director of the president’s cabinet for seven months and director of the cabinet until 1965. He was subsequently given responsibilities for information and tourism (1963–64) and for national defense (1964–65). In February 1965, a military coup d’état overthrew President Leon Mba. France intervened militarily, however, and restored Mba to power. In September 1965, Bongo was named minister delegate to the presidency, responsible for national defense and coordination. The following year, he was appointed vice president responsible for defense, planning, information, and tourism.

By this time President Mba was gravely ill. He advanced the date for presidential elections and established the post of vice president. In March 1967, national elections were held. Mba was reelected president, and Bongo was elected vice president. On 28 November 1967, Leon Mba died, and Bongo succeeded to the presidency.

### LEADERSHIP

Bongo was formally elected president for the first time on 25 February 1973 when a new National Assembly was also

chosen. He has subsequently won reelection in December 1979, November 1986, December 1993, and most recently in December 1998. Each election, however, has been shadowed by allegations of fraud, disorganization at the polls, and providing false identification and padded voter registration lists to allow Bongo supporters to cast multiple votes.

As one of the world's longest-ruling heads of state, Bongo has proven himself to be a savvy politician. His rise to power in the early 1960s was swift and steady. Upon gaining the presidency in 1967, Bongo undertook to fight tribalism and regionalism, both of which he condemned as dangers to national unity, peace, and harmony. He praised interethnic, interprovincial marriages as vital to the emergence of a Gabonese nationality. He successfully forged strong relations with the French, particularly with the d'Estaing and Chirac governments. Throughout the 1970s and 1980s, his one-party political system was effectively unchallenged, with most opposition groups having been driven out of the country. To consolidate power, Bongo assumed direct responsibility for several ministries. The remaining 40 to 50 cabinet posts were reshuffled as many as three or four times a year—as both a means of rewarding supporters and of keeping potential opposition from gaining a foothold in the government. Members of the government and party leaders were required to take a loyalty oath to Bongo and to the party. Trade unions were consolidated into a single federation, which was affiliated with the PDG. Economically, Bongo favored a pragmatic liberal approach, in which the state has played an active role.

Personally, Bongo has lived a lifestyle of grandeur. He reportedly spent as much as us\$300 million for a presidential palace that contains his residence and executive offices. In addition, he spent vast sums of money to host a 1977 meeting of the Organization of African Unity (OAU).

When opposition demands for a multiparty system were backed by popular protest and international pressure in the early 1990s, Bongo responded with brutal force but also went to the bargaining table. Multiparty elections were held in 1993, and Bongo retained the presidency with a scant 50.7% of the vote. Popular protests ensued and were not quelled until Bongo agreed to French-mediated roundtable discussions with opposition groups in Paris. The talks resulted in the establishment of an independent electoral commission. Shortly before the 1998 elections, Bongo succeeded in stripping this commission of many of its powers and handing the duties over to the state-friendly Interior Ministry.

In December 1998, Bongo ran against a fragmented opposition of six candidates, including two rivals from the National Woodcutters Rally (RNB). He was reelected to another seven-year term with 67% of the vote. Pierre Mamboundou, the first runner-up (with 16% of the vote), contested the results and called for mass strikes. Bongo's vast financial resources, his dominance of the broadcast media, and his widespread patronage system gave him an enormous advantage over his opponents. Yet, public reaction was far less vocal than it had been in 1993. Nevertheless, his appointment in January 2003 of Father Paul Mba Abessole, a powerful opposition leader to the post of third deputy prime minister suggests that Bongo must co-opt his challengers to stave off potential threats to his leadership.



## DOMESTIC POLICY

Bongo is faced with a number of immediate domestic challenges. In particular, the collapse in prices for crude oil has resulted in plummeting revenues for Gabon. Further, there are fears that Gabon's oil reserves are running low, though the exploration of newly acquired offshore fields may offset these concerns. Also, the persisting Asian economic crisis has resulted in a substantially decreased demand for tropical hardwoods and oils, further reducing state revenues and income to the populace. The state run lumber industry has been forced to lay off some 25% of its employees. This situation is particularly dangerous since most lumber workers live in the predominantly Fang northern region—a section of the country that has long been a center of opposition to Bongo's government. Efforts were made to raise employment and bolster the lumber industry with the construction of a CFA\$29 billion factory in the Middle Ogoue province. In 2002 Bongo announced his decision to set aside 10% of the country to protect its ecosystems as part of the Congo Basin Initiative.

Perhaps foreseeing hard times ahead, Bongo ran for reelection in 1998 on a "realistic" platform, and in September 2002 reshuffled military and paramilitary forces giving promotions to loyalists from his ethnic group. He has also muzzled allegations of corruption in the media by closing three newspapers in 2002. With no obvious successor in the wings, Bongo is expected to run for another term in 2005.

Bongo has stated his commitment to diversifying the country's economy to reduce its dependence on oil and timber, and in the late 1990s he tilted towards supply-side economics. In 1998, he privatized the Energy and Water

Authority but has approached the selling of inefficient government companies timidly. Under pressure from the IMF, Bongo has scheduled agribusiness parastatals and public service providers such as Air Gabon, Gabon Telecom, and the ports for privatization, though bureaucracy and entrenched patronage will impede the process.

### FOREIGN POLICY

Bongo's historically close ties to France and the United States date back to his pro-Western stance during the Cold War, but after the collapse of the Soviet Union the West grew less tolerant of authoritarian rulers. Bongo has been forced to endure international criticism for alleged irregularities in the 1993 and 1998 elections, and his government has faced harsh criticism in the French press for corruption. As oil production has declined in recent years, the link with France has weakened. Consequently, Bongo has attempted to broaden diplomatic relations with other states that may help Gabon reach its development potential in the petroleum, timber, and telecom sectors. A visit from U.S. Secretary of State Colin Powell, and Bongo's visit along with other African heads of state to Washington in September 2002 are signs of U.S. interest in tapping African sources of oil. Canada, Ireland, and South Africa have also shown interest in building stronger relations with Bongo's government.

Shortfalls in earnings have placed Gabon in danger of default on its nearly us\$4 billion debt. Such a default would likely lead to International Monetary Fund (IMF)-mandated austerity measures. A rescheduling of debt with the IMF is unavoidable, challenging Bongo to implement tough IMF policies and to spend more of the national budget on social welfare while managing strikes and other popular protests that result from IMF-imposed cut backs in patronage.

The spread of conflict in Central Africa has drawn Bongo into regional politics. As the son-in-law of Dennis Sassou-Nguesso and a close friend of Pascal Lissouba, Bongo was called upon to mediate between these leaders to end their bloody contest over rule in the Congo Republic. He earned accolades from the OAU for his efforts. A friend of deposed Central African Republic (CAR) President Félix Patasse, Bongo rejected the outcome of the February coup in CAR, and hosted the coordinators of the peace initiative for the

CAR in February 2003. His support for the Mouvement pour la Libération du Congo (MLC) rebels in Congo-Kinshasa is well-known, and as the godfather of Jean-Pierre Bemba, MLC leader, he allegedly has supplied arms to the MLC to overthrow the Kabila government in the Democratic Republic of the Congo (DRC). Bongo's former friendship with deceased Zairean dictator, Mobutu Sese-Seko, and his current friendship with Rwandan President Paul Kagame have deepened the divide between Gabon and DRC. In 1998, Bongo hosted a Francophone summit that called on African states to deny fly-over and landing rights to planes ferrying arms and supplies to the Angolan rebels. Under auspices of the African Union, Bongo sent troops to Burundi in March 2003 to monitor the ceasefire.

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# THE GAMBIA

Yahya A. J. Jammeh  
President

(pronounced "YAH-ya JA-may")



*"Our future and destiny lie squarely in our hands and certainly in agriculture."*

The Republic of the Gambia is named after the River Gambia which flows the length of the country's territory, extending eastward about 470 km (292 mi). Nestled on the sides of the banks of the river, The Gambia's land area of 11,295 sq km (4,361 sq mi) measures only about 24 km (15 mi) in width for most of its length and 50 km (31 mi) at its widest point. The country is surrounded by Senegal on its northern, southern, and eastern borders, and the Atlantic Ocean to the west. The Gambia's population was estimated at 1.45 million in 2002, with more than 63% living in rural areas. Principal ethnic groups include the Mandinka (39.6%), Fula (18.8%), and Wolof (14.6%). About 85% of the people are Islamic, and most of the remainder are Christian. English is the official language, but Mandinka, Fula, Wolof, Jola, Serahula, and Serere are also spoken. Agriculture, forestry, and fisheries provide employment and income for almost 85% of the population. Groundnuts are the most important cash crop though tourism is the major source of foreign exchange. In 2001 the per capita gross domestic product (GDP) was estimated at US\$1,770. The currency is the *dalasi*. The 2002 United Nations Human Development Report ranked The Gambia 160 out of 173 countries on the basis of real GDP per capita, adult literacy (47.5%), and life expectancy (54 years).

## POLITICAL BACKGROUND

The Gambia was declared a British protectorate in 1888 and gained independence as a constitutional monarchy in the British commonwealth system in 1965. In April 1970, it became a republic with Dawda Jawara as president. In 1981, an attempted coup was successfully thwarted by the Senegalese army. This incident and The Gambia's geographic position led to the establishment of the Senegambian Confederation in 1982. Another consequence of the attempted coup was the establishment for the first time of a Gambian army. The purpose of the Senegambian Confederation was to coordinate defense, foreign affairs, and economic policies (including a trade and customs union). However, The Gambia's lucrative reexport trade over the porous borders with Senegal would have been adversely affected by a trade and customs union, and the Confederation fueled fears of Senegalese domination. Its dissolution in 1989 strained relations between the two countries.

The Gambia under Jawara was one of the few African countries that had maintained civilian rule since

independence. However, its multiparty government with a unicameral legislature was dominated by the People's Progressive Party (PPP). Opposition parties claimed that they were prohibited from effectively challenging Jawara. He was reelected to a fifth term in April 1992. After unrest developed in the Gambian army, President Jawara signed a defense agreement with Nigeria that allowed Nigerian officers to head the Gambian army. Despite the presence of Nigerian officers in Banjul, Lieutenant Yahya Jammeh and several other lieutenants succeeded in overthrowing the government in a bloodless coup on 22 July 1994, ending one of Africa's more competitive political systems.

On 11 November 1994, there was an attempted coup led by Lieutenant Basiru Barrow. Rumors of as many as 50 deaths were reported. The United Kingdom (UK), Denmark, and Sweden, in particular, warned their citizens against traveling to The Gambia. This led to an estimated loss of 25% of tourist industry employment. Responding to pressure for a return to civilian rule, Jammeh's Armed Forces Provisional Ruling Council (AFPRC) established a National Consultative Committee (NCC) to review the issue.

The AFPRC reluctantly accepted the Committee's recommendation that the transition period be reduced to two years. The Jammeh regime decreed that no new political parties could be formed until three months before the elections. The suspension of the Constitution and the ban on political parties and political activities also remained in effect. The government decided that a draft Constitution had to be submitted to a referendum before the ban on politics was lifted. However, the AFPRC had formed its own 22 July Movement, which manifested all of the features of a political party and was utilized to contest the elections from an incumbency position. Presidential elections were postponed from July to September 1996.

On 14 August 1996, the ban on political parties and political activities was lifted for all but three pre-coup parties. The People's Progressive Party (PPP) of former president Jawara, the National Convention Party (NCP), and the Gambian People's Party (GPP) were banned for their "participation in 30 years of misrule in the country." The Commonwealth expressed deep concern over the government's decision and indicated that unless the Jammeh regime rescinded it, the Commonwealth could not endorse such a flawed process. In September, the president of The Gambia's





independent electoral commission also called for the release of political detainees.

Having conducted political rallies and organized pre-party activities via the 22 July Movement over a two-year period, the regime's Alliance for Patriotic Re-Orientation and Construction (APRC) gained a significant advantage over the other parties. Jammeh and three civilian rivals contested the presidential elections on 26 September 1996 in a heavily flawed process. Jammeh officially took 56% of the vote, becoming The Gambia's second elected president in 31 years of independence. He was inaugurated 18 October 1996. Elections for the National Assembly were held on 2 January 1997. The APRC took 33 of 45 contested seats, the United Democratic Party took seven seats, the National Reconciliation Party two seats, the PDOIS one seat, and independents took the remaining two seats.

In The Gambia, 1999 and 2000 were marked by intermittent violence, an unsuccessful coup, and charges of state corruption, which elicited tighter controls over the military including its ethnic composition, as well as several cabinet changes by Jammeh. In mid-April 2000, 14 people were killed when students protested the death of a student who had died under suspicious circumstances. Local elections, scheduled for November 2000 were repeatedly postponed. On 18 October 2001 presidential elections were held. Amidst charges of fraud, thousands of Diola (members of Jammeh's ethnic group) living across the border in Senegal voted, and Jammeh was reelected president. Coming in second was Ousainou Darboe of the United Democratic Party (UDP), who had formed a coalition with the People's Progressive Party (PPP) of former president Sir Dawda Jawara, and with

the Gambia People's Party (GPP) of Hassan Musa Camara. Jammeh won outright on the first round with 52.96% of the vote. Despite allegations of vote tampering, identity card fraud, multiple voting, vote buying, and other serious irregularities, Darboe—ostensibly in the interest of peace—conceded defeat. The European Union (EU), the Commonwealth of Nations, the United Kingdom, the United Nations (UN), and Transparency International fielded a limited number of observers, who said they were relatively satisfied with the election.

Parliamentary elections were held on 17 January 2002 giving the APRC 45 of 53 seats. The PDOIS took three seats; by law, five seats are appointed. Citing elections bias on the part of the Independent Electoral Commission (IEC), the main challenger to the APRC, the United Democratic Party boycotted the elections. APRC candidates ran unopposed in 33 of 48 constituencies. Former head of state Sir Dawda Jawara returned from exile in September 2002 upon condition that he resign from his party, which he has. Given splits within the opposition, Jammeh's party is not expected to face stiff competition in 2003–04.

### PERSONAL BACKGROUND

Yahya Jammeh, of the Jola ethnic group, was born on 25 May 1965 in Kanilai, a village in the Foni Kansala district of the western division of The Gambia. In 1983, he completed his education at the Gambia High School and joined the National Gendarmerie. He received an officer's commission in 1989 and served in the Presidential Guards in 1989 and 1990. Jammeh entered the Gambia National Army with the rank of lieutenant in 1992. He received four months of military police officer's training at Fort McClellan, Alabama, in 1993–94. During that time, he was appointed an honorary citizen of the state of Georgia and honorary lieutenant colonel in the Alabama state militia. He is married to Tali Faal-Jammeh.

### RISE TO POWER

After the 1994 coup, the Armed Forces Provisional Ruling Council (AFPRC) was formed, with Jammeh as chairman. The AFPRC announced a 14-member government that was evenly split between military and civilian members. Upon seizing power, the AFPRC issued decrees that restricted the political rights of Gambians. Preemptive arrests of military personnel with the rank of captain or major were carried out. The domestic situation continued to deteriorate. Civilians who had been coopted to serve in the AFPRC government were removed from office and placed under detention. Harassment of the press increased. On 24 October 1994, the AFPRC announced that the transition program to return the country to civilian rule would not be accomplished until the end of 1998. The international community found this timetable unacceptable, and the Gambia labor movement, the Teachers Union, and the Bar Association demanded a speedier return to civilian rule.

### LEADERSHIP

Jammeh has traded politically on his youth (he is in his late 30s), charisma, and faith as a devout Muslim. He has utilized the incumbency to its full advantage and has applied strong-arm tactics, intimidation, repression, and electoral manipu-



lation to assert his power. Jammeh closed an independent radio station, Citizen FM, immediately after the 2001 presidential elections. He also arrested a reporter for West Africa Magazine and detained him without charge for nine days. The reporter claimed to have been tortured while in detention. Following his reelection in 2001, he arrested political activists and fired 50 senior civil servants suspected of supporting the opposition. Despite having called an extraordinary congress of the APRC in December 1999 to address systemic bureaucratic corruption, suspicions persist that Jammeh himself diverted more than US\$1.9 million in petroleum sales to a Swiss bank account.

## DOMESTIC POLICY

Following the 1994 coup, the European Union (EU) suspended all but humanitarian aid and funding for existing projects. The United States suspended all assistance, as did the World Bank, which cut its assistance until a plan for returning The Gambia to civilian rule was in place. Because development assistance constituted about 25.5% of Gambia's gross national product (GNP), an estimated 20% of Gambia's labor force became unemployed. Over 10,000 workers lost their jobs in tourism, and considerable revenues in sales taxes, airport departure taxes, and income taxes were also lost. There was also considerable capital outflow as some established businesses moved their operations to the more stable neighboring Guinea-Bissau or Cape Verde. By reducing the transition timetable from four to two years, Jammeh was able to restore donor confidence.

Jammeh has adopted a development blueprint he calls "Vision 2020," which he claims is achievable five years ahead of schedule if Gambians are willing to rise to the challenge. Vision 2020 focuses on three sectors: agriculture, exports, and tourism, and is supported by ancillary projects such as the Trade Gateway. The goal is to transform The Gambia from a middle- to a high-income country. Jammeh envisions a number of policy measures including the transition of a number of West African states outside the franc zone to a common currency, the Economic Cooperation Organization (ECO), as a stabilizing force that will strengthen sustainable growth. He wants to see more local ownership of hotels, development of cloud-seeding technology for drought control, and more commitment on the part of Gambians to their groundnut industry. He has been criticized for his recent crackdown on foreigners, in particular young women from the subregion working in the hospitality industry, but he insists he is not antiforeigner.

Despite slippage in 2001 and early 2002 in the budget deficit and in attempts to slow the growth of domestic debt, the International Monetary Fund (IMF) approved a new three-year US\$27 million poverty reduction and growth facility (PRGF) for 2002–05. The IMF expects the administration to privatize parastatals, to improve the regulatory environment for business, and to increase budget transparency. Although real GDP slowed to 3% in 2002, it was expected to pick up in 2003 to 4–5% supported by donor assistance, rising tourism, and improved agricultural output. In September 2002, donors approved The Gambia's poverty reduction and strategy paper (PRSP), pledging a total of US\$115 million over three years to fund PRSP activities.

Politically, Jammeh has been accused on attempting to accumulate power for himself and his party by changing the constitution, and changing laws such as the right of communities to elect their local leaders. In 2002 a National Media Commission was established that would permit the government to close newspapers and radios, and to send journalists to jail for violations of the Media Act such as inaccurate reporting. Changes to the criminal code deny the accused the right to bail. Jammeh has allegedly instituted a policy to dismiss civil servants suspected of failing to support the party line, and the opposition complains of intimidation and denial of the right to hold meetings or to campaign freely about the country. Critics have called for government to publish the Assets Committee report, which was established after the coup to recover national assets, but Jammeh so far has refused to do so.

## FOREIGN POLICY

During the first weeks of military rule in 1994, Senegal distanced itself from the new regime, particularly as rumors developed of a Libyan connection within the AFPRC. Since then, President Jammeh has helped the Senegalese government mediate the protracted Casamance (Senegal) secessionist movement led by members of the Jola ethnic group. However, relations with Senegal remain problematic, and Presidents Wade and Jammeh disagree over the construction of a bridge across the Gambia River that Senegal wants to build. Relations also have been strained by Casamançais rebels of the Mouvement des Forces Démocratiques de Casamance (MFDC), who have been using The Gambia as a staging ground to launch their attacks. Senegal occasionally has pursued rebels into Gambian territory, and Jammeh has accused the Senegalese of doing too little to prevent the necessity of crossborder pursuit. Similarly, Guinea-Bissau's president Kumba Yala has complained that The Gambia has harbored insurgents hostile to his government, but a meeting between Yala and Jammeh in July 2002 resolved the dispute.

The Gambia is an active member of the Interstate Committee on Drought in the Sahel (CILSS), a regional body established in the early 1980s to combat drought and famine in the semidesert fringe bordering the Sahara in West Africa. It also belongs to the Gambia River Basin Development organization, the Economic Community of West African States (ECOWAS), and the African Union (AU). However, Jammeh has been a vocal critic of the AU-related New Partnership for Africa's Development (NEPAD), which he has dismissed as weak and a nonstarter. A key NEPAD provision calls for a peer review mechanism by which member heads of state hold each other to strict governance standards, a provision which could frustrate Jammeh.

Relations with the United States have improved in spite of Jammeh's human and civil rights abuses, and alleged 'blood' diamond trading with Liberia and Sierra Leone. The Gambia was one of the few African countries that supported the U.S. proposal for an All-African peacekeeping force to help resolve conflicts on the continent, and in 1999, Jammeh sent 140 peacekeepers to Guinea-Bissau. Based on the conduct of the 2001 elections, the United States lifted sanctions in March 2002 and through the auspices of the Corporate Council on Africa, held an investment forum in Banjul in September

2002. The 2002 U.S. State Department Human Rights report criticized The Gambia for its poor record on rights such as freedom of speech, but if improvements in these areas and in the rule of law continue, the country is expected to be certified by the end of 2003 for duty-free export of textiles and other goods under the Africa Growth and Opportunity Act (AGOA). Owing to late and irregular rainfall and expected food shortages, The Gambia was to receive 1,000 metric tons of U.S. wheat valued at us\$558,000 in 2003.

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# GEORGIA

Eduard Shevardnadze  
President

(pronounced “ed-WARD sheh-var-NAHD-zeh”)



*“Only after we have shown the civilized world our determination to build a democratic society will the West begin actively to help us. The situation is grave. It is a question of saving this nation.”*

Georgia borders Russia to the north, Armenia and Azerbaijan to the southeast, Turkey to the southwest, and the Black Sea to the west. Its land area is 66,700 sq km (26,807 sq mi). The capital of Georgia is Tbilisi (“tbee-LEE-see”).

Georgia’s population was estimated at 4,960,951 in 2002. About 70% of the population is ethnically Georgian, 8% Armenian, 6% Russian, 6% Azerbaijani, 3% Ossetian, 2% Abkhazian, and the remainder made up of other ethnic groups. Abkhazians and Ajars have autonomous regions within Georgia despite the fact that they make up a minority of the population in the regions. The predominant church is the Georgian Orthodox Church, in which 65% of the population report membership. An estimated 11% of the population is Muslim.

The decline in Georgia’s gross domestic product (GDP)—some 80% over the period 1990–1994—halted in 1995, with the economy growing 5.1% in 1998, led by the construction, oil, and services sectors. The World Bank reported that GDP growth experienced a setback late in 1998. Russia’s 1998 financial crisis and the refusal of 90% of Georgians to pay taxes contributed in late 1998 to the substantial devaluation of the *lari*, price inflation for imports, and a nagging budget deficit that prevented the timely payment of pensions and state salaries. By 2001, the GDP was reportedly growing at a rate of 8.4%, with inflation at 4.6%. Almost all housing and most small enterprises have been privatized, and over 80% of agricultural holdings and medium and large enterprises, though the slow registration of land titles has held back progress. Some port facilities and resource industries have been designated as strategic and the state will retain majority ownership. Exports include scrap metal, machinery, transportation equipment, and agricultural products. Products that thrive in Georgia’s Mediterranean climate include tea and oranges. Georgia holds promise as a major north-south and east-west transit area. A pipeline carrying about 100,000 barrels per day from Azerbaijan to Georgia’s Black Sea port of Supsa (near Poti) opened in April 1999. In summer 2002, construction began on a pipeline that will link Baku, Azerbaijan, on the Caspian Sea through Tbilisi, Georgia and across Turkey to the Mediterranean port of Ceyhan, Turkey.

## POLITICAL BACKGROUND

The tribes that gave rise to the Georgian peoples first settled in the area between the twelfth and seventh centuries BC, making them one of the oldest nations in the former USSR. Georgia has endured waves of conquerors through its long

history: Romans, Iranians, Arabs, Turks, Mongols, and the hordes of Tamerlane. Fiercely independent, the Georgians managed to regain independence after each of these invasions. In the nineteenth century, Russia began a step-by-step conquest of Georgia, which it completed in 1878. Georgia gained its independence from the Czarist empire in 1918. By 1921, Georgia gained recognition of its independence from 22 countries, including Soviet Russia. However, in February 1921, the Red Army invaded and conquered Georgia under the orders of Georgian Bolsheviks Sergo Ordzhonikidze and Joseph Stalin.

Despite Stalin’s Georgian heritage, and the fact that many of his henchmen in the security apparatus were Georgian, Georgia suffered as much as any region from Stalin’s crimes, if not more. During the period from 1950s–70s, the Georgian leadership was known as one of the most corrupt in the USSR, taking frequent bribes from private sector interests. A purge took place in the 1970s, under the leadership of Georgian Interior Ministry chief and later republic Communist Party boss, Eduard Shevardnadze. *Perestroika* touched off Georgia’s drive for independence, which received a decisive boost by the 9 April 1989 massacre of 20 peaceful demonstrators in Tbilisi by Soviet military forces. The massacre turned Georgians against the Communist Party. At the head of one of the opposition groups was a former political prisoner, Zviad Gamsakhurdia, leader of the Round Table coalition of political parties. Gamsakhurdia’s coalition decisively defeated the Communist Party in October 1990 elections to the Georgian Supreme Soviet. Gamsakhurdia was elected chairman of the legislature. He closed opposition newspapers, harassed and arrested opposition politicians, and installed his personal representatives throughout the country to ensure his decrees were carried out.

On 31 March 1991, a referendum on independence was endorsed by almost 80% of the electorate. Gamsakhurdia then proposed a formal declaration of independence, which was unanimously approved by the Parliament on 9 April 1991. A month later, Gamsakhurdia was elected president of Georgia by 87% of the popular vote, partly because of the popularity of his defiant anti-Moscow stand but also because of his repression of the opposition.

Gamsakhurdia’s increasing authoritarianism alienated many of his supporters. The prime minister, Tenghiz Sigua, Georgian National Guard commander, Tenghiz Kitovani, and other former Gamsakhurdia supporters, joined to topple him. In January 1992, Gamsakhurdia was driven from the city.



The opposition set up a military council chaired by Kitovani and Jaba Ioseliani, the commander of Mkhedrioni, a paramilitary organization whose name translates literally as “The Horsemen”). They dissolved the Georgian Supreme Soviet and set up a provisional government, headed by Sigua. On 11 March 1992, in an attempt to secure international acceptance in the wake of their takeover, they chose former Soviet foreign minister, Eduard Shevardnadze, as chairman of a new governing State Council.

### PERSONAL BACKGROUND

The son of a teacher, Eduard Amvroslyevich Shevardnadze was born on 25 January 1928 in the village of Mamati in the Lanchkhuti region of western Georgia. His elder brother, Ippokrat, became a powerful Communist Party functionary and served as the younger Eduard’s mentor. Shevardnadze’s education was largely devoted to preparing him to assume a role in the Communist Party apparatus. He graduated from the Higher Communist Party School in Georgia in 1951; in 1959, he received a history degree from Kutaisi State Pedagogical Institute’s correspondence school. His wife, Nanuli, is a journalist and serves as president of Georgian Women for Peace and Life. The Shevardnadzes have two children. Their son, Paata, is a physicist who heads a mission operated by the United Nations Educational, Scientific, and Cultural Organization (UNESCO). Their daughter, Monana, is director of a television and film studio in Georgia. The Shevardnadzes have four grandchildren. Shevardnadze speaks Georgian and Russian. In 1992, Eduard was christened in the Georgian Orthodox Church, taking the Christian name of George.

People who have met Shevardnadze describe him as friendly, unpretentious, and often charming—yet meticulously polite and formal in public gatherings. Shevardnadze has also demonstrated ruthlessness in dealing with opponents, particularly when he was party chief in Georgia. He has written a number of books, the best-known of which is the memoir, *My Choice*, which has been translated into several languages.

Shevardnadze has received a number of international awards, including the Onassis Prize for International Understanding and Social Achievement (1997) and the highest honor from the New York-based Institute for East-West

Security Studies (now known as the East-West Institute) “for his contribution to the of relations between the East and West.”

### RISE TO POWER

Shevardnadze’s political career has had three stages. The first was his rise to the top of the Georgian Communist Party. He joined the party in 1948, and spent more than a decade in the Communist youth league, known as the Komsomol. In 1956, he became first secretary of the Komsomol. After holding various posts in the Communist Party apparatus in the early 1960s, Shevardnadze became Georgia’s deputy minister of internal affairs in 1964 and minister of internal affairs in 1965. In this position, he tried to fight rampant corruption in the republic. Georgian dissidents (including the former dissident Gamsakhurdia) bitterly note that Georgian police imprisoned and tortured them during Shevardnadze’s tenure. In 1972, Shevardnadze helped to engineer the dismissal of corrupt party leader Vasily Mzhavanadze and was elected to replace him. In his 13-year tenure as Georgia’s leader, Shevardnadze conducted an expanded crackdown on corruption and introduced modest economic reforms that improved Georgia’s economic performance. Shevardnadze became a member of the Soviet Communist Party Central Committee in 1976 and a non-voting member of the Soviet Politburo in 1978.

The second stage of Shevardnadze’s career came when he was named USSR foreign minister on 1 July 1985, less than four months after Mikhail Gorbachev took power. This announcement came as a surprise to the international community since Shevardnadze had little previous foreign policy experience. Gorbachev and Shevardnadze had known each other since their tenure in the Komsomol in the 1950s. Gorbachev selected Shevardnadze in part because he saw in him many of his own qualities: pragmatism, energy, and a conviction that the Soviet system had become terribly corrupt and required radical reform. Shevardnadze launched the “new thinking” in Soviet foreign policy. This new pragmatic course aimed at reducing the Soviet Union’s external burdens to allow domestic reform to succeed. The Soviet Union disengaged itself from costly foreign commitments, like the war in Afghanistan, and pursued a conciliatory line toward the West. After the collapse of the Soviet empire in Eastern Europe in 1989 and the reunification of Germany in 1990, Shevardnadze came under attack from conservatives who accused him of betraying the country. Frustrated by these charges and by Gorbachev’s shift toward a conservative domestic policy, Shevardnadze suddenly resigned as foreign minister in December 1990. In his resignation speech, he warned of a “coming dictatorship” in the Soviet Union if Gorbachev did not change course. After the failed Soviet coup in August 1991, which many saw as the fulfillment of Shevardnadze’s warning, Gorbachev asked his old friend to resume his post as foreign minister. Shevardnadze at first refused, but in November 1991, he headed the foreign ministry for a few weeks before the dissolution of the Soviet Union in December 1991.

### LEADERSHIP

Shevardnadze’s third career change might be viewed as a resumption of his first role as leader of Georgia. Because of

his past as a Communist Party leader and KGB chief in Georgia, his initial opposition to Georgian independence and his inability to stop the Tbilisi massacre of 1989, Shevardnadze was an anathema to many Georgians, especially those supporting Gamsakhurdia. The increasingly desperate situation in his country, he said, led him to accept the leadership of the State Council in March 1992 to rule until legislative elections could be held. This executive and legislative body was dissolved in October 1992 after the elections. Despite boycotts from nine electoral districts in Abkhazia, Mingrelia, and South Ossetia, and reported voter irregularities, a new unicameral legislature of 235 members was elected on 11 October 1992 in voting generally judged by international observers as “free and fair.” The elections heralded the creation of a political system where the legislative chairman served as the highest official, and the presidency was abolished. The election law provided for the popular election of the chairman, who could not be a member of a political party. Shevardnadze, who ran uncontested, was elected speaker of the legislature, gaining 95% of the popular vote. After convening on 4 November, the new legislature granted Chairman Shevardnadze wide-ranging powers as head of state pending completion of a new constitution.

In November 1995, Shevardnadze was elected to the new post of president (recreated by the 1995 Constitution), winning 74.3% of the vote in a six-man race. The voting was described by international observers as generally “free and fair,” though violations were reported in Ajaria. He has been threatened by coup attempts and other civil disorder, but appeared successful in consolidating his power during 1995–96 by forcing most of his political opponents out of power.

Seven candidates were registered to run in Georgia’s 9 April 2000 presidential election. The major challengers to Shevardnadze were Jumbar Patiashvili, former first secretary of the Georgian Communist Party (who ran in the 1995 presidential race), and Aslan Abashidze, Chairman of the Ajarian Supreme Council. Both challengers were leaders of the Revival Bloc that contested the 1999 legislative races. Abashidze did not actively campaign and withdrew from the race one day before the vote, alleging an unfair contest. Other speculation was that he withdrew in return for concessions from Shevardnadze on local power and finances. Voting did not take place in Abkhazia or South Ossetia. The Georgian Central Electoral Commission reported that Shevardnadze received 80% of 1.87 million votes, and Patiashvili received 17% (less than he received in 1995).

## DOMESTIC POLICY

Among Shevardnadze’s early efforts to consolidate power and bring stability to Georgia, his greatest crisis was caused by military losses in Abkhazia in 1993–94. After Abkhazia’s Supreme Soviet declared independence in July 1992, Georgia sent in troops to quell the secession. Shevardnadze had pursued peace talks with mediation by Russia’s Foreign Ministry. In September 1993, the breaking of a ceasefire and heavy fighting caused Shevardnadze to fly to Abkhazia to take personal command, but the Abkhazians, with the aid of Chechens and other mercenaries (and connivance of some Russian military elements in Abkhazia), drove out all Georgian forces. Georgian and Abkhazian officials signed a Russian-brokered ceasefire in May 1994. As part of this

agreement, Russian troops, formally acting as Commonwealth of Independent States (CIS) “peacekeepers,” were deployed in a security zone along the Inguri River, which divides Abkhazia from Georgia. Shevardnadze stated in June 1997 that he had been forced to permit the CIS “peacekeepers” into Abkhazia because the United Nations (UN) had balked at sending a sizeable force.

Another major crisis took place when Gamsakhurdia and his supporters launched an insurrection in the Mingrelian area of western Georgia and marched on Tbilisi. Shevardnadze appealed to Russia for assistance, and Russia’s tank forces were instrumental in quelling the insurrection. As part of the price for Russia’s military aid in defeating Gamsakhurdia, Georgia entered the CIS in 1993, and Shevardnadze signed the CIS Collective Security Treaty, a Russian-Georgian Friendship Treaty, and border troop accords. (Russia’s legislature has refused to ratify the latter.) Georgia’s entrance into the CIS was regarded as anathema by many Georgians, though Shevardnadze stressed the “realism” of accommodating Russia at that time. In March 1995, the two sides signed a treaty granting Russia rights to four military bases through the year 2020. The Georgian legislature refused to ratify this basing accord. Although Shevardnadze initially viewed the basing agreement as a means to entice Russia to support Georgia’s interests in settling the Abkhaz conflict, his government in the late 1990s called for removing the bases. Shevardnadze reportedly received strong U.S. and Western support in pressuring Russia to close two of the bases by mid-2001, and to discuss closing the other two as part of the adaptation of the Conventional Armed Forces in Europe Treaty in November 1999. In January 1999, Georgia assumed full control over guarding its sea borders, and on 15 October 1999, the last Russian border troops left, except for some liaison officers.

As guided by Shevardnadze, a new constitution was approved by the legislature in August 1995. It reestablished a strong presidency, though affirming a balance of executive and legislative powers more equitable than those in most other new constitutions approved by former Soviet republics. Under this constitution, voting for a new legislature took place simultaneously with the race for the recreated presidency on 5 November 1995. In the legislative race, only three of the 54 parties running received at least 5% of the party list vote required to win seats, though other parties won representation through constituency races. Shevardnadze’s Citizens’ Union Party won the largest bloc of seats, giving him major influence, though the legislature has at times opposed his policies. The election was judged “consistent with democratic norms” by international observers. Legislative elections were held most recently on 31 October 1999. Voting was by party lists (150 seats) and single-member constituencies (73 seats; 12 sitting members representing separatist Abkhaz districts were allowed to retain their seats). At the time of its convocation on 20 November 1999, the Citizens’ Union Party held the largest bloc of seats, permitting it to claim the speakership and two of four deputy speakerships. Two other deputy speakers representing Abkhazia (the exiled government) and Ajaria marked a federal element.

In his presidential election manifesto, Shevardnadze stressed economic and social reforms. He called for eliminating poverty, creating a balanced budget, fighting

corruption, eliminating wage and pension arrears, and reducing unemployment. He envisaged a five-year plan that would result in ample employment and a “normal” economy. Unfortunately, reforms within Georgia have been slow and corruption in civil and government organizations still runs rampant. In 2001, it was estimated that 60% of Georgians lived below the nation’s poverty line. In some cases, those who have jobs have been paying bribes in order to keep them. Though Shevardnadze is viewed as a hero of democracy in the West, Georgian citizens and political critics have little praise for or confidence in his ability to keep his promises for the country.

In November 2001, a controversial raid by state security agents on an independent television station, allegedly for a tax investigation, triggered a demonstration of an estimated 5,000 to 10,000 citizens in the streets of Tbilisi. Protesters echoed the outrage felt by a majority of the nation’s citizens and demanded reform in the government. In a surprising response, Parliament speaker Zurab Zhvania, next in succession, put forth his resignation and urged President Shevardnadze to take action. Shevardnadze responded by firing his entire cabinet and promising to restructure the government by creating an office of prime minister to lead a new executive cabinet. The new office would essentially take over many of the duties and power now assigned to the president.

## FOREIGN POLICY

Shevardnadze has sought good relations with both East and West in pursuit of security and reform aid, stating in April 2000 that “our main principle is state pragmatism....We are prepared to cooperate with all countries that help us resolve several fundamental problems...including our most important, burning issue, the settlement of the conflict in Abkhazia.” Although Shevardnadze has attempted to maintain working political, economic, and security ties with Russia, he seeks close ties with the West and international organizations to maximize Georgia’s independence. Relations with Russia deteriorated in late 1999 after it launched a new military campaign in its breakaway Chechnya region, which borders Georgia. Some fighting and refugees have spilled over Georgia’s borders, and Russia has accused Georgia of aiding and abetting Chechen “terrorism.” Russia’s objectives toward Georgia include retaining some political, military, and economic influence in the South Caucasus region though its policies sometime seem contradictory and of limited success.

Among its neighbors, Georgia has good relations with Armenia and Azerbaijan, though it has raised concerns about human rights conditions of ethnic Georgians residing in Azerbaijan, and Azerbaijan and Armenia have raised concerns about ethnic Azeris and Armenians in Georgia. Georgia has an ongoing interest in ties with about one million Georgians residing in Turkey and about 50,000 Georgians residing in Iran.

Shevardnadze assiduously pursued membership in the Council of Europe (CE) and the World Trade Organization (WTO) as indicators of Georgia’s progress in implementing Western-style reforms, resulting in admission to the CE in

April 1999 and the WTO in October 1999. In April 2000, Shevardnadze hailed the support from the West, stating, “I can say without exaggeration that if it had not been for this support, including the financial and material support, we would not have survived and we would not have been able to build the independent Georgian state....The more we strengthen Georgian democracy, the more intensive the aid and support that we are receiving will become.” His presidential election manifesto called for Georgia to seek entry into North Atlantic Treaty Organization (NATO) by 2005. In late 2002, Shevardnadze told a press conference that Georgia would need several more years before it could meet the requirements for membership in the organization.

In recent years, Georgia has received substantial U.S. financial assistance targeted for support of Georgia’s economic and political reform programs, with emphasis on institution building. In 2002, Shevardnadze showed full support for the U.S.-initiated War on Terror by welcoming a U.S. mission to train and equip the Georgian military for the possibility of actions there. Shevardnadze, along with U.S. president George W. Bush and Russian president Vladimir Putin, acknowledges the possibility that Arab terrorists connected to al-Qaeda are finding haven in border regions of Georgia. Notably, the Pankisi Gorge, a broad valley on the northern border with Russia’s Chechen republic, is well-known for illegal activity. International experts believe there may be al-Qaeda members operating in the Pankisi Gorge region. (Al-Qaeda has been held responsible for the 11 September 2001 terrorist attacks in the United States that targeted the Pentagon in Washington, D.C., and the World Trade Center, New York, an action that initiated the War on Terror.) The United States continues to encourage the Russian government to accept and respect Georgian sovereignty over the region.

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Profile researched and written by Jim Nichol, Congressional Research Service (May 2000; updated 3/2002).

# GERMANY

Gerhard Schröder  
Chancellor

(pronounced "GARE-hard SHROH-der")



"We want a new spirit in Germany, where people ask what they can do for their country."

The Federal Republic of Germany is situated in north central Europe and shares a border with Denmark to the north, Poland and the Czech Republic to the east, Switzerland and Austria to the south, and France, Belgium, the Netherlands, and Luxembourg to the west. From 1949 to 1990, Germany was divided into West Germany and East Germany; the two were unified through a treaty effective 3 October 1990. The total area is 357,021 sq km (137,847 sq mi), with an estimated population of 83.3 million inhabitants in 2002. Berlin is the capital and largest city.

Germany is a culturally and ethnically homogenous nation, with German being the official language. The population is comprised primarily of ethnic Germans with less than 10% of the population comprised on non-German ethnicities. The largest ethnic minority is the Turks (2.4%); other ethnicities include Serbo-Croatian, Italian, Russian, Greek, Polish, and Spanish. The country is predominantly Christian; in the north and east the majority is Protestant whereas in the south the majority is Roman Catholic.

Germany is a highly industrialized and urbanized country with the largest economy in Europe. Its major exports are construction machinery, vehicles, chemicals, iron and steel, textiles, fuels, and precision and optical equipment. Per capita gross domestic product (GDP) was estimated at us\$26,200 in 2001. In 2002, the euro became the country's sole currency, replacing the *deutsche mark* (DM).

## POLITICAL BACKGROUND

Upon defeat of the Nazi Reich in 1945, the country was divided into four occupied zones controlled by the United States, Britain, France, and the USSR. Similarly, Berlin was divided into four occupied sectors. In 1949, the American, British, and French leaders decided to unite their zones to form the Federal Republic of Germany (FDR—West Germany), with Bonn as its capital. West Germany soon thereafter became integrated into the military and economic structures of the Western Alliance. The Soviet-occupied region became the German Democratic Republic (GDR—East Germany), with East Berlin as its capital. East Germany entered the communist bloc comprised of the USSR and other Central and Eastern European countries.

In 1989, following political upheavals in other communist Eastern European countries, popular protests erupted against the East German regime and its leader, Eric Honecker. A large number of East Germans fled to West Germany through neighboring countries. In an attempt to halt the exodus, East

Germany closed its borders, setting off mass demonstrations in every major East German city. Without Soviet support, the collapse of the communist regime appeared imminent, and on 9 November 1989, the Berlin Wall began to be dismantled. The West German chancellor, Helmut Kohl, championed appeals for the reunification of Germany and began talks to outline how the two countries would unify. On 3 October 1990, Germany became unified and the first all-German elections took place the following December.

The Basic Law has been the constitution of West Germany since 1949, and continues to serve that purpose in the unified country. Germany is a federal state, with responsibilities divided between the federal government and the states (Länder). There are 16 Länder (10 from West Germany and six from East Germany). The head of state is the federal president, who is elected by a federal convention for a five-year term. The president serves primarily as a symbolic representative of the nation. In July 1999, Johannes Rau became the first Social Democratic president in 30 years.

Germany has a bicameral legislature consisting of the Federal Council (Bundesrat or upper house) and the National Assembly (Bundestag or lower house). Members of the Bundesrat are appointed by states with no set terms and represent states' interests in policy areas that fall under joint federal-state jurisdiction. The Bundesrat has veto power only on legislative matters that concern the states, legislative power rests primarily with the Bundestag. Members of the Bundestag are elected by universal suffrage to four-year terms, via a mixed direct and proportional electoral system whereby representatives are elected by individual districts and chosen by party lists. There were 603 seats in the Bundestag as of the September 2002 election.

The major political parties in Germany and their respective number of seats following the 2002 election are: the center-left Social Democratic Party (SPD) with 251 seats (down from 298 following the 1998 election); their coalition partner, the Greens the Greens with 55 (up from 47)s; the center-right Christian Democratic Party (CDU) and its sister party in Bavaria, the Christian Social Union (CSU) with 248 seats (up from 245); the liberal Free Democratic Party (FDP) with 47 (up from 44); and the Party of Democratic Socialism (PDS), the former East German Communist Party, with just 2 seats (PDS had entered the Bundestag for the first time in 1998 with 35 seats).

The head of government is the chancellor (Bundeskanzler), who is elected from the Bundestag and is usually the head of





the largest party or coalition. On 27 September 1998, Gerhard Schröder became chancellor-elect, ending Helmut Kohl's 16-year run as chancellor of Germany. In April 1999, he presided over the moving of the capital from Bonn back to Berlin. His reelection in 2002 was by the narrowest margin in a German election since World War II (1945).

### PERSONAL BACKGROUND

Gerhard Schröder was born in Mossenburg, a small town in Lower Saxony, on 7 April 1944. His birth occurred a few days before his father, a conscript in the German military, died on the eastern front in World War II. Schröder grew up in poverty; his widowed mother took cleaning jobs to raise the family. He had to leave school at the age of 14 to find a job. He worked as a hardware salesman before finishing secondary school. As a student, he proved himself an articulate speaker and an able debater. It was this struggle to get started in life, some observers say, that gave him a strong belief in the need for equal opportunity and propelled him into leftist politics.

Schröder took evening classes to get into college. With the support of the government, he studied law at Göttingen University during the turbulence of the late 1960s. During his college years, Schröder became involved in leftist politics. He led the Young Socialists, a youth organization of the SDP in the district of Hannover, the state capital of Lower Saxony. He was a mainstream Marxist and demonstrated against the installation of U.S. nuclear missiles in West Germany. In 1972, he continued his postgraduate judicial service training and received his law degree in 1976 at the age of 32. From 1976 until 1990, Schröder was employed as a lawyer in Hannover. Prior to the election, he served as a supervisory

board member of Volkswagen AG and Norddeutsche Landesbank.

Schröder married Doris Kopf, his fourth wife, in 1997. Kopf, a journalist from Bavaria, assisted on Schröder's national election campaign. The Schröders have an apartment in Hannover.

### RISE TO POWER

Schröder's base of power has been his home state of Lower Saxony. He first made his name in German politics during the early 1970s as a leader of an anti-American, antinuclear youth group of the SPD. Upon completing his law training, Schröder became a member of the SPD Executive Committee for the Hannover constituency in 1977, and then the national chairman of the SPD Young Socialists the following year. In 1980, at the age of 36, he became a member of the Bundestag, representing the district of Hannover for six years. Schröder returned to Lower Saxony and served as chairman of the SPD Party Group and leader of the opposition in the Lower Saxony Parliament from 1986 to 1990. He then focused on the premiership of Lower Saxony and won his party's nomination to run for premier in 1986. While he did not win that election, he won four years later becoming premier of Lower Saxony in 1990.

In March 1998, Schröder won his third term as premier in a landslide victory. Many observers say that this success established Schröder as the most viable SPD candidate to challenge Helmut Kohl. In April, at the party conference in Leipzig, Schröder won his party's nomination. On 27 September 1998, Schröder was able to defeat Kohl, the longest-serving German chancellor since Otto von Bismarck. Five years later, Schröder won reelection in polling held 22 September 2002, but by a very narrow margin. In the weeks leading up to the election, Schröder, trailing slightly in the polls, took a public stand against the U.S.-led international initiative aimed at achieving regime change in Iraq. Observers writing in the international press described U.S.-German relations as the worst in 20 years following Schröder's comments. But his position helped him win the election. The election was controversial, however, and in December the Bundestag voted to establish a commission to investigate allegations that the Schröder government misled voters about the state of the economy in the weeks prior to the election. The government denied that it knew—but did not disclose—that economic conditions were worsening in the summer of 2002; the fact that Schröder supporters in the Bundestag could not muster enough votes to defeat the proposal to investigate charges of fraud underscored the weakness of his government coalition.

### LEADERSHIP

As premier of Lower Saxony, Schröder achieved national prominence. But it has been his popularity with the general public, rather than his status within his party, that established him as a national leader. Observers have said that Schröder presented a new face to Germans, a modern alternative to a new generation, tired of 16 years of conservative rule. Critics have charged that the media-savvy, telegenic Schröder ran a "substance free" campaign in defeating Helmut Kohl, attempting to capture the mood of the electorate and avoiding any serious discussion of political goals and policies. Many within the SPD do not consider Schröder to be interested in a traditional leftist agenda. Rather, they view him as



someone who is primarily interested in attaining—and retaining—power. His reelection campaign appeared doomed until he took a strong and public stand against the U.S.-led efforts aimed at using force to oust Saddam Hussein from power in Iraq.

Schröder has advocated a moderate reformist agenda. He seeks practical solutions rather than ideological ones. Adopting the slogan “We won’t change everything—we’ll just do things better,” he modeled himself after Tony Blair of the United Kingdom and Bill Clinton of the United States.

Part of Schröder’s effectiveness as a national leader arises from not being confined by the sentiments and policies of his party. He has built his national reputation by distancing himself from the party and by his willingness to cross party lines, which has not endeared him to the SPD leaders.

Following the 1998 elections, the SPD failed to gain a majority and entered into a coalition government, as is the usual case in German politics. Schröder’s SPD entered into a historic “Red-Green coalition.”

Following the 2002 elections, the coalition’s majority had eroded to a slim majority of just five seats (the SPD won just 251 seats, and the Greens won 55, for a total of 306). Sharing power may provide another challenge to Schröder’s leadership abilities. The radical wing of the Green Party has been most vocal in advocating policies, such as opposing North Atlantic Treaty Organization (NATO) expansion, instituting steep “ecology taxes,” and closing all of Germany’s 20 nuclear power stations. These issues may strain the coalition partnership.

In the election of September 2002, Schröder faced stiff competition from conservative candidate Edmund Stoiber; following his narrow defeat, Stoiber predicted that Schröder’s government would be “very, very short-lived.” In the outgoing Bundestag, they had a majority of 21, and could usually count on at least the abstention of the 36 ex-communist PDS; but following the 2002 elections, the PDS held just two directly elected seats.

### DOMESTIC POLICY

The major issues that Schröder faces include unemployment, the overburdened welfare system, and the immigrant question. In the beginning of 2002, Germany’s unemployment rate was 10.6% with over four million unemployed workers. Schröder pledged that he would bring 100,000 unemployed youths into training programs. He also emphasized that a more flexible organization of work was needed and that business should invest in and modernize their industries. In eastern Germany, unemployment rates were nearly double the national average, with one in five people of working age out of a job. Schröder has promised to foster reconciliation in a country still divided by economic inequalities. The Social Democrats and Greens agree on the need to bring together employers and labor unions to discuss a program to create jobs, perhaps through pledges of wage restraints from unions and pledges of jobs from employers. However, strict regulations make firing employees difficult, while unemployment benefits are generous enough that most recipients make more money by remaining unemployed. The cost of hiring a German worker is among the highest in the world.

While Schröder supports Germany’s generous welfare state, he is searching for ways to adapt Germany’s expensive welfare system to global competition and reduce the tax

burden on citizens. Partly due to the high expenditures in eastern Germany after unification, and partly because of competition with other countries, Germany can no longer afford to maintain the restrictive labor laws, ample pensions, and generous health care system. Schröder has said that the welfare state has reached its limits and has emphasized the need to balance social compassion with fiscal prudence. Both the Green Party and the SPD seem united in a desire to preserve at least the foundations of the welfare system against more radical free-market reforms. Schröder hoped that appointment of Oskar Lafontaine as finance minister would aid in the defense of minimum social, ecological, and welfare standards against the deregulation that global markets tend to inspire, but in fact, Lafontaine resigned in 1999 when the economy lagged. Germany currently spends nearly 50% of its gross domestic product (GDP) on government expenditures. In February 2003, when the SDP suffered its worst showing ever in regional elections, Lafontaine seemed poised to reenter the political scene, this time as an opponent of Schröder.

Under the Schröder government, immigration laws seem likely to change. The treatment of Germany’s seven million immigrants has been a salient issue in past elections. Schröder pledged that his government “will make it possible to have dual citizenship,” allowing many German-born children of immigrants to become citizens. The SPD has traditionally been more open to integrating non-Germans into German society. In 1999, the Schröder government changed the citizenship laws to allow people who have lived in Germany for eight years or longer to apply for citizenship. (Citizenship was formerly open only to those whose parents were born in Germany.)

### FOREIGN POLICY

As chancellor, Schröder must lead Germany through the final stages of European integration, including monetary union. He plans to continue German foreign policy on its present course, including a strong commitment to NATO, to the European Union (EU), and to Russian economic development. Germany accounts for 24% of the GDP of the entire EU and plays a crucial role in the process of European integration. While Germany supports European unification, it is no longer willing to be considered the “rich uncle” of the EU, especially given the economic demands of unification and the heavy investments made for Russian economic development. Germany has demanded that the rules be rewritten for a more equitable distribution of payments among EU members.

Schröder must preside over a Germany that is contemplating a larger, more independent role in international affairs. While the German Constitution bans deploying troops outside of the NATO area, amendments have allowed the use of German troops for United Nations (UN) peacekeeping and humanitarian operations in the Balkans and in Somalia, as well as in the U.S. fight against world terrorism. Schröder expressed support for greater German participation in international operations, saying that he would intervene in the embattled Serbian province of Kosovo if the UN remained silent and other European countries wanted to act. Following the World Trade Center bombing on 11 September 2001, Schröder committed 3,900 troops to the War on Terror in Afghanistan.

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**Profile researched and written by S. Martin Hwang, Binghamton University (12/98); revised 3/02 and 2/03).**

# GHANA

## John Agyekum Kufuor President

(pronounced “john AG-yeh-come KOO-foo-or”)



*“I am ready to be efficient, to turn the economic and social tables...around, positively, so as to get the economy and society moving progressively into advancement. I am ready to do this and, if it would mean my being unpopular, it’s just unfortunate. I’m ready to be very tough, but tough for a purpose...[to get] everything moving in the right direction for Ghana as quickly as possible.”*

The Republic of Ghana occupies 238,540 sq km (92,100 sq mi) of territory in western Africa. The capital is Accra, located on the southern coast. Its southern boundary is the Gulf of Guinea in the Atlantic Ocean; to the east it is bordered by Togo; to the north by Burkina Faso; and to the west by Côte d’Ivoire (Ivory Coast). In 2002, the population was estimated at 22.2 million people, made up of the Akan, Moshi-Dagomba, Ewe, and Ga ethnic groups. Just over 1% of the population are of European or other non-African extraction. English is the official language of government and business, although as many as 75 African languages and dialects are spoken as well. Approximately 63% of Ghanaians profess Christian beliefs and 16% are Muslim. However, 21% adhere to indigenous religious practices, indicating that a significant proportion have adopted new religions without discarding traditional systems.

The Ghanaian economy is heavily reliant on agriculture and mineral extraction. Chief exports include gold, cocoa, timber, and tuna. Real growth in gross domestic product (GDP) in 2001 was 3%; it was forecast to reach 4.8% by 2003. Per capita GDP stood at us\$1,980 in 2001. The currency of Ghana is the *cedi*. Inflation, which has been a scourge, continued to be a problem in the early years of the twenty-first century. It was estimated at 22.8% in 2000, rising to 25% in 2001; however, it was forecast to decline to 14% by 2002, and to 7% by 2003. Unemployment stands at 20% and underemployment is also problematic.

### POLITICAL BACKGROUND

Ghana has experienced four coups and three republics since it was granted independence from Britain in 1957. The failure of each regime is usually linked to difficult economic conditions and official corruption. The regime of Kwame Nkrumah, the new nation’s first prime minister, was marked by increasing levels of authoritarian rule coupled with growing financial mismanagement and economic decline. In 1964, the army and police staged a successful coup d’état, and overthrew the Nkrumah government. A new government was established, headed by the National Liberation Council.

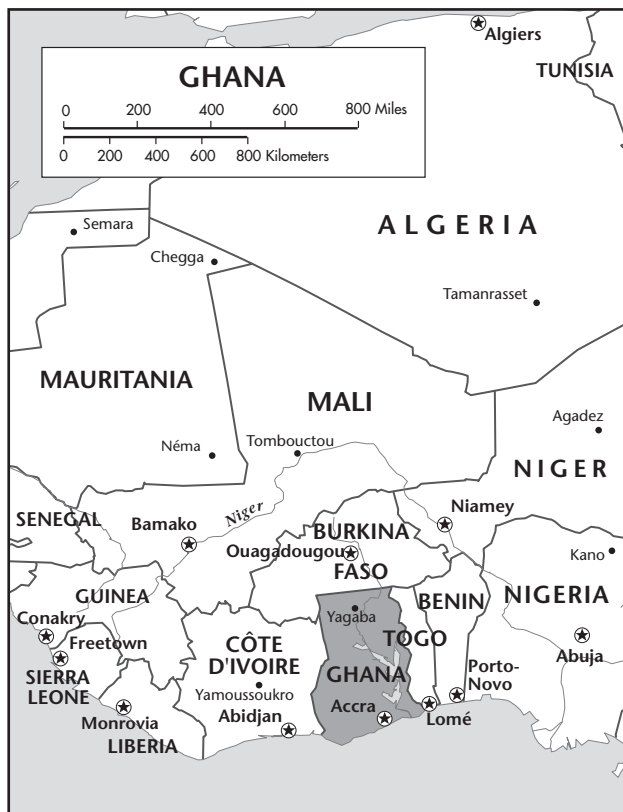
The second republic was inaugurated in 1969, after parliamentary elections gave a majority to the Progress Party, led by Kofi Busia. In response to increasing public discontent with the economy, the military once again seized power. The new government organized itself as the National Redemption Council and was headed first by I.K. Acheampong and later

by Frederick Akuffo. Neither leader was able to improve the economic situation or rid the regime of endemic corruption. On 4 June 1979, the Akuffo government was overthrown in a violent coup by a group of junior military officers. The leaders formed the Armed Forces Revolutionary Council (AFRC), with Flight Lieutenant Jerry Rawlings as its chairman.

Rawlings received enthusiastic initial support, but by 1984 the lack of economic progress was generating popular discontent. Several attempted coups were reported between 1984 and 1987. District-level elections scheduled for mid-1987 were postponed until late 1988 and the ban on political parties remained in effect. The elections took place between December 1988 and February 1989, after extensive reorganization of the country at the district level, and with one-third of the seats reserved for Provisional National Defence Council (PNDC) appointees.

Under pressure from Western donor nations, Rawlings announced in July 1990 the formation of a National Commission for Democracy (NCD), whose task it would be to determine the political future of the country. In December 1990, Rawlings proposed the introduction of a new constitution by the end of 1991. The NCD presented its recommendations in March 1991; these included the election of an executive president for a fixed term, the establishment of a legislature, and the creation of the post of prime minister. In May the PNDC endorsed the recommendations as well as the return to a multi-party system, although the ban on political associations was reiterated in no uncertain terms. Later that month the PNDC announced the creation of a 260-member consultative assembly whose purpose was to present a new constitution to the government by the end of the year. In August Rawlings announced that presidential and legislative elections would take place in late 1992. The new constitution, which provided for a president elected to a four-year term by universal suffrage, was presented at the end of March 1992, and adopted in a national referendum in April 1992.

The November 1992 elections were marred by manipulation and fraud leading to an opposition boycott of the second round in which voters elected parliamentary representatives. National Democratic Congress (NDC) candidates won 198 of the 200 legislative seats; the remaining two were won by independent candidates. The government of



Ghana's Fourth Republic was inaugurated in January 1993 with Rawlings as president.

In the 1996 contest Rawlings again defeated a disorganized and contentious opposition despite efforts by the New Patriotic Party (NPP) and the People's Convention Party (PCP) to unite behind the Great Alliance and a single candidate, John Kufuor. Edward Mahama of the Peoples National Convention (PNC) was also a candidate. Some 76.8% of eligible voters cast ballots, reelecting Rawlings with 57.2% of votes cast. Of the 200 parliamentary seats, Rawlings' NDC won 130, the NPP 59, and the PNC 1.

Having completed his second and last constitutional term of office, Rawlings stood down in the December 2000 elections. Kufuor's second-round victory over Rawling's hand-picked successor, John Atta Mills, marked the first time in Ghana's history that one democratically elected president was succeeded by another. In the parliamentary elections, the NPP won 99 of the 200 seats while the NDC returned 92 seats. A by-election gave the NPP absolute majority with 101 seats, with 91 seats held by the NDC and eight smaller parties.

### PERSONAL BACKGROUND

John Agyekum Kufuor was born on 8 December 1938 in Kumasi. He was the seventh of 10 children born to Nana Kwadwo Agyekum, head of the Oyoko Royal family of Kumasi, the Ashanti capital, and Nana Ama Dapaah, a Queen mother. He graduated from Prempeh College, Kumasi, in 1958 and enrolled at the Lincoln's Inn, London, and was called to the English Bar in 1961. He was awarded an Honors

B.A. and an M.A. in philosophy, politics and economics by Oxford University in 1964.

Kufuor and his wife, Theresa, a nurse, have five children. His leisure time is spent enjoying various sports. He has served as chairman of a championship soccer club. During his high school and university years, he was a champion in the track and field events of shot put and discus.

### RISE TO POWER

Kufuor's public service spans over 30 years. From 1964 to 1969 he was a Kumasi-based private legal practitioner. From 1967 to 1969 he was chief legal officer and city manager of Kumasi. He was a member of the Constituent Assemblies that drafted the Constitutions of the Second and Third Republics respectively. He was a member of Parliament during the Second and Third Republics and served as a deputy minister of foreign affairs during the Second Republic. Kufuor led Ghanaian delegations to the annual meetings of the United Nations general assembly in New York, and the 1970 Ghanaian delegation to Moscow, Prague, and Belgrade. Kufuor returned to private life during the period of military leadership after President Busia's overthrow in 1972 and ran a brick and tile factory. He returned to Parliament in 1979.

Kufuor was a founding member of the Progress Party (PP), the Popular Front Party (PFP), and the New Patriotic Party (NPP). He was the PFP's spokesman for Foreign Affairs and the deputy opposition leader of the PFP during the Third Republic. He was also a member of the parliamentary delegation that visited the United States in 1981 for talks with the officials of the International Monetary Fund (IMF) and the World Bank on Ghana's economic problems.

After the overthrow of the Limann government by Flight Lieutenant Jerry Rawlings in 1981, Kufuor was appointed the minister for local government with the PNDC. However, Kufuor and Rawlings had difficulty establishing rapport, and Kufuor resigned from the Rawlings government after seven months citing "irreconcilable political differences." In 1996, Kufuor ran in the presidential elections as a candidate of the NPP party, losing to incumbent president Jerry Rawlings. He again ran for the presidency on 7 December 2000, this time winning the second round of voting with 56.7% of the vote. He took office on 7 January 2001.

### LEADERSHIP

Kufuor's presidency follows 20 years of populist Jerry Rawlings' colorful, but highly erratic and at times violent rule. In contrast to Rawlings, Kufuor has adopted a chairman-of-the-board style of management, and has been criticized for indecision and lack of bold leadership.

From Rawlings, Kufuor inherited an inflation rate of 45%, a cedi whose value was in rapid decline, debt service equal to 9% of the GDP, and empty government coffers. In a controversial move, he agreed to place Ghana under the heavily indebted poor countries (HIPC) initiative to avoid defaulting on massive foreign loans, and in spite of much criticism, Kufuor allowed subsidized fuel prices to rise by 70% early in his term, and to double in January 2003. To prevent collapse of power generation and distribution, he permitted a hike in utility rates of over 100%.

In December 2002, a Ghanaian think-tank released a midterm report card rating Kufuor's first two years in office. The report found that on balance the administration's record on rule of law, human rights, and constitutionalism was "moderately positive," a finding supported by Amnesty International and Freedom House. In particular, Kufuor upheld the dignity of the office of president, and did not attempt to create a cult following. He kept the party separate from the state, and prosecuted public officials for having caused financial loss to the state. The same report found Kufuor's record on transparency and government-media relations mixed, but praised him for improving civil-military relations, professionalizing the armed forces and police service, and for improving the personal security of citizens overall. By initiating a process of national reconciliation, Kufuor created a mechanism to investigate and resolve political grievances dating from independence. In March 2003, Rawlings was called upon to testify before the National Reconciliation Commission on charges that he had witnessed and failed to stop tortures in 1984.

### DOMESTIC POLICY

Kufuor was elected on a platform promising a "Golden Age of Business" and "Zero Tolerance for Corruption," but these slogans represent mostly unfinished business for his government. On the positive side, Kufuor's administration has kept inflation down, exercised fiscal discipline, and established macroeconomic stability. One of the reasons behind this new discipline was legislation that gave the Bank of Ghana a measure of independence to make monetary policy in the best interests of the state. Kufuor also has been commended for consulting the private sector and civil society in economic policy review and analysis.

Analysts have found the administration under Kufuor's leadership to be guilty of sins of omission, perhaps owing to lack of decisiveness and action. Among these sins is the absence of a framework to implement wealth-building policies despite the creation of a new ministry for Private Sector Development. The economy remains fundamentally unchanged in its dependency on imports and orientation toward services and retail business. Further, the government's budget allocations have failed to reflect the objectives framed in the Poverty Reduction Strategy Paper (PRSP), something which the administration has promised to remedy. In addition, little action on the part of the administration would indicate that the government is serious about advancing decentralization.

A number of microeconomic challenges were pending as well. These include resolving the debt crisis of the Tema Oil Refinery (TOR), finding a sustainable solution to extremely low ("sub-living") wage levels in the public sector, reassessing the value of government-controlled natural resources such as timber and land, adopting market solutions to smuggling of cocoa and fuel, and mobilizing local revenues. Studies show that tax evasion is rampant among corporations, entrepreneurs, and professionals.

While Kufuor's government has stabilized the economy, long-term challenges remain. The economy needs to grow by at least 6% per year to reduce poverty—4.8% is realistic—and the government must hope to avoid the shocks that result

from potentially unfavorable terms of trade. The economy is especially vulnerable to the prices of imported fuel, and is heavily invested in export commodities such as cocoa and gold. To increase savings and to spur private sector investment, inflation must be controlled.

### FOREIGN POLICY

Kufuor has not strayed far from Ghana's good-neighbor policy in the subregion. In the 1990s, Rawlings sent Ghanaian troops and civilian police to join United Nations (UN) peacekeeping forces in Liberia, Sierra Leone and around the continent under auspices of the Community of West African States (ECOWAS). This policy has continued under Kufuor. Ghana continues to advocate closer economic ties with neighboring states, and is a proponent of a West African monetary zone. Relations with Togo, despite the negative connotations that befriending a dictator has, are close.

If there is continuity in foreign policy, there also is departure. Kufuor has traveled extensively in his first two years to show the world a Ghana without Rawlings. Not only did Kufuor's foreign minister, Hackman Owusu-Agyeman, speak out against Zimbabwe's president Robert Mugabe's handling of that country's land policy and its treatment of white farmers, Ghana was among the first African states to agree to submit to the New Partnership for Africa's Development (NEPAD) African Peer Review Mechanism (APRM). The APRM obliges African heads of state to submit to policy review by their peers thereby providing donors with evidence of African commitment to raising standards of governance.

U.S.-Ghanaian relations were strained intermittently under Rawlings and reached a low in 1983 when the United States froze development aid in response to false accusations. The 1990s witnessed a genuine effort on both sides to improve bilateral relations, capped by Rawlings' visit to Washington in February 1999. In February 2003, Ghana found itself subject to the Brooke Amendment, which denies further U.S. assistance to countries in arrears beyond one year on their debt to the United States. In March 2003, the United States and Ghana inaugurated a trade hub in Accra that will reinforce regional efforts to enhance West African trade competitiveness to take greater advantage of trading opportunities provided through the African Growth and Opportunities Act (AGOA) and other global trade initiatives.

The West African Gas Pipeline (WAGP) project—undertaken with neighbors Nigeria, Benin, and Togo, and contracted with Chevron and Shell—is behind schedule. It is expected to be operational by 2005.

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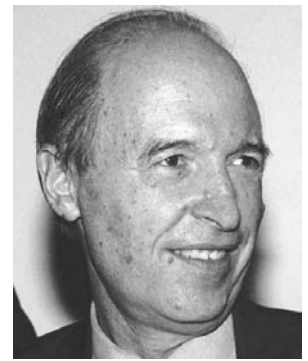
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# GREECE

**Kostas Simitis**  
**Prime Minister**

(pronounced “KUSS-tohs seh-MEE-tees”)



*“Greece is in one of the most exciting times in its modern history...  
The country we are building will be very different from its present state.”*

Greece, known officially as the Hellenic Republic, is located in the southern tip of the Balkan Peninsula. Greece consists of the mainland and numerous islands, both on the Ionian and Aegean Seas, covering a total size of 131,957 sq km (51,146 sq mi). The population was estimated at 10.6 million in 2002. The two largest cities are Athens and Salonika. The population of the Hellenic Republic is composed primarily of Greeks but also includes minority groups of Muslim Turks and others. The vast majority of the Greek population (98%) belongs to the official Eastern Orthodox Church.

Greece’s economy, with a per capita gross domestic product (GDP) estimated at \$19,000 in 2002, is primarily based on tourism and agriculture. Shipping however, is also among the activities that contribute to foreign exchange earnings. Other industries include textiles, food and tobacco processing, chemicals, mining, and petroleum. Principal Greek exports are food and beverages, manufactured goods, petroleum products, chemicals, and textiles. Major import items are machinery, transport equipment, fuels, and chemicals. Until 2002, when Greece was one of twelve nations to adopt the euro as national currency, the Greek currency had been the *drachma*.

## POLITICAL BACKGROUND

Twentieth-century Greek history records repeated confrontations with its neighbor Turkey (the successor of the Ottoman Empire). Greece gained its independence from the Ottoman Empire in 1830 after a prolonged war of liberation with substantive help from Great Britain, France, and Russia. Territorial disputes with the Ottoman Empire over the disposition of the Balkan territories brought about a succession of Balkan Wars (1912–13). After these wars were concluded, Greece significantly increased the size of its territories at the Ottoman Empire’s expense.

After World War I, Greece occupied western Anatolia following the defeat of the Ottoman Empire. The occupation, though, resulted in Greece’s military defeat and a massive exchange of populations between Turkey and Greece. In total, about 1.5 million refugees came to Greece, and about 800,000 Turks were transferred from Greece to Turkey by 1922. Also, Greece and Bulgaria agreed to an exchange of their ethnic minorities; about 92,000 Bulgarians left Greece for Bulgaria, and 46,000 Greeks emigrated from Bulgaria to Greece.

From 1925 to 1935, Greece was a republic. After the restoration of the monarchy, a right-wing dictatorship was

established by Ioannis Metaxas. In October 1940, however, Greece was attacked by the Italians, and after April 1941 the German occupation forces controlled political power in the country. The Greek monarchy was returned to power in 1946, after the end of Axis occupation during World War II (1939–45). The civil war between the royalists and Communists that erupted during this period ended when Communists were defeated with British and U.S. military assistance in 1949.

In 1964 a center-left coalition called the Center Union led by George Papandreou gained a parliamentary majority, ending the long period of successive conservative governments of 1949–64. This new era was marked by continual political crises as the country remained ideologically polarized between left and right, leading to the establishment of a military *junta* in 1967.

Political difficulties, the disputes with Turkey, and growing inflation laid the groundwork for transition to civilian rule. In the 1974 parliamentary elections, Constantine Karamanlis was confirmed as the prime minister. Karamanlis, the leader of the center-right New Democracy (ND), further expanded his political influence following the 1977 elections, in which his party gained a substantial victory.

In the 1981 general election, Andreas Papandreou’s left-wing Panhellenic Socialist Movement (PASOK) won a clear victory. Papandreou was reelected in 1985. His party lost power in 1989 because of highly publicized scandals. After four years in opposition, PASOK returned to the government, again headed by Papandreou, in the elections of October 1993. Illness forced his resignation on 15 January 1996, and Kostas Simitis was sworn in as his replacement. Hoping to achieve a broad mandate from voters, he called for legislative elections on 22 September. His Panhellenic Socialist Movement won 41.5% of the vote—giving him a comfortable majority in parliament. Under Simitis’s leadership, PASOK won reelection on 9 April 2000 with 43.8% of the vote.

Despite significant military influence in the past, Greece is now a parliamentary democracy with a 300-member unicameral Parliament (Vouli ton Ellinon). Political power rests largely with the premier while the president fills a mainly ceremonial role. Following the 9 April 2000 elections, the major political parties represented in Parliament are PASOK (158 seats) and ND (125 seats). The remainder of seats are held by the Greek Communist Party (KKE) and Coalition of the Left and Progress (SYN).



## PERSONAL BACKGROUND

Kostandinos Georgiou Simitis was born in Athens on 26 January 1936. He is the son of George Simitis, an attorney and professor. He is married to Fani Arkadiou and has two children.

Simitis received his education in Germany and Britain. He studied law and economics at the University of Marburg in the Federal Republic of Germany (West Germany) between 1954 and 1959, where he earned his doctorate in 1959. From 1961 to 1963, he studied at the London School of Economics and Political Science.

After completing his studies, he worked as an attorney and taught commercial law at several universities. In 1971 he was assistant professor at the University of Konstanz in Germany. He served as a full professor of commercial law and civil law at the Justus Liebig University in Giessen during 1971–75. Since 1977 he has taught commercial law at the Pantions University of Political Sciences. He is the author of several books on political science and law and has also published numerous articles in law reviews.

In 1965 he was one of the founders of the Alexandros Papanastasiou Society (Society for Political Research and Studies). During 1967–69 he undertook clandestine actions against the *junta* but avoided arrest by escaping abroad. In 1970 he served as a member of the National Council of the Panhellenic Liberation Movement (PAK). During 1969–74 he stayed in Germany and participated in public meetings in opposition to the Greek dictatorship.

On 3 September 1974, the PASOK (Panhellenic Socialist Movement) was founded. Simitis was one of the founding members and served on both the central and the executive committees. He served as minister of agriculture between October 1981 and 1985 and minister of national economy from June 1985 to October 1987. He was elected to Parliament four times beginning in 1985. From June 1989 to November 1989, he was minister of education. After the October 1993 elections, he became minister of industry, energy, technology, and commerce.

## RISE TO POWER

Although Simitis undertook many posts in every Papandreou government, he remained a largely unpublicized and silent figure. Yet, he was critical of his leader's fervent style and excessively populist policies. Simitis was opposed to Papandreou's anti-European Union (EU) and anti-American rhetoric. He favored a modernization of PASOK and espoused more moderate policies in foreign affairs. His resignation in September 1995 from the Papandreou government, over economic policy differences, increased his visibility as a leading anti-Papandreou dissident.

When Papandreou fell ill and was admitted to the hospital, Simitis and others within PASOK who had argued for changes within the party found a favorable environment for advancing their reformist vision. Although Papandreou was reluctant to relinquish power to this reformist wing, Simitis was elected by PASOK deputies as party leader and prime minister on 22 January 1996. He defeated acting Prime Minister Akis Tsokhatzopoulos in the second round of voting at the party convention. He also eliminated his other rivals, defense minister Gerosimos Arsenis and former deputy prime minister Yannis Haralambopoulos. Simitis retained his position through the 2000 elections.

## LEADERSHIP

The qualities that make Simitis a strong leader include his ability to form consensus among the factionalized PASOK and his moderate style. After coming to power Simitis pursued a policy of compromise and moderation vis-à-vis his former opponents in PASOK. He carefully avoids confrontation, seeks dialogue, and tries to present himself as a pragmatic and realistic leader.

Simitis's success as a leader was dependent upon his ability to reform PASOK. To do so he had to placate both ex-Papandreou followers and the more conservative elements in the party. While the ideological gap was quite large, Simitis has demonstrated his leadership skills in bringing the factions together.

First, he has offered ministerial positions to both factions of PASOK. For example, he named his chief rival, Akis Tsokhatzopoulos, to the important position of minister of defense. He appointed another rival, Gerasimos Arsenis, minister of education. George Papandreou, the former prime minister's son, was also given a cabinet position. Clearly Simitis was striving to maintain unity in his party, while simultaneously moving it closer to the center of the political spectrum.

Simitis has carefully implemented a policy of reform, thus undermining the platform of the main opposition party (New



Democracy—ND). He has revamped his party's policies so that PASOK and New Democracy now agree on many major issues facing the country. By doing this, Simitis has effectively undercut ND's potential ammunition against his party.

Although lacking Andreas Papandreou's charisma, Simitis has smoothly transformed the political balance, both within PASOK and Greek politics at large, by shifting power to the reformist side. As a man uncomfortable with public attention, Simitis has managed to avoid the disruptive factional tensions that had long haunted PASOK.

### DOMESTIC POLICY

Although Andreas Papandreou and Simitis were members of the same political party, the election of Simitis signaled major domestic and foreign policy changes. During the first months Simitis pursued reforms that contradicted Papandreou's socialist vision. Simitis and his associates, while still professing socialist ideals, adopted pro-Western and promarket policies. Late Premier Andreas Papandreou's son, George Papandreou, stated that the new policies reflect "the liberal American tradition."

The Greek economy experienced marked difficulty in the early 1990s. Simitis responded by sharply reducing government spending to control the deficit and inflation. By the end of 1998, inflation had been reduced to 4%. Furthermore, the economy is now showing signs of growth. By mid-2002, Greece's growth rate had nearly reached 3.8% and was expected to continue to grow (to an estimated rate of 4%) due to an influx of European Union (EU) funds, as well as projects slated for the 2004 Summer Olympics scheduled to be held in Athens.

Early in his administration, the Simitis government implemented a net-worth tax program to improve tax collection. In September 2002, Simitis introduced further tax reforms that raised the amount of tax-free income individuals and families could earn in an effort to promote a more equitable system of taxation.

Simitis's economic policies emphasize austerity, monetary rigor, and privatization. He favors austerity measures to bring Greece's economy in line with those of its EU partners. He also wants to partially privatize the national telecommunications company and the national petroleum corporation, and to push for the compilation of EU-funded public works. He has promised to reduce red tape in order to attract more foreign investors.

Simitis also hopes to sweep away the sprawling and inefficient bureaucracy and replace it with meritocracy. He tackled the patronage system by cutting unnecessary jobs in the civil service and public sectors and ordered his economic minister to eliminate at least 15,000 civil service jobs over the next three years and make deep cuts in local government spending.

### FOREIGN POLICY

Simitis's tight economic policy stems from his eagerness to bring Greece closer to the North Atlantic Treaty Organization (NATO) and to transition to full EU membership, a process that began in 1981. Since coming to power Simitis has visited the nations of Western Europe and the United States to improve relations. He believes that Papandreou's policies created an economy that could not meet the demands of the EU standards. His policies emphasize Greece's obliga-

tions—reducing inflation, unemployment, and the budget deficit. At the cornerstone of his foreign policy is his effort to harmonize the Greek economy with that of other EU countries.

Simitis is also involved in the rotating presidency of the EU. (The presidency of the EU rotates among the member countries every six months.) Greece's EU presidency began in January 2003.

On 16 April 2003, Simitis presided over a ceremony at the foot of the Acropolis in Athens where European leaders signed a treaty to bring ten more nations—Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia—into the EU. The new members were scheduled to receive the full right to vote in May 2004, following ratification of the new treaty by the legislatures of all 25 member nations.

At the outset of his term as president of the EU, Simitis had set enlargement of its constituency as a priority for the EU; his other goals included economic growth, control of immigration, preparing a conference on the structure of Europe, the EU's common defense and security policy, and environmental issues. Simitis has pledged that one of the top priorities off the presidency will be to work toward expanding and strengthening relationships with the EU in the Middle East. Since the mid-1990s, Greece has encouraged the peace process in that region. In 1997 and 1998, Greece hosted meetings of both Israeli and Palestinian politicians. In 2002, with violence escalating in the Israeli-Palestinian conflict, Simitis pledged EU support for the establishment of an independent Palestinian state.

At the March 2003 EU summit, Simitis largely ignored the U.S.-led war in Iraq and the deep divisions it had caused in the EU, choosing instead to focus on economic issues. Simitis tried to keep the meeting focused on the Lisbon Agenda, a plan for making Europe's economies more flexible and more competitive globally.

The United States and Greece have a long history of excellent political and cultural ties based on a common heritage, shared democratic values, and participation as military allies during World War II, the Korean conflict, and during the Cold War. In 2001, as President George W. Bush initiated the War on Terror (in response to the 11 September 2001 terrorist attack targeting the U.S. Pentagon in Washington, D.C., and the World Trade Center, New York) Simitis has shown full support in the U.S. fight against terrorism and toward the actions against the Afghanistan al-Qaeda and Taliban fighters. Greek troops were included in the international assistance security force in Afghanistan and the Greek government joined others in offering financial assistance for the families of victims of the New York attacks. Simitis, however, has shown wariness with regard to U.S. plans to target other nations, such as Iran, in efforts to eliminate international terrorism. Simitis and Iranian president Mohammed Khatami have worked closely to establish political and economic ties between the two nations as well as establishing a better relationship between Iran and the EU.

Concern over Turkish actions in the region has prompted Simitis to pursue a pragmatic approach to regional affairs. A top priority for the Simitis administration is dealing calmly with Turkey. After serving in the office for barely a month

Simitis had to deal with a dispute, which brought Greece and Turkey close to war, over two islets in the Aegean Sea. His capable handling of this dispute without resorting to harsh means sent a positive signal to the international community. He adeptly managed the crisis through negotiation, much to the anger of opposition politicians. He hopes to solve the long-standing conflict with Turkey through mediation in the international court at The Hague.

Simitis's third year in power (1999) provided the moderate leader with his most serious challenges in foreign relations. That February, relations with Turkey reached a new low following the capture of Kurdish terrorist leader Abdullah Ocalan by elements of the Turkish secret services in Nairobi, Kenya. His capture led to Turkish charges that Greece was a state sponsor of terrorism. In the wake of the fiasco, Simitis fired his outspoken foreign minister, Theodoros Pangalos, and replaced him with George Papandreou. The American-born younger Papandreou pursued a more amiable approach in his dealings with Western diplomats. The outbreak of the Kosovo war the following month demonstrated an outpouring of popular anti-NATO sentiment among the Greek population. Nevertheless, Simitis succeeded in walking a diplomatic tightrope by offering logistical support to its NATO allies without actually participating in a combat role.

In late summer, however, relations with Turkey underwent a drastic improvement following earthquakes in the two countries. The devastating quake killed over 20,000 Turkish citizens. In response, Simitis offered Greek humanitarian assistance, which was gladly accepted by its stricken neighbor. A smaller quake in Greece the following month killed more than 100, and Turkey reciprocated the gesture. Following these twin tragedies, the Simitis government proceeded to reach agreement with Turkey in several areas of mutual interest, including trade and the fight against terrorism. Central to these efforts at Greek-Turkish reconciliation was the personal rapport that developed between George Papandreou and his Turkish counterpart Ismail Cem.

Another issue affecting Greek-Turkish relations is the effort to reunify the island of Cyprus, which has been divided into Greek and Turkish factions since a 1974 coup against Cyprus President Makarios. Greece has a military contingent on Cyprus, and Greek officers fill some key positions in the Greek Cypriot National Guard, as permitted by the constitution of Cyprus. On behalf of his government, Simitis has offered full support to the Republic of Cyprus and has called for the removal of Turkish troops and the restoration of a unified state as Cyprus moves toward membership in the EU.

Unfortunately, in March 2003 negotiations, brokered by UN president Kofi Annan, broke down after the Greek and Turkish Cypriot leaders rejected a UN-drafted plan. Turkey abandoned talks partly because it was distracted by a concurrent U.S.-led war against Iraq. After the breakdown of talks, the EU planned to go ahead with admitting the Greek sector of the divided island only.

The Simitis government stresses the importance of improving relations with its Balkan neighbors through diplomatic and legal channels instead of resorting to inflammatory rhetoric. If peace in Balkans can be sustained, Greece hopes to prosper as a major trading partner in the region.

Greece will find itself at the center of the world stage when it hosts the Summer Olympics in 2004. Agencies involved with staging the event were struggling in 2003 to complete the many infrastructure and bureaucratic projects necessary to host the international sporting event. The arrangements were further complicated by the threat of international terrorism witnessed around the world in the early years of the twenty-first century.

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# GRENADA

**Keith Mitchell**  
**Prime Minister**

*(pronounced "KEETH MITCH-el")*

*"Equal opportunity for all irrespective of class, creed or gender.... We must value all, look down on none, and support each other in our effort to make this beautiful country the very best it can be."*



Grenada is the most southerly of the Windward chain of West Indian islands. To its south is Trinidad and Tobago, and to its north is the island of St. Vincent. The total area of the country is 345 sq km (about 130 sq mi).

Grenada's estimated population of 89,211 in 2002 is over 82% black, with the remainder being of European, Asian Indian, Arawak/Carib Amerindian, or mixed ethnic descent. The main religion is Roman Catholicism. English is the official language of the country although a French patois is still spoken, especially by older citizens.

Grenada is known as the "Spice Island" because it is a major world exporter of an assortment of spices, including nutmeg and mace. Bananas and cocoa are the other main exports, supplemented by other fresh fruits and vegetables and some light manufactures. Tourism is also an important income earner for the country. Per capita gross domestic product (GDP) was estimated at US\$4,750 in 2001. The unit of currency is the EC (Eastern Caribbean) dollar.

## **POLITICAL BACKGROUND**

Anglo-French rivalry during the eighteenth century was reflected in Grenada's numerous changes of ownership between Britain and France. In 1763, the island was ceded to Britain. It became a crown colony with limited self-government in 1877. Universal suffrage was introduced after World War II, largely as a result of pressure from labor groups. In 1967, full internal self-government was granted to Grenada and other Eastern Caribbean islands under a specially devised status that made these nations "Associated States" of Britain. Under this arrangement, Britain was responsible for external affairs and defense. In 1974, despite widespread social unrest and opposition to the prevailing leadership, Britain granted independence to Grenada. Two main political parties had emerged: the working class-oriented Grenada United Labor Party (GULP) and the Grenada National Party (GNP), which appealed to the middle and upper classes. GULP dominated the political scene until 1979 when its autocratic leader was removed in a coup staged by the socialist and youth-oriented New Jewel Movement (NJM). The NJM's People's Revolutionary Government (PRG) lasted until 1983 when internal factionalism led to the execution of its leader, Maurice Bishop, and several colleagues. After an appeal by the neighboring Eastern Caribbean states, the United States sent troops to restore order, paving the way for elections in 1984.

Until 1979, Grenada had been a parliamentary democracy, patterned along the lines of the British Westminster system.

The PRG replaced this with rule by a Political Bureau supported by parish councils. In 1984, the Constitution was restored.

The legislature (Parliament) is bicameral, and the head of government (prime minister) is the leader of the majority party in Parliament. The head of state (governor general) performs mainly ceremonial and procedural duties. The country has retained its links with the British Commonwealth and the British monarchy. Between 1984 and 1995, Grenada's former two-party system was replaced by a vigorous multiparty democracy that engendered unstable coalition governments. This was changed in June 1995 when the New National Party (NNP) won a majority of eight (out of 15) seats in the House of Representatives. The opposition was formed by the National Democratic Congress (NDC), holding five parliamentary seats, and the GULP, with two seats. The NNP leader, Keith Mitchell, became prime minister. In December 1998, the country's foreign minister, Raphael Fletcher, resigned from the government, citing concerns about governmental integrity and disenchantment with the prime minister's leadership style. His resignation was preceded by an unsuccessful vote of no-confidence brought by the opposition. Fletcher's resignation left the government without a parliamentary majority, and fresh elections were called as required by the constitution. In January 1999, the NNP, led by Mitchell, was returned to power, winning 14 of the 15 parliamentary seats (GULP held the single remaining seat). Five parties and two independent parties contested the results. The NNP gained 62.2% of the vote while its nearest rival (GULP) gained only 24.9%. The next elections were scheduled for October 2004, but amid political and economic turmoil in 2003, Mitchell planned to call early elections.

## **PERSONAL BACKGROUND**

Keith Claudius Mitchell was born 12 November 1946 in St. George's, the capital city of Grenada. He attended primary and secondary school in Grenada. Mitchell was active in sports, representing Grenada as captain of the cricket team and leading the Windward/Leeward Islands combined youth team. In 1968, he attended the University of the West Indies, Barbados (Cave Hill) campus, on a government scholarship. There he studied mathematics and chemistry, graduating with a bachelor's degree in 1971. Mitchell returned to Grenada to teach, then won a scholarship to pursue a master of science degree in mathematics at Howard University in the United States. He continued his studies at American University, also on scholarship, where he earned a doctorate in mathematics



and statistics (1979). Between 1977 and 1983, Mitchell taught at Howard University. He also started his own consulting firm in Washington, D.C., and subsequently worked for various international organizations and U.S. government agencies. Mitchell is married to the former Marietta Cummins and has one son.

Mitchell is an avid cricket player, having been captain of the national cricket team from 1971–74.

### RISE TO POWER

Mitchell's entry into politics was facilitated by Grenada's post-revolutionary return to democratic rule in 1983. Like many others, Mitchell returned to his home country from the United States to join in Grenada's democratic rebirth. He became a member of the New National Party (NNP), a coalition of center-right parties at the core of which was the old opposition party, the GNP. The NNP coalition, promoted by several Eastern Caribbean leaders, and indirectly by the United States, was successful in gaining power. Mitchell was put in charge of the Ministries of Works, Communications, Public Utilities, Civil Aviation, and Energy. His base of support was in the black working classes.

By 1987, the NNP coalition had collapsed as a result of internal differences over leadership style and policy. The most important coalition partners left to form the National Democratic Congress (NDC, formerly National Democratic Party). Mitchell used the opportunity to express his own dissatisfaction with the aging and authoritarian leadership of Herbert Blaize, who had been the GNP leader and was given the leadership of the NNP coalition. Beyond personal ambition and personality differences, Mitchell opposed the

government's fiscal policy, restrictions on militant groups, and failure to alleviate youth unemployment.

In 1989, Mitchell mounted a challenge to Blaize's leadership and succeeded in being elected to head the NNP. This created an unusual situation. Blaize was no longer the leader of the majority party in Parliament but still continued to rule as prime minister. In July 1989, Blaize dismissed Mitchell from the cabinet and moved to form his own party, The National Party (TNP). Mitchell, deprived of a majority in Parliament, was unable to carry through with a proposed no-confidence vote intended to oust Blaize from the prime ministership. Blaize remained as prime minister until his death in December 1989.

Mitchell entered the 1990 elections plagued by broad allegations of corruption (which were never proven although a commission of inquiry was set up), and by some popular dissatisfaction over his aggressive removal of Blaize from party leadership. At the same time, the NNP/TNP administration had not demonstrated an ability to solve the country's economic problems. Thus it was not surprising that the election was won by the NDC, which formed the government in coalition with the TNP. Mitchell's party won only two seats and formed the opposition, along with Eric Gairy's GULP.

The NDC proved to be no better than the NNP at improving the economy. In particular, despite overall statistical growth in the economy, unemployment rose considerably; foreign investment did not bring major expected rewards; tourism declined; and the agricultural sector suffered various setbacks. In 1995, Mitchell harnessed the discontent not only of the working class but also the heavily taxed middle classes. While he promised a repeal of the national income tax and jobs and other programs for the large number of unemployed young people, Mitchell was careful not to make any excessive promises. His success was attributed to his appeal to moderation and to national unity at a time of national and regional economic uncertainty.

In the period before the 1998 election, Mitchell's government was accused by the opposition of a lack of accountability and transparency, and of having an excessive focus on expensive large projects that did little to lower the high unemployment rate. Mitchell was successful in countering these accusations by emphasizing that rumors of corruption were completely unsubstantiated and by outlining the benefits that his government's projects had brought to the people of Grenada. Beyond these policy issues, Mitchell's overwhelming success was premised on the promise of continuing domestic stability and investor confidence. Mitchell also benefited from accusations against Raphael Fletcher of improper use of travel monies while in government and similar accusations of impropriety against the daughter of former prime minister, Eric Gairy. Finally, Mitchell's success was attributable to widespread respect for his leadership and willingness to allow him more time to complete his promising public policy agenda.

The NNP, which held a slim eight–seven majority in Parliament in 1998, lost its majority when two of Mitchell's supporters crossed over to the opposition. Mitchell was forced to call early elections (18 months ahead of schedule) for January 1999. Turnout was low, with only 56.4% of registered voters casting ballots. Opponents complained they

only had six weeks to campaign, which gave Mitchell an advantage. His NNP captured all 15 seats in the January elections despite accusations of corruption in his government. Mitchell was accused of irregularities in awarding public works contracts and negotiating with foreign investors with questionable credentials. Mitchell has been credited with stimulating the economy and attracting investment. The Organization of American States (OAS), which monitored the elections and called them fair, later said Grenada should consider campaign finance reform, as opponents claimed they could not compete against the better-funded NNP. With their January 1999 victory, Mitchell's ruling NNP became the first in Grenada to win two successive terms since 1984 when parliamentary democracy was restored in the nation.

### LEADERSHIP

Mitchell is generally viewed as an astute and competent leader who has brought some political unity to Grenada. He praised the contributions of the TNP and the GULP and has also lauded the social contributions of the PRG. In the wake of his overwhelming victory at the polls, he exhibited a statesman-like humility. On the other hand, there has long been personal animosity between Mitchell and Democratic Labor Party leader Francis Alexis. The death of Eric Gairy and the fact that the GULP allied with Alexis during the 1998 election has soured relations between Mitchell and that party. In general, political divisions among the elite appear to have been heightened in recent years. In January 2001, a new opposition party, the United Labor Congress, emerged, calling for the resignation of current government leaders on the grounds of corrupt practices. Although there is no significant parliamentary threat, the opposition has shown increased activity since April 2001. Mitchell appears to be preparing to hold elections in 2003, although according to the Constitution elections are not due until 2004.

### DOMESTIC POLICY

In its first term, the NNP government vowed to promote job creation and job training, as well as entrepreneurial activity, especially at the level of small business. Instead, the focus has been on the creation of needed infrastructural development (roads and water projects) and on major construction projects, including a fisheries complex, a vendor's mall, and school rehabilitation projects. More visible and much-criticized projects, such as the erection of an expensive national stadium and the construction of major hotels, have also been undertaken. Concerns have been expressed about the government's weak commitment to small business, despite the initiation of a micro-enterprise project. Related to this is the downturn in light manufacturing, which has suffered from regional competition. Tourism has grown only modestly and the impact of new hotel development on employment and on the local agricultural and handicraft sectors remains unclear. Although the government correctly boasts that unemployment has been cut in half (to about 14%), it is still high. Moreover, the rural sectors have suffered as agriculture continues to experience downturns. A mealy bug infestation that plagued fruit production for many years has finally been brought under control. However, the banana and cocoa industries have been depressed by quality issues and lack of financial resources, as well as uncertainties affecting the

continuation of the important European banana regime. Thus the government urgently needs to initiate activities to help those sectors that do not perceive themselves as benefiting from macro planning and restructuring. Finally, one of the NNP's early promises was to remove the personal income tax for most residents in order to stimulate growth. The abolition of income taxes has indeed been accomplished but has resulted in increased reliance on international trade taxes. There is concern that this will lead to increased government debt. On the other hand, the government has been cautiously successful in increasing compliance with regard to tax collection on goods and services and non-personal income.

### FOREIGN POLICY

The Mitchell government has a strong base of support among immigrants in North America who have contributed to revenues through remittances and investments. The prime minister, himself a graduate of U.S. educational institutions, has promoted close relations with these expatriate sectors, as well as with the governments of the United States and Canada. A major focus has been on increasing educational and technical exchanges between Grenada and the United States. Grenada has also been cooperating closely with the United States in narcotics interdiction efforts. However, recent setbacks have made foreign relations less stable. In September 2001, Grenada was blacklisted by the Financial Action Task Force for failing to act against money laundering. The reputation of the government has also been tainted by its decision to strengthen its ties with Libya, a country regarded by the United States as a sponsor of terrorism. In early 2002, Canada began to require visas for Grenada citizens because of a passport scandal.

As a small country, Grenada's main arena of action is naturally regional. Mitchell has upgraded his country's presence in Caribbean Community (CARICOM) affairs. He has aggressively promoted implementation of the single market economy, a key aspect of regional economic integration. As chairman of CARICOM in 1997, Mitchell played a key role in resolving ethnopolitical instability that occurred in Guyana after general elections in December 1997. Mitchell and two other CARICOM leaders succeeded in brokering an agreement between the African and East Indian political elements. He has also been supportive of the Association of Caribbean States (ACS), a grouping that brings CARICOM nations together with their Central American and northern South American counterparts for the purposes of functional cooperation and future free trade. Through the ACS, Mitchell hopes that Grenada will be able to take advantage of the technological development of larger regional countries, such as Mexico. Under the Mitchell government, Grenada has pursued particularly cordial relations with Cuba. Mitchell believes that Grenada can learn from Cuba in technological areas and that Cuba can learn about the building of democratic institutions from Grenada and the other Caribbean countries. With this in mind, he has visited Cuba a number of times, and Cuban president Fidel Castro paid a reciprocal visit to Grenada in 1998. In October 2002, evidence of strengthening relations with Cuba were demonstrated when Cuba sent its first ambassador to Grenada since the overthrow of former Grenadan prime minister Maurice Bishop in 1979.

In early 2001 a libel suit brought by Mitchell in 1999 was decided, but not in Mitchell's favor. The judge ruled the law criminalizing the publication of defamatory material was unconstitutional. (The suit was triggered when *Grenada Today* published a letter from a reader, criticizing Mitchell for "spending millions of dollars to bribe" voters in the 1999 election.) Also affecting Mitchell's ability to govern in early 2001 were rumors that members of his cabinet were involved with the diversion of millions of dollars from the First International Bank just before it collapsed. Banking in Grenada was undergoing close international scrutiny by the Organization for Economic Cooperation and Development (OECD). OECD was investigating whether Grenada banking practices were facilitating illegal activity such as money laundering. In July, the International Monetary Fund (IMF) cited the need for Grenada banks to improve on their accounting in light of the increase in unidentified influx of capital from private sources.

In response, in 2002 and 2003 the government forced 36 offshore banks to close (leaving just nine in operation) in an effort to meet regulatory standards and curb international money laundering and other crimes. The international group, Financial Action Task Force (FATF), an agency of the OECD, was tightening regulations to reduce opportunities for inter-

national crime and for financing of terrorism. Grenada and other countries where offshore banking operates had no choice but to comply, or risk being cut off from IMF and other international financial support.

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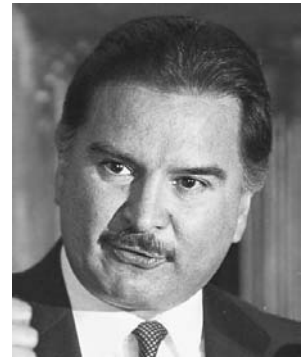
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# GUATEMALA

Alfonso Antonio Portillo Cabrera  
President

(pronounced “al-FOHN-sob an-TOE-nee-oh poor-TEE-oh ca-BRAR-ah”)

*“I have rejected the intervention of the state in the economy, the class struggle, the dictatorship of the proletariat. That was an era of romanticism in my life.”*



Guatemala lies between Mexico to its north, El Salvador to its south, Honduras to the southeast, and Belize to the east. Guatemala's territory, comprising 108,890 sq km (42,042 sq mi), touches both the Pacific Ocean and Caribbean Sea. Geographically, the country is divided into three regions. The Northern Plain, sparsely populated and covered largely by tropical rain forests, is the site of many ancient Mayan ruins, most notably Tikal. The Central Highlands, where most of Guatemala's 13.3 million people (2002 estimate) live, is a region dominated by a chain of mountains with many volcanoes, some of which are active. The beauty and climate of this region has given Guatemala the nickname “Land of Eternal Spring.” The Pacific Lowland, a thin strip of land along Guatemala's 241 km (150 mi) of hot and humid southern coast, is largely farmland owned by a few families who grow sugar cane, bananas and cotton or raise cattle for agroexport. Guatemala City is the capital. Guatemala, with the largest population in Central America, is further distinguished by its large indigenous population, descendants of the Mayans, who compose about 43% of the country's total population. The Mayans belong to 22 language and ethnic groups. The remainder of the population (estimated at 55%) is known as *ladino* in Spanish (mestizo in English), because they have mixed blood ancestrally and have abandoned the dress and customs of the indigenous culture. Although Spanish is the official language, many indigenous people speak only their own language (including Quiche, Cakchiquel, Kekchi, Mam, Garifuna, and Xinca). While Roman Catholicism is the predominant religion, about one-third of the population is now affiliated with evangelical and Pentecostal churches. Many Mayans also continue to follow their ancient religious beliefs and practices, codified in their sacred writings, the *Popul Vuh*. Forty-five percent of the population is under 15 years of age and only 3% over age 65. Life expectancy among indigenous men is 47 years, compared to 64 for *ladinos*.

In this agrarian country, just 2% of the population owns 70% of the land. Agriculture contributes about 25% of the gross domestic product (GDP), over half of all exports, and employs nearly 60% of the labor force. Growth in the agricultural sector has been due to large-scale agribusiness concerns growing crops such as coffee, sugar, fruits (especially bananas) and vegetables for export. Ironically, Guatemala is an overall importer of food. The manufacturing sector is also divided into two components, a large traditional sector focused on such products as food, beverages, and

tobacco, and a small but rapidly expanding enclave sector of assembly plants (*maquiladoras*) specializing in clothing and electronics. A large amount of Guatemala's trade occurs with the United States, Mexico, other Central American countries (especially El Salvador), and South Korea. The unit of currency is the quetzal. The per capita gross domestic product (GDP) was estimated at us\$3,700 in 2001. More than 60% of Guatemalans live in poverty. A large percentage of Guatemalan children suffer from malnutrition; among the indigenous populations, three of every four children are seriously malnourished.

## POLITICAL BACKGROUND

Guatemala was the center of a great and thriving Mayan civilization between AD 250 and 900. However, by the time the Spanish arrived in the sixteenth century, the indigenous population had abandoned their great centers, dispersed into the central highlands, and organized themselves in *ejidos*, a communal village-based landowning system engaged in subsistence agriculture. After the Spanish conquest, Guatemala became the regional administrative seat and monopolized Central American trade with Spain. In the 1820s, as Spain's already weak presence in the region gave way to the movement for political independence, the hacienda system was the dominant political force. Although Guatemala established itself as a separate republic in 1839, the governmental system was weak. Essentially the country was governed by local elites, landowners and merchants operating a kind of feudal system, which minimized the role of the state except for the purpose of raising an army to control the Indian population and harness its labor for the development of commercial enterprises. The introduction of coffee in the 1870s, coinciding with the rise of the Liberal movement and the reign of one of Guatemala's most notorious dictators, Justo Barrios (1873–85), reinforced this structure. For the most part, Guatemala's political history has been one of authoritarian governments controlled by the military, responsive to the landed elites, and hostile to the indigenous population. The most notable exception was the period from 1944–54, when two democratically elected leaders, José Arévalo and Jacobo Arbenz, brought an era of political openness and reform. Arévalo was a populist, whose six-year term saw the emergence of urban trade unions and the promulgation of pro-labor laws, a flowering of political freedoms and parties, and the institution of a social security system. Arbenz, a military leader who was nonetheless drawn



to the promises of Marxism, sought to transform Guatemala through a program of nationalist economic development and agrarian reform. He was overthrown in 1954 by a coup orchestrated by the U.S. Central Intelligence Agency (CIA) that brought the military back into control of the country's government for the next 30 years.

From 1960 to 1996, a brutal civil war, pitting the Guatemalan army against a rural-based guerrilla insurgency, terrorized the country. The repression of the population escalated beginning in 1978 with the reign of General Lucas García. During this period, according to its own estimates, the army destroyed 441 villages over a two-year period, and the violence moved into urban areas including the capital. The repression peaked in the early 1980s with the accession of General Efraín Ríos Montt, whose 18-month rule began and ended with coups. All told, more than 150,000 peasants were killed, 45,000 disappeared, 500,000 were internally displaced, and another 100,000 became refugees. A Historical Clarification Commission accused the military of genocide in a 3,600-page report issued in 1999, saying most crimes were committed by the military. During a visit that year, U.S. president Bill Clinton expressed regret for U.S. support for the Guatemalan army during the conflict.

In 1982, four guerrilla organizations joined forces to form the Guatemalan National Revolutionary Unity Party (Unidad Revolucionaria Nacional Guatemalteca—URNG), the chief political arm of the country's leftist opposition. During the late 1980s, Guatemala experienced a transition to democracy of sorts. Since 1985, there have been four "free and fair" elections for new civilian leaders. However, there were few substantive changes in political practice or social policy. The military remained the power behind the elected leader, and

repression persisted well after the signing of a peace accord in December 1996.

When Vinicio Cerezo, a Christian Democrat, took office as Guatemala's newly elected civilian president in January 1986, he was faced with high unemployment, inflation running at 40%, and a foreign debt of us\$2.5 billion. While he had won over two-thirds of the votes cast in the December run-off election, it was clear where his real support lay. During the campaign, he had assured both the oligarchy and the military that he would not press for banking or land reforms and would stay clear of anything that would scare away foreign capital. Cerezo seemed committed solely to maintaining himself in office. Despite his weathering of several unsuccessful coup attempts, Cerezo's hold on the presidency was tenuous.

In January 1991, Jorge Serrano became the second civilian elected president of Guatemala. Serrano, a businessman and university professor, had been chosen by a newly organized political party, the Solidarity Action Movement (Movimiento para Acción y Solidaridad—MAS), and had campaigned on a populist platform. His New Right coalition hoped to achieve modernization and long-term stability through neoliberal economic policies coupled with new approaches for diffusing social tensions. But in May 1993, Serrano had grown frustrated by his inability to enact his agenda. Following the example of President Alberto Fujimori in Peru, he tried to seize absolute power by suspending the Constitution, but was rebuffed by the military. He then fled the country. The legislature then elected human rights ombudsman Ramiro de Leon Carpio to complete his term. Negotiations between the army and the URNG, with mediation by the Roman Catholic church, began in 1991. In late 1994, after a long impasse, a new round of talks began, this time mediated by the United Nations (UN).

In November 1995, Álvaro Arzú, candidate of the National Advancement Party (Plan por el Adelantamiento Nacional—PAN) won 46% of the vote, beating 18 other candidates but falling short of the 50% needed for victory. In the runoff election on 7 January 1996, Arzú faced Alfonso Portillo from the right-wing Guatemalan Republican Front (FRG). Portillo was the hand-picked stand-in for the former dictator Ríos Montt, who would have run but was barred because of his role in the overthrow of Lucas García in 1982. Although Portillo received only 20% of the vote in November, the January election was a cliffhanger. Arzú beat Portillo by just 30,000 votes. Only 37% of the country's 3.5 million registered voters went to the polls.

Arzú accomplished what other presidents could not. Politically isolated from the world community, Arzú was forced to negotiate an end to the civil war. With UN assistance, Arzú and the URNG signed a peace treaty that ended the war in December 1996. Yet, Arzú was unable to curb an alarming wave of robberies, kidnappings, and killings—including the murders of prominent human rights workers and advocates—that followed the end of hostilities between the army and leftist guerrillas. He was also unable to completely institute terms of the 1996 peace accord. Guatemalans had become disenchanted with the PAN by 1999. Portillo, in the meantime, had been building support with a populist campaign that promised law and order. Thanks to a well-managed campaign and relentless attacks against the PAN—



and despite revelations that he had killed two men in Mexico in 1982—Portillo won the presidency with 68.3% of the vote. He was 48 when he took office in January 2000.

## PERSONAL BACKGROUND

Alfonso Antonio Portillo Cabrera is the son of a rural teacher. During his youth, he was sympathetic to the leftist forces fighting in his country. Later, he described his leftist sympathies as youthful indiscretions, and came to describe himself as a social democrat. A lawyer and economist, he has been a university professor, both in Guatemala and abroad. He favors the death penalty to combat high crime levels in his country. One of the most violent episodes in his private life became a major symbol in his populist law and order presidential campaign in 1999. During the campaign, Portillo was forced to admit that he killed two men during a confrontation in the Mexican state of Guerrero and fled the country to avoid prosecution in 1982. Portillo, a law professor at the Guerrero Autonomous University of Mexico at the time, said he fled because he feared he would be prosecuted unjustly. Instead of being reviled for the killings, many Guatemalans admired him for his act. One of his most prominent ads for his campaign proclaimed: “Portillo. If he can defend himself, he can defend you and your family.”

## RISE TO POWER

Portillo has behaved like a political chameleon, moving from the left to the far right with little damage to his reputation. Sympathy for the left, he explained, was rooted in youthful romanticism. Later, he came to describe himself as a social democrat sensitive to the needs of the poor. But it was his alliance with the far right that brought him to power. In 1995, former dictator Efraín Ríos Montt (1982–83) invited Portillo to join his Guatemalan Republican Front (FRG). At the time, Portillo was a Christian Democrat. Montt had been barred from running for the presidency because of his role as former dictator, and he needed a presidential candidate to represent his party. Portillo did well in the first round of the presidential election, receiving 20% of the vote. In the January 1996 runoff election, Alvaro Arzú beat Portillo by just 30,000 votes. Portillo remained a member of the FRG, and campaigned vigorously for the 1999 contest.

During the 1990s, Montt, secretary-general of the FRG, had come increasingly under criticism for violation of human rights during his dictatorship. The country’s Historical Clarification Commission in 1999 said the military had committed acts of genocide during Montt’s rule. Yet, among many Guatemalans, Montt had wide appeal and was seen as someone who was committed to order. Portillo could not escape Montt’s shadow even though he was portrayed as leading the more liberal faction of the FRG party. Portillo insisted he was not Montt’s puppet and would not fall under his influence if elected president. With a populist law and order campaign, and relentless attacks against PAN, Portillo became the candidate to beat in the November 1999 election. But Portillo, and PAN candidate Oscar Berger, a businessman and former Guatemala City mayor, failed to get 50% of the vote, forcing a runoff election a month later. Rather than being hurt by his ties to Montt and the Mexico murders, support for Portillo only grew. In the December runoff

election, Portillo received nearly 69% of the vote. He was inaugurated in January 2000.

## LEADERSHIP

Portillo has been described as a charismatic and populist leader. While he may be considered a member of the political elite, Portillo gained support from the country’s lower classes by constantly attacking and criticizing the elitism of the PAN. In heavy-handed speeches, he said the PAN was corrupt and exclusionary. He built most of his support with promises to end the crime wave that started during the Arzú administration. Having killed two men to defend himself in Mexico, Portillo came to be seen as a tough and fearless leader. Since his inauguration, he has sought to distance himself from Montt, who was expected to heavily influence the presidency. Montt is president of Congress and leader of the FRG, which controls Congress with 63 of 113 seats. Portillo has claimed that Montt’s influence is simply a myth, but it is clear he will need him and his votes in Congress to run the government. Most FRG congressmen are considered loyal to Montt. Portillo is expected to deal with him carefully, especially after Nobel Peace laureate Rigoberta Menchu filed a human rights case against the former general in a Spanish court in March 2000. After taking office on 14 January 2000, Portillo appointed his closest colleagues to about half of the cabinet posts. The rest, including the vice presidency and the ministry of economy and trade, went to allies of Montt.

Portillo surprised some critics by naming two prominent human rights activists to his cabinet. Otilia Lux de Cotí, a former member of the Historical Clarification Commission, was named minister of culture. Edgar Gutierrez, a journalist and coordinator for the Catholic Church’s “Recovery of Historic Memory,” a report on the civil war, was named secretary in charge of the president’s office for strategic affairs. To assuage fears that he is not a puppet of the army, Portillo promised to clarify the unsolved 1998 murder of Bishop Juan Jose Gerardi, who was killed two days after he published a 1,400-page report that blamed the army and its allies for 90% of the civil war’s crimes. The Arzú government had been criticized for protecting the killers. With Portillo in office, the government reported the arrest of three military officers charged in the killing and in November 2000 issued a formal report on Gerardi’s assassination.

However, charges of corruption and violent criminal activity, including kidnapping and assassination of opposition officials, persisted and Portillo’s presidency continued to be riddled with scandal. In late 2001, allegations were made that Portillo’s interior minister, Byron Barrientos, had embezzled public funds totaling us\$11 million. Portillo fired Barrientos in November 2001 and announced an anti-corruption plan in February 2002. In the following month, however, Portillo, his vice president Reyes Lopez, and four associates were accused of violating ethics laws by making multimillion dollar deposits in offshore banks. Opposition leaders and civic organizations demanded the officials face charges in court. Portillo’s defense minister, General Eduardo Arevalo Lacs, was set in early 2002 to become the new interior minister, upsetting civil rights groups who claim the move would violate the government’s commitment to keeping the military and police separate.

## DOMESTIC POLICY

One of Portillo's greatest challenges is to reassure Guatemalans—and the international community—that he remains committed to the peace process and to cleaning up government corruption. The December 1996 accord, signed by the Arzú administration and leftist forces, was not fully enacted and remains a delicate matter in Guatemala. In a 1999 plebiscite, Guatemalans voted down key constitutional reforms that would have expanded and protected the rights of indigenous peoples. Portillo vowed to wrap up the peace accord and move the country toward reconciliation. He has often spoken of a governability pact to address national problems. But that would mean a closer alliance with the PAN and the leftist New Nation Alliance (Alianza Nueva Nación—ANN). The leftist coalition said it would support a pact only if it was based on the peace accord. PAN has been stung by constant criticism from Portillo and may be unlikely to support any pact with the government. On the economic front, Portillo promised to enact a series of economic policy initiatives to pull Guatemala from an economic crisis and restore stability. International lending agencies have expressed concern over Guatemala's state of public finances.

## FOREIGN POLICY

In February 2002, Guatemala received a commitment of us\$1.3 billion from international donors sponsored by the Inter-American Development Bank. Disbursement of funds is contingent upon the nation's meeting 1996 peace accord goals such as an increased tax collection rate and financial reforms. The Arzú government only approved about 30% of laws required by the peace accord. Portillo has repeatedly assured the international community that he would work to ensure the full implementation of the accord. Portillo is under pressure to reach national reconciliation and press for investigations of human rights abuses. International donors are expected to continue to pressure the government to comply with electoral law reform, justice system reform, and decentralization of government. Portillo also will remain under pressure to promote human rights, and improve the rights and social conditions of the country's indigenous peoples.

In March 2000, the Portillo government accepted "institutional responsibility" for 44 of 155 cases of human rights violations being heard by the Organization of American States (OAS). Human rights organizations feared the Portillo government was only trying to enhance its image by taking responsibility, but would do nothing for the families of victims. The government also must deal with Spain, which accepted a human rights case filed by Nobel laureate Rigoberta Menchú against Montt and others.

Much like Arzú, Portillo wants to continue to open the country's economy and bring Guatemala into the North American Free Trade Agreement (NAFTA). Portillo continues to encourage greater economic cooperation among the Central American countries. With mediation by OAS, he is working with Said Musa, leader of neighboring Belize, to resolve a decades-long border dispute. During his presidency, he has traveled extensively through Central America to improve relations with neighbors.

In February 2002, Portillo traveled to Washington, D.C., where he met with U.S. secretary of state Colin Powell. Powell praised the Portillo government's success in implementing counterterrorism measures and passing anti-money laundering legislation. But in October, an assistant secretary of state (Otto Reich) issued a harsh statement, criticizing Portillo's government of corruption, ties to drug trafficking, and noting a serious deterioration of human rights in Guatemala. Portillo, who had traveled to China and Germany during 2002, seemed to be looking beyond the United States for trade partners and international political allies.

## ADDRESS

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Profile researched and written by Ignacio Lobos, Journalist (5/2000); updated (3/02 and 2/03).

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# GUINEA

## Lansana Conté President

(pronounced “lahn-SAH-nah KOAN-tay”)

*“The hour of my death has not arrived, and when it comes,  
God will not ask for my opinion—so just wait.”*



The Republic of Guinea is located on the west coast of Africa. It is bordered, clockwise from the northwest, by Guinea-Bissau, Senegal, Mali, Côte d'Ivoire, Liberia, Sierra Leone, and the Atlantic Ocean. Its area is 245,857 sq km (94,926 sq mi), and its population is estimated to be 7.6 million. Conakry, the capital, is the largest city, followed by Kankan. Guinea gained its independence from France in 1958. The official language is French, but Malinke, Fula, Susu, and Forester languages are widely spoken. Ethnic sensitivities run deep in Guinea. The Fulani make up 40% of the population, the Malinke 30%, the Susu 20%, with Forester and other groups making up the remainder. Islam is practiced by 85% of the people while 8% are Christian. Some 30% of the population overlay religious beliefs with traditional animist religions. The currency is the Guinea *franc*. The per capita gross domestic product (GDP) was estimated to be US\$1,970 in 2001. Guinea's major exports are bauxite and peanuts.

### POLITICAL BACKGROUND

The Constitution of the People's Republic of Guinea was established in May 1982, suspended by the Military Committee for National Recovery (CMRN) following a coup in 1984, rewritten by a presidential task force in the late 1980s, and passed in a national referendum in December 1990. Guinea held its first multiparty presidential elections in December 1993, and its first multiparty parliamentary contest in June 1995. Until then, Conté's Transitional Council for National Recovery (CTRN) wrote the organic laws. Despite the existence of the National Assembly, the Constitution gives disproportionate powers to the president, who rules by decree. The president is commander-in-chief of the armed forces, appoints judges, cabinet ministers, governors, prefects, and other mid- to senior-level officials in the public bureaucracy. While republican institutions exist, the state controls Guinea's broadcast media, and the separation of powers is theoretical. The opposition repeatedly has objected to the conduct of elections and disputed their outcomes, which Conté insists have been free and fair. With no effective system of checks and balances, Guinea continues to experience poor governance.

### PERSONAL BACKGROUND

General Lansana Conté was born in the village of Wawa near Dubreka about 40 miles north of Conakry in 1934. His roots lie in the less privileged segment of both Guinean society and the Guinean army. Like Sékou Touré, the head of the Socialist

Party state of the First Republic, his education was mainly experiential. Despite his Russian military training from the Cold War era, Conté espouses no particular ideology or doctrine, but he values hard work, loyalty, discipline, and traditional folk wisdom. He is taciturn, stays out of the limelight, and prefers spending time on his expansive farm near Dubreka. He officially has two wives, one of whom is a former Miss Guinea. Since becoming president, he has resided on the grounds of Camp Samory, in Kaloum near downtown Conakry, however recently his poor health confined him to an extended recuperation in his home village. Conté is Guinea's only active military general, and he holds an honorary doctorate degree from Central State University in Cincinnati, Ohio. He has been a long-time chain-smoker and is thought to be ailing from a kidney disease related to diabetes.

### RISE TO POWER

Lansana Conté succeeded Sékou Touré after Touré's death on an operating table in Cleveland, Ohio (where he was undergoing heart surgery) on 26 March 1984. Staging a bloodless coup, army officers created a military national recovery committee (CMRN) and took control of the government on 3 April 1984. The CMRN abolished the Constitution, banned the Democratic Party of Guinea (PDG), and announced the Second Republic. Having served as Touré's personal bodyguard, and being a member of a small ethnic group, Conté became the CMRN's choice to lead the country.

Opportunism and factionalism soon divided the CMRN, and a power struggle evolved between Conté and his prime minister, Colonel Diarra Traoré, who belonged to the same ethnic group as Sékou Touré. Traoré staged an aborted coup in July 1985, which led to reprisals against the mutineers and against the Malinke people. Shops were looted and some 50 Malinke officers died before firing squads.

The coup led by Diarra Traoré became a watershed event for ethnic politics. Trading on patronage, threats, and Conté's identity as a member of the minority Susu ethnic group, the Party for Unity and Progress (PUP) obtained votes across ethnic groups and won presidential, legislative, and municipal elections in 1993, 1995, 1998, and 2000. Conté survived a coup in February 1996 and following his disputed victory in December 1998, is serving out the remainder of a five-year term.



## LEADERSHIP

President Conté is recognized for his strong but ruthless leadership. His tacit approval of the 1985 reprisals and execution of the mutineers, his brutal eviction of Conakry sidewalk vendors in 1994, the violent razing of a Conakry squatter neighborhood in 1998, and the detention of Alpha Condé following the 1998 elections characterize his style of rule. Failure to stage credible elections has undermined his government's legitimacy.

As a man in *mufti* (ordinary dress, but of a military nature), Conté is comfortable with authoritarian rule and distrustful of political parties and democratic competition. He perceives disagreement on matters of public policy as an affront to his judgment and to his leadership. In 1999, when Conté named the new presidential palace to honor Sékou Touré, it was seen by many Guineans as a premature rehabilitation of the former dictator and an attempt to rewrite history.

Following the 1996 coup, Conté appointed Sidya Touré prime minister. In early 1997, Conté created an office for minister of finance and budget to control economic planning, setting a course for economic growth and improved infrastructure and services. However, nepotism and ethnocentric appointments led to increased cronyism, corruption, and a retrenchment on economic and political reforms.

In November 2001, Conté and the PUP-dominated National Assembly amended the Constitution to increase the number of years in a presidential term from five to seven, and to remove term limits. The amendment also allowed the president to nominate local government officials, who previously were elected. Critics dismissed the referendum as a

constitutional coup. Despite his health problems, Conté insists that he will stand for reelection in December 2003. Should he be unable to run, the country could be thrown into political chaos because he has not groomed a successor, and the army, which is deeply divided by age, ethnicity, and other factors, would likely intervene.

## DOMESTIC POLICY

Since the mid-1980s, the government's domestic policies have aimed at reforming the public sector, improving transportation and communications infrastructure, and stabilizing the energy sector.

Conté's economic growth policy continues to rely on Guinea's vast mineral resources, which include two-thirds of the world's known bauxite deposits. Bauxite accounts for 95% of the export revenue, estimated at us\$165 million per year. Russia maintains an interest in the Kindia bauxite mines, while U.S.-based consortia hold managing interests in the Kamsar and Fria mining complexes. In early 2003, the government contracted with Rio Tinto, a minerals company based in the United Kingdom. Pending approval from the National Assembly, Rio Tinto will be granted a 50-year permit through its subsidiary Simfer to work the Simandou iron ore fields in southeast Guinea. Mining of the estimated 1,000-metric-ton reserve of high-grade haematite is expected to produce some 20 to 40 metric tons annually. In addition, Anglo-Australian BHP-Billiton is exploring iron ore reserves around Mount Nimba on the Liberian border.

Despite the fact that two hydroelectric dams came on-line in recent years at Garifiri, Conakry continues to experience power outages often lasting from early morning to midnight. Popular protests to these outages and higher crime rates resulting from them have encouraged opposition to the Conté administration and have required increased police response. To remedy energy shortages, the government will be pressured to seek financing for as many as three potential hydroelectric dams, and over the long term envisions a connection to the West African Power Pool.

As rumors of Conté's ill health fuel speculation about the future of the country, the president will stay focused on sending signals to would-be pretenders to the presidency that he is fit and able to rule. Just before flying to Rabat, Morocco, in December 2002, he reshuffled his cabinet to remind his competitors that he was fully in charge. Such messages are important because rumors of his weakening physical health are fueled whenever the first lady turns away government visitors at Moussaya so that the president can rest. The rumors have not stopped the president's backers, the Coordination of the Presidential Majority (CMP), which groups the ruling PUP with two smaller parties, from announcing his candidacy. The opposition, led by Mamadou Bâ and former prime minister Sidya Touré, has regrouped under the banner of the Front Républicain pour l'Alternance Démocratique (FRAD). The FRAD has denounced mismanagement and corruption, and has called once again for free and fair elections.

## FOREIGN POLICY

Conté has had the difficult prospect of conducting foreign policy in the shadow of his internationally recognized predecessor. While he tends to fare badly in comparisons with

Sékou Touré, he nonetheless has had a measure of success in exerting influence in subregional affairs, and in gaining the respect and backing of foreign donors. Under Conté, Guinea has participated in Economic Community of West African States Military Observer Group (ECOMOG) peacekeeping operations and joined Senegal in supporting former president João Bernardo Vieira militarily in Guinea-Bissau. Guinea is a member of the African Union (AU), the United Nations (UN), the Economic Community of West African States (ECOWAS), and the Mano River Union (an organization for economic cooperation between Sierra Leone, Liberia, and Guinea).

In one major departure from Sékou Touré, Conté has sought far greater cooperation with the West, and his visit in 1989 to Paris set into motion a gradual improvement in Franco-Guinean relations, including a visit to Conakry in July 1999 by President Jacques Chirac. Guinea is a member of the French-sponsored Francophonie Association, and France ranks first in bilateral aid to Guinea. Nevertheless, for historical reasons Guinea is the only former French colony in West Africa outside the CFA franc zone.

Unrest in neighboring Sierra Leone, Liberia, and Côte d'Ivoire is a cause for concern in Guinea. There were some 100,000 refugees in southeastern Guinea at the end of 2002. Hundreds of crossborder attacks from 1999 to 2001 by the Sierra Leone People's Army, a splinter group of the Revolutionary United Front (RUF), and by dissidents supported by Charles Taylor's Liberian army make for unsettling conditions along the southern border. No love is lost between Conté and Taylor, who has accused Guinea of providing safe haven to Liberian dissidents. Successful elections in Sierra Leone in May 2002 have dissipated hostilities between Conté and President Kabbah. Because of Conté's declining health, foreign minister Francois Fall represented Guinea at the

Franco-African summit in Paris in February 2003. Given the unsettled state of affairs in Liberia and in Côte d'Ivoire, a stable and secure Guinea is of great importance to subregional policy makers.

In March 2003, Guinea gained the world spotlight when the United States sought its vote in the UN Security Council to authorize war against Iraq, but was rebuffed.

#### ADDRESS

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**Profile researched and updated by Robert J. Groelsema, Ph.D. (3/03); sections contributed by Dean Kopecky (7/90).**

# GUINEA-BISSAU

**Koumba Yala**  
**President**

(pronounced “KOOM-bah YAY-lah”)

*“I am appealing to all the people, the main stakeholders of change in the country. The national reconciliation process has to succeed because we are compelled to shoulder our responsibilities of developing our country.”*



Officially known as the Republic of Guinea-Bissau and formerly known as Portuguese Guinea until its independence from Portugal in 1974, Guinea-Bissau is situated on the west coast of Africa. To the north is Senegal; to the east and south is the Republic of Guinea; and to the west is the Atlantic Ocean. Its total area is 36,125 sq km (13,948 sq mi) and includes the offshore Bijagós Islands. The population was estimated at 1.3 million in 2002. The Guinean unit of currency is the *Communauté Financière Africaine franc* (CFA franc). Portuguese is the official language although Creole and Balante are widely used. Ethnically, Guinea-Bissau's population is 99% African and includes 33% Balante, 22% Fulani/Fula, 14% Mandyako, 13% Malinke/Mandingo, 7% Pepel, and 1% European and bi-racial. Guinea-Bissau's religion is 65% animist, 30% Muslim, and 5% Christian, mainly Roman Catholic. While Guinea-Bissau's primary export is cashew nuts, other exports include peanuts, fish products, palm nuts, timber, and cotton.

## POLITICAL BACKGROUND

Until 1991, Guinea-Bissau had a one-party republican form of government. A constitution adopted in 1984 created a 150-member National People's Assembly, whose members were drawn from the eight regional councils. All members of the regional councils had to be at least 21 years old and nominated by the Partido Africano de Independência de Guiné e Cabo Verde (PAIGC—African Party for the Independence of Guinea and Cape Verde). The National People's Assembly elected a 15-member Council of State. The president of the Council was head of state, commander in chief of the armed forces, and the secretary-general of the PAIGC. The constitution was amended 4 May 1991, revised in February and June of 1993, in 1996, and again in 1999.

Among the leaders in the struggle for independence were Amílcar Cabral, Luís Cabral, and João Bernardo Vieira. They formed the PAIGC in 1956 and by 1959 had called for an all-out struggle to win independence. By 1963, a large-scale guerrilla war had broken out in the territory. Amílcar Cabral was assassinated in Conakry (Guinea) in 1973, but the Portuguese coup in 1974 led to an agreement and shortly thereafter to independence on 10 September 1974. Luís Cabral, Amílcar's brother, led the new government as head of the PAIGC. In 1980, perceptions that Cape Verdeans were controlling the country led to a coup d'état by João Bernardo “Nino” Vieira. Vieira survived numerous coup attempts until he agreed to hold a national conference in 1990.

In October 1990, 350 representatives of the PAIGC, government, civil society, and private organizations met to discuss the rules for advancing political reform and democratization in Guinea-Bissau. In May 1991, the National Assembly voted to end single-party rule. Free and fair multi-party elections occurred in July 1994. In June 1998, a coup triggered an 11-month civil war, which Guinean and Senegalese troops quelled at Vieira's request. Renegade troops led by General Ansumane Mané ousted Vieira in April–May 1999, paving the way for an interim government and the next rounds of legislative and presidential elections held in November 1999 and January 2000.

General Ansumane Mané and the *junta* promised to stay out of politics once a new civilian government was elected, but two weeks before the elections a “Magna Carta” was published demanding a 10-year role for the *junta*. In November 2000, gunfire erupted around the capital at a military barracks where General Mané tried to regain control of the armed forces. After declaring himself Supreme Commander of the Revolutionary Armed Forces of the People of Guinea-Bissau, he fled and remained at-large for several days before government troops hunted him down and killed him. The year 2001 was equally turbulent, marked by cabinet sacks, reshuffling, dismissals of judges, and a thwarted coup attempt in December.

## PERSONAL BACKGROUND

Born in 1954, Koumba Kobde Yala is the son of a peasant and a graduate in philosophy and law from Lisbon's Classic University. He speaks several languages. He is a member of the Balante ethnic group, which is the predominate group in the southwest, and was opposed to Vieira. A former teacher, he joined the PAIGC and then broke with it to challenge President Vieira in the country's first multi-party elections in 1994. Indeed, his courage as leader of the Partido da Renovação Social (PRS—Social Renewal Party) brought him wide public notice. His red wooly stocking hat has become his trademark and also serves as a sign of elder leadership status in the Balanta ethnic group.

## RISE TO POWER

Koumba Yala is a product of Bissauan democratization, which was a reaction to the sometimes well-intentioned, but corrupt and inept, PAIGC regimes, dating back to 1974. Luís Cabral, Guinea-Bissau's first president, was widely perceived as having mismanaged the economy. His regime squandered

state resources on inappropriate large-scale development projects while periodic droughts and neglect of the agriculture resulted in scarcity of rice, the staple food of Guinea-Bissau. Hence, the 1980 ousting of Cabral became known as the “rice coup.” Global recession and declining terms of trade added to Guinea-Bissau’s dependency on donors. This dependency stemmed in no small part from the colonial experience and war of liberation, which left Guinea-Bissau with little capacity, almost no infrastructure or industry, and an undereducated population.

Cabral’s policies angered the military and served as the catalyst or spark for the coup. As part of the demobilization scheme following the war for independence, Cabral planned to ship ex-soldiers to farms in remote parts of the country. He also attempted to introduce a new ranking system for the military. Both of these plans proved to be unpopular with the uniformed forces. Cabral also proposed constitutional changes, which would lead to the unification of Guinea-Bissau with Cape Verde and strengthen the power of the president at the expense of the prime minister. These changes angered black Guineans who feared domination by the mixed-race and better-educated Cape Verdeans, which included President Cabral.

A coup led by Major Vieira on 15 November 1980 cost the lives of two senior government officials. Several government officials were abroad and President Cabral was vacationing at his home in the Bijagós Islands, where he was placed under house arrest. Cabral was later exiled to Cuba after Vieira and his forces discovered the bodies of more than 500 political prisoners who had been executed during Cabral’s six-year reign. Cabral was allowed to return to Guinea-Bissau December 1999. Many Guineans welcomed the coup and celebrated the promise of better living conditions.

Although President Vieira was a reluctant champion of political reform, the advent of democracy across Africa gave him few options. The constitution underwent extensive amendment, a national conference to determine the country’s future took place, and opposition parties were authorized. In Guinea-Bissau’s first multi-party elections in July and August 1994, President Vieira narrowly beat Koumba Yala, 52% to 48%. The vote was considered reasonably free and fair despite Yala’s protestations.

In March 1998, an independent electoral commission was established. Vieira’s fall in April–May 1999 and his subsequent exile ushered in an interim government led by Malam Bacai Sanha. A second set of multi-party elections for the National Assembly and presidency, in which 12 candidates competed, were organized. In the 28 November 1999 round, Koumba Yala scored 38.5% to Sanha’s 23.4%. In December 1999, during the runoff campaign, Yala was outside the country receiving medical treatment in Portugal but returned in time to stage a well-executed campaign. In the 16 January 2000 run-off, he swept 72% of the vote. In the Assembly elections, Yala’s PRS party took 38 of 102 seats. The Resistência da Guinea-Bissau-Movimento Bafata took 28 while the PAIGC managed 24 seats. Five other parties captured the remaining 12 seats.

## LEADERSHIP

Once considered by many to be a forceful, eloquent, and persuasive speaker—a man of the people—Yala has been



increasingly criticized as mercurial and authoritarian. Indeed, his first two years in power have been markedly destabilizing for the country. The 92% voter turnout in January 2000 indicated wide popular support for Yala, but since his inauguration on 16 February 2000, Yala has provoked continuous political conflict. His pledge to fight corruption was dealt a blow by the discovery that several million dollars of development assistance had gone unaccounted for, and by April 2002, no one had been brought to justice in the case.

The jury is out on whether his first two years will go down as erratic or Machiavellian. While the poor and working class identify with his background and simple lifestyle, he has failed to launch health and education programs, and to revitalize agriculture as he promised. Although his government has had to cope with being a minority in parliament, and to accept coalition partners in the cabinet, Yala has reshuffled, sacked, and arrested senior members of his government, and in General Mané’s case, eliminated pretenders to the throne. In November 2002, after disputes with the prime minister, Yala dissolved the Parliament altogether, accusing it of incompetence. While he promised elections would be held in February 2003, they were postponed. Opposition parties formed into two separate coalition groups in hopes of wresting power away from Yala’s PRS. By April 2003 elections had already been postponed a second time, due to the failure to update voting lists and the government’s alleged lack of financial and organizational means to hold the elections.

## DOMESTIC POLICY

Yala promised to promote national reconciliation, right the economy, restore production, and give priority to agriculture.

He also stated that he would reduce public spending and cancel ministerial perks. Observers note, however, that his disregard for constitutional rule and his abrasive style have antagonized every political group including his own cabinet, the civil service, and the military. In January 2001, five ministers belonging to the opposition party resigned when they said they had not been consulted in a cabinet reshuffling. In May, the International Monetary Fund (IMF) and World Bank suspended funding when millions in foreign aid went missing from the budget. Yala dismissed the head of the Supreme Court and three judges in September for overturning a presidential decision and later put two of the judges and two journalists in jail. He dismissed his foreign minister in November apparently over criticism, fired his prime minister for failing to meet expectations, and in December the government reported a coup attempt by the army. Unsurprisingly, his decisions have paralyzed the justice system, encouraged teachers and health workers to strike, and produced an extremely dangerous level of instability.

An under-performing economy has aggravated Guinea-Bissau's political woes. Cashew prices declined 45% over an 18-month period. Real GDP decreased from 9.3% growth rate in 2000 to 7.2% in 2001 and was projected to level off at around 4.0% for 2002–03. The IMF Poverty Reduction and Growth Facility (PRGF) program was temporarily suspended in May 2001 because of the disappearance of us\$15 million in development funds. Guinea-Bissau failed to meet the requirements of two subsequent programs which could have led to the restoration of the PRGF: a short-term macroeconomic program in August–November 2001 and an emergency financial management program in April–July 2002. The loss of funds has made it difficult for the government to pay civil servants and soldiers.

Guinea-Bissau clearly needs the support provided through the PRGF. It is one of the 10 poorest countries in the world with an average annual income of us\$180. Its Human Development Index (HDI) ranking is 167 (out of 174), 67% of the population is illiterate, and life expectancy was 49.8 years in 2002. The documents produced following the roundtable pledging conference held in 2002 by the world's donor nations indicated that the world is willing to help. Responsibility for the provision of economic aid, however, falls upon the donor and recipient alike. In order to restore the PRGF, Yala will need win back international confidence. In this he faced a major challenge. Not only will he need to tighten up fiscal programs, reduce off-budget spending on the military, pay civil service salaries on time, restore public services, rebuild infrastructure, and improve socioeconomic indicators; he must also stop the frequent leadership changes within his cabinet so that office holders can develop necessary skills. The Yala government must change its present mode of operation in order to deliver on its part of the international aid bargain.

## FOREIGN POLICY

In the early going, it appeared that President Yala would enjoy considerable international support. Local and foreign

dignitaries, including the presidents of Cape Verde and The Gambia, as well as the Portuguese foreign minister, attended his inaugural ceremony. Former president Vieira, in exile, congratulated him by letter. The international community has continued to back him in hopes that he will not squander present and future opportunities to lead the country to economic recovery and to democratic rule. His performance over the last two years, however, has seriously eroded their confidence in the capacity of a Yala-led government. Portugal is likely to assume the caretaker mantle for the international community and to work most closely with Yala.

Guinea-Bissau traditionally has maintained its closest relations with Portugal, for better and for worse. Since joining the West African Monetary Union (WAMU/UEMOA) and becoming part of the CFA zone in March 1997, the French connection has become more important. Under Mané, however, France was accused of supporting Vieira and its embassy was looted and burned. Nevertheless, relations improved and the French ambassador was the only foreign representative at the Yala government's inauguration. Under Vieira, ties were established with Taiwan and Morocco.

Yala has restored good relations with Senegal owing to Yala's support of the Senegalese government's fight against separatist rebels in the Casamance region. The sporadic attacks along the northern border, however, have destabilized trade, and the risk of dragging Guinea-Bissau deeper into this long-festering conflict has increased.

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Profile researched and written by Robert J. Groelsema, Ph.D. (6/2000); updated (5/2003).



# GUYANA

**Bharrat Jagdeo**  
**President**

*(pronounced “bar-RAHT JAG-day-oh”)*



*“I know that there are tens of thousands of patriotic Guyanese from all walks of life who are prepared to put their shoulders to the wheel to build a happy tomorrow.”*

The Republic of Guyana is situated on the northeastern shoulder of South America. The only English-speaking country on the continent, it is bound on the west by Venezuela, on the east by Suriname, and on the south and southwest by Brazil. Guyana occupies an area of approximately 214,970 sq km (83,000 sq mi). Its capital city and major port, Georgetown, is on the Atlantic coast.

The population of Guyana in 2002 was estimated at 698,209, a decline from over 700,000 in 2000 that takes into account a high death rate due to an AIDS epidemic in the country. Its racial composition includes East Indians (50%), blacks (36%), Amerindians (7%), Chinese and mixed races (7%). Both the Afro-Guyanese and the Indo-Guyanese were brought to the country by the Europeans to work on sugar plantations. The Afro-Guyanese arrived as slaves. The Indo-Guyanese, Chinese, and Portuguese came after slavery had been abolished and worked as indentured servants. The official language is English, although derivatives of Amerindian dialects, Hindu, and Urdu are spoken as well. Among Amerindians, the Warrau, Arawak, and Carib languages are spoken. The major religions are Christianity (50% of the population), Hinduism (35%), and Islam (10%).

The economy is based primarily on exporting sugar, gold, bauxite, alumina, rice, shrimp, molasses, rum, and timber. Agricultural activity is concentrated along the coastal belt where most of the population resides. Extensive timber resources in the tropical hinterland remain largely untouched. The local currency is the Guyanese dollar.

## **POLITICAL BACKGROUND**

Guyana was the first country in the New World to be explored by non-Iberians. It was originally divided into three Dutch colonies: Essequibo, Demerara, and Berbice. Following a war between Britain and the Netherlands in 1803, the British captured the colonies, which were ceded to them by the Dutch 11 years later. The three colonies were united to form the colony of British Guyana in 1831. That colony remained under British control until 26 May 1966, when Guyana gained its independence.

In 1980, the Guyanese government adopted a Constitution that established the country as a cooperative republic within the Commonwealth. Under this new Constitution, the president is the head of state and is elected for a five-year term on the basis of parliamentary elections. The prime minister is the head of government and leader of the majority party in the National Assembly. The National Assembly has

68 members, 65 of whom are elected by a system of proportional representation, with each voter casting his vote in favor of a list rather than a specific candidate. The president appoints a leader of the opposition from among opposition members of the assembly.

Guyana has two major political parties. The People's Progressive Party/Civic (PPP/C) is a socialist party led by Bharrat Jagdeo. The People's National Congress (PNC) is a socialist/populist party, headed by Hugh Desmond Hoyte. There are also four minor parties: Alliance for Guyana (AFG, led by Rupert Roopnaraine and incorporating the Guyana Labour Party and the Working People's Alliance); Guyana Action Party (GAP, led by Paul Hardy); The United Force (TUF, led by Manzoor Nadir); and Rise, Organize, and Rebuild (ROAR, led by Ravi DEV).

The PPP/C was launched on 1 January 1950, with Cheddi Jagan as its leader, Linden Burnham as its chairman, and Janet Jagan as its secretary. In 1953, the first general elections under adult suffrage were held. The PPP/C won 18 of the 24 seats in the Parliament. However the PPP/C faced a hurdle when, in 1955, Burnham and his supporters split the party. The major reason for this was that Burnham wanted to be leader of the PPP/C. In 1957, he launched his own party, the PNC, but was defeated in the general elections which were held that year. The PPP/C continued to be victorious in the general elections of 1961 and 1964.

Corruption, violence, and fraud marred the electoral system after 1964. The PPP/C lost the 1968 election to the PNC—who captured 56% of the vote. In the elections of 1973, 1980, and 1985, the PPP/C and the WPA accused the PNC of electoral fraud and corruption. The popular and charismatic leader of the WPA, Walter Rodney, was allegedly assassinated in 1980 for his opposition to the policies of the PNC.

In October 1992, free and fair elections were held. The PPP/C emerged victorious, having received 54% of the vote. Cheddi Jagan was once again reinstated as president. However, the PPP/C suffered a great loss when he died five years later. In the 1997 general elections, Janet Jagan, widow of the former president, led the PPP/C to victory once again—capturing 29 of the 53 elected seats in the House of Assembly. Her government included Sam Hinds as prime minister and Bharrat Jagdeo as vice president. Health problems forced Jagan's resignation. On 11 August 1999, Jagdeo was sworn in as the sixth president of the Republic of Guyana. He was sworn in for a second term on 31 March 2001.



## PERSONAL BACKGROUND

Bharrat Jagdeo was born at Unity Village, East Coast Demerara on 23 January 1964. “Bharrat” means “India” in Hindi. His mother gave him this name in honor of his ancestral homeland. Jagdeo is from a simple, working-class family. His father was a railroad worker. His mother, a housewife and farmer, had the task of raising her six children. Jagdeo attended the Gibson Primary School and then proceeded to the Mahaica Multilateral School for his secondary education. He was successful in the Caribbean Examination Council (CXC) and the General Certificate of Education (Advanced Level) examinations. He then returned to his local primary school for a short teaching stint. In 1984, Jagdeo was awarded a scholarship to pursue studies in Moscow. He graduated from Moscow’s People Friendship (Patrice Lumumba) University in 1990 with a master of science degree in economics. Shortly after completing his studies, Jagdeo returned to Guyana and began working for the government. Jagdeo and his wife, Vashnie, were married in 1998.

## RISE TO POWER

Jagdeo held various government finance and banking positions in the early 1990s. From 1992 until 1999, he served as director of the Guyana Water Authority, the Caribbean Development Bank, and the National Bank of Industry and Commerce. He was also Guyana’s governor on the World Bank. Jagdeo represented Guyana at international meetings of the World Bank, the Inter-American Development Bank, and the International Monetary Fund (IMF). He worked as an economic planner in the State Planning Secretariat. Following this assignment, Jagdeo was appointed special

advisor to the minister of finance. In October 1993, he was named junior minister of finance, rising to senior minister two years later. Jagdeo was a member of the Progressive Youth Organization (PYO). He is currently a member of the Central Committee and executive member of the PPP/C.

## LEADERSHIP

Guyana’s economy experienced deterioration from the late 1970s until the mid-1990s, when improved agriculture and mining, supported by international organizations, began a period of moderate growth. As of 2000, the gross domestic product (GDP) was growing at around 2% per year, and the per capita income was estimated at US\$3,500. While serving as senior minister of finance, Jagdeo spearheaded Guyana’s campaign for debt relief. He played a major role in improving the economy. By 1996, Guyana had posted its fifth straight year of economic growth of 5% or higher. This was due to increases in gold and bauxite mining and sugar production.

As minister of finance, Jagdeo was given the task of coordinating efforts to craft a National Development Strategy. He was able to bring together more than 200 local professionals and hundreds from across the nation to plan Guyana’s future development. His ability to do this demonstrated his leadership capacity, and the success of his efforts on the economic front continues to be acknowledged. He was also able to reduce the country’s debt by US\$700 million and has successfully negotiated grants and loans totaling US\$300 million.

As president, Jagdeo continues to face the overwhelming challenge of steering Guyana further away from economic turmoil and financial devastation. As of late 2002, tension along racial lines was hampering economic development. Over the years, Jagdeo has been described as a “go-getter,” a hands-on minister who opposes corruption and advocates clean and honest governance. As the former president, Janet Jagan, stated, “there is more hope for a bright future with Bharrat Jagdeo at the helm.” However, observers note that the political divide that falls along racial lines affects economic opportunities. When Indo-Guyanese are in power, Indo-Guyanese employment strengthens at the expense of Afro-Guyanese employment. If the political tables turn, the opposite situation will likely prevail.

## DOMESTIC POLICY

As minister of finance, Jagdeo sought to remove the country from the international list of debt-ridden nations. Guyana was able to honor huge international debts with as much as 90 cents from each dollar earned by earmarking export income for payment of foreign debt. The Caribbean Development Bank praised Guyana in the late 1990s for its achievement of economic growth; it was the highest in the region and the highest among the bank’s borrowing member countries. This resulted from increased economic activity and improved tax collections and compliance. Output in the mining sector has also increased in such areas as gold, bauxite, and diamond production. Increased sugar and rice production contributed to overall growth in the agricultural sector. During its years in office, the PPP/C has been able to preside over the economic revival in the 1990s.

The stable macroeconomic environment and the overhauling of social, economic, and physical infrastructure

also revived business interests. Both local and foreign investors took advantage of opportunities created by the government. As president, Jagdeo has made it clear that he intends to build partnerships with “the major players of the Guyanese society.” These major players are the private sector, the labor movement, civic society, and the political opposition. These partnerships, Jagdeo feels, will help to accelerate his goal of satisfying the needs and aspirations of the Guyanese people. As of 2001, the rate of unemployment was reported to be just over 9%, a figure analysts believed to be a severe underestimate, especially among Afro-Guyanese. The Jagdeo government sought to continue rebuilding the economy, achieving growth and, at the same time, ensuring that all citizens benefit from an improved economy.

Opposition PNC party members were growing dissatisfied with the lack of economic opportunities for their constituents. Guyanese politics follow racial/ethnic lines, and Jagdeo’s party is made up primarily of Guyanese citizens of Asian Indian descent, while the opposition party members are primarily of African descent. On 3 July 2002, about 3,500 angry protestors, mostly of African descent and members of the opposition PNC, marched on Georgetown from outlying villages to protest what they claimed are the government’s racist policies. About 50 people stormed the president’s office complex, and two were killed by police. The protestors called for four days of demonstrations to coincide with a meeting of the Caribbean Community and Common Market (CARICOM) meeting in Georgetown, which was being chaired by President Jagdeo. Leaders of the protest wanted to use the presence of regional heads of state to draw attention to their rift with the Jagdeo government. The PNC accuses Jagdeo’s administration of election fraud and economic discrimination against citizens of African descent. (Jagdeo’s party, PPP/C, is supported by citizens of Asian Indian descent.) Businesses owned by people of Asian Indian were vandalized as part of the protest.

## FOREIGN POLICY

Jagdeo intends to deepen friendly ties with neighboring states—Brazil, Suriname, and Venezuela. Jagdeo also aims to quicken the process of political and economic union within CARICOM and recognizes the need to maintain close ties with the international community. To that end, he was

striving to strengthen relations with the United States, Canada, Britain, India, and China. During 2002, Jagdeo held the chairmanship of CARICOM, turning over the position to Pierre Charles, prime minister of Dominica, on 14 February 2003. On 29 January 2002, Jagdeo and Suriname president Ronald Venetiaan signed a joint declaration for cooperation in joint exploration in oil mining in offshore waters.

Although the economic indicators in Guyana have been impressive, foreign investment has come mainly from outside the Caribbean region. Asian-based logging companies have taken an interest in Guyana’s forestry sector while American and Canadian groups are heading towards the mining and other extractive industries. Caribbean interest has been limited to Trinidad and Tobago, Barbados, and Jamaica. To encourage other Caribbean countries to invest in Guyana, Jagdeo intends to develop attractive investment and incentive packages.

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# HAITI

## Jean-Bertrand Aristide President

(pronounced “zhuhn BARE-trahnd air-ess-TEED”)



*“Power no longer resides with the bayonet but instead with the people’s ballots.”*

The Republic of Haiti occupies the western third of the Caribbean island of Hispaniola, with a total area of 27,750 sq km (10,714 sq mi). The capital is Port-au-Prince, located in the southeastern region of the country. Haiti shares the island with the neighboring Dominican Republic. Cuba lies about 80 km (50 mi) to the west; the Bahamas are to the north. The population has been estimated at 7 million. Ninety-five percent of Haitians are of African descent; the other 5% are mixed African-Caucasian. Haiti is one of the world’s most densely populated countries, with 277 people per sq km (717 per sq mi); 65% of Haitians live in rural areas. Roman Catholicism, the state religion, comprises 80% of the population, while Protestantism makes up 16%. Voodoo practice is widespread, and most Haitians see no conflict between religious faith and voodoo rituals and rites. The official languages are French, spoken by only about 20% of the people, and Creole, which is spoken universally. Only 20% of Haiti’s territory is arable land. With nearly two-thirds of Haitians engaged in subsistence farming, the pressures on the land have been enormous and devastating. Deforestation and soil erosion have combined to diminish agricultural productivity to the point where Haiti cannot feed itself, relying instead on food imports and feeding programs for most of its people. Fewer than 10% of Haitians are employed in what little manufacturing takes place in the country. An estimated 60% of the work force is unemployed. Large-scale emigration of skilled workers has left Haiti with a potential work force with little or no education and few skills. Coffee, cocoa, mangoes, and essential oils make up the bulk of Haiti’s exports, most of which are destined for the United States (75%). Per capita gross domestic product (GDP) has been estimated at us\$1,700 (2001 est.). Inflation is 14%. Haiti’s income distribution is among the most skewed in the world, with 90% of wealth controlled by less than 10% of the population. Haiti is the poorest country in the Western hemisphere and among the poorest in the world. The currency is the *gourde*.

### POLITICAL BACKGROUND

Haiti was colonized in 1659 by the French, who developed large sugar plantations utilizing slave labor from Africa. The years between 1659 and 1791 are the only period of political stability Haiti has known. From 1791 through 1803, the country experienced a slave rebellion that culminated in the slaves’ victory over Napoleon’s army and the establishment in 1804 of the independent state of Haiti, ruled by Dessalines,

who declared himself emperor. The remainder of the 19th century was marked by frequent and often violent shifts in political power, with 22 changes of government during the period 1843–1915. Much of the conflict arose from the ethnic hierarchy, which remained essentially unchanged from Haiti’s colonial period. Although Haitians of African descent made up the vast majority of the population, political power was concentrated in the hands of mulattos and light-skinned descendants of European landholders, which created extraordinary social tensions. After an extended period of heightened conflict and bloodletting between the two segments of society, the United States occupied Haiti in 1915 and ruled the country until 1934. A succession of leaders followed the U.S. departure, including the first black president of the republic, Dusmarsais Estime, in 1946. Two subsequent regimes were overthrown before 1957, and six held power that year before François Duvalier, a much beloved country physician, was elected president.

Despite a promising start, characterized by significant popular support, Duvalier (known popularly as “Papa Doc”) quickly assumed dictatorial powers, declaring himself president for life, and unleashed what would become a 30-year reign of terror led first by himself and then by his son, Jean-Claude “Baby Doc,” who succeeded to the presidency in April 1971 when his father died. Both Duvaliers used the *Tontons Macoutes*, a loyal private militia to control the nation and to crush opposition. Nevertheless, the 1970s and 1980s were characterized by intensifying public protest, despite increasing government repression. In 1985, in a last-ditch attempt to control the political forces sweeping Haiti, Baby Doc announced a series of constitutional reforms that would open the political process. Public opposition continued unabated, and Duvalier responded in January 1986 with the imposition of a state of siege and the declaration of martial law. On 7 February 1986, finally bowing to intense pressure both at home and abroad, Jean-Claude Duvalier and his family fled Haiti for exile in France. A series of unstable provisional military governments followed until March 1990 when Ertha Pascal Trouillot, a Supreme Court judge, was named head of yet another interim government. Trouillot was committed to democratic elections that had been promised and subsequently canceled by military leaders in the post-Duvalier period. These elections took place in December 1990 when Jean-Bertrand Aristide, a former priest, was elected president of the Republic of Haiti with 67.5% of the vote. Aristide was overthrown in a military coup on 30

September 1991. The *junta*, under General Raoul Cédras, remained in power until October 1994 when 20,000 U.S. troops peacefully took control of Haiti to restore Aristide to power. Under the constitution approved by referendum in March 1987, the national government is comprised of several elements, all of which are intended to exert checks and balances on each other, thereby preventing any one element from acquiring overwhelming power. The legislature is bicameral, consisting of an 83-member Chamber of Deputies and a 27-member Senate. The executive power is held by the president, elected to a single five-year term, and the prime minister, chosen by the president from the majority party in the legislature, subject to the approval of that body. The voting age is 18, and suffrage is universal. Aristide could not run for reelection in 1995, so he endorsed an associate, René Préval, who was elected on 17 December 1995. Under Préval, the government was not functioning; the legislature failed to approve three of Préval's nominees for prime minister, and Préval responded in 1999 by dissolving the Parliament and appointing a prime minister. Aristide ran for and won the presidency in elections held in November 2000.

### PERSONAL BACKGROUND

Jean-Bertrand Aristide was born on 15 July 1953 to a poor family living in Port-Salut, a fishing village on Haiti's southern peninsula. While still very young, Aristide moved with his mother and sister to the capital Port-au-Prince. There he was educated in a Catholic school run by the Salesian religious order; in 1974 he graduated from College of Notre Dame in Cap-Haitien. Following his graduation, Aristide joined the Salesian seminary in La Vega in the Dominican Republic. Upon completion of his studies he returned to Haiti where he pursued postgraduate education, studying psychology at the State University of Haiti and philosophy at the Grand Séminaire Notre Dame. Afterwards, he traveled to Rome and Israel pursuing education in biblical theology.

On 3 July 1983, Aristide was ordained as a Salesian priest and given charge of St. Joseph's parish, located just outside Port-au-Prince. There he shared his parish's struggles and became their spokesperson. He continued his role as spokesperson for his parishioners after becoming the priest for St. Jean Bosco, a church located in one of Port-au-Prince's slums. He was referred to as *Ti Tide*, an affectionate reference to his diminutive stature. Soon he became a spokesman for the progressive *ti legliz* (little church) movement in the Haitian Catholic Church. His ability to touch the common people and his message of human dignity, "*tout moun se moun*" (every human being is a human being), attracted thousands to his church. Aristide gained national attention when his sermons were aired on the Roman Catholic station, Radio Soleil.

Aristide speaks English, French, Creole, Spanish, Hebrew, Italian, and Portuguese fluently and is the author of several books. He is also an accomplished amateur musician and composer; he plays guitar, saxophone, organ, drums, clarinet, and piano. In 1996, he married Haitian-American lawyer Mildrid Touillot. They have two daughters.

### RISE TO POWER

Aristide became well known for his criticism of Jean-Claude Duvalier, who was appointed president for life in 1971. When Duvalier was removed from office in 1986, Aristide led a



march in remembrance of the 30,000 Haitians who lost their lives during his reign. He soon became the target of attacks. On 11 September 1988, while giving mass, armed individuals burned his church and killed dozens of his congregants. Shortly thereafter he was dismissed by the Salesians, who claimed he was too involved in politics to be the church's representative. Aristide was granted permission to leave the priesthood in 1994. He continued his work in politics against the Duvalier regime, and in 1990 became the presidential candidate for the National Front for Change and Democracy. He titled his campaign "*Lavalas*," a Creole term meaning a cleansing flood, and won by a landslide in Haiti's first democratic election.

When Aristide was elected to the presidency, he chose René Préval as his first prime minister. Together the two men envisioned a social transformation on a grand scale, based on redistributing the nation's wealth to the poor masses. When the Aristide government was overthrown in 1991, Préval accompanied the president into exile. Aristide was returned to power in 1994 and completed his term in 1995. At that time he was unable to serve a second consecutive term due to constitutional restrictions and pressure from the United States that they be upheld. Aristide was reelected in November 2000, receiving almost 92% of the votes. The election council claimed that 68% of eligible voters went to the polls, but critics believe the actual percentage was much lower. He took office in February 2001.

### LEADERSHIP

One day after Aristide won the 1990 elections, Duvalier's private militia the *Tontons Macoutes* marred celebrations with violence, killing many civilians. This was only the

beginning of violence, heightened when Roger Lafontant attempted a political coup a month before Aristide's inauguration. Aristide supporters took to the streets, killing anyone they suspected of working with the *Macoutes*. The army soon came to remove Lafontant and restore Trouillot's power. Upon taking office, having already suffered at least three attempts on his life, Aristide vowed an end to the *Macoutes* system and a restoration of peace.

When Aristide first assumed the presidency, Haiti suffered from excessive poverty, rampant unemployment, and a weak economy. Haiti is one of the world's poorest countries, with more than two-thirds of its inhabitants living in poverty. Aristide planned to combat poverty with initiatives to help the country's poorest people learn how to support themselves. However, before any major progress could be made, Aristide was overthrown in a military coup.

After being restored to power in 1994, Haiti was in economic ruin and socially unstable due to the violent coup. Aristide remained committed to serving justice and creating a stable democratic government. At this time, he dismantled the Haitian army and created a civilian police force. Upon completion of his term, Aristide founded the Aristide Foundation for Democracy. In 1997, he registered a new government party called the Fanmi Lavalas. His dedication to nonviolence and justice has earned him many awards, including the Martin Luther King International Statesman and Ecumenical Award and the Oscar Romero Award.

Assuming the presidency again in 2001, poverty and political and economic instability were still primary issues. He ran on the campaign slogan, "Peace in the mind, peace in the belly" and intends to keep his promises to his long-suffering people. Aristide invited opposition leaders to hold positions in his cabinet and has made efforts to reinstate foreign aid, which has been stalled until Aristide can prove his commitment to creating and maintaining true democracy.

On 17 December 2001, former police and members of the Haitian military that was disbanded in 1994 attempted to take the presidential palace by force, using guns and grenades. Police foiled the coup attempt, retaking the palace after a three-hour gun battle. Following the attempted coup, Aristide supporters set fire to the headquarters of Convergence Democratique, a group of 15 political parties that does not recognize the Aristide government. The coup attempt was only one example of anti-government sentiment. Opposition protests intensified at the end of 2002, but were met by violent counter-demonstrations by Aristide supporters. Opposition groups called for Aristide's resignation, including students, business leaders, and human rights groups. As well, there was growing unrest within Aristide's own party, with claims he failed to keep promises to provide basic services such as sanitation and electricity. Aristide dismissed the idea that he lost the support of the people, or that his government was unstable, but he called for new elections to be held in 2003. However, Haiti failed to meet its 30 March 2003 deadline for political leaders to prepare the country for elections. At the time, pressure from the international community was being put on Aristide to approach the opposition in an attempt to solve the country's political crisis, which began in May 2000 when Aristide's Lavalas party swept legislative elections deemed by the opposition to have been fraudulent.

## DOMESTIC POLICY

The Haitian economy, never strong to begin with, was decimated under the military regime during the early 1990s due to widespread corruption, mismanagement, and the effects of the economic sanctions imposed by the international community. There has been no substantial improvement since the end of the dictatorship, and many experts agree that it will be several years until economic production reaches precoup levels. In the meantime, many Haitians are malnourished, unemployed, and without real hope of a better life in the foreseeable future. The president needs to create jobs, to increase agricultural production, and to restore hope to Haiti's impoverished masses. Aristide aims for widespread privatization of industry and economic measures designed to further reduce inflation. Sixty-five percent of Haiti's budget comes from foreign donors and is contingent upon the adoption of these measures.

Haitians have experienced continual chaos since Prime Minister Rosny Smarth resigned in 1997 to protest electoral fraud. Parliamentary elections, held in May 2000, saw major victories for Aristide's Lavalas party. Results fell under intense scrutiny, with critics including the United Nations (UN) claiming rampant fraud. In protest, many opposition leaders boycotted the 2000 presidential elections and foreign aid from the United States and European Union was frozen. Financial aid is crucial for Aristide to combat Haiti's many economic, social and political problems. Aristide's major challenge is to quell political instability in order to make significant economic and social progress.

Some of the contributing factors to popular discontent with Aristide's government in 2002–03 included: a cooperative pyramid scheme that affected a large section of the middle class, costing investors US\$200 million; a fuel shortage that reduced electrical service to three hours per day, increased the price of fuel on the black market, and hindered transportation and food deliveries; widespread corruption; and an ill-equipped police force of less than 3,000 officers for the entire country. This in addition to the political tension gripping Haiti.

## FOREIGN POLICY

Haiti is one of the original members of the UN and participates in many of its specialized agencies. The country maintains diplomatic relations with most European and Latin American countries, although most do not maintain embassies in Haiti. To help his country emerge from poverty and become a player in the global market, Aristide must attempt to make amends with donor countries, which include Canada, France, Germany, and Japan, as well as the United States. These are also the countries that would be likely sources of foreign economic investment.

In 1998, Haitians, already the poorest people in the Americas, saw their economy suffer from the forces of nature, as well as their own politicians. A hurricane devastated the economy, damaged rice crops, and left hundreds dead. Political instability has caused most investors such as the United States to only offer the most basic humanitarian aid, the funds for which are often received by agencies outside the government.

Drug-running has grown considerably. Since 1999, Haitian police have been attempting to close down a network that

carries drugs from Colombia through Haiti to the United States and other destinations. Six of the police themselves were detained on suspicion of theft. They were believed to have stolen the majority of a haul of cocaine that was discovered in a boat headed for Miami. U.S. government officials estimate 20% of drugs now reaching the United States pass through Haiti. The police of Haiti decided to intensify the fight on drug trafficking as a means of lowering crime in general, but the country still remains a trafficking hub.

In April 2003, the UN issued an emergency appeal to the international community for US\$84 million to combat Haiti's humanitarian crisis, which the UN calculated was destined to worsen. The UN reported that 56% of Haiti's population suffers from malnutrition, only 46% has access to clean drinking water, and 42% live below the poverty line. Money for the emergency response program would provide aid for 18 months to address Haiti's needs for food, improved water and sanitation, access to health care, and mitigation of natural disasters. The aid would also help farmers resume production of their crops, provide immunizations against communicable diseases, and rebuild roads. In addition, more help is needed to combat Haiti's HIV/AIDS epidemic; Haiti has the highest rate of HIV infection in the Americas.

The U.S. Attorney General's office and the U.S. State Dept. maintained in April 2003 that third-country nationals, especially Pakistanis and Palestinians, were using Haiti as an illegal entry point into the United States. Haiti denied the allegations.

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# HONDURAS

Ricardo Maduro  
President

(pronounced “ree-CAR-doh mah-DURE-oh”)



*“I won’t just simply run the nation, but reform it with more democracy, transparency and equality for all, especially those with less.”*

The Republic of Honduras is bounded on the north by the Caribbean Sea, on the west by Guatemala, on the southwest by El Salvador, and on the southeast by Nicaragua. The northern coast measures 820 km (509 mi). In the south there is limited access to the Pacific Ocean through the Choluteca River and the Gulf of Fonseca. More than 75% of the country is mountainous, with the highest mountain reaching 2,800 m (9,200 ft). Most urban settlements and agricultural production are located in a large northern lowlands area and a smaller southern lowlands region. At 112,090 sq km (43,278 sq mi) and with a population of 6.5 million, Honduras is the third-largest Central American country in area and population.

More than 90% of the population is mestizo (mixed Indian and European), with the remainder divided among Indians, blacks, and whites. The rapid population growth rate of 2.34% per year has helped increase economic problems. Despite a high infant mortality rate of 30.48 deaths per 1,000 live births, the population is expected to double in 20 years. The 2002 estimated fertility rate was 4.03 children per woman. Life expectancy was estimated at 69 years in 2002. Some progress in literacy has been made in recent years. An estimated 74% of all Hondurans aged 15 and over are literate. Although Spanish is the official language, several indigenous dialects are also spoken in scattered areas. Roman Catholics make up 97% of the population and, although there is an official separation between church and state, Roman Catholics hold political and economic power. A small but growing Protestant minority, heavily financed by U.S.-based churches, began to emerge in the 1990s and early years of the twenty-first century, mainly in urban areas.

The economy is based on tropical agriculture, the textile industry, and an increasingly large service sector. One third of the labor force is employed in agriculture, exports of which come from such crops as bananas, coffee, citrus, and shrimp. Manufacturing, especially the textile industry, has also grown in recent years. With low productivity, low wages, and unskilled labor, the manufacturing industry is characterized by poor working conditions for many women and children.

The economy grew by an estimated 2.1% in 2001, after having been shrinking in 1999 by 4.5%. Per capita gross domestic product (GDP) amounts to us\$2,600. The annual inflation rate decreased from 26% to 9.7% by 2001, but with a foreign debt of us\$5.6 billion, the economy still needs to meet the needs of its growing poor and young population. Some 50% of Honduras live below the poverty line, and

unemployment and underemployment affect 30% of the population. The unit of currency is the *lempira*.

## POLITICAL BACKGROUND

In the pre-Colombian period, parts of the region were occupied by the Maya civilization. Christopher Columbus reached Honduras in 1502, but permanent European settlement did not begin until 1522 when the first Spanish governor was appointed. The indigenous population reacted and fought the Spaniards. The discovery of silver in 1570 brought renewed economic activity to the area and an increase in population. Honduras, however, remained a small and unimportant province of the Captaincy of Guatemala during the colonial period.

Honduras declared independence in 1821 and withdrew from the Central American Federation in 1838. Conservative landowners held political power until 1876 when Liberals gained the presidency and adopted a new Constitution. At the turn of the century, political unrest and instability threatened the economic interests of American landowners, particularly the United Fruit Company, and the United States sent troops to protect investments in banana production. In 1932, with the election of general Tiburcio Carías, unrest came to an end. Carías became a dictator and governed with widespread repression until his fall in 1949. Heavy American intervention secured banana production but brought little support for democratic forces in the country. For the most part, military strongmen ruled the country from 1949 to 1981. In 1981 a civilian government was elected to office, but the military remained strong.

Ricardo Maduro is the sixth democratically elected president in Honduras since 1982. The two leading political parties are the Liberal Party (Partido Liberal—PL) and the National Party (Partido Nacional—PN), both of which have come to be seen as centrist. The left was heavily repressed during the military governments and has since been unable to organize and succeed in elections. Liberals Roberto Suazo (1981–85) and José Azcona (1985–89) are credited with restoring civilian rule and limiting the power of the military. National Party leader, Rafael Callejas (1989–93), successfully managed to distance himself from the military and won the election of 1989. Yet, his economic plan brought increased poverty and was not able to improve the economy. In 1993, Liberal Party candidate, Carlos Roberto Reina was elected to the presidency. He attempted to bring to trial known human rights violators among military officers and tried to foster



economic growth. Reina successfully amended the Constitution to reduce the power of the military and abolish mandatory military service. His “moral revolution” concentrated on fighting corruption. Many high government officials were sent to jail, including some of Reina’s personal friends. He was less successful in his efforts to improve the economy. Since the Honduran Constitution contains no provisions for reelection, Reina was prevented from seeking a second term in 1997. Instead, the Liberal Party chose Carlos Flores as their candidate. In 1998 Flores took office as president, promoting a “New Agenda” as the platform for his domestic proposals by increasing growth, reducing unemployment, and stabilizing the economy. He had to deal with the crisis caused by Hurricane Mitch in October 1998, which killed more than 10,000 people and caused us\$5 billion of damage. This, combined with other factors, caused the economy to contract, unemployment to increase, and foreign debt to rise. Flores was an important player in the effort to bring together regional support for counterterrorism measures following the 11 September 2001 terrorist attacks on the World Trade Center in New York and The Pentagon in Washington, D.C. One of the last acts of the Flores administration was to normalize diplomatic relations with Cuba just hours before handing over power to Ricardo Maduro. El Salvador remains the only country in Latin America that has no established relations with the Cuban government.

The Constitution is based on a separation of powers between three branches of government. A strong presidency is filled by national elections every four years. The National Congress (Congreso Nacional), a unicameral body, is elected by proportional representation every four years. The judiciary, headed by the Supreme Court, is appointed by the legislature. There is universal and compulsory adult suffrage and all parties may participate in political life.

## PERSONAL BACKGROUND

Ricardo Maduro Joest was born on 20 April 1946 in Panama, of a Panamanian father and Honduran mother. Although his mother was born in Guatemala, she was considered by blood relation to be Honduran, although she did not obtain Honduran nationality until 1980. Thus, questions have been raised as to the legitimacy of Maduro’s nationality and his eligibility for election as president. In the 2000 opposition National Party presidential primary elections, Maduro was prohibited by the National Election Tribunal from running because of these questions regarding his nationality. Maduro temporarily withdrew his candidacy and appointed Luis Cosenza to run as his representative, which allowed him time to legalize his situation before the November 2001 elections. In the 2000 primary, Cosenza won 83% of the vote, although voters were actually casting their ballots for Maduro. In the election, Maduro was permitted to vote but not to run as a candidate.

Maduro went to elementary school in Tegucigalpa and high school in Pennsylvania, before graduating from Stanford University with a degree in economics. He comes from two families of businessmen: the Midence family of Honduras, founders of the Bank of Honduras, and printers and distributors of Honduran currency before the Honduran Central Bank was established; and the Maduro family of Panama, also well-respected business people. Maduro served as general



manager of Xerox in Honduras, before taking a job as executive director of Inversiones La Paz in 1976. He founded and organized many different companies while serving in this position, from agriculture to hotels. He won the 1983 Honduran American Chamber of Commerce “Businessman of the Year” award, one of many for his business achievements. He has been seen as a political newcomer, who promises a crackdown on crime in the style of former New York City mayor Rudolph Giuliani.

Before he divorced, Maduro was married to Miriam Andreu, with whom he had four children—Ricardo, Carolina, Cecilia, and Lorena. Maduro’s son Ricardo was killed in a kidnapping attempt in 1997, which devastated Maduro and led to his zero-tolerance campaign against crime. On 10 October 2002, Maduro married Spaniard Aguas Ocaña Navarro, head of the Spanish Consulate in Naples, Italy.

## RISE TO POWER

Maduro began his political career in the 1980s as founding member of the Unity and Change movement, designed to reinvigorate the National Party. This movement gained control of the party and catapulted Rafael Callejas to the office of president in 1989. Maduro was campaign manager for Callejas in 1985 and 1989, and president of the National Party Central Committee. Callejas named Maduro president of the Central Bank, a post he held from 1990–94. He was responsible for liberalizing and restructuring the economy, including relaxing price controls, opening up the financial sector, encouraging non-traditional exports, and beginning a

process of reform that led to the reduction in size of the government, a restructuring of state businesses, and the adoption of an agreement with the International Monetary Fund (IMF) for new loans. He was mentioned as a possible presidential candidate in 1994, but decided to return to private life. He announced his decision to seek the presidency in August 1999.

In the presidential elections of 25 November 2001, Maduro beat Liberal Party candidate, school teacher, and Congress president Rafael Pineda Ponce by 52% to 44% of the vote. On the eve of the election, congressional candidate Angel Pacheco of the National Party was murdered. The murder was seen to have been politically motivated, and highlighted a violent crime wave plaguing the country. Although otherwise the elections were considered to be free, fair, and peaceful, 7,000 armed soldiers guarded polling stations. Pineda accepted defeat gracefully in an election marked by high turnout. Maduro was inaugurated on 27 January 2002. In his inaugural address, Maduro promised to transform the country by attacking poverty and government inefficiency, to resolve outstanding problems with El Salvador and Nicaragua, and to work toward regional integration.

## LEADERSHIP

The issue that dominated the 2001 elections was crime. Maduro promised a “zero tolerance” crackdown on crime, saying that “the criminals’ party is over.” There were rampant levels of kidnapping, gang warfare, and drug-related violence in Honduras, and Maduro saw the problem of crime as stemming partly from insufficient punishment and partly from the inefficiency of the justice and penal systems. Maduro promised to end violent crime during his four-year term. He has initiated joint police and military action directed to four of the poorest and most crime-ridden areas first, called “Operation War Against Crime.” It is scheduled for nationwide implementation. Human rights organizations fear such action might cause troops to abuse their authority. In May 2003, however, a group of advisors of ex-New York City mayor, Rudolph Giuliani, visited Honduras and praised Maduro for reducing crime and creating a safer Honduran society.

Maduro said he would propose drastic economic reform, calling for austerity, and implementing privatization, pension and administrative reforms called for by the IMF to help Honduras lower its debt. Low coffee prices (Honduras’ most important commodity) in 2002 resulted in slowing economic growth. Maduro also wants to develop tourism, the maquila (textile) industry, small businesses, and agriculture. The cabinet he appointed is primarily technocratic.

## DOMESTIC POLICY

Maduro faces serious economic challenges. In June 2002, debt-reduction benefits from the World Bank’s Initiative for Heavily Indebted Poor Countries (HIPC) ended, thus making Maduro responsible for repaying the foreign debt. He must find new sources of financing or face a widening deficit. One measure he announced was to veto a bill in Congress, which would allow legislators to import a car duty free, costing the state us\$1.56 million. The president of a major business group called on Maduro to fire 30,000 government employees as a way of reducing governmental expenditures.

Maduro plans to reduce Honduras’ housing shortage, for at least a million Hondurans have no, or substandard, housing. He also wants to spend more on preschool and primary education, and less on higher education. Maduro wants to spend more on basic healthcare in rural areas and less in urban ones.

Maduro has asked the U.S. government to extend legislation allowing undocumented immigrants from Honduras to receive temporary residence and work permits for 18 months. The legislation was first enacted in 1998 in response to the hardship wrought by Hurricane Mitch, and it expired in July 2002. Maduro is also pressing for a projected U.S.-Central American free trade agreement.

Honduras expected approval of a loan from the Inter-American Development Bank in mid-2002 for a us\$80 million project to upgrade its national highway network and ports. It is considered to be a priority for Maduro’s administration. In April 2002 he created a national water commission to find a solution to Tegucigalpa’s water crisis.

In May 2002, Maduro denied rumors circulated by resort promoters on the Internet that the Honduran Swan Islands were for sale. These are tiny Caribbean islands that were previously inhabited by pirates and claimed by the United States. The resort promoters’ lawyer was claimed to have been a relative of Maduro, and this complicated matters, although the lawyer denied any involvement.

Maduro faced criticism from small farmers and indigenous people who protested against an agricultural reform law passed by Congress that was due to be signed by Maduro in May 2003. The farmers claimed the law would provide debt relief to large landowners and congressmen, and benefits banks instead of small producers. Small business owners also faced dismal economic prospects in mid-2003; 2,500 small businesses closed in early 2003, and their owners claimed the government’s economic policies benefitted big corporations. Honduran businesses have to pay 35% interest on commercial loans, as opposed to a mere 6% in El Salvador, for example. High import taxes also prevent local businesses from producing cheaper and high quality goods, because they are unable to update their machinery. Maduro will have to balance the concerns of small farmers and business owners against the corporate interests with which he is more familiar, in both reforming the economy and ensuring a degree of equal access to economic success for Hondurans.

## FOREIGN POLICY

Maduro needs to address a dispute between Honduras and El Salvador over the maritime and territorial boundary in the Gulf of Fonseca area. This dispute has stretched back to when the two countries fought the “Hundred-Hour War” in 1969. The International Court of Justice in The Hague made a settlement of the dispute with a 1992 ruling awarding most of the territory to Honduras. Carlos Flores asked the United Nations (UN) Security Council to force compliance. In January 1998, Honduras and El Salvador signed a border demarcation treaty to implement the terms of the ICJ decree. The treaty awaits legal ratification in both countries, but three days before Maduro took office, Salvadoran President Francisco Flores announced that the Salvadoran government was preparing an appeal of the ICJ ruling. In January 2002, Maduro said that the best way to resolve the issue would be

to submit the matter to international adjudication. He denied charges that Honduras was in an expansionist mode.

Honduras has been involved in another border dispute, involving a disputed maritime boundary treaty with Nicaragua. Nicaragua placed a 35% tariff on goods from Honduras, which the Central American Court of Justice ruled to be illegal in 2001.

One area in which Honduras has shown particular political independence is in its continuous effort to develop economic ties with Taiwan. Despite China's opposition, Honduras has been one of the most enthusiastic supporters of Taiwan. In return, Taiwan has encouraged investment in the country and has made low interest loans to the government. Taiwan established good relations with the new Maduro administration in April 2002, and Maduro visited Taiwan's president Chen Shui-bian in October 2002. Taiwan pledges to aid Honduras in the areas of social security, education, health and hygiene, and agricultural development.

The United States and Honduras have close and friendly relations. The United States recognized Honduras' support in the war on terrorism that began after the 11 September 2001 attacks on the United States. During the 1980s, Honduras supported U.S. policy in Central America, opposing the Sandinista regime in Nicaragua and a leftist insurgency in El Salvador. The United States maintains a small presence at a Honduran military base, and its troops have assisted Honduran soldiers in clearing land mines from the country's border with Nicaragua. Some 400,000 Hondurans live in the United States, thus immigration issues are an important matter for both countries.

Japan is the second largest donor of aid to Honduras, after the United States. Since 1975, the Japanese International Cooperation Agency (JICA) has, in conjunction with the Japanese government, donated approximately us\$1 billion in aid to Honduras. JICA is responsible for training engineers

and administrative officials from developing countries who go on to fill positions of power in developing the educational, environmental, and local governmental sectors of society, in addition to improving infrastructure, agriculture, and healthcare. JICA has pledged support for Honduras well into the 21st century.

Honduras is a member of the United Nations, the World Trade Organization (WTO), the Organization of American States (OAS), the Central American Common Market (CACM), and the Central American Bank for Economic Integration (Banco Centroamericano de Integración Económica—BCIE). During 1995–96, Honduras for the first time served as a nonpermanent member of the UN Security Council.

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**Profile researched and written by Jeneen Hobby, Ph.D. (5/2002; updated 5/2003).**

# HUNGARY

**Péter Medgyessy**  
**Prime Minister**

(pronounced "PEH-tar MEHD-yeh-shee")



*"The European Union is our nations' answer to war and destruction. It is our answer to the political and economic challenges posed by globalization. And above all, it is the political unit that complements the historical, cultural and economic ties linking the nations of Europe."*

The Republic of Hungary lies in the Carpathian Basin in the heart of central Europe. To Hungary's west lies Austria; to the north, Slovakia; to the east, Ukraine and Romania; and to the south, Serbia, Croatia, and Slovenia. Hungary's area is approximately 93,010 sq km (35,919 sq mi).

Hungary has about 10.1 million inhabitants as of 2002, of which approximately 90% are Hungarian, 4% are Roma (Gypsy), 3% are German and about 2% are Serb. The capital is Budapest, with a population of about 2 million. About 67% of the population is Roman Catholic; some 20% are Calvinist; and 5% are Lutheran. The principal language is Hungarian, a Finno-Ugric language, spoken by about 98% of the people.

The national currency is the *forint*. Hungary's primary industries include machinery, transportation equipment, textiles, and pharmaceuticals. It also produces many agricultural goods such as meats and produce.

## POLITICAL BACKGROUND

Hungary's history has been one of conquest and invasion, drastically shifting borders, and widely divergent political systems. The Kingdom of Hungary was invaded by the Ottoman Empire in the 16th century. Hungary was later incorporated into the Austrian Hapsburg monarchy, which in 1867 ceded much autonomy to Hungary in a dual Austro-Hungarian empire. After World War I, the Austro-Hungarian monarchy collapsed, and many successor states emerged. Hungary lost about two-thirds of its former territory as a result of the 1920 Trianon peace treaty. In World War II, Hungary allied with Nazi Germany and during this time regained much of its former territory at the expense of Czechoslovakia and Romania, but the Trianon borders were essentially restored after the war. With support from the Soviet Union, the Hungarian Communist Party imposed a one-party system, and the People's Republic of Hungary was declared in 1949. A popular uprising against Communist rule in 1956 was crushed by invading Warsaw Pact forces. Communist leader Janos Kadar, who ruled from 1956 to 1989, embarked on cautious liberalization and economic reform policies during his tenure.

In 1989, the year of East European revolutions, Hungary gradually but systematically moved toward a multiparty democracy. A peaceful transition from communism to democracy was confirmed in the first freely contested elections in 1990. The conservative Hungarian Democratic Forum (MDF) won 43% of the vote and led a non-

communist coalition government with Jozef Antall as prime minister. Unlike the other new democracies, Hungary faced no early elections or toppled governments for four years and appeared to many observers to be an island of stability in the region. The process of economic transformation, however, incurred considerable costs, leading to recession, rising unemployment, and declining output. New elections in 1994 returned the former Communist Party to power. The Hungarian Socialist Party won a majority of seats in Parliament. Though able to govern alone, the Socialists worked out a coalition agreement with the liberal Alliance of Free Democrats. Gyula Horn of the Socialist Party became prime minister. Strains in the coalition became evident in late 1994 and early 1995, due to differences over economic policy and privatization. After months of delay, in March 1995, the Horn government launched sweeping economic reforms designed to stabilize the economy and reduce the country's foreign debt and budget deficit. The austerity measures were hugely unpopular, but contributed to a significant economic turnaround. Growth in gross domestic product (GDP) in Hungary reached 4.7% in 1997 and 5.5% in 2000.

Leading up to the elections in May 1998, the Hungarian Socialist Party and the opposition Federation of Young Democrats-Hungarian Civic Party (Fidesz) led in opinion polls. The Fidesz-Hungarian Civic Party ended up with the largest share of parliamentary seats, but short of a majority. Fidesz concluded negotiations on forming a ruling coalition with the Hungarian Democratic Forum and the Independent Smallholders Party; altogether the coalition commanded 213 of 386 seats in Parliament. Fidesz leader Viktor Orbán became prime minister of a center-right government. In the April 2002 elections, the Socialist Party challenged Orbán's Fidesz, and although Fidesz won the largest bloc of seats in the National Assembly in the second round (aligned with the Hungarian Democratic Forum), the Socialists formed a coalition government with the Alliance of Free Democrats, holding 198 of 386 seats. Péter Medgyessy was named prime minister.

## PERSONAL BACKGROUND

Péter Medgyessy was born in Budapest on 19 October 1942. His family comes from Transylvania (now part of Romania), and his father was a clerk at the county hall in Kolozsvár (Cluj). He graduated from the University of Budapest in theoretical economics in 1996, and later obtained his Ph.D. from the same university. Aside from his service in

government, which began in 1966, Medgyessy also put his financial skills to work in the private sector. From 1990–94, he was chairman and chief executive officer (CEO) of Magyar Paribas Bank, and from 1994–96 he served as chairman and CEO of the Hungarian Bank for Investment and Development. He served as chairman of the Board of Directors of the Inter-Europa Bank and as vice-president of Atlasz Insurance Company from 1998–2001. He was a professor at the College of Finance and Accounting in Budapest as well. He received the French decoration Légion d'Honneur in 2000. He is fluent in French and Romanian, and has good working knowledge of English and Russian. He is married to Katalin Csaplár, and they have two children, a daughter and son. He enjoys nature and music.

### RISE TO POWER

Medgyessy began his political career at the Ministry of Finance, where he held various positions between 1966 and 1986, including head of the State Budget Department, and, in 1982, Deputy Minister of Finance. He was appointed Minister of Finance in 1987, and is credited with reforming the Hungarian banking sector and introducing a new “European-style” tax system, which helped facilitate Hungary’s transition to a market economy. From 1988–90, Medgyessy was Deputy Prime Minister in charge of Economic Affairs in the reform government which was implementing political change, and was given the task of economic liberalization and the preparation of corporate law that would lay the foundations for privatization. He served once again as Minister of Finance from 1996–98 in the government of Gyula Horn, distinguishing himself by curbing inflation and undertaking public sector finance reform. Under his leadership, the Finance Ministry submitted to Parliament a European-style pension reform bill.

Although not a member of the Hungarian Socialist Party, in June 2001 the party nominated him as their candidate for prime minister. After the Socialists won the elections in April 2002, Parliament elected Medgyessy prime minister to head a coalition with the Alliance of Free Democrats (Liberals).

### LEADERSHIP

The 2002 election campaign was divisive and close. Former prime minister Viktor Orbán, seen as young, charismatic, and ambitious, if not arrogant, debated Medgyessy, who was regarded as a soft-spoken pragmatist. “I think the Hungarian population has long wanted a calmer, quieter style of politics,” he said regarding his differences with Orbán. Because the Socialists and Liberals control only a slim majority of seats in parliament, Medgyessy has had to prove himself an able and strong leader. During the election campaign, he called for transparency in the budget and pay raises for health workers and teachers. He stated his wish for improving relations with neighboring countries, including Slovakia and the Czech Republic, which Orbán had alienated with extreme nationalist statements. Under Orbán, Parliament passed a law entitling Hungarians living in Romania, Slovakia, Ukraine, Serbia, Croatia, and Slovenia to a special identity document allowing them to temporarily work, study, and claim health care in Hungary. While Medgyessy recognized the importance of a thriving Hungarian culture, he highlighted the values of diversity, fairness, and social justice during the campaign.



Medgyessy was confronted with scandal a month after taking office. In June 2002, allegations surfaced that he had worked as a counterintelligence agent in the secret service under the Communist regime in the late 1970s and 1980s. Medgyessy claimed he never collaborated with Moscow’s KGB, but instead sought out Soviet spies attempting to sabotage Hungary’s attempts to join the IMF. After he admitted his role, his popularity soared.

### DOMESTIC POLICY

Medgyessy will need to put his economic savvy to good use in Hungary. The economy is faltering and the growth Hungary experienced in the late 1990s was compromised in 2002–03 by the global economic slowdown and a decline in Hungary’s international competitiveness. The government faces a high budget deficit, and its GDP rose by only 3.3% in the first half of 2002, down from 6.6% in the first half of 2000. Foreign direct investment has also slowed.

However, Hungary is fast on the way to achieving one of its long-term goals: European Union (EU) membership. In December 2002, the EU formally invited Hungary, along with nine other countries, to become a full member of the body in 2004. Hungary has had one of the highest levels of support for accession among candidate countries, with 77% of the population expressing support for EU membership in December 2002. However, that number sank to 56% in January 2003. Hungary must amend its constitution to cede part of its legislative authority to the EU, and Medgyessy needs the support of the opposition to amend the constitution. After several months of preparation, the government launched a \$9 million campaign in February 2003 to raise

public support for EU membership ahead of the referendum held on the issue on 12 April.

Although only 45.6% of eligible voters decided to cast their votes, Hungarians by a very wide margin—83.7%—voted “yes” to EU membership on 12 April 2003. Medgyessy called the vote “historic,” and a fireworks display was held in Budapest to Beethoven’s “Ode to Joy” and the EU’s national anthem.

### FOREIGN POLICY

One of Hungary’s longstanding goals is to become fully integrated into international institutions. In July 1997, the North Atlantic Treaty Organization (NATO) invited Hungary, along with Poland and the Czech Republic, to join the North Atlantic alliance, and all three nations became full members of NATO in March 1999.

Following the 11 September 2001 terrorist attacks on the United States, Hungary took several measures to prevent such an attack from occurring in its country. It introduced stricter banking regulation to prevent money laundering; put in place new programs to prevent the movement of dangerous goods and weapons across its borders; offered to restructure its military contributions to peacekeeping missions in the Balkans so that U.S. and British units could be freed up for the campaign against terrorism; and increased its sharing of intelligence with the United States. Hungary also pledged \$1 million in humanitarian relief to Afghanistan in the aftermath of the U.S.-led campaign to remove the Taliban and al-Qaeda forces there.

With regard to the 2003 U.S.-led war in Iraq, Hungary provided overflight rights to coalition aircraft and allowed the use of designated airfields for fighter and transport

aircraft being used to disarm the regime of Saddam Hussein. Breaking with the anti-war diplomacy of France, Germany, and Russia, Hungary signed the “letter of eight” (together with Spain, Portugal, Italy, the United Kingdom, the Czech Republic, Poland, and Denmark), expressing political support for the U.S. position on disarming Iraq, and in solidifying American-European unity. After Baghdad fell to coalition forces on 9 April 2003, Medgyessy stated Hungary was committed to restoring peace in Iraq and to reconstructing a democratic Iraq.

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**Profile researched and written by Jeneen Hobby, Ph.D. (4/03).**

# ICELAND

David Oddsson  
Prime Minister

(pronounced "DA-vid ODD-suhn")



*"A nation can have a common sense of self-confidence, just like its common credit worthiness: it can act in completed certainty that it will fare well if it has educated itself and matured and made a devoted effort."*

The Republic of Iceland occupies an island in the North Atlantic, just touching the Arctic Circle. To the northwest is Greenland, to the east is Norway and to the south is the United Kingdom. Iceland covers an area of 103,000 sq km (39,679 sq mi) and had an estimated population of 279,384 in 2002. About 79% of the land area in Iceland consists of glaciers, lakes, a mountainous lava desert and other wasteland. The per capita gross domestic product (GDP) was estimated to be US\$27,100 in 2002. The Icelandic unit of currency is the *krona* (plural: *kronur*). Icelandic is the primary language, although English is widely taught and spoken. Ethnically, the population is almost exclusively Icelandic, a mixture of Norwegian and Celtic heritage. Iceland's religion is 87% Evangelical Lutheran. Iceland's major exports include fish and fish products, other animal products, aluminum, and diatomite.

## POLITICAL BACKGROUND

Iceland boasts of having the world's oldest democratic body. The Parliament, or Althing, was originally established in 930 AD. From the fourteenth century until it declared its independence on 17 June 1944, Iceland was under Danish control.

Iceland has a parliamentary form of government. The Althing is a bicameral Parliament with 63 members; 49 are chosen proportionally from eight districts, and the remainder are selected to make the total number of representatives proportional to the national vote totals for each party. Parliamentary elections are held every four years; the most recent election was held in May 1999. De facto executive power is held by the prime minister, who is appointed by the president from the majority party or coalition of parties. Five different parties held seats in the Althing after the 1999 election.

The prime minister wields effective executive power in Iceland. Iceland also has a president, whose power is largely ceremonial. In addition to appointing the prime minister, the president also has the power to dissolve the Althing. While the prime minister exercises most executive power and serves as head of government, the president is the formal head of state. The presidential term lasts four years; the parliamentary elections are held every five years. As of 2002, the president was Olaf Ragnar Girmsson who succeeded Vigdis Finnbogadottir in 1996. When Finnbogadottir was first elected in 1980, she became the first democratically elected female head of state in the world. David Oddsson first became prime minister in a coalition government in 1991,

and retained the position after parliamentary elections in 1995 and 1999.

## PERSONAL BACKGROUND

David Oddsson was born on 17 January 1948 in Reykjavik, Iceland, to Oddur Olafsson, a medical doctor, and Ingibjorg Kristin Ludviksdottir, a bank department chief. He was educated in Iceland and graduated from Reykjavik Higher Secondary Grammar School in 1970. He attended the University of Iceland and received a degree in law in 1976.

While attending college, he held several jobs. From 1970 to 1972, he worked as chief clerk at Reykjavik Theatre. Oddsson continues to be a comic playwright in his spare time. He was a parliamentary reporter for *Morgunbladid*, Iceland's largest newspaper, from 1973 to 1974. He held a position at Almenna bokafelagid (Book Publishers and Book Club) from 1975 to 1976. In 1970, Oddsson married Asgridur Thoracensen, a nurse. Their son, Thorsteinn Davidsson (born 12 November 1971) is a lawyer.

From 1968 to 1975, Oddsson produced several radio programs for the Iceland State Broadcasting Service. He has cowritten two plays and authored three television dramas. His plays have been broadcast in other Nordic countries. He has also written two political books, namely *Sjalfstaedistefnan* (The Independence Movement), published in 1981, and *Eistland: Smapiod undir oki erlends voids* (Estonia, a Small Nation under the Yoke of a Foreign Power), published in 1973. It was under Oddsson's leadership that Iceland became the first country to recognize Estonia's independence in 1991. While serving as prime minister, he has continued to write, publishing two best-selling collections of short stories, *A Couple of Days Without Gudny* (1997) and *Stolen from the Author of the Alphabet* (2002). Oddsson also enjoys playing bridge and fishing in his leisure time.

## RISE TO POWER

Oddsson's political career began in 1974 when he became a member of the Reykjavik City Council. In 1976 he became office manager of the Reykjavik Health Insurance Fund and in 1978 he was promoted to managing director. He became a member of the Executive Committee of the Reykjavik City Council in 1980 and in 1982 he became chairman after being elected city mayor of Reykjavik. He has also served on the boards or committees of numerous other organizations.





His affiliation with the Independence Party (IP) dates back to his college days. From 1973 to 1975 he served on the Board of Directors of the Independence Party Youth Federation. In 1979 he became a member of the Executive Committee of the Independence Party. In 1989 he was elected to the position of vice chairman of the Independence Party, and in March 1991, he was elected chairman.

Oddsson's appointment as prime minister came on the heels of his first election to the Althing. He was officially sworn in as prime minister on 30 April 1991 in a coalition government with the left. Oddsson held onto the prime ministership in a center-right coalition in the 1995 election; this center-right coalition continued to hold power after the May 1999 election when Oddsson's Independence Party increased its share of the popular vote from 37.1% to 40.7%. The coalition partner, the centrist Progressive Party, fared worse in the 1999 elections when its share of the popular vote fell from 23.3% to 18.4%. The parties of the opposition left, which ran a single platform in the election, gained only 26.8% of the vote. Oddsson's electoral success is attributed to his economic record. The country has had nearly five years of 5% GDP growth, continued low inflation, and an enviable unemployment rate of just 2.5%. The government budget is in surplus, and public debt is falling. In 2001, the inflation rate was estimated at 5%.

### LEADERSHIP

As a member of the Independence Party and politician in the capital city Reykjavik, Oddsson has been very popular. As mayor, he established a reputation for dynamic and uncom-

promising leadership. Oddsson differs from many Icelanders in never having lived abroad and he is ill at ease in expressing himself in foreign languages. At home, he has been called a master politician for his pragmatic approach in dealing with coalition partners from the center as well as the left in earlier coalitions. The Independence Party is a conservative party that adheres to Iceland's continuing membership in the North Atlantic Treaty Organization (NATO) and the retention of the existing U.S. base in Iceland. It also favors Iceland's participation in the European Economic Area (EEA), but has rejected full European Union (EU) membership to maintain autonomy over Icelandic maritime resources.

Under Oddsson's leadership, Iceland's government has enjoyed a reputation for fairness and honesty. A 2001 Harvard University study cited Iceland as a country where governmental corruption was almost nonexistent, and the international journalists' group, *Reporters Without Borders*, in 2002 gave Iceland its highest ranking for freedom of the press.

### DOMESTIC POLICY

Oddsson's continued popularity has been attributed to his astute handling of Iceland's economic situation. Prime Minister Oddsson's largest challenge was to bring Iceland out of its economic recession. The austerity measures instituted by the previous Prime Minister Hermannsson were very unpopular. Yet trimming the Icelandic welfare state has continued under Oddsson. The retirement age was increased from 65 to 67, with further increases in age eligibility on the horizon. However, Oddsson has also continued to work on programs of tax reform that have made the personal income tax in Iceland one of the lowest in Europe.

Policies of market liberalization, public sector rationalization, privatization, and other structural reforms that fostered entrepreneurship, investment, and growth have resulted in a 38% growth in economy from 1992–2001. Per capita GDP (measured at purchasing parity prices) reached US\$29,000 in 2001, one of the highest in the European Community; estimates indicated a modest decline, to US\$27,100, in 2002.

With nearly 70% of export earnings coming from the fishing industry as of 2002, fluctuating world fish prices make the Icelandic economy particularly vulnerable. Negotiations with the EU under the EEA on access to the EU's markets for Icelandic fish products have been instrumental in fostering economic growth, as has diversification into nascent technological industries. Under the EEA, Iceland has had to liberalize many areas of the economy, from telecoms to banking (but not fisheries and food sectors).

In 2003, after more than a year of negotiations and despite harsh criticism from environmentalists, the government gave approval to the U.S. corporation, Alcoa, to build a power plant and aluminum smelter in Iceland's Eastern Highlands. The government stated that the new development would provide long-term employment for hundreds, and temporary construction jobs for thousands more in a region that is economically depressed, and that the economic benefits will outweigh the environmental risks.



## FOREIGN POLICY

Based on Prime Minister Oddsson's affiliation with the Independence Party of Iceland, he is expected to continue Iceland's membership in NATO. Relations with Europe and especially the EU are expected to remain strong. While surveys in 2002 showed a majority of Icelanders favoring negotiations on EU membership, no party has put the issue high on their agenda. The question of full EU membership hinges upon Iceland extending fishing rights within their own fishing zone to other EU member-states. This is seen as impossible, as the fisheries are the cornerstone of the Icelandic economy. In matters of foreign affairs, human rights, and the environment, however, Iceland continues to work within EU-accepted guidelines.

Perhaps more than the other Nordic countries, Iceland's foreign policy agenda is as heavily oriented toward the United States as it is toward Europe. Iceland maintains very friendly relations with the United States, and this warm relationship has expanded under Oddsson's leadership. While Oddsson's support for maintaining the U.S. military base in Iceland and signing a U.S.-Icelandic security agreement separate from NATO were contentious 10 years ago, these policies have subsequently garnered widespread support among Icelanders.

Iceland's relations with the former Soviet Union became strained under the previous prime minister's government when the Althing voted in February 1991 to establish diplomatic relations with the Baltic states that were seeking independence. The Union of Soviet Socialist Republics recalled its ambassador to Iceland in protest and accused Iceland of interfering in the USSR's internal affairs. In August 1991, Oddsson's government was the first to officially recognize the sovereignty of Lithuania, Latvia, and Estonia.

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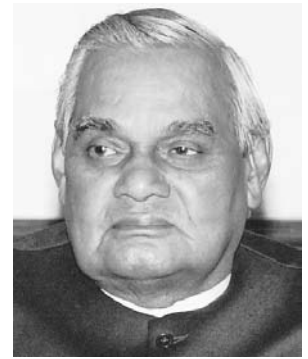
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# INDIA

## Atal Behari Vajpayee Prime Minister

(pronounced “AH-tahl beh-HAH-ree vaj-PAY-ee”)

*“Nations achieve greatness when their people learn to dream lofty dreams and to strive hard—and make sacrifices, when necessary—to realize those dreams, without getting disheartened by the difficulties along the way and without ever letting their faith in their nation’s destiny falter.”*



India dominates the southern part of the Asian continent, with an area of 3,287,590 sq km (1,269,346 sq mi). It is bordered to the northwest by Pakistan and to the north-northeast by China, Nepal, Bhutan, Bangladesh, and Myanmar. The country’s geography can be divided into three main regions: Himalayan Mountains, the Indo-Gangetic Plains, and the Deccan Plateau.

India’s population was estimated at 1,045,845,000 in 2002, second only to China. Approximately 73% of the people live in rural areas, but there are nearly 30 urban centers, each with more than a million people. The country’s population density is 283 persons per sq km (733 per sq mi). India’s people are ethnically and culturally diverse. The two main ethnic groups are Indo-Aryans and Dravidians. While nearly 600 languages and dialects are spoken in India, only 15 are recognized as official languages. Hindi, spoken by about 30% of the population, is most widely spoken in the northern and central regions of the country. It is also the official language of the central government. Many educated Indians speak English, an “associate” official language. An overwhelming majority of Indians belong to the Hindu faith (81%). Muslims constitute the largest minority religion (12%). Hindu society is divided into castes, which are hierarchically grouped according to traditional occupation and religious purity. Membership is determined by birth, and a person’s social status usually depends on caste considerations.

The unit of currency is the *rupee*. The country’s largest trading partners are the United States, the United Kingdom, Germany, Belgium, and Japan. Its chief exports are textile goods, precious stones, engineering goods, chemicals, and leather goods.

### POLITICAL BACKGROUND

India achieved independence from British colonial rule on 15 August 1947, after a bitter sectarian struggle that led to Muslim-majority areas in the northwest and northeast of British India forming the separate country of Pakistan. The Union of India is the world’s most populous democracy, organized as a federal republic of 28 states and 7 centrally administered territories.

India is governed under a Constitution, promulgated on 26 January 1950, which provides for a parliamentary form of government, guarantees the basic rights of citizens, prohibits discrimination on the basis of religion, caste, sex, or place of birth, and demarcates the areas of jurisdiction of the union

and state governments. The Constitution also provides for an independent judiciary consisting of a single integrated system of courts, with a supreme court at the top, to administer union and state laws.

The government’s legislative and executive powers are vested in a Parliament (*Sansad*) that is comprised of two houses: the Council of States (*Rajya Sabha*), which is the upper house, and the People’s Assembly (*Lok Sabha*), the lower house. The president of Parliament appoints the leader of the majority party to form and head the cabinet as prime minister. Real executive power, therefore, resides in the cabinet. However, if Parliament withdraws support from the cabinet, the president can either dismiss the prime minister or dissolve the People’s Assembly and call for new elections.

India’s main political parties are the Congress Party, the Bharatiya Janata Party (BJP), and the United Front (UF), a loose coalition of leftist and regional parties. Since independence, Congress has ruled almost continuously as the majority party. However, the 1996 elections resulted in a hung Parliament, from which the BJP emerged as the largest single party. The BJP formed a government that lacked parliamentary support and lasted only 13 days. A minority UF government, backed by Congress, was then sworn in. Dependent on Congress for survival, the government of I.K. Gujral fell in November 1997 when Congress withdrew support. Existing political alignments precluded a new government, prompting President Narayanan to dissolve the People’s Assembly. New elections in early 1998 again delivered an inconclusive verdict. But the BJP mustered enough support to lead a coalition government. This government collapsed in April 1999, but in elections held in September–October of that year, the BJP was again able to gather enough support to form a government at the head of a coalition known as the National Democratic Alliance (NDA).

### PERSONAL BACKGROUND

Atal Behari Vajpayee was born on 25 December 1924, to a family of the high-caste Brahmins, in the central Indian town of Gwalior. As a teenager, he joined the Rashtriya Swayam-sevak Sangh (RSS), a Hindu revivalist organization, and participated in the independence movement. In 1942, he was briefly imprisoned by British colonial authorities. After graduating from Laximbai College in Gwalior, Vajpayee earned a Master of Arts degree in political science from Dayanand Anglo-Vedic College in Kanpur. When India

achieved independence, he gave up studies for a law degree to devote more time to the RSS as a journalist and social worker, editing and writing for the organization's publications. In 1951, Vajpayee helped establish the Jana Sangh, a conservative political party strongly influenced by Hindu nationalist ideology. Six years later he was elected to the People's Assembly.

Considered an erudite politician with a cosmopolitan outlook, Vajpayee is a noted orator, a published poet, and the author of several books, including one on Indian foreign policy. He has served on various government committees and traveled abroad extensively on parliamentary and diplomatic missions. As a reform-minded social activist, he has championed Indian cultural values, women's rights, and the eradication of the caste system. In 1992, Vajpayee was awarded India's second-highest civilian honor, the *Padma Vibhushan* and, in 1994, was named "Best Parliamentarian." He also holds an honorary doctorate from Kanpur University.

Though charismatic in public, Vajpayee is described as privately reserved and reclusive. Never married, he lives in New Delhi with an adopted family—Namita, daughter of an old friend and her husband, Ranjan. He also enjoys the company of adopted granddaughter Neharika. A cultivated man, Vajpayee is fond of reading, writing, the arts, and good cuisine. In the early years of the twenty-first century, he has suffered from a variety of health problems.

## RISE TO POWER

A parliament veteran, Vajpayee spent his first 20 years in Parliament leading the opposition Jana Sangh and building a reputation as a forceful and articulate critic of the ruling Congress Party. In 1975, Vajpayee was among a group of dissident politicians jailed under the state of emergency declared by Prime Minister Indira Gandhi. In 1977, the Jana Sangh merged with other anti-Congress forces to form the Janata Party. Elections held that year swept the Janata Party into power, and Vajpayee became the new government's minister for external affairs. However, divisions within the Janata Party caused this government's collapse in 1980, and the Congress Party was returned to power. Rather than resurrect the now disbanded Jana Sangh, Vajpayee helped found a new party (the BJP), aimed at continuing the nationalist legacy of its predecessor.

As the BJP's first president (1980–86), Vajpayee downplayed the party's ideological ties to the more extremist Hindu nationalism of the RSS. His efforts failed to resonate with voters. The BJP fared poorly in the 1984 elections, and Vajpayee lost his seat in the People's Assembly. In 1986, Vajpayee won a seat in the Council of States and became the leader of his party's small parliamentary delegation. But hardliners had taken over the BJP and embraced a highly controversial agenda emphasizing the paramount importance of Hindu culture, values, and traditions in India. Critics accused the BJP of fomenting communal and ethnic strife and abandoning the Constitution's principle of secularism. Nonetheless, this strategy successfully galvanized support among upper-caste Hindus in the north and, in the 1991 elections, the BJP emerged as the major opposition in Parliament. Vajpayee was among the 120 BJP members elected to the People's Assembly that year. In 1992, however,



the BJP was put on the defensive when militants affiliated with the party demolished a mosque in Ayodhya, sparking violent Hindu-Muslim riots across India.

In the run-up to the 1996 elections, Vajpayee ran as the BJP's prime ministerial candidate. He denounced the Ayodhya incident, and many observers interpreted his selection as the BJP's attempt to present a less confrontational face to voters, in hopes of broadening the party's appeal. The elections unseated the ruling Congress Party, and Vajpayee became prime minister of a short-lived (13-day) BJP government. The "secular" Congress-UF axis, which ousted Vajpayee's government, did not endure, and the ensuing parliamentary impasse forced new elections. Seizing its opportunity, the BJP formed electoral alliances with a heterogeneous group of smaller parties to increase its chances of a parliamentary majority and promised voters a stable government. Buoyed by the UF's weak showing at the polls, the BJP and its allies came within striking distance of a majority in the new People's Assembly. After intense maneuvers, the BJP gained the additional support needed to form a government.

On 19 March 1998, Vajpayee was sworn in as the nation's third prime minister in a year. Ten days later his government won Parliament's vote of confidence, although only by a margin of 13 votes. With such a slim majority, Vajpayee's government was always subject to pressure from his coalition allies. It required all of the prime minister's considerable political skills to hold the coalition together. In April 1999, however, the All India Anna Dravida Munnetra Kazhagam

party (AIADMK) withdrew its support from the government. On 17 April, Vajpayee lost a parliamentary vote of confidence by a single vote, and he resigned as prime minister. As Congress was unable to form a coalition government, Parliament was dissolved, and new elections were scheduled for the fall of 1999. During the summer, Sonja Gandhi, widow of former prime minister Rajiv Gandhi, entered the political arena, actively campaigning for Congress. Her involvement, however, did little to boost Congress in the polls. Vajpayee emerged from the September–October elections in a strong position, with the BJP and its allies controlling 298 seats in the People's Assembly. Vajpayee was sworn in as prime minister on 14 October 1999 as head of the NDA government. He became the first Indian leader in several years to have a working majority in Parliament.

### LEADERSHIP

Considered an honest and capable man, Vajpayee is one of the country's most admired public figures. Many voters, otherwise suspicious of the BJP, appear to trust Vajpayee's responsible, flexible, and pragmatic political style. They regard him as best suited for the prime ministership. Vajpayee has revealed his preference for achieving consensus on major issues. Striking a conciliatory and reassuring tone, he has called for cooperation and expressed sensitivity to the concerns of India's ethnic and religious minorities. He has also rejected suggestions that he is a figurehead manipulated by RSS ideologues. Vajpayee's personal popularity is his greatest asset, but it may not provide him sufficient leverage against recalcitrant allies and unreconstructed hardliners in the BJP.

Vajpayee leads a patchwork coalition whose members have disparate and contradictory interests. To gain support, Vajpayee has made significant concessions and compromises—abandoning the BJP's cherished but contentious objectives. He has also awarded coalition partners plum ministerial portfolios and included consideration of their pet issues among the government's listed priorities. Vajpayee remains susceptible to pressures from allies and to resistance from disgruntled BJP hardliners. However, with his 1999 election victory, he no longer has to deal with a slim majority in Parliament and depend on the political calculations of a handful of MPs who, though allies, do not share the BJP's philosophy. Although still having to deal with a coalition (in which the BJP has a smaller share than in the previous government), Vajpayee is in a relatively stronger position. The main parliamentary opposition, Congress and the UF, was in disarray and unable to offer a credible alternative to the NDA government.

### DOMESTIC POLICY

India is one of the world's poorest countries although its gross national product (GNP) (measured in purchasing power parity terms) is the fifth largest. Vast sections of the populace remain impoverished even after substantial progress towards reducing malnutrition and mortality rates. Vajpayee's government has set out its plan to deal with the country's endemic social and economic ills in its "Agenda for a Proud, Prosperous India." The main thrust of this program lies in speeding up economic reforms. Vajpayee's economic initiatives include privatization, financial reforms, encouraging

foreign investment, and liberalizing trade restrictions. Unpopular measures have been taken, including increasing the price of diesel fuel by 35% to bring it in line with international levels. The May 2000 budget included reductions in food and fertilizer subsidies, leading to protest marches by the opposition. By 2003, Vajpayee's privatization plans were being stalled by opponents within his own government, as both leftist progressives and the Hindu right-wing objected to selling off state assets to foreign buyers.

Environmental issues continued to cause serious problems in India during Vajpayee's administration, with particular controversy over dam projects and water rights. In February 2003, Vajpayee ordered Karnataka state to release water from the Cauvery River to the neighboring state of Tamil Nadu, in an attempt to ease agricultural irrigation shortages. A subway system was inaugurated in New Delhi, as a means to mitigate severe urban air pollution.

In March 2002, Vajpayee's government approved an antiterrorism bill, which it called a response to both the post-September 11 US War on Terror and December 2001 Parliament attacks by Muslim militants. The bill allowed Indian police to detain suspected terrorists for up to three months without charges, and permitted terrorism charges to be brought against anyone suspected of giving support to terrorists. Critics have deemed the law a reactionary violation of individual rights.

Religious tensions continually simmered under the surface throughout India, and then exploded in Gujarat State in February 2002. After a Muslim mob set fire to a train carrying Hindu pilgrims, over 1,000 people died in the retaliatory rampages that followed, with Muslims the great majority of victims. Mutilation, rape, and arson occurred on a large scale in Gujarat. Human rights organizations documented the involvement of right-wing Hindu political groups, as well as elements of local government and police, in planning and carrying out concerted attacks on Muslim neighborhoods. Vajpayee's government was perceived as slow to condemn the anti-Muslim violence, and negligent in providing relief or compensation to those affected. When the BJP won a landslide victory in Gujarat state elections in December 2002, the Congress Party accused it of continuing to stir up anti-Muslim hatred to gain votes.

### FOREIGN POLICY

India's relations with Pakistan, the Kashmir problem, and nuclear policy continue to be related international concerns. India and Pakistan have fought three wars since the countries achieved their independence. Serious conflict resumed in December 2001 when five men, allegedly Muslim militants, armed with guns and explosives, attacked the Indian Parliament. In a 40-minute battle, 12 people were killed, including the five terrorists. Although President Musharraf of Pakistan condemned the attack and denied any Pakistani involvement, he refused to take any blanket action against Muslim militant groups on his side of the border without proof of involvement. Pakistan had supported Muslim militant efforts in Kashmir in the past, calling members of such groups "freedom fighters." The conflict over ownership of Muslim-majority, Indian-administered Kashmir had gone on for over a decade, with more than 63,000 people killed in

guerrilla warfare, terrorism, and counterinsurgency in the remote border region.

By the end of December 2001, India and Pakistan were positioning hundreds of thousands of troops and a vast array of weapons along their common border. In its 1998 nuclear testing actions, India had clearly demonstrated a means to deliver nuclear warheads with medium-range missiles in any regional conflict. With Pakistan similarly armed, there has been heightened potential for nuclear warfare. Many experts considered the December 2001 India-Pakistan face-off to be the worst threat of nuclear weapons usage since the end of the Cold War. Vajpayee and Musharraf met in January 2002 as part of the South Asian Association for Regional Cooperation Summit and took time to discuss the military standoff and acts of terrorism, but no agreement was made at that time.

Gradually, the hostilities eased, until a real thaw in relations appeared in May 2003. Vajpayee decided to seek his place in history with an effort at rapprochement with Pakistan. Full diplomatic and transport ties were to be renewed between the neighbors. The peace process was seen as Vajpayee's ultimate gamble -- if successful, it could win votes from the opposition Congress Party, but possibly lose hardline RSS support for Vajpayee; if not successful it would be an indelible mark of the Prime Minister's ineffectiveness. U.S. pressure for a solution to the Kashmir problem was seen as a particular inspiration for Vajpayee's new eagerness for talks with Pakistan.

January 1999 marked India's renewal of its bilateral Transit Treaty with Nepal, which governs trade across the India-Nepal border and gives landlocked Nepal transit rights through Indian territory. April 2000 brought talks with China over border issues in the Jammu, Kashmir, and Ladakh regions, and in mid-2003 India sought a solution to disputes with China over the sovereignty of the Himalayan enclave of Sikkim, with a visit by Vajpayee to Beijing for high-level talks.

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# INDONESIA

## Megawati Sukarnoputri President

(pronounced “meh-ga-WAH-tee soo-kahr-noh-POOT-rih”)



*“I have always maintained that we, in solving any problems, want to do it with a dialogue.”*

Inhabited in 2002 by an estimated 231 million people, the Republic of Indonesia ranks fourth in population among the countries of the world. It consists of a 13,000 island archipelago stretching out over 1,919,440 sq km (741,096 sq mi) in Southeast Asia, at the point where the Indian Ocean and Pacific Ocean meet. Indonesia shares the island of Borneo with Malaysia and Brunei, shares New Guinea with Papua New Guinea, and lies north–northwest of Australia and south of the Philippines. The densely populated island of Java, traditionally the cultural center of the region, holds almost two-thirds of the population. Located on Java, Jakarta, the capital and largest city, has a population of more than 8 million. The islands of New Guinea and Sumatra contain secessionist movements seeking self-determination. East Timor, which had been an Indonesian province, became an independent nation in May 2002.

With 88% of the population adhering to the Islamic faith, Indonesia is the most populous Muslim country in the world. Within Indonesia there are at least 300 ethnic groups speaking 200 different languages. Large ethnic groups include the Javanese (45%); the Sundanese (14%); Madurese (7.5%); and coastal Malays (7.5%). Bahasa Indonesia, based on the language of traders in the region and developed during colonial rule, is the official language. The overall literacy level in Indonesia is 84%, although there is a wide disparity between the literacy of men (90%) and women (78%).

Indonesia’s major exports include textiles and garments, petroleum products, electrical goods, wood products, and rubber. Japan, the United States, Singapore, South Korea, the Netherlands, and Australia are major trading partners. The currency is the *rupiah* and the per capita gross domestic product (GDP) was estimated at US\$3,000 in 2001.

### POLITICAL BACKGROUND

Two long-term presidents dominated Indonesia, a former Dutch colony, in the decades following World War II: Sukarno and Suharto. Sukarno, the main political leader of the independence movement and Indonesia’s first president, forged a national identity through his *pancasila* or five bases: 1) belief in one God; 2) internationalism and concern for humanity; 3) national unity; 4) the sovereignty of the people; and 5) social justice. These principles were intended to provide a common rallying point for the disparate religious, cultural, political, and ethnic groups that populate Indonesia.

Suharto, a general, rose to rule Indonesia when Sukarno turned radical and confrontational. In September 1965, six senior generals were assassinated in an attempted coup by the

powerful Communist Party of Indonesia (PKI), and the military responded swiftly and brutally. Hundreds of thousands of people (mainly PKI supporters, peasants, and ethnic Chinese) were killed during the military’s crackdown. As the newly appointed “commander for the restoration of security and order,” Suharto oversaw the military’s retaliation. Formal titles bestowed over the next few years provided evidence of his control of the government. He was granted executive powers in 1966, was named acting president in 1967, and was elected president by the People’s Consultative Assembly in 1968. By 1970, when Sukarno died, the transition from Sukarno’s “Guided Democracy” to Suharto’s “New Order” was already complete.

Suharto annexed territory for Indonesia, including the former Portuguese colony of East Timor, where the Indonesian invasion led to an estimated 200,000 deaths. The Suharto regime was ruthless in suppressing dissent, stifling the press, and imprisoning opponents. Despite this, opposition leaders who gained prominence in the 1990s included Amien Rais, an Islamic reformer, and Megawati Sukarnoputri, the daughter of Sukarno. At the end of the 1990s, secessionist movements in Aceh and East Timor gained support and the economy faced a major crisis in 1997. Massive student-led protests forced Suharto to resign on 21 May 1998. Waves of violence, particularly directed at urban ethnic Chinese communities (which were perceived as in charge of an unjust economy), convulsed Indonesia as Suharto was toppled. When Suharto resigned he announced that the business-oriented but eccentric vice president, B.J. Habibie, would assume the presidency. Habibie was considered a caretaker rather than a real political contender.

Indonesia’s Constitution gives broad power to the president, who is both head of state and chief executive. The presidential term is five years with no limits on reelection. The president is elected by the People’s Consultative Assembly (Majelis Permusyawaratan Rakyat—MPR), which the president heads. The MPR consists of 695 members, with some elected and some chosen as regional delegates or as representatives of professional groups, political organizations, or the armed forces of Indonesia. It includes the 500 members of the House of Representatives, who are selected proportionate to the general election results. A number of decrees introduced in the late 1990s curbed the power of the president and the military, introduced the secret ballot, and provided legislative checks on the bureaucracy.

In 1999, following national elections, Abdurrahman Wahid was selected as president by the People’s Consultative

Assembly. Wahid, an influential Muslim intellectual, had refused to support Suharto's sixth consecutive term for the presidency and had become increasingly critical of Suharto's embrace of religion for the sake of increasing political legitimacy. In 1998, after Suharto's fall from power, Wahid organized the National Awakening Party, based on the principles of moderation, tolerance, and harmony. On taking office, Wahid accepted East Timor's referendum-approved independence and extended peace overtures to rebels in oil-rich Aceh, northern Sumatra. Ethnic violence persisted, however, and spread throughout the archipelago. Desperately needed economic reforms occurred only in fits and starts and Wahid appeared more interested in foreign than domestic policy. His relations with the People's Consultative Assembly were acrimonious. Despite his personal charm and the respect of the public, Wahid's unpredictability caused legislators to lose confidence in him. He also failed to get along with Megawati Sukarnoputri, whom he had relegated to the vice presidency.

### PERSONAL BACKGROUND

Megawati Sukarnoputri, usually known by her first name, was born on 23 January 1947 to President Sukarno and Fatmawati, the second of his six wives. A favorite daughter of Sukarno, she spent her childhood in the Presidential Palace, and felt the traumatic effects of her father's ouster. With an idealistic goal of solving her country's food shortages, she attended two Indonesian universities where she studied agriculture, but she did not complete a degree at either. Her first marriage was to an Air Force pilot who died in a 1971 crash in Irian Jaya; she was also very briefly married to an Egyptian businessman. Her long-lasting marriage is to Taufik Kiemas, owner of a chain of gasoline stations, and they have three grown children. Her husband is thought to have encouraged her involvement in politics. Many analysts believe that Megawati considers herself entitled by destiny to be the leader of Indonesia, but she gave no evidence of such lofty ambitions during her early life as a low-profile "housewife." Her presidency is in keeping with the modern Asian tradition of women who are daughters, or widows, of heads of state succeeding to the helms of governments.

### RISE TO POWER

Megawati was 40 years old when she became politically active in the opposition to Suharto's continued rule. Members of Sukarno's family were recruited to enhance the prestige of the small, weak, Indonesian Democratic Party, a nationalist group that had been founded in the 1920s by Sukarno. Megawati soon became leader of the party and helped to increase its membership. Her family background symbolized an alternative to Suharto's dictatorship. Her threat to Suharto was obvious and his attempt to force her removal as party head, with violent attacks on her headquarters in 1996, led to mass demonstrations in her support. Megawati was portrayed as an heroic figure, like Aung San Suu Kyi of Myanmar (Burma) or Corazon Aquino of the Philippines, but she remained personally reclusive, avoiding statements or speeches, rather than coming forth as an impassioned orator inspiring the opposition. Megawati's actual role in the downfall of Suharto in 1998 appeared remarkably minimal. Her party and her name remained very popular when she ran



in the subsequent 1999 national election, even though she refused interviews and debates.

In 1999, when Wahid was one of three candidates for the presidency, he stated that he would be willing to step down in favor of Megawati, leader of the Indonesian Democratic Party, the then main opposition party. Before the voting in the People's Consultative Assembly in October 1999, however, Wahid's shrewd political maneuvers won him the support of Golkar (Suharto's party) and played on the resistance of Muslim parties to a female head of state, enabling him to defeat Megawati for the presidency, even though he had little more than 10% of the popular vote and she had won over half. Megawati urged her outraged followers to be calm and she accepted the position of vice president.

As Indonesia's reform process slowed, the economy stagnated and ethnic unrest erupted, while legislative opposition to Wahid gathered momentum. Wahid, in ill-health and widely perceived as unstable to the point of incompetence, fought off attempts to force his resignation but eventually was pushed out. Megawati became the fifth president of Indonesia on 23 July 2001 when Wahid was impeached. The transition was relatively peaceful, in spite of Wahid's resistance to the impeachment process. By 2003, Megawati was firmly in place to finish Wahid's term, due to end in October 2004. In January 2003 she announced plans to seek a second term in the elections scheduled later that year.

### LEADERSHIP

Megawati entered office with strong parliamentary, military, and public support. Her vision for the nation appeared to be her father's legacy: restoring Indonesia's unity, and keeping the country democratic but strong. Megawati is often described as charismatic but it is a very restrained charisma, unlike that of her flamboyant father. Her extraordinary quietness may project stability and thoughtfulness, especially after the vocal, impulsive Wahid; however, others see it as evidence of a limited intellect. She builds support in her party and government as a team player, commanding loyalty by being "motherly" to her supporters, and she relies on a trusted circle of influential advisors.

Despite her father's downfall at the hands of Suharto's military, Megawati's ties to the military appear strong. She and her husband are particularly close to General Endriartono Sutarto (a reformist), the army chief of staff; and Lt. General Ryamizard Ryacudu (a conservative), head of the

Army Strategic Reserve. These officers are linked to her party and seen as potential backers for the 2004 election. Analysts warn of a return to military participation in Indonesian party politics, in spite of restrictions on actual military representation in the legislature. The military is considered conservative, opposing Islamic militancy and ethnic separatism.

Having entered office during a period of violent social chaos (with ethnic and economic roots) throughout the archipelago, Megawati's administration has thus far managed to calm the political situation without a return to military-style authoritarianism, and she has shown a more decisive leadership than her predecessor, Wahid. She appears to have been less proactive in promoting reform, particularly in fighting corruption. Her economic policy is criticized as hesitant and ineffective.

After more than a year in office, Megawati continues to reveal little of her positions or opinions on important issues. Megawati's insecurity regarding Indonesia's post-Suharto free press is quite apparent. She avoids interviews and press conferences, although she invited influential news editors along on her April 2002 Asian trip, in an apparent attempt to win their approval.

## DOMESTIC POLICY

During the 1990s, Indonesia's economy recovered from petroleum pricing fluctuations and appeared to thrive despite widespread corruption. Then Indonesia's economic prospects met disaster in the fall of 1997 as an Asia-wide economic crisis struck. The *rupiah's* value declined as much as 90%, and foreign investors fled. The crisis resulted in food riots, inflation and an International Monetary Fund (IMF) bailout that many Indonesians believe infringed on their national sovereignty. Decades of wholesale looting of the economy by the Suharto family and associates came to light in 1998. The Wahid and Megawati administrations have been faced with the tasks of trying to sell off bankrupt assets and attempting to reform the country's economy along IMF guidelines.

With Megawati in office, the country remains heavily in debt, with high unemployment. Agriculture is depressed, necessitating rice imports, and infrastructure is decaying. The IMF's US\$5 billion bailout continues, with Megawati inspiring increased confidence as she goes along with economic reforms, including the sale of bank assets. She replaced the head of the banking restructuring agency and appears to be spurring the slow-moving agency to move faster. She stopped a scheme that would have allowed slower debt repayment by business owners. Some Indonesian business sectors, including telecommunications, were finally making something of a comeback as of early 2003. Inflation decreased during the first year of Megawati's administration but was still relatively high at 11.5% in 2001. Although the economy grew 4% in 2002, wages were still stagnant, exports were lagging, and foreign investors were wary.

A free-for-all in natural resource extraction has taken place after the fall of Suharto, as his economic holdings fall into the hands of others who use the same ruthless techniques. Severe deforestation has resulted throughout Indonesia. Megawati's administration has shown a new willingness to crack down on the illegal timber trade that is destroying the rainforests of Kalimantan (Indonesian

Borneo), but corrupt provincial officials still block such efforts.

When she assumed the presidency, Megawati launched an anticorruption drive. She is perceived as a person of integrity, although some analysts describe her husband as corrupt. A high-profile case was made against Golkar party leader and parliamentary speaker Akbar Tanjung and two others; the three were accused of embezzling millions intended for poverty aid; millions of dollars have been returned by those on trial. The case has been pursued despite Golkar being allied with Megawati's party in the coalition government. Tanjung was convicted in September 2002, but his sentence was suspended while he waited for his appeal to be heard. His conviction did not appear to affect the strength of Golkar.

Megawati has not yet shown a willingness to bring reform to Indonesia's notoriously flawed judicial system. The trial of Suharto's son Tommy for the murder of a judge is seen as a test of the legal system's vulnerability to bribery and influence. Tensions arose between underfunded military and police forces, with clashes between the two forces in late 2002. The conflict appeared to stem from the involvement of both army and police elements in criminal activities such as drug trafficking. Also, the police forces had been removed from direct army control, which led to resentment.

Constitutional reform is also dangerously slow in implementation. The People's Consultative Assembly is supposed to be finalizing reforms of the 1945 Constitution, but it is moving so slowly as to place the changes made so far in jeopardy, and there is significant opposition to the whole process both inside and outside of the legislature. In particular, Megawati's own Indonesian Democratic Party is against the reforms that she is charged with carrying out. The reforms are intended to make elections and parliamentary representation more fair. They would limit the power of the People's Consultative Assembly, which as shown in its ouster of Wahid, is very powerful indeed. The reforms would also take away guaranteed seats for the military and police.

Another major area of domestic concern is ethnic conflict and its impact on national unity. After Megawati took office, grievances continue to emerge which were developed over many years of human rights abuse and economic exploitation of other islands by the Java-based central government under Suharto. The depressed economic situation contributed to ethnic and social divisions. Violence was especially intense between settlers brought from crowded Java and Madura to outlying islands during Suharto's transmigration programs, and the indigenous people of those regions. These conflicts often have religious overtones, as most settlers are Muslim and many local people are Christian or Animist.

By the end of Megawati's first year in office, outright violence had lessened considerably, possibly because her good relations with the military stopped it from helping to stir up destabilizing ethnic chaos. Wahid had been known for his conciliatory approach towards rebellious East Timor and Aceh, and for weakening the role of the military in decision-making. During his administration, however, ethnic violence continued to spiral out of control, particularly in the Maluku Islands and Kalimantan, and the Aceh conflict was far from being resolved. Some observers believe that these flashpoints were used by the military to provide a pretext for getting rid



of Wahid and replacing him with the more pro-military, nationalist Megawati.

Megawati has been unenthusiastic about East Timor's independence and reluctant to hold the Indonesian military accountable for human rights abuses committed there, implying that she would have handled the situation differently than did Habibie and Wahid. Arrests of high-ranking Indonesian military officers, including General Wiranto, for war crimes in East Timor, have not materialized; and Indonesia is seen as protecting them, although lower ranking officers have been put on trial. Human rights trials of officers implicated in the Timor actions were held in Indonesia, but resulted in few conditions and were internationally condemned as a sham. Still, Megawati has had cordial relations with Prime Minister Mari Alkatiri and President Xanano Gusmao, the leaders of the new nation of East Timor; she attended East Timor independence celebrations in May 2002.

The western half of the island of New Guinea, annexed by Indonesia as the province of Irian Jaya during Suharto's rule, was subjected to transmigration, resource extraction, human rights abuse, and pollution. A separatist movement grew there, coming out in the open after the fall of Suharto and encouraged by East Timor's achievement of independence. An important leader of that independence movement, Theys Hiyo Elouy, was killed in 2001; the Indonesian military was suspected in his murder. In early 2002, Megawati's administration offered the province new levels of autonomy including a name change from Irian Jaya to Papua and a greater share of natural resource revenues, but the deal was rejected and independence demands continue.

In a rare public statement, when she was vice president, Megawati made an appeal to rebellious Aceh, the petroleum-producing region in the north of Sumatra, to be patient, pledging that she would honor local concerns in a "motherly" way. She began her term in office with a public apology to Aceh for past human rights abuses, and has offered an autonomy package, including allowing Islamic law in Aceh and letting the province keep a greater share of resource revenues. While Megawati offers incentives for dropping independence demands, Indonesian troop strength has increased in Aceh, with a regional military command reinstated. An internationally monitored peace accord was signed with the Free Aceh Movement in Geneva, Switzerland, on 9 December 2002. The Indonesian military stopped campaigns against the Achenese militants, and a real, if fragile, calm was restored to Aceh. As of early 2003, it remained to be seen whether offers of autonomy and demands for independence can be truly reconciled.

## FOREIGN POLICY

Indonesia continues to be an influential member of the Association of Southeast Asian Nations (ASEAN), but neighboring members appear unhappy with effects from the breakdown of law and order in Indonesia, including piracy and suspected terrorism. Tensions arose with Singapore in February 2002 due to Singaporean elder statesman Lee Kuan Yew's comments that Indonesia was doing little to combat terrorism and allowing Islamic militant groups to operate freely. Indonesians countered by accusing Singapore of harboring criminals who had exploited Indonesia's economy

under Suharto. Singapore and Malaysia have both criticized Indonesia for allowing terror suspects to remain free.

The United States considers Indonesia a location of Al Qaeda terrorist network cells and other Islamic extremist groups which have threatened Americans. Hosting Megawati in a high-profile visit to Washington, D.C., just a week after the 11 September attacks, the Bush administration seemed eager to portray Indonesia as a moderate Islamic nation on its side in its "war on terror." Megawati's government, however, was not supportive of the U.S. bombing war in Afghanistan, or of the Bush administration's attack on Iraq in early 2003, which was opposed by massive public protests in Indonesian cities. The Bush administration appears to favor engagement with Indonesia's military as a counter to Islamic militancy, but the U.S. Congress continues a ban on direct military assistance in place since 1999's East Timor violence. Resumption of direct military aid to Indonesia by the United States is not allowed until there is formal accountability of Indonesian military officers for war crimes committed in East Timor.

Relations with Australia have been strained over Australia's dispatch of troops to protect East Timor in 1999. A February 2002 agreement between Indonesia and Australia to cooperate in fighting terrorism seemed to be an attempt to overcome that tension, and for Australian aid to Indonesia's military to fill the gap left by the United States ban. Relations with Australia—as well as Singapore and the United States—were strained following the bombing of a nightclub on the island of Bali in October 2002, as those countries felt that Megawati's government had not done enough to fight the threat of Muslim extremist terrorism. The majority of the bombing victims had been Australian tourists. Megawati, at the urging of her husband, toured the site of the bombing, but left soon afterward for a meeting in Mexico without taking further action to prevent the likelihood of more violent acts by terrorists. Indonesia's tourist industry suffered an extreme downturn in business following the bombing in Bali.

In spring (March–April) 2002, Megawati undertook a two week trip to four Asian nations: China, India, North Korea and South Korea. The Korea segment, in which she flew directly from North Korea to South Korea, defied President Bush's "axis of evil" effort to isolate the North. Megawati used her childhood acquaintance with North Korean leader Kim Jong-Il (he had accompanied his father, Kim Il-Sung on a visit to her father) to endorse recently reopened direct dialogue between the North and South. Her trip also symbolized revived Indonesian ties with China, which had been close in her father's administration but which had deteriorated under Suharto. Her overtures to China were interpreted as a strategy aimed at balancing Indonesia's economic dependence on Japan and the United States with new access to Chinese markets for Indonesian goods.

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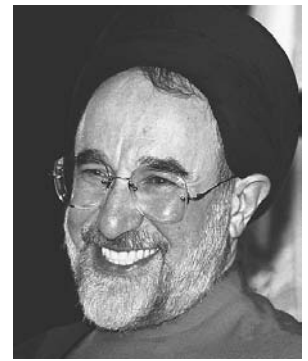
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**Profile researched and written by Edith T. Mirante (5/2002); updated (5/2003).**

# IRAN

## Mohammed Khatami President

(pronounced “mow-HAH-muhd kab-TAW-mee”)



*“The need of the moment and the future is to stabilize and deepen democracy and realize the rights of the people alongside religion.”*

The Islamic Republic of Iran is bordered on the north by the Caspian Sea and the central Asian republics of Azerbaijan and Turkmenistan, on the east by Afghanistan and Pakistan, on the south by the Persian Gulf, and on the west by Iraq and Turkey. Iran has an area of 1,648,000 sq km (636,290 sq mi).

The population was estimated to be 66,622,704 with an annual growth rate of about 0.77% in 2002. Persian, which belongs to the Indo-European family of languages, is Iran’s official language, with Kurdish, Baluchi, Luri, Armenian, Azeri Turkish, and Arabic being the other principal tongues in this multi-ethnic country. Shiite Muslims comprise 93% of the population while Sunni Muslims, Zoroastrians, Christians, Jews, and the Bahai’s constitute Iran’s minorities.

The Iranian currency is the *rial*. The per capita gross domestic product (GDP) was estimated at US\$7,000 in 2001. Iran’s primary export is crude petroleum. Its major trading partners are Japan, Germany, Spain, United Arab Emirates, Greece, the UK, Italy, and France.

### POLITICAL BACKGROUND

In 1979 the dictatorial regime of Shah Muhammad Reza Pahlavi was forced to relinquish power. In its place, Iran was transformed into an Islamic republic, led by Ayatollah Ruhollah Khomeini until his death in 1989.

The Iranian political system is based on the 1979 constitution and principle of *shariat*, or Islamic law. Ultimate authority is vested in the Wali Faqih, a spiritual leader appointed by the Shiite clergy who reflects the will of God. An elected president is the chief executive and reflects the will of the people. The 290-member Islamic Consultative Assembly (Majlis Shura-ye Islami, commonly referred to as the Majlis) constitutes the legislative branch of government. All candidates for the Majlis must be recommended to the voters by legitimate Islamic political groups and approved by an Islamic screening committee. All legislation from the Majlis must be approved by the 12-member Council of Guardians, appointed by the religious leader and the Supreme Judicial Council. The Council of Guardians, however, can be bypassed by a resolution of the Expediency Council. This discretionary council, whose members are elected by the supreme leader, rules on legal and theological disputes between the Majlis and Council of Guardians. It is charged with ruling in the best interest of the country by establishing a balance between different interpretations of the tenets of Islamic law.

The president, elected for four years by popular vote, is the head of the cabinet and the civilian part of the executive branch. Thus, the government combines the authority of the supreme Shiite jurisconsult with the elected president and Parliament, producing a complex system of religio-judicial checks and balances. The entire system is based on a balance of power between the different factions of the ruling clerics. The supreme leader (Ali Khamenei) represents the conservatives, but the Majlis speaker, Mehdi Karubi of the Militant Clerics’ Association (elected speaker unopposed in May 2000), represents the reformist coalition.

### PERSONAL BACKGROUND

Mohammed Khatami was born in 1943 in the southwestern town of Ardakan, in the Iranian province of Yazd. His father was a prominent religious scholar who was appointed prayer leader of Yazd by Ayatollah Khomeini following the 1979 revolution. After finishing his theological studies at Qom and Isfahan, Mohammed Khatami received a master’s degree in philosophy and education from Isfahan University.

Khatami is widely regarded as an honest and virtuous cleric. He lives modestly in a yellow-brick townhouse in northern Tehran and drives an Iranian-made car. He is married and has one son and two daughters. Khatami is well connected to important clerical families through marriage. He wears a black turban, indicating direct descent from the prophet Mohammad. This enhances Khatami’s charismatic appeal along with his reputation as a liberal-minded cleric. The contrast between Khatami and the hard-line clerics who dominated Iran’s political establishment until 2000 is such that some Iranians referred to him half-jokingly as Ayatollah Gorbachev, after the leader of the former Soviet Union who opened that country to the West in the late 1980s.

Khatami speaks Arabic, German, and some English. He reads a great deal and has published several books on subjects such as the relationship between Islam and the modern world. His hobbies include hiking and table tennis.

### RISE TO POWER

During the 1960s and 1970s, Khatami became involved in the activities of the Militant Clerics’ Association, which rallied opposition to the Shah. Through political pamphleteering he supported the efforts of Ayatollah Ruhollah Khomeini, who was then living in exile. He developed a close friendship with Khomeini’s son, Ahmad, who would later provide helpful support in resolving post-revolutionary factional disputes.



In the late 1970s, Khatami came to the attention of Ayatollah Mohammad Beheshti, chief ideologue of the Islamic Republican Party and a key tactician of the revolution. Beheshti appointed him to run the Islamic Center of Hamburg (Germany) to help mobilize expatriate Iranians against the Pahlavi regime.

After the revolution he returned to Iran and took over Kayhan Institute, the largest publishing house in Iran. In 1980 he was elected to the first Majlis and in 1982 became minister of culture and Islamic guidance, with responsibility for overseeing Iranian films, publishing, and mass media. Khatami held this position for more than a decade, and his policies heralded a new era of cultural development in post-revolutionary Iran. He became known as a harbinger of tolerance by easing censorship regulations and promoting the publication of many independent journals and book titles. His policies encouraged creativity in the areas of classical music, film, and fiction. The Iranian film industry flourished, receiving much critical acclaim at international festivals over the past two decades. In 1992, Khatami was forced to resign under pressure from conservative clerics who considered his policies too permissive. Between 1992 and 1997 he served as a cultural adviser to President Rafsanjani while heading Iran's national library.

Khatami announced his decision to run for the presidency in January 1997 after consultation with government leaders. In order to qualify, all presidential candidates were screened for ideological purity by the Council of Guardians. This group rejected all but four of 238 presidential hopefuls. Khatami was favored by both radical and pragmatic factions of revolutionary clerics since they wanted to contain the power of conservatives, who at that time enjoyed a majority within the Majlis. While both factions have different views on

economic policy, they agreed with Khatami on the need for a more open society. Many Iranians feared that the conservative religious establishment would resort to fraud in order to prevent Khatami from winning the election, but popular support for Khatami was so overwhelming that his opponents had no choice but to let the election proceed without interference. The result was a landslide victory for Khatami on 23 May 1997 in Iran's first freely contested presidential election since 1980. With an estimated 94% of eligible voters casting ballots, Khatami received 69% of the total vote. Despite some disputes with the ruling Council of Guardians over Khatami's attempts at reforms, he was reelected to his second term as president on 8 June 2001, winning 77% of the vote in a field of ten candidates; his nearest rival, a conservative cleric, received only 16% of the vote.

## LEADERSHIP

Khatami supporters include secular intellectuals, reform-minded technocrats, youth, and women. This constituency expects him to fulfill campaign promises by allowing more personal freedom, making economic changes that will cut the power of state-backed monopolies, and creating a more flexible Islamic regime. They voted overwhelmingly for reformist candidates for the Majlis in the 2000 election. (The average age of representatives elected to the sixth parliament is significantly lower than that of the fifth parliament.)

Conversant in Western philosophy and history, Khatami has shown a special interest in the value of enlightenment and civil religion as reflected in the writings of Immanuel Kant and Alexis de Toqueville. He favors a more objective understanding of the West by encouraging a dialogue on intellectual and strategic issues. As minister of culture, Khatami implemented policies aimed at creating a more open society. During his barnstorming campaign he was able to generate broad interest and excitement over his relatively liberal agenda by focusing on the issues of free expression, civil rights, and diversity of attitudes. Moreover, he challenged the notion that politics should be monopolized by a specific group. Since taking office, Khatami has defied hard-line opponents by selecting moderates and women for his cabinet. His choices reflect a determination to honor campaign pledges. On 20 August 1997, a major hurdle was cleared when the conservative-dominated parliament approved his cabinet, to the surprise of most observers. Achieving this victory was the first sign of Khatami's negotiation skills in dealing with hard-line legislative opponents. Three years later, in May 2000, the conservative parliament held its last meeting in Tehran as the newly elected parliament prepared to take over. When taking their seats in the Majlis, all representatives must, according to the 1979 Constitution, swear allegiance to the 1979 Islamic Revolution. The reformist coalition, seated in late May 2000, controlled about 80% of the seats following the February and May 2000 elections. Supporters of President Khatami—Mehdi Karubi and Majid Ansari—were elected speaker and deputy speaker while Behzad Nabavi and Mohammad-Reza Khatami (President Khatami's younger brother) were elected first and second deputy speakers. (As of March 2003, Karubi was still speaker of the Majlis, Ansari was head of the budget and planning commission of parliament, representing Tehran, Nabavi retained his post of first deputy speaker, and Mohammad-Reza Khatami was deputy speaker).

Municipal elections were held on 28 February 2003, the second since the 1979 revolution, and reformists suffered a crushing defeat. The reversal of fortune from the 1999 municipal elections—reformers won all 15 seats on the Tehran city council in that election, while conservatives won 14 of the 15 seats in 2003—was largely attributed to frustration with the slow pace of Khatami's reforms, and with politics in general due to continuous infighting between reformers and conservatives. Voter turnout was only 39%. Khatami appeared to take the defeat in stride, saying "the people become disappointed with the government system when they see the system takes its own way separate from what the people demand and is unable to handle the state of affairs properly." He underlined the fact that the elections demonstrated the strength of democracy in Iran.

### DOMESTIC POLICY

Khatami is committed to social and political reform, and his very election was the result of the desire for social reform in Iran. Above all, he interprets Islam in terms of pluralism and openness. Protecting civil liberties and establishing the rule of law constitute two major pillars of his social and cultural agenda. Khatami's reform programs, while receiving popular support, came under fire from conservatives, who closed a number of liberal newspapers in early 1999. By early 2000, the Khatami government had enacted greater press freedom, and newspapers played a key role in the public debate on the role of religion in politics leading up to the parliamentary elections. Iran's hard-line Council of Guardians, however, has stymied many of Khatami's initiatives, and in 2001, the Council and its allies in the Judiciary began cracking down on liberal politicians and publications. Since being reelected in 2001, Khatami and the reformist Majlis have passed several laws that have been nullified by the Council, including one protecting foreign investment in Iran and one allowing women the right to study overseas. International observers see a deepening divide between reformers and hardliners and there is great uncertainty as to whether Khatami will be able to navigate the middle course between the two, avoiding a major political crisis. In the spring of 2001, reformers suffered a significant setback with the arrest of dozens of prominent political moderates, including two former members of parliament and a former mayor of Tehran.

Khatami's economic policies follow the previous government's commitment to industrialization. The government's first five-year plan was begun after the Persian Gulf War and was responsible for the creation of hundreds of industrial and infrastructure projects. Because his views are similar to those of the outgoing president, Ali Akbar Hashemi Rafsanjani, he initially had in Rafsanjani a powerful ally in his struggle against the conservatives. Rafsanjani ran for parliament in the 2000 election and was soundly defeated. Even after his defeat, Rafsanjani continued to hold the influential position of chairman of the Expediency Council.

Khatami advocates a modified version of the market-oriented economy, buttressed by domestic production. He has sought to address the problems of a rising cost of living, inflation, and a tight job market by curbing the power of state-supported monopolies and expanding economic ties with Western countries. In financing his development plans, Khatami faces the liability of Iran's dependence on oil revenues (which are subject to fluctuations in global prices) for about 80% of foreign exchange income. Corruption and

bureaucratic hurdles are further challenges he needs to deal with in order to attract foreign and local investors. Khatami maintains that no country can achieve social justice without having a sound economic development plan.

### FOREIGN POLICY

In his inaugural address, Khatami stressed that his foreign policy objectives would be based on three principles: wisdom, integrity, and expediency in pursuing peace and security. He also expressed his hope to establish a dialogue between Islam and other civilizations in an effort to achieve detente with the outside world.

In the 1980s and 1990s, relations with Europe had been strained because of Iranian government insistence on its right to eliminate political opponents who seek refuge in Europe. Yet, despite this source of tension, trade with European countries has flourished since 1992. Khatami has indicated an interest in easing tensions and improving commercial ties with European nations. As a step toward meeting those objectives, Khatami made state visits to Italy, the Vatican, and France in 1999.

The Khatami government favors greater cooperation with Arab states in the region as well. In November 1997, Iran hosted the Islamic Conference Summit, and in 1999, Khatami made official visits to Syria and Saudi Arabia. Khatami had pledged particular attention to the improvement of relations with states in the Persian Gulf region.

Relations between the United States and Iran have remained difficult even as Khatami has improved Iran's international profile and has significantly improved relations with many U.S. allies, particularly European nations. After the terrorist attacks on the United States in September 2001, Iran declared its support for the United States in its war in Afghanistan, which borders Iran and whose Taliban government Iran had long opposed. There were some media reports that secret deals had been arranged between the two long-time antagonists under which U.S. forces would be allowed to pursue any combatants fleeing Afghanistan into Iran. Whatever cooperative feelings there may have been in the immediate aftermath of the terrorist attacks were destroyed in 2002, when U.S. President George W. Bush described Iran as part of an "axis of evil," along with Iraq and North Korea. The declaration greatly insulted and infuriated Iranians and dismayed many U.S. allies who considered Iran to have reformed considerably in recent years. It also considerably complicated Khatami's attempts at reforming the country and opening it up to the West as it hardened support for the hardline clerics he has been battling since being elected president in 1997. President Bush's 2003 State of the Union address reiterated that of 2002. He again alleged that Iran was developing weapons of mass destruction and supporting terrorism.

Iran took the position in 2002 and 2003 that Iraq should cooperate with UN resolutions requiring it to disarm itself of weapons of mass destruction, in an effort to avoid war. It was opposed to unilateral U.S. military action in Iraq, and stated it would not participate or allow its territory to be used in any military action against Iraq. War began on 19 March 2003, and after hostilities had ended in April, the struggle for power within Iraq as to the establishment of a new government was in full swing. A large section of Iraq's Shiite majority staged anti-American demonstrations in April, and demanded their new government be formed along the

religious lines of Iran; the Tehran-based Supreme Council for the Islamic Revolution in Iraq opposes a U.S. administration in Iraq, but insists it does not seek to establish an Iranian-style theocracy there. The United States warned Iran not to interfere in Iraq after the war, implying Iran would destabilize Iraq while it is in the process of forming a government. Iran noted it was interesting that the Americans arrived to occupy Iraq, yet accused neighboring Iran of meddling in Iraq's affairs. Iran claimed it was up to the Iraqi people to decide their own fate, and that Iranians have no role in Iraq. About 60% of Iraq's 24 million people are Shiites.

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# IRAQ

## Interim Government

The Republic of Iraq (al-Jumhuriyah al-Iraqiyah) is a landlocked country, except for its 58 km (36 mi) coastline at the Persian Gulf. Iraq is bounded by Iran, Kuwait, Saudi Arabia, Jordan, Syria, and Turkey. Its total area, excluding the Iraqi-Saudi Arabia Neutral Zone, is 438,317 sq km (169,235 sq mi).

The population of Iraq was estimated to be 24 million in 2002. About 75–80% of the people are Arabs; 15–20% Kurds; and 5% Turkomans, Armenians, Persians, and other smaller ethnic groups. Almost 97% of the population is Muslim (60–65% Shiite, 32–37% Sunni), and the remainder consists of various Christian sects, the Yazidis and Sabeans communities. While Arabic and Kurdish are the official languages of Iraq, Kurdish is the official language in the Kurdish regions. The Iraqi unit of currency is the *dinar*. Per capita gross domestic product (GDP) was estimated at us\$2,500 in 2001. Iraq's main natural resource and export is oil. The main imports are foodstuffs, machinery, capital equipment, motor vehicles, and consumer goods. Iraq's major trading partners, prior to the imposition of sanctions in August 1990, were the United States, Japan, Brazil, Germany, the United Kingdom, Turkey, and the USSR.

### POLITICAL BACKGROUND

Iraq was a British mandate under the League of Nations from 1920 until 13 October 1932, when it became a sovereign and an independent state. Following a military coup of July 1958 that overthrew the monarchy, Iraq was declared a republic and has since been governed by various constitutions. According to the 1970 Constitution and its 1973 amendments, the Revolutionary Command Council (RCC) was the supreme organ of the state. A simple majority elected its members from the Regional Command of the Socialist Arab Ba'ath Party. The RCC oversaw foreign as well as domestic policies, declared war, concluded peace, and ratified treaties. It elected the president and the vice president by a two-thirds majority. The president of the country was concurrently the chairman of the RCC. The president was responsible to the RCC, but the Constitution did not spell out his term of office. The president was the commander in chief of the armed forces, nominated members of the council of ministers, and appointed Iraq's diplomatic representatives abroad. The vice president and minister were responsible to the president.

The Constitution contained provisions for a National Assembly with responsibility to consider bills suggested by

the RCC or the assembly members. No National Assembly existed in Iraq between the 1958 revolution and 1980.

On 8 February 1963, a military coup carried out by the Ba'ath Party and Nationalist Army officers overthrew the government of Abdul Karim Qasim. Abdul Salem Arif, who had been sentenced to death by Qasim in January 1959, became the prime minister. Following this coup, Saddam Hussein returned to Baghdad from Egypt, where he had been living in exile, and became active in the Ba'ath Party. When political disagreements arose between Ba'athists and Arif, Arif declared the Ba'ath Party illegal, and Hussein and other Ba'athists went underground. Hussein was arrested in 1964 and imprisoned, but escaped in 1966. He fled into hiding again and was named deputy secretary of regional leadership for the Ba'ath Party in 1966.

When Arif was killed in a helicopter crash in April 1966, his brother Abdul Rahman Arif became the president. A group of Ba'athist officers under Hassan al-Bakr organized a military coup on 17 July 1968 and deposed Abdul Rahman Arif. Al-Bakr then became the president and the chairman of RCC. Saddam Hussein, who took an active role in organizing the coup, was elected acting deputy chairman of the RCC, a post he held from November 1969 until July 1979. Finally, on 16 July, President al-Bakr announced his resignation from both the Ba'ath Party and the government because of health reasons. He relinquished the presidency to Hussein, who became chairman of the RCC, prime minister, and secretary of the Ba'ath Party.

A year later, in June 1980, the first National Assembly was elected, but it was comprised of members close to Hussein and had little power. Through the 1980s, National Assembly elections were held fairly regularly (1980, 1984, and 1989).

Saddam Hussein's ambition was to become a regional leader. In September 1980, he decided to invade Iran, partly in an attempt to broaden his regional sphere of influence and partly because he feared the growing power of Islamic fundamentalists in that country. He used the war to generate internal as well as external support for his regime and to weaken opposition forces in Iraq.

Opposition to Hussein came from disparate Kurdish, Communist, and Shiite organizations within Iraq. Although these forces were internally divided and often antagonistic toward one another, they would repeatedly attempt to forge efforts to unseat the government of Saddam Hussein. In turn, Hussein's government tried to coerce, intimidate, and appease the opposition. Kurdish and Shiite opposition intensified

during the course of the Iran-Iraq War. In November 1980, the Iraqi Communist Party (ICP), the Unified Socialist Party of Kurdistan (USPK), and the Democratic Party of Kurdistan (DPK) formed the Democratic Iraqi Front. Around the same time in Syria, a National Pan-Arab Democratic Front, composed of different groups, including the Patriotic Union of Kurdistan (PUK) and Ba'ath, as well as ICP dissidents, was formed. In November 1982, the Shiite opposition established the Supreme Council of the Islamic Revolution of Iraq for the purpose of overthrowing Saddam Hussein's government. In May 1988, the DPK and the PUK announced that a coalition of six organizations had been formed to continue the struggle for Kurdish self-determination.

In August 1990, Iraq invaded Kuwait after a lengthy dispute regarding territory, debt repayment, and petroleum production quotas. In reaction, the United Nations (UN) imposed sanctions on Iraq and set a deadline of 15 January 1991 for Hussein to withdraw from Kuwait. Hussein refused to withdraw his troops, triggering what would become known as the Persian Gulf War. A multinational force led by the United States began "Operation Desert Storm," comprised of a series of air strikes on Baghdad followed by a ground offensive to liberate Kuwait. Defeated in a few short weeks, Hussein withdrew his forces from Kuwait and accepted UN Security Council Resolution 687, which indicated the terms for a ceasefire, war reparations, and conditions for the lifting of sanctions against Iraq.

Over the next few years devastation resulting from Allied bombing, coupled with the effects of the UN sanctions, led to a deterioration of economic conditions: hyperinflation, the devaluation of the Iraqi currency, the rise of unemployment, and the decline of agricultural production. Most industrial development projects requiring foreign participation were suspended. The Iraqi economy continued its decline throughout the 1990s and living conditions for all Iraqis deteriorated as a result. UN sanctions, imposed in 1990, prohibited Iraq from selling oil on the global market and froze Iraqi assets overseas.

In May 1991, recognizing the need to rebuild Iraq's damaged infrastructure and restore its industrial production, the government approved new regulations to encourage greater Arab investment and provided incentives for farmers to enhance agricultural output. Hussein adopted various policies to retain or enhance his political power. Through these measures he expected to attract the support and loyalties of a broader spectrum of the population, as well as to weaken political opposition to his regime.

No legislative elections had been held since 1989 and Hussein's Ba'ath party had a stranglehold on all political activity; in March 1996, when the legislative election for the fourth National Assembly was held, all 689 candidates either Ba'ath Party members or nonpartisan supporters. (The same was true of all candidates in the 27 March 2000 election for the fifth National Assembly.)

Throughout his years in power, actual and potential opponents of Hussein were systematically purged from the government and military and replaced by loyalists. Learning from the experience of military coups in the 1960s, Hussein paid close attention to the loyalties of senior military officers and the political control of the military forces by the Ba'ath Party. His relatives and members of his clan from Takrit filled

most sensitive positions in the military, and Hussein used both the "carrot and stick"—surveillance and intimidation accompanied by lavish material incentives—to keep them under his control. Despite such inducements and control, coup attempts by senior army officers were reported in 1989 and 1995. Moreover, a coalition of opposition groups created the Iraqi National Congress in October 1992 to overthrow Hussein. Some of these opposition forces were encouraged or supported by Iran and Syria, but they remained weak and divided.

In December 1996, the UN agreed to an "oil for food" arrangement with Iraq. The program allowed Iraq to export \$2 billion in oil to buy food and medical supplies. Iraq began receiving 400,000 tons of wheat in the spring of 1997. In 1999 the UN's "oil for food" program was expanded to allow for the sale of \$5.25 billion in oil by Iraq over a six-month period to buy food and medicine. As of 2000, most observers agreed that the decade-long UN sanctions, while impoverishing Iraq and threatening its population with a major humanitarian crisis, had failed in their goal of weakening Hussein's hold on power.

Despite the scarcity of food, educational supplies, and other basic necessities caused by nine years of international trade sanctions against his country, Hussein celebrated his sixty-third birthday in 1999 with the unveiling of a large mural depicting himself as Nebuchadnezzar, the ruler of ancient Babylon. Supporters paraded as part of the birthday celebration, carrying banners that proclaimed, "With your birth Iraq was reborn." By April 2003, Hussein's regime had ended, with his whereabouts unknown.

## KURDISH AUTONOMY

The Constitution specified that "the area whose majority of its population is Kurdish shall enjoy autonomy in accordance with what is defined by the law." Since 1976, of 18 provincial governments, three have been designated as Kurdish autonomous regions. Elections for the Kurdish legislative council were held in 1980, 1986, and 1992. Although the National Assembly had been operative, real power still resided with the RCC. The government announced the details of a new, permanent Constitution in March 1989, which proposed the abolition of the RCC and the assumption of its duties by the National Assembly, and a 50-member consultative assembly. The permanent Constitution was to be approved by a national referendum.

## FOREIGN POLICY

Since 1980 Iraq's foreign policy was influenced by Hussein's invasion of Iran and Kuwait. Though the Iran-Iraq War ended in August 1988, antagonism persisted between these two nations. The question of war reparations, the repatriation of prisoners of war, and other issues remained unresolved throughout the years of Saddam Hussein's administration. In addition, the invasion of Kuwait that triggered the Gulf War changed Iraq's relations with the Arab world. Egypt, Saudi Arabia, Syria, Oman, Qatar, the United Arab Emirates, and Morocco were among the countries that supported Kuwait in the UN coalition. Since the Gulf War, Iraq's relations these nations—especially with Jordan, Egypt, and Saudi Arabia—had cooled significantly. The main focus of Hussein's foreign policy was an effort to end the UN



economic sanctions. In 1999, the ninth anniversary of the sanctions, the Iraqi government issued a statement describing the sanctions as criminal. A number of UN-member nations, including Russia, France, China, and Turkey, were in favor of easing the UN sanctions on Iraq. By contrast, the United States and Britain insisted on prolonging the sanctions until Hussein was deposed. Their view was that Iraq must fully comply with all UN Security Council resolutions, including those that relate to human rights abuses and weapons inspection. In January 2002, Hussein appealed to the Arab countries, specifically attempting to improve Iraq's relations with Kuwait and Saudi Arabia; in March 2002, Saudi Crown Prince Abdullah embraced Hussein's plan in a move that was widely regarded as a rebuke of the United States and President George W. Bush's efforts toward peace in the Middle East.

### WEAPONS OF MASS DESTRUCTION

In the mid-1990s, there was growing international concern about reports that Saddam Hussein was accumulating chemical and biological weapons, and was even reportedly testing the effects of the weapons on Iraqi citizens. Following the Gulf War, Iraq had demonstrated cooperation with UNSCOM, the special UN commission charged with monitoring weapons of mass destruction. However, Hussein refused to dismantle his country's biological weapons and had stopped cooperating with UNSCOM by August 1997. This led to increasing international tension and a buildup of the U.S. military presence in the region by early 1998.

Despite some modest success in relieving tension through the personal intervention of UN Secretary General Kofi Annan, by December 1998, the United States and the United Kingdom launched a joint bombing campaign (Operation Desert Fox) in an attempt to disable Iraq's weapons capabilities.

From the beginning of U.S. President George W. Bush's administration, effecting a regime change in Iraq was a specified goal. In his State of the Union Address on 29 January 2002, Bush called Iraq a member of an "axis of evil," along with Iran and North Korea, and reemphasized his interest in toppling Hussein. Throughout 2002, the United States took an increasingly hardline stance toward Iraq, viewing it as a country potentially possessing weapons of mass destruction, and posing a threat to the United States and the Middle East region. The United States continued to increase its military presence in the Persian Gulf region. British Prime Minister Tony Blair supported Bush's position, but other nations in the European Union (EU) adopted a more reserved diplomatic stance. However, on 8 November 2002, the UN Security Council unanimously passed Resolution 1441, calling upon Iraq to disarm itself of any chemical, biological, or nuclear weapons or weapons capabilities it might possess, allow for the immediate return of UN weapons inspectors (they were expelled in 1998), and to comply with all previous UN resolutions regarding the country since the end of the Gulf War in 1991. UN and International Atomic Energy Agency (IAEA) weapons inspectors returned to Iraq in November, but the United States and the United Kingdom (UK) remained skeptical of any real progress being made by them, and continued their military buildup in the Gulf. France, along with Germany and Russia, opposed



the use of force in Iraq, and diplomatic relations between them and the United States and the United Kingdom were severely tested, leading to what some called a "rift" in the West.

On 16 March 2003, the United States, the United Kingdom, and Spain ended diplomatic efforts to win UN approval for an ultimatum on Iraq's disarmament, which cleared the way for the launching of war without UN Security Council authority. The next day, President Bush gave Saddam Hussein 48 hours to leave the country, and when that did not happen, war began on 19 March with U.S. airstrikes on Baghdad in an attempt to bring down the Iraqi leadership. British troops quickly moved to secure southern Iraq, particularly the city of Basra. In addition to launching continuous air strikes against Iraqi targets, U.S. ground troops moved north from Kuwait toward Baghdad. Baghdad fell to U.S. troops on 9 April, and on 1 May, Bush declared that major combat operations in Iraq had ended, and that "the battle of Iraq is one victory in a war on terror that began on 11 September 2001, and still goes on."

As of June 2003, the number of civilian casualties and the extent of the damage done to the Iraqi infrastructure was unknown, although efforts to provide clean water and sanitation were being addressed. Widespread rioting and looting followed the toppling of the Saddam Hussein regime—including looting of all government offices and national landmarks. Even the Iraq Museum in Baghdad, the country's largest and most important collection of antiquities, was emptied of its priceless treasures by looters.

## AFTER THE FALL OF SADDAM HUSSEIN

The form a new government was to take in postwar Iraq was a topic being hotly debated in June 2003. In April 2003, the United States appointed retired Lieutenant General Jay Garner to be in charge of postwar administration until a transitional government could be selected; however, on 1 May, a civilian, L. Paul Bremer, was named to direct the selection of a transitional government and take control of other functions being overseen by the U.S. military. The United Kingdom and many European and Arab nations favored a civilian alternative to military occupation, and those states expressed support for a central role to be played by the UN in postwar Iraq. Many Iraqi Shiites, who make up some 60% of Iraq's population, protested the U.S. occupation, and the United States warned Iran of meddling in Iraq's affairs. The political future of the Kurds in northern Iraq was also uncertain as of May 2003.

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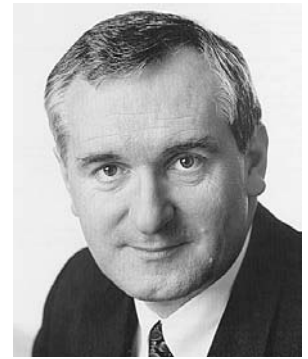
**Profile researched and written by Ahmad Sheikhzadeh, Columbia University (6/97); updated by Jeneen Hobby, Ph.D. (5/2003).**

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# IRELAND

## Bartholomew Patrick Ahern Prime Minister

(pronounced “bar-THAL-a-mew PA-trick ah-HERN”)



*“The people of Ireland want to see our country modernized, but they want to see it modernized in a way that’s consistent with their own beliefs.”*

The Republic of Ireland is situated on a small island in the Atlantic Ocean, located approximately 80 km (50 mi) to the west of Great Britain. The two countries are separated by the North Channel, the Irish Sea, and the St. George’s Channel. Covering a total area of 70,282 sq km (27,136 sq mi), the republic encompasses all but the six northeastern counties.

The first official language of the country is Irish (Gaelic), but its use is not as widespread as English, which is spoken universally. Ireland is overwhelmingly Roman Catholic (91.6%). The largest city and capital, Dublin, is home to almost one-third of the country’s nearly 3.9 million people.

Economic growth was exceptionally strong from the mid-1990s to the early part of the new century, however the global economic downturn contributed to a slower growth rate of 3.9% in 2002. Per capita gross domestic product (GDP) rose from US\$12,884 to US\$21,600 in less than 10 years (it currently stands at US\$28,500). Inflation fell from 5.6% in 2000 to 4.6% in 2002. Unemployment fell to 4.7% in 2002, down from 16% in 1993.

Ireland joined the European Economic and Monetary Union in 1999, and became one of twelve nations to adopt the *euro* as official currency in 2002.

### **POLITICAL BACKGROUND**

From 1800 to 1921, the whole of Ireland was a part of the United Kingdom of Great Britain and Ireland. However, a Catholic independence movement had demanded for decades that the union between Britain and Ireland be dissolved. The movement was opposed mostly in the northeast, where a large Protestant community was determined to maintain its political ties with Britain.

In 1920, the British Parliament passed an act that divided Ireland into Northern Ireland, consisting of six counties, and Southern Ireland, consisting of 26 counties. Both were to maintain separate parliaments that would remain under the supremacy of the British. This political arrangement proved unworkable, and in 1921, the South was granted home rule by Britain. It became known as the Irish Free State and held dominion status in the British Commonwealth. The North, with a Protestant majority, maintained its traditional ties to Britain. In 1937, the Irish Free State achieved full sovereignty within the Commonwealth, and in 1949 it became a republic. The republic has always been regarded by a majority of its citizens as the legitimate government of the entire island. Since the 1970s, several outlawed paramilitary groups have fought both for and against uniting the island by force. The

largest and best-known of these groups has been the Irish Republican Army (IRA), whose continual campaign of bombing and terror to remove the British from the North has contributed significantly to what many people call “the troubles.”

Ireland is a parliamentary republic. While the president is the head of state, the prime minister is the head of government. The Oireachtas (Parliament) is divided into two houses, the Dail (House of Representatives) and the Seanad (Senate). The Dail consists of 166 members, elected by citizens over the age of 18 for five years under a system of proportional representation. The Seanad has 60 members. The Dail is the more powerful of the two houses; the Seanad may only consider and amend, but may not veto, bills sent to it by the Dail.

The prime minister is the leader of the party, or coalition of parties, that wins the most seats in the Dail. The major parties are Fianna Fail, which is led by current Prime Minister Bertie Ahern, and Fine Gael. While many observers of Irish politics tend to regard Fine Gael as more moderate on the issue of Irish reunification, in practice there has been little difference between the policies of the two parties. The system of proportional representation, which encourages the formation of smaller parties, makes it difficult for any party to win an outright majority in the Dail. As a result, governments are often short lived and based on coalitions between parties and/or independent legislators.

### **PERSONAL BACKGROUND**

Bartholomew (Bertie) Patrick Ahern was born on 12 September 1951 in Dublin. His father was a farmer who joined the IRA during the 1919–21 war for independence. Ahern grew up in a working-class neighborhood on the north side of the city and later attended University College Dublin, where he received a degree in accounting. He also attended St. Patrick’s National School in Drumcondra, St. Aidan’s Christian Brothers in Whitehall, and Rathmines College of Commerce. He was first elected to the Dail in 1977, serving as a member for the Dublin Finglas constituency. Over the next five years he served in a variety of lower-level ministerial posts. In 1982, he became his party’s chief whip and its parliamentary leader in the political opposition. During this time he also served for a year as Dublin’s lord mayor. When Fianna Fail returned to power in 1987, Ahern received his first cabinet post as the minister of labor. Four years later he was named finance minister. He is separated from his wife,



Miriam. His relationship with his longterm partner, Celia Larkin, apparently ended in April 2003.

### RISE TO POWER

Ahern was elected leader of Fianna Fail in November 1994, when a scandal in the government forced Albert Reynolds to resign. Though Reynolds left office, his party's coalition government continued to hold a majority in the Dail, and Ahern, as party leader, was set to assume the office of prime minister. However, the scandal left the coalition divided. Reynold's major partner in the government, Dick Spring of the Labour party, withdrew his support from Fianna Fail and threw it behind John Bruton and the Fine Gael Party, who then formed the new government. Since Bruton came to power more than two years after the most recent election, he was forced to call another one in 1997. This not only gave Bruton a short tenure in office before having to face the voters, it also gave Ahern a relatively quick chance to face Bruton head-on in an election.

In the 6 June 1997 vote, no party won an outright majority of at least 84 seats in the Dail. Fianna Fail won 77, and its coalition partner, the Progressive Democrats, won only four. This left Ahern still a few seats short of a majority, but well ahead of the opposition's Rainbow Coalition of Fine Gael, Labour, and the Democratic Left, who combined for only 75 seats. However, it took Ahern the better part of a month to bring together a parliamentary majority. On 26 June 1997, Bertie Ahern was finally elected by a vote of 85 to 78, becoming the youngest prime minister in the history of the Irish Republic.

The coalition of Fianna Fail and Progressive Democrats was dogged by political controversy in 1998 and 1999. Two

tribunals established to examine allegations of financial impropriety exonerated the current leadership. But Charles Haughey, a former prime minister and close ally of Ahern, was convicted of taking bribes for personal use and misusing party funds.

An important development at the time of the election was the merger of the Labour party and the Democratic Left. The new party is called the Labour Party and is more likely to provide a genuine center-left alternative to the governing coalition.

### LEADERSHIP

Ahern came to power supported in the Dail by two political parties and a handful of independents as his own party did not receive a numerical majority. Keeping this governing coalition together for a full five-year term may not be an easy task. However, Ireland has had minority governments in the past that have worked very well. Moreover, Ahern is regarded as an able politician. He is more popular than his own party and has maintained high approval ratings. He is considered to be very personable. Ahern is noted for his abilities as a conciliator and a negotiator, liking to hear all shades of opinion before making decisions. Yet once he does make a decision, he shows what those who know him call a steely resolve.

Ahern has displayed this resolve in several areas. During the campaign and early in his term, he spoke of the need to crack down on crime, especially on drug-related violent crime, which has increasingly plagued Ireland in the past few years. Promoting a zero-tolerance policy, Ahern has withstood criticism, saying that he rejects the notion that there can be an acceptable or tolerable level of crime. Ahern has also set very clear terms for dealing with the IRA. Though soon after his election a ceasefire was declared, Ahern had previously stated that he would refuse to allow Sinn Fein, the political arm of the IRA, to have any role in negotiations until the IRA refrained from violence. In spite of his precarious parliamentary position, few believe that Ahern will be swayed in negotiations by threats from strongly nationalist deputies on whom he has to rely for votes.

### DOMESTIC POLICY

Ahern's administration has successfully maintained a strong economy for the nation. Ireland boasts of a steady growth rate, low unemployment, and a surplus in the country's finances. Low corporate taxes, generous state subsidies, and a skilled workforce have attracted large flows of investment capital from abroad, especially in the new information technology sectors. However, a shortage of skilled personnel has emerged, and the government advertises jobs in U.S. cities with large Irish populations, thereby revising Ireland's historic population patterns. But instead of large outflows of people seeking jobs and better livelihood abroad, the government of Ahern has faced an inflow of people seeking economic opportunities. Ahern has also spurred the privatization of semistate bodies, and Ireland is on its way to becoming a nation of shareholders.

Strong growth at the end of the 1990s led to price pressures and rising inflation. To cool off the economy, the government, employers, and unions signed a wage pact in early 2000, holding down pay increases to 15% stretched

over 33 months. In return, the government pledged to cut taxes and increase spending on social welfare.

Economic forecasts in April 2003 estimated Ireland's GDP growth for the year to be 3%, down from a previously predicted 4.3%. The appreciating value of the euro, in conjunction with rising domestic costs, placed competitive pressure on exports.

## FOREIGN POLICY

In the area of foreign policy, one issue looms above all others: continuing the peace process begun by his predecessors with Great Britain, Northern Ireland, and Sinn Fein over the future of the North and its relationship with Britain and Ireland. Soon after Ahern's triumph in the Dail, the IRA announced that it would begin a new ceasefire, eschewing the use of violence to achieve the aim of reunifying all Ireland. In response to this, Ahern made a conciliatory move, approving the early release of several IRA prisoners. He also met with British Prime Minister Tony Blair to discuss the peace process and outline their next steps. The result of that meeting was a peace agreement (Good Friday Agreement) with the United Kingdom (UK) in which Ireland pledged to amend Articles 2 and 3 of the Irish constitution, which lay claim to the territory in the North. In return, the United Kingdom promised to amend the Government of Ireland Act. The constitutional amendments were accepted by 94.4% of the Irish electorate in a referendum on 22 May 1998. The agreement provided for a 108-member Northern Ireland elected assembly to be overseen by a 12-minister executive committee in which Unionists and Nationalists will share responsibility for governing. The agreement called for cross-border cooperation with the Republic of Ireland in guaranteeing the rights of all.

Since the signing of the Good Friday Agreement, however, the peace process has stalled. Lack of confidence led to a cautious implementation of some provisions of the agreements. In 1998, Ahern established the All-Party Committee on the Constitution to consider ways in which the citizens of Northern Ireland would play a more active role in national politics. The committee's report was presented in 2002. Ahern has stated a commitment to implementing the suggestions of the committee, which include the establishment of a North/South Joint Parliamentary Forum to bring together members of Parliament and the Northern Ireland Assembly and an effort to seek ways to include Northern Ireland representatives to speak in discussions concerning European Union (EU) matters.

A major stumbling block in the peace process has been the fashion in which the IRA would disarm itself. The agreement required that the IRA and outlawed Protestant groups destroy their weaponry stockpiles by mid-2000. Hard-line voices in the Ulster Unionists, always suspicious of the IRA, refused to enter into any power-sharing arrangements with Sinn Fein until the military branch has surrendered all its weapons. Blair and Ahern kept the peace process alive, and the IRA announced in May 2000 that it would allow foreign observers to inspect the contents of arms dumps to ensure that no weapons had been removed. In turn, the Ulster Unionists, under considerable outside pressures, agreed to go

back into government with the IRA and revived the joint government with the Catholic minority on 29 May 2000. By 2003, however, the IRA had not completed its disarmament. Splinter groups opposed to the peace process continued to commit terrorist attacks in Northern Ireland and in mainland Britain.

On 4 October 2002, Sinn Fein's offices at the Northern Ireland Assembly or Stormont were raided as part of a major police investigation into intelligence gathering by republicans. Ulster Unionist leader David Trimble stated it would be impossible to remain in a power-sharing government with Republicans following the allegations of the spy ring. On 14 October, Britain's Northern Ireland Secretary, John Reid, announced the suspension of devolution and the return of direct rule by London. In March 2003, Ahern and Tony Blair hosted talks with all parties involved in the Good Friday Agreement, and Blair announced elections for the Northern Ireland Assembly would be rescheduled for 29 May. However, on 1 May, Blair announced elections would be postponed once again, blaming the IRA for failing to clearly state it would end its war against British rule. "Ultimately, I believe that yet another postponement causes more problems for the process than it solves," said Ahern.

In addition to the problems with Northern Ireland, Ahern has devoted a great deal of attention to strengthening Ireland's ties to the rest of Europe and to shed Ireland's traditional isolationism from Europe on defense matters. Ahern led Ireland in joining North Atlantic Treaty Organization (NATO)'s Partnership of Peace initiative in 1999. The government also expressed support for the NATO campaign against Serbia although Ireland remained officially neutral.

Ahern and Ireland have played an increasingly active role as a member state in the EU, including adoption of the euro as official national currency in 2002. Ireland will hold presidency in the EU in 2004.

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Profile researched and written by David Bernell, Johns Hopkins University (8/97); updated by Jeneen Hobby, Ph.D. (5/03).

# ISRAEL

Ariel Sharon  
Prime Minister

(pronounced “AR ee-el sha-ROWN”)



*“We will not rest until terrorism is eradicated...Simultaneously we will continue to do everything in our power to promote a ceasefire—one which will lead, eventually, to a settlement, an agreement, peace.”*

The State of Israel is located on the eastern coast of the Mediterranean Sea, bounded by Lebanon to the north, Syria to the northeast, Jordan to the east and southeast, and Egypt to the southwest. An 18 km (11 mi) strip of coastline along the Gulf of Aqaba gives Israel access to the Red Sea. Israel's boundaries were determined initially by armistice lines set following the country's war of independence in 1949; the area within these lines (the so-called “Green Line”) is 22,770 sq km (7,922 sq mi).

In 1967, following war with Egypt, Syria, and Jordan, Israel acquired control of territories beyond the Green Line, including the Sinai Peninsula and Gaza Strip from Egypt, the West Bank from Jordan, and the Golan Heights from Syria. Eastern Jerusalem had been under Jordanian control between 1948 and 1967 but was annexed by Israel immediately thereafter. The Sinai Peninsula was returned to Egypt in 1982. Israel entered into an agreement with the Palestine Liberation Organization (PLO) in 1993–94. An autonomous Palestinian Authority would assume gradual control over domestic affairs in large areas of the West Bank and Gaza Strip, pending determination of the final status of those territories in negotiations between Israel and an elected Palestinian Council. Meanwhile Israel retains responsibility for some 170,000 Jews living in these territories. In addition Israel maintains full control of the Golan Heights.

The population of Israel was estimated at 6 million in 2002. This figure included more than 4 million Jews living anywhere under Israeli jurisdiction (including the West Bank, Gaza Strip, and the Golan Heights) and about 1.2 million non-Jews (including Muslims, Christians, Druze, and members of other religious groups). An additional 1.7 million non-Jews inhabited the West Bank, and more than one million lived in the Gaza Strip. The official languages of Israel are Hebrew and Arabic.

Israel has a market economy. Due to limited natural resources, however, Israel must import much of its food, fuel, and raw materials. Its historically tense relations with its neighbors have necessitated the importation of much military equipment. Exports include textiles, fruits (especially citrus), polished diamonds, pharmaceuticals, and advanced electronic equipment. Tourism, a major source of revenue, fluctuates according to the degree of civil unrest at any given time; for example, in 2001–02 following the 11 September 2001 terrorist attacks on the United States, an increase in the number of suicide bombings, and heightened tensions between Arabs and Jews in Israel led to a dramatic downturn

in tourism. Israel's per capita gross domestic product (GDP) was estimated at us\$19,000 in 2002. The monetary unit is the *new Israeli shekel*.

## POLITICAL BACKGROUND

United Nations General Assembly Resolution 181 of 29 November 1947 called for the partition of the British mandated territory of Palestine into a Jewish and a Palestinian Arab state. The Jews in the territory accepted the resolution; the Arabs did not. On 14 May 1948, when the last British troops left the country, Jewish leaders proclaimed an independent State of Israel while local Arabs joined with the armies of five Arab countries in an effort to destroy the new Jewish entity. Israel defended itself successfully and in consequence of the 1949 armistice agreements extended its control to the area within the so-called Green Line. Transjordan annexed the West Bank, and Egypt administered the Gaza Strip; the Palestinian Arab state never came into existence. Many Palestinian Arabs fled the country during the 1948 war and were prevented from returning afterwards.

In its Proclamation of Independence, Israel defined one of its missions to be the ingathering of Jews from all over the world to return to their historic homeland. In the first years after the state was established, more than a million Jews, survivors of the Nazi Holocaust and refugees from Arab and other countries, came to settle in the new Jewish state. Israel faced the difficult task of integrating so many people of widely divergent backgrounds into a single society, while at the same time defending itself against neighbors who did not recognize its legitimacy.

Israel's leaders chose to accomplish these tasks through a multiparty parliamentary democracy. At least once every four years, citizens over 18 years of age cast a ballot for one of the country's numerous political parties vying for seats in the 120-member Knesset (parliament). The seats are allocated in proportion to the number of votes received by each party. After the 28 January 2003 elections, 13 parties won Knesset seats. The party that received the largest number of votes, the Likud Party, was awarded 38 seats. Other parties winning seats were Labor (19), Shinui (15), Shas (11), National Union (7), Meretz (6), National Religious Party (6), United Torah Judaism (5), Democratic Front for Peace and Equality (3), One Nation (3), National Democratic Alliance (3), YBA (2), and United Arab List (2).

Reform legislation introduced in 1996 decreed that, instead of being chosen by the Knesset, the prime minister



would be elected directly by the voters. In May 1999 Ehud Barak of the Labor Party became prime minister. Ariel Sharon agreed to serve as chair of the Likud Party faction, whose goal was to take over power in the next election. On 2 March 2001, after winning 62% of the vote, Ariel Sharon succeeded Barak as prime minister. That month, the Knesset voted to restore the one-vote parliamentary system operating before 1996. The law went into effect with the 28 January 2003 election, which was won by Likud. Ariel Sharon was chosen prime minister once again.

## PERSONAL BACKGROUND

Ariel Sharon was born 27 February 1928 in Kfar Malal (near Tel Aviv), which was then part of British-ruled Palestine. He is the son of Zionist Russian emigres whose family name was originally Scheinerman. At age 14, Sharon joined the underground Jewish defense movement Haganah. By age 20 he was in command of an infantry company in the Alexandroni Brigade in the 1948 War of Independence. He was wounded in the battle to free Jerusalem; at war's end he was named commander of the Golani Unit. From 1951 to 1952 he served as an intelligence officer in the Central and Northern Commands. In 1953 he founded the Commando Unit 101, notorious for its mission of carrying out retaliatory raids against Palestinian terrorist groups. Later in the 1950s Sharon continued in command positions in paratrooper brigades, helping to develop methods the Israeli Defense Forces (IDF) used in carrying out its missions. Between 1958 and 1962 Sharon commanded the Infantry Corps School; he would later (1966) be appointed chief of the General Headquarters Training Department. In the 1967 Arab-Israeli conflict and again in 1973, Sharon commanded an armored division. He attained the rank of major general. He is noted by both his countrymen and his enemies as the designer of Israel's response to terrorism.

Between his military operations, Sharon attended Hebrew University of Jerusalem, where he studied Middle East history (1952). In 1957 he studied military theory at the Staff College in England. From 1958–62 he studied law at Tel Aviv University. His entire career has been in the service of Israel, either in the military or in various governmental positions.

Sharon has been widowed twice, and has three sons. His first wife was killed in an automobile accident; the son from that marriage died at age 10 in an accidental shooting incident. Sharon married his sister-in-law, Lili, a painter, in 1963; the couple had two sons. Lili died in 2000 from lung cancer. Sharon lives on a farm in the Negev.

## RISE TO POWER

Sharon's uneven rise to political power is in large part the story of his military career. After retiring from the IDF, he and his family settled on their farm in Negev. From there he founded the right-wing Likud which would become a significant political force for the remainder of the twentieth century. He planned to run for the Knesset, but then he was recalled to service in the military when the 1973 Yom Kippur War broke out on 6 October. The costly successes of his Armored Reserve Division 143 in the Sinai determined the outcome of the war and led to the peace treaty with Egypt. Sharon criticized his superiors openly, however, and his special appointment was withdrawn. He returned to civilian



life and renewed his interest in politics, running for and winning election to the Knesset in December 1973. He immediately became a member of the Defense and Foreign Affairs Committee, but resigned from the Knesset after a year.

In 1975 he was appointed security advisor in the administration of Yitzhak Rabin. Two years later he was appointed minister of agriculture, member of the Ministerial Committee for Defense, and chairman of the Ministerial Committee for Settlement Affairs in Menachem Begin's first government. In these roles Sharon was instrumental in Israel's extensive settlement program in the Gaza Strip, Judea, Samaria, Galilee, and the Golan Heights, and was considered the voice of Gush Emunim, the staunchly religious settlers' group.

In recognition of his contributions to the Likud Party's victory in the 1981 election, Begin appointed Sharon minister of defense in August 1981. While in this position, the defense department prepared a plan for conflict with Lebanon; and they successfully eradicated the PLO infrastructure in Lebanon at a high cost to that country as well as to the PLO. Support for the war with Lebanon eroded rapidly among the people of Israel, who had been told that the operation would not extend beyond 40 km (25 mi) of the Israeli border. Protest rallies against the Begin government increased after Israeli troops moved into West Beirut and the remaining Palestinian resistance fighters were eliminated in a massacre. U.S. president Ronald Reagan sent messages to Begin, urging him to seek a peaceful resolution to the situation in Lebanon. An Israeli government commission that later investigated what occurred in West Beirut determined that there was some Israeli responsibility for the massacres; and Sharon left his

post as defense minister, remaining in the cabinet as a minister without portfolio.

From 1984–90 Sharon was minister of industry and trade. Then in 1990–92, following the collapse of the former Soviet Union, Sharon, as minister of housing and construction initiated a massive construction program in the West Bank and Gaza, ostensibly to accommodate the immigration of Russian Jews into Israel. The number of settlements on the West Bank grew from 75 to 130.

From 1992–96 Sharon held posts in defense, foreign affairs, and intelligence. As a member of the inner cabinet, he helped form joint projects with Jordan, Egypt, and the Palestinian Authority. He served as minister of national infrastructure in 1996 until his appointment to the post of minister of foreign affairs in 1997. While in that post, he led the Final Status Agreement negotiations with the Palestinian Authority. He was instrumental in drafting the contents that defined the commitments of all parties to the agreements between Israel and the Palestinians. After Benjamin Netanyahu's coalition government collapsed in 1998, Labor candidate Ehud Barak won in the May 1999 elections. Sharon ran for and won the leadership of Likud (with 53% of the vote) at a time when the party faced the challenge of rebuilding its strength. After Barak resigned in December 2000, Sharon won a special prime ministerial election in February 2001 with the largest vote margin ever in Israeli politics, taking 62% of the vote. After the Knesset voted in March to replace the system of direct election for the prime minister established in 1996 with the one-vote parliamentary system, Likud won the 28 January 2003 elections with 29.4% of the vote to the Labor's 14.5%, and Sharon retained his position as prime minister.

## LEADERSHIP

Considered a right-wing “hawk,” Ariel Sharon has been described as the most-loved and most-hated figure in Israel. He is certainly hated by the Arabs, many of whom describe him as an extremist warmonger capable only of increasing the polarization between Israelis and Arabs. He makes no secret of his top priority—total security for Israel, along with maximum land and political rights. As a leader he finds himself in the center of the most hostile conflicts with the Palestinians for decades, one defined by massive application of the IDF on one side against the guerrilla forces and relentless suicide bombers on the other. His personal actions have contributed to at least two serious Palestinian uprisings. In the first instance, he moved into an apartment in the Muslim part of East Jerusalem in 1986, triggering an *intifada* (religious uprising). And his 28 September 2000 visit to the al-Aqsa mosque was widely credited with triggering a second *intifada*; he made the controversial visit to the East Jerusalem site despite dire warnings that his action would infuriate the Palestinians.

Sharon insists that his “aim is to achieve a comprehensive peace with the Palestinians, to ensure a quiet and peaceful life for both our peoples.” He sees this goal unfolding by stages, the first being a cessation of warfare followed by a complete demilitarization of the Palestinian zone. The second stage is the final determination of the two countries' borders. His critics, however, including those among Israel's Western allies, see his responses to situations as impulsive, unplanned, and

militaristic. His reliance on Israel's military, while popular among the Israeli electorate, has failed to bring security to a civilian population under constant threat from Palestinian terrorists. In short, there are many voices on all sides questioning Sharon's political judgment and his ability to survive in the country's top position.

Sharon's 2003 election campaign was plagued by scandal. Sharon's two sons had received a US\$1.5 million loan from a South Africa-based businessman, a long-time family friend, to be used as collateral in helping Sharon repay what Israeli authorities deemed to be an improper foreign contribution to his 1999 campaign to be elected as leader of Likud. Israeli law prohibits political funding from foreign sources. Sharon claimed he didn't know exactly where the money came from, and that the scandal was part of a conspiracy against him.

## DOMESTIC POLICY

Sharon's domestic policy must focus on the conflict that goes on between Israel and the Palestinians. Every other issue—economics, trade, tourism, development—is keyed to resolving the situation that has resulted in hundreds of deaths and threatens the essence of Israel's conception of itself as an open society. Security, which means freedom from acts of terrorism, is what Israelis want most. Sharon has expressed the willingness to accept “painful compromises” to achieve peace, but emphasizes that no compromise is possible on security against terrorism, and that no meaningful peace talks can take place until terrorism stops.

As of 2003, Israel struggled with slow economic growth and high unemployment; the Israeli economy was expected to expand by only 0.8% in 2003. The budget deficit was 3.7% of GDP in 2003; however, it was expected to fall to 2.9% of GDP by 2004. The 2003 budget approved by the Sharon government in August 2002 included freezing the minimum wage and cutting National Insurance allowances. Critics claimed the budget discriminated against workers, the poor, the elderly, and the handicapped.

## FOREIGN POLICY

Given Israel's high reliance on economic and strategic military support from the United States (Israel is the number one recipient of U.S. foreign aid, and loans from the U.S. equal nearly half of the nation's external debt), Ariel Sharon cannot ignore the wishes of his country's chief Western ally in regard to the crisis with the Palestinians. And as the conflict continues, the perception of the rest of the world may well become less and less sympathetic if Sharon's solutions seem more and more militaristic. Since the al-Aqsa *intifada* broke out in September 2000, and Sharon came to power in March 2001, Israel's policy toward the Palestinians has become more restrictive. In spring 2002, Israel launched against the Palestinians its largest military offensive in 20 years, since the invasion of Lebanon. As suicide bombings against Israeli targets increased in 2002–03, Sharon presided over a state in which Israeli soldiers operated freely in the West Bank and Gaza, Israeli settlements increased, and Israeli blockades of Palestinian cities were tightened. Sharon has demanded Arafat be replaced, and the U.S. has indicated it would welcome a change in Palestinian leadership. The Bush Administration in 2002 put forward a plan for resolution of the Israeli-Palestinian crisis dubbed a “road map,” that includes



plans for a Palestinian state, a proposal to which Sharon has reluctantly agreed. The plan includes demands that Israel dismantle settlements built since March 2001 and other concessions by Israel, to which Sharon has not agreed. The ruling coalition Sharon put together in February 2003 included two parties that oppose any Palestinian state and that staunchly support the settler movement. With the administration of US president George W. Bush focused on war with Iraq in March 2003, the “road map” has languished. The future of the Middle East may reach a deciding point, however, if war changes the political configuration of the region, and Sharon’s leadership will be tested.

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# ITALY

## Silvio Berlusconi Prime Minister

(pronounced "SEEL-vee-o bear-loos-KO-nee")



*"There's nobody on the world stage who can possibly claim to be a match for me, nobody who has anything like my past, my history... When I meet a visiting premier or a head of state, it's up to them to try to prove that they're cleverer than I am."*

The Italian Republic, a southern European peninsula, is bordered on the north by Switzerland and Austria, on the northeast by Slovenia, and on the northwest by France and Monaco. Included in the Italian Republic are the islands of Sicily and Sardinia, as well as smaller groups of islands in the Mediterranean Sea. Encompassing a land area of 301,277 sq km (116,323 sq mi), Italy had an estimated population of 57.7 million in 2002.

Although most of the population is Italian, there are significant minority groups, such as the South Tyrolians, the Slovenes, and Croats. While Italian is the official language, French, German, and Slavic dialects can be heard in various regions of the country. Approximately 95% of the population are Roman Catholic. The remainder are Protestant, Muslim, and Jewish minorities.

Until 2002, the Italian *lira* was the official currency. On 1 January 1999, however, the euro was introduced by the European Union (EU) as common currency. The euro replaced local Italian currency for all transactions in 2002. Italy's per capita gross domestic product (GDP) was estimated at US\$25,000 in 2002. Major exports include textiles, apparel, metals, transportation equipment, chemicals, and food products.

### POLITICAL BACKGROUND

Italy achieved political unity as a nation in 1861 under the Royal House of Savoy. Following the defeat of dictator Benito Mussolini's regime during World War II, a republican form of government was adopted in 1946. There have been two republics in postwar Italy, beginning in June 1946 and April 1994, respectively. In 1993, Italy made major changes to its electoral system: three-fourths of the seats in parliament would be filled by simple majority vote, and the remainder would be allocated by proportional representation to those parties securing at least 4% of the vote. According to the constitution, power is shared between executive, legislative, and judicial branches. The popularly elected bicameral parliament consists of a 315-member Senate and a 630-member Chamber of Deputies, both elected to five-year terms. Parliament is subject to dissolution by the president or by a vote of no-confidence when a new government cannot be formed. Twenty-one national parties presently dominate Italian politics.

The prime minister is nominated by the president of the republic (currently Carlo Azeglio Ciampi) and forms a government and political agenda that must be approved by

both chambers of parliament. The prime minister is the head of government and must retain the confidence of parliament, either through governing majorities or benign political consent. The prime minister's power has been limited in the past by divisions among the many political factions within parliament. Italy has had 59 governments since 1945. The current prime minister is Silvio Berlusconi, who arrived at the job on 10 June 2001 after being appointed by President Carlo Azeglio Ciampi.

### PERSONAL BACKGROUND

Silvio Berlusconi was born on 29 September 1936 in Milan. His father was a bank clerk and his mother was a housewife. Although he studied law (writing a thesis in advertising) at the University of Milan, he drifted among various jobs until, at the age of 23, he began his career as a real estate developer. Berlusconi became the country's largest developer of residential and retail properties. In 1974, he bought a television station, Telemilano Cavo. This move rapidly evolved into ownership of additional stations, leading in 1984 to the formation of the Medialist Group, which includes Italy's top three commercial television networks. In the 1980s, Berlusconi expanded his development of commercial television to France, Germany, and Spain. In parallel with his interests in television, Berlusconi entered the publishing business, purchasing and becoming the nation's largest publisher of newspapers, books, and magazines. He also branched into banking, insurance, and financial services through his holding company, the Fininvest Group. In 1986, Berlusconi became chairman of the professional soccer team A.C. Milan, which subsequently won many national and international titles, including two World Club, three Champion's League, and five National League championships.

*Forbes* magazine lists Silvio Berlusconi as the forty-fifth-richest man in the world in 2002, and the third-most-powerful billionaire, after Bill Gates and Warren Buffet. Twice married, he has five children, two of whom hold key positions in his various business holdings.

### RISE TO POWER

In the course of his rising financial career, Berlusconi became associated with Italy's former Socialist premier Bettino Craxi. In response to Craxi's corruption trial in 1993, Berlusconi decided to enter politics himself. He resigned all his positions in Fininvest and in 1994 founded the Forza Italia (Go Italy)

party. In a coalition with the Alleanza Nazionale (National Alliance) and the Lega Nord (Northern League) parties, Forza Italia won the 1994 general election and Berlusconi became prime minister.

Misfortune followed. He lost office after only 225 days with the loss of support from the Northern League. An attempt at reelection failed in 1996. Subsequent charges of corruption led to a 1998 conviction for illegal party financing and a sentence of two years and five months. An appeal led to his acquittal, and he was acquitted of additional charges of false accounting practices related to the purchase of A.C. Milan soccer player Gianluigi Lentini after a statute of limitations law came into effect. Berlusconi has also been convicted of bribing tax inspectors between 1989 and 1991; and in Spain he is under investigation for tax fraud related to his interests in Spanish television.

The most serious corruption charges against Berlusconi were ongoing in 2003. The 2003 case involves allegations that Berlusconi and co-defendant Cesare Previti, the former defense minister, bribed judges in connection with Berlusconi's attempt to buy SME, a state-owned food company, in 1985. The aim was to persuade the judges to rule that the sale of SME to Berlusconi's business competitor Carlo De Benedetti was null and void. Berlusconi wanted to acquire the company for himself and his partners, and offered a higher bid than that accepted by Romano Prodi, the former head of the state-controlled holding company that was selling SME. Berlusconi countered the bid De Benedetti offered, and Prodi accepted. In 2003, Prodi served as the president of the European Commission. Berlusconi had denied any wrongdoing in the bribery case, although Previti was convicted and sentenced to 11 years imprisonment in April 2003 in a separate case. Berlusconi supporters are calling for immunity from prosecution, as Berlusconi is the first sitting prime minister to appear at his own trial. Prior to 1993, Italy's politicians had immunity from prosecution; as of May 2003 two immunity proposals were being considered—one that would block trials against the country's top five officials, and one that would bring back immunity for the sitting members of parliament.

Despite all of the corruption charges and protests against him (hundreds of thousands of Italians marched against Berlusconi in 2002), Silvio Berlusconi remains a successful and effective politician. He was reelected member of the European Parliament in 1999, and between 1996 and 2001, remained leader of the opposition in parliament. On 13 May 2001, Berlusconi once again became prime minister as leader of the "Casa della Liberta" (House of Freedoms) coalition, winning the general election by some 18.5 million votes.

## LEADERSHIP

Regarded by many as a "billionaire business mogul" and a political dilettante, Berlusconi has demonstrated a characteristic ability to learn quickly, but as often as not by his own mistakes. He filled his first cabinet with cohorts whose political inexperience matched his own. He alienated the judiciary and soon felt its wrath. The Italian political electoral system is characterized by instability, with voting determined by a complicated system of majority and proportional voting determining seats in parliament. As many as two dozen political parties are represented. Berlusconi's position as "victor" (as head of the center-right Forza Italia party) can be



rightly regarded as suspect. Nevertheless, he is favored by the people, who see him as a forceful, self-made man capable of creating wealth for everyone. His opponents, however, consider his media-empire position as head of the country's broadcasting, publishing, and financial interests an astonishing and certainly politically unfair, conflict of interest. As for his promises to reform the old order, critics point to his assorted corruption scandals as evidence that he pays off the establishment rather than takes it on.

## DOMESTIC POLICY

Berlusconi has long believed that his credentials as the richest man in Italy makes him fit to modernize the state's political system as well as the nation itself. This view is generally shared by the populace and forms the base of his appeal. As long as they continue to identify with him as a self-made man, his policies have a chance of succeeding. Deciding just what those policies are, however, is elusive. He has pledged to cut taxes and reduce the unemployment roles, reform public administration, tighten law and order, introduce large infrastructure projects, and increase state pensions. A reform of the pension system is needed, for Italy has one of the lowest birth rates and a rapidly aging population. Generous rules and allowance will stretch the system to its limits if no changes are undertaken in the next few years. In shaping his reforms, Berlusconi will have to deal with trade unionists, unreconstructed Communists, and old-fashioned Catholics who want Italians to have jobs for life, generous state pensions, and extensive public health service. And he must face off with old-order coalitions in parliament who still want to sell off state assets, liberalize the service sector, and loosen the job market.

## FOREIGN POLICY

Like his predecessor Giuliano Amato, Berlusconi supports continued Italian integration into a united Europe, along with a continuation of pro-Western, pro-North Atlantic Treaty Organization (NATO), and pro-United Nations (UN) policies. Berlusconi is unapologetically conservative in his views on immigration, particularly illegal immigration in light of the reconstruction of Serbia and Montenegro (formerly Yugoslavia) and Albania.

Italy has more than 10,000 troops involved in peace-keeping abroad. The most significant presence is in Kosovo, where Italy is in charge of one of the five military sectors. It also has a large contingent in Bosnia and Herzegovina.

Italy continues to support institutional reforms of the European Union (EU) in order to bring about greater transparency and effectiveness. Berlusconi is regarded warily by many European leaders for his legal difficulties and for his right-leaning stand on immigration issues. Ultimately, his fitness to serve will be judged abroad on his ability to stabilize Italy politically.

Berlusconi stood behind U.S. president George W. Bush in his determination to forcibly disarm Saddam Hussein's regime in Iraq in early 2003, despite public opinion in Italy against the war. "We are in favor of peace," Berlusconi said in January 2003, "but we cannot share responsibility for giving in to those who threaten our security, our liberty, and our democracy." In January 2003, 75% of Italians were against the war, which began on 19 March. In siding with the United States, he joined with the United Kingdom (UK), Spain, and many Eastern European countries in opposing the anti-war stance taken by France, Germany, and Russia on the UN Security Council. This rift within Europe, with respect to the war, is expected to have lingering consequences in Europe's future.

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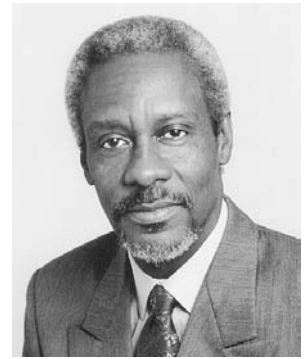
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# JAMAICA

## Percival James Patterson Prime Minister

(pronounced "PURR-sib-vull JAYMZ PAT-er-son")



"Jamaica is ready for the bold march into the new era of a borderless world economy."

With an area of 10,990 sq km (4,243 sq mi) and a population estimated at 2.7 million people in 2002, Jamaica is the third-largest of the Caribbean islands. It lies 145 km (90 mi) south of Cuba and 161 km (100 mi) west of Haiti.

European settlers imported African slaves to work on the sugar plantations on the islands of the Caribbean, including Jamaica. The descendants of these slaves comprised about 91% of the population in 2002. The remainder are descendants of Europeans, East Indians, Chinese, Syrians, and Lebanese. The official language is English although a local Jamaican dialect (patois) is widely spoken. The major religion is Christianity, with approximately 60% adhering to various Protestant sects, and 4% Roman Catholic.

The national currency is the Jamaican dollar. Jamaica's major exports include bauxite, alumina, sugar, bananas, processed foodstuffs, and garments. The country also has one of the largest tourist industries in the Caribbean.

### POLITICAL BACKGROUND

According to historical records, the country was first settled by the Ciboneys who migrated from Florida and later the Amerindian people who sailed from the Orinoco region of South America. In 1509, Spaniards established the first European settlement. After 161 years of Spanish domination, the island was captured by the British in 1655.

Jamaica won its independence from Britain in 1962 and enjoys a democratic form of government. It functions through a governor general, appointed by Queen Elizabeth II of Britain and a prime minister, who normally leads the majority party. A bicameral legislature is made up of 60 elected members of the House of Representatives and 21 members in the Senate. Members are nominated by the government and the opposition parties are appointed by the governor general.

Jamaica's political life is dominated by three political parties: the Jamaica Labour Party (JLP), the People's National Party (PNP), and the newly formed National Democratic Movement (NDM). Both the JLP and the PNP evolved from the trade union movement, which developed in the 1930s throughout the English-speaking Caribbean. To date both parties get substantial support from their affiliated trade unions. The NDM was formed in 1995 as a result of party conflicts between the leader of the JLP, Edward Seaga, and former party chairman, Bruce Golding.

Under the Jamaican Constitution, general elections are held every five years or when Parliament is dissolved. Provision is also made for the election of a local government

for each of the 13 parishes. The prime minister must be an elected official. The voting age is 18 years.

### PERSONAL BACKGROUND

Percival James (known as P.J.) Patterson was born in 1935. His father was a farmer and his mother a primary school teacher. Patterson was educated at Somerton Primary School and won a scholarship to attend Calabar High School. He graduated in 1953 and went on to the University of the West Indies (UWI), earning a Bachelor of Arts degree (with honors) in English in 1959. He studied law at the London School of Economics, where he was awarded the Leverhume Scholarship and the Sir Hughes Parry prize for excellence in the law of contracts. He graduated from the London School of Economics in 1963 with a bachelor of law degree. Upon completion of his studies, Patterson was called to the Middle Temple and Jamaican Bars. He is divorced and has two children.

Patterson's political activity began at the UWI, where he was a founding member of the Political Club. As president, he presided over the first political address given in the Caribbean by the late Eric Williams, a scholar, regionalist, and founder of the Trinidad and Tobago's People's National Movement (PNM). In 1955, he made further contacts with prominent leaders of the PNM and made his first appearance on a political platform during an election campaign. On graduating from UWI, he joined the PNP's organizing staff, serving a number of rural parishes.

### RISE TO POWER

Patterson has enjoyed a long and distinguished period of service with the PNP and as a government official before becoming prime minister. He was party organizer from 1958 until 1960 and also served as a member of the PNP's Constituency Executive, National Executive Council, and Party Executive. He was campaign director for the general elections of 1972, 1976, and 1989. From 1969 until 1982, he served as the party's vice president and has been its chairman since 1983.

Patterson's first experience as a government official was as senator from 1967 until 1970. He served as the opposition leader from 1969 until 1970, and was then elected to the House of Representatives as a member from the rural parish of South East Westmoreland. He held that seat for the next 10 years and was reelected in 1989. Following the PNP's victory at the polls in 1972, he was given his first ministerial



post as minister of industry, foreign trade, and tourism. In 1979, he was appointed deputy prime minister and minister of foreign affairs and foreign trade, a position, which he held until 1980, when the PNP lost the general elections to the JLP.

During the socialist era of the 1970s, Patterson played a key role in the construction of policies aimed at transforming Jamaica's political and economic system. Further, between 1990 and 1991, he was responsible for preparing the Five-Year Development Plan, establishing a National Planning Council, and assuming leadership of the National Productivity Council.

Following the PNP's electoral victory of 1989, he was once again appointed to the position of deputy prime minister and minister of development, planning, and production. Between November 1990 and December 1991, Patterson held the portfolio of minister of finance and planning. In January of 1992, he was forced to resign as deputy prime minister because of his involvement in a perceived conflict of interest controversy. The government provided import tax waivers worth US\$1.47 million for a senior PNP official. Although acknowledging that he had erred in not consulting with cabinet members, he has insisted that he never profited personally from the affair. Following the resignation of Prime Minister Michael Manley due to poor health, Patterson won the election as party leader of the PNP and was sworn in on 30 March 1992 as Jamaica's sixth prime minister since its independence from Britain.

Patterson returned to office following national elections that were held in March 1993. He served as prime minister and a member of Parliament for a further four years, until December 1997 elections. In a landslide victory, his PNP won

a third term, making this the first time in Jamaican history that a political party has won three consecutive elections.

## LEADERSHIP

Patterson is well known for his international accomplishments. He represented Jamaica at the Conference on Economic Cooperation in Paris from 1976 until 1977, Commonwealth summit conferences, meetings of the Nonaligned Movement, and the Group of 77. He is widely acknowledged to be one of the chief architects of the Lome Convention and has utilized his legal skill in leading successful negotiations between the African Caribbean and Pacific (ACP) countries. He is also known to be one of the key players in the evolution of the Caribbean Free Trade Association (CARIFTA) into the Caribbean Community and Common Market (CARICOM). Patterson is now the chairman of this body and his goal for the region is to achieve a single market economy before the end of this century.

As prime minister, he spearheaded the ending of an 18-year borrowing relationship with the International Monetary Fund (IMF), creating a platform for Jamaica to gain control over its economic affairs. He has introduced a national industrial policy and a national land and shelter policy. Patterson also introduced the "Operation Pride" program, which assists in the country's housing needs. His administration established several programs for the young and the elderly, including the National Youth Service, Special Training and Empowerment Program, (STEP), and the Jamaica Drugs for the Elderly Program.

Although Patterson is not as charismatic as his predecessor, Michael Manley, he has gained popularity because of his international achievements, his administrative skills, and his professed intention to create strong moral principles in all aspects of national life. His historic victory at the polls in 1997 demonstrates that he has moved out of the shadow of Michael Manley and is no longer perceived as simply a manager. He is now viewed as a man of the people, who has made vigorous attempts to understand all classes of society through face-to-face public discussions.

## DOMESTIC POLICY

The Jamaican economy has been in turmoil since the early 1990s as a result of decreases in manufacturing output and the closure of several financial organizations. Per capita gross domestic product (GDP) has been estimated at US\$3,300. The major economic concerns of the PNP have been to stabilize the Jamaican dollar and reduce inflation.

Several banks and insurance companies have had to close because of the inability of major customers to repay loans and because of the collapse of the real estate market where most of their investments were placed. The major problem that the Patterson government now faces is paying out large sums to keep financial institutions from collapsing. The controversial Financial Sector Adjustment Company (FINSAC) was established in January 1997 to rehabilitate troubled institutions and restore calm to the Jamaican financial system. To date FINSAC has taken over the management of several banks to prevent further losses to investors.

The manufacturing sector has also experienced severe difficulties. Several international as well as local companies

have had to terminate operations in Jamaica because of high import duties, high interest rates, competition from cheap imports, and an erosion of the country's export competitiveness. The government hopes to encourage new investment by eliminating import duties on non-competing raw materials and capital equipment, and by providing trade financing through the Ex-Im Bank. New investment will not only help to strengthen the economy, but also provide much needed employment opportunities.

The Rural Agricultural Development Authority (RADA) was established to provide support for small farmers and to encourage improved technology in the agricultural sector. The Patterson government also seeks to improve Jamaica's international competitiveness in agriculture through more effective marketing, and by developing the research field to improve quality and productivity. Although the tourist industry grew by US\$46.8 million in 1997, new schemes have been introduced to increase visitor arrivals.

Patterson has favored the expansion of domestic telecommunications and has facilitated major investments to ensure continued growth and development in information technology. His goals in the new millennium include the following: to create a national information infrastructure to optimize the potential benefits of new technologies; to ensure that all schools, libraries, museums, and voluntary organizations are positioned to utilize this new infrastructure; and to structure the regulatory framework to reflect the realities of an open and competitive economy, driven by technological advances.

Keeping crime and violence under control is a great challenge for Patterson. Jamaica has one of the highest murder rates in the world. Gang violence, often motivated through political parties, flares up quite frequently. In 1980, an estimated 700 people were killed in election-related riots. In April 1999, riots broke out as Patterson announced gasoline prices would rise by 30%. In addition, politically charged fighting broke out in the Kingston area nearly a whole year before elections in 2001. Leaders from the PNP and the JLP accused each other of starting the trouble. In all of these cases, Patterson has called army troops to pacify rioters in Kingston, with soldiers setting up military outposts in the neighborhoods, and helicopter gunship patrols during the night. Dusk-to-dawn curfews are often imposed in some areas, and military patrols are allowed to conduct searches for weapons and drugs.

Patterson has been widely criticized for these and other actions of the army-police that are mostly regarded as human rights violations by other countries, including the United States.

## FOREIGN POLICY

Patterson's interest in regional cooperation is evident from his role as chairman of CARICOM. He continues to stress the importance of a single market economy and free trade area of the Americas and supports the development of regional institutions such as the Caribbean Development Bank (CDB) and The University of the West Indies (UWI).

Patterson seeks to widen linkages with traditional partners, North America and Europe. He is also working to ensure that North American Free Trade Agreement (NAFTA) takes full account of the needs of Caribbean countries, and hopes to gain access to the U.S. markets on the basis of parity. In April 2001, Patterson, along with other Caribbean leaders, met with U.S. president George W. Bush for the Summit of the Americas in Quebec, Canada. There, officials inaugurated the "Third Border Initiative," a plan designed to ensure U.S. cooperation with Caribbean nations and enhance economic development and integration of the Caribbean nations. Patterson also continues to work toward attracting U.S. investment, and supports efforts for the creation of a Free Trade Area of the Americas (FTAA).

Patterson has increased links with Africa in order to pursue trade in addition to cultural exchanges.

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Profile researched and written by Rachael and Ian Boxill, University of the West Indies, Jamaica (6/98; updated 3/2002 and 2/2003).

# JAPAN

Junichiro Koizumi  
Prime Minister

(pronounced “koh-ee-ZU-mee”)



*“In the current severe economic situation, the only path that will lead to revitalization of the Japanese economy is structural reform to enhance the potential for sustainable economic growth.”*

Japan is an East Asian nation consisting of four main islands: Honshu, Hokkaido, Shikoku, and Kyushu. Its neighbors consist of Russia, the People’s Republic of China, South Korea, and North Korea. Japan is a mountainous country where most of its 127 million residents (2002 estimate) live along the eastern coastline on the island of Honshu. Severe winters are common for residents on the western coastline, especially in northern Honshu. Japan’s population density is 343 people per sq km (890 sq mi). Tokyo, the political and financial capital, is centrally located on the western coast of Honshu.

Japan is a highly secular and advanced industrial nation with a rich cultural and religious tradition. The majority (84%) of the population observes both Shintoism and Buddhism; the remaining 16% practice other religions, including a small minority who practice Christianity (0.7%). Shinto, a native Japanese religion based on shamanism, emphasizes the worship of nature and honoring of ancestors. Although Japan currently has no official religion, Shinto was the state religion prior to 1945, the end of World War II. Buddhism became an integral part of the nation’s custom and cultural life since its importation from ancient China. The Japanese place a high priority on education and enjoy a 99% literacy rate. Newspaper circulation (576 per 1000 people) is twice that of the United States. Life expectancy is 77 years for males and 83 for females.

The Japanese economy is highly dependent on international trade for obtaining natural resources and for exporting finished industrial and consumer goods. The United States is Japan’s major trading partner, accounting for 18% of its imports and 30% of its exports in 2001. Japan also has extensive trading relations throughout East and Southeast Asia. The monetary unit is the *yen*. Per capita gross domestic product (GDP) was estimated at us\$28,000 in 2002. Recently it was reported that China was a fierce competitor for Japan’s automobile industry. The World Bank issued this report in early June 2003.

## POLITICAL BACKGROUND

During the Tokugawa Period, prior to the Meiji Restoration in 1868, Japan isolated itself from the rest of the world. During that time, Japan experienced cultural, social, and political development, which underscores the country’s major differences with its neighbors to this day. The drafting of the Meiji Constitution in 1889 created the initial framework for parliamentary government.

After World War II, Japan underwent an American-led occupation, which democratized and secularized the nation. Political transformation during that period included the introduction of universal suffrage, the creation of a constitutional monarchy, and a purge of the economic and political elite responsible for Japan’s aggression before and during World War II. The present Constitution, dubbed the “MacArthur Constitution” (after U.S. General Douglas MacArthur), was promulgated in 1947 during the U.S. occupation of Japan and has never been formally amended despite its foreign origins.

According to the Constitution, the national legislature is the supreme organ of the state. The bicameral legislature, or Diet, is composed of the House of Councillors (HC or Sangi-in) and the more powerful House of Representatives (HR or Shugi-in). The 480 members of the HR are elected to four-year terms through a modified proportional representation system, in which 300 members are chosen from single-member districts, and 180 are chosen proportionally in 11 electoral districts. The 247 HC members serve six-year terms, with one-half of the members up for election every three years. Every three years, 48 HC members are elected from the nation at-large, and 73 are chosen from prefectural districts of varying size. The HR is responsible for the budget and other legislation, with the HC able to veto budgetary legislation approved in the HR, but the HR can override the veto. Two-thirds majorities in both houses are necessary to amend the Constitution.

Political turmoil characterizes Japanese politics since the Liberal Democratic Party’s (LDP) disintegration in 1992 and its loss of parliamentary majority in the 1993 elections. In 1996, the LDP captured 239 seats with the now disbanded New Frontier Party garnering 156 seats. Since that time, the repeated exodus and return of party members kept the LDP’s strength in a state of flux. The HC elections on 12 July 1998 resulted in the LDP’s loss of 15 of 118 seats and prompted the resignation of Prime Minister Ryutaro Hashimoto. The Diet selected Keizo Obuchi to be the new prime minister of Japan, but he died in April 2000 after a stroke and coma. His successor, Yoshiro Mori, governed through a coalition with the Komeito Party and the Honshu-to, a new conservative party consisting of remaining Liberal Party members. This three-party coalition maintained its power following House of Representatives elections in June 2000. Mori’s approval ratings fell sharply in the following year, however, and he agreed in April to hold House of Councillors elections in July 2001. In a surprise upset, “maverick” politician Junichiro



Koizumi defeated former prime minister Ryutaro Hashimoto and other favored party members, promising a wave of political and economic reforms. On 26 April 2001, Koizumi became Japan's eighty-seventh prime minister.

### PERSONAL BACKGROUND

Junichiro Koizumi was born on 8 January 1942 in Yokosuka, Kanagawa Prefecture. He was one of six children born to mother Yoshi and father Junya Koizumi. Prime Minister Koizumi's father and grandfather both served in Japanese government. His grandfather, Matahiro Koizumi, a farmer's son, was a plasterer before becoming a member of the House of Representatives (the lower house of Parliament) and eventually a cabinet member before World War II (1939–45). Koizumi's father married Matahiro's daughter Yoshi. He also ran for Parliament and even served there at the same time as his father-in-law.

Junichiro Koizumi graduated with a degree in economics from the Keio University Faculty of Economics in 1967. He then went on for postgraduate work at the London School of Economics, and left to return to Japan on the death of his father. He ran unsuccessfully for his father's seat in Parliament, but became a junior secretary to Takeo Fukuda, Member of the House of Representatives who later became prime minister. Gaining experience under Fukuda's influence, Koizumi himself was elected a Member of House of Representatives in 1972. He subsequently served 10 consecutive terms.

Koizumi married Kayoko Miyamoto, granddaughter of the founder of one of Japan's major pharmaceutical companies. The couple had two sons before divorcing. Koizumi remains single, a rare situation for a high-ranking Japanese politician. Considered a colorful character, gossip surrounds his social activities. Koizumi himself claims to love pop music and karaoke, and he says his favorite leisure activity is listening to opera at home.

### RISE TO POWER

A third-generation LDP man, Junichiro Koizumi is a career politician who rose to power through 30 years of key positions in the party and the House of Representatives. Elected as a Member of the House of Representatives in 1972, he subsequently assumed increasingly important governmental positions, serving as parliamentary vice minister of finance (1979), chairman of the Committee on Finance (1986), minister of health and welfare (1988, Takeshita cabinet), minister of health and welfare (1989, Uno cabinet), minister of posts and telecommunications (1992, Miyazawa cabinet), and again minister of health and welfare (1996, 1997, Hashimoto cabinet).

His LDP positions have followed a similar path of rising importance: chairman of the Finance Committee, LDP (1980); deputy secretary general (1983); chief deputy chairman, Diet Affairs Committee (1987); chairman, National Organization Committee (1989); chairman, Research Commission on Fundamental Policies for Medical Care (1989); and chief deputy secretary general (1991), a position which made him one of the most powerful politicians in the country. His rise culminated in his election as president and prime minister (2001). Since new LDP voting rules gave local party members a larger role in electing the



party president, Koizumi was able to defeat the favorite of party stalwarts, former prime minister Ryutaro Hashimoto, in whose cabinet Koizumi was minister of health and welfare.

### LEADERSHIP

Koizumi appeals to the voting populace because he is considered a maverick rather than a representative of vested interests. As an indicator of Koizumi's intent to reform the political system, his first cabinet included five women ministers and three men who were nonpoliticians. His initial popular support was overwhelming, fueled by his promises to thoroughly reform Japan's economy and political system. All along, however, Koizumi has stated that such reforms will be "painful" in the short-term if the country hopes to return to a pattern of economic growth in the future. He has insisted that the country must experience a deeper recession before it can hope to recover from its current, shallow recession.

Painful or not, his words at first resonated with the populace. Approval ratings among constituents initially ran as high as 90% for the new prime minister, but they gradually sank to around 40% in mid-2003. He has faced opposition from the old guard LDP leadership. Koizumi's talk of dismantling or bypassing LDP machinery to achieve his ends is understandably met with resistance by factions bent on self-preservation.

In July 2002, Koizumi overcame a no-confidence vote in Parliament. The measure was called for by the opposition Democratic Party, in protest of slow progress on the economy. There has been especially strong opposition to two of Koizumi's projects: privacy protection measures and healthcare reform. Opposition politicians and those from

within his own party have criticized Koizumi for being ineffective on the financial crisis during his term in office.

### DOMESTIC POLICY

Economic reforms have remained at the top of Koizumi's list of domestic priorities. Koizumi proposed privatizing the nation's postal savings system and rechanneling automobile-related tax revenues from their traditional funding of road construction projects to other areas where the revenue would have greater impact on growth. These reforms, while they directly addressed the source of much wasteful spending, met resistance in the legislature.

Japan's banking industry has suffered for years under a crushing debt resulting from too many bad loans. On taking office, Koizumi intended to force commercial banks to write off their bad debt. Along with this move, he proposed a fiscal discipline policy to speed up bankruptcies and provide a safety net for the resulting unemployment (100,000 to 200,000 lost jobs). Japan's deficit-spending remains huge at 128 trillion yen (us\$1.03 trillion), which amounts to 130% of GDP, the worst of any major industrialized country. Koizumi had planned to set a limit on the issue of government bonds at below 30 trillion yen (us\$241 billion), but he was unable to do so. After three years in office, Koizumi's "structural reforms" were stalled and he had not been able to effect a turnaround in the economy, as stock prices sagged, real estate values plunged, and unemployment worsened. Deflation took hold and an expensive bank bailout in May 2003 spotlighted the weakness of Koizumi's financial sector reform strategy.

### FOREIGN POLICY

Since World War II, Japan has maintained a pro-Western foreign policy. In fact, Japan remains a cornerstone of U.S. efforts to maintain political stability in Asia. Despite hopes that Japan would lead the rest of Asia out of the Asian crisis, the opposite occurred. Japan has resorted to increasing exports to boost its economy because domestic demand continues to remain weak, much to the disappointment of Asian and Western leaders. Japan nevertheless continues to develop good relations with other nations regionally. Japan provides economic assistance to modernization projects in China and maintains bilateral trade agreements with Taiwan. Although Japan and Russia still dispute sovereignty of the four-island Northern Territories (Kuril Islands), the two countries have made progress in other areas of their relationship.

Japan has worked closely with the United States and South Korea on policy toward North Korea, particularly on the matter of nuclear nonproliferation. During Koizumi's time in office, the nuclear status of North Korea has reached crisis proportions. The North Korean nuclear program, a threat directed at South Korea, would obviously also threaten neighboring Japan. Koizumi has responded with a tireless schedule of shuttle diplomacy, meeting with Chinese, Middle Eastern, and Russian leaders, as well as flying to Texas for talks with U.S. president George W. Bush. When North Korea withdrew from the Nuclear Non-Proliferation Treaty in early 2003, Koizumi and Russian president Vladimir Putin issued a joint statement of concern, while expressing hopes that negotia-

tions could still convince North Korea to halt nuclear weapons development. In May 2003, Koizumi emphasized the need for a peaceful solution to the crisis and for international cooperation, stating, "Japan, the United States, and South Korea should continue to coordinate, and North Korea should take this seriously."

The issue of Japanese self-defense and security has become a matter of growing concern, particularly in light of Japan's willingness to participate in global efforts to fight terrorism and the North Korean crisis. Koizumi's government supported the U.S.-led invasion of Iraq, but in a non-combatant capacity, pledging us\$70 million for reconstruction aid at the war's end. Article 9 of the Japanese Constitution prohibits a Japanese role in international military affairs, but Japanese leaders are listening to rising popular support for the idea of a self-defense force for the nation. At present, the country continues to rely on the United States for strategic protection. In 2003 Koizumi was able to win approval for bills allowing the prime minister to invoke special powers if Japan were to be attacked. The North Korea crisis provided the impetus for the measure, which still worried many who believe that Japan should take no role in warfare. Koizumi's visits to the Yasukuni shrine (a symbol of Japan's World War II armed forces) during each of his years in office also raised concerns about a revival of militarism and offended the government of South Korea.

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# JORDAN

## Abdullah II King

(pronounced “ab-DOO-lah”)



*“Democracy is a learning experience. Down the line you will see a shift of responsibility as institutions mature.”*

The Hashemite Kingdom of Jordan is a landlocked country, except for its 26 km (16 mi) coastline along the Gulf of Aqaba, which provides access to the Red Sea. Its area occupies 91,880 sq km (35,475 sq mi), bordered on the north by Syria, northeast by Iraq, east and south by Saudi Arabia, and on the west by Israel. Amman, Jordan’s capital, is also the country’s largest city. The estimated population is about 5.3 million, almost evenly divided between native Jordanian Arabs and Palestinian Arabs; most of the latter came as refugees from Israeli-held lands west of the Jordan River. The overwhelming majority of the people are Sunni Muslims. Christians constitute about 5% of the population. Arabic is the official language, and Islam is the state religion.

Jordan’s developing economy is highly dependent on foreign aid, as well as on oil imports from neighboring Saudi Arabia and Iraq to meet its energy needs. The country’s primary exports are agricultural products and phosphate rock. Jordan’s currency is the *dinar*.

### POLITICAL BACKGROUND

For four centuries, the territory constituting present-day Jordan was part of the Turkish Ottoman Empire. Liberated from Turkish rule in 1918, this area became part of British-administered Palestine under a League of Nations’ mandate. In 1921, the British divided the mandate. Land east of the Jordan River was designated as Transjordan and given nominal self-rule as an emirate under Abdullah ibn Hussein. Transjordan became a fully independent state in 1946, and Abdullah was proclaimed king. In 1948, Transjordan joined other Arab countries in a war against the newly created state of Israel. During this conflict, the Transjordanian army crossed the Jordan River and occupied parts of the river’s West Bank and the old city of Jerusalem. In 1950, the Arab-held West Bank was formally annexed by Transjordan, and the kingdom was renamed Jordan. Following Abdullah’s assassination in 1951, his son Talal became king. Talal, who suffered from schizophrenia, was deposed by the Jordanian parliament in 1952. His 17-year-old son, Hussein, assumed the full powers of the monarchy on 2 May 1953.

In the early 1960s, friction between Jordan and Israel grew over rights to the waters of the Jordan River and over problems posed by displaced Palestinian refugees. In 1964, the Palestine Liberation Organization (PLO) formed, vowing to restore Arab claims to the territory now constituting Israel. The PLO’s use of Jordan to launch raids into Israel provoked reprisals against the kingdom, further increasing tensions in the region. In 1966, Jordan withdrew its support of the

guerrillas, prompting the PLO to urge the overthrow of King Hussein. The 1967 war between Israel and its Arab neighbors proved disastrous for Jordan, which lost control of the West Bank and East Jerusalem. By 1970, a growing PLO military presence in Jordan had begun to threaten the government’s authority. In September of that year, clashes erupted between the Jordanian army and the PLO forces, resulting in a defeat for the guerrillas and the expulsion of PLO fighters. Jordan did not participate in the 1973 Arab-Israeli war. In 1974, under pressure from other Arab nations, King Hussein recognized the PLO as the sole representative of West Bank Palestinians. On 31 July 1988, he severed Jordan’s legal and administrative ties with the West Bank, effectively relinquishing Jordanian claims to the territory.

Jordan’s 1951 constitution established a limited monarchy with a parliamentary form of government. In practice, the monarch has preponderant powers as chief executive and head of state. He is the commander-in-chief of the armed forces and is vested with the power to declare war, conclude peace, and sign treaties. He appoints a prime minister who forms the cabinet. The prime minister and members of the cabinet are responsible to Parliament but serve at the king’s discretion. The legislative body is the National Assembly. It consists of the Senate (whose 40 members are appointed by the king) and the Chamber of Deputies (whose 80 members are popularly elected to four-year terms). The king has the right to dissolve the National Assembly and postpone general elections indefinitely. A ban imposed on political parties in 1963 was not lifted until 1992. Candidates belonging to organized opposition groups, however, like the Muslim Brotherhood, and independent Islamic candidates displayed significant strength in the 1989 general elections.

In the early 1990s, new restrictions were placed on the media, and political freedoms curtailed. Electoral laws were also changed to favor pro-monarchy candidates at the polls. Subsequently, the 1993 and 1997 general elections returned parliaments friendly to the throne. (The 2001 elections were postponed and are to be held in June 2003). Following tradition, Jordan’s constitution designates the king’s eldest son as crown prince and heir to the throne. In 1965, the constitution was altered to allow the king to name his younger brother, Hassan bin Talal, to the post.

Under the leadership of King Hussein, Jordan emerged as a modern state. However, the country’s political institutions are weak, and democratic rights and freedoms are restricted. The monarchy draws its main support from East Bank Jordanians



and the Bedouin desert tribes. Wealthier and moderate Palestinians also tend to be supportive.

### PERSONAL BACKGROUND

Abdullah bin Hussein al-Hashem was born in Amman on 30 January 1962 to King Hussein and his second wife, British-born Antoinette Gardiner. Educated abroad, Abdullah's early schooling was at Saint Edmunds and at Harrow in Britain. He also attended Deerfield Academy in Massachusetts. Abdullah's post-secondary education includes military training at the elite Sandhurst Military Academy in Britain, a diploma in international politics from Oxford University, and a year's study at Georgetown University in Washington, D.C.

Returning to Jordan in 1984, Abdullah became an officer in the Jordanian army. On 10 June 1993, he married Rania Yassin, a Kuwaiti-born Palestinian with family roots in the West Bank town of Tulkarm. They have two young children: a son, Hussein, and a daughter, Iman.

An athletic and easygoing man, Abdullah is an accomplished marksman and a licensed pilot. His interests include scuba diving, parachuting, and auto racing. He also collects antique weaponry and is a fan of the television show, *Star Trek*.

### RISE TO POWER

Hussein's 45-year reign was turbulent. He weathered numerous threats to his life and to his kingdom's survival. Aware of the personal risks he faced, Hussein decided to appoint an adult heir, his brother, to his throne in 1965, replacing three-year-old Crown Prince Abdullah. This decision was also motivated by concerns that conservative-

minded Jordanians would not accept Abdullah as king because of his mixed Anglo-Arab parentage.

Relieved of the burden and responsibilities of being crown prince, Abdullah grew up away from the public eye. He joined the Jordanian army and pursued a military career, the early years of which were spent in remote desert bases. Expected to become the army's chief of staff, Abdullah rapidly rose to the rank of brigadier-general. In May 1998, he was promoted to major-general and placed in command of the elite Special Forces responsible for internal security and counter-terrorism.

In 1992, Hussein had been successfully treated for a cancerous kidney. In mid-1998, he became ill with Non-Hodgkin's lymphoma. After six months of medical treatment in the United States, Hussein returned to Jordan in January 1999, apparently cured. In a surprise move, he dismissed Hassan as crown prince and named Abdullah to be his successor. The dismissal was reportedly prompted by the king's displeasure with Hassan's performance as regent during his absence abroad. Some accounts suggest that Hussein had long contemplated replacing his brother in order to restore the line of succession to his children. Shortly after appointing Abdullah as crown prince, Hussein flew back to the United States for further cancer treatment. His condition proved to be terminal, and the comatose monarch was flown back to Jordan. Hussein died on 7 February 1999, and the cabinet immediately proclaimed Abdullah to be the new king.

### LEADERSHIP

Hussein was regarded as a firm but tolerant ruler who inspired confidence in Jordan's stability and symbolized national unity. Abdullah is largely unknown to most of his people and is seen as a political novice, unseasoned in the rough-and-tumble of Middle Eastern statecraft. Though he lacks Hussein's stature and experience, Abdullah is said to have inherited many of his father's personal qualities. Indeed, his energy, character, and common touch have reassured those concerned about the transition. Beyond expressing a desire to continue his father's legacy, Abdullah has yet to articulate his own vision for the country's future. Most observers believe that his inexperience will force Abdullah to rely on advisors and may inhibit the bold steps needed to deal with the challenges he is likely to face.

Daunting tests await Abdullah's promised inclusive leadership style. A delicate balancing act will be required to deal with the country's large Palestinian population, its economic woes, and calls for greater democratization. The rapprochement with Israel has grown increasingly unpopular among many Jordanians, especially those of Palestinian origin. Abdullah has pledged his commitment to peace with Israel. However, Palestinian intentions to declare statehood for West Bank territories under their control have provoked Israeli retaliation and resulted in violence, threatening the kingdom's stability. Abdullah rejected Palestinian leader Yasser Arafat's offer to federate these territories with Jordan and urged him to delay the declaration of statehood. On the economic front, Abdullah aims to further liberalize Jordan's economy through market-oriented reforms. He is expected to face strong opposition from the Muslim Brotherhood, other Islamist parties, and leftists.

Most analysts anticipate that Abdullah will take steps to consolidate his authority first and then proceed gradually on political reforms. Despite calls for lifting restrictive media and electoral laws and dissolving what is widely regarded as a “rubber stamp” parliament, no immediate moves towards political liberalization are foreseen. Abdullah has quickly moved to establish his control of the government and military by replacing Hassan loyalists. A new cabinet has been formed, but the palace holds real power.

Rumored royal family tensions, stemming from Hassan’s abrupt dismissal, are officially discounted. Hassan has pledged fealty to the new king. Respecting his father’s wishes, Abdullah has appointed his half-brother, Hamzeh, to be the new crown prince. This choice has received universal praise.

In June 2000, King Abdullah implemented his first major government shakeup, replacing Prime Minister Abdul-Raouf al-Rawabdeh with the more progressive Ali Abu al-Ragheb, a former minister of commerce and industry. A new cabinet was appointed as well. Al-Rawabdeh had been the target of widespread criticism for alleged nepotism and corruption.

### DOMESTIC POLICY

Jordan has a small, underdeveloped economy and few natural resources. Nearly one-third of its people live in poverty, and official estimates place the unemployment rate at around 15%, although other sources cite the unemployment rate to be as high as 25%–30%. Declining oil prices in the 1980s led to a drastic cut in hard currency inflows and contributed to the country’s rising foreign debts, which are now approximately US\$8 billion. In the late 1980s, difficulties with debt servicing sparked a currency crisis, forcing adoption of an International Monetary Fund (IMF) structural adjustment program. The government introduced reforms to reduce the role of government in the economy, including privatization of public enterprises. These reforms resulted in tax increases, reduced public spending, and higher prices on staple products. Economic distress was compounded by fallout from the Iraqi invasion of Kuwait. The subsequent Gulf War and United Nations (UN) sanctions against Iraq deprived Jordan of a principal trading partner and oil supplier. Moreover, the country had to cope with an influx of refugees from Iraq and Jordanians of Palestinian origin who were expelled from Kuwait. The potential for social upheaval caused by economic strains is given as one justification for the government’s clampdown on political dissent in the early 1990s. However, widespread unrest did not materialize, partly due to the generosity of Western aid donors who provided stopgap financing to alleviate the country’s fiscal crisis.

After about six months in office, in August of 1999, Abdullah recalled the parliament from its summer recess for the purpose of acting on legislation. By September, amendments to existing laws were passed to list restrictions on some forms of freedom of the press.

Abdullah considers the continuity of reform essential to solve Jordan’s economic problems. Consequently, he has appointed seasoned pro-reform figures to key economic policy posts. He has also introduced limited economic reform in the form of privatization of state-owned enterprises. In January 2000, Jordan entered the World Trade Organization and in October 2000, Abdullah signed the Jordan-United

States Free Trade Agreement, providing Jordanian products unimpeded access to the United States. Observers are keenly watching how Abdullah will respond to the IMF calls for continued progress on privatization and to domestic pressures for tax relief and against further cuts in subsidies. Abdullah received the president of the World Bank in March 2003, who was impressed with Abdullah’s emphasis on education and in developing Jordan’s human resources. Abdullah continues to focus on job creation through private investment and public sector reform, more efficient natural resource management, particularly for water, and improving social conditions. Small and medium businesses are receiving attention in Jordan as way of creating jobs, including those for women and low-income groups.

### FOREIGN POLICY

Though small and weak, Jordan is considered pivotal in the geopolitics of settling the region’s protracted conflicts. Under the leadership of Hussein, Jordan became a bastion of the moderate Arab camp and followed a generally pro-Western foreign policy. Jordan’s vulnerability in the region required an alignment with the West in order to blunt perceived threats to its survival. Attempts to forge friendly relations with its neighbors have been complicated by the vicissitudes of the broader Arab-Israeli conflict. Jordan is home to a sizeable Palestinian population. In its quest for peace with Israel, Jordan must balance its own security needs with Palestinian aspirations for a separate homeland.

For many years, Hussein vied with the PLO for Palestinians’ loyalty. In the mid-1980s, he tried to subordinate the PLO to his own peace process, but opposition from Palestinians and other Arab countries forced him to acknowledge the PLO’s claim to be the Palestinians’ sole representative in any future peace talks.

Jordan played a significant role in the 1991 secret negotiations between Israel and the PLO that led to the Oslo Accords of 1993, which produced a declaration of principles regarding Palestinian self-rule in Israeli-held territories. Relations between Jordan and Israel warmed, and in 1994 the two countries formally ended their state of war. Abdullah affirmed his government’s commitment to the peace process in the Middle East and to the founding of a Palestinian state. During his first year in office, he traveled extensively throughout the region, restored diplomatic relations with Kuwait, and made great strides in improving relations with Syria.

Violence between Israel and the Palestinians increased dramatically in the spring of 2002 during the continuation of the al-Aqsa intifada which began in September 2000. Israel mounted its largest military operation in 20 years, retaking control of cities and territory formerly under Palestinian control. Suicide bombings carried out by radical Palestinians against Israelis were frequent. Abdullah stated his country backed any international initiative directed toward an end to the violence and the Israeli occupation of Arab territories, and to the establishment of a Palestinian state.

Relations with Saudi Arabia, Syria, and Iraq are high on Abdullah’s diplomatic agenda. Saudi Arabia was harshly critical of Jordan’s tilt towards Iraq during the Gulf Crisis. Since then, the two kingdoms have slowly reconciled their differences. Many analysts see Iraq and Syria presenting

Abdullah with his greatest external challenge. Both countries disapproved of Jordan's peace with Israel prior to the removal of Saddam Hussein's regime in Iraq in April 2003. In 1995, Hussein distanced himself from the Iraqi regime and called for its replacement. Abdullah in November 1999 called for lifting of sanctions against the people of Iraq and Sudan. The Jordanian public opposed active support for efforts to remove the Iraqi regime. In September 2001, Abdullah promoted a measured response to the terrorist attacks on the United States to avoid aggravating an already tense Middle East. He said, "The struggle against ... terrorism ... requires a coming together of all efforts."

Abdullah attempted to persuade U.S. president George W. Bush to avoid war with Iraq in 2003. However, he allowed the U.S. to station Patriot missiles and a limited number of troops along Jordan's border with Iraq, an action met with much opposition on the part of most Jordanians. Following the April 2003 defeat of Saddam Hussein's regime by the U.S.-led coalition, Abdullah called for a complete and comprehensive withdrawal of coalition troops from Iraq, as quickly as possible, and maintained that Iraq's territorial integrity must be preserved. Abdullah reacted to the consequences of a new Iraqi regime to the future of the Middle East at large by asking at an international economic gathering in 2003, "What is the single most important thing in the Middle East?" The question was posed to both an Arab and a Western audience. "The Western response was: democracy

and freedom. The Arab response was: a future for Palestine. And I think the West needs to understand that the core issue is still the Israeli-Palestinian one," he stated.

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# KAZAKHSTAN

## Nursultan Nazarbayev President

(pronounced “nor-sool-TAN nah-zahr-BAI-eff”)



*“The path from totalitarianism to democracy lies through enlightened authoritarianism.”*

The Republic of Kazakhstan is located in the heart of the Eurasian landmass. Covering 2.7 million sq km (1.05 million sq mi), the land area is 12% of the former Soviet Union. Kazakhstan is the second largest of the former Soviet republics, after the Russian Federation. It is about four times the size of Texas.

Kazakhstan is one of the most populous of the Central Asian states, with an estimated population of 16,741,519 as of July 2002. In 1995, the Kazakh legislature endorsed moving the nation’s administrative capital to a windswept small town in northern Kazakhstan, renamed Astana, in a bid to strengthen control over areas heavily populated by ethnic Russians. According to the 1999 census, ethnic Russians constitute 30% of the population and Kazakhs (Qazaks) 53.4%. There are more than 100 other small ethnic communities. Kazakhs are divided into tribes called hordes. The Great Horde occupies southeastern Kazakhstan; the Middle Horde occupies the center and north of the country; the Little Horde can be found in the west. Horde identity has been reasserting itself, with the Great Horde dominating the government. Because of earlier immigration by Russians, the death of Kazakhs during the collectivization and purges of the Soviets, and the deportation of nationals to Kazakhstan under Soviet rule, Kazakhs became an ethnic minority. Recent immigration from Mongolia and elsewhere, a relatively high birthrate, and the departure of other ethnic groups have restored the Kazakhs as a majority of the population. Kazakhs are traditionally Sunni Muslims while the Russians tend to be Orthodox Christians. Official languages for government business include Kazakh (a Turkic language) and Russian, though Russian is increasingly discouraged. Few ethnic Russians have endeavored to learn Kazakh, although many have lived in the region for several generations. Kazakh-Russian ethnic tensions have not yet grown into broader conflict, but a more nationalistic Kazakh government could fuel separatism in the Russian-dominated north.

Kazakhstan introduced its own currency, the *tenge*, in 1993. Gross domestic product (GDP) was estimated in 2001 at us\$98.1 billion, and per capita GDP at about us\$5,900. There is widespread poverty, affecting approximately 25% of the population as of 2001.

### POLITICAL BACKGROUND

The Kazakh nation emerged in the fifteenth century from Turkic and Mongol peoples living in the area of modern

Kazakhstan. Contact with Russia began in the sixteenth century. By the nineteenth century, vast areas of the steppes had been taken over by Russian and other settlers. After the Russian revolution in 1917, Kazakhstan declared itself independent but came under Bolshevik power in 1920. The Kazakh Autonomous Soviet Socialist Republic was declared in 1920, and became a separate republic within the Soviet Union in 1936. During Stalin’s forced collectivization campaign in the 1930s, as much as one-third of the population perished. There were major boosts in industrialization during World War II (1939–45) and in grain and livestock production during the “Virgin Lands” campaign of the 1950s, but these also resulted in environmental degradation and human suffering. In December 1991, Kazakhstan and other Central Asian states insisted on being included in the newly formed Commonwealth of Independent States (CIS), made up of Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan. In joining the CIS, Kazakhstan hoped to maintain economic links with the Slavic republics and assuage its large Russian minority.

### PERSONAL BACKGROUND

Born in 1940 to a family of mountain shepherds, Nursultan Abishevich Nazarbayev joined the Communist Party when he was 22 years old. He received a technical degree in metallurgy in 1967, a doctorate from the Russian Academy of Management in 1992, and a correspondence degree from the Soviet Communist Party Higher Party School. He worked as a technician and later as an economist at the Karaganda Metallurgical Combine from 1960 until 1969. Nazarbayev then moved into Komsomol and Communist Party work in 1969. He served as the second secretary of the local Communist Party committee in Karaganda from 1973 until 1977. In 1977, he became a secretary of the Karaganda Regional Committee of the Kazakh Communist Party (KCP). In 1979, he became a secretary of the KCP Central Committee, with broad responsibility for industrial management. From 1984 to 1989, he was chairman of the Kazakh Council of Ministers (Prime Minister). He and his wife, Sara Alpysovna, have three daughters and three grandchildren. Nazarbayev enjoys playing tennis.

### RISE TO POWER

In 1986, riots broke out in Almaty and other Kazakh cities after Soviet leader Mikhail Gorbachev replaced an ethnic





Kazakh with an ethnic Russian as KCP leader. Correcting this error, Gorbachev appointed an ethnic Kazakh—Nursultan Nazarbayev—to head the KCP in 1989. Nazarbayev was also elected chairman of the presidium of the Kazakh Supreme Soviet in 1989, and after a newly elected legislature convened in April 1990, he had it elect him to the newly created post of president of Kazakhstan. Following the failed coup against Gorbachev launched by hard-line Soviet Communist Party officials, Nazarbayev resigned as first secretary and member of the KCP. He was reelected president in an unopposed popular vote in December 1991. He orchestrated a call by a popular body he created (the People's Assembly) to hold an April 1995 referendum on extending his rule until the year 2000. The extension was approved by over 93% of voters. Nazarbayev won reelection to another seven-year term in controversial elections held a year early, on 10 January 1999. The next election is slated for 2006.

## LEADERSHIP

Nazarbayev has proven to be an astute politician who has prevented ethnic tensions from threatening the integrity of Kazakhstan and has protected the nation's independence by cooperating with Russia on some issues and quietly circumventing it on others. He has allowed some opposition parties and media to operate, but has controlled them, among other means, through use of a law outlawing threats to the "honor and dignity" of the president.

In 1993, the Supreme Soviet (or Supreme Kenges) approved a new Constitution. An election was held the following year to a new unicameral legislature of 177 members. This election was judged by international observers to not be free and fair. The Kazakh Constitutional Court ruled in early 1995 that the election was invalid. Nazarbayev supported this decision, since the legislature had balked at

approving his policies. Dissolving the legislature, he assumed legislative powers and ruled by decree for the rest of the year. A new Constitution, approved by a questionable referendum in August 1995, increased the powers of the presidency and reduced those of the legislature. Less emphasis was given to the protection of human rights. While the president was given broad powers to dissolve the legislature, he could only be removed for disability or high treason. The independence of the judiciary was also constrained by replacing an earlier Constitutional Court with a Constitutional Council, mostly controlled by the president. The 327-member People's Assembly, created by Nazarbayev and composed of various cultural and ethnic leaders, acted as a propaganda forum for the president.

Legislative elections, held on 5 and 9 December 1995, were judged by international observers to be largely fair although some problems were evident. An onerous fee was required to register as a candidate and voter turnout rates were inflated. The 47 (now 39) deputies of the Senate were indirectly elected by regional legislatures, except for seven appointed by Nazarbayev. Deputies to the 67-member lower chamber (the Majlis, now 77 members) were directly elected by district. The two opposition parties alleged government harassment and voting irregularities. Most deputies who won the election were formally unaffiliated, though the nomination process was heavily weighted toward pro-Nazarbayev candidates.

In October 1998, Nazarbayev orchestrated changes to the Constitution allowing him to advance the timetable for the presidential race by one year to 10 January 1999. The official reasons given for changing the date were increased economic uncertainty following the August 1998 Russian currency devaluation and the need to get the election out of the way before addressing the economy. A more pressing reason might have been concern about the widening political disenchantment with Nazarbayev as the economy worsened.

The Kazakh Central Electoral Commission and Supreme Court ruled in November 1998 that Nazarbayev's main opponent, the popular former prime minister, Akezhan Kazhegeldin, was ineligible to run in the presidential race, because of his earlier participation in an "unauthorized" public meeting. Three candidates were registered besides Nazarbayev, two of whom were Nazarbayev supporters and only one, Serikibolsyn Abdildin (head of the Communist Party), a true opposition candidate. Onerous registration requirements included a US\$30,000 deposit (forfeited by the losers) and 170,000 signatures gathered in at least 11 of 16 regions. Campaigning by the minor candidates was impaired by their lack of funds, while Nazarbayev was given extensive coverage by state-owned and private media. The Kazakh Central Electoral Commission reported on 16 January 1999 that Nazarbayev had won the 10 January presidential election with 79.8% of about seven million votes cast. The Organization for Security and Cooperation in Europe (OSCE), critical of the run-up to the election, sent only token monitors, and declared on 11 January that "the electoral process...was far removed from the standards which the Republic of Kazakhstan has pledged to follow as an OSCE member state." Human Rights Watch on 5 January also characterized the electoral campaign as being "blatantly



unfair.” Nazarbayev was inaugurated on 20 January 1999 for a seven-year term.

In an interview in April 2000, he called for ethnic Kazakhs to “respect other ethnic peoples,” including foreigners, so that Kazakhs may be considered “intelligent and developed people” in the global economy. He particularly warned against ethnocentrism against Russians residing in Kazakhstan, since Russian-Kazakh ethnic conflict could tear Kazakhstan apart, and accused much of the political opposition of fermenting ethnic discord. Instead, he urged “ethnic Kazakh unity” to ensure political stability, since “Kazakhstan is for the ethnic Kazakhs.” He also dismissed political liberalization, stating, “let no one think that [I] will allow everyone to do whatever they want. I will not allow that. People trusted me and elected me as their president in order to bring order to the state.” He also stated that the opposition seemed to prefer state socialism since they criticized his economic reforms. Nazarbayev asserted that he had opened the economy and carried out privatization, and that, under his leadership, the economy had stabilized. He concluded that his political and economic reforms had created an independent Kazakhstan, where Kazakhs “are slowly getting rid of the psychology of a slave...We and I have organized all this.”

A key to Kazakhstan’s future is the development of its oil reserves. In late 2000, Kairat Satybaldy, the president’s nephew and considered his possible successor, became vice president of the state-run oil company, Kazakoil. As unconfirmed rumors about the declining state of Nazarbayev’s health spread, international analysts consider Satybaldy a key player in Kazakhstan’s relations with foreign governments and private investors.

## DOMESTIC POLICY

During his presidential campaign, Nazarbayev pledged to continue his existing domestic policies and to keep most government officials in place. He also pledged to work to improve people’s living standards. In line with these pledges, Nazarbayev reappointed his previous prime minister, Nurlan Balgimbayev, and much of the cabinet. In his inaugural address, he stated that “the first task is the people’s prosperity. The second task is to develop democracy in the country.” He promised that the fruits of the reforms he has been carrying out will soon be seen on people’s tables and in their pockets. He also argued that the 1991 vote showed that Kazakhs wanted his leadership during the economic downturn.

Nazarbayev hailed the democratic character of the election, stating that it was “the first time a presidential election was held in the country with a choice of candidates. It will go down in Kazakh history as the day Kazakhstan started along the road of democratization.” He also stressed that the election meant that Kazakhs, “particularly ethnic Kazakhs...want to say farewell to totalitarianism.” Nazarbayev pledged that future legislative elections would likewise be democratic. However, he added that full democratization would take some time to develop. “In conditions of severe crisis...at a time when people do not have such elementary things as a roof over their heads, or enough food, clothes, or work...I think the authorities ought to be strong, right now. I am not saying that this ought to be preserved for

all eternity. Right now, the reforms must be carried out from above. Order must be brought from above. It is my personal view and, of course, people can take issue with it, but I think that both Kazakhstan and Russia ought to have strong presidential power.”

Nazarbayev claimed that the high number of votes he received meant that most ethnic groups had supported him. His policy has been to appeal to both Kazakh nationalists and to ethnic Russians. In a speech delivered to the legislature on 21 January 1999, Nazarbayev stated that ethnic accord should be taken as “the absolute truth,” and that maintaining independence and ensuring the rights of all citizens was possible only in conditions of ethnic harmony. He called for former Kazakhs to “come back to our common homeland, our doors are open, and we hope that together, we can become stronger.” While calling for ethnic harmony, he nonetheless stressed that “it is impossible to refuse to safeguard the ethnic interests of the Kazakh people, who account for the majority of the country’s population.” He declared that Kazakhstan’s ethnic policy encompasses the “targeted development of the Kazakh cultural nucleus, while at the same time creating conditions for the development of other groups.”

The government announced a plan to crack down on citizens guilty of tax evasion, and created a month-long amnesty period in July 2001, when people could transfer unreported money to bank accounts without penalty. While the stated purpose was to clean up tax fraud, some critics believed that the real objective was to allow the powerful political leaders in Kazakhstan to launder illegal profits.

The president appoints the prime minister, and Kazymzhomart Tokayev was appointed to the post by Nazarbayev in October 1999. His resignation in January 2002 resulted in the entire cabinet leaving office, according to the terms of the Constitution, which states that the cabinet must leave office together and a new government must be appointed within ten days. Nazarbayev then appointed, and Parliament approved, Yimangali Tasmagambetov as Tokayev’s successor.

In 1999, the Kazakh capital was moved from Almaty to Akmola, a small town in northern Kazakhstan that was then renamed Astana, to foster better relations with and control over the country’s Russian population. After three years, citizens had not yet fully adapted to the remote capital, and many government employees would flee Astana for Almaty at every opportunity. Angered by what he viewed as a lack of support for his plan to make Astana a vibrant seat of power, Nazarbayev threatened to terminate the employment of any government worker who did not commit to living in Astana.

In his 2003 annual Address to the Nation, Nazarbayev outlined the main domestic issues facing Kazakhstan in the years to come. In the realm of political reform, he pledged to modernize the state governing system, including decentralization; the development of new electoral procedures to provide transparency, openness, and competition in the electoral process; to strengthen institutions of civil society, including non-governmental organizations and political parties; to promote freedom of the media; and to improve law-enforcement and judicial functions, including a moratorium on capital punishment.

Nazarbayev also addressed social and economic issues in 2003. He earmarked 120 billion tenge (us\$0.8 billion) for an increase in social welfare programs, and announced a 20% increase in average pensions, a 32% increase in the minimum wage, and a 50% increase in wages for state employees. "At the most difficult times, I was always convincing people that a time would come, and a living standard would steadily increase. Today I can say with all responsibility that I am fulfilling [that] promise," he said. There are plans to decrease the country's dependence on oil and other raw material exports, and to increase industrial and "innovative" economic developments. Nazarbayev also introduced a tax-reduction plan, to take effect in January 2004, as a way of promoting private investment. The government is allocating 150 billion tenge (us\$1 billion) to agricultural reform. How the government will pay for all of these programs is uncertain.

## FOREIGN POLICY

Nazarbayev has stated that the geographic location of Kazakhstan and its ethnic makeup dictate its "multipolar orientation toward both the West and the East." Kazakhstan has railway and air links with China and extensive trade ties with Xinjiang Province, where many ethnic Kazakhs and Uighurs reside. Nazarbayev has visited Turkey and Iran. The Kazakh legislature ratified the Lisbon Protocol, the START Treaty, and the Conventional Armed Forces in Europe (CFE) Treaty in 1992. The following year, it voted to ratify the Nuclear Nonproliferation Treaty. In April 1995, the last of approximately 1,040 nuclear warheads were removed from SS-18 missiles in Kazakhstan and transferred to Russia, allowing Kazakhstan to announce that it had become a nuclear weapons-free state. In 1995, Kazakhstan joined a customs union formed by Russia and Belarus, which was reaffirmed in an accord on "deeper integration" signed in 1996. The economic crisis in Russia in the late 1990s, however, has led Kazakhstan and Russia to levy high tariffs on each other's trade goods, vitiating the customs pact. In an interview soon after his inaugural address, Nazarbayev called for tariffs to be equitably applied within the customs union. While criticizing Russian tariff policies, he nonetheless emphasized that Kazakhstan considered itself a "friend of Russia." He stressed that Kazakhstan would renew its commitment to the CIS Collective Security Treaty because "Russia remains the strongest country among us in military and defense terms," and so is best able to assist Kazakhstan.

Nazarbayev is one of the leading proponents of strengthened cooperation among the former Soviet states. In November 2001, he challenged Turkmenistan and Uzbekistan (the other CIS oil-producing countries) to join with his country to build an organization like the Middle East's Organization of Petroleum Exporting Countries (OPEC) to exploit and distribute their vast oil reserves. Continuing with a similar theme, in March 2002 Nazarbayev urged his counterparts in the other CIS countries to join him in working toward more rapid integration.

There is significant international interest in Kazakh's oil reserves. The United States invested over us\$10 billion in the country, most dedicated to oil and gas exploration. As

Nazarbayev began to grasp the scope of the Kazakh oil fields, he and the legislators proposed laws that would end what they describe as preferential treatment for foreign investors. These investors found the proposals threatening, however, since they would make it difficult to seek settlement of disputes through international arbitration, and make it easier for the Kazakh government to nationalize private property. Nonetheless, the lure of oil and gas reserves is strong, and Nazarbayev visited the United States in late 2001, where he met with President George W. Bush, and the two countries entered into a partnership to develop energy resources in the Caspian Sea region.

On the tenth anniversary of its independence, Nazarbayev spoke of his country's successes, including its progress toward democratization, national currency, and functioning banking system. At the same time, he reasserted his view that new democracies need strong leaders to succeed.

In 2003, Nazarbayev emphasized the need for Asia to establish international institutions regarding security. He also stressed the need for further regional integration between Kazakhstan, Russia, Ukraine, and Belarus. Nazarbayev met with officials from China to reinforce the two countries' friendly relations in April 2003.

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# KENYA

## Emilio Mwai Kibaki President

(pronounced “ay-MEE-lee-oh em-WYE kee-BAH-kee”)

*“The Western world have in recent years applied double standards....Here in Africa Kenya has always been called a stooge, an American stooge, a British stooge. And all of a sudden they abandon Kenya with all this talk of democracy and human rights...All around us we have military regimes and yet no one seems to protest about them....”*



The Republic of Kenya is situated on Africa's east coast. It is bordered to the northeast by Somalia, to the north by Ethiopia, to the northwest by Sudan, to the west by Uganda, and to the south by Tanzania. The capital city is Nairobi. Kenya's total area is 582,646 sq km (224,960 sq mi). Because the northern part of the country is virtually without water, approximately 85% of Kenya's estimated 2002 population of 31 million people live in the southern highlands bordering Lake Victoria and Tanzania.

As of 2002, the Kenya population was comprised of many ethnic groups, including the Kikuyu (22%), Luhya (14%), Luo (13%), Kalenjin (12%), Kamba (11%), Kisii (6%), Meru (6%), and other African groups, 15%. The non-African population, approximately 1% of the total, is comprised primarily of Europeans (especially British), Asians (Indians and Pakistanis), and Arabs. English and Kiswahili are Kenya's official languages. The majority of Kenyans are Christian, but a shrinking number still adhere to traditional beliefs. There is also a growing Muslim population.

Nearly 80% of the people are involved in agriculture. Much of Kenyan industry is also agriculturally related although diversification has begun. Landlessness and drought are problems for many Kenyans. The unemployment rate was estimated at 40% in 2001. Export crops include coffee, tea, sisal, sugar, and horticultural products. Tourism also plays an important part in the economy. The monetary unit is the Kenya *shilling*. The per capita gross domestic product (GDP) was estimated at US\$1,000 in 2001.

### POLITICAL BACKGROUND

Kenya gained independence from Great Britain in 1963 and joined the British Commonwealth the following year. The country adopted a republican form of government and switched from a parliamentary to a presidential system. Jomo Kenyatta, leader of the Kenya African National Union (KANU), was the country's first leader. He remained president until his death in 1978.

The Kenyan Constitution provides for a president, elected to a five-year term and eligible for reelection. The president appoints the vice president and 12 of the 210 members of the National Assembly, the country's legislative body. Members of the National Assembly are elected by universal suffrage for five-year terms. The cabinet is a 33-member body appointed by the president. The president, vice president, and ministers must all be members of the National Assembly.

Between 1969 and 1992, KANU was the only political party allowed in Kenya. However, elections were contested by multiple candidates, and parliamentary disagreement was open and robust. A consolidation of power within the KANU leadership gradually stifled debate, and by the early 1980s, opposition to the government was considered a capital offense.

The early 1990s saw a partial reemergence of democracy in Kenya when the 1992 election was opened to other political parties. Dozens of opposition parties sought to register, and Parliament resumed lively debate. The government, however, retained the right to refuse the registration of parties it deemed “unsuitable” (i.e., a significant threat to KANU's electoral success) and used repressive laws regulating public assembly to restrict effective political action. Owing to a splintered opposition and election laws favoring KANU, KANU's success at the polls was virtually assured.

Prior to the 1997 elections, the government reformed the electoral process again and eliminated some of the most oppressive laws concerning public assembly and speech. At the time of the December 1997 elections, 26 parties had registered candidates. Ten parties held seats in Parliament.

Following the 1997 elections, pressure mounted for a participatory review of the 1963 Constitution to, among other things, curtail the powers of the president and introduce a bill of rights. Although it appeared in April 2002 that national elections would be postponed until April 2003 to allow for the drafting of a Constitution, the polls were held on 27 December 2002. Mwai Kibaki's landslide victory (with 62.2% of the vote) over KANU candidate Uhuru Kenyatta (with 31.3%) ended 24 years of KANU rule under President Daniel Arap Moi. In the parliamentary vote, Kibaki's National Rainbow Coalition (NARC) won 125 directly elected and seven appointed seats for a total of 132 seats, compared to 64 directly elected and 4 appointed seats for KANU. Overall, the polling was judged peaceful and free and fair.

### PERSONAL BACKGROUND

Mwai Kibaki was born on 15 November 1931 in Gatuyaini Village, Othaya division, Nyeri, in the Central Province. He is the youngest son of Kibaki Githinji and Teresia Wanjiku, both of whom were deceased as of 2003. He has seven siblings, three of whom are living.

Kibaki is the product of elite schools. He attended three primary schools and completed his secondary education at



one of Kenya's best schools, Man'gu High School. While in elementary school he learned carpentry and masonry, and grew his own food, as was customary for students at that time. During school holidays, he earned extra money working on buses. At prestigious Makerere University in Kampala, he earned a bachelor's degree in economics, history, and political science. At Makerere he was chairman of the Kenya students association and vice chairman of the Makerere Students' Guild. He graduated with first class honors in 1955 and accepted a position with the Uganda division of the Shell Company of East Africa as an assistant sales manager. That same year he received a scholarship and enrolled at the London School of Economics, where he earned a degree in public finance, graduating with distinction.

After graduation, Kibaki taught at Makerere University as an assistant lecturer in the economics department. Having helped found KANU, he returned home in December 1960 and began his political life with KANU as executive officer.

In 1962, Mwai Kibaki married Lucy Muthoni, a pastor's daughter, and together they have four children. They also have three grand children.

### RISE TO POWER

Kibaki entered elective office on the KANU ticket in 1963. He won the Donholm Constituency (now Makadara) in Nairobi Province, and became a Member of Parliament (MP). He was reelected the MP in 1969. President Kenyatta appointed him parliamentary secretary to the minister of finance (1963–65). He also served as minister at the Ministry of Commerce and Industry until 1969. From 1970 to 1978, he was assigned to the Ministry of Finance and Economic Planning. He changed his political base from Nairobi to

Othaya and was elected here in 1974 on a KANU ticket. In 1979, 1983, and 1988 he was reelected an MP for the Othaya constituency. He was also branch chairman from 1974 until 1991 for KANU. He resigned from KANU in 1991 to found the Democratic Party (DP).

Upon replacing Kenyatta in 1978, President Daniel Arap Moi appointed Kibaki his vice president. Kibaki continued to serve in the Ministry of Finance and Economic Planning and was moved in 1983 to the Ministry of Home Affairs and National Heritage in 1988. Perhaps mistrustful of Kibaki, Moi demoted him and reassigned him to the Ministry of Health, where Kibaki nevertheless earned accolades. From 1978 to 1988, Kibaki also held positions as leader of government business and chairman of the sessional committee and KANU vice president. He took an active leadership role in Parliament: he served as member and chair of the Public Accounts Committee (1997–2002), and also was a member of the House Business Committee (1998–2002).

Following the authorization of multiparty competition in elections, Kibaki left KANU to form the DP on 25 December 1991. Despite accusations from the loyal opposition that the DP had been created as a mole party to fracture the "real" opposition, Kibaki vied for the presidency in the 1992 elections and came in third behind Moi and Kenneth Matiba. In 1997 he ran again on the DP ticket, coming in second to Moi.

With the DP having become the official opposition party in January 1998, Kibaki rose in standing to leader of the official opposition. In the run-up to the December 2002 election, Kibaki organized a coalition of opposition parties, the National Rainbow Coalition (NARC). He was sworn in on 30 December 2002 as Kenya's third president.

### LEADERSHIP

Mwai Kibaki's resume speaks to his considerable influence. Having served as minister in five separate ministries, as president and executive director of two political parties, a Member of Parliament since 1963, chair of an economic planning commission, and vice president and president of the Republic of Kenya, he towers above the leadership landscape. Despite the penchant of his predecessor, Daniel Arap Moi, for frequent cabinet reshufflings, Kibaki lasted 10 years as Moi's vice president, founded a party with a reputation as principle-driven, and stitched together a loose coalition of more than ten fractious parties led by several former ministers with unsavory pasts, to win the ultimate political prize in Kenya. His three attempts to claim the presidency testify to his persistence and determination.

Kibaki has been criticized as a member of the elite "country-club" set. He has also been dismissed as too much a gentleman for the rough and tumble world of African politics, but his victory in December 2002 has largely silenced his critics on that point. Admirers and detractors alike admit that his tenure as Moi's vice president was impressive, and likely the result of his intelligence, skills, and ability to conduct the business of government.

Kibaki's vision for Kenya is predicated on three campaign pledges: zero tolerance for corruption, introduction of free education, and completion of the constitutional review

process. Achieving this vision and the various planks in the larger program requires Kibaki to persuade coalition partners to discard personal differences and personal ambitions and to pull together for the greater good of the nation.

It will be Kibaki's challenge to overcome deep ethnic, class, and political divisions within Kenya as a result of misrule, repression, and poverty. In his inaugural address he proffered a conciliatory tone, promising to avoid a witch-hunt. He assured Kenyans that his management style would be a consultative "chairman of the board" style, and that he would do away with his predecessor's ad hoc public policy-making. Kibaki has not allowed government to balloon. Indeed, he has reduced the number of posts from 48 to 25, mainly by cutting out the assistant ministers.

In March 2003, Kibaki was recovering from broken bones suffered in a car accident during the campaign, and from a blood clot in the leg said to have been caused indirectly by the accident. It was also rumored that he had had two strokes, and after the second had to curtail his public appearances. His vice president, Kijama Wamalwa, was recalled from London where he was receiving treatment for a kidney ailment. It remains to be seen what effect Kibaki's ailing health—and the questionable health of his vice president—will have on the government.

### DOMESTIC POLICY

Although its economy is among the most advanced on the African continent, Kenya is among the poorest of African nations. Years of corruption, mismanagement, and high population growth rate have negated its advantages. During the 1990s Kenya began to recover from economic decline of the mid-1970s, but the economy continues to be negatively impacted by world prices for tea and coffee. It also has suffered from the various acts of international terrorism, most recently the November 2002 attacks carried out against Israeli tourists at a Mombasa hotel. Endemic corruption and poverty run rampant in Kenya, conditions which are exacerbated by HIV/AIDS. It is estimated that 13% of the adult population carries the virus.

Kibaki's aim will be to make good on Kenya's potential for economic recovery, but he is saddled with an economic growth rate of 0.7% in 2002, which is projected to grow to 2.5% in 2003 and to 3.3% in 2004. Consumer price inflation is expected to remain fairly low at 3.0% in 2003 and 2.5% in 2004.

Help from the International Monetary Fund (IMF) and World Bank are expected as long as Kibaki delivers on the passage of anticorruption legislation, the prosecution of offenders, and a commitment to privatization. Kibaki's minister of finance, David Mwiraria has a reputation for honesty and efficiency, and should instill confidence among the donor community. However, the government is likely to delay privatizing key parastatals such as Telkom Kenya and the Railways Corporation until they can be made more profitable and thereby fetch higher prices. Depending on policy implementation, the IMF will resume funding in mid-2003.

In the fight against corruption, Kibaki has named John Kitanga, the leader of the local chapter of Transparency International, to head this effort. The Kitanga appointment should convince nongovernmental organizations (NGOs), donors,

and the Bretton Woods institutions that Kibaki intends to make good on his campaign pledges. Constitutional reform will be more difficult, particularly efforts to reduce the power of the presidency and to create an office of prime minister. A national convention to discuss this and other constitutional matters is likely in May or June 2003, and could last for three to five months.

### FOREIGN POLICY

No change is foreseen in Kenya's cordial relations with the West or with neighboring countries. Indeed, the United States and the United Kingdom, encouraged by the fair conduct and results of the December 2002 poll, have expressed their confidence in Kibaki and are gratified by his zero tolerance policy on corruption. As a former colonial power and the source of Kenya's large settler population, Britain has maintained strong ties to Kenya, and remains a major trading partner and source of foreign economic assistance. Many senior officials in the new Kibaki administration were educated in the United States or their children presently attend school there.

Terrorist events of the recent past have cemented relations with the United States. In August 1998, 257 people were killed including 12 Americans in the U.S. embassy bombing thought to have been masterminded in Nairobi by Osama Bin Laden. The administration of U.S. president George W. Bush has designated Kenya a strategic regional pillar in the American national security strategy, and recently renewed airbase, port access, and overflight agreements with the Kenyan government. In December 2002, U.S. Secretary of Defense, Donald Rumsfeld, travelled to the region. Kenya receives us\$15 million of us\$20 million authorized by Congress for counter-terrorism in Africa. More than 6,000 U.S. citizens live in Kenya, and some 35,000 visit each year.

Regionally, Kenya shows much solidarity with her neighbors as an active mediator of peace talks in the Horn of Africa. In 2002, the Kibaki government hosted a number of peace talks between the Sudanese government and the Sudanese People's Liberation Movement (SPLM), in Matchako, a process that Kibaki will support through Kenya's chairmanship of the peace forum, the Inter-governmental Authority on Development (IGAD). Kibaki must address instability on Kenya's northeastern border with Somalia where armed incursions are frequent, though often limited to cattle rustling and ivory poaching. The absence of a functional state with rule of law has generated an influx of refugees in the northeast, and it will be in the administration's interest to continue to support the Somali peace talks. Kibaki is expected to maintain Kenya's strong interest in sub-regional economic integration with Tanzania and Uganda, which is being pursued through the auspices of the East African Community (EAC).

Policy continuity will be assured by Kibaki's appointment of Kalonzo Musyoka, who headed the Foreign Ministry between 1993 and 1998, but cast his allegiance with the NARC prior to the elections.

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# KIRIBATI

Teburoro Tito  
President

(pronounced “teh-BOO-roar-o TEA-toe”)

*“As people become more politically aware, it will be much more difficult for politicians to stand up and make promises. A better pattern of governing will develop, which will reflect the fundamental values of Kiribati culture.”*

The Republic of Kiribati consists of 33 coral atolls of three groups (Gilbert group, Phoenix Islands, and Line Islands), scattered over 7,770,000 sq km (3,000,000 sq mi) of the central Pacific Ocean. Its neighbors are Nauru to the west; Samoa, Tuvalu, and Tokelau Islands to the south. Formerly part of a British Crown Colony known as Gilbert and Ellice Islands, Kiribati's land mass, 717 sq km (277 sq mi), is about the size of New York City; its population was estimated at 96,335 in 2002. Except Banaba (Ocean Island), all islands are low-lying atolls composed of coral sand and rock fragments subject to erratic rainfall. Water is as precious as gasoline. Kiribati is the only country that sits on the International Date Line. Its capital, largest city, and principal port is Bairiki in southern Tarawa, with a population of approximately 25,900.

Kiribati is a nation that was heavily influenced by American and British missionaries. According to estimates, 41% of the people are Protestant (Kiribati Protestant Church); 53% are Catholic; and 6% other. About 96% of the population is I-Kiribati (Gilbertese) Micronesian, speaking English and I-Kiribati. Approximately 70% of the population is under age 30.

Phosphate mining was the major economic activity of Kiribati before independence, but most deposits were depleted shortly afterwards. Lacking fertile soil, the economy and government of Kiribati are assisted by large sums of foreign aid—including those from the UK, Japan, Australia, New Zealand, and China—to fund development projects. Like many South Pacific nations, Kiribati suffers from a massive trade imbalance. Its primary exports are copra (dried coconut meat), fish, seaweed, and postage stamps; primary imports are food and fuel. Recently expanding commercial fishing in Kiritimati and licensing of foreign fishing vessels also provide some income. Tourism provides more than one-fifth of GDP. About 2,500 I-Kiribati work overseas, primarily on Nauru in phosphate mines, and their remittances are an important source of income. Major trading partners are Fiji, the United States, Australia, New Zealand, and Japan. The monetary unit is the Australian dollar. Kiribati's per capita gross domestic product (GDP) has been estimated at us\$840.

## POLITICAL BACKGROUND

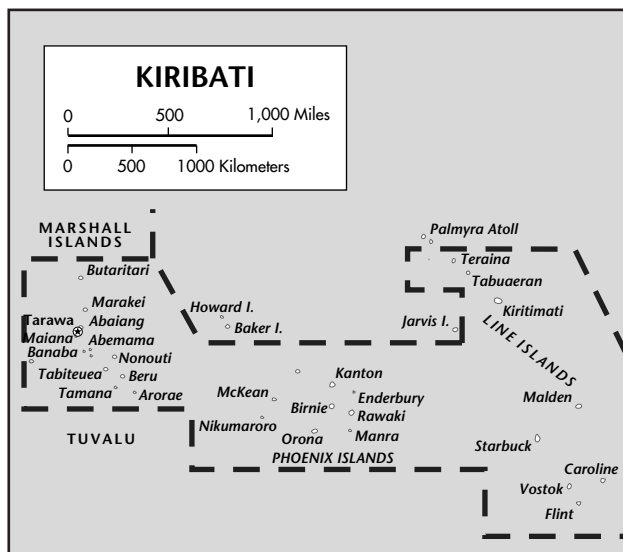
Formerly a part of the British Crown Colony of Gilbert and Ellice Islands, Kiribati became internally autonomous in 1977. It became an independent nation within the British Commonwealth in 1979. Kiribati was separated from Ellice

Islands (now Tuvalu) in 1975 based on a postal vote in 1974 in which most of the Ellice people sought separation from the Gilbert Islands. The 1979 Treaty of Friendship between the United States and Kiribati led to the former's recognition of sovereignty over various disputed islands in the Phoenix and Line groups. In return, the Kiribati government must consult with the United States if a third party is allowed access to the islands for military purposes. Furthermore the United States has the right to construct facilities on the islands. Kiribati's independence also provided for the inclusion of Banaba, a former phosphate-mining center, as a part of the new nation despite the contrary wishes of its native residents.

The constitution of Kiribati developed from a convention held at Bairiki on Tarawa in May 1977, involving 200 men and women representing all the islands and various interest groups. A sense of egalitarianism and communitarianism, and a suspicion of central authority have long been part of the Kiribati political culture. The resulting complex political system built in safeguards to curtail the abuse of power.

Kiribati has a unicameral legislature, the National Assembly, known as the *Maneaba Ni Maungatabu*. In traditional I-Kiribati culture, the *Maneaba*, found at the center of the village, was the cultural and social center of village life. All villages have the *Maneaba* to this day; it is the place where information is passed on, ideas are discussed, and consensus is reached. Therefore, the National Assembly embodies that spirit. It includes 42 members, 40 of whom are popularly elected to four-year terms by universal suffrage from each island based on population; 1 appointed seat is reserved for a representative of the Banaban community, and the Attorney General sits (*ex-officio*) as a non-elected member of parliament. If no candidate receives a majority of the votes, a runoff election must be held. Each member of the *Maneaba Ni Maungatabu* serves unofficially as a social worker and welfare officer, a messenger and interpreter of the laws of Kiribati, and is an *ex officio* member of the island council of his or her district.

The head of state and government is the president or *beretitenti*. He is elected by universal suffrage from a list of three to four members provided by the National Assembly. In the event that there are more than four candidates nominated for the election from the National Assembly, secret balloting based on preferential voting is conducted. Each member of the National Assembly ranks his or her preferences from one to four, with four votes for the most preferred. After the preference ballots are counted, the top four candidates are



nominated for the election. There is no runoff presidential election. The president has the power to dissolve the assembly and call for general elections, and to govern with an appointed cabinet. While the constitution stipulates that the president cannot serve more than three terms, each term not to exceed four years, the rule was set aside for President Tabai, Kiribati's first president. After a presidential no-confidence vote, the president must resign, and the Council of State (composed of the chair of the Public Service Commission, the chief justice, and the speaker of the National Assembly) assumes the functions of a transitional executive until the new president is elected. While traditional Kiribati politics are party-free, two major political groups resembling parties have emerged: the Maneaban te Mauri Party, and the Boutokaan te Koaua Party. Kiribati's defense force was abolished in 1978 by then-president Tabai.

## PERSONAL BACKGROUND

Teburoro Tito was born on 25 August 1953 at Tabiteua North (a northern island of the Gilbert group). He started his primary education at St. Patrick School in 1959 and left in 1966 to relocate to Tabwiroa, Abaiang (a southern island belonging to the Gilbert group). There he began attending St. Joseph's College and graduated in 1969 with a Colony Junior Certificate. He continued his secondary education at King George V (Government Secondary School). After graduating from secondary school in 1970, Tito received a government scholarship in 1971 to study at the University of the South Pacific (USP) in Suva, Fiji. He graduated in 1977 with a Bachelor of Science degree, majoring in organic chemistry and ecology, and a graduate certificate in education. Tito was an active member of the student body and, in 1976, he became president of the USP Students Association. In 1977, he became student coordinator for the University of the South Pacific Students Association, remaining in Suva until 1980. Since his return to Kiribati, he has resided in South Tarawa. In 1981, he attended the Papua New Guinea Administrative College to study statistics.

Tito is an avid sportsman, particularly when it comes to soccer. He served as the chairman of the Kiribati Football

Association from 1980 to 1994. He is married to Nei Keina Tito and has one child.

## RISE TO POWER

Teburoro Tito joined the Kiribati civil service upon returning home. He became the scholarship officer with the Ministry of Education (1980–82) and senior education officer responsible for secondary and tertiary schools in January 1983. During that time, Tito represented the Kiribati government at educational meetings and conferences abroad.

Tito's national political career began in 1987 when he was elected to the National Assembly representing the South Tarawa district. He quickly established himself as a leader of the opposition. Also in 1987, he was nominated for the presidential election by the National Assembly and came in second place in a three-way race, obtaining 42.7% of the vote. In 1989, he became the opposition leader upon Harry Tong's decision to step down. As the opposition leader, he was an outspoken critic of the Tabai government's inefficiency and mismanagement. He charged that the qualitative decline of democracy and the government's lack of efficiency were the major reasons for the government's failure to live up to people's expectations. During his first term as a member of the National Assembly, Tito became a member of the Public Accounts Committee and the Commonwealth Parliamentary Association for the Pacific region. In 1991, Tito was reelected to the National Assembly.

On 24 May 1994, President Teannaki (who succeeded Tabai in 1991) was forced to resign after the opposition passed a no-confidence vote. The Teannaki government was accused of financial misuse of travel funds. Executive power was transferred to the Council of State until elections were conducted on 30 September 1994. Tito was elected the third president with 10,834 votes; his three other competitors had less than 4,000 votes each. In November 1998, Tito was reelected, winning 52% of the vote. In the November 2002 parliamentary elections, Tito's party lost 14 of its 25 seats in parliament, which forced a run-off in December. Parliament could not meet until January 2003, which delayed the presidential election until 25 February. Tito won by a narrow margin, defeating his rival Taberannang Timeon by a mere 547 votes.

## LEADERSHIP

Tito has held government positions since the early 1980s, including seven years as a member of the National Assembly. The foundation of his leadership is his Maneaban te Mauri Party, which had 16 of the 42 total seats in parliament in 2003. Seventeen belong to the Boutokaan te Koaua Party, and seven are independents (one seat is reserved for the Attorney General and one reserved for the representative of Banaba).

Tito is widely respected for his articulate speaking style and his forthright questions. In the past, Tito has criticized Kiribati politics as one dominated by elites. He has often spoken about the need to have a long-term vision of democracy for his country. While his direct manner has made him popular among many I-Kiribati, some more traditional politicians dislike his modern style. They have complained that the spirit of Kiribati politics is not one of confrontation but one of consensus decision making. While in the past Tito has criticized civil servants for their inefficiency, he needs



their cooperation if he wants to develop the social and economic potential of his country. He has often said that it is important for politicians to be committed to the long-term future of the country rather than to seek reelection. His vision for the country is self-sufficiency and a stronger democracy with more active participation on the part of the I-Kiribati.

### DOMESTIC POLICY

Since Kiribati is a young nation-state, Tito believes in the importance of nation building. The development of Kiribati's economy is the most important domestic policy issue. National integration is also an important aspect of Tito's nation building. In the past, Kiribati's economy and government suffered from a lack of self-sufficiency because of its limited size and resources. In 1999, Tito made a plea to the international community for aid in coping with a serious drought. Foreign aid has always been a major component of the government's budget. Furthermore, Kiribati has a long history of protracted trade deficits, which must be covered by foreign aid. Tito's long-term strategy is to develop the economy by focusing on tourism and fishing.

Tourism is one area that Tito believes could provide foreign earnings to improve the living standards of the I-Kiribati. In 1999, Kiribati spent heavily to promote its islands as millennium tourist destinations, renaming one Caroline Island Millennium Island, and claiming that it would be the first place on earth to see the 21st century. Besides tourism, Tito seeks to attract foreign investment into commercial fishing. Tito has proposed the construction of more international airports to improve on the accessibility of the many islands. The upgrading of ports and shipyards so that exports and imports can be managed more efficiently is also on his policy agenda.

Tarawa, where the capital is located, is suffering from an expanding population and urbanization. To alleviate this problem, he has suggested the construction of additional roads. Kiribati is increasingly threatened by water shortages and waste pollution as the population grows. In addition, the country has lost two islands due to rising sea levels and reports that whole villages had to be moved inland from coastal regions. Tito must balance the need for economic development and concern for the fragile ecosystem of the region. A month after taking office, Tito established two new ministries to manage these problems: the Ministry of Environment and Social Development and the Ministry of Communications, Industry, and Tourism.

### FOREIGN POLICY

Kiribati is concerned about a variety of issues that affect Pacific island-states. In particular, Kiribati has expressed concern regarding French nuclear testing in the area, the

prospects of long-term increase in the elevation of the sea level, the economic viability of microstates, and global warming due to greenhouse gases. While opposed to the transportation of nuclear waste through the area, Tito sees nuclear power as having the potential to reduce the emission of greenhouse gases. Tito's government seeks foreign investment, especially in the commercial fishing arena as well as tourism.

Other issues that the Tito government is pursuing include a call for international action to reduce greenhouse gas emissions and compensation for I-Kiribati families who suffered personal and property losses caused by Japanese soldiers who occupied Banaba during World War II. In 2000, the Japanese government committed to negotiating these claims with the people of Kiribati. In 2002, Kiribati established a diplomatic presence in another country for the first time, opening an embassy in Fiji. Four countries now have resident diplomatic missions in Kiribati: China, Australia, New Zealand, and the United Kingdom. Kiribati and China celebrated 20 years of diplomacy in June 2000. In 1999, along with Tonga and Nauru, the country entered into membership in the United Nations (UN). [Kiribati has no defence treaties and no tense relations with any other state.]

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# KOREA,

## DEMOCRATIC PEOPLE'S REPUBLIC OF

**Kim Jong Il**  
**National Defense Commission Chairman**  
*(pronounced "kim zhong EEL")*



*"Ideology, technology, and culture—all according to the demands of juche [self-reliance]."*

The Democratic People's Republic of Korea is located on the northern half of the Korean peninsula. It is bordered by the People's Republic of China to the northwest, Russia to the northeast, and South Korea to the southeast. The 38th Parallel has divided North and South Korea since the end of the Korean War (1953).

The total area is 120,540 sq km (46,540 sq mi), and the population was estimated at 22.2 million in 2002. The population is ethnically homogeneous, and the official language is Korean. The state is officially atheist. The capital and largest city is Pyongyang (2.7 million), with Chongjin and Kaesong being the other major cities.

The Soviet style command economy is at least 90% state controlled, with agriculture totally collectivized. The per capita gross domestic product (GDP) was estimated at US\$1,000 in 2001. The currency unit is the *North Korean won*. The currency is not convertible and most trade is conducted by barter. Minerals, coal, rice, marine products, silk, and cement are North Korea's major exports.

### **POLITICAL BACKGROUND**

After the end of World War II, Korea was liberated from Japanese colonialism with the United States controlling the southern zone and the Soviet Union the north. The People's Democratic Republic was organized on 9 September 1948, under the leadership of Kim Il Sung, known as the Great Leader in response to the establishment of South Korea. The two Koreas have maintained a hostile relationship from the beginning, with the North assisted by communist states and the South protected by U.S. troops stationed there. Even though both sides wanted unification, suspicion and hostilities grew. In 1950, North Korea invaded South Korea, only to be opposed by a United Nations (UN) force led primarily by the United States. An armistice was signed and borders were re-established at Panmunjom, the 38th Parallel. The heavily fortified borders still stand to this day, with troops from both sides on intense guard for the resumption of hostilities.

The communist state of North Korea is one of the few remaining authoritarian regimes in the post-Cold War world. Political authority is in the hands of the party, the military, and the bureaucracy with membership frequently overlapping. North Korea, a one party state, is dominated by the Korean Workers' Party (KWP). Under changes made in 1998 to the reformed 1972 Constitution, the post of president, formerly held by Kim Il Sung, was abolished, and

executive authority was vested in the nation's current leader, Kim Jong Il, who is chairman of the National Defense Commission.

North Korea has a unicameral legislature, the Supreme People's Assembly (SPA—Ch'oego Inmin Hoeui), that meets for a few days annually. It has 687 members elected from party-approved nominees for five-year terms. Although it is nominally the highest organ of state power, policy rarely emanates from this body. Rather, assembly business is handled by a Presidium that was created in 1998. In addition, a small cabinet, replacing the former Administration Council, functions as an administrative and executive arm of the SPA.

The KWP actually controls power in North Korea through a system of overlapping membership in the party, executive, and legislative posts. The Party Congress which meets infrequently, elects the Party Central Committee, which in turn selects the Politburo. A Presidium presides over the Politburo. Together, the two control the party bureaucracy and the various party organs. The general secretary, chosen by the Party Central Committee, heads the party.

### **PERSONAL BACKGROUND**

Little is known with certainty about Kim Jong Il. Western, South Korean, and North Korean accounts vary widely. North Korean and South Korean propaganda have deliberately reconstructed the personal background of Kim Jong Il to serve their own political interests. At home he is a demigod, abroad a playboy terrorist with a passion for films.

His father, Kim Il Sung, was an anti-Japanese guerrilla fighter during World War II who fled to the Soviet Union when the Japanese crushed the Korean resistance force. During exile, Kim Jong Il was born, in February 1942 in a Soviet camp near Khabarovsk, Siberia. According to Western sources, the early childhood of Kim Jong Il was filled with difficult circumstances. During the first years of his life he was cared for by a Russian kitchen maid and was often away from his parents who were involved with resisting the Japanese occupation of Korea. His mother died in 1949.

Kim Jong Il attended kindergarten at Namsan Elementary School in Pyongyang. During the Korean War (1950–53), he spent his life in Manchuria. As a fourth grader he attended the elite Mangyongdae School for Children of Revolutionaries. In 1953, he studied at No. 4 Pyongyang Primary School. It is reported that he spent some period of his latter high school years studying in Romania and East Germany.

His father wanted him to obtain a university education in Eastern Europe, but Kim Jong Il decided to attend Kim Il Sung University in Pyongyang. He graduated on 18 May 1964 with a degree in political economy. His thesis was an analysis of his father's ideas on the socialist rural question. He later attended aviation school in East Germany. After graduation, Kim Jong Il started to work for the Korean Workers' Party. He built up a strong friendship base during his university career and early years working with the party.

Kim Jong Il has led a reclusive lifestyle, rarely speaking in public and not allowing his voice to be heard until 1992. In turn, the domestic press rarely mentioned his name. Some consider him to be shy but ostentatious in lifestyle. His hobbies include videos, computers, and theater. He is thought to be married with two children. His brother died in a 1947 drowning accident, and the whereabouts of his sister, Kim Kyong Hui, is unknown.

### RISE TO POWER

Kim Jong Il's rise to power is attributed to his lifetime association with his father. He has been carefully groomed for power over the past two decades. His rise to power was carefully orchestrated as he took on more responsibility. His father, Kim Il Sung, orchestrated a plan for the first dynastic succession in Communist history.

After graduating from Kim Il Sung University, Kim Jong Il found employment with the Department of Organization and Guidance of the Central Committee of the Korean Workers' Party as the section chief to the deputy director. He worked closely with the artistic and performing community and is credited with the production of films and stage plays. In 1970, he was promoted to the director of Culture and Arts and deputy director of the Department of Propaganda and Agitation. At the seventh plenum of the Fifth Central Committee in 1973 he was appointed secretary in charge of organization, propaganda, and agitation. At the conclusion of the Sixth Party Congress in October 1980, he held the following positions: member of the Presidium of the Political Bureau of the Central Committee, secretary of the Central Committee, and member of the Military Committee. It was at this Congress that he was designated heir.

Throughout the 1970s to the mid-1980s, Kim Jong Il increased his activities at home and abroad. In 1973, he initiated a Chinese-style Cultural Revolution. The Three Revolution Brigade, under his direction, led the purge of veteran party leaders and shake-up of the bureaucracy. He extolled his father's ideology of *juche*—persistent self-reliance. By being loyal to his father, he built up his own cult of personality. His pictures were hung in schools and sold in department stores and his birthday came to be publicly celebrated. From the fall of 1975, Kim Jong Il's role as the leader of the party was embodied in a mysterious term, *party center*. This term came to be used in conjunction with various pronouncements in the North Korean media to support his absolute authority and to obey unconditionally the directives of the great leader's successor.

Western sources have attributed the 1973 kidnapping of a South Korean movie director and his wife, the 1976 axe murder of two American soldiers at Panmunjom, the 1983 bombing attack on South Korean officials in Rangoon, and the 1987 downing of the Korean Airlines flight to Kim Jong



Il. The North Korean media, on the contrary, state that he is a great thinker and theoretician, skillful politician, benevolent teacher, and great leader of the century. As the senior Kim went into semi-retirement, Kim Jong Il made frequent tours of the country, encouraging citizens while he promoted his own cult of personality. While North Korean accounts of Kim Jong Il's rise to power are unlikely to be accurate, Western accounts of a master terrorist may not be wholly unbiased either.

### LEADERSHIP

Kim Jong Il became the de facto leader of North Korea upon the death of his father, Kim Il Sung, on 8 July 1994. The world watched as the succession mechanism put in place over the last 20 years operated with relative calm, making him the first leader to become the head of a Communist country through dynastic succession. Over the next four years, he slowly consolidated his power, replacing many of his father's appointees with younger officials. While the "Dear Leader," as he is called, did not have the charisma or energy of his father, he appeared to have the support of North Korean citizens. This support had been built up through many years of orchestrated propaganda and loyalty to his father.

After a three-year trial period, North Korea's ruling party cleared the way for Kim Jong Il to assume the post of general secretary of the ruling Korean Workers' Party on 8 October 1997. Analysts observed a notable increase in the praises heaped on Kim once the mourning period for his father ended in July 1997. On 5 September 1998, Kim's position as leader of his country was made official by the Supreme People's Assembly. Instead altogether in tribute to Kim Il Sung, leaving Kim Jong Il with the title of chairman of the National Defense

Commission, a position that by default became the highest in the land. The move to elevate him came as an acute food crisis engulfed the country after three years of alternating floods and drought, making it certain that his leadership abilities would be put to the test over the coming months and years.

### DOMESTIC POLICY

North Korea continues to be organized as a Stalinist state with high levels of repression and centralized economic control. The collapse of the Soviet bloc, Western pressure, and the monumental economic success of South Korea have left North Korea isolated. Piecemeal domestic changes have occurred in recent years. It is said that a younger generation of Chinese-trained officers seek a military-backed industrialization program, and a new generation of party officials would like to stimulate the economy by introducing reforms that would deviate from *juche*. In spite of a dire need for foreign investment and technology, however, the government of Kim Jong Il fears that greater openness could lead to its downfall, as occurred in the Soviet Union. North Korean officials want to improve the economy without losing their monopoly on power. Therefore reform is likely to be carefully orchestrated with tight party control. Future economic reform will likely be based on the Chinese model. Early in 2001 Kim launched a "new thinking campaign" to reform attitudes on work as well as ideological perspectives in order to help the country be more competitive in the global market. Serious reforms are needed in the information technology (IT) field. Most homes are without telephones and internet access is available to an extremely limited group of people.

The economy of North Korea continues to reel from the collapse of trade with the former eastern bloc. The nation's economy is estimated to have shrunk by one-third in the 1990s. Extensive flood damage has forced this fiercely xenophobic nation to request international aid. Humanitarian agencies estimate that food shortages have killed hundreds of thousands and left many more, including large numbers of children, malnourished and in danger of dying. Many governments are reluctant to send aid unless they can be sure that it reaches the starving people and is not diverted to military storehouses. The North Korean government, however, is distrustful of foreigners and limits the amount of monitoring that is allowed.

In July 2002, North Korea undertook a series of economic measures intended to reform the economy and introduce a degree of free-market policy. North Korea devalued its currency, increased wages, and raised food prices by as much as 50%. In September, Kim Jong Il announced plans to build a special free-trade zone with its own laws and elections in the town of Sinuiju on the border with China, meant to attract industry and investment to the region. The free-trade zone was to be run by Yang Bin, a wealthy Chinese businessman. In October, however, Chinese authorities arrested Yang on charges of tax evasion.

### FOREIGN POLICY

Kim Il Sung's *juche* policy and the purported terrorist activities of the regime consolidated North Korea's image as a pariah state. In the past North Korea was able to rely on the People's Republic of China and the Soviet Union for

economic and political support. Those days are long gone. China's support for North Korea has weakened considerably, and Russia has dramatically cut back aid as it deals with its own economic morass. Kim has never traveled outside the communist world. In the late 1990's, however, Kim indicated that improving relations with South Korea was a major foreign policy objective. He hoped to put into effect some long-frozen accords between the two Koreas and expressed a willingness to negotiate with the South. At that time, Kim also indicated he wanted to improve relations with Japan and the United States. "We have no intention to regard the United States as our eternal sworn enemy," he wrote in a major essay published in 1997. An active program of diplomatic rapprochement initiated by Kim in 1999 began to show tangible results. By the spring of 2000 normalization talks with Japan were under way, and a summit meeting with South Korea occurred in mid-June. In August a North Korean plane touched down in South Korea for the first time since 1950, reuniting 100 families. North-South relations, however, came to a standstill shortly after August 2000. Kim made no efforts to resume talks with the South until early April 2002, when he expressed a willingness to work with the South to continue reuniting families and discuss issues such as tourism.

A major foreign policy issue faced by North Korea is the future of its nuclear weapons program. North Korea has been developing these weapons in secret for some time, and as of 2002, Western intelligence suspected that it may have up to five bombs. In 1994 the United States proposed that North Korea's existing atomic power reactors be replaced by two light-water reactors, believed to be less easily adapted to the production of nuclear weaponry. The United States agreed to establish a consortium to finance and supply these reactors and donate 500,000 metric tons of heavy fuel oil until they come to fruition. After several years of negotiations, final protocols to this agreement were signed in January 1997, with construction scheduled to begin at the end of the year. In order to monitor compliance, North Korea agreed to allow inspection of its nuclear facilities by the International Atomic Energy Agency. IAEA monitors, however, were still denied access to certain laboratory sites. North Korea also elicited international protest in August 1998, when it was suspected of having launched a ballistic missile over Japan and into the Pacific, a charge it denied, claiming that what had been fired was actually a satellite launcher. In January 2002, U.S. president George W. Bush declared North Korea to be a member of an "axis of evil" due to its development of long-range missiles and weapons of mass destruction. This halted critical weapons discussions between the two nations.

In October 2002, North Korea revealed it had been engaged in a program to enrich uranium for use in the making of nuclear weapons. Within months, North Korea pulled out of the 1994 Agreed Framework with the United States, expelled IAEA inspectors, removed IAEA monitoring devices, pulled out of the Nuclear Non-proliferation Treaty, and began plutonium-producing operations at its Yongbyon nuclear facility. The United States demanded that North Korea cease pursuing its nuclear ambitions, but refused to enter into direct talks with the country, which North Korea regarded as necessary. The United States came under criticism in late 2002 on into 2003 for pursuing an aggressive policy toward Iraq and its possession of weapons of mass

destruction, while not requiring North Korea to submit to similar disarmament programs. The United States stated it regarded the situation as a regional problem, and that China, Japan, Russia, and South Korea would have to assume a fair amount of responsibility for pressing North Korea into abandoning its nuclear ambitions. The United States, however, maintained that while it had no plans to invade North Korea, all options, including potential surgical military strikes against the Yongbyon reactor, would be considered. In what was regarded as provocative behavior, on 2 March 2003, four North Korean MiG fighter jets pursued a U.S. RC-135S reconnaissance aircraft for 22 minutes in international airspace over the Sea of Japan. The MiGs came within 15 meters (50 feet) of the RC-135S, before it aborted its mission and returned to its base on Okinawa, Japan. It was the first hostile act by a North Korean aircraft against a U.S. plane since 1969, when a North Korean MiG shot down a U.S. EC-121 reconnaissance aircraft, killing 31 American airmen. The 2 March incident was seen as an attempt by North Korea to force the United States into agreeing to direct bilateral negotiations. The United States stated it would not capitulate to North Korean brinkmanship.

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# KOREA, REPUBLIC OF

Roh Moo Hyun  
President

(pronounced “NOH MOO hee-YUN”)



*“I solemnly swear to my people that I will defend my country, abide by the Constitution of my country, and devote myself to the realization of reunification of the Korean Peninsula.”*

The East Asian nation of the Republic of Korea, also known as South Korea, shares the Korean Peninsula with the Democratic People’s Republic of Korea, which is also known as North Korea. Its topography consists of mountainous terrain to the north and east and plains to the south and east. The western and southern coasts are deeply indented with many harbors and islands. The total area is 98,480 sq km (38,023 sq mi).

South Korea’s population was estimated at 48.3 million in 2002. Its people are ethnically homogeneous, with the exception of some 20,000 Chinese. Most Koreans live in the south and around Seoul, the capital and largest city of 11.2 million inhabitants. Other major cities are Pusan (4.1 million) and Taegu (2.5 million). South Korea possesses a literacy rate exceeding 98%. The official language is Korean. The primary religions are Christianity (49%) and Buddhism (47%).

The recent entry of South Korea into the prestigious Organization for Economic Cooperation and Development (OECD) demonstrates the highly modernized condition of its economy. Its meteoric rise over the past 30 years has made South Korea the world’s thirteenth largest economy, with a per capita gross domestic product (GDP) of US\$18,000 in 2001. Primary exports are consumer electronics, automobiles, chemicals, ships, and textiles. South Korea’s primary trading partners are Japan and the United States. The national currency is the *won*.

## POLITICAL BACKGROUND

Korea possesses a unique and ancient cultural history. It was a Chinese vassal state for many centuries. In 1910, Japan annexed Korea and, until 1945, ruthlessly ran the country as a colony. The northern area became an industrial center economically integrated into Manchuria while the south remained largely agricultural. After Japan’s defeat in World War II, the northern part of the peninsula was occupied by the Soviets with the Americans occupying the south. In 1948, the Soviets assisted in establishing the Democratic People’s Republic of Korea (DPRK). The Americans, under the auspices of the UN, organized elections for South Korea. Both Soviet and American troops left the Korean peninsula by 1949. DPRK forces attacked the south and sought to unify the nation in 1950. Relative peace was not established until North Korean forces, backed by their Communist allies, were driven north of the 38th parallel by UN forces. The armistice on 21 June 1953 established a military demarcation line and

demilitarized zone around the 38th parallel, which remains the border between North and South Korea today.

Military regimes controlled Korean politics from 1948 through the 1980s. Syngman Rhee ruled the nation with an iron fist from 1948 to 1960 and established the precedent for successive military rule. After a short democratic interlude, Park Chung Hee and four other military officers seized power in 1961. After Park’s assassination in 1979, Chun Doo Hwan (1980–87) and Roh Tae Woo (1987–92) continued the military line of succession. Roh Tae Woo, however, began to move the nation toward democracy. By institutionalizing his political party, the Democratic Liberal Party (DLP), he began moving away from centralized presidential leadership. In the December 1992 elections, Kim Young Sam became the first non-military candidate to become president. Kim Dae Jung won the presidential election of December 1997. Kim’s “sunshine policy” toward North Korea was geared to improve relations between the two countries and he was awarded the Nobel Peace Prize in 2000 for his commitment to democracy and human rights in Asia.

The 1988 Korean Constitution provides for a strong popularly elected president and a unicameral legislature, the 273-member National Assembly. The president is elected for a five-year term, and legislators serve for four years. Upon election, the president is responsible for appointing the prime minister, who serves upon legislative confirmation. While the president lacks the power to dissolve the legislature, he selects his cabinet members from the members of a State Council consisting of elected legislators. He also serves as the head of his party. As of January 2003, seats in the National Assembly were distributed as follows: the Grand National Party (GNP), 133 seats; Roh Moo Hyun’s Millennium Democratic Party (MDP), 118 seats; United Liberal Democrats (ULD), 15 seats; and Democratic People’s Party (DPP), 2 seats.

## PERSONAL BACKGROUND

Roh Moo Hyun was born on 6 August 1946 in the small village of Kimhae near Pusan in the southern province of Kyongsang to a family of peach and chicken farmers; he was one of 5 children. First bullied in school, he soon gained the reputation of a tough, stubborn schoolboy, despite his small size—his nickname was “stone bean.” Seen as smart and opinionated but also fond of smoking and drinking in high school, he became student council president in sixth grade and once led a student boycott against mandatory essays praising the autocrat leader, Syngman Rhee. He graduated

from high school in 1966 but wasn't able to afford college. He worked at low-wage jobs (including making fishing nets) and schooled himself in the law, passing the state bar exam in 1975 on his third attempt. He entertains comparisons of his humble origins and quest for the presidency with those of Abraham Lincoln.

In his 1994 autobiography, *Honey, Please Help Me*, Roh expressed regret over the more boisterous and darker aspects of his youth, including his physical abuse of his wife, Kwon Yang Sook, his childhood sweetheart. He claimed to be enlightened by reading a book about women's rights. He and his wife have a son and daughter. Roh lists his hobbies as mountain climbing and bowling.

### RISE TO POWER

A tax lawyer in 1981, Roh defended one of two dozen students who had been arrested and tortured for nearly two months for possessing banned literature. As a result of the experience, Roh stated his "comfortable life as a lawyer came to an end." Roh dedicated the rest of his law career to defending those who suffered abuse of their human rights, as well as defending labor organizers. He became involved in the pro-democracy movement in 1987 against the leadership of Chun Doo Hwan, for which he was briefly jailed. In September 1987 he was again imprisoned, this time on charges of supporting striking workers.

Roh entered politics the following year, winning a parliamentary seat from Pusan in 1988. He gained a name for himself by interrogating army leaders over a 1980 massacre of protesters, and for interrogating top officials from the Chun administration about allegations of corruption. He lost his seat in the National Assembly in 1992 and his bid for the mayorship of Pusan in 1995 was also unsuccessful. He returned to Parliament in 1998. He lost the 2000 election for his parliamentary seat but his supporters created a fan club called *Nosamo* (Roh lovers' group). The group's website was influential in his rise within the Millennium Democratic Party (MDP) and then in the following year. He was elected a member of the MDP's Supreme Council in 2000. His most prominent government position before becoming president was as Minister of Maritime Affairs and Fisheries from August 2000 to March 2001.

Roh's chances of winning the MDP nomination for president were seen as slim before the primaries began in March 2002. He secured 72.2% of the ruling party's votes in the primaries, however, defeating Chung Dong Young, a former television anchor who took 27.8% of the votes. Roh's support came from younger voters, especially college-educated members of the "baby-boom" generation with liberal political views and experience with the pro-democracy movements of the 1980s and early 1990s. He also gained support from the poor and underprivileged. In the 19 December 2002 presidential election Roh took 49% of the popular vote to Lee Hoi Chang's 46.5%, with Lee representing the Grand National Party. Roh was inaugurated president on 25 February 2003.

### LEADERSHIP

In his acceptance speech for the MDP nomination, Roh stated he would unite the "reformist, democratic forces, which have been fractured due to regional rivalry." He campaigned on a



pledge to resolve labor conflicts and to heal the rift between South Korea's southwest and southeast regions. Roh also stated he intended to continue with Kim Dae Jung's "sunshine policy" toward North Korea. He has stated that North Korea's moves to develop nuclear weapons and export missiles can only be countered by dialogue. Roh's lack of experience in foreign affairs, however, has been criticized: his only Asian trip outside South Korea was to Japan—for yachting lessons—in 1982. Prior to becoming president he had never visited the United States. Roh softened a previously anti-American stance in his campaign; once calling for the withdrawal of the approximately 37,000 U.S. troops in South Korea, but subsequently stated they should remain. Upon becoming president, he indicated the need to have close cooperation with the United States.

In forming his cabinet, Roh placed reform-minded individuals in ministries for government administration, justice, and health and welfare, but reserved the economic and foreign policy positions for those who embodied "stability and expertise." His administration has been labeled as one encouraging "participatory democracy" where public participation would be a priority.

### DOMESTIC POLICY

A major domestic issue that Roh must address is how to redefine the relations between government and business. In the past, close ties between the public and private sectors assisted *chaebols* (large conglomerates that dominate the economy) in evading economic accountability. The government protected their inefficient ways and encouraged loans without regard to profitability. The chaebols, in return, supported military involvement in politics and, more recently,

funneled large sums of cash into political campaigns. Such a system undermined Korea's young democracy and stifled new and smaller corporations from emerging.

Many economic and political analysts point to these factors as a root cause for recent economic turmoil. Roh is expected to restrain the economic and political influence of the chaebols. At the same time he needs to relieve the concerns of the chaebols about his ability to manage a complex economy while maintaining cordial relations with labor unions, and Roh's experience as a defender of labor rights will play a role in this regard. Without the cooperation of the chaebols, economic revitalization would prove next to impossible. Roh has said, however, that the government should place a ceiling on chaebols' investment in accordance with their assets, and to regulate corporate dominance of financial institutions.

Roh is expected to continue the economic reforms begun by his predecessor Kim Dae Jung but with emphasis on the disadvantaged. He has said it is important to "harmonize economic growth with the distribution of wealth." He has also attempted to link relations with North Korea to South Korea's future economic growth. Roh stated: "Based on inter-Korean rapprochement and cooperation, we have to build the nation into a new Asian business hub. So North-South reconciliation should be achieved."

Upon being elected, Roh said he would target corruption and cronyism in government, and would begin reforming the MDP. He attempts to do this by bringing younger individuals into politics and making the MDP a pan-national organization in doing away with regional interest groups within the party. He stated his willingness to work with the opposition.

### FOREIGN POLICY

Roh's first foreign policy challenge is how to face the issue of relations with North Korea. Roh has held that Kim Dae Jung's "sunshine policy" of reconciliation with the North should be followed. After North Korea confirmed in October 2002 that it was engaged in a program to enrich uranium, withdrew from the Non-proliferation Treaty, reactivated its Yongbyon nuclear reactor, and expelled United Nations (UN) nuclear weapons inspectors, Roh reevaluated the South's policy toward its northern neighbor. Roh stated prior to his inauguration that South Korea had to keep the nuclear crisis from developing into a war on the Korean peninsula. Although Roh seemed to stake out a position on the situation that was different from that of the United States, he has maintained that the two countries should cooperate to resolve the crisis. He said, however, that "in no circumstances will we cut our dialogue with North Korea," a position contrasting with the U.S. policy of isolating North Korea.

Relations with the United States were strained in late 2002 due to a rise in anti-American protests. The protests were triggered when two U.S. soldiers, whose armored vehicle crushed two South Korean schoolgirls in an accident in June 2002, were acquitted of any wrongdoing in the incident. As tensions with North Korea heightened in February and March 2003, the United States sent new B-52 bombers to Guam to bolster its forces in the region.\

U.S. president George W. Bush and Roh were to meet 14 May 2003 to discuss how to deal with North Korea's nuclear ambitions. Even though Roh acknowledged minor differences between the United States and South Korea, he has stated that the two are allies united in solving the crisis peacefully.

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Profile researched and written by Jeneen Hobby, Ph.D. (3/2003).



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# KUWAIT

Jabir III

Emir

(pronounced "JAH-beer")

*"We, in Kuwait, are in the forefront of the community of nations to condemn terrorism."*

The State of Kuwait is located at the head of the Persian/Arabian Gulf, surrounded on the north and west by Iraq, and on the south by Saudi Arabia. Its area is 17,820 sq km (6,880 sq mi), including its share of the neutral zone jointly controlled with Saudi Arabia. Its territory is mainly flat desert with a few oases.

Kuwait's population was estimated at 2,111,561 in 2002, a figure that includes 1,159,913 non-nationals, most of whom are expatriate workers. Expatriates (including Palestinians, Indians, and Iranians) meet about 81% of the country's manpower needs. The majority of native Kuwaitis are Sunni Arab Muslim. However, 40% of the total population is believed to be Shia.

The *dinar* is Kuwait's official currency. Kuwait's economy, which was traditionally based on pearling and trading, is now mainly dependent on oil, which currently accounts for 95% of total export earnings and provides around 90% of government revenue. It has the fourth-largest oil reserve in the world, estimated at about 96.5 billion barrels in 2001. Largely owing to its oil reserves, per capita income was estimated to be us\$15,100 in 2001. Its major trading partners are Japan, the United States, Germany, the United Kingdom, France, Singapore, and the Netherlands.

## POLITICAL BACKGROUND

Kuwait emerged as a semi-autonomous political entity in the late eighteenth century when the leading families of the Bani Utub section of the Anazah tribe led by the Sabah family settled there. Its independence was secured from the Ottoman Empire when Sheikh Mubarak negotiated a treaty with the British in 1899, giving the British control over Kuwait's foreign policy. Complete independence from the British was secured in 1961.

Kuwait became a semiconstitutional monarchy ruled by the emir from the Sabah family. Its Constitution, promulgated on 11 November 1962, declared Kuwait to be an Arab state, with Islam as the state religion and *shariah* (Islamic jurisprudence or system of law) the source of legislation. The Constitution defines the political system as "democratic, under which sovereignty resides in the people, the source of all powers." The Constitution lays the basis of the extensive welfare system by obliging the state to care for the young, sick, old, and handicapped, and to promote education and provide for public health. Executive power resides in the emir, who exercises it through a Council of Ministers. The emir is always selected from the Mubarak line of the ruling Sabah family. The emir appoints the prime minister after traditional

consultations and appoints and dismisses ministers on the recommendation of the prime minister.

The emir shares legislative powers with the Majlis al-Umma (National Assembly), a 50-member body serving four-year terms. Until 1996, suffrage was limited to males over 21 who were born in Kuwait, or who had lived in Kuwait since 1920, and their male descendants at age 21. Legislation enacted in 1994 provided voting rights for Kuwaiti-born literate males over the age of 21 who have been naturalized for more than 30 years; those who qualified voted for the first time in 1996. Expatriates, servicemen, police, and women are not permitted to vote. In the 1996 elections, only about 10% of all citizens were eligible to vote. Political parties are not permitted. However, there are loose political groupings based on political orientation, such as Arab nationalists, pro-Islamic activists, and Shias. While Kuwait is only one of two Arab Gulf petromonarchies to have an elected legislature (the other is Bahrain), the democratic experience has not been smooth. The first National Assembly was elected in 1963. Since then, the emir dissolved the Assembly three times: in 1976, in 1986 (after which it remained suspended until the elections of 1992), and in 1999. In elections that followed the 1999 suspension, progovernment politicians dropped from 30 seats to 14, while liberal candidates won 16 seats, and Islamists won 20. Turnout was high, with an estimated 80% of those eligible casting ballots. The next elections are scheduled for June 2003.

## PERSONAL BACKGROUND

Jabir al-Ahmad al-Sabah (Jabir III) was born on 29 June 1926 in Kuwait City. He is the third son of Sheikh Ahmad al-Jabir, who ruled Kuwait from 1921 to 1950. While his father is from the al-Jabir line, his mother is from the al-Salim line of the al-Sabah family. He received his education at Mubarakiya School and later was tutored privately in English, Arabic literature, religion, and basic sciences.

## RISE TO POWER

Jabir began his career as the head of public security at Ahmadi (the oil-producing region of Kuwait) from 1949 to 1959. He also represented the ruler in dealings with the oil companies. In 1959, he was appointed to head the finance department. Under his direction, budgetary controls were extended to all government departments, and the Kuwait Fund for Arab Economic Development was established. Jabir was also involved in negotiations, which led to the establishment of the Organization of Petroleum Exporting



Countries (OPEC) in 1960. Even though he was not the foreign minister, he led the Kuwaiti delegation to the Arab League Council meeting in Cairo in 1961, and traveled to other Arab capitals to secure Arab support for Kuwaiti independence (declared in June 1961 and promulgated in November 1962) and assistance against Iraqi threats. In 1962, he became the minister for finance and economy when the finance department was upgraded to a ministry after independence. Jabir marked himself as a competent leader and administrator while he served as finance minister and was in charge of oil negotiations. He implemented the policies of Emir Abdullah to redistribute the oil income through a land compensation plan.

He was appointed deputy prime minister in January 1963 and prime minister in November 1965, on the accession of Sabah III as emir. When Emir Sabah al-Salim became stricken with ill health, Jabir exercised his powers as prime minister in running day-to-day government operations. On the death of Emir Sabah in 1977, Jabir became the new emir. The fact that Jabir is closely related to his mother's Salim side of the Sabah family and his father's Jabir side made him acceptable to both branches of the family.

## LEADERSHIP

The Sabah leadership has been an integral part of the Kuwaiti state since its inception. The family regulates and controls the government and receives a salary from the state. The Sabah family has been compared to a corporation: an organization with policies, plans, and a hierarchy of its own. While the emir is the head of state within what can be called the corporate structure of the Sabah family, he does not necessarily have a monopoly on power. Rather, decisions are often

made by a family council, which meets regularly to discuss important issues.

Kuwait's Sabah family has been more successful than neighboring Gulf petromonarchies in settling intrafamily disputes in a peaceful manner. Since the discovery of oil, Sabah influence has increased as tribes and merchants have come to rely on the state. The military is firmly controlled by the Sabah family, whose members are dominant in the higher echelons of the armed forces. In the 1980s, the Shias emerged as a threat to the regime as a result of the Iranian revolution and the Kuwaiti support of Iraq in its war with Iran. Kuwait was a frequent target of terrorist attacks, including an assassination attempt on Jabir's life in May 1985. Sabah members have successfully survived these threats and have in fact acquired the sympathy of the Kuwaiti public. The challenge Jabir and the Sabah family face is to allow political participation in government decision-making without letting power slip entirely from their hands. While this may not be easy, the family has shown an ability to survive challenges in the past.

## DOMESTIC POLICY

With 96.5 billion barrels of recoverable oil in reserves, the fourth-largest reserve in the world, the Kuwaiti government enjoys a strong economy. Kuwait's oil production capacity is estimated to be 2 million barrels per day, with plans to increase its capacity to 3.5 million per day by 2005.

However, Kuwait has prudently followed the policy of investing its oil income for the post-oil future. It has made substantial investments in the West in stocks, real estate, and downstream hydrocarbon activities. The government has shared the economic wealth with its citizens by becoming a highly developed welfare state, providing free education to all citizens and some foreigners from preschool to university levels. Eighty-two percent of Kuwaitis and 75% of foreigners living in the country are literate. Its extensive national comprehensive health care system is one of the best in the world. Employment is virtually guaranteed and citizens enjoy the benefits of retirement incomes. Housing is heavily subsidized, and there is no personal income tax.

Jabir has continued the welfare policies of his predecessors, which he helped formulate. Under his rule, Kuwait faced a major economic crisis in the collapse of the Souq al Manekh (unregulated securities market), which produced serious economic and political repercussions for Kuwait. Attempts to resolve this crisis led to disagreement between the National Assembly and Emir Sabah. The emir supported the policy of paying off the investor's debts from public funds while the National Assembly strongly opposed such measures, fearing possible corruption and the creation of a bad precedent for the use of public funds. Because of the conflict, the minister of finance and the governor of the Central Bank both resigned and were replaced by members of the Sabah family. The emir's policies prevailed and further strengthened the ruling family. Thus, the old system of benevolence prevailed over the institutionalized path of policy-making.

Another major domestic concern has been the Iranian influence over the Shiite minority. While the Shia merchant community has existed for a long time and has financial commitment to the country, a rash of terrorist attacks and discovery of a plot to overthrow the royal family in June 1989 led to severe measures to curb subversion. The Kuwaiti

government has consistently refused to consider releasing Shiites in its prisons even when the U.S. government was willing to consider such arrangements in 1987.

Violent crime and threats from foreigners have underscored the vulnerability of the Kuwaiti population as a minority in its own country. This situation has led to a program of "Kuwaitization" of the population. The objective is to achieve a majority of Kuwaitis in the population by the beginning of the next century. The Kuwaiti government has been successful in reducing the expatriate element in the public sector by shifting government jobs to native Kuwaitis. However, the private sector is still dominated by foreign expatriates.

In a rather surprising announcement in 1999, the emir proposed legislation to allow women to vote and run for the National Assembly in 2003. Liberals and others supported the proposal while conservative Islamic politicians opposed it, describing it as a Western-influenced move to erode Kuwaiti society. Parliament subsequently voted against the emir's decree to grant full political rights to women.

Some tensions have always existed between the Islamists, who lean towards the standards of *shariah* (Islamic law), and democratic liberals, who argue that such strict Islamic beliefs do not relate well to establishing a strong democracy. The battle of ideas has escalated following the shock of the 11 September 2001 attacks on the U.S. Pentagon near Washington, D.C. and the World Trade Center in New York carried out by Islamic extremists. In February 2002, Mohammed Jassem al-Saqer, chairman of the foreign affairs committee of Kuwait's national assembly, traveled to the United States as part of an 11-member delegation to offer support to the U.S.-initiated War on Terror, particularly as U.S. president George W. Bush contemplated actions against Iraq. The delegation asked for U.S. support for causes that favor democracy, secularism, and basic human rights and equality. Islamists in the Kuwaiti National Assembly had denounced the delegation's visit and accused the Kuwaiti government of encouraging the trip, though members of the delegation paid their own way.

## FOREIGN POLICY

Though Jabir did not serve as Kuwaiti foreign minister, he played an active role in setting foreign policy after independence. Kuwait's oil wealth and its geographical position have made it vulnerable to external threats. In 1962, Iraq claimed the total territory of Kuwait as its province just when Kuwait became independent. In the 1980s, Iran threatened to retaliate when Kuwait supported Iraq in the Gulf War.

Kuwait has also used its wealth to reduce foreign threats. For example, it has acquired the goodwill of Arab and Third World countries by its generous financial aid. As a member of the Arab League, Kuwait has supported Arab causes both diplomatically and financially. It has been a strong supporter of Palestinian nationalism and one of the main financial contributors to the Palestinian Liberation Organization (PLO). This move, of course, has also had the effect of placating the large Palestinian community in Kuwait. As an oil exporter, Kuwait has been active in OPEC and the Organization of Arab Petroleum Exporting Countries (OAPEC) from the beginning.

In July 1990, Iraqi President Saddam Hussein criticized Kuwait for disregarding the petroleum production quotas

that had been stipulated by OPEC, which led to a decline in world oil prices. He further accused Kuwait of having stolen Iraqi petroleum reserves by drilling oil wells in disputed territory. His demands for the return of land claimed by Iraq and financial compensation were denied. In response, some 100,000 Iraqi troops invaded Kuwait on 2 August 1990. Saddam announced the formal annexation of Kuwait, despite condemnation from the United Nations (UN) Security Council. After diplomatic efforts failed to resolve this crisis, a U.S.-led multinational force launched a military campaign to liberate Kuwait on 17 January 1991. Within days after the deployment of ground forces the Iraqi government agreed to a cease-fire.

Since the 1991 liberation, Kuwait has actively pursued defense cooperation agreements with its allies. In March 1997, Kuwait announced the creation of a National Security Council to promote national security and ensure territorial integrity. In 1999, Kuwait took tentative steps to improve relations with Jordan and Yemen, which had been strained since 1991 when the two countries appeared to side with Iraq in its invasion of Kuwait. Iraq issued threats against Kuwait and Saudi Arabia for their friendly relations with the West.

U.S.-Kuwaiti relations since the Iraqi invasion of 1991 have been strong. The United States continues to provide significant military and defense technical assistance to Kuwait from both foreign military sales (FMS) and commercial sources. These strong ties made Kuwait an important partner in the U.S.-led War on Terror as the Kuwaiti government provided assistance in the military, diplomatic, and financial arenas.

On 8 November 2002, the UN Security Council passed Resolution 1441, calling on Iraq to immediately disarm itself of weapons of mass destruction, allow for the return of UN and International Atomic Energy Agency (IAEA) weapons inspectors, and to abide by all previous UN resolutions regarding the country since the end of the 1991 Persian Gulf War. Weapons inspectors returned to Iraq, but by March 2003, the United States and its allies were unconvinced of Iraq's intentions to disarm. Preparations for war were made, and by the beginning of March, close to 300,000 U.S. and British troops were in the Persian Gulf region, with nearly 140,000 in Kuwait. War began on 19 March, and the Saddam Hussein regime was toppled by coalition forces in April. Kuwait served as the main launching ground for the war, and was the target of a limited number of Iraqi missiles, none of which resulted in fatalities.

Kuwait is a member of the UN and some of its specialized and related agencies, including the World Bank, the International Monetary Fund (IMF) and the World Trade Organization (WTO). The government also participates in the Arab Fund for Economic and Social Development (AFESD), the Arab League, the Council of Arab Economic Unity (CAEU), the International Labor Organization (ILO), OAPEC, the Organization of the Islamic Conference (OIC), OPEC, and the International Atomic Energy Agency (IAEA).

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**Profile researched and written by Bashir Ahmed (7/90); updated by Jeneen Hobby, Ph.D. (4/03).**

# KYRGYZSTAN

## Askar Akayevich Akayev President

(pronounced “AS-kar ah-KAH-ye-vitch ah-KAH-yeff”)



*“Our main policy [is] to discover the interests of different social, national, and age groups and to create conditions for their fulfillment. Not to be a benefactor, not to patronize, but to open up scope for their own actions, for creativity and initiative.”*

Kyrgyzstan (pronounced “KIR-gih-stan”) borders Kazakhstan to the north, Uzbekistan to the east, and Tajikistan and China to the south and west. It has a total land size of 198,500 sq km (76,640 sq mi). The population was estimated at 4.8 million as of 2002, 52.4% of which were ethnic Kyrgyz, 18% Russian, 13% Uzbek, 2.5% Ukrainian, 2.4% German, and several other nationalities. The Kyrgyz language, a Turkic language, is spoken by virtually all ethnic Kyrgyz; however, about 57% of Kyrgyz also speak Russian fluently, and in December 2001, the Kyrgyzstani legislature made Russian an official language, equal in status to Kyrgyz. The Kyrgyz and Uzbeks are mostly Sunni Muslim, while the Russians, Ukrainians, and Germans are Christian.

Kyrgyzstan’s official currency is the *som*. Per capita gross domestic product (GDP) was estimated at US\$2,800 in 2001. Poverty is widespread. Kyrgyzstan is the least urbanized of the former Soviet republics; most Kyrgyz reside in rural areas and are employed in agriculture. A mountainous country, only about 7% of the land is arable while 43% is pasture and hay land used to raise sheep and goats. Kyrgyzstan is a sizeable producer of wool, and it also produces cotton and tobacco. It has significant mineral reserves of antimony and mercury. The capital of Kyrgyzstan is Bishkek (formerly Frunze).

### POLITICAL BACKGROUND

In the tenth century, nomadic Kyrgyz tribes began to migrate south from the region of the Yenisey River in Siberia to present-day Kyrgyzstan. This migration accelerated in the thirteenth century as invading Mongols pushed them south. The Kyrgyz were overrun in the seventeenth century by the Kalmyks, in the eighteenth century by the Manchus, and in the nineteenth century by the Uzbek Kokand Khanate.

The Russians moved into the area in the mid-nineteenth century and by 1867, the Kyrgyz were assimilated into the Russian empire as part of Russian Turkestan. After the Bolsheviks defeated local opposition forces in 1919, Kyrgyzstan was made part of the new Turkestan Autonomous Republic. In 1924, the Kara-Kyrgyz Autonomous Oblast (region) was established, renamed the Kyrgyz Autonomous Republic in 1926. In 1936, Soviet dictator Joseph Stalin upgraded the status of Kyrgyzstan to that of a Union Republic. While some local self-rule was allowed in the 1920s, by the early 1930s, Stalin had begun a process of Russification in Kyrgyzstan, including massive purges of local

cadres and forced collectivization of the largely nomadic society. For many decades, Russians remained disproportionately represented and very influential in the Communist Party leadership of Kyrgyzstan.

The Communist Party of Kyrgyzstan was largely discredited in 1990 and 1991 for opposing sovereignty, democratization, freedom of the press, and market reforms. The long-time Kyrgyz Communist Party leader, Absamat Masaliyev, was rejected by a nationalist and reformist bloc of deputies in the Kyrgyz Supreme Soviet in his bid to become president in October 1990. He later resigned from the party leadership. Instead, the deputies narrowly elected Askar Akayev to the newly created post of president. In December 1990, the Kyrgyz Supreme Soviet passed a declaration on state sovereignty, the last Soviet republic to make such a declaration because of Masaliyev’s opposition, and changed the republic’s name to Kyrgyzstan.

Akayev resolutely opposed the August 1991 Soviet coup attempt against Gorbachev, in contrast to other Central Asian leaders who actively or tacitly supported the coup. After the coup attempt, the Kyrgyz Supreme Soviet declared Kyrgyzstan an independent democratic state and scheduled direct presidential elections for October 1991. With the breakup of the Soviet Union at the end of 1991, Kyrgyzstan joined most other former Soviet republics in the Commonwealth of Independent States (CIS) on 21 December 1991.

### PERSONAL BACKGROUND

President Askar Akayev was born on 10 November 1944 in the village of Kyzyl-Bairak, Kemin district of Kyrgyzstan into a farming family. He graduated with honors from the Leningrad Fine Mechanics and Optics Institute in 1967, and continued his studies, earning a doctorate in science. Akayev started his career in 1961 working in mechanics, taking positions as senior laboratory researcher, engineer, senior lecturer, and professor, eventually becoming department chairman at the Frunze Polytechnical Institute (now Bishkek Technical University). In 1981 he joined the Communist Party. He speaks Kyrgyz and Russian.

Askar Akayev is the author of over 80 scientific works and articles, some of which have been included in textbooks used in institutions of higher learning. He was awarded the Prize of Lenin Komsomol of Kyrgyzstan for his mathematical study of problems in heat generation in computers. Askar Akayev is a member of the New York Academy of Sciences (1992),



honorary member of the International Academy of Sciences, Education, Industry, and Art (California, United States, 1996) and Islamic Academy of Sciences. He is an honorary professor of the Moscow State University.

His wife Mairamkul is also a scientist. The couple has two daughters and two sons.

### RISE TO POWER

In 1976, Akayev returned to Kyrgyzstan to work as a scientist and teacher in the field of quantum optics. In 1986, he was summoned to Moscow to serve in the Soviet Central Committee Department on Science and Education. He was elected vice president of the Kyrgyz Academy of Sciences in 1987 and in 1989 became its president. In 1989, he was elected by the constituents of the Naukatsk district to the newly created USSR Congress of People's Deputies and subsequently selected to serve in the Soviet of Nationalities of the USSR Supreme Soviet, where he was a member of the Constitutional Oversight Commission and the committee on economic reform. As a legislator, he traveled extensively, meeting with constituents. As a result, he came to the conclusion that he would shift his career from science to politics in order to contribute to the betterment of Kyrgyzstan. In a significant speech at the Congress of People's Deputies in December 1989, he called for marketization to improve the Soviet economy.

In the summer of 1990, ethnic tensions in the Osh region led to mass demonstrations in Bishkek against Communist Party rule, with demands for the ouster of the Communist Party leader Masaliyev. When the Kyrgyz Supreme Soviet convened in October 1990, deputies aligned in a democratic bloc narrowly defeated Masaliyev's bid to become president.

Akayev's supporters urged him to quickly return to Kyrgyzstan from his legislative duties in Moscow, and after repeated voting, elected him to the newly created post. In an uncontested direct popular election held in October 1991, he was reelected president, winning 95% of the vote.

In the face of growing legislative and regional opposition to his rule, Akayev held a popular referendum in January 1994 on whether he should finish out his term, winning support from 96.2% of the voters to continue his reforms. In September 1995, Akayev's supporters submitted a petition signed by 1.2 million (52% of the voting-age population) urging the legislature to approve a referendum extending Akayev's term to the year 2001. After contentious debate, the legislature rejected holding a referendum, and Akayev instead announced that a presidential election would be held on 24 December 1995. Thirteen candidates were registered, but 10 were disqualified, leaving Akayev, Masaliyev, and former Speaker of Parliament Medetken Sherimkulov. Akayev won reelection to a five-year term, receiving 72% of the vote in a race deemed generally "free and fair" by international observers, though questions were raised about the disqualifications. In July 1998, Akayev hailed a Constitutional Court decision permitting him to run for a third term in the year 2000. He won that election with 74.4% of the vote. However, election monitors from the Organization for Security and Cooperation in Europe (OSCE) who observed the voting concluded that it was not "free and fair," pointing to problems such as the disqualification of prominent opposition parties and candidates, the progovernment composition of electoral boards, government harassment of opposition candidates, and irregularities in vote-counting. Akayev rejected these assessments as overlooking Kyrgyzstan's democratic and economic accomplishments. Among the problems, opposition Dignity Party head Feliks Kulov received more votes than his opponents in the first round of the February 2000 legislative race, but was heavily defeated in the second round through apparent legerdemain, according to the OSCE. Kulov was later arrested and accused of crimes that had been committed several years earlier.

### LEADERSHIP

Akayev's popularity has remained high despite the economic and political turmoil of the 1990s. Akayev has been effective at personally explaining unpopular policies to groups and organizations and listening and acting on their views, defusing discontent. Although Akayev advocates a "strong executive power" in Kyrgyzstan in order to control ethnic and social tensions, he has also advocated marketization.

### DOMESTIC POLICY

Akayev has declared that his primary goals are a modernized economy and maintenance of ethnic harmony. Economic priorities are meeting food supply needs, full employment, and the training and retraining of youth. Foreign assistance has been a significant factor in Kyrgyzstan's budget, but Akayev hopes that his economic reforms will permit Kyrgyzstan to rely less on such aid after the year 2000.

The Russian financial crisis and declining world gold prices harmed the Kyrgyz economy in late 1998, contributing to reduced Kyrgyz exports to Russia, increased budget deficits and a budget cut, increased inflation, and the devalu-

ation of the *som*. Akayev reported in late 1999, however, that GDP had rebounded by 3.5%, fueled by agricultural production, though industrial production continued to decline. He stated that efforts to combat terrorism in southern Kyrgyzstan had cost several million dollars, harming economic recovery. He has been vulnerable to criticism of widespread corruption in his government and of not being able to bring increasing crime under control.

Akayev has championed privatization although his legislature even though most of the public have appeared to oppose it. In October 1998, nonetheless, Akayev cleverly received public approval for private ownership of land within five years by bundling the proposal with other referendum proposals. Privatization has proceeded further in Kyrgyzstan than in the rest of Central Asia. A majority of state industries and most housing and retail outlets have been at least nominally privatized. To encourage agricultural privatization, Akayev set up agricultural committees throughout Kyrgyzstan with powers to abolish bankrupt state and collective farms, boost production, and distribute land to those who want a private farm. In 2001, Akayev outlined his expanded programs for government and private cooperation to reduce the country's poverty dramatically by 2010; as of 2002, poverty had been reduced to the still-high 55%, down by 10% over 1999.

Kyrgyzstan's admission into the World Trade Organization (WTO) in late 1998 was a major accomplishment of Akayev's presidency. At the OSCE summit in November 1999, Akayev called for the OSCE to foster greater international economic cooperation, since "economic stability secures peace and political stability."

A new Constitution was approved in 1993, establishing a democratic presidential system with separation of powers and expansive human rights guarantees. In September 1994, Akayev decreed an October referendum to approve amendments to the Constitution, including provisions revamping the legislative system to weaken it relative to the presidency. He argued that legislative and other provisions of the May 1993 Constitution were too "idealistic" since the "people are not prepared for democracy," and a "transitional period" was needed. Akayev spearheaded another referendum to be held in February 1996 to further alter the Constitution. These changes gave Akayev greater powers to veto legislation, dissolve the legislature, and appoint all ministers without legislative confirmation, while making impeachment more difficult, along the lines of the Russian Constitution. Moving further to weaken the legislature, Akayev spearheaded a third referendum in October 1998 to again amend the Constitution. These amendments sharply restricted the legislature's influence over bills involving the budget or other expenditures and limited a legislator's immunity from removal and prosecution. They also provided for private land ownership and reaffirmed freedom of the press.

Akayev has said that he supports democratization and the adherence to human rights commitments Kyrgyzstan made when it joined the OSCE in 1992. Compared to other Central Asian states, many observers stress, Kyrgyzstan has a less objectionable human rights record. However, according to the U.S. State Department's *Country Reports on Human Rights Practices for 2001*, the Kyrgyz government's human rights record is poor: there were problems with freedom of

speech and the press, due process for the accused, religious freedom, ethnic discrimination, and electoral irregularities. There are cases of police brutality and arbitrary arrest, and apparent politically motivated arrests. Citizens have only a limited ability to peaceably change their government since elections and referenda have involved "irregular" procedures. There are independent newspapers, magazines, and radio stations, and some independent television broadcasts though the government can influence the media through subsidies. Laws making libel a criminal offense have been used to arrest reporters and silence dissent.

Akayev initially supported a unified Commonwealth of Independent States (CIS) armed forces and preferred that Kyrgyzstan not incur the expense of maintaining its own military. However, faced with the emergence of individual armed forces in the new states of the former Soviet Union, he formed a Kyrgyz armed force in 1992, which numbered about 12,200 ground troops in 1998. Most of the troops are ethnic Kyrgyz conscripts though some officers are Russians. Kyrgyzstan had about 5,000 border troops in 1998. Several hundred Russian border troops (most reportedly were Kyrgyz citizens) guarded the Chinese border for most of the 1990s, but Russia handed over border control to Kyrgyzstan in August 1999. In 2002, there were an estimated 10,900 active armed service personnel in Kyrgyzstan, with 57,000 reserves.

In August 1999, Akayev's leadership was severely tested by an armed incursion by Tajik and Uzbek guerrillas into southern Kyrgyzstan. These guerrillas aimed to create an Islamic state in southern Kyrgyzstan as a base to launch attacks into Uzbekistan. Akayev's military, police, and border forces initially appeared unable to defeat the guerrillas, and Akayev appealed to the Commonwealth of Independent States (CIS) for assistance. Russia agreed to send military equipment, while Uzbekistan launched air strikes and border assaults. Akayev announced in October 1999 that the guerrillas had been driven out of Kyrgyzstan. The Uzbek president, Islam Karimov, criticized Akayev of laxity in combating the guerrillas while Akayev criticized Karimov's forces of not always consulting with Kyrgyzstan before launching attacks against guerrillas.

In January 2002, Legislative Assembly member and opposition leader Azimbek Beknazarov was detained, on what supporters claimed were politically motivated charges. In March, five people were killed during a protest demanding Beknazarov's release, and in May, the government resigned when senior officials were held to blame for the deaths. Beknazarov was subsequently freed. In June, a rally was held calling for Akayev's resignation, and protests continued throughout the year, leading to a climate of instability and crisis. In February 2003, Akayev held a referendum on his presidency and on amendments to the Constitution to "improve democracy," including the abolition of the two-chamber Parliament in favor of a single chamber, the abolition of party-list voting for Parliament, and immunity from prosecution of former presidents and their families. Voters overwhelmingly approved the amendments and declared Akayev should remain in office until his term expired in December 2005.

## FOREIGN POLICY

Kyrgyzstan endeavors to establish broad-ranging ties with all nations of the world, particularly border states. Akayev has stressed close relations with Russia. Reasons include hoped-for economic and trade benefits and security ties to alleviate residual concerns about Chinese and Uzbek intentions. Akayev and Russian president Boris Yeltsin signed a Friendship and Cooperation Treaty in 1992, and Akayev gave early support to the 1992 CIS Collective Security Treaty, which called for mutual military assistance in case one of the signatories is attacked. Akayev has urged that the CIS cooperate on economic and security matters.

Kyrgyzstan has signed a customs union agreement with Belarus, Russia, and Kazakhstan (Tajikistan joined in 1998), but the union remains moribund. In 1994, Kyrgyzstan joined Kazakhstan and Uzbekistan in a "Central Asian Economic Community" that included a bank, a peacekeeping battalion, and mutual defense assurances, but it has been buffeted by regional economic problems. In December 2001, the Central-Asian Economic Community was transformed into the Central-Asian Cooperation Organisation. In October 2002, the presidents of Kazakhstan, Kyrgyzstan, Uzbekistan, and Tajikistan met to discuss problems relating to economic integration and regional security, in addition to drug trafficking and terrorism.

Kyrgyzstan's relations with Uzbekistan are mercurial. The two have trade disputes, and Uzbekistan has criticized Kyrgyzstan for providing refuge to some Uzbek dissidents and for purportedly permitting terrorist groups to "escape" Kyrgyzstan in October 1999. Akayev's March 1999 foreign policy concept called for close relations with ancient "silk road" route countries, including China, former Soviet republics, and Turkey, Iran, India, and Pakistan. Kyrgyzstan has also pursued good relations with Western states in its search for aid.

Akayev has stressed that landlocked Kyrgyzstan must rely on its neighbors for access to world markets. Cultivating good ties with China, Akayev joined leaders from Russia, Kazakhstan, and Tajikistan in 1996 and 1997 in signing agreements with China on demarcating and demilitarizing the former Soviet-Chinese border. Kyrgyzstan hosted a meeting of this "Shanghai Five" in August 1999. Kyrgyzstan and China have essentially completed border demarcation.

In 2002, Akayev met in Almaty, Kazakhstan with the vice president of Iran, signaling his interest in strengthening the cooperation between the two countries.

Following the 11 September 2001 terrorist attacks on the United States, the U.S. rallied governments in Central Asia to commit themselves to combating terrorism. The United States established a major airbase near Bishkek in December to aid its campaign in ousting the Taliban regime and al-Qaeda forces in Afghanistan. As a demonstration of closer ties between the United States and Kyrgyzstan, the United States prompted the IMF to reach an agreement on a \$93 million loan to Kyrgyzstan in 2001. Two radical Islamic organizations seeking to establish an Islamic state in Central Asia—Hizb-ut-Tahrir ("Freedom Party") and the Islamic Movement of Uzbekistan (IMU)—have a strong following in Kyrgyzstan. The IMU collaborated with the Taliban regime in Afghanistan and the al-Qaeda terrorist organization. However, it is believed that all major units of the IMU have been eliminated in the aftermath of the anti-terrorist operations led by the United States.

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# LAOS

## Khamtay Siphandone President

(pronounced “KAM-tie SEE-pan-don”)

*“We must put a stop to exploitive business practices, such as indiscriminate logging of our forests.”*



The Lao People’s Democratic Republic (Lao PDR) is a landlocked nation, which lies between Vietnam and Thailand and also borders Cambodia, China, and Myanmar. With an estimated area of 236,000 sq km (91,120 sq mi), Laos is made up of 89% mountainous terrain and dominated by tropical forests and jungles.

The population of 5.8 million people (2002 estimate) is comprised of three major ethnic groups: 63.4% Lao-Lum (valley lowland Lao), 23.8% Lao Theung (Lao living on mountain slopes), and 10.1% Lao-Sung (mountaintop Lao). Approximately 65% of the Lao people are Buddhist, and 33% are animists. The national language is Lao, while some older government officials still speak French. Other officials may speak English or languages such as Russian, Vietnamese, German, or Czech.

The unit of currency is the *kip*. The Lao economy ranks among the poorest in the world, with a per capita gross domestic product (GDP) of about US\$1,630 as of 2001.

Laos also has one of the highest death rates in the world, with poor health conditions in many of the remote areas of the country. The economy is principally agricultural, with 80% of the population engaged in subsistence farming of rice, maize, tobacco, cotton, sugar cane, fruits, and coffee. Lao and U.S. authorities are working closely together to eliminate remnants of opium production and trade. With the opening of the economy in 1986, Lao exports have steadily increased. Major exports include timber, coffee, tin, various minerals, electricity, light manufacturing products, and handicrafts.

### **POLITICAL BACKGROUND**

Like its neighbors, Vietnam and Cambodia, Laos was subjugated to French colonialism in the late nineteenth century. The French saw Laos primarily as an extension of their Vietnam colony. After a period of Japanese occupation during World War II, and the conclusion of the first “Indochina” war, Laos gained its independence in 1953. Gradually Laos was drawn into the vortex of the Cold War, and a struggle developed between the Communist faction, called the Pathet Lao, and the pro-Western regime of the Royal Lao government. In 1957, 1962, and again in 1973, there were unsuccessful attempts to form coalition governments. Throughout the 1960s and early 1970s, the Royal Lao government received substantial financial and military assistance from the United States, making Laos a hyper-dependent country. Politics during this period were characterized by chaos, significant infighting among rival factions,

and numerous military coups. U.S. military assistance was part of the “secret war in Laos” orchestrated by the Central Intelligence Agency (CIA) through front organizations such as Air America. It was not until 1973 that a ceasefire agreement was signed between the Pathet Lao and the government forces of Prince Souvanna Phouma.

The 1975 victories of Communist forces in Vietnam and Cambodia motivated the Pathet Lao to undertake an offensive of its own, eventually seizing all major Laotian cities, including the capital of Vientiane. Basic control was consolidated by August, and on 2 December 1975, the Pathet Lao established the Lao People’s Democratic Republic, terminated the coalition government, and abolished the monarchy. Important military and civilian officials were sent to “reeducation” camps. Those involved in the “secret war” and closely associated with the U.S. government or CIA suffered the most in such camps.

In the Lao People’s Democratic Republic, the National Assembly officially acts as a principal lawmaking body. With a membership of 99, it determines major national laws and appoints the Council of Ministers and president. Assembly members are elected from the various areas of the country. There are 12 ministries, including education, interior, finance, and agriculture. The Council of Ministers is led by its chairperson, who also assumes the title of premier. Under the premier there are five vice-premiers. They assist the premier in five key realms of government: economy; health, education and culture; defense; foreign affairs; and national development planning.

Any discussion of Lao politics would be incomplete without describing the critically important role of the Lao Communist Party, the country’s only legal political group, known formally as the Lao People’s Revolutionary Party (LPRP). It dominates Lao politics, and opportunities for advancement are highly dependent on one’s ranking within the party. Unlike the money politics of many neighboring countries, political success in Laos is highly dependent upon loyalty to the party and its ideology. Under this system, minorities and those of humble background have been able to attain high-ranking positions in the party.

### **PERSONAL BACKGROUND**

Khamtay Siphandone was born in the southern province of Champasak in 1924. Little is known about his early years although evidence suggests a rather humble background.



During World War II, Khamtay spent some time in India. At the end of the war, he returned to Laos and was employed as a postal worker in the south.

### RISE TO POWER

Khamtay's involvement in Lao politics started as early as 1945. Driven by a strong sense of nationalism, he participated in Lao Issara (Free Laos), a movement opposed to French colonialism. During the nationalistic struggle that ensued, a split occurred between anti-western and royalist factions. Khamtay sided with the leftist, anti-western faction led by Prince Souphanouvong and Kaysone Phomvihane, and was soon entrusted with major military affairs of the LPRP. In 1954, Khamtay was appointed chief of staff of the Lao People's Liberation Army (LPLA) and later became its commander in chief.

During the 1960s and 1970s, primarily as the result of his military role and loyalty to the Pathet Lao leaders, Khamtay climbed to the upper echelon of the party hierarchy.

In 1972, he was appointed a member of the party's Central Committee. By December 1975, when the Pathet Lao had consolidated its control of the country, Khamtay was named minister of defense. In subsequent years, he gained even greater political power, eventually surpassing Prince Souphanouvong. In 1988, Khamtay was appointed secretary of the LPRP and positioned himself to become the successor to President Kaysone—the highest-ranking Lao politician. The army's success in a border war with Thailand further enhanced his national stature.

On 15 August 1991, the National Assembly approved Khamtay Siphandone as the new prime minister, succeeding Kaysone Phomvihane, who then became the nation's

president. Khamtay's promotion was, in part, due to his long-term loyalty to the powerful Kaysone—a revolutionary hero in Laos. Khamtay and Kaysone were close partners since the 1940s, dating back to their involvement in the anticolonial struggle. In 1986, Kaysone introduced the New Economic Mechanism policy to allow free market forces to operate in the economy. This important new policy directive was enthusiastically endorsed by Khamtay, who played a major role in its implementation.

### LEADERSHIP

Khamtay's 1998 promotion to the presidency, following December 1997 national elections, represented the second major shift in Lao politics in 23 years. The first occurred in 1991 when Khamtay was promoted to the premiership and Kaysone became president. After the 1991 shake-up, many "old-guard" politicians voluntarily retired and have since died, although hard liners continue to exert influence within the government.

A key and surprising element in the 1998 shake-up was the elevation of Sisavat Keobounphan to the premiership. Sisavat was born in 1928 in the remote northeastern province of Huaphanh. During the 1991–95 period, he gained valuable international experience while serving as minister of agriculture and forestry. Among the nine Politburo members, his rank was number eight. This was primarily as a result of his readmission to the Politburo after having been dropped in 1991. Thus, assuming the premiership and becoming the potential successor to Khamtay represented an extremely impressive political comeback for Sisavat. Strong military credentials were a major factor in his promotion. In 1988, Sisavat played an important role as the military strategist in the border war with Thailand and the negotiator of a successful peace settlement that ended the conflict. He is described as an outgoing, warm person who is practical, decisive, and determined. Sisavat is generally considered to be a conservative leader.

Superficially, it may seem that the changes taking place in Laos mirror those which occurred in Eastern Europe in the late 1980s and early 1990s. Actual political conditions are different in many respects. The success of communism in Laos was primarily as a force of nationalism—to restore national unity, culture, and political independence after decades of revolutionary struggle, while in Eastern Europe communism was "imposed and installed" by the former USSR. Unlike Eastern Europe, a one-party system remains an integral aspect of the political structure.

The Lao leaders have looked to countries such as Singapore, with stable authoritarian governments, as potential models, rather than what they perceived as "chaotic" multiparty systems in countries such as Thailand and Cambodia. Thus, a major challenge for the current leadership is to foster and preserve the distinct political culture of Laos, which involves a fascinating blend of Marxism, free market mechanisms, and strong Buddhist traditions. As 2003 began, there was a new emphasis on the royal history of Laos. Khamtay inaugurated a monument honoring a fourteenth century king of Laos, as if to establish links from that era to his Communist leadership (even though the Pathet Lao had imprisoned the last royal family of Laos). The ancient king, Fa Ngum, may be promoted as a figure for

the population to venerate in place of neighboring Thailand's royal family, which is popular in Laos.

### DOMESTIC POLICY

Introduction of the New Economic Mechanism in 1986 and the adoption of the first Constitution of the Lao PDR in 1991 reflected the reform of Laos's political and economic system. The Constitution represented an important watershed in the country's economic and political life. In the economic realm, it legally recognized the shift from a planned to a market economy with significant liberalization. The Constitution vows "to protect private property of national and international capitalists." The implementation of a clear legal framework was seen as essential to attract critically needed international investment. The new Constitution and subsequent laws led to a dramatic increase in foreign investment in the 1990s. Party leadership has frequently pulled back from completely endorsing economic reform. The 1999 sacking of high-level finance officials associated with a free market appeared to indicate confusion within the government about which economic course to pursue.

On the political front, the Constitution confirmed the absolute power of the LPRP. The LPRP is normally referred to simply as "the party." With the promulgation of the 1991 Constitution, the hammer and sickle were removed from the Lao national symbol and replaced by the famous That Luang Buddhist temple, now the symbol of the nation.

The party determines fundamental policy in Laos, and the National Assembly debates laws to implement party policies. The Constitution designates the country as a "people's democratic republic." Its democratic dimension is not in the area of Western style political liberty and pluralism but in an emphasis on equality and political mobility. Members of ethnic minorities serve in the Politburo. Under the new system, the appointed Supreme People's Assembly was replaced by an elected National Assembly.

Eligible voters are those 18 years and older. Party membership is not required to compete for seats, though most candidates and those elected are, in fact, party members. Each member of the National Assembly serves for five years.

The liberalization of the economy brought new problems related to influence peddling and growing corruption. Forest depletion has resulted from increased logging, legal and illegal, for exports to Thailand and other parts of Asia. An August 1991 decree attempted to address this problem by banning many types of logging activity, and efforts have been made to restrict timber exports. To deal with the problem of corruption, an Anti-Corruption Commission was established in 1993, reporting directly to the prime minister. It recovered a significant amount of money earned illegally and had the authority to remove and punish corrupt officials. However, crime, smuggling, and corruption have continued to be on the rise into 2003.

Khamtay remains a secretive, authoritarian leader, operating within a political system that lacks transparency and accountability. In October 1999, a few academics staged a prodemocracy protest in Vientiane, followed the next year with a demonstration on their behalf in the same city by European human rights activists. These small stirrings were the first known civil challenge to one-party rule in Laos.

Amnesty International released a report in July 2002 which was highly critical of the Laotian justice system, calling it without "transparency, clarity or reason," and condemning the widespread use of torture by the police forces. A series of unexplained bomb explosions in and around Vientiane in 2000 and 2001 was a further indication of urban instability, and guerrilla violence continued to flare in the mountains from time to time. A February 2003 attack on a bus, in which Swiss, Chinese and local civilians were killed, was blamed on bandits rather than terrorists.

Khamtay was elected for his third term as president at the seventh Party Congress in March 2001 and is expected to be in office until 2003. He pledged that the LPRP would focus on modernization and would triple economic growth by 2020. At the seventh Party Congress, Sisavath Keobounphanh was replaced as prime minister by Bounyang Vorachit, a younger Politburo member who had been the Finance Minister. In February 2002, parliamentary elections were held, in which 165 candidates were from the LPRP and only one was not. Khamtay commented on the election process: "In the party apparatus there won't be any change."

### FOREIGN POLICY

Lao foreign policy was dramatically redefined in the 1990s after the collapse of the former USSR. Laos now has one of the most open foreign policies in the world and is basically on good terms with every nation. It has, for example, established diplomatic relations with both North and South Korea. In July 1997, Laos became a formal member of the Association of Southeast Asian Nations (ASEAN). Though membership places a financial burden on the country, it should help to facilitate expanded and diversified trade and foreign investment. As of 2003, Laos appears to be grouped in a bloc of underdeveloped, authoritarian states within ASEAN (with Cambodia, Burma and Vietnam). Vietnam is still perceived as Laos's "elder brother" in guiding its foreign policy, if not its economic relationships.

In the 1980s, foreign aid was received primarily from the USSR and Eastern bloc countries. Since then Laos has successfully diversified its sources of foreign aid and technical assistance. The major donor is currently Japan, but substantial aid is also received from the World Bank, Asian Development Bank, Australia, the Nordic countries, Switzerland, France, and Germany. The historic bridge across the Mekong River, which opened in April 1994, was financed by Australia.

Since the border war of early 1988, Lao-Thai relations have improved significantly, and Thailand is now the country's major trade partner and largest foreign investor. The improved nature of this relationship is reflected in visits of Laotian leaders to Thailand and the frequent visits of the Crown Princess of Thailand to Laos. However, the exploitive nature of Laos's growing economic dependence on Thailand has been a serious concern, and key political figures have been demoted because of their perceived closeness to Thai interests. China has come to nearly rival Thailand as a trading partner and has assisted in infrastructure development to facilitate transport of goods northward through Laos to its Yunnan border. In 2000, Khamtay and Chinese

President Jiang Zemin exchanged visits to each other's countries to cement trade and diplomatic links.

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**Profile researched and revised by y Edith Mirante 3/02; sections contributed by Gerald Fry, University of Oregon (6/98).**

# LATVIA

Vaira Vike-Freiberga  
President

(pronounced “VAHY-rah VEE-ke FRAY-behr-guh”)



*“We are the inheritors of our past, but we are not slaves who should live in the shadow of our past. We are the builders of our own future.”*

The Republic of Latvia borders on the Baltic Sea, the Gulf of Riga, Estonia, Lithuania, Russia, and Belarus. A total land area of 63,688 sq km (24,590 sq mi) makes Latvia comparable in size to West Virginia.

In 2002, the population was estimated at 2.4 million people, of whom 58% are Latvians and 30% Russians; the remaining 12% are chiefly Belarusians, Ukrainians, Poles, and Lithuanians. The official language is Latvian. Most Latvians are Lutherans, but some are Roman Catholics or Baptists. Ethnic Russians generally belong to the Orthodox faith. Only a handful of Jewish congregations remain in existence.

The official currency is the *lats*. Per capita gross domestic product (GDP) was estimated at us\$8,300 in 2002. Latvia produces farm equipment, railroad cars, radios, telephone equipment, hosiery, washing machines, fish, and other foodstuffs. It exports machinery, agricultural products, light industrial goods, and chemicals. Its service sector has grown dramatically in recent years, now accounting for a majority of economic activity.

## POLITICAL BACKGROUND

Latvia declared independence in November 1918 with the collapse of central authority in Russia and the defeat of the German army. In 1940, Latvia again fell under Russian rule, as the Union of Soviet Socialist Republics (USSR) annexed the country. The Republic of Latvia ceased to exist and was replaced by the Latvian Soviet Socialist Republic, a constituent union-republic of the USSR. The army of Nazi Germany invaded Latvia in 1941 and occupied it until 1945. These two brutal occupations resulted in the death of 180,000 people, or 9% of the pre-World War II Latvian population. To consolidate Soviet authority, Joseph Stalin deported or arrested 100,000 more people; 25,000 died in a war of resistance against the Soviet Union.

Under Communism, Latvian culture and other forms of national expression were repressed. Russified Latvians (some of whom spoke no Latvian), Russians, and others were dispatched to rule Latvia. In the post-Stalin era, dissidents who called for observance of human rights or religious rights, or who protested the repression of the Latvian nation were harassed, arrested, imprisoned, and sometimes killed.

Mikhail Gorbachev relaxed the controls on Soviet society, and many Latvians leaped at the opportunity. Various groups seeking greater local control sprang up. The most important of these groups, the Popular Front of Latvia (PFL) was

formed in October 1988, marking a watershed in Latvian history. This broad-based movement provided organizational strength to harness the discontent with Soviet rule pervasive among Latvians and others.

A PFL slate of moderate nationalists won three-fourths of the Latvian SSR's seats in the USSR's newly created legislature in the March 1989 elections. The PFL grew increasingly radical in 1989, finally declaring itself in favor of eventual independence from the USSR. Throughout 1989 and 1990, in mass demonstrations and behind-the-scenes diplomacy, Latvian leaders pursued independence.

During the hard-line coup of August 1991 in Moscow, the leadership of Latvia quickly declared its opposition to the coup and support for Russian president Boris Yeltsin. The Latvian government declared the country independent on 21 August, insisting that the coup proved that there was no alternative. Once the Soviet Union crumbled, countries around the world recognized Latvia's independence.

In preparation for electing a new, post-independence legislature, the Supreme Council passed a citizenship law, but left key issues unresolved. Because of the fear of Russian domination and the fact that Latvians barely made up a majority of the country's population, Latvian leaders sought to write a citizenship law that ensured ethnic Latvian control over the fate of Latvia, while respecting the rights of others. Thus, the law they passed automatically granted citizenship to those who were citizens in 1940 and to their descendants. Others would be eligible for citizenship if they demonstrated proficiency in the Latvian language and if they have been residents for at least several years. The legislature did not, however, provide for a naturalization process, thereby leaving one-quarter of the population without citizenship.

Because of the difficulty involved in deciding on a citizenship law, elections for Latvia's first post-Soviet Saeima (Parliament) did not take place until June 1993. The results indicated that many voters supported the status quo and hoped to see a moderately paced transition in the economic realm.

Latvia elected a new Saeima in the fall of 1995. Latvia's voters showed themselves clearly divided, electing a parliament so evenly divided on core issues that selecting a government took months. Conservatives favored closer ties with the West and opposed weakening the citizenship laws. Liberals argued for improving relations with Russia and easing naturalization rules. This situation left two extremist parties—one on the left and one on the right—holding the



balance of power at the margins. Just before Christmas, the Parliament approved a broad-based coalition cabinet. Andris Shkele, a businessman and former government official, agreed to lead a cabinet that included every party in the Saeima, except the extremist Socialists and People's Movement.

Shkele proved an effective leader. He forced through the unpopular spending cuts and tax increases that were necessary to balance the budget. He accelerated economic reform. His abrasive style and unpopular policies, however, forced him to resign in January 1997. The president renominated Shkele, and he won with overwhelming support in the Saeima. He continued as prime minister until his coalition collapsed in July 1997.

Latvia's economy suffered terribly in 1998. Russian purchases of Latvian goods and services declined precipitously, causing Latvia's economy to contract, increasing the trade imbalance and unemployment rate. In June 1998, the Saeima, acting at the behest of the European Union (EU), approved amendments to the citizenship law, easing requirements for obtaining citizenship.

At the same time, parliamentary elections resulted in Shkele's People's Party winning a plurality of the vote. Because Shkele was so reviled by other politicians, however, three smaller parties, with the acquiescence of a left-wing party, were able to form a minority government without Shkele in November 1998. A new president was elected by the Saeima on 17 June 1999. Vaira Vike-Freiberga was inaugurated as Latvia's first female president on 8 July 1999.

## PERSONAL BACKGROUND

Vike-Freiberga was born in the Latvian city of Riga on 1 December 1937. During World War II (1939–45), she fled with her family to refugee camps in Germany. After the war, the family emigrated to Morocco and, in 1954, to Canada. Vike-Freiberga earned bachelor's and master's degrees in psychology from the University of Toronto. She went on to receive a doctorate in experimental psychology in 1965 from McGill University in Montreal.

Vike-Freiberga is fluent in Latvian, French, English, German, and Spanish. From 1965 until 1998, she was a professor of psychology at the University of Montreal. She lectured on psychopharmacology, psycholinguistics, theory of science, and experimental methods. Vike-Freiberga has published numerous professional articles and books. She is best known among Latvians for her studies of the poetic character and structure of Latvian folksongs.

In 1998, Vike-Freiberga assumed leadership of the Latvian Institute, a private nonprofit group that promotes Latvian culture and interests in the international community. She has headed various professional societies and has received numerous awards from Western, as well as Latvian, organizations.

She is married to Imants Freiberga, who teaches computer science at the University of Quebec at Montreal. They have a daughter, Indra, and a son, Karlis.

## RISE TO POWER

Latvia's president is elected by the Saeima. Of the 100 deputies, 51 votes are required for election. Vike-Freiberga emerged as the surprise winner, with 53 votes. She won after a 14-hour marathon session in the seventh round of balloting. None of the initial candidates proved capable of finding support outside their own parties in the first five ballots. Even as candidates dropped out of the race, many parties chose to abstain or vote against all candidates rather than support the remaining ones. After the fifth round, all the original candidates had withdrawn. Vike-Freiberga's victory came after the center-right People's Party, the right-wing Fatherland and Freedom/LNNK Party, and the left-wing Social Democratic Party joined together to support her candidacy.

## LEADERSHIP

Vike-Freiberga is the first woman to be elected president in any of the former Soviet republics. As a professor at a French-speaking university, she knows the challenges faced by linguistic minorities. Furthermore, her desire to maintain close ties to Latvia and Latvians during the Soviet era, and her criticism of the authoritarian tendencies of some emigre Latvians, resulted in her being labeled a leftist by conservative emigres. She seems prepared to tackle the challenges of being a Westerner and a woman leading a post-Soviet society in which women are often treated patronizingly.

Two major issues demanded her immediate attention. First, the Saeima overwhelmingly approved a new language law, which Western and Russian leaders criticized for the restrictions it placed on the use of languages other than Latvian in business affairs. By making Latvian the official state language, Vike-Freiberga hopes to seek a way to improve unity in business and state institutions within the country. Criticism led the Saeima to loosen some restrictions; however, as of 2003, Latvian remains the official language of state. Continuing criticism from Russia and the West has been

balanced by EU support for the nation's right to choose their own official language. Vike-Freiberga, a noted linguist who already speaks five languages fluently, has acknowledged the upset and concerns of the Russian population by studying Russian.

### DOMESTIC POLICY

Debate over the citizenship issue has abated somewhat since the rules on naturalization were passed. Many non-Latvian residents eligible for citizenship, however, denounce the pace at which naturalization is proceeding. Conservative groups, on the other hand, have failed in their attempts to slow the process even more. The issue retains its resonance among a large segment of the population. The 1999 amendments to the language law stirred up the issue once again.

Latvia's economy had been growing steadily until Russia's economy collapsed in 1998. The decline in trade with Russia caused the economy to contract. In the long term, Latvia faces a problem in imports growing much more quickly than exports. The Russian crisis also scared away potential foreign investors. The unemployment rate grew to 10% by March 1999 as a result of privatization and the economic contraction, but had abated somewhat by 2001, when it was an estimated 7.6%. Inflation has also been tamed, falling to an estimated 2% in 2002.

### FOREIGN POLICY

Because of its size and location, Latvia places great faith in multilateral organizations to preserve its independence and increase its prosperity. Latvia joined the EU in April 2003 and is a member of the United Nations (UN), the International Monetary Fund (IMF), the World Bank, the Council of Europe, the Organization for Security and Cooperation in Europe (OSCE), and the Nordic Council. Latvia was one of the founding members of the Council of Baltic Sea States. Close economic and political cooperation with the West, particularly the Scandinavian countries, is a major goal. Long-term policy goals shared by all major political parties includes full membership in the North Atlantic Treaty Organization (NATO).

Russia will always have a significant influence on Latvia by virtue of its political, economic, and military presence. Although Russia completed its troop withdrawal in August 1994, relations between the two nations remain strained. Despite repeated findings by impartial investigations that the human rights of ethnic Russians are not being violated, the Russian government continues to accuse Latvia of committing such violations. The repeated accusations have tarnished Latvia's international reputation. The two countries signed a border treaty in October 1997 once Latvia dropped

its claim to land annexed by the USSR in 1944. However, that treaty has not been ratified by the Russian Parliament and thus not yet implemented.

Latvian governments in the post-Soviet era have consistently sought admission to NATO. Russian leaders object strenuously, however, and Western leaders fear offending Russia. Though, it appeared that all of the former Soviet republics, including Latvia, faced difficulty in receiving an invitation to join, Latvia did receive an invitation to join in November 2002 at the Prague Summit.

The three Baltic states have ceased to cooperate as they did in their struggle to leave the Soviet Union. They have not coordinated their foreign policies to a beneficial degree and have fallen into disputes amongst themselves. Latvia and Estonia have quarreled over fishing rights in the Baltic Sea. While a significant sea border dispute between Lithuania and Latvia has been resolved, questions about possible oil exploration rights remain.

There have, however, been some areas of cooperation. In 1993, all three Baltic States signed a free trade agreement, abolishing tariffs on most nonagricultural goods and establishing common customs and visa regulations. In 1994, the three countries declared a free trade area for industrial goods effective in the Baltic States.

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Profile researched and written by Andrejs Penikis, Columbia University (12/99); updated by Laura Fanelli (4/03).

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# LEBANON

## Emile Lahoud President

(pronounced “AYE-meel LA-hood”)



*“I have few promises, many tasks, and much hope. I will try my best to be the example in every aspect called for by duty, requested by the law, and made inevitable by responsibility.”*

The Republic of Lebanon is located in the Middle East, bordered on the north and east by Syria and on the west by the Mediterranean Sea. Lebanon’s area is 10,452 sq km (4,036 sq mi). The population was estimated at 3,677,780 in 2002. Arabs are the predominant ethnic group. Armenians, Assyrians, and Kurds constitute small minorities. Nearly all Lebanese are Muslims or Christians. Most of the Muslims, who comprise 70% of the population, belong to either the Sunni or Shia sects. In the 1980s, the Shia became the largest single religious group. The majority of Lebanon’s Christians belong to the Maronite Church, an eastern branch of Roman Catholicism. Arabic is the official language, but French and English are widely used as second languages.

Lebanon’s service-oriented economy depends on banking, trade, and finance as the chief sources of income. The agricultural and manufacturing sectors, though smaller, are important as producers of exports. After the devastation of several years of civil war, the economy has recovered robustly. Gross domestic product (GDP) was estimated at us\$18.8 billion in 2001, more than doubling in size since 1993. The Lebanese unit of currency is the *pound*.

### POLITICAL BACKGROUND

Lebanon’s Constitution, promulgated in 1943, vests legislative powers in a unicameral legislature, the *Majlis al-Nuwab* or National Assembly, whose members are elected to four-year terms. The Constitution also mandates an executive branch and an independent judiciary. The president of the republic and a prime minister head the executive branch and collaborate to form a government. Members of the National Assembly elect the president for a single six-year term. The president, in consultation with the speaker and members of the assembly, appoints a prime minister and a cabinet who are responsible to the Assembly. An unwritten agreement, reached in 1943, provides the formula for power sharing between the Muslim and Christian communities. The president is always a Maronite Christian, the prime minister a Sunni Muslim, and the speaker of the assembly a Shia Muslim. Cabinet portfolios are allocated proportionate to the different religious groups’ representation in the National Assembly. Political parties in Lebanon are identified with particular religious affiliations, and attempts to form national parties have generally failed.

Constitutional reforms enacted in 1990 granted greater political power to Lebanon’s Muslim majority. The 128-seat assembly and cabinet portfolios are now equally divided

among Muslims and Christians. Moreover, the powers of the president have been significantly reduced in favor of the cabinet and prime minister, who serves as the head of the government. The new constitutional division of power among the president, prime minister, and parliamentary speaker is seen as creating a semi-official ruling “troika.”

These reforms follow several years of civil strife that erupted in the 1970s. The conflict was caused by the problems created by a large Palestinian refugee presence in the country and the emergence of a Muslim majority demanding a greater voice in the constitutional order. From 1975 to 1990, a civil war wracked the country, pitting Lebanon’s Muslims and their Palestinian allies against the Christians. During this period, the country endured foreign military interventions and disruption of normal governance as rival militias, representing religious factions, battled for control. A Syrian-dominated Arab Deterrent Force arrived in 1976, but failed to impose a lasting settlement.

In 1982, an Israeli invasion forced Palestinian guerrillas from their strongholds in Lebanon. An incomplete withdrawal left a 15 km (9 mi) strip of southern Lebanese territory under Israeli occupation. In September 1988, a divided assembly failed to choose a replacement for outgoing president Amin Gemayel. When his term expired, Gemayel appointed the Maronite army commander, General Michel Aoun, to head an interim military government. Claiming this government violated the 1943 agreement, Muslim Prime Minister Selim al-Hoss, declared his government the only legitimate authority. In March 1989, Lebanese troops loyal to Aoun clashed with Syrian forces. Urgent mediation efforts by Arab countries followed. A “charter of national reconciliation” was proposed to end the civil war. Members of the assembly then met in Taif, Saudi Arabia, to approve this charter. The Taif agreement called for constitutional changes, the disbanding of militias, and reconstituting the factionalized Lebanese army into a unified force capable of maintaining internal security. In November 1989, the assembly ratified this agreement and elected a new Maronite president, Reni Mouwad. Aoun, who opposed the agreement because it did not stipulate the withdrawal of Syrian forces from Lebanon, declared himself president. Mouwad was soon assassinated and the assembly elected Elias Hrawi as his successor. The Taif accords opened deep fissures in Christian ranks. Violence between the Aoun-led “rejectionists” and “accommodationists” eventually resulted in Aoun’s defeat in 1990 by joint Syrian-Lebanese military action.



Lebanon's return to relative normalcy is credited to the Taif accord. Most militias have been disbanded and the Lebanese army has successfully reasserted the government's authority. The improved political and security climate has buoyed investor confidence. However, the Syrian-dominated order has not yet consolidated support among the Maronite community, which remains uneasy with its diminished political power and Syria's role in Lebanon.

The first legislative elections in 20 years were held in 1992. Rafik Hariri was appointed prime minister. In 1995, Hariri resigned after a dispute with assembly speaker, Nabih Berri, over a constitutional amendment allowing President Hrawi to serve a second term. A Syrian-backed compromise cleared the way for Hariri's reappointment as prime minister and passage of a constitutional amendment extending Hrawi's term for three years. On 15 October 1998, the National Assembly unanimously elected Emile Lahoud to succeed Hrawi as president.

### PERSONAL BACKGROUND

Emile Lahoud was born on 12 January 1936 to Jamil Lahoud and Adrinei Bajakian in the Christian enclave of Baabdat. He completed his secondary education at Broummana High School and then entered the Military College as a student officer in 1956. A year later, he left for Great Britain to attend the prestigious Dartmouth Naval Academy. Upon graduating, Lahoud received his commission as an officer in the Lebanese navy.

Lahoud comes from a prominent Maronite family, with a history of public service. His father, Jamil Lahoud, helped to build Lebanon's army and later served in the National Assembly, and as minister for social and labor affairs. In 1970, he ran unsuccessfully for president.

Lahoud is described as an austere "workaholic" who shuns the spotlight. He is said to believe in maintaining high standards of professional conduct and respect for the law. As a military officer, Lahoud earned a reputation for eschewing political or sectarian partisanship.

Married to Andrie Amadounian since 1967, Lahoud has two sons and a daughter. He is fluent in Arabic, French, English, and also speaks Armenian. Lahoud is technically oriented, reads avidly, and is well informed on international issues. Athletically inclined, he enjoys swimming, diving, and fast cars.

### RISE TO POWER

Lahoud began his military career as a naval officer, commanding patrol boats and landing vessels. In 1970, he was transferred to the fourth army division as transportation chief. Three years later, Lahoud was assigned to the army command in Yarze. In 1980, he was promoted to colonel and appointed army personnel director. In 1983, Lahoud became chief of military affairs in the Ministry of National Defense. Promoted to major general in 1985, he briefly served as a deputy to General Aoun, the army commander. Aoun's decision to launch a "liberation war" against Syrian forces in Lebanon in 1989 prompted Lahoud to resign from his official



duties. Reportedly dismayed by Aoun's ill-conceived actions, and by the disintegration of Lebanon's army into hostile sectarian camps, Lahoud retreated into private life. Later that year, he was called back to service.

In November 1989, the government of Prime Minister Salim al-Hoss made Lahoud a general and appointed him army commander. He was charged with the task of rebuilding Lebanon's fragmented army. By all accounts, Lahoud successfully accomplished a task many thought impossible. He built an integrated, well-trained military force and ended political and religious interference in its ranks. Most analysts credit Lahoud's record of achievement as army commander for his subsequent elevation to the presidency.

By early 1998, it was unclear whether Hrawi's term, due to expire in October, would again be renewed. He had proven to be a weak leader, and his standing among Maronites was low. Other declared candidates seemed unlikely to win Syria's approval. Lahoud's name surfaced as a potential successor who would be acceptable to the Syrians and have credibility in the Maronite community. His reputation for political neutrality was a further asset. In an early October meeting between Hrawi and Syrian President Hafiz al-Assad, Lahoud was confirmed as Hrawi's preferred replacement. However, certain constitutional obstacles remained. On 13 October, the assembly introduced a unique amendment to the constitutional clause requiring senior public servants to leave office two years before running for president. Two days later, Lahoud was unanimously elected president by the National Assembly. On 24 November 1998, he was sworn in as Lebanon's eleventh president. The election represented the country's first peaceful transition of power in nearly 30 years.

## LEADERSHIP

Lahoud is regarded as a capable and honest administrator. He enjoys broad public and parliamentary support. Perhaps more importantly, he is supported by Syria. Consequently, Lahoud can claim a firm mandate for implementing much-needed reforms, tackling the problems of widespread corruption and entrenched sectarianism that plague Lebanon's public administration. Lahoud is also expected to provide a stronger voice for the Maronite community, which has felt increasingly marginalized in the country's new political order. Several prominent Maronites have welcomed Lahoud's election. Others have dismissed him as Syria's Lebanese satrap. Clearly, Lahoud's ability to fulfill his mandate depends on his influence in the ruling troika and will be constrained by the need to consider the interests of the country's religious communities and Syria. Forming a new government presented Lahoud with his first leadership test.

In the previous government, Prime Minister Hariri was the dominant figure in the troika leadership, but was often at odds with Hrawi and Speaker Berri. These disputes, resolved only after Syrian mediation, underscored perceptions that the troika system created stalemates in leadership and hindered effective government. The troika's shortcomings may have helped strengthen Lahoud's hand and restored some of the presidency's old clout. Lahoud's cabinet choices suggest that he will exercise more influence in the new government than his predecessor. Hints of this shift were evident in the run-up to naming the cabinet when Lahoud and Hariri disagreed on the cabinet's composition. After consultations with assembly members, Lahoud reappointed Hariri as premier. Hariri refused the offer, even though a clear majority in the assembly backed his selection. Hariri accused the president of a constitutional breach, violating the Taif accord. He claimed that some assembly members had delegated Lahoud to choose the prime minister on their behalf, granting the president unconstitutional authority. Arguably, Hariri's decision may have been prompted by recognition of new limits on his influence. On 1 December 1998, Lahoud appointed Salim al-Hoss to be the new prime minister and head of a reform-minded cabinet. But following the September 2000 parliamentary elections, Lahoud agreed to reappoint Hariri as prime minister.

## DOMESTIC POLICY

Since the civil war ended, Lebanon's reconstruction has been the government's top priority. Hariri's administration emphasized economic infrastructure development, embarking on ambitious building and public works projects. To fund this effort, the government borrowed heavily. Although the government ran up huge deficits, by 2000, much of the civil war damage had been repaired and many foreign investors had returned.

Unfortunately, the social and political divisions that caused the conflict have yet to be resolved. Sectarian tensions and unease about Syrian and other external influences continue and the Lebanese Forces (LF) are still banned. In the late 1990s, the government took action against Sunni Muslim extremists in the north who had attacked its soldiers, and it continues to move against groups such as Asbat al-Ansar, which has been linked to Osama bin Laden's al-Qaeda network. Although a number of Syrian troops withdrew from

Lebanon since 2001, an estimated 18,000 Syrian troops remained in position in many areas of Lebanon in 2002.

Lahoud's administration has continued, although somewhat unsuccessfully, to push for efforts to abolish the "confessionals" system of government that continues to link political parties to religious affiliation. Religious affiliation and political practice have been intrinsically linked since the 1943 unwritten agreement that allocated political power in the confessional system, which was based on the 1932 census. Many of the provisions of the national pact were codified in the 1989 Taif Agreement, perpetuating sectarianism as a key element of Lebanese political life. The system is still so strong that it is nearly impossible to win a political office without solid support from a particular religious group. Under the agreement, public offices are based upon religious lines so that the president must be a Maronite Christian, the prime minister a Sunni Muslim, and the president of the National Assembly, a Shia Muslim. Lahoud has called the confessional the countries "greatest flaw" in that it "distorts religion, gives rise to instinct, diverts politics, protects corruption and dissensions. It hinders evolution and progress, so that it becomes vain to think of this nation's future, or its people's right to a peaceful life, as long as confessionalism is used as a tool to attain high positions."

Economic and administrative reforms have been extremely important in Lahoud's administration. The government has maintained a firm commitment to the Lebanese pound, which has been pegged to the U.S. dollar since September 1999. In late 2000, the government substantially reduced customs duties, adopted export promotion schemes for agriculture, decreased social security fees and restrictions on investment in real estate by foreigners, and adopted an open-skies policy. In 2001, the government increased gasoline taxes and approved a value-added-tax, effective in February 2002. A decrease in government expenditures was also approved. In 2002, the government began to focus on tax reforms and modernization, expenditure rationalization, privatization, and improved debt management. In 2003, Lebanon's public debt was \$31 billion, equal to approximately 180% of gross domestic product. Parliament approved the 2003 budget that January, with plans to cut the deficit to \$1.41 billion. This would be accomplished by cutting spending by 10% and increasing revenue by 16%. In approving the budget, the government agreed to drop plans to tax civil service pensions and severance payments. However, it agreed to impose a 5% interest tax on savings accounts and Treasury bonds. At the center of the budget negotiations was a debate over the privatization of mobile phone networks.

## FOREIGN POLICY

Observers anticipate little change in Lebanon's external policies under Lahoud. Since the passage of the Taif accord, Lebanon and Syria have moved closer, formalizing mutual security ties. Although it is clear that Syrian troops will remain in Lebanon until a comprehensive peace treaty between Israel and Syria is reached, a number of Syrian troops have withdrawn from Lebanon since 2001. In public statements, Lahoud supported resistance against Israel's occupation of a so-called "security zone" in southern Lebanon. He rejected a separate peace with Israel and reiterated his commitment to a coordinated Syrian-Lebanese

stance on negotiations that included an Israeli pullout from Syria's Golan Heights.

Lebanon's security and stability highlighted problems facing the government in 1999. Even though a consensus in Israel favored an Israeli withdrawal from the "security zone," the cycle of attacks and reprisals continued in the area throughout the year. Early in the year, retaliatory Israeli air strikes against Hezbollah strongholds occurred. The clashes escalated after a guerrilla ambush killed an Israeli general. The government rejected an Israeli demand to disarm the guerrillas. Prime Minister Hoss also denied reports alleging secret peace talks with Israel, which sought security guarantees from Lebanon in exchange for withdrawal from the "security zone." Aware of Syrian interests, the Hoss government insisted that it would not strike a separate deal, and that the Israeli withdrawal would occur only within the framework of a comprehensive peace settlement involving Syria. Israel unexpectedly and unilaterally withdrew from southern Lebanon on 24 May 2000. However, the ownership of the Shabaa Farms remained in dispute—Israel captured the region from Syria during the 1967 Arab-Israeli war, but it is claimed by Lebanon. The UN holds that the Shabaa Farms belongs to Syria, and that Syria and Israel should negotiate its fate. In February 2003, Israeli warplanes flew over the Shabaa Farms, to be met by anti-aircraft weaponry of Hezbollah. Also, that January, Hezbollah and Israeli forces exchanged fire over the region.

In 2001, Lebanon completed negotiations on an association agreement with the European Union, beginning the accord in January 2002. Lebanon has bilateral trade agreements with several Arab states and is in the process of accession to the World Trade Organization (WTO). In March 2002, Lebanon served as host to the Arab League Summit for the first time in more than 35 years; the delegation representing Palestine left the summit when Lahoud adjourned the opening session without allowing Yasser Arafat to address the assembly by satellite.

In March 2001, Lebanon began to divert waters from the Wazzani River, which eventually feeds into Lake Kinnneret (Lake Tiberias or the Sea of Galilee), a major source of Israel's water supply. In September 2002, Israeli Prime Minister Ariel Sharon declared any attempt to divert water from Israel would be a cause for war.

In February of 2003, Lebanon warned Israel against expelling Palestinians to Lebanon if war were to break out in Iraq. Israel stated it had no such plans. As of early 2003, there were 350,000 Palestinian refugees in Lebanon.

Lebanon also is a member of the Organization of Islamic Conference and maintains a close relationship with Iran, largely centered on Shia Muslim links.

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# LESOTHO

**Pakalitha Mosisili**  
**Prime Minister**

(pronounced “PAK-a-leeth-a mo-see-SEE-lee”)

*“Peace and stability are essential preconditions to economic development . . .  
Our geographical position within South Africa eliminates chances for an external threat.  
Our enemies are therefore internal.”*



The Kingdom of Lesotho (pronounced “leh-SOO-too”) is a landlocked enclave of 30,355 sq km (11,720 sq mi), surrounded by the Republic of South Africa. It is a country of rugged mountainous terrain, dissected by deep river valleys at elevations of 8,100 to 17,700 m (approximately 5,000 to 11,000 ft) above sea level.

Most Basotho, as the people of Lesotho are called, are of southern Sotho origin and speak Sesotho, a Bantu language. English is the official language, but many Basotho are also fluent in other southern African languages or Afrikaans. Europeans, Asians, and people of mixed origins constitute less than 1% of Lesotho’s citizens.

Lesotho’s population was estimated at 2.2 million in July 2002. Over 80% of the resident population engages in subsistence farming, but agriculture accounts for just 20% of gross domestic product (GDP) and basic foodstuffs must be imported. Most of Lesotho’s arable land is in the west of the country, with high population densities reaching 200 per sq km (500 per sq mi). The result of the geographic constraints, combined with the growing population and periodic droughts, has been land shortage, soil erosion, and falling agricultural productivity. Maize is the staple crop. Sorghum, beans, dry peas, oats, and sunflower oil are also cultivated. Summer wheat is the only export crop for Lesotho, most going to South Africa. Cattle exports, along with wool and mohair, also contribute to the agricultural earnings of the country, though this sector of the economy is underexploited.

Lesotho’s major export continues to be laborers to South African mines, farms, and industry; roughly 35% of Lesotho’s adult male wage-earners work in South Africa. Up to 60% of annual household income is derived from migrant remittances, which also represent 45% of Lesotho’s gross national product. Water export to South Africa from the Lesotho Highlands Water Project (LHWP) is achieving greater and greater importance in the country’s earnings. Revenue from Lesotho’s customs and monetary union with South Africa (the Southern African Customs Union) also constitutes a substantial portion of government income. In addition, foreign aid from international donors has also been a vital source of sustenance. With no exploitable mineral resources and only small-scale industries, Lesotho seeks to attract tourists with its casinos and spectacular mountains, which offer winter snow and skiing. Lesotho’s unit of currency is the *loti*.

## POLITICAL BACKGROUND

Lesotho coalesced in the early nineteenth century under the leadership of a shrewd diplomat and warrior, Moshoeshe I, from remnants of peoples displaced by an expanding Zulu kingdom. The nation became known as Basutoland when it accepted British protection in 1868. Colonial rule prevented the country from incorporation within South Africa, but left it economically destitute and politically unstable. With its most fertile land lost to the Orange Free State province of South Africa, the Basotho were compelled to eke out a living in the rugged mountainous terrain. Excessive plowing and grazing, torrential rains, and protracted droughts caused serious erosion and rapid deterioration of the arable land.

Independence from British colonial rule was not gained until 1966. Since then Lesotho has experienced a chaotic governing situation. The 1966 Constitution took the form of a parliamentary system with a constitutional monarch, Moshoeshe II, serving as head of state. It provided for an independent judiciary and public service commission and included a comprehensive Bill of Rights. Executive power resided in the elected prime minister, Leabua Jonathan, and a cabinet staffed by the conservative Basotho National Party (BNP), which won the 1965 preindependence election. Strong parliamentary opposition came from Ntsu Mokhele’s Basutoland Congress Party (BCP) and the royalist Marematlou Freedom Party (MFP). Despite losing the 1970 election, Leabua Jonathan remained in power with support from the paramilitary police unit and the South African government. Jonathan’s civilian rule by decree persisted until 1986.

Worsening civil strife, a mutiny over pay and conditions of service in the paramilitary force, South African commando raids on African National Congress installations in the capital city of Maseru, and a South African economic embargo precipitated the seizure of power by Metsing Lekhanya in 1986. Acting with the approval of the South African government, and buoyed by popular disgust with the old regime, Lekhanya replaced the civilian autocracy with a military dictatorship disguised as a coalition regime with the independent-minded monarch Moshoeshe II. A six-member military council presided over a council of ministers, which included 15 civilian politicians drawn from various partisan backgrounds and three military officers.

Lekhanya’s popularity and credibility were gradually undermined by his own actions and by changes in the regional environment beyond his control. Rapid reform in

South Africa after the release of Nelson Mandela made foreign aid donors more willing to require democratization as a condition for further assistance. Having promised to return Lesotho to civilian rule, Lekhanya could no longer suppress popular criticism and dissent from an outspoken popular press. Controversy raged around Lekhanya's dethroning of Moshoeshe II and installing the 27-year-old heir Letsie III with only ceremonial duties.

In 1991, Lekhanya was forced to resign at gunpoint by soldiers who had been unsuccessful in their attempts to gain wage increases. Colonel Phisoana Ramamema, the least visible member of the ruling junta, was thrust into power. He presided over a process of constitutional and economic restructuring that permitted the return of Lesotho to civilian rule with a small budget surplus.

Elections in 1993 brought Ntsu Mokhele to power. The BCP won all 65 seats in the National Assembly. In August 1994, King Letsie III announced the suspension of the Constitution and the dissolution of the Mokhele government. Opposition to this move was widespread and daily affairs came to a standstill. Representatives from Botswana, South Africa, and Zimbabwe were called upon to resolve this crisis. Their plan resulted in the reinstatement of the Mokhele government, the abdication of Letsie III (who assumed the role of crown prince), and the reinstatement of King Moshoeshe. Although Letsie III was returned to the throne after the death of Moshoeshe in a 1996 auto accident, he pledged not to involve the monarchy in political life. In 1998, the ailing Mokhele announced his retirement, paving the way for his deputy, Pakalitha Mosisili, to assume leadership.

## PERSONAL BACKGROUND

Bethuel Pakalitha Mosisili was born on 14 March 1945 at Qacha's Nek, Lesotho. He is an educator with bachelor of arts, master of arts, and master of education degrees in linguistics and education. For more than 10 years, Mosisili was a lecturer at the University of Lesotho (1972–83). He also taught at three South African universities: University of Fort Hare (1983–84), University of Transkei (1985–88), and University of Zululand (1989–93). In addition to his university teaching positions, Mosisili acted as external examiner in African languages and pedagogy for various universities. He maintains active membership in several academic associations, including the Lesotho Educational Research Foundation, African Languages Association of Southern Africa, and the Southern African Pedagogical Society. He is married and has two daughters and two sons.

## RISE TO POWER

Mosisili joined the Basotholand Congress Party of Ntsu Mokhele in 1967 and remained an active party member for the next 30 years. In 1993, he was elected to Parliament, representing his birthplace, Qacha's Nek. From 1993 until 1995 Mosisili held the minister of education portfolio. In February 1995 he was promoted to the post of deputy prime minister. Fearing a defeat in upcoming BCP elections, Mokhele led a mass walkout in 1995 and formed the Lesotho Congress for Democracy (LCD). A majority of the BCP Members of Parliament (MPs) followed Mokhele, including Mosisili, who was named deputy leader of the new political party. He became heir-apparent to the aging Mokhele and



held three ministerial portfolios (deputy prime minister, minister of home affairs, and minister of local government) from 1995 until 1998. When Prime Minister Mokhele announced his unexpected retirement from public life, the way was clear for Mosisili to assume leadership of the LCD. His party scored a landslide victory in elections held on 23 May 1998, winning 79 of 80 seats in Parliament. Mosisili was sworn in as the new prime minister.

## LEADERSHIP

The country's political, economic, and social woes are enormous. The most immediate concern faced by Mosisili on taking office was the crisis created by his party's victory in the May 1998 elections. Allegations of vote rigging led to mass demonstrations. In response, Mosisili agreed to the appointment of a regional committee to investigate these charges. The South African deputy president, Thabo Mbeki, led an investigative team which reported "serious concerns" about the voting, but did not recommend that the election be invalidated. Demonstrators and opposition party leaders indicated that they did not accept the Mbeki mediation effort. Instead, they called for the immediate removal of Mosisili and the formation of a new unity government.

As protests grew increasingly violent and the Mosisili government appeared to be losing control of its military, South African troops were asked to restore order. With little public support, the intervention proved more difficult than expected. The troops met fierce resistance from Lesotho's mutinous army, resulting in 60 deaths and over us\$150 million in property damage.

Once order was restored, a multiparty Interim Political Authority (IPA) was established to prepare for the next general election, in May 2002. Besides setting electoral rules and regulations through the development of an Independent Electoral Commission, voter registration and education have been priorities of the IPA. Mosisili has reportedly been extremely critical of the IPA since its inception.

In 2003 the Basotho National Party (BNP) proposed a coalition government, which it referred to as a "government of national unity." As part of the proposed coalition, the BNP demanded that their members be given the cabinet positions of minister of law and constitutional affairs and minister of natural resources. Mosisili rejected this proposal, stating that while nine opposition parties were represented in the current mixed member proportional national assembly, none of those parties had enough members to be designated an official opposition party.

### DOMESTIC POLICY

Following the 1998 election and its related civil unrest, the economy in Lesotho dropped dramatically, putting the country into its first major recession in 20 years. Even with help from international organizations, economic growth has been slow. Unemployment was at about 45% in 2000 and the per capita GDP was only US\$2,450 in 2001. The Lesotho Highlands Water Project (LHWP), which permits the sale of water to South Africa, has thus become increasingly important in government planning and revenue calculations. These revenues now amount to about US\$40 million per year. In July 1998, the World Bank approved construction of the Mohale Dam, the second of five dams to be constructed. The project has created great consternation in many quarters as it emphasizes a supply response to South Africa's water concerns rather than conservation efforts. Within Lesotho, thousands of people have been displaced by the Katse Dam, and there has been little success in creating new incomes for these families.

A second government response to unemployment has come in the form of increased attention to tourism and focus on education for its citizenry. Lesotho has a high literacy rate (85%), and its laborers have an excellent reputation in South Africa. The government has attempted to use these advantages to attract manufacturing capital, combined with tax inducements and duty-free access to the European Union (EU) and Southern African Development Community (SADC) markets. Attempts have also been made to encourage South African firms to relocate by offering various incentives to do so.

Despite the poor quality of most of Lesotho for arable cultivation, about 86% of the population depends on agriculture for subsistence. Drought, soil erosion, insecure land tenure, and poor farming practices have led to a sharp drop in revenue.

Lesotho, which once boasted one of the highest life expectancy ratings in the Southern African region, has recently been ranked as 127th out of 174 countries on the Global Human Development Index. In 2002, average life expectancy was 47 years. The HIV/AIDS pandemic and bouts of famine are serious detriments to the health of the population. A 2003 South African report put Lesotho's HIV/AIDS infection rate at 31%. Mosisili is currently in the

process of applying with the International Monetary Fund for a three-year program of aid under its Poverty Reduction and Growth Facility.

Early in 2003, Prime Minister Mosisili realigned the government ministries, increasing the total number of ministers and assistant ministers from 20 to 24 and creating a new Ministry of Forestry and Land Reclamation. The aim of these changes, he stated, was to help his nation meet the challenges of HIV/AIDS, poverty and unemployment. He also stressed the importance of practical training in educating a population able to meet the technological demands of the modern world.

### FOREIGN POLICY

External affairs will always be dominated by Lesotho's relationship with the Republic of South Africa. Geography alone requires this domination as the country is surrounded on all sides by the Republic. Still poorly developed in transportation infrastructure, Lesotho has relied heavily on South African road and railway outlets. The Lesotho Highlands Water Project, negotiated in 1980 and officially signed in 1986, has drawn the two countries closer together. Diplomatic relations at the ambassadorial level were established in May 1992. During the South African apartheid era, sharp tensions were inevitable. This situation ended when the apartheid system was dismantled in 1994 with the election of Nelson Mandela to the South African presidency. Problems continue over cross-border cattle thefts and unresolved land claims in South Africa's Orange Free State.

In late 1995, South Africa announced a new policy of granting permanent residency rights to migrant workers. This policy change could have a very negative impact on Lesotho's revenue figures. The compulsory Lesotho Deferred Payment Scheme, set up in 1974, initially gave the Lesotho government access to 60% of migrant laborers' wages (this was reduced to 20% in 1990) in a general account deposited every month in Lesotho Bank. This money is then available for the government's short-term use until the worker returns. The scheme is currently under study, with the National Union of Miners calling for its abolition, and will in all likelihood be phased out in the near future, a further blow to Lesotho government revenues.

Lesotho is a member of the Southern African Development Community (SADC), the Southern African Customs Union (SACU), the United Nations, the Organization of African Unity, the Nonaligned Movement, and many other international organizations.

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# LIBERIA

Charles Taylor  
President

(pronounced "CHAR-els TAY-lor")



*"In spite of the glaring and incontrovertible evidence of the horrors being perpetrated against the people of Liberia, the most powerful nations on Earth, who by their outright condemnation would give the terrorists and their supporters reasons to pause, have chosen to remain silent."*

The Republic of Liberia is located on the Atlantic coast of the African continent and is bordered to the northwest by Sierra Leone, to the north by Guinea, and to the east by Côte d'Ivoire. It occupies a total area of 111,370 sq km (43,000 sq mi).

As of July 2002, Liberia was home to an estimated 3,288,198 people, however owing to civil war and continuing rebel insurgency, some 200,000 refugees and 130,000 internally displaced persons (IDPs) are away from their homes. Over 95% of the population is ethnically indigenous African, drawn from more than two dozen groups; the remaining 5% are Americo-Liberians, descended from nineteenth-century settlers from the United States who founded a colony near what is now the capital of Monrovia. English is the official language and is spoken by approximately 20% of the population. The majority of Liberians profess traditional African beliefs while approximately 20% are Muslim and 10% are Christian.

The economy continues to sputter as the result of civil war and mismanagement. Statistics are unreliable, but per capita gross domestic product (GDP) was estimated to be US\$1,100, with 80% of the population living in poverty and inflation of 8% in 2001.

## POLITICAL BACKGROUND

The Republic of Liberia has its origins in a nineteenth-century effort to create a colony in Africa for the increasing numbers of freed slaves from the United States, coupled with missionary desires to gain a foothold in the region. In 1822, a settlement was established near what is now Monrovia. As more settlers arrived the territory grew, both through annexation of neighboring settlements and through the subjugation of indigenous peoples. The Free and Independent Republic of Liberia was declared on 26 July 1847.

The Liberian government has historically been patterned after that of the United States, and its Constitution echoes that of the United States as well. The country's president is elected to a renewable six-year term by universal suffrage. Its legislature is the bicameral National Assembly, which is composed of a 26-member Senate and 64-member House of Representatives.

One of the most notable characteristics of the Liberian state prior to 1980 was its basis of privilege. Political and economic power was wielded by the minority elite Americo-Liberians (about 50 extended families), who were directly descended from the former U.S. slave settlers. The intro-

duction of universal suffrage in the 1940s did little to shift the balance of power, since few of the newly enfranchised bothered to vote.

The "evolution of privilege," as coined by the late Professor J. Gus Liebenow, received its wake-up call from William Tubman, the True Whig candidate who was elected president in 1944. Until his death in 1971, Tubman introduced reforms intended to eliminate social and economic discrimination against indigenous Liberians. Tubman was succeeded by his vice president, William Tolbert. Tolbert held office until 1980, amid increasing pressure from indigenous Liberians to speed up the pace of reforms. In 1978, the Progressive Alliance of Liberia was formed, representing the first significant opposition to the government. In April 1979, riots and looting broke out in response to a government plan to increase the retail price of rice. The now infamous rice riots led to Tolbert's assumption of emergency powers. In April 1980, Tolbert was assassinated in a coup led by Master Sergeant Samuel Doe. On assuming power as chairman of the People's Redemption Council (PRC), Doe suspended the Constitution and proscribed all political parties.

Thus began a decade of political and institutional upheaval in Liberia. Sergeant Doe, an illiterate career soldier, unleashed a reign of terror, during which summary executions became routine. In 1981, a commission was appointed to draft a new Constitution, and it was announced that a return to civilian rule would occur by 1986. In July 1984, the new Constitution was approved by 78% of registered voters. In the same month, Doe dissolved the PRC and appointed an interim National Assembly. In August, Doe founded the National Democratic Party of Liberia (NDPL) and announced his candidacy for the presidency. He also lifted the ban on political parties.

By 1985, almost a dozen political parties had been created, but they experienced significant legal obstacles in attempting to complete the registration process for the upcoming elections. Elections took place in October after a fractious campaign where opposition leaders were detained, and opposition parties proscribed. Doe won the election with 50.9% of the vote, and the NDPL won 22 of the 26 Senate seats and 51 of the 64 seats in the House of Representatives. The elections were widely regarded as fraudulent, and several analysts consider them to have been the catalyst for the violence that followed.

On 24 December 1989, an armed insurrection began in the northeastern border region of Nimba County. The rebels



were members of the previously unknown National Patriotic Front of Liberia (NPFL), an opposition group led by Charles Taylor, a former government official in the Doe administration. Nearly seven years of war ensued. Weary of fighting, Liberians went to the polls in June 1997 and elected Charles Taylor president.

In May 2000, the opposition, led by Dr. Togba-Nah Tipoteh, formed a loose coalition of eleven entities called the Collaborating Political Parties (CPP), which aimed to present a common candidate in 2003. In mid-2001, several key opposition leaders including Ellen Johnson-Sirleaf met in Abuja, Nigeria, to discuss political strategies. The opposition has made a number of demands before going to the elections, including restructuring the armed forces according to the Abuja Accords, holding elections for chiefs and mayors, conducting a new census, dissolving NPP party cells in the civil service, stopping illegal funding of the NPP, guaranteeing opposition parties equal air time and reconstituting the elections commission (ECOM). Political activity upcountry on the part of the opposition remains extremely risky.

An insurgency led by Liberians United for Reconciliation and Democracy (LURD) threatened to derail elections, and following an outbreak of fighting within 80 km (50 mi) of Monrovia, Taylor declared a state of emergency on 8 February 2002. The emergency was lifted in September, but fighting by LURD forces was reported within 56 km (35 mi) of Monrovia at the end of March 2003.

## PERSONAL BACKGROUND

Charles McArthur Taylor was born in Liberia in 1948, the son of an American father and Liberian mother. Through his mother's side of the family, Taylor is Americo-Liberian. The family lived until recently in Clay-Ashland, a town just outside the capital. Taylor attended Bentley College in Waltham, Massachusetts, graduating with a bachelor's degree in economics in 1977. He then moved to nearby Boston where he worked as a mechanic.

Despite his Americo-Liberian lineage, Taylor's political sympathies have long been with the indigenous people of Liberia. During his college years, he organized other exiled Liberians to oppose the Tolbert government, which was dominated by the politically powerful descendants of the first American settlers. He was thrilled when Samuel Doe took power in a coup, despite the vicious nature of his regime. Taylor returned to Liberia shortly after Tolbert's assassination in 1980 and joined Doe's administration. He headed the General Services Agency, whose principal function was the allocation of funds to government ministries, and was appointed a personal advisor to the president.

Taylor remained in Liberia until 1983 when he fled to the United States amid allegations of corruption. The Liberian government charged that Taylor had embezzled US\$900,000 from the government and they sought his extradition. A Boston court ruled that there was evidence to support the allegations, and Taylor was held in the Plymouth House of Corrections awaiting extradition to Liberia. In 1985, Taylor escaped from jail and fled to parts unknown, although there are some indications that he spent a large part of the next five years in Libya as the guest of Colonel Muammar al-Qadhafi.



## RISE TO POWER

From 1985–89, Taylor established his leadership of the NPFL and prepared his Christmas Eve invasion, which subsequently launched a seven-year civil war. He established NPFL headquarters at Gbarnga, near the Liberian border with Guinea, and consolidated his control over the country. He created a new currency and banking system, developed an international airfield, and reestablished exports of diamonds, gold, rubber, and timber—in effect, he established a country within a country with himself as its warlord.

Throughout the early part of 1990, Taylor had the support not only of the majority of Liberians, but of the United States as well. The United States was a staunch ally, despite legitimate concerns about gross human rights abuses. Taylor appeared to be a preferable alternative to Samuel Doe; he was well-spoken and articulate, repeatedly expressed a commitment to democratic ideals, and stated his intention to hold elections and permit vigorous opposition.

By late July 1990, however, support for Taylor was evaporating both at home and abroad. When his troops entered Monrovia in July, Taylor claimed executive authority, but was immediately challenged by a faction within the NPFL, led by Prince Yormie Johnson. Johnson's troops quickly captured parts of the capital. While Taylor's control over the rest of the country remained unchallenged, he was unable to gain control over Monrovia. The Economic Community of West African States (ECOWAS) repeatedly attempted to negotiate a ceasefire without success, and in late August the ECOWAS Monitoring Group (ECOMOG) was dispatched to enforce

peace in the capital. Doe and Johnson had agreed to accept ECOMOG troops but Taylor greeted their arrival with armed opposition.

On 30 August 1990, exiled opposition leaders met in Gambia and elected Amos Sawyer to be the leader of an Interim Government of National Unity. The pitched battle for Monrovia nonetheless continued and on 10 September, after being captured by Johnson's rebels, Samuel Doe was executed.

Taylor rejected the authority of President Sawyer, as well as any proposal that would require power-sharing with the opposition. His tactics for maintaining his position became increasingly brutal as the conflict escalated. Despite numerous ECOWAS-brokered ceasefires, the increasing involvement of ECOMOG troops in the conflict, and a popular desire to end the fighting, Monrovia remained essentially under siege.

Throughout numerous setbacks to peace, the international community insisted upon elections and a reinvigoration of civil society. Only when it became obvious that Taylor would not achieve his objectives militarily did he accept the ballot box alternative.

Presidential and legislative elections were held on 19 July 1997. Taylor transformed the NPFL into the NPP (National Patriotic Party), and orchestrated an effective, well-financed campaign. Weary of war, 85% of registered voters turned out to give Taylor a lop-sided victory. Taylor was officially declared the victor on 24 July with 75% of the vote. The elections were closely monitored by international observers and found to be generally free and fair.

## LEADERSHIP

Well before his official inauguration, Taylor began the process of forming a government. Declaring that he needed the talents of his former rivals in order to pursue reconstruction of the war-ravaged country, Taylor pledged to include some opposition leaders in his administration.

Very little in Taylor's past behavior indicated that he would govern by consensus. Indeed his rule has been that of a warlord. He bullies opponents, accuses them of treason, unleashes state security forces to harass and intimidate, and destabilizes neighbors via support to rebels. Without a system of functional checks and balances in place, few individuals or institutions are his match.

Taylor's power is not monolithic, and in the past he has engaged a public relations firm, Cohen and Woods International, to shore up his image. In November 1999, NPP members of the House of Representatives blocked the demolition of a large barracks in Monrovia because the bill authorizing the demolition had not passed through the National Assembly. In January 2000, police closed Radio Veritas and donor-funded Star Radio. However, Archbishop Michael Francis, recipient of the 1999 Robert Kennedy Human Rights award, pressured Taylor into allowing Radio Veritas to resume broadcasting the following March. In 2002, Radio Veritas resumed its short-wave broadcasts.

## DOMESTIC POLICY

Taylor's policies have been disastrous for the average Liberian and have put the country on a war economy footing. Despite his promises to rehabilitate the social sector, to rebuild basic

infrastructure, to energize the economy, and to restore peace and order, some 130,000 Liberians are displaced, Monrovia has no public supply of power, and what humanitarian assistance there is donors provide. Owing to war, UN sanctions, and instability, the economy shrunk by 5% in 2002, and was expected to contract by 8% in 2003. Half of the budget was spent on the war, which caused an inflationary growth in the money supply. Fees at the University of Liberia have doubled. In light of unpaid interest and principle arrears, the International Monetary Fund (IMF) has not resumed its assistance. Barter and trade characterize the economy, while the smuggling of gold, diamonds, and other commodities is commonplace. Ness Energy International, owned by a U.S.-based evangelist, is reported to be interested in exploiting oil and gas off the Liberian coast. Critics fear that these resources would be monopolized by Taylor much like Liberia's tropical forests, which Taylor has dubbed his "pepper bush."

Taylor's main preoccupation lies with prosecuting the war against the LURD, which finances its operations from diamonds in Lofa County, and possibly receives funding from backers in Guinea and the United States. It is estimated that one-third to one-half of the country is under rebel control. Although Taylor has hired ex-RUF fighters, and has thrown his elite Anti-Terrorist Unit forces against the LURD, the rebels appear determined to rid the country of Taylor, whom they have declared "a national and regional menace."

Despite the opposition's grievances, Taylor insists that elections will take place in October 2003. One opposition prerequisite is a national census, which requires far more preparation for implementation than the calendar allows. Should Taylor push ahead with the timetable, he is almost certain to win and his ruling National Patriotic Party will maintain a majority in the legislature. Taylor's strategy therefore is to raise the level of donor confidence in his government so as to attract funding from the United States and the European Union (EU) in the preparation phases of the forthcoming elections. However, given the advantages of the incumbent, there is little chance that the elections will be credible. Because egregiously fraudulent results will do further damage to Taylor, he is likely to resort to intimidation and manipulation before polling day to win international approval for the eventual results.

## FOREIGN POLICY

Lifting sanctions and reestablishing donor confidence is one of Taylor's immediate concerns. In the past, Taylor supported Sierra Leonean rebels—the RUF, and in violation of UN conventions is believed still to be involved in trafficking arms, and smuggling of "blood" diamonds. The UN panel of experts advising the Security Council recommended that sanctions—began in May 2001—be continued at least till June 2003. Evidence supporting the recommendation was based in part on the discovery of more than 200 tons of arms and munitions imported to Liberia originating in former Yugoslavia via a complex route through Eastern Europe and West Africa. Arms shipments to Liberia and the subregion have been linked to Libya and the United Arab Emirates as well, and are tied to diamond trafficking. Human rights abuses against the people of Liberia also gave the panel cause

to extend the sanctions, which ban the sale of arms to Liberia and the export of diamonds from Liberia, and effect a travel ban on government officials. France and China, principal importers of Liberian timber, have opposed a motion by other members to extend sanctions to the timber trade. Because of the government's lack of accountability, Liberia has been subjected to an audit of maritime and timber revenue, supervised by the British auditing firm, Deloitte Touche Tohmatsu.

War has also proven to be a significant factor in Taylor's subregional foreign policy. Despite its membership in the Mano River Union (MRU), Liberia has suffered strained relations with its neighbors. Relations with Sierra Leone improved somewhat after the British-imposed cessation of hostilities and the successful conduct of elections in May 2002 in Sierra Leone. However, Taylor has harbored Guinean dissidents, who have launched cross-border attacks on Guinea from Liberian soil. He also has accused the government of Guinea's president Lansana Conté of providing safe haven for the LURD. Although the UN's panel of experts on Liberia recently found evidence of Guinean support for LURD, rumors of close links between high-level officials in both governments have raised speculation that President Conté could be playing both sides.

In September 2002, donors formed an International Contact Group on Liberia composed of representatives of the African Union (AU), the Economic Community of West African States (ECOWAS), the European Union, France, Morocco, Nigeria, Senegal, the United Nations (UN), the United Kingdom (UK), and the United States. However, little progress has been achieved. U.S. ambassador John Blaney also has attempted to negotiate between government officials and representatives of the LURD without much success.

Taylor has looked to Asia to replace former friends in the West. Since 1997, Taiwan has built a new airport terminal at Roberts Field, rebuilt a major hospital in Monrovia, provided

technical assistance in agriculture, and institutional capacity building in the government. In October 2002, Taylor sent a high-level delegation to Taiwan to accelerate aid payments. By contrast, the EU has channeled less money than anticipated to Liberia, and U.S. funding—restricted by the rules of the Brooke Amendment—is being disbursed through nongovernment organizations (NGOs) for humanitarian and peace-building activities.

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# LIBYA

## Muammar al-Qadhafi Head of State

(pronounced “moh-AH-mar al gub-DAH-fee”)



“Now is the era of economy, consumption, markets, and investments. This is what unites people of irrespective of language, religion and nationalities.”

Officially known as the Socialist People’s Libyan Arab Jamahiriya, Libya is situated in the north of Africa. It is bordered by the Mediterranean Sea to the north, Egypt to the east, Sudan to the southeast, Chad and Niger to the south, and Algeria and Tunisia to the west. Much of Libya’s land area is desert, part of the Sahara, with a few scattered oases throughout. Libya’s capital is Tripoli, part of the north-western region called Tripolitania. The other major city of the country is Benghazi, on the Cyrenaica peninsula in the northeast of the country and bordering the Mediterranean Sea, as is Tripoli. Libya’s total surface area is 1,760,000 sq km (679,360 sq mi). The population has been estimated at 5,368,585, with an annual growth rate of 3%. The Libyan currency is the *dinar*. Per capita gross domestic product (GDP) was estimated at us\$7,600 in 2001. That year, Libya had an estimated inflation rate of 13.6% and an unemployment rate of 30%. Arabic is the official language, and ethnically, Arabic-speaking Sunni Muslims of mixed Arab and Berber ancestry make up an estimated 97% of the indigenous population. The remaining groups are Greeks, Maltese, Italians, Egyptians, Pakistanis, Turks, Indians, and Tunisians. Libya’s primary export is crude petroleum. Its major trading partners are Italy, Germany, Spain, France, the United Kingdom, and Greece.

### POLITICAL BACKGROUND

The coastal areas of Libya were part of the Ottoman Empire for several hundred years before the Islamic Sanusiya movement formed in the nineteenth century and became the major pole of resistance to the Italians, whose conquest began in 1911. It was not until the 1930s, however, under Mussolini, that the Italians completed their conquest of Libya with very repressive policies to solidify their control. Resistance to them ended with the capture, trial, and hanging of Omar Mukhtar, the leader of the resistance, while the head of the Sanusiya order took refuge in Egypt under British protection. Italian colonial policy consisted of heavy subsidies to Italian colonists, whose numbers had reached 110,000 by 1940. During World War II (1939–45), Libya was a major battleground between British, German, and Italian armies. After the war, due to much indecision on the part of the victorious Allied powers, the future of Libya was laid at the feet of the United Nations (UN), which voted in 1951 for an independent Libyan monarchy under the Grand Sanusi, Idris, and uniting the three provinces of Cyrenaica, the Fezzan (the vast Saharan central portion of the country), and

Tripolitania. The constitutional monarchy existed from 1951 to 1969.

During that period the agreement with the United States and Britain for operation of Wheelus Field, a strategically important military base, and other air bases for Britain, provided the major source of employment for Libya’s population. The monarchy was conservative and distrustful of the political process. Political parties were soon banned after its establishment. Women were not granted the right to vote until 1963.

On 1 September 1969, a group of young army officers, influenced by the neighboring Egyptian revolutionary government and doctrines of Jamal Abd Al Nasir, deposed King Idris when he was out of the country for medical treatment and proclaimed a Libyan Arab Republic. The coup was led by Captain Muammar Abu Minyar al-Qadhafi.

Qadhafi established a very deliberate policy of change, including closure of Wheelus and the British bases to outside control and various attempts to forge Arab unity pacts and unions with other Arab governments. The 1977 Libyan Constitution incorporates a blend of Islamic and socialist theories espoused in Qadhafi’s *Green Book* and his *Third Universal Theory*. The direct people’s authority constitutes the political order while the social system is governed by the *Holy Koran (Quran)*. Political institutions are represented by people’s congresses, committees, trade unions, and vocational syndicates.

Qadhafi is the de facto head of state and ultimate decision-maker. Nominally, however, Libya is headed by the secretary of the General People’s Congress and run by the secretary of the General People’s Committee.

The General People’s Committee is the executive branch of government, with people’s committees acting as ministries. The administration is run by secretaries who are responsible for carrying out government policies. The General People’s Congress, on the other hand, is the legislative branch of government. It convenes biannually, and delegates are elected by popular committees and congresses at local and regional levels. Libya has no political parties.

### PERSONAL BACKGROUND

Muammar al-Qadhafi was born in 1942 in the region of Sirte, on the Mediterranean coast of Libya. He was the only surviving son and the youngest child of a poor family belonging to the Qadhadhifa, an Arabized Berber tribe. In 1952, after an initial religious education, he was sent to a

secular elementary school in Sirte, where his schoolmates taunted him for being nothing more than a poor bedouin. Four years later he moved with his family to the Fezzan province, where he attended the Seb'a Preparatory School. The five years Qadhafi spent at Seb'a, between 1956 and 1961, were his politically formative years. Major economic and political changes were taking place in neighboring Egypt where the charismatic Jamal Abd Al Nasir had established himself as the champion of Arab unity. Nasir's leadership had a profound impact on Qadhafi. Inspired by Nasirism, he created the first Command Committee, composed of many of those who would later become members of Libya's Revolutionary Command Council (RCC). Qadhafi was expelled from school in 1961 for his political activities. Qadhafi and his family left Seb'a and moved on to Misrata, in Tripolitania, where he completed his secondary education and prepared to enter college. In Misrata, he reestablished contact with many of his childhood friends from Sirte, with whom he promptly began talking about a new order in Libya. After graduation in 1963, Qadhafi and two of his closest friends entered the Military Academy in Benghazi. There they created the nucleus of the Free Unionist Officers Movement, which was an organization aiming at overthrowing the Sanusi monarchy and taking over power in the country.

## RISE TO POWER

After graduating from the Military Academy in 1965, Qadhafi was sent to Britain to attend an army school at Bavington Hythe in Beaconfield, where he took a six-month signals course. On his return to Libya he enrolled at the University of Benghazi and majored in history. He never completed his studies, but was commissioned in 1966 to the signal corps of the Libyan Army and posted at the barracks outside Benghazi. Three years later, on 1 September 1969, the new order in Libya first conceived in Misrata was realized when the Free Unionist Officers Movement carried out a coup d'etat and proclaimed the Libyan Arab Republic. On 13 September, Qadhafi was appointed president of the Revolutionary Command Council.

## LEADERSHIP

In September 1999, Qadhafi celebrated 30 years as the head of the Libyan government. Commentators have described Qadhafi's policies during these years in power as "revolutionary," "idiosyncratic," and "confused." Qadhafi's first years in power were remarkable for his persistent, if unsuccessful, attempts to bring about the union of Libya with other Arab countries, notably Egypt, Syria, and Tunisia, among others. All of these attempts, however, remained fruitless, despite Qadhafi's enthusiasm for union.

Failing to achieve the hoped-for political mergers, Qadhafi adopted a new course, that of natural socialism. In May 1973, he presented his political philosophy in his *Third International Theory*, an alternative to "capitalist materialism and communist atheism." His principles comprised an unusual blend of Islamic fundamentalism and socialism, the application of which went through several phases. The first, between 1969 and 1973, was characterized by the twin process of nationalization and Libyanization. Subsidiaries of international oil companies operating in Libya were



nationalized, branches of foreign banks were put in Libyan hands, and foreign property was taken over by the state.

During the second phase, 1973 to 1975, Qadhafi concentrated on building a power base for his regime by redistributing some of the country's oil wealth among the largest possible number of Libyans and providing them with much-needed social services. Industry received a big boost, and many new plants and factories were opened between 1973 and 1975.

*The Green Book*, meanwhile, of which the first volume, *The Solution to the Problem of Democracy*, had appeared in 1976, heralded more drastic economic policies. Workers were encouraged to take over and administer industrial and commercial enterprises. Tenants became owners of their homes, paying mortgages to the state rather than rent to the landlords. Public corporations replaced the private sector in foreign trade, and large government cooperatives became substitutes for small retail traders.

On 2 March 1979, Qadhafi, stressing the need to separate the state apparatus from revolutionary action, claimed to abandon all official posts, remaining only the "leader, theoretician, and symbol" of the revolution. The people would henceforth "exercise and consolidate all power" in conformity with direct democracy as defined in *The Green Book*.

The phase between 1980 and 1987 was a very difficult one for the Libyan leader. The fall in oil prices and the imposition of economic sanctions on Libya by the United States and other Western powers for his alleged involvement with international terrorist groups further eroded Libya's economy. The country sank into debt, froze or cancelled many of its industrial and housing projects, and by the mid-1980s resorted to

expelling tens of thousands of foreign workers, whom it could no longer employ or pay. Black-marketeering flourished as Libyans found ways to circumvent the state's Draconian economic measures. The smuggling of subsidized products—such as rice, oil, and tea—from Libya to neighboring states where they were sold for higher prices further exacerbated existing shortages.

By 1988, Qadhafi had to face the fact that his policies had failed. They had led neither to the development of the economy nor to the creation of a political base for the regime. There was strong opposition to his policies at all levels of society, and the 1980s witnessed more attempts at overthrowing him than at any other time to that point. To survive politically Qadhafi began to change course. In 1988–89, he freed a number of political prisoners and invited members of the Libyan opposition living abroad to come home, promising to return their confiscated property. Shopkeepers were also gradually allowed to open up their stores and sell their products on the market.

In the 1990s Qadhafi faced continued coup attempts. There was growing unrest in the armed forces, his long-solid tribal support began to wane, and militant Islamists gained popularity among small segments of the population. Additionally, British and American investigators of the 1998 airline bombing of a Pan Am flight over Lockerbie, Scotland, led to the indictment of two senior members of Libya's intelligence services. Qadhafi refused to extradite them, even in the face of two separate UN resolutions (passed in 1992 and 1993) demanding that he do so, and also imposing international sanctions on his regime. The United States placed further economic sanctions on the country. After several years of worsening economic conditions, many members of the international community, primarily Arab and African nations, began pleading for a relaxation of the sanctions, but the United States and the UN insisted that they would remain in place until Qadhafi handed over the indicted intelligence operatives. In August 1998, Qadhafi finally agreed to hand over the suspects, who were then tried in a special court set up in The Hague under Scottish jurisdiction. (One of the men was convicted and the other acquitted). Sanctions were suspended after the men's extradition and international investment began pouring into the country.

## DOMESTIC POLICY

Libya's petroleum industry remains the backbone of the economy in terms of export. However, during the 1990s an economic downturn, combined with international sanctions imposed in 1992 for Libya's support of international terrorism, greatly reduced the per capita income, led to black marketeering, and produced increasing charges of corruption in the public sector. The petroleum industry only provides 10% of the employment for Libya's population, so agriculture is considered by the regime to be vitally important for alleviating unemployment. Libya is a major food importer, and though the regime has a goal of food self-sufficiency, there is little likelihood that this goal will be achieved any time soon. The success of the "Great Manmade River" project, announced in 1983 and officially instituted in 1991, to bring water from underground lakes in the Sahara is an important component in achieving this goal. Until then,

animal husbandry will remain the most important sector of agriculture in Libya.

In 1994, a recognition of the growing importance of Islamic fundamentalist strains in the Arab world led to the passage of new laws instituting *shariah* (Islamic law) in family law and certain criminal proceedings. However, Qadhafi is a firm believer in the Islamic basis of women's rights and other progressive social changes that he has instituted. These will make a continuing contest with Islamic fundamentalists almost inevitable. Among the notable Islamist groups are the Militant Islamic Group, the Islamic Martyrs' Movement, Libya Islamic Group, and Supporters of God. Observers believe these groups represent a real threat to Qadhafi's government, but information on them remains sparse. In 1997 the General People's Committee adopted the "Charter of Honor," imposing collective punishment on family and tribal members of Libyans convicted of serious crimes against state order. The charter is directed against opposition groups, both Islamist and other political groups mainly living in exile outside the country.

In the late 1990s, an internal debate broke out in Libya among old-time socialist hardliners and reformers who believed that the country would have to liberalize the economy and open itself to international investment in order to survive. After UN sanctions were suspended, Qadhafi took the advice of the liberalizers and has made halting steps toward economic liberalization. He still insists on partial state ownership of most enterprises and has said repeatedly that he is not totally abandoning socialism, but he does welcome partnerships with foreign firms. European companies have been quick to move into the economy.

## FOREIGN POLICY

Qadhafi's decision to finally allow the extradition of the Lockerbie bombing suspects has brightened his relations somewhat with most Western powers. The UN Security Council suspended the 1992 sanctions, but continued to insist on progress reports regarding Libya's involvement with international terrorism and compensation for the victims of the Pan Am Flight 103 bombing. Since one of the men accused of involvement with the bombing was found guilty in 2001, Libya's responsibility for compensating the victims has yet to be resolved. The proposed settlement for Libya's financial restitution to the victims' families is for \$10 million per family, or \$2.7 billion, and the U.S. government has also demanded that Libya officially acknowledge responsibility for the bombing, which, as of early 2003, it was unwilling to do. These two conditions must be met before the United States will agree to the restoration of relations with Libya. Britain resumed full diplomatic relations with Libya in July 1999, ending 15 years of broken official contact. Relations with the United States remain strained, but after the terrorist attacks on New York and Washington in September 2001, Qadhafi immediately condemned the attacks and offered the support of his intelligence services in uncovering those behind the attacks. This led to high-level secret talks between U.S. and Libyan officials, held in London. The United States retains many of its sanctions against the country, though it has eased travel restrictions and has allowed for a limited number of U.S. companies to make investments in the oil sector.

Relations with Italy, Libya's former colonial ruler, meanwhile, remain strong despite Qadhafi's demands that Rome pay Tripoli a large indemnity for what he labeled as one of the darkest chapters in Libyan history. Libya is Italy's largest oil supplier.

Egypt considers Qadhafi's government as an important force against Islamist groups in the region. Though trying to maintain good relations with his Arab neighbors, Qadhafi has turned in recent years away from the Arab world towards an identification of Libya with the African continent. In early 1998 he initiated formation of an economic and cultural organization, the Community of the Sahel-Saharan States (COMESSA), which included the countries of Burkina Faso, Chad, Mali, Niger, and Sudan. In December 1998, the state-controlled radio changed its name from "Voice of the Greater Arab Homeland" to "Voice of Africa." He has even gone so far as to suggest that Libya should become a "black" country and has urged Libyans to marry black Africans. He has received many sub-Saharan African leaders for official visits to Tripoli and is active in mediation efforts in various conflicts on the continent (including those in the Democratic Republic of the Congo, Sierra Leone, and the Sudan). In May 2000, Qadhafi sent military forces into the Central African Republic to counter an attempted coup. South Africa's former president and long-time political prisoner Nelson Mandela played an integral part in persuading Qadhafi to shift his focus from the Arab world to the African, and has referred to the Libyan leader as "one of the revolutionary icons of our time."

In summer 2001, Qadhafi attended a meeting of the Organization of African Unity (OAU) in Zambia at which the Pan-African organization changed its name to the African Union (AU) and proposed more closely modeling itself after the European Union. Qadhafi offered to host the AU's Parliament in Libya, though his offer was rejected.

Qadhafi has also spoken out on the Israeli-Palestinian conflict. Once advocating pushing the "Zionists" into the sea, he now favors a one-state solution where Jews and

Palestinians can live together in peace. The state could be called "Israetine," he suggested in January 2003.

Qadhafi's relations with other Arab countries were strained in early 2003. At an Arab League Summit held in March, Qadhafi threatened to pull Libya out of the League after being insulted by Saudi Crown Prince Abdullah due to a disagreement on Arab states' positions on the looming war in Iraq. Qadhafi had accused Saudi Arabia of being ready to "strike an alliance with the devil," meaning the United States. Qadhafi warned U.S. president George W. Bush that if he went ahead with a war in Iraq, "you'll only make Osama bin Laden that much stronger, for the only interests you'll be serving are neither yours nor ours, but his." He claimed terrorism would sharply rise, and that other Gulf, North African, and Middle Eastern states would be subject to attack by the United States, a situation that would present them with "a new form of neocolonialism."

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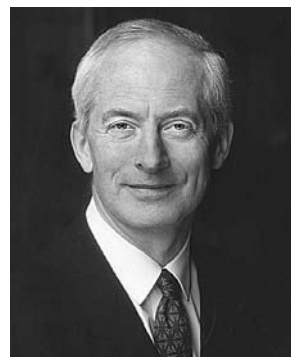
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# LIECHTENSTEIN

## Hans Adam II Prince

(pronounced "HAHNS AH-dam")



*"A reigning prince should look at long-range projects and concentrate on guidelines, but leave the day-to-day management to the government."*

Located along the Rhine River in the Alps mountain range, the Principality of Liechtenstein (Fürstentum Liechtenstein) is bordered in the east and north by Austria and to the south and west by Switzerland. Liechtenstein is one of the smallest countries in the world with an area of only 160 sq km (61.8 sq mi). The capital is Vaduz. Liechtenstein's population was estimated at 32,528 in 2001, about a third of whom were actually citizens of other countries. The native population is descended almost entirely from an ancient Germanic tribe, the Alemanni, and comprises 86% of the total. Other major nationalities represented in Liechtenstein are Italian and Turkish. The country's official language is German, though most people speak the local Alemannic dialect. Christianity is the major religion with 76.2% Roman Catholic and 7% Protestant.

The per capita gross domestic product (GDP), which in 1998 was US\$23,000, and living standards in Liechtenstein are among the highest in the world, largely because of the country's prosperous banking and manufacturing industries. Liechtenstein's major exports are machinery and transport equipment, hardware, chemical products, textiles, and ceramics. Other important sources of income are tourism, philately, and corporate taxes. Tourist arrivals in some years are nearly three times the resident population. Sales of Liechtenstein postage stamps to collectors worldwide make up nearly 10% of annual government revenues. Almost a third of total revenue is derived from more than 50,000 foreign companies registered in Liechtenstein, mainly for tax purposes, and from premiums on foreign insures. Through a treaty with Switzerland, the *Swiss franc* serves as the nation's currency.

### POLITICAL BACKGROUND

Liechtenstein is the last surviving monarchy of the Holy Roman Empire and owes its existence to the will of its ruling family. From its origins in the twelfth century, the House of Liechtenstein played a prominent role in the history of imperial Austria, providing numerous politicians, generals, and diplomats. Raised to princely rank in reward for its services, the family sought one further distinction, its own sovereign territory.

Prince Hans Adam von Liechtenstein bought the Reichsherrschaft of Schellenberg in 1699 and the Grafschaft Vaduz in 1712 from the Counts von Hohenems. On 23 January 1719, these two territories were combined by imperial edict to form the Reichsfürstentum Liechtenstein, thereby fulfilling the

family's ambitions. The historical components of the principality are still reflected in the two voting districts of today. The country is divided into eleven communes for purposes of local government.

Although the major landholdings of the House of Liechtenstein were expropriated by Communist regimes in Czechoslovakia and Hungary after World War II, the family still owns large estates in Austria, which have more land than the principality itself. In addition to other properties in Texas and Arkansas, the family owns the largest vineyards in Liechtenstein, a world-renowned art gallery in Vaduz, and one of the country's three banks. The value of the art holdings at the death of Prince Franz Josef II in 1989 was estimated at US\$150 million. The family's total wealth has been estimated to worth up to US\$3 billion, among the largest fortunes in Europe.

The principality is a constitutional monarchy with succession through the male line. The Constitution dates from 5 October 1921, and divides power between the ruling prince and the people. The prince is head of state with powers to call and dissolve the Diet (parliament) and to appoint the head of government, though this traditionally means following the wishes of a majority of the Diet. All legislation must be approved by the prince to become law. The prince also represents his country in foreign affairs, with the proviso that treaties must be approved by the Diet. Unlike most other European monarchs, the princes of Liechtenstein remain more than mere figureheads; in fact, Hans Adam's powers were expanded through a 2003 referendum. The personal power of the prince coexists with the democratic rights of his subjects.

The unicameral Diet was expanded from 15 to 25 members by referendum in 1988. Members are elected by proportional representation and serve four-year terms. The people also have the right of initiative and referendum. Citizens over the age of 20 have the right to vote. Women could not vote until approval of female suffrage in a referendum on 1 July 1984, after two previous referenda had been defeated by the country's male voters. The 1986 elections were the first in which women could participate in politics and saw the first woman elected to the Diet.

The highest body of the government is the five-member Collegial Board, which functions as a cabinet. The board is chaired by the head of government, also the leader of the majority party in the Diet. The deputy head of government is from the second party. The three other government councilors



are split between the parties. The coalition arrangement has lasted since 1938, when a coalition was first formed because of the mounting threat from Nazi Germany (neighboring Austria had just been absorbed in the Anschluss) and a small Nazi movement was operating in Liechtenstein.

Two political parties have dominated the government of modern Liechtenstein. They are the Patriotic Union Party (VU) and the Progressive Citizen's Party (FBPL). The VU and FBPL are similar in philosophy and both support the monarchy, although the VU did not support Prince Hans Adam's attempt to modify the Constitution in the 2003 referendum. The motto of both parties is "Faith in God, Prince and Fatherland." From 1928 to 1970, the FBPL was the majority party. The VU held the majority from 1970 to 1974, when the FBPL regained the advantage. From 1978 through the 1997 elections, the VU held the majority, but the balance of power shifted to the FBPL after the 2001 election, which gave the FBPL 13 seats, the VU 11 seats, and the Free List (FL) party, one seat. Since 2001, Otmar Hosler has been the head of government and Rita Kiebler-Beck has been deputy head of government.

### PERSONAL BACKGROUND

Prince Hans Adam Pius was born on 14 February 1945, to Prince Franz Josef II and Princess Gina. Reflecting the Liechtenstein ruling family's Roman Catholic faith and connections, Pope Pius XII was named the boy's godfather. According to his father's wish that he be brought up in contact with his future subjects, Hans Adam attended public school and participated in a local boy scout troop in Vaduz before moving on to the Catholic Schotten Gymnasium in Vienna, Austria (1956–60). He completed his secondary education in Switzerland at Zuoz. After working in a London bank for a brief period, Hans Adam completed his education at St. Gallen University in Switzerland where he received a degree in economics in 1969.

Hans Adam spent many years in the management of his family's extensive fortune. Taking control in 1969, he reorganized the holdings of the Prince of Liechtenstein Foundation in 1970. The prince brought in professional managers to help oversee the foundation's growth. In 1981, Christian Norgen, a Swedish banker, was appointed executive head of the foundation and chairman of the Bank in Liechtenstein in an effort to internationalize the family's holdings. The bank has expanded rapidly in recent years and has opened branches or subsidiaries in several world financial centers: London, Zurich, New York, Frankfurt, Hong Kong, Buenos Aires, and Rio de Janeiro.

On 30 July 1967, Hans Adam married Countess Marie Aglaë Kinsky von Wichinitz und Tettau (born in Prague on 14 April 1940) at St. Florian parish church in Vaduz. Princess Marie Aglaë comes from an old Austrian noble family, which left Czechoslovakia for West Germany at the end of World War II. The wedding was attended by various European royalty, including Queen Anne-Marie of Greece, former Empress Zita of Austria-Hungary and her son Otto von Habsburg, and the pretender to the French throne, the Count of Paris. The prince and princess have three sons—Prince Alois (born 11 June 1968), Prince Maximilian (born 16 May 1969), Prince Constantin (born 15 March 1972), and a daughter—Princess Tatjana (born 10 April 1973).



### RISE TO POWER

Two events marked Hans Adam's assumption of the formal rights and duties of a sovereign prince of Liechtenstein. On 4 July 1983, Prince Franz Josef II announced his intention of turning executive power over to his son. This was accomplished in a formal ceremony on 26 August 1984.

At the death of his father on 13 November 1989, Hans Adam became the thirteenth ruling prince of Liechtenstein, as Prince Hans Adam II. His mother had died only a month previously. The prince's official title is His Serene Highness Prince Hans Adam Pius von und zu Liechtenstein, Duke of Troppau and of Jagerndorf, Court of Reitburg.

### LEADERSHIP

Because Hans Adam's position is based on hereditary rights, he does not engage in politics in exactly the same manner as an elected official. His involvement in legislation consisted until the early twenty-first century of the right to take initiatives in the form of government bills and the right to sanction laws. Hans Adam's powers were expanded as a result of a 2003 referendum. A majority of voters approved the prince's proposals after a long and divisive public campaign during which he threatened to leave the country if his proposal were not approved. The prince gained the right to veto legislation by simply not signing it within six months. He also acquired the right to nominate judges and dissolve the government. While citizens gained the right to force a referendum on any

issue by simply obtaining 1,500 signatures on a petition, overall, the reforms gave Hans Adam more power than most European monarchs and raised concern in the European Commission for Democracy through Law.

### DOMESTIC POLICY

One of Hans Adam's major goals for many years was to secure voting rights for women. The referendum approving female suffrage coincided with the prince's assumption of executive power in 1984 and was seen as a victory for his position. At the same time, the prince identified two other priorities for his country. The first of these was the introduction of a new code of criminal law to replace the existing one based on nineteenth-century Austrian law. He also sought reform of the tax code, including introduction of an income tax.

In order to preserve the country's economic prosperity, Hans Adam believes that Liechtenstein must continue to rely on a diversified, highly industrialized and technological business mix, especially in light of the limited labor supply.

### FOREIGN POLICY

For most of the twentieth century and into the early twenty-first century, the emphasis of Liechtenstein's foreign policy was on neutrality. The country's last foreign involvement was in 1866, when Liechtenstein sent 80 men to patrol the Austrian border with Italy under its obligation to the German Confederation. The army was disbanded in 1868, shortly after the confederation broke up. Although neutral in both world wars, Liechtenstein's economic links with Austria made it a target of Allied embargoes each time.

With the reign of Hans Adam, however, in the second half of the twentieth century, Liechtenstein's foreign policy has gained noticeably in importance. Highlights among the numerous activities are without doubt admission to the United Nations (UN) in 1990, membership in the European Free Trade Association (1991), participation in the European Economic Area (EEA) in 1995, and admission to the World Trade Organization (WTO) in 1995.

Liechtenstein's closest international association is with Switzerland, a relationship that dates to the Customs Union Agreement signed in 1923. Liechtenstein is represented abroad by Switzerland, but diplomatic decisions affecting Liechtenstein cannot be made legally without its consent. The agreement also allows Liechtenstein and Switzerland to be represented as one mutual economic area. Therefore, the borders between those states are open. The border between Liechtenstein and Austria is secured by Swiss customs officers. However, Liechtenstein has also been a member of the EEA since 1995—largely through the initiative of Hans Adam; this affiliation allows the country to participate in the European Union (EU) internal market.

Liechtenstein came under the international microscope in 2000 when the Organization for Economic Cooperation and Development (OECD) listed the nation as one of 15 “non-cooperative” countries in its eleventh annual report from the Financial Action Task Force (FATF) on money laundering. Liechtenstein was also cited as having “potentially harmful” or unfair tax practices. The objective of the FATF in these reports is to locate areas within the global financial infrastructure that may potentially be used by those seeking to finance or benefit from drug traffickers, arms smugglers, and terrorists. Though the Liechtenstein government defended its tax system, immediate measures were taken, in cooperation with the OECD, and the country was removed from the list the following year.

As a recognized sovereign state, Liechtenstein belongs to the Council of Europe, International Telecommunications Satellite Organization (INTELSAT), and the Organization for Security and Cooperation in Europe (OSCE).

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**Profile researched and updated by Pat Hale (4/2003); sections contributed by Douglas Warfel (7/90).**

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# LITHUANIA

## Rolandas Paksas President

(pronounced “role-AN-dass PAK-sass”)

“Nobody has the right to steal and waste your money, those who want to work must have jobs, those who want to study must have the possibility, no one should be afraid of becoming ill and getting old.”



The Republic of Lithuania borders the Baltic Sea, Latvia, Poland, Belarus, and Russia’s Kaliningrad oblast. It has a total land area of 65,201 sq km (25,174 sq mi). The population was estimated in 2002 at 3.6 million, of whom 80% were ethnic Lithuanians, 8% Russians, and 7% Poles. The remainder consisted mostly of Belarussians and Ukrainians. The official language is Lithuanian. Most Lithuanians and Poles are Roman Catholics, while Russians typically ascribe to the Russian Orthodox faith.

The official currency is the *litas* (LTL). With the political upheavals of the late Soviet period and the dislocations resulting from the transition to capitalism, the economy suffered an initial decline. It has since rebounded, with per capita gross domestic product (GDP) estimated at US\$8,400 (2002 estimate). Lithuania produces machine tools, electrical engines, hosiery, televisions, refrigerators, butter, and other agricultural products.

### POLITICAL BACKGROUND

In the 14th century Lithuania expanded to the east, defeating Slavic tribes in the process. When Prince Jogaila married Jadwyga of Poland, the two realms merged, creating a dominant power in Eastern Europe. This Polish-Lithuanian state eventually declined and, in the 18th century, fell under Russian domination.

With the Russian Empire crumbling, Lithuania declared its independence on 16 February 1918. Parliamentary democracy lasted only until 1926 when Antanas Smetona seized power. The country was plagued with strained relations with neighboring Poland, which seized and held the capital city of Vilnius throughout the interwar years.

In 1940, Lithuania was annexed by the Soviet Union. World War II was devastating for the country—leaving 280,000 people, or 9% of the pre-war population, dead. After the war, 260,000 people were deported or arrested, and 50,000 died in the guerrilla war against Soviet authority. Under Soviet rule, Lithuania’s economy was industrialized, though not as rapidly as Estonia and Latvia. After Stalin’s death, the range of freedoms was expanded, though tight controls remained. Open displays of nationalism were prohibited, but they appeared in veiled forms in art, music, and literature.

Changes to the Soviet system, introduced by Mikhail Gorbachev, gradually took hold in Lithuania. Significant change began in December 1987 when members of the Writers Union criticized the slow pace of implementing Gorbachev’s policies of *glasnost* (openness) and *perestroika*

(restructuring) in Lithuania. Sajudis, a political organization independent of the Communist Party, emerged in May 1988 and initially espoused moderate views. Under pressure from Moscow, the Communist Party granted some concessions on nationalist demands, permitting display of Lithuania’s flag and the singing of the national anthem. As the result of a public outcry over police attacks on demonstrators, the reform-minded Algirdas Brazauskas replaced a conservative as first secretary of the Communist Party of Lithuania.

In February 1989, Sajudis declared that Lithuania had been forcibly annexed by the Soviet Union and that the group’s ultimate goal was to achieve independence. Conservative Communist leaders threatened to crack down on Sajudis, but backed down in the face of mass protests. Sajudis candidates fared well in elections to the Congress of People’s Deputies, the newly created Soviet legislative body. Their candidates won in 36 of the 40 districts in which they ran. The Lithuanian Supreme Soviet amended the Constitution to give precedence to Lithuanian laws over Soviet laws. Relations with Moscow deteriorated further in August when Lithuanians joined Estonians and Latvians to demand revocation of the Molotov-Ribbentrop pact. The Communist Party of the Soviet Union harshly condemned the action and the general mood in the Baltics. The Lithuanian Parliament declared the annexation of Lithuania invalid and stripped the Communist Party of its guaranteed monopoly of power. This triggered a split in the Communist Party of Lithuania, leaving a majority faction (led by Brazauskas), which declared itself independent of Moscow, and a minority faction loyal to Moscow.

In February 1990, Sajudis and the Communist Party faced off in the first multiparty elections in modern Soviet history. Sajudis captured an overwhelming majority of parliamentary seats. On 11 March, the Lithuanian Supreme Soviet elected Vytautas Landsbergis president. That same day Parliament formally declared Lithuania to be an independent nation. Gorbachev rejected the action, insisting that separation must be negotiated. In April he ordered an economic blockade of Lithuania, cutting off all oil supplies and reducing natural gas flow to one-quarter of the normal level. The blockade ended on 30 June after the Lithuanian Parliament voted to freeze the declaration of independence for 100 days in order to permit negotiations between Moscow and Estonia, Latvia, and Lithuania.

Soviet hardliners took control of many Lithuanian government buildings in January 1991. The conflict reached alarming levels when Soviet troops stormed the Lithuanian



television building, killing 14 and injuring 140. In a March referendum, 90% of voters favored leaving the Soviet Union. It appeared that the Soviet government was intent upon intimidating the other republics by grinding Lithuania into submission.

Everything changed drastically with the failed coup attempt against Gorbachev in August 1991. Hard-line forces within the Soviet government were severely weakened and unable to continue their campaign. Lithuania quickly outlawed its Communist Party and began to dismantle the Soviet secret police. One month later, the Soviet Union recognized Lithuanian independence and agreed to withdraw all troops by the end of 1994.

After gaining independence, Lithuania suffered many problems faced by new states. The political situation was unsteady, with top government posts changing hands as power ebbed and flowed. The deteriorating economic situation put intense popular pressure on the post-Soviet government, composed largely of inexperienced people. Popular discontent with the government and growing political apathy were evident in a May 1992 referendum whereby Landsbergis attempted to increase the powers of his office. Although a majority voted for the constitutional change, voter turnout was so low that the results were not considered valid. In October 1992, Lithuanians again went to the polls to elect a new Parliament, the Seimas. The Lithuanian Democratic Labor Party (LDLP), a successor to the Brazauskas's independent Communist Party, showed surprising strength, trouncing the Sajudis coalition and the Christian Democrat (CD) coalition. The LDLP captured more than half of the seats in the Seimas (Lithuanian Parliament) while Sajudis and the CD coalition controlled only one-third.

Under the LDLP, the pace of economic reform slowed. The new Parliament elected LDLP chairman Brazauskas to serve as interim president. The provision for direct election of the president was included in a new Constitution, which was approved by voters at this same time. Under the new Constitution, the president was given power to appoint the prime minister and cabinet, subject to parliamentary approval.

As presidential elections approached, Brazauskas's popularity was evident. In January 1993, Landsbergis pulled out of the presidential race, and Brazauskas was elected with 60% of the vote. Polls indicated that the vast majority of ethnic Russians and Poles, and many Lithuanians living in rural areas, supported Brazauskas. Throughout 1993 and 1994 the economic situation continued to decline, as criminal activity and political bickering increased. Conservatives, charging that LDLP leaders were profiting from the privatization program, failed in attempting to halt it. Lithuania's two largest banks collapsed in December 1995. The prime minister and interior minister were forced to resign when it became known that they withdrew funds from the banks days before the government took them over. Others sought to distance themselves from the scandal by resigning from the LDLP.

By 1996, the Conservative Party, formed from a core group of Sajudis leaders, enjoyed greater popular support. In Seimas elections, conservatives won nearly half of the seats. Thus, with their CD coalition partners, they controlled the Parliament. In 1997, Conservatives won one-third of contested seats in local elections. In 1998, Valdas Adamkus, returning to his homeland after living in the United States for more than 30 years, was elected president of Lithuania. He was defeated by Rolandas Paksas in the second round of presidential elections held in January 2003.

## PERSONAL BACKGROUND

Rolandas Paksas was born on 10 June 1956 in Telsiai. He is the only child of Feliksas and Elena Paksai, who still live in Telsiai. He graduated from Zemaites secondary school in 1974, and attended Vilnius Civil Engineering Institute, receiving the degree of Industrial and Civil Construction engineering in 1979. He graduated from the Leningrad Civil Aviation Academy in 1984 as a pilot. He became a member of the former Soviet acrobatic flying team and a flying team in Lithuania, and he has won numerous international flying competitions. He also worked as an aviation instructor, and became director of the S. Darius and S. Girenas aviation clubs in Vilnius. He is a member of the Acrobatic Flying Federation of Lithuania. In addition to being an aerobatics champion, he is a motorcycle enthusiast. He also served as president of Restako, a construction company, from 1992–97.

Paksas was president of the Vilnius Club from 1999–2002, when he was made honorary president. He is married to Laima Paksienė, an economist. They have two children, Inga and Mindaugas.

## RISE TO POWER

Paksas's political career began in 1997. He was elected to the Vilnius City Council in 1997, and in 1999 became mayor of Vilnius. He served as prime minister in 1999 for five months, resigning in opposition to the sale of the state-owned oil company, Mazheikiu Nafta, to a U.S. corporation. After his

resignation, he worked as an advisor to the president. In 2000, he became mayor of Vilnius once again, after which he was elected to Parliament. From November 2000 until June 2001, he again was named prime minister, becoming the leader of the opposition. In March 2002, he became chairman of the newly-founded Liberal Democratic Party. After two rounds of voting, he was elected president of Lithuania on 5 January 2003, defeating incumbent Valdas Adamkus by winning 54.9% of the vote to Adamkus's 45.1%. Upon taking office on 26 February, he resigned his post as chairman of the Liberal Democrats, as required by the Constitution.

## LEADERSHIP

Paksas's flamboyant style as a stunt pilot carries over into his political career. Throughout the 2002–03 presidential election campaign, he flew himself by helicopter to various meetings, and on one occasion flew a small plane underneath a bridge. "I flew when I was Vilnius mayor, I flew when I was the prime minister, and I will fly when I am president," he said. His campaign slogan was "Vote for Change." Adamkus emerged with a clear lead in the first round of voting in December 2002, winning 35.3% of the vote to Paksas's 19.7%. Adamkus had also been voted Lithuania's person of the year in 2002. However, Paksas mounted an aggressive campaign, and promised a better life for Lithuanians. He once defined his goal in politics as giving Lithuania its most radically market-oriented economy since independence in 1991. Although he has advocated the necessity for market reforms, he promises a stable social safety net for citizens. Paksas also campaigned on a platform of law and order: he proposed the death penalty for drug traffickers. However, he promised to continue with the progress made by Adamkus in moving Lithuania forward with regard to European Union (EU) accession, and membership in the North Atlantic Treaty Organization (NATO). Although his politics come from the right, he has denied he is a populist or radical.

Paksas may meet with resistance from former president Brazauskas, who was named prime minister of a center-left coalition in July 2001. After his election, Paksas called for the resignation of several government ministers, although he has little constitutional authority to involve himself in the day-to-day running of government.

## DOMESTIC POLICY

Paksas has promised to pay a great deal of attention to the domestic economy, and to raise the living standards for all Lithuanians. He has called for a reduction in taxes and has pressed the EU—which Lithuania was invited to join in December 2002—for higher agricultural subsidies and larger compensation for the closure of Lithuania's nuclear power plant in Ignalina. Paksas is determined to fight corruption as a way of improving Lithuanian civil society.

After Lithuania gained independence in 1991, it embarked on a wide program of economic reform, including the establishment of a central bank, the privatization of state-owned companies, price liberalization, and the creation of a national currency and private banking structure. Lithuania was hard-hit by the Russian currency crisis of 1998, as it was highly dependent upon Russia for its exports. Lithuania's exports to Russia accounted for 24.5% of total exports in 1997, but that figure had been reduced to 6.2% in 1999. The economy

was in a severe recession in 1999, but began to slowly recover in 2000. GDP growth is predicted for 4.5% in 2003, and unemployment is forecast at 10.5%. Inflation is expected to rise from 1% in 2003 to 1.8% in 2004.

The EU is currently Lithuania's largest trading partner, accounting for 50% of exports and 46% of imports. However, Lithuania has to increase the quality of its goods and its marketing strategies to improve its competitiveness in the EU and other Western nations. Lithuania's privatization program has been successful, especially with small businesses—7,000 state-owned companies have been privatized since independence. In February 2003, the IMF praised Lithuania for its economic policies, including GDP growth, a decrease in unemployment, a lower-than-predicted deficit, and near-zero inflation. It is up to Paksas to continue to pursue the success gained by previous administrations.

## FOREIGN POLICY

Paksas's foreign policy will be based on efforts to integrate with the West and to develop and strengthen economic relationships with other countries. Lithuania became a member of the World Trade Organization (WTO) in May 2001. In November 2002, NATO formally invited Lithuania to join the organization, along with 6 other countries, including Latvia and Estonia, the first former Soviet republics to join. After the NATO summit in November, President Adamkus hosted U.S. President Bush, the first-ever visit by a U.S. president to Lithuania. In December 2002, the EU officially invited the country to become a member as of May 2004. A referendum on EU accession is scheduled for May 2003. The EU has stressed that Lithuania needs to strengthen its judicial system and fight corruption.

Relations with Russia have remained of primary importance. Because citizenship was granted to virtually all Russians living in Lithuania, relations with Russia had been better than those of Estonia and Latvia. In 1993, the last Russian troops left Lithuania. Still, the Russian government opposed Lithuanian membership in NATO. Brazauskas was the first Baltic president to visit Russia, signing a border treaty in Moscow in October 1997.

Lithuania continues to cultivate strong relations with Estonia and Latvia. The Baltic States have maintained a free trade agreement since 1994. One issue that has caused some recent strain with Latvia has been the plan to develop Latvian oil reserves in contested waters of the Baltic Sea.

In his inaugural address, Paksas pledged to adhere to principles of freedom and democracy, and to protect the values of civilization in the wake of the 11 September 2001 terrorist attacks on the United States. Lithuania supported the U.S.-led coalition in its 2002–03 position on the disarmament of Iraq. In doing so, it took a risk in potentially alienating other European countries, particularly France, Germany, and Russia. All three of those European nations adopted vocal anti-war stances prior to the war in Iraq, which began on 19 March 2003.

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**Profile researched and written by Jeneen Hobby, Ph.D. (5/2003); sections contributed by Andrejs Penikis, Columbia University (4/2002).**

# LUXEMBOURG

Jean-Claude Juncker  
Prime Minister

(pronounced “zhan-claud YUN-ker”)



*“I think there can be no Luxembourg view, because in the [European] Union people should practice dual patriotism. To us this means a Luxembourg and a European patriotism.”*

The Grand Duchy of Luxembourg is one of the smallest countries in Western Europe, encompassing only 2,586 sq km (999 sq mi). Wedged among three countries, Germany to the east, Belgium to the north and west, and France to the south, Luxembourg’s geographic location provides its inhabitants with the advantage of having prosperous neighbors that help to fuel its economy. Luxembourg is quite densely populated, with a population estimated at 448,569 people as of July 2002. The capital is Luxembourg-Ville (Lutzelburg).

Since 1985, the official language has been Letzeburgish, a German dialect with French flavoring, but both French and German are used: French in government offices and German in commercial enterprises and the press. Students are taught in both French and German in school. About 95% of its population is Roman Catholic.

The economy is strong and in 2002, it provided Luxembourgers with an estimated annual per capita gross domestic product (GDP) of us\$44,000, the highest of any of the European Union (EU) countries. Steel and chemicals are important industries, and they provide many of Luxembourg’s principal exports: base metals and manufactures, machinery and transport equipment, rubber, plastics, as well as textiles and clothing, stone ceramics, and glassware. Most trade occurs with other EU countries. Since the 1970s, international finance and insurance have gained a dominant position in the economy. In 2002, Luxembourg became one of twelve nations to adopt the euro as official currency.

## POLITICAL BACKGROUND

In the medieval era, Luxembourg was one of many small principalities in Western Europe. For centuries, it successfully fended off efforts by its larger neighbors to absorb it. It succumbed to invasion by Nazi armies in 1940, regaining its independence in 1944, after heavy fighting between U.S. and German forces. Many American war dead, including General George S. Patton, are buried in U.S. military cemeteries in the country. Constraints of size and location have been factors in the many cooperative agreements in which Luxembourg participates, and the country has cooperated in post-World War II moves toward European integration. A customs union was established with Belgium in 1921, which was interrupted only during the German occupation of 1940–44. Luxembourg was a founding member of North Atlantic Treaty Organization (NATO) in 1949, and was an original member of the European Coal and Steel Community (forerunner to the European Community, now the EU). The Benelux

Economic Union was negotiated in 1948, became effective in 1960, and in 1970, established Belgium, the Netherlands and Luxembourg as a single customs union. Membership in such institutions reflects an impulse to mesh the country’s future with that of other Western democratic governments.

Luxembourg has been governed by coalitions since the 1920s, with the exception of Nazi rule during the war. Luxembourg’s small size allows citizens to be familiar with the social, economic and political currents of each section of the country. In such circumstances, consensus building is both important and possible, and coalition governments generally reflect an effort to forge consensus. Since World War II, the Parti Chretien Social (PCS or Christian Socialist Party), a centrist party, has led all coalitions except one. For a brief period (1974–79), the Parti Ouvrier Socialiste Luxembourgeois (POSL or Luxembourg Socialist Workers Party) led a coalition with the Parti Democratique (PD or Liberals) as their junior partners. For fifteen years (1984–99), the PCS had been the senior partner in coalition with the POSL. Jacques Santer was the leader of this coalition until January 1995, when he became president of the European Commission, the key administrative body of the EU. In the 1999 elections, the PCS formed a coalition with the PD to form a government.

Luxembourg is a hereditary constitutional monarch. Grand Duke Henri became the head of state in 2000 as his father Grand Duke Jean, who came to the throne in 1964, abdicated at the age of 79. Though Grand Duke Henri vowed to take a more active role in state affairs than his father had, his official duties are primarily ceremonial. The unicameral legislature, the 60-member Chamber of Deputies, which is elected every five years, is the true instrument that gives legitimacy to any government. The voting age is 18, and all voters are required by law to vote. Executive power is vested in the Grand Duke but is generally exercised by the Council of Ministers, under the leadership of the president of the government, also known as the prime minister.

## PERSONAL BACKGROUND

Jean-Claude Juncker was born on 9 December 1954, in Redange-sur-Attert, Luxembourg. He was one of seven children in a working-class family. His father worked in a steel plant and was active in union affairs. Juncker excelled in school and attributes his work ethic to his father. In 1979, Juncker earned a law degree from the University of Strasbourg, but practiced law only briefly before entering politics.





He is fluent in both French and German. Juncker is married; he and his wife have no children.

### RISE TO POWER

In 1979, upon his graduation from law school, Juncker became president of the Christian Social Youth Organization, which is an arm of the PCS. Party leaders quickly noticed his talent for organization and willingness to make decisions. When he was 25, they made him parliamentary secretary of the PCS, a position that allowed him to see the workings of the party from the inside and to come to know its leaders well. In 1984, Juncker was elected to the Chamber of Deputies, and in that same year, at age 29, he became minister of labor. Although trained in law, he excelled in analysis of economic and financial problems, and gained a reputation for intelligence, energy, and directness. His straightforward manner and practical approach to problem solving won him allies in the business as well as the political community. A succession of important government positions followed.

He was reelected to the Chamber of Deputies in 1989, and was appointed to head both the labor and the finance ministries by Prime Minister Santer. He was reappointed to these same posts after the PCS's electoral victory of 1994. In 1990, Juncker was elected president of the PCS. This administrative position allowed him to consolidate his political base and to direct the development of party policies on all issues of importance. Jean-Claude Juncker replaced Jacques Santer as prime minister on 26 January 1995, becoming the youngest head of government of any EU state. Juncker survived the 1999 election by joining forces with the Democratic Party (DP).

### LEADERSHIP

Juncker has demonstrated a commitment to maintaining Luxembourg's important position in international finance. At the same time, he remains faithful to his country's tradition of cooperation with its neighbors. The EU is the focal point for Luxembourg's political and economic future. In his view, the more closely Luxembourg works with its neighbors, the more secure the future of the country will be. Close coordination with the EU means surrendering a measure of sovereignty. Some of the larger EU countries, such as Britain, have resisted the trend towards a stronger EU. Juncker, however, has unambiguously cast Luxembourg's lot with the EU. While a minister in Santer's government, he strongly supported endorsement of the Maastricht Treaty, which called for closer coordination of economic and political policies among EU states. The Chamber of Deputies agreed to the Maastricht Treaty in 1992. Among the treaty's requirements is the commitment by the EU members to the European Monetary Union (EMU). Strict qualifying stipulations, or "convergence criteria," were issued by the EU for entry into the EMU. Those stipulations required that a state should keep inflation low, that its budget deficit be modest, and that its overall debt be confined to certain limits. As finance minister at the time of agreement to meet these EMU guidelines, and later as prime minister, Juncker was responsible for shaping relevant government policy. To nobody's surprise, Luxembourg joined EMU in 1999, and in 2002, the euro was introduced as common currency.

Juncker also occupied positions in international institutions that are important to Luxembourg's position as a center of finance and enhance his country's image in the international community. From 1989 to 1995, he served as a governor of the World Bank, providing him with a detailed understanding of the international economy. In February 1995, he was named a governor of the International Monetary Fund (IMF) and of the European Bank for Reconstruction and Development (EBRD), where he was able to follow and influence monetary and fiscal policy in a large number of nations around the world. The vantage points of the World Bank and IMF have provided Juncker with the opportunity to gain insight into world trade, the financial viability of various countries, and the borrowing needs of nations seeking to further develop their resources and industries.

### DOMESTIC POLICY

Luxembourg's domestic economic policy is closely tied to developments in the EU because most of the country's trade and investments are with other EU states. ARBED, Luxembourg's principal steel making company, saw its profitability fall sharply in the 1970s with the worldwide decline in steel prices. The company was forced to eliminate many of its 27,000 workers. Through restructuring and specialization in customized metals, ARBED has bounced back into profitability, and is now Europe's third-largest steel company. Nevertheless, employment at the company remains low.

With the decline of the steel industry, the government sought to capitalize on Luxembourg's strengths in developing new and viable industries. The country enjoys a central location and high educational standards. Luxembourg's leaders decided in the 1970s to make a concerted effort to



develop a service economy, concentrating upon finance, banking, and insurance. Juncker, as prime minister, continued this trend. Luxembourg has low taxes, by European standards, on bank accounts and mutual funds; this draws investments from wealthy but more heavily taxed neighbors, such as France and Germany.

Luxembourg has also had strong confidentiality laws to protect investors from inquiry about their holdings. For a period of time, the laws attracted money from drug cartels, which have sent money there in order to conceal its source, then reinvest it in legitimate enterprises. The Juncker government has supported changes in Luxembourg's confidentiality laws so that judicial investigators may learn the source of investments in order to prevent criminals from profiting by using the country's banking system.

Luxembourg's economy has adjusted from the difficult days of the 1970s to become one of Europe's strongest. Growth rates have been among the highest in the EU, averaging around 5% in 1998 and 1999. Unemployment was only 1.6%, the lowest in the EU. Its economy shifted from dependence on steel to an emphasis on services, notably finance and telecommunications. Luxembourg is now among the world's top 10 financial centers and the financial sector employs approximately 10% of the workforce (20,000 people) and accounts for around one-fifth of national income.

Some Luxembourgers believe that the country's economic wealth has led to an unwanted influx of foreign workers. The EU requires that each member state open its borders and employment to citizens of other EU states. The result has been that wealthy EU states, such as Luxembourg, attract workers from poor EU states where unemployment is high. Many of these workers take low-wage jobs and send their earnings back to their country of origin. There is little evidence as yet that they displace Luxemburgers from jobs. Nonetheless, the presence of large numbers of foreign workers—one estimate places the figure as high as 30% of the population in 1994—brings a clash of cultures. A challenge for the Juncker government will be to insure that native Luxemburgers and foreign workers live in harmony.

## FOREIGN POLICY

The Juncker government has strongly endorsed the Maastricht Treaty's call for an EU common foreign and security policy. Luxembourg's armed forces are minimal. Nonetheless, it has endorsed the French-German effort to build a "Eurocorps," or nascent European army for the EU.

Its support for the Eurocorps will be primarily through funding, rather than through supplying combat personnel. At the same time, Luxembourg remains a member of NATO, and allows other allies to maintain on its soil supply depots that would be of critical importance in time of conflict. Despite its small size, Luxembourg was among the few nations to send troops to the former Yugoslavia in the United Nations (UN) Protection Force. Although the EU remains at the core of Luxembourg's foreign policy, challenges to Luxembourg's influence in the EU are on the horizon. Ten new countries have been invited to join the EU in 2004, and voting procedures within the EU's governing institutions will likely change in order to prevent the organization from becoming unwieldy. Power may shift to the larger, more powerful, EU states. This could mean, for example, that the current practice of giving each country a veto over key decisions will be altered, a change that could adversely affect small states such as Luxembourg. As of 2003, maintaining Luxembourg's economic vitality and its political influence in EU councils was a primary task for the Juncker government.

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**Profile researched and written by Paul E. Gallis, Congressional Research Service (6/95); updated (4/03).**

# MACEDONIA

**Boris Trajkovski**  
**President**

(pronounced "BAH-riss try-KOFF-ski")

*"I believe that we will succeed in making Macedonia a stable and prosperous democratic country with a high level of respect for human rights and freedoms and a high standard of living for all citizens."*



The Former Yugoslave Republic of Macedonia spans 25,713 sq km (9,928 sq mi) and is surrounded by Serbia and Montenegro to the north, Albania to the west, Bulgaria to the east, and Greece to the south. The capital is Skopje, (pronounced "SKOPE-jeh") situated on the Vardar River. The population is estimated at 2.05 million, and breaks down as 64.6% Macedonian, 21% Albanian, 4.8% Turkish, 2.7% Roma (Gypsies), 2.2% Serbs, and about 4% others. The Macedonian Orthodox religion, likened to Eastern Orthodox teachings, is practiced by the vast majority of Macedonians. Situated at a strategic crossroads in the Balkan Peninsula, geographic Macedonia has been subject to conquest and territorial disputes for centuries. In the fourth century BC, Alexander the Great established control over the territory of Greece and Macedonia. Macedonia was invaded by Slavic tribes in the sixth and seventh centuries AD. The Ottoman Turks conquered Macedonia in the fourteenth century and remained in control of the territory for over five centuries. Macedonia was wrested from Turkey in the Balkan Wars of 1913 and was divided among Serbia, Greece, and Bulgaria. After World War I, Macedonia was again partitioned. The Yugoslav part of Macedonia became incorporated into Serbia. After World War II, Macedonia was reconstituted by Marshal Tito as a constituent Yugoslav state, one of six equal federal republics. Tito permitted and promoted the development of a Macedonian culture, language, and nationality within Yugoslavia but distinct from either Serbia or Bulgaria.

Within Yugoslavia, the Republic of Macedonia was the poorest of the six Yugoslav republics, and contributed only about 6% of overall gross national product (GNP). Its main industries are agriculture, textiles, and minerals, which were mainly geared for markets in the other Yugoslav republics. A new Macedonian currency, the *denar*, was launched at the end of 1992.

## **POLITICAL BACKGROUND**

Ten years after the death of Tito, all six Yugoslav republics held multiparty elections in 1990. Elections in the Republic of Macedonia were held in November–December 1990. Nine parties won seats in the legislature, but no single party managed to secure a parliamentary majority. Out of 120 seats, the Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity (IMRO-DPMNU) won 37 seats; the League of Communists of Macedonia-Party for Democratic Transformation (LCM-PDT, since renamed the Social Democratic Alliance)

won 31 seats; the Albanian Party for Democratic Prosperity (PDP) won 25 seats; the Alliance of Reform Forces for Macedonia (ARFM, since renamed the Liberal Party of Macedonia) won 17 seats; the Socialist Party won five seats; the Independent Party won three seats; and the remaining two seats were split between the IMRO-DPMNU and the Party for the Emancipation of the Roma. The new legislature passed a declaration of sovereignty in January 1991, but coalition talks after the elections on forming a new government were unsuccessful. In March 1991, the National Assembly approved a so-called Government of Experts of mostly unaffiliated ministers headed by Nikola Kljusev.

Unlike the northern Yugoslav republics of Slovenia and Croatia, Macedonia originally had no interest in breaking away from the Yugoslav federation. As tensions flared up between Serbia, Slovenia, and Croatia in June 1991, Macedonia at first favored a new "community of sovereign republics." Macedonia's position on independence shifted later that year. On 8 September 1991, Macedonia held a public referendum on independence, which resulted in a large majority (excluding most ethnic Albanians) in favor of independence. The National Assembly thereafter declared independence on 9 September and adopted a new constitution on 17 November 1991, establishing the republic as a sovereign, independent, democratic, and social state. In keeping with European Community conditions for recognition, amendments were added to the constitution in January 1992 that renounced any territorial claims or interference in the internal affairs of other states.

## **PERSONAL BACKGROUND**

Boris Trajkovski was born on 25 June 1956, in Strumica. In 1980 he received a law degree from the University of St. Cyril and Methodius in Skopje, afterward specializing in commercial and employment law. Until 1997, he headed the legal department of the Sloboda construction company in Skopje. He has also been a member of the Macedonia America Friendship Association, and he served as leader of the United Methodist Church's youth branch in the former Yugoslavia for 12 years. Trajkovski is married and has two children.

## **RISE TO POWER**

Trajkovski's rise to power has been extremely rapid. He first entered politics in 1997, when he was the top official in the mayor's office in the Kisela Voda Municipality (1997–98). In

1999 he served as deputy minister of foreign affairs. He has also been chairman of the ruling VMRO-DPMNE party's foreign relations commission and served as the chief political adviser on foreign policy to Prime Minister Georgievski. In the fall of 1999, Trajkovski ran for the presidency as the IMRO-DPMNV's candidate. He was elected in November 1999 and sworn into office in December. The opposition Social Democratic Union charged electoral fraud, and Organization on Security and Cooperation in Europe (OSCE) observers noted some irregularities, primarily in majority-Albanian areas. They termed the overall election process fair and legitimate, however.

## LEADERSHIP

The election of Boris Trajkovski, who was born after World War II, to the presidency brings a new generation of political leadership to Macedonia. Trajkovski, however, can be expected to continue the political moderation and emphasis on stability of his predecessor, Kiro Gligorov. As president of Macedonia, Gligorov made numerous attempts to moderate increasing tensions among the Yugoslav republics and proposed compromise solutions for Yugoslavia that would create a community of sovereign republics.

Like Gligorov, Trajkovski has made efforts to work toward defusing potentially destabilizing ethnic tensions in Macedonia, especially those centered around Macedonia's Albanian population. In his inaugural address, he stated, "I will not allow ethnic hatred, chauvinism, and intolerance to destroy the stability of the country." During the campaign and following the election, Trajkovski also emphasized his belief in the importance of the family as the cornerstone of society and nationwide policies to strengthen the family and its values.

## DOMESTIC POLICY

President Trajkovski has identified the stability and territorial integrity of Macedonia as his first priority. He has noted the need for Macedonia's military to be both technologically prepared and highly mobile to meet any challenge that may arise in the volatile Balkan area. He has also identified ethnic tolerance as the major road to internal stability.

The poorest republic in Yugoslavia during the Communist era, Macedonia enjoyed a modest recovery in the 1990s as its agricultural sector expanded and privatization began. High unemployment and increasing poverty, however, remain problems. In the area of economic development, Trajkovski has cited increased exports and the attraction of foreign investment as priorities. He is a strong advocate of European integration and is committed to cooperation with international organizations including the World Trade Organization (WTO), to which Macedonia has applied for membership, and the European Union (EU), which it would like to eventually join as well.

Violence erupted in March 2001 between government troops and ethnic Albanians, who were vying for equal rights with the Macedonian majority. The fighting destroyed much of the country and caused approximately 170,000 civilians to flee their homes. A peace agreement was finally reached in August 2001 that would guarantee the political and educational rights of ethnic minorities, including proportional



representation in parliament and recognition of Albanian as an official language.

Parliamentary elections were held in September 2002, which saw a change in leadership from the more nationalist VMRO-DPMNE to the moderate Social Democratic League of Macedonia-led "Together for Macedonia" coalition. Branco Crvenkovski became prime minister, and ethnic Albanian rebel-turned-politician Ali Ahmeti led his Democratic Union for Integration party (DUI) to victory for the Albanian community.

## FOREIGN POLICY

Macedonia's primary foreign policy concerns under President Gligorov were the extended dispute with Greece over international recognition, which lasted until the mid-1990s, and fears that ongoing conflicts in other parts of the former Yugoslavia would spread to Macedonia. President Trajkovski has voiced his intention of pursuing stability in the region by fostering friendly relations with neighboring states including Greece, Bulgaria, Albania, and the Federal Republic of Yugoslavia while also encouraging the development of democracy and respect for human rights. He regards EU membership as a strategic goal.

On 9 April 2001 Macedonia became the first nation to receive a Stabilization and Association Agreement (SAA) with the EU. This agreement guarantees free trade with the EU as long as Macedonia works on reforming the economy and upholding human and political rights. Another major boost to the Macedonian economy came in April 2002, when the country was promised over us\$500 million in aid from a host of nations and organizations. Most of the money is earmarked for balancing the budget and rebuilding homes

and facilities devastated by the fighting that occurred throughout 2001.

In November 2002, the North Atlantic Treaty Organization (NATO) announced seven new countries would accede to the body by 2004; Macedonia was not one of them, but it is waiting for a later round of expansion. In March 2003, NATO ended its Operation Allied Harmony in Macedonia, and its peacekeeping functions were handed over to the EU. Since NATO wants to help Macedonia remain within Euro-Atlantic security structures, it will maintain civilian and military representatives in Skopje. Operation Allied Harmony was NATO's third operation in Macedonia, following ones in 2001 and 2002.

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# MADAGASCAR

Marc Ravalomanana  
President

(pronounced "MARK rah-va-low-MAH-nah-nah")



"What the Malagasy need now is discipline."

The Democratic Republic of Madagascar is located in the Indian Ocean, approximately 386 km (240 mi) off the southeast coast of Africa. It is the fourth-largest island in the world, covering an area of 587,041 sq km (226,657 sq mi). The central region of the island is dominated by a mountainous plateau, partly volcanic in origin. The elevation reaches 2,876 m (9,436 ft) atop Mount Maromokotro in the north. A narrow coastal plain is found in the east while a wider plain covers the west coast. The south is an extremely arid desert region.

The population of Madagascar, estimated at 16.5 million people in 2002, is ethnically diverse. The two major groups are the Mérimas (Hova) of Indonesian descent and peoples of African descent. Other smaller groups include Indians, Pakistanis, Comorans, French, Chinese, and people of Arab origin. Approximately 55% of the population hold traditional religious beliefs while about 36% are classified as Christians (with Protestants predominantly represented on the plateau and Roman Catholics in the coastal areas). About 9% are Muslim. The two official languages are Malagasy (of Malayo-Indonesian origin) and French.

The unit of currency is the Malagasy *franc*. Per capita gross domestic product (GDP) was estimated at US\$870 in 2001. This makes Madagascar one of the world's poorest nations. Agriculture dominates the economy and contributes more than 60% of export earnings. Madagascar is the world's leading supplier of vanilla but coffee is the country's major export crop. Other food crops include rice, bananas, beans, cassava, corn, sweet potatoes, cloves, peanuts, and yams. The primary industrial activities are mineral extraction and light manufacturing (mainly food processing). Automobile assembly and petroleum refining are expected to grow in importance. While France is the principal trading partner, other partners include Germany, Japan, Italy, and the United States.

## POLITICAL BACKGROUND

During the eighteenth and nineteenth centuries, Madagascar was ruled by the Mérimas monarchy. After a short period of British influence, the French gained control by 1896. The country voted to become an independent republic within the French community in 1958 and established a Western-style democratic Constitution the following year. Full political independence was gained in 1960.

The first republic of Madagascar was led by Philibert Tsiranana until 1972. His government was overthrown in a

national uprising protesting continued French influence. President Tsiranana was followed by General Ramanantsoa. Unable to satisfy the growing nationalist opposition, General Ramanantsoa resigned in 1975, and his successor, Colonel Ratsimandrava, was assassinated after only six days in office. Lieutenant Colonel Didier Ratsiraka formed a new government in June 1975. In December of that same year he won his first seven-year term as president. He was reelected to a second term in 1989. Chronic food shortages and student riots led to the growth of opposition parties, including Albert Zafy's Union Nationale des Démocrates Chrétiens (UNDC). Ratsiraka served three terms before he lost the 1993 elections to Albert Zafy. Zafy was impeached in 1996, and on 29 December 1996, Ratsiraka was returned to office.

A new Constitution was introduced in 1992, providing for a unitary state with a bicameral legislature. It was only in May 2001, however, that the Senate reopened—after 29 years of dormancy—to complete the framework of the government elaborated in the 1992 Constitution. In the meantime, a constitutional referendum in 1998 passed narrowly, giving the executive greater powers. The executive appoints a prime minister from a list of candidates nominated by the National Assembly. The prime minister appoints the Council of Ministers. Two-thirds of the members of the Senate are selected by an electoral college for a four-year term, and the remaining one-third are appointed by the president. The 150 deputies, who are members of the National Assembly, are elected for four years by universal suffrage—82 by single-member and 34 by two-member constituencies. A constitutional high court rounds out the framework.

Crisis ensued following the 16 December 2001 presidential election when challenger Marc Ravalomanana claimed to have won the election outright over incumbent Didier Ratsiraka, thereby eliminating the need for a run-off. The official results gave Ravalomanana 46.2%, forcing him into a runoff with Ratsiraka (40.9%). Albert Zafy (Rasalama) claimed 5.4%, Herizo Razafimahaleo 4.2%, D. Rajakoba 1.8%, and P. Rajaonary 1.6%. With Ratsiraka refusing to step down, Ravalomanana and his supporters mounted strikes and protests culminating in Ravalomanana's seizure of the presidency in February 2002. Violence between both sides broke out resulting in more than 70 deaths and considerable damage to physical infrastructure. U.S. recognition of Ravalomanana in June 2002 was followed by international approbation of his government, forcing Ratsiraka in July



2002 to seek exile in France ending seven months of political and economic chaos in the country.

## PERSONAL BACKGROUND

Marc Ravalomanana was born in 1953 in the village of Imerikasina 15 miles outside Antananarivo. His is a “rags-to-riches” story. He was educated by missionaries in his home village and completed high school in Sweden at a strict parochial school. In his twenties he decided that his future lay in business. He left his academic pursuits to sell yogurt, which he produced at home with help from Lalao, his wife, and sold off the back of his bicycle in Antananarivo. Utilizing his connections in the Protestant Church, he obtained a loan from the World Bank, and within two years opened a factory. From this inauspicious beginning, Ravalomanana expanded TIKO into the largest Malagasy-owned enterprise in the country with a monopoly on all dairy and oil products. He also owns the private Malagasy Broadcasting System, which operates the MBS TV and Radio MBS networks.

## RISE TO POWER

Since gaining independence in 1960, Madagascar has passed through stages of nationalism, socialism, and following the Cold War, capitalism. Marc Ravalomanana is a product of this history, and as a leading business magnate in the country, has benefited from this confluence of history. In 1999 he became mayor of Antananarivo, which denizens of the capital thought much cleaner and better organized than before. His tough-guy approach to running the city was tempered by his youth, good looks, and wealth, accelerating his popularity among the Merina urbanites to the extent that he was able to

dwarf all other challengers for the presidential elections of December 2001.

Ravalomanana declared himself president on 22 February, and set up his cabinet. With the support of churches, civil society groups, and a portion of the army, he controlled the capital. In March he gained control over the state radio and TV. Ratsiraka retreated to his coastal fiefdom, Toamasina, where he enjoyed provincial support.

In April 2002, with both Ratsiraka and Ravalomanana agreeing to a recount of the December 2001 polls, the High Constitutional Court declared Ravalomanana the winner with 51.46% of the vote, and 35.90% for Ratsiraka. Ratsiraka defied the verdict, but Ravalomanana was sworn in for the second time on 6 May 2002 as Madagascar's fourth head of state. With army commanders loyal to him, Didier Ratsiraka continued to lay siege to Antananarivo. Bridges leading into the city were blown, and food and basic necessities were in short supply. Eventually Ratsiraka and his loyalists were backed into Toamasina. On 26 June, ambassadors from all the major donor countries except for France attended an independence day speech by Ravalomanana. Facing military defeat and having lost the support of the international community, Ratsiraka capitulated leaving the way open for Ravalomanana to assume the presidency.

## LEADERSHIP

In spite of the odds, Ravalomanana was able to attract unprecedented levels of public support. He has acquired the reputation of someone who makes quick decisions and gets things done his way. Besides the success of TIKO, signs of his can-do attitude are apparent in the almost obsessive way he prioritized the problems of filth and anarchy in the capital and transformed Antananarivo into a livable environment. Part of this operation involved the controversial bulldozing of 100 houses, which he condemned as eyesores. Getting things done at whatever the cost, including forcing people to work if necessary, has incurred political costs, but the positive change in the capital was obvious.

Ravalomanana conducted his presidential campaign in the hinterlands by helicopter, flying into villages and towns, delivering short, hard-hitting speeches, and flying back out to the next meeting. During the campaign he grew from a mousy speaker into a charismatic presence in search of media attention. He accused Ratsiraka of tampering with the election then boldly declared himself the winner, occupied the presidency, and appointed a cabinet. He placed loyalists and close associates in leadership positions, and capitalized on the popular groundswell of public demands for change. As Vice-president of the Protestant Church in Madagascar, his integrity was unimpeachable, and Ravalomanana wisely traded on the influence of Christian churches to resolve the political crisis.

In contrast to the failures of socialist policies, Ravalomanana has promised to fight poverty and unemployment utilizing his entrepreneurial skills. In December 2002, Ravalomanana's party, I Love Madagascar, captured 125 out of a total of 160 seats in Parliament, which despite allegations by the opposition of manipulation, confirmed the level of popular support for his political vision.

## DOMESTIC POLICY

Ravalomanana inherited a gloomy economy dating back to nationalization in the mid-1970s. The agricultural sector, which employed more than 75% of the labor force, was neglected in favor of industrialization through import substitution. This policy, along with unfavorable terms of trade, resulted in heavy external borrowing and deterioration of the balance of payments. High inflation further eroded the purchasing power of the Malagasy *franc*. Ex-president Ratsiraka undertook a series of market-oriented adjustment policies with the International Monetary Fund (IMF) and the World Bank, including the removal of price controls and trade restrictions with some success. Increases in fuel prices, depreciation of the franc, and the floods of 2000, however, crushed economic growth. Madagascar's political crisis crushed tourism and manufacturing, leading to a contraction of the economy by 10%. An estimated 150,000 workers lost their jobs due to the crisis.

Ravalomanana has maintained cooperation with the IMF and the World Bank. At a donor meeting in Paris in July 2002, his prime minister, Jacques Sylla presented his government's core strategy consisting of jobs creation, poverty relief, better governance, and private sector promotion. Donors pledged us\$2.3 billion in financing over four years. At the donor meeting, the government promised to complete its Poverty Reduction Strategy Paper (PRSP), which will be the country's development blueprint after March 2003. The PRSP as elsewhere in developing countries, which benefit from the Heavily Indebted Poor Countries (HIPC) initiative, must be highly consultative with broad-based citizen input. Ravalomanana's government will be keen to re-establish a sense of domestic stability and rule of law to attract foreign investment.

The question of what to do with Ratsiraka remains. Ravalomanana has established a commission to arrest him for embezzlement and inciting violence, but he remains exiled in France. His personal property including his house have not been abused. Ravalomanana also is concerned with reactionaries still loyal to Ratsiraka. In February 2003, the administration arrested General Bruno Rajohnson on charges of attempting a coup. Finally, an Amnesty International Report in December 2002 found evidence of widespread human rights abuses that bear investigation and attention from President Ravalomanana's administration.

## FOREIGN POLICY

In the 1970s, Madagascar's foreign policy shifted dramatically in favor of closer economic ties with China and the former Soviet Union, and in the 1980s against South Africa and its policy of apartheid. One result of this history was Madagascar's withdrawal from the Franc Zone and the Francophone Common African and Malagasy Organization (OCAM). Historically, Madagascar also has supported the non-aligned movement and African liberation movements. Relations with South Africa have improved since 1994, and Madagascar is considering joining the Southern Africa Development Community (SADC). Madagascar is a member of the Common Market for Eastern and Southern Africa (COMESA).

Ravalomanana intends to maintain good foreign relations with France as well as strengthen ties with the United States,

China and other African countries. France, Madagascar's largest trading partner, promised us\$150 million in foreign aid, with the United States contributing another us\$100 million. At his address to the United Nations (UN) on 13 September 2002, Ravalomanana thanked the UN for its role in resolving Madagascar's crisis and reassured the international community of his intentions to abide by the rule of law, to make primary education a priority, and to respect the environment. Ravalomanana's commitment to root out corruption by giving government ministers a ten-fold wage increase was welcomed by the World Bank. With the prospect of corruption under control, foreign capital is likely to pour into the country from Asia and the West.

Relations with the African Union (AU) were strained over the refusal of the old guard within the former Organization of African Unity (OAU) to recognize Ravalomanana's government. After suspending Madagascar from the OAU, the Ravalomanana government was barred from the AU at its inauguration in July 2002. With many of Didier Ratsiraka's friends still in power and holding influential positions in the AU, the transfer of power from Didier Ratsiraka to Marc Ravalomanana was declared unconstitutional. Ironically, the AU was the only African-led organization to refuse to recognize Ravalomanana as president. The situation was resolved when President Ravalomanana was invited to the World Summit on Sustainable Development (WSSD) in Johannesburg in September 2002 where he met with African heads of state and with U.S. Secretary of State Colin Powell.

Ravalomanana supports the objectives of the New Partnership for Africa's Development (NEPAD), which under AU leadership, provides donors with a framework for development and commitments by African leaders to good governance in exchange for foreign aid.

## ADDRESS

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# MALAWI

## Bakili Muluzi President

(pronounced “ba-KIH-ree moo-LOO-zee”)



*“There is evidence that countries that embrace democracy experience economic growth.”*

The landlocked Republic of Malawi, formerly called Nyasaland, became an independent nation on 6 July 1964, and a republic in 1966. Malawi's neighbors include Tanzania to the northeast, Mozambique to the west and southwest, and Zambia to the east and northeast. The 580-km (360 mi) Lake Malawi also borders the northeastern side of the country. Malawi has an area of 118,484 sq km (45,747 sq mi) and a population estimated at 10.7 million in 2002. The country's topography consists of fertile plateaus and a mountain range lining the Rift Valley, which stretches from north to south. The climate is semitropical. Malawi's major cities include Lilongwe (population estimated at 395,000) and the former capital, Blantyre (population estimated at 446,800).

The major ethnic groups include the Chewa, the Mang'anja, the Tumbuka, the Yao, and the Lomwe. Most Malawians are Christians (75%), with Islam and traditional African beliefs also widely practiced. While English is the official language, African languages (primarily Chichewa) are also widely spoken. Malawi's economy is based primarily on subsistence farming and cash-crop agriculture. The southern portion of the country possesses large agricultural estates while agriculture in the north consists of family farms. Malawi's major exports include tea, tobacco, peanuts, sugar, cotton, and corn. Its principal trading partners are South Africa, United Kingdom, and Japan. As one of the world's poorest countries, Malawi receives significant foreign aid. Its per capita gross domestic product (GDP) was estimated at US\$660 in 2001, down from US\$900 in 2000. The national currency is the *kwacha*.

### POLITICAL BACKGROUND

The trading kingdoms established in the Malawi region during the 1500s endured until British traders arrived in the area in 1859. In 1891, Malawi became the British protectorate of Nyasaland. In 1953, Nyasaland joined with Northern and Southern Rhodesia to form the Federation of Rhodesia and Nyasaland. Internal opposition, however, led by nationalist leaders, including Hastings Kamuzu Banda, forced the dissolution of federation in 1963 and the establishment of the independent nation of Malawi in July 1964.

Declared a republic in 1966, Malawi was governed as a one-party state under President Banda until 1994. The Malawi Congress Party (MCP), formed by Banda, governed the country through coercion and repression. In 1971, Banda was declared president-for-life. He once said, “One leader, one party, one government and no nonsense about it.”

Malawi entered a period of political stability and repression, with many dissidents fleeing the secret police and the paramilitary militia, Malawi Young Pioneers of the MCP. Significant support for Banda came from owners of large agricultural estates and agricultural processors who benefited from low state prices. Peasant farmers, who were unable to subsist on the land became expatriate laborers in South Africa and other African countries. By 1985, 86% of rural households farmed less than 5% of the land.

By 1992, significant pressures for democratization and an end to repression came from the international aid community. The Catholic Church criticized the repressive government in an open letter. Despite the affirmation of one-party rule by the National Assembly, mass protests took place in May 1992, one month before another uncontested election. Banda, realizing his decreasing popularity and declining health, called for a national referendum on one-party rule. On 15 June 1993, 63.5% of Malawians who cast their ballot voted in favor of ending one-party rule.

On 22 July 1993, the National Assembly reformed the Constitution by repealing articles that called for a one-party state and declared an amnesty for political exiles. Two months later, Banda underwent brain surgery. A provisional government, consisting of a three member Presidential Council, began preparations for multiparty elections despite protest from opposition leaders, who preferred a transition led by a neutral team. In November, the National Assembly voted to end Banda's lifetime appointment. Presidential elections held on 17 May 1994 featured four candidates, including Banda. The winner was Bakili Muluzi of the United Democratic Front (UDF). Muluzi assumed the presidency and was subsequently reelected in June 1999.

Malawi has now become a multiparty democracy. The 192 members of the National Assembly are elected in single-member districts along with the president, who is elected nationally. All serve five year terms. The three major political parties are the UDF, the MCP, and the Alliance for Democracy (AFORD). The cabinet and the vice president assist the president in the day-to-day operations of the country. In addition to the national government, there are 24 local government districts and three subdistricts.

### PERSONAL BACKGROUND

Bakili Muluzi was born in the Machinga district of southern Malawi in March 1943. (Sources cite his birthdate as 1 March or 17 March.) After graduating from primary and



secondary schools in Malawi, he attended Thirsted Technical College in Denmark and Huddersfield College of Education in the United Kingdom. Upon his return to Malawi, Muluzi became a clerk in the colonial service of Nyasaland. By 1968, he had become the government's court clerk.

When Muluzi was principal of Nasawa Technical College in 1973, Banda appointed him to Parliament. Muluzi rose rapidly within the ranks of the MCP, eventually holding important positions in the party and government. He returned to private life in 1982, however, and established a profitable transportation and agricultural business. In 1992, he became a founding member of the UDF. Even as president, he is referred to as Dr. Muluzi, having received an honorary degree at Lincoln University in Missouri in 1995.

Muluzi is a devout Muslim who has significant political support from southern portions of the country. He has seven children, two from his estranged first wife, Anne, and the other five from his second wife, Patricia Shanila Fukula. On 15 March 1999, Muluzi announced officially the separation from his first wife of 30 years, Anne, who also served as the first lady. Up until their separation in March 1999, Muluzi lived with Anne in the State House in Blantyre while the second wife, Patricia, resided at another of Muluzi's official residences in the former colonial capital of Zomba, some 70 km (40 mi) northeast of Blantyre. On 9 October 1999, to make her the official First Lady, Muluzi married Patricia in a lavish ceremony. Muluzi was heavily criticized in the media for his insensitivity and extravagance in spending thousands of dollars from public coffers on a private ceremony to host several heads of state who attended the wedding, while the majority of Malawians live in abject poverty and suffering.

## RISE TO POWER

Muluzi was second-in-command in the Banda government and secretary general of the MCP for nine years. He left the cabinet in 1982, having lost the support of Banda. From 1982 to 1992, Muluzi supported the opposition by heading the UDF, which at that time was a pressure group agitating for a multiparty system.

When the UDF became a political party in 1992, Muluzi was a founding member. The one-party system was abolished in 1993, and Muluzi began to prepare the UDF for parliamentary and presidential elections. He ran on a platform of reforming the Malawian political system by embracing democracy and alleviating poverty and illiteracy through increased social services.

Muluzi became president on 21 May 1994, having defeated Hastings Banda (MCP) and Chakufwa Chihana (AFORD) by obtaining 47.3% of the total vote. Banda, the runner-up and former president, received 33.6%. Despite having participated in the Banda government and having been accused of embezzling funds in 1968 as court clerk, Muluzi ran a campaign advocating change as an outsider. Most of Muluzi's support came from the south while the north strongly opposed him. He formed a coalition government with AFORD to obtain a governing majority in the National Assembly.

## LEADERSHIP

Upon becoming president, Muluzi commissioned a panel of inquiry to investigate the murder of four politicians during



the Banda years. While the findings of the inquiry led to the arrest of six former officials, including Banda, the High and Supreme Court of Appeal acquitted all six, leading Muluzi to criticize the court. His power was weakened significantly in 1995 when allegations swirled that, as secretary general of MCP under Banda, he should be held responsible for the actions of the party. In 1996, Banda apologized to the nation for the "pain and suffering" that occurred while he was president. Muluzi's first term focused on bringing about national healing and creating a climate in which the government's institutions could function democratically. He continued to actively seek foreign investment and aid.

In the 17 June 1999 elections, Muluzi and the UDF emerged victorious in an election marred by allegations of fraud. Muluzi obtained 52.4% of the vote while Gwanda Chakuamba, his main challenger and a candidate backed by the MCP and AFORD, received 45.2%.

Muluzi's support remains confined to the densely populated south in a country where affiliations still determine voting patterns and political loyalties. Northerners continue to support AFORD, while those from the central region support MCP, and most of the southerners support the UDF. As president, Muluzi needs to show that he is capable of transcending the regionalism and past political rivalries, which have made governing acrimonious. Opposition parties demanded that the elections be annulled due to fraud, and decided to take Muluzi and UDF to court. Protests and riots occurred in the northern region of the country.

During the election campaign, Muluzi promised that cabinet members who failed to retain their legislative seats would be excluded from the new government. When he announced his cabinet of 30 ministers and deputy ministers

on 28 June 1999, it included two members who had lost their seats in parliamentary elections. Muluzi also failed to increase the representation of women in the cabinet, with only four being appointed. Three of Muluzi's lieutenants—Sam Mpasu, the UDF's secretary general and former information minister, Dumbo Lemani, sports minister, and Joseph Kubwalo of the Defense Ministry—were dropped from the cabinet. These changes reflect Muluzi's attempt to strengthen his control over the cabinet and party by eliminating potential challengers to his authority.

As of October 2001, the UDF held 96 seats in the National Assembly, while the AFORD held 30, and the MCP, 61. Six seats are held by independents who represent the National Democratic Alliance (NDA) opposition group, although the NDA was not recognized as an official political party. The National Assembly has 193 members, of whom 17 are women, including one of the deputy speakers.

The AFORD/MCP alliance remained a major threat to Muluzi's power. A united opposition was likely to make the passage of legislation, especially the budget, difficult. Thus far, Muluzi has refused to create a grand coalition to govern the country. The opposition has boycotted inaugural ceremonies. If he is to be effective, Muluzi needs to demonstrate his ability to bring the opposition into a cooperative framework with UDF.

In early 2002 it was rumored that Muluzi's UDF party would try to enact legislative changes that would allow Muluzi to seek a third term in the 2004 elections. While Muluzi publicly dismissed the idea, many observers expected to see him, with the support of his party members, attempt to extend his time in office.

## DOMESTIC POLICY

Malawi faces major domestic problems on issues of health, crime, environmental degradation, and national disunity. Life expectancy at birth is only 37 years and infant mortality was estimated at 120 deaths for every 1,000 live births in 2002. In 2003, United Nations estimates indicated that 15% of the adult population was infected with HIV/AIDS, and 10% of the families were headed by children. About 65% of the population lives below the poverty line. Malnutrition is widespread and severe, making it difficult for Muzulu to get the population to focus seriously on education. In early 2002, dozens of people were dying each month from hunger-related illnesses. Often, the food shortage is caused by destruction of crops due to flooding. The country seems to typically use up their stores of food, however, before the next season's crops are ready to be harvested. Transportation problems with neighboring countries, also caused by flooding in those regions, can delay much needed shipments of food for long periods of time. Muluzi continued to seek help through the World Food Program and the United Nations Development Program (UNDP) on intervention plans.

Muluzi is likely to continue development of the tourist industry and agricultural processing. In particular, the government will continue its privatization program and encourage private investment in Malawi's infrastructure, especially electricity generation and telecommunications. Due to the fact that the country's economy is dependent on agriculture, it remains vulnerable to severe dislocations caused by occasional drought. In the past, international

donors and the International Monetary Fund (IMF) aided Malawi. If Muluzi expects similar action in the future, he will have to maintain reforms and control spending. During the elections, he promised that the government would improve the delivery of clean water and provide free fertilizer and seeds for the subsistence farmers. He also promised to purchase more vehicles and train additional police officers to stem a flood of armed robberies as imported Russian automatic weapons have become increasingly common.

## FOREIGN POLICY

Malawi's foreign policy is centered on maintaining cordial relations with its neighbors and its Western trading partners. The end of Mozambique's civil war will benefit Malawi as refugees leave and economic links are reestablished. Because Malawi is a land-locked nation, the opening of the railroad line from Salima to Beira (in Mozambique) will lessen the burden of transportation costs for imports and exports.

As a member of the Organization for African Unity (OAU) and the South African Development Community (SADC), Malawi has benefited from the end of apartheid in South Africa with increased aid and trade. Malawi, however, faces the flood of cheap foreign imports from Zimbabwe and South Africa, which negatively impacts domestic producers and could fuel a balance-of-payments problem. Negotiations are currently underway to create a duty free economic zone in southern Africa, involving Malawi and its neighbors. Muluzi needs to continue to campaign abroad for increased investment and aid in order to maintain the country's economic foundation. In early 1999, he visited Libya to seek economic assistance, which is necessary given the West's declining interest in sub-Saharan Africa since the end of the Cold War.

Malawi receives a substantial amount of economic assistance from the United States. The U.S. government provides more than us\$27 million annually in assistance under USAID's new Country Strategic Plan (CSP) for the period 2001-05. The aid is focused on programs in government reform, including increased citizen involvement in government; health issues, including HIV/AIDS and children's health; increased sustainable employment opportunities; and education.

Early in 2002, Denmark and Britain suspended aid packages citing corruption within the government that kept monies from being distributed to those in need. The British cited the purchase in 2001 of 39 luxury vehicles for Malawian cabinet members, which the British believe were financed with development aid funds. Britain has looked to the IMF to investigate the country's economic policies and will only release aid once those policies have been approved.

Malawi assumed the chair of the SADC in 2001. President Muluzi has taken an active role in SADC on issues such as the global coalition against terrorism and land reform in Zimbabwe.

Malawi is also a member of the UN, the IMF, World Bank, the African Development Bank (AFDB), the Common Market for East and Southern Africa (COMESA), Nonaligned Movement, G-77, and the World Health Organization (WHO).

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**Profile researched and written by Robert W. Compton, Jr., Western Kentucky University (12/99); updated by Pat Hale (4/03).**

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# MALAYSIA

## Mahathir Mohamad Prime Minister

(pronounced “ma-hah-TEER mo-HAH-med”)



“I’ll be here for as long as the people want me.”

Malaysia’s estimated 22.7 million people (2002) come from a multitude of ethnic and religious backgrounds and are spread out over 329,757 sq km (127,584 sq mi). Malaysia is divided by the South China Sea into West Malaysia (the 11 states on the narrow Malay peninsula that stretches south from the Asian continent) and East Malaysia (the states of Sarawak and Sabah on the northern part of the island of Borneo). Western Malaysia borders its continental neighbor Thailand to the north on the peninsula and the island city-state Singapore on the southern tip of the peninsula. Its sits across from the Indonesian island of Sumatra on the eastern side of the narrow and strategically valuable Strait of Malacca (through which passes much of the world’s oil from the Middle East on its way to Japan and the United States). The capital, Kuala Lumpur, is situated near the strait on the western side of the peninsula. Eastern Malaysia borders the Indonesian states to the south on the island of Borneo and wraps around the tiny and yet oil wealthy Sultanate of Brunei on the north coast of the island.

As with many former British colonies in Asia and Eastern Africa, Malaysia has a large indigenous ethnic population supplemented by a healthy number of races from the other parts of the Empire. Malaysia is some 60% Malay and other indigenous ethnic groups, with a significant number of Chinese (30%) and Indians (8%), mainly descended from traders and tin mine workers who emigrated to Malaysia in the eighteenth and nineteenth centuries. Malay is the state language. Some 52% of the population, mainly Malay, are Muslims (the state religion is Islam); 17% are Buddhist; 12% Chinese folk-religionist/Taoist; 7% Hindu; 6% Christian; and the remaining 6% practice local religions. The Malaysian unit of currency is the *ringgit*. Malaysia exports petroleum, timber, rubber, and palm oil. The per capita gross domestic product (GDP) was estimated at us\$9,000 in 2001.

### POLITICAL BACKGROUND

The different states of the Federation of Malaysia became independent from the United Kingdom and Singapore at different times; the 11 Malay peninsular states in 1957 and the Borneo states of Sabah and Sarawak in 1963. The predominantly Chinese island-city of Singapore split off from Malaysia in 1965. Malaysia is an independent member of the Commonwealth.

The supreme head of state or king, the Yang di-Pertuan Agong, is elected every five years by the nine hereditary Malay rulers of Western Malaysia. At election time, each

state ruler is asked whether or not he wishes to run for the kingship. If there is only one candidate, he becomes king if he receives at least five affirmative votes from the other rulers; otherwise, a new candidate is sought. When there is more than one candidate, the ballots are taken in the order of a rotation system. The ruler of the last of the nine states to be represented in the kingship since independence, Sultan Azlan Shah, was elected in March 1989.

As in most parliamentary systems, political power resides in the cabinet, headed by the prime minister. The king appoints the cabinet from the 177-member House of Representatives, or *Dewan Rakyat*, whose representatives are elected by universal adult suffrage every five years. The other half of the Malaysian bicameral legislature is the 69-member Senate, or *Dewan Negara*, comprising two members elected by the legislatures of each of the states, and the remaining 43 senators appointed by the king, all for six-year terms. Political parties have mainly been formed along ethnic and religious divisions. Since independence, the Malaysian government has been controlled by a multiracial coalition of political parties called the National Front, or *Barisan Nasional*, of which Prime Minister Mahathir’s party, the United Malays National Organization (UNMO), is the largest partner.

### PERSONAL BACKGROUND

Mahathir Mohamad, the only commoner to be Malaysia’s prime minister, was born on 20 December 1925 in Alor Setar in the state of Kedah in northwestern Malaysia. He attended the Islamic Malay schools as a boy and graduated from Sultan Abdul Hamid College in Alor Setar. He obtained his medical degree from the University of Malaya in Singapore and served as an army medical officer in his hometown, Kedah, Langawi, and Perlis before entering private practice in 1957.

A practicing Muslim, Mahathir does not drink or smoke. Popularly known as a workaholic, he is devoted to his political work. His debate skills are reported to be exceptional, though he is known as a leader who does not like to negotiate. Remarking on his medical background, a political opponent commenting on the intra-UMNO strife in 1987 said that Mahathir “will not think of negotiating his way out of a problem the way his predecessors, with their legal backgrounds, would have done. The medical solution is to cut out the cancer.” He married Dr. Siti Hasmah binti Haji

Mohd Ali in 1956, and they have three sons and two daughters.

### RISE TO POWER

After seven years of private medical practice, Mahathir saw his political career launched on a high and rapidly rising trajectory by not only winning a seat in the House of Representatives as the UMNO candidate from Kota Setar Selatan, but also being elected by his peers to the elite Supreme Council, the policymaking group of UMNO. He soon gained national and international attention by leading a small, radically nationalistic movement to take greater economic and political power away from the wealthy Chinese minority and give it to the relatively poor Malay majority of the population. He strongly criticized his party for not addressing this problem and wrote a book entitled *The Malay Dilemma* (1969), in which he called for greater Malay cultural awareness, strength, and unity. Because these were radical views in early 1969, the UMNO leadership banned his book and expelled him from the party.

In May 1969, ethnic riots rocked Kuala Lumpur and saw hundreds of Chinese killed by Malay mobs. For the next few years, while Mahathir was a chief administrator for the University of Malaya, the ruling *Barisan* coalition suspended parliamentary rule and instituted radical economic and political reform programs, much like those Mahathir had called for in his book, to lessen racial strife. The result was the 1971 New Economic Policy that saw the establishment of a national trust and a series of laws intended to promote government investment in *Bumiputra* (literally, “sons of the soil”—that is, Malay and other native ethnic groups) enterprises. The main goal was to have the *Bumiputra* increase their ownership of the nation’s total commercial and industrial activities from the four percent they owned in 1970 to thirty percent in 1990.

Not surprisingly, Mahathir was brought back into UMNO and its Supreme Council in 1972. He was named a senator in 1973 and a year later was elected to the House. Back on the fast track to political success, he was soon made minister of education and in 1976 was elected by the party to the deputy premiership in the government of prime minister Hussein Onn, a position from which the premiership was just a matter of time.

### LEADERSHIP

In June 1981 Mahathir became prime minister, minister of home affairs, and minister of justice after Hussein Onn stepped down for health reasons and turned over the leadership of UMNO and the ruling *Barisan* coalition. Confident of his abilities and bolstered by popularity resulting from his “clean, efficient, smooth government” campaign, Mahathir called an early general election in April 1982 and won a landslide victory for UMNO in the House. Indeed, Mahathir’s popularity returned the *Barisan* coalition to a 148-seat majority in the House in the 1986 federal and state elections and also gave it an absolute majority in simultaneous elections in all 11 peninsular Malay state assemblies.

In 1987 Mahathir faced a crisis in the party when Deputy Prime Minister Musa Hitam and former minister of trade and industry Tengku Tan Sri Razaleigh Hamzah challenged his leadership of the party in the intraparty elections. Mahathir



won a bare majority of the party’s leadership, but questionable campaign practices led to the party’s being declared illegal by the High Court. Mahathir reregistered the party in March 1988 as UMNO (*Baru*) and forced his opponents out of the party in doing so. Meanwhile, Mahathir had cracked down on opposition outside the party by invoking the Internal Security Act in October 1987 and ordering the arrest of some 106 political opponents, Islamic fundamentalists and Chinese nationalists, and by closing four newspapers.

In 1983 Mahathir took on the nation’s sultans in a constitutional battle whereby he tried to limit the powers of the royalty within their home states and to remove the power of the king to veto government legislation passed by the House. After a yearlong heated battle, Mahathir won the power of a parliamentary override of the king’s veto, but the king kept the veto and the power to declare national emergencies. In the process of taking on the popular royalty, Mahathir lost some of his approval.

### DOMESTIC POLICY

Mahathir’s economic policies have been both successful and popular. He has consistently taken a nationalistic approach to the economy, encouraging Malaysian self-reliance and blaming foreign powers and institutions for the nation’s problems. Under his leadership, the New Economic Policy goal of increasing Malaysian ownership of the nation’s enterprises has been achieved, and a majority of Malaysian industry is now domestically owned. Malaysia has become less dependent on income from traditional resources as manufactured goods have accounted for a rising share of all

exports. When the country fell into recession following the Asian economic crisis of 1997, Mahathir overturned austerity measures and financial reforms introduced by deputy minister Anwar Ibrahim and imposed currency controls. The nation's recession was officially declared over by August 1999, but in November 2001 Mahathir admitted the country was once again in a recession.

Economic growth was extremely healthy in 2000, when the country saw an 8.5% increase in the GDP. Corporate debt, however, continued to be a major problem that was ignored until 2001, when the regional economy experienced negative growth. Mahathir, deciding companies needed to rid themselves of debt in order to be stronger competitors in the global market, took initiatives to restructure businesses. A new chief executive officer (CEO) was hired for the government's Corporate Debt Restructuring Committee to insure companies make efforts to pay down their debt. In his budget for 2003, Mahathir stressed support for local businesses over foreign investment, cut corporate taxes, and continued to encourage development in the high technology and biotechnology sectors.

While credited with much of the nation's economic progress over the past two decades, Mahathir has been widely criticized for the authoritarian grip with which he has kept his UMNO party in power. During his tenure in office, Prime Minister Mahathir has cracked down on political opposition both inside and outside the party and government by closing newspapers, arresting or detaining opposition leaders, and seeking to make the judiciary more dependent on the government. On his advice, Parliament has enacted laws restricting the interpretive powers of the courts. In 1988 he persuaded the former king, Sultan Mahmood, to endorse a tribunal, which then dismissed the lord president and two justices of the Supreme Court.

In the 1990s, after undergoing heart surgery, Mahathir became concerned with the future leadership of UMNO (*Baru*) and named first Ghafar Baba and then, in 1993, Anwar Ibrahim as his chosen successor, under the title of UMNO deputy president. By 1998, however, Mahathir's relations with Anwar became strained when the two men disagreed on economic policy in the wake of the Asian economic crisis that had begun the previous year. In addition to removing Anwar from his post, Mahathir had him arrested and charged with corruption and sexual misconduct. In 1999, Anwar was sentenced to six years in prison while Mahathir's National Front coalition retained its parliamentary majority in national elections. Malaysia's strict Internal Security laws have been credited by Mahathir for keeping the country free of terrorism and ethnic strife. In late 2002, it was announced that he would strengthen the laws, which allow detention without charges or trials. Opponents claimed that these domestic laws stifled dissent and violated human rights.

In June 2002, Mahathir suddenly announced that he would step down in October 2003, causing dismay in UMNO. Deputy prime minister Abdullah Badawi was tapped to take over the office at that time. A glimpse of "life after Mahathir" was apparent during Mahathir's two-month vacation in March–April 2003, during which Badawi assumed charge. Badawi is seen as a moderate conciliator, somewhat in contrast to Mahathir's aggressive style. Opposition to UMNO from Anwar Ibrahim's Keadilan party

weakened as its leader endured his jail sentence. However, the opposition Parti Islam se-Malaysia (PAS) increased its strength, with the Islamist party just narrowly losing to UMNO in Kedah State elections in July 2002.

## FOREIGN POLICY

Mahathir's foreign policy has been molded by his anticolonial beliefs and by his strict leadership. He has increased ties with other Asian nations, making Malaysia a senior member of Association of South East Asian Nations (ASEAN), and has improved ties with traditional opponents Indonesia, the Philippines, and Singapore. He has called for a "Look East" orientation among Malaysians to model themselves on the work ethic and success of the South Koreans and Japanese. Although he is the leader of a Muslim nation with strong ties to the Middle East, he is hostile to Islamic fundamentalism. Some of his foreign policies strained relations with Western nations. For example, he banned *The New York Times* and *The Wall Street Journal*, which he denounced as "Zionist" for printing unfavorable editorials. Mahathir's government's treatment of Anwar Ibrahim was widely condemned internationally.

Following the attacks on New York's World Trade Center on 11 September 2001, Mahathir, as a Muslim leader, publicly denounced all acts of terrorism and provided intelligence to the United States. However, he was a vehement critic of the U.S. war on Iraq, calling for a campaign of pressure to stop the war. Addressing an economic forum in Davos, Switzerland, in January 2003, Mahathir warned that the United States had locked the world into a "Third World War," with civilians suffering the consequences. He also warned Malaysia's neighbors not to "use Malaysia as a battlefield," which may have been directed at Singapore or Australia. There had been accusations that Malaysia had been used for fund raising for Indonesia's Muslim extremist groups, which could cause Singapore, Australia, or Indonesia to seek antiterrorism operations within Malaysia.

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**Profile researched and written by Steve Lewis (7/90); updated by Sarah Kunz (4/2002) and Edith Mirante (4/2003.)**

# MALDIVES

## Maumoon Abdul Gayoom President

(pronounced “moh-MOON ab-DOOL gay-YOOM”)



*“We may lack in numbers; we may lack in material wealth; we may lack in technological advancement; in fact, we may lack in many of the material criteria by which progress is measured in the present day world. But, my country, the Republic of Maldives does not lack the courage to speak out freely according to its own convictions.”*

The Republic of Maldives (pronounced “MALL-deeves”) comprises a chain of 1,200 small islands extending north to south for 764 km (475 mi) and 207 km (129 mi) east to west in the Indian Ocean. Cape Comorin, India’s southernmost extremity, 482 km (300 mi) to the northeast, and Sri Lanka, 644 km (400 mi) across the Laccadive Sea to the east, are the nearest land masses. The islands have a combined area of 298 sq km (115 sq mi), yet only one-sixth of the islands are inhabited, and some are as small as football fields. The population was estimated at 320,165 (July 2002). The unit of currency is the *rufiyaa*. In 2001, the per capita gross domestic product (GDP) was estimated at us\$3,870. Dhivehi, which is related to Sinhala, is the official language. With a traditional culture and closely knit society, Maldives is comprised of South Indian, Sinhalese, Dravidian, and Arab ethnic groups. Islam is the state religion; most Maldivians belong to the Sunni sect. Processed and raw fish make up 95% of the country’s exports, although shipping and tourism have increased in importance.

### POLITICAL BACKGROUND

Formerly a British colony ruled by a traditional Islamic sultanate, the Maldives gained independence from the United Kingdom in 1965. In a 1968 national referendum, the traditional Maldivian sultanate was replaced with a republican form of government. Sovereign and executive power is held by the president. The Constitution of 1968 created a unicameral 48-member assembly, known as the Majlis, whose members serve five-year terms. Eight members are appointed by the president, and 40 are popularly elected. This assembly in turn designates the presidential candidate; if the candidate receives a majority of the popular vote in a national referendum, he becomes president for a five-year term. The president holds the highest political and religious authority. He is charged with appointing judges who will interpret Muslim beliefs in the adjudication of civil and criminal cases; thus, Maldivian courts are not independent of the executive branch. Along with an 11-member Cabinet and a 15-member Special Consultative Council (of economic advisors), the president also appoints 20 atoll (island group) chiefs to handle local political affairs. Political parties do not exist. Rather, because of the scarcity of trained manpower and the existence of traditional familial networks, Maldivian politics depends upon competition among a close-knit elite. Universal

adult suffrage is guaranteed by the Constitution. Women were granted the right to vote in 1952.

### PERSONAL BACKGROUND

Maumoon Abdul Gayoom was born on 29 December 1937 in Malé, capital of Maldives. He was the tenth of the 25 children of his father, Abdul Gayoom Ibrahim, who worked with the government of the Maldives and eventually became attorney general. His mother was Khadheeja Moosa. He was educated at Al-Azhar University in Cairo where he obtained a post-graduate degree in Islamic history and philosophy. His early career in academia began as research assistant at the American University in Cairo. He taught at Ahmadu Bello University in Nigeria before returning to teach at school in the Maldives in 1971. Soon recruited into government service, Gayoom held the positions of under secretary to the prime minister, deputy ambassador to Sri Lanka, Maldives’ first permanent representative to the United Nations (UN), and deputy transportation minister before becoming president in 1978.

His personal interests are reading, journalism, photography, astronomy, calligraphy, cricket, and badminton. He is married to Nareena Ibrahim; they have two sons and two daughters. Nareena takes a keen interest in all issues relating to women, children, and health. She is a founding member of a national Society for Health Education (SHE), which endeavours to raise awareness on health and family issues.

### RISE TO POWER

Gayoom was acting transport minister in President Ibrahim Nasir’s administration when the Maldivian Assembly nominated him to succeed Nasir in 1978. Ibrahim Nasir, prime minister since 1957 and president since 1968, earned a reputation for autocratic leadership; Gayoom was once banished for criticizing him. Amidst signs of declining support from the political elite and because of public demonstrations over rising food prices and his exile of the popular prime minister, Ahmed Zaki, Nasir announced his intention to resign in 1978. Soon thereafter, Gayoom’s nomination by the assembly was approved by a majority of the popular vote. Gayoom, who began his first five-year term of office in 1978, was reelected in 1983, 1988, 1993, and, since there were no other candidates, again in 1998. Gayoom is also the minister of defense and national security and the minister of finance and treasury.



**LEADERSHIP**

Instead of his predecessor's method of removing any dissenters from political office, Gayoom's leadership style has been to tolerate a certain level of dissent from within the powerful elite. He was responsible for a 1979 amendment to the Constitution that grants members of the assembly parliamentary immunity for any stand they take. In order to unify the country, he has held public meetings, led mass prayers, held numerous press conferences, and traveled around the country, especially to the poorer atolls. He has maintained his untarnished image as an experienced administrator, diplomat, and academic. He has been in office longer than any other elected head of state in Asia.

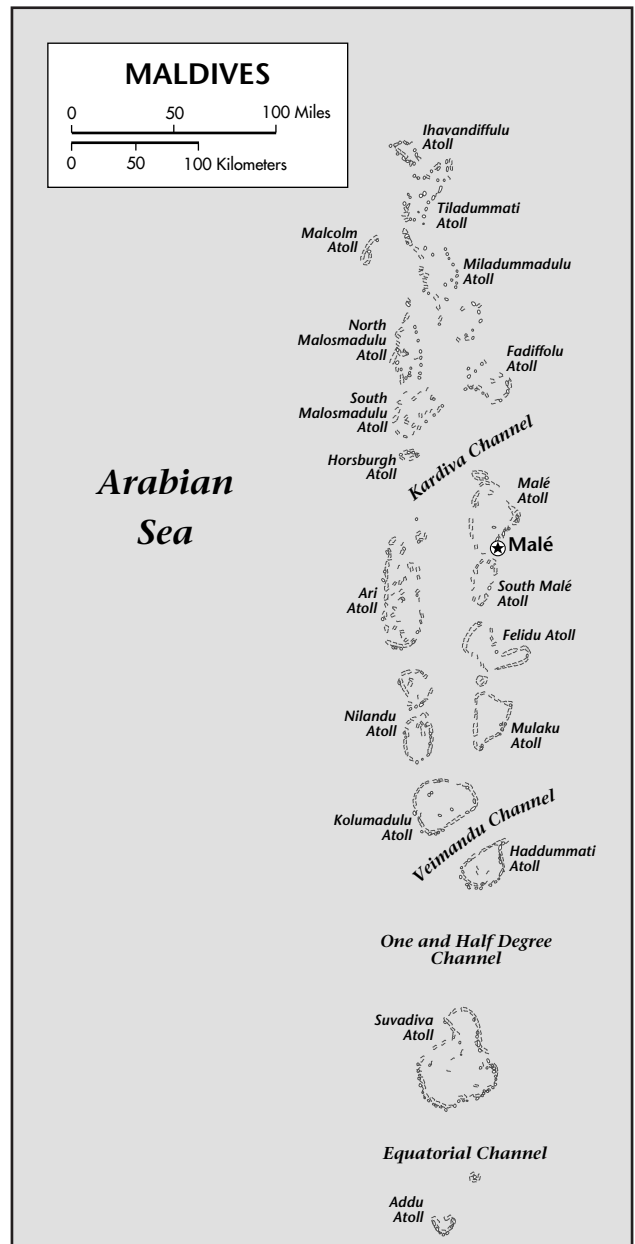
Despite his apparent popularity, however, Gayoom has faced three separate coup attempts: in 1980, 1983, and 1988. It has been alleged that former President Nasir has played a part in all three attempts; after the 1980 attempt a commission was formed which revealed that Nasir embezzled property from the government and unfairly taxed fishermen. Nasir had meanwhile moved to Singapore and never faced charges, so his property and resort investment holdings were nationalized. Gayoom relied on a contingent of troops sent by India to put down the 1988 attempted coup, which was carried out by Sri Lankan members of the insurgent organization Tamil Eelam, who had been promised a tourist resort in the Maldives and use of the capital Malé for gun-running. Since the Maldives has no army, Gayoom is considering turning the national security service into a fighting force and installing radar equipment to guard the coastline in order to prevent the likelihood of another coup.

**DOMESTIC POLICY**

Goyoom has listed the management and development of human resources as being a key priority for the new millennium. This included a look at policies to reduce population growth and enhance the national education and skill levels for employment. He also promised to work for policies to build strong infrastructure and delivery services and facilities; implement sound environmental and natural resources management; strengthen legal, regulatory and justice systems; and maintain prudent management of the economic system and public finances.

Gayoom has tried to transform the Maldivian economy by encouraging development. With its scrub and dense tropical vegetation, the Maldives lacks mineral resources and must import even basic foodstuffs. Gayoom's policies are directed at improving transportation, communication, and small-scale industry among the 20 atoll groups. Fish product processing has been added to fishing as a mainstay of the economy; 80% of the population is involved in some aspect of the fishing industry.

Emphasis has also been given to the development of tourism as Maldives attempts to market its natural assets—beautiful, unpolluted beaches on small coral islands, diving in blue waters abundant with tropical fish, and glorious sunsets. Tourism brings in about US\$325 million a year, contributing to about 33% of the gross domestic product (GDP). In 2000, tourist arrivals exceeded 466,000. Private sector services, supported by the growth of tourism, have provided new jobs in the banking, airline, and construction industries. In early



2003, a new threat to Asian tourism arose in the form of the Sudden Acute Respiratory Syndrome (SARS) epidemic. Gayoom responded by hosting a seven nation South Asian conference about the SARS emergency in April 2003.

It is somewhat ironic that the very tourist industry supporting the islands has contributed to the most dire threat against their survival—as airplane emissions contribute much of the pollutants causing Global Warming. The rise in water temperature of two or three degrees has caused more than 90% of the coral to die and lose color in some areas and many reefs are now devoid of fish. Gayoom has been a strong moral voice on Global Warming in the world community, as he tirelessly has spread the word of the danger posed to the Maldives, in speeches at the UN and international conferences. The atoll nation could be entirely submerged with as little as a two-meter (6.6-foot) rise in sea levels, creating a

population of “environmental refugees.” Locally, tree-planting has been encouraged, and coral mining has been banned. The Maldives, however, has won several tourism awards, including the Green Resort Award in 2002.

The lack of a trained employee base remains the most crucial development problem for Gayoom. Under Gayoom's administration, Maldives National Ship Management Limited, a government-provided service for exporters (and importers) who must ship goods to the nearest trading center, Sri Lanka, has encouraged the export of fish products, handicrafts, and clothing. The Maldives, however, remains in the UN's ranking among the 20 poorest countries in the world. Gayoom intends to devote more government revenue to basic development needs, such as an improved water system and electricity, as only the island of Malé has such infrastructure now. In 1997, Gayoom began a project to ease overcrowded housing and provide a safe haven from rising sea levels or storm surges, by creating a new island, called Hulhumale, from dredged sand. The new island will be higher and larger than any other island in the Maldives.

Education has been somewhat of a concern for the government over the past decade. In the Maldives, modern and traditional schools exist side by side. The traditional schools are staffed by community-paid teachers without formal training and provide basic mathematical and literacy skills in addition to religious instruction. The modern schools, run by both the government and private sector, provide primary and secondary education. Few islands, however, are equipped to provide education for grades above the 10th. There are seven postsecondary technical training institutes. The World Bank has committed us\$17 million for education development in 2000–04, with plans to give an additional us\$15 million for human development and distance learning during this period.

In March 2001, Gayoom held a national conference for the formulation of a national strategic plan that has been called Vision 2020. Discussion centered around ways to research and develop long-term goals that would keep the country moving forward in social and economic progress. Under Gayoom's leadership, the Maldives' identity has been that of a Muslim nation, with allegations that the rights of Christian citizens have been suppressed. In 2002, four dissidents who had created an electronic newsletter which expressed political views opposing the government were given life sentences for inciting violence and defamation. International human rights groups decried the harsh sentences, which were viewed as a sign of Gayoom's real intolerance of challenges to his authority. The online newsletter was considered a new, non-violent method for political opposition in the Maldives.

### FOREIGN POLICY

While it is Gayoom's goal to be free of dependent relationships, his country's underdeveloped status and vulnerability to invasion necessitate a close relationship with India. Furthermore, it will continue to rely on petroleum and consumer goods imported from Japan, Western Europe, and Thailand.

The Gayoom administration supports the establishment of nuclear-weapon-free “Zone of Peace” for the Indian Ocean

and surrounding countries. This item was initially included in the agenda of the Twenty-Ninth Session of the UN General Assembly in 1974 at the request of Pakistan. Since the inclusion of this item, the government of the Maldives has repeatedly voted in favor of the resolutions adopted under the item.

During Gayoom's administration, Maldives has increased its participation in international organizations. It became a full member of the South Asian Association for Regional Cooperation (SAARC) in 1985. Gayoom served as chairman of the SAARC in 1990–1991 and 1997–1998. Maldives is a member of the UN, the Islamic League, the Asian Development Bank, and the Colombo Plan.

Following the initiative of President Gayoom, the Maldives was one of the first countries to sign and ratify the Convention on the Rights of Children; the country has since introduced a law on child protection. During the ninth SAARC summit held in the Maldives in 1997, President Gayoom proposed the establishment of a convention on regional arrangements for the promotion of child welfare in South Asia.

In March 1999, British deputy prime minister John Prescott gave a grant of a half-million dollars for coral preservation to South Asia during a visit to the Maldives. The ultimate crisis for the Maldives is truly global—pollution from international industry causes the warming effect around the world. The Maldivian role, under President Gayoom, has been to call attention to the global warming emergency. Individually, small South Asian countries like the Maldives do not really have the clout to change environmental regulations, but together they may be a force to be reckoned with.

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Profile researched and written by Elizabeth Gittelman (7/1990; updated by Edith Mirante 4/2003).

# MALI

## Amadou Toumani Touré President

(pronounced “AH-mah-doo too-MAHN-ee TOO-ray”)

*“My first ambition is to reconcile my country with its 50 years of tumultuous political history plagued with fratricidal struggles, with its sorrows, exclusions, tragedies, intolerance and lack of consensus.”*



The Republic of Mali, formerly the French Soudan, is a landlocked nation in West Africa. The mighty Niger River and its tributaries run through much of the southern half of the country, but the northern half is made up of the Sahara and Sahel region bordering the desert. Its neighbors are Algeria, Niger, Burkina Faso, Côte d'Ivoire, Guinea, Senegal, and Mauritania. The country takes its name from the ancient West African empire of Mali that was at its height in the fourteenth century, controlling much of the savanna area of West Africa. The Republic of Mali has an area of 1,240,192 sq km (478,841 sq mi) and is divided administratively into eight regions.

Mali had an estimated population of 11.3 million in 2002. Despite a high infant mortality rate of 120 deaths per 1,000 live births, the country has experienced a 2.97% population growth rate. Life expectancy is 46 years for males and 49 years for females. The literacy rate in 2002 was 33%. The official language is French, but the Bambara language is spoken by a majority of the population, with other major languages being Fulfulde, Sonrai, Tamashek, Soninke, and Senufo. Approximately 90% of the people profess to be Muslims, with the remaining 10% favoring traditional beliefs or various denominations of Christianity.

The currency unit is the CFA *franc*. Per capita gross domestic product (GDP) has been estimated at US\$840 in 2001, but on average Malians earn about US\$240 a year, making Mali one of the poorest countries in the world. The main exports are raw cotton and cotton products (accounting for approximately 50% of export totals), cattle, and gold. Its major trading partners are France, Côte d'Ivoire, and Senegal.

### POLITICAL BACKGROUND

Colonized by the French and part of the French West African Federation, Mali was known as the French Soudan. For approximately one year the Soudan formed a federation with Senegal. This federation was dissolved, and the Soudan gained its independence as the Republic of Mali in September of 1960 under President Modibo Keita. In 1968, Lt. Moussa Traoré, at the head of the Military Committee of National Liberation (CMLN), deposed Keita in a coup d'état and suspended the Constitution. In 1974, under a new Constitution, a 137-member National Assembly was created (as of 2003, the National Assembly had grown to 147 seats). Mali became officially a one-party state under the Democratic Union of the Malian People (UDPM). In 1979, Traoré was

elected president in a tightly controlled election and was re-elected in 1985.

Mali's economic prospects continued to fade under Traoré's increasingly corrupt and unyielding dictatorship. He imprisoned former political rivals; Keita died in prison in 1977. As multiparty democratic pressures swept the continent in the late 1980s, Traoré resisted calls for political party formation outside of the UDPM. Tensions between politically resistant groups calling for reform and the government continued throughout the fall of 1990 and into the spring of 1991, leading to several days of bloodshed in Bamako and regional capitals. When it became obvious that Traoré was not going to yield, a group of army officers, led by Amadou Toumani Touré, deposed Traoré on 25–26 March 1991. They dissolved the government and the UDPM, suspended the Constitution, and eventually set up a Transitional Committee for the Welfare of the People (Comité de Transition pour le Salut du Peuple, CTSP) with a 25-member cabinet.

Touré remained interim head of state until municipal, legislative, and presidential elections were held in the winter and spring of 1992. Alpha Oumar Komaré emerged as the winner on 26 April 1992, becoming Mali's first democratically elected president. Touré stepped down, becoming just the second African leader to leave office in a peaceful transition following democratic elections (the other was Olusegun Obasanjo of Nigeria). Ten years later, in elections held in April–May 2002, Touré was returned to power in a democratic election. Ibrahim Bouibacar Keita, leader of the Rassemblement pour le Mali (RPM) and a prime minister from 1994–2000, was voted to head the National Assembly.

### PERSONAL BACKGROUND

Amadou Toumani Touré was born 4 November 1948 in Mopti, Mali. He received his early education in his home village of Mopti and he continued his studies in Tombouctou and Badalabougou. In 1972 he graduated from military school with a rank of second lieutenant in the airborne division. In the late 1970s, he received elite military training in the former Soviet Union and at a training center in Mont-Louis, France. Following this training, in 1978 he was made captain of a parachute battalion of the Mali army. He was also recruited to become a member of the elite Presidential Guard.

By 1988, Touré had achieved the rank of lieutenant colonel. He returned to France for several months of further



military training in 1990; upon his return he found the country in chaos. The Traoré government blocked Touré's promotion to general and removed him as battalion commander, an action that was deeply disappointing to him. The next year he led force that deposed the Traoré government.

Few details about Touré's personal life are widely known. He is married and the father of two children. Following the elections of 1992, former U.S. president Jimmy Carter invited Touré to become involved with international peacekeeping and social development. Since then, Touré's accomplishments in African peacekeeping and his work with the Carter Center, notably to eliminate the guinea worm from Mali, has been well known. In 1993 Touré established the Children's Foundation dedicated to promoting the rights of children and youth through programs on nutrition and safe drinking water, education, environmental protection, and social peace. Touré also is the president of the Inter-African Network for Street Children, and the vice-president of the Earth Charter.

Touré is one of four facilitators of the peace mission to resolve the conflicts in the Great Lakes region of Africa, comprised of the nations of Burundi, Rwanda, Tanzania, Uganda, and the Democratic Republic of the Congo. His work as a conflict resolution facilitator on behalf of African presidents earned him the 1996 Africa Prize for Leadership awarded by The Hunger Project.

### RISE TO POWER

Touré's rise to power in 1992 came at a critical juncture in African history when many countries in the region were undertaking democratic transitions following the break up of the Soviet Union and the end to the Cold War. Now coined

the "Malian Revolution," prodemocracy demonstrations in Bamako and other cities turned violent when security forces fired upon youthful protestors, killing 300 in March 1991. Then Lieutenant Colonel Amadou Toumani Touré was appalled by the bloodshed, and led an army coup that overthrew Moussa Traoré, ending 23 years of despotic rule in Mali. Selected to head an interim government, Touré presided over a peaceful transition. For the next 14 months Touré and his transitional committee oversaw the drafting and approval of a Constitution, a structure for political parties, and a code for elections. When the resulting free and fair elections were held, Alpha Omar Konaré emerged the victor. Touré became only the second African military leader (after Nigerian president Olusegun Obasanjo) to give up power peacefully.

Following the transfer of power, Touré established a nongovernmental organization (NGO), the Children's Foundation, supported by former U.S. president Jimmy Carter. Touré's concern for women's and children's rights—including the fight against excision, pedophilia, and exclusion from education and healthcare—earned him international respect. Due to Touré's success in humanitarian and peacekeeping activities, in 2000 Kofi Annan, Secretary General of the United Nations (UN), invited Touré to become the special envoy to the Central African Republic to secure a peace agreement. These efforts were well received and led to broader involvement in promoting African integration.

Choosing to focus on his humanitarian work, Touré observed Mali's democratization process from the sidelines for almost a decade. Far from being a dispassionate observer of Malian politics, however, he was troubled by the erosion of traditional Malian values, which he believed had led to a loss of civic spirit and national harmony. In October 2001, he retired from the army in order to enter the presidential contest. According to Touré, it was his contact with children and his concern for their future that convinced him to reenter politics.

On 28 April 2002, Touré won the first round election with 29% of the vote, defeating former prime minister and presidential rival, Ibrahim Boubacar Keita. In the run-off election held 12 May, he garnered 64% of the vote, defeating Soumailia Cissé to become the second democratically elected president of the Republic of Mali. Eleven francophone African leaders witnessed the transfer of power from one constitutionally elected president to another—the first time in Mali's history.

### LEADERSHIP

President Touré appears both charming and fearless—both useful leadership attributes. He is also a pace-setter. On the same day that he led the March 1991 coup, he was elected president of the Committee of National Reconciliation, which developed the blueprint for Mali's transition to a multiparty democratic state.

His popularity with Malians and the Malian press earned him the nickname, ATT (his monogram), which gave him free publicity during the campaign. His spirit of altruism appears natural and effortless, and his concern for the welfare of women and children is genuine. His speeches challenging Africa to build on its traditions and civilization for sustainable development have touched a responsive chord across generations. His optimism has endeared him to many.

His expressions, such as “when the night is darkest, the dawn is at hand,” resonate with the populace and are frequently quoted. Given Africa’s gloomy record of conflict and poverty, Touré’s attitude seems to have proven a tonic for many.

In October 2002, Touré formed a cabinet of national reconciliation with appointments from all the main parties having won seats in the Parliament in July 2002 elections. Appointments to head six of the most influential ministries went to close associates and technocrats who were part of Touré’s transitional government in 1991–92. His prime minister, former diplomat and close Touré advisor Ahmed Mohamed Ag Hamani, heads twenty-one portfolio ministers and seven secondary ministers. The security and civil protection portfolio is held by Colonel Souleymane Sidibe, a friend of Touré’s and a member of the democratic transition government. General Kafougouna Kone, an army colleague and confidant of Touré, was named to head the territorial administration and local communes ministry. Basary Touré, a former World Bank official and minister of finance during the transition government was named to head the finance ministry. The culture portfolio is headed by Cheick Oumar Sissoko, a filmmaker and president of an opposition party. Choguel Maiga, president of the Mouvement Patriotique pour le Renouveau, a member of the Hope 2002 coalition, will lead the ministry of industry, commerce, and transport.

Touré’s nominees incurred criticism from the two main coalitions—Hope 2002 and Alliance pour la République et la démocratie (ARD)—and some members of the national press, who thought the appointments were unfairly tilted toward Touré’s friends and close allies. Touré, however, was quoted as saying “those who want to play at party politics will have to jump ship.” Ibrahim Boubacar Keita has supported this dictum and Touré’s appointments, thus helping to promote consensus. With Keita on board, analysts feel that Touré stands a good chance of maintaining popular support as long as he can show progress in alleviating the nation’s overwhelming poverty. Nevertheless, fundamentalist Muslims have accused the West of corrupting Mali with immorality and a US\$3 billion debt, and have appealed for an “Islamicized” government more reflective of Mali’s heritage. This religious-ideological rift will no doubt test Touré’s political skills and leadership.

### DOMESTIC POLICY

President Touré’s priorities are to liberalize the economy, fight corruption, consolidate the tax base, and manage public expenditure in favor of economic growth and poverty reduction. While none of these represents a major departure from former President Konaré’s policies, the 2003 budget places a much stronger emphasis on poverty reduction and social welfare. For example, the combined budgets of education, health, and rural development account for over 60% of Touré’s US\$1.5 billion budget for 2003, and if Mali meets the benchmarks of the enhanced Heavily Indebted Poor Countries (HIPC) initiative by early 2003, more expenditures in these sectors will be possible. The government will also increase the wage bill by almost 30% to meet trade unions’ demands for salary increases in the public sector.

The Touré administration also has pledged itself to structural reform. The government has tendered a divestiture of the cotton parastatal, *Compagnie Malienne pour le dével-*

*opement des textiles (CMDT)*, long considered a symbol of top-down inefficiency. The CMDT is expected to be fully privatized by 2005, but low pricing in cotton due to European Union (EU) and U.S. farm subsidies could disrupt the plan, and efficient private-sector operators with sufficient resources will need to fill the gap. Reforms to other sectors—including finance, energy, transportation, and telecommunications—are specified in Mali’s three-year poverty reduction and growth facility (PRGF) of the International Monetary Fund (IMF).

Although the Konaré administration bequeathed Touré a modestly robust economy with a growth rate expected to remain at about 5% or higher in 2003–04, civil conflict in neighboring Côte d’Ivoire drove inflation up to 4.5% in 2002, and the rebel insurgency blocked the transit of goods across Mali’s southern border. As a result, the costs of such staples as sugar, rice, and fuel have risen while the collection of import duties—an important source of budget revenue—has declined.

Touré’s budget also will be affected by the loss of jobs held by Malians working in Côte d’Ivoire, which means fewer remittances to stimulate the economy.

Touré also finds himself having to take a firm stance against protectionist G-7 agricultural legislation such as the American Farm Act passed in early 2002. Protectionist policies in the United States and in EU countries hurt Malian producers, and Touré has sent representatives of the Malian agricultural producers to meet World Bank and IMF officials in Washington to voice his concerns. Malians, however, will also have to streamline their own production, given the inefficiencies and inappropriate technology that characterize Malian agriculture and textile production.

### FOREIGN POLICY

Touré is expected to safeguard Mali’s reputation as a regional mediator within the Economic Community of West African States (ECOWAS) and the African Union (AU). Despite fundamentalist pressures at home, he will likely stay the course set by President Konaré, projecting Mali to be a moderately progressive, secular state committed to democracy and regional cooperation. Donors are expected to maintain aid flows that will help Touré bridge domestic divisions.

The conflict in Côte d’Ivoire, and the Ivorian government’s failure to contain the insurgency, have soured relations between the two countries. Rebels in northern Côte d’Ivoire killed several Malians within a government-controlled area of Côte d’Ivoire, and some 50,000 Malians, having been subjected to xenophobic rhetoric by the Ivorian government, returned to Mali from their homes in Côte d’Ivoire where they lived and worked for years. In response to periodic border closings and restrictions, Touré placed paramilitary security units at border crossings and in the interior to supervise the movement of people and goods. He also filed a formal complaint against the Gbagbo government in Côte d’Ivoire. Relations improved following the visit to Bamako by the Ivorian foreign affairs minister and his address to the Malian National Assembly. Subsequently, Mali agreed to participate in the six-nation ECOWAS group mediating the conflict, and will contribute 200–300 troops for peacekeeping operations in Côte d’Ivoire.

Relations between Mali and France generally are cordial. Touré's visit to Paris in December 2002 resulted in a cancellation of US\$202 million or 38% of Mali's bilateral debt to France. Much of this debt had been contracted when Mali rejoined the franc zone in 1984, and the debt cancellation freed scarce resources for Touré's ambitious social-welfare program. Still, considerable tension between the partners has resulted from the presence of thousands of Malian citizens residing illegally in France. In 1996, relations hit bottom when the French undertook forced repatriation of African immigrants, and estimates in 1999 suggested that some 36,000 Malians were living legally in France, while as many as 60,000 were there illegally. Touré has discussed the issue with the French interior minister, who has advocated a mix of legal immigration and repatriation of illegal immigrants. Again, the prospect of fewer remittances—the lifeline for many Malians and an important source of national revenue—would stymie economic growth.

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# MALTA

## Edward Fenech Adami Prime Minister

(pronounced “ED-werd FEH-nick an-DAH-mee”)



“We must regain the time we lost during the last two years.”

The Republic of Malta is an island nation situated in the central Mediterranean Sea between Sicily and the North African mainland. It comprises an archipelago of three main islands: Malta, Gozo, and Comino. Also parts of Maltese territory are two small uninhabited islands: Cominotto and Filfla. The islands comprise a total area of 316 sq km (122 sq mi). They are a rocky formation rising from east to northeast to a height of 253 m (830 ft), with clefts that form deep harbors, bays, creeks, and rocky coves. The capital city is Valletta.

Malta's population was estimated at 395,000 in 2001. With over 1,200 residents per sq km (over 3,000 per sq mi), Malta is one of the most densely populated countries in the world. This high population density and unemployment have led to significant emigration in recent years. Most Maltese are believed to be descended from the ancient Carthaginians, but there are considerable elements of Italian and other Mediterranean stock as well. Other ethnic groups include Arabs, Sicilians, Normans, Spaniards, Italians, and English. Maltese is the national language and the language of the courts. Maltese and English are both official languages, while some Italian is spoken as well. The population is 98% Roman Catholic.

Malta has few natural resources, besides limestone. Agriculture is limited by the rocky nature of the islands, and most food must be imported. Industrial raw materials are lacking and also must be imported. Malta's economy relies on light industry, tourism, and other service industries, in addition to shipbuilding, maintenance, and repairs. Exports include clothing, semiconductors, textiles, furniture, leather, rubber, and plastic products. The *Maltese lira* is the official unit of currency. The per capita gross domestic product (GDP) was estimated at US\$14,300 in 2000.

### POLITICAL BACKGROUND

The strategic importance of Malta was recognized in the time of the Phoenicians, whose occupation was followed by that of the Greeks, the Carthaginians, and the Romans. The apostle Paul was shipwrecked at Malta in AD 58, and the islanders were converted to Christianity within two years. With the official split of the Roman Empire in 395, Malta was assigned to Byzantium, and in 870 it fell under the domination of the Saracens. In 1090, it was taken by Count Roger of Normandy, and thereafter was controlled by the rulers of Sicily. The Emperor Charles V granted it in 1530 to the Knights of St. John, who had been driven from Rhodes by the

Turks. The Knights surrendered Malta to Napoleon in 1798. Two years later, the British ousted the French garrison, with the aid of a revolt by the Maltese people. British possession was confirmed in 1814 by the Treaty of Paris. During most of the nineteenth and half of the twentieth centuries, a British military governor ruled the colony. While substantial self-government was restored in 1947, it was not until 1964 that Malta became a sovereign and independent nation within the Commonwealth.

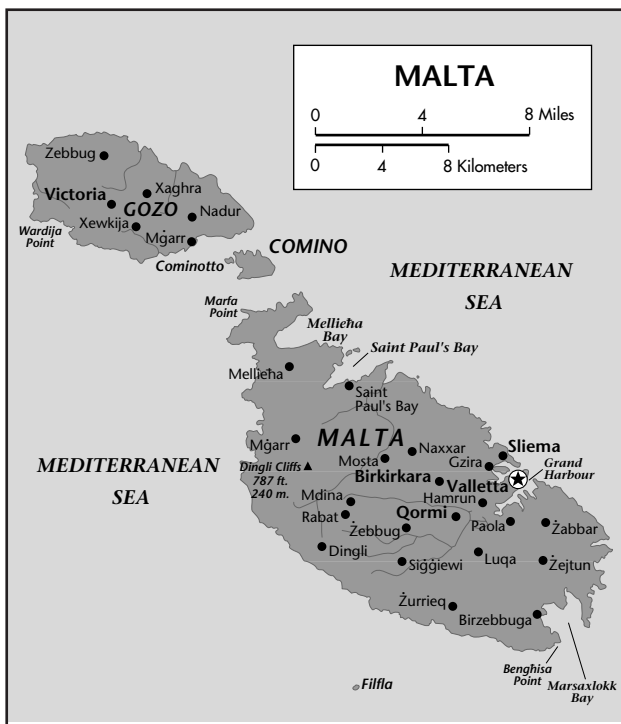
Malta is a parliamentary democracy in which the president, Guido de Marco as of 1999, is the head of state. A Constitution was adopted in 1964, revised in 1974, and amended in 1987. The president appoints as prime minister the leader of the party with a majority of seats in Parliament. Together, the president and prime minister appoint other ministers to complete the cabinet. Actual political power is in the hands of the prime minister. The 65 members of the unicameral Parliament and its prime minister are elected on the basis of a complicated system of proportional representation and majority vote. In 1996, the government approved several constitutional amendments that have, in effect, guaranteed only a two-party presence in Parliament. Presently, there are three active factions in Maltese politics. The Nationalist Party (PN) is the party of Fenech Adami. The Malta Labor Party (MLP) is the opposition. The Democratic Alternative (AD-Green Party) has joined forces with the Social Justice Alliance (AGS) and, together they are known as AD-AGS. The AD-AGS alliance won just over 1% of the vote in the 1998 election and holds no seats in Parliament. The legal voting age is 18.

### PERSONAL BACKGROUND

Edward (Eddie) Fenech Adami was born in Birkirkara on 7 February 1934. He received his bachelor of arts degree in economics, philosophy, and classics at St. Aloysius College (Malta) in 1955. By the age of 24, he had graduated with a doctor of laws degree from the Royal University of Malta. After passing the bar in 1959, he entered legal practice with Ganado and Associates in Valletta. He edited a weekly publication entitled *Il Poplu* from 1962 until 1969. He and his wife, Mary Sciberras Fenech Adami, have five children.

Fenech Adami is known to be quiet-mannered and has a reputation for modesty and moderation. For example, during the events of “Black Monday” when Labor extremists terrorized the Nationalist Club and Fenech Adami's family in their own home, he reacted by holding a Nationalist Party





mass meeting where he told members not to retaliate violently.

### RISE TO POWER

In 1961, Fenech Adami became involved with the Nationalist Party (PN) and was assistant general secretary from 1962 to 1975. By the age of 43, he had become the leader of the PN. In 1979, he became the vice president of the European Union of Christian Democrats. He took the seat of a deceased PN Member of Parliament (MP) in 1969 and was first elected on his own in 1971. He was the PN's spokesman for Labor and Social Services between 1971 and 1977. Serving in Parliament as the leader of opposition from 1983 to 1987, he rallied support for his appointment as prime minister in 1987 and again in 1998.

### LEADERSHIP

During his first administration, from 1987 until 1996, Fenech Adami followed consistent domestic policies that were aimed at reforming economic and governmental institutions previously controlled by the opposing Malta Labor Party (MLP) for 16 years. One of his initial programs was to shift the economy away from the socialist controls of the MLP by giving more freedom to the private sector. At the same time, he promised to expand various social welfare programs, assuming that the economy would grow at an annual rate of 10%.

Fenech Adami also formulated policies that gave incentives to local and foreign enterprises in order to increase investment in Malta's economy. These included tax advantages and guarantees of secrecy to use the island as an offshore financial and trading center. A new emphasis was placed on tourism, financial services, and shipping registration. In other areas, Fenech Adami sought prosecution for corruption and attempted to uncover pro-Libyan terrorist

groups operating within Malta. Infrastructure improvements were instituted for the national airport, power stations, desalination plants, and telecommunications system.

By the early 1990s, Fenech Adami began to direct his governmental policies toward fully integrating Malta into the European Union (EU). They included the removal of Maltese customs duties with the EU nations. This action caused a decrease in overall national revenue. In order to retain a balanced budget, Fenech Adami and his party-led Parliament adopted a controversial value-added tax (VAT) which amounted to a 15% increase on virtually all consumer goods that would substitute for the loss of tariff income.

Although the removal of customs duties was a necessary prerequisite for final EU membership application, it caused anger among many Maltese and brought into question whether it was economically feasible for Malta to join the EU. Moreover, Fenech Adami's pro-Western and European policies seemed to have compromised Malta's traditional policies of neutrality. The 1996 national election, seen by many as a referendum on Fenech Adami's policies, resulted in a loss for the Nationalist Party. Alfred Sant's MLP had unexpectedly gained 52% of the electorate's support. After conceding defeat, Fenech Adami ceded his post as prime minister and returned to Parliament as leader of the opposition.

Sant attempted to reverse most of Fenech Adami's policies, including withdrawing application for EU membership. Yet, in other respects, some of Sant's "New Labor" policies were more conservative than those of the previous government. Strict austerity measures adopted by the Sant government included more indirect taxes, higher utility rates, and budget cutting measures. Many perceived these measures as conflicting with campaign promises to reduce the cost of living in Malta. Moreover, the effect of withdrawing EU membership application and reverting to a more neutralist foreign policy led to a greater isolation of Malta within the Western European and Mediterranean communities. In response to Sant's policies, an ideological difference developed among MLP members. The more socialist-minded followers of the former prime minister, Dom Mintoff, withdrew their political support from Sant. That left the prime minister with only a one-seat majority in Parliament. In an attempt to reaffirm his 1996 electoral mandate and gain more seats in Parliament with other like-minded Laborites, Sant decided to call for new general elections for 5 September 1998.

In response to Sant's call for new elections, Fenech Adami undertook to lead his Nationalist Party's electoral campaign to regain control of the government under the slogan, "Prosperity, Confidence, Direction." Fenech Adami and the Nationalists claimed that the Labor government no longer had a social conscience, as demonstrated by its recent austerity measures. At times during the campaign, it seemed that the PN was campaigning more like the former Mintoff-led Labor against the MLP itself. Ironically, the main issue of the election was the same as that which led to Fenech Adami's loss of power in the previous election—whether Malta could pursue its EU membership without sacrificing its standard of living. For the first time in Malta's electoral history, ideology took second place to the greater question of whether Malta should join the EU. By a popular margin vote of 12,817 and a



percentage differential of 51.81% to 46.97%, the PN had regained power in the Parliament and premiership. On 6 September 1998, Fenech Adami was once again sworn in as prime minister.

### DOMESTIC POLICY

Upon taking office in 1998, Fenech Adami began to reimplement his former policies and reappoint many of his former cabinet ministers. He is expected to pursue a policy favorable to the private sector. This included promotion of tourism, foreign investment, deregulation, privatization, and a lessening of excise and indirect taxes. In addition, he pledged to continue to fight corruption and further improve the nation's infrastructure. Fenech Adami's goal was to transform his country into the financial center of the Mediterranean.

In 2001, the Fenech Adami government established the Malta Council for Economic and Social Development to strengthen relations between trade unions, employers, and the government.

### FOREIGN POLICY

As in his previous administration, Fenech Adami continued to follow a pro-Western, pro-European foreign policy. Although technically still neutral, Fenech Adami's Malta plans to increase its support of international organizations and programs such as the United Nations and Partnership For Peace.

However, the major foreign policy objective of Fenech Adami is to achieve Malta's entrance into the European Union in order to better integrate his nation politically and economically with the rest of Europe. Upon returning to

office, he immediately took steps to reactivate Malta's EU membership application. Malta is one of 10 nations that will likely become full members of the EU in 2004. As countries seek full membership, development aid and support for agriculture had become a sticking point; current members have suggested that new members should accept less generous aid packages than had originally been promised, given the state of the global economy in 2003. Germany (among other nations) suggested that new members receive smaller farm subsidies initially, with increases scheduled as production quotas are met. The prospective members predicted that EU membership at anything less than terms equal to those received by current members would make it difficult to convince citizens of the benefits of EU membership.

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Profile researched and written by Joseph A. Bongiorno, St. John's University (12/1980); updated 5/2002 and 2/2003).

# MARSHALL ISLANDS

Kessai H. Note  
President

(pronounced “KESS-eye NOTE”)



*“We will restructure, rebuild, and restore the integrity of the country’s institutions. We will advocate discipline and transparency in all sectors of government.”*

The Republic of the Marshall Islands (RMI) comprises 29 coral atolls (19 inhabited) and five coral pinnacles (four inhabited). These islands form two roughly parallel chains called *Ratak* (Sunrise) and *Ralik* (Sunset), located between 160° and 173° east longitude, and between 4° and 20° north latitude. Though the islands of RMI spread over 1.95 million sq km (718,000 sq mi) of the eastern Pacific Ocean, the combined land mass is just under 180 sq km (69.5 sq mi). Typhoons are not uncommon during the winter months and can wreak havoc on these low islands.

The population was estimated at 73,630 in 2002, with heavy concentrations in the capital, Majuro, and on Ebeye in Kwajalein Atoll. Under the Compact of Free Association (CFA), concluded in 1986, Marshallese have free entry to the United States and small communities are to be found there, especially in Hawaii and California where young Marshallese may pursue higher education. The Marshallese language is part of the Micronesian family of Oceanic Austronesian languages. There were probably a number of distinct dialects in the past, but only two (*Ratak* and *Ralik*) were still spoken as of 2003. English is the official language of government and commerce. Three centuries of contact with the outside world have produced notable ethnic mixing, which continues to the present.

## POLITICAL BACKGROUND

Spanish explorers first contacted the islands in the sixteenth century, but they were named after the British explorer, Captain John Marshall, who charted the area in 1788. The islands were largely ignored until the early 1800s. At that time, whaling ships began more frequent visits for water and refreshment, and in 1852, American missionaries moved from Hawaii to establish stations there. The Protestant mission legacy remains strong today. Later in the 19th century, the demand for coconut oil and copra (the dried meat of the coconut), brought the Marshalls into a new kind of economy. German trading interests became predominant, resulting in the establishment of a protectorate in 1885. When Germany lost World War I, Japan was given the Marshall Islands and other Pacific islands as a mandate of the League of Nations.

The Japanese have been described as the only committed colonizers of the Marshall Islands, which was one of six districts of Japanese administration. Copra production and education were expanded during the early years, but in the 1930s, Japanese preparations for war became a high priority. World War II had a terrible impact on the islands as fighting

killed many of the local population while bombing devastated the landscape. When the Americans established military control in 1944, they found the Marshall Islands to be of strategic importance. For a half-century, this perspective has shaped the political changes which are now clearly visible in the modern RMI.

In 1947, the United Nations (UN) established the Trust Territory of the Pacific Islands (TTPI), including most of the Micronesian islands. The United States was given authority for administration and charged with responsibility for islanders’ welfare. The United States’s special interest in the Marshalls became clear when nuclear tests were carried out from 1946 to 1956 at Bikini and Enewetak atolls. These tests meant relocation of whole island populations. Except for such military activities, little was done to develop the islands in more constructive ways until the 1960s. In 1961, the first UN visiting mission was critical of U.S. administration in TTPI, and a 1962 polio epidemic in the Marshalls drew further attention to islanders’ needs. As a result of these and other developments, U.S. appropriations for the TTPI as a whole went from us\$7.5 million to over us\$100 million by 1978. Other significant developments included the formation of the Congress of Micronesia, a territory-wide legislature, to press the United States on issues of importance to islanders. In 1966, large numbers of Peace Corps volunteers entered the territory and other social programs associated with U.S. president Lyndon Johnson’s “Great Society” were introduced.

In 1979, the Marshall Islands chose to form their own constitutional government, reflecting their special relationship with the United States. Marshallese were reluctant to share with the rest of TTPI the large sums of money they were receiving from the U.S. government. In addition to various kinds of compensation for past nuclear testing, the United States had, since 1959, been leasing Kwajalein Atoll to test missile guidance and antiballistic missile defense systems. As other parts of the TTPI chose separate constitutional arrangements, negotiations began with the goal of ending U.S. administration.

These negotiations eventually produced the Compact of Free Association (CFA) that defined the United States’s relationship with the three new nations—the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau—that had formerly been part of TTPI. In 1983, 59% of Marshallese voted in favor of CFA in plebi-

scites held in these three states and the compact became effective in 1986.

The CFA was a complicated document, and was still subject to interpretation even after its official expiration in 2001. What is significant for the Marshallese are the special financial arrangements connected to nuclear and conventional missile testing. There is very little economic base other than these payments, which began to decrease in the 1990s after the break-up of the Soviet Union, signaling the end of the Cold War. RMI uses the U.S. dollar as currency, and the largest cash employers are the government, followed by the commercial and retail sectors.

The RMI is governed by a legislature (Nitijela) of 33 members who are elected by universal adult suffrage for four-year terms. The Nitijela in turn elects the president, who appoints his cabinet. There is also a council of *iroij* (chiefs), a consultative body. However, RMI politics have been dominated by *iroij* and *iroijlaplap* (paramount chiefs) whose conflicting interests have been more significant than any party affiliations. Amata Kabua, the first president, was *iroijlaplap* of Majuro. His successor and cousin, Imata Kabua, held a comparable title for Kwajalein. Long-standing conflicts between chiefs in different parts of the islands have been regularly reflected in 60%–40% divisions on such matters as the CFA plebiscite.

In late 1999 and early 2000, two major political changes took place. For the first time, an opposition party, the newly formed United Democratic Party (UDP), gained a majority in Nitijela in the November 1999 elections. Then in January 2000, Kessai Note, the Speaker of the Nitijela, was elected to the presidency, becoming the first president of the Marshall Islands who is a commoner (i.e., not a traditional chief).

## PERSONAL BACKGROUND

Kessai H. Note was born on 7 August 1950 at Airok on Ailinglaplap Atoll in the central Marshall Islands. He graduated from Marshall Islands High School and received a degree in agriculture from Vudal College in Papua New Guinea. He entered public service the same year, taking a position as an agricultural economist with the Division of Agriculture.

Note was active in the Marshall Islands' drive for independence between 1976 and 1979, and has played a prominent role in government in the two decades since independence was achieved. In addition to serving in the Parliament and cabinet, he has been a key player at the nation's constitutional conventions, as well as serving on the boards of the Marshall Islands Community Action Agency and the National Telecommunications Authority, and on the Foreign Investment Board. He has also served as president of the Marshall Islands Sport Council and vice chairman of the board of Air Marshall Islands.

Note is married to Mary Neimoj Yamamura and has five children. Among his hobbies are fishing, tennis, and gardening.

## RISE TO POWER

Note began his political career in the late 1970s as a young activist in his homeland's drive for independence. During this period, he was a delegate to its first constitutional convention. In 1979, when independence was won, Note was



elected to its first Nitijela and appointed to the cabinet, where he served as minister of resources and development. He remained a cabinet member for eight years, also serving as minister of the interior and minister of transportation and communications.

In 1988, Note was elected Speaker of the Nitijela, a post he held for 12 years. During this period he was also president of two constitutional conventions, in 1990 and 1995. Some of his actions as Speaker of the Nitijela were challenged in court by former president Imata Kabua and two of his top cabinet ministers, but both the High Court and the Supreme Court decided in favor of Note in each case. Note was elected president by the Nitijela in January 2000, after Kabua declined to run again following an electoral shake-up in November.

## LEADERSHIP

With the election of the first commoner to the Marshall Islands presidency since independence in 1979, it was expected that Kessai Note would introduce a different style of leadership, one not driven by local interests. Also unprecedented was Note's association with the newly formed, reformist UDP, which scored a stunning upset over the government party in the November 1999 elections. Voicing his intention to end the corruption that characterized the previous administration, Note has used the terms "credible," "accountable," and "transparent" to characterize the type of government he intends to lead. Note established a Task Force on Accountability to address government corruption and his

plans to fight it. Note has been called upon to take action on reducing the budget deficit, and in 2001, the RMI's debt to U.S. banks was retired.

### DOMESTIC POLICY

The greatest domestic challenge facing Kessai Note is creating a viable economy. The RMI shares certain problems with other island nations, including a young and rapidly growing population, unplanned urban growth, and a large public service sector that has been accused by the media of nepotism and financial mismanagement. World prices for copra, the primary export crop, declined in the 1980s, creating a serious trade imbalance. At the same time, shifting American policy in the post-Cold War era has diminished the strategic interests that directed attention, and funds, to the Marshalls, while the government remains dependent on U.S. aid for over 80% of its revenue.

The RMI has begun an economic reform program, with the aid of the Asian Development Bank and other organizations. Since 1996, the country has reduced the size of the service sector, eliminated some utility subsidies, and attempted to increase revenues from fisheries and tourism. The sunken World War II ships at Bikini Atoll are a major tourist attraction, and diving is a lucrative part of the tourist industry. In addition, the RMI is developing the aquaculture industry, including the harvesting of pearls. Note has pledged to continue economic restructuring and reform, even if doing so creates some short-term difficulties, in order to bring needed long-term growth. He also intends to continue the former government's support for the private sector.

The platform of the UDP, of which Note is a member, also opposes executive and legislative interference with the judiciary, which resulted in the impeachment or resignation of four chief justices in an eight-year period.

Global warming and the possibility of rising sea levels are issues of primary concern for the RMI. The islands rise only a few feet above sea level, and it has been suggested that sea levels could rise 18 inches (46 centimeters) by 2100.

### FOREIGN POLICY

In view of the RMI's dependence on financial aid in various forms from the United States, domestic and foreign policy are hard to separate. Furthermore, many of the conditions affecting RMI-U.S. relations, such as the global and regional political situation, are beyond the control of the RMI or its elected officials. Note, however, has expressed his desire for the continuation of the close relationship between his country and the United States.

The CFA with the United States expired in 2001. Under the CFA, the United States had full authority and responsibility for security and defense of the RMI, and the government of the RMI was obligated to refrain from taking actions that would be incompatible with these security and

defense responsibilities. The provisions of the CFA were extended through September 2003 as negotiations took place over its replacement. The CFA was to be replaced with a new arrangement that would guarantee U.S. funding over the next 20 years. In 2023, direct U.S. funding to the RMI is scheduled to cease, and to offset the end of U.S. financial assistance, a general trust fund will be established. While the CFA was being renegotiated, the level of yearly assistance from the U.S. was us\$37 million. The basic relationship of free association continues indefinitely.

A major subsidiary agreement of the CFA allowed the United States continued use of the U.S. Army Kwajalein Atoll (USAKA) missile test range until 2016.

Note has also expressed his intention of continuing the diplomatic ties inaugurated with Taiwan by the previous government in 1998, a relationship that had already resulted in more than us\$10 million in aid for the RMI in 1999, plus funds for various infrastructure and construction projects. Note has stated that, though the previous government kept some aspects of the Taiwan-RMI relationship secret, he intends to keep the relationship open and transparent. In 2001, projects for Taiwanese funding of inter-atoll vessels and outer island power plants were underway.

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Profile researched and written by Rosalie Wieder (6/00); updated by Jeneen Hobby, Ph.D. (3/03).

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# MAURITANIA

Maaouya Ould Sid'Ahmed Taya  
President

(pronounced "ma-OH-ya OOD sid-AH-med TAH-ya")

*"I am glad to hail the increasing trust which our country enjoys with our partners in development and which has given us the opportunity to be the first country to benefit from the initiative to reduce debts."*

The Islamic Republic of Mauritania is bordered on the northwest by the Western Sahara, on the north by Morocco, on the east and southeast by Mali, and on the south by Senegal. Its total area is 1,030,700 sq km (297,950 sq mi). Two-thirds of the country is desert.

Mauritania's population was estimated in 2002 at 2.83 million, with an annual population growth rate estimated at 2.92%. The population density of Mauritania, the lowest in West Africa, averages 2.1 persons per sq km (5.5 per sq mi). Two-thirds of the people are Moors, comprised of the dominant Bidan ("white") Moors and the Harratin ("black") Moors, though the color terminology can be misleading. Both of these groups were traditionally nomadic. The Harratin are considered to be of servile origin, with official emancipation legislation not having been passed until 1980. The black African population (approximately one-third of the total) is made up of Fulbe (20%) and Wolof (12%). They are mainly sedentary cultivators and live in the southern zone of the country. Islam is the official religion of Mauritania. The official language is Arabic (declared so in the 1991 Constitution), with Fulfulde, Wolof, and Soninke also widely spoken and recognized. French is frequently used for international commercial dealings.

The country has undergone intensive urbanization since the early 1970s, due primarily to drought conditions and an expanding desert. There has been a corresponding decline in nomadism, falling from 83% (1963) to 12% (1988). In a year of abundant rainfall, the Sahelian region to the south can support millet and sorghum crops as well as grazing for sheep, goats, and cattle. Camels graze primarily in the drier areas to the north. Millet and dates are also cultivated in some desert oases while salt deposits are harvested in Saharan zones. Per capita gross domestic product (GDP) was estimated at US\$1,800 in 2001. The monetary unit is the *ouguiya*.

## POLITICAL BACKGROUND

Mauritania gained independence from France in November 1960 and elected Moktar Ould Daddah as president. By 1964, he succeeded in merging all former political parties with his own, to form the Parti du Peuple Mauritanien (PPM), and declared Mauritania to be a one-party state. The political system became highly centralized and controlled by the president. The Ould Daddah regime attempted to strengthen the country's independence from France and foreign economic control. Iron-ore mines were nationalized in

1974, and a Mauritanian currency (the *ouguiya*) was introduced.

Until the early 1980s, the Western Sahara dominated Mauritanian politics and foreign affairs. In the early years of Ould Daddah's presidency, Morocco made territorial claims on both Mauritania and the Western Sahara. By 1969, however, Morocco finally recognized Mauritania as an independent state. In the mid-1970s, an agreement was concluded with Spain and Morocco, dividing the Spanish Sahara between the two African countries and ignoring an International Court of Justice ruling that the peoples of the Western Sahara should determine their own fate. In attempting to enforce this agreement, Moroccan and Mauritanian forces met strong resistance from the Western Saharan Popular Front for the Liberation of Saguia al-Hamra and Río de Oro (Polisario), supported by Algeria. This resulted in the bloodless military coup of July 1978, in which Mustapha Salek was installed as president. Salek, as head of the Military Committee for National Recovery, outlawed all political parties, including the PPM. He resigned in June 1979 due to shifts within the military committee.

Mohamed Khouna Ould Haidalla became prime minister in May 1979. Three months later, an agreement was formalized with the Polisario withdrawing all Mauritanian claims to the Western Sahara. In 1980, Haidalla became president and dismissed members of the military committee who had been in charge of the government since the 1978 coup. Haidalla formed a government and drafted a Constitution providing for a multiparty system. There were several attempts to overthrow the Haidalla government, which became more repressive as a result. In 1983, Amnesty International reported that dozens of political prisoners were being held in underground cells. On 12 December 1982, Colonel Maaouya Ould Sid'Ahmed Taya led a successful military coup, and assumed the role of chief of state.

## PERSONAL BACKGROUND

Maaouya Ould Sid'Ahmed Taya was born in 1943 in the region of Atar. He joined the army as a young man and became aide to the first Mauritanian president, Moktar Daddah. Taya served as commander of the northern region during the Saharan war with the Polisario guerrillas in 1976. After the coup that removed Daddah from power, he became a member of the ruling Military Council and minister of defense under President Mustapha Salek. Taya is a Muslim.



## RISE TO POWER

As army chief of staff, Taya replaced the civilian prime minister under President Haidalla in 1981. The draft Constitution, providing for a civilian multiparty system, was abandoned. Haidalla proved unable to bring the country out of its economic doldrums. Reports of extravagance and corruption were widespread. In late 1982, Taya deposed Haidalla in a bloodless coup and has continued to maintain power since that time.

## LEADERSHIP

Taya's leadership has been plagued by problems involving human rights, press censorship, ethnic unrest, and setbacks in the democratization process. Human rights groups, as well as the U.S. State Department, have criticized the Taya regime for failure to eliminate slavery, an inequitable judicial system, unacceptable prison conditions, press censorship, and poor treatment of dark-skinned Mauritians. Serious discord developed between France and Mauritania in July of 1999 regarding the arrest in France of a Mauritanian army officer on charges stemming from allegations of torture in a prison in Nouakchott in 1990 and 1991.

Taya has attempted to follow the democratization process that swept West Africa since 1990, though there are signs of increasing opposition to his rule. Amid claims of election rigging, a new Constitution was approved in July 1991 that gave the president extensive powers and put no term limits on his service. Presidential elections were held in January 1992. As a candidate of the progovernment Social and Democratic Republican Party (Parti Républicain Démocratique et Social—PRDS), Taya was elected with 62.7% of the votes

cast. His first democratically elected government included representatives from all major groups in the population. Multiparty municipal elections were held in 1994, and the PRDS won control of 172 of the nation's 208 administrative districts.

Presidential elections were held on 12 December 1997. Main opposition parties claimed that campaign conditions favored the reelection of Taya to a second six-year term, and called for a boycott of the elections. Kane Amadou Moctar, the first black African ever to run for the presidency, presented himself as a nonaligned candidate with a platform promising to fight slavery, assist the return of Mauritanian refugees from Senegal, and reform the fisheries policy. The elections took place without incident and Taya was declared the winner, taking 90% of the votes. Turnout was estimated at 70%, despite the opposition boycott. Moctar received less than 1% of the vote. Opposition leaders described the poll as a "masquerade," citing reports of widespread irregularities that included children casting ballots.

In January 1999, the PRDS won most of the 208 districts contested in municipal elections, though it is estimated that only 16% of the registered voters went to the polls. Candidates of the PRDS running in the October 2001 election for seats in the National Assembly captured 64 of the 81 seats. Senate elections were held in April 2002, with PRDS winning 54 of the Senate's 56 seats.

## DOMESTIC POLICY

The state of the economy is critical to achieving political stability in Mauritania. As a country whose people depend for their living on agriculture, Mauritania had been faced with a persistent drought. About half of the population is engaged in herding and subsistence agriculture, although persistent drought drove many of the nomadic people to move into the cities. During the rainy season of 1999, a severe blow was dealt to Mauritania and many other West African nations when flooding, the heaviest the region had seen in 30 years, submerged farmlands and destroyed infrastructures. The mining sector grew quickly in the 1960s and 1970s and has now replaced agriculture in terms of contribution to the GDP, although worldwide demand for iron ore was declining in the early years of the twenty-first century. Continued mineral exploration may prove to be a saving grace for Mauritania's economy, at least for the short term, with promising reserves now known for gypsum, gold, tungsten, iron, petroleum, phosphates, diamonds, and uranium. In 2001, oil exploration in Mauritania's offshore region indicated promising petroleum reserves.

A major positive development in the economy of the 1980s and 1990s was the growth in the fishing sector. From 1983 until 1992, Mauritania insisted that all fish landings in their waters be processed in Mauritania and sold through the state fishing company. These provisions made the fishing sector an increasingly important part of the Mauritanian economy. That prosperity has been compromised, however, by overexploitation, a decline in the Mauritanian fishing fleet (with only 60% now considered operational), and disputes with neighboring Senegal.

Mauritania's chronic budget deficit has been a constant constraint on the government. These deficits have been financed by external funds, and government attempts to find

new currency sources have led to domestic instability. In 1988, the World Bank classified Mauritania as "debt-distressed," allowing debt restructuring and loan repayment cancellations. In 1992, the Mauritanian currency was devalued, provoking further difficulties for the population.

In the summer of 1995, the government imposed a new Value Added Tax (VAT), which included an additional 5% on food products and 14% on industrial products. As a result, bread prices rose 25%, and the population rioted. Government measures were adopted to control the prices of essential consumer goods. At the end of 1998, Mauritania reached a three-year agreement with the World Bank for rescheduling its external debt in return for further privatization and currency controls. This agreement was enhanced in February 2000 by the World Bank and the International Monetary Fund (IMF) agreeing to a debt reduction package that would amount to about 40% of the total debt outstanding at the end of 1998. Another agreement was reached with the World Bank in October 2001 providing us\$119 million to help improve living and educational conditions. The economy remains extremely fragile and threatens any political stability that could be maintained. In 2001, after qualifying for debt relief under the Heavily Indebted Poor Countries (HIPC) initiative, Mauritania began to receive financial support from donor countries. In October 2002, the World Bank and the IMF reached an agreement to reduce Mauritania's debt by us\$1.1 billion, leaving it at us\$1.5 billion. Mauritania also received a us\$10 million loan from the African Development Bank in 2002 to fund projects in industry and services, as well as us\$110,000 from the United Nations (UN) for national projects, and €45 million to construct Mauritania's first deepwater port in the city of Nouadhibou.

Clearly, development in Mauritania depends heavily on outside aid. Mauritania has an active Ba'ath party and periodically seeks agreements and aid from non-Western, Islamic/Arab states. In 2002, Mauritania also signed an agreement with the Organization of Petroleum Exporting Countries (OPEC) fund for International Development to provide us\$3.5 million for fighting poverty and lack of sanitation. The government reins in these ties, however, when fears of foreign involvement in internal Mauritanian politics develop.

The slavery issue continues to shadow Mauritania in its dealings in the international community. Since 1981, when slavery was officially abolished for the fourth time, it has been illegal to refer to slavery in Mauritania. Yet reports of its continuance in the country are frequent, by both internal and external human rights organizations. Arrests of lawyers and opposition figures over the issue continued in the late 1990s and the early years of the twenty-first century. In November 1998, Anti-Slavery International, a London-based human rights group, presented an antislavery award to Cheik Saad Bouk Kamara [Sadibou Camara] of the Mauritanian Human Rights Association, further highlighting the problem to the world community. In addition, the Rally of Democratic Forces (RFD), led by Ahmed Ould Daddah, in April and May 2000 led a series of demonstrations that led to numerous arrests, causing concern regarding the political stability of the government and its willingness to confront the country's problems. Other attempts have been made to quell opposition forces. In October 2000, the government banned the Union of

Democratic Forces (UFD) opposition party, and in January 2002 banned the Action for Change (AC) party, which attempted to gain rights for dark-skinned Mauritians and those descended from slaves. This action left Mauritania officially a one-party nation, and the members of AC living in fear and under state surveillance. Opposition leaders claim one reason the party was banned was because it enjoyed great popularity with the army, and was thus a threat to the administration.

Because of such restrictive tactics, many nongovernmental relief organizations have found their work to be risky in Mauritania, and are forced to operate underground.

## FOREIGN POLICY

Diplomatic relations between Senegal and Mauritania were broken following ethnic disturbances in 1989. Relations were normalized in 1992, but the refugee question remains to be resolved and is greatly exacerbated by claims of racism against Mauritania. Members of the Mauritanian Association of Refugees in Senegal are not convinced that they will be safe and have called on the UN High Commissioner for Refugees to resume deliveries of medical and food aid. Complicating the refugee situation is the presence of Mauritanian refugees in Mali. The Taya government claims that some of these people were launching raids against Mauritania, and thus are not refugees in the view of his government.

In January 1998, following a restructuring of the Organization for the Development of the Senegal River, Mauritania lost several key posts. The high commissioner was arrested for treason because he had agreed to this restructuring plan. The organization was deadlocked for the first time since its formation in 1972. Dam construction and water flow control of this important river is essential for the Mauritanian food supply.

Fisheries have also become a major issue between Senegal and Mauritania. The 1983 fishing convention has not been followed since the 1989–92 war between them. Following the 1998 presidential election, the fisheries minister announced that Mauritania and Senegal soon would begin renegotiating the 1983 fishing convention, and that Senegalese fishing boats seized by the Mauritanian coast guard would be returned. A favorable treaty could give a needed boost to the Mauritanian fishing industry that has experienced steep decline in recent years.

Mauritania has pursued regional agreements with its neighbors, in an effort to reduce cross-border strife. In 1995 Mali and Senegal agreed to cooperate over border issues, political extremism, arms smuggling, and drug trafficking. In the same year, a joint agreement was reached with Algeria for bilateral relations to combat "all manifestations of terrorism." In February 1995, the Taya government met with North Atlantic Treaty Organization (NATO) member states Morocco, Tunisia, Egypt, and Israel for coordination of responses to Islamic fundamentalist organizations and weapons proliferation.

In September 2002, France made the first moves in restoring diplomatic relations with Mauritania after France's socialist government tried a Mauritanian military officer in 1999. French defense minister Michelle Alliot-Marie met with Taya to speak of strengthening the cooperation of the two governments.

The Taya government sought to repair relations with the Persian Gulf states, who had been angered by its support of Iraq in the Gulf War. This was followed in April 1994 by a joint communique in which Mauritania recognized Kuwait's borders. These events have led to a perceived loss of influence for Iraqi sympathizers and the Mauritanian Ba'ath Party. In 1998, 1999 and 2001, renewed relations with Israel, including allegations of an Israeli-Mauritanian agreement to store Israeli nuclear waste in Mauritania's desert, caused outrage in the Islamic world, but the Taya government denied that the deal had been negotiated. Taya and his ministers remained active, however, in diplomatic and economic partnership trips with various Maghreb Union member nations Morocco and Tunisia.

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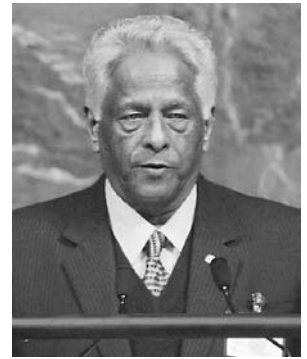
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# MAURITIUS

**Anerood Jugnauth**  
**Prime Minister**

(pronounced “ah-neh-ROOD joo-NO”)



*“...a small island state like Mauritius can only progress if we open up our economy to foreign investment and technology and follow liberal and investment-friendly policies.”*

The Republic of Mauritius lies in the Indian Ocean approximately 800 km (497 mi) east of Madagascar. It is comprised of the volcanic island of Mauritius as well as the Rodrigues, the Agalega islands, and the Cargados Carajos shoals. In total, the territory covers 1,860 sq km (718 sq mi) and had a population estimated at 1,200,206 in 2002. Like other previously uninhabited islands in the Indian Ocean, the diverse population of Mauritius is the result of successive waves of explorers, colonists, traders, and workers who have settled there.

When the British abolished slavery in 1835, the sugar plantations—a mainstay of the Mauritian economy—could no longer rely on sources of imported labor from the Comoros, Madagascar, and the East African coast. To compensate for the loss of workers, enormous numbers of indentured laborers were brought from India to Mauritius to work the cane fields and man the sugar mills. These workers came from different regions of the Indian subcontinent and brought their respective languages and religious practices. By 1860, they comprised the largest single ethnic group in the country.

As of 2003, the population of Mauritius was primarily made up of descendants from India (68%), mixed European and African (Creole, 27%), China (Sino-Mauritians, 3%), and France (Franco-Mauritian, 2%). Approximately 42% of the population lives in the urban center of the main island. The major religions are Hinduism, Islam, and Christianity. The official languages are English and French, with Creole, Hindi, and other languages—such as Bojpoori, Urdu, Hakka, and Chinese—in use. The official currency is the Mauritian rupee. The per capita gross domestic product (GDP) was estimated at US\$10,400 (2000 estimate), which is a very high average for a sub-Saharan African country. The literacy rate in 2000 was 83%, while population growth in 2002 was less than one percent, compared to other in sub-Saharan African countries where the growth rate averages 2.6%.

The economy of Mauritius was originally based on sugar, and sugar cultivation still claims 80% of the arable land. In recent decades, the country has significantly diversified and expanded its economy into manufacturing (textiles, electronics and software), other agricultural products (such as tea), and tourism. Offshore banking facilities were begun in 1989. The country supports an independent press with publications in several languages. Mauritius is considered to be one of the most successful economies in all of Africa.

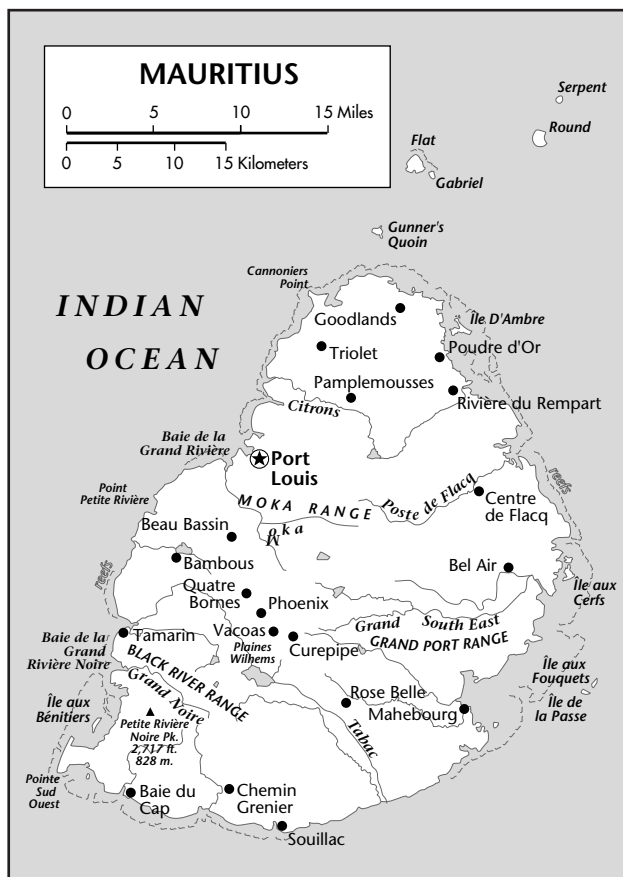
## POLITICAL BACKGROUND

Mauritius was known to early Arab traders traversing the Indian Ocean. The first Europeans to visit the main island were the Portuguese, who used its natural resources to replenish their ships on the way to their colonies in Goa and Malacca. Accounts of the island at this time refer to the large ebony forests and the dodo bird, both of which have disappeared due to extended human development of the land. The Dutch established a colony in 1598 and named the island after their own Prince Maurice of Nassau. They introduced sugar and slaves (primarily from Madagascar), but eventually abandoned the colony. In 1715, the French claimed the island and renamed it Isle de France. The economy of this colony was also based on sugar and was governed by the French East India Company. In 1810, the British captured the island, renamed it Mauritius, and confirmed their sovereignty in the Treaty of Paris. The British colony continued the tradition of sugar production, but with the abolishment of slavery in 1835, planters began importing Indian and Chinese indentured laborers to work in the cane fields.

In 1968, Mauritius achieved its independence and set up a parliamentary democracy with sovereign control under Queen Elizabeth II. A governor general served as head of state and appointed the prime minister. In 1992, the constitution was amended and Mauritius became a republic within the British Commonwealth. The current chief of state is a Mauritian-born president with political power held by the Parliament and the prime minister. The National Assembly holds legislative authority and consists of 66 representatives, 62 of whom are elected by popular vote and 4 are appointed by the election commission from the losing political parties to ensure representation to all ethnic minorities. Parliamentary elections are held every five years. The prime minister and Council of Ministers, made up of the leader of the majority party and 24 other ministers, hold executive power. The highest judicial authority is held by the Supreme Court, which consists of a chief justice and five other judges. At the local level, government consists of nine administrative divisions made up of municipal, town, and village councils. Universal suffrage is mandated for all citizens over the age of 18.

## PERSONAL BACKGROUND

Anerood Jugnauth was born 29 March 1930. His family was of Hindu Indian origin and has been described as modest. His childhood education took place at the Palma Church of England School, Regent College, and Quatre Bornes. He



taught school briefly at New Eton College (1948), then worked as a civil servant starting in 1949. In 1951 he went to study law at Lincoln's Inn in London and passed the bar examination in 1954. Returning home to Mauritius in 1955, he opened a law office in Port-Louis, where he practiced for ten years. He entered politics in 1963 and was elected to Parliament for the Piton-Riviere du Rampart constituency. Government service has been his profession ever since.

Over his lengthy public service, Jugnauth has won many honors. He was knighted by Queen Elizabeth II of the United Kingdom in 1988 (making him Sir Anerood Jugnauth), and given the French Legion d'Honneur in 1990. Jugnauth has received several honorary doctorate degrees.

Jugnauth is married to Sarojni Balla. The couple has two children, Shalini and Pravind. The prime minister's personal interests include reading and football (soccer). He is fluent in Hindi, Bojpoori, Creole, French, and English.

## RISE TO POWER

After being elected member of Parliament in 1963, Jugnauth was named minister of state development and, in 1967, minister of labour. From 1967 to 1969 he was a district magistrate, then became crown counsel (1969) and later senior crown counsel (1971). In 1974, Jugnauth joined a new political party formed by students who had studied abroad, called the Mouvement Militant Mauricien (Mauritian Militant Movement—MMM). He soon became party chairman; and following elections in 1976, in which the MMM lost by only a narrow margin, Jugnauth found himself

leader of the opposition. Six years later, in 1983, his party's victory made him prime minister. In 1983 he founded a new party, the Mouvement Socialiste Mauricien (Mauritian Socialist Movement—MSM). As head of the MSM, Jugnauth won elections in 1983, 1987, and 1991. He then lost to Navin Ramgoolam in 1995.

Political alliances are quickly formed, broken, and reformed with new partners in Mauritius. Ramgoolam won the 1995 general election through an alliance with Paul Berenger, another long-time member of Parliament (MP), MMM member, and former associate of Jugnauth. In 2000, Berenger switched sides, partnering with Jugnauth and the MSM for a coalition that led to a landslide victory, winning 54 or 62 seats in Parliament.

## LEADERSHIP

The landslide victory of the Jugnauth/Berenger alliance resulted largely from charges of corruption that befell the Ramgoolam government, combined with his less pleasing personal style, which alienated voters. Otherwise Mauritius was faced with no particular pressing issues at the time of the election. The nation's economy was solid, unemployment and inflation were low, and both sides had sworn to improve GDP. But the electorate had always liked Jugnauth, crediting him with the boom years enjoyed while he held office between 1982 and 1995. His reputation as a tough-minded pragmatist not interested in the perks of leadership has served him well over the decades.

A political deal forged just before the election with Jugnauth's coalition partner Paul Berenger was new and unique. Jugnauth would serve as prime minister for three years and Berenger would be deputy prime minister; then Berenger would assume the powerful prime minister's position and Jugnauth would become the president of Mauritius. To make this arrangement workable, president Cassim Uteem, who was appointed by the House of Assembly, had his term extended by one year. In the fall of 2002, Jugnauth confirmed that he would abide by the plan, and step down on September 30, 2003, despite the fact that opponents were campaigning to block Berenger from taking office.

## DOMESTIC POLICY

Although inflation was under 5% in 2000 and 2001, unemployment had been on the rise since the early 1990s (when it was under 3%) to more than 9% in 2001. The budget deficit had also grown considerably, up from about 4% of GDP in 1999–2000 (July–June) to 6.5% in 2001–02. Jugnauth promised to improve these numbers. Even though the country's traditional sugar, textile, and tourist industries have steadily improved, there is speculation that such older industries have peaked in their ability to create jobs and wealth. Upon taking office, Jugnauth began to investigate ways the Mauritius economy could participate in information and communication technology (ICT). Accordingly, the government created a development agency, Business Parks of Mauritius Ltd. (BPML), to develop business and ICT parks in the country. Construction began on a pair of projects—a business park in Rose Belle and a cyber city at Ebene—in late 2001. International software firms and training companies had been contracted to locate in these facilities. India

confirmed in 2003 that it has agreed to set up a biotechnology center within Mauritius.

Whether or not the new vision for a Mauritius cyber-future succeeds, the government must prepare for upcoming changes that could have grave effects for the island's working public. The population is aging while fertility is dropping, which threatens to reduce the size of the available labor pool. By the end of the first decade of the twenty-first century, Mauritius will see many of its traditional trade protections and preferences give way to the forces of globalization, liberalization, and economic integration. In December 2004, global quotas on textiles and clothing under the Multi-Fiber Arrangement (an international trade agreement that protects the textile and apparel industries in certain developed countries) will be eliminated, opening up the Mauritius textile industry to potentially lower-cost competition from other textile-exporting countries, particularly those in Asia. To lessen the effects of these changes, U.S. presidents Bill Clinton and George W. Bush supported a trade agreement to strengthen textile and apparel trade between the United States and its trading partners in Africa. This act, the U.S. Africa Growth and Opportunity Act (AGOA), may help Mauritius cope with changing trade rules after 2004.

Likewise, global trade agreements involving the countries of the European Union were projected to have a negative effect on the profits of the country's sugar industry. The Jugnauth government responded by proposing a restructuring of the sugar industry, decreasing the number of sugar mills and employees by half.

Jugnauth's government acknowledged that a well-educated and adequately trained workforce was likely to be the key to developing technology industries in Mauritius. In early 2002 the government published goals to improve education, to offer equal access to education for all citizens, to adapt education to meet the needs of the developing technology industries, and to support the educational needs of underprivileged groups. In addition, the Jugnauth government targeted health care, social development, and financial assistance as areas for government investment.

### FOREIGN POLICY

Under Jugnauth, Mauritius fostered strong, friendly relations with the West, with India, and with southern and eastern African nations. The country belongs to the Organization of African Unity (OAU), the World Trade Organization (WTO), the Commonwealth, the Southern Africa Development Community (SADC), the Indian Ocean Commission, the Community of Eastern and South African States (COMESA),

and the Indian Ocean Rim Association. Jugnauth was also involved in 2002 in implementing the New Partnership for Africa's Development (NEPAD). Jugnauth is known as a vocal advocate of developing countries, and has called on developed countries to honour their commitments of aid.

In recognition of the strong ethnic ties Mauritius shares with India, Jugnauth was asked to open a meeting on the Indian diaspora in January 2003 entitled "Pravasi Bharatiya Divas" or "The Day of Indians Living Abroad." The two nations also agreed to combat terrorism together.

Mauritian foreign policy is driven by trade and a commitment to democracy. With its British/French political heritage, the country has always kept close ties with the European Union member states and western countries in general. Still, Mauritius is regarded geographically as part of Africa and as such must maintain good relations with its African neighbors, especially South Africa, its chief partner in trade. Much of the nation's foreign policy is shaped from its close association with the SADC and the OAU. At the same time, Mauritius keeps relations with India strong for commercial benefits.

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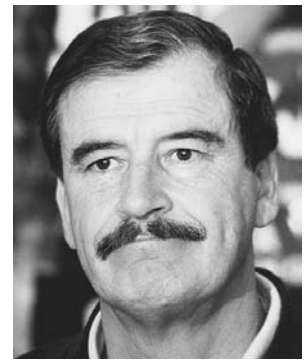
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Profile researched and written by Leo Zulu, University of Illinois at Urbana-Campaign (4/2000; updated 5/2002, 4/2003).

# MEXICO

## Vicente Fox Quesada President

(pronounced “vi-SEN-tay FAHX keh-SAY-dah”)



*“I have...an obligation to...work passionately for those who made Mexico what it is,  
for those who built the Mexico we have today,  
and for those who dream of a different, successful, and triumphant Mexico”*

The United States of Mexico is situated between the Gulf of Mexico to the east and the Pacific Ocean to the west, it neighbors the United States to the north, and Guatemala and Belize to the south and southeast. Mexico’s total area is 1,980,000 sq km (764,478 sq mi), and the population was estimated at 103 million in 2002. The capital and largest city is Mexico City with more than 18 million inhabitants estimated to live in the metropolitan area in 2002.

The Mexican unit of currency is the *peso*. Spanish is the official language but large groups speak Native American languages. Agriculture is the main employer, with petroleum and petroleum products being the largest industry. Leading exports are vegetables, fruits, coffee, gold, zinc, and oil. Tourism is considered a major foreign currency earner, as is the finishing of manufactured products in border towns for re-export to the United States and elsewhere. Brewing and automobile exports are advancing rapidly. The North American Free Trade Agreement (NAFTA) with the United States and Canada was implemented in 1994, and trade with the United States has tripled since. As part of a goal to become less dependent on trade with the United States, Mexico entered into free trade agreements with the European Union (EU), Israel, El Salvador, Honduras, and Guatemala in 2000, and was involved in trade agreement discussions with other countries in Latin America and Asia. The per capita gross domestic product (GDP) was estimated at us\$9,000 in 2001.

### POLITICAL BACKGROUND

Mexico was one of Spain’s richest colonies thanks to its silver mines. Following the wars of independence (1810–24), the new nation went through years of turbulence and dislocation. Growth began under the dictatorship of Porfirio Diaz (1876–1910) but fell during the chaotic years of the Mexican Revolution (1910–17). Since then, Mexico has struggled with the problems of modernization and economic growth.

Mexico is a federal republic, governed according to the Constitution promulgated at the end of the revolution in 1917. The presidency is very powerful. The president is elected for a six-year term and cannot be reelected. The legislature is the bicameral Congreso de la Union (National Congress). The Camera de Sandores (Senate) has 128 senators; 96 are elected to 6-year terms (half are elected every three years) and 32 are allocated proportionally by political party. The Camera Federal de Diputados (Chamber of Deputies) has 500 members, of whom 300 are elected to 3-

year terms directly from single-member constituencies and 200 by proportional allocation by political party.

From 1929 until 2000, the ruling party was the Partido Revolucionario Institucional (PRI—Institutional Revolutionary Party). It claims descent from the time of the Mexican Revolution. The PRI regimes believed in a nationalistic government policy and a central guiding role for the state. In foreign policy, the PRI emphasized a non-interventionist position and independence from U.S. policy. Under President Carlos Salinas (1988–94), the Mexican government departed radically from former policies in favor of privatization and a free market approach. Salinas pushed through the North American Free Trade Agreement (NAFTA), which took effect on 1 January 1994, confronted the unions and management of the national petroleum industry (PEMEX), and caused considerable debate by legislating the sale of village communal lands (ejidos). The rewriting of history textbooks for schools in favor of a free market interpretation of Mexican history provoked argument within the party. Salinas surrounded himself with economists and technocrats, many of whom obtained their doctorates at top U.S. universities.

His successor, Ernesto Zedillo, president from 1994–2000, continued free-market policies. During his term, the peso was devalued, triggering a severe economic recession. The Mexican people, shaken by the dramatic decline in the economy and corresponding rise in poverty, ended the PRI’s 70-year dominance of the Chamber of Deputies in legislative elections in June 1995. A coalition of the leftist Partido Revolucionario Democrático (PRD—Party of the Democratic Revolution) and the conservative Partido Acción Nacional (PAN—National Action Party) took control of the Chamber of Deputies, and their candidates also won several key mayoral and gubernatorial races. Zedillo decided not to follow the long-standing tradition of handpicking the person who would succeed him as the PRI candidate for president, and held a presidential primary. Francisco Labastida Ochoa earned the PRI spot on the ballot.

In 2000, after more than 70 years of PRI presidents, Vicente Fox Quesada, candidate of the PAN, won 42.5% of the vote to the PRI candidate’s 36.1%. The PAN, founded in 1939, has generally been to the right of the PRI, and draws much of its support from the northern part of the country and the urban middle classes. It typically looks back to an older traditional Mexico and to closer ties with the Roman Catholic Church.

Other parties include the PRD, leading a coalition of left and center groups which came together to support the presidential candidacy of Cuauhtémoc Cárdenas (who received about 17% of the popular vote in the 2000 election), son of the famous president Lazaro Cárdenas (1895–1970, president from 1934–40). In general, the PRD advocates government intervention in the economy while the other parties favor a freer economy.

### PERSONAL BACKGROUND

Vicente Fox Quesada was born 2 July 1942 in Mexico City, the second of nine children born to Jose Luis Fox and Doña Mercedes Quesada. When Vicente was still a child, his family moved to the San Cristóbal ranch in the rural community of San Francisco del Rincón, in the state of Guanajuato. There, he entertained thoughts of being a bullfighter. His father, a wealthy farmer, persuaded him to pursue a career in business instead. Fox attended the Universidad Iberoamericana (Ibero-American University) in León where he studied business administration; he later studied management at the Harvard University Business School.

In 1964, Fox joined Coca-Cola's operations in Mexico as a salesman and truck driver. Over the next fifteen years he climbed the corporate ladder to become the Chief Executive Officer (CEO) for Mexico and the Caribbean, one of the youngest people ever to achieve such a post in the Coca Cola organization. He gave up his business career, returned to his family farm in Guanajuato, and became actively involved in politics. Reflecting his business interests, Fox has served on the board of the United States–Mexico Chamber of Commerce.

Fox, father to four adopted children—Ana Cristina, Vicente, Paulina, and Rodrigo—is the founding president of the Board of Patrons of the Amigo Daniel Orphanage. He is also the president of the Loyola Board of Patrons, an organization that sponsors the Ibero-American University in León, and president of the Lux Institute, a school serving his home state of Guanajuato. On 2 July 2001, the first anniversary of his ascent to the Mexican presidency (and his 59th birthday), he married his second wife, Marta Sahagún Jimenez.

In March 2003, Fox underwent successful emergency back surgery for a herniated disk. His temporary absence caused some government observers to raise the issue of creating a vice presidency in the country. The Mexican Constitution does not state who is acting head of state when the president cannot govern, and two cabinet ministers were in charge of the country while Fox was incapacitated. The question as to whether or not Mexico needs the office of a vice president was brushed aside by Fox, who stated his cabinet members were well qualified to stand in his place.

### RISE TO POWER

In the 1980s, encouraged by Mexican politician Manuel Clothier Corner, Fox joined the PAN, a party made up primarily of conservative Roman Catholic businessmen and industrialists who objected to the leftist policies of that had been advanced in the late 1930s by President Lazaro Cárdenas. Cárdenas's term (1934–40) was characterized by land redistribution, formation of labor unions, extension of education to rural areas, and expropriation of foreign-owned (mostly U.S.) petroleum holdings. By 1988, Fox decided to



become a candidate for National Congress; he won election to the Chamber of Deputies from the third district of León, Guanajuato, where he focused his energies on agriculture policy, the primary concern of his constituents. To help inform the general public about agro-business in Mexico, he also contributed articles to national and Guanajuato newspapers. When his mentor, Clothier, was killed in an automobile accident in 1989, Fox strengthened his resolve to make a difference as a politician. In 1991, he returned to Guanajuato, where he staged an unsuccessful bid for governor; he ran again in 1995, this time successfully, winning 60% of the vote.

During his time as governor, Guanajuato's economy grew to become the fifth-largest among the Mexican states. In 1999, Fox took a leave of absence as governor to prepare for the 2000 presidential election. He became the PAN candidate for president in 2000; with Partido Verde Ecologista de Mexico (PVEM or Green Party), PAN formed the coalition Alliance For Change (PAN-PVEM).

In all the years since its founding, PAN had only won a small number of local elections in northern Mexico. Mexico had remained under the political leadership of the PRI. After the elections of 1997 when PRI lost its majority in the Chamber of Deputies, Mexican voters had renewed faith in the election process and PRI leaders began to seek ways to restore the party's dominant position. As a presidential candidate, Fox was not afraid to challenge PRI and its long history; he even raised issues considered taboo by traditional politicians, such as PRI's alleged connections to illegal drug trafficking.

Fox won 42.52% in the 2 July 2000 election considered by observers to rank the highest by all international standards of fairness and freedom of any election in Mexico's history. In the most peaceful political transition ever, Vicente Fox ended the PRI's 71 years of rule with a victory over PRI candidate

and former interior minister Francisco Labastida (who won 36.10% of the vote); and Partido Revolucionario Democrático (PRD—Party of the Democratic Revolution) candidate Cuauhtémoc Cárdenas (who won 16.64%).

### LEADERSHIP

During his presidential campaign, Vicente Fox claimed that an end to the PRI's longstanding control of the government would foster change in Mexico. His cabinet appointments have been well received by both opposing parties and the general public because he included individuals with a wide range of political viewpoints. The cabinet members include former PRI officials and many admired professionals. In his inaugural speech, Fox addressed his main concerns of economic growth, poverty reduction and reforming politics, police, and the courts.

Celebrating the first anniversary of his election, Fox suggested the creation of the National Political Pact, an initiative to combat factionalism within the government and institute reform. This initiative is crucial to Fox because his party is in the minority in both governmental houses. Analysts hint that the pact may result in a more democratic and tolerant Mexico, but it remains halted by divisions within and between the parties.

The first piece of legislation initiated by President Fox was the Indigenous Rights and Culture Law, which affords a small amount of autonomy to indigenous communities and promotes the use of local languages and culture. Although a majority passed the bill, states with the highest indigenous populations opposed it, claiming it attempted to appease them without improving their living conditions.

Fox initiated many policies to help combat corruption within both private and judicial sectors. He hopes to not only prosecute past cases of corruption but to prevent future incidents. This includes releasing commission reports to the public to expose former corruption cases.

One of Fox's pledges upon becoming president was to devolve power to Mexico's states, in an effort to promote a stronger federal structure for the country. Although Mexico is federal in political structure, economically resources have only been redistributed in a piecemeal fashion. Fox has argued that if states are to receive more federal funds, they must be more responsible, reforming their administrations and agreeing to submit to independent audits.

Two years into office, Fox began to be criticized for not fully fulfilling his campaign promises, such as eradicating poverty, illiteracy, corruption and crime, and providing more jobs and income for Mexicans. As of mid-2002, however, Fox had made substantial improvements in Mexican society—he allowed international human rights observers into the country for the first time, appointed a prosecutor to investigate the disappearances of anti-government activists in the 1970s and 1980s, arrested many drug kingpins, and improved relations with U.S. law enforcement agencies. He has also made government spending more transparent.

### DOMESTIC POLICY

Due to party factionalism, Fox has had difficulty in achieving his election goals, which has resulted in a deterioration in his approval rating in public opinion polls. Fox aims to clean up major problems such as drug-trafficking and illegal

migration; major tasks that need support from his party as well as the opposition, and require cooperation from Mexico's powerful neighbor, the United States. Other goals include education reform, improved healthcare, and overcoming widespread poverty. Fox must maintain a delicate balance between his party and the opposition.

High on Fox's list of priorities is economic reform. With Mexico's limited tax base and slipping oil revenues, the country fell into recession early in 2001, despite 6.9% growth in 2000. In efforts to stabilize the economy, Fox cut the government's budget four times in 2001, amounting to US\$1.7 billion in cutbacks and announced a US\$1.7 billion cutback for the 2002 budget.

In early 2003, Fox was preparing his party for mid-term elections to Congress to be held that July; the elections were seen to be a litmus test on his presidency. Fox in early 2003 held that the opposition was blocking reforms of energy, telecommunications, and labor laws, crucial to refueling the economy, which remained stagnant in 2003 (due in part to the global economic slowdown plaguing Mexico that year). Fox had promised a 7% growth rate for Mexico during his election campaign, and in 2002, the growth rate was a mere 1%. He needs to reduce inflation, attempt to control the national debt, and reduce the deficit, especially if he wishes to attract further foreign investment. Fox in 2003 had to promote the interests of his party, in order to keep it in power, and to attempt to work with the PRI to support many of his bills in Congress.

### FOREIGN POLICY

Interest in foreign involvement has surged since Fox's inauguration. Fox met with U.S. president George W. Bush to discuss citizenship rights for current Mexican migrant workers and ways to combat future illegal migration. Mexican interests and U.S.-Mexico relations fell on the list of priorities for President Bush following the terrorist attacks in New York and Washington, D.C., on 11 September 2001. Mexico, like other countries interested in fostering closer ties and stronger economic relations with the United States, may need to be patient. Fox hoped to help modernize the country and bring it closer to his neighbors north of the border. He spoke about opening the border between Mexico and the United States, while striving to achieve closer economic parity between the two countries so that Mexicans could hope to earn roughly the same wages at home as in the United States.

Relations with the United States cooled in 2003 for several reasons. Mexico has asked the International Court of Justice (ICJ) to rule against the execution of 51 Mexicans on death row in the United States. When in late 2002 a Mexican was executed, Fox cancelled a visit to President Bush's ranch in Texas. With regard to trade relations, on 1 January 2003, many tariffs on agricultural products were eliminated as a result of NAFTA agreements, which Mexican farmers regard as unfairly benefiting their American counterparts, who are highly subsidized by the U.S. government.

Fox had to walk a fine line in 2002–03 with regard to political relations with the United States and its support for the forcible disarmament of Iraq. In a public opinion poll conducted in December 2002, 77% of Mexicans stated they viewed the United States as “trying to dominate the world,” while only 22% thought it played a “constructive role in

world politics.” In 2003 Mexico held a seat on the United Nations (UN) Security Council as a nonpermanent member, and was pressed by the United States to vote for a resolution authorizing the use of force to disarm Saddam Hussein’s regime in Iraq. Mexico, with a long tradition of nonintervention and what some might call pacifism in foreign affairs, found itself in a difficult diplomatic position. Public opinion in Mexico was overwhelmingly opposed to war, and Fox maintained international weapons inspections in Iraq should continue. After the U.S.-led war began on 19 March 2003, Fox indicated he would not have voted for a Security Council resolution authorizing the use of force in the crisis.

Fox broke from Mexico’s long-standing policy of noninvolvement by making a public statement in April 2002 that he would support a criticism of Cuba at the upcoming meeting of the UN Human Rights Commission. Critics saw this as a serious step toward Fox’s goal of breaking away from his country’s checkered past.

Fox also wants to strengthen ties with Mexico’s neighbors in Latin America. He aims for free trade agreements with Brazil, in addition to trade agreements already in place with the United States, European Union, and other Latin American nations. Shortly after his inauguration, Fox initiated the Plan Puebla Panama aimed at improving Central American tourism and infrastructure to boost the regional economy and make steps toward globalization.

The devaluation of the *peso* and subsequent economic insecurity forced Fox’s predecessor Ernesto Zedillo to turn to the international community for help. Both Japan and Europe offered loans, but the main financial support came from the United States. Fox is striving to build Mexico’s economy to the point where it can be a strong participant in the regional economy of Latin America and the global economy as well.

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Profile researched and written by Alex Eckhoff (4/2002); sections contributed by Murdo J. MacLeod, University of Florida (1/1995) and Ignacio Lobos (4/2000); updated by Jeneen Hobby, Ph.D. (5/2003).



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# MICRONESIA, FEDERATED STATES OF

Leo A. Falcam  
President

(pronounced "LEE-oh fahl-KAHM")



*"At the dawn of this new millennium, for the first time in all history, we proudly look beyond our borders to take our place in the world, and in this community of nations."*

The Federated States of Micronesia (FSM) consists of 607 islands lying in a broad eastward sweep across 2.5 million sq km (965,250 sq mi) of the Western Pacific Ocean, between the equator and 14 degrees south latitude. These are part of an archipelago that originally appeared on European maps as the Caroline Islands. (Another Caroline Island group now constitutes the Republic of Palau.) Total land area is only 701.4 sq km (270.8 sq mi), with an additional 7,189 sq km (2,776 sq mi) of lagoons. About 65 of the islands are inhabited. Islands within the FSM are of two basic geologic types: large, mountainous islands of volcanic origin and small coral atolls. The high islands are beautifully endowed with forested mountains and reefs providing world-class diving sites. FSM is made up of four states: Pohnpei, Yap, Chuuk (formerly Truk), and Kosrae. The first three consist of several islands and islets; Kosrae, the smallest state, of just five closely situated islands.

The people of FSM are classified as Micronesian, with the exception of the inhabitants of Kapingamarangi and Nukuoro atolls in Pohnpei state, who are of Polynesian origin. Eight major indigenous languages are spoken in the nation, reflecting the cultural diversity of the people. English is the official language of government and is taught in the schools. In addition, many older people are familiar with Japanese as a result of the Japanese administrative era from 1914 through World War II. The total population was estimated at 135,869 in 2002. Almost half of these people lived in Chuuk state, a third in Pohnpei, a little over 10% in Yap, and less than 8% in Kosrae. As in many Pacific Island nations, FSM population is growing, averaging about 3% per year since the 1950s (though it was 1.8% in 2000). About 2% of the FSM population, however, leaves for the United States every year. There are growing communities of Micronesians in Hawaii and California. Overall the FSM population remains rural. Less than one-third are found in the urbanized areas.

Although FSM has a well-established money economy and a relatively high GNP compared to many Pacific Island nations, for some five decades the country has been a consumption economy funded by the United States. By 2001, the United States had invested nearly us\$3 billion in FSM. Most of this money is not foreign aid as usually understood, but constitutes rental payments that provide the United States with exclusive access to the area's waterways for military use. Together with grants and other aid, total U.S. payments amount to about us\$1,000 per capita annually. This money

has not been used to create productive resources, but rather to expand the size and generosity of FSM's government. Beyond U.S. payments, fisheries dominate the domestic productive economy and offer great potential for expansion. The country has an Exclusive Economic Zone (EEZ) of 322 km (200 mi) rich in marine resources. Fishing by local people is mostly for subsistence; nearly all commercial fishing within the EEZ is conducted by foreign fleets who pay us\$18-24 million annually in licensing fees. Observers have suggested that a fish processing plant could be built in Chuuk that would alleviate that state's high rate of unemployment and underemployment. The country's main agricultural crop, especially important in outer islands, is copra (dried coconut meat). Copra production has suffered from low prices in world markets, dropping from 8,500 tons in 1979 to a mere 200 in 1992, though some recovery has taken place more recently. Although FSM's rural population continues to provide for some of their basic needs through gardening and fishing, the significance of this subsistence sector to the overall economy is open to question. More than 23,000 tourists came to FSM in 1990, about 60% from the United States and 25% from Japan. Tourism suffers because of FSM's distance from mass markets, 4,023 km (2,500 mi) from Honolulu and 3,572 km (2,220 mi) from Tokyo. There is potential for eco-tourism as a revenue source if the presently inadequate stock of hotels and other accommodations can be expanded. The currency used in FSM is the U.S. dollar. The per capita gross national product (GNP) is us\$2,000 (2001 estimate).

## POLITICAL BACKGROUND

The Caroline Islands had a complicated colonial history, administered successively by Spain, Germany, and Japan. Some of the bloodiest battles in World War II were fought here as Allied troops attacked Japanese bases. After the war, the Carolines were included in the United Nations (UN) Trust Territory of the Pacific (TTPI) created with the United States as administering authority in 1947. A long series of negotiations began in the 1970s to bring the TTPI to political independence. In this process, four Caroline Island groups decided to remain in a confederation, separate from Palau. In July 1978, voters on these islands ratified a Constitution that was the founding document of the FSM. After national elections, the present national and state governments were installed, and the Constitution took effect in May 1979. The governments of the FSM and the United States executed a



Compact of Free Association (CFA), which was approved in June 1983 and signed into effect in November 1986. Provisions of the CFA include U.S. rental payments and free immigration access of FSM citizens to the United States. The CFA ended in 2001, at which time there was an automatic one-year extension of the financial aid portion of the CFA and a two-year interim period of negotiations began.

This history, combined with a general distrust of centralized authority on the part of islanders, has produced a political structure that is distinctive for a nation of such small size. Three levels of government operate in FSM: national, state, and municipal. In addition, traditional governance exercised by local leaders continues to play a major role. The national Constitution delineates executive, legislative, and judicial branches, but each state also has its own Constitution, differing in some detail from the others. At the national level, the executive branch is headed by a president who is both chief executive and head of state. He and his vice president must be from different states within the federation. They are chosen from among the members of the FSM Congress by majority vote of that body and must then resign their congressional seats, which are filled by special election. They cannot serve more than two consecutive terms of four years each.

FSM's Congress is a unicameral body of 14 senators, but the Constitution provides for two kinds of members, with different terms of office. One member is elected at large from each state for a four-year term. Ten members are elected for two-year terms from congressional districts within each state that are based on population. There must be at least one such district in each state, and Congress must reapportion itself into districts at least every 10 years. Among the senators elected to two-year terms in 1997, there was one from Kosrae, one from Yap, three from Pohnpei, and five from Chuuk. Any citizen 18 years of age may vote, but a member of Congress must be at least 30 years old.

There are no political parties based on ideological lines. Rather, voting often follows family, clan, and island allegiances. Frequently, a local chief may "instruct" his people to vote in a certain way, creating bloc voting on many candidates and issues. In the 1999 elections for two-year terms, all 10 incumbents were returned to Congress; one ran unopposed in Chuuk, and all three were unopposed in Pohnpei. The four At-Large seats were taken by incumbents, except for the Pohnpei seat, which was taken from Resio S. Moses by Vice President Leo A. Falcam. Former President Jacob Nena won the At-Large seat in Kosrae.

In the March 2003 elections, five newcomers were elected to Congress—three from Chuuk, one from Kosrae, and one from Pohnpei. President Falcam was defeated in Pohnpei by Resio Moses and Mohner Esiel. Vice-president Redley Killion won a seat from Chuuk, and was poised to succeed Falcam when the new Congress was to meet to choose a president on 11 May 2003, but until Congress met, Falcam remained in office.

## PERSONAL BACKGROUND

President Leo A. Falcam was born on 20 November 1935, in Pohnpei. He graduated from the University of Hawaii with a bachelor's degree in sociology as the first East-West Center Grantee from the FSM. He pursued his graduate studies at



the Woodrow Wilson School of Public and International Affairs at Princeton University, New Jersey. Afterwards, he was delegate and chairman of the Pohnpei Delegation to the 1975 Micronesian Constitutional Convention and was elected as one of the convention's vice presidents. He served as political affairs and executive officer of the High Commissioner's staff in the former Trust Territory Government. He also was assistant district administrator and later district administrator for the State of Pohnpei. President Falcam served as the first liaison officer for the government of Micronesia in Washington D.C., chairman of the Pohnpei Constitutional Convention from 1983 to 1984, first FSM postmaster general, president, and board member of the Bank of the FSM and also was member of the Board of Trustees and Peace Foundation of the Ponape Agriculture and Trade School. He was elected to the Fifth FSM Congress At-Large in 1987 and as a seasoned public servant. He served in numerous posts, including as vice chairman of the Committees on Judiciary and Government Operations, a member of the Committee on Health, Education and Social Affairs, and External Affairs during the Sixth, Seventh, Eighth, Ninth, Tenth, and Eleventh FSM Congresses. His wife's name is Iris.

## RISE TO POWER

Falcam has been active in politics since the negotiations that led to the establishment of FSM. He represented Pohnpei in the constitutional conventions of the 1970s and became the district administrator of that state. From 1983 to 1984, he served as the first liaison officer for FSM in the United States. He worked in various capacities for the government in the

areas of: mail service, banking, and agriculture and trade. In 1987, Falcam was elected to a four-year term in Congress from the open electorate of Pohnpei. He continued to operate in the political world of FSM to varying degrees during the 6th through the 11th Congresses.

Under the FSM Constitution, former president Jacob Nena had to stand for election as Kosrae's four-year senator in 1999 in order to be a candidate for reelection as president. The former president won his At-Large senatorial seat, with hopes of retaining the FSM presidency. The Pohnpei seat that Falcam won, was the only place where the incumbent lost the race. Resio Moses, Falcam's running mate, was charged with broadcasting his campaign speech on a local radio station during the elections without permission from the National Election Commissioner (NEC). Falcam won the Pohnpei At-Large congressional seat with twice the votes of his opponent.

Falcam went on to win the presidency against Nena, and was inaugurated the fifth president of FSM on 21 July 1999. Elections were held on 4 March 2003, and Falcam was defeated in his home state of Pohnpei. He was to remain in office until the new Congress convened to choose a president on 11 May 2003.

## LEADERSHIP

In his Inaugural Speech, Falcam stressed responsible leadership as a means to bringing about social empowerment for his people. He also highlighted the importance of retaining a Micronesian identity while trying not to become isolationist in nature. His first goal in office was to establish an administration that the citizens of FSM could trust that could guide its people to prosperity. Development efforts were to be conducted through state planning and National Economic Summits in which both the public and private sectors could participate. His style has been open and active. During his first year in office, he criticized the UN for implementing the Barbados Program of Action too slowly and for putting small island states into one generic category. He also wielded his veto power on a us\$6.75 million annual budget appropriations bill in October of 1999 because he desired that the money be used for "highest priority projects from each State's Public Sector Investment Program." FSM government officials had a history of corruption that President Falcam hoped to end, and the bill was more than us\$650,000 over budget. On 31 January 2000, Congress went ahead and passed the bill over Falcam's objections, putting his domestic influence into question.

## DOMESTIC POLICY

Due to FSM's special relationship with the United States and the country's dependence on international aid, domestic and foreign issues are closely intertwined. If the nation was to continue to enjoy its present standard of living following the 2001 end to the CFA, internal sources of revenue must be greatly increased. Falcam has understood that this involves reducing the size of government and encouraging private enterprise wherever possible. This domestic policy, however, has inevitably meant seeking foreign financial assistance.

There are an estimated 6,500 government workers at the national and state levels in FSM. In order to reduce the cost of governing the country, and increase revenues, Falcam planned to privatize postal services and increase taxes. The

rate to receive a valid passport was raised by 230%, from us\$15 to us\$50. These measures, however, went only part of the way towards shoring up the FSM economy in the event that foreign aid from the United States is cut. In a visit to China during March 2000, President Falcam obtained us\$150,000 in economic aid and a 600-ton ship in return for FSM's commitment to the One China Policy in the Taiwan conflict.

Falcam also recognizes the potential of the fishing industry to put the nation on a firmer economic footing. The FSM collects close to us\$30 million each year in license fees from foreign fishing fleets, especially from Japan, South Korea, Taiwan, and the United States. The FSM obtained a us\$934,000 technical assistance grant from the Asian Development Bank (ADB) to modernize its fisheries sector management. The grant will be used to coordinate the efforts of government, private sector, and other agencies concerned with fishing. Falcam's long-range goal is to create a business with good equipment, personnel, and accounting principles, which can be turned over to the private sector—free of government involvement. Falcam wants to encourage similar privatization in developing tourism and agriculture. One sector of the tourism industry that is particularly lucrative is diving.

Global warming and rising sea levels are issues of primary concern for the FSM. It has been estimated that sea levels could rise 18 inches (46 centimeters) by 2100.

Fourteen amendments to the Constitution were to be voted on in a referendum held in March 2003. They included provisions for dual citizenship; an increase in the number of members of Congress and limits to their terms of office; the direct election of the president and vice-president; and new numbers of votes needed to pass bills in Congress and to override a presidential veto.

## FOREIGN POLICY

The largest foreign policy issue for FSM is its relationship to the United States following the end of its Compact of Free Association. In 1999, chief U.S. negotiator Allen Stayman said the FSM had done well in its political transition, developing into successful self-government, but the islands had not met economic expectations. The United States, with a new CFA, was prepared to continue helping the FSM by promoting growth, reforms, and good government. Stayman, however, warned that U.S. legislators and federal officials would ask tough questions before approving a new compact. First, several members of Congress wanted the FSM to account for all the money invested by the United States in the islands during the life of the CFA. Those same officials wanted a strategy for advancing economic self-sufficiency before more funding would be approved. In 2003, the FSM and the United States were negotiating the details of a trust fund and annual aid package. As FSM has grown further apart from the United States, it has increased its relations with China, Australia, and other Asian countries. Falcam claims he will continue to ask for aid from the United States, but the willingness of the United States is in question.

In July 2000, FSM saw the worst cholera outbreak in decades, prompting the president to request over as\$41,000 in aid from the Australian government to produce preventative and educational programs about the disease. Several

countries, including the Northern Mariana Islands and Guam, enacted quarantines on FSM and banned produce from the country for fear that the cholera would spread. The epidemic was worst in Pohnpei, Falcam's home-island.

In July 2002, forty-seven people died in landslides caused by severe rains from Tropical Storm Chata'an on Chuuk. It was the deadliest disaster of Chuuk's history.

In January 2001, Falcam was elected chairman of the Pacific Islands Conference of Leaders. In November of that same year, he signed the UN's International Convention for the Suppression of the Financing of Terrorism.

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**Profile researched and updated by Jeneen Hobby, Ph.D. (3/2003); sections contributed by Eugene Ogan, Professor Emeritus, University of Minnesota (3/98).**

# MOLDOVA

## Vladimir Voronin President

(pronounced “vlah-DEE-mear va-ROH-nin”)

*“The participation of the voters, and their voice, will make it possible to change the situation fundamentally. I mean changing the situation fundamentally so that all the reforms being conducted should have a beginning and an end, so that all these shortcomings over the past 10 years of democratic reforms are suspended and the necessary, correct direction is taken in the republic’s development.”*



The Republic of Moldova (formerly named the Moldovan SSR), the second smallest of the former Soviet republics, straddles the River Dniestr (pronounced NYEH-stir) in the center of Europe. It borders Romania and Ukraine and lies adjacent to a small portion of the Black Sea. Its total land area is 33,843 sq km (13,066 sq mi). Moldova’s total population was estimated at over 4.7 million in 2003, of which 64.5% are Moldovan/Romanian, 13.8% Ukrainian, 13% Russian, 3.5% Gagauzi, 2% Bulgarian, and the remainder other nationalities. The majority of Moldovans are Orthodox Christians. The 1994 Moldovan Constitution identifies the state language as Moldovan although most linguists classify the language as a dialect of Romanian. (The name of the language is a significant political issue in Moldova: supporters of the “Moldovan” designation tend to favor Moldova’s independence while some supporters of “Romanian” favor merger with Romania.)

Moldova has a temperate continental climate and very fertile soil. Agriculture is the backbone of its economy, especially tobacco, fruit growing, and wine production. Moldova’s per capita gross domestic product (GDP) was estimated at US\$3,000 in 2002.

### POLITICAL BACKGROUND

The area which incorporates Moldova is known as Bessarabia, which is geographically delimited by the Prut River on the west, the Dniestr on the north and east, the Black Sea on the southeast, and the Chilian arm of the Danube delta on the south. This entire area, Bessarabia, became an integral part of the Romanian principality of Moldova in the fourteenth century. In 1812 it was ceded to Russia by the Ottoman Empire and was incorporated into the Russian empire. Russia retained control of the region until World War I, with the exception of a strip of southern Bessarabia. In December 1917 the Moldovan Democratic Republic was established, and in March 1918 the rest of Bessarabia declared its independence and united with Romania.

In June 1940, as a consequence of the Nazi-Soviet pact, Soviet troops occupied Bessarabia. The Soviet government then split Bessarabia into several parts. The Moldovan Soviet Socialist Republic was created (August 1940) out of the central districts of Bessarabia and a strip of Ukrainian territory on the eastern side of the Dniestr River. Under Stalin Moldova was subject to intense Russification. The Moldovan language could only be written with the Cyrillic alphabet. Moldova suffered organized famine, deportation of national

leaders to Siberia, attempts to eradicate the national identity, and forcible collectivization and industrialization of agricultural lands. Until 1988 the Communist Party of Moldova, part of the Communist Party of the Soviet Union, was the only political party allowed to function.

The dramatic events that dismantled the Soviet Union affected Moldova as well as other Soviet republics. In May 1990 the Republic of Moldova’s Supreme Soviet abolished clauses in article six of the republic’s Constitution that had guaranteed the Communist Party a monopoly of power. The government also instituted important changes, including the reintroduction of the Latin alphabet, and on 23 May 1991, changed the state’s official name from Moldovan Soviet Socialist Republic (Moldovan SSR) to the Republic of Moldova. On 27 August 1991, taking advantage of a failed coup in Moscow, the Parliament in Kishinev unanimously adopted a resolution proclaiming the independence of the Republic of Moldova.

The road to independence has been marked by sharp inter-ethnic conflict. The Turkic-speaking Gagauz minority declared independence and announced the creation of a separate republic, Gagauzia, in the southern part of Moldova in August 1990. A month later the majority Russian population in the eastern section of the Dniestr valley created the Dniestr Soviet Republic. Both secessions were declared void by the government.

The conflict between ethnic Russians and Moldovans flared up again in March 1992. Armed confrontation began after Moldovan nationalists intensified a campaign to unite with neighboring Romania. The Russian population feared that such a merger would make them second-class citizens in Romania. More than 150 deaths preceded the ceasefire of July 1992. The Dniestr Republic leadership is dominated by hardline Communists and nationalists who look to other hardliners in Moscow for support. They want Dniestr to be an independent state with control over foreign affairs, internal security, and defense. Moldovan authorities offer Dniestr an autonomous “special status” within Moldova that would give significant powers to the region yet not relinquish Moldova’s sovereignty.

Negotiations between Gagauz and Moldovan leaders have been more successful. In 1993 Gagauz negotiators accepted a federalized framework similar to that offered to the Dniestr leadership. On 28 July 1994, the Moldovan Parliament adopted a law and negotiated with Gagauz officials, establishing a “national-territorial autonomous unit” for the

Gagauz. The region has its own elected legislative and executive authorities and will be entitled to secession from Moldova in the case of Moldova's reunification with Romania.

They held their first popular elections for president of an independent Moldova in December 1991. Mircea Snegur, who ran unopposed, was elected. In February 1994 Moldova elected a new Parliament to replace the old Supreme Soviet elected in 1990. The Agrarian Democratic Party (ADP), composed largely of former Communist Party officials and collective farm chairmen, won a majority of 56 out of the 104 seats. Parliamentary elections in 1998 saw the Party of Moldovan Communists (the former ADP) win the most seats (40) but lose its absolute majority. After much squabbling between the Parliament and the directly elected president, the Parliament passed a law in 2000 establishing Moldova as a parliamentary republic and eliminating the popular election of the president. Henceforth, Parliament would choose the president from among the majority party or the ruling coalition. The first elections under this new scheme were held in February 2001. The Communists won a huge majority, taking 71 of the 101 seats. A centrist coalition called the Braghis Alliance took 19 seats and the conservative Christian Democrats won 11. No other party won enough votes to be granted seats in the Parliament.

### PERSONAL BACKGROUND

Vladimir Voronin was born on 25 May 1941 in Corjova, a village near Chisinau. He studied engineering and economics at the Chisinau Technical College and the Metallurgical Institute. He later studied law in the Soviet Union, and in 1985 he became a member of the Congress of the Moldovan Soviet Socialist Republic (essentially, he was a representative of Moldova in the Soviet Union's communist party hierarchy). He remained a highly placed Communist party functionary during the chaotic late 1980s and early 1990s as the Soviet Union began to crumble. Even while serving as the chief of Moldovan Communist Party, he maintained his status as a reservist in the Russian Federation police department. Voronin is married and has two children.

### RISE TO POWER

Voronin entered Communist Party politics in 1971 after serving briefly as the manager of a provincial bread factory. His studies in the Soviet Union raised his profile there and he began winning postings to a series of elevated positions within the Moldovan Soviet Socialist Republic. As the socialist bloc was disintegrating in 1989–91, Voronin held a position within the Ministry of Internal Affairs of the Moldovan Soviet Socialist Republic, the precursor entity to the current independent state of Moldova. During the transitional years immediately following independence, Voronin held various party posts but was not elected to Parliament until the 1998 elections in which his party won a plurality. He was then elected president of the Communist Party in Parliament. After the parliamentary changes instituted in 2000 eliminating the directly elected presidency, Voronin, as head of the largest party in Parliament, would almost certainly be named president if the Communists won a majority in the 2001 elections. After their resounding victory



(taking 71 of the 101 seats), Voronin was indeed named president.

### LEADERSHIP

The massive outpouring of support for the Communist Party in 2001 surprised even the party officials. After the election Voronin was quoted as saying that he expected to win a majority, but more in the neighborhood of 55 seats rather than the 71 the party won. Much of the party's support was in reaction to the inability of the politically independent former president, Petru Lucinschi, to get along with the Communist-dominated Parliament. Lucinschi managed to pass some modest reforms concerning land ownership, but accomplished little else. The Communists also ran on a platform of increased relations with Moscow, the possibility of joining the on-again-off-again alliance of Russia and Belarus, and the introduction of Russian as a second official language. While much of the country's young oppose such eastward leanings, older Moldovans, particularly pensioners and the sizable Russian population, saw in these promises the possibility of a return to the stability of the old Soviet days. Turnout in the election was high among this group, accounting, many observers noted, for the lopsided Communist victory.

### DOMESTIC POLICY

Voronin and the Communist party he heads were elected on a policy of continued privatization and liberalization of the

economy in line with demands by the international financial community; they also pledged to bring about a peaceful resolution to the secessionist movement in the Dniestr. In his first months in office, Moldova was admitted into the World Trade Organization (WTO), a step toward integration into the global economy, although the economic condition of the average citizen barely improved. Voronin continued privatization of state-owned companies and worked diligently to appease international lenders in the hopes of bringing badly needed international capital into the country.

In January 2002, Voronin and the Communist-dominated Parliament passed laws rescinding grants of autonomy made by previous governments to regional authorities, including the largely successful decentralization pact passed between Moldova and Gagauz in 1994. Voronin described the leaders of the autonomous region as being “mafia and bandits who shamelessly pick the government’s pockets.” Moldovan interior ministry officials then attempted to fire senior members of the Gagauz police, causing the governor of the region to lead an armed assault on the federal security offices in Gagauz. These strong-arm tactics pleased many hard-line Communists, but aroused considerable dissent among a large cross-section of the population.

Voronin fueled this dissent in the country by temporarily reintroducing Russian as a compulsory subject in schools. After widespread popular dissatisfaction with this decision, the move was rescinded. He continued to push for Russian to be made one of the official languages though. Further dissent began early 2002 when massive street protests in the capital became commonplace as the economy deteriorated (average monthly wages were stagnated at about US\$60) and the opposition grew restless at Voronin’s continued attempts at Russification of society and increased political, economic, and military ties to Russia. In March 2002, one of the leaders of the opposition rallies, Vlad Cubreacov, disappeared from his home. The Voronin government established an official government inquiry, as many suspected his disappearance was politically motivated. Voronin has repeatedly denounced the protests as Romanian-inspired attempts to split the country or even to bring about Romanian rule over its former lands. In fact, during a February 2003 concert, Moldovan Television cut the live broadcast short after the crowd began singing pro-Romanian songs. Voronin reportedly fired the Culture Minister over the incident because of his “poor management” of the concert.

## FOREIGN POLICY

The Voronin government continues to look eastward in its foreign policy despite sustained popular protests at his moves toward Russia. A majority of the population is ethnically and linguistically aligned with Romania, a country that has moved increasingly toward integration with Western Europe. Nevertheless, Voronin has deepened ties with Russia and described the relationship between the two countries as “a long-term strategic partnership.” In April 2002 the Russian Duma (parliament) approved a treaty establishing it as a

guarantor of peace in Moldova. Previous governments had sought the removal of Russian peacekeepers in the breakaway region of Dniestr, but Voronin welcomes their presence. In a further sign of Moldova’s hostility to its western neighbors, it expelled the Romanian military attaché in March 2002, prompting authorities in the Romanian capital, Bucharest, to expel a Moldovan diplomat.

In July 2001, Voronin welcomed a visit from Chinese president Jiang Zemin; the leaders signed a two-year pledge of cultural cooperation and Jiang pledged US\$1 million in aid. In December 2002, Voronin met with U.S. president George W. Bush and issued a joint statement with him affirming the relationship between the two countries, and acknowledging the work Moldova needed to bring about reform and privatization.

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President Vladimir Voronin  
Kishinev  
Moldova

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**Profile researched and written Steven Woehrel, Congressional Research Service (12/96); updated (4/03).**

# MONACO

## Rainier III Chief of State

(pronounced "ray-NEER")



*"I would like to be remembered as the person who corrected and got rid of the bad image and bad legend of Monaco."*

The Principality of Monaco is a celebrated European microstate. The enclave is 21 km (13 mi) from Italy on the Mediterranean coast, surrounded on three sides by France. Its total area is 1.81 sq km (0.70 sq mi). As the second-smallest independent city in the world after Vatican City, it had a estimated population in 2003 of 33,396, 85% of whom are foreigners. Although French is the official language, Monegasques native to the principality speak their own language, a combination of French and Italian. English and Italian are also spoken. In terms of ethnic composition, the population is 41% French, 17% Monegasque, 16% Italian, and 25% other. Roman Catholicism, the official religion, is practiced by 95% of the population, although freedom of religion is guaranteed by the Constitution. Monaco is extremely prosperous and provides full employment for its nearly 32,000 residents plus another 25,000 jobs for French and Italian commuters. Gambling, conference facilities, banking, real estate, and tourism account for much of the principality's earnings.

### POLITICAL BACKGROUND

Founded in 1215 as a colony of Genoa, Monaco achieved independence in 1419 and has been ruled by the Grimaldi family ever since, with persistent influence by France in its domestic and foreign relations. Its first Constitution was authored in 1911; it formally achieved the status of constitutional monarchy in 1962 with a Constitution that abolished the principle that Grimaldi princes rule by divine rights. The current leader, Prince Rainier III, shares power with a unicameral 18-member National Council that has the right to veto any legislation the prince and his three-member Council of Government devise. The National Council is elected directly by trueborn Monegasque citizens, ages 25 and over. The prince chooses a head of government from a list of French civil servants provided by Paris, but in effect, the prince is both the head of state and government, retaining dual powers assumed by a typical president and prime minister.

Although formal political parties do not exist, political organizations have influenced Monaco's politics. Formed in 1962, the National and Democratic Union (UND) has largely dominated Monaco's elections and has secured all 18 seats in the February 1998 election. Should the prince dissolve the National Council, new elections must be held within three months. The chief justice of the Supreme Court and the head of the Monaco Police are designated by France. As stipulated

in a 1918 protection treaty with France, if an heir is not available to take the throne, then the principality reverts to French control.

### PERSONAL BACKGROUND

Rainier Louis Henri Maxence Bertrand de Grimaldi was born in Monaco on 31 May 1923, the only son of the late Comte Pierre de Polignac and Princess Charlotte of Monaco. His education began in England at Summerfields, Hastings, and the Stowe School. From there he continued at Rosey, Switzerland, and the University of Montpellier in France, graduating from the *Ecole Libre des Sciences Politiques* (Paris) after a noted military career. During World War II, he enlisted in the French army and served with the Seventh Regiment of Tirailleur Algériens as Lieutenant Grimaldi. In combat during the Alsatian campaign, Prince Rainier was cited for bravery and offered a colonelship, which he declined. The French, Belgian, and Greek governments awarded him medals of honor. He founded the Monaco Red Cross and American Friends of Monaco.

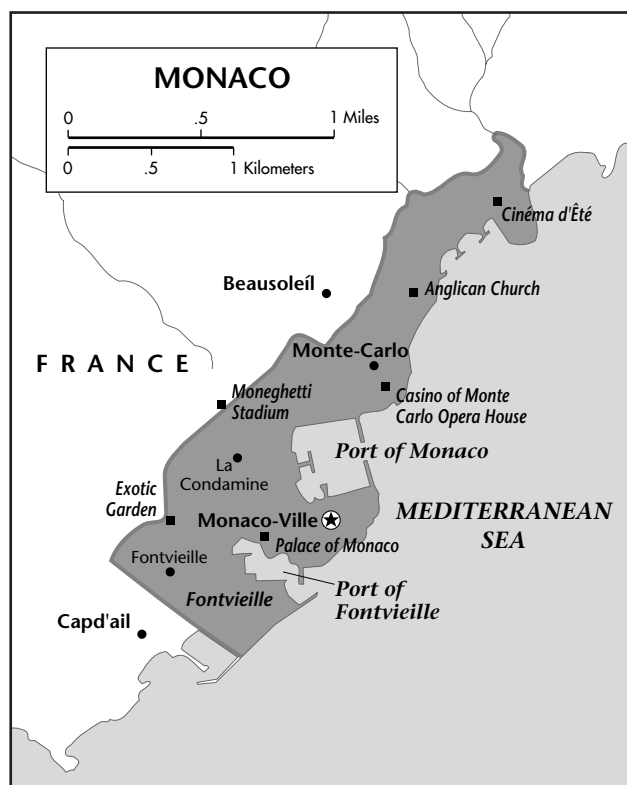
In his youth, the prince devoted his leisure time to tennis and skiing, car racing, and cruises to Africa to obtain live animals for the Monaco National Zoo. From an early age he had no personal interest in gambling, an industry that has symbolized Monaco since its inception in Monte Carlo in 1860. His marriage in 1956 to American movie star Grace Kelly lent a magical aura to his personality and placed him and Monaco in the limelight. Princess Grace's accidental death in 1982 plunged him into mourning for several years, but he is said to have recovered his zest for life and his job. The couple had three children: Caroline, Albert, and Stephanie. Rainier has seven grandchildren.

Some observers mistakenly speculated that he might step down and relinquish the throne to his son Prince Albert on his sixty-fifth birthday in 1988. In 1999, he reiterated his earlier promises to retain the helm until Prince Albert marries. In May 2002, however, giving up hope of his bachelor son ever producing an heir, Rainier changed the rules of succession to allow his daughters, and then their children, to inherit the throne. This move ensured that Monaco would not be unable to produce an heir and thus revert to French ownership as stipulated in the 1918 treaty.

### RISE TO POWER

Prince Louis II, Prince Rainier's grandfather, became the sovereign leader of Monaco in 1922. In 1944, Princess





Charlotte wrote to her father, Prince Louis II, renouncing her rights to the throne in favor of her son, Prince Rainier. In May 1949, after several months of ill health, Louis II relinquished the throne to Prince Rainier, who on 5 May became the thirty-first hereditary ruler of Monaco. Prince Louis II died a week later.

### LEADERSHIP

The young prince, acceding to the throne at age 26, was said to have taken his responsibilities very seriously and shepherded the principality through the uncertain 1950s when casino and tourist revenues were rapidly declining. Under his reign, the principality has experienced intensive economic and real estate development, especially in the tourist industry. The success of his leadership has depended upon the near homage Monegasque citizens voluntarily feel towards him and the supportive composition of the National Council. Several disputes and challenges in the 1960s and 1970s, left his reputation virtually untarnished if not stronger.

In 1962, Prince Rainier initiated constitutional reforms that provided for the right of association, trade union freedom, and the right to strike, the National Council's election by universal franchise (instead of via the delegate system), and the extension of the franchise to women. Monegasque citizens perceive that they are treated well by the Rainier government and appreciate living in a state which does not tax them yet provides all social and medical services. The only serious domestic political opposition Prince Rainier faced was from a Monegasque Communist, Charles Socal, the head of the Federation of Trade Unions who served on the National Council during part of the 1960s and 1970s and spoke out forcefully against many of the prince's projects and

edicts. Since Socal's defeat for reelection in 1978, the prince has not faced any major political challenge in the National Council.

Prince Rainier has had to consider the French when formulating his policies. For example, in 1962, President De Gaulle became irritated because wealthy French citizens were living in Monaco and avoiding French taxes. This dispute was fueled in part by Prince Rainier's campaign to introduce international businesses to the fiscal advantages of establishing headquarters in Monaco. A compromise with the French government was reached in 1963 as Monaco agreed to collect a turnover tax of up to 40% of the value of exports of local firms that do at least 25% of their business outside of Monaco. The French customs service in turn collects the duties on cargoes delivered to Monaco and returns a share to Monaco.

### DOMESTIC POLICY

Under Prince Rainier, Monaco has evolved from a declining gambling enclave to an economically and culturally diverse principality. Land reclamation projects, such as the Fontvieille Quarter in 1985, have increased Monaco's territory by 20% and provided a location for new industrial plants. The arts and especially oceanography are given generous support by Prince Rainier's government.

Monaco's government has also been instrumental in ensuring that all residents share in the prosperity. Native-born citizens are guaranteed jobs in government services. A law also stipulates that companies must first offer jobs to native-born Monegasques, who represent nearly 5,000 of all inhabitants, then to local residents, and finally to the inhabitants of the four communities surrounding Monaco. Social unrest is rare, although in December 1999, government workers went on strike for the second time since World War II to demonstrate for a 35-hour work week, in line with the law debated in the French National Assembly.

Gambling now accounts for only 4.35% of total revenue while value-added taxes (VAT) on hotels, banks, and industry generated 55% of public revenues in 1999. Monaco levies the same rate of VAT as the French rate of 21%. France, however, is under pressure by the commission to bring its rate closer in harmony with European-wide rates, and it is possible that French VAT will drop by 2% in the near future. Such adjustments would result in a drop of 10% in Monaco's overall revenues. A quarter of government revenue comes from tourism. Despite successful efforts to clean up its image though, Monaco was named a "tax outlaw" in 2002 by the Organization for Economic Cooperation and Development (OECD).

Prince Rainier has more or less realized his agenda for making Monaco thrive economically and culturally apart from its previous mainstay, gambling. Yet its economic prosperity is constrained by its reliance on France. An economic downturn in France has a ripple effect on Monaco. The next phase in reducing dependence on France has been to promote business conventions and conferences. In July 2000, the prince opened a new convention center.

### FOREIGN POLICY

Monaco has been closely linked to France since 1918, when a treaty made between the two countries formalized France's



commitment to defend Monaco and respect its sovereignty “so long as it is exercised in conformity with the political, military, naval, and economic interests of France.” During his reign, Prince Rainier has negotiated two additional treaties of significance (in 1954 and 1963) with France, updating but not fundamentally altering this relationship. France may station troops in Monaco and make use of Monaco’s territorial waters because of the customs union arranged with France.

Monaco is closely associated with the economic apparatus of the European Union (EU) through its customs union with France and its reliance on the euro (previously the French franc) as official currency.

Monaco sends ambassadors to the Vatican, Paris, and a few European capitals. France finally allowed Monaco to join the United Nations (UN) in 1993. The principality is a member of the UN Educational, Scientific, and Cultural Organization (UNESCO) and other affiliated UN organizations. It also participates in the Conference for European Security and Cooperation. Several international organizations have their headquarters in Monaco, including the International Commission for the Scientific Exploration of the

Mediterranean Sea, the International Hydrographic Bureau, and the International Commission for Legal-Medical Problems. It is also the seat for the International Academy of Tourism, founded in 1951 by Prince Rainier III.

#### ADDRESS

Palais de Monaco  
Monte Carlo  
Principality of Monaco

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**Profile researched and written by Elizabeth Gittelman (7/90; updated 4/2003).**

# MONGOLIA

Nambaryn Enkhbayar  
Prime Minister

(pronounced “Nam-bar-EEN en-kah-bye-YAHR”)

*“The government of Mongolia will press forward democracy and market reforms...This is a duty.”*



Mongolia is a large landlocked country sandwiched between two larger neighbors, China and Russia. Located at the center of the Asian continent, it covers 1,566,500 sq km (694,100 sq mi). Most of the landscape consists of pasture or desert wasteland, including the famous Gobi desert, known for its extreme daily temperature changes. The Mongolian climate is arid, with surrounding mountains acting as barriers that prevent moist air flow and precipitation. About 10% of the country is forested, supporting an abundance of wildlife—including boar, elk, deer, and bear. Only 1% of the land is arable, and is used to produce wheat, barley, oats, and vegetables.

The sixth-largest country in Asia, Mongolia is sparsely populated, with a population estimated to be 2.7 million or less that two inhabitants per sq km (about four inhabitants per sq mi). Its population was growing at a rate of 1.5% annually as of 2001. About 85% of the people are Mongols (mostly Khalkha), 7% are Turkic, 4.6% Tungusic, and 3.4% other. More than four million Mongolians reside outside their country. The primary religions are Tibetan Buddhist Lamaism (94%) and Muslim (6%), the latter confined to the Turkic population mainly in the southeastern part of the country. Most people speak Khalka Mongolian, the official language. Instead of using the traditional script, however, Mongolians have adopted the Russian Cyrillic alphabet since the Communist revolution. A move to revert back to the Mongolian script was begun in the late 1990s, with Cyrillic to eventually become the second script. Many college-educated Mongolians were trained in the former Soviet Union and are fluent in Russian. The country's literacy rate exceeds 97%. Life expectancy is 62.1 years for males and 66.5 years for females.

Mongolia's per capita gross domestic product (GDP) was estimated at US\$1,780 in 2000. The national currency is the *togrog* (plural *tugrik*). One-third of the economy revolves around subsistence agriculture and livestock production. Primary exports are copper, minerals, hides, and skins; major imports include petroleum products, industrial equipment, and consumer goods. Significant trading partners are Russia, China, the United States, and Japan.

## POLITICAL BACKGROUND

In the thirteenth century, Genghis Khan and his successors created the largest land empire in history. By the 17th century, however, Mongolia came under Chinese control, which lasted until the fall of the Manchu dynasty in 1911. From 1911 to

1919, Mongolia declared its independence from China with Russian protection. In 1919, the Chinese successfully reestablished control over Mongolia, only to be defeated by Mongolian nationalists, Sukhe Bator and Khorloin Choibalsan. After a short-lived constitutional monarchy, the Mongolian People's Revolutionary Party (MPRP) founded the Mongolian People's Republic (MPR) under Choibalsan. He dominated government until his death in 1952 and resorted to Stalinistic practices to eliminate dissent. A series of authoritarian leaders ruled Mongolia after Choibalsan.

Mongolia remained a one-party state until 1989, when reforms in Eastern Europe and Russia affected Mongolia's domestic politics. In response to demonstrations calling for former leader Yumjaagiyn Tsendenbal's return to face trial for Stalinist crimes, the government agreed to embark on a political liberalization process. The National Democratic Party (NDP), which later contributed members to the Democratic Union (DU) coalition, formed an opposition group and pressured the government for a new constitution that would abandon the one-party system of government.

In 1990, a meeting of the State Great Hural (National Assembly) reformed the constitution and set the framework for multi-party elections later that year in the lower house. Based on the newly adopted 1992 constitution, which created a unicameral legislature, elections for the State Great Hural were held. The reformed MPRP (communists) won 70 of 76 seats. On 21 July 1992, the State Great Hural selected Puntsagiyn Jasray, a free-market economist, as prime minister. In 1993, Punsalmaagiyn Ochirbat, formerly elected president as a member of the MPRP, was reelected to the office as a candidate of the DU.

In the 30 June 1996 election for the State Great Hural, the MPRP suffered a stunning loss of its majority control by winning only 25 of 76 seats. The Democratic Union Coalition, consisting of four parties—headed primarily by the National Democratic Party and the Social Democratic Party—won 50 seats. It was a stunning electoral victory for the opposition DU resulting in a generational change, with the rise of ambitious, but young and inexperienced leaders taking over the helms of government. Over the next three years, Mongolia had four different prime ministers and experienced a four-month political crisis during which the country was ruled by an interim government, with the president and the DU-controlled legislature unable to agree on a new candidate for the position. In the July 2000

elections, MPRP won a decisive victory, recapturing 70 of the 76 seats in the State Great Hural.

According to the 1992 Constitution, 76 members of the State Great Hural are popularly elected for four-year terms. The State Great Hural, which meets at least 75 days every six months, appoints and dismisses the prime minister and other administrative officials. The president is chosen by popular vote for four-year terms and nominates the prime minister in consultation with the largest legislative party. He also serves as the commander-in-chief of Mongolia's armed forces. The president guides the nation in foreign policy and serves as head of state; the prime minister, as head of government, oversees and organizes the implementation of policies and the constitution. At local levels, Mongolia is presently a unitary state divided into 21 *aimags* (provinces) and 334 *soums* (counties). Most local policies and fiscal decisions are made at the national level.

### PERSONAL BACKGROUND

Nambaryn Enkhbayar was born on 1 June 1958 in Ulaanbaatar, Mongolia, where he attended primary and secondary school, graduating in 1975. In 1980, he graduated from Moscow's prestigious Institute of Literature and went on to study English Literature at Leeds University in the United Kingdom during 1986.

Enkhbayar worked as a professional translator-editor between 1980–90 and is a self-described Anglophile, fluent in English as well as Russian. Among other accomplishments, he has translated several books into Mongolian, including works by Charles Dickens, Aldous Huxley, and Virginia Woolf.

Prior to holding office as a member of the MPRP, Enkhbayar served as secretary of the Mongolian Writers' Union and vice president of the Mongolian Translator's Union (1980–90). He is married with three children.

### RISE TO POWER

Enkhbayar joined the MPRP in the 1980s while Mongolia was still governed as an extension of the Soviet Union. After the MPRP won the nation's first democratic elections in 1990, Enkhbayar became the deputy head of Mongolia's Cultural Development Committee before stepping into the role of minister of culture, a post he held from 1992 to 1996. In 1996, he took over as the secretary general of the MPRP, and, in 1997, became the party's chairman, a position he currently holds.

After the MPRP achieved an unprecedented victory in the parliamentary elections of 2000, winning 72 of 76 seats, Enkhbayar was elected prime minister by a unanimous vote. He has held the office since 26 July 2000.

### LEADERSHIP

Enkhbayar describes himself as a moderate reformist who has modeled his leadership style after British prime minister, Tony Blair, pointing to Blair's reinvention of labor leadership as an inspiration. He also looks to German chancellor Gerhard Schröder's overhaul of the German Social Democratic regime as he revamps the image of the MPRP after nearly 70 years of communist rule. In fact, after the election, the MPRP adopted the red rose, traditionally symbolic of a European socialist or social democratic party, as its emblem. While Enkhbayar comes across as more of a European-styled socialist than a



hardline communist, he took pains immediately following his election to distance himself from his more conservative predecessors. Enkhbayar describes his party as being just left of center. A devout Buddhist, he further defines the MPRP's path as the "middle" way.

Former communists, however, accuse the previous government of serving only small groups of business people and politicians. Even though Enkhbayar strives to appear "hip," appealing to younger generations of voters, he may have a harder time convincing more traditional members of his own party. Enkhbayar remains a strong proponent of privatization but favors a slower transition toward capitalism.

Enkhbayar was elected on a platform that includes strong consideration for environmental issues, promotion of a free press and population growth, and attracting foreign investment. Under his leadership, new government programs focus on improving social welfare, rural development and the protection of domestic industry through measures such as a 10% import tax.

### DOMESTIC POLICY

Mongolia is a relative newcomer to a market economy. Prior to the former government's (NDU) ascension to power, an estimated 80% of the Mongolian economy was under state control and the government budget remained unbalanced. Enkhbayar faces many of the same issues as former Prime Minister Amarjargal, including significant social and economic dislocations caused by economic change in the previous decade, particularly increased homelessness, hunger, and crime. As of 2001, an estimated 35% of the Mongolian population was living below the poverty line. About 50% of

the population live and work in rural areas, while more than 40% are heavily dependent on nomadic, herding lifestyles, subsisting largely on bartering and the sales of leather, wool, milk, and meat.

In the wake of *dzud* (severe blizzards) in the winters of 2000 and 2001, more than 75,000 families in inner Mongolia were near starvation. By January 2001, more than 220,000 heads of livestock were lost due to the storms. This prompted the influx of foreign aid, particularly food aid. In 2000 and 2001, the European Union (EU) provided around €2.9 million to address the consequences of the *dzud*.

Enkhbayar had several goals, including maintaining both political stability and a multiparty democracy, improving the economy, and reversing the decline in standard of living. Even with a strong commitment to aggressive privatization, the economic situation in Mongolia is bad: growth is slow and fails to attract adequate foreign investment. Enkhbayar has implemented plans to raise wages and pensions and to reorganize the rural herding economy to boost the incomes of nomadic people; however, this continued to prove difficult. While privatization has made pasturing near urban areas more lucrative, herders are finding that there is not enough viable pasture land near cities. The lack of roads makes herding in urban areas more unmanageable, especially during winter months when 90% of the country may be covered in snow and roads inaccessible.

Enkhbayar's vision of reform includes a plan for modernization and urbanization that may seem to be at odds with the traditional nomadic lifestyles of many Mongolians. In an interview with the *Far Eastern Economic Review*, he stated: "It is not my desire to destroy the original Mongolian identity, but in order to survive we have to stop being nomads." Enkhbayar proposed building cities across the country and urbanizing up to 90% of the population over 30 years. The project proposes the construction of "Millennium Road," a crosscountry highway, and the development of Internet, communications, and banking infrastructures by 2015. The US\$200 million needed for the road project alone will necessarily come from a combination of domestic and foreign sources. Enkhbayar cites international lending agencies, fees for mineral exploration licenses, and government funds as possible sources.

In May 2002, Enkhbayar established a working group to document poverty reduction, macroeconomic stability, structural adjustment and the repercussions of Mongolia's current level of indebtedness. In spite of the deadly *dzud* of the past two years and slow economic growth, according to figures reported by the Asian Development Bank, growth in Mongolia's GDP was projected to reach 3% for 2002 and was expected to climb to 4.9% in 2003. Current modernization plans were expected to increase the deficit by 14%, but this may be offset by increasing confidence among foreign investors due to the government's demonstrated commitment to social and economic reform.

## FOREIGN POLICY

Enkhbayar is a proponent of both domestic privatization and economic globalization. His administration stresses the importance of international cooperation, both for regional

political stability and for the economic opportunities it can offer to this land-locked country. During the 1970s and 1980s, the Soviet Union (which broke apart in 1991) was Mongolia's dominant ally. When the Soviet Union collapsed and Russia experienced grave economic dislocations, Mongolia suffered a loss of foreign aid. As a result, Mongolia's post-communist governments sought to rely less on Russia by reaching out to the West and to other Asian nations, including China and South Korea.

These new relations produced increased trade and investment in Mongolia, further driving the domestic privatization effort. In turn, the newly developed commercial ties have improved diplomatic relations with these trading partners. While it is crucial for Mongolia to have good relations with both Russia and China and to promote foreign investment by both (since the two countries are its sole neighbors), Enkhbayar recognizes the importance of reaching out to nations elsewhere in Asia and throughout the world. Under his leadership, Mongolia overhauled an endangered state bank and brought in foreign management for it, rather than closing it as the World Bank recommended, and saw an increase in the number of jobs and higher salaries as a result. In 2003, Mongolia sold the bank to a Japanese company. This sale brought US\$6.9 million to the nation's coffers and will no doubt lead to increased Japanese investment and tourism in Mongolia.

Mongolia's trading partners include China, the United States, Russia, South Korea, and Japan. Enkhbayar has discussed the state of Mongolia's future with other notable heads of state, among them Tony Blair and Chancellor Schröder of Germany. As industrial growth is likely to be a key factor in integrating Mongolia's economy into the global marketplace, direct foreign investment will be key to ongoing modernization efforts.

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Profile researched and written by Anne Dabb (5/2002); updated by Patricia Hale (5/2003); sections provided by Robert W. Compton, Jr., Western Kentucky University.

# MOROCCO

## Mohamed VI King

(pronounced “moh-HA-med”)

*“We all aim to achieve reconciliation and cooperation by overcoming the negative aspects of the present and looking forward to the future, on the basis of our rich common history, our civilization and culture, and our true religion.”*



The Kingdom of Morocco is located on the westernmost part of North Africa. It occupies a strategic location that controls the lower half of the Strait of Gibraltar on the Mediterranean Sea while enjoying a long coastline on the Atlantic Ocean. Morocco is bordered on the east by Algeria and on the south by the Western Sahara territory. It has an area of 446,550 sq km (172,419 sq mi), a large part of which is desert.

Morocco's population is estimated at 31.2 million people (2002). The official language is Arabic, but French is widely spoken as well. Ethnically, Morocco is made up mostly of Arabs and a large minority of Berbers (40%). The religion of the majority of Moroccans is Islam.

Morocco is a lower-middle income country with a free market economy based on the private sector, but with major governmental participation that is being curtailed by sweeping privatization. It has an important agricultural sector that remains mostly traditional and that provides 25% of export earnings and employs 50% of the labor force. Morocco has 75% of the world's phosphate reserves and is the largest exporter of that commodity. It also has the richest fishing waters in the world, a sophisticated tourist industry, and a small manufacturing sector. Morocco's per capita gross domestic product (GDP) was estimated at US\$3,700 in 2001. The Moroccan currency is the *dirham*.

### POLITICAL BACKGROUND

Most of Morocco became a French protectorate in 1912, while a smaller Spanish protectorate was instituted in the north and far south of the country. Spain also retained control of Spanish Sahara (now Western Sahara). A nationalist movement developed during the 1930s and 1940s, leading to eventual independence in 1956. The first head of state was Sultan Mohammed V, who had been a key supporter of the independence movement and took the title of king in 1957. After Mohammed's death in 1961, his son Hassan II was crowned and became head of government. On 23 July 1999, King Hassan died of illness and was replaced by Crown Prince Sidi Mohamed, who became known as Mohamed VI.

Morocco is a constitutional monarchy where power is theoretically shared by the king, the government, and a bicameral Parliament. In reality, however, most power is concentrated in the hands of the monarch. The current Constitution, which was adopted by referendum in 1992 and amended in 1996, gives executive powers to a government that emanates from Parliament and is approved by the king.

While the legislative body initiates legislation, the king must agree before any law takes effect. He can dissolve Parliament by decree and call for new elections, and propose his own legislation for popular approval by means of referendum. The monarch signs and ratifies international treaties, can declare a state of emergency, and can rule by decree. He appoints the prime minister and his cabinet, and presides over meetings of the Supreme Judicial Council.

Morocco has a multiparty system with 28 parties, the most important of which is the Union Socialiste des Forces Populaires (USFP). None of these parties challenges the supremacy of the king, and all have joined coalition governments formed under the control of promonarchy formations. The 1993 parliamentary elections caused a major political malaise in the country after the state was accused of having manipulated the results in order to deny the opposition a victory. To end the political crisis, the Constitution was amended, and new elections took place in the fall of 1997. In these elections, three major party blocs, the *Koutla* (traditional left opposition), the *Wifaq* (monarchists), and the center received an almost equal number of seats each (102, 100, and 97, respectively). The USFP of the *Koutla* bloc won the largest number of seats (57) in the Lower House, and its leader, Abderrahman Yousseoufi, was appointed prime minister at the head of a coalition government. This event constituted a major departure from past practices but did not fundamentally alter the political map and political process. However, for the first time, members of moderate Islamic movements were allowed to run for office. Nine members of the al-Tawhid Wal Islah (Unity and Reform of Abdelilah Benkirane) movement and the Popular Democratic and Constitutional Movement (MPDC) were elected.

The first elections of King Mohamed VI's reign took place September 26, 2002. The Prime Minister touted these elections as the “first transparent elections in Morocco based on voting by list.” The 2002 election did in fact change the political temper of the country, for it resulted in a dramatic increase in both Islamic representation and women's participation in the government. Twenty-six parties took part in the election, with 22 winning seats. The largest number of seats were won by the USFP (social-democrat, 50 seats), Istiqlal/Parti d'Independence (social-democrat, 48 seats), Parti de la Justice et du Developpement (Islamist, 42 seats), and Rassemblement National des Independents (conservative, 41 seats).



## PERSONAL BACKGROUND

Sidi Mohamed Ben al-Hassan, who was born 21 August 1963, is one of five children of Hassan II. He was educated in French and Arabic and also speaks some English and Spanish. Sidi Mohamed received a degree in international law from a French university and wrote a thesis on relations between the European Union (EU) and North African countries. He is known for being studious, quiet, and interested in technology and social issues, although in his younger years, Sidi Mohamed gained a reputation as a playboy, showing a fondness for fast cars and nightclubs. In March 2002, he married Lalla Salma Bennani, a 24 year old computer expert and engineer from a middle class family in Fez.

## RISE TO POWER

Sidi Mohamed was named crown prince by his father well before he was to become the new monarch. He had learned much about politics from his father and from the various duties he was assigned. In 1994, he was promoted from major colonel to a four-star general and served as coordinator of the 200,000-member Royal Armed Forces while his father remained commander in chief. In July 1999, Hassan II died of a heart attack after a long illness. Sidi Mohamed, who had spent his life in the shadow of his father, was thrust into the role he had been groomed to play for a lifetime.

## LEADERSHIP

When suddenly called upon to assume his father's office as King Mohamed VI, he did not seem to have enough experience to lead Morocco. Lacking the appeal and political skills of his father, who governed the country for 38 years with a mixture of authoritarianism and relative parliamentary

politics, Mohamed sought to consolidate his power. At the same time he hoped to impose a new political style characterized by some political openness in the context of a constitutional monarchy. However, he has maintained control of the instruments used by his father (e.g., the army, the security services, and patronage) to ensure the preeminence of the monarchy. Mohamed has gradually pursued a liberal agenda in Morocco where his legitimacy is based on traditional and religious sources. As the twenty-second ruler from the Alaoui dynasty, he claims descent from the prophet Mohammed. Because of this religious ancestry, he inherited the title of *amir al-muminnin* (the commander of the faithful). But Mohamed has not rested on the laurels of tradition. His liberal approach to government has earned him a reputation as a prime example of the new reformist generation of Arab monarchs.

What may have helped him in his endeavor toward reform is the fact that, before his death, his father paved the way for a smooth succession by enacting major political reforms and by placing the "tolerated" opposition in power. Hassan II, alternated between policies of repression and intimidation on one hand and relatively stable parliamentary politics on the other. As his political position gradually improved, he eased restrictions on political life, released hundreds of political prisoners, lifted press censorship, and allowed local and parliamentary elections to proceed. A very slow process of political opening finally led to municipal elections in 1992 and 1997, parliamentary elections in 1993 and 1997, and a constitutional amendment in 1996 related to the structure and election of Parliament. These actions resulted from domestic pressures, but also—and perhaps primarily—from international pressure for political liberalization as a precondition for continued economic assistance and for a special relationship with the EU. With regard to the Islamic opposition, moderate groups became slowly tolerated, and the crackdown on radical ones increased, partly in response to the violent Islamic rebellion in neighboring Algeria.

Even though they did not alter Morocco's power structure, the parliamentary elections of 1997 allowed the emergence of an informal center bloc and the appointment of opposition leader, Abderrahman Youssoufi, as prime minister. In spite of the relative gains of the Koutla parties, most parliamentary seats have remained in the hands of promonarchy parties. The parliamentary reform and the control of government by the former opposition constitutes a major step in bringing about much needed political changes, such as allowing more participation from below and making office holders more accountable. In his 2001 speech at the opening of parliamentary sessions, Mohamed called upon his government to continue work toward drafting a new electoral code to govern the polls, which would establish the firm legal guarantee of free and fair elections. By the September 2002 elections, changes, including the promise of prison sentences for vote-buying and the replacement of color-coded voting papers with party logos on the ballots, had been implemented. To guarantee that at least 10% of those elected were female, 30 of the 325 seats were selected from national lists consisting only of women.

## DOMESTIC POLICY

Starting in the late 1970s, Morocco experienced a serious economic crisis due to the heavy cost of the campaign to

annex the Western Sahara, a fall in phosphate prices, an alarming balance of trade deficit, and an escalating foreign debt. In 1983, the King Hassan II agreed to an International Monetary Fund (IMF)-sponsored austerity program, which caused riots throughout the kingdom. After 15 years of intense economic restructuring, the aggregate outlook improved as privatization gained momentum and foreign investments increased. However, in 2001, Morocco's total external debt stood at us\$19 billion, and the country struggled with rising unemployment, a series of severe droughts, and a generally poor performance in most sectors. The economic growth rate fell to 0.6% from 6.3% in 1998, mostly as a result of a severe drought, but good rainfall in 2001 turned the economic tide, and led to a growth rate of 5%. A significant increase in tourism during 2000 and early 2001 seemed to be just the boost for the economy that was needed to encourage the nation. But the decline in international tourism following the September 2001 terrorist attacks in the United States, and the subsequent initiation of the War on Terror by U.S. president George W. Bush, may reverse any progress made in Morocco's tourism industry.

Unemployment, estimated at 30% in 2002, has been on the rise in Morocco and there is still widespread poverty, with the gap between rich and poor Moroccans widening as gross income disparities across social classes and regions increased. The population continues to grow at a burdensome rate of slightly less than 2% a year, and the number of new job seekers continues to rise faster than job availability.

In the late 1990s, several strikes and demonstrations shook many professions and universities, calling attention to the urgency of dealing with the negative fallout from economic restructuring and inadequate public policies.

The young king is well aware of the potential dangers that an ever-expanding poverty may bring about. Mohamed has been playing a very active role in public affairs, becoming particularly concerned with social issues. In 1998, while only the crown prince, he initiated an antipoverty campaign, a 10-day series of events and activities during which Moroccans were invited to contribute to the Mohammed V solidarity fund. The campaign has become a yearly event with contributions earmarked for the construction of social welfare facilities and food distributions to the poor.

In 2001, Mohamed initiated a series of literacy programs held in local mosques as part of a two-year pilot to boost literacy, education and, eventually, employment. Opening the mosques for educational purposes has been seen as a daring move by insiders. King Hassan II had ordered mosques to be closed for purposes other than prayer, essentially blocking the use of mosques as meeting places for Islamic opposition. Critics fear that Islamic militants will seize control of mosque educational programs just as they have attacked universities in the past. And, since economic conditions have not improved much for most Moroccans, a militant Islamic tide or the military may, at an opportune time, forcefully challenge the throne.

## FOREIGN POLICY

Foreign policy decisions are made mostly by the king, helped by a very narrow circle of close advisors. Morocco never ceases to cultivate friendly ties with the West (mainly Europe and the United States) in order to reap economic and political

benefits while maintaining a fairly independent foreign policy. This has brought economic assistance and generous supplies of military hardware, especially from France and the United States.

In 2000, Mohamed outlined his plans to take full advantage of economic and political relationships brought about by globalization, specifically a better Moroccan-Euro-Mediterranean partnership, while still attempting to protect the kingdom from negative effects often associated with worldwide integration. To that effect, Mohamed expects to continue to strengthen ties with the EU, the United States, and the Arab Maghreb Union (AMU), the latter of which includes Algeria, Libya, Tunisia, and Mauritania. Though Morocco was unable to obtain full membership in the EU, in 2000 it became the second North African state to implement an EU association accord, which will pave the way for free trade with the EU by 2012.

Close ties with the countries of the Middle East and contributions to the Palestinian cause have brought Morocco generous financial assistance from Saudi Arabia. Participation in the 1992 Gulf War on the side of the U.S.-led international coalition brought more consideration and assistance from its Arabian Peninsula friends and the West, even though popular sentiment overwhelmingly supported Iraq. After the signing of the peace accord with the Palestine Liberation Organization (PLO) in 1993, Israeli prime minister Itzhak Rabin visited Morocco. The following year, Morocco hosted the first Arab-Israeli conference on regional economic integration. Like his father, Mohamed now serves as chairman of the Islamic Conference's Jerusalem Committee and continues to state his position that Jerusalem be shared by Muslims, Christians, and Jews with East Jerusalem becoming the capital of a sovereign Palestinian state.

Mohamed has declared that "the defense of the nation's territorial integrity," is a top priority in attempts to insure Moroccan sovereignty over the Western Sahara. The dispute over the fate of the Western Sahara, the former Spanish colony seized by Morocco in 1975, continues to affect Morocco's relations with Spain, Algeria and with other Maghreb territories. When the Sahrawi Republic was recognized by the Organization of African Unity (OAU) and admitted to membership in 1984, Morocco withdrew from the organization. It remains withdrawn from the organization. In 1999, Morocco tried to persuade the OAU to cancel the membership status it awarded to the self-declared republic of Western Sahara. The final fate of that territory was to be decided by a United Nations (UN)-organized referendum scheduled to take place in July 2000. The referendum was postponed, however, as the UN allowed for further consideration of a plan for autonomy designed by former U.S. secretary of state James Baker. Mohamed supports the Baker plan. Morocco wants to make sure that the vote confirms its control over the territory. A contrary result may usher in serious problems for the monarchy and the entire region.

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# MOZAMBIQUE

Joaquim Alberto Chissano  
President

(pronounced “wah-KEEM al-BAIR-toh shih-SAH-no”)

*“Leaders should step down while they’re still friends of the people.”*



Officially known as the People’s Republic of Mozambique and formerly known as Portuguese East Africa, Mozambique is situated in southern Africa. Mozambique is a long country that straddles the Indian ocean to the east; to the south are Swaziland and South Africa; to the west, Zimbabwe, Zambia, and Malawi; and to the north, Tanzania. Its total area is approximately 801,590 sq km (309,493 sq mi), and its population was estimated at 19,600,000 in July of 2002. The Mozambique unit of currency is the *metical*. Portuguese is the national language with at least nine local languages spoken widely. Ethnically, Mozambique is comprised of nine large and 20 small ethnic groups. Mozambique’s religion is about 50% traditional, 25% Christian (mainly Catholic), and 25% Muslim. Mozambique is a low-income country with GNP per capita of us\$900. Its primary exports are prawns, cashews, tea, cotton, sugar, and refined oil.

## POLITICAL BACKGROUND

Mozambique is a republic. Since independence, the president of the republic has also been the president of the Mozambique Liberation Front (Frente de Libertação de Moçambique—Frelimo), the Marxist mass movement/party that led the country to independence from Portugal in 1975. In the same year, a Constitution was formulated which created the People’s Assembly as the supreme decision-making body of state and the highest legislative organ of the republic, with no more than 210 seats. Executive power was vested in a Council of Ministers, presided over by the president of the republic and charged with implementation of domestic and foreign policy decisions taken by the People’s Assembly.

Frelimo, which ruled the country as the sole political party of the state until the end of civil war in 1992, was formed as a national liberation movement in June 1962 and has had five party congresses in which delegates have decided the political direction of the republic. At the Fifth Party Congress held in July 1989 major discussions took place on the creation of a new Constitution that would drastically change the established political and economic orientation of the republic. The new Constitution was adopted in 1990. This Constitution enshrined the principles of political pluralism and election by secret ballot of a government based on majority rule rather than proportional representation. These changes ultimately paved the way for multiparty politics and the end of the 16-year civil war with Renamo.

Renamo was founded in 1976 by the Rhodesian and Portuguese governments and, from 1980 until 1992, received

most of its support from the white minority South African government. According to International Red Cross and Christian relief agencies and a 1988 U.S. State Department Report, the goals of Renamo were to destabilize the country “without regard to a political program.” In early 1988, it was conservatively estimated that 100,000 civilians may have been murdered and by the end of the civil war in 1992, over four million people were at risk of death due to food shortages and lack of health care. The Beira Pipeline, which transports oil from the port city of Beira, Mozambique to Zimbabwe, was blown up many times by Renamo.

Elections scheduled for 1993 were delayed until October 1994. Chissano won 53.3% of the vote, while Dhlakama of Renamo won 33.7%. In the presidential and parliamentary elections held in December 1999, Chissano’s margin of victory narrowed, when he won 52.3% to Dhlakama’s 47.7%. Renamo strengthened its position in Parliament, taking 117 parliamentary seats against 133 for Frelimo.

In May 2001 Chissano announced that he would step down at the end of his mandate in 2004. The run-up to the 2004 national elections saw Frelimo faced with rising disillusionment over crime and cronyism, but with no viable rival party—including Renamo—to challenge it. Speculation was that the next candidate would come from the center or north of country to balance Chissano, Machel, and Mondlane, all of whom were southerners. A rift has developed between conservative factions overall stronger in the party and modernizers, who dominate government. Names put forth were Manuel Tome, secretary-general of Frelimo, Eduardo Mulembue, parliamentary speaker, Armando Guebuza, head of Frelimo parliamentary group, and Pascoal Mocumbi, Prime Minister. Chissano appeared to favor a modernizer and it was possible that a younger leader less compromised would be chosen.

## PERSONAL BACKGROUND

Joaquim Alberto Chissano was born on 22 October 1939, in Malehice, in the Chibuto District of Gaza province in southern Mozambique. He was one of the few children from that area ever to attend school. After primary school in Gaza, he was sent by his parents to Lourenco Marques (now Maputo) where he completed high school; he was regarded as a leader. He joined the small Nucleus of Mozambican African Secondary Students (NESAM) and was its president from 1959 to 1960. He received a scholarship to study in Portugal in 1960, but secretly fled to Paris in 1961 to join the anti-



colonial movement. While in Paris, he helped found the Paris branch of the National Union of Mozambican Students (UNEMO), which cooperated with nationalist movements from all the Portuguese colonies and those of other African countries. Chissano became known as a young militant among African student nationalists.

In 1962, Chissano participated in the founding of the Mozambican Liberation Front (Frente de Libertação de Moçambique—Frelimo) and in 1963 was elected to its Central Committee. Chissano served as secretary to the first president of Frelimo, Dr. Eduardo Mondlane. Frelimo was based on a policy of non-racialism and non-tribalism and waged a military campaign to gain independence. Chissano joined the guerilla army that launched operations from independent Tanzania in 1964.

### RISE TO POWER

Joaquim Chissano held a number of prominent posts in Frelimo before his presidency in 1986. In addition to remaining on the Central Committee, Chissano was made secretary of the highly sensitive security department in 1965. He was appointed to both the Political Military Committee and the Executive Committee at the Second Frelimo Congress held in a liberated zone in northern Mozambique in 1968. From there he was assigned as Frelimo's chief representative to Tanzania, a post he held until the end of the war in 1974.

Chissano participated in the peace negotiations that culminated in the Lusaka Agreement of 7 September 1974 and led to full independence from Portugal. After the Lusaka negotiations, Chissano was appointed prime minister in the transitional government by the second Frelimo president, Samora Machel. Chissano was named foreign minister in the first

government of the People's Republic of Mozambique formed in June of 1975 and, as such, served in the People's Assembly and in the Council of Ministers. He held the post of foreign minister until 1986.

On 19 October 1986, Samora Machel, president of Frelimo and of the Republic of Mozambique, died along with other prominent Mozambican officials in a plane crash in South Africa. The South African government was implicated in this accident. Subsequently, the Central Committee of Frelimo named Joaquim Chissano president of Frelimo and the People's Assembly confirmed him as president of the republic on 6 November 1986.

### LEADERSHIP

Chissano's political transition from foreign minister to president of the country was smooth. Because he was a trusted friend and 'comrade' of the very popular Samora Machel and came out of the Frelimo tradition of mass participatory politics, few challenged him. Chissano, however, presents a very different public personality from Samora Machel. Chissano is witty, soft-spoken, and unassuming while Machel was fiery and flamboyant.

Chissano has presided over a difficult transition involving divisiveness in the People's Assembly that began around the time of the 1994 elections. Some members of the People's Assembly believed that the country should maintain its socialist objectives, while others were pushing for a more capitalistic model. Chissano's phlegmatic style has been well-suited to pragmatic compromises while moving the country towards a new economic agenda and Constitution.

A major challenge to Chissano has been the Mozambican National Resistance Movement (Renamo), which waged a 16-year war (1976–92) against Mozambique's army and its civilian population. Between 1989 and 1992, Chissano negotiated with Renamo and, with major constitutional reforms, convinced Renamo to compete for power via multi-party politics. Implementation of the agreement was sluggish as both sides jockeyed for power.

It was perhaps his success in negotiating with Renamo and the minority white government in South Africa backing Renamo that catapulted Chissano into his leadership role with the Southern African Development Conference (SADC). Chissano chairs the organ on defense and security, which has placed him in a challenging role as mediator in regional conflicts including the Democratic Republic of the Congo (DROC), the recent civil war in Angola, and the contentious Zimbabwe elections of March 2002. Chissano has become known as an outspoken critic of Western leadership's treatment of Africa, and blames the west for "exploiting Africa through unfair trade terms." He has become known by members of his cabinet as the father of Mozambican diplomacy and a man who seeks peace in a dignified manner.

### DOMESTIC POLICY

Mozambique experienced economic growth between 1975 and 1980. Due to the war with Renamo, however, and inadequate planning, the economy declined dramatically between 1980 and 1993. Chissano's single most important domestic policy initiative was to end the war, a process which produced important spillover benefits for Mozambique including political and constitutional reforms.

The 1990 constitutional reforms were a direct result of years of war and were aimed at creating a climate favorable to new policy initiatives. The avowedly Marxist Frelimo adopted free market policies, instituted land reforms, and privatization. In the aftermath of these changes Mozambique's economy began to recover. The International Monetary Fund (IMF) approved the government's reconstruction and reform program through its poverty reduction and growth facility (PRGF). Growth from the middle 1990s was strong, and as of 2000 new confidence in the economy was attracting foreign direct investment (FDI). Two large-scale projects, the expansion of the Mozal aluminum smelter and the construction of a gas export pipeline to South Africa will account for US\$1.5 billion over 2002-03. In 2001, Mozambique registered its first trade surplus with the European Union (EU).

In spite of FDI, agriculture, fisheries, transportation, and local manufacturing have been lagging behind. Two-thirds of the population lives in poverty owing to drought, chronic underdevelopment, and war. Moreover, devastating floods in February and March 2000 affected over a million people destroying economic infrastructure and thousands of hectares of crops and livestock. AIDS also continued to ravage the nation, with over 12% of the population infected. In his 2002 end of the year address, Chissano addressed the epidemic and called for an end to discrimination against victims as well as prevention of the disease, "drugs are just a panacea, While this disease remains incurable, the most viable treatment is prevention."

Despite these constraints, real GDP growth was expected to remain high in 2002-03, averaging 9%, and with the government's predicted tight management of the money supply, inflation was expected to hit 8% in 2002 and drop to 5% in 2003.

## FOREIGN POLICY

Chissano has applied his considerable diplomacy skills to build productive relations with neighboring countries and the nonaligned states. Since Frontline days, Frelimo has sought close ties with Zimbabwe. This friendship has recently been tested by illegal immigration on both sides of their common border. In the aftermath of Zimbabwe's widely criticized elections, Chissano has had the unenviable task of defending Mugabe against international condemnation. In part, his support of Mugabe stems from their membership in SADC. The two men, however, shared pre-independence liberation struggles, a history that will define Mozambique-Zimbabwe relations for years to come.

Chissano is well known for his controversial policy of negotiating with the apartheid white minority government in South Africa to end South African support for Renamo and to expand economic relations between the two countries. The first agreement, the Nkomati Accord, was negotiated between the two governments in 1983, and subsequently violated by South African officials. Relations have improved immeasurably, and South Africa has offered to buy hydroelectric power from Mozambique's Caborra Basso Dam. It has also established with Mozambique a joint Security Commission to protect the Dam from attacks and to sustain power transmis-

sions. Illegal immigration to South Africa is still a bone of contention between the two countries, and South Africa reported having deported some 61,000 Mozambican refugees at a rate of 223 per day during the first nine months of 2001.

One of Chissano's most important diplomatic goals was to end the hostile relationship between Mozambique and the United States, a relationship attributed by the United States to Mozambique's Marxist system. In 1988, full embassies were exchanged between the two countries and a warming of relations evolved. The United States now sees Mozambique as a country with a promising future and has become one of its principal bilateral donors. In February 2002, Chissano met with President George W. Bush in the United States along with presidents Jose Eduardo dos Santos of Angola and Festus Mogae of Botswana. In 2003 though, Chissano voiced concern over the United States' war against Iraq, specifically his concern that Mozambique's and Africa's fight against poverty would be forgotten amidst war concerns.

In early 2002, Chissano attended a summit in Paris of African leaders to launch the New Partnership for African Development (NEPAD), an African-led initiative to promote African development and cooperation with industrialized countries. Essentially NEPAD trades on African commitment to good governance in return for donor financial support. In Mozambique's case, donors have latched on to the country as their 'African success story' and their financial support to Mozambique in 2001 exceeded the government's request. In October 2001 the World Bank said that international donors had pledged more than US\$700 million, and the IMF qualified Mozambique under the heavily indebted poor countries initiative (HIPC). In April 2002 the United States contributed US\$30 million to fight malaria and HIV/AIDS, and Belgium gave about US\$6.7 million in December for health care reconstruction.

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# MYANMAR

Than Shwe  
Prime Minister

(pronounced "THAN sh-WEE")



*"National unity has been fostered."*

The Union of Myanmar (Burma) is the largest country on the Southeast Asian mainland, covering 678,500 sq km (261,970 sq mi). It shares borders with Bangladesh and India to the west, China to the north, and Laos and Thailand to the east. Its southern boundary is a coastline extending along the Andaman Sea and the Bay of Bengal. The capital is Yangon.

The population, estimated at 42,510,537 in 2003, is ethnically diverse: 68% are ethnic Burmans, but other important groups include Indian, Pakistani, and Bangladeshi; Chinese (3%); Karens (7%); Shans (9%); Rakhine (4%); and Chins, Kachins, and Mons (together 2%). Although the different groups speak a variety of languages and dialects, the official language is Burmese. English has been the most common second language. An estimated 89% of the population adheres to some form of Buddhism. There are also Christians, Muslims, Hindus, and animists among the population.

The economy, heavily dependent on agriculture and the export of raw materials, is in shambles, with no recovery in sight. Factories are estimated to be operating at 10% capacity. Inflation was estimated at 20% annually in 2001. The government has tried to stabilize the value of the *kyat*, the national currency, against the dollar, but this attempt has been largely unsuccessful due to the interference of the black market. The black market rate much more accurately reflects the *kyat*'s real value than the rate that has been set by the government. Per capita gross domestic product (GDP) was US\$1,500 annually in 2001. Primary exports include rice, teak, rubber, and cotton. The illegal economy is powerful, with illicit narcotics, mainly heroin and methamphetamines, produced and exported on a large scale.

## POLITICAL BACKGROUND

Myanmar (Burma), was annexed to British India in 1885 after a succession of wars. It did not gain full independence until January 1948. For 10 years following independence, the country, then known as the Union of Burma, maintained a parliamentary democracy headed by Prime Minister U Nu. In May 1958, in the face of a mounting political crisis, U Nu asked the military, headed by General Ne Win, to form a caretaker government until elections could be held. U Nu was returned to office in the elections of February–March 1960. Although the crisis had eased, the nation was confronted with serious problems of internal factionalism, insurgency, and lack of economic development. Taking advantage of these conditions, General Ne Win staged a coup d'état in March 1962. The general abolished the national legislature and

organized a Revolutionary Council of senior army officers to run the government. The plan was to set the country on the "Burmese Road to Socialism," an eclectic mix of Marxism and spiritualism. In July, the Burmese Socialist Program Party (BSPP) was founded as the political arm of the military government, and Ne Win was designated chairman of the party.

In 1973, the name of the country was changed to the Socialist Republic of the Union of Burma. In 1974, after 12 years of military rule, the regime promulgated a new Constitution, which codified Ne Win's BSPP ideals. At the same time, the national legislature was revived as the unicameral 489-member People's Assembly (Pyithu Hluttaw).

The 1974 Constitution vested executive power in the 29-member Council of State (the chairman of which was also state president) and the 22-member Council of Ministers (which designated one of its members as the prime minister). The People's Assembly was the supreme organ of state authority, and members of both executive councils were chosen from within the assembly.

Since 1988, there has been no People's Assembly. In that year, following a coup d'état, the State Law and Order Restoration Council (SLORC) was created, made up primarily of ministers drawn from the military to run the country. As of early 2000, the May 1990 general elections, in which the opposition National League for Democracy (NLD) won an overwhelming 87.7% majority, had still not been recognized by the SLORC, and those elected had not been seated.

Although Ne Win stepped down as president in 1981 and as chairman of the BSPP in 1988, many observers believe that he has continued to exert strong influence behind the scenes. The SLORC announced on 18 June 1989 that the name of the country would no longer be the Union of Burma, but Myanmar Naing Ngan, an ancient, formal term. The country is commonly referred to as Myanmar, while democracy advocates such as the NLD and the U.S. government use the old name, Burma. City and other place names were changed by the SLORC as well.

## PERSONAL BACKGROUND

Than Shwe is originally from Kyaukse in central Myanmar. After graduating from high school, he went to work as a clerk in a post office. In 1953, at the age of 20, Than Shwe attended the Officer Training School's sixth course, after which he received his commission in the army. In 1963, one year after Ne Win crushed the Burmese democracy, Than

Shwe was appointed as instructor at the Central Institute of Political Science, the ideological training center of the BSPP. He rose gradually through the ranks of the army and in 1980 was promoted to the influential post of commander of the 88th Light Infantry division. He was considered an able field commander, though some analysts depict him as ruthless and more feared than respected by underlings. In 1983, he took over the Southwest Regional Command, and became chairman of the regional committee of the BSPP. Promoted to major general in 1985, he was then named deputy chief of staff of the army.

## RISE TO POWER

Myanmar in 1988 was rocked by a mass movement pressing for democratization. Initiated in March by students, the protest soon included ordinary citizens, Buddhist monks, government bureaucrats, and even some junior military officers. In the face of demonstrations, General Ne Win convened an extraordinary meeting of the BSPP, the nation's ruling (and sole legal) political party. On 23 July 1988, at the congress, Ne Win resigned as party chairman, and in his farewell speech, suggested far-reaching economic reforms and a referendum to decide the issue of multiparty elections. Although no one believed Ne Win would relinquish all power, the move nevertheless caught many observers by surprise.

On 18 September 1988, after mounting unrest, the army staged a coup d'état and put in place the SLORC, composed of 19 members of the military and headed by General Saw Maung. Than Shwe was named vice chairman, deputy minister of defense, and army chief of staff. In 1990, he received promotion to full general. In March 1992, he assumed the defense portfolio, and on 23 April 1992, upon the resignation of Saw Maung, who had been behaving erratically, Than Shwe was named chairman of SLORC. The following day he was designated prime minister.

## LEADERSHIP

Than Shwe's first move upon coming to power was to announce, and immediately follow through on, the release of significant numbers of political prisoners. It was widely believed that this was an attempt to placate the international community. Myanmar had been condemned by most Western states for massive human rights violations and most foreign economic aid, including that from multilateral lending institutions, had been cut off pending improvement in this area.

Than Shwe's main rival for attention, legitimacy, and power has certainly been Aung San Suu Kyi, leader of the NLD, landslide victor of the May 1990 elections, and winner of the 1991 Nobel Peace Prize. She was arrested in July 1989 and held in her home, incommunicado, until her July 1995 release. Suu Kyi again endured house arrest from September 2000 to May 2002. Since then, she has been allowed to travel and give speeches around Myanmar, and some dissidents have been freed, but others have been arrested. As Than Shwe has solidified his position as head of the SLORC *junta*, he has been slow to establish an open dialogue with Suu Kyi, although meetings were held with her during the second period of house arrest. Than Shwe's refusal to hand over power to the NLD has been strongly condemned by the United Nations (UN) and the European Union (EU).



Some observers feel that Than Shwe has served as a balance between the *junta's* "pragmatists," exemplified by First Secretary Lieutenant General Khin Nyunt, and the "hard-liners" typified by army chief General Maung Aye. Both wings work against a hand-over of power to the NLD, but prefer different tactics in pacifying ethnic insurgencies. Than Shwe is thought to be planning to step down in favor of either Khin Nyunt or Maung Aye, but may be reluctant to do so as the succession could bring an intrajunta power struggle out in the open for the first time. The SLORC renamed itself the State Peace and Development Council in November 1997, and reshuffled the lineup of members, ousting and arresting some high-ranking officers for corruption.

## DOMESTIC POLICY

During Than Shwe's years in office, the ethnic insurgency in the frontier areas has been largely pacified, using a combination of Lt.-General Khin Nyunt's strategy of negotiating ceasefire deals and General Maung Aye's military offensives. In some regions, narcotics warlords such as Khun Sa have been allowed to legitimize their business activities as long as they lay down arms. A few rebel groups (most notably the Karen National Union) continue to battle the government, but their numbers and territory are much reduced.

With the junta's army in control of most of Myanmar, large-scale forced labor has been reported on infrastructure projects such as roads, railways and dams, along with forced village relocation and other human rights violations, particularly in ethnic minority areas. These abuses have been repeatedly condemned by the UN General Assembly, the International Labour Organization (ILO), as well as independent human rights groups.

Under the SPDC, military spending accounts for as much as 50% of Myanmar's budget, which cuts health, education, and welfare programs. The World Bank in early 2000 issued a scathing report on Myanmar's economic and political situation. Accusations have been leveled by observers that the economy relies on forced labor, and (with overt money-laundering) depends on the proceeds from trafficking in heroin and methamphetamines. Rampant deforestation and other environmental problems have gone unchecked under Than Shwe's government, along with a precipitous rise in HIV/AIDS and other infectious diseases. The *kyat*, Myanmar's currency, plunged to record lows in 2002–03.

## FOREIGN POLICY

Myanmar's relationship with China has been a high priority for Than Shwe, who visited Beijing in 1989 as a SLORC emissary and again in 1996 as head of state. His efforts at arms procurement from China and improved border trade were quite successful, although they led to opposition charges that Myanmar was becoming a client state of the northern neighbor. India's government warmed up to the SPDC during 2002–03 with military sales and commercial deal-making.

Association of South East Asian Nations (ASEAN) countries adopted a "constructive engagement" policy towards Myanmar, which was accepted for membership in the organization in July 1997. ASEAN investment in Myanmar declined with the Asian economic crisis of the late 1990s, however. Relations with Thailand, Myanmar's close neighbor, have run hot and cold. Thailand has suffered from waves of refugees and an influx of Burmese methamphetamines, while engaged in a controversial gas pipeline venture involving the *junta*, and French and U.S. companies. Japan similarly promoted business ties with Myanmar, but its investments were on the wane at the turn of the twenty-first century, due to corruption and other difficult ventures in Myanmar.

The United States imposed limited economic sanctions on Myanmar in 1996, followed by the European Community (EC). The United States and EC also observe an arms

embargo against the SPDC. Prodemocracy exiles and overseas activists have organized boycotts of companies involved in Myanmar, and cities have passed "selective purchasing" laws aimed at pressuring those firms. The ILO, an agency of the UN, imposed sanctions on the country in 2001 and has sent investigators to study continuing forced labor practices there.

Than Shwe has proved impervious to outside pressure as well as economic inducements aimed at bringing him to the table for a tri-partite dialogue with Aung San Suu Kyi's NLD and ethnic leaders. In the process Myanmar has grown poorer and more repressed. Perhaps Than Shwe's main accomplishment has been preserving the intact unity of the *junta* itself, under such besieged conditions.

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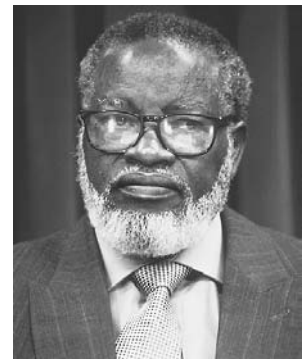
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Profile researched and updated by Edith Mirante (4/03); sections contributed by Alison Doherty Munro (10/92).

# NAMIBIA

Sam Nujoma  
President

(pronounced “sam nu-YO-ma”)



*“All our actions and policies should be based on our motto of ‘One Namibia, One Nation’...A united people will always emerge victorious above the problems of poverty, ignorance, hunger, disease, homelessness, unemployment and tribalism.”*

Namibia, formerly known as South-West Africa, became independent on 21 March 1990. Long considered Africa’s lost colony, it was colonized by Germany for 36 years before South Africa took control during World War I (1913–18). Seven decades of South African rule saw the imposition of apartheid and patterns of uneven economic development between black and white segments of the populace. Whites, who make up about 6% of the population as of 2002, have one of the highest standards of living in the world, while the majority of blacks live in dire poverty.

Covering an area of 825,418 sq km (317,873 sq mi) but with an estimated population of 1.8 million people in 2002, Namibia is the most sparsely populated country on the planet. Over half the population lives in the northern third of the country, an area where higher rainfall makes subsistence agriculture possible. Despite its small size, the people of Namibia are ethnically diverse, ranging from small groups of Khosian hunter-gatherers to the majority Ovambo cluster of ethnic groups. English is the official language; however, it is only spoken by about 7% of the population. Thirteen indigenous languages are spoken in the country, as well as Afrikaans, which is a common language with most of the population, and German (32%).

Mining is the backbone of the economy, and uranium, diamonds, copper, and gold are major exports. Other rich mineral deposits such as coal, silver, and natural gas give the country the potential to become one of the wealthiest in Africa. Beef, mutton, and karakul wool pelts are the principal products of the agricultural sector. Agricultural production in the heavily populated northern region has great potential. Prolific fishing grounds lie just off Namibia’s coast in the south Atlantic Ocean. Namibia’s per capita gross domestic product (GDP) was estimated at us\$4,500 in 2001, high compared to other sub-Saharan African nations but putting it in the lower income group in the world overall. The currency of Namibia is the Namibian dollar.

## POLITICAL BACKGROUND

Namibia is a constitutional democracy and one of the newest members of the family of nations. Its independence marked the end of a century of sometimes-brutal colonial rule, as well as 23 years of guerilla war between the South-West Africa Peoples Organization (SWAPO) and the South Africa Defense Force. In a deal brokered by the two then-superpowers (the United States and the USSR), Angola, Cuba, and South Africa agreed in late 1988 to give Namibia its independence in

return for a Cuban troop pullout from Angola. This process began on 1 April 1989 when a United Nations (UN)-supervised ceasefire took effect. The UN effort, the largest of its kind, included over 6,000 civilian and military personnel to monitor both the ceasefire and the subsequent election to determine Namibia’s first government. In the early months of the peace plan, over 40,000 political exiles returned to the country. Again, this was the largest repatriation of political exiles ever in the history of the UN.

Elections for the Constituent Assembly, the body that would eventually write the country’s Constitution, were held in November 1989. The election was universally praised for being fair and free, a condition of the UN peace plan known as Resolution 435. Over 95% of eligible voters cast their ballots, a remarkable figure given the vast distance most had to cross to reach a polling station. Of the 72 seats in the Constituent Assembly that were contested, SWAPO took a clear majority of 41 seats. At the same time, the balloting also created a viable and strong opposition, consisting of six parties that range across the political spectrum.

The Constitution was written by the Constituent Assembly, and formally adopted on 9 February 1990. Considered one of the most liberal in Africa, the Constitution establishes a system of checks and balances between independent judiciary, executive, and legislative branches. Most forms of discrimination as well as the death penalty are abolished. Fundamental rights such as freedom of religion, speech, peaceful association, and the press are guaranteed. The right to legal representation, prevention of cruel and inhuman treatment, and a fair trial within a reasonable time also figure prominently throughout the document.

The president is limited to two five-year terms of office, and is directly elected by universal suffrage of all Namibians over the age of 18. The 72-member National Assembly also has the power to dissolve the government and call new elections. Soon after independence, legislation was passed with a new structure of regional and local governments. New constituency boundaries served to reduce the impact of ethnic voting blocks.

## PERSONAL BACKGROUND

Sam Shafishuna Nujoma was born on 12 May 1929 in Etunda Village in the remote northern region of Namibia known as Ovamboland. His origins are humble. He is said to have spent his early years herding goats at his family’s homestead. Like many black Namibians, he received little





formal education. Though he did not complete high school, he boasts that he enabled many in SWAPO to further their education over the years while he stayed behind to do necessary political work. Little is known of his early life because, like Nelson Mandela, he was a “banned person” under South Africa’s restrictive security legislation. For many years it was illegal either to quote Nujoma or to print his picture inside Namibia. As early as 1957, he was fired from a job on the South African Railways for attempts to organize a trade union. In 1959, he joined the Ovamboland Peoples Organization (OPO) while in Cape Town, South Africa. The OPO consisted of a group of Ovambo workers who gathered to discuss their grievances with the contract labor system. The early meetings of this group took place in a barbershop in Cape Town that is now part of Namibia’s folklore.

After his termination from the railways, he returned to Windhoek, the capital of Namibia, where he became a leading figure in the protest against the removal of the Old Location, or ghetto, to its present site. South African authorities wanted to move the entire African section of Windhoek to this new location in order to place as much distance as possible between whites and non-whites. For blacks dependent on jobs in the city, the move was considered a severe hardship because it would add many commuting hours to the workday. The Africans called the new ghetto Katatura, which means “a place where we do not stay” in a local language. Demonstrations against this removal led to a bloody confrontation in December 1959 between police and demonstrators during which 13 unarmed civilians were shot and killed. Shortly afterward, Nujoma was detained for his role in the demonstration.

On his release, he fled the country. While visiting the UN in April 1960, Nujoma joined with other Namibian exiles to help reform OPO into SWAPO. He was chosen president of the new group and returned to Dar es Salaam, Tanzania, to build the organization of the party. His position was ratified by a party congress in 1963. He traveled the world in order to obtain international support both for SWAPO and for Namibian independence. In this effort, he met with considerable success; SWAPO was granted Observer Status at the UN, admitted as a member of the Organization of African Unity (OAU), and allowed to establish diplomatic missions in many countries around the world.

In 1966, SWAPO began a guerilla war against the South African government. Often described as a low-intensity conflict, this war lasted 23 years. By the war’s end the military wing of SWAPO had approximately 10,000 troops including armored units. South Africa committed large numbers of troops and spent millions of dollars in scarce foreign currency on the conflict. Much of the northern part of Namibia was turned into a war zone, with thousands of soldiers and civilians killed. SWAPO also maintained a system of refugee camps in Angola and Zambia for Namibians fleeing political persecution and apartheid. It is estimated that over 60,000 people were cared for in these camps.

Beginning in 1977, Nujoma led a SWAPO team in negotiations with South Africa, the Frontline States, and the Western Five (the five permanent members of the UN). The result of these negotiations was Resolution 435, which set an outline for Namibian independence. The resolution was put into effect in 1989, when a UN-assisted ceasefire agreement was implemented.

Nujoma married Kovamba Katjimune in 1956. They have four children.

## RISE TO POWER

In September 1989, after almost 30 years in exile, Nujoma returned to Namibia. Thousands of his countrymen gathered in Windhoek to greet him. He settled in Katatura, the ghetto in which he had refused to live three decades previously. A man noted for his headstrong views, Nujoma surprised his critics by holding a series of conciliatory meetings with political rivals. For this he received high acclaim even from white politicians who had been his enemies literally only a few months previously.

In the November 1989 elections, his party failed to capture the two-thirds majority necessary to implement its own Constitution. A key factor in this defeat was the issue of SWAPO detainees during the decades-long war and its commitment to human rights. This, too, Nujoma turned to an advantage by compromising with his opponents and incorporating specific human rights guarantees into the Constitution. The result was a document that has been praised around the world. On 16 February 1990, he was unanimously elected by the Constituent Assembly as the first president of Namibia.

## LEADERSHIP

In choosing his cabinet, President-elect Nujoma continued his conciliatory theme by naming opposition members to cabinet positions. On 21 March 1990, Namibia became independent, and Sam Nujoma became its first president, sworn into office by UN Secretary-General Javier Pérez de Cuellar. Many



observers viewed the process of reconciliation that took place in Namibia as a precursor to the ultimate end of apartheid in South Africa.

Nujoma and his SWAPO won a second term of office in the 7–8 December 1994 elections, taking 76% of the vote and 53 of the 72 seats in the National Assembly. Mushake Muyongo got 23% of the vote, and his Democratic Turnhall Alliance (DTA) was second with 15 parliamentary seats. Three other parties shared the remaining two seats.

The SWAPO government was considered a shining role model of an emerging democracy. As the second term wore on, however, SWAPO consolidated its monopoly on power to the extent that the opposition became nonexistent in influencing decisions. Government priorities began to change. In a country with a poor black majority, members of Parliament rushed through a bill prior to the 1999 elections giving themselves huge retirement packages whether they leave office or not. Allegations of corruption (still not as bad as in many African countries) and human rights abuses, especially in the Caprivi region, started surfacing.

Abuse of such a monopoly on power as SWAPO holds was demonstrated in November 1998, when Nujoma himself supported constitutional amendments proposed by his party allowing him to seek a third term. Seen by many as backtracking into dictatorial footsteps, and as “a torpedoing of democracy,” but defended by SWAPO as a reflection of “the way that people perceived SWAPO,” and “a result of democracy in action,” the move sparked both local and international criticism. Resigning his position as Namibia’s High Commissioner to Great Britain in protest over this eventuality, opposition candidate Ben Ulenga was quoted as saying, “I have...reached the firm conviction that the proposal to increase the presidential terms for the present incumbent would be to the total detriment of the country, the SWAPO party, and the cumulative process of political democratization and good governance in the country.”

With its backbone support in the densely populated north, Nujoma’s home area, as well as the majority of his fellow senior ministers, SWAPO went on to win three-quarters (55) of the 72 parliamentary seats and Nujoma got 77% of the vote in the elections held on 30 November and 1 December 1999. Ben Ulenga of the Congress of Democrats got the highest opposition vote (10.5%); but his party was tied with the DTA for number of parliamentary seats (seven each). The elections were declared substantially free and fair.

In a surprising announcement to his party in November 2001, Nujoma stated that he will step down for the 2004 elections, rather than push for a constitutional amendment that would allow him a fourth term in office. The septuagenarian president said he wants to leave the office open for new, younger candidates. Analysts, however, speculate that, if he does intend to step down from the presidency, he will still stand for reelection as the SWAPO party president, which will keep him in control of the majority party.

## DOMESTIC POLICY

Realizing Namibia’s vast potential is not an easy task. Decades of apartheid rule have skewed the economy in favor of the tiny white minority. Unemployment in the black majority runs about 40%. Underemployment is also an issue;

many black workers do not earn enough to support either themselves or their families. Apartheid policies, particularly in education, have prevented blacks from developing managerial and entrepreneurial skills. These are precisely the skills that are needed to lift Namibians out of poverty. Despite these disparities, the SWAPO government has pursued a policy of reconciliation in a dynamic non-racial society.

The issue of SWAPO detainees and alleged human rights abuses resurfaced with the publication in 1996 of a damning book by Siegfried Groth, a German pastor of the Lutheran Church, titled *Namibia: the Wall of Silence*. SWAPO defended itself in a book of its own published the same year as a rejoinder, titled *Their Blood Waters, Our Freedom*. As of early 2003, the SWAPO government had persistently refused to apologize, or to set up a South African-style “truth commission” to hold hearings on the alleged abuses, as church and human rights groups demand. SWAPO argues that this is unnecessary and will only open wounds that Nujoma’s policy of “reconciliation” has helped to heal. The opposition DTA agrees with SWAPO on the issue.

Nujoma and his government have been faced with the delicate task of redressing major imbalances in the distribution of wealth while at the same time continuing to foster economic growth. Namibia relies on technical and financial assistance from donor countries in Europe, Scandinavia, and North America, and as of the late 1990s, China. President Nujoma has modified his socialist beliefs and embraced the private sector as a principal force for economic development. Learning from the mistakes of other newly independent countries, Nujoma has called for a mixed economy, with legislative codes for the regulation of foreign investment. As of early 2003, this approach appeared to be working. Namibia has a robust economy, with inflation rates in single digits since 1995.

In a major effort to promote trade and investment, Nujoma launched the Northern Rail Extension Project in 2002. The project includes the construction of a railroad from Tsumeb to Ondangwa and from Oshakati to Oshikango. Future plans would include construction of a connection to Angolan railways. The project will create jobs and, hopefully, serve to bolster the general economy. In 2003, the government was making plans to extend the Trans Caprivi Highway into a system of roads that would lead to Cape Frio, where a new harbour is under construction. The government has also begun projects to create paved roads in rural, agricultural areas, allowing for greater ease in transporting products to market.

The issue of land distribution has been increasing tensions between citizens and government officials alike. The government is being pressured to move more quickly on efforts to redistribute land, which is disproportionately in the hands of white farmers. In March 2001, Nujoma publicly questioned land claims of the white community in a speech that also accused white farmers of “imperialist actions” against black workers and included a general threat of government retaliation. Nujoma cites that 80% of the nation’s farmland is in the hands of about 4,000 white commercial farmers. Leaders of the Namibian Public Workers Union have called for the government to simply seize the land

from white owners. However, Nujoma has announced that the government will tag N\$100 million (about US\$12.4 million) for a five-year program of land resettlement. The government plan is to purchase land from willing sellers.

All of Nujoma's initiatives toward economic development and reform are part of an ambitious, long-term program called Vision 2030, designed to raise Namibia to the level of an industrialized state by the year 2030. In an address made at the opening of the 2003 cabinet session, Nujoma listed education, training, and improved health facilities as government priorities for the coming year. He also called for implementation of previous plans for a drop-irrigation project along perennial rivers, which is an effort to support agriculture and move toward securing self-sufficient food supplies in Namibia.

The Namibian government continues to be cited by various governments and human rights agencies, including Amnesty International and the U.S. Department of State, for widespread violations of human rights, which include restrictions on freedom of speech and discrimination against women and other minorities, and lack of enforcement of child labor laws. Amnesty International noted a policy implemented by Nujoma in 2001 that called for the arrest and deportation or imprisonment of homosexuals. Nujoma has made several statements in the last few years concerning his goal to eliminate these individuals from Namibian society.

Namibia, along with South Africa, Botswana, Zimbabwe, and Swaziland, is at the epicenter of the AIDS pandemic. In 1999, it was estimated that 19.54% of the adult population was infected with the virus. Namibia is committed to addressing the growing AIDS pandemic and in September 1999 was praised by the World Health Organization (WHO) as the only sub-Saharan African country that had made adequate health provisions for its people.

## FOREIGN POLICY

Namibia is the UN's 160th member and is also a member of the Commonwealth of Nations. As of 2003, the government continues to play an active role in the African Union (AU, formerly the Organization of African Unity) and Nujoma has encouraged foreign participation in the New Partnership for African Development (NEPAD), an offshoot of the AU. Nujoma has also stepped forward in support of the AU Peace and Security Council, designed to promote peaceful means of conflict prevention, management, and resolution in the region.

Namibia's most pressing foreign policy issue for the first five years of independence was managing relations with South Africa, its former colonial master. South Africa had regularly used its economic and political clout to destabilize its neighbors, particularly those who showed strong opposition to its apartheid system. The Nujoma government worked for the 1 March 1994 hand over of Walvis Bay (Namibia's main deep water port), over which South Africa

had kept control. This significantly freed the country from South Africa's economic stranglehold, putting Namibia in an advantaged position over other landlocked southern African countries.

The SWAPO government has, since independence in 1990, pursued neutrality and a principal of contact and dialogue that is enshrined in its Constitution. Namibia referred its 10-year-old territorial dispute with Botswana over Kasikili (a 3.5 sq km island, known in Botswana as Sedudu) to the International Court of Justice (ICJ) in The Hague. In December 1999, the ICJ ruled in favor of Botswana, and Namibia accepted the ruling.

During 1999, Namibia joined two civil wars. It sent an estimated 2,000 soldiers to help President Laurent Kabila of the Democratic Republic of the Congo (DROC) fight rebels and, in December 1999, Nujoma allowed Angolan troops to use its territory to pursue National Union for the Total Independence of Angola (UNITA) rebels. Namibian involvement in both conflicts, criticized by the opposition and some quarters of society, has the potential to increase insecurity in that country.

The negative effects of these actions were already apparent in the Caprivi border region with Angola, where Namibians have suffered scores of injuries and deaths from UNITA rebel attacks and harassment. Many men, struggling to escape from the poverty in this region, have been convinced by Angolan army recruitment efforts to fight in a foreign war.

## ADDRESS

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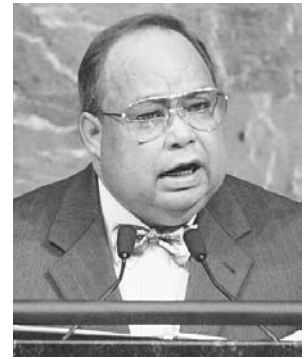
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# NAURU

**René Harris**  
**President**

*(pronounced “reb-NAY HAIR-ess”)*



*“Our priorities are, in essence, to cut our losses and to maximize our human resources potential.”*

The Republic of Nauru (pronounced “NAH-roo”) is distinctive in many ways. With an area of less than 22 sq km (little more than 8 sq mi), Nauru is the world’s smallest independent nation. The single, tiny island lies 41 km (25 mi) south of the equator at a latitude of 0° south and a longitude of 167° east. On the inland side of the island, a coral cliff rises up to 300 m (less than 1000 ft) above sea level; this central plateau was the site of phosphate deposits. Due to its isolated location, birds nested on Nauru for thousands of years, leaving behind vast deposits of phosphate-rich guano. The island was once covered in dense tropical forest, but mining for phosphate during the past 90 years stripped this vegetation, leaving most of Nauru a strange, jagged landscape. A narrow fertile belt rimmed by sandy beaches still encircles the island. Temperatures range from 23° to 32°C (73° to 90°F) year round. Rainfall is heavy from November through February and sporadic during the other months.

The population of Nauru was estimated at 12,329 in 2002, about 58% made up of ethnic Nauruans. The remainder consists of migrant workers from Tuvalu and Kiribati, ethnic Chinese, and Europeans, almost all employed in some capacity in the phosphate industry. After years of population decline, ethnic Nauruans are now increasing rapidly in numbers. About 40% of the current population is estimated to be under the age of 15. The official language is Nauruan, classed within the Micronesian family of Austro-nesian languages. Most Nauruans also speak English, the language of commerce, government, and education. Representatives of the London Missionary Society brought Christianity to Nauru more than 100 years ago. About 60% of Nauruans are members of the Nauruan Congregational Church; most of the remainder are Roman Catholics. Nauruans enjoy a high standard of living in terms of a Western lifestyle. This has resulted, however, in both the loss of cultural traditions and increasing health problems. Changes in diet, including use of alcohol, have resulted in declining health and obesity; about 50% of the population has diabetes, an alarming statistic that some experts believe may be the highest rate of diabetes in the world.

Throughout the 20th century, the economy of Nauru was synonymous with phosphate mining. Phosphate is a key ingredient in agricultural fertilizers. Until the early 1990s export of phosphate provided Nauruans with one of the region’s highest per capita incomes, at approximately US\$10,000; however, by 2000, the decline in both the world demand for phosphate and Nauru’s reserves caused this per

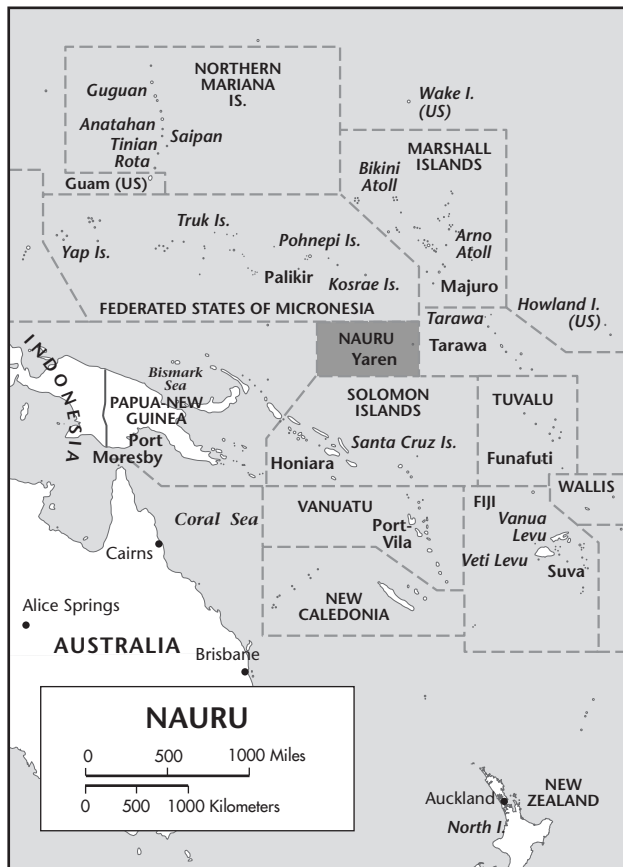
capita income to decline (it stood at approximately US\$5,000 in 2001). All modern infrastructure (the airport, national airline, railroad, paved roads, telephone system, and the single luxury hotel) was developed to support the phosphate industry. Apart from coconuts, there is no agricultural activity on the island. Almost everything is imported, including fresh water.

After phosphate production peaked in the 1980s, phosphate reserves began to decline significantly in the 1990s. Every government since independence has invested a significant portion of phosphate revenues, much of it in overseas real estate, in an effort to cushion the effects of the loss of this income. The loss of millions of dollars, however, to swindlers in various schemes including unsuccessful investments in the Philippines and India have caused a financial decline in recent years. After years of deficit spending to make up for lost revenues, the deficit reached 18% of gross domestic product (GDP), and has created substantial debt which, in early 1996, made Nauru incapable of meeting the salaries for its civil servants and placed the country in default on its external debt service.

Some consideration was given in the late 1990s to creating a tourist industry, but this would be dependent on developing public and private infrastructures. The minimal facilities that exist on the island had been allowed to fall into disrepair, and the Asian economic crisis of the late 1990s diminished considerably the prospects for tourism from that part of the world, so development had not gone forward as of 2003. Fishing has some economic potential. The national currency is the Australian dollar.

## **POLITICAL BACKGROUND**

Nauru became an independent republic on 29 January 1968, after 75 years of colonial rule. In 1999, it became a full member of the Commonwealth of Nations. When the United Kingdom (UK) and Germany reached an agreement over their interests in the Pacific, Nauru fell within the German jurisdiction. Though Germany controlled Nauru until the outbreak of the World War I, politics took second place to the interests of phosphate mining, which began in 1907. Agreements between Germany and a British firm to exploit rich phosphate deposits on Nauru shaped the developments on Nauru until the League of Nations mandate was given to Australia, New Zealand, and Britain after the war. Actual administration of the island was in the hands of Australia, through the British phosphate commissioners.



The island and its people suffered terribly during World War II. Even before Japan began its Pacific campaign, German raiders invaded the island on warships disguised as merchant ships, and shelled oil storage tanks in December 1940. The same week as the Pearl Harbor attack (December 1941), Japan bombed Nauru and took control of the island the following August. Japan occupied Nauru from 1942 until the end of the war (1945). The Japanese tried to continue phosphate mining, using islanders as slave labor, but Allied bombing through most of 1943 and all of 1944 prevented this. The Japanese deported 1,200 Nauruans, or two-thirds of the indigenous population, to the Caroline Islands to work as laborers. Five hundred of them died of starvation, mistreatment, and disease; many of those who remained on Nauru died of the same causes; an estimated one-third of the Nauruan population perished during the war. The magnitude of this loss completely disrupted their society, and the shared experience united the survivors in a new resolve. Wartime suffering was the defining experience for those who would lead the way to nationhood 20 years later. When peace came in 1947, the old mandate for administration was replaced by a United Nations (UN) trusteeship, administered by Australia on behalf of the other two trust powers. In 1966, Nauruans were granted self rule as a prelude to independence.

At independence in 1968, Nauru's Constitution established the nation as a republic with a parliamentary system of government. The president might more properly be called prime minister; he is the *de facto* head of state as well as head of government. He is elected by Parliament from among its elected members; the president appoints and removes the four

or five ministers who make up the cabinet. The cabinet is collectively responsible to Parliament, which can remove them along with the president by a no-confidence vote of at least half the members. If Parliament fails to choose a new president within seven days, it is dissolved. The single-chamber Parliament consists of 18 members, elected from eight constituencies for three-year terms. Parliament elects one of its members to preside as speaker; the speaker cannot at the same time be a member of cabinet.

A second tier of government, the Nauru Local Government Council, was created after World War II to help build local government structures, address community issues, and link the local traditional level with the central government. After independence, however, the council took over ownership and control of many of the country's numerous enterprises and investments and thus gained considerable power. The council was dissolved in 1992 amidst allegations of mismanagement. Following an evaluation of investment performance, a new organization, the Nauru Island Council, was formed with a limited mandate to help revitalize the central government on local issues. Responsibility for managing investments was temporarily centralized in the cabinet until they could be brought in line with current financial management policy. These changes required new legislation to set out strategies for handling investments.

The economy and politics of Nauru have been thoroughly intertwined because it was common for individuals to hold seats in both Parliament and the council. Hammer DeRoburt was Nauru's first president and held the office for all but 18 months until August 1989 when a vote of no-confidence forced him to step down. He also served as head chief of the council from 1955 until his death in 1990. Since there are no political parties, electoral politics has more to do with kin relations and personal factions than with issues. Furthermore, the performance of Nauruan business interests affects electoral outcomes, especially when business decisions have been criticized and accusations of corruption raised. The Constitution created a form of government that, combined with the above factors, has since 1995 led to a "revolving door" kind of presidency. Bernard Dowiyogo, who had replaced DeRoburt, was defeated in 1995 by Lagumot Harris by one vote. Within a year, Parliament ousted Harris, once again by a narrow margin. There followed a series of no-confidence motions that brought down another two presidents in less than four months. In February 1997, an island-wide election was held—a year earlier than expected—in an effort to return political stability to the country. Following the general election, Parliament chose Kinza Clodumar as president, but within 18 months yet another no-confidence vote removed him from office.

Government policies have only recently begun to adjust to the reduced income potential as the phosphate resources are depleted. Much of the political instability and shifts of leadership that characterized the late 1990s stem from disagreements over the best ways to deal with this situation.

In 1999, Nauru finally entered the international community by joining the Commonwealth on Nations (May) and the United Nations (September). Parliament gave Dowiyogo a no-confidence vote in April 1999. René Harris became the new president after defeating Dowiyogo by a 10-7

vote in Parliament. A year later, in April 2000, elections were called again, and Harris prevailed but resigned six days later in favor of Dowiyogo. Less than a year after that (on 30 March 2001), Harris won back the presidency following a no-confidence vote, taking office in the eighth government in four years, six through no-confidence votes. On 8 January 2003, Harris was ousted from office after a vote of no-confidence, and was replaced by Dowiyogo. Dowiyogo died following heart surgery in the U.S. on 9 March 2003. An acting president was named, Derog Gioura, a member of Parliament. Dowiyogo's death produced a struggle for power on the island, with Harris contesting reformer David Adeang for the position of president. General elections were held on 3 May 2003, and Harris was returned to Parliament. As of 8 May, it was unknown who would be named president of Nauru.

### PERSONAL BACKGROUND

René Harris was born in Nauru in 1948. He has spent his whole career in Nauru, heading the country's phosphate development corporation before entering government. He and most of his fellow countrymen have poor health, are overweight, and are prone to or afflicted with diabetes. (Nauru has the highest incidence of diabetes of any country in the world.) Although quite overweight himself, in early 2002, in an effort to encourage a more healthy lifestyle among his constituents, Harris began a regimen of public exercise by walking around the country's one airport runway.

Harris's ability to clean up corrupt practices in the government came under question in late 2001, when a reporter uncovered evidence that, while Harris was chairman of the phosphate corporation, he had allegedly spent over US\$230,000 of corporate funds for personal purposes, including real estate purchase, vacations, and entertaining. In addition, using his influence as head of the country's only industry, he negotiated massive bank loans under favorable terms for himself.

### RISE TO POWER

René Harris won the presidency on 30 March 2001 after a no-confidence vote in Parliament removed his predecessor, Bernard Dowiyogo, from office. At the time of the vote, Dowiyogo was in Australia undergoing bypass surgery. Both Harris and Dowiyogo are typical of political leaders in the small island nation. Both have occupied the office of president more than once, and both have alternatively been allies and rivals over issues challenging the country. Harris first entered Nauru politics in 1977 when he became a member of Parliament; since then he has held a number of government posts, including the powerful chairmanship of the Nauru Phosphate Corporation.

From 27 April 1999 to 20 April 2000, Harris held the office of president. He called for new elections in April 2000 and won; however, he was unsuccessful at forming a government, and he resigned six days after the election. His opponent, Bernard Dowiyogo, prevailed, taking office as president for the fifth time. On 30 March 2001, while Dowiyogo was in Australia receiving medical treatment, the Parliament called a no-confidence vote and returned Harris to the presidency. In addition to holding the office of president, Harris also held the ministerial portfolios for foreign affairs,

public service, investments, industry, works, planning, and housing development, home affairs, and civil aviation.

In October 2001, Harris was airlifted to Australia, reportedly suffering complications from diabetes.

### LEADERSHIP

When Harris took over the presidency in March 2001, Nauru was facing the harsh reality of its future. The phosphate reserves, which had provided Nauru with one of the highest per capita incomes of any developing nation through the twentieth century, had been depleted and no clear alternative source of income was on the horizon. The mined land was useless and unsightly, serving as a short-term deterrent to the development of tourism. And although a percentage of the phosphate income from previous decades is held in trust, they are not enough to provide a stable and secure future for the country.

### DOMESTIC POLICY

Every incoming president in the 1990s stressed the necessity for fiscal responsibility and careful management of available resources as phosphate revenues come to an end. Harris is no exception. Although he has yet to put forth any specific proposals, critics of the country's economic policies have commented on Nauru's lack of any tariffs, income, or sales taxes. Imposition of such taxes would be a major move toward the kind of financial management Nauru needs. The United States and its Western allies, known as the G-7 nations, began pressuring Nauru in 2000 to make its banking system less accessible to Russian criminals looking for places to launder money. In 1989, the Western developed nations established the Paris-based organization, the Financial Action Task Force (FATF), to deal with issues of money-laundering and questionable offshore banking practices. Nauru, with a population of 12,000, has 450 banks. The central bank in Russia estimates that US\$70 billion in funds generated by organized crime in Russia have flowed through Nauru's banks.

To build a tourism industry—or even to restore the environment for the benefit of Nauru's citizens—significant resources will be required. In 1989, then-president Bernard Dowiyogo challenged Australia in the International Court of Justice in The Hague over responsibility for rehabilitating mined-out phosphate lands in Nauru. A settlement was reached in August 1993; Nauru received a one-time payment of A\$7 million, followed by annual payments of A\$2.5 million (adjusted for inflation) for 20 years. In exchange, Nauru agreed to drop all claims against the United Kingdom and New Zealand, the other administering powers before independence.

The island relies on monthly deliveries of food and supplies, since it cannot produce what it needs to support its population. Several times in late 2001, with the country's fresh food reserves exhausted and fresh water and electricity in threateningly low supply, vessels carrying supplies refused to deliver them because of the government's unpaid debts.

In late 2001, a A\$20 million payment received from the Australian government in exchange for Nauru accepting 700 Iraqi and Afghan refugees destined for Australia helped to bail Nauru out of its financial problems. Australia also paid to keep the power supply going through the spring and wrote

off about A\$1 million to settle Nauru's past-due Australian hospital bills. Even with the substantial funds, however, from Australia, Nauru was ill-equipped to deal with the Afghan and Iranian refugees who had been attempting to reach Australia.

## FOREIGN RELATIONS

In August 2001, after conditions in Fiji were deemed too unstable, Nauru was selected to host the thirtieth Pacific Forum, a meeting of Pacific nations. Officials from the nations planning to attend were concerned, since Nauru was reportedly out of money, with government employees unpaid and supply ships refusing to unload because of the government's unpaid bills. Government leaders traveling to Nauru brought some limited provisions, including fresh water, with them.

In April 2002, the United Nations (UN) granted refugee status to some asylum-seekers currently being detained on Nauru. The largest number of asylum-seekers, however, were Hazara Afghans, whom the UN did not consider refugees after the ouster of the Taliban government and the installation of a Hazara-led government in Afghanistan. The UN was seeking permanent resettlement for the refugees, but it remained to be seen whether Australia would accept any of the refugees, or whether they would encourage them to remain on Nauru. This part of the plan Australia called the Pacific Solution.

Nauru's climate may appear to be ideal for housing refugees; however, the country has few accommodations and in 2002 the refugees were living in tin sheds hastily constructed on denuded sites of former phosphate mines. Some Western observers speculated that the refugees exhibited symptoms of post-traumatic stress disorder. In June 2002, Harris declared Australia's Pacific Solution was a "Pacific Nightmare," because Australia had not kept its promise to provide A\$30 million in goods and services to Nauru as part of the deal.

In July 2002, Harris recognized China as the sole legitimate Chinese government and that Taiwan was part of China. For 22 years, Nauru had had diplomatic ties to Taiwan, but the July reversal of official state recognition followed a promise by China to offer Nauru us\$137 million in aid and debt relief. Harris had recently requested that Taiwan provide us\$10 million to Nauru, and Taiwanese officials labeled the change in diplomatic relations "money diplomacy." Taiwan subsequently severed its ties to Nauru.

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# NEPAL

## Lokendra Bahadur Chand Prime Minister

(pronounced “low-ken-DRA ba-ha-DOOR CHAND”)

*“There should be a balance in every life in order to achieve a balance in society,  
and as a whole, of life in the entire country.”*



The Kingdom of Nepal is a small, land-locked country in South Asia which lies between the Tibetan region of China to the north and India to the east, south, and west. Occupying an area of 140,800 sq km (54,362 sq mi), Nepal is well known for its rugged and scenic beauty.

Nepal had an estimated population of 25.8 million in 2002. Ethnically, 80% of the people belong to the Indo-Nepalese group that includes Paharis, Newars, Tharus, and recent Indian immigrants. Those of Tibetan origin make up the remainder of the population. While 90% of the population speaks the official language, Nepali, there are dozens of local languages and around 30 major dialects as well. A majority (86.2%) of the population practices the country's official religion, Hinduism. In fact, Nepal is the only official Hindu state in the world. Buddhists comprise the largest religious minority (7.8%), followed by Muslims (3.8%).

Nepal's economy is primarily agrarian, with almost 90% of the population employed in subsistence farming and related activities. The manufacturing and service sectors, though small, have grown in recent years. Tourism is a significant source of foreign exchange earnings and shows robust growth potential. With an estimated per capita gross domestic product (GDP) of US\$1,400 in 2001, Nepal ranks as one of the least developed countries. The currency unit is the *Nepalese rupee*.

### POLITICAL BACKGROUND

Historically, Nepal has been an absolute fiefdom of one family or another. From 1796 to 1846 Prithvi Narain Shah and his descendants ruled. They were followed by the Rana family of hereditary prime ministers. The Ranas were overthrown in 1950, and the royal line of King Tribhuvan came into power. In 1955, his son Mahendra succeeded Tribhuvan to the throne. Elections held in 1959 brought the Nepali Congress (NC) Party into power as the first parliamentary government. They remained in office for little more than a year before the king dismissed the government and banned all political parties.

Under a Constitution promulgated in 1962, King Mahendra established a partyless *panchayat* (assembly) system. Members of this assembly served only at the king's behest. Even after Mahendra's son, Birendra Bir Bikram, assumed power in 1972, only minor reforms were made.

A coalition of the two major political forces in the country—the NC and the United Left Front (comprised of

seven communist parties)—provided the vanguard for widespread political protests that began in 1990. With growing domestic and international pressure, King Birendra announced an end to the *panchayat* system and agreed to the restoration of multiparty parliamentary democracy. Officially promulgated on 9 November 1990, the new Constitution transferred effective sovereignty to the people. A bicameral legislature was established, consisting of a 205-member Pratinidhi Sabha (House of Representatives), directly elected by universal suffrage every five years, and a 60-member upper house, the Rashtriya Sabha (National Council), most of whose members are indirectly elected by the lower house.

The first elections to the Pratinidhi Sabha resulted in a victory for the NC party. Factionalism, however, led to the government's collapse and new elections in November 1994. The Communist Party of Nepal-United Marxist Leninist (CPN-UML) won the largest number of seats in the new parliament, but not an outright majority. It formed a minority government that survived less than a year before being ousted in a no-confidence motion tabled by the NC. The NC then forged an alliance with the Rashtriya Prajatantra Party (RPP, or National Democratic Party—NDP) and the Nepal Sadbhavana (Goodwill) Party (NSP) to form Nepal's first coalition government. Deuba was appointed prime minister of an unstable coalition government on 11 September 1995. In March 1997, the NC-led coalition fell when several RPP parliamentarians joined the CPN-UML to defeat a confidence motion tabled by the government, ending Deuba's short-lived term as prime minister.

Lokendra Bahadur Chand, leader of the RPP revolt, became prime minister of the new government formed by a coalition between the RPP and the CPN-UML. Shifting allegiances took their toll on political stability again in October 1997 when most of the RPP parliamentary delegation defected from the government to join the NC in voting to bring down Chand and the RPP-CPN-UML coalition. On 7 October 1997 Surya Bahadur Thapa of the RPP was sworn in as prime minister of a new NC-RPP-NSP coalition. Three months later, dissension within the RPP split the party, weakening Thapa. In March 1998, the opposition CPN-UML also fractured into two factions—a majority UML and a minority ML.

These intraparty upheavals left the NC as the single largest parliamentary party. In early April 1998, Thapa resigned under pressure and G. P. Koirala of the NC became the country's fifth prime minister in less than four years. Koirala





formed a minority NC government with the parliamentary backing of the UML. Soon after winning a vote of confidence, he announced plans for holding elections by May 1999. In August 1998, the ML and NC joined forces, forming a majority coalition.

The arrangement did not last. In December 1998, the ML withdrew from the government. Faced with an impending vote of no confidence, Koirala scrambled for new allies. The UML agreed to throw its support behind Koirala, provided he stuck to his promise of early elections. Subsequently, Koirala's minority government resigned. He then formed a majority coalition government with the UML and the NSP. In January 1999, the new government won a resounding vote of confidence. Soon after the vote, the king announced elections in May. In April 1999, the leftist movement in Nepal suffered a severe blow with the death of the CPN/UML president Man Mohan Adhikari, the only moderate communist leader in Nepali politics. This may have contributed to the communists' relatively poor showing in the May elections—they won 68 parliamentary seats compared to 88 in the 1994 general elections. The outbreak of a Maoist insurgency soon followed. The NC won a clear majority, with 110 seats in the 205-member Pratinidhi Sabha. The veteran K. B. Bhattarai ran unopposed for the NC parliamentary party leadership and was sworn in as prime minister on 31 May. His tenure in office lasted less than ten months, however. Bhattarai was forced to resign as prime minister in March 2000 and was replaced by G. P. Koirala. After only sixteen months in office, Koirala stepped down due to the demands of the opposition

and a parliamentary vote of no confidence in July 2001. Sher Bahadur Deuba was elected as the new prime minister of Nepal, after winning 72 of 113 votes.

Nepal's aristocracy had been expected to take a symbolic role under the constitutional monarchy, with respected King Bihendra providing a unifying figurehead for the nation. In a shocking turn of events, on 1 June 2001, Crown Prince Dipendra massacred his father, mother, siblings, and other members of the royal family in the palace, and then committed suicide. This left the Crown Prince's uncle to be crowned king. Immediate violent protests greeted the coronation of King Gyanendra, who was mistrusted by the public and accused of implementing a coverup regarding the massacre.

Taking office just one month after the palace massacre and in the midst of ongoing Maoist insurgency, Deuba faced many difficult tasks as the head of state. Deuba convinced Maoist rebels to engage in peace talks for the first time. This unprecedented move gained him widespread support from main parties. A few days into his second term as prime minister, Deuba ordered a ceasefire and proceeded to hold peace talks. The talks were held throughout August and September 2001, but Maoist leaders staged a walkout and broke a truce in November when the government failed to entertain their requests for an end to the monarchy in favor of a constituent assembly. The breakdown of peace talks in November 2001 exacerbated Nepal's already pressing social and economic problems, creating further uncertainty and contributing to instability in the region. While Deuba continued to press for negotiation with insurgents, King Gyanendra issued a state of emergency on 26 November. The call for emergency law initiated some of the most brutal attacks to date as the Royal Nepal Army stepped up aggression toward the Maoist factions. Then, in October 2003, Lokendra Bahadur Chand was once again thrust to the forefront of Nepal's political struggles.

## PERSONAL BACKGROUND

Lokendra Bahadur Chand was born 15 February 1940 in Baitadi District, in the far western region of Nepal. He was educated at Tri-Chandra College in Kathmandu and then went to India for higher education, earning graduate degrees in law in 1966. Chand was a volunteer teacher and a Red Cross committee member. In 1967 he was a founder of the Mahakali Sewa Samaj social service group. His social development interests led him to become involved in politics as a local and district official. He then was elected to the House of Representatives of Nepal in 1974.

In addition to his political career, Chand is a noted author of essays, short stories, poetry, and plays, often with a humorous, satirical tone. His short-story collection, *Visarjan*, is especially well-regarded, and he has won literary awards. He is the recipient of the Order of the British Empire from the British Government. Chand is married to Subhadra Dibeswary Chand, and they have four sons and three daughters.

## RISE TO POWER

Lokendra Bahadur Chand took naturally to parliamentary life, and became deputy chairman of the Pratinidhi Sabha during his first term in office. Reelected in 1979, he then



entered his first term as prime minister, which lasted from July 1983 to March 1986. Again, for a brief period in April 1990, he was named prime minister of an interim government for the transition to a multiparty system. In 1991, Chand formed the Rastriya Prajatantra Party (RPP), a conservative promonarchy party that was to become his power base. His third term as prime minister lasted from March to October 1997. As a well-liked consensus builder with leadership experience, and—importantly—royalist sympathies, Chand was the obvious choice for yet another interim post as prime minister, when King Gyanendra ran out of patience with Sher Bahadur Deuba, considering Deuba incompetent to handle the security crisis brought on by the Maoist rebellion. Chand's fourth prime ministership commenced when the king ousted Deuba, taking on leadership himself from 4 to 10 October 2002, then naming Chand as head of state on 11 October.

### LEADERSHIP

Although meant to be an elder statesman who could bring the country together in his fourth term as prime minister, Chand has faced relentless challenges regarding his legitimacy from antiroyalist politicians and the public. Street demonstrations were organized by major political parties such as the Nepali Congress Party and drew thousands to protest against the king and his new prime minister. With parliamentary elections suspended by the king, it was unclear how long Chand's interim government was to last. King Gyanendra was not a popular monarch and his taking the reigns of government caused outrage in much of Nepal. Chand was criticized as being the puppet of a corrupt aristocracy. Most Nepalese political parties continue to favor a ceremonial, powerless monarchy, and King Gyanendra's actions have increased calls from the left for outright abolishment of the monarchy. The call for an end to royalty in Nepal has been most strident from the Maoist insurgents, who remain Chand's biggest challenge and threat.

### DOMESTIC POLICY

Nepal's Maoist rebellion began in February 1996, when the guerrilla movement set out to overthrow the constitutional monarchy. The key demand of Maoist insurgents is the formation of a constituent assembly to draft a new Constitution. So far, over 8,000 people have died as a result of the insurgency and counterinsurgency, with civilians frequent victims. The conflict, although mostly in remote areas, not only affects the security of Nepal and neighboring India, but strains an already dismal Nepalese economy. Human rights violations by both sides in the conflict increased throughout 2002, with Nepalese human rights activists documenting frequent assassinations and summary executions.

On being presented with his office, Chand moved quickly to open negotiations with the Maoist rebels, with a ceasefire put in effect on 29 January 2003. Chand's government entered into talks with Maoist negotiators in Kathmandu in April 2003. Despite this progress, enormous street protests against the king's antidemocratic actions continued, and most political parties expressed anger at Chand's "regressive" attitudes and policies. For his part, Chand blamed the political parties for hindering progress on security and the economy, insisting, "I am prepared to resign anytime if

anybody will guarantee durable peace, security and the people's welfare in this country."

Both the tourist trade and export markets, key areas of economic growth, have suffered the effects of political unrest. Other blows to Nepal's tourist industry came with international terrorism fears and the appearance of the Sudden Acute Respiratory Syndrome (SARS) epidemic in Asia in early 2003. Even prior to the rural political instability of the Maoist insurgency, widespread bureaucratic corruption had resulted in economic neglect throughout Nepal, causing a decline in development spending, a drop in GDP growth, and the erosion of living standards. Nepal is one of the world's most impoverished nations. Nearly half of its population lives in poverty, with per capita income hovering around us\$230. An estimated 1.5 million citizens of Nepal were unemployed as of May 2003, with layoffs in important industries like carpets and garments. Many young Nepalese have sought work in other countries.

### FOREIGN POLICY

Wedged between India and China, Nepal has historically followed a policy of nonalignment, both regionally and globally. The country's dependence on India for trade and transit routes to the south, however, and both nations' reliance on common water resources, make Nepal's relations with India especially sensitive. Since 1950, these relations have pivoted around a Treaty of Peace and Friendship that gives India significant leverage over the kingdom on economic and security matters. Historically, the NC has advocated closer ties with India, but the communist parties, particularly the ML faction, have resisted accommodating India's influence in the kingdom. Tapping into popular resentment against perceived Indian hegemony, "nationalists" have urged maintaining equal distance between India and China.

There has been bitter debate over the provisions of the 1996 Mahakali River Treaty between Nepal and India. This treaty, which provides for joint development and utilization of the river's irrigation and hydroelectric potential by the two countries, has drawn fire as a sellout of Nepal's sovereignty and interests. The Pratinidhi Sabha has ratified this treaty, but agreement on its implementation remains elusive. Other ongoing issues include the border dispute over the strategic Kalapani territory in western Nepal and the fate of the over 100,000 ethnic Nepalese refugees from Bhutan.

Nepal's Maoist rebels have been listed as a terrorist group by the U.S. government, and President Bush pledged us\$20 million in aid to Nepal for the fight against them. The Maoists, led by Pushpa Kamal Dahal (known as "Prachanda"), believe that the United States is pushing for a military solution instead of peace talks and reconciliation.

Nepal plays an active role in the South Asian Association for Regional Cooperation (SAARC) and hosts the organization's secretariat. SAARC promotes regional cooperation, including trade expansion and economic and social development among South Asian member nations. Nepal is also a member of several multilateral organizations, including the World Bank, the International Monetary Fund (IMF), the Colombo Plan, and the Asian Development Bank; the country continues to participate in various specialized agencies within the United Nations, voting with the nonaligned movement. In

May 2000, Nepal began the process of accession to the World Trade Organization (WTO), a membership which remains controversial as many Nepalese believe that new trade regulations may do more harm than good.

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# THE NETHERLANDS

Jan Peter Balkenende  
Prime Minister

(pronounced “YAWN PAY-ter BAHL-kay-nehnd”)



*“The Dutch government has made security one of its priorities. When our security is at stake, we cannot compromise or turn a blind eye. When one person threatens another, it strikes at the very foundations of our free, democratic society.”*

The Kingdom of the Netherlands is the largest of the three Benelux countries, the other two being Belgium and Luxembourg. The country shares its borders with Belgium to the south and Germany to the east; the northern and western shores face the North Sea. Though the Netherlands is often called Holland, this is in fact the official name of two of its 12 provinces, Nord Holland and Zuid Holland. Also considered part of the Netherlands is the Netherlands Antilles, an island group in the Caribbean. The Netherlands’s 33,883 sq km of land (about 13,104 sq mi) are home to nearly 16.1 million people (2002 estimate), making it the most densely populated nation in Europe. A quarter of the country’s land has been reclaimed from the sea by the use of dikes and coastal dunes, and nearly two-thirds of the population lives below sea level. The capital and largest city is Amsterdam, while the seat of government is The Hague. Approximately 31% of the population is Roman Catholic while 21% are Protestant. The official language is Dutch.

The Netherlands has traditionally been a major maritime power and still boasts a large merchant fleet; Rotterdam is the world’s busiest port. Foreign trade plays a large part in the economy and merchandise exports are equal to almost 50% of the country’s gross domestic product (GDP). Major exports include machinery, chemicals, and agricultural products. The Netherlands is a member of the European Union (EU) and nearly 80% of its trade is with other EU-member nations, with the primary destinations being Germany, Belgium, and the United Kingdom. The Netherlands has, by and large, avoided the economic sluggishness that has plagued continental European economies over the last few years. Unlike some of its neighbors, the Dutch economy has continued to grow and is currently averaging about 4% per year. The per capita GDP stood close to us\$26,900 (2002 estimate). In 2002, the Netherlands became one of twelve EU nations to adopt the *euro* as its official currency.

## POLITICAL BACKGROUND

Having been under successive control of the Dukes of Burgundy, the Habsburg Empire, and the Kingdom of Spain, the Netherlands effectively achieved independence in 1581. Dutch sovereignty was later codified in the Treaty of Münster, signed in 1648. Following a period of Napoleonic rule, beginning in 1795, the Dutch reasserted their independence in 1813. A constitutional monarchy was installed together with a strong States-General (parliament), effectively laying the

foundations for the present political system. The Constitution was revised in 1848 giving greater power to the States-General and has existed almost unchanged since that time. Within the present system, the role of the monarch is largely ceremonial; power rests mainly with the bicameral States-General and through it the government. The 150-member Second Chamber of the States-General is directly elected and is the more powerful of the two houses, having the ability to propose and amend legislation. In comparison, the First Chamber, which consists of 75 members elected by the 12 provincial councils, can only approve or reject legislation. Elections for both the First and Second Chamber are held every four years, though never in the same year. The government is usually formed by the largest party in the parliament, which either on its own, or through forming a coalition, controls a majority of votes in both chambers. In reality, no single party since World War II has been able to obtain an absolute majority; all postwar governments have been the products of various coalitions.

The electoral system is based on the principle of proportional representation, which ensures that each party in parliament receives an amount of seats roughly proportional to its share of the national vote. Thus, if a candidate in a given district is defeated, his votes are not lost but are added to a pool that will then determine the distribution of seats in a second round of allocation. This system, unlike the “first past the post” voting practiced in countries such as the United States, makes it much easier for smaller parties to gain representation. Since the election of 6 May 1998, the Second Chamber has contained representatives of nine separate parties.

For more than half a century, starting in 1917, Dutch politics was dominated by political parties closely tied to the two major religious denominations, Roman Catholic and Protestant. These religious-based parties, either alone or in coalition, participated in each government that was formed. In 1980, a number of these parties merged to create the Christian Democratic Appeal (CDA) Party, which went on to form successive governments until being removed from power after the election of 4 May 1994. That election, which resulted in a coalition government under the leadership of Wim Kok and his Labor Party (PvdA), marked the first time since World War I that the traditional religious parties had been excluded from power. This situation was confirmed by the May 1998 election, from which the PvdA emerged as the largest party, with 45 seats. As was the case in 1994, Kok

again chose to form a so-called “purple” coalition with the People’s Party for Freedom and Democracy (Liberal Party—VVD) and a smaller center-left party named Democrats 66 (D-66), again excluding the CDA. The term “purple” in this case describes a melding of the three parties’ colors—red for the PvdA, blue and orange for the VVD, and green for D-66.

In April 2002, the coalition resigned in the wake of a damning report on the failures of the detachment of Dutch peacekeepers to protect the safe haven of Srebrenica in Bosnia. Dutch soldiers were supposed to guarantee the safety of the local residents, yet failed to prevent Bosnian Serbs from taking over the safe haven and massacring over 7,000 Muslim men and boys in 1995. The report condemned both the United Nations (UN) and Dutch politicians for lack of foresight and preparation. In response, the entire Kok cabinet resigned six weeks before scheduled elections, to take responsibility for the mistakes of the ill-conceived UN mission. The May 2002 election brought much excitement and uncertainty. A totally unknown former academic, Pim Fortuyn, created a new political party, called List Pim Fortuyn (LPF), that ran on a platform of deregulation and privatization in combination with anti-immigrant, anti-Islamic slogans. Although a lone gunman assassinated Fortuyn on 6 May, nine days before the election, his party, which had not existed three months earlier, became the second-largest party in Parliament, holding 26 seats. The PvdA lost nearly half of its seats, going from 45 to 23. After some haggling and negotiations, the new government consisted, therefore, of the CDA, the new LPF, and the VVD. By October 2002, this fragile coalition led by Balkenende had fallen apart, mostly because the LPF politicians endlessly bickered among themselves. The January 2003 election was a victory for the PvdA, which won back nearly all the seats they had lost in the May election while the CDA survived as the largest party. At the end of March, officials of the PvdA and CDA parties were still negotiating the finer points of a coalition agreement more than two months after the election.

## PERSONAL BACKGROUND

Jan Peter Balkenende was born 7 May 1956 in Kapelle. He attended the Free University in Amsterdam and received a doctorate in law in 1991, with a dissertation on state regulations and social organizations. For many years, he worked on the legal staff of the Scientific Institute of the CDA. From 1993 until 2002, he also taught economics part-time at the Free University. As a professor, he published a number of articles for the CDA’s scientific bureau on what he perceived to be the two main currents in Dutch society: liberal individualism and a modern community spirit. In 1994, after spending several years as an alderman in his native Amstelveen, he was asked to lead the CDA in the city council.

In 1998, he was elected to national Parliament; in October 2001 he became leader of the CDA.

Upon becoming prime minister, the forty-seven-year-old Balkenende was described as bearing a remarkable resemblance to Harry Potter, the hero of the internationally popular series of children’s books. Balkenende wears owlish glasses, sports a schoolboy haircut, and looks very young for his age.

## RISE TO POWER

Nine months before the May 2002 election, Jan Peter Balkenende was the largely anonymous number two in the CDA. After his appointment as party leader in October 2001, he was credited with steering his party to a landslide victory in the 2002 general elections. Originally, when he became party leader, the print media dismissed him as a man without leadership qualities. He was labeled “the professor,” and described as “lacking media personality.” Since he succeeded Jaap de Hoop Scheffer after a vicious leadership crisis within the party, his ability to build consensus was questioned. Apparently, he was given the number one position for want of a better candidate and he was widely regarded as a transitory figure.

Undeterred by persistent remarks about his stiff appearance, Balkenende steered a straight course as he tried to strengthen his party. He surprised many of his critics with his no-nonsense and natural leadership style. Owing to the fact that he deliberately expressed no preference for any party as a possible partner within a future coalition government, he did not automatically exclude the controversial List Pim Fortuyn (LPF). Dutch voters apparently rewarded Balkenende for “interacting normally” with populist Pim Fortuyn and ensured that the CDA became the largest party after the May 2002 election. Nevertheless, when coalition negotiations began after the May election, Balkenende insisted that the List Pim Fortuyn retract some of its more controversial positions—such as that Islam is a backward culture. Thanks to his leadership, the CDA emerged as a viable alternative to the ruling “purple” center-left coalition. His first government fell after 78 days because of tensions inside the LPF and new elections were held in January 2003. Voters again expressed their approval of Balkenende’s leadership by giving the party about the same number of seats in Parliament as before.

## LEADERSHIP

The fatigue and turmoil in the outgoing “purple coalition” provided the CDA under the leadership of Balkenende a perfect opportunity to return to power. Unlike the leaders of the PvdA (Labor) and VVD (Liberal) parties, Balkenende never snubbed or demonized his controversial opponent, Pim Fortuyn. In fact, he led the CDA (Christian Democrats) into a 180-degree shift and repudiated the country’s multicultural approach to immigration. Newcomers, Balkenende declared, should assimilate into Dutch culture. After May 2002, it became clear that Balkenende’s strategy had worked because the CDA won the election while the Labor party suffered a record loss in Dutch parliamentary elections. The Liberal party also fared badly, going from 38 to 23 seats. As the largest party (with 44 seats), the Christian Democrats were asked to put together a coalition. They accomplished this by striking government agreements with the Liberal party and Fortuyn’s new LPF. Balkenende’s first cabinet, however, was mostly known for its internal divisions due to feuding within the LPF, which suffered from a leadership vacuum after Fortuyn was assassinated.

Balkenende’s government fell in October and then awaited new elections scheduled for January. In January 2003, the CDA won 44 seats and narrowly beat the Labor party, which made a remarkable comeback, winning 42 seats. Balkenende faced difficult coalition choices. He would have preferred a

coalition without Labor since they disagreed on issues such as health and education. However, the Liberal party did not obtain enough votes to create a majority and Balkenende hesitated to recreate a coalition with the weakened LPF, which went from 26 to 8 seats and was rudderless and feuding. Without much choice, the CDA and Labor entered into lengthy and protracted negotiations to hammer out a coalition agreement that outlined the objectives of the government for the next four years. Cuts in social programs and health care are some of the main impediments as are divergent views on foreign policy and tax policy.

### DOMESTIC POLICY

At the top of the Dutch domestic agenda is the deteriorating economic situation with implications for the central government budget and social security system. In spite of continuing reform of the country's social security system, an unacceptably large proportion of the working-age population lives on disability. Although benefit levels were cut, around 15% of the working-age population was receiving government disability allowances as of 2003. During the 1980s, nonwage costs, such as social welfare contributions, were reduced. Real wages rose after 1995, however, in the wake of a tight labor market, after unemployment dropped to 2%. Manufacturing costs have risen by 15% since 1995 compared to an average of 2% in other European Union (EU) countries. At the same time, a slowdown in growth has led to rising unemployment, lower tax revenues, and a modest budget deficit. The Dutch government therefore faces the challenge of implementing structural reforms of social programs while coping with a cyclical economic downturn.

The sudden appearance (and disappearance) of an anti-immigration party has put some new issues on the domestic agenda, which all future governments will have to address. The immigrant population makes up almost 10% of the Dutch population. Their presence has stimulated a new debate on the difficulties of assimilation and the resulting isolation of certain ethnic communities. In addition, among certain groups, the lack of job skills and education combine to contribute to a corresponding rise in crime and urban decay. Moreover, the popularity of LPF was indicative of the depth of discontent felt by the electorate about consensus politics, the colorless technocratic background of most politicians, and secretive backroom deals. Disenchantment with "politics as usual" contributed much to the popularity of LPF and its party platform (despite the fact that the platform was relatively vague), and to a renewed interest in the nature of Dutch culture.

### FOREIGN POLICY

The defining feature of Dutch foreign policy is the country's membership in the EU. The Netherlands has been part of the EU since the organization's inception as the European Community (EC) in 1958. As a result of the EU's single-market program, completed in 1992, all trade between the Netherlands and the other members of the EU is tariff-free. In addition, a large part of the Netherlands' social, environmental, and financial policy follows guidelines that have been laid out by the EU's secretariat in Brussels. Similarly, relations between the Netherlands and countries outside the EU are strongly influenced by the mechanisms of both the European



Political Cooperation and the Common Foreign and Security Policy by which EU members endeavor to coordinate their foreign policy positions.

As part of its commitment to the EU, the Netherlands has also pledged itself to the process of European monetary integration, which included the adoption of the euro as official currency in 2002. The first head of the European Central Bank, a new body that is responsible for monetary policy in the euro zone, is Willem Duisenberg of the Netherlands. Dutch support for the European process continued under the Kok government. Kok, himself, is a committed European and was one of the crucial figures behind the 1991 Maastricht Treaty.

In the late 1990s, the Netherlands became more assertive about its contribution to the EU after it has become the second-biggest net contributor. Although the Dutch are unlikely to make this into a major issue, it has made them more cautious about expanding any EU programs or budgetary outlays. The more critical stance of the Netherlands is also a reflection of the prestige enjoyed by Fritz Bolkestein, the former leader of the VVD and current commissioner of internal markets. He is not a great fan of further federalism.

Beyond its membership in the EU, the Netherlands is also a partner in North Atlantic Treaty Organization (NATO) and the Western European Union. It is through NATO and the UN that the Netherlands has historically participated in numerous peacekeeping operations, including the one sent to Yugoslavia.

The Netherlands is one of the most generous providers of foreign assistance in the world. In fact, only the Scandinavian

countries regularly devote more of their GDP to foreign assistance.

Balkenende has presided for most of the time over a temporary transitional government. For this reason, he has had hardly any opportunity to make his mark on foreign policy. In the fall of 2002, the Netherlands strongly supported the Bush administration in its efforts to disarm Iraq. In the spring of 2003, however, the Dutch government fell silent, not wishing to jeopardize its relations with other EU member states or the United States, and refrained from commenting on the war against Iraq. Generally, the government pushed for a diplomatic solution and preferred the United States to operate within the framework of UN resolutions and public opinion was opposed to the war. This complicated the position of each party in early 2003, since they were still negotiating—and, after two full months had not reached a coalition agreement. Once the invasion of Iraq began, however, both Labor and CDA announced that they supported the U.S. action and wished for a speedy end to the war with minimal casualties.

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**Profile researched and written by Paulette Kurzer, University of Arizona (4/2003); sections contributed by Christopher Dall, College of William and Mary (9/1998).**

# NEW ZEALAND

**Helen Elizabeth Clark**  
**Prime Minister**

*(pronounced "HEH-len ee-LIZ-ah-beth CLARK")*

*"My hopes for the future are simply expressed: a world where no child goes hungry or homeless, where all communities experience peace and decent living standards and show tolerance towards others, where the environment is clean and green and where affirmation occurs through cultural and creative expression."*



The Dominion of New Zealand is an island nation situated in the South Pacific Ocean. Its closest neighbor is Australia, which lies approximately 2,400 km (1500 mi) to the northwest across the Tasman Sea. Only half that distance to the east lies the International Date Line. Consisting of two major islands and several smaller ones, New Zealand occupies 268,680 sq km. The southern island, extending about 800 km (500 mi) from southwest to northeast, is largely mountainous. The northern island is smaller and less mountainous but spotted with several volcanoes.

The population of New Zealand was estimated at 3.9 million (2002), with three-fourths living on the northern island. The vast majority of the people of New Zealand descend from European ancestry, with an estimated 75% claiming such a heritage. The indigenous peoples of the islands, the Maoris, make up nearly 10% of the population while other Pacific islanders and Asians make up the remaining 10%. English is the principal language but Maori is also considered an official language.

The economy of New Zealand is based principally upon the export of primary goods, such as wool, lamb, mutton, beef, fruit, fish, and timber. Imports include oil, motor vehicles, industrial equipment, and consumer goods. Its major trading partners are Australia, the European Union, the United States, Japan, and China. Trade with a variety of Asian countries has been increasing in recent years. The gross domestic product (GDP) is us\$75.4 billion (2001 estimate) with a per capita income of us\$19,500 (2001 estimate). The unit of currency is the New Zealand dollar.

## **POLITICAL BACKGROUND**

New Zealand was originally settled by Maori voyagers from Polynesia in the ninth century. The first European to sight it was the Dutch explorer, Abel Tasman. In 1769, Captain James Cook claimed it for the British. New Zealand did not become a formal colony until 1841. It retained this colonial status until 1907 when it was made an independent member of the British Commonwealth.

New Zealand was one of the first countries to introduce universal adult suffrage and establish a welfare state. Beginning in 1898, the state passed laws guaranteeing old-age pensions and regulating labor practices. In the 1930s, a comprehensive social security system was introduced, which eventually guaranteed medical care to all New Zealanders. The success of the European settlers was not originally shared by the indigenous population. In 1840, a treaty guaranteed

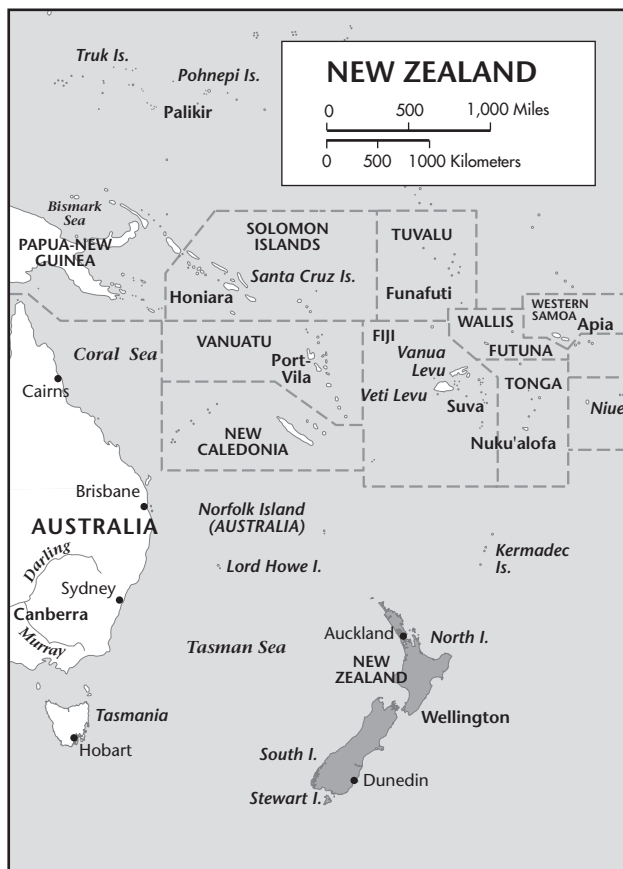
the Maoris possession of their land, but a series of wars forced them to make room for expanding British settlements. These military defeats, along with the proliferation of new diseases from Europe, reduced the Maori population to 40,000 by the turn of the century. It is only in the 20th century that they have recovered and become a strong political force, electing several members of Parliament.

New Zealand continues to maintain its status as an independent democratic state within the British Commonwealth. Organized as a constitutional monarchy, the formal head of state is Queen Elizabeth II, who is represented by an appointed governor-general. Dame Silvia Cartwright became New Zealand's governor-general since April 2001. Real political power, however, rests with the Parliament, which consists of a single body—the House of Representatives. The House has 120 members who are elected for three-year terms. Every citizen over the age of 18 is eligible to vote. Executive authority is held by the prime minister; based on legislative elections, the leader of the majority party or the leader of the majority coalition is usually appointed prime minister for a three-year term. The deputy prime minister is appointed by the governor general.

In 1996, a new electoral system, called multi-member proportional (MP) representation, was introduced. Voters are asked to cast two ballots: one for a candidate to represent a particular constituency; the other for a political party. Any party receiving more than 5% of the vote is entitled to representation in Parliament even if none of its members won a single district. The effect is to ensure proportional representation. The party or coalition of parties that controls the House forms the government. From November 1996 until November 1999, the National Party led a majority coalition with a nationalist party called New Zealand First, led by Winston Peters. The major opposition party during that period was the Labor Party led by Helen Clark. Following the 1999 elections, the Labor Party formed the majority government, with Helen Clark as prime minister.

## **PERSONAL BACKGROUND**

Helen Elizabeth Clark was born 26 February 1950, in Hamilton on the North Island of New Zealand. She attended Epsom Girls Grammar School in Auckland, and studied Political Studies at the University of Auckland. In 1974 she graduated with an MA with Honors from the University of Auckland. Her research was on political behavior and representation. From 1973–75 she was a junior lecturer in Political



Studies at the University of Auckland. In 1976 she studied abroad on a University Grants Committee post-graduate scholarship. From 1977 until her election to Parliament in 1981, she lectured in political studies at Auckland. She enjoys classical music, films, theater, opera, and racquet sports.

## RISE TO POWER

Clark joined the Labor Party in 1971. She has held office at every level of the New Zealand Labor Party (NZLP). In 1973–75 she was President of the Labor Youth Council and a member of the Auckland Labor Regional Council. In 1975 she ran unsuccessfully for a seat as a Member of Parliament (MP) in Piako. Clark was Secretary of the Labor Women's Council in 1977. She was a Labor Party Executive in 1978–88. Clark represented the Labor Party at congresses of the Socialist International and the Socialist International Women in 1976, 1978, 1983, and 1986 at an Asia-Pacific Socialist Organization Conference held in Sydney, Australia, in 1981, and at the Socialist International Party Leaders Meeting in Sydney in 1991. Clark was also a government delegate to the World Conference to mark the end of the United Nations Decade for Women in Nairobi, Kenya in 1985. In 1981 Clark was elected as the Labor candidate for Member of Parliament (MP) for Mt. Albert. Clark stood successfully as the Labor candidate for Member of Parliament (MP) for Owairaka in 1996–99. On 27 November 1999, the New Zealand Labor Party won the majority and Helen Clark was elected as prime minister of New Zealand.

## LEADERSHIP

As a Labor MP since 1981, Helen Clark has held important positions in the NZLP and the New Zealand government. During her 19 years in Parliament, her unofficial title was “Mother of the House,” reflecting her role as the longest-serving woman member among the then-current members of the New Zealand Parliament.

In 1984 she was chair of the ad hoc Disarmament and Arms Control Committee and Foreign Affairs and Defense Committee. She was also a member of the Government Administration Select Committee. She was the convener of the Government Caucus Committee on External Affairs and Security from 1984–87. In 1986 she was awarded the annual Peace Prize of the Danish Peace Foundation for her work in promoting international peace and disarmament.

From August 1987 until January 1989 Clark was minister of conservation, and was minister of housing from August 1987 until August 1989. In 1989–90 Clark was minister of labor and minister of health. While minister of health, she introduced tobacco-control legislation designed to provide protection against second-hand smoke in workplaces and public places, and to eliminate tobacco advertising and tobacco-company sponsorship of sporting events.

She was the first New Zealand woman to hold the cabinet-level position of deputy prime minister (1989–90); while in this post, she chaired the Cabinet Social Equity Committee and was a member of the Cabinet Policy Committee, Cabinet Committee on Chief Executives, Cabinet Economic Development and Employment Committee, Cabinet Expenditure Review Committee, Cabinet Honors Appointments and Travel Committee, and Cabinet Domestic and External Security Committee.

Clark became the first New Zealand woman privy counselor upon her appointment to the Privy Counsel in 1990. After a term as deputy leader of the opposition (1990–93), she became leader of the opposition in December 1993. She led the opposition until 1999 when she was elected prime minister on 27 November 1999. She is also minister for arts, culture, and heritage and minister in charge of the New Zealand Security Intelligence Service.

In July 2002, Clark's NZLP won the right to continue to lead the government for another three-year term. The elections were remarkable for the weak showing by the conservative National Party, which garnered just 21% of the vote, about half of the votes received by NZLP. It was the worst showing for the National Party in New Zealand election history. The new voting system initiated in 1996 was viewed as eroding the dominance of the two parties—Labor and National—that had existed throughout the country's history. Smaller parties experienced significant growth under the new system in 2002. NZ First, campaigning on an a platform to pare back immigration, won about 10 percent of the vote, placing third. The government coalition included the Greens, which placed sixth, winning eight seats in Parliament.

## DOMESTIC POLICY

Helen Clark's areas of interest include welfare state redistributive policies, international affairs, and equality for women. As a member of the New Zealand Labor Party (NZLP) since 1971 and as a Labor member of Parliament (MP) since 1981, Clark's domestic policy interests are fully fashioned on Labor



Party's principles and follow Labor's policies for the economy, employment, tourism, small business, employment rights and occupational safety, transport, fisheries, research science and technology, rural affairs, energy, e-commerce, employment relations, accident coverage and compensation, and industrial development.

The NZLP's objectives are full employment, higher real incomes, and a more equal distribution of income for all New Zealand citizens. The NZLP also believes that economic and social policies are cooperative ventures of public and private investment in people, infrastructure, and communities. Labor's public health policies emphasize prevention and primary health care, including such issues as increasing immunization rates and reducing smoking rates.

In the 1999 election Clark's centrist NZLP patterned their strategy after that of the British Labor Party's successful 1997 election. In 1999 the Labor platform included turning back economic reforms, freezing tariffs, the repeal of the Employment Contracts Act (with the objective of restoring a role for unions), and social spending on hospitals and schools.

The government formed under Clark in 1999 is a coalition government. Clark's government functions under a coalition agreement with Alliance, a party whose policies are more left-leaning than those of Labor. The Alliance is a coalition of five small parties—New Labor Party, Democratic Party, New Zealand Liberal Party, Green Party, and Mana Motihake. When the then-governor general Sir Michael Hardie Boys opened the 46th Parliament on 21 December 1999, his speech detailed the objectives set out in the coalition agreement signed on 6 December 1999, between NZLP and Alliance.

Under Clark the coalition government is committed to a policy platform that reduces inequality, is environmentally sustainable, and that benefits the social and economic welfare of all New Zealanders. The government is also committed to a cooperative relationship with the Greens. The government is committed to continue efforts to right the wrongs done the Maori. (The Maori are a Polynesian people believed to have arrived in New Zealand in the fourteenth century.)

Clark's government also recognizes the Treaty of Waitangi. The Treaty of Waitangi is New Zealand's founding document. The treaty was signed by 50 Maori chiefs and Captain Hobson, the Crown's representative, on 6 February 1840. This treaty with the Maori has been breached in the past. In 2003 the Maori comprised about 10% of New Zealand's population. Clark's government is committed to closing the economic and social gaps between the Maori and other New Zealanders.

Clark's first 100 days in office involved "feel-good" policies: a bill preventing members of Parliament (MPs) from defecting to other parties; restructuring the student loan repayment scheme, and initiating an inquiry of genetically modified foods. The government also increased the subsidies for fees for dental education to be on a par with those granted to medical students. This decision combined the Labor-Alliance commitment to reducing cost of study to tertiary (university) students. Under Clark, the lifespan of the Mental Health Commission was extended. An inquiry into the efficiency of the electric industry and into its benefits to the ordinary consumer was also pursued.

Clark introduced a broad public policy debate over the responsibilities of public interest broadcasting. Her government did not approve of a joint venture proposal to Television New Zealand to inaugurate digital television service. Instead, Clark and minister of broadcasting and minister in charge of Television New Zealand, Marian Hobbs, wanted to establish a charter emphasizing more programming reflecting New Zealand perspectives, culture, and identity. The dominant commercial objective of digital television service and the thrust of the previous operation of Television New Zealand would act as barriers to this redirection. Hoping to capitalize on the worldwide popularity of the films based on J.R.R. Tolkien's *Lord of the Rings* (directed by a New Zealander and filmed in New Zealand), New Zealand embarked on a campaign to attract tourists to their country.

In 2002, the New Zealand First party staged a strong showing in July voting with its position that the annual immigration allowances—approximately 50,000 people—needed to be adjusted downward. Clark's government must acknowledge the support for this position and examine the immigration issue seriously during its second three-year term. In addition, Clark faces a challenge to her coalition from the Greens in late 2003 when the moratorium on the commercial use in New Zealand of genetically engineered crops expires. Clark's government has pledged to allow the moratorium to expire without further action, but the Greens strongly oppose the commercial release of genetically engineered organisms in New Zealand.

## FOREIGN POLICY

New Zealand became independent from the United Kingdom on 26 September 1907. Although the 1931 Statute of Westminster granted equal status to all members of the Commonwealth, independent New Zealand's foreign policy dates from 1935, when the Labor government made treaties and exchanged diplomatic representatives. In 1943 the government established a career foreign service.

The Ministry of Foreign Affairs and Trade (MFAT) is responsible on behalf of the government for all major policy functions related to New Zealand's external relations, including bilateral relations with other countries, interests in international institutions, official development assistance, provision of consular services, and support services to government agencies overseas. The Honorable Phil Goff is the minister of foreign affairs and trade under PM Clark.

New Zealand maintains 49 diplomatic and consular posts in 41 countries and territories and was a founding member of the United Nations (UN) in 1945. New Zealand maintains interests in other international organizations: the World Trade Organization (WTO), the World Bank, the Asian Development Bank, as a member of the Commonwealth, and the Organization for Economic Cooperation and Development (OECD), among others.

New Zealand also administers Tokelau, made up of three small atolls in the South Pacific—Atafu, Fakaofu, and Nukunonu. Self-government and self-sufficiency are New Zealand's objectives for its relationship with the Tokelau population of around 1,500. New Zealand also takes on external affairs and defense functions for the Cook Islands and Niue.

Since 1923 New Zealand has exercised jurisdiction over the Ross Dependency, comprised of the land, permanent ice-shelf, and islands of Antarctica. Scott Base on Ross Island is preserved by New Zealand as a permanent scientific research base. Other than these researchers, Ross Dependency is an uninhabited ice-covered land.

Prime Minister Helen Clark's government vigorously supports nuclear disarmament. New Zealand nuclear disarmament policy includes forging strong alliances with other non-nuclear states; building cooperation between nuclear weapon free zones, and strengthening New Zealand's Nuclear Free Zone in the South Pacific. With this non-nuclear policy, Clark's party put an end to bilateral military ties with the United States in 1986 through an agreed-upon suspension of the 1951 ANZUS (Australia, New Zealand, United States) defense treaty. In February 2002, however, Clark met in Washington, D.C., with U.S. president George W. Bush, in part to offer strong support for the U.S.-initiated War on Terror, which began in Afghanistan. The War on Terror came in response to the terrorist attacks on 11 September 2001 that targeted the Pentagon in Washington, D.C. and the World Trade Center in New York. Clark's Washington visit marked the first official NZLP leader meeting with a U.S. president since 1986.

The Clark government continues to express New Zealand's opposition to Japanese whaling. Clark questions whether Japanese whaling is conducted for the "scientific research" purposes upheld by the international Convention for the Regulation of Whaling. Clark continues to oppose the program at meetings of the International Whaling Commission.

As a Labor leader, Clark questions excessive military defense spending. In 1999, she advocated the position suggested by the Foreign Affairs and Defense Select Committee that New Zealand should build its future defense capacity around the core role of the army. In 2001, Clark led a controversial initiative designed to entirely disband New Zealand air combat forces within five years, rather than designate funds to upgrade their capabilities. The initiative does, however, include NZ\$300 million to enhance surveillance and airlift capabilities.

Furthermore, Clark was severely critical of the previous government's relationship with Indonesia over Indonesia's actions in East Timor. Clark urged fellow leaders of Asia Pacific Economic Cooperation (APEC) nations to work together to resolve the East Timor crisis; East Timor achieved independence in 2002.

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Profile researched and written Jeanne-Marie Stumpf, Ph.D. (2/2000); updated by Jeneen Hobby, Ph.D. (4/2003).

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# NICARAGUA

Enrique Bolaños Geyers  
President

(pronounced “en-REE-kay bo-LAH-nyos GUY-ers”)



“No one will be above the law in my government. Everybody knows I am a man of integrity.”

The Republic of Nicaragua is the largest and least densely populated country in Central America. Approximately the size of New York State, the 120,254 sq km region (74,738 sq mi) is home to 5,023,818 inhabitants (2002 estimate). With the Pacific Ocean on the west coast and the Caribbean Sea on the east coast, Nicaragua lies between Honduras in the north and Costa Rica in the south. The capital city of Managua has a population of approximately 1,093,760. Comprised of a mainly mestizo (mixed Amerindian and Caucasian) populus (69%); the population also includes a significant number of whites (17%), blacks (9%), and Amerindians (5%) in the country. While most whites live in Managua, blacks and Amerindians are concentrated on the east coast. Roman Catholics comprise 85% of the population and the remaining 15% are Protestant. Spanish is the official language, but English is widely spoken on the Caribbean coast and in Managua. Life expectancy at birth was 69 years as of 2002. Infant mortality remains high at 33 deaths per 1,000 live births, though it has been decreasing. Literacy (defined as the population above the age of 15 that can read and write) was estimated at 68% in 2002.

The unit of currency is the *gold cordoba*. The per capita gross domestic product (GDP) was approximately us\$2,700 in 2000. From 1996–2001, the GDP steadily increased (in 2001, it rose 5%, though with an inflation rate of 11%, even this level of growth was limited). Until 1998, Nicaraguan efforts to instill economic stability had paid off—reforms were reaping some success, even amidst the muddied waters the legacy of civil war and years of financial mismanagement had left behind. Then came Hurricane Mitch in 1998, devastating Nicaragua and neighboring Honduras and leaving Nicaragua, already the poorest country in Central America, with us\$1 billion worth of damage. Worst hit was the agricultural sector, which the country depends on for the majority of its exports. By 1999, Nicaragua was forced to deal with a trade deficit approaching us\$970 million. Despite the destruction caused by Hurricane Mitch, Nicaragua’s economy has continued to grow. Aid and debt relief have contributed to this and helped to stabilize the economy.

Nicaragua is still the second-poorest nation in the hemisphere, and the poorest in Central America, with approximately 50% of the population living below the poverty line.

## POLITICAL BACKGROUND

For most of the twentieth century Nicaragua lived under the dictatorship of the Somoza family. After gaining power in a country torn by corruption and conflict between the Liberal and Conservative parties, Anastasio Somoza emerged as leader of the National Guard. Trained by U.S. Marines, Somoza kept close links with the U.S. military. After winning an uncontested election in 1936, Somoza controlled political power as president, or through puppet presidents of his own choosing. After his assassination in 1956, Somoza was succeeded by his eldest son, Luis, who held office for six years. His brother, Anastasio Jr., became chief of the military. Supporters of the Somoza family held the presidency from 1963 to 1967. In 1967 Anastasio Jr. won the presidency in an election filled with fraud and repressive tactics. Despite opposition from his own Liberal Party, Anastasio Jr. was reelected in 1974. By the time of the 1979 revolution, his wealth was estimated to reach us\$400 million. Somoza was gunned down years later while living in exile in Paraguay.

The July 1979 revolution, widely supported by the population, ended the 45-year Somoza family dictatorship. A critical moment came when Joaquín Chamorro, owner of the opposition newspaper *La Prensa* was gunned down on 10 January 1978. A year later, the triumphant Sandinista Front (FSLN), (named for a martyred dissident to the Somoza dictatorship), gained power and formed a revolutionary *junta*. The *junta* governed for five years and the political process was restricted to workers’ unions, peasants, students, women, and neighborhood organizations. Land reform, literacy campaigns, and healthcare access were central pieces of the new revolutionary government program. Disappointed with the Marxist orientation of the Sandinistas, and opposed to their absolute control of the new Revolutionary Army, key leaders of the July 1979 uprising left the government and boycotted the 1984 elections. One of the most outspoken critics was Violeta Chamorro, editor of *La Prensa*. She led the democratic opposition to the Sandinistas. In 1984, despite the boycott, 75% of the electorate voted. FSLN’s Daniel Ortega took 68% of the vote, and the Sandinistas gained 61 of the 96 available seats in the National Assembly. The validity of the elections, however, was called into question because no opposition leader ran for the presidency.

Ortega and the Sandinistas had to fight a U.S.-funded guerrilla movement, the Contras (Spanish shortened word for “counterrevolutionaries”) which they associated with the



Somoza dictatorship. The role of the United States in aiding the Contras came under heavy criticism and proved to be one of the enduring battles between U.S. president Ronald Reagan and the Democratic Party-controlled Congress. Aided by Soviets and Cubans, the Sandinistas stayed in power. The conflict produced more than 30,000 deaths and half a million displaced and exiled persons, most of whom sought political asylum in the United States. A broad Central American peace accord was finally signed in 1988 under the leadership of Costa Rican president Oscar Arias. The Esquipulas Accord called for a ceasefire and democratic elections to be held in 1990.

In February 1990 Ortega's bid for reelection was challenged by Violeta Chamorro. She questioned the Sandinistas' close links with Cuba and the Soviet Union and reached out to center and conservative parties to help defeat Ortega and regain what she thought to be the true path of the 1979 revolution. The results of the election upset the Sandinistas and surprised local and foreign pollsters, who had expected Ortega to win. During her six-year presidency Chamorro attempted to control inflation, resume growth, and regain civilian control over the Sandinista National Army. Although prevented from seeking reelection and having no political party of her own, Chamorro succeeded in stabilizing the country's economy, dismantling the Contras, and regaining limited control of the army.

In 1996, former Managua Mayor Arnoldo Alemán of the Liberal Alliance Party was elected president on a promise to invest heavily in infrastructure. He managed to fulfill many of his promises in this area, and was greatly assisted in this by the flood of international aid the country received in the wake

of the devastating 1998 hurricane. His administration fell into great disfavor, however, in 2000 when a series of scandals were revealed. Many members of his government quit over the improprieties.

The electoral ballot in Nicaragua is probably one of the most complex in the Americas. Voters select candidates for the presidency, National Assembly, and local municipalities from a vast array of political parties. The tedious, complicated process goes forward without the help of technology to count votes and send official tallies to the national electoral office. Consequently accusations of fraud flourish from all political parties.

### PERSONAL BACKGROUND

Enrique Bolaños Geyers was born on 13 May 1928 in Massaya, Nicaragua. He was educated at the Central American School of Granada. He then attended the University of St. Louis, in the United States, where he earned a master's degree in industrial engineering. Returning to Nicaragua, he attended the Central American Institute of Business Administration. In 1952, he entered private industry where he became a successful businessman, working primarily in the cotton industry. He has held many prominent positions within industry and trade groups over his long career. From 1979–1983 Bolaños served as director of the Union of Farm Producers; from 1981–86, he served as director of the Nicaraguan Chamber of Commerce; from 1983–88, he was president of the Greater Council of Private Industry; he joined the National Board of the Central American Institute of Business Administration in 1983, a position he continued to hold as of 2002. In 1985, he became president of the Private Entity Federation of Central America.

Bolaños was married in 1949 to Lila Abaunza. The couple has five children, one of whom died at age 16.

### RISE TO POWER

For years a well-placed member of the corporate elite of Nicaragua, Bolaños became an outspoken critic of the Marxist, anti-private enterprise policies instituted by the Sandinista governments of the 1980s. He was also an outspoken critic of the Sandinista's poor human rights record and was a well-known defender of civil liberties, stances which led to two imprisonments by the regime during the 1980s. He also lost much of his private wealth and property to the land and wealth reforms instituted during this period.

In October 1995, Bolaños was named political manager of the center-right Liberal Alliance Party, headed by then-president Violeta Chamorro's vice president, and son-in-law, Antonio Lacayo. As the elections of 1996 approached, however, Lacayo was replaced by the politically ambitious mayor of Managua, Arnoldo Alemán as head of the Liberal Alliance Party. When Alemán won the presidency in 1996, over Sandinista leader Daniel Ortega, Bolaños was chosen to serve as vice president in the new administration.

The Alemán administration faced a difficult political situation since the National Assembly was led by a coalition of Sandinistas and the Christian Democrats, along with small, left-leaning parties, and so was stifled in many of its objectives. Alemán was also continually accused of corruption (his personal wealth had increased 900% during the seven years he served as mayor of Managua). In 2000, it was revealed

that Alemán had entered into a secret pact with his political opponents in the National Assembly to stack the Supreme Court with cronies and to create laws granting Alemán and Ortega immunity from prosecution. Bolaños, who had been charged with heading an anti-corruption task force as part of his duties as vice president, resigned from his post and announced his intention to stand for the presidency in 2001.

The 2001 presidential race was tightly fought. From a large field of contenders, three men emerged as the front-runners by the spring of 2001: Ortega, the long-serving head of the Sandinistas, Bolaños, head of the newly-created Constitutional Liberal Party (PLC), and Noel Viduarre, of the Conservative Party. Fearing Bolaños and Viduarre might split the anti-Sandinista vote and thus provide Ortega with a victory, the United States pressured Viduarre to resign from the race, leaving just Bolaños and Ortega. The election was held on 4 November 2001. Voter turnout was high, with estimates ranging from 75 to 90 percent of the electorate participating. Bolaños won with 56 percent of the vote to Ortega's 42 percent. He was sworn into office on 10 January 2002.

### LEADERSHIP

Bolaños is the leader of the Constitutional Liberal Party, an off-shoot of the Liberal Alliance Party of the former president, Arnaldo Alemán. The PLC won 47 seats in the 93-seat National Assembly; the Sandinistas won 43 and the Conservatives took 2, giving Bolaños what would seem a razor-thin majority. Despite the fact that Bolaños is the titular head of the PLC, many of its Assembly members are political friends of former president Alemán. It was expected that Alemán would make reform difficult for Bolaños, despite the new president's large electoral mandate. Aside from longtime corruption and graft among Nicaragua's entrenched political class, Bolaños vigorously pursued reform during his first year in office. A scandal focusing on expropriation of us\$100 million in government funds was found to reach all the way to Alemán himself. In September 2002 the former president lost immunity from prosecution when he was stripped of his lifetime position in the National Assembly.

### DOMESTIC POLICY

As of 2002 Nicaragua owed some us\$6.4 billion to international lenders. Upon his election Bolaños promised to introduce austerity measures in public spending and take steps to reduce the national debt. In 2002 Bolaños's finance minister, Eduardo Montealegre, worked out a new economic plan with the International Monetary Fund (IMF) and won public support for it even though it called for higher taxes and reduced government spending. The country's tax base was expanded, corporate income taxes were raised, and the government budget was cut, with the goal of reducing the national deficit from 21% of GDP in 2001 to 7.5% by 2005. A program of random audits to crack down on tax dodgers was expected to further enhance government revenues.

### FOREIGN POLICY

Having suffered for so many years as a proxy battleground for the two superpowers of the cold war, Nicaragua has maintained a neutralist foreign policy to the best of its ability. It relies heavily on aid from Western nations, primarily the United States, and so it tends to formulate foreign policies in

line with those of the developed world. It has, for instance, proclaimed its support for the U.S.-led international war on terrorism. Nicaragua also has an interest in the pacification of its Central American neighbors, nearly all of whom are only just emerging from long years of civil wars and the effects of often brutal military regimes. Nicaragua has border disputes with Honduras and Costa Rica, its neighbors to the north and south, respectively, and with Columbia over an island chain claimed by both countries; it has submitted all three disputes to the World Court. Nicaragua belongs to most of the major international agencies, including the United Nations, the World Bank, the International Monetary Fund and the World Trade Organization. Regionally, it is a member of the Organization of American States, the Central American Common Market, and the Central American Bank for Economic Integration.

Nicaragua's relations with the United States have been steadily improving since the ouster of the Sandinista governments and the implementation of multi-party democracy. Issues of major concern between the two countries include the status of property expropriated by the Sandinistas from U.S. businesses and citizens. Technically, the United States is prohibited by law from supporting governments which have expropriated U.S. property, but the United States routinely waives this restriction since Nicaragua is taking steps to address the issue. Since 1990, the United States has provided over us\$1.2 billion in financial assistance to Nicaragua and is its largest international investor. In January 2003 negotiations were opened for the creation of a free-trade agreement between the United States and the five countries of Central America. It is hoped that such an agreement will increase investment in Nicaragua and its neighbors and strengthen regional cooperation.

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# NIGER

## Mamadou Tandja Head of State

(pronounced “MA-ma-dou TAN-ja”)



*“This victory is the victory of all the Nigerien people, of democracy, and of political, social, and institutional stability for a new beginning.”*

The Republic of Niger, the largest nation in West Africa, occupies an area of 1,267,000 sq km (489,191 sq mi). It shares borders with seven other countries: Libya and Algeria to the north, Chad to the east, Nigeria and Benin to the south, and Burkina Faso and Mali to the west. Two-thirds of the country is desert, and most of the northeast is uninhabitable.

The population of Niger was estimated at 10.6 million in 2002. That number is expected to reach 20 million by 2015, adding more strain to the already limited food and water resources. Approximately 53% of the people belong to the Hausa ethnic group, with Djerma Songhai peoples making up 22%, and Tuareg and Fulbe, 10% each. French is the official language. The people of Niger are predominantly Muslim (estimated at 85–90% of the population); some Christianity and traditional animism is also practiced.

The vast majority of the people make their living from agriculture. Peanuts, cowpeas, cotton, and livestock are the primary export products. In addition, hides and skins and uranium are important sources of foreign exchange. Niger is consistently ranked as one of the poorest countries in the world. The gross domestic product (GDP) was estimated in 2001 at US\$820 per head. The currency unit is the *Communauté Financière Africaine (CFA) franc*, with 760 francs = US\$1.00.

### POLITICAL BACKGROUND

Niger was brought into the French African empire at the end of the 19th century as part of the French West African Federation. It achieved its independence, along with the other colonies of that federation, in 1960. The military played an active role in the independent Nigerien government from the beginning and definitively captured the government in 1974 in a military coup under General Seyni Kountché. Preparations for a transition to a multi-party state began in 1990. Ali Saibou, however, military and political successor to his cousin, Kountché, stayed as interim president until the elections held in 1992. The country experienced three very turbulent years of experimentation with Western-style democracy under a Constitution for the Third Republic that had been approved by 90% of the voters in December 1992.

Under the co-habitation system, implemented under the 1992 Constitution, the president was the head of state, but the prime minister (who could be from a competing political party) had powers that could conflict significantly with those of the president. In this system there was also a unicameral

legislature with a Head of Assembly who could effect a compromise in the event of an impasse resulting from conflict between the president and prime minister. Until January 1996, the president was Mahamane Ousmane. He became embroiled in a political feud with the prime minister, which led to a January 1996 coup d'état and the installation of Ibrahim Baré Mainassara as head of state and president of the Council of National Salvation (CSN).

Once in power, Mainassara attempted to gain legitimacy for his government by implementing presidential elections. He was declared to have won, despite widespread allegations of fraud. On 9 April 1999, Mainassara was assassinated by members of his personal security guard. Daouda Malam Wanké, head of the Presidential Guard unit responsible for the assassination, became the country's new leader. The *junta* called Mainassara's murder “an unfortunate accident” and reassured the international community that civilian rule would be restored within a year. It presided over yet another constitutional revision, which ushered in Niger's Fifth Republic.

The new Constitution was passed in July 1999 and adopted the following month. It provided for a semi-presidential government. The president is head of state and appoints the prime minister (head of government) from a list of three candidates proposed by the parliamentary majority. Presidential actions must be counter-signed by the prime minister. The president can dissolve the national assembly, assume emergency powers, and convene the Council of the Republic in the event of a constitutional crisis. Amnesties for those involved in both the 1996 and 1999 coups were part of the constitutional draft. In November 1999, elections were held for a new president and Parliament. President Mamadou Tandja, elected with 60% of the vote, took office on 5 January 2000, an occasion that marked the country's return to civilian rule.

Tandja has managed to withstand trade union protests and student demonstrations, among other political threats. Tensions between the ruling coalition and the opposition have persisted owing to allegations that Prime Minister Hama Amadou misappropriated substantial sums of money. Efforts to establish a parliamentary committee to investigate him were foiled but he was interpolated on national television. He also faced the difficult prospect of trying to hold together his party's coalition with the Convention Démocratique et Social (CDS). The coalition threatened to unravel over issues of power sharing, which Tandja's Mouvement National pour la

Société de Développement (MNSD) has failed to uphold. In the run-up to elections in mid-2004, it is not impossible that the MNSD may split over who it will nominate to be its presidential candidate. The Prime Minister, Hama Amadou, has been trying to position himself as chairman of the MNSD to automatically become the party's candidate, but party activists have rejected the idea.

### PERSONAL BACKGROUND

Mamadou Tandja was born in 1938 in Maine-Soroa, in southeastern Niger near the country's border with Chad. He belongs to the ethnic minority Kanouri community. Attending military schools in Madagascar and Mali, he joined the army in the mid-1950s, rising to the rank of colonel. In 1974, Tandja participated in the military coup that ousted Niger's first post-independence president, Hamani Diori, and brought General Seyni Kountché to power. During the Kountché regime, Tandja served as prefect of the Tahoua and Maradi regions, ambassador to Nigeria, and two-term minister of the interior. In addition to carrying out the duties of his political posts, Tandja also served as commander of several army garrisons. He was known for hard work and efficiency, winning the nickname "the working chief." His reputation, however, was marred by his role, as interior minister, in the violent repression of activities by Tuareg rebels in the north in 1990. During the massacre, Nigerien troops shot dead 63 Tuareg protestors and sparked five years of rebellion in the northern part of the country.

An asset declaration made upon Tandja's election to the presidency showed him to be a substantial property owner, with large livestock holdings. Tandja has ten children.

### RISE TO POWER

In 1991, Tandja retired from the army and assumed the leadership of the MNSD (Mouvement National pour la Société de Développement), which had formerly been Niger's sole political party. He ran for president in 1993 and 1996, losing by a narrow margin in the 1993 election. He was beaten in the runoffs by Mahamane Ousmane, who had garnered the support of a nine-party coalition. Tandja lost again in 1996 to General Mainassara, whose reign was known for nepotism, imprisonment of opposition leaders, and military mutinies. Students, civil servants, and union members staged protest demonstrations. When Major Daouda Mallam Wanké agreed to hold elections (shortly after murdering Mainassara), Tandja had his chance to win the presidency.

In run-off elections held in November 1999, Tandja was elected president of Niger with 60% of the vote. His inauguration on December 22, 1999, marked his country's return to civilian government.

### LEADERSHIP

Tandja has showed himself able to take charge as a leader in pursuit of political and social stability, and financial recovery. Following his election he pledged to improve living standards for workers and uphold the principles of democracy. In June 2000 he issued a statement rejecting the possibility of adopting Islamic shari'a law in Niger, as has been done in the northern states of neighboring Nigeria. Citing provisions of



the 1999 Constitution, he pledged that Niger would remain a secular state.

At the end of December 1999, Tandja appointed seasoned politician Hama Amadou as prime minister. Upon taking office, he had declared his intention of cooperating with political opposition forces; however the opposition rejected the posts it was offered in the new government. Tandja's new cabinet, sworn in the following month, included members of both parties that had supported him in the November run-off elections: the MNSD and the CDS (Convention Démocratique et Sociale). He gained 55 votes out of the 83 seat National Assembly, ensuring cooperation from the Assembly and granting amnesty to the perpetrators of the 1996 and 1999 coups.

Although Prime Minister Hama Amadou is secretary-general of the MNSD and has tried to change party rules to favor his candidacy for president, it seems unlikely that Tandja will step down when his term ends in November 2004. Despite inheriting a chaotic economy and bankrupt treasury in 2000, Tandja has managed to improve Niger's international image, restore donor confidence in the country, and handle strikes and social unrest from unions, students, Islamic fundamentalists, and rebel groups. He put down an army mutiny in August 2002, and has consolidated his power by isolating his Prime Minister from ministerial meetings and by making strategic appointments of prefects and other administrative post-acts which have raised accusations from the opposition that he has abused his Constitutional powers. He also has clamped down on press freedoms

While he is favored to win the 2004 elections if he decides to run, Tandja's leadership will be tested in the coming



months by the opposition alliance, Coordination des Forces Démocratiques (CFD), which will criticize the government's poor economic management, corruption, rising public debt, and attempts to change the Constitution. Further student and union militancy is expected over loss of entitlements and benefits.

### DOMESTIC POLICY

Tandja's government has been disabled by lack of resources and a bankrupt treasury, inherited in 2000. The IMF-funded poverty reduction and growth facility, approved in December 2000, resulted in an initial disbursement of US\$11 million. The IMF insists that the government improve its accounting practices, widen its tax base, strengthen its financial management and privatize its electric, water, and petroleum distribution companies. Niger must also settle payment arrears, which may take years to clear. The government paid back US\$46 million in 2001 and planned to pay off more than US\$40 million in 2002.

Under Tandja's leadership, the government was on track in 2003 to privatize and restructure public utilities and banks, even though delays on arrears payments threatened macro-economic stability. The Ivorian conflict posed an additional challenge and forced Niger to reroute its trade via the Ghanaian port of Tema, which increased the costs of goods. Overall, the government was likely to meet the IMF-World Bank HIPC targets to reach the completion point for continued debt-relief in the second half of 2003.

Economic performance in 2002 was modest as real GDP growth fell from 5.8% in 2001 to 2.9% in 2002, and inflation remained at 3%. The government, however, failed to meet six of the eight performance criteria set by the regional economic organization, the Union Economique et Monetaire Ouest-Africaine (UEMOA) including a balanced budget, the public debt/GDP ratio, salary payments, and domestic public investment as a percentage of fiscal revenue. While the target is 20%, Niger's public investment as a percentage of fiscal revenue declined from 18.6% in 2001 to 14% in 2002.

Tandja's economic program for 2002–05 includes an average 4.7% real GDP growth rate across all sectors for poverty reduction, and a reduction in the current account deficit to 8.8% of GDP. Fiscal policy will be tightened by increases in revenue and reductions in salary payments to 28% of revenue. While the government has developed laudable policies for poverty reduction under its Poverty Reduction Strategy Paper (PRSP), it has not secured funding for the strategy. Significant donor support is required if Niger is to meet its targets for reducing poverty.

Tandja faces considerable danger and opportunity as head of state. Niger is at risk from a growing rate of HIV-infection owing to migrant labor, yet the government has failed to make anti-retroviral drugs available. HIV-infected people must seek treatment outside the country in Côte d'Ivoire or Burkina Faso. The government must decide what to do with the 200-some soldiers it arrested after the failed mutiny of August 2002. It also must call a special session of the National Assembly to approve its 2003 budget because the government failed to follow rules set by the Constitutional Court. The absence of a budget for 2003 is indicative of the challenges Tandja faces in ruling justly where resources are

scarce, and roles and responsibilities are contentious and poorly understood.

### FOREIGN POLICY

Tandja's relations with neighboring heads of state were generally positive. With Benin, relations remained strong after a dispute over islands in the Niger River was turned over to the International Court of Justice in the Hague in June 2001. Tandja, however, has been criticized by African heads of state for allowing his friendship with Togolese President Eyadema to get in the way of taking a more active stance in resolving the Ivorian crisis. Some 700,000 Nigeriens live in Côte d'Ivoire and are threatened by the fighting there. As head of a West African contact group, Eyadema has attempted to take the leading role in the peace process, contested by Senegalese President Wade, current head of the Economic Community of West African States (ECOWAS). Tandja did not attend a meeting in Paris on the crisis, and reportedly he was angry over the lack of support he received from ECOWAS during the August 2002 mutiny attempt.

President Tandja has also faced problems in obtaining security on his border with Nigeria, despite the launching of joint border patrols of a 1,500 km common border. The Niger-Nigerian border is notorious for smuggling, crime, and local conflicts. In January 2003, five tourists were attacked and a woman raped by armed bandits prompting France to issue travel warnings and restrictions to the region. The spread of Islamic fundamentalism from northern Nigeria remains a concern for the Tandja government. Shari'a law in Nigeria has been blamed for the rise of prostitution in Nigerien border towns, along with increased HIV/AIDS infections.

Relations with the U.S. also have showed signs of strain in the aftermath of September 11, 2001, and the war on terrorism. The U.S. has accused Niger, the world's third-largest producer of uranium, of selling uranium to Iraq in the 1980s. While Niger has denied the charge, it is likely to cooperate in an investigation to be conducted by the International Atomic Energy Authority (IAEA), which said it has received new information on the selling of unprocessed uranium illegally to Iraq by an African country understood to be Niger.

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# NIGERIA

## Olusegun Obasanjo President

(pronounced “oh-LOOS-eh-gun oh-ba-SAN-jo”)



*“Today, in place of anarchy and dictatorship, we have a constitutional and democratic system of government whose stability and permanence are underwritten by the people themselves, and which, in spite of the periodic crises we have encountered... promises to be the surest way of guaranteeing the freedom of the people, and the maximum satisfaction of their just expectations.”*

The Federal Republic of Nigeria occupies 923,768 sq km (336,667 sq mi) with a 2002 population estimate of 130 million, making it Africa’s most populous country. The nation’s capital city, Ajuba, is centrally located in the nation’s interior. Lagos, the former capital with over 10 million people, remains the country’s financial and cultural center. Its southern boundary lies on the Gulf of Guinea while northern neighbors include Niger and Chad. Nigeria shares a border with Benin in the west and Cameroon to its east. Nigeria’s widely varied topography consists of tropical swamp-like mangroves along coastal areas, with tropical rainforests extending 125–188 km (100–150 miles) inward, becoming a savannah and wooded plateau and a semidesert in the northern region of the country. The climate ranges from humid tropical weather in the south to arid and dry conditions in the north.

Nigeria’s diverse ethnic, linguistic, and religious characteristics contribute to cultural and artistic enrichment and fractious political conditions. The major ethnic groups include the Hausa (21%), Yoruba (21%), Ibo (18%), and Fulani (9%). The Hausa have traditionally dominated the northern region of the country while the Yoruba have a pronounced influence in Nigeria’s western region, and the Ibo’s reside largely in the country’s eastern region. While more than 250 languages and dialects are spoken throughout the country, two-thirds of Nigerians speak either Hausa, Yoruba, or Ibo. The official language, reflecting Nigeria’s colonial experience, is English. Approximately 50% of Nigerians are Muslim, 40% Christian, and 10% practice traditional African religions. Life expectancy was estimated in 2001 at just over 51 years and the literacy rate was 57%.

The Nigerian economy is based on petroleum products, which account for 95% of all exports and 20% of its total economic activity. In the 1980s, when Nigeria benefited from high oil prices, the average per capita income exceeded us\$1,500. As prices declined in the 1990s, however, the country’s economy experienced contraction and acute crisis. Coupled with the decline of the second most important economic activity, agriculture, Nigeria’s per capita income had declined by 2001 to us\$840. Nigeria’s major trading partners are the European Union (EU) and the United States. The national currency, the *naira*, has experienced continued devaluation.

## POLITICAL BACKGROUND

From 1100–1400, major African civilizations blossomed around the Niger River. Europeans appeared in the 15th and 16th centuries and established the slave trade. By the end of the 19th century, the British colonized the coastal areas, began to penetrate inland, and established a protectorate over Northern Nigeria by 1900. The British controlled Nigeria through a divide-and-rule method, pitting the various ethnic groups against each other. In the south, the British introduced Christianity, primarily to the Ibo.

After a half century of British rule, Nigeria became fully independent on 1 October 1960. It became a federal republic in 1963 with the country divided into three states based on ethnicities: the Northern Region, the Western Region, and the Eastern Region. During the 1960s, leaders of the different states threatened secession from the federation. By 1966, the First Republic ended with a military coup. Subsequently, the Eastern Region declared its independence as the Republic of Biafra. In the ensuing civil war, the federal government blockaded Biafra and sent troops to reunite the country by force. During the three-year civil war, an estimated two million people died from mass starvation, mostly Christian Ibos.

When the civil war ended in 1970, Major General Yakubu Gowon created a federal system consisting of 12 states and emphasized national reconciliation. Gowon was aided by new public works projects carried out by the central government’s revenues from the oil boom. In July 1975, Gowon was overthrown by Brigadier Murtala Muhammad who, in turn, was assassinated on 13 February 1976. Muhammad’s chief of staff, Lieutenant General Olusegun Obasanjo became the next head of state. As leader of the Supreme Military Council (SMC), Obasanjo oversaw the drafting of a new Constitution by the National Constituent Assembly and the termination of a 12-year state of emergency. Obasanjo also legalized political parties and paved the way for democratic elections in 1979 and the inauguration of the Second Republic under Alhaji Shagari.

On 31 December 1983, a bloodless coup led by Obasanjo’s followers displaced Shagari, who had been democratically reelected in 1983. The military officers seized power, citing increased corruption and economic mismanagement. Led by Major General Ibrahim Babangida, Nigeria’s military repeatedly postponed deadlines for return to civilian rule and repressed political opponents and curtailed civil liberties. In September 1987, Babangida announced a five-

year plan for return to civilian rule. Elections for the Third Republic were finally held on 12 June 1993, amid rioting and intercommunal violence.

Mashood Abiola, a Yoruba businessman, was widely viewed as the winner of the 1993 elections, but the government never released the election results and instead annulled the results. Babangida refused to relinquish power but later resigned after naming Ernest Shonekan as interim head of state. In November 1993, General Sani Abacha assumed power and dissolved the National Assembly after a military coup. Despite pledges for civilian rule, Abacha increased his repression of political dissidents and inaugurated himself president in July 1994. Subsequently, Abiola was imprisoned. Abacha consolidated his control over a regime characterized as Nigeria's most corrupt and brutal government. The execution of Ken Saro Wiwa, an Ogoniland political activist, inflamed ethnic tensions and sealed the Abacha government's fate as a pariah state.

The death of Abacha from a massive heart attack on 8 June 1998 paved the way for a democratic transition. Major General Abdulsalan Abubakar was selected as head of state in a closed-door meeting of the Provisional Ruling Council the following day. Abubakar honored his promise to restore democracy by releasing political prisoners, including Abiola and Obasanjo, in preparation for presidential elections. Obasanjo was elected president on 27 February 1999, and Abubakar stated, "I have no doubt democracy has come to stay."

Obasanjo was elected president by an unprecedented margin in the elections of April 2003 on his People's Democratic Party (PDP) ticket, but the results were widely rejected by the opposition parties who claimed they had been robbed of victory, and who under the banner of The Conference of Nigerian Political Parties, called for the formation of an Interim Government of National Unity headed by Nigeria's Chief Justice to conduct free, fair, and transparent elections. International observers also found the polls to be marred by manipulation and fraud, owing to a poor showing by INEC, Nigeria's electoral commission. In separate polls during April and early May, Obasanjo's PDP won an absolute majority in the national Parliament and governorships and legislative majorities in 28 of Nigeria's 36 states but the voting was marked by a light turn-out, as well as voter apathy.

## PERSONAL BACKGROUND

Born on 6 March 1935, at Abeokuta in Ogun State (south-western Nigeria), Matthew Olusegun Fajinmi Aremu Obasanjo belongs to the Yoruba ethnic group. He attended primary and secondary school at the Baptist Boys High School in Abeokuta and enlisted in the Nigerian Army in 1958. He trained at Mons Officers Cadet School in Aldershot, England, and at the Royal College of Military Engineering at Chatham, England. In 1959, he was commissioned second lieutenant and then in 1960, Obasanjo was promoted to lieutenant.

After serving with the United Nations (UN) Peacekeeping Force in the Congo (formerly Zaire) in 1960, Obasanjo began a rapid rise in Nigeria's officer corp. By 1963, he became the commander of the Nigerian army's only engineering unit and received a promotion to captain. He received further



education with the Indian Army Engineering School, and upon completion of the program in 1965, he was again promoted to major.

By the time the Biafran Civil War broke out in 1967, he had been placed in commanding positions and promoted to lieutenant colonel. In 1969, Obasanjo commanded the 3rd Infantry Division of the South-Eastern State and accepted the surrender of the Biafran forces, giving him national publicity. He was promoted to brigadier general shortly thereafter and became commissioner for works and housing in 1975. Later in 1975, he was appointed chief of staff of the Nigerian army. In 1976, Obasanjo became commander in chief of the armed forces and a lieutenant general. After General Muhammed was killed in a 1976 coup attempt, the Supreme Military Council appointed Obasanjo head of state. In 1979, he successfully organized Africa's first voluntary transition from military rule to democracy. After being promoted to general, Obasanjo retired to Ota, near Lagos, and became a poultry farmer. He remained active in African issues, however, attending conferences and committee meetings, and forming the African Leadership Forum.

Obasanjo is currently married to Stella Ajike Abede, whom he met in 1971. Prior to his marriage to Abede, he was married to Oluyemi Akinlaja, with whom he had five children. Obasanjo's hobbies include table tennis and squash. He is also the author of several publications on African politics and the military. In 1991, his bid to become secretary general of the UN failed. General Abacha sentenced him to prison in 1995 for an attempted coup plot.

## RISE TO POWER

Obasanjo's transfer of power to an elected civilian leader in 1979 increased the nation's respect for him. His support of Shagari over Chief Awolowo, however, a fellow Yoruban, caused Obasanjo to lose the support of his ethnic group. He enjoys widespread support from many in the Hausa-speaking north.

After being imprisoned for allegedly plotting a coup attempt against General Sani Abacha in 1995, human rights groups began a public campaign for his release. Following the execution of Saro Wiwa, Nigeria was expelled from the Commonwealth of Nations. The death of Abacha and the ascendance of Abubakar opened the opportunity for a transition to democracy. Upon release from prison, Obasanjo decided to recommit himself to politics by running for the presidential nomination of the People's Democratic Party. His close relationship with the military and his commitment to democracy helped him capture his party's nomination in February 1999. Obasanjo defeated Chief Olu Falae by garnering 63% of the popular vote.

## LEADERSHIP

As Nigeria's newly elected leader, Obasanjo enjoyed strong domestic and international support. Yet, his domestic critics were highly vocal and criticized him for his past ties to the military. Obasanjo's ethnic group, the Yoruba, continue to distrust him and a turnaround in relations are vital for healing ethnic relations. Human rights groups want him to establish a committee to investigate and punish former military leaders for corruption and human rights abuses. Obasanjo, however, while promising a truth commission, remains disinclined to punish the military. Furthermore, his own people, the Yoruba, continue to distrust and despise him because of his role in Shagari's presidential election in 1979.

Obasanjo is considered to be a wily politician with good oratory skills. Given the years of military rule, the neglect of the nation's infrastructure, and increased ethnic tensions, Obasanjo must be able to convince his opponents that he will govern in the nation's best interests. His experience as a military engineer is invaluable for restoring the nation's transportation network, and his close relations to the military could assist in keeping the soldiers in their barracks. Some believe, however, that he is merely a military front man who might be tempted to act undemocratically whenever he experiences criticism. In fact, General Babangida, a former president and a major power broker, strongly supports Obasanjo. Obasanjo, however, has more support in the international community than his predecessors; this may make it possible for him to move the country forward. Despite calls for the annulment of the results of the April-May elections, and for his removal, Obasanjo has shed public criticism and vowed to provide strong leadership for the country throughout his next term of office.

## DOMESTIC POLICY

During its many years of military rule, Nigeria descended into financial and political ruin. Once viewed as the pride of black Africa, Nigeria became synonymous with mismanagement and domestic chaos. In particular, the once vibrant agricultural sector has been weakened due to over reliance on the petroleum industry. Meanwhile, in recent years, petroleum prices have plummeted with decreased global demand and

over supply. Real GDP growth was near 3.1% in 2003 and was expected to rise to 3.9% in 2004 owing to increased production in off-shore oil and gas production.

During his first term in office, Obasanjo faced a considerable challenge in restoring confidence in government. Issues such as corruption at all levels of government, inequitable distribution of the nation's resources, the adoption and imposition of Shari'ah law (the strict Islamic legal code that dictates severe punishments) by a number of northern states, and grinding poverty for the majority of Nigerians destabilized the country and threatened to derail his government. In particular, unequal distribution of the country's oil wealth has led to violent conflict between community activists and soldiers in the Delta where the governor of Rivers state, Marshall Harry, was murdered. For years, the Ibo have not had the opportunity to share in the petroleum wealth while the Muslim-dominated government and military have benefited financially. Furthermore, political opponents rightfully question the legitimacy of the Obasanjo government based on the degree of electoral fraud reported in the 2003 elections. While most international observers agree that electoral fraud was fairly widespread, they acknowledge that it did not alter the results.

Overall, it may be argued that Obasanjo succeeded in restoring civilian rule to Nigeria, a country that did not formerly enjoy a transfer of power from one civilian government to another. Under Obasanjo, civil liberties and political freedoms have evolved positively despite the presence of entrenched patronage networks. Obasanjo's goal to bring prosperity to the majority of Nigerians has not been met, however, and his government will be judged on whether it can restore economic growth, revitalize agriculture, and promote transparent and accountable government throughout the country. Failure to do so—in light of the tenuous legitimacy of his government—could trigger social crisis and the re-intervention of the military in government. In June 2003, the World Cup Association announced Nigeria as one of the six official bidders to host the 2010 FIFA World Cup. This will be the first time it is held in Africa.

## FOREIGN POLICY

The return of democracy to Nigeria in 1999 improved the country's image abroad and allowed the country to take a more active and productive role regionally and on the global stage. Obasanjo has visited the United States and European nations to restore investment flows into Nigeria, but poor economic policy implementation has led to breakdown in relations with the International Monetary Fund (IMF) and a policy void in 2002. That void is likely to be filled because of intense political pressure on the IMF to support a re-elected civilian government in Nigeria.

Under Obasanjo's leadership, Nigeria has proven a powerhouse in the region in economic and security affairs. Without Nigeria, ECOMOG (West African Peace Monitoring Force) or ECOWAS (Economic Community of West African States) would be toothless, and African-led peacekeeping missions in Guinea-Bissau, Liberia and Sierra Leone would not have been possible. Nevertheless, Obasanjo has not resolved several border disputes between Nigeria and neighbors Benin, Niger, Chad, and Cameroon. Oral arguments on the land and maritime boundary disputes between Cameroon and Nigeria over the Bakasi Peninsula were presented to the ICJ, but the

process requires drawing a new border between the two countries and has been marred by armed clashes. Nigeria also disputes the maritime boundary and economic zone in the Gulf of Guinea, which involves Equatorial Guinea.

Obasanjo has been instrumental in gathering African leaders to work towards establishing a code of conduct in economic and political reforms that would satisfy the conditions and expectations of Western donors. At the June 2001 Group of Eight summit in Genoa, Italy, Obasanjo was one of four leading African heads of state to unveil an African-initiated plan called the New Partnership for Africa's Development (NEPAD). NEPAD is designed to garner aid from donors in return for African commitments to good governance. Obasanjo has led a number of meetings on NEPAD including the March 2002 summit of leaders from 19 countries.

Nigeria is a member of the following international organizations: the UN and several of its special and related agencies, Organization of Petroleum Exporting Countries (OPEC), the African Union (AU), Organization of African Trade Union Unity (OATUU), Commonwealth, INTELSAT, Nonaligned Movement, and several other West African bodies. During the Babangida regime, Nigeria joined the Organization of the Islamic Conference (OIC).

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Profile researched and written by Robert Compton, Western Kentucky University (6/1999); updated by Robert J. Groelsema (5/2003).

# NORWAY

## Kjell Magne Bondevik Prime Minister

(pronounced “shayll MANG-yeh boh-de-VEEK”)

*“We have succeeded in creating a new debate about values in the country—in making a new family policy that makes it easier for parents to take care of children. We have started a more active policy regarding district and rural areas, and we have emphasized human rights more strongly in our foreign policy.”*



The Kingdom of Norway occupies the western portion of the Scandinavian peninsula. The country's northern regions are in the Arctic Circle and share a 167 km (104 mi) border with Russia, an important factor influencing Norwegian foreign policy. Norway also shares a long border with Sweden to the east, and its territory fronts Finland in the northeast. At the same time, Norway's long coastline looks west across the North Sea to Great Britain, and south toward Denmark. These geographic characteristics play a political and economic role in linking Norway to Western Europe. The capital and largest city is Oslo.

The estimated population of Norway was estimated at 4,525,116 in 2002. About 86% of Norwegians describe themselves as members of the Evangelical Lutheran Church, which is the official state religious institution.

Norway covers 324,220 sq km (125,181 sq mi) of territory. Fishing and forestry once dominated commercial life, but the development of petroleum and natural gas fields since the 1970s has made hydrocarbons the driving force of the economy. It is second globally only to Saudi Arabia in petroleum production. Norway is also Europe's leading producer of natural gas and one of the world's wealthiest countries. Per capita gross domestic product (GDP) was estimated at us\$31,800 in 2002. A United Nations (UN) survey conducted in July 2001 found that Norwegians had the world's highest standard of living, based on life expectancy, literacy, and GDP per capita. The Norwegian currency is the *kroner*.

### POLITICAL BACKGROUND

In 1814, in the wake of the Napoleonic wars, Norway was forced to merge with Sweden, but managed to maintain elements of autonomy. Influenced by the French democratic revolution of 1848, Norway developed its own Parliament, with limited powers, in the late nineteenth century. A strengthening sense of national identity led the Norwegians to negotiate their independence from Sweden in 1905. In that year, Prince Karl of Denmark was chosen as Norway's constitutional monarch, and took the name Haakon VII. His grandson, Harald V, became king in 1991 and reigns today. Norway followed a policy of strict neutrality from 1905 until 1940. In 1940, Germany invaded Norway and carried out an exacting occupation until 1945. The bitter experience of the German occupation shredded the long dominant political sentiment for neutrality, and led Norwegians to join the North Atlantic Treaty Organization (NATO) in 1949.

Norway is a constitutional monarchy, and the head of state enjoys only limited power. The monarch designates the prime minister, who is the chief of government, but only at the direction of the Storting (Parliament), the unicameral legislature where real power resides. The Storting has 165 seats, split among eight parties in the elections of 2001. Elections are held every four years. Unlike most parliamentary systems, an election is not called if a government loses a vote of confidence, although the prime minister may change.

Due to the large number of parties and a system of proportional representation, coalition governments are the rule in Norwegian politics. Changes of government are a relatively frequent occurrence, even by the standards of European parliamentary systems, because most governments over the past decade have been minority governments. The ability to build consensus is thus a key to success for politicians and for parties. Ideological parties tend, therefore, to be small because they are often exclusive. Women play a greater role in Norwegian politics than in any other European country. For many years, a woman, Gro Harlem Brundtland of the Labor Party, dominated Norwegian politics and served intermittently as prime minister. Kjell Magne Bondevik had nine women in various cabinet positions in his first administration (1997–2000), and there are eight in his current administration, installed after the 2001 election.

### PERSONAL BACKGROUND

Kjell Magne Bondevik was born on 3 September 1947 in the rural community of Molde. His early life shaped his appreciation for the value of family and the rural way of life. He attended the Free Faculty of Theology at the University of Oslo and became an ordained Lutheran minister in 1979. He married Bjørg Rasmussen in 1970; the couple has two sons and one daughter. He has been a political figure in Norway since the 1970s, serving as minister of Foreign Affairs, minister of Church and Education and deputy prime minister. He does not drink alcohol, and is an avid soccer fan. He supports strong families, including the necessity of an increased and more active role to be played by men in the raising of children and in the determination of sex roles. He holds three honorary doctorates.

In the summer of 1998 while serving as prime minister, Bondevik suffered what he characterized as a “depressive reaction” to the stresses and demands of running a country, and took three and one-half weeks off to retire to a country

cabin for rest and meditation. Culture Minister Anne Enger Lahnstein filled his position while he was absent. Opinion polls showed that 85% of Norwegians approved of his having been so open about his condition; he was regarded as something of a “hero” for his honesty and courage when he returned to work. He said he hoped to start a debate “on the boundaries between what is public and what is private.”

## RISE TO POWER

Kjell Magne Bondevik’s first involvement in politics was while at the University of Oslo. There, he became deputy chairman and later chairman of the Norwegian Young Christian Democrats. He was first elected to the Storting in 1973, rising to vice chairman of the Christian People’s Party (Christian Democrats) in 1975 and chairman in 1983.

His rise to the prime minister’s office was precipitated by events that were largely not in his control. In the 1997 elections, public opinions showed that the Labor Party would easily be again Norway’s largest party but prime minister Thorbjørn Jagland pledged to step down if the Labor Party failed to improve on its 1993 total electoral vote of 39.6%. Unexpectedly, the Labor Party did not make it, slipping to 35.2% of the vote and lost two seats—going from 67 to 65—in the Storting. As promised, Jagland stepped down as prime minister, although the Labor Party was the largest party with 65 seats out of 165-seat Parliament. Nevertheless, it went into opposition, a rare situation for a party which has been in office nearly continuously since 1935. Due to Jagland’s pledge not to join the next government, the task of creating a workable coalition fell to Bondevik, the leader of the Christian People’s Party, as the Norwegian version of Christian Democrats are known.

Bondevik was chosen prime minister on 17 October 1997, and formed a coalition consisting of his Christian People’s Party, the Center Party, and the Liberal Party. His three-party coalition government, however, held only 42 of the Storting’s 165 seats. In such circumstances, the coalition would have to tread carefully, with the acquiescence of the other party groupings that could easily outvote them. The media quickly dubbed the Bondevik government “the Slalom Coalition” due to its need to zig-zag between the right and the left in order to secure the consensus that would allow Bondevik to govern.

In March 2000, the Bondevik government lost a vote of confidence. The immediate reason was an environmental dispute on the construction of a natural gas power plant. Bondevik argued that Norway should postpone the construction of a new power plant until the introduction of new anti-pollution technology. Both Labor and Conservatives disagreed and argued that Norway should go ahead with new gas-fired power plants under the environmental standards then in place. When Bondevik refused to budge, he was forced to resign.

In February 2000, the Labor leadership appointed Jens Stoltenberg to replace Jagland as the new party leader; Stoltenberg became prime minister in March. He faced a tough task because environmentalists were arrayed against him and he faced opposition from within his own party on environmental issues. (A previous Labor Party leader, Gro Harlem Brundtlandt, a hero for many Labor activists, gained an international reputation for championing the global environment.) Stoltenberg’s administration was plagued by



strikes for higher wages that forced an expensive revision of the budget. Instead of spending excess oil monies and cutting taxes, Stoltenberg tried to restructure the public sector and lost support from powerful state-sector trade unions. In the elections of 10 September 2001, Labor won the vote, but dropped from its 35% showing in 1997 to 24%. A center-right coalition composed of Bondevik’s Christian People’s Party, the Liberals, and the Conservatives, held 62 seats and Bondevik again became prime minister. His government, however, is by definition weak because it can only command 37 percent of the vote in Parliament and has to rely on opposition parties for a parliamentary majority.

## LEADERSHIP

As Bondevik came to office in 1997, his party, opposed to abortion, sought to promote Christian values in both schools and society at large. His coalition was considered to be moderate on economic matters and conservative on social issues. He pledged to use more of the country’s surplus oil revenues to raise the levels of grants to families and the elderly. He called for a rise in the minimum pension and increased spending on foreign aid and development. Norway has established a Petroleum Fund that is currently worth us\$60 billion, but Bondevik and his coalition knew that it could not deplete this fund to increase welfare spending.

Upon coming to power for the second time in 2001, Bondevik promised to cut taxes, raise spending for foreign aid, and to further the privatization of state-owned companies that began under Stoltenberg's leadership—especially the state-owned communication company, Telenor, and the state-owned oil group and Norway's largest company, Statoil. Bondevik, however, has taken a nationalistic position in the banking sector by trying to keep the country's financial institutions Norwegian.

Although the international economic downturn has had an effect on Norway's economy, it remains strong as long as the price of oil is high. Since taking office in October 2001, Bondevik has focused on fighting poverty at home, on creating better schools and healthcare, and making a stronger environmental policy. Many of these promises had to be watered down, however. The coalition faced hard choices during the negotiations on the 2003 budget and increased spending on healthcare, child care, and foreign aid, but could not cut income taxes without creating large budget deficits. The government confronted an even tougher situation when it evaluated the 2004 budget the following year. Finance Minister Per-Kristian Foss has tried to include further tax cuts in the 2004 budget cuts while Prime Minister Bondevik promised more local government funding. Economic uncertainty, however, makes it unlikely that the coalition can both increase spending and offer tax cuts. Since the government does not enjoy a parliamentary majority it will have to make concessions to either the right, or less likely, the left, in order to pass the budget. The Labor Party suggested that Bondevik invite them into government but Bondevik has dismissed that possibility, at least for the time being.

As a consequence, one of the challenges of Bondevik's leadership continues to be his relationship to the populist Progress Party leader, Carl I. Hagen. Hagen is sometimes compared to Jean-Marie Le Pen, France's leading right-wing anti-immigrant politician, although Hagen is not as extreme. His party has come to be seen as the silent partner in Bondevik's government, since both parties share the priority of cutting taxes and injecting more of the country's oil wealth into the ailing health service. Tax cuts have been difficult to institute, however, and Hagen has asked the government to use the Petroleum Fund (containing around us\$90 billion) to reduce taxes. The government is unwilling to dip into the Fund except to cover a budget deficit of us\$1.3 billion. In March 2003, 100,000 Norwegians were unemployed leading many senior politicians to question the direction taken by Bondevik's cabinet.

## DOMESTIC POLICY

Probably the most important ongoing debate in Norway has taken place over the advantages and disadvantages of joining the European Union (EU), a debate that has occupied the attentions of leaders and the public alike. In 1990, a Labor government under Brundtland took power, and decided to press for Norwegian membership in the EU. To those worried about Norway's failure to sustain economic growth, EU membership held out the promise of greater access to the European market and a voice in EU decision-making. The country was already a member of the European Economic Area (EEA), which provided a restricted measure of access to

the EU market but did not subject independent-minded Norway to the EU's regulatory machinery.

As part of the price of membership, the EU was demanding that Norway open its waters to fishing by fleets from current member countries. In addition, cheaper agricultural products from the EU would compete with the more expensive products from Norway's rural population. Neither fishing nor farming plays a major role in the country's economy, but virtually every Norwegian has a strong cultural link to the sea and to the land. This link to the purportedly simple and pure values associated with the hard lives of fishermen and farmers appeared sentimental to some, but to many Norwegians, coastal communities and rural villages express the ethos of Norway's sense of tradition and independence, thereby playing a strong role in forging the national identity. EU membership was defeated for a second time in a 1994 referendum by a majority of 52.4%; the first vote on EU memberships was in 1972.

## FOREIGN POLICY

Norway is a strong supporter and member of the North Atlantic Treaty Organization (NATO), and cautiously awaits the entry of new members into the body. It makes much out of the fact that it is the alliance's only country to share a border with Russia. In February 2002, Bondevik stated that he firmly supported the accession of the Baltic States to NATO. Norway is in favor of any sort of collaboration in the Arctic region and the Barents Sea, with the United States, Canada, Russia, and other Europeans. It feels itself to be closely aligned with the United States and the United Kingdom, and is not in favor of French attempts to create a European foreign policy.

Norway, both under the Labor Party and center-right coalition, took a leadership role in attempting to forge a lasting peace between Israel and the Palestinians. In Oslo in 1994, the late Norwegian foreign minister Johan Jorgen Holst got the two parties to agree in principle to peace in what became known as the Oslo Accords. In addition to mediating in the Middle East, Norway has played such a role in Myanmar, Colombia, and Guatemala. Norway gives out a higher percentage of its GDP than any other country (currently 0.9%) in aid to the world's poorest countries. In calling for the eradication of poverty worldwide, Bondevik has noted the importance of good governance, increased development assistance, cooperation with the private sector, debt relief, and an improved access to markets for developing countries. He has paid close attention to issues of security and development in Africa. He remains a strong supporter of human rights.

In January 2002, Bondevik traveled to China, and the two countries pledged bilateral cooperation in the areas of telecommunications, environmental protection, fishing, shipping, and science and technology. Bondevik noted that since China is now a member of the World Trade Organization (WTO), they will have better opportunities for economic and trade cooperation.

In December 2002, Bondevik mentioned for the first time a third EU membership debate in Norway, saying that a new referendum is more likely to come about than not. He added that he would like to assess the outcome of the Convention and enlargement, which means that he does not expect the



new debate to start before 2005. Public opinion polls in January 2003 showed that 67% would vote yes to EU membership, while 33% would remain opposed.

In spring 2003 during the preparation for the war with Iraq, Bondevik said that the weapons inspectors should have more time. Norway did not support the U.S.-led war with Iraq, but Bondevik stated that his government would be prepared to provide humanitarian aid. In May 2003, Bondevik undertook efforts to bridge the chasm between French and U.S. leaders over the Iraqi war, traveling to meet with U.S. president George Bush, UK prime minister Tony Blair, and French president Jacques Chirac. Bondevik proposed close cooperation between the countries of NATO and the United Nations, as the international community developed plans for Iraq after the downfall of Saddam Hussein.

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Profile researched and revised by Paulette Kurzer, University of Arizona (5/2003); sections contributed by Paul E. Gallis, Congressional Research Service (3/1998).

# OMAN

## Qaboos bin Said al Said Sultan

(pronounced “kah-BUSS BIN sigh-EED AL sigh-EED”)

*“Our country in the past was famous and strong. If we work in unity and cooperation we will regenerate that glorious past and we will take a respectable place in the world.”*



Known as Muscat and Oman prior to August 1970, the Sultanate of Oman occupies the extreme east and southeast of the Arabian Peninsula. It is surrounded on the northwest by the United Arab Emirates (UAE), on the west by Saudi Arabia, and on the extreme southwest by Yemen. On the tip of the Musandam Peninsula lies a detached portion of Oman, separated from the rest of the country by the UAE, which extends into the Strait of Hormuz. Oman has a coastline of about 2,092 km (1,301 mi) on the Indian Ocean, and its total area is about 212,460 sq km (82,031 sq mi). In 1999, the Omani government settled its border disputes with UAE.

Oman's first census of population was conducted in 1993; the next census was scheduled for 2003. Oman's population was estimated at 2.7 million in 2002, over 500,000 of whom are expatriate workers. Omanis constitute about 45% of the total labor force. The majority of the population are Ibadi Muslims, a small religious sect that is the only surviving offshoot of an early radical sect, the Khawarij. Around 25% are Sunni Muslims. Ethnically, the Omani population is predominately Arab. Small communities of Iranians, Baluchis, Indians, Pakistanis, and East Africans also inhabit the country. While Arabic is the official language, Persian, English, Urdu, and several other South Asian dialects are also spoken. The Omani *riyal* is the currency of the country. Oman's gross domestic product (GDP) in 2001 was approximately US\$21.5 billion. Oman's economy is largely based on petroleum exports. Oman's oil reserves, however, and production are not as extensive as UAE's or Kuwait's and, therefore, it has had to rely on grants from the Gulf Cooperation Council for its development projects.

Oman's economic growth has been concentrated on coastal urban areas while the interior has remained poor and undeveloped. Although 70% of the country's population is rural and engaged in traditional farming, herding (cattle breeding), or fishing, Oman has to import most foodstuff. It exports dates, nuts, limes, and fish. Oman's main trade partners are the Middle Eastern countries, Western Europe, Japan, and the United States.

### POLITICAL BACKGROUND

Oman is an absolute monarchy with no constitution, elected legislature, or legal political parties. After becoming the sultan, Qaboos appointed his uncle, Tariq Bin Taymur, as prime minister. Tariq resigned in 1971, and since then, the sultan has presided over the cabinet meetings and acted as his own prime minister, minister of defense, and minister of

foreign affairs. The cabinet, which consists of personal aides, assists the sultan in running the government and is permitted to make decisions in the sultan's absence. In 1981, the sultan established a Consultative Council, which consisted of appointed members who met quarterly. In 1983, its membership was expanded to 55 members; in 1991, the consultative council was replaced by the 59-seat Majlis al-Shura (Consultative Council). Following the census of 1993, the Majlis al-Shura was expanded to 80 seats. In 1996, the sultan issued the country's first written list of citizen's rights, and created a bicameral advisory body known as the Majlis Oman (Council of Oman). In addition to the expanded Majlis al-Shura, whose 83 members are theoretically elected, a second chamber, the 48-seat Majlis al-Dawla (appointed Council of State), was created.

### PERSONAL BACKGROUND

Qaboos bin Said al Said was born on 18 November 1940, in Salalah, Oman. He is the only son of Sultan Said bin Taymur who ruled over Oman from 1954 to 1970. Little is known about his early life as he was kept secluded within the palace walls by his father and grew up a shy and withdrawn child. He was educated by private tutors and later attended Britain's Royal Military Academy at Sandhurst. He obtained further military training in West Germany with a British regiment, after which he returned to London where he studied political science with private tutors. Upon returning to Oman in 1964, he lived under virtual house arrest until he became ruler.

### RISE TO POWER

Sultan Said bin Taymur was a reactionary and reclusive man. Instead of using oil revenues for development projects, he insisted on their exclusive use for defense. As a result, the country experienced minimal modernization even though it prospered from oil exports. For example, until 1970, there were three schools and 10 km (6 mi) of paved roads. In protest, several educated and talented Omanis, including the then sultan's own brother, left the country to go into voluntary exile.

Qaboos grew impatient with his father's antiquated administration. With British approval on 23 July 1970, Qaboos led a coup against his father forcing him to abdicate and sending him to London in exile. Qaboos then became the Sultan of Oman.

## LEADERSHIP

Sultan Qaboos's ascension to power was welcomed by the vast majority of Omanis, who resented his father's reactionary attitudes. Initially, Qaboos's main opposition was centered in Dhofar province, where rebels united against his father's rule. Qaboos requested cooperation from the rebels but only one of the factions surrendered. In 1971–72, two left-wing guerrilla groups merged to form the Popular Front for the Liberation of Oman and the Arabian Gulf; in 1974 they dropped "the Arabian Gulf" from their name. The Popular Front continued their opposition activities, this time against the new sultan. With the assistance of Iran, the United Kingdom (UK), Pakistan, and Jordan, Sultan Qaboos was able to establish his control over the region. Though the Popular Front still opposes the sultan, it is no longer a serious threat.

Qaboos has gained the support of the Omanis mainly by his use of oil income for economic development and increased social services, including education. Under Qaboos's rule, a large number of exiled Omanis have returned to their homeland. These repatriated citizens have offered skills and education that have been an asset to the country's development.

Support grew as Sultan Qaboos worked to balance tribal, regional, and ethnic interests within the structure of national administration. The Council of Ministers, which functions as a cabinet, consists of 26 ministers, all directly appointed by Qaboos.

In December 1991, however, Qaboos acted on his promise to allow opportunities for citizens to take greater responsibility in the reconstruction of the country by inaugurating the Majlis al-Shura (Consultative Council). The Majlis al-Shura is an elected body (although the sultan can override the election results) that reviews legislation pertaining to economic development and social services prior to its becoming law. The body also has limited power to propose legislation. The Majlis al-Shura may request ministers to appear before it. In September 2000, about 175,000 Omani men and women elected 83 candidates, including two women, for seats in the Majlis al-Shura. Further, in December 2000, Sultan Qaboos created a second chamber to complete the Majlis Oman (Council of Oman), appointing the 48-member (including 5 women) Majlis al-Dawla (Council of State). The Majlis al-Dawla acts as the upper chamber in Oman's bicameral representative body, serving in an advisory capacity only.

In November 1996, Sultan Qaboos issued a royal decree which presented "The Basic Law of the Sultanate of Oman" to serve as a form of written constitution. The Basic Law guarantees certain rights of equality and protections within the law and outlines other basic civil liberties. It includes a conflict of interest clause that bans cabinet ministers from being officers of public shareholding firms. The Basic Law also provides the rules for Sultan Qaboos's succession.

In November 2002, Sultan Qaboos extended voting rights to all Omani citizens over the age of 21. This move was seen as a step toward political reform; previously, only tribal leaders, intellectuals, and prominent businessmen were chosen as voters.



## DOMESTIC POLICY

Oman has seen tremendous changes since Qaboos came to power. Virtually the whole country has been transformed as a result of advances in housing, education, health, and communication. Internal migration from interior rural areas to urban centers has also contributed to social transformation. The government responded by taking steps to minimize the dislocating effects of its programs.

The economy of Oman, heavily dependent on its production of 900,000 barrels of crude oil per day, was adversely affected when the price of oil dropped below us\$10 per barrel in 1998, a 25-year low. In the first three quarters of 1998, Oman's GDP had dropped by an annualized rate of 8.5%, and Omani oil production had similarly fallen by 32% in the same period. In January 1999, the Omani finance minister announced that the country's budget deficit was expected to double within the year. Seeking to offset the loss in oil revenue through other sources, the government raised customs duties from 5% to 15%, corporate income tax from 7.5% to 12%, and the cigarette tax from 75% to 100%, though it did not institute taxes on personal income or consumption. Oman is not a member of the Organization of Petroleum Exporting Countries (OPEC); however, in March 1999, Oman agreed with OPEC to reduce global oil production by 2.1 million barrels of crude per day until April 2000 in the hope of raising oil prices to us\$18 per barrel and stabilizing the oil market. In October 1999, the Omani oil minister recommended extending global oil production cuts beyond the date originally proposed for their expiration.

In an effort to ease its dependence on oil, Oman has sought to diversify its economy. A new us\$5 billion gas lique-

faction plant south of Muscat enabled the Oman Liquefied Natural Gas Company to deliver on contracts with Japan and South Korea for liquefied natural gas. Other plans—for a power station, an aluminum processing plant, a steel mill, and petrochemical and fertilizer plants at Salalah and Sohar and the gas pipelines to fuel them—remained unrealized. While oil production constitutes less of Oman's GDP than was the case during the 1980s, oil is still the major source of revenue for Oman's government, which is the mainspring of the country's economy. Manufacturing still accounts for only 5% of the GDP.

The Omani government has moved toward greater privatization. At the successful new port at Salalah, a free zone was to be built solely by private investors. The private sector was financing a new airline to service Salalah, a tourist destination as well as a trade center. Legislation barring expatriates from certain sectors of the economy has encouraged private employment of Omani nationals, most of whom work for the government, and the industrial sector, comprised of 19% Omani nationals in 1995, was 28% Omani in 1997.

## FOREIGN POLICY

Once in office, Qaboos reversed the isolationist policy of his father and started establishing relations with most Arab and Western countries. By 1987, he had even developed ties to countries of the Eastern bloc, including the USSR and People's Republic of China. Oman, however, has maintained a very pro-Western tilt in its foreign policy. Oman was one of the only two Arab states that endorsed the Egypt-Israel Peace Treaty of 1979. In June 1980, Oman concluded an agreement with the United States granting access to Omani air and naval facilities, thus making Oman a base for U.S. activities in the Persian Gulf. The agreement was revised and renewed in 2000. Oman has pursued its U.S. policy despite concerns expressed by fellow members of the Gulf Cooperation Council. The outbreak of the Iran-Iraq war further underlined Oman's strategic importance, particularly with regard to the Strait of Hormuz, which is a narrow waterway at the mouth of the Persian/Arabian Gulf between Oman and Iran. About two-thirds of the world's oil traffic passes through the strait.

The Omani government has pledged to provide support to the United States in its War on Terror, initiated by U.S. president George W. Bush in response to the 11 September 2001 terrorist attacks that targeted the World Trade Center in New York and the Pentagon in Washington, D.C.

Most of Oman's foreign policy concerns are regional. When Qaboos took control, the rebellion in the Dhofar province of the country affected his relations with other states in the region. South Yemen and Iraq proved to be unfriendly neighbors at that time because they supported the rebels. Since a reconciliation summit in 1982, relations with Yemen have improved and have culminated in completion of a cooperation pact between the two neighbors in October 1988. Border disputes with Yemen were settled in 1992, two years after the merger of North and South Yemen (May 1990) into the Republic of Yemen. The countries now share cooperative relationships.

Despite its close relations with the West, Oman has tried to maintain a balanced regional policy. In early 1989, it restored diplomatic relations with Chad. In 1990, negotiations with

the Palestinian Liberation Organization (PLO) indicated a desire to pursue a foreign policy that was in line with regional sentiment.

By 1999, Oman held to a middle-of-the-road stance of conciliation and compromise in Middle Eastern politics. In January 1999, Oman's foreign minister met with his counterparts from Egypt, Saudi Arabia, Syria, and Yemen at a closed meeting in Cairo to forge a position on the question of Iraq for the upcoming meeting of the 22-member Arab League later in the month. In February 1999, Qaboos attended the funeral of King Hussein of Jordan, a gesture that expressed the close ties between Oman and Jordan. U.S. Defense Secretary William Cohen included Oman in his tour of Persian Gulf allies, which was aimed at allaying concerns regarding extended U.S. actions against Iraq. Newly enthroned King Abdullah of Jordan, accompanied by his prime minister and foreign minister, met with Qaboos in April 1999 to cement the good relations between Jordan and Oman. Oman was alone among the Gulf states in refraining from criticizing Jordan for its non-oppositional stance toward neighboring Iraq during the Gulf War. Also in April, Qaboos signed an agreement with the president of the UAE defining the borders between Oman and the emirate of Abu Dhabi.

Throughout 2002 and into 2003, the United States, allied with the United Kingdom, led a diplomatic drive to remove Iraqi president Saddam Hussein from government, for his alleged possession of weapons of mass destruction (WMD). The UN Security Council passed Resolution 1441 on 8 November 2002, calling on Iraq to disarm itself of all WMD and WMD capabilities, to allow for the immediate return of UN and International Atomic Energy Agency (IAEA) weapons inspectors (they were expelled in 1998), and to comply with all previous United Nations (UN) resolutions regarding the country since the end of the Gulf War in 1991. France, Germany, and Russia (among others) opposed the U.S. and British position on the possible use of force as a last resort to oust Hussein.

At the end of 2002 and into 2003, the United States and the United Kingdom were amassing troops, aircraft, naval vessels, and weaponry in the Persian Gulf region: by February 2003, there were 3,600 U.S. military personnel, 100 elite British special forces, and approximately 40 aircraft in Oman. The number of U.S. and British troops stationed at bases in Kuwait, Qatar, Saudi Arabia, Oman, and Bahrain grew to 250,000 by March 2003. On 19 March, the United States launched air strikes against Baghdad and war began. Baghdad fell to U.S. troops on 9 April (British forces had secured Basra and regions of southern Iraq).

The war suppressed the economies of Persian Gulf states, as tourism and air travel diminished, oil prices rose sharply, trade with Iraq stopped and foreign direct investment was halted. The end of the war saw a rise in all Arab stock markets and hope that several companies in the region would be likely to benefit from reconstruction contracts in Iraq. Observers have speculated that substantial political and economic reforms throughout the region could result from the consequences of regime change in Iraq. Oman would be included in such a scenario.

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**Profile researched and written by Bashir Ahmed (7/1990); updated by Jeneen Hobby, Ph.D. (5/2003).**

# PAKISTAN

**Pervez Musharraf**  
**President**

*(pronounced "PEAR-vezz moos-HAR-off")*



*"I would like to move away from the sham democracy we have had in Pakistan. I want a true democracy..."*

Pakistan, officially known as the Islamic Republic of Pakistan, is located in the northwest corner of the Indian subcontinent, and is surrounded by Afghanistan, Iran, China, India, and the Arabian Sea. It is comprised of four provinces: Sind, Baluchistan, the North West Frontier Province, and Punjab. Major urban centers include its capital Islamabad, Karachi, and Lahore. The currency unit is the *rupee*. Pakistan's total geographical area, excluding the disputed Jammu and Kashmir regions controlled by India, is 803,940 sq km (310,400 sq mi).

The population, estimated at 147,663,429 in 2002, is composed of five ethnic groups: Punjabi, Sindhi, Pashtun (Pathan), Baloch, and Muhajir (immigrants from India and their descendants). Ethnic and linguistic groups generally coincide. Urdu, which is the official language, is mainly spoken by the Muhajirs. The dominant language is Punjabi (48%), followed by Sindhi (12%), Pashtu (8%) and Urdu (8%). English is widely used in business, higher education, government and the military. About 43% of the population is literate. The state religion is Islam. It is professed by 97% of the population (of which 77% is Sunni, and the remainder Shi'a). Other religious groups are Christians, Hindus, and Buddhists.

Pakistan's natural resources include extensive natural gas reserves, quality coal, iron ore, salt, and limestone. Its economy is primarily agricultural. About one-fourth of the gross national product (GNP) comes from the agricultural sector. The principal crops are cotton, wheat, barley, sugarcane, millet, rice, and maize. The industrial sector occupies 24% of the formal work force. Textiles make up the largest manufacturing industry, followed by cement, sugar, and rubber industries. Pakistan's primary exports are textile and agricultural products. The average annual growth is the economy was estimated at 3.3% and the per capita gross domestic product (GDP) was approximately us\$2,100 in 2001, with about 35% of the population living in poverty.

## **POLITICAL BACKGROUND**

Since its independence in 1947, Pakistan has oscillated between military and civilian forms of government. The political system has been marked by instability and prolonged military influence. The army has run the country directly for almost half of its past 50 years. The first prime minister, Liaquat Ali Khan, was assassinated in 1951. A brief attempt at civilian government, marked by considerable upheaval,

ended when Field Marshal Ayub Khan took power in 1958. He was then removed by General Agha Mohammed Yahya Khan in 1969. Yahya Khan's role as ruler ended when Zulfikar Ali Bhutto was appointed as prime minister in 1973. The Pakistan People's Party (PPP) led by Bhutto won most of the seats in the March 1977 election, but General Zia ul Haq declared martial law and suspended all political activities, following allegations of electoral fraud and subsequent unrest. In October 1979, political restrictions were tightened, and Zia ordered the elections in February 1985 to be held on a non-party basis.

Although a civilian government resumed control after the February 1985 elections, the army's influence on politics continued. Complete civilian rule was not restored until Zulfikar Ali Bhutto's daughter, Benazir Bhutto, was elected as prime minister by the National Assembly in December 1988. Gulam Ishaq Khan, who had become president after Zia ul Haq, accused the government of corruption and dismissed Bhutto in August 1990. Subsequently, Nawaz Sharif, leader of the Islamic Democratic Alliance (IDA), was sworn in as prime minister on 6 November 1990. Sharif's service, however, was interrupted on 18 April 1993 when President Ishaq Khan dismissed his government after Sharif tried to curtail the president's constitutional power. Although Sharif was reinstated by the Supreme Court, both he and Ishaq Khan were forced to step down on 18 July 1993 under pressure from the army.

In the elections of October 1993, Benazir Bhutto's PPP gained a victory and she was inaugurated on October 19. Serdar Farooq Ahmad Khan Leghari became the new president on 14 November 1993. Leghari and Bhutto's elections, however, did not bring stability to Pakistani politics. Leghari dismissed Bhutto's highly unpopular government in November 1996 and established a new National Defense and Security Council (NDSC) which included the country's four most senior military men. Nawaz Sharif was returned to power on 3 February 1997, when his Pakistan Muslim League-Nawaz (PML-N) party won a landslide victory. The new prime minister greatly strengthened his hold on power when, in April 1997, the National Assembly and the Senate unanimously repealed key elements of the 1985 Eighth Constitutional Amendment. This divested the president of the power to appoint and dismiss the prime minister, cabinet, the legislature, provincial governors, and armed forces chiefs. Meanwhile, in May 1998, Pakistan

detonated a series of nuclear bombs, establishing itself as a nuclear armed power, the second on subcontinent after India. This move brought wide international protests and in response the U.S. cut off military and economic aid to the country, causing widespread protests among Pakistanis, dismayed at the directions of the government. In October 1999, Nawaz Sharif attempted to dismiss his own Army Chief and Chairman Joint Chiefs of Staff Committee, General Pervez Musharraf. This led to a military coup on 12 October 1999, with General Musharraf taking over the reins of government.

### PERSONAL BACKGROUND

Pervez Musharraf was born in Delhi, India, on 11 August 1943 to an educated Sayed family. When British India was partitioned into India and Pakistan in 1947, the family, like many other Muslims, migrated to Pakistan and settled in Karachi. Pervez's father, the late Syed Musharaff-ud-Din, was a career diplomat. The young Pervez attended some of Pakistan's elite schools before entering the Pakistan Military Academy in 1961. He married his wife, Sehba, on 29 December 1968; the couple has a son (Bilal) and a daughter (Ayla). A devoted family man, Musharraf is a keen sportsman, enjoying squash, badminton, golf, and sailing. He is also an avid reader, with an interest in military history.

Pervez Musharraf was commissioned second lieutenant in an artillery regiment in 1964. He saw active service in the 1965 war with India, during which he was awarded a medal for gallantry. Musharraf later volunteered for the commandos and was a company commander in a commando battalion during the 1971 Indo-Pakistan war. In 1980, Musharraf caught the eye of General Zia-ul-Huq, who selected him for advancement. His subsequent military career included command at the brigade, division, and corps levels, as well as appointments to the Command and Staff College, Quetta, the National Defence College, and the Royal College of Defence Studies in the United Kingdom. Musharraf became chief of army staff with the rank of general on 7 October 1998 and was appointed chairman of the joint chiefs of staff on 9 April 1999.

### RISE TO POWER

General Pervez Musharraf was a most unlikely leader of a political coup d'état. Apparently without political ambitions, he was appointed as Pakistan's chief of army staff by the then-prime minister, Nawaz Sharif, over the heads of two senior generals to replace General Jehangir Karamat, who had publicly criticized the government's political and economic policies. Musharraf was known for his integrity and highly regarded within the Pakistani army.

Nawaz Sharif, meanwhile, was busy consolidating his political position. Constitutional reforms placed many of the president's former powers in the hands of the prime minister. He used new "anti-terrorist" laws to stifle political opponents and limit free speech. His sudden conversion to "Islamic government" was seen by many as a prelude to the imposition of dictatorial rule in the name of Islam. Moreover, as the Pakistani economy worsened, with unemployment, inflation, and prices spiraling upwards, Nawaz Sharif and his political supporters were widely seen to be lining their pockets. Within the army, there were concerns over Nawaz



Sharif's increasing reliance on the United States. There was resentment in military circles that Nawaz Sharif ordered the withdrawal from Kargil under U.S. pressure. There were also fears that Sharif had secretly negotiated a settlement over Kashmir with U.S. help, and was ready to unilaterally sign the Comprehensive Nuclear Test Ban Treaty in exchange for economic aid.

Distrustful of his army chief, Nawaz Sharif made plans to replace him with General Khwaja Ziauddin, head of the powerful Inter-Services Intelligence Agency and an officer loyal to Sharif. On 12 October 1999, while Musharraf was returning from a visit to Sri Lanka, Sharif announced his dismissal and ordered his arrest. When the general's plane, a commercial Pakistan International Airlines flight with civilians on board, arrived at Karachi airport, it was denied permission to land. Military intelligence, however, had warned Musharraf of Nawaz Sharif's intentions and he had made his own plans. Troops loyal to Musharraf seized the airport, and the general's plane landed with reportedly only seven minutes of fuel remaining. The army assumed power in a bloodless coup with General Musharraf becoming the chief executive of Pakistan.

Musharraf promised to lead only a transitional government whose main priority would be to rid the ruling elite of corruption and prepare the country for renewed multiparty democracy within four years. Still, the extra-constitutional taking of power caused international outcry, particularly from Britain and other members of the Commonwealth, of which Pakistan is a member. On 20 June 2001, Musharraf appointed himself president of Pakistan while

remaining head of the army. In March 2002, Musharraf called for a referendum extending his rule for an additional five years. Political opponents, particularly Islamic parties, decried the idea and refused to participate in the referendum, which was held on 30 April 2002 and offered voters the option of voting “yes” or “no.” Yes won by a wide margin, as was expected. There were no international monitors of the referendum. Musharraf called for parliamentary elections to be held on 10 October 2002. However, in August 2002, Musharraf unilaterally implemented 29 amendments to the constitution, granting himself the power to dissolve parliament and remove the prime minister, among other powers.

## LEADERSHIP

As a military leader whose interests apparently were purely professional, General Pervez Musharraf’s seizure of power in Pakistan was as much a response to circumstance as a planned venture into the political arena. However, his coup was supported by many Pakistanis, who saw the army as the only counterbalance to a prime minister completely out of control. Musharraf himself claimed, in a speech televised to the nation, that the country’s institutions had been systematically destroyed and that the economy was in a state of collapse. His stated aim was to restore “pure democracy” to the country.

Musharraf’s power base was initially ill-defined. The army supported his ouster of Nawaz Sharif, but the extent of his support in the military was unclear. Many in the military were known to be more fundamentalist in their religious outlook than Musharraf, who believes religion should be a private affair. Similarly, though many Pakistanis supported the coup and many of Musharraf’s initial moves, with political parties sidelined and a state of emergency in effect, the extent of Musharraf’s popular support and backing among Pakistan’s population was an open question. One positive is that Musharraf, as a *muhajir* or immigrant from India, avoids identification with either the Punjabi or Sindhi factions in Pakistan’s politics.

Musharraf’s position in Pakistan changed drastically after the terrorist attacks on the United States in September 2001. Pakistan was a long-time supporter of neighboring Afghanistan’s Taliban government, which the U.S. blamed for harboring the al-Qaeda terrorist cell accused of launching the attacks. As the U.S. geared up to retaliate, Musharraf and Pakistan had to decide if it would continue to support the Afghani regime or cooperate with the U.S. military response. Musharraf took the opportunity—wisely, most observers noted—of offering his country’s full support to the U.S. military. Initially, there were widespread protests in Karachi and Islamabad, but they were short-lived and were initially restricted to hardline Islamists. However, as the U.S. military campaign continued, anti-U.S. sentiment increased, and protests were widespread. Some hard-line Islamic groups expressed support for the Taliban and al-Qaeda, and members of the two organizations were reported to be harbored in western Pakistan. In parliamentary and provincial elections held on 10 October 2002, a coalition of 6 hardline Islamic parties, Muttahida Majlis-e-Amal (United Action Front or MMA), performed surprisingly well in the polls, even gaining support in urban areas and among the

middle class. In January 2003, nationwide protests were held against a possible U.S.-led war against Iraq.

## DOMESTIC POLICY

After taking power, Musharraf faced a daunting array of domestic problems. These included a corrupt and inefficient political system, an enormous foreign debt, an economy on the verge of collapse, and a society with serious social problems (such as heroin-addiction) and riddled by sectarian violence and feuding political factions.

Musharraf favors moderate economic reforms. In a key policy speech on 15 December 1999, he outlined an ambitious program to deal with the troubled economy. Most of his measures focused on improved revenue collection. He created the National Accountability Bureau to pursue tax evaders, and his administration has issued ultimatums to defaulters on loans issued by government banks. He also increased benefits for disadvantaged Pakistanis, such as increasing compensation given to relatives of dead government employees, making government land available to landless peasants, and deferring electricity payments for agricultural users. However, while all of these are positive steps, they fall far short of the rebuilding of institutions and the economic infrastructure that seem warranted by Pakistan’s economic situation. Such reforms can only be instituted over the long term and with substantial foreign aid and international support.

After throwing his support behind the U.S. war in Afghanistan, Musharraf cracked down on domestic Islamic extremist parties in Pakistan. He banned two of the most radical such groups and arrested hundreds of activists. While such heavy-handed political oppression normally attracts international protests, Western governments applauded the moves as long overdue, as did Pakistan’s historic enemy, India. Many moderate middle-class Pakistanis also saw the moves as positive, as they felt increasingly marginalized by a country that has for years been sliding into Islamic radicalism.

## FOREIGN POLICY

Like just about everything else in Pakistan, the terrorist attacks on the United States on 11 September 2001 radically changed Pakistan’s international profile and its foreign policy. Long a supporter of the Taliban government in neighboring Afghanistan—and one of only three countries in the world to recognize its legitimacy (along with the United Arab Emirates and Saudi Arabia)—Musharraf quickly altered his country’s support for the Islamic regime. He offered his full support to the United States and its military campaign against the Taliban regime and the terrorist cell it supported. Soon after declaring his support for the United States, Musharraf fired the pro-Taliban head of the traditionally powerful Inter-Services Intelligence (ISI) agency and made several other changes in personnel as well. He also allowed the United States to use Pakistan for air bases and in 2002, after the Taliban had been defeated in Afghanistan, there were media reports that he had secretly consented to allowing U.S. and British military forces to operate on Pakistani soil as they searched for remnants of the al-Qaeda terrorist cell that had launched the attacks on the United States. In appreciation of Musharraf’s cooperation, the United States rescheduled billions of dollars of debt, and the International Monetary



Fund (IMF) approved a series of badly needed loans and also agreed to massive debt reschedulings.

Relations with India, unlike those with the United States, have not improved at all, and have in fact deteriorated markedly since the terrorist attacks on the United States. During his years in the military, Musharraf was considered a hawk on the disputed territory of Jammu and Kashmir, claimed by both India and Pakistan and the source of two wars between the countries. Musharraf is widely credited, in fact, with having planned a 1999 invasion of the India-held portion of the territory. The invasion, while quickly repelled, triggered a massive buildup of forces along the Line of Control, the de facto border between the areas claimed by the two nations.

In December 2001, Islamic militants staged an armed attack on India's parliament building, killing nine people in addition to the five attackers. India blamed Pakistan and began massing troops on its border. Pakistan responded with its own military buildup, though it denied having any responsibility for the attack. In the ensuing months, India suffered several other attacks, both in Kashmir and in India itself and by mid-2002 one million troops faced each other across the countries' shared border. Most of the troops were withdrawn by October, but tensions remained. At the end of January 2003, both India and Pakistan expelled top-level diplomats from the other's country, accusing them of spying. Throughout 2002 and into 2003, the two countries test-fired ballistic missiles capable of carrying nuclear weapons.

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# PALAU

Tommy Remengesau, Jr.  
President

(pronounced "TAH-mee reh-MEN-geh-so")



*"As a newly sovereign nation, Palau, in only eight years under the Compact of Free Association, has taken great steps to solidify its new independent status through significant development accomplishments."*

The Republic of Palau (pronounced "pull-OW"), is a collection of six island groups located in the western reaches of Oceania about 800 km (500 mi) east of the Philippines and 966 km (600 mi) north of Indonesia. Almost 350 islands form this Micronesian archipelago, but most are tiny and sparsely populated or uninhabited. The Rock Islands, a chain of about 300 small, low-lying coral islands, are known around the world for their great natural beauty. The main island of Babeldaob is the second-largest island in Micronesia after Guam. Distinguished by its high mountainous terrain, Babeldaob accounts for 396 sq km (153 sq mi) of Palau's total land area of 458 sq km (177 sq mi). The capital of Palau is Koror, a small but densely populated island and the political and economic hub of the country. It is connected to Babeldaob and some neighboring islands by a network of causeways. In an effort to relieve pressure on Koror and develop other regions of the country, a new capital is being built in eastern Babeldaob.

Palauans are a Micronesian people, a mixture of Polynesian, Melanesian, and Malayan races. The official language throughout the country is English. Sonsorolese is a second official language in the state of Sonsorol. Palauan is spoken in 13 of the country's 16 states, Anguar and Japanese are spoken in the southern most state of Anguar, while Tobi is the language of the state of Tobi. One-third of Palauans still practice the traditional religion, Modekngei. The other two-thirds of Palauans belong to a variety of Christian denominations. Public education is free and compulsory through the eighth grade. Literacy is high: 92% of the population 15 and older can read and write. The population of Palau was estimated at 19,409 in 2002, but sources give widely diverging estimates ranging from 13,000 to 20,000. It is not clear if any of these figures include the rapidly growing number of immigrant workers, mainly from the Philippines. There are 4,500 to 6,000 of these workers in Palau, many of whom are undocumented.

At present, Palauans enjoy one of the highest standards of living in the Pacific, but this is largely a result of U.S. spending, rather than local economic productivity. Average life expectancy was estimated at 69 years in 2002, and per capita GDP at us\$9,000 in 2001. Although Palauans are reputed to be sharp business people, the largest formal sector employer is the government, with a corps of about 2,000 people. In addition to the federal government, Palau is governed by 16 state administrations. The federal government is also the best-paying employer with average

annual salaries of us\$10,515. This contrasts sharply with the us\$1.35 per hour earned by the Filipino immigrants working for the average private sector business. Such opportunities are limited, however, and many educated Palauans now must go abroad in search of jobs and decent salaries.

Many Palauans still practice subsistence fishing and agriculture and produce handicrafts. Palau's principal natural resource is its physical environment, and the fastest growing sector of the formal economy is tourism. Tourism grew from an average of 6,300 persons a year in 1983 to more than 40,000 in 1994. About half of the visitors come from Japan to enjoy scuba diving and snorkeling. Unfortunately for Palau, most of the profits are repatriated by foreign business owners. A second potential source of economic growth lies in exploiting the 322 km (200 mi) exclusive economic zone for its fisheries and undersea mineral deposits. At present, Palau earns some income from the sale of licenses to foreign fishing fleets, and it exports tuna and trochus (a shellfish). As with tourism, however, the vast majority of the wealth generated from fishing leaves the country. Palau also exports copra and handicrafts, but overall export earnings are dwarfed by import expenditures, which account for 80% of Palauan consumption.

## POLITICAL BACKGROUND

Palau became an independent nation on 1 October 1994, ending the Taem era Marikel (American era), which began with the U.S. invasion of the islands in September 1944. One of the toughest battles of the Pacific theater in World War II (1939–45) was fought between U.S. and Japanese forces on the Palauan island of Peleliu. Palau was the last member of the United Nations (UN) Strategic Trust Territory of the Pacific Islands, a political trusteeship established by the UN after the end of World War II. The United States assumed control of the islands in the aftermath of 30 years of Japanese colonial rule. Under the terms of the trusteeship, the United States was given sole military base rights and was mandated to support the political, economic, and social development of Palauans in preparation for their return to self-rule or independence. During its five decades of administration, U.S. policy makers failed to formulate a clear development policy for Palau, and the economy of the islands today reflects this ambivalence.

Palau was ruled in the twentieth century by Germany, Japan, and the United States. Before this, Spain ruled Palau as one of its vast holdings in Micronesia. Economic achievement

during the U.S. era was disappointing, but the Americans did leave a legacy of democracy, one that many Palauans seem to think blends well with their traditions. The United States began building democratic institutions in Palau soon after the war. Universal suffrage and representative government were introduced, and the Palau District Legislature was convened in 1948. In the 1970s, the United States began negotiating with Palau and the other Pacific Island trust territories about their political status after trusteeship. Palau began its journey to nationhood in 1978 when Palauans voted 55% to 45% against adopting the Constitution of the Federated States of Micronesia. A national charter and development plan were drawn up the next year. In addition to outlining the political structure and process, the charter contained strict provisions for cultural and environmental protections, including a nuclear-free clause that ignited a controversy that continued until independence. The charter was passed in 1980, after three referenda. The first national elections were held in November of that year, and in January 1981, Haruo Remeliik took office as president of Palau's first constitutional government.

Remeliik served until 30 June 1985, when he was assassinated by a gunman hired by political rival John Ngiraked. His successor, former diplomat Lazarus Sali, shot and killed himself while in office in August 1988. Businessman Ngiratkel Etpison was elected Palau's third president in November 1988. He served one term and ran for a second in 1992 but lost. Kuniwo Nakamura won the November 1992 election for president. He served the maximum two terms, after which the populace elected his vice-president Tommy Remengesau, Jr., to succeed him.

Palauan politics since 1979 have been dominated by the question of approving a Compact of Free Association with the United States. The Compact provides for Palau's military defense and gives the United States an option on one-third of the land for a period of 50 years. In addition, Palau received about us\$500 million in economic aid over a 15-year period. The Compact was signed by the two governments on 10 January 1986 but failed to gain Palauan voters' approval in seven referenda on the subject. At issue was the fact that certain terms of the Compact conflict with the nuclear-free provision of the country's Constitution and threaten to undermine environmental protections. A simple majority voted in favor of the Compact in each referendum, but Palau's Constitution requires a two-thirds majority vote to override the nuclear-free provision, and this was never achieved. In 1992, a citizen's initiative brought to the ballot a question asking voters whether or not they favored changing the majority needed to alter the nuclear-free provision from two-thirds to a simple majority. The initiative passed decisively but was followed by a series of challenges in court. These legal hurdles were eventually overcome, clearing the way for sovereignty and enacting the Compact on 1 October 1994.

Palau has a three-branch system of government. The executive branch is led by a president and vice president. The 30-seat legislature, called *Otblil Era Kelulau* (House of Whisper Decisions—OEK), is made up of a 16-seat Senate and a 16-seat House of Delegates. A Supreme Court, National Court, and a Court of Common Pleas form an independent judiciary. Suffrage is universal at 18 years of age.



## PERSONAL BACKGROUND

Tommy Remengesau, Jr., was born in 1956, the son of a Palau district administrator who went on to be the country's justice minister and later vice president. Remengesau received his college education in the United States. After returning to Palau, he began his own political career, which in 1984 found him at age 28 the youngest senator ever elected to the National Congress. By 1992 he was the youngest vice president, at age 36. He is married to Debbie M. Remengesau.

## RISE TO POWER

Remengesau's election as president came after he had served eight years as President Kuniwo Nakamura's vice president. Prior to that he had been a popular senator for eight years, serving as minister of administration in the Etpison administration (1989–92). Remengesau defeated Senator Peter Sugiyama for the presidency by nearly 600 votes (5,291 to 4,696) in the November 2001 contest, making him Palau's youngest president. Notably, the people also elected Palau's first female vice president, Sandra Sumang Pierantozzi, formerly a senator and minister under Etpison.

## LEADERSHIP

Remengesau is well liked by the people of Palau, who, at the time they elected him considered him the candidate most likely to continue giving them the comforts and prosperity of the Nakamura administration. He was known to have served Nakamura with great dedication, and he is regarded as action-oriented and as a visionary. Although young, Remengesau has demonstrated that he approaches politics in a practical, comprehensive manner. He also reveres his country's traditions and customs, and has said that as Palau's democracy matures, he will continue to include the High Chiefs in the national power structure. (The Council of Chiefs advises the president on matters concerning traditional laws and customs. It is made up of the highest traditional chiefs from each of Palau's 16 states.)

In Remengesau's view, Palau is changing; and he believes that part of that change must be a greater role for women in politics, medicine, business, and other professions. He sees the election of his vice president Sandra Pierantozzi, as representative of what women can contribute to the future of Palau and has appointed her as minister of health. His personal views on women's roles, however, may run into trouble in this nation whose traditional customs support discrimination on the basis of social status and sex.

## DOMESTIC POLICY

Tourism remains Palau's primary industry. Much of it results from scuba diving and snorkeling in Palau's rich marine environment. Some 85% of tourists come from Japan, Taiwan, and the United States—spending in the 1990s four times the amount they did in the 1980s, accounting for roughly half of the nation's GDP. The Asian economic crisis of the late 1990s adversely affected Palau, whose dollar-determined prices seemed high. Remengesau, however, has frequently stated that the nation's tourism and other industries have recovered well from this regional crisis.

Remengesau has maintained an interest in developing and promoting Palau as an ecotourism and world-class diving destination. At the same time, he supports infrastructure construction projects that will open up more of the country to population expansion and development. The Compact Road on Babeldaob, overseen by the U.S. Army Corps of Engineers, will permit Palauans, now concentrated in Koror, to move out to the 16 states of Babeldaob. The president sees this one project alone as opening up the whole island to development opportunities. In addition, a new capital complex on Babeldaob, to be completed in the first decade of the twenty-first century, will also encourage population movement.

At the same time, however, Remengesau is determined that only through controlled development will Palau's economy be sustained; he has remarked that the worst thing would be for Palau to develop too quickly. Although the government views tourism infrastructure development as a priority (including two high quality hotels, a golf course, and the largest dolphin park in the world), it wants to balance tourist numbers with the need to maintain Palau's pristine environment. To achieve such balance, the country promotes high-income, low-volume tourism.

One of Remengesau's primary responsibilities is to administer external assistance. Palau was scheduled to receive more than US\$450 million in assistance over 15 years under the terms of the Compact of Free Association with the United States. In addition, Palau can participate in some 40 U.S.

federal programs. The United States made its first grant of US\$142 million in 1994; additional annual payments are forthcoming through 2009. With this end of support in view, Palau is faced with ensuring its long-term economic viability by becoming less reliant on foreign assistance. In 1994 a trust fund was created for the nation to draw upon after the Compact grants stop. The Compact of Free Association Trust Fund grew from US\$60 million in 1994 to US\$145 million by 2002.

In that year, through an agreement between Remengesau and the Congress, trust funds were withdrawn for the first time (\$5 million to cover excess government expenditures). In the same year, the president urged passage of legislation to revise the country's laws on foreign investment and its tax laws, and to allow the government to issue bonds. Remengesau was also concerned about a noncompliance rating issued to Palau's banking industry by the IMF in May and urged changes in the country's banking oversight program.

In 2002 President Remengesau proposed three constitutional amendments to the country's legislators. One would require presidential and vice-presidential candidates to run on the same ticket; a second would transform the Congress from a bicameral to a unicameral body; and the third would allow for dual citizenship. Pending Congressional approval, the amendments will be submitted for a public referendum in the 2004 elections.

## FOREIGN POLICY

A sovereign nation, Palau conducts its own foreign relations. The nation maintains active and aggressive diplomatic relations with many nations, including most of its neighbors in the Pacific. In August 2002 President Remengesau led heads of state from sixteen other Pacific Islands nations in urging worldwide ratification of the Kyoto Protocol on global warming.

On 15 December 1994 Palau was admitted to the UN and later became a member of UNESCO; it has also joined other international organizations. Palau belongs to the Pacific Community (South Pacific Commission—SPC), the South Pacific Forum (SPF), and the Forum Fisheries Agency. Palau holds an associate membership in the Economic and Social Commission for Asia and the Pacific (ESCAP) and is seeking full ESCAP membership. It has joined the Asia Pacific Telecommunity, the International Monetary Fund (IMF), and the Asian Development Bank (ADB).

Palau's relationship with the United States remains primary under the Compact of Free Association, and following the terrorist attacks of 11 September 2001, President Remengesau notified the U.S. that its military would have access to Palau's harbors and airport if they were needed in the war on terrorism. Palau is rapidly growing its ties with Asia, Japan in particular, and with Australia. Palau has formally recognized Taiwan, seeking its investment and tourism. Besides the United States, the Philippines and Japan keep embassies in Palau.

In 2002 Remengesau made official state visits to Japan, China, and Mexico and addressed a session of the United Nations General Assembly on behalf of UN membership for Taiwan. He also urged Palau's Congress to ratify the 1996 Comprehensive Nuclear Test-Ban Treaty.

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**Profile researched and updated by Jeneen Hobby, Ph.D. (5/2003); sections contributed by N. Lynn Graybeal (5/2002).**

# PANAMA

**Mireya Moscoso**  
**President**

*(pronounced “meeh-REH-yu mos-KOH-soh”)*

*“From now on we are in charge of our own destiny.  
We don't want a divided country, we want a unified nation.”*



The Republic of Panama is a Central American country of 78,200 sq km (30,193 sq mi). It shares a western border with Costa Rica and an eastern border with Colombia. The Caribbean Sea lies north of Panama, and the Pacific Ocean is on the southern end of the country.

Panama had an estimated population of 2,882,329 in 2002, with a population growth rate of 1.26%. Panama enjoys one of the highest standards of living in Central America. Life expectancy is 75.9 years and 90.8% of the population is literate. Approximately 70% of all Panamanians are mestizo (mixed Amerindian and white); 14% are West Indian; 10% are white; and 6% are Native American. A majority of the population (85%) is Roman Catholic but a significant number (15%) are Protestant. Spanish is the official language, although English is also commonly used in urban areas.

A majority of the Panamanian workforce is employed by the service industry. The three main sources of employment are banking, commerce, and tourism. The gross domestic product (GDP) was estimated at US\$16.9 billion, or US\$5,900 per capita in 2001. There has been little development in agriculture and industry in recent years, because more than 61% of Panama's economic activities are in the service industry. One of every three Panamanians is part of the country's labor force but unemployment has remained high (estimated around 13% in 2000, as of 2003 it was pegged at 18%).

The main export products are bananas, rice, corn, coffee, and sugarcane. Panama's main trade partner is the United States. The unit of currency is the *balboa*, which has a fixed exchange rate of one *balboa* = US\$1.00. U.S. dollars are commonly used as currency, because of the large influence of the United States,

Panama is known around the world because of its 80 km (50 mi) transoceanic canal built by the United States in 1914. The virtual monopoly held by the canal over trade between the Atlantic and Pacific Oceans has continued to fuel resources into the economy. Tolls for crossing the canal were raised by 8.2% in 1997 and 7.5% in 1998. The transit fee for small vessels now stands at over US\$1,500. These increases were justified by claims that the canal will need to be expanded by the year 2020 to meet the expected increase in demand.

## **POLITICAL BACKGROUND**

Rodrigo de Bastidas was the first Spanish conqueror to visit the Isthmus of Panama in 1502. A year later, Christopher

Columbus established a temporary settlement in the region, and in 1513, Vasco Nunez de Balboa walked from the Caribbean Sea to the Pacific Ocean, proving that the Isthmus was the shortest passage to link the two oceans. Since then Panama became a center of trade for the colonial power. Gold and other goods were shipped from South America and were hauled across the Isthmus to be loaded to other ships waiting on the Caribbean Sea. Due to its strategic importance and its convenient location for trade between Europe and South America, Panama became a key colony of the Spanish Empire from 1538 to 1821. After some unsuccessful attempts at independence, Panama was incorporated as a province of the newly formed Republic of Colombia and it remained as such until 1903. In the late 19th century, French entrepreneurs eyed the Isthmus of Panama to build a new transoceanic canal. Ferdinand de Lesseps led the effort from 1890 to 1900, but the dense jungle, tropical diseases, and shortage of labor derailed his attempt.

In 1903, with encouragement from the United States and financial support from the French, Panama declared its independence from Colombia. A treaty with the United States set the legal and political basis for U.S. involvement in building the canal. The Hay-Bunau-Varilla Treaty granted land rights to the United States in perpetuity in a 16-km (10 mi) wide corridor between the two oceans. In total, Panama ceded a 1380-sq km (533-sq km) strip of land that divided the west and east regions of the country. The United States completed the 80-km (50-mi) long canal in 1914. From 1903 until the 1950s, a commercial elite controlled political power although Panama was nominally a constitutional democracy. The military began mounting pressure upon the government and demanded a greater role in the administration and in the profit sharing from the revenues of the canal. In addition, the large U.S. military presence in the country caused discontent among the military elite.

In October of 1968, President Arnulfo Arias, who had been elected president twice before and had been ousted as many times, was removed from office a third time by the Panamanian military. Brigadier General Omar Torrijos, the head of the National Guard, emerged as the leader of the military *junta* and eventually seized total control. A charismatic leader, Torrijos continued the practices of corruption and repression that had characterized his predecessors. His leading cause, however, was to repeal the 1903 Canal Treaty and recover control of the land where the canal had been built. Popular riots in 1964 led to the death of four U.S. marines and more than 20 Panamanians. U.S. and

Panamanian negotiators proposed a new treaty in 1967 but neither country ratified the agreement. In 1973, new negotiations were initiated after the two countries signed a protocol known as the Kissinger-Tack declaration of principles. On 7 September 1977, President Jimmy Carter and General Torrijos signed the Panama Canal Treaty in Washington, D.C. After being approved by the Panamanians in a national plebiscite in October of the same year, the U.S. Senate ratified the treaty in 1978. The new treaty granted the United States primary responsibility for the operation and defense of the canal until December of 1999. At that time, responsibility for the operation of the canal would be transferred to Panama, but U.S. military vessels would still have priority of passage. Panama would allow equal access to the canal, and the United States would have the right to ensure that the canal remains open at all times. Together with the canal treaty negotiations, Torrijos initiated a process of transition to democracy. He formed the Democratic Revolutionary Party and amended the 1972 Constitution to allow for the reorganization of the unicameral legislative body. When Torrijos died in a plane accident in 1981, a political vacuum ensued.

Eventually, General Manuel Antonio Noriega emerged as the strongman of Panamanian politics. Although there were six different presidents during the 1980s, actual power remained in the hands of Noriega. In 1989, when opposition candidates won victories in the elections, Noriega suspended the presidential elections. Political and social turmoil, aggravated by an ongoing economic crisis, threatened stability in Panama. Amid accusations of that the government was corrupt and linked to drug cartels, the United States invaded Panama on 20 December 1989. Noriega was captured and taken to the United States to face charges; he received a 40-year jail sentence for drug trafficking.

Guillermo Endara, a man of no political experience, was installed as president and governed until 1994. Inefficiency and corruption characterized his government, and the economic situation worsened. Ernesto Pérez Balladares of the Democratic Revolutionary Party (PRD) won the 1994 elections and assumed power. He restored political and social order and began a process of neoliberal economic reforms aimed at restoring growth, reducing inflation, and creating employment. By the end of his administration, however, the economy was still in crisis. Pérez Balladares attempted to modify the Constitution to run for a second term in 1999, but he failed to muster a sufficient majority in the unicameral legislature. Elections held in May 1999 resulted in a victory for Mireya Moscoso, who became the first female president of Panama.

Panama is a representative democracy with three branches of government: executive and legislative branches elected by direct, secret vote for 5-year terms, and an independent appointed judiciary. The executive branch includes a president and two vice presidents. The legislative branch consists of a 72-member unicameral Legislative Assembly. The judicial branch is organized under a nine-member Supreme Court and includes all tribunals and municipal courts. An autonomous Electoral Tribunal supervises voter registration, the election process, and the activities of political parties. Everyone over the age of 18 is required to vote, although those who fail to do so are not penalized.



## PERSONAL BACKGROUND

Mireya Elisa Moscoso Rodríguez was born in Panama City on 1 July 1946. Moscoso's family came from the town of Pedasi, in the province of Los Santos. Her father was a teacher. She grew up and attended primary school in this small town. Her secondary education was completed at Maria Inmaculada Catholic School in Panama City. In 1964, she joined the presidential campaign of Arnulfo Arias, and two years later she became a sales manager for one of Arias's private companies. In 1968, at the age of 22, Moscoso worked as an assistant to President Arias and joined him in the United States when he was forced into exile after being deposed by a military coup. In 1969, she and Arias were married in Miami. Moscoso attended Miami Dade Community College where she obtained a degree in interior design in 1974. She lived with Arias until his death in 1988 and returned to Panama after the 1989 U.S. invasion. She has one son.

## RISE TO POWER

Although she was not active in politics during her exile in the United States and Spain, Moscoso accompanied her husband in his political career and vowed to defend his political goals after his death in 1988. Upon returning to Panama in 1990, she helped form the Arnulfista Party (named after Arnulfo Arias) in 1990. Moscoso made an attempt to win the presidency in 1994, but was defeated by Ernesto Pérez Balladares. Between 1994 and 1999, Moscoso worked to consolidate and strengthen the Arnulfista Party. Although she was the symbolic leader of the party, she faced opposition from other politicians who argued that a seasoned and experienced public official should contend for the presidency in 1999. In

early 1999, she successfully defeated a primary challenge and was named presidential candidate of the Arnulfista Party. In part, her victory resulted from her strong and active opposition to Pérez Balladares's effort to amend the Constitution to permit presidential re-election. Moscoso helped put together a coalition of opposition parties to block constitutional reform in the Parliament. Elections were held on 2 May 1999, and Moscoso won 44.8% of the vote. She defeated Martín Torrijos, son of General Omar Torrijos—the man that had ousted Arnulfo Arias from power in 1968. Martín Torrijos was supported by the PRD, and he obtained 37.8% of the vote. She was inaugurated on 1 September 1999.

### LEADERSHIP

Moscoso will need to prove that she is more than just the widow of President Arias. Although she won the election, her party only won 14 seats in the 72-member Parliament. In contrast, the PRD won 34 seats—a sufficient force to constitute a formidable opposition. The opposition coalition has made it difficult for Moscoso to move forward controversial initiatives such as reform of the tax code, and has blocked ratification of several government-appointed officials. Moscoso campaigned against the reelection of Pérez Balladares and achieved national recognition for her efforts. Her presidential program is generally regarded as lacking specificity, however, often relying on populist rhetoric. She faced a country left impoverished by the economic policies of Pérez Balladares. Approximately 36% of the population live in poverty and unemployment stands at roughly 18%. She initially was seen to have garnered support across party lines for programs to alleviate poverty and generate employment, because she was perceived as more caring than Pérez Balladares. However, Moscoso has been criticized for not doing enough for the poor. As of early 2003, about a year before presidential elections are to be held in 2004, many Panamanians have been said to be leaning more to the left politically, following the election victories of Brazil's Luiz Inácio Lula da Silva and Ecuador's Lucio Gutiérrez, and the presidency of Chile's Ricardo Lagos, who are seen to be successfully bridging the gulf between rich and poor.

### DOMESTIC POLICY

High oil prices, a slump in agricultural exports, a worldwide economic slowdown, and the withdrawal of U.S. military forces have created an economic slowdown in Panama since 2000. Economic growth is expected to be sluggish for 2003–04. A major challenge facing Moscoso's administration has been turning to productive use the 70,000 acres of former U.S. military land and the more than 5,000 buildings that reverted to Panama at the end of 1999. The agency responsible for the development and promotion of these areas, the Interoceanic Regional Authority (ARI), has not been able to attract significant new investment to make up for the loss of jobs and income resulting from the U.S. withdrawal.

In efforts to address the problems facing the economy, the government has set up several panels of government and business leaders to suggest steps to promote employment generation, investment, and tourism in Panama. The 45 proposals announced in March 2001 suggest that the government needs to streamline its bureaucracy and speed up execution of public works. In 2000, union leaders pressured the government to raise Panama's minimum wage by 12%. Two more wage hikes are expected before 2004.

### FOREIGN POLICY

The main challenge for the Moscoso government is to oversee a peaceful and trouble-free management of the canal. Many experts predict that Panama will run into difficulties trying to operate the canal and meet the 2020 deadline for its expansion to meet the anticipated increase in traffic. If Panama fails to successfully manage the operations of the canal, the United States will be ready to step in, but national pride and the international reputation of the country will suffer tremendously. Moscoso has taken steps to establish herself as a national leader, one who unifies opposing political interests in a country that is geographically positioned to play a key role in the world economy in the 21st century. Many analysts have noted that Panama would probably not exist today as a country had it not been for the canal. Moscoso has attempted to establish that Panama is a country capable of operating one of the greatest engineering works of the 20th century and expanding its role to satisfy the demands of an ever more trade-interdependent world.

Beginning in March 2001, Panama served as host for the 2001–03 Free Trade Area of the Americas negotiations. At the same time, Panama was negotiating free trade areas with Costa Rica and Mexico, among others. In 2003, Panama and Puerto Rico signed an agreement aimed at strengthening economic and cultural ties.

Panama continues to fight against illegal narcotics. In 2000, Panama passed a number of significant reforms aimed at strengthening its cooperation against money laundering and other international financial crimes, although these remain problems still facing the country.

In early 2003, Panama and Colombia agreed to work out a system of sharing strategic information about each country's national security. This step marked a change in Panama's foreign policy, which previously had been one of neutrality in Colombia's civil war. With rising crime and terrorist activity carried out by the Revolutionary Armed Forces of Colombia (FARC), however, Moscoso officially took the side of Colombia in its civil war. On 11 February 2003, the presidents of Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Argentina's foreign minister, in addition to Moscoso, met to sign the Panama Declaration, pledging to apply existing international norms in Colombia's conflict. In March 2003, officials from the United States, Brazil, Panama, and the Andean nations met in Colombia to attempt to work out a regional strategy against the FARC.

Panama is a member of the United Nations (UN) General Assembly and most major UN agencies; the country has served three terms as a member of the UN Security Council. It maintains membership in several international financial institutions, including the World Bank, the Inter-American Development Bank, and the International Monetary Fund. Panama is also a member of the Organization of American States (OAS) and was a founding member of the Rio Group. Panama joined with six Central American neighbors at the 1994 Summit of the Americas in signing the Alliance for Sustainable Development known as the Conjunta Centroamerica-USA (or CONCAUSA), to promote sustainable economic development in the region.

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# PAPUA NEW GUINEA

Sir Michael Somare  
Prime Minister

(pronounced “my-KUL so-MAY-tay”)



*“The government’s main agenda over the next five years would be to create political stability to allow for economic reform to take place.”*

Papua New Guinea (PNG) is the Pacific Island nation that lies immediately north of Australia. It comprises the eastern half of the huge island of New Guinea, together with some 600 islands to the east, including the Bismarck Archipelago and Bougainville. Land area is about 461,690 sq km (almost 179,000 sq mi).

While most of the estimated 5.1 million people (2002) are ethnically Melanesian, there are also small groups of Europeans, Chinese, and Polynesians. The official languages of government are English, Tok Pisin, and Hiri Motu. An estimated 800 distinct languages are still spoken, which is one of the obstacles to creating a sense of nationhood. The population is nominally Christian, but there are abundant traces of traditional forms of worship, often directed toward ancestral spirits.

Papua New Guinea has the potential to become the wealthiest Pacific Island nation, drawing on immense natural mineral and oil resources. It is estimated that if all known deposits were exploited, the country would replace South Africa as the world’s leader in gold production. Copper, gold and petroleum, as well as cocoa, coffee, and coconut products, have been significant export earners. Yet, the government budget regularly shows a deficit and remains heavily dependent on aid from Australia and international lending agencies. The unit of currency is the *kina*. While other Pacific Island nations are less well endowed with natural resources, PNG has the worst record in the Pacific in such social indicators as literacy (65%), life expectancy (64 years), and infant mortality rates (57 deaths per 1,000 live births). Violent crime has been a horrendous problem in urban areas, and is often committed by displaced youths from the countryside. The HIV/AIDS epidemic has badly affected PNG in recent years.

## POLITICAL BACKGROUND

Initial colonization of what is now Papua New Guinea evolved as part of a competition between Great Britain and Imperial Germany in the 1800s over Pacific Island possessions.

After World War I (1914–18), Germany lost all its Pacific colonies; in 1921, what had been German New Guinea became a Mandated Territory of the League of Nations, administered by Australia. The Mandated Territory consisted of the northeastern portion of the mainland, together with islands as far east as Bougainville. Australia retained control

of the Territory of Papua, the southeastern portion of the mainland, and smaller adjacent islands. The Mandated Territory was distinctive for its greater prosperity, based on coconut plantations mostly operated by Australian firms and individuals. Papua had a small administrative budget and a paternalistic policy aimed at protecting the indigenous population from being exploited.

Japan’s invasion of the Pacific in World War II (1939–45) carried as far into PNG as the occupation of the north coast of the main island, and of New Britain and Bougainville. Allied counterattacks on Japanese positions brought destruction of property and considerable loss of life to the local people in these areas. During the war, both Papua and the Mandated Territory were administered as a single political unit, and this continued after military operations ended. Technically, the legal status of Papua remained distinct from that of New Guinea, which became officially a Trust Territory of the United Nations with Australia as trustee. However, the postwar Australian government treated the entire area as the single Territory of Papua and New Guinea.

Beginning in the 1960s, Australia came under considerable international pressure to grant independence to both Papua and New Guinea as a single nation. At that time, there had been little development of political and social institutions, of the kind that would have made transition to independence an easy one. All real political authority was in the hands of Australians; Papua New Guineans (as they began to be called) occupied only the lowest echelons of the public service.

This would begin to change rapidly beginning in 1964 with the establishment of the first elected legislative body, the House of Assembly, empowered to enact legislation affecting the whole territory. Voting for the House of Assembly was the first experience of this kind for most of the indigenous population, and it launched the first steps toward the independence that was achieved in September 1975. At that time, the independent state of Papua New Guinea was established as a constitutional monarchy and a member of the British Commonwealth, with the British sovereign as head of state.

Papua New Guinea is governed by the so-called Westminster system. This means that an elected Parliament is the national legislative authority. Parliament consists of 109 members chosen by universal adult suffrage for five-year terms; 89 of these are elected from local constituencies. The rest are elected from each of the nation’s 19 provinces and the National Capital District (NCD) centered in Port Moresby.

Executive authority resides in the prime minister and cabinet, all of whom are elected members of Parliament (MPs). The prime minister must demonstrate that he commands the support of a majority of MPs in order to form a cabinet. In Britain, where the Westminster system originated, this works smoothly enough because of long traditions, well-established and disciplined political parties, and an independent public service. However, these conditions do not exist in Papua New Guinea, leading to a degree of political instability that has attracted international concern.

Traditionally, indigenous politics operated on a very small scale in what became PNG. Few of the many language groups had what could be recognized as true chiefs with authority over large groups. Today many people still recognize first loyalties to a clan, an influential individual, or at most a language or geographic area. One consequence is large numbers of candidates, with no more than nominal party affiliation, running for Parliament in a single electorate. The successful candidate does not have to get a majority of votes cast. In 1992, 87 of the winning candidates received less than 30% of the votes cast in their respective races. In such cases, MPs can hardly expect to enjoy the respect or long-term support of those they are supposed to represent. It is not surprising that each election sees a high turnover of MPs.

A Westminster system depends on the existence of a relatively small number of well-organized political parties, but in PNG even the most successful parties have difficulty commanding a majority in Parliament. Coalition governments have been the rule since independence. In 1997, 39 MPs were elected as Independents, without party affiliation or loyalty. The head of a party cannot even count on other MPs in his own group to back his attempt to form a government. Party switching is one of the most common features of PNG politics. This can lead to votes of no confidence in the governing prime minister, which makes formation of a whole new government necessary. No prime minister has ever served a full five-year term.

## PERSONAL BACKGROUND

Sir Michael Somare, Papua New Guinea's perennial leader, was born on 9 April 1936, in the town of Rabual, East New Britain province, the son of a police officer. He was educated at Sogeri Education Centre and Port Moresby's Administration Staff College. He worked as a teacher, and then as a radio journalist, before entering politics in 1968. Somare has received honorary degrees from universities in PNG, Fiji, The Philippines, and Australia, and was knighted by Queen Elizabeth II. The library at University of Papua New Guinea is named after him. He is married, with five children.

## RISE TO POWER

Michael Somare entered the PNG government in 1968, when he was elected to represent East Sepik in the pre-independence House of Assembly. In 1973, he was named chief minister of the Self-Governing Territory of Papua and New Guinea. To this day, he is known affectionately as "The Chief." In 1975, when PNG gained its independence, Somare became the country's first prime minister. His term ended with a vote of no confidence in 1980, and he became the opposition leader. He was reelected in 1982, serving his second term as prime minister until another no confidence



vote in 1985. As opposition leader he was affiliated with the Papua New Guinea United Pati (PANGU Party), which he led several times and resigned from several times. He also served as foreign minister in the cabinet of Prime Minister Rabbie Namaliu, and in 1995, as governor of East Sepik Province. In 1997 Somare founded the National Alliance Party and was elected as its representative to Parliament (MP) from East Sepik province.

In the government of Prime Minister Mekere Morauta, (1999–2002), Somare served first as foreign affairs minister and minister for Bougainville affairs, and then as minister for mining and minister for Bougainville affairs. For more than a decade, armed conflict had wracked the island of Bougainville, where initial violence against a huge copper mine escalated into demands for the island's secession from PNG. Morauta pursued a policy of negotiation, rather than a military solution, following a ceasefire early in 1999. Both Morauta and Somare were sympathetic to granting Bougainville the maximum degree of political autonomy, short of complete independence.

Although progress was made on the Bougainville situation, PNG's economy was in decline during the administration of Morauta, who described the country as "bankrupt." In July 1999, having failed to negotiate acceptable commercial loans or bond sales to cover its budget deficit, the government turned to the International Monetary Fund (IMF) and the World Bank for emergency assistance. Guided by international lenders and donors, Morauta embarked on a privatization program and cuts in government spending. Morauta's economic policies, while applauded by Australia and other

lender/donors, were unpopular with PNG's trade unions during a time of high unemployment, and there were two army mutinies in protest of his drastic reductions in military spending.

The June 2002 national elections turned out to be violent and chaotic. Voter fraud was widespread, polls were disrupted, and two dozen people were killed. As votes were counted, Somare's National Alliance Party (NAP) challenged votes cast after an extension of voting time in remote areas. By late July it was finally established that an NAP-led coalition controlled a near-majority in the Parliament. The way was cleared for Somare to regain power when Morauta, in a surprise move, decided not to try to keep his position. Unaffiliated members of Parliament then gave their votes to the NAP. On 5 August, the Parliament elected "The Chief" Somare to once again lead PNG.

### LEADERSHIP

Somare is revered as a founding father of independent PNG, with his portrait on the currency, and his voice recognized by everyone in the country with a radio. He has long been considered above corruption and a unifying force for the nation; some believe that he has mystical powers. As an administrator, he has shown the ability to attract good politicians and specialists to serve with him, and has taken steps to encourage the participation of more women in government. Still, he is always vulnerable to parliamentary challenges, having lost his prime ministership twice before to no confidence votes. His coalition-building skills have been needed more than his legendary eloquence, as the 2002 elections were terribly flawed and the coalition government (13 parties plus numerous independents) remains unstable. Indignation over invalidated election results in the resource-rich but violence-plagued Southern Highlands has increased threats of civil conflict and sabotage, while economic viability depends on the goodwill of the international community. Somare's return to office initially gave many Papua New Guineans hope for a return to the times when the country was new and unburdened by modern problems. It will be difficult even for such a respected figure to fulfill such hopes.

### DOMESTIC POLICY

With the national budget in disrepair and the economy in disarray, Somare immediately named reformers and financial experts to his cabinet, which included many new members of Parliament. PNG had a deficit of US\$95 million, and the central bank was going under, while the value of the kina kept diminishing. Before the election, government spending had gone up more than 20%; now that amount (including educational subsidies) would be taken away, as part of a strict austerity program. Natural disasters including a volcanic eruption, an earthquake/tsunami and drought, added stresses on PNG's underfunded government in the early months of Somare's administration.

The privatization measures initiated by the previous administration, including selloffs in the banking, telecommunications, and airline sectors, were immediately suspended by Somare, for "reassessment." Even after several months in office, Somare favored a slowed pace of state enterprise sales, stating, "We accept the concept of privatization, but privatization in the interest of Papua New Guineans."

In October 2002, PNG's Supreme Court decided that a value added tax (VAT), which it had earlier ruled unconstitutional, could be extended until July 2003, without refunds which would have bankrupted the government. This was an important reprieve for the federal government, but indicated future problems in raising revenue.

With most of its petroleum and mineral reserves becoming depleted, the country's potential sources of export income were starting to dry up. Pervasive corruption and infrastructure neglect have continued to be dampers on increased foreign investment in fields other than the extractive (oil, minerals, timber) industries. Those industries have caused enormous environmental destruction in PNG, but Somare's government has sought further international mining and petroleum investment through tax breaks, and actively promotes a pending project to build a natural gas pipeline to Australia. The rate of logging in PNG's tropical forests has increased, with international environmental organizations calling on Somare's government to better control foreign timber firms.

In April 2003, a parliamentary committee proposed a new law which would criminalize any criticism of the government or the nation. While the law did not appear to have Somare's support, it was viewed by human rights groups as an unconstitutional and unprecedented threat to the freedom of speech and free press enjoyed in PNG.

### FOREIGN POLICY

Somare's predecessor Morauta had gained renewed international aid and loan support for PNG, maintaining especially close ties to Australia, whose assistance and investment continue to be crucial for PNG's economic survival. Some regional analysts fear that PNG's economic collapse could lead to interior secession movements, indigenous terrorism, or the use of PNG as a terrorist base, which would be a security issue for Australia, perhaps leading to Australian military intervention. Australia was seen as backing Morauta in the 2002 election, and Australia's prime minister John Howard was considered unenthusiastic about Somare. One of Somare's first acts as prime minister was to host a visit by Howard, with a joint press conference in which a friendly relationship was emphasized. However, by November 2002, aid from Australia, the IMF, and World Bank, was being frozen in order to make sure that Somare's government followed through on severe budget cuts. Somare contrasted the freeze with funding of the previous administration: "The Australian government went out to support Sir Mekere's (Morauta's) last budget before the elections and without the concurrence of the World Bank and the IMF."

A particular source of friction between the Somare and Howard governments has been Australia's use of Manus Island in PNG as a "Pacific Solution" detention center for foreigners seeking asylum in Australia. Somare has criticized this strategy, stating that Australia is making PNG a "dumping ground for refugees." As conflict between Indonesia and indigenous Papuan separatists continued on the western half of the island of New Guinea, Somare tried to maintain friendly relations with Indonesia. He aligned PNG with Indonesia and against Australia in opposing 2003's U.S.-led invasion of Iraq (in which Australia participated.)

PNG has had difficulty balancing competing relations with Taiwan and China. Prime Minister Bill Skate proposed a deal in 1999 which would have traded diplomatic recognition of Taiwan for a substantial loan, a gesture which brought on trade sanctions from China. Morauta was quick to repudiate Skate's concept in favor of continuing a strict policy of official relations only with China, not with Taiwan. Somare seemed to favor more formal trading relations with Taiwan and sent a trade delegation (which appeared to have included his son, Arthur Somare) to Taiwan in November 2002, prompting protests by China.

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**Profile researched and written by Edith Mirante (5/2003); sections contributed by Eugene Ogan, Professor Emeritus, University of Minnesota (12/99).**

# PARAGUAY

Luis González Macchi  
President

(pronounced “loo-EES gohn-ZAH-lace MAH-kee”)



*“We must seize this great opportunity to change the destiny of this country.”*

In the heart of South America lies the small Republic of Paraguay. This landlocked country is bordered by Bolivia on the north and northwest, by Brazil on the east, and by Argentina on the south and west. It has an area of 406,752 sq km (157,048 sq mi). The Paraguay River divides the country into two regions. The eastern region is the highlands area where 90% of the country's 5.9 million (July 2002 estimate) people live. It contains the densely forested Paraná Plateau, rolling foothills, marshes, and grasslands. The western region, known as the Chaco Boreal, is a vast, flat plain with rough grasses, cacti, and thorny shrubs. Meteorological extremes of drought and flooding have discouraged settlement and agricultural development in the western region. The Paraná River defines the country's southeastern boundary and provides the only outlet to the sea. Asunción is Paraguay's capital and largest city, with a population of over 1,400,000.

Most Paraguayans (95%) are *mestizos* (people of mixed Spanish and Guaraní Indian ancestry). Most of the remaining population is Guaraní, native settlers in the region. Spanish and Guaraní are both official languages, with government publications produced in both languages. Almost all Paraguayans are Roman Catholic (90%), although there are small pockets of Mennonites and other Protestant denominations. Life expectancy is high—72 years for males and 77 years for females. The literacy rate is about 92%.

Paraguay's market economy, once dominated by agriculture, forestry, and fishing, is now largely service oriented. Soybeans are the largest export crops, followed by cotton, meat, and timber. There is also a large informal sector of street vendors and those engaged in the reexport of imported consumer goods such as electronic equipment, office products, liquor, perfume, and tobacco products. Paraguay is a member of Mercosur (Southern Cone Common Market). Brazil is Paraguay's most important trading partner, accounting for about one-third of all trade. Argentina is a distant second.

In the late 1970s and early 1980s, construction of the world's largest hydroelectric dam, the Itaipú, on the Paraná River brought Paraguay the highest economic growth rate in Latin America. As of early 2000, however, Paraguay's economy was in recession following the devaluation of the Brazilian currency and a virtual halt in trading activity. Adversely affected was the Itaipú hydro complex (located in Paraguay, one of the world's largest hydroelectric projects), of which Brazil is part owner. The Itaipú plant supplies 20% of Brazil's electricity.

The country's banking sector collapsed in 1998 due to corruption and mismanagement, causing thousands of Paraguayans to lose their life savings. The unit of currency is the *guaraní*.

## POLITICAL BACKGROUND

Although both Portuguese and Spanish explorers came to Paraguay during the early part of the sixteenth century, by 1537 the territory was under Spanish rule. In 1609, the Jesuits arrived and over the next century they established more than 40 missions throughout the country. In 1767, however, King Charles III banished the Jesuits from the entire Spanish empire, and that included Paraguay. On 14 May 1811, Paraguayans deposed the Spanish governor and declared their independence from Spain. Five years later, the educated, but authoritarian José Gaspar Rodríguez de Francia was declared ruler for life by the fledgling republic's legislature. Despite his isolationist policies, the country flourished and a tradition of dictatorial rule was established that prevailed for the next 150 years. In 1865, Paraguay's president, Francisco Solano Lopez, provoked a devastating five-year war with Brazil, Argentina, and Uruguay because they were refused access to the Paraná River basin. During the war, three-quarters of Paraguay's male population was killed and the overall population decreased from one million to 221,000. In 1932, after the discovery of oil, Paraguay again went to war in a territorial dispute, this time with Bolivia. The three-year Chaco War gave the victorious Paraguay some additional land, but little else.

During the late nineteenth century, two political parties emerged, the Colorado Party and the Liberal Party. The Liberal Party held power during the first four decades of the twentieth century. But for most of the last 120 years, the Colorado Party has controlled Paraguayan political life. In 1954, after more than a decade of coups and revolts, General Alfredo Stroessner took the reigns of power and ruled with an iron fist for the next 45 years. The Stroessner administration, in a strong alliance with the Colorado Party, was characterized by corruption, persecution of political opponents, and human rights violations.

Stroessner was deposed in 1989 by Major General Andrés Rodríguez, who represented a rival faction within the Colorado Party. Rodríguez began a process of transition toward democracy in Paraguay. He ended censorship of the press and promoted a new Constitution, adopted in June 1992. Under the new charter, the president is elected to a five-

year term and may not succeed himself. Paraguay has a bicameral legislature, one chamber of 45 senators, another of 80 deputies. In 1993, Juan Carlos Wasmosy became the country's first civilian elected president in nearly 50 years. Wasmosy completed his five-year term and was succeeded by Raúl Cubas, the nominee of the Colorado Party, in May 1998.

The circumstances under which Cubas was elected sowed the seeds for his premature departure from office and the turmoil that engulfed his country. In 1996, Cubas served as finance minister in the Wasmosy government. He sided with his longtime friend, General Lino Oviedo, who led an unsuccessful coup attempt against Wasmosy. When Oviedo was stripped of his rank, Cubas campaigned to nominate him as the Colorado Party's presidential candidate. Oviedo selected Cubas as his vice-presidential running mate. When Oviedo won the primary election, Wasmosy had him arrested. After being convicted of insubordination, Oviedo was sentenced to 10 years in prison.

Cubas became the Colorado Party's presidential candidate and was elected with 52% of the vote. He was always seen as the stand-in for Oviedo. Even his campaign slogan was indicative: "Cubas in government, Oviedo in power." Cubas, who never had a strong political base, did not last long as the country's president. His decision to free Oviedo a few days after taking office proved to be his undoing. On 28 March 1999, under international and domestic pressure, he resigned and flew to Brazil. Luis González Macchi was installed as the country's new president.

### PERSONAL BACKGROUND

Luis Angel González Macchi was born on 13 December 1947, the son of Saul González, a former minister of justice and labor under Alfredo Stroessner. In his younger days he was a professional basketball player. He joined the Colorado Party in 1966 and received his formal training in labor law at the National University of Asunción. During the 1970s and 1980s, González Macchi served in various posts in the Ministry of Justice and Labor. In 1993, he was elected to the Chamber of Deputies and served as its vice president in 1993–94. In 1998, González Macchi was elected to the Senate and became its president. He is divorced from his first wife and is now married to a former Miss Paraguay, Susana Galli. They have one child.

### RISE TO POWER

When Raúl Cubas was inaugurated on 15 August 1998, the Colorado Party was deeply divided between supporters of Oviedo (voodooists) and his detractors. The split represented a division between those seeking a more democratic governance for Paraguay and those still wedded to the strong-man form of governance under former dictator Stroessner. Three days after his inauguration, Cubas commuted Oviedo's sentence, provoking a national uproar and infuriating many within the Colorado Party. Immediately, key leaders from all four political parties called for his impeachment. Although the Supreme Court annulled Cubas's decision, he defied the ruling and refused to return Oviedo to prison. The political crisis continued to brew over the next several months, with little evidence of resolution. In late March 1999, weeks before the legislature was set to launch impeachment proceedings,



Vice President Luis Maria Organa, who would have succeeded Cubas, was assassinated. Oviedo and Cubas were widely blamed for Organa's death. Demonstrations and rioting broke out on the streets of the capital city of Asunción, and sniper fire killed five and injured hundreds.

Invoking the "democratic clause" in the Mercosur treaty—which requires member countries to be practicing democracies—representatives from Brazil, Argentina, and Uruguay, as well as Germany and the United States, stepped in to resolve the crisis. The international delegation joined representatives of Paraguay's political parties and the Roman Catholic Church to negotiate a peaceful settlement. On 28 March 1999, Cubas resigned and the Paraguayan legislature installed Luis González Macchi, president of the Senate and next in the line of succession, as the country's new president. Cubas was exiled to Brazil, joining former dictator Stroessner; Oviedo went to Argentina.

### LEADERSHIP

After an initial period of uncertainty about González Macchi's status as president, the Supreme Court ruled in May 1999 that he would serve out the unexpired term of Cubas (until 2003).

The armed forces pledged their support for the González government. Soon after taking office, González Macchi began to purge the military and police of Oviedo loyalists. Through his initiative, Oviedo faced trial for his role in the deaths of Organa and the demonstrators in Asunción and was initially imprisoned in Brazil.

González Macchi signaled his intention to govern differently than his predecessors. He immediately established a government of "national unity" that included members of the

two principal opposition parties: the Authentic Radical Liberal Party (Parotid Liberal Radical Automatic—PLRA), with its rural constituency, and the National Encounter (Parotid Encounter National—PEN), a fairly new, urban-based, left-of-center party. Of his first 11 cabinet appointments, González Macchi entrusted two key posts, the Foreign Ministry and the Ministry of Agriculture, to members of the PLRA. Likewise, PEN was given two posts: justice and labor, and industry and commerce. This experiment in unity did not last long. One faction of the PLRA pulled out of the government in mid-1999, and the rest of the party followed in January 2000.

National elections, however, were held in August 2000 to fill the vice presidency, which had been vacant since the assassination of Organa. Liberal Party candidate Julio Cesar Franco won the office with the help of several dissatisfied Coloradons. His opponent had been Colorado Party candidate, Felix Organa, son of the murdered vice president. In August 2001, Franco led a motion to impeach González Macchi for alleged corruption and inefficient governance, but it did not pass.

González Macchi faces many obstacles. Paraguay's democratic institutions are weak, political infighting is endemic, and the country's economic problems are far from solved. Moreover, the recent political crisis strengthened elements of Paraguayan civil society, including students, peasants, and unions. These groups have discovered new unity, purpose, and power as a result of their role in the ouster of Cubas. But they have turned down invitations to join González Macchi's "national unity" government and have begun pressing their own demands. Because he was not democratically elected, his legitimacy is weakened before the national congress. Several accusations of corruption and wrongdoing have consumed much of his time in power. Yet, a last effort on 11 February 2003 to impeach him fell short of the 2/3 vote required in the Senate. The vote was 25 to 18 (with one senator abstaining); 30 votes were needed to oust him. Because the next presidential elections were scheduled for April 27, 2003, most Paraguayans are now focusing on the new candidates and González Macchi was expected to finish the term mostly as a caretaker government. Running in the 2003 election as the candidate of the Colorado Party is former minister of education and culture, Nicanor Duarte Frutos. The Colorados have a strong organization and a loyal base of 1.5 million members, but he did not have much time to counteract the negative effects of being associated with the González Macchi government. His primary opponent is the Partido Liberal Radical Autentico (PLRA) candidate, Julio Cesar Franco, who served as vice president from 2000 until his resignation in October 2002, in order to run for president.

### DOMESTIC POLICY

González Macchi's cabinet appointments indicated that management of the economy would be a shared responsibility of all three parties. That was clearly the central priority of the new government, which faced severe funding problems.

Nearly all of Paraguay's roadwork was put on hold due to the lack of funds. Even the country's externally funded projects were delayed because of the political crisis. Following the Colorado Party's traditional stance, González

Macchi quickly distanced himself from a pure free-market philosophy toward economic development, indicating the need for government intervention in regulating the economy. The new government's pledge to privatize the state-owned water, electricity, and telephone companies did not materialize because of the political conflict that surrounded his presidency. Then plans announced to restart stalled projects and reinvigorate the economy through a series of investments and loans aimed at public works, agriculture, industry, and low-cost housing were also mostly put on hold as the executive-legislative conflict consumed most of the president's time. The government was never able to move to address high unemployment, the legacy of corruption from Wasmosy's presidency, and banking sector reform.

In December 2000, with some pressure from the World Bank, González Macchi agreed to implement the country's first anticorruption program. The action plan for the program was designed through the collaboration of the government, the World Bank, and U.S. Agency for International Development (USAID). Yet, little progress has been achieved and most analysts are now dismissing González Macchi's period as a lost opportunity.

### FOREIGN POLICY

For more than a century, Paraguay has been an isolationist country. In the 1990s, however, it has slowly and cautiously emerged from its national cocoon and become part of the international community. The recent political turmoil, however, has threatened Paraguay's transformation. Brazil's president, Fernando Henrique Cardoso, warned that Paraguay must resolve its internal civil strife and restore its democratic credentials if it wants to remain part of the international community and, in particular, retain its trading relationships as a member of Mercosur. Moreover, Paraguay has had troubled relations with the United States and was decertified in February 1999 because of its participation in smuggling, money laundering, and international drug trafficking.

The USAID supported a variety of programs to strengthen Paraguay's democratic institutions in the areas of civil society, local government and decentralization, and national reform of the state. Other important areas of intervention are the environment and reproductive health. Current plans call for the development of new activities supporting economic growth. The total amount of the program was \$12 million (in fiscal year 2001).

Paraguay is a member of the United Nations (UN), the Organization of American States (OAS), the Latin American Integration Association (ALADI), and the Rio Group.

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# PERÚ

## Alejandro Toledo President

(pronounced “al-eh-HAHN-droh toh-LAY-doh”)



*“Destiny has put me on the front line of the battle to recover democracy and freedom.”*

The Republic of Perú is located on the west coast of the South American continent, bordered to the north by Ecuador and Colombia, to the east by Brazil and Bolivia, and to the south by Chile. The third largest South American country, Peru's territory of 1.28 million sq km (496,222 sq mi) encompasses three distinct geographical areas: a narrow coastal plain along the country's 2800 km (1400 mi) Pacific Ocean coastline; the high sierra of the Andes; and the interior region of foothills, tropical rainforest and lowlands which includes the headwaters of the Amazon. The coastal area, home to one-third of the population of nearly 27.9 million (2002 estimate), is the industrial and commercial center. Lima, the nation's capital, is located about midway down the coastline.

The official languages are Spanish and Quechua. Aymara is an important but not official language, which with Quechua, is spoken by Perú's Indians. Approximately 45% of the population is of Incan descent and this sector remains largely unintegrated with the white (15%) and mestizo (37%) populations of Perú. Blacks, Asians and other groups make up the remaining 3% of the population. Roman Catholicism is the state religion, although there are some evangelical Protestant groups which have become increasingly powerful in the interior of the country. Average life expectancy was estimated at 71 years in 2002.

The basis of Peru's economy traditionally has been the extraction of minerals such as copper, silver, zinc, and lead. Since the discovery in 1971 of petroleum in the northeastern jungle, oil has become the nation's leading export. Agriculture plays a significant role in the economy, with almost 40% of the labor force involved either in subsistence or commercial farming or fishing. The most important legal cash crops are coffee, cotton, and sugar. Coca, the plant from which cocaine is derived, brings in millions of dollars annually in foreign exchange. The Peruvian unit of currency is the *nuevo sol*. Per capita gross domestic product (GDP) was estimated at US\$4,800 in 2001, with 50% of Peru's people living in poverty.

### POLITICAL BACKGROUND

Peru's human history dates from at least 10,500 years ago. The seat of a series of indigenous ruling civilizations, Peru is perhaps most widely known for the last of these, the Inca Empire. The Spanish, led by Francisco Pizarro, landed in Peru in 1531, drawn by the search for the region's legendary mineral riches. The Incas, debilitated by a recent civil war, were easily conquered: the capital at Cusco fell in 1533, and

by 1542, the Spanish had consolidated control. Pizarro founded Lima in 1535. Spear-headed by Simon Bolivar and José de San Martín, Peru's liberation from Spanish dominion was proclaimed on 28 July 1821, and achieved in December 1824. Although it took 55 years for Spain to recognize the new nation, Perú's independence marked the end of 250 years of Spanish rule in South America.

Since independence, Peruvian political life has been characterized by alternating periods of constitutional civilian government and extra-constitutional military regimes. Most of the military interventions were of brief duration, followed by a return to elected government. In October 1968, however, the military ousted Fernando Belaunde Terry of the Popular Action party in a bloodless coup, and maintained itself in power until May 1980. Military control of the government ended with the election of Belaunde once again to the presidency. In 1985, Alan Garcia Perez of the American Popular Revolutionary Alliance (APRA), Perú's oldest mass party, was elected to the presidency. Garcia's administration was mired in crisis and controversy: the economy was in a freefall, and terrorists from both the *Sendero Luminoso* (Shining Path) and *Tupac Amaru* movements were wreaking havoc.

In 1990, an agrarian engineer whose parents had immigrated to Peru from Japan, Alberto Fujimori, won election as president against the novelist Mario Vargas Llosa. He was reelected in 1995. Fujimori ended hyperinflation, reducing it from a high of 7,500% per year to single digits by 1999. His most enduring claim, however, was his defeat of leftist groups, including the Shining Path. He assumed dictatorial powers in 1992; in response to a general outcry from the international community, he announced that a constituent assembly would be elected to rewrite the constitution, which was completed in 1993. Fujimori claimed that because the constitution was written after he came to power, he would be eligible for reelection in 2000, a claim which remained constitutionally dubious. He won the 2000 presidential election, which was widely seen to be marked by fraud, and after wide-spread charges of corruption within his administration, led in particular by his intelligence chief, Vladimiro Montesinos, he fled Peru for Japan. The Congress spurned a letter of resignation Fujimori faxed to it from Japan, and instead declared the president to be “morally unfit” for the office. It elected its own speaker, Valentin Paniagua, as Peru's caretaker president. Alejandro Toledo was elected president in June 2001.

The Constitution provides for executive power to be held by the president, who is elected to a five-year term. Under a 1993 amendment, a president may serve consecutive terms. If no candidate for the presidency receives an absolute majority of votes, a second-round runoff between the two top vote-getters is necessary. There is a 20-member appointed cabinet, which may include a prime minister. Legislative power is vested in the bicameral Congress, composed of the Senate and the Chamber of Deputies. The Senate includes 60 members elected on a regional basis to five-year terms, plus former constitutionally elected presidents as life members. The Chamber of Deputies is composed of 180 members elected to five-year terms on the basis of proportional representation. Voting is mandatory for all citizens over the age of 18, including the illiterate population.

### PERSONAL BACKGROUND

Alejandro Toledo was born 28 March 1946 in Cabano, Ancash, to poor Andean Indian parents. He was one of 16 children, 7 of whom died as infants. When Toledo was six years old, the family migrated to the coastal town of Chimbote to improve their situation—Toledo's father worked as a bricklayer and his mother worked as a fish seller. Toledo sold newspapers and worked as a shoeshine boy. In 1964, he met two Peace Corps volunteers who were looking for a place to live, and they helped him get accepted to the University of San Francisco. He won a scholarship to Stanford University, where he earned a master's degree (1972) and a doctorate (1992), both in education. In 2003, Toledo was selected by the Stanford senior class officers to give the address at their commencement.

He worked for the World Bank, the International Labor Organization, the Inter-American Development Bank, and the U.S. International Agency for Development. He was a visiting scholar with Harvard University's Institute of International Development from 1991–94.

Toledo was a social policy advisor to the staff of Labor Minister Alfonso Grados in the second Belaunde government. He has worked with ESAN, the leading business school in Peru. He held no elective office before being elected President.

He is married to Elaine Karp, a Belgian-born anthropologist who speaks Quechua, and who also has a master's degree from Stanford University. The couple divorced in 1994, but they remarried in 2000. They have one daughter. There are allegations, however, that Toledo has fathered an illegitimate daughter. Toledo initially denied the charges but has since agreed to resolve the situation.

Toledo has celebrated his Andean Indian ancestry, wearing traditional Indian dress and waving the rainbow flag of the ancient Incan empire during the 2001 presidential campaign. His looks have been compared to the fifteenth century Incan emperor Pachacutec, and this name has been given to him by supporters. He has also adopted the identity "El Cholo," a traditionally derogatory term used by Peruvians to refer to an urbanite of Indian descent. Toledo has embraced this identity.

### RISE TO POWER

Toledo first ran for president in 1995, against Alberto Fujimori. He won 4% of the vote to Fujimori's 64%. He again challenged Fujimori in 2000, forcing him into a second round before pulling out of the race, alleging election fraud.



Toledo wanted the vote to be postponed while new vote-counting software was inspected but the government refused. After Fujimori was forced out of office in November 2000, elections were set for 8 April 2001 by the interim president Paniagua. The campaign for the 2001 election was a fight between three candidates: the front-runner Toledo, former president and leftist politician Alan Garcia, and a religious and right-leaning Lima lawyer trying to become Peru's first female president, Lourdes Flores Nano. The campaign was punctuated by personal attacks, racial insults, and some violence. Information was revealed that Toledo had tested positive for cocaine in October 1998; Toledo claimed he was abducted by Fujimori intelligence agents and was drugged against his will in an attempt to blackmail him.

In the first round of elections, Toledo (of the "Peru Possible" party) won 36% of the vote to Garcia's 26% and Flores's 24%, forcing a run-off between Toledo and Garcia. Garcia, who had become the youngest president in Peru's history in 1985, used the 70-year-old political structure of his party, the American Popular Revolutionary Alliance, to stage colorful well-planned rallies that energized the left. Toledo capitalized on being an Amerindian as well as being a moderate who would "build a modern nation, but one that celebrates its ancient heritage and roots." In the run-off election held 3 June, Toledo won 53.1% of the vote compared to Garcia's 46.9%. An estimated 12.5% of voters cast blank or void ballots. Alejandro Toledo became Peru's first elected president of Indian descent.

To promote unity, Toledo pledged to work with Garcia in rebuilding institutions—particularly the judiciary and military—damaged by Fujimori's last, corrupt years in office. Toledo was inaugurated on 28 July 2001 in the Peruvian

Congress but he held a “second inaugural” at the Incan ruins of Machu Pichu.

### LEADERSHIP

Alejandro Toledo does not represent an organized Indian movement so much as the social mobility that can come in a society that is still highly stratified—meaning that Peru can do more for its indigenous population, which suffers disproportionately from poverty and a lack of political power. He pledged to introduce legislation that would officially declare Peru a multicultural society. He has also stated that he wants a market economy, but one with “a human face.”

Upon assuming office, Toledo called for reform of the economy that would move it out of recession, and for methods of spreading the benefits of an economic expansion to all members of society. He placed economic policy in the hands of Pedro Pablo Kuczynski, an investment banker. He called for a fight against poverty that would include tax cuts and investment in rural schools and health clinics. He also called for a program of small loans to start small businesses, as a means of initiating a grass-roots economic program. Toledo vowed to double teachers’ wages and to create 2.5 million jobs over five years, partly through an emergency employment program costing \$170 million a year. He said he would cut sales taxes and a special payroll tax and pledged to reform government spending, raising education’s share of the budget to 30%. He also called for decentralization, seeing too little being spent by local government. Kuczynski was removed from office in July 2002 as part of the cabinet shakeup following antiprivatization riots in the city of Arequipa.

Toledo reorganized the armed forces, placing civilians at the head of each service to restore dignity to the institution after the corruption of the Fujimori years. He cut defense spending by 15%. He also called on South American leaders to agree to a freeze on the purchase of offensive military weapons.

As of November 2002, Toledo’s approval rating had dropped from 59% in August 2001 to 23% (rebounding from a low of 14% in October). There have been charges of nepotism against him, and some charged his monthly salary was too high (it was later reduced).

Toledo, however, has had successes: former secretary general of the United Nations Javier Perez de Cuellar raised over US\$1 billion in foreign aid to finance Toledo’s job creation program. Terms for a new loan with the IMF were agreed upon.

One of Toledo’s most challenging tasks has been to restore credibility to the government and important institutions of society, which were plagued by corruption lingering over from Fujimori’s administration and the leadership of Montesinos, who was captured in Venezuela in June 2001. A legacy of those years, more than 900 people were identified as receiving bribes. New revelations of bribery and extortion, involving judges, army generals, electoral officials, politicians, media persons, and business people emerged during 2001–2002. Montesinos went on trial in February 2003, facing 57 human rights charges.

Toledo’s most difficult challenge in 2002 was a popular rebellion in Arequipa in response to the planned privatization of two power companies. He drew fire from many observers,

at home and particularly abroad, by backing down, abandoning the privatizations, and suspending his government’s entire privatization program, as well as reshuffling his cabinet.

### DOMESTIC POLICY

Economically, Toledo stayed close to a commitment to traditional economic policies, and provided an economic stimulus package in the 2002 budget. New tax collection measures were proposed, although full-scale tax reform was not in place by April 2002. That month, Toledo announced the country’s roadwork and highway budget would increase by 53% in 2003. Toledo’s response to an uprising in Arequipa in June 2002 called into question his commitment to privatization, through which he had hoped to finance social infrastructure works, rural electrification and the expansion of waterworks services on a nationwide scale.

Toledo has directed resources to nutrition, health, and education. His pledge to wage a war on poverty has been a cornerstone of his domestic policy, and one of the ways in which he has attempted to wage that war has been to reduce military spending. He has said that the defense of a country does not depend on numbers of tanks, ships or aircraft, but on the strength of the economy and the education of the people. Toledo, however, also recognizes the power of the tourism industry as being a catalyst to economic recovery and growth.

One of the main overriding themes of Toledo’s administration has been coming to terms with the past—which has meant diplomatic efforts to bring Fujimori to justice, and to carry out continual corruption investigations. In September 2001 Peru’s attorney general filed homicide charges against Fujimori, linking him to two massacres by death squads in the early 1990s. Peruvian legislators aim to persuade Japan to return Fujimori to Peru for trial, even though Japan has no formal extradition treaty with Peru. A Truth Commission, established by Toledo’s predecessor, Paniagua, has traveled throughout Peru gathering testimony about human rights abuses during the Fujimori years, including thousands of “disappearances” and execution of prisoners by the armed forces.

Toledo has improved transparency in government through websites, toll-free information numbers, and the appointment of a high-level anti-corruption official. His reform programs, however, have suffered a few setbacks. In June 2002, Toledo cancelled a planned trip to the United States when violent protests resulting in \$100 million in property damage erupted in the southern city of Arequipa over privatization of the power-generation operations there. A few months later, in early 2003, Toledo dismissed Gino Costa, his minister of the interior, following resistance to Costa’s aggressive implementation of police reforms.

### FOREIGN POLICY

In 2002, Toledo moved military bases along the border with Ecuador to the border with Columbia in response to evidence that the Colombian FARC movement had penetrated into Peru. In April 2002, Peru was one of seven Latin American countries at the annual meeting of the United Nations (UN) Human Rights Commission to sponsor a resolution calling on Fidel Castro’s government to grant Cuba’s people human,

civil, and political rights. Toledo has committed himself to making Peru a strong player in Latin American affairs.

In March 2002, U.S. president George W. Bush met with President Toledo to address questions of drug trafficking, terrorism, democracy, poverty, trade, and education. The two signed an agreement reintroducing the Peace Corps to Peru, after an absence of nearly 30 years. In July President Toledo joined Microsoft chairman Bill Gates in announcing \$550,000 worth of aid from Gates's company to Peru to fund education and technology initiatives.

Regarding drug trafficking, in 1990 there were approximately 140,000 hectares (346,000 acres) devoted to coca cultivation in Peru. As of March 2002, there were approximately 34,000 hectares (84,000 acres) in coca cultivation. Toledo took a great deal of credit for this reduction, considering it a matter of national security. Again, in March 2002, as a result of President Bush's visit to Peru, the United States pledged \$175 million in aid against drug-trafficking and Toledo and Bush negotiated to resume drug-interdiction flights to halt airborne shipments of drugs between Colombia and Peru.

A new challenge to the Toledo administration came from renewed terrorism. A bomb blew up across the street from the U.S. embassy in Lima killing nine people in March 2002. There were worries that it might have been the work of al-Qaeda, the Shining Path, or former supporters of Fujimori and Montesinos. Intelligence gathering had been difficult because Montesinos ordered most of the government's files to be burned before fleeing the country.

Peru is a member of the Andean Group (AG), formerly known as the Andean Common Market (ANCOM), (ANCOM), created in 1969 by leaders of Bolivia, Columbia, Ecuador, Peru, and Venezuela. In November 1997, Peru joined the Asia Pacific Economic Cooperation (APEC) forum. Peru is a full member in good standing of a variety of international organizations, including the Organization of American States (OAS), and the United Nations.

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# PHILIPPINES

## Gloria Macapagal-Arroyo President

(pronounced “glow-REE-ah mah-cah-pah-qahl. ahr-OY-oh”)

*“I have no grandiose dream to become a great President. I want to be a good President. Help me be a good President.”*



The Republic of the Philippines is located on the southeast rim of Asia. Its total area of 300,000 sq km (115,831 sq mi) is composed of over 7,100 islands which stretch from north to south for almost 1,850 km (1,150 mi). The largest islands are Luzon and Mindanao. Quezon City is the official capital of the nation, Metropolitan Manila (which includes Quezon City) is the de facto capital.

The population, estimated at 82.8 million (2002 estimate) is mainly of Malayan descent, and is predominantly Roman Catholic (85%). However, the Muslim minority in the south are a politically significant group. Linguistically, the Philippines is a diverse country: English, Spanish and over 70 local languages are spoken. Filipino, which is a derivative language of Malayan dialect, is the national language.

The per capita gross national product (GNP) is approximately US\$4,000 (2001 estimated). The unit of currency is the *peso*. The country's traditional agricultural exports are wood, sugar, and coconut products. Products such as electronic equipment and parts, textiles, processed foods, and mining now dominate Philippine exports.

### POLITICAL BACKGROUND

Claimed for Spain by Ferdinand Magellan in 1521, the Philippines has had a long colonial experience. On 12 June 1898, the Philippines declared independence from Spain. That same year, it came under U.S. rule as a result of American victory in the Spanish-American War. After several years of fighting, U.S. military forces quelled the armed Philippine resistance to American colonial rule. Japan occupied and ruled the Philippines for much of World War II (1939–45). On 4 July 1946, the Philippines was accorded formal independence by the U.S. government.

The political system of the Philippines is divided into three branches: the executive, the legislative, and the judiciary. Under the 1987 Constitution, the chief executive of the nation, the president, is directly elected to a single six-year term. The legislative branch is composed of a bicameral Congress consisting of 24 senators and 250 representatives. The judicial branch is led by 15 members of the Supreme Court.

### PERSONAL BACKGROUND

Gloria Macapagal-Arroyo was born on 5 April 1947 to the late President Diosdado Macapagal from Lubao in the province of Pampanga, and Dr. Evangelina Macaraeg-Macapagal of Binalonan, Pangasinan. Both parents were well

known for their integrity and simple but dignified lifestyle. During her father's presidency, the Philippines was second only to Japan in economic progress in Asia.

Arroyo graduated as valedictorian of her high school class in Assumption Convent. She made the Dean's List often during her two years at Georgetown University in Washington, D.C., where former President Bill Clinton was her college classmate. She graduated magna cum laude from Assumption College with a Bachelor of Science degree in commerce. She later earned a Master of Arts degree in economics from the Ateneo de Manila University, and a Ph.D. in economics from the University of the Philippines (UP). She began her professional career as a teacher at Assumption College. She later became assistant professor at the Ateneo de Manila University, and senior lecturer at the UP School of Economics.

President Macapagal-Arroyo is married to lawyer-businessman Jose Miguel Tuason Arroyo of Binalbagan, Negros Occidental, the grandson of the late Senator Jose Maria Arroyo of Iloilo. They have three children, Mikey, Luli, and Dato.

### RISE TO POWER

Macapagal-Arroyo entered government service as an assistant secretary of the Department of Trade and Industry during the Aquino administration. She also became executive director of the Garments and Textile Board, steering the garments industry to become the top net dollar earner for the country, and rose to the rank of Undersecretary of Trade and Industry. In 1992, she was elected senator during her first try in politics and was reelected senator in 1995 with nearly 16 million votes, the highest number of votes in Philippine history. During her tenure in the Senate, she authored 55 laws on economic and social reform and was named outstanding senator several times.

On 11 May 1998, she was elected vice president of the Philippines with almost 13 million votes, the largest mandate in the history of presidential or vice presidential elections. Joseph Estrada, running under the *Laban ng Makabayang Masang Pilipino* (LaMMP—Fight of Nationalist Filipino Masses) banner, was the clear presidential victor, notwithstanding allegations of electoral fraud. He captured 46.4% of the vote in a 10-candidate contest. His nearest challenger was former speaker of the house, Jose de Venecia, who garnered only 17.1% of the vote. Macapagal-Arroyo was de Venecia's running mate, and in spite of de Venecia's defeat, won the

vice presidency with 50.2% of the vote. Estrada's running mate, Edgardo J. Angara, finished a distant second with 24.5% of the vote.

President Estrada appointed Vice President Macapagal-Arroyo Secretary of Social Welfare and Development, a post she held until she resigned from the Cabinet on 12 October 2000. In October 2000, Estrada faced bribery charges of having accepted large sums of money from illegal gambling and tobacco taxes. When impeachment by the House appeared imminent, Arroyo resigned from the Cabinet, but stayed on as Vice President. In November 2000 Estrada was impeached by the House and in December five bombs exploded around Manila killing 22 people and injuring many more. Unwilling to wait for Senate deliberations, people took to the streets in a massive display of people's power reminiscent of 1986. Estrada resigned under intense popular pressure.

With Estrada's resignation, the Supreme Court unanimously declared the position of President vacant, and Macapagal-Arroyo was sworn in as the 14th President of the Philippines on 20 January 2001 by Chief Justice Hilario Davide Jr. She is the second woman after Corazon Aquino to be swept into the Presidency by a peaceful revolution of People's Power "EDSA II," now a Philippine trademark.

## LEADERSHIP

Gloria Macapagal-Arroyo assumed power on 20 January 2001 with the state of the nation in crisis. She inherited a bankrupt government beset by corruption and favoritism, weak investor confidence, low morality in government, and threat of a military putsch. Society was torn by low moral standards and crime. Further, she has had to show strong leadership while Estrada—a still popular figure—has been undergoing legal prosecution. In March 2001, the Supreme Court stripped Estrada of his immunity from prosecution, and he was jailed in April. In May his supporters took to the streets in protest resulting in the deaths of several people. Arroyo declared a state of rebellion. On 2 October 2001, Estrada was put on trial for 'economic plunder' of \$80 million, a charge punishable by death. In her inaugural address, the President declared it her priority to restore public confidence in political and governmental institutions, and laid out four tenets: poverty eradication, moral standards in government and society for good governance, dispensing with personality and party patronage in favor of programs and participatory democracy, and leadership by example based on work ethic and actions.

Her leadership has equally been tested by domestic terrorism and insurgencies with international links. In May 2001 Abu Sayyaf, a terrorist organization linked to al-Qaida took three US citizens hostage along with 17 Filipinos at a luxury resort in Palawan. Abu Sayyaf later claimed to have beheaded one of the Americans.

Macapagal-Arroyo initially tried to resolve the communist and Muslim insurgencies in the south through diplomacy. She declared a cease-fire with the New People's Army (NPA) guerrillas in March 2001, and with Libya's help, brokered a cease-fire with the Moro Islamic Liberation Front (MILF) the following July. The MILF, which wants an independent Islamic state, met for talks with Arroyo in Malaysia, and



concluded a peace accord with the government in August 2001.

However, as the war on terrorism widened, Macapagal-Arroyo took the politically risky strategy of allowing the US to use Philippine bases in the war against terrorism without formal approval from her Congress. According to the Filipino Constitution, US troops are not allowed to engage in combat on Filipino soil, and in the face of popular opposition to US troops, the President had to postpone operations against Abu Sayyaf on Jolo Island. In February 2003, Macapagal-Arroyo abandoned her diplomatic initiatives and gave orders to the Filipino military to conduct an offensive against Abu Sayyaf and other terrorist groups in Mindanao, resulting late May in a 10-day cease-fire with the Moro Islamic Liberation Front (MILF). In March 2003, a bomb explosion at the Davao airport—one of a series of recent terrorist attacks—had killed 19 people. Critics have faulted her for her ardent support of the US-led war on terrorism.

Her key policy statements in her first 100 days emphasized party reform, meritocracy in the Armed Forces of the Philippines (AFP), and standing firm on territorial claims in the Spratly Islands. In addition she pledged to level the playing field in business, to improve banking and finance, to control public spending, and to modernize the economy with the goal of increasing the country's competitive edge in global markets. In her first 100 days she issued nine executive orders, seven administrative orders, 11 memorandum orders, two memorandum circulars and 24 proclamations. She established a National Anti-Crime Commission to address issues of criminality, although the government's Anti-Money Laundering bill was rejected by the G-7 Financial Action Task Force (FATF) meaning that the Philippines were non-

compliant with international norms and subject to sanctions. Increasingly, she makes unannounced visits to neighborhood leaders in the barangays just to chat and to feel the pulse of the nation.

Her decisive action has earned the respect of the business community including the backing of the influential Makati Club. She has also proven an inspiration to young Filipinos, especially to girls who have formed fan clubs such as the Kaibigan ni Gloria Macapagal-Arroyo (KGMAers). Perhaps this is her greatest tribute because resolving the tremendous social, economic and political challenges of the Philippines will require the energy and commitment of young people.

### DOMESTIC POLICY

Macapagal-Arroyo's domestic economic policy and programs have focused mainly on controlling fiscal, budgetary, and monetary policies with the goal of creating stability for investment, jobs creation, greater economic activity, increased tax revenues, and poverty reduction. She has made anti-poverty programs and housing pillars of her policies. Although her government has missed its targets for budget deficit reduction, it has kept the deficit within the ceilings at 5.3% of GDP in 2002. The deficit is expected to shrink slightly to 4.7% in 2003, and 4.2% in 2004. Presently, it amounts to \$3.7 billion. Similarly the government has kept down inflation at levels lower than expected. In 2002, inflation was 3.1%, and is expected to rise slightly in 2003 to 3.4%.

The sad reality in the Philippines is that over 35% of the population still lives in poverty. Unemployment was 10.1% in 2000, 9.8% in 2001, 11.4% in 2002, and is expected to rise to 12.2% in 2003. GDP growth has improved from 3.3% in 2000, 3.8% in 2001, to 4.6% in 2002. It is expected to drop slightly to 3.9% in 2003. Insurgency and terrorism have reduced tourism and weakened investor confidence. In the wake of September 11, 2001 the number of visitors to the country dropped by 11.3%. El Niño- and La Niña-related weather patterns have impacted agricultural production.

Macapagal-Arroyo's policies include privatization of the electric utility, development of off-shore oil and gas deposits in Malapayang Sound off Palawan, the passage of an anti-money laundering bill, and the dismantling of terrorist and insurgency movements in Mindanao. She has achieved passage of a power bill, has put notorious kidnappers behind bars, and has made progress in the fight against corruption and drugs. The jury is still out on whether her administration will significantly impact housing. One of her remaining goals is to establish conditions to bring about clean elections in 2004. However, her declaration that she will not be a candidate in 2004 could make her a lame duck and weaken her policy agenda.

### FOREIGN POLICY

In keeping with tradition, Macapagal-Arroyo's foreign policy has been oriented toward business, diplomatic, and military relationships with the US. In the latter part of the 1980s and early 1990s, Filipino-American ties came under heavy criticism as nationalists condemned the presence of US military bases in Olongapo and Angeles cities. The Aquino government refused to renew the bases agreement beyond its September 1991 expiration date, and the eruption of Mount

Pinatubo in June 1991 caused extensive damage to Clark Air Base before its closure. A new treaty to permit continued US operation of Subic Naval Station was rejected by the Philippine Senate in late 1991.

Arroyo reestablished these relations in a November 2001 state visit to the US where she was promised \$100 million in military assistance. She made yet another state visit in May 2003 in which President Bush described Filipino-US relations as stronger than at any other time in recent history. The US committed to extend \$30 million in new grants and aid for the Philippine armed forces, \$30 million for new bilateral development assistance focused on Mindanao, and \$25 million for a combat engineering unit. Bush capped the visit by elevating the Philippines to a special non-North Atlantic Treaty Organization (NATO) ally as Australia and Egypt.

Following the withdrawal of American military forces in 1992, the Philippine military assumed increasing responsibility for defense of the country with sometimes lackluster results. However, the US-led campaign against terrorism and the ardent support of Macapagal-Arroyo for this effort triggered a reexamination of the policy, and in February 2002, 160 US special forces with 500 support staff arrived on the island of Basilan in Mindanao. The presence of these troops has caused anxiety in the Parliament and could well hurt Macapagal-Arroyo's bid for another term should she change her mind about 2004. She softened her position at the non-aligned movement summit in February 2003 where she recommended pragmatic action in Iraq and North Korea.

One problem is that the Filipino domestic war on insurgency cannot easily be delinked from international terrorism. Abu Sayyaf has ties to Bin Laden and al-Qaida networks, and is thought to number from 1,000 to 2,000 members. Militant Islamic groups such as the Moro Islamic Liberation Front (MILF), which counts some 12,500 members, has trained radical Muslim combatants from Indonesia. In this light, Macapagal-Arroyo accepted a Malaysia and Libya-brokered peace accord between the Filipino government and the MILF, which by end of May 2003 looked promising.

After the US, the Philippines' leading trading partner is Japan, which also is the nation's largest aid donor. Macapagal-Arroyo received a state visit to Japan in December 2002 and further strengthened the economic bonds between the two countries. She considers trade with China "a big opportunity," but relations with Hong Kong are cold due to Hong Kong's decision to cut wages of maids, many of whom are Filipinas. The Macapagal administration also faces on-going diplomatic challenges with China, Vietnam, and Malaysia over competing claims to the Spratly Islands in the South China Sea.

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**Profile researched and written by Robert J. Groelsema (4/2002); updated (5/2003); sections contributed by Jeffrey M. Riedinger, Michigan State University (9/1998) and John P. Ranahan (3/2000).**

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# POLAND

## Aleksander Kwasniewski President

(pronounced “ah-leck-SAHN-der kvash-nee-EFF-ski”)



*“Whenever there were attempts to divide Europe, be it for political reasons, or religious or economic reasons, it resulted in wars and conflicts. We have to draw a lesson from that. Europe, by its very nature, because of its common roots, values and common legacy over 1,000 years of history, has to be treated in an integrated way.”*

The Republic of Poland encompasses an area of 312,685 sq km (120,728 sq mi) that is largely flat plains, with the exception of mountains along the southern border. To the north lies the Baltic Sea. To the east, Poland is bordered by Russia (Kaliningrad), Lithuania, Belarus, and Ukraine. To the south are Slovakia and the Czech Republic. Germany borders Poland to the west. Poland’s population of about 38.6 million in 2002 was predominantly ethnic Polish (97%) and Roman Catholic (95%). A small number of ethnic Germans, Ukrainians, Lithuanians, and Belorussians live in Poland. Poland introduced a *new zloty* currency to replace the old *zloty* on 1 January 1995. The per capita gross domestic product (GDP) was approximately US\$9,500 in 2002. Poland’s natural resources included coal, natural gas, and minerals.

### POLITICAL BACKGROUND

Situated in the heart of Europe with few natural boundaries, Poland has had a long and troubled history marked by the ambitions of its great power neighbors. A Slavic tribe, the Polanie, became established in the tenth century in the area that became Poland. In the fourteenth century, the Polish kingdom was reestablished and united with Lithuania. Poland fought long wars over the centuries against powerful neighbors. Poles lost their country in 1795 with the partition of Poland by Prussia, Austria, and Russia. Poland achieved independence after World War I. In 1939, Nazi Germany invaded Poland from the west, and from the east, the Soviet Union invaded and occupied eastern Poland, as agreed to secretly with Germany. Poland lost about six million people during the course of World War II. After the war, the Polish communists seized power in 1947 and exercised monopoly rule, with allegiance to the Soviet Union, for 40 years. In 1980, an independent trade union, Solidarity, was formed in the northern port city of Gdansk, and was the first independent workers’ organization established in the eastern bloc. Led by shipyard worker, Lech Walesa, Solidarity swiftly broadened its membership to include millions. In an attempt to forestall a possible Soviet invasion, Communist leader General Wojtech Jaruzelski imposed martial law in December 1981 for one year, and Solidarity was banned.

Changes in the Soviet Union under the leadership of Mikhail Gorbachev in the 1980s radically altered the international climate in eastern Europe. Poland established the first non-Communist-led government in the Warsaw Pact on the basis of a historic round table agreement made in April 1989 that split power between the Communist government and the

opposition. Elections in June 1989 brought a resounding victory for Solidarity, which won almost all of the freely contested parliamentary seats, and a sound defeat for the Communists. Solidarity leader Lech Walesa nominated Tadeusz Mazowiecki to be prime minister. Poland swiftly launched a radical “shock therapy” economic reform program designed by then-finance minister Leszek Balcerowicz. Lech Walesa won the presidential elections in December 1990.

In Poland’s first free parliamentary elections in October 1991, the Democratic Union (a post-Solidarity party) “won” the extremely fragmented vote with about 13% of the vote. In total 29 parties entered the 460-seat Sejm, the lower but more powerful house of Parliament, ushering in an extended period of party and parliamentary impasse, political scandal, and an increasingly divisive political environment. Continued impasse on many issues led President Walesa to dissolve Parliament on 29 May 1993, and call for early elections. Elections held on 19 September 1993, brought former Communists and Communist-allied parties into power. With 52.1% voter turnout, the Democratic Left Alliance (SLD), a coalition of leftist parties, won 20.4% of the vote; the Polish Peasant Party (PSL), another post-Communist party, won 15.4%; and the Democratic Union won 10.6%. The SLD and PSL signed a coalition agreement on 13 October 1993; combined they held majorities in both the Sejm and Senate. A government under Waldemar Pawlak of the Peasant Party was sworn in on 16 October 1993.

The Pawlak government found itself increasingly at odds with President Walesa over many issues. In January 1995, Walesa utilized brinkmanship tactics to remove Pawlak by refusing to sign the budget and threatening to invoke a constitutional clause and dissolve Parliament, a move that would have led to early elections. The strategy ultimately succeeded. The ruling coalition agreed to replace Pawlak with Sejm Speaker Jozef Oleksy of the SLD.

Presidential elections were held in November 1995. After two rounds, incumbent president and former Solidarity leader Lech Walesa was defeated by SLD leader Aleksander Kwasniewski. Shortly after the presidential vote, Prime Minister Oleksy was forced to resign amidst charges of espionage activities with the former Soviet secret service. Oleksy denied the charges, but resigned after the Polish military prosecutor opened a formal investigation in December 1995.

A controversial post-Communist constitution was adopted in 1997. It was supported by the ex-Communists, but opposed by Solidarity and its political partners on the right. Poland was the last eastern European country to adopt a new constitution after the 1989 collapse of Communist rule, and the constitution was seen as a means of securing Poland's democratic transformation.

## PERSONAL BACKGROUND

Aleksander Kwasniewski was born on 15 November 1954, in Bialogard, a small village in the western part of Poland. His mother was a devout Christian, and his father was a doctor. In 1979 he married Jolanta Kwasniewska, a practicing Roman Catholic, lawyer, and former real estate businesswoman, who is extremely popular as a first lady; in fact, she is so popular that there are calls for her to run for president in 2005 when her husband is no longer eligible. She has been active in campaigning for greater breast cancer awareness and early screening, as well as showing care for AIDS patients. The couple has one daughter.

Kwasniewski is an agnostic, although when Pope John Paul II visited Poland in 1999, he invited Kwasniewski for a ride in the popemobile. He is seen as a particularly European, stylish politician, who dresses in sharp suits and mixes well with heads of state. He is seen as a pragmatic modern man—someone to do business with.

Kwasniewski studied transport economics at the University of Gdansk, but did not complete his degree. In addition to Polish, he speaks Russian, English, German, and French. Kwasniewski joined the Polish United Workers' Party (PZPR, the Communist Party of Poland) in 1977. He worked with, and later headed, socialist student organizations (the Socialist Union of Polish Students) in Gdansk in the late 1970s. He worked as editor-in-chief of a weekly Communist youth magazine. Kwasniewski held government posts from 1985 to 1990, including sports minister. He also served as the chairman of the Polish Olympic Committee in the late 1980s. In 1989, he was selected by Communist Prime Minister Mieczyslaw Rakowski to participate in the Communist party's roundtable negotiations with Solidarity. After the PZPR dissolved in January 1990, Kwasniewski co-founded the Democratic Left Alliance (Social Democratic Party of the Republic of Poland—SLD), the direct successor to the PZPR.

## RISE TO POWER

Kwasniewski entered Parliament after the October 1991 elections. He served on the foreign affairs, economic policy, and budget and finance committees in the Sejm. After the 1993 elections, he chaired the parliamentary club of the Democratic Left Alliance (SLD) coalition. In November 1993, he became chairman of the Constitutional Committee of the National Assembly (comprising both the Sejm and Senate) which was charged with drafting the new constitution.

Going into the presidential elections in November 1995, public opinion polls showed Kwasniewski was a strong favorite to win, although incumbent President Walesa experienced a last-minute surge in public support. Kwasniewski's campaign slogan, "let's choose the future," contrasted with Walesa's attempts to rally against Poland's Communist past. In a televised debate, Kwasniewski charged that Walesa was "a man of the past." In the first round, Kwasniewski won



35.1% of the vote to Walesa's 33.1%. In the second round, Kwasniewski won 51.7% of the vote against Walesa's 48.3%.

In the 1997 parliamentary elections, the right-of-center Solidarity Electoral Action (AWS), a loose alliance of over 40 parties, defeated the Democratic Left Alliance, the ex-Communists who governed the country through four years of economic growth. They went into opposition, and Kwasniewski was forced to cohabit with a coalition government centered around the AWS; they chose Jerzy Buzek as prime minister. The prime minister runs the government—the president has a powerful veto power (which after the implementation of the 1997 constitution can only be overruled by 3/5 of Parliament), is head of the armed forces, and has the power of appointment. A partner in the center-right coalition was the socially and economically liberal Freedom Union (UW), with Leszek Balcerowicz as its leader, the architect of the post-1990 economic reforms.

In the 2000 campaign, twelve candidates challenged Kwasniewski. Walesa was running again, but his support was seriously low at 4% in April 2000, and 2% among Solidarity people. He was seen as a figure of the past who should retire and preserve his dignity. The AWS put its support behind Marian Krzaklewski, seen to be a man working behind the scenes in the Solidarity camp, but without the telegenic qualities needed for a Polish president in the twenty-first century. Another candidate was Andrzej Olechowski, an economist and former state statistician who admitted to working for the Communist secret police. He had the support of many intellectuals, businessmen, and the youth.

In August 2000, before the October presidential election, both Kwasniewski and Walesa were cleared of charges of having spied for the secret police, due to lack of evidence. In

the election of 8 October, Kwasniewski won 53.9% of the vote, Olechowski 17.3%, Krzaklewski 15.6%, and Walesa with an extremely disappointing finish at 1%. Kwasniewski's win was seen as a win for the left-wing opposition.

In the 2001 parliamentary elections, Leszek Miller, another ex-Communist, formed a government of the center-left and became prime minister, as the Democratic Left Alliance won a landslide victory. Miller said that Poland would have to turn its geographical position between Russia and Germany, which in the past was "a curse," into "a great opportunity."

## LEADERSHIP

In his first presidential campaign, Kwasniewski and his party emphasized social-democratic values, professionalism, and cooperative rather than confrontational tactics. The base of support was mixed, and included the Communist old guard, the unemployed, peasants, and some of the youth vote. Immediately after being sworn in as president, Kwasniewski was faced with the Oleksy affair (Prime Minister Josef Oleksy was rumored to be a Russian spy) that brought down the government. Kwasniewski came under some fire by the opposition over his silence over the affair. While he accepted Oleksy's resignation, he did not call for it.

In his inauguration speech, Kwasniewski emphasized unity over factionalism. He discounted any speculation that Poland would turn back or away from its course heading towards a prosperous democratic system. Kwasniewski also stated that he wished to improve relations with the Roman Catholic church, which had backed Walesa.

In ruling with an opposition government, Kwasniewski was able to use his veto power effectively, securing pension reform that would make it easier for former soldiers to retire so that younger men would have more time to meet the requirements of the North Atlantic Treaty Organization (NATO), which Poland joined in 1999. He also vetoed a plan to stop training school teachers to conduct sex education. The AWS preferred to leave the issues of abortion and sexual education to the family and the Roman Catholic church.

His 2000 reelection showed him wanting to continue the path of economic reform along free-market lines, to press for social reforms, but most of all, to clear the path for Poland's entry into the European Union (EU).

## DOMESTIC POLICY

During Kwasniewski's first term, the government prioritized continuing economic growth, instituting budgetary reform, curbing social spending, reducing unemployment, and progressing on mass privatization of heavy industry and telecommunications. Kwasniewski focused on four big areas of reform: welfare, education, regional government, and health—an unpopular reorganization of the health service was seen as badly implemented in 1999. He emphasized a great concern for Poland's villages, which suffer from a gap in city and rural incomes. One of the most divisive economic problems that Kwasniewski has had to face is the reform of agriculture. There are approximately two million family farms in Poland, and less than half of them provide a full livelihood for their farmers. More than 25% of Poles have links with farming.

The economy in 2000 was going strong, and reforms were moving ahead. But in 2001, unemployment rose, consumer confidence was low, and the economy was stagnant. The market-friendly finance minister Leszek Balcerowica had difficulty lowering income taxes. He later left politics to become governor of Poland's central bank.

Kwasniewski sees EU membership as Poland's top priority. It is the project on which he has staked his political reputation. Few Poles think farmers will benefit from the EU's common agricultural policy, and people know that steelworkers and coalminers will suffer. Most Poles, however, accept the fact that adjustment to the EU will be painful, but necessary and sobering, in that it will come on the terms of those who are already members. The issue of freedom of movement of Polish workers into western Europe is a particularly contentious matter for Germany and Austria. Kwasniewski has said that the solution is more economic growth in Poland, to create jobs for those who might wish to leave. Another issue is the question of Polish restrictions on the foreign ownership of agricultural land, as Poles fear that Germans will quickly buy up Polish estates. This fear is just one of many that is conjured up in the minds of Poles, especially among those who can still remember World War II. Kwasniewski hopes that with EU membership, those fears will be consigned to the past. A poll conducted in February 2002 showed 56% of Poles in support of EU membership (that number had increased to 66% as of March 2003). In December 2002, the EU formally invited Poland, along with 9 other new members, to join the body in May 2004. Polish voters are to cast their ballots on EU membership in a referendum to be held in June 2003.

As of early 2003, with the global economic downturn negatively affecting the Polish economy, Kwasniewski's leadership needs to direct governmental action on reducing spending, easing the conditions for business, reforming labor law, and investing in infrastructure. Approximately 70% of GDP comes from the private sector, showing that Poland has a functioning market economy. Poland's most serious economic problem is unemployment; levels increased from 9.9% in 1998 to 18.1% in 2002. In addition, Poland's budget deficit needs to be reduced; although reduced to a projected 4.9% of GDP in 2003, the maximum deficit allowed by the EU is 3%, a figure Poland will need to reach by 2004.

Poland in 2003 was dogged by corruption scandals. In early 2003, Parliament conducted an inquiry into allegations of high-level bribe-seeking on the part of politicians, media heads, and regulatory officials. At that time, 70% of Poles said that corruption was a huge problem in the country, up from 46% in 2000 and 33% in the early 1990s. Kwasniewski denied any wrongdoing in the scandals, although the parliamentary committee investigating the allegations had not ruled out calling him to testify before it.

## FOREIGN POLICY

Since 1989, Poland has sought to integrate with the West, forge new relations with the Soviet successor states to the east, and promote cooperation with neighboring states. The Kwasniewski administration has been strongly in favor of closer ties with the West, which it sees as a geopolitical imperative; yet it refuses to abandon its eastern neighbors. NATO formally invited Poland, Hungary, and the Czech Republic to

join the alliance in July 1997—they formally acceded in 1999—which extended U.S. security commitments to former Soviet states. The United States pushed hardest for the three states' membership. This expansion was opposed by Russia. Poland has put pressure on NATO to admit the Baltic states to the alliance.

In June 2001, U.S. president George W. Bush visited Warsaw, and Kwasniewski expressed support for his missile-defense proposal, which he called “a new security system that will be good for all of us, not just NATO countries, but Russia and China as well.”

Kwasniewski would also like to forge good relations with Russia. In a visit to Poland in October 2001, Russian president Vladimir Putin described Poland's economic development since the collapse of communism as a “model” for the Russian economy.

On 10 July 2001, Kwasniewski made a dramatic gesture by apologizing for the 10 July 1941 massacre of 1,600 Jews in the village of Jedwabne in northeast Poland, by Poles who beat, stabbed, and burned alive their fellow villagers. Many Poles protested the apology (an estimated 48%), saying it was the Germans who murdered the Jews in Jedwabne. While it has been accepted that Nazi soldiers were in the village and encouraged the massacre, it was the townspeople who planned it and carried it out. Before World War II, Poland was home to over 3 million Jews, the largest population outside the United States.

In the wake of the 11 September 2001 terrorist attacks on the United States, Kwasniewski organized a summit of 17 central and eastern European countries to plan cooperation on tightening border clearance, cracking down on money laundering and drug trafficking, and to improve cooperation of their intelligence, customs, and police services.

Poland's strong relationship with the United States was further augmented in the 2002–03 political crisis regarding Iraq. Kwasniewski committed 200 troops to the United States and British-led war in Iraq, which began on 19 March 2003, and U.S. president Bush labeled Poland one of the “coalition of the willing.” The initial Polish units to be sent were anti-chemical war specialists. Approximately 60% of Poles were opposed to the war, but the government maintained that

Polish troops would have only a limited and supportive role in the conflict. Although Kwasniewski in supporting the U.S. in its determined stance against the Saddam Hussein regime alienated France and Germany, he stressed the importance of strong trans-Atlantic ties. On 3 May 2003, President Bush announced Poland would take control of one of Iraq's three postwar zones, supervising military and humanitarian relief; the other two are to be controlled by the United States and the United Kingdom. That day, during a meeting of EU foreign ministers, a coalition of 10 nations—the United States, the United Kingdom, Poland, Ukraine, Italy, Spain, Denmark, Bulgaria, the Netherlands, and Albania—indicated they were preparing to send troops to Iraq to form an international stabilization force. Poland has agreed to commit 1,500 troops to the force.

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# PORTUGAL

José Manuel Durão Barroso  
Prime Minister

(pronounced “JOE-say man-WELL doo-ROW bah-ROW-soh”)



*“A new era has begun today - I hope it will bring a richer and fairer country.”*

The Portuguese Republic is located on the western portion of the Iberian Peninsula in Western Europe. To the west lies the Atlantic Ocean and to the north and east lies its only bordering neighbor, Spain. The climate is mild and temperate, with an average annual temperature of 61°F (16°C). The total area of Portugal is 92,391 sq km (35,672 sq mi), with an estimated population of 10.1 million in 2002. Approximately 30% of the population live in urban areas. The capital and largest city is Lisbon (metropolitan population nearly 2 million in 2000), situated at the mouth of the Tagus River along the western coast. The Portuguese Republic also includes two archipelagos located in the Atlantic: the Azores and the Madeiras Islands.

Portugal is a culturally homogenous country, characterized by a Mediterranean identity comprised of Iberian, Latin, Teutonic, and Moorish elements. A widely shared sense of national identity developed as early as the fourteenth century. Black African immigrants constitute about 1% of the population. Over 94% of the population is affiliated with the Roman Catholic Church, with Muslim, Jewish, and Protestant minorities comprising most of the remaining 6%. Portuguese, the official language, is spoken by virtually the entire population.

Portugal has made great strides in catching up with its richer neighbors. Per capita gross domestic product (GDP) was estimated at US\$18,000 in 2002, up from US\$6,984 in 1990. Average annual growth between 1996 and 2000 was 3.2% and above the average for the euro-zone. In 2002, however, it appeared to have dropped to below one percent. Unemployment was 4.7% in 2002. There are still some weak spots. Portugal runs a trade deficit and economic growth is driven by domestic consumption. Its main exports are not very competitive, consisting of clothing and footwear, machinery, chemicals, and cork and paper products. More than 80% of its exports go to countries of the European Union (EU). Until 2002, the unit of currency was the *Portuguese escudo*, but Portugal was among the nations that adopted the common currency, the euro (€), in 2002. Portugal joined European Monetary Union (EMU) in 1999 after it brought down its budget deficit to 1.2% of GDP.

## POLITICAL BACKGROUND

The Portuguese Republic was proclaimed in 1910, following the bloodless revolution which deposed King Manuel II and ended one of the oldest European monarchies. The establishment of the Republic initiated a period of governmental

instability and political violence. A military coup in 1926 paved the way for a former economics professor, Antonio de Oliveira Salazar, to become finance minister (1928) and then prime minister (1932). Influenced by Italian fascism, Salazar consolidated governmental authority and established a right-wing dictatorial regime, known as the *Estado Novo* (New State). Under Salazar, political opposition was outlawed and at times brutally repressed by his secret police. With the support of the Church, the military, and his National Union Party, Salazar remained in power until illness forced him to resign in 1968. The political legacy of Salazar continued until 1974 when a bloodless coup led by left-wing military officers toppled the regime. A new Constitution establishing a parliamentary democracy was promulgated in 1976.

The 1976 Constitution establishes the president as head of state. The president is elected by universal suffrage for a five-year term through an electoral system that ensures majority support; the top two candidates go to a second round of elections if no candidate receives a majority of first-round votes. The latest presidential election of January 1996 resulted in the victory of Jorge Sampaio, the former leader of the Socialist Party. Political power in Portugal, however, rests with the prime minister, who is the head of government. Members of the Assembly of the Republic, the unicameral 230-member legislative body, are elected to four-year terms through a system of proportional representation. The leader of the party with the most seats in the Assembly is officially appointed by the president to form a government. Reforms to the 1976 Constitution were implemented in 1982, establishing strict civilian control of the military, a reduction of the powers of the president, and the creation of an independent 13-member Constitutional Tribunal responsible for adjudicating the constitutionality of legislation. The 1989 constitutional reform allowed the privatization of previously nationalized industries. The two main political parties in Portugal are the center-right Social Democratic Party (Partido Social Democrático—PSD) and the center-left Portuguese Socialist Party (Partido Socialista Português—PS). Other significant parties include the right-wing Social Democratic Center Party/Popular Party (Centro Democrático Social/Partido Popular—CDS/PP), the left-wing Portuguese Communist Party (Partido Comunista Português—PCP), and The Greens.

The legislative elections of 1 October 1995 marked a dramatic shift in the two major parties. The Socialists returned to power after a decade in opposition. Social

Democrats, who had governed with a majority of seats, were hampered by financial scandals, declining economic growth, and the loss of their popular leader Anibal Cavaco Silva, who stepped down to run for the presidency. It was thought that many voters wanted a “breath of fresh air” after a decade of continuous center-right rule. The socialist government presided over an economic recovery, improved labor market, and Portugal’s entry into the euro zone. The Socialist Party stayed in power after the 10 October 1999 election. In voting on 17 March 2002, however, the Social Democrats won back control of the government, but just barely. They controlled 105 of the 230 seats in the legislature, compared to the Socialist Party’s 96 seats.

## PERSONAL BACKGROUND

José Manuel Durão Barroso was born in Lisbon 23 March 1956. As a young student, he became involved in the activist organization, *Movimiento Reorganizado del Partido del Proletariado* (Reorganized Movement of the Party of the Proletariat—MRPP). He enrolled in the University of Lisbon, where his professors described him as a brilliant student; he received a degree in law in 1978. Durão Barroso then moved to Switzerland to study political science and European studies at the University of Geneva. After a brief time at Georgetown University in Washington, D.C., where he completed some specialized courses, he returned to Portugal to join the faculty of the University of Lisbon. When a reporter characterized him as an opportunist—always in the right place at the right time—he responded, with an undertone of sarcasm: “I was the top law student in my year. Surely because I was lucky. I did a master’s in Geneva, and scored the best results ever. Of course, I was lucky. I was a member of the government of Anibal Cavaço Silva when I was 29. Surely because I was lucky. At 36 I was one of the youngest Foreign Ministers ever in Europe. Once again, lucky. I think the country desperately needs some good luck.” Durão Barroso is married and he and his wife have three children.

He has published a number of books, including *Sistema de governo e sistema partidário* (1980); *Le système politique portugais face à la intégration européenne* (1983); *Política de cooperação* (1990); *A política externa portuguesa 1992–93* (1994); *A política externa portuguesa 1994–95* (1995); and *Uma Certa Ideia de Europa* (1999).

## RISE TO POWER

Although Durão Barroso engaged in political activism during his student years, his early career was devoted to pursuing a career in academia although he remained active in the PSD. In December 1980, when Prime Minister Francisco de Sá Carneiro was killed in a plane crash, Durão Barroso assumed a larger role in the leadership of PSD. Durão Barroso was aligned with the faction of the PSD that was led by Aníbal Cavaço Silva, an economist and professor. In the early 1980s the country’s political scene was turbulent and outbreaks of urban terrorism led to public outcry for stability. In 1985, Portugal joined the European Community (EC), the forerunner of the European Union (EU). This move caused the economy to improve but the government was still in chaos. Elections were called for October 1985, and the center-right PSD won a slim relative majority with about 30% of the vote and 88 of the 250 seats in the legislature;



Aníbal Cavaço Silva became prime minister, and Durão Barroso, age 29, was among the PSD candidates elected to Parliament. He was appointed to a top position in the Ministry of Internal Administration soon after the elections. In the elections called for July 1987, the PSD led by Cavaço Silva won an absolute majority (51% of the vote and 148 seats in the assembly); this was a first for a political party since Portuguese independence. Durão Barroso was named to the second-highest position in the Ministry of Foreign Affairs. He would later be named foreign affairs minister, a post he held from 1992 until the PSD lost control of the government in 1995. While in the Ministry of Foreign Affairs, he became involved with the former Portuguese colonies around the world, notably Angola and East Timor. He was instrumental in negotiating a settlement between the government and the guerrilla group, Unita, ending the long civil war in Angola.

Cavaço Silva won a third term as prime minister in elections of October 1991, when the PSD again won an absolute majority with just over 50% of the vote and 135 of the 230 seats in the assembly, but they were defeated in 1995.

In 1999 Durão Barroso assumed the leadership of the PSD, the opposition party. He was active in this role, working to keep the party’s message of economic conservatism before the Portuguese people, and also traveling to former Portuguese colonies in an effort to maintain strong ties.

António Guterres, Durão Barroso’s predecessor, had been prime minister for six years with two years to go, when his PS party suffered significant losses to the PSD in municipal elections. Especially bitter was the PS’s loss of the mayor’s office in Lisbon for the first time since 1974. Guterres

resigned his post in December 2001 following these losses and called for new elections, which were set for 17 March 2002. The PSD, under the leadership of Durão Barroso took control of the government, forming a coalition with the Popular Party (PP).

### LEADERSHIP

Durão Barroso based his successful campaign on the economy and vowed to strengthen it. When his PSD failed to achieve an absolute majority in the 17 March 2002 voting (with 40% of the vote and 105 seats in the Assembly), it formed a coalition with the PP under the leadership of Paulo Portas. The coalition faced a government in financial shambles. In his inaugural speech, Durão Barroso pledged to improve the nation's economy and balance its budget by 2004. He still faces an uphill battle on this front, as Portugal competes with the nations of Eastern Europe for attention from the expanding EU. Durão Barroso has needed to muster all the support he can, within the country and in Europe, to keep the economy functioning.

### DOMESTIC POLICY

Durão Barroso's top priority has been reversing the downturn in the economy. The government's finances are in a shambles, and at the outset of his term, Durão Barroso's minister of finance, Manuela Ferreira Leite (known as the "Iron Lady" for her uncompromising stance on issues), acted quickly. In one of her first speeches, she announced severe spending cuts for social programs, including health, social security, and education. Durão Barroso's tough stance on spending, reflected in these announcements, carried over into other spheres as well.

Upon taking office Durão Barroso immediately pledged to reform the tax code by reducing corporate and personal income taxes, but suggested an increase in the value-added tax as a way to make up for the revenue lost in other tax cuts. He also pledged to privatize some areas of public service. He contended that the government had become bloated; as the deficit crept higher, it approached the acceptable limit for countries of the EU. Tough criteria of the EU plague Portugal's economy—the EU has set a deficit limit of 3% of GDP for its member countries, with fines imposed on countries whose deficits exceed the limit. Portugal's deficit was officially reported at 2.4% in 2001, but many observers believed that questionable accounting practices kept the deficit artificially low. In February 2002 the EU considered issuing warnings to both Portugal and Germany, where the deficit had reached 2.7% of GDP.

In the Cavaço Silva years prior to Guterres's election, Portugal moved along a path of free-market policies with austere economic measures. Many consider these policies—coupled with the billions of dollars in aid provided by the EU and other foreign sources—to have propped up the economy in the 1980s and early 1990s. But the EU was focusing on the economies of the countries who are candidates for membership, and continuing aid to Portugal was by no means guaranteed.

The government under Durão Barroso, in coalition with Portas and his PP colleagues, was prioritizing the economy, tighter controls on immigration, and tightening of drug laws. Despite his own uncooperative stance when his party was in

opposition, Durão Barroso and his central bank governor, Vitor Constancio, stressed the need for unity to support the difficult austerity programs the government must implement to right the economy. Trade union leaders were vocal in their disapproval of proposed budget cuts. As recently as May 2000, civil service and transport unions affiliated with the Communist and Socialist parties went on strike to press for higher wages to cope with an 11% increase in fuel taxes that affected public sector workers.

In mid-2002, Durão Barroso announced the Guterres administration had concealed the actual state of Portugal's financial health, as the EU threatened to impose punitive sanctions on the country for violating the body's Stability and Growth Pact, limiting state budget deficits to 3% of GDP. A governmental task force revealed the real figure for Portugal was 4.1%. Durão Barroso took credit for revealing the high figure, while claiming the previous administration was responsible for incurring it. If Portugal refuses to take serious austerity measures to right the deficit, the EU can dictate severe spending cuts or tax increases, and if this fails, it can impose fines of up to 0.5% of Portugal's GDP. Portugal was the first EU country to be considered for such sanctions. Worse news came in early 2003, when Portugal became the first EU country considered to be in a recession. Unemployment was at its highest level in five years, and the IMF forecast Portugal's economy would grow in 2003 by 0.4%, the worst performance in the euro currency zone.

Portugal's economic woes had detrimental effects on other domestic policy issues in 2002–03. When the chief of staff of Portugal's military criticized Durão Barroso's government in October 2002 for limiting defense spending, saying the move would cripple the armed forces, Durão Barroso demanded his resignation, and when he refused, had him dismissed by the president. In late 2002, the government approved legislation allowing the state to set limits on immigration from outside the EU. Portugal also fears an influx of Eastern European immigrants when 10 newly-invited applicants to the EU are to accede to the body in 2004. As of March 2003, there were around 400,000 legal immigrants in Portugal, nearly 5% of the population, one of the highest proportions in the EU. Paulo Portas, Durão Barroso's coalition partner, stated: "If we exaggeratedly allow entry to immigrants, not only will we not have jobs, we will also not have the conditions for social integration."

Portugal is not meeting targets set by the Kyoto Protocol for limiting greenhouse gas emissions. Ten of the EU's 15 nations are falling behind in their efforts to meet the standards set by the Protocol, with Portugal, along with Ireland and Spain, one of the worst offenders.

### FOREIGN POLICY

Portugal continued to express interest in fostering closer ties to its former colonies, especially those who can contribute to the country's trade, notably Brazil. In May 2002, shortly after becoming prime minister, Durão Barroso traveled to East Timor to celebrate that country's independence on 20 May 2002. When Indonesia granted authority for administration of East Timor to the United Nations, the Portuguese government reestablished diplomatic ties with Indonesia; the two countries had not had official diplomatic relations for decades, after Indonesia had annexed East Timor in the mid-



1970s. East Timor designated Portuguese as its official language, to symbolically sever ties with Indonesia and revert to its former status. Until the mid-1970s, East Timor was more closely aligned with Portugal than with Indonesia, the country from which it won its independence. The plight of East Timor held special interest for Durão Barroso. While Durão Barroso was foreign minister, he had met with Nobel Peace Prize winner from East Timor, Dr. Ramos-Horta, when he visited Lisbon. Durão Barroso had also traveled to East Timor in August 2001, when he was leader of the opposition PSD.

Over the years, Portugal has been a major recipient of EU regional aid. This flow of money will most likely diminish with the proposed enlargement of the EU to eastern Europe. During the five-year EU budget negotiations in March 1999, the Portuguese delegation fought to ensure that the EU would not cut off the flow of structural funds to Lisbon. Portugal succeeded in retaining the same proportion of funds from the previous package and secured a 10.4% share of the structural aid funds over the 2000–06 period, the equivalent of €\$27.18 billion. Portugal also extracted the compromise of another €\$18 billion in cohesion funds set aside for countries with a GDP below 90% of the EU average. Nevertheless, once the applicant countries join, transfers from the EU will diminish.

Durão Barroso supported the U.S. position on the forcible disarmament of Iraq during the 2002–03 political crisis regarding that country. At a summit held in Portugal's Azores on 16 March 2003, Durão Barroso hosted U.S. president George W. Bush, British prime minister Tony Blair, and Spanish prime minister José María Aznar, and stood with them in issuing a 24-hour ultimatum to the UN to authorize the use of force in disarming Iraqi president Saddam Hussein's regime. After the United States gave up on a diplomatic resolution to the crisis the next day, war began on 19 March 2003. Although the government supported the war, Portugal was also the site of large anti-war demonstrations, joining those that took place across other European countries.

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# QATAR

## Hamad bin Khalifa al-Thani Emir

(pronounced "HAH-mahd bin kah-LEE-fah al THAH-nee")

*"[Arab unification] will not be achieved unless an all-out Arab summit is held to discuss the best ways to overcome the state of fragmentation we suffer, and bridge the gaps between Arab countries. In such a case we can achieve Arab solidarity and consolidate joint constructive cooperation that enables us to adopt a unified stand to confront any challenges or dangers threatening our nation."*



The country of Qatar is located on a peninsula extending into the Persian Gulf from the Arabian mainland. Qatar is bordered by Oman, United Arab Emirates, Saudi Arabia, and across the Gulf of Bahrain from Iran. Qatar's total area is 11,437 sq km (4,416 sq mi) with a total population of 793,341, of which only 30% are Qatari citizens. Most Qataris follow the Wahabi tradition of Sunni Islam, although a large number of Shi'as can be found among the Iranian population. The official language is Arabic, with English widely spoken among the educated groups. As in other oil-producing Persian Gulf states, economic development in Qatar has resulted in the influx of large numbers of foreign workers. The non-Qatari population includes large numbers of Indians, Iranians, Pakistanis, and Palestinians. Qatar's arid climate and the absence of suitable sources of underground water has resulted in the concentration of the population in a few large ports. The capital Doha accounts for 60% of the total population. Desalination plants provide more than half of the country's water needs.

Prior to the discovery of oil in 1939, Qatar's economy was based on fishing and pearling. Since the 1950s, however, rising oil prices have turned Qatar into one of the wealthier nations in the world by transforming the economic and social structure of the country. Qatar's total hydrocarbon reserves include 3.7 billion barrels of oil and 380 trillion cubic feet of natural gas. The North Field in the Gulf is believed to contain the world's largest single deposit of natural gas. Petroleum products account for more than 80% of total exports and have allowed the country to enjoy unprecedented prosperity. The per capita gross domestic product (GDP) is us\$21,200, making it one of the wealthiest countries in the world. The local currency is the riyal.

### POLITICAL BACKGROUND

Until 1872, when it became part of the Ottoman Empire, Qatar was under the influence of the Khalifa family of Bahrain. Upon the withdrawal of Turkish forces in the early days of the First World War, Qatar came under the stewardship of Britain with whom it signed a treaty in 1916. The recognition of Sheikh Abdullah al-Thani by the British as the emir of Qatar established the al-Thani family as the ruling dynasty in Qatar, a position that they continue to hold to this day.

The 19th and early 20th century witnessed the domination of the Persian Gulf by Britain. Through a series of agreements, Britain was able to extend protectorate status to most

Gulf countries including Qatar. The 1916 Anglo-Qatari, agreement and a later agreement signed in 1923, committed Britain to the defense of Qatar while Qatar agreed not to enter into any agreements with foreign governments without British consent.

Britain's decision to withdraw from all areas east of the Suez by 1971 brought independence to Qatar and other Persian Gulf nations. After the failure of talks on a proposed federation with Bahrain, Qatar became fully independent on 1 September 1971. Anticipating independence, Qatar adopted a written Constitution in April 1970. The emir is the head of state, and he also holds the positions of minister of defense and commander-in-chief of the armed forces. He also appoints the Council of Ministers. The appointed Advisory Council has limited powers and assists the emir in ruling the country, but it has no independent legislative powers. The ruling al-Thani family dominates both the Advisory Council and the Council of Ministers in addition to other important economic and political institutions.

### PERSONAL BACKGROUND

Sheikh Hamad bin Khalifa al-Thani was born in Doha in 1950 as the eldest son of Sheikh Khalifa, who at the time was the heir apparent. Like his father, Sheikh Hamad received his early education in Qatar and later attended the Royal Military Academy at Sandhurst, United Kingdom. Upon graduation with the rank of lieutenant colonel in 1971, he returned to Qatar and assumed the command of a mobile brigade. In February 1972, shortly after Hamad's return, Sheikh Khalifa deposed the ruling emir who was at the time on a hunting vacation in Iran and proclaimed himself the new ruler of Qatar. Sheikh Hamad became the Qatar's new army chief of staff with the rank of general. He was later appointed as the commander in chief of the military. Sheikh Hamad was also responsible for the formation of the engineer's corporation and the military police. In 1977, Sheikh Hamad was appointed as the crown prince and defense minister.

### RISE TO POWER

Sheikh Hamad's rise to power began with his appointment as the commander of a military brigade upon his return from England. Under Sheikh Hamad's command, the brigade became one of the best-trained and most effective military forces in the Gulf region. During the Gulf War, the members of the brigade distinguished themselves in recapturing the town of Khafji from Iraqi forces.

Hamad's rise to power was made possible by his ability to establish close ties with other influential families in Qatari politics and by his successful use of these alliances to defeat potential rivals within the royal family, including his younger brother Abdel Aziz. By late 1989, when he was given more responsibilities in running the country, Sheikh Hamad had already established himself as the second most influential person in Qatari politics, the first being the emir himself. Hamad's court had emerged to rival the emir's court in influence and prestige. In July 1989, using his influence, he was able to replace potential rivals in the Council of Ministers by younger men close to himself. He was also successful in curbing some of the more extravagant privileges of the members of the royal family and other high officials in the government.

Sheikh Hamad's political ascent continued. In June 1993, he was appointed deputy emir. On 27 June 1995, Sheikh Hamad in a bloodless coup deposed his father Sheikh Khalifa, who was vacationing in Switzerland, and proclaimed himself as the new emir and prime minister of Qatar. His ascent to power was met with the approval of Qatar's foreign allies including the United States and neighboring Gulf states. It was also supported by significant portions of the al-Thani family and the business community, both Qatari and foreign, who found the former emir too conservative in carrying out economic reforms.

### LEADERSHIP

Under Sheikh Khalifa, Qatar experienced rapid social and economic change. His style of leadership was generally seen as conservative and cautious. As crown prince and deputy emir, Sheikh Hamad, on the other hand, was seen as more decisive and assertive, particularly on issues related to economic development and foreign policy. His leadership style is more open compared to other rulers in the region. As Sheikh Hamad was already responsible for day-to-day affairs prior to this formal rise to power, his rise to emir did not create any major discontinuities in Qatari politics. The emir seems to be taking various measures to foster the establishment of democratic institutions and a broader based political structure, as well as openness to global markets.

### DOMESTIC POLICY

Despite fluctuations in oil prices and demand throughout the last three decades, Qatar has managed to return to a somewhat stable economy. In 2000, the government continued in its efforts to implement policies aimed at diversifying income sources and developing the economic infrastructure. Sheikh Hamad has been an advocate of the rapid development of Qatar's vast offshore natural gas reserves and other industrial projects as an alternative to oil. The development of the North Field natural gas reserves, however, depends on Qatar's success on securing foreign financing. Under Sheikh Hamad, the Qatari government has continued to work closely with foreign and domestic investors in developing the country's economic resources, and it is expected that these ties will continue to grow in the future. Qatar has the third-largest natural gas reserves in the world. Liquefied Natural Gas (LNG) earnings will increase as Qatar supplies the Asian market. The government estimates oil production of 900,000 barrels per day by the year 2004. Production



enhancement programs have already succeeded in increasing oil production capacity to over 700,000 barrels per day.

Sheikh Hamad has eased immigration rules and offered tax breaks to overseas investors. As of March 2003, economic growth in Qatar averaged 13.5% over the past five years.

Though it was widely believed that the deposed emir, Sheikh Khalifa, was behind a plot discovered in February 1996 to return to power, Sheikh Hamad reconciled with his father later that same year, thus calming some of the opposition from Khalifa's allies.

Sheik Hamad has announced his intention for Qatar to move toward democracy. He has permitted a free and open press (including the establishment of the satellite TV station Al Jazeera) and allowed for the election of the Qatar Central Municipal Council by universal suffrage in 1999. Although all successful candidates were men, women were permitted both to vote and stand as candidates. Some women have been appointed to leading government positions. The 1999 elections serve as a precursor to parliamentary elections expected to occur in 2003 or 2004. In accordance with the emir's earlier promise of an elected Advisory Council (parliament), a 32-member committee was formed in July 1999 to draw up a comprehensive and permanent Constitution for 2003. In an effort to decentralize government powers, Sheikh Hamad established a separate position of prime minister, but appointed his brother Sheikh Abdullah bin Khalifa Al-Thani to the office.

### FOREIGN POLICY

As a member of the Gulf Cooperation Council (GCC) which also includes Bahrain, Kuwait, United Arab Emirates, Oman,

and Saudi Arabia, Qatar maintains close ties with its neighbors. Through the GCC, Qatar also has defense ties to Egypt and Syria. Shortly after taking power, Sheikh Hamad dispatched personal envoys to the GCC countries to assure them of continued cooperation and friendly relations. Membership in GCC, however, has not prevented Qatar from following a more or less independent course. Unlike other GCC members, Qatar has cordial relations with both Iran and Iraq and continues to maintain contacts with both governments at very high levels. Nor has membership in GCC prevented Qatar from asserting its position within the GCC. In December 1995, the Qatari emir boycotted the last session of the GCC summit to protest the choice of a Saudi Arabian citizen as the new secretary general of the organization. Additionally straining relations with Saudi Arabia is a border dispute that resulted in violent clashes between the two countries in October 1992. Both countries have chosen to resolve their differences through negotiations.

A second border dispute with Bahrain existed over a number of islands, including the potentially oil-rich Hawar chain in the Persian Gulf. In April 1986, after Bahrain tried to build a coast guard station on the artificially constructed Fasht al-Dibal island in the Persian Gulf, Qatari forces raided the island, taking the Bahrain workers as prisoners. Although the workers were freed shortly afterwards, sovereignty of the island and nearby Hawar islands continued to cloud relations between the two countries. In November 1994, Sheikh Hamad submitted the dispute to the International Court of Justice in The Hague, Netherlands. The Hague issued a ruling in June 2001, which both sides accepted. In the agreement, Bahrain kept the main Hawar Island but dropped claims to parts of mainland Qatar, while Qatar retained significant maritime areas and their resources.

Sheikh Hamad is generally viewed as an advocate of close relations with the United States and the West in general. Qatar supported the allied effort in the Gulf War, where Qatari troops distinguished themselves in the defense of the town of Khafji against the Iraqi forces. In 1992, Qatar signed a defense pact with the United States. Qatar also has signed various forms of defense understandings with the United Kingdom and France. Sheikh Hamad's close ties to the United States won him quick recognition after the 1995 coup and helped overcome any reservations that neighboring countries such as Saudi Arabia might have had.

Although Qatar favored a diplomatic rather than a military outcome to the 2002–03 crisis in Iraq, it played a key strategic role in the U.S.-led war that began on 19 March 2003. Qatar was home to Camp As Sayliyah, the

headquarters of the U.S. Central Command ("CentCom"), staffed by approximately 1,600 U.S. and U.K. personnel. Combat aircraft and aerial tankers flew out of Qatar's Al Bidded air base. Its Al Udeid air base, home to the longest runway in the Persian Gulf (15,000 ft), will house the 5,000 U.S. troops to be relocated from Saudi Arabia when the U.S. leaves the Prince Sultan air base. The U.S. decision to move its troops from Saudi Arabia to Qatar following the war was seen as a way to improve Qatar's security and strengthen its ties to the U.S. Desiring a more secular and Western future, Qatar does not share the hostility to an American presence within its borders that Saudi Arabia harbors.

Qatar is a member of the League of Arab States, the Organization of Arab Petroleum Exporting Countries (OAPEC), the United Nations (UN), the Organization of the Islamic Conference (OIC), Non-Aligned Movement, the International Monetary Fund (IMF), World Health Organization (WHO) and the World Trade Organization (WTO), as well as other regional and international organizations.

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# ROMANIA

## Ion Iliescu President

(pronounced “ee-AHN ee-lee-YEH-skew”)



*“The main arguments [in favor of economic reform] are the facts. And people should see that all these measures—the privatizations, the improvement of the administration, the legislation, the measures for the modernization of the economy, the promotion of new technologies—are beneficial to them...No words are necessary now but acts.”*

Romania lies in southeastern Europe. Its geography is influenced by the Carpathian Mountains and the Danube River. It comprises an area of 237,500 sq km (91,699 sq mi) and is bounded by Ukraine to the north, Moldova to the northeast, the Black Sea to the east, Bulgaria to the south, Serbia to the southwest, and Hungary to the northwest. Its population was estimated at 22.3 million in 2002. About 90% of the population is Romanian, 7% are Hungarian, and 2% are Roma. Romanian Orthodox is the dominant religion, being the professed faith of 70% of the population; 6% are Protestant, 3.5% are Uniate Catholic, and 3% are Roman Catholic. About 90% of the people speak Romanian (a Latin-based language); 7.1% speak Hungarian; and 3.4% speak other languages.

Romania’s per capita gross domestic product (GDP) was estimated at US\$6,800 in 2001. The country’s currency is the *leu*. The agricultural sector includes wine production, forestry, and farming. The industrial sector includes mining, manufacturing, power, and construction. Among Romania’s natural resources are crude petroleum, brown coal, salt, iron ore, bauxite, copper, and other minerals.

### POLITICAL BACKGROUND

The Ottoman Empire ruled the territory of modern Romania from the early sixteenth century until the late nineteenth century. Romania became an independent kingdom in 1881. During the 1930s, a fascist dictatorship allied the country with Nazi Germany, but in late 1944 Romania sided with the Allies against Germany. Soviet forces installed a communist government in 1945. The Paris peace treaty of 1947 forced Romania to cede territory to the Soviet Union and Bulgaria. It also granted Romania northern Transylvania. Romania’s King Michael was forced to abdicate in 1947 and Romania became a Socialist Republic. Nicolae Ceausescu became Communist Party General Secretary in 1965. During the Ceausescu era, FSN Romania was known for its repressive leadership, highly centralized government, maverick foreign policy, and unpredictable behavior within the Soviet East Bloc. Among the “old guard” of Communist Party leaders, Ceausescu was seen as one of the most resistant to change. Romania’s overthrow of communism in late 1989 was the only bloody revolution to occur in Eastern Europe as the regimes of communist countries throughout the region fell. Demonstrations in December 1989, sparked by ethnic Hungarians, turned violent and quickly spread to other cities. A group calling itself the National Salvation Front (FSN) formed a provisional government. The Romanian armed forces joined the demonstrators and fought against Ceausescu’s secret police, the Securitate. Ceausescu and his

wife Elena were captured as they tried to escape the capital. They were executed on 25 December 1989.

FSN leader Ion Iliescu became provisional president, and Petre Roman became prime minister. Elections held in May 1990 resulted in an overwhelming victory for Iliescu and the FSN, but opposition continued to grow. Iliescu called in miners from the countryside to forcibly quell student demonstrators in Bucharest who were demanding his resignation. The miners returned to Bucharest in 1991 to join protesters in opposition to Iliescu. More violence ensued, and Roman was forced to resign. Iliescu broke away from FSN and formed the Democratic National Salvation Front (FDSN), which later became the Party of Social Democracy in Romania (PDSR).

In the 1992 elections, the Democratic National Salvation Front-Social Democracy Party won a plurality of the vote but lacked a parliamentary majority. Independent Nicolae Vacaroiu became prime minister, but his government was supported by less than a majority in Parliament. Vacaroiu had to rely on the support of three small extremist parties, two right-wing nationalist parties, and the leftist Socialist Labor Party. The opposition Democratic Convention (CDR), which included over a dozen parties and organizations, came in second with about 20% of the vote.

In 1996 the CDR won a plurality of the vote (30%) in both the Senate and House of Representatives, beating the PDSR. Victor Ciorbea of the Democratic Convention became prime minister of a coalition government that included the Social Democratic Union (USD) and the ethnic Democratic Union of Hungarians in Romania (UDMR). Together the coalition had the support of a majority in Parliament. In presidential elections, Emil Constantinescu of the CDR defeated Iliescu in the second round. The Constantinescu government, however, failed to deliver on many of its promises. The Romanian electorate grew weary from years of promised reforms while the country’s economy stagnated and Romania’s standard of living fell further and further behind that of neighboring post-communist Hungary and most of the rest of Europe. In the 2000 election, Iliescu was returned to the presidency by a wide margin.

### PERSONAL BACKGROUND

Ion Iliescu was born on 3 March 1930 in Oltenia, a provincial town in the south of the country. He traveled to Bucharest for high school and studied engineering in college, earning degrees from Bucharest’s Polytechnic University and Moscow’s Institute for Energy. In 1955, he returned to Romania and worked in various jobs within government bureaus dealing with energy and engineering. During this period Iliescu joined the Communist Party of Romania, then



one of the most liberal in the Eastern Bloc. In 1967, he was appointed minister of youth of the Communist Party, a position he held until 1971, when he was elevated to become secretary of the Central Committee, perhaps the second-most-powerful position in the ruling party. He held this post only briefly and afterwards served the party in the local districts of Timis and Iasi. Iliescu married in 1951. His wife, Elana, is an engineer, specializing in metal corrosion.

### RISE TO POWER

Iliescu served as minister of youth in the late 1960s, when Romania had a reputation as being one of the most independent-minded, Western-leaning countries of the Eastern Bloc. Romania earned this reputation primarily for denouncing the Soviet invasion of Czechoslovakia in 1968. Nicolae Ceausescu, the party leader, did not sustain his pro-Western leaning for very long, however, and beginning in the early 1970s, he became increasingly authoritarian, establishing something of a personality cult similar to those of Stalin or Mao. He began hanging posters of himself in every building and cracking down on all forms of dissent. In 1971 Iliescu made clear his disapproval of the direction Ceausescu was taking and was removed from his post as secretary of the Central Committee. Iliescu was sent to the provinces to lead district-level party organizations and in 1984 was removed from the party outright.

From 1984 until the events of 1989, Iliescu returned to Bucharest and headed a publishing house specializing in technical literature. As opposition to Ceausescu formed in 1989, Iliescu used his old connections to rise into the leadership of one of the largest revolutionary movements, the FSN. Iliescu became its president on 22 December of that year, just as the Ceausescu regime was in its final hours. He

formed a transitional government in opposition and after Ceausescu was killed, the FSN formed the National Salvation Front Council, which in those chaotic days established itself as the most legitimate authority in the country. It called for national elections in 1990; and Iliescu was elected to the presidency by a huge margin. Once in power, however, Iliescu and the FSN did little to distinguish themselves from the regime they had replaced. Later that year Iliescu and his council brutally repressed student-led demonstrations against the new government. It did so by bringing in pro-Communist miners from the provinces to attack the students, allowing the government to claim it had nothing to do with the conflict. No one doubted, however, that Iliescu had arranged for the miner-led suppression.

Iliescu served as president from 1990 until 1996. This era in Romanian history was marked by great political confusion. Parties formed and disbanded; leaders switched parties and stances; the former Communists changed their names several times; a new Constitution was approved; and two prime ministers came and went under differing coalitions in Parliament. The FSN split during this period into two factions, each of which changed its name twice. The faction led by Iliescu had by 1993 become the Party of Social Democracy of Romania (PDSR). In 1996, Iliescu lost presidential elections to Emil Constantinescu, leader of the reformist Democratic Convention (CDR). No party won a majority of parliamentary seats, however, so Constantinescu was forced to govern with an unstable coalition. His presidency saw great economic decline and very little social stability. Many Romanians feared that the political and economic conditions had deteriorated so badly that the West was ready to write the country off as one of the completely failed post-Communist states, in league with such impoverished countries as Belarus, Ukraine, and Moldova. In the 2000 election, Iliescu campaigned on these fears, pointing out all the failures of the Constantinescu presidency and promising to institute real reforms and win for the country membership in the European Union (EU) and the North Atlantic Treaty Organization (NATO).

### LEADERSHIP

The election of Iliescu in 2000 was greeted with apprehension by many in the West due to his association with the Ceausescu regime and his brutal suppression of student protests in 1990. Iliescu insisted he had changed, however, and soon was traveling extensively in the West claiming Romania could make significant reforms and become a liberal democracy on the European model. He appointed as prime minister Adrian Nastase of the Social Democratic Party, a lawyer, former foreign minister, and widely respected academic who has held prestigious posts at several international institutions. Iliescu began making the difficult steps needed to further push the economy toward a free market model. In 2001, the government secured a large loan from the International Monetary Fund (IMF) on the condition that it continue to sell or shut down many of the inefficient or superfluous state-owned enterprises that had been draining the government of money since 1989. It also won support from both the United States and the United Kingdom to be considered for membership in the EU and NATO. Iliescu was unable to secure Romania's membership in the EU during its new round of expansion announced in December 2002. In

November 2002, however, NATO formally invited Romania to join the organization, with accession slated for 2004.

### DOMESTIC POLICY

Romania has made progress toward the development of democratic institutions and a market economy since the 1989 revolution, but lacking the reformist traditions in other developing countries, Romania's transition has somewhat lagged. After bottoming out in 1993, its economy rebounded, and annual growth improved. Iliescu's government's primary domestic policy is to transform the economy of the impoverished nation. One year into his presidency, the average monthly wage for Romanians with jobs was only US\$150, making it one of the poorest countries in Europe. Iliescu began the privatizations that had been put off for years due to labor unrest and fear of political backlash. In 2001 his government privatized a record number of industries, notably the steel producer Sidex, an employer of 600,000 Romanians—the support of which had been the largest single drain on the national treasury—and the bank Banco Agricola, one of the first, and largest, banks in Romania to be privatized. Iliescu's government resisted union pressure to stop privatizations and layoffs and the Romanian economy grew by an estimated 4.2% in 2001, almost double of the Central European average for the year. It is expected to continue growing at this pace into at least 2004.

The IMF praised Romania in October 2002 for the country's financial and economic policies, which cut inflation, and increased exports, industrial production, and investment. Overall foreign investments in Romania in 2002 reached almost US\$9 billion, with the Netherlands leading the way, followed by Germany and the United States. The US\$9 million figure, however, works out to be around \$410 per person, as compared with a Central and East European average of \$1,600 per person.

One of Iliescu's priorities will be to combat corruption, especially if he wishes to guide Romania's entry into the EU. The United States and EU have characterized corruption in Romania as a crime that endangers Romania's development. In May 2003, almost one-third of Romania's legislators admitted they held positions or had business dealings that came into conflict with their political mandates. These revelations came on the heels of the passage of a new anti-corruption law that March, requiring holders of public office to reveal the existence of conflicts of interest. More than half of the 150 legislators were members of the ruling Social Democratic Party.

### FOREIGN POLICY

Since the end of the Cold War, Romania has sought to integrate into Western institutions, in particular the EU. Its efforts, however, were hindered by Romania's slow pace of reform and lingering communist legacy. In 1993 Romania signed an agreement with the EU, which called for greater economic cooperation, expanded trade relations, and political integration. In 1995 Romania formally applied to become an EU member. It was not among the "first wave" of prospective Eastern and Central European candidates for membership, however. In 2000 the EU formally accepted Romania as a candidate for membership, along with 11 other Central and Eastern European nations. France and the United Kingdom officially support its accession to the EU, but it was not one of 10 countries to be invited to join the body in December 2002 (with accession planned for 2004). Instead,

the only two formerly Communist non-Soviet countries not to be invited to join, Romania and Bulgaria, were tentatively slated to accede in 2007.

Romania was the first country to sign up for NATO's Partnership for Peace program, which is designed to enhance cooperation with partner states via consultations, joint exercises, and information sharing. Romania also joined the growing ranks of former Warsaw Pact countries that sought full NATO membership. After the Czech Republic, Hungary, and Poland were admitted, its chances seemed to improve, but its political and economic troubles in the late 1990s drew NATO's attention elsewhere. Romania returned to the forefront of consideration in 2001 as the alliance began preparations for a summit to be held in Prague in the fall of 2002. At the Prague summit, Romania was formally invited to join the organization, with accession planned for 2004. One problem with Romania's candidacy was the presence of members of the former Securitate who still serve in government. As a member of NATO, Romania will be granted access to all its intelligence; and many Western leaders are still reluctant to share that information with leaders they consider unreliable. This obstacle appears in large measure to have been overcome. Romania has participated in international peacekeeping operations in Angola, Albania, and the former Yugoslavia and supported the NATO action in Yugoslavia in 1999. It has declared itself firmly on the side of the United States and NATO in the so-called international war on terrorism begun after the terrorist attacks on the United States in September 2001.

Traditionally Romania has had strained relations with its neighbors Moldova and Hungary, though for very different reasons. Moldova was traditionally a province of Romania and was simply carved out of it as a separate republic by Stalin following World War II. Many Moldovans consider themselves to truly be Romanians and most linguists deny there is a true distinction between Romanian and Moldovan, the official language of the state. In the mid-1990s, there were drives in both nations toward unification but such initiatives have languished in recent years.

Romania's relations with Hungary are strained due to the large number of ethnic Hungarians living in Romania, primarily in Transylvania. For years the government of Hungary protested that they were treated unfairly by various regimes in Romania. After years of poor relations, in September 1996, the Romanian and Hungarian prime ministers signed a Treaty of Understanding, Cooperation, and Good-Neighborliness. Among other things, the pact declared that the two countries harbor no territorial claims, and outlined the rights of national minorities according to European standards. Contentiousness resumed in 2001 when Hungary passed a law extending Hungarian government benefits to any ethnic Hungarian, regardless of place of residency. Iliescu considered this a subversion of Romania's sovereignty and protested vehemently. He even threatened to invalidate the 1996 Treaty of Understanding. Iliescu was unable to garner any European support for his position, so he soon remitted. In March 2003, however, Romania and Slovakia criticized Hungary for failing to amend the "Status Law;" the Council of Europe criticized the law in 2001 for not being in accordance with European principles of nondiscrimination and Romania underlines the law's undemocratic nature.

Iliescu supported the United States position on the disarmament of Iraq, by force if necessary, during the international diplomatic crisis preceding the start of war on 19 March 2003. In this he risked alienating Romania from France, Germany, and other European nations which adopted an anti-war stance. Iliescu stated in mid-March that Iraqi leader Saddam Hussein would be faced with the choice of abandoning power and complying with United Nations (UN) Security Council Resolution 1441—passed in November 2002 and calling on Iraq to disarm itself of all weapons of mass destruction—or submitting to war. Iliescu pledged to open Romanian airspace to allied planes, provide allied troops with ground logistics support, and contribute post-conflict and non-combatant military troops for humanitarian purposes. U.S. president George W. Bush expressed gratitude for Iliescu's support.

Romania was a founding member of the Black Sea Economic Cooperation group, a forum of Balkan countries that seeks to encourage regional trade and economic ties. Romania is also a member of the Central European Free Trade Association (CEFTA), the International Monetary Fund (IMF), the World Bank, and the World Trade Organization.

## ADDRESS

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# RUSSIA

## Vladimir Putin President

(pronounced “vlad-EE-mir POO-teen”)



*“The building of a democratic state is far from complete. But a great deal has already been done. We must cherish what has been achieved and preserve and advance democracy. We must make sure that the government chosen by the people works in the interests of the people and protects the Russian citizen everywhere, both in our country and abroad, and serves the public.”*

Russia, officially called the Russian Federation, was by far the largest republic of the former USSR. Its estimated 2002 population of 145 million accounted for slightly more than half the Soviet total. Its 17 million square kilometers (6.6 million square miles) comprised 76% of the territory of the USSR, stretching across Eurasia to the Pacific across 11 time zones. Russia also inherited the lion’s share of the natural resources, industrial base, and military assets of the former Soviet Union. Much of its territory in the north and Far East, however, is sparsely populated. Although Russia is nearly twice the size of the United States, its population is only a bit more than half the U.S. total.

Russia is a multinational, multiethnic state with over 65 nationalities and a complex federal structure inherited from the Soviet period. Within the Russian Federation there are 21 ethnic republics (including Chechnya) and 18 other administratively distinct ethnic enclaves. The principal political subdivision of the ethnically Russian parts of the federation is the oblast, of which there are 49. Russia’s multinational federal structure resembles that of the former Soviet Union on which it was patterned. The demography, however, is different. Ethnic Russians, comprising 81.5% of the population, are dominant. The next largest nationality groups are Tartars (3.8%), Ukrainians (3%), and Chuvash (1.2%). Traditionally, Russians belong to the Russian Orthodox Church. Other major religious groupings in Russia include Islam, Buddhism, Catholicism, various Protestant faiths, Judaism, and animism.

### POLITICAL BACKGROUND

Russian history dates from the late 9th century AD. The earliest Russian state, known as Kievan Rus, had its capital for the most part in Kiev (in present day Ukraine). The ruling dynasty came from Scandinavia and had cultural and commercial ties to northern Europe. Christianity came to Russia in the late 10th century via Constantinople, bringing Russia spiritually into the orbit of Byzantium. Kievan Rus was overrun and destroyed by the Mongols in the mid-13th century. The modern Russian state emerged from the territory around Moscow during the later part of the Mongol domination (late 14th through 15th centuries). As Mongol power declined, Muscovy grew, absorbing large parts of the Mongol Empire and most of the lands of old Kievan Rus. But two-and-a-half centuries of Mongol domination had cut Russia off from Europe at a critical time, leaving a legacy of oriental despotism in Russia while northern, central, and

western Europe experienced the Renaissance and Reformation instead. Thus, when Russia “rejoined” Europe in the 16th century, there was a big developmental gap between them. With no natural boundaries in the east or west, Russia continued to expand through the Eurasian corridor, absorbing lands populated by non-Russian peoples. During this empire-building, Russia often felt itself under pressure from surrounding states that were more highly developed, as well as from the harsh northern climate. The Russian Empire became a highly militarized state whose activities were often dominated by the requirements of national defense and human subsistence.

The Tsarist Russian Empire, fatally weakened by defeats during World War I, was overthrown in 1917. A provisional government was set up, which aimed to create a modern republic but it was swept away by Communists led by Vladimir Lenin, leading to several years of civil war. The victorious Communists proclaimed the Soviet Union in 1922, comprising most, but not all, of the previous Russian Empire. It was organized into ethnically based Soviet Socialist Republics, of which there were eventually 15. The Russian Republic was bigger and more populous than all the others combined. Russians also dominated the republics on the periphery even while they were all subject to the authoritarian control of a government that was federal in form but became highly centralized in function under Stalin, who ruled from 1924–1953.

After the Soviet victory in World War II, the Russians and other Soviet peoples hoped for a relaxation of authoritarianism, but Stalin launched new repressions against soldiers and others who had contacts with the West during the war and established an “iron curtain” against further Western contacts. At the time of his death, he appeared to be launching new wide-scale repressions against Soviet Jews and others. Khrushchev’s partial reforms (1954–1964) were mostly reversed by Brezhnev (1964–1982) and his two short-term successors. Major change came when Mikhail Gorbachev became the Soviet leader in 1985. By that time, the Soviet economy had run out of steam, hampered by a highly centralized command system that proved increasingly inefficient and unable to cope with the requirements of postindustrial development. Economic growth stagnated and began to decline, belying Khrushchev’s famous goal of soon “overtaking” and “burying” (outlasting) the capitalist West.

Gorbachev launched a series of reforms intended to reverse this downward trend and revive the Soviet system. His



political reforms unleashed a process of democratization that went beyond what he intended. His economic reforms, however, were ill-conceived and half-hearted. The power of the Soviet government and the Communist Party, economic output, the standard of living, and Gorbachev's prestige and popularity, all declined dramatically. More and more power devolved to the Soviet republics, and some sought autonomy or full independence. In June 1991, Boris Yeltsin was elected president of the Russian Republic, despite Gorbachev's opposition. In December 1991, Yeltsin, together with the leaders of Ukraine and Belarus, declared the dissolution of the USSR, making Russia a fully independent state—but considerably smaller than the Soviet Union or the old Russian Empire. Yeltsin's popularity declined during his first presidential term because he was unable to reverse economic distress and growing crime. Nonetheless, he was reelected president in 1996 following a vigorous campaign that emphasized the threat to democratization if his main opponent, Communist Party leader Gennadiy Zyuganov, was elected. The strain of the campaign caused Yeltsin to suffer a heart attack in the last days of the race. Yeltsin's second term was characterized by his precarious health and frequent and prolonged absences from public life, causing policy drift punctuated only by his arbitrary purges of prime ministers.

The structure of the Russian government has been radically transformed several times since the break-up of the Soviet Union in 1990. In December 1993, a new Constitution was passed by the legislature, personally tailored for Yeltsin after he forcibly disbanded the old legislature in October 1993. The new government was a strong presidential republic. The president is directly elected for a four-year term and can be reelected only once. The Federal Assembly is a bicameral legislature, in which the more powerful lower chamber, the *Duma*, is popularly elected. The upper chamber, the Federation Council, is comprised of leaders of the executive and legislative branches of the 89 republics and regions of the Russian Federation. Legislative deputies also serve four-year terms and can be reelected once. The judicial branch, which is nominally independent, is the least well developed of the three. Federal judges are appointed by the president and confirmed by the legislature. There is a Constitutional Court that rules on legality and constitutionality of governmental acts and on disputes between branches of government or federative entities. The Supreme Court is the

highest appellate body. In mid-2000, a new Constitution was drafted, changing the process by which the prime minister's office is filled, requiring the Federal Council to approve the president's appointed candidate.

## PERSONAL BACKGROUND

Vladimir Putin was born in Leningrad (now St. Petersburg) on 7 October 1952. In a 1999 memoir, he stated that his paternal grandfather had been a cook for Lenin and Stalin, and that his father had worked for the security apparatus. He graduated from the Law Department of Leningrad State University in 1975, with a Masters of Economics, and immediately joined the Committee for State Security (KGB). He then attended the Red Banner Intelligence School, learning spy craft and fluency in German, and attaining his black belt in judo. In his 1999 memoir, he stated that he had tried to join the KGB as a teenager but was told to pursue a law degree. He is fluent in German. His wife, Lyudmila, was a university professor before assuming her position as Russia's first lady. In October 2001, she became head of the Center of the Development of the Russian Language, an organization that seeks to preserve and promote Russian as an official language in the former Soviet republics. The couple has two daughters, Maria and Katerina. Putin participates in several sports, including skiing and judo.

## RISE TO POWER

In 1975, Putin joined the staff of the First Chief Directorate for Foreign Intelligence of the KGB, and was assigned to the Leningrad branch, where until 1978 he helped to shadow foreign visitors. In 1985, he was assigned to counterintelligence duties in Dresden (in then-East Germany), where he served for five years. Reportedly, he checked the loyalty of Soviet diplomats and other personnel and recruited secret informants who could report on North Atlantic Treaty Organization (NATO) affairs. In 1990, he returned to Leningrad after the collapse of East Germany and assumed the post of Assistant Rector (Dean) for International Affairs at Leningrad State University, working for his former teacher, Rector Anatoliy Sobchak. Reportedly, there he also checked on the loyalty of students and monitored foreigners. In 1991, upon Sobchak's election as Chairman of the Leningrad City Council, Putin became his advisor, and retired from the KGB with the rank of lieutenant colonel. From 1991–1994, Putin was chairman of the Foreign Relations Committee of the City Council, and in 1992–1994 was also the deputy mayor of St. Petersburg. From 1994–1996, Putin was appointed First Deputy Chairman of the City Council (renamed First Deputy Mayor of St. Petersburg).

When Sobchak lost a re-election bid in 1996, Putin asked his Moscow friends for help in finding a job, and Pavel Borodin, head of the State Property Administration under the Russian Presidency, brought Putin to Moscow to work as his deputy business manager. In this post, Putin gained major recognition as an efficient and discrete manager of presidential assets and properties, such as dachas, limousines, hospitals, and spas. Success led to his being appointed head of the Presidential Administration and chief of the Control (disbursing) Department of the Presidency from 1997–1998. In 1998, he was named director of the Federal Security Service (counterintelligence agency), and from March 1999

until August 1999, was also the secretary of the Russia Security Council, the top national security decision-making body, headed by the president. On 9 August 1999, Yeltsin appointed him acting prime minister, and on 16 August 1999, he was confirmed by the legislature.

In 1999, President Yeltsin faced increasing scandal as international investigations seemingly pointed to his family's involvement in financial crimes. He resigned on 31 December 1999, a few months before his term would normally end. He had appointed Putin as prime minister in August 1999, and hailed him as his choice for the presidency. Early presidential elections were scheduled for 26 March 2000. Some observers speculate that Yeltsin and his supporters viewed Putin as a capable leader who would be able to shield Yeltsin from prosecution for corruption. They note that Putin's first move after being appointed acting president was to sign a decree granting Yeltsin immunity from prosecution.

During the March 2000 presidential election, Putin refused to outline his policy program in any detail or debate other candidates, but took positions on some issues. He called for a strong and stable Russia, fighting crime, and law and order (exemplified by fighting Chechen terrorists). He stressed that "the stronger the state, the freer the individual," trying to equate safety and freedom. He also argued that a strong state is "part of Russia's genetic code." His other major campaign themes and promises included creating a level playing field in economy with no favors for oligarchs; raising pensions to seniors from US\$25 to \$35 as a moral necessity; making an inventory of Russia's resources and assets; retaining some nationalized defense industries; and increasing support for the armed forces and defense industries. He also stressed the need for low taxes that are widely collected, rather than high taxes that are rarely collected, and land reform (though he was vague on private property rights). Putin's vague promises and themes aimed at a middle-of-the-road, inclusive campaign that did not alienate possible constituencies. A slight decline in Putin's lead near election day led pro-Putin media to launch an ominous anti-Semitic attack against liberal Yabloko Party candidate Grigoriy Yavlinskiy, and Putin put added pressure on regional leaders to deliver votes for him. According to officially reported results, Putin squeaked to a victory in the first round, something Yeltsin was not able to do in 1996. The Central Electoral Commission reported that Putin gained about 53% of 75.2 million votes cast.

## LEADERSHIP

Most observers have credited Putin with being a cautious but decisive leader who likes to work outside the glare of media or public scrutiny. His early popularity was derived from his resolve in fighting in Chechnya rather than decisive economic measures or moves against corruption. He also appeared to benefit greatly from the coincidences that Chechen guerrillas invaded Dagestan and apartment bombings in Russia occurred at the time he was being positioned by Yeltsin as his successor. Putin's leadership of the Chechnya conflict provided a major boost to the government-created Unity Party and other pro-Yeltsin parties during the December 1999 Russian legislative elections, and a major blow to the Yeltsin opposition Fatherland-All Russia bloc, headed by former Prime Minister Yevgeniy Primakov and Mayor Yuriy Luzhkov of Moscow.

Kremlin politics at the time when Putin was named prime minister were focused more on the corruption scandal of the Yeltsin family than on Chechnya. Ousted Prime Minister Sergey Stepashin was advocating a more cautious, step-by-step action against Chechen terrorists, but Putin quickly endorsed giving the military a basically free hand. Putin's vigorous prosecution of the Chechnya conflict was viewed in a positive light by most Russians, providing him a major boost in his run for the presidency. In his 1999 memoir, Putin presented himself as the savior of Russia, stating that he decided, at the possible cost of his career, that he would combat the mortal threat to Russia posed by Chechen terrorists who aimed to "break up" and "Islamize" it.

From his KGB experience and role in St. Petersburg, he was a master in media manipulation and "spin," understanding that the media should not be permitted to freely cover the Chechnya conflict. Instead, the media was shown Putin's decisiveness and energy in copiloting a fighter jet to visit the troops in Chechnya. The Putin government stressed that it was combating antiterrorism in Chechnya, and highlighted Chechen guerrilla atrocities and the freeing of kidnap victims and "slaves" held by the guerrillas. Many Russians also liked Putin's use of common language or even prison slang, such as his talk of "flushing" the Chechens and "annihilating" them.

## DOMESTIC POLICY

Putin's administration has kept its promise of tax reform, creating a tax system comparable to that of other advanced, market economies, while bringing tax relief to a great number of citizens. Part One of the Tax Code, implemented in 1999 dealt largely with administrative issues. Part Two came into effect in January 2001 and included a value-added tax, excise duties, and modified the personal income tax, among others. The personal income tax was reduced from rates as high as 30% to a flat rate of 13%. Putin's strategy in the tax drop was to increase compliance with tax payments. Since most Russians were unable to pay the higher rates, they simply paid nothing. After the drop, personal income tax collections in the first half of 2001 exceeded expectations. As well, the tax on corporate profits was dropped from 35% to 24%, one of the lowest rates in Europe, and payroll taxes were cut by 4%.

As the second major step in reforming Russia's economy, Putin's administration has focused efforts on reforming the three big natural monopolies: the railroad system, the gas utility Gazprom, and the national electric utility Unified Energy Systems. Under the electricity and railway restructuring plans, the government will retain control of these networks while creating competition by opening access to them on an equal basis to competitors (independent rail operators or electricity generators) in return for an access fee.

President Putin has made judicial and other legal reforms one of his top priorities, and proposed legislative changes to the Duma. Implementation of these changes will have the potential to improve the business climate as well as the protection of citizens' rights but will be a complicated process that will take several years at minimum.

There are major humanitarian and economic costs and unintended consequences of the Chechnya conflict, which erupted again in 1999 and intensified in 2002. Civilian and

military casualties may well be higher than in the 1994–1996 Chechnya campaign, when 80,000–100,000 died, and military costs appear to rival the us\$12–15 billion estimated for the earlier conflict. Infrastructure damage too may match or exceed that of the earlier conflict. Most Chechens are displaced and their homes damaged or destroyed. The military's indiscriminate bombing, tacit support for looting, and inadequate investigation of alleged atrocities undermine democratization, human rights, and the rule of law, according to many observers. Putin's statements about the conflict also have raised concerns about his commitment to human rights and law, including the presumption of innocence. Putin long rejected allowing the Organization for Security and Cooperation in Europe (OSCE) into Chechnya, except "where and when we say, where we permit it and deem it expedient," despite Russia's assurances at the November 1999 OSCE Summit to cooperate in resolving the conflict.

In October 2002, Chechen separatist rebels seized a theater in Moscow and held some 800 people hostage. Putin responded by ordering a raid on the theater, using a powerful opiate to incapacitate the rebels. As a result of the gas, 117 hostages and 50 captors died in the rescue operation. Putin proclaimed the operation was an unprecedented success, but many questioned the effectiveness of the action due to the number of hostages who were killed. In December, Chechen suicide bombers attacked the headquarters of the pro-Moscow Chechen administration in Grozny, an attack Putin called "inhuman." The situation in Chechnya is also complicated by the fact that the United States, following the 11 September 2001 attacks on the World Trade Center and the Pentagon, announced it would pursue terrorists in the Pankisi Gorge region of Georgia, where Putin maintains Chechen rebels are fighting alongside al-Qaeda operatives. The United States has stated its unequivocal opposition to any unilateral military action Russia might take in Georgia.

## FOREIGN POLICY

Despite Putin's initial anti-Western political stand, Russia continues to take important steps to become a full partner in the world's principal political groupings. In December 1991, Russia assumed the permanent seat formerly held by the Soviet Union on the United Nations (UN) Security Council. Russia also is a member of the OSCE and the North Atlantic Cooperation Council (NACC). It signed the NATO Partnership for Peace initiative in June 1994. Russia and the European Union (EU) have continued to honor partnership and cooperation agreements. In 1997, Russia was invited to be an annual participant in the G-7 economic club of industrialized democracies, causing the club to be dubbed the G-8. The other members of the G-8 are: the United States, United Kingdom, Canada, France, Germany, Italy, and Japan.

Russia has played an important role in helping mediate international conflicts and has been particularly actively engaged in trying to promote a peace following the conflict in Kosovo. Russia is a cosponsor of the Middle East peace process and supports UN and multilateral initiatives in the Persian Gulf, Cambodia, Angola, the former Yugoslavia, and Haiti. It has accepted UN and/or OSCE involvement in instances of regional conflict in neighboring countries,

including the dispatch of observers to Georgia, Moldova, Tajikistan, and Nagorno-Karabakh.

Security Council secretary Sergey Ivanov, Putin's appointee, stated in March 2000 that internal economic threats to Russia's security were more worrisome than external threats, and would be of most concern to Putin. Russia's need for foreign investment, however, suggests continued ties with the West, according to many observers.

Putin's early arms control announcements sent mixed messages to the West, but he clearly demonstrated his support for some strategic arms control by convincing the Duma on 14 April 2000 finally to ratify START II, which calls for a significant reduction in strategic nuclear warheads for both the United States and Russia by 2007. Putin, however, continued to question amending the Anti-Ballistic Missile Treaty. In his first major foreign policy statement as president-elect, Putin told nuclear weapons industry officials that he wanted "to make our nuclear weapons complex more safe and effective," as well as "preserve and strengthen" it. In May 2002, Putin and U.S. president George W. Bush announced a new agreement on strategic nuclear weapons reduction, which would reduce operationally deployed strategic nuclear warheads to a level of 1,700 to 2,200 over 10 years. This "Moscow Treaty" was followed by an agreement between Russia and NATO to establish a "NATO-Russia Council" whereby Russia and the 19 NATO member states would cooperate on counterterrorism policy and other issues. U.S.-Russian relations soured, however, in June 2002, when the U.S. announced it formally withdrew from the Anti-Ballistic Missile Treaty, and Putin pulled out of the START II Treaty.

Just before Putin's election, he and his Security Council approved a draft foreign policy concept, a traditional Soviet-type set of guidelines that are supplemented by a military doctrine and ostensibly flow from an overarching national security concept. (Putin approved the national security concept in January 2000 and a draft military doctrine in February 2000.) The national security concept highlights Russia's economic crisis and social and political instability as its main national security problems. It also threatens the use of nuclear weapons to deter conventional attacks. The draft military doctrine places some emphasis on the possibility of counterbalancing NATO expansion and operations. During Putin's premiership, the defense budget has been increased and he has called for more support for the defense and security agencies, indicating his possible future actions. The foreign policy concept highlighted Russia's foreign economic interests and concerns about the treatment of the 20 million Russians residing in the "near abroad" former Soviet republics.

Also in line with the foreign policy concept, Putin has supported ties with China to counter what Russia and China have termed U.S. "hegemony." Putin's government has conducted talks with China on arms and oil sales. Russia has supported China on the Taiwan issue, and China has supported Russia on Chechnya.

Putin faced a major foreign policy situation in 2002–03, with the crisis in Iraq. On 8 November 2002, the UN Security Council unanimously passed Resolution 1441, calling upon Iraq to disarm itself of any chemical, biological, or nuclear weapons and weapons capabilities it might possess, to allow

for the immediate return of UN and International Atomic Energy Agency (IAEA) weapons inspectors to the country, and to comply with all previous UN resolutions regarding the country since the end of the Gulf War in 1991. The United States and the United Kingdom were amassing troops in the Persian Gulf region, and threatened “serious consequences” if Iraq did not comply with Resolution 1441. France, Germany, and Russia, in particular, expressed serious disagreement with this aggressive stance. France led the opposition to war, and threatened the use of its veto in the Security Council if the United States and the United Kingdom demanded a second resolution authorizing the use of force in Iraq, but Putin strongly supported France’s position. Diplomatic efforts at conflict resolution ended in March 2003, and on 19 March, the U.S.-led coalition went to war in Iraq. After the Iraqi regime was defeated in April, French president Jacques Chirac, German chancellor Gerhard Schröder, and Putin met to insist that a leading role be played by the UN in Iraq’s reconstruction. Putin, who had previously called the war “a big political mistake,” softened his stance towards the United States following the fall of Baghdad, and stressed the fact that Russia and the U.S. are the largest nuclear powers on the globe, and share a responsibility for maintaining international peace.

In April, Putin stated: “In solving any problems of a global character, including crisis situations, we have always cooperated, are cooperating and will cooperate with the United States.” Iraq holds approximately us\$52 billion in contracts with Russia, primarily in energy and communications, which Russia expects Iraq to honor. In addition, Iraq owes Russia more than us\$8 billion, part or all of which the United States is hoping Russia will forgive, so as not to overburden a new Iraqi regime.

## ADDRESS

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**Profile researched and revised by Jeneen Hobby, Ph.D. (4/2003); sections contributed by Jim Nichol, Library of Congress (5/2000).**

# RWANDA

Paul Kagame  
President

(pronounced “PAUL ka-ga-ME”)



*“The rehabilitation of Rwanda will be first and foremost a rehabilitation of individuals, a moral rehabilitation, before being a material rehabilitation.”*

The Republic of Rwanda is a small land-locked country in East Africa, occupying 26,340 sq km (10,170 sq mi). It is bordered by Burundi to the south, Tanzania to the east, Uganda to the north, and the Democratic Republic of the Congo to the east. The capital is Kigali, located in the central region.

Rwanda’s population was estimated at nearly 7.4 million in 2002. A population density of 296 people per sq km made it the most densely populated country in Africa and among the most densely populated countries in the world as of 2003. The population consists of three ethnic groups: the Hutu, the Tutsi, and the Twa. The Hutu are an overwhelming majority, followed by the Tutsi and the Twa. Exact populations are unclear, due to ongoing ethnic violence. The groups have in common the national language, Kinyarwanda, as well as religious practices. French and English are also recognized as national languages and are becoming more widely used, especially among the educated classes. Slightly more than half of Rwandans belong to the Roman Catholic Church, and an additional 24% are members of Protestant sects. Indigenous animist religions are still prevalent, even among Christians. Only 1% of the population is Muslim.

Rwanda has few natural resources and little industrialization. The economy thus depends heavily on agriculture, with coffee and tea providing over 80% of the country’s export earnings. Other exports include pyrethrum (an organic insecticide), tin, and gold. As many as 95% of Rwandans are peasants in the mountainous countryside. Population pressures have led to serious soil degradation and declining agricultural production. Rwanda ranks among the poorest countries in the world, with per capita gross domestic product (GDP) estimated at US\$1000 in 2001. This poverty has been at the root of serious social and political turmoil in the country. The currency is the *Rwandan franc*.

## POLITICAL BACKGROUND

Rwanda was a German colony from 1895 to 1916, after which it became a Belgian protectorate. Belgian colonial policies, including indirect rule, served to solidify ethnic divisions and identities and allowed the minority Tutsi rulers to become increasingly enriched at the expense of the Hutu majority. This resulted in a peasant uprising in 1959 that drove Tutsi officials from office. By 1962, when Gregoire Kayibanda became president of the independent Republic of Rwanda, thousands of Tutsi had fled the country, and only a handful remained in government posts. Ethnic conflict

continued throughout the 1960s, driving thousands more Tutsi from the country and creating insecurity that discouraged international investment and kept the economy stagnant. After a fresh outbreak of ethnic violence in 1973, the minister of defense and head of the military, Major General Juvenal Habyarimana, a Hutu, led a military coup and became president.

Under the slogan “peace, unity, and development,” President Habyarimana quickly moved to end ethnic violence in the country and to initiate economic development. For more than a decade, Rwanda experienced stability and economic growth, but by the late 1980s, discontent with Habyarimana had become widespread. Corruption was rampant, and the beneficiaries were primarily Habyarimana’s relatives or cronies from his home region in the north. A collapse in the price of coffee in 1987 increased the poverty of the masses and inspired open criticism of the regime. In response, Habyarimana moved to consolidate power more fully in the hands of trusted friends and relatives.

In 1990, a democracy movement emerged, primarily among Tutsi and southern Hutu who felt excluded from power. To regain popular support, Habyarimana promised political reforms, but behind the scenes, he continued to harass political opponents. On 1 October 1990, the Rwandan Patriotic Front (RPF) invaded northern Rwanda. The RPF, a movement comprised primarily of Tutsi refugees, many of whom had been living in Uganda and neighboring countries for more than 30 years, demanded the installation of a democratic government in Kigali and the right of refugees to return to Rwanda. The combined pressures of the war and the democracy movement forced Habyarimana to accept political reforms. In June 1991, the national legislature approved a new Constitution and allowed the formation of opposition parties. A variety of parties soon emerged and demanded inclusion in the government. In March 1992, Habyarimana named a new government with a prime minister from the Mouvement Democratique Republicain (MDR—Democratic Republican Movement), an opposition party. Meanwhile, political harassment and violence continued unabated. When government representatives signed a peace accord with the RPF in August 1993, the level of violence in the country increased as supporters of the regime struggled to maintain control. After Habyarimana died in a plane crash on 6 April 1994, members of the Presidential Guard and other supporters of the regime (primarily

Hutu) systematically killed those they considered political opponents, mostly Tutsi as well as many Hutu.

Under the 1991 Constitution, the national government consists of two parts: the executive and the legislative. Executive power is held by the president, who relies on the assistance of his appointed council of ministers, which includes a prime minister. Presidential elections are to be held every five years, with universal adult suffrage. The legislative branch currently consists of an *Assemblée Nationale de Transition* (National Transitory Assembly) of 70 appointed members. In practice, the military continues to take an active role in governing the country, thus limiting the activities of the ministries and giving greater power to the president.

### PERSONAL BACKGROUND

Paul Kagame was born in October 1957 in Gitarama Prefecture, Rwanda, of Tutsi parents. In 1959, barely three years old, he was forced into exile with his parents. He fled Rwanda to Uganda in the first great mass exodus of the Tutsi after the overthrow of the Tutsi monarchy by the Hutu majority. He remained a refugee for 30 years in Nshungerezi refugee camp, near Mbarara in western Uganda. Life as a refugee and the persecution of his people experienced in Uganda under Milton Obote's second rule (1980–85) were formative in his determination to return to Rwanda in the future.

Kagame married Jeannette Nyiramongi in 1989. They have four children. Kagame's hobbies include tennis and football.

### RISE TO POWER

In 1983 Ugandan President Obote expelled 40,000 Rwandan refugees from Uganda because of their support for rebels intent on overthrowing his regime. Some estimates put the number of Rwandans killed in the fighting with Obote at 10,000. Outraged by the injustice of the Obote government, Paul Kagame left Makerere University to join the rebels in the bush.

Once Obote's government was defeated by the National Resistance Army (NRA) under the leadership of Museveni, Kagame was rewarded with an influential position as chief of military intelligence in Yoweri Museveni's government in Uganda. As director of military intelligence he helped to restore peace and order in Uganda. His subordinates knew him as a stern leader with extreme self discipline. An influential position as chief of military intelligence in Museveni's NRA in Uganda, however, did not make him forget his goal of returning to Rwanda. Instead, he abandoned the job and in the early 1990s, went to reorganize his fellow Rwandans in exile.

When the RPF first invaded Rwanda in 1990, Paul Kagame was taking further military training in the United States. His fellow officers who initially led the invasion—namely Major-General Fred Rwigyema, Major Dr. Peter Baingana, and Major Chris Bunyenyezi—were killed in the first week. Kagame returned from the United States to take over the reigns of RPF, which he found demoralized and in disarray. Kagame quickly reorganized the RPF and introduced some ethnic balance by including as many Hutus as possible. In response to the massacres that spread across Rwanda in April 1994, the RPF launched a major offensive



and quickly captured much of northern and eastern Rwanda and over a period of three months, gradually gained control of most of the rest of Rwanda. When they marched into Kigali, they found the city littered with hundreds of corpses—victims of the three-month-long barbaric Rwandan genocide.

By July 1994, the remnants of the Habyarimana regime, along with hundreds of thousands of Hutu civilians, fearing retribution for the massacres, fled before the advance of the RPF troops, creating one of the largest movements of refugees in modern world history. Approximately two million people fled Rwanda, half to Tanzania and half to the Democratic Republic of the Congo; another two million became internal refugees. With the capture of the city of Gisenyi on 17 July 1994, the RPF controlled all of Rwanda except for a small area in the southwest that was controlled by French troops. The victorious RPF then set about establishing a new government.

Military victory, however, did not guarantee the RPF's ability to rule the country. The Rwandan population perceived the RPF to be a Tutsi movement because the top military commanders and the majority of soldiers were Tutsi. To gain legitimacy and attract the predominantly Hutu refugees back into the country, the RPF needed to present itself as a multi-ethnic coalition. Thus, the RPF struck an accord with the opposition parties that had served in the 1992 multi-party government. As one of the senior Hutu in the RPF, Pasteur Bizimungu was named president for a five-year term on 17 July 1994. Faustin Twagiramungu, another Hutu from the MDR and the man designated to become head of government in the peace accords of August 1993, was named prime minister. Despite formally holding the highest state office in Rwanda, Bizimungu's power is thought to have



been relatively limited. Due to the fact that he left the country before the outbreak of the war and joined the Tutsi-dominated RPF, many Hutu did not trust Bizimungu, particularly in his home region of the north, where Habyarimana was popular and, alternatively, the RPF was hated. In the new government named on 19 July 1994, Major-General Paul Kagame, the head of the RPF, became vice president and minister of defense. Kagame was widely perceived to be the “power behind the throne,” because of his control of the military. Together, Bizimungu and Major-General Kagame ruled the country, with the latter seen as the real wielder of power.

On 23 March 2000, President Pasteur Bizimungu resigned as president after accusing the Tutsi-controlled Parliament and cabinet ministers of unfairly investigating his allies on corruption charges. Kagame, Bizimungu’s vice president and the rebel leader who propelled the mostly Tutsi RPF to victory in 1994 and ended the country’s genocide, was overwhelmingly elected president on 17 April 2000 during a special joint session of Parliament and the cabinet. Upon his inauguration on 22 April 2000, Kagame became the country’s first Tutsi president since independence from Belgium in 1962. He was still in office in 2003, as the transitional period drew to an end.

Early in 2003, President Kagame stated that he was not certain whether he would be a candidate for president in the presidential elections scheduled for July 2003. Many political analysts assumed he would run with a good chance of success, as political parties were banned from holding rallies or organizing at the grassroots level during the transitional period, and the main opposition party in the government of national unity, the Mouvement Democratique Republicain (MDR) was experiencing divisive leadership struggles. The Rwandan government accused some foreign governments of aiding the opposition parties, notably the MDR and ex-president Bizimungu’s unregistered Party for Democracy and Regeneration-Ubuyanja.

## LEADERSHIP

During his tenure, President Pasteur Bizimungu and the Tutsi-led RPF were locked in a dispute that illustrates the political and ethnic difficulties of the country’s post-genocide power-sharing agreement. Senior RPF members and some legislators charged that Bizimungu was invoking ethnic problems as a smokescreen and that he opposed the campaign against corruption for fear of being accused himself. On the other hand, Bizimungu’s supporters accused Kagame of usurping power and being the real force behind the scenes. The ruling pair of Kagame, English-speaking and Tutsi, and Bizimungu, French-speaking and Hutu, meant to be a symbol to the world of Rwanda’s post-genocide reconciliation, proved to be a cosmetic and tense pairing. Thus, the long-awaited ascendancy to power of Kagame as president of Rwanda has the benefit of clarifying the situation with power at last corresponding with office. Over the years Kagame has displayed strong leadership qualities. He and his personal staff are known to be well disciplined, shunning alcohol and tobacco. His ambition is to restore hope in a country torn asunder by ethnic animosities and to introduce “social justice for all based on the rule of law.” He himself a victim of Rwanda’s decades of ethnic tensions, Kagame’s ambition is to reconcile

the Hutus and the Tutsis, but he is faced by the tough task of reconciling a nation ruptured by massive killings. Critics say his elevation to the presidency shows he is trying to consolidate power at the expense of reconciliation between the Hutus and the minority Tutsi population. Regardless of such criticism, under Kagame, Rwanda has grown more stable and seen an annual economic growth rate estimated at more than 9% in 2002. In recognition of his leadership, in 2003 the Young Presidents Organization awarded him the Global Leadership Award.

## DOMESTIC POLICY

Kagame assumed office in a country devastated by a brutal war. The battles between the Rwandan army and the RPF destroyed much of the country’s infrastructure. Many hospitals, churches, and schools were leveled; roads and bridges destroyed; and water and electric lines cut. The massacres killed more than a half million people, many from the educated elite. Thus, one of the primary goals of the Kagame administration has been to encourage refugees to return to Rwanda to help rebuild the country, sometimes through the use of force or closing camps in neighboring Democratic Republic of Congo.

Many Hutu refugees were initially reluctant to return for fear they would face reprisals from the mostly Tutsi military for the massacres in 1994. A number of instances of revenge killings by RPF soldiers convinced Hutu refugees that their return would be dangerous. The Kagame regime, however, has attempted to allay those fears. Kagame has vigorously investigated reports of violence by his own soldiers, and nearly 130,000 genocide suspects have been arrested. The government began the genocide trials in 1996, but with so many involved, progress has been slow. In 2001, the government began implementation of a participatory justice system, known as *gacaca*, in order to address the enormous backlog of cases. A total of 260,000 judges were elected by the people to sit on eleven thousand *gacaca* courts. The trials were due to commence in March 2002, following a three-month training program for the judges.

While Hutu refugees who fled the country in 1994 have been reluctant to return, thousands of Tutsi refugees from earlier conflicts have been returning to Rwanda. Many of them were born in exile and had never previously visited Rwanda. Some do not speak Kinyarwanda or French, the two major languages of the country. The integration of these refugees into Rwanda is a major domestic policy problem. They have been settled primarily in the urban centers and occupy houses and businesses emptied either by the massacres or by the flight of other refugees. The government now faces the difficult task of determining which properties are actually available and how they would be distributed.

In a successful move toward democratization, Rwandans took part in the first local government elections for 37 years in March 2001. The National Electoral Commission (NEC) reported that over 90% of registered voters took part in the elections in which 112 district and municipal councils were created, and executive committees and mayors were elected.

Also, Rwanda has begun the process of drafting a new Constitution. The National Assembly elected a constitutional commission, which visited every part of the country to solicit views of the population about issues they feel should be



included in the Constitution. The draft Constitution will be put before the people of Rwanda in a referendum scheduled for May 2003. The Constitution specifies the process for the general election of the president and members of Parliament, which are expected to take place at the end of 2003.

In addition to dealing with issues of justice and resettlement, Kagame will need to focus on revitalizing an economy devastated by war. The government has sought international assistance to rebuild its infrastructure. It has encouraged farmers to return to their fields and has attempted to renew the trade in coffee and tea, Rwanda's main exports. Given the severe social disruptions caused by the war, it may take years before the economy begins to function effectively.

## FOREIGN POLICY

International aid and support are necessary components for the rebuilding of Rwanda. Kagame has traveled widely to European and African capitals, seeking material and financial support for repairing Rwanda's infrastructure. He also worked closely with the United Nations (UN) in efforts to resettle refugees and to maintain peace in the country. In collaboration with the international community, war crimes tribunals were created to find and prosecute the perpetrators of the 1994 massacres. He has been critical of the inadequate international response to the Rwanda crisis and the limited financial resources made available to his government. He even has accused certain organizations of complicity in the Rwanda tragedy. As an English-speaking Tutsi with some U.S. training, his administration can be expected to continue the maintenance of close ties with the governments of Belgium and the United States. Relations with France, which actively supported Habyarimana, are quite chilly. Since the mid-1990s, Rwanda has received military support from the United States in the form of military training of the Rwandan army within Rwanda itself, including combat, military management, disaster relief, soldier team development, landmine removal, and military and civilian justice.

Rwanda is intrinsically involved in a series of civil wars within the Great Lakes region of Central Africa. First, Rwanda had been an active part of the Great Lakes alliance of Rwanda, Uganda, and Burundi, which supported the Congolese rebel groups in the Democratic Republic of the Congo (DROC) civil war, beginning in 1998. Their opposition includes the governments of Zimbabwe, Angola, and Namibia, all of whom support the Congolese government. Differences, however, over how to conduct the Congolese war led to division within the alliance, which splintered into two factions, one backed by Rwanda, the other by Uganda. Fighting between the Ugandan and the Rwandan armies began in 1999 at the Kisangani airport and spread to the rest of Kisangani, a town that had been held

jointly by the Ugandan and Rwandan forces. A 1999 ceasefire was relatively ineffective.

Two additional battles occurred in March and May 2000, causing the extensive destruction and the deaths of over 600 Congolese civilians. The unraveling of the Uganda-Rwanda alliance seemed to leave little chance that the war in Congo, which has displaced one million people and put another ten million at risk of starvation, would end any time soon, despite an international pledge to install a UN force. By the end of 2002, however, the situation seemed more optimistic. A series of accords signed in 2002, including the Pretoria Agreements of 30 July 2002 and 17 December 2002, led to the withdrawal of Rwandan troops from the DROC late in 2002, and provided for the disarming of Hutu former soldiers operating within the DROC. President Kagame described these agreements as providing a hopeful framework for peace.

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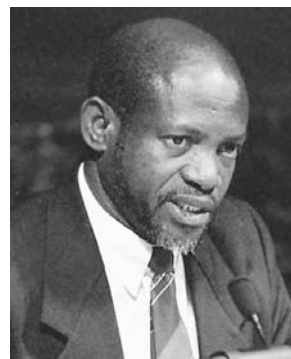
**Profile researched and written by Ezekiel Kalipeni (5/2000), updated by Robert J. Groelsema, Ph.D. (4/2003).**

# ST. KITTS AND NEVIS

Denzil Douglas  
Prime Minister

(pronounced “DEN-zihl DOUG-lass”)

*“We have all been motivated and sensitized as to the future role that we have to play as Caribbean leaders.”*



The Federation of St. Kitts and Nevis (St. Kitts is an abbreviation for St. Christopher) is located in the eastern Caribbean at the northern end of the Leeward Islands group, part of a chain of islands known as the Lesser Antilles. The country's total area is 261 sq km (101 sq mi), encompassing two islands. The larger, St. Kitts, at 168 sq km (65 sq mi), is an oval-shaped island only about 8 km (5 mi) wide. Its highest elevation is 1,156 m (3,792 ft) on Mount Liamuiga, an extinct volcano with a lake in its crater, forested mountain slopes, and streams. The smaller island, Nevis, lying 3.2 km (2 mi) to the southeast of St. Kitts, covers 93 sq km (36 sq mi) and is a volcanic cone nearly circular in shape. More rocky and less fertile than St. Kitts, its highest elevation is 985 m (3,232 ft) at the summit of Nevis Peak. The two islands boast many beaches, a pleasant tropical climate, and a mean temperature of 27°C (80°F), all of which are valuable assets to the tourism industry.

English is the official and principal language of the country. Most of the population is of African descent—from ancestors who were brought to the Caribbean region to work as slaves on the sugar plantations. The estimated population in mid-2002 was 38,756, with approximately 15,000 of those living in the capital city of Basseterre, a coastal city on the island of St. Kitts and chief port of the country. The largest city on Nevis is Charlestown. The primary religion is Anglican, a Protestant religion originating in England and brought by the English who first settled the islands. The economy is primarily based on tourism and sugar cane. Other products include cotton, electronic equipment, salt and clothing, while imports include food, manufactured goods, machinery, and fuel. In 2001 the per capita gross domestic product (GDP) was estimated at us\$8,700. Major trading partners include the United States, Great Britain, Trinidad and Tobago, and Canada. The unit of currency is the East Caribbean (EC) dollar, adopted in the 1970s by a number of countries.

## POLITICAL BACKGROUND

St. Kitts-Nevis is an independent democratic state within the British Commonwealth of Nations. The formal head of state is Queen Elizabeth II, who is represented by an appointed governor-general. Since 1996, this largely ceremonial position has been occupied by Sir Cuthbert Montraville Sebastian. Real political power rests with the cabinet and the National Assembly, which consists of 11 elected members (eight for St. Kitts and three for Nevis) and three appointed members. The

prime minister is head of the cabinet as well as the leader of the majority party in the assembly. The cabinet and prime minister are responsible to the National Assembly, which can remove them through a vote of no confidence. There are four main political parties in the country. The party currently in power is the St. Kitts-Nevis Labour Party (SKNLP), which holds a majority of eight seats in the assembly. The Nevis-based Concerned Citizens Movement (CCM) holds two while the Nevis Reformation Party (NRP) holds one. The conservative People's Action Movement (PAM) currently holds no seats. Should no one party command an outright majority, a coalition between two or more parties may be formed.

The island of Nevis also maintains its own assembly and premier. It has the constitutional right of secession from St. Kitts if a majority of the legislators approve it. In 1990, the premier of Nevis announced that he intended to seek an end to the federation with St. Kitts by the end of 1992, but an election in that same year removed the threat of secession for the time being.

Originally inhabited by the Carib Indians, for whom the Caribbean is named, St. Kitts and Nevis were named by Columbus in 1493. He named the larger island St. Christopher, for the patron saint of travelers, but when English settlers arrived in 1623, they nicknamed it St. Kitts. The French also founded settlements, and for more than a century the two countries disputed the ownership of the islands until Britain was awarded them in a treaty in 1783. In 1967, St. Kitts and Nevis became a state as part of the West Indies Associated States, a free association between several Caribbean islands and Great Britain, in which each member enjoyed internal autonomy while Britain retained responsibility for defense and foreign affairs. On 19 September 1983, St. Kitts-Nevis became fully independent, joining the United Nations but also maintaining its membership in the British Commonwealth.

## PERSONAL BACKGROUND

Denzil Douglas was born in St. Kitts-Nevis on 14 January 1953. After attending primary and secondary schools on his home island, he entered the University of the West Indies, where his interests were less in politics and more in science and medicine. He first received his Bachelor of Science degree and then turned to the study of medicine, earning degrees as a Bachelor of Medicine and a Bachelor of Surgery. He returned home to St. Kitts-Nevis to practice medicine and became the president of the St. Kitts and Nevis Medical Association.

While practicing medicine he became active in politics as a member of the SKNLP, rising through its ranks to become deputy chairman. In 1989, after the Labour Party lost its third-straight election to Prime Minister Kennedy Alphonse Simmonds' party (PAM), the party leader resigned, and Douglas was chosen as his successor. With this promotion he became not only the head of his party, but also the official leader of the opposition in the National Assembly.

### RISE TO POWER

Denzil Douglas is only the second prime minister of St. Kitts-Nevis. His predecessor was elected in 1983 when the country became independent and had been prime minister until the July 1995 elections, which took place almost three years before they were required by the Constitution. The elections were held early, as many believed they would be, due to the political fallout from the previous elections in November 1993. At that time, PAM won only four seats, with 41% of the popular vote. The SKNLP also won four seats, yet it had won a greater percentage of the popular vote, 54%.

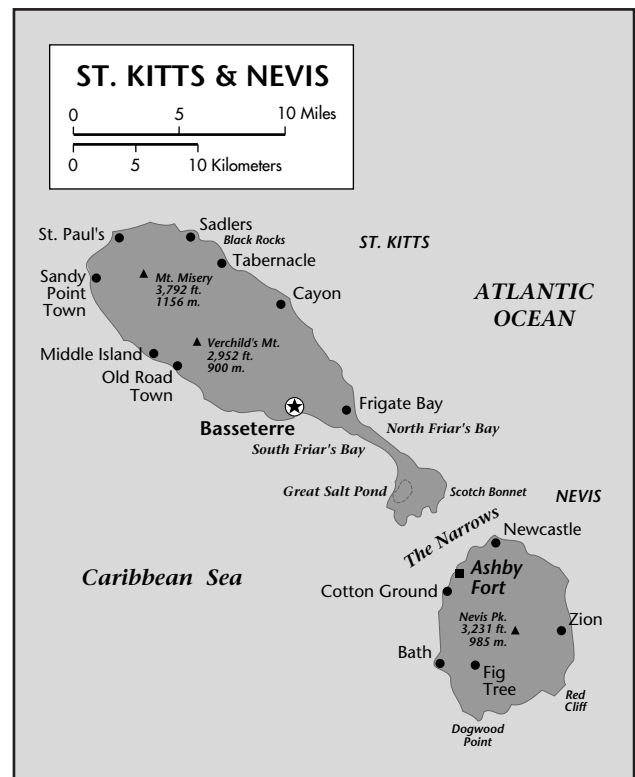
However, Simmonds joined forces with the NRP, which controlled one seat, and formed a majority in the National Assembly. The SKNLP's supporters responded with violent street demonstrations, arguing that the government had no legitimacy. The authorities promptly imposed a curfew and state of emergency, something which has left a continual state of tension in the political landscape.

In September 1994, cocaine worth millions of dollars was found buried in the sand by a fisherman searching for turtle eggs. Shortly thereafter, two sons of the deputy prime minister, Sydney Morris, were accused of conspiring to sell cocaine and possessing weapons. A third son disappeared. Such serious charges would normally be enough to keep the suspects behind bars, but the two were released on bail. Their release prompted not only charges of corruption to be hurled at the government, but a riot at the prison by 150 inmates. The rioters set fire to the prison and many escaped, forcing the government to call for help from the regional security and police forces to restore order and capture the escapees. In the wake of this, the deputy prime minister resigned.

This incident, which occurred after a number of unsolved crimes, reflected the sense among many in the country that St. Kitts-Nevis was coming to play an increasing role in the international drug trade. The crisis that it prompted led to the formation in November 1994 of a "forum for national unity," attended by the four political parties, the Chamber of Industry and Commerce, church organizations, the Hotel and Tourism Association, the St. Kitts-Nevis Trades and Labour Union, and the Bar Association. All parties agreed that the increase in drug-related crime was creating adverse publicity and eroding the confidence of local and foreign investors. The forum called for immediate action to strengthen security and agreed to hold elections within one year.

Prime Minister Simmonds further embarrassed the government when he appointed Sydney Morris as an advisor to the ministry of education only one month after Morris had resigned in the wake of scandal. Douglas, leader of the opposition at the time, called for the prime minister to resign, claiming that Simmonds made a "callous and insensitive" decision in appointing Morris to a post that was tantamount to making him junior education minister.

The cumulative effect of political scandal, rising drug crime, and the 12-year hold on power left the Simmonds



government open to attack and criticism. When the elections were held on 3 July 1995, Douglas, who had spent six years in the opposition as leader of the SKNLP, swept into office in a landslide victory. His party captured seven of 11 seats, ousting Prime Minister Simmonds not only from his position as head of government, but also from his seat in the Federal Parliament. Douglas became prime minister on 4 July, the following day.

### LEADERSHIP

Upon entering office, Douglas faced several formidable challenges to his leadership. The most important to address was the breakdown of law and order which had increasingly plagued St. Kitts-Nevis. During the campaign he had pledged to clean up the federation's image as a haven for drug traffickers and money launderers. In June 2002, his progress in this regard was demonstrated when St. Kitts-Nevis was removed from the Organization for Economic Co-operation and Development (OECD) list of money-laundering countries. In his first speech as prime minister, he outlined an ambitious program to reorganize the police forces and to remove them from the country's political battles. All too often, the police had not remained an impartial organization dedicated solely to its stated mission. Thus, Douglas announced that his government would work in cooperation with the British in a major effort to improve the police. During the campaign, Douglas committed himself on several major fronts. He criticized the government for its performance on keeping the economy strong. After assuming power, the Labour Party government proceeded to develop effective programs in the fields of tourism, housing, education, infrastructure development, health care, sports administration, and foreign relations, particularly as they relate to the enhanced image of St. Kitts and Nevis abroad.

As a result of the successes of the SKNLP's initial term, in March 2000, the voters of St. Kitts-Nevis returned Douglas and his party to office with an even greater mandate by voting all eight of the St. Kitts' seats to the SKNLP, completely rejecting the PAM party of former Prime Minister, Simmonds. The CCM retained its two seats in the Parliament, and the NRP held its one seat.

### DOMESTIC POLICY

To convince voters that economic conditions would improve under new leadership, Douglas' party promised to provide a boost to the tourism industry, outlining a strategy involving the construction of new hotels and the creation of 1,700 new jobs in the process. The plan was successful, in that the islands did experience strong growth for most of the 1990s. Hurricanes in 1998 and 1999, however, damaged 75% of all the houses in St. Kitts-Nevis as well as other buildings, causing over US\$100 million in damages overall and dealing a major blow to tourism. The hurricanes forced the closure of one of the major hotels and heavily damaged the cruise ship pier in Port Zante, one of Douglas' construction projects. The 2001 terrorist attacks on the World Trade Center and Pentagon in the United States, which involved the simultaneous hijacking of four U.S. commercial air flights, hit the tourism industry even harder. In response, the government successfully gained a World Bank approved loan of US\$4.4 million to support efforts to reconstruct and revitalize the tourism industry of the islands. In March 2002, a few days after the World Bank agreement, Douglas, who also serves as minister of finance, signed an additional US\$30 million loan agreement with the Unit Trust Corporation of Trinidad and Tobago, to finance the redesign and reconstruction of the Port Zante pier and allow the administration to move forward on other capital projects.

The Douglas government has continued to work toward improvements in the nation's sugar cane industry. As the major crop grown in the country, the health of the sugar industry has always been vital to the country's economic well-being. That well-being has been shaken, however, by a devastating cycle of hurricanes and drought and a dramatic increase in the cost of production. In an effort to keep sugar production moving forward, Douglas created the St. Kitts Sugar Manufacturing Redevelopment Committee (SRC) in 2001 to research and report on the best course of action for government support of the industry.

In 2001, the Douglas administration also approved the development of a multimillion dollar, Japanese-funded Fisheries Complex located at Newtown. The first phase of the project had been completed by March 2002. Douglas believes the project will have a great impact, not only in large scale exports but in local use. Smaller fishery terminals will be constructed around the island to supply local markets.

Douglas has also proven his party's interest in improving the everyday lives of the citizens. The government worked to revise social security benefits, especially as they relate to the poor and indigent. They introduced a comprehensive program of assistance for the elderly and developed a program through the Ministry of Social Development to aid low-income families with school-aged children as they struggle to cover expenses of school uniforms and supplies. There is no personal income tax in St. Kitts and Nevis.

In 2002, the Douglas administration held its first open-forum session, "Face to Face 2002," a public meeting

between government officials and concerned citizens designed to promote public participation in national debates and decisions.

### FOREIGN POLICY

Another top priority for Douglas' government was to continue to boost the island's exports. To this end, he supported the country's membership in the Caribbean Community and Common Market (CARICOM), a regional trade organization that regulates trade within the Caribbean and negotiates with other countries and trading blocs. Douglas, along with the other heads of government of the CARICOM countries, met in Guyana in July 1995 to discuss prospects for further integration of the economies of the region. The prospect of being left to languish by the consolidation of other regional trading blocs, like NAFTA-North Atlantic Free Trade Agreement (United States, Canada, and Mexico), Mercosur-Southern Cone Common Market (Argentina, Bolivia, and Paraguay), and the Central American Common Market-CACM, prompted the leaders to agree upon the creation of a single market in which all countries could trade freely with one another without any tariff barriers. Douglas and his counterparts agreed on short-term measures, such as eliminating the mass of red tape that restricts trade between CARICOM members, reducing the common external tariff from 35% to 30%, and allowing the free movement of the population among countries. Plans call for the latter provision to apply initially only to graduates of regional universities, as Douglas and others have expressed their hesitation to open their borders completely to those without jobs or skills. Local businesses, however, represented by the Caribbean Association of Industry and Commerce, have pressed the heads of government to go further, providing work permits when there is a bona fide offer of employment by a regional employer to fill an identified professional or technical vacancy.

St. Kitts and Nevis is a member of the Eastern Caribbean Currency Union (ECCU). The Eastern Caribbean Central Bank (ECCB) issues a common currency for all members of the ECCU. The ECCB, headquartered in St. Kitts, also manages monetary policy, and regulates and supervises commercial banking activities in its member countries.

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Basseterre, St. Kitts

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**Profile researched and written by David Bernell, Johns Hopkins University (2/1996); updated by Pat Hale (5/2003).**

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# ST. LUCIA

**Kenneth Davis Anthony**  
**Prime Minister**

*(pronounced “KEN-eth DA-vis AN-thon-ee”)*



*“I solemnly pledge that we will effectively and fearlessly attack all those problems which today remain unsolved...we promise you a better, richer and more satisfied St. Lucia.”*

Located in the southern end of the crescent formed by the Windward Islands group in the Caribbean Sea, St. Lucia is an irregularly shaped oval, 44 km (27 mi) long and 23 km (14 mi) wide. This island country is characterized by rolling hills and two prominent volcanic mountains (The Pitons). It occupies an area of 620 sq km (239 sq mi).

St. Lucia’s population was estimated at 160,145 in 2002. About 90% are of African descent while the remainder consists of 6% mixed races, 3% East Indian descendants, and 1% European descendants. While English is the official language, French Patois is also widely spoken. St. Lucia is almost entirely Christian, with Roman Catholicism the largest denomination (90%). Although most St. Lucian women fill the traditional household roles, they are also well represented in government and the leading professions. The participation of women in other sectors of society is expected to increase as more women take advantage of public schooling and other government programs.

The economy has traditionally been tied to agriculture, principally the production of bananas, which account for 41% of all exports. Other major crops include coconuts and cocoa. In recent years tourism and related services have assumed greater importance. The United States, the United Kingdom, and other Caribbean nations are St. Lucia’s major markets. The unit of currency is the Eastern Caribbean (EC) dollar.

## **POLITICAL BACKGROUND**

By the time the islands were discovered by Europeans around 1502, they were already inhabited by Arawak and Carib peoples. The first known European settlement was by 67 Englishmen in 1624. The French established a colony in 1651. For more than a century, the French and British fought for possession of the island, with the British finally winning in 1803. St. Lucia remained under British rule for the next 165 years. Representative government was introduced in 1924. In 1967, St. Lucia became one of the West Indies Associated States, gaining full autonomy in internal affairs, with the British retaining responsibility for defense and foreign relations only.

Today St. Lucia is a constitutional monarchy. Executive power is vested in the British sovereign, the titular head of state, represented by the governor-general. The governor-general is appointed on the advice of the prime minister, who is the head of government and leader of the cabinet. The

prime minister must have the majority support of the House, to which he and his cabinet are responsible.

The bicameral legislature consists of an 11-member Senate composed of six members appointed on the advice of the prime minister, three appointed on the advice of the leader of the opposition, and two on the advice of the governor-general. The House of Assembly, by contrast, is a 17-member body composed of representatives elected by universal adult suffrage for up to a five-year term. The highest judicial body is the Privy Council of the United Kingdom, with a legal system based on English common law and the “Code of Napoleon.”

Historically, St. Lucian political life has been dominated by two parties: the United Workers’ Party (UWP), which was founded in 1964, and the incumbent St. Lucia Labour Party (SLP), founded in 1946. St. Lucia became an independent country in 1979 under the leadership of the UWP. Nevertheless, the historic links with Britain continue to be maintained at pre-independence levels.

## **PERSONAL BACKGROUND**

Kenneth Davis Anthony was born on 8 January 1951 in St. Lucia. He began his academic studies at the Vieux Fort Senior Secondary School and then attended the St. Lucia Teachers’ College. He obtained first class honors from the University of the West Indies (UWI), where he earned a bachelor’s degree in government and history. Following this, he received his Bachelor of Laws Degree and master’s degree in law, both from UWI. He then attended the University of Birmingham in the UK, where he obtained a doctorate in law.

His professional career includes faculty positions at both the Castries Anglican Primary School and at his alma mater, the Vieux Fort Secondary School. He became a part-time tutor in the Faculty of Social Sciences at the St. Augustine Campus of the UWI in 1978. In 1981, he began teaching at the UWI Cave Hill Campus, eventually becoming a department head. Anthony was appointed director of the Caribbean Justice Improvement Project in October 1993. He has served as an advisor to the Regional Constituent Assembly of the Windward Islands and as a consultant for the Organization of Eastern Caribbean States (OECS) and the United Nations Development Program (UNDP). Anthony has three children.

## RISE TO POWER

In August 1979, Anthony was appointed special advisor in the St. Lucia Ministry of Education and Culture, and in 1980 he became minister of education. He served as general counsel to the Caribbean Community Secretariat from March 1995 until his resignation in 1996. At that time, Anthony was elected political leader of the SLP. He led the SLP to victory in the May 1997 general elections when they defeated the UWP by obtaining 60% of the votes cast. Under his leadership, the SLP, the former opposition party, was returned to power after 18 years with the largest mandate ever given to any political party in the country's history. Kenny Anthony became prime minister and minister of finance, planning, and development on 24 May 1997. In elections held 3 December 2001, the SLP retained their control of the government, winning 14 of the 17 seats in the legislature, with the opposition UWP winning three.

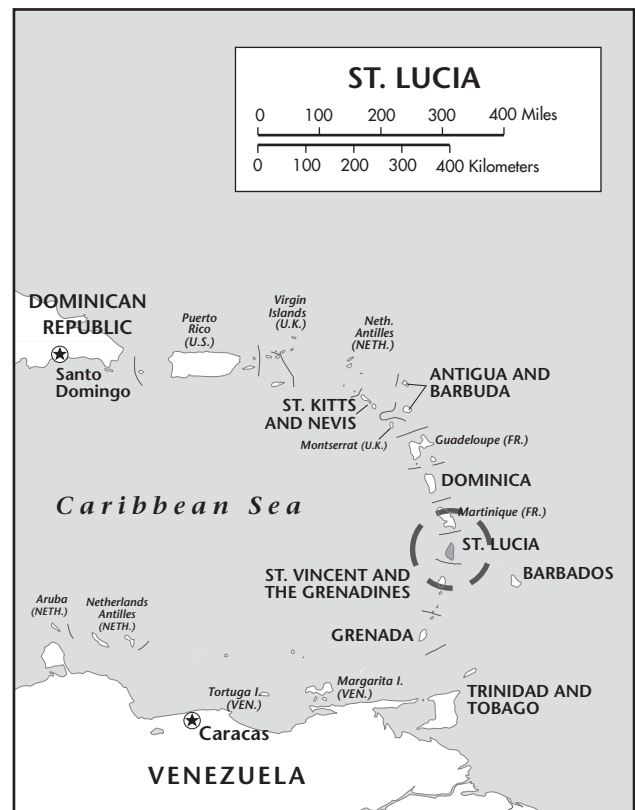
## LEADERSHIP

The dramatic success of the SLP in the 1997 elections demonstrated St. Lucians' confidence in Anthony. One political observer described the victory of the Anthony-led SLP as "deliverance." The mistakes of his predecessors also contributed to his success. The government of St. Lucia's first prime minister, John Compton, was associated with numerous scandals. Anthony's immediate predecessor, Vaughan Lewis, offered an approach to politics that was more textbook in nature than it was creative or populist. He was seen more as a stiff technocrat holding the reins of power than as a flexible politician who would be prepared to bend where necessary. These past failures of leadership left Anthony with the image of a "savior." His election campaign made no extravagant promises to the people. It did, however, promise change.

Soon after taking office, Anthony followed through on his campaign pledges by introducing several significant changes. He appointed new people to positions of leadership at state corporations. He appointed a new governor-general, Calliopa Pearlette Louisy, and announced that an audit team would be assembled to review state finances in order to let the people know where the country stood. The number of ministerial portfolios was reduced to ensure that the government was not overstaffed during this difficult economic period. Thus, Anthony has taken a very populist approach to his position, promising to hold meetings with each representative national body in the country.

## DOMESTIC POLICY

Prime Minister Anthony and the SLP have formulated policies aimed at increasing tourism through more intense marketing and the transformation of St. Lucia's image by measures such as the development of more ecotourism and heritage sites. Their plans seemed to have worked. In 1999, 50% more tourists visited the island than in 1996, including 261,000 stayover tourists and 423,000 cruise ship visitors. The development of the tourism sector has been helped by the government's commitment to providing a favorable investment environment. Incentives are available for building and upgrading tourism facilities. There has been liberal use of public funds to improve the physical infrastructure of the



island, and the government has made efforts to attract cultural and sporting events and develop historical sites. Though the September 2001 terrorist attacks on the World Trade Center and the Pentagon in the United States caused a global drop in air travel and tourism, U.S. and European airlines continued to add flights to St. Lucia. This has given Anthony added confidence that the island will reach its goal of raising St. Lucia's share of Caribbean tourism from its 1997 level of 1.3% to 5% by 2003. In 2003, with the "Refundable Containers Act" Anthony and his government aimed to further clean up the beaches of St. Lucia by removing unsightly used soda cans to attract more tourists.

The Anthony government has interwoven the expansion of the tourism industry with its goal of increasing employment. Anthony also aims to create more public-sector jobs while implementing skills training, apprenticeship, and skills registration programs. In 1996, the unemployment rate stood at 29%. The major factors that contributed to this situation include lack of appropriate education, training, and capital. By 1999, unemployment had been reduced to 18%. In his 2000–01 budget statement, Anthony outlined the additional employment strategies of stimulating the tourism and construction sectors, creation of more opportunities for self-employment, and diversifying the agricultural sector.

His government has recognized the importance of absorbing the debt of the St. Lucia Banana Growers Association and restoring the banana industry to its former status. In the 1960s, 80% of export earnings came from banana exports to the United Kingdom. Following years of dispute with the United States, however, the European Union (EU) has announced a phase-out of preferred access to its markets by 2006. This means that the government needs to make

agricultural diversification a priority. An attempt is being made to diversify production by encouraging the establishment of tree crops such as mangos and avocados. A variety of vegetables are also produced for local consumption. Tax incentives have been introduced to encourage the development of nontraditional crops.

In 1999, the Anthony administration began working toward redesigning and reintroducing strong local government to the island. The efforts are aimed toward decentralizing the government and empowering citizens for greater public participation in government. In April 2002, a series of community meetings were held to select persons to assist in establishing election procedures for local government councils. The Anthony government announced in 2003 that it would make child health care a priority, with a focus on preventing the spread of the AIDS virus to children. The government also took on a revision of the Labour Code, intended to improve industrial relations on the island.

### FOREIGN POLICY

St. Lucian diplomacy focuses primarily on relations with the United States and Caribbean countries, although historic links with the UK continue. All of these areas have been involved in the ongoing dispute over the U.S. challenge to the preferential treatment traditionally accorded to Caribbean banana exporters by EU countries. The EU has announced a phase-out of preferred access to its markets by 2006.

Anthony intends to boost the economic and political status of St. Lucia by entering into trade and diplomatic partnerships based upon mutual respect and reciprocal benefits. To this end, he has established diplomatic relations with China. In February 1999, he made a week-long visit to China, winning pledges of financial support for a number of projects, including a US\$4 million sports complex. Among the other countries visited by Anthony were Japan and Cuba. On a regional level, the government intends to deepen its relations with Guadeloupe and Martinique because of St. Lucia's shared cultural and historic ties with these French islands. With its fellow Caribbean nations, St. Lucia seeks to set up a Caribbean Court of Justice as a final arbiter of the islands' laws.

Another form of investment which Anthony hopes to encourage is from St. Lucian citizens residing abroad, who are being encouraged to return home through programs easing their reintegration into society, amending the customs regulations to provide concessions on household and personal effects, and increasing investment opportunities. Returned nationals who invest in St. Lucia should help to

develop the retirement industry and assist in the expansion of local economic opportunities.

Anthony wants his foreign policy to focus on economic and social development and hopes to create a St. Lucian niche in the global economy. The focus of the Ministry of Foreign Affairs and its overseas offices will be directed at creating trade and investment opportunities. The economic developments in St. Lucia encountered a stall in 2003, however, as the world economy slumped, also affecting the growth of St. Lucia's economy. Nearly 81% of businesses reported lower than projected sales during this slump.

St. Lucia is a member of the Eastern Caribbean Currency Union (ECCU), through which the Eastern Caribbean Central Bank (ECCB) issues a common currency for all members of the ECCU. The ECCB also manages monetary policy, and regulates and supervises commercial banking activities in its member countries. St. Lucia is a beneficiary of the U.S. Caribbean Basin Initiative and is a member of the Caribbean Community and Common Market (CARICOM) and the Organization of Eastern Caribbean States (OECS).

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**Profile researched and written by Rachel and Ian Boxill, University of the West Indies (8/97; updated 4/2002, 4/2003).**



# ST. VINCENT AND THE GRENADINES

Ralph Gonsalves  
Prime Minister

(pronounced "RALF gon-S AHL-vayz")



*"Let us again put the issue of political union [among Caribbean nations] on the agenda...For my part, it is a noise in my blood, an echo in my bones!"*

St. Vincent and the Grenadines is located in the Windward Islands group of the eastern Caribbean, south of St. Lucia and west of Barbados. Its jurisdiction covers the northern Grenadine islets of Bequia, Canouan, Mayreau, Mustique, Prune Island, Petit St. Vincent, and Union Island. The national capital is in Kingstown, located on the island of St. Vincent. All of the 32 islands that make up this country are volcanic in origin and some are privately owned. The country's total area is 389 sq km (150 sq mi).

The population was estimated to be 116,394 in 2002, with growth at 0.4%. Ethnic composition is 66% African and 19% mixed origin, with some Carib Indians, East Indians, and Europeans. About 65% of the islanders are descendants of slaves who were brought from Africa to work the plantations. While English is the official language, a French *patois* is also spoken as a result of French 18th century colonization. Almost half of Vincentians belong to the Anglican Church while 28% are Methodists. Roman Catholics and Seventh-Day Adventists make up the remainder of the population. Life expectancy was estimated at 74.6 years for women and 71.1 years for men in 2002.

The economy is based almost entirely on tourism and agriculture, with bananas, arrowroot, and coconuts being the primary exports. The unit of currency is the East Caribbean dollar. The per capita gross domestic product (GDP) was estimated in 2001 at us\$2,900, with a growth rate of -0.8%.

## POLITICAL BACKGROUND

The Arawak Amerindians, who migrated from South America, are the earliest known inhabitants of St. Vincent and the Grenadines. Subsequently, the Caribs took control of the islands, and were there when Christopher Columbus reached St. Vincent in 1498.

St. Vincent was one of the last of the West Indies to be settled by Europeans. Left to the Carib Amerindians by British and French agreement in 1660, the islands continued to have a sizable Amerindian population until the first quarter of the eighteenth century. This isolation from European influence resulted in the evolution of the Black Caribs, who descended from the intermarriage of runaway or shipwrecked African slaves with the Amerindians. The islands were taken formally by the British in 1763, who ruled thereafter, except from 1779 to 1783 when they were in the hands of the French.

The islands changed their ethnic character during the next century. When the Black Caribs and the remaining Amerin-

dians rebelled against the British in 1795 at French instigation, most of the defeated insurgents were removed to the Bay of Honduras. Those who remained were decimated by a volcanic eruption in 1812. They were supplanted by African slaves, who were freed in 1834, Madeiran Portuguese, who immigrated in 1848 because of a labor shortage, and Asian indentured laborers, who arrived in the latter half of the nineteenth century.

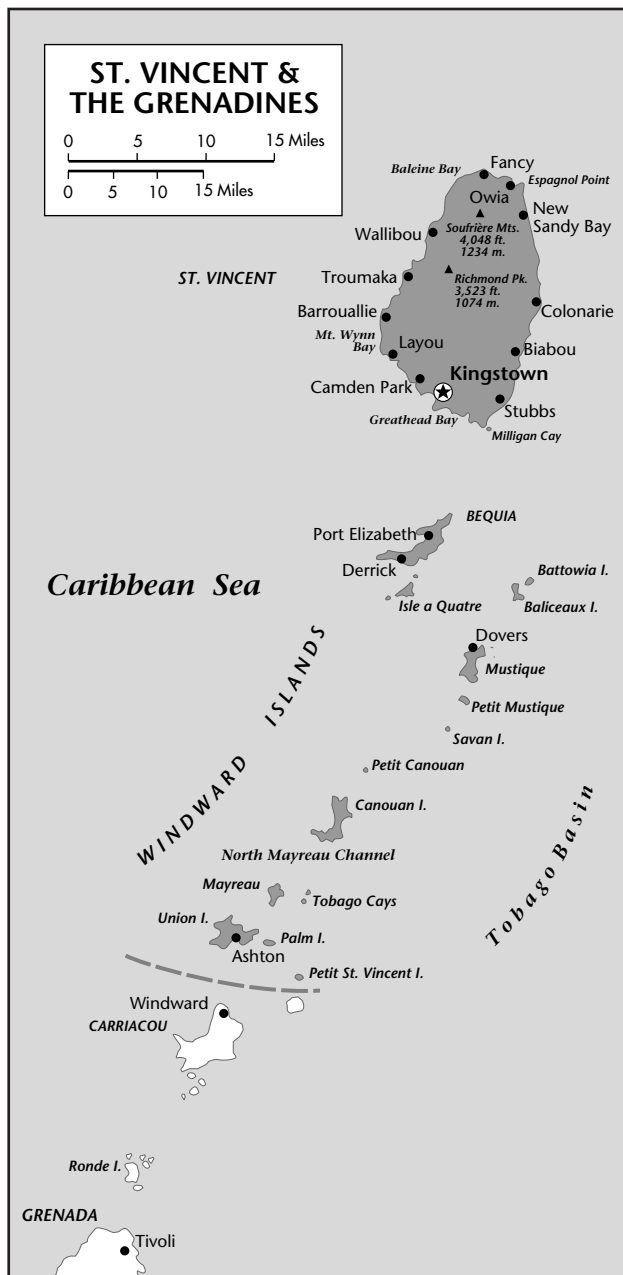
St. Vincent was administered as a crown colony within the Windward Islands group from 1833 until 1960 when it became a separate administrative unit with the Federation of the West Indies. The federation fell apart in 1962, and after lengthy discussion, St. Vincent became a self-governing state in association with the United Kingdom (UK) seven years later.

St. Vincent gained complete independence on 27 October 1979, and is now a member of the British Commonwealth, with Queen Elizabeth II as its formal head of state. Representation is through a governor general who appoints as prime minister the leader best able to command a majority within the legislature. In turn, the prime minister appoints the cabinet ministers. The governor general's position is ceremonial and real executive power is exercised by the prime minister and his cabinet. The legislature is the unicameral House of Assembly, comprised of 15 representatives elected by universal adult suffrage and six senators (four nominated by the ruling party and two by the opposition party). Elections are held every five years although the prime minister may call elections at any time.

The People's Political Party (PPP) was the first major political party but was dissolved in 1984 after losing badly in elections. The principal political parties are the centrist New Democratic Party (NDP) and the Unity Labor Party (ULP), which was formed by a coalition of the moderate leftist Movement for National Unity and the moderate socialist St. Vincent Labor Party (SVLP).

## PERSONAL BACKGROUND

Ralph Gonsalves was born 8 August 1946, the grandson of indentured Portuguese immigrants. In 1969 he earned a bachelor's degree in economics from University of the West Indies, from which he then earned a masters degree in government in 1971. In 1974, he earned a Ph.D. from the Victoria University of Manchester, United Kingdom. He also earned a law degree in the UK in 1981. Before entering politics, Gonsalves held various academic posts, his first



being at the University of the West Indies in 1976. He then held a post as a visiting professor at Queens College in New York City, United States. He has published on a range of issues, including trade unionism and political economy in the Caribbean and Africa. Gonsalves was first elected to Parliament in 1994, as a member of the ULP. He was appointed head of the ULP in 1998, serving as leader of the opposition from 1999 until the ULP's elevation to ruling party in 2001. He is married and has five children, three sons and two daughters.

### RISE TO POWER

Gonsalves was first elected to Parliament in 1994 as a member of the Unity Labor Party, a left-of-center party similar to European social democratic parties. Gonsalves and the ULP that year submitted a vote of no confidence in the

then-ruling NDP and its prime minister James Mitchell, who had ruled the island nation almost without interruption since independence. Gonsalves spoke publicly and forcefully against the leadership and its failure to address a deepening economic decline brought about by a crisis in banana production, deteriorating healthcare, and the growth of the illegal drugs trade. In 1998, Gonsalves became leader of ULP as the country headed for national elections. The ULP fought a tough campaign, with Gonsalves as their main spokesman, but they failed by one seat to win a parliamentary majority, even though they won a majority of the popular vote. In 2000, St. Vincent and the Grenadines saw a rise in popular demonstrations against the government, led by the Organization for Democracy and Development, a cross-party coalition of activists. The protests were caused by decrees passed by the NDP-dominated Parliament granting themselves larger pensions and other financial rewards. The demonstrations caused great civil unrest, such that the Organization of Eastern Caribbean States (OECS) intervened and negotiated a settlement. Under the settlement terms, the NDP agreed to new national elections to be held in March 2001, two years ahead of schedule. Gonsalves' ULP won by a large majority, taking 12 of 15 seats. Gonsalves took power in April 2001.

### LEADERSHIP

Gonsalves is a relative newcomer to the political scene, though in his academic and judicial careers he has been deeply involved in issues relating to the largely impoverished nations of the Caribbean. A Marxist in his early years, Gonsalves has moderated his political views but unquestionably is a left-of-center leader. A core belief driving his political life is that the island nations of the Caribbean must be integrated in meaningful ways so that they can pool their resources. He is critical of the established multinational organizations such as the Organization of American States (OAS) and the Caribbean Community (Caricom) for being too elitist and too concerned with economic and trade relations, and not concerned enough with political union. Gonsalves has been a forceful voice in the Caribbean for further political union. In April 2002, he passed through Parliament a law amending the country's immigration laws to facilitate free travel among member states of the OECS, a move in compliance with measures adopted by the OECS in 2001.

### DOMESTIC POLICY

St. Vincent was for years one of the poorest countries in the hemisphere. It was severely damaged by a volcanic eruption in 1979 and a major hurricane in 1980, both of which damaged the banana crop. This vital economic sector accounts for 60% of the workforce and 30% of merchandise exports. As a result of drought conditions in 1994, a Banana Rehabilitation and Replanting Programme (BRRP) was established with financial support from the European Union (EU). Tropical storms again hurt agricultural production in 1994 and 1995; Hurricane Lenny in 1999 severely damaged the banana crop.

Though tourism had by 1993 overtaken the banana industry as St. Vincent's largest industry, the country is still heavily dependent on the crop and, like all nations with

economies dependent on commodities with wildly varying values, it suffers from this dependence. Gonsalves has attempted to resolve this dependency by deepening the economy, increasing trade (particularly with the United States), and pushing for more regional cooperation.

Gonsalves has also made a name for himself in the region by asserting that he and his fellow prime ministers in the Caribbean have far too much power. His remedy for this situation—which many of his fellow Caribbean political leaders don't support—is to more fully integrate Caribbean nations. Gonsalves published a book in 2001 titled *The Politics of Our Caribbean Civilization* in which he argues that political union is crucial for the states of the Caribbean if they are ever to emerge from the economic dependence that characterizes so many of their economies. In February 2003, Gonsalves was appointed head of a committee composed of the prime ministers of Jamaica, Antigua and Barbuda, Barbados, and Trinidad and Tobago, in addition to St. Vincent and the Grenadines. The group was established to further the integration process in the region, and especially to speed up implementation of the Caricom Single Market and Economy (CSME).

Gonsalves allocated 17% of his 2003 budget to Education, Youth, and Sports, highlighting the emphasis he places on the importance of education and the youth in the future of the country. He described his budget as “people-oriented,” and focused on the development of basic skills and talent, entrepreneurship, citizenship, and social responsibility in building a strong nation. Gonsalves also stressed the need to diversify the economy, particularly in the agricultural sector.

With regard to tourism, St. Vincent and the Grenadines experienced a decline in tourism since the 11 September 2001 terrorist attacks on the United States; the Caribbean region experienced a 10% fall in tourist arrivals following September 2001. Gonsalves has indicated that tourism represents the greatest opportunity for job creation, and increased the budget allocation for the promotion of tourism by over a third in 2003.

Gonsalves has also highlighted the importance of a sound financial system as a prerequisite for growth. Nine percent of Gonsalves' 2003 budget was earmarked for health, with a substantial amount going toward efforts to fight HIV/AIDS. Although Gonsalves' vision of St. Vincent's future is positive, transformations in the economy and society must be balanced against the backdrop of us\$718 million in public debt, which is 75% of GDP.

## FOREIGN POLICY

Foreign relations dominate Ralph Gonsalves' political philosophy. He believes that the individual island nations of the Caribbean are too small by themselves to function successfully; he advocates the formation of multinational political union in order to wield more power in the world. He has been a vocal critic of many aspects of the established multinational organizations and has advocated the creation

of deeper union within them, or, if that is not possible, the creation of new political union. Of deep concern to Gonsalves is the ability of Caribbeans to freely move among the island nations for work or for any other reason. Many nations of the Caribbean open their borders freely to tourists from the United States, Canada, and the European Union, but place restrictions on nationals for entry into other Caribbean states. To help remedy this, Gonsalves has worked extensively within the Organization of Eastern Caribbean States (OECS). In 2002, at an OECS meeting in Anguilla, Gonsalves signed an agreement creating economic union among seven of the nine members of the organization. The union was to be implemented over two years and would allow for the free movement of people, goods, and services.

In relations with the United States, Gonsalves has continued St. Vincent's generally positive ties. The U.S. government has emphasized its concern about marijuana cultivation in St. Vincent and strongly supports the St. Vincent government's efforts to eradicate it. In addition, the United States wants to be able to interdict drug shipments. St. Vincent signed agreements in the 1990s granting the United States much of what it wanted in this area. St. Vincent and the Grenadines is a member of the OECS, the Caribbean Community and Common Market (Caricom), the OAS, as well as the Association of Caribbean States.

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Profile researched and written by Jim Henry (5/02); sections contributed by Christina Siracusa (12/98); updated by Jeneen Hobby, Ph.D. (5/03).

# SAMOA

## Tuilaepa Sailele Malielegoai Prime Minister

(pronounced "too-ee-lah-EH-pah sye-LAY-lay mah-lee-eh-lane-GO-eye")

*"We put in place our fiscal and monetary policies which focused on ensuring that we have discipline in our own budgetary management. We are very confident that this will bring additional impetus to the economy."*



In July 1997, the Independent State of Western Samoa officially dropped "Western" from the country's name, sharpening the contrast between its status as an independent nation and that of the U.S. Territory of American Samoa. Samoa lies in the center of the South Pacific, between longitudes 171 and 176 degrees west, and latitudes 13 and 15 degrees south. Its closest neighbors are Tuvalu and Kiribati to the north, American Samoa to the east, Tonga to the south, and Fiji to the southwest. New Zealand, farther to the southwest, is the largest nation with which Samoa has historically maintained close economic, political, and social ties. Samoa comprises a chain of islands formed by volcanic action millions of years ago. The total land area is 2,860 sq km (1,104 sq mi). Only four of the islands are inhabited, but the nation also claims 120,000 sq km (46,332 sq mi) of ocean territory. The capital city of Apia is located on the island of Upolu, the second largest island and burial site of the writer Robert Louis Stevenson. Stevenson's former home, Vailima, has been renovated to serve as the official residence of the head of state.

Samoa's population was estimated at 178,631 in 2002. An estimated 60,000 Samoans have moved to New Zealand. Others live in American Samoa and the United States, especially in Hawaii and California. The Samoan language is one of a large family of Polynesian languages and is one of the country's official tongues. The second official language is English. The ancestors of the present population arrived in the islands by voyaging from the west almost 3,000 years ago, before the original settlers of Tahiti, New Zealand, or Hawaii. Almost 93% of the people living in Samoa today are of pure Polynesian ancestry; the remainder are of European or combined descent. Samoa is a profoundly religious nation, as demonstrated by its motto *Fa'avae I le Atua Samoa* (Samoa is founded on God). Missionaries were active in the 19th century, and even today church schools are an important part of the educational system. Approximately half of the population is affiliated with the London Missionary Society.

Samoa's economy is primarily agricultural and has suffered in the 1990s from a series of natural disasters. Three successive cyclones in 1989, 1990, and 1991 not only destroyed coconut plantations but also devastated roads and communications. These storms were followed in 1993 by a leaf blight that severely damaged a basic food crop, taro. Since then, agricultural production (but not taro) has begun to recover. Tourism was also disrupted by the storms but has great potential for economic development. The country is

burdened, however, by high levels of external debt. Most of this is owed to the Asian Development Bank. The budget is heavily dependent on foreign aid. The gross domestic product (GDP) of Samoa was estimated at us\$618 million in 2001, with an estimated per capita GDP of us\$3,500. An important source of income is the money that is sent home by Samoans living abroad. The Samoan unit of currency is the *tala*.

### POLITICAL BACKGROUND

When Europeans began to settle on the Samoan islands in the late 1700s, there was no single political structure that governed the people. Warfare among the islanders was made more violent when whalers and other outsiders introduced muskets and gunpowder. European rivalry for Pacific Island possessions led Germany to annex the western portion of the archipelago in 1900. In 1914, New Zealand took over what came to be called Western Samoa under a mandate from the League of Nations. That mandate evolved into a United Nations (UN) trusteeship after World War II. In 1962, Western Samoa became the first independent Pacific Island nation, joining the British Commonwealth in 1970 and the UN in 1976. Changing the country's name in 1997 reflected the pride in these early political achievements, particularly in contrast to the dependent status of American Samoa.

Samoa's Constitution combines European concepts and practices with those of *fa'a Samoa* (Samoan custom). Basic to the latter is an elaborate system of chiefly titles, the *matai* system. Holders of the two highest titles (*tama-a-'aiga*) became joint heads of state at the time of independence. The surviving title-holder, Susuga Malietoa Tanumafili II, has been sole head of state since 1963; it is not clear what will happen when the time comes for him to be succeeded.

The laws that govern the nation are enacted by the legislative assembly, or Fono a Faipule. An important constitutional change was made in November 1991. Until that time, only holders of *matai* titles were allowed to elect members of the Fono. This meant that most women and many young men could not vote since few of them were *matai*. Under the 1991 constitutional reforms, the vote was granted to all Samoans 21 years or older although only *matai* are eligible to run for Fono office. The term of the Fono was increased from three to five years and the number of cabinet members from eight to twelve. Two Fono members are elected by non-Samoans of European or mixed descent on a separate electoral roll.

The legitimacy of the *matai* electoral system had been a matter of controversy since the 1980s and led to the

formation of political parties. It is not clear how the new system of universal suffrage will affect the composition of these parties, and there is still sentiment that all Samoans, not only *matai*, should be eligible to run for election to the Fono. Some object that the 1991 reforms were never voted on by all the people. So far the Human Rights Protection Party (HRPP) has been able to hold power for an unprecedented six terms against the opposition of the Samoa National Democratic Party, the Samoa Labour Party, and smaller groups. HRPP's dominance, however, has not been maintained without trouble.

In July 1999, Samoa's minister of public works, Luagalau Levaula Samuelu Kamu, was shot and killed at a political function hosted by the ruling HRPP, as it celebrated its 20th anniversary. A Samoan legislator, a cabinet minister's son, and a third man were charged with murder in the assassination.

### PERSONAL BACKGROUND

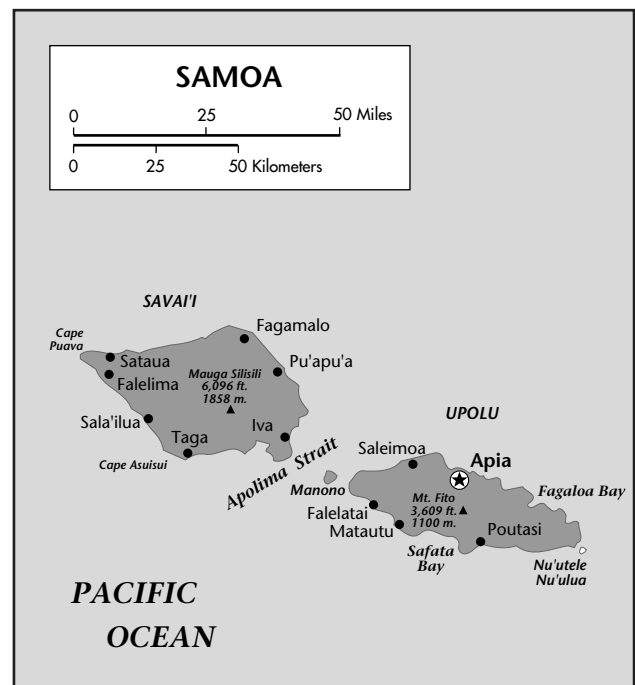
Tuilaepa Sailele Malielegoai was born in Lepa Village in 1946. "Tuilaepa" is a *matai* title he assumed as an adult. When he became prime minister, media attention focused on the sacrifices his family made for his education. These made it possible for him to obtain secondary education at the Marist Brothers' St. Joseph's College at Latopa, Samoa. He then received a scholarship to attend St. Paul's College in Auckland, New Zealand. He was awarded bachelor and master of commerce degrees from the University of Auckland, with specialization in accounting and economics. He is married and has several children.

### RISE TO POWER

The political career of Tuilaepa Sailele (as he is referred to by the media) has long been overshadowed by the towering presence of the former prime minister, Tofilau Eti Alesana. Three decades of Tofilau's leadership began with his election to the first postindependence Fono in 1967. At that time, he was allied with the first prime minister, Tupua Tamasese Lealofi IV. This group, however, was defeated in 1976 when Tupuola Taisi Efi became prime minister. Amidst the controversy over the *matai* electoral system, Tofilau was among the politicians who formed the HRPP, in opposition to Tupuola. The general election of 1982 was followed by a series of legal challenges and changes in leadership. In December of that year, HRPP's by-election victory made Tofilau prime minister, beginning an unprecedented 16-year reign.

Tuilaepa Sailele returned from his education in New Zealand to take up public service positions in the economic and finance ministries. In this capacity, he participated in international conferences on economic matters. In 1981, he was elected to the Fono as an HRPP supporter. His educational qualifications and public service experience made him a natural choice for finance minister in 1988, a position he held continuously until 1998. In 1991, he was named deputy prime minister.

During the 1990s, Tofilau's leadership was shaken by the nation's poor economic performance and some questionable policies, such as the proposed sale of Samoan passports to Asians. During his latter years in office, he was frequently absent from the country, traveling to New Zealand for medical treatment. During these periods of absence or



incapacity, Tuilaepa Sailele was in effect the prime minister, speaking for the country and its government. Finally, when death became imminent, Tofilau resigned his office, and in November 1998, the Fono elected Tuilaepa to become the next prime minister by a margin that surprised many observers. He retained the position through the 2001 election as the HRPP took 23 seats (45%) in the Fono.

### LEADERSHIP

Tuilaepa Sailele has based his leadership on a "no-nonsense" approach to Samoa's economic problems. In carrying out his program, he has been willing to face up to more senior politicians. This has not always been favorably regarded in a society that emphasizes hierarchy and deference to elders. He is viewed by some as being arrogant and high-handed. Since he is more than two decades younger than his predecessor, others questioned his readiness to assume the highest office. When the vote was taken, however, his margin of victory assured his position.

### DOMESTIC POLICY

Tuilaepa Sailele's long service as finance minister and deputy prime minister meant that he was largely responsible for many of his predecessor's domestic policies. He has continued to promote those policies, including the controversial implementation of a 10% value added goods and services tax in January 1994. The tax, imposed to help curb imports and correct Samoa's severe trade imbalance, led to protest marches. A 10% reduction in public service pay was almost as unpopular, but apparently not enough to keep him out of the prime minister's office.

Another policy initiated while Tofilau was prime minister, certainly based on Tuilaepa's views, was that of privatizing what had been government activities and industries. This policy was apparently triggered by the financial troubles of the government-owned national airline, which amassed losses amounting to us\$40 million. Beginning in 1995, the

government issued a strategic plan of partnership with the private sector. The success of a Japanese auto parts plant, Yazaki Samoa, established in 1991 and employing about 3,000 Samoans, is often pointed to as an example of what can be accomplished by utilizing market forces rather than government management. This firm accounts for 20% of the nation's manufacturing output.

Diversification is regarded as essential to cushion Samoa's economy against natural disasters affecting agriculture. Although recent growth in the fishing industry is encouraging, Tuilaepa Sailele's plan clearly looks in another direction. He intends to develop tourism as a leading industry and argues for creating the infrastructure necessary to support this expansion, including the construction of larger resort hotels. All such steps are to be taken in cooperation with private investment. The prime minister is alert to the record of shady outsiders who have taken advantage of Pacific Island nations to operate confidence schemes, sometimes fleecing governments of huge sums. He has established a system of character and credit checks to foil anyone who would try to operate such schemes in Samoa.

In his 2002–03 budget address, Tuilaepa Sailele indicated he would take steps to make Samoa more attractive to serious foreign investors. These included: providing the necessary infrastructure to support business development; maintaining the appropriate monetary policies to ensure sufficient credit for growth in the private sector; refining the tax and tariff structure to support competition; and providing assistance through duty concessions on equipment and machinery. All of these measures are designed to pave the way for the diversification of Samoa's economy, and to develop Samoa's manufacturing and service sectors.

In April 2003, as part of a public sector reform program, the government cut the number of government departments and ministries by close to 50%. Twenty-seven governmental bodies were reduced to 14, largely through consolidation.

## FOREIGN POLICY

Due to his active role in managing Samoa's economy, the new prime minister has yet to establish a specific foreign policy distinct from that of his predecessor. He is expected to continue efforts to attract funds from overseas donor countries for needed projects. Japan has been the most generous donor in the past. In 1998, the national university opened a new physical plant built with Japanese funds. Whether such generosity would survive the Asian economic crisis was not clear. It may be necessary to seek new international ties to ensure assistance for continued development.

Samoa is certain to continue its active role in the preeminent Pacific Islands regional organization, the South Pacific Forum. Together with Tonga, the nation represents a counterweight to the Melanesian nation-states like Papua New Guinea and the smaller island countries like Tuvalu. Like other forum members, Samoa is concerned with environmental and security issues, such as nuclear testing and forestry and fishery management. What Tuilaepa Sailele is likely to add to international relations is a concern for mutually profitable economic relations with Pacific Island neighbors. One such example is the import of coconuts from

Tonga for processing in Samoa's mill for manufacturing dried coconut products.

With the June 2000 implementation of new laws designed to improve the oversight of Samoa's financial markets and tax haven operations, the international Financial Action Task Force took Samoa off its list of countries vulnerable to money laundering.

The Samoan government is generally conservative and pro-Western. Since 1962, Samoa has maintained a Treaty of Friendship with New Zealand. The treaty provides a framework for interaction between the two nations and allows New Zealand to act as a channel of communication between Samoa and governments and international organizations outside the immediate area of the Pacific Islands. Samoa also can request defense assistance, which New Zealand is required to consider (since Samoa does not maintain a formal military). New Zealand is Samoa's principal trading partner. In a gesture of friendly relations, in June 2002, New Zealand's Prime Minister Helen Clark issued an apology to Samoans for injustices inflicted upon them during the years (1919–62) when New Zealand ruled the country.

Samoa receives large portions of financial assistance from abroad. More than 60,000 Samoans who live overseas provide two sources of revenue. Their direct remittances have amounted to \$40 million per year recently and they account for more than half of all tourist visits. In addition to the expatriate community, Samoa also receives roughly \$25 million annually in official development assistance from sources led by Japan, Australia, and New Zealand.

Samoa participated in a first round of negotiations with its Pacific Island neighbors for a regional trade agreement in August 2000.

In March 2003, against the backdrop of a looming war in Iraq led by the United States and the United Kingdom, Tuilaepa Sailele expressed his strong support for a peace march to be held in Apia, and delivered the keynote address to the protesters at the end of the march.

## ADDRESS

Government House  
Apia, Samoa

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Profile researched and written by Eugene Ogan, Professor Emeritus, University of Minnesota (6/1999); updated by Jeneen Hobby, Ph.D. (5/2003).

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# SAN MARINO

**Fiorenzo Stolfi**  
**Secretary of State for Foreign Affairs**  
(pronounced “fee-or-ENZ-oh STOLE-fee”)

*“I think the European Union has made enormous steps in recent years regarding the economy and cohesion between the countries, but the same cannot be said for foreign policy.”*

The Republic of San Marino is a landlocked state on the Italian peninsula about 225 km (140 mi) north of Rome and between the Italian regions of Emilia-Romagna and Marchesa. Situated on the slopes of Mount Titano, San Marino claims to be the oldest republic in Europe. Its total area comprises just over 60 sq km (20 sq mi). Approximately 27,730 citizens made up the Sanmarinese population in 2002. Until 2002, San Marino principally used the Italian *lira* as its currency; when Italy replaced its currency with the euro, San Marino also adopted the euro. Since 1971 the government has issued its own coins (in denominations of one *scudi* and two *scudi*). Vatican currency is also legal tender. Italian is the official language, but English and French are also spoken.

The ethnicity of the Sanmarinese derives from a mixture of Mediterranean, Alpine, Adriatic, and Nordic ethnic types. Most of the citizens are Roman Catholic. The country's ethnic composition is 80% Sanmarinese and 20% Italian. San Marino exports wine, woolen goods, furniture, and ceramics. The international sale of San Marino postage stamps and tourism (with an estimated 3 million visitors annually) constitute the largest shares of government revenue.

## **POLITICAL BACKGROUND**

San Marino is a republic, dating its sovereignty back to its founding in the fourth century by a Christian stone cutter named Marinas who fled persecution in Dalmatia. With the establishment of a monastery in the ninth century, the community grew and acquired statutes of government by the twelfth century. The present government structure is based on statutes that date to 1660. Papal recognition in 1631 officially gave San Marino independent status.

The Grand and General Council (Consiglio Grande e Generale) of 60 members exercises legislative power and is elected every five years by direct vote of all citizens over the age of 18. Every six months two members of the council are nominated to act as captains-regent; they preside over meetings of the Grand and General Council, as well as the Congress of State (the 12-member cabinet) but their functions are largely honorary. The office of secretary of state for foreign affairs has come to represent many of the functions of a prime minister. The secretary of state for foreign affairs has responsibilities that supersede the authority of the captains-regent, but the captains-regent are personally answerable for the mandate given them by the Grand and General Council. The captains-regent must also respond to citizen proposals and requests presented to them (traditionally on the Sunday

after 1 April and 1 October in any given year). Full executive power rests in and is shared by members of the Congress of State (cabinet) nominated by the Grand and General Council: the three secretaries (foreign affairs, internal affairs, and finance), the two captains-regent, and the seven ministers heading various administrative departments.

Although San Marino has no written constitution per se, a 1926 electoral law serves some of the functions of a constitution. Women voted for the first time in the 1964 elections.

Although legally sovereign, San Marino's government and political parties are influenced by Italian politics and political parties that are counterparts to those in San Marino. The largest party in the Grand and General Council is the San Marino Christian Democratic Party (Partito Democratico Cristiano Sammarinese—PDCS). Other influential parties include the San Marino Socialist Party (Partito Socialista Sanmarinese—PSS); the San Marino Progressive Democratic Party (Partito Progressista Democratico Sammarinese—PPDS, formerly the Communist Party—PCS); the San Marino Popular Alliance of Democrats (Alleanza Popolare dei Democratici Sammarinese—APDS); Socialists for Reform (Socialisti per le Riforme—SR); Ideas in Movement (IM); and Communist Refoundation (Refondazione Comunista—RC). The San Marino government will pay for part of the expenses for Sanmarinese living abroad to fly home to vote and 80% of the population turns out on election day.

## **PERSONAL BACKGROUND**

Fiorenzo Stolfi was born on 11 March 1956. He took a law degree at the University of Urbino. In addition to his positions in government, he served as a vice governor of the International Monetary Fund (IMF) from 1993 to 2000, as San Marino's governor to the World Bank from 2001 to 2002, and as San Marino's governor to the IMF beginning in June 2002. He became secretary of state for foreign affairs of the republic, the de facto leader of the country, on 17 December 2002. He is married to Dorina Luana; they have two sons.

## **RISE TO POWER**

Stolfi was first elected to the Grand and General Council in 1983 and was reelected in 1988, 1993, 1998, and 2001. He served as Minister of Tourism, Commerce, Sport, and Agriculture from 1983–86; as Minister of Industry, Handicrafts, and Economic Cooperation from 1992–98; as Minister of Industry, Handicrafts, Economic Cooperation, Post and





Telecommunications from 1998–2001; as Minister of Internal Affairs, Civil Protection, and Post and Telecommunications from July 2001–June 2002; and as Minister of Finance and Budget, and Economic Programming, in relationship with the Philatelic-Numismatic Association, and Transport, from June 2002–December 2002. He was named Secretary of State for Foreign and Political Affairs on 17 December 2002, with 40% of the legislative vote in a cabinet reshuffle.

Politically, Stolfi served as General Secretary of the Unitary Socialist Party (1988–90; as Co-Secretary of the San Marino Socialist Party (1990–92); and, as of May 2003, as a member of the Socialist Party secretariat (1992–).

### LEADERSHIP

Upon being elected Secretary of State for Foreign Affairs, Stolfi set to work to reaffirm San Marino's close relationship with Italy. In February 2003, Stolfi met with the Italian Minister of Foreign Affairs, Franco Frattini, to discuss issues of current international affairs, the establishment of a closer legal framework between the two countries to better facilitate economic relations and the need for the specialization, consolidation, diversification, and growth of San Marino's economic and financial situation.

Stolfi is also interested in aligning San Marino's economic policies to those of the European Union (EU), in the hopes that San Marino might join that body. He views help from Italy as a "bridge" for San Marino's transition to EU membership.

### DOMESTIC POLICY

In addition to the sale of postage stamps and revenues from tourism, San Marino receives an annual budget subsidy from

the Italian government stemming from the 1862 customs union agreement formed between the two countries. In exchange for this subsidy, San Marino relinquishes the rights to free transit of imports through Italian ports; the printing of paper currency and notes; the operation of commercial radio and television stations; and tobacco cultivation and production of other goods protected by Italian state monopoly. San Marino's trade policy is essentially governed by its customs union with Italy. A 1987 amendment to the relationship allows San Marino banks the right to conduct financial operations directly with foreign banks rather than via the Bank of Italy as was previously required. It also reinstates San Marino's right to operate a casino. This is a venture over which public opinion is divided. Some prefer to keep San Marino traditional, and others are eager to expand its tourist potential. In the late 1990s, San Marino came under pressure from the governments of Italy, the United Kingdom (UK), and the United States to enforce a law enacted in 1997 against music piracy.

### FOREIGN POLICY

San Marino is proud of its neutral status. While San Marino's foreign activities are limited, it maintains around 50 consulates worldwide, including offices in China, the United States, and most of the nations of Western and Eastern Europe. In 2002, San Marino held discussions with Russia on improving cooperation between the two nations. Plans to establish an honorary consulate general in Moscow were announced in February of that year.

San Marino has observer status at the United Nations (UN) and belongs to several UN agencies. San Marino was a signatory of the 1975 Final Act of the Conference on Security and Cooperation in Europe and continues to participate in their review sessions. By virtue of its customs union with Italy, San Marino is able to have free access to EU markets. Approximately 7,000 Americans of Sanmarinese descent live in New York, Michigan, and Ohio.

### ADDRESS

San Marino Christian Democrat Party  
Piazza Bramanti Lazzari  
San Marino

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Profile researched and written by Jeneen Hobby, Ph.D. (5/2003), with sections contributed by Elizabeth Gittelman (7/90).



# SÃO TOMÉ AND PRÍNCIPE

Fradique Melo Bandeira de Menezes  
President

(pronounced “*fra-DEEK MAY-low bahn-DARE-ah duh mehn-EEZ-ess*”)



“If you think I'm going to be merely a ceremonial figure, you are mistaken.”

The Democratic Republic of São Tomé and Príncipe consists of two islands, São Tomé and Príncipe, located off Africa's west coast. Combined, the two islands comprise 964 sq km (372 sq mi), making it second only to the Seychelles Islands as Africa's smallest nation. Its nearest neighbors to the east are Cameroon, Gabon, and Equatorial Guinea. The islands form part of a chain of extinct volcanoes and are both quite mountainous. The climate is tropical, but temperatures vary a good deal with altitude. Coastal temperatures average around 27°C (81°F), but the mountain regions average only 20°C (68°F). Seasons are distinguished more by a change in precipitation than by a change in temperature. The rainy season extends from October to May, and average annual rainfall varies from 50–100 cm (20 to 39 in), most of it falling on the southern portions. The capital is the town of São Tomé, located on the northeast coast of the island of São Tomé.

Reflecting its colonial history and economic links to Portugal, over 90% of its population is Roman Catholic and the primary language is Portuguese. Many of its native-born people, called the *forros*, speak a Portuguese-based Creole language while recent migrants from Mozambique and Angola, the *angolares*, speak Portuguese. In recent years, laborers from Mozambique and Angola have arrived in large numbers and have increased the country's estimated population to over 170,372 (2002). Approximately 80% of the population resides on São Tomé with the remainder on Príncipe. A pattern of migration and colonialism forms the background to the modern politics and economy of this archipelago nation.

São Tomé and Príncipe's economy is based on the export of agricultural crops, such as cocoa, coconut, palm kernels, and bananas to Western Europe, especially Portugal. Together with fishing, agriculture accounted for 21% of GDP and more than 95% of exports in 2001. The currency unit is the *dobra*. The GDP is US\$189 million, growing at an annual average rate of 5.0% (2002). Per capita GDP is estimated at US\$1,200 (2001). Inflation was reduced from a 1997 high of 68.2% to 9.0% in 2002 and the local currency has stabilized. São Tomé and Príncipe was ranked 118th out of 173 countries on the UN human development index (HDI), the fifth highest ranking among sub-Saharan Africa countries, but there are doubts about the accuracy of this measurement.

Presently, the national economy is dependent on loans and development aid from the World Bank (WB) and other donors. The structure of the economy, however, will soon be

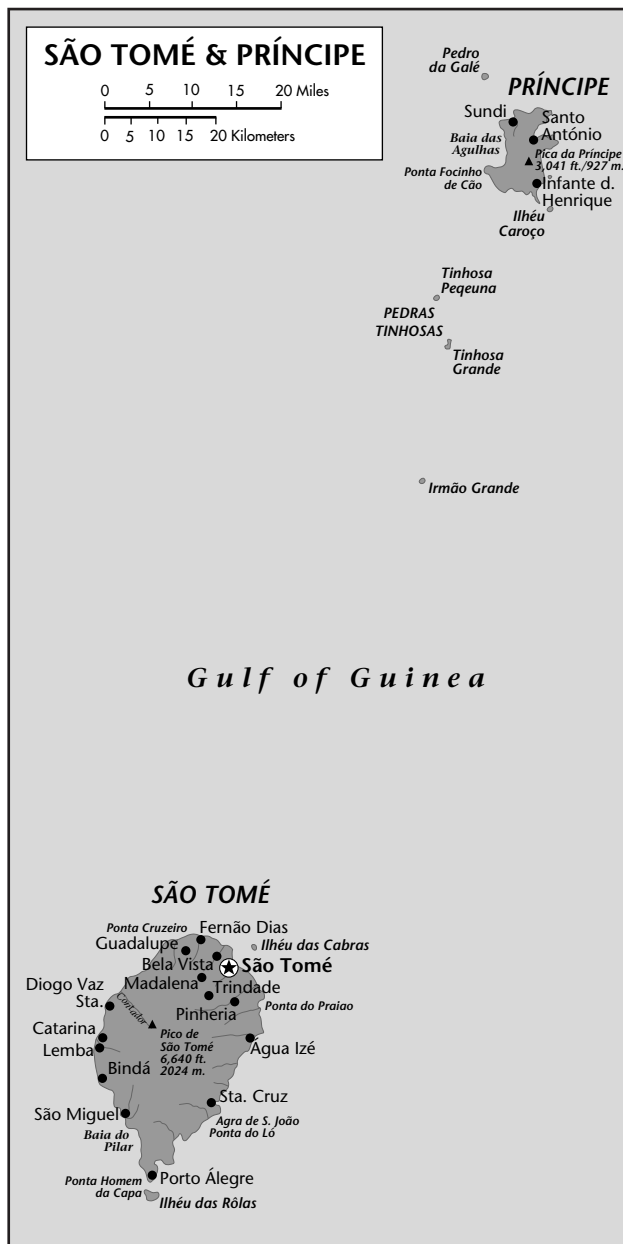
transformed owing to major off-shore oil and gas deposits expected to come on stream in 2005–06.

## POLITICAL BACKGROUND

The islands of São Tomé and Príncipe were colonized by Portugal in the late 1400s as a site for sugar plantations worked by West African slaves and Portuguese overseers. The mixing of these elements over several centuries produced a creole national culture, which blended African and European traditions, languages, and economic culture. São Tomé and Príncipe achieved status as an overseas province of Portugal in 1951 and local autonomy in 1973. A nationalist group called the *Comissao de Liberacao de São Tomé and Príncipe* (Commission for the Liberation of São Tomé and Príncipe—CLSTP) formed in 1960, and in 1972 it reorganized itself as the *Movimento de Liberacao de São Tomé and Príncipe* (Movement for the Liberation of São Tomé and Príncipe—MLSTP) under the leadership of Dr. Manuel Pinto da Costa. Following a 1974 military coup in Lisbon, Portugal gave independence to all of its overseas colonies. In São Tomé and Príncipe, elections to a constituent assembly were held in July of 1975 and the MLSTP won all 16 seats. Pinto da Costa was elected as president. During the years 1976–85 he opened trade and diplomatic ties with Eastern Europe and accepted military advisors from the Soviet Union and Cuba. In spite of growing internal opposition, Pinto da Costa served three five-year terms as president.

In 1989 the MLSTP endorsed a plan for a new Constitution, which guaranteed multi-party elections, universal suffrage, and freedom of the press. Pinto da Costa agreed to step down from office and was replaced as MLSTP head by Dr. Carlos da Graca, who had returned from exile in Gabon. The party also merged with an opposition group, the *Partido Social Democratica (PSD)*, to form the MLSTP-PSD. In the 1990 elections 72% of the population voted to accept a new Constitution. In the new system legislative power is vested in a national assembly, which comprises 55 members elected for four years. While executive powers are invested in the government, the president, who is elected to a term of five years, is nominally head of the armed forces and in charge of foreign affairs. The Constitution also limits the president to two successive terms. The government is headed by the prime minister, who has both executive and administrative duties.

The 1990 Constitution, however, suffers from a vague separation of powers, and contains two conflicting methods for the appointment of the prime minister. Under one clause,



the president retains the right to appoint the prime minister. Another clause states that the prime minister should be selected by the party that wins a majority in the elections to the National Assembly, held every four years. This structural contradiction has resulted in considerable political instability since 1991, and has been blamed for frequent government changes (seven since the introduction of a multi-party system), delays and/or blockage of many of the major political and economic decisions, including the privatization of public companies. The 1996–98 coalition government proposed a revision of the 1990 Constitution to clarify and curb the president's powers, which yielded no results. In January 2003, de Menezes dissolved and then revoked the decision to dissolve the National Assembly over proposed constitutional changes that would have weakened the presi-

dency. A supreme court holds judicial authority and is responsible only to the National Assembly.

### PERSONAL BACKGROUND

Fradique de Menezes was born in 1942 to a São Toméan mother and Portuguese father. He studied in Portugal and Belgium and held several public posts, both political and diplomatic, including foreign minister and ambassador in Europe. Notwithstanding this experience, de Menezes' political career has been brief for an elected head of state, and he is foremost a businessman with substantial interests in the cocoa export and cement import sector. Owing to his wealth and prominence in the country's private sector, de Menezes became a force to reckon with in the country, made himself known in the international donor community, and earned himself recognition as one of São Tomé and Príncipe's most influential business people in the sub-region. De Menezes was required by the Constitution to drop his dual Portuguese citizenship so that he could run for president.

### RISE TO POWER

De Menezes' unexpected rise from relative obscurity to head of state in free and fair elections went unnoticed around most of the globe, but constitutes one of Africa's political success stories. A number of factors made his success possible: his wealth, his previous public sector experience, and former President Trovoada's blessing. In addition, he adopted a widely popular platform, ran a successful campaign, and—helped by a transparent elections process—gained enough votes on the first round of the 29 July 2001 elections to defeat Manuel Pinto da Costa, the candidate of the governing MLSTP-PSD.

During the campaign it was clear that the country was betting on its future in petroleum, and it was common wisdom that building good relations with Africa's biggest oil producer, Nigeria, was one of the prime concerns of São Toméans. De Menezes' popularity thus hinged on his perceived ability to do business with the Nigerians, and on the credibility of his promises to fight for a more equal distribution of oil wealth for all Toméans. De Menezes made the most of this opportunity, and convinced voters that he was their most trustworthy choice. By contrast, Manuel Pinto da Costa had to defend an austerity program, unpopular reforms, and lower standards of living.

De Menezes also benefited from the support of the Accao Democratica Independente (ADI), the country's largest, but comparatively weak opposition, and five other political forces including the PCD, UNDP, Codo, PRD, and the PPP. Under the country's semi-presidential formula, the dominant parties in the Parliament wield considerable powers. This coalition no doubt reflected the self-interests of the leaders of these political entities, but it assured de Menezes of a constituency sufficient to score 56.3% to 39% of the vote over Pinto da Costa in the 29 July 2001 election. Three other opposition figures took 5% of the vote. While Guinea-Bissau President Kumba Yala and more than a thousand diplomats looked on, de Menezes was inaugurated São Tomé and Príncipe's third president on 3 September 2001.

### LEADERSHIP

During his first two years in office, de Menezes has shown himself energetic and courageous. He inherited an IMF-staff

monitored program, the goals of which are likely to be met. He has traveled about the sub-region, to Taiwan and to Mozambique to establish strategic alliances. He has taken on vested elite political and financial interests by insisting on prosecution of allegedly corrupt high-level public officials. He has named a woman prime minister—the country's first.

The acid test for de Menezes will be to govern with a hung Parliament. Prior to the legislative elections, de Menezes managed briefly to unify a loose coalition of fractious parties into a single anti-MLSTP-PSD alliance. The coalition dissolved, however, over disagreements on selection rules for the prime minister, and turned the parliamentary elections into a three-way contest. When the votes were counted, no party obtained the minimum 28 seats required for an absolute majority in the 55-seat Parliament. The MLSTP-PSD took 24, the MDFM-PCD coalition took 23, and the Ue Kedadji coalition formed by the ADI, PRD, Uniao Nacional para Democracia e Progresso (UNDP), Codo, and Partido Popular do Progresso (PPP) took eight seats. Ue Kedadji was supported by Miguel Trovoada and his son Patrice. While the MDFM-PCD actually received more votes than the MLSTP-PSD, the latter won the proportional vote at the district level.

Under the country's semi-presidential system, the president must form a government with the opposition. The president's desire to revise the Constitution to give the head of state more power has collided with the Assembly's goal of reducing Executive authority. In the course of battle de Menezes fired his prime minister, dissolved the Assembly and called for new elections. Although he rescinded the latter decision, his critics in the Assembly have accused him of subverting democracy. De Menezes claims that lawmakers insulted him and refused to engage in dialogue.

The years ahead should provide more indicators of de Menezes's character and integrity. His fight with the Parliament to revoke the Nigeria oil deal has culminated in a new joint development zone, which crosses the sea border of the two countries where maritime resources are shared. The deal divides the resources on a 60/40 basis with Nigeria getting the larger share. He has declared that he will ensure that projected oil wealth is used to eradicate poverty—a promise still in the future. If de Menezes prosecutes former public servants and politicians found guilty of corruption, the trials could implicate the Trovoadas and other former leaders, leading to political scandal. With the MLSTP-PSD still the dominant 'independence' party, it remains unclear how much reform will be possible under de Menezes.

## DOMESTIC POLICY

At the time of independence from Portuguese rule in 1975, São Tomé and Príncipe inherited a national economy ill-equipped to provide for the welfare of its citizens. The country was dependent on protected markets in Portugal for its agricultural products. President Pinto da Costa took virtually all enterprises into state control, a reflection of his training as an economist in East Germany. The government exercised a monopoly over foreign trade and controlled prices and retail commerce through a network of "people's shops." Socialist policies and a decline of world prices for cocoa brought the country to the brink of economic collapse. The 1980s and 1990s witnessed IMF-imposed structural

adjustment programs, conditionalities, retrenchment of state employees, a failed coup in 1995 and massive popular unrest. The IMF suspended the Poverty Reduction and Growth Facility (PRGF) in November 2001 because of off-budget expenditures in the run-up to the presidential election.

De Menezes promised to root out corruption—a feature of São Toméan life—which has included unauthorized minting of coins, theft of ship registration fees, fraudulent issuing of treasury bills, illegal issue of diplomatic passports to non-qualified individuals, and nepotistic and unfair allocation of scholarships. Following the 3 March 2002 National Assembly elections he condemned vote buying. The MLSTP-PSD is backed by Angolan money, and the MDFM-PCD by Taiwanese and Nigerian money. It remains to be seen whether de Menezes will make good on his promises to shrink the civil service, and to strengthen the social and private sectors.

The main economic policy focus of the government is on poverty reduction. This effort will require a reduction in the fiscal deficit, increased tax revenues, and a resurrection of the Poverty Reduction and Growth Facility (PRGF) suspended by the IMF in November 2001. If favorable, an IMF review of government performance in the first quarter of 2003 could mean a reinstatement of the program in late 2003, which would clear the way to sustained relief through the Heavily Indebted Poor Countries (HIPC) initiative. A second emphasis is on privatization of the state's 12 main enterprises, eight of which are under consideration for restructuring. The IMF and World Bank would like to see greater progress on this initiative but entrenched interests have slowed the pace of reform.

De Menezes has achieved some performance goals in economic policy. The administration's goal was to reduce inflation to 7%, increase real GDP growth to 5% and to reduce the fiscal deficit. In 2002 inflation was at 9% on average, real GDP growth at 5.0%, the GDP was \$53 million, and foreign debt equalled \$265 million. De Menezes advanced regional integration by drafting bidding guidelines on oil production with Nigeria, and strengthened political and institutional cooperation with Angola and Mozambique. Oil production is expected to begin in 2005–06 at 25,000 barrels a day.

The success of de Menezes' policies will depend largely on reaching a workable arrangement with a hung legislature. In September 2002, De Menezes dismissed prime minister Gabriel Da Costa replacing him with Maria das Neves of the MLSTP-PSD. As his fight with the National Assembly in January 2003 indicated, however, the pattern for political conflict under the present arrangement appears to be well-established.

## FOREIGN POLICY

Since 1975, the foreign policy of the islands has been a function of small population size and geopolitical location. In the past, the government was nonaligned and anti-imperialist with close ties to socialist states, such as Cuba, East Germany, China and Angola. In 1975 São Tomé and Príncipe joined the Organization of African Unity and in 1977 became a member of the IMF. Since the collapse of its Soviet and Eastern European allies, the country has enjoyed closer links with the United States, the European Union—especially

Portugal—and with Brazil and Angola. The country was a founding member of the Communauté Économique des États de l'Afrique Centrale (CEEAC) in 1983, and the seven-member Lusophone community, the Comunidade dos Países de Língua Portuguesa (CPLP) in 1996. In 1997 it also joined the 52-member community of Francophone countries, La Francophonie. In an era of insecure oil and gas supplies, São Tomé and Príncipe have become strategic for the United States.

De Menezes and his governmental coalition's first priority is to consolidate donor assistance. In 1995, foreign assistance was \$84 million—twice the country's GDP—but in 2000 it declined to \$49 million after hitting a low of \$28 million in 1999. Nevertheless, São Toméans still have one of the highest foreign assistance per capita rates in the world. The main donors are Portugal, Taiwan, the EU, and the IMF. The administration also seeks to develop closer ties with Portugal, the United States, the EU, the East, and with Mozambique. De Menezes has visited Taiwan, Equatorial Guinea, Gabon, and Nigeria. In May 2003, the President made a four-day trip to Mozambique aimed at increasing bilateral cooperation. Under discussion is a plan to eliminate visa requirements between the two countries.

In what appears to be a breakthrough in Nigerian-São Toméan relations, President Obasanjo of Nigeria and de Menezes signed an agreement establishing the Joint High Authority for managing oil exploration in the two countries' common development zone. The successful negotiation of arrangements with Nigeria, Angola, and other oil producing nations and oil importers will be critical for this President. Former President Trovoada's dubious oil exploration deal with Nigeria in the formerly disputed international maritime boundary area was seen by many as a 'pact with the devil.' Indeed, Nigeria's oil operations have been opaque and corruption-prone, prompting accusations that Nigeria was

exporting 'bad governance' to its neighbors—a situation that de Menezes wants to avoid.

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**Profile researched and written by Robert J. Groelsema (5/2002; updated 5/2003).**

# SAUDI ARABIA

## Fahd bin Abdul Aziz al-Saud King and Prime Minister

(pronounced "FAHD bin AHB-dool ah-ZEEZ al-sah-OOD")



*"The Kingdom, through continuous work on the part of the Government and through the understanding and cohesion of the citizens, undertakes to surmount all difficulties, of whatever nature, to attain, if God so wills, a prosperous society, a society well-balanced economically, culturally and intellectually, and one based on the teachings and spiritual values of Islam."*

The Kingdom of Saudi Arabia was founded in 1932 when King Abdul Aziz al-Saud, commonly known in the West as Al-Saud, consolidated his conquests. Saudi Arabia occupies about 80% of the Arabian peninsula and has an area of 2,149,690 sq km (829,995 sq mi). It is largely a desert country with no rivers or permanent bodies of water and has poorly defined borders. To the west lies the Red Sea; to the south, Yemen and Oman; to the southeast, the United Arab Emirates; to the east, the Persian/Arabian Gulf, Qatar, and Bahrain; and to the north, Jordan, Iraq, and Kuwait. Population figures are not reliable; however, estimates suggest Saudi Arabia has a population of 23.5 million (July 2002 est.), half of which live in urban areas. About five million of the total population are expatriates, who make up about 60% of the labor force. Virtually all indigenous Saudis are Muslims, as are more than half of the expatriate population. About 85% of the Saudis are Sunni Muslims, the majority of whom are followers of the Wahabbi movement; the remainder are Shias and are located mainly in the eastern province. Arabic is the official language but English is understood and used in the private sector. Saudi Arabia is the site of two of the three holiest places of Islam: Mecca, the birthplace of the Prophet of Islam, with the Kaaba (the Grand Mosque) located there; and Medina, the burial place of the Prophet. Millions of Muslims from all over the world make pilgrimages to these two cities every year.

Saudi Arabia has the world's largest proven oil reserves. It is the third-largest producer and the largest exporter of crude oil. Massive agricultural development projects have helped the country achieve near self-sufficiency in wheat, eggs, milk, and vegetables. Its major trade partners are the United States, the United Kingdom, Japan, and Germany. Its main imports are machinery and equipment, foodstuff, textiles, minerals, and chemicals. The per capita gross domestic product has been estimated at US\$10,600. The *riyal* is the Saudi Arabian currency.

### POLITICAL BACKGROUND

The central institution of Saudi Arabian government is the monarchy. The Basic Law adopted in 1992 declared that Saudi Arabia is a monarchy ruled by the sons and grandsons of King Abdul al Aziz al Saud and that the Holy Qur'an is the constitution of the country, which is governed on the basis of Islamic law (*shariah*). There are no political parties or national elections. The king's powers are limited because he must observe the *shariah* and other Saudi traditions. He also

must retain a consensus of the Saudi royal family, religious leaders (*ulema*), and other important elements in Saudi society. The leading members of the royal family choose the king from among themselves with the subsequent approval of the *ulema*.

Saudi kings gradually have developed a central government. Since 1953, the Council of Ministers, appointed by and responsible to the king, has advised on the formulation of general policy and directed the activities of the growing bureaucracy. This council consists of a prime minister, the first and second deputy prime ministers, 20 ministers (of whom the minister of defense also is the second deputy prime minister), two ministers of state, and a small number of advisors and heads of major autonomous organizations.

Legislation is by resolution of the Council of Ministers, ratified by royal decree, and must be compatible with the Shari'ah. Justice is administered according to the Shari'ah by a system of religious courts whose judges are appointed by the king on the recommendation of the Supreme Judicial Council, composed of 12 senior jurists. The independence of the judiciary is protected by law. The king acts as the highest court of appeal and has the power to pardon. Access to high officials (usually at a *majlis*, or public audience) and the right to petition them directly are well-established traditions.

The kingdom is divided into 13 provinces governed by princes or close relatives of the royal family. All governors are appointed by the king.

### PERSONAL BACKGROUND

King Fahd bin Abdul Aziz al-Saud was born in 1923. His mother Hassa, the fifth wife of Abdul Aziz, belonged to the Sudayri clan. He obtained his early education at the palace school and later received practical training at his father's court. He was exposed to domestic and international political events at an early age. He was only nine years old when the kingdom was officially founded. He accompanied his elder brother, Faisal, to the founding of the United Nations in San Francisco in 1945 and represented his country at the coronation of Queen Elizabeth II of the United Kingdom in 1953. Also in 1953, he became the first minister of education in the country's history. Since then, he has played a significant role in the modernization of the country. Under his supervision elaborate programs were launched to establish schools in all parts of Saudi Arabia and to encourage girls to enter



public schools. In 1962, he became minister of interior when a new cabinet was formed under Faisal.

### RISE TO POWER

The line of succession to the Saudi throne passes one by one through the sons of the late King Abdul Aziz in order of seniority unless someone gives up this right voluntarily. When a king takes over, he appoints the new crown prince and heir-apparent with the consultation of the senior princes of the royal family. Even the ascension of the crown prince to the throne is not automatic as the senior princes of the royal family must confirm this step. The Saudi royal family is highly secretive and the whole process is shrouded in mystery.

Prior to becoming king, Fahd was an active member of the royal family. At the age of 30, in 1953, Prince Fahd was appointed as the Kingdom's first education minister. He supported Faisal in his dispute with his eldest brother, King Saud, in the 1950s. In the ensuing power struggle, Faisal was successful. He was crowned king in 1964. Fahd's position was enhanced in the royal hierarchy as he was appointed second deputy prime minister in 1967. When Faisal was assassinated in 1975, Khalid Bin Abdul Aziz became the king and Fahd was appointed crown prince and first deputy prime minister. Due to Khalid's poor health not allowing him to actively pursue the state business, he delegated the actual conduct of government to Fahd. On Khalid's death in 1982, Fahd became the king and prime minister of the Kingdom of Saudi Arabia.

### LEADERSHIP

The cohesion of the royal family and the consensus-building process have enabled the family to survive. So far, disagree-

ments have not been highly divisive and the royal family has been able to present a united front. Although Crown Prince Abdullah and King Fahd have not agreed on all major policy issues, the ailing Fahd has gradually turned his powers over to Abdullah since 1997. By 1999, Abdullah was widely considered to be king in all but name. Whereas Fahd was regarded as a modernist, Abdullah, only two years younger than his brother, is regarded as conservative, with a strong sense of Arab and Islamic identity. Since 1962, he has been the commander of the national guard.

Since he advocates modernization, Fahd historically has had the support of the middle class. The middle class, however, lacks political leadership and does not possess the ability to organize an opposition movement. Religious and radical elements have been the most vocal opponents of the royal family. While radical Arab nationalists who were active in the 1950s and 1960s more or less lost their appeal, Islamic fundamentalists emerged in the 1970s, 1980s, and 1990s to challenge the regime. Islamic fundamentalists have criticized the royal family for its conspicuous consumption and privileges. Fahd has been a particular target due to his liberal and modern attitudes. Religious opponents demand strict observation of Islamic principles and rituals and see the process of development as leading the nation away from the pristine principles of Islam. The capture of the Grand Mosque (Kaaba) in Mecca by the Sunni Muslim extremists on the first day of the new Islamic century 1400 (November 1979) came as a surprise to the ruling family. In the past it regarded the Islamic opposition merely as an irritant devoid of serious political aspirations. On 12 May 2003, however, suicide bombers apparently linked to Osama bin Laden's terrorist network carried out attacks on three compounds where foreign workers live, killing 34 people and injuring dozens. The attacks forced the ruling family to confront the very real and dangerous threat posed by terrorists and religious extremists because they challenge the ability of the royal family to maintain a safe and stable society.

To neutralize Islamic activists and strengthen the religious basis of the ruling family, Fahd has taken various steps. He has adopted the title of the Custodian of the Two Holy Places. Islamic principles, such as the ban on liquor and segregation of sexes, are strictly enforced, and violations are severely punished. Increased funding has been allocated to religious educational institutions and the proportion of religious studies in secular educational institutions has been increased. In the 1990s, increased activity by radical Islamists prompted a government crackdown that included widespread temporary detention of Muslim fundamentalists and long-term detention of their most prominent leaders, including radical clerics Salman al-Audah and Safar al-Hawali. As of 2003, Fahd was forced to confront the fact that these measures were not enough to quell the rising threat from terrorists.

### DOMESTIC POLICY

Fahd's attitude for modernization has been seen most clearly in his political reforms. Beginning in March 1992, Fahd issued several decrees outlining the basic statutes of government, and codifying for the first time, procedures concerning the royal succession. He provided for the establishment of the Majilis al-Shura, a national consultative

council, with appointed members having advisory powers to review and give advice on issues of public interest. In September 1993, he issued additional reform decrees, appointing the members of the Majilis al-Shura and spelling out procedures for the new council's operations. He announced reforms regarding the Council of Ministers, including term limitations of four years and regulations to prohibit conflict of interest for ministers and other high-level officials. These reforms have been established as the "Basic System" of government. In July 1997, the membership of the Majilis al-Shura was expanded from 60 to 90 members, and again in May 2001 from 90 to 120 members. The role of the council is gradually expanding as it gains experience. Critics have seen the Basic System as an unwanted move toward Western-style democracy. Fahd and his government have called the developments a simple evolution of a more open relationship between the leader and his people.

The government is currently working through its seventh five-year development plan designed to allocate petroleum income toward transforming a relatively undeveloped, oil-based economy into that of a modern industrial state, while maintaining the kingdom's traditional Islamic values and customs. Although economic planners have not achieved all their goals, the economy has progressed somewhat rapidly. Oil wealth has increased the standard of living of most Saudis. Significant population growth, however, has strained the government's ability to finance further improvements in the country's standard of living. Heavy dependence on petroleum revenue continues, but industry and agriculture now account for a larger share of economic activity. The mismatch between the job skills of Saudi graduates and the needs of the private job market at all levels remains the principal obstacle to economic diversification and development. The seventh plan (2000-2004) focuses more on economic diversification and a greater role for the private sector in the Saudi economy. The government also has set a target of creating 817,300 new jobs for Saudi nationals.

## FOREIGN POLICY

Fahd's foreign policy professes a commitment to Arab unity, regional peace, and global community. Primary concerns have always been to maintain the kingdom's security and its paramount position on the Arabian Peninsula, to defend general Arab and Islamic interests, to promote solidarity among Islamic governments, and to maintain cooperative relations with other oil-producing and major oil-consuming countries. While Saudi Arabia has always maintained close relations with the West and particularly the United States, Fahd is considered to be more pro-West than other royal family members. Fahd took over as crown prince at a very crucial time. Since the October 1973 Arab-Israeli War, the oil embargo, and subsequent oil price hike, Saudi Arabia has emerged as a major actor in the international arena and is a leading power in the Arab world.

The Saudi government frequently helps mediate regional crises and supports the Israeli-Palestinian peace negotiations. Though Fahd is fully supportive of the Palestinian cause, he has presented peace plans calling for compromise that would indirectly recognize the legitimacy of Israel and protect freedom of worship for all religions in Jerusalem while providing for the creation of a Palestinian state. In March

2002, the Saudi government put forward a new peace proposal for the Palestinians and Israelis. Referred to as the "Beirut Declaration," the plan offered Israel normalized relations with the Arab states and a guarantee of peace and security in exchange for a full Israeli withdrawal from the territories occupied by Israel after the 1967 Arab-Israeli war, a "just solution to the Palestinian refugee problem," and Israeli recognition of a Palestinian state with its capital at East Jerusalem. Although the plan at the time was highly regarded, violence in Israel and the occupied territories increased in spring 2002, as the then-18-month-old al Aqsa intifada intensified.

Although Saudi Arabia actively supported Iraq during the war with Iran, it sided with the United States when Iraq invaded Kuwait in 1990, making a substantial contribution of arms, oil, and funds to the international coalition allied against Iraq. It also permitted foreign troops to be stationed on its soil, a decision at odds with its traditional policies.

In response to regional threats, Fahd has been actively involved in the formation of the Gulf Cooperation Council (GCC), which consists of Arab Gulf states in the Arabian peninsula. Saudi Arabia has had very close relations with the United States since President Franklin D. Roosevelt met with King Abdul Aziz. The United States has historically been a major supplier of arms to Saudi Arabia. The continued Arab-Israeli conflict, however, and growing domestic opposition in the United States to providing arms to Saudi Arabia have led the Saudis to find other arms suppliers, such as the United Kingdom and France. Still, Fahd is considered an advocate of close ties with the United States and during his reign the two nations have maintained very friendly relations. U.S. support increased following the Gulf War and Iraq's failure to comply with international pressure to disarm.

Due to the fact that 15 of the 19 hijackers involved in the 11 September 2001 terrorist attacks on the United States were Saudis, in addition to al-Qaeda leader Osama bin Laden, the United States placed pressure on Saudi Arabia to adopt counterterrorism measures. In addition, the U.S. placed pressure on Saudi Arabia to support its efforts to force Iraqi President Saddam Hussein from power in 2002-03. In February 2003, Saudi Arabia stated it would allow the use of the Prince Sultan air base, home to 5,000 U.S. troops, for the enforcement of a "no-fly" zone over southern Iraq, but not for offensive use in a war. The U.S.-led war in Iraq began on 19 March 2003, and by 9 April, Baghdad fell to U.S. troops (Basra and southern regions of Iraq had been secured by British troops). Following the end of the combat stage of the war in late April, the U.S. declared it was withdrawing its forces from Prince Sultan air base to be redeployed elsewhere in the Persian Gulf region. At the height of the Iraqi conflict, some 10,000 U.S. troops were at Prince Sultan air base, and they were being moved to Qatar's Al Udeid air base. The redeployment of U.S. forces from Saudi Arabia has been seen as a realignment of security commitments between the two countries, and a recognition of the high degree of anti-American sentiment among a large segment of the Saudi population. The degree to which geopolitical changes in the region might affect Saudi society—either in initiating a process of democratic reform or in solidifying Islamic conservatism—is an open question.

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# SENEGAL

## Abdoulaye Wade President

(pronounced “AHB-doo-li WAD”)



*“As an African, I take on the right to implicate myself in everything happening on the continent...I refuse to belong to this trade union of presidents. Mugabe or not Mugabe is not my concern. My concern is what the people of Zimbabwe wanted.”*

Located in West Africa, midway between Arab-Mediterranean North Africa and the tropical rain forest countries along the Gulf of Guinea, the Republic of Senegal covers an area of 197,161 sq km (75,750 sq mi). Senegal was originally colonized by the Portuguese, who were followed later by the French. The country gained its independence from France on 4 April 1960 and was declared a republic on 20 August of the same year.

The capital of Senegal is Dakar, which with one million inhabitants is one of the great seaports and industrial complexes of West Africa. As of 2002, Senegal's total population exceeded 10 million. When the Federation of French West Africa was formed, Dakar became the federal seat of government. The country is bounded by the Atlantic Ocean on the west, and separated from Mauritania to the north by the Senegal River. On the east it is bordered by the Republic of Mali, and on the south by Guinea and Guinea-Bissau. The independent, English-speaking state of The Gambia, straddling the Gambia River, penetrates into Senegal for over 320 km (220 mi).

The dominant ethnic group is the Wolof, who constitute about 43% of the population and whose language, Wolof, is widely spoken throughout Senegal. About 24% of the Senegalese are Pular, with the remainder belonging to other ethnic groups, including the Serer, the Jola, the Mandinka, and the Soninke. Ninety-two percent of the Senegalese are Muslim, with 6% practicing indigenous beliefs and the remaining 2% practicing Christianity. The national currency is the *Communauté Financière Africaine (CFA) franc*. Per capita gross domestic product (GDP) was estimated at US\$1,580 in 2001. Agricultural production includes peanuts, cotton, millet, sorghum, and rice. Fish are caught along the Atlantic coast.

### POLITICAL BACKGROUND

Senegal is a functional democracy with a strong presidency, prime minister, and a 120-seat national assembly. The 7 March 1963 Constitution was revised six times between 20 June 1967 and 24 April 1981. It was revised again on 7 January 2001. In the referendum, 94% of those voting approved Wade's revisions to the Constitution including a reduction in the presidential term of office from seven to five years; transfer of some powers from President to Prime Minister; abolition of the Senate; a reduction in the number of National Assembly seats from 140 to 120; and partial proportional representation for the Parliament with 65 seats

elected according to single member districts (first past the post) and 55 seats chosen proportionally from party lists. Wade will be allowed to serve a full seven-year mandate before the new term limits go into effect.

Senegal was part of the Confederation of Senegambia, lasting from 1982 to 1989. The treaty called for the integration of security systems, the military, and the economic and monetary systems of Senegal and The Gambia. For a variety of reasons the union failed, and Senegambia never existed beyond the treaty. Since December 1983, Senegal has been unsuccessful in resolving a separatist insurgency in the southern Casamance region. The conflict has at times involved neighbors Guinea-Bissau and The Gambia. In 1989, Senegal found itself briefly at war with Mauritania over border and resource issues, and in 1998 Senegal sent troops in support of Guinea-Bissau's now-exiled President Vieira.

Free and fair elections in February–March 2000 ended 40 years of Parti Socialiste Sénégalais (PS—Senegalese Socialist Party) rule, producing the first change of government in Senegal's history since independence. In legislative elections held on 29 April 2001, Wade's Parti Démocratique Sénégalais (PDS—Senegalese Democratic Party) won 89 seats, the Alliance des forces de progrès (AFP—Alliance of the Forces for Progress) 11 seats, and the former ruling PS took 10 seats.

In the municipal and local elections 12 May 2002, Wade's coalition, the Convergence des actions autour du Président en perspective du 21ème siècle (CAP 21) captured a majority of the 433 posts. The opposition joined forces under the Cadre Permanent de Concertation (CPC), which included the Parti de l'indépendance et Travail (PIT), the Parti Socialiste (PS), the Union pour le Renouveau Démocratique (URD) and Alliance des Forces de Progrès (AFP). They attacked the government for failing to privatize the electric utility, for bungling groundnut sector reforms, and for mishandling relations with unions and multi-lateral lending institutions.

### PERSONAL BACKGROUND

Abdoulaye Wade was born on 29 May 1926 in the town of Kebemer. He did his primary schooling in Kebemer and Saint Louis, followed by middle school in Sebikotane at William Ponty, and high school at Van Vollenhoven in Dakar. He received a scholarship to study elementary and advanced math at Lycée Condorcet (High School) in Paris. After his college studies at Besançon, France, he earned his doctorate in law and economics. It was in Besançon that Wade met Viviane Vert, a student of philosophy. Both were involved in



student union organization in 1952. They married several years later and have a son, Karim, and a daughter, Sindjeli.

Wade worked as a barrister for a few years in Besançon before returning to Senegal where he opened his own law firm and began teaching courses at the University of Dakar. He became a permanent faculty member in the law school and department of economics, and later served as dean of the law school. His many professional activities include his econometrics research at Boston University, lecturing in the faculties of law and economics at Paris II, and consulting for the OAU and the African Development Bank. He is a member of the Stockholm-based International Academy of Comparative Law. Wade has been awarded the French Legion of Honor.

Wade's love of soccer was rewarded in February 2002 when Senegal came in second in the Africa Nations Cup, losing to Cameroon in the championship game in Bamako. In his younger days, he enjoyed riding horseback, and in his student years collected classical, jazz, and blues music. He played the violin and guitar at William Ponty and Sebikotane. His favorite poet is Clement Marot, a French author from the middle ages, and among his favorite books is Benoist-Mechin's biography of the Emperor Julian. Wade is fluent in Wolof, French, and English.

## RISE TO POWER

Abdoulaye Wade had always dreamed of becoming president of Senegal. Until joining the pan-Africanist movement of Joseph Ki-Zerbo, however, and then working for the party that eventually became the PS, his intentions were to inspire others to that role. Indeed, the culmination of his teaching,

law practice, and his work with student unions and political parties convinced him to create his own party. In 1974, President Senghor recognized the legality of Wade's PDS, Senegal's first opposition party, marking Senegal's entry to multi-party politics.

In 1978, Wade was elected parliamentarian on the PDS ticket and reelected in 1983. He was defeated for the presidency in 1978, 1983, 1988, and 1993. Though he considered the 1988 and 1993 elections "stolen" by Abdou Diouf, he twice held the post of minister of state in Diouf's government, from April 1991 to October 1992 and from March 1994 to 1998. In 1994 he was charged with complicity in the murder of constitutional court vice president Boubacar Seye. He was also arrested for inciting the 1994 Dakar riots, but in both cases he was acquitted.

In October 1999, Wade returned to Dakar after more than a year of absence. He was met by an estimated one million supporters and given a similar reception in St. Louis. In March 2000, he became Senegal's third president, winning 58% in the second round to defeat Abdou Diouf. This historic victory marked Senegal's second peaceful transfer of power, and its first from one political party to another.

## LEADERSHIP

Wade's pursuit of the presidency for 26 years is a tribute to his perseverance and tenacity. Senghor nicknamed him 'Diombor' (hare in Wolof) for his agility and durability. His trademark is his shaved head, which adds to his mystique as the iconoclast of Senegalese and African politics. In the 1980s, he coined the word *sop* (change in Wolof), which became the PDS slogan and rallying cry for Senegalese youth in the 2000 elections. He is a great speaker, and unafraid of criticism, which he draws frequently because of his impulsive, didactic style. Indeed his frankness and single-mindedness are sometimes mistaken for arrogance.

In the 2000 presidential campaign, Wade endeared himself to the youth and elderly. He became known by the press as "General Wade" and "Président de la rue publique" (literally, president of the public streets) because he often could be found on the streets talking with young voters. He urged youth to be active in developing the country and building a democratic society. He demonstrated his capacity for warmth and respect by announcing a 15-day mourning period to remember Léopold Senghor, the country's first president who died in December 2001 at the age of 95.

Wade has declared his right as an African to intervene in matters around the continent. Indeed, he takes great interest in African events, having served as Diouf's emissary to Zaire where he attempted to mediate differences between Mobutu and the opposition. He also interceded with General Sani Abacha for General Obasanjo's release from prison, and with President Lansana Conté of Guinea for Alpha Condé's release from prison. In December 2001, he took over as head of the Economic Community of West African States (ECOWAS), and the Union Economique et Monétaire Ouest-Africaine (UEMOA). In April 2002, Senegal hosted an international conference on the New Partnership for Africa's Development (NEPAD). He is a committed liberal and pan-Africanist, who advocates a federation of West Africa, albeit without Nigeria.

Wade's record over his first three years in office has been mixed. Strikes by postal workers, bank employees, and teachers testify to social unrest and unmet wage and benefits demands. His government's delay of local elections in the fall of 2001 and the replacement of elected officials with appointees (*délégations spéciales*) were widely criticized. Wade's government, however, released a poverty reduction strategy paper (PRSP) on time, and reduced the budget deficit, which relieved tensions with the IMF. As promised during his campaign, he was pushing ahead on the building of pre-schools throughout the country.

### DOMESTIC POLICY

Abdoulaye Wade inherited a public larder nearly bare, and a government apparatus beset by corruption. Between 1988 and 1992, Senegal lost some 9,000 jobs due to structural adjustment, and urban unemployment rose to levels between 20% and 30%. After three years in office, his record in meeting these challenges has been mixed.

The IMF has been less than satisfied with the government's performance in meeting key commitments, especially in privatizing Senelec and groundnuts production, both heavily state-regulated, and indebted. Based on Senegal's highly participatory poverty reduction strategy paper (PRSP), however, which was submitted on schedule to the IMF and the World Bank in December 2001, and given Wade's acceptable economic record, the IMF was expected to offer a new three-year poverty reduction and growth facility (PRGF) by mid-2003. In addition, reforms of the groundnut and energy sectors were aimed to help Senegal to reach the completion point under the heavily indebted poor countries (HIPC) initiative in the second half of 2003. Approximately 80% of the population is employed in agriculture, and Wade has insisted that he will not privatize Senelec until he receives an offer he considers to be in Senegal's favor. Following a disappointing economic performance in 2002, real GDP was expected to grow by 6.3% in 2003 and 5.9% in 2004 owing to a rapid recovery of agricultural output, robust expansion in mining and manufacturing, and the beginning of large infrastructure works.

In terms of political reforms, Wade announced in his New Year address that he would create an Anti-Corruption Commission and an Advisory Council of the Republic. This announcement followed a cabinet reshuffle in November 2002, which included the appointment of Idrissa Seck, the deputy in Wade's PDS, as prime minister. Seck's appointment marks the first time since March 2000 that both the president and prime minister are from the same party. Seck gave a well-received policy speech to Parliament in February 2003 that offered a number of economic and social initiatives to curb rising unemployment and to raise rural incomes, issues that have largely gone unresolved despite Wade's earlier pledges. Some of the policy drift could be explained by the traumatic sinking of the ferry *Joola* in September 2002 where some 1,800 lives were lost. On the other hand, the tragedy resulted in Cabinet shake-ups as Wade sought to limit the political damage from the overloaded ferry.

A persistent challenge for Wade is to move his domestic policy agenda ahead while fending off potentially damaging public backlash and social unrest over the slow pace of devel-

opment. In the run-up to the 12 May 2002 local elections, Wade's critics in the *Cadre Permanent de Concertation* (CPC) criticized his government as corrupt, nepotistic, and opaque, neglectful of rural populations, and unresponsive to unmet student grievances. To offset the unpopularity of privatization reforms and the unresolved war in Casamance province, Wade seeks to jumpstart the economy and has promised increases in the investment rate of 20% in 2003 and 25% over the next three years.

### FOREIGN POLICY

Abdoulaye Wade brings to his job considerable experience gained as former President Diouf's minister of state. He has extensive contacts across the continent from Colonel Khaddafi to Denis Sassou-Nguesso. Following the March 2002 Zimbabwe elections, he was the sole African head of state to condemn Mugabe for his handling of the elections. Wade is one of four African leaders to champion the New Partnership for Africa's Development (NEPAD) initiative, which features African ownership of development, and equality with donor-partners in exchange for African peer review of governance practices.

In the sub-region, Wade continued dialogue with Gambian President Yahya Jammeh, and with President Yala of Guinea-Bissau over transport, security at the border, and mediation in the Casamance conflict. Gambia estimates that about 5,000 Casamançais have sought refuge within its borders, while in Guinea-Bissau the number has been put at 6,000. In March 2002, a Senegalese delegation met with leaders of the *Movement Des Forces Démocratiques de Casamance* (MFDC) to reestablish their commitment to peace negotiations, but fighting has resumed intermittently. In March 2003, a spokesman for the MFDC claimed that he knew of no concrete proposals by Wade to resolve the 20-year old conflict, while on the ground the Senegalese army continued to conduct mop-up operations. Upon taking office over three years ago, Wade had promised to end the fighting within three months. To the north, Mauritania has periodically expelled Senegalese citizens, most recently over a plan to dam the Senegal River, which Mauritania claimed would seriously reduce its water levels. The plan was withdrawn. The state railroad companies of Mali and Senegal have begun to examine bids from private companies to operate the Dakar-Bamako railway.

Wade has proven himself a tough customer with the West. At the end of December 2001, the government chased all European ships out of Senegalese waters to manifest its complaint about EU overfishing. Senegal was the sole Francophone African country to be visited by Tony Blair, British prime minister, during his February trip in 2002 during which Blair promised to support NEPAD proposals at the G-8 meeting in Montreal in June 2002. Wade visited London in January 2003, where he expressed his renewed commitment to the tenets of NEPAD. In March 2002, French cooperation minister Charles Josselin visited Dakar and reiterated France's support to Senegal for debt relief. Seventy-five percent of foreign investment in Senegal comes from France, and 22,000 Senegalese are employed by 130 French companies operating in Senegal. Under the Africa Growth and Opportunity Act (AGOA), Senegal is eligible to

sell the US some 1,900 products from hair braids to agricultural goods.

Although Wade is no longer the chairman of UEMOA and of ECOWAS, he is expected to continue to be actively involved in negotiating peace between rebel groups and the Gbagbo government of Côte d'Ivoire. Senegal has sent troops there as part of an ECOWAS peacekeeping force. As highlighted during Wade's visit to London in January, he will remain one of the most active supporters of NEPAD. Senegal is a member of the UN, the African Union (AU), the World Trade Organization (WTO), NEPAD, and the Organization of the Islamic Conference (OIC).

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**Profile researched and written by Robert J. Groelsema (6/2000; updated 5/2003).**

# SERBIA AND MONTENEGRO

Svetozar Marovic  
President

(pronounced “SVET-oh-zahr MAAR-oh-vitch”)

*“By adopting European rules of living and political activities, we will make the best contribution to resolving problems in the region, such as the problem of Kosovo, which must be resolved strictly through dialogue and with the help of the international community....[T]he time of sabre-rattling, ethnic conflicts and wars in the Balkans is definitely over.”*



Serbia and Montenegro is made up of the republics of Serbia and Montenegro, and is one of the five successor states to Tito's Socialist Federal Republic of Yugoslavia. It borders on Bosnia-Herzegovina and Croatia to the west; Hungary to the north; Romania and Bulgaria to the east; and Albania and the Former Yugoslav Republic of Macedonia to the south, with a 100 km (62 mi) shoreline on the Adriatic Sea. Serbia and Montenegro covers an area of 102,350 sq km (39,517 sq mi).

Serbia and Montenegro's population was estimated at 10,656,929 in 2002. The major ethnic groups include 63% Serbs, 17% Albanians, 5% Montenegrins, 3% Hungarians, 3% Slavic Muslims, and 9% various other nationalities. The official language is Serbian, written with the Cyrillic alphabet. The population is Eastern Orthodox Christian (65%), with Muslim (19%) and Roman Catholic (4%) minorities.

The official currency in the Serb Republic is the new Yugoslav *dinar*. In Montenegro the euro is legal tender, and in Kosovo both the euro and the Yugoslav dinar are legal. The per capita gross domestic product (GDP) was estimated at us\$2,370 in 2002.

## POLITICAL BACKGROUND

After World War I the Serbian kingdom joined with the kingdom of Montenegro and the Austro-Hungarian lands inhabited by Slovenes, Croats, Slavic Muslims and Serbs. A new state of South Slavs (Yugoslavia) was formed, ruled by an authoritarian Serbian king and dominated by Serbia. When World War II broke out, the Axis powers dismembered Yugoslavia. Much of the territory of Serbia and Montenegro was divided among neighboring German allies.

Following World War II, with the victory of Josip Broz Tito's Communist partisans over the Germans and the local forces loyal to the Serbian king, a new country was formed, with six constituent republics. Tito became the nation's president in 1953 and had himself declared president for life under a revised Constitution ten years later. After Tito's death in 1980, Yugoslavia adopted a rotating presidency to defuse tensions between its multiple ethnic groups, but these tensions ultimately resulted in the breakup of the country and declarations of independence by the constituent republics of Croatia, Slovenia, Macedonia, and Bosnia and Herzegovina, leaving a "rump Yugoslavia" composed solely of Serbia and Montenegro. In 1992 these two republics proclaimed a new Federal Republic of Yugoslavia.

Hostilities in the region continued into the 1990s. In October 1995, peace talks sponsored by the U.S. government and held in Dayton, Ohio, resulted in the Dayton peace accord, signed by the presidents of Serbia, Croatia, and Bosnia. The terms called for an end to the fighting in Bosnia, and the installation of 60,000 United Nations (UN) peacekeeping troops. But the accord did not bring peace, and sporadic fighting continued throughout the region. The major flare-up in the succeeding years was the Kosovo crisis of 1998–99, resulting from the persecution and forced expulsion of the majority Albanian population in the province of Kosovo triggered international intervention, with intensive bombing of Serbia by North Atlantic Treaty Organization (NATO) forces in the spring of 1999. After 78 days of bombing, the Yugoslav generals signed an agreement with the NATO generals for the withdrawal of Serbian troops from Kosovo. Peacekeeping forces from NATO remained in Kosovo as of 2003. Meanwhile, the International War Crimes Tribunal of the United Nations, based in The Hague, Netherlands, brought charges against Serb generals and Bosnian leaders involved in atrocities against Albanians in Kosovo. Yugoslav president Slobodan Milošević was indicted for his role in the Kosovo atrocities in 1999; other indictments later included war crimes carried out in Bosnia and Herzegovina from 1992–95. He called for presidential elections early, in October 2000; in balloting that was followed by charges of manipulation by Milošević's camp and massive public demonstrations, Vojislav Koštunica won the presidency. Milošević's trial in The Hague began in February 2002.

In March 2002, the Republic of Serbia and the Republic of Montenegro consigned the Federal Republic of Yugoslavia to history and created the loose federation "Serbia and Montenegro" on 4 February 2003. Both republics share defense and foreign policies, but maintain separate economies, currencies (the dinar for Serbia and the euro for Montenegro), and customs services for the immediate future. Each republic has its own president and parliament, with a central 126-member Parliament located in Belgrade (Serbia sends 91 members to Parliament, and Montenegro sends 35). The president of the union is elected by Parliament for a four-year term, and nominates members of the Council of Ministers. The president also appoints the prime minister. The Constitution of Serbia and Montenegro allows each of the two republics to hold independence referendums in 2006.



On 7 March 2003, Svetozar Marovic was elected the first president of Serbia and Montenegro.

### PERSONAL BACKGROUND

Svetozar Marovic was born on 31 March 1955, in Kotor, Montenegro. He graduated from Podgorica's Law School. He also led the youth movement in Montenegro, before becoming one of the founding members of the Montenegrin Democratic Party of Socialists. He also served as mayor of Budva.

In addition to his political career, Marovic has written for many newspapers and magazines, including *Ideje*, *Praksa*, *NIN*, and *Pobjeda*, and is the author of the book *Vreme Iskusenja* (Time of Trial). He is responsible for founding many cultural festivals, including theater and poetry readings. He speaks English and Russian. Marovic is married, and he and his wife have two children.

### RISE TO POWER

Marovic became a member of the Montenegrin Parliament in 1990, and from 1993–99 was parliamentary speaker. He was named chairman of the Montenegrin Parliament's commission for foreign affairs in 1999. One of the founders of the Montenegrin Democratic Party of Socialists (DPS), he became the party's vice-president. Marovic won 65 of the 126 seats in Serbia and Montenegro's Parliament in the 7 March 2003 vote; 46 of his electors were Serbian members of Parliament, and 19 Montenegrin.

### LEADERSHIP

Seen as a moderate, one commentator described Marovic as one "who is loath to express himself unequivocally; he likes best to take a middle road." Many see this quality as benefiting Serbia and Montenegro's union. After years of political turmoil, a moderate may guide Serbia and Montenegro to a more stable and prosperous future. In his inaugural address, Marovic labeled the agreement to unify the two republics as "the first democratic agreement between Serbia and Montenegro ever," and stated that faith in the country would be linked to the quality of its citizens' lives, and not to the will of politicians.

### DOMESTIC POLICY

Serbia and Montenegro's economic issues remain daunting and probably the first priority among domestic problems. The economic health of Serbia and Montenegro is linked to that of the entire Balkan region. Following the handing over of Milošević to the war crimes tribunal in The Hague, the United States, European Union (EU), and the World Bank pledged us\$1.3 billion to help rebuild the former Yugoslavia's economy, which was ravaged by war. Serbia and Montenegro is in debt to the tune of around us\$12 billion, and needs to attract foreign direct investment. Money is needed to rebuild roads and bridges, and to pay the salaries of teachers, doctors, and other state workers. Although there has been a degree of recovery in the country, much of the economy was still operating at only 50% capacity in 2001. However, despite slow progress in privatization and the effects of the global economic downturn, in 2003 economic growth was projected to be around 4.5%.

The union of the Serbian and Montenegrin republics as the state of Serbia and Montenegro in 2003 has done much to dash the separatist hopes of Kosovar Albanians in the immediate future. Although operating under a fair amount of local autonomy, Kosovo is still governed by the UN Interim Administration Mission in Kosovo (UNMIK), and is dependent upon the international community for financial and technical assistance; UNMIK also collects taxes and manages the budget. Even though the Serbian and Montenegrin republics are allowed to hold referendums on independence in 2006, most observers do not expect Kosovo to attempt to unite with Macedonian Albanians to form a separate state.

Serbia and Montenegro still faces the problem of corruption in society, as many of Milošević's cronies still hold positions of power in government and business.

Marovic will preside over Serbia and Montenegro's move toward political and economic stability. The fact that he is a Montenegrin tempers traditional Serbian dominance of the region.

### FOREIGN POLICY

In April 2002, only three years after NATO's 78-day bombing campaign against the former Yugoslavia, the country initiated steps toward joining a program called the NATO Partnership for Peace Program. The program permits a country to participate in certain NATO activities for military cooperation without becoming a NATO member—although eventual membership is understood as a goal. As of May 2003, Serbia and Montenegro still desired accession to the Partnership for Peace.

The fact that Milošević is standing trial for crimes against humanity in The Hague has done much to enhance Serbia and Montenegro's standing with the international community. There is pressure on the country to arrest and bring to trial other individuals indicted for war crimes committed in the former Yugoslavia. The degree to which Marovic can facilitate the redress of past injustices in Serbia and Montenegro will be a test of his leadership.

Serbia and Montenegro is taking part in the EU's Stabilization and Association process—a framework by which assistance, technical advice, trade preferences, cooperation in the fields of justice and domestic affairs, and political negotiations prepare the country for closer economic and political association with the EU. Montenegro became the de facto thirteenth member of the euro zone when it adopted the currency in January 2002.

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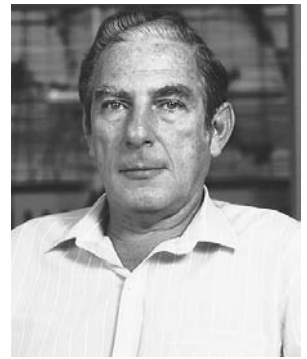
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Profile researched and written Jeneen Hobby, Ph.D. (5/2003); sections contributed by V. P. Gagnon, Jr., Ithaca College (3/1998).

# SEYCHELLES

## Albert René President

(pronounced “all-BEHR ruh-NAY”)



*“The rights of the majority come before the rights of the individual.”*

The Republic of Seychelles is an island chain in the western Indian Ocean, located 1,600 km (1,000 mi) off the East African coast. The southernmost of its 115 islands is only 210 km (130 mi) north of Madagascar. The second-smallest country in Africa, Seychelles has a total area of 455 sq km (176 sq mi). Mahd is the principal island, where about 80% of the population resides. It is also the site of the capital city, Victoria.

In 2002, the population was estimated at 80,000. The official languages of the nation are Creole, English, and French; though more than 90% of the people speak Creole. The major ethnic group is Seychellois, a mixture of Asian, African, and European stocks. Roman Catholics make up 90% of the population, with Anglicans accounting for an additional 8%.

In Seychelles, the public sector drives the economy, accounting for more than 50% of GDP. The government controls the importation, licensing, and distribution of virtually all goods and services, and exercises significant control over all phases of the economy. In 1996, tourism employed 30% of the labor force, and provided over 70% of foreign exchange earnings. Agriculture and fisheries account for about 2.4% of GDP (2000). Crop production is limited by mountainous terrain and low soil fertility and consists mainly of coconuts, vegetables, bananas, and spices. The primary exports are copra (dried coconut meat), fish (processed and unprocessed), and cinnamon bark. Main imports include refined petroleum products and machinery. The 2001 GDP was estimated to be US\$605 million. The unit of currency is the Seychelles rupee, with 5.64=US\$1.00 (2002). Owing to high adult literacy, life expectancy, and purchasing power parity, Seychelles ranks first on the UN human development index (HDI) for sub-Saharan Africa.

### POLITICAL BACKGROUND

The uninhabited Seychelles Islands were discovered by the Portuguese explorer, Vasco da Gama in 1502. The French first claimed the islands in 1756, but colonization did not begin for another 12 years. The name Seychelles derives from the Vicomte des Seychelles, a finance minister under Louis XV of France. As competition grew among European nations for the lucrative trade with India and the Indies, more seamen called at the islands to provision their vessels and to pick up commodities useful for trade. The French and British fought for control of the islands between 1793 and 1813. In 1814, the Seychelles were ceded to Britain and administered as a

dependency of Mauritius until 1903, when they became a crown colony.

Seychelles gained independence in 1976, following a constitutional conference held in London. Its current legal system is based on English Common Law and the Napoleonic Code. The 1979 Constitution called for a president and National Assembly to be elected for five-year terms but under the control of a single party, the Seychelles People's Progressive Front (SPPF). In 1993, a new Constitution provided for multi-party elections. Under this revised Constitution, the 33-seat National Assembly is elected under universal suffrage using a combination of direct election for 25 seats (the recipients of the highest votes) with eight seats allocated under proportional representation.

In 1993 elections, the SPPF took 27 seats, the Democratic Party (DP) won five seats, and the United Opposition Party won one seat. General elections were called before the end of the normal term in March 1998 with René winning by a landslide. The SPPF extended its majority in the National Assembly to 30 seats, the Seychelles United Opposition Party (now the Seychelles National Party—SNP) captured three seats, and the DP one seat. In August 2001 elections, René again defeated his opponents, this time by only 54.19%, and in National Assembly elections in December 2002, the SPPF captured 23 seats to 11 for the SNP.

### PERSONAL BACKGROUND

France Albert (or Albert as he is commonly known) René was born in Seychelles on 16 November 1935 to Price and Louisa (Morgan) René. He attended St. Louis College in the capital city of Victoria and Seychelles College. After being educated for the priesthood in Switzerland, René went to Britain where he studied law at St. Mary's College in Southampton and King's College at the University of London. He completed his studies in 1957 and practiced law in Victoria until 1964.

### RISE TO POWER

René has had a long history in Seychellois politics. He worked with the British Labour Party until 1964, when he founded and led the Seychelles People's United Party (SPUP). The party originally adopted socialist policies, advocating the nationalization of key economic sectors, though it also espoused the views of the Catholic Church on social issues.

Prior to independence, the British government worked closely with René and other Seychellois politicians in formulating a new constitutional structure. They created an interim



government consisting of a prime minister, a House Assembly, and a cabinet. Elections were held in 1974, with controversial results. The two political parties were the Seychelles Democratic Party (SDP), led by James Mancham, and the SPUP, led by René. Although the SDP's margin of victory was less than 2,000 votes, it received 13 of the total seats in the House Assembly.

During a 1975 constitutional conference in London, the two parties agreed to form a coalition government. The British then appointed a commission to investigate the electoral system, which the SPUP had claimed was unfair, and appointed Mancham to serve as interim prime minister. René assumed the post of minister of works and land development, a position he held from 1975 to 1977.

In 1976, the British and Seychellois leadership agreed to a new Constitution, which took effect on 29 June, with Mancham as president and René as prime minister. The new government lasted one year. In June 1977, SPUP supporters seized power in a bloody coup d'état while Mancham was in London. The SPUP then invited René to assume the presidency. Although René denied any involvement in the coup, it was widely assumed that he was behind the event.

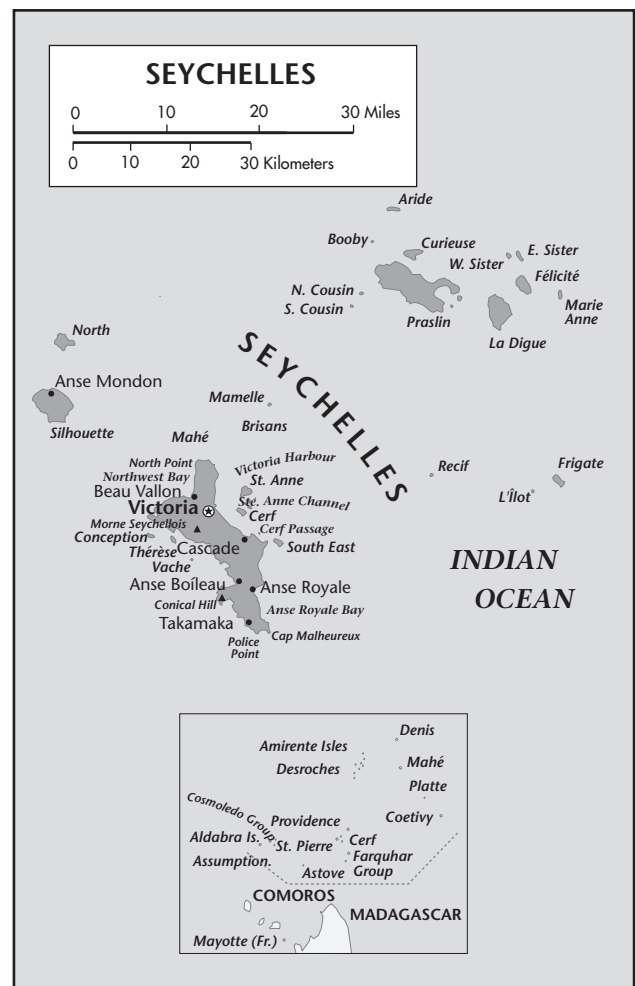
## LEADERSHIP

René has ruled for 25 years with a mix of populism, paternalism, and power. His cabinet and party lieutenants call him "The Boss." In 1979, René installed a new Constitution that placed all political power in the hands of the SPUP (renamed the Seychelles People's Progressive Front or SPPF), setting up a single-party state. Under the terms of the 1979 Constitution, he was reelected in 1984 and again in 1989.

International pressure forced the elaboration of a new Constitution in 1993. Multi-party elections were held and won by René and his party. In January 1998, sensing a shift in political sentiment towards the opposition, René surprised his opponents by calling early elections for March 22, which gave him his second of three possible consecutive five year terms allowed by the 1993 Constitution. René received 66.7% of the vote to 19.5% for Wavel Ramkalawan of the United Opposition Party and to 13.8% for Mancham of the Democratic Party. The United Opposition Party's election platform called for greater equity in representation and criticism of the SPPF's use of state welfare programs to generate electoral support. The United Opposition Party replaced the Democratic Party as the primary party of opposition, and despite his large margin of victory, popular support for René and the SPPF appeared to be in decline.

In an attempt to convince investors of Seychelles' stability, René called presidential elections two years early for 31 August 2001. Winning only 54.19% of the vote, the erosion of his popularity was confirmed. Ramkalawan running as the Seychelles National Party (SNP) candidate obtained 44.95%. Alleging fraud, Ramkalawan appealed to the Constitutional Court to nullify the ballot, but was rejected. In parliamentary elections in December 2002, the SPPF saw its majority narrowed considerably, winning 23 seats against 11 seats for the SNP leaving the SPPF one vote short of a two-thirds majority.

Earlier rumors about the ill health of René now appear unfounded, but the transfer of power from René to his vice president, James Michel, is likely to remain unaffected.



Although cronyism and nepotism in René's government have long fueled a growing skepticism about René and the SPPF, voters seem to prefer the 'devil they know' to the one they do not.

## DOMESTIC POLICY

In the years between independence in 1976 and the 1993 Constitution, René espoused a socialist ideology with state control of key economic resources. Though the Seychelles enjoyed the highest per capita income in Africa, the domestic economy showed negative growth in the mid-1990s. In 1995, René announced the creation of the Seychelles International Trade Zone (SITZ), an attempt to attract foreign capital and to develop an off-shore sector that would supplement tourism and fisheries as the primary foreign exchange earners of the national economy.

In November 1995, René proposed the controversial Economic Development Act (EDA). For an investment of at least \$10 million, the EDA gave immunity from extradition or seizure of assets to foreigners. Great Britain and the G-7 members complained to René that the Act was tantamount to encouraging trafficking and money laundering. In 1996, an Economic Citizenship Program gave foreigners Seychellois nationality in exchange for payments of \$25,000. Under domestic and international pressure, the government

rescinded the EDA, but external investors have remained skittish of the government's extensive control of the economy, and wary of the administration's commitment to clamp down on tax evasion and other illegal practices.

One issue confronting René has been the chronic shortage of labor. Enterprises such as the Indian Ocean Tuna Company (IOT) have had to import labor for its fish processing plant in Victoria. The first group of workers for this facility arrived from Sri Lanka in 1998. Presently IOT hires workers from Philippines, Thailand, Kenya, and Madagascar. The cannery has pressured foreign employees to accept wages as low as \$120 per month due to lower catches in 2002. Local employees earn \$350/month.

Owing to the 11 September 2001 attacks and a more than 15% decrease in tourism, real GDP growth in 2002 was around 0% showing only slight improvement to 0.5% in 2003 and expected to rise to 1.5 in 2004. Inflation was 2% in 2003 and was projected to rise to 4.0% in 2004. Record high tourist numbers in 2002 reached 132,000, but well off-track to reach the 180,000 target set for 2005. Slow economic growth has been attributed to the government's reluctance to adopt market reforms. In addition, the budget deficit doubled in 2002 owing to increased spending running up to the December elections. Off-shore manufacturing has progressed slowly, and a dockworkers' strike threatened to incapacitate the Hunt Deltel Shipping Agency, which may lose \$1.2 million a month in tuna business. In other developments, the preferential treatment that Seychellois tuna exporters receive from the EU market was threatened by appeals from Thailand and the Philippines to the WTO against EU tariffs on their tuna. Seychelles is a member of the Asia, Caribbean, and Pacific (ACP) countries, which have tariff-free access to the EU market.

René's government has attempted to remedy its lackluster performance by putting forward a five-year macroeconomic plan. Two key goals of the plan are to finance capital improvements, and to enhance competitiveness in order to free up foreign exchange reserves.

## FOREIGN POLICY

Seychelles' foreign policy was shaped in the Cold War era and by its strategic position in the Western Indian Ocean. In his first decade and a half as president, René chose to follow a policy of nonalignment. He deliberately tried to distance Seychellois politics from both Western and Eastern influence. René called for a reduced superpower presence in the Indian Ocean by urging the U.S. to remove its Diego Garcia base. During this period, strong ties were retained with the USSR, Cuba, Angola, North Korea, and Tanzania.

In the post-1990 period, Seychelles has improved its relations with the U.S. and Western Europe. In January 1998, the European Development Fund announced that it would finance a \$2.7 million waste processing plant, signifying a

new economic relationship with Western development agencies. In 2002 Seychelles was set to receive a \$3.6 million EU grant over five years, 85% of which was for solid waste management. The Japanese have also taken a greater interest in the islands, committing \$25-\$30 million per year to finance Seychelles' fishing sector beginning December 2001. While Seychelles does not qualify for Japan's International Cooperation for Africa Fund, which is designated for Africa's poorest 40 countries, Seychelles still provides Japan with permissive policies on whaling in the Indian Ocean. Seychelles exports mainly to the UK, France, Italy, and Germany, and imports mostly from the US, France, Saudi Arabia, South Africa, and Spain.

In January 2002 the UN barred Seychelles—and 19 other states—from voting in the General Assembly until its unpaid arrears to the organization were settled. Seychelles has argued that dues calculated on GDP per head disadvantages it because of its small size. In the case of the Southern Africa Development Council (SADC) for example, Seychelles was granted dues of \$240,000 instead of \$600,000 annually. The René government may also be faced with an international law suit over its failure to pay the Commonwealth Development Corporation (CDC) its outstanding debts. The government would likely pay off its debt if the matter threatens investor confidence.

In January 2003 Seychelles hosted a SADC meeting of the Interstate Defense and Security Committee (ISDSC) chaired by Tanzania's Major-General Frances Louis. The Seychelles People's Defense Force (SPDF) has maintained close defense relations with Tanzania since René's 1977 coup. Seychelles is also a member of the Common Market for Eastern and Southern Africa (COMESA), but has not joined COMESA's free-trade area launched in 2000.

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Profile researched and written by James C. McCann, Boston University (6/1998); updated by Robert J. Groelsema (5/2003).

# SIERRA LEONE

Ahmad Tejan Kabbah  
President

(pronounced "ah-MAD TAY-jun KA-ba")

*"My duty is to serve the entire population of Sierra Leone, which means that no one religious or tribal group, and no one section of our population can lay claim to preferential treatment from my administration."*



The Republic of Sierra Leone is located on the coast of West Africa, bisected by the 8th degree of latitude. It is bordered by Guinea on the northwest and northeast, and by Liberia on the southeast. The country's total area of 71,740 sq km (27,699 sq mi) is characterized by dense rainforests in the south, coastal lowlands in the west, and a steep escarpment rising to a rugged and hilly interior in the east. The largest city is the capital and principal port of Freetown.

The total population was estimated at 5.6 million in 2002. The official language is English, though Krio (a combination of English, Yoruba, and other West African languages) is widely spoken. Of the 16 ethno-linguistic groups found in Sierra Leone, the northern Mende and southern Temne are the largest, with about one million members each. Descendants of repatriated and "recaptured" ex-slaves, known as the "Krio" (Creole) dominate the area around the capital. Most Creole descendants are Christians, and many northerners are Muslims, with a large number of the remaining population practicing traditional religions.

The official currency is the *leone*. Before rebels damaged mine installations in 1995, Sierra Leone produced 25% of the world's natural supply of rutile (an important component in paints and non-stick cookware), which was Sierra Leone's leading foreign exchange earner. Efforts are underway to restore and expand rutile operations in the country. The ban on the direct and indirect importation of all rough diamonds from Sierra Leone, excepting rough diamonds exported under the government's Certificate of Origin scheme, is in effect till mid-2003. Sierra Leone is also rich in bauxite, gold, and iron ore, with potential deposits of oil and gas off the coast. Coffee, cocoa, palm kernels, and rice represent the primary agricultural exports. With a GDP at market prices of US\$836 million and an annual per capita income of US\$156, Sierra Leone is one of the world's poorest nations. For successive years it has been ranked 174th out of 174 countries on the Human Development 'Quality of Life' Index.

## POLITICAL BACKGROUND

The modern state of Sierra Leone has its origin in the settlement at Freetown of some 400 free blacks from England in 1787. This group was joined in the 1790s by free blacks from Nova Scotia and Jamaica. With backing from prominent British Abolitionists, the settlement grew and became a British colony in 1808. Over the next four decades, the original settlers were joined by some 40,000 "recaptives"—the cargo of slave ships intercepted by the British

Anti-Slaving Squadron in operation along the West African coast. Thus, from its earliest years, Sierra Leone was one of the world's great cultural melting pots. The "Creoles," as the settlers came to be known, drew upon their knowledge of West Africa, Europe, and the New World to become influential merchants in the "legitimate" trade that developed in the period after the slave trade. Creole missionaries were instrumental in the spread of Christianity throughout West Africa. During the 19th century, Sierra Leone developed into one of the region's intellectual centers. Newspapers printed in Freetown were read throughout West Africa. The Four Bay Teacher Training College was established in 1827, and in 1876 achieved University College status.

In 1896, the British declared the interior to the north and east of Freetown to be a British protectorate. The Creole population continued to play an influential role in the affairs and civil service of the colony up to the end of World War II. In 1951 a new unitary Constitution, which granted universal adult suffrage, politically empowered the region's indigenous ethnic groups. Elections in 1953 and 1958 saw victory for the largely Mende-backed Sierra Leone Peoples Party (SLPP), with the party's leader, Milton Margai holding the positions of chief minister and prime minister, respectively. On 27 April 1961, Sierra Leone was granted independence within the British Commonwealth, with the SLPP still in power. In 1967, the All-Peoples Congress (APC), under the leadership of Siaka Stevens, succeeded in defeating the SLPP at the polls. A military coup prevented the APC from taking immediate control of the government. Within a year, however, a counter-coup displaced the military government and placed Stevens and the APC in power.

The 1970s were a decade of declining national revenues and growing corruption within the government. Stevens' regime survived a coup attempt in 1971 and in June of 1978 re-wrote the Constitution to accommodate a new system of one-party rule under the APC. The early 1980s saw continuing economic decline and growing political strife, with violent clashes with workers and students becoming commonplace. In 1985, Stevens retired and Joseph Saidu Momoh (who was then a cabinet minister and head of the armed forces) was nominated as the sole candidate for president. Running uncontested, he received 99% of the vote. Momoh's acceptance of IMF austerity programs did little to improve the country's economic situation and caused considerable hardship among the poor. Momoh launched several highly-publicized anti-corruption campaigns, but these were



frequently derided as no more than opportunities to purge his political opponents from the civil service.

In 1992, the Momoh government was overthrown by a group of junior officers. These men had been serving in combat against the Revolutionary United Front (RUF) in the country's southeast, near the Liberian border. They established the National Provisional Ruling Council and chose the 25-year-old Valentine Strasser as head of state. The NPRC vowed that they would bring a quick end to the civil war that had begun the year before and would return the country to civilian rule as soon as possible. Over the next four years, Strasser survived numerous coup attempts. Though the NPRC was unsuccessful in bringing an end to the insurgency of the RUF, the Strasser government did take concrete steps towards elections that would hand over power to a civilian government. In 1996, Strasser was overthrown in a bloodless coup. He was succeeded by his second-in-command, Julius Maada Bio.

Many observers feared that Bio's coup would mean an end to the transition to civilian rule. Nonetheless, in less than three months, Bio oversaw parliamentary and presidential elections. The presidential contest included a run-off election between the presidential front-runners, Tejan Kabbah of the Sierra Leone People's Party (SLPP) and Karefa-Smart of the United National People's Party (UNPP). The final results saw Kabbah and the SLPP win by a commanding three to two margin; Kabbah took power on 29 March 1996. When dissident officers seized power in May 1997, Kabbah was forced to seek refuge in Guinea where he and senior officials stayed until they could be returned to power in February 1998. The civil war continued, however, until ECOMOG,

and British and UN troops under UNAMSIL all but defeated the RUF and other armed groups, and achieved a negotiated ceasefire and peace agreement, fully effective in January 2002. President Kabbah and his party won overwhelming victories at the presidential and parliamentary polls that followed on 14 May 2002.

### PERSONAL BACKGROUND

Alhaji Ahmad Tejan Kabbah was born on 16 February 1932, in Pendemba, Kailahun District-part of the country's eastern province. His family moved to the capital of Freetown when he was a year old. Though a Muslim, he attended Catholic schools, including the elite Saint Edwards Academy. A distinguished student, Kabbah went on to study economics at University College, Wales, and later received a law degree. Following his return to Sierra Leone from exile in Guinea, his marriage to Patricia Tucker Kabbah, a devout Catholic and holder of an MA in French from the University of Chicago as well as a law degree, ended with her death. It was a great personal loss for Kabbah, who had to cope with it along with the challenges of ending civil war and negotiating a peace agreement.

### RISE TO POWER

Kabbah's background is a mixture of politics and technical work. He joined the SLPP in 1954. Upon completing his education abroad, he returned to Sierra Leone to serve as a district commissioner in the Moyamba, Kono, Bombali, and Kambia districts (thus having served in each of the country's major regions). He later served as a deputy secretary in the Ministry of Social Welfare and as the permanent secretary in charge of both the Ministry of Education and the Ministry of Trade and Industry. As the Stevens government became increasingly insular during the early 1970s, Kabbah sought administrative work outside of Sierra Leone with the United Nations. He first worked as a deputy chief for the UN's West African division, and then served as a United Nations Development Program (UNDP) representative to Lesotho (1973), Tanzania and Uganda (1976), and Zimbabwe (1979). In 1979, he became the chief of the UNDP eastern and southern African divisions, where he was directly responsible for assistance to liberation movements. Two years later, he became a UN director for administration and management.

Kabbah's work in Sierra Leone resumed when he was selected to chair an advisory council formed to review the 1991 Constitution. His intimate knowledge of the Constitution, combined with his extensive experience in national and international administration, was a major factor in his selection as the SLPP presidential candidate in the 1996 elections.

### LEADERSHIP

Though the presidency is the first elected office held by Kabbah, he has proven to be a savvy and resilient politician. Upon assuming office, he moved to secure a broad power base by establishing an unusually large cabinet which sought to accommodate as large a number of interest groups as possible. In the first few months of his presidency, Kabbah took several steps to end the civil war, which had raged since 1991. He continued peace talks with the Revolutionary United Front (RUF) that had been initiated by his predecessor. Kabbah ended the government's reliance upon South African

mercenaries—instead counting on Nigerian military aid, his own army, and Kamajor militias to turn the tide against the RUF.

Despite this promising start, on 25 May 1997, his government was unseated in a coup led by Johnny Paul Koroma, who was backed by both the Sierra Leonian military and the RUF-confirming suspicions that there had been extensive cooperation between the army and the rebels. Kabbah fled the country and called on the international community to aid in the removal of Koroma and the return of Sierra Leone to democratic rule. Koroma's government, the Armed Forces Revolutionary Council (AFRC), soon became an international pariah, failing to earn recognition from a single nation or international body. Further, Koroma's government soon found itself in conflict with a West African ECOMOG (Economic Community Monitoring Group) force charged with returning Kabbah to power. On 15 February 1998, after months of unsuccessful negotiations, the ECOMOG forces, joined by Kamajor militias still loyal to Kabbah, launched a concerted attack. Within two weeks, ECOMOG had seized the capital and was making arrangements for the return of Kabbah. On 10 March 1998, Kabbah was reinstated as president.

After seven years in power, Kabbah can claim to have led the country to a negotiated peace, backed by international support with mechanisms such as the Truth and Reconciliation Commission and the UN Special Court in place for to sustain the effort. He has made good on his promise 'to deliver the peace.' He has also overseen the development of a professional military, a restructured police force, and the partial restoration of a functional public bureaucracy. He once said he would retire early and go into farming. If so, he likely will leave the reins of power in the hands of his vice-president. Although critics have dismissed him as weak, inept, indecisive, unpredictable, and aloof, history may prove that he was the right leader at this difficult moment in Sierra Leonean history.

## DOMESTIC POLICY

On the politics side of the policy ledger, Kabbah has conducted an ambitious restructuring of the army and security forces with the goal of reducing overall troop strength, and prosecuting war crimes offenders under the UN Special Court. With RUF leader Foday Sankoh in prison, the Court will get a lot of press. Thus far, the RUF has cooperated, although an unsuccessful raid on an armory outside Freetown—ostensibly to steal weapons—allegedly is linked to Johnny Paul Koroma of the RUF. The raid was interpreted by some to mean a return to arms. In October 2002, Kabbah established a Truth and Reconciliation Commission (TRC), which has been slow in getting off the mark. Kabbah views the main goal of the TRC to be the healing of a traumatized nation, but the TRC's mandate—even with a six-month extension—expires in April 2004.

Kabbah has also presided over a rebuilding of government capacity. Overall, since the introduction of a three-year medium-term expenditure framework (MTEF) in 2001, the Kabbah government's spending has been transformed from ad hoc to planned budgeting. Following the May 2002 elections, he reshuffled his cabinet, and organized paramount chieftaincy elections to replace 63 of 149 chiefdoms

throughout the country, the first such elections since 1992. The government has also begun organizing district, municipal, and town council elections, the first to take place in 30 years. The absence of functional chiefdoms and local government structures has handicapped efforts to end civil war.

Kabbah's economic policies depend largely on donors. The donors bankrolled the logistics and technical assistance required for the May 2002 elections, and are expected to provide 53% of revenue in grants and loans in 2003 and 44% of revenue in 2004. They also have taken the lead in disarmament, demobilization, and reintegration, which lasts until June 2003. The government has adhered to most of the advice from the IMF, which approved a \$169 million three-year poverty reduction and growth facility (PGRF) in 2001 with a dispersal due in March 2003. Corruption is a problem in the Kabbah government, and unless dealt with more effectively than under the Anti-Corruption Commission, disbursements could be delayed.

The National Recovery Strategy, published in October 2002, lays out a blueprint for recovery, which emphasizes restoring physical and social infrastructure, law and order, jobs creation, and meeting humanitarian needs of displaced persons. A final poverty reduction strategy paper (PRSP) is expected at the end of 2003 and is predicated on contributions from a rebound in the economy led by rutile production. In 2002, Sierra Leone received a 20-year debt relief commitment from the IMF and World Bank under the heavily indebted poor countries (HIPC) initiative. While the economy is expected to grow at 6–7% over 2003–04, real GDP growth of 15% over five years is needed for real change. This level of growth is unlikely, and therefore the challenges associated with alienated youth and the unemployed will persist. Unless addressed effectively, they could trigger a return to insurgency.

## FOREIGN POLICY

Kabbah has been preoccupied with civil wars in Liberia and Côte D'Ivoire. Cross-border incursions in February 2003 took place from Liberia both from rebels of the Liberians United for Reconciliation and Democracy (LURD), and from Liberian army units. In late February, around 300 Gurkha soldiers (Nepalese) from the British army's second battalion Royal Gurkha Rifles arrived to shore up the southeastern border with Liberia. The Gurkhas were expected to leave by mid-March 2003. Fighting, however, around the town of Bo Waterside near the border forced some 30,000 to 40,000 Liberians to seek refuge in Monrovia with 5,000 people crossing the border into Sierra Leone. Some 200 Liberian soldiers recently crossed into Sierra Leone to escape attacks from the LURD. Relations with Taylor are strained over alleged Sierra Leonean support to the LURD insurgency—accusations that Kabbah denies. It is likely, however, that members of the RUF and other rebel groups have joined the LURD in a mercenary capacity.

The UN peacekeeping force UNAMSIL—a 17,000-plus force—has been vital to the stability of the government. In December 2002, UNAMSIL completed the first phase of its downsizing, withdrawing some 600 soldiers in keeping with its Security Council mandate. Another 4,500 troops are scheduled to withdraw by the end of May 2003. By

December 2003, only 2,000 UNAMSIL troops will remain in the country, placing the burden of security operations on the government. The involvement of Liberian and Sierra Leonean rebels, however, in the Ivorian insurgency could result in changes that may be part of an eventual Security Council plan to establish a comprehensive peace plan for the sub-region.

President Kabbah has participated in efforts to establish a West African Monetary Zone (WAMZ) that would include The Gambia, Ghana, Guinea, Liberia, Nigeria, and Sierra Leone. The union was scheduled to come on-stream in January 2003, but has been postponed till June 2005. An IMF report that examines who would gain, lose, and why, looks skeptically at the desirability of the union and concludes that it would not be in the interests of the members apart from Nigeria to create the zone. Kabbah will likely reconsider his country's prospects in light of this report and the analysis it presents concerning the distortions that an economy the size of Nigeria would make, not to mention issues of corruption, decision-making powers, and economies that differ dramatically in terms of types of exports and foreign exchange earners. Sierra Leone is also a member of the UN, the African Union, ECOWAS, and the MRU.

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**Profile researched and written by Jonathan T. Reynolds, Livingstone College (6/98; updated by Robert J. Groelsema 5/2003)**

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# SINGAPORE

Goh Chok Tong  
Prime Minister

(pronounced “GO CHUCK TUNG”)



*“We must seek common ground and forge consensus on major issues. Then we will continue to have political stability, the bedrock of our social harmony and economic prosperity.”*

The Republic of Singapore is a city-state located on the southern tip of the Malay Peninsula. Singapore’s total area of 637.5 sq km (246 sq mi) is comprised of a single large island and 50 other islets. The population was estimated at 4.4 million in July 2002, growing at a rate of 3.5% per year. Due to its limited area, Singapore is among the most densely populated countries in the world. The population is ethnically diverse, consisting of 77% Chinese, 14% Malays, 8% Indians and Pakistanis, and a small percentage of other groups. Major religions include Buddhism, Taoism, Confucianism, Hinduism, and Islam. Christianity is also a major religion in Singapore due to the controversial activity of evangelical groups. Singapore generally allows religious freedom, but religious groups are subject to government scrutiny, and as a result, some religious sects are restricted or banned.

English, Malay, Tamil, and Mandarin Chinese are all considered to be official languages. English, however, is being promoted by the government as a common language. English is the language of administration and also is widely used in the professions, businesses, and schools. The government has mandated that English be the primary language used at all levels of the school systems.

Singapore originally served as an intermediary center of trade, acting as a site for transshipment of rubber, timber, petroleum, and other regional products. Since the 1960s, its economy has grown at an average rate of 8.5% per year. Due to this rapid industrial development, Singapore is known as one of the four “little dragons” or “little tigers” of Asia, along with South Korea, Taiwan, and Hong Kong. Major exports include office and data machines, machinery, petroleum products, telecommunications equipment, chemicals, textiles, and garments. Singapore’s gross domestic product (GDP) was estimated at us\$106.3 billion in 2001, with an average per capita income of us\$24,700. The currency is the Singapore dollar.

## POLITICAL BACKGROUND

Colonized by the British in 1861, Singapore achieved self rule in 1959. It joined the Federation of Malaysia in 1963, but seceded and declared itself an independent republic on 9 August 1965. Under the Constitution of 1959, Singapore has a parliamentary system of government. The unicameral Parliament is composed of 84 members. Voting is compulsory and suffrage is universal for all citizens who are at least 21 years old. The ruling party in Parliament must call a national election after no more than five years in power. The prime

minister heads the cabinet and plays a leading role in the government. Previously ceremonial, the office of the president was recently expanded to include veto power over official appointments and some government spending. The president may also appoint a small number of “non-constituency members of Parliament” (NCMPs), who are not allowed to vote on some major matters, such as constitutional amendments and government expenditures.

The People’s Action Party (PAP), founded in 1954, has always dominated the Parliament. Since a major opposition party withdrew in 1966, the highest number of seats held at one time by opposition parties has been four. In the January 1997 elections, the PAP won 81 of the 84 seats. In the 2001 elections, they won 75% of the vote to take 82 seats. One seat is held by the Worker’s Party (WP) and one seat is held by the Singapore Democratic Party (SDP). It is generally expected that the president will select candidates from the losing opposition parties to appoint as NCMPs.

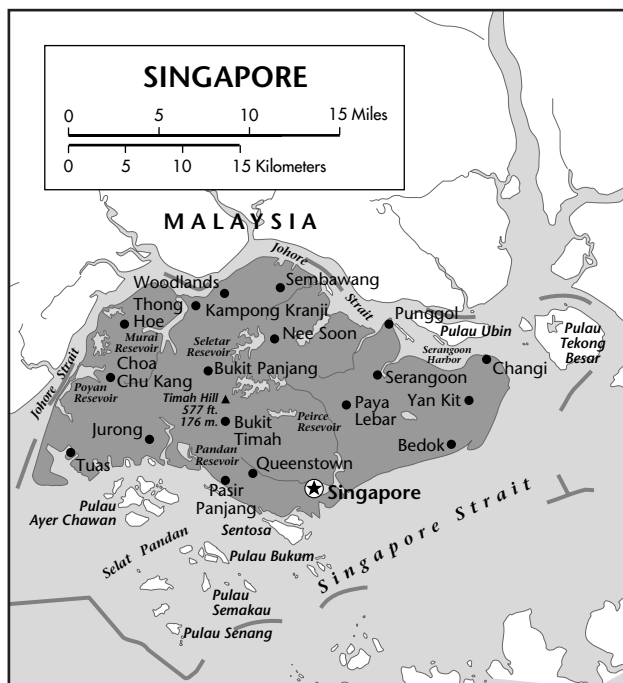
## PERSONAL BACKGROUND

Goh Chok Tong was born in Singapore on 20 May 1941. Since his father died when he was nine and his mother worked as a teacher during the day, Goh and his four younger brothers and sisters were raised mainly by relatives. He earned first class honors at the University of Singapore, receiving a Bachelor of Arts degree in economics in 1964. Two years later, he was awarded a Master of Arts degree in development economics from Williams College in the United States. He is married to Tan Choo Leng, a lawyer. They have two children.

## RISE TO POWER

Two main factors propelled Goh through the ranks of the PAP in the 1970s and 1980s: his effectiveness as a technocrat and the belief that Singapore needed to develop a younger generation of leaders. After serving as an administrative officer in the economics planning unit of the government, he became managing director of the Neptune Orient Lines. The success of this shipping company attracted the attention of Finance Minister Hon Sui Sen. Hon convinced the 35-year-old Goh to run for Parliament in the 1976 general election as a member of PAP. Despite his lack of political experience, by 1979, Goh was already the trade and industry minister and the PAP’s second assistant secretary general, with important election responsibilities.





In the early 1980s Goh held various cabinet posts in the health and defense ministries. He also chaired PAP campaigns in the 1981 by-election and the 1984 general election—in which opposition party candidates won seats in Parliament for the first time in over a decade. Despite this setback, the PAP leadership continued to groom him for higher positions, and Goh was made first deputy prime minister and minister for defense after the 1984 election. Goh was now formally in line to succeed Prime Minister Lee Kuan Yew, and took over many of the day-to-day responsibilities of running the government. When Lee relinquished the premiership in November 1990, he chose Goh to replace him. Goh thus became the second prime minister in Singapore's history. He works with President Sellapan Ramanathan (S.R. Nathan), who has been president since 1999.

## LEADERSHIP

When Goh was chosen prime minister, it was widely believed that he would bring a new leadership style. The former prime minister, Lee Kuan Yew, was authoritarian in his vengeful pursuit of prominent political opponents. He tolerated little dissent as he practiced a strict form of social engineering. In contrast, Goh had a reputation for seeking consensus and hearing other opinions. Once in office, however, his leadership style has not marked a major transition from that of Lee.

In August 1991, Goh called a general election two years before it was required, as a way of consolidating his position. Although PAP won handily, with 61% of the total, the result was considered a boost to opposition parties. The PAP's percentage of the total vote had fallen for the third straight election, and the opposition had increased its number of seats to a 25-year high.

Goh was determined to reverse that pattern when he called the 1997 election. His reelection was certain; opposition parties repeated their 1991 strategy of contesting fewer than

half the seats in Parliament. This encouraged people to cast a “protest” vote for the opposition by removing any concern that the PAP might actually be defeated. Goh countered that through reforms and redistricting, which tied PAP members more closely to local politics and made it easier to see which neighborhoods had voted for opposition parties. He then made it clear that neighborhoods with high vote totals for opposition parties would be the last to receive government upgrades for housing projects. Goh was an energetic force during the campaign, focusing attention on two electoral districts with high opposition support. The results—an increase in the PAP's percentage of the vote total and the recapturing of seats lost in previous elections—marked a major victory for Goh.

The PAP under Goh is decidedly intolerant of opposition politicians, or foreign publications, whom it feels have overstepped the bounds of reasonable dissent. A favorite tool for striking back is the lawsuit; several opposition leaders and international newspapers have been successfully sued for libel. After the 1997 election, PAP leaders filed 21 lawsuits against two members of the WP, mainly based on comments made during the campaign. One of the two fled to Malaysia and the court ordered him to put us\$11 million in escrow.

Goh is a champion of “Asian values” and criticizes the West for its abandonment of family values. He complains about the treatment of Singapore by the Western media, arguing that they attempt to influence domestic politics and are culturally insensitive. He claims that the 1997 PAP victory proved that Singapore had “rejected Western-style liberal democracy and freedoms, putting individual rights over that of society.” He defends Singapore's style of governance and argues that the Western media focuses too much attention on restrictions to information rather than emphasizing those information sources which remain available.

One reason that leadership styles have not changed may be that Lee Kuan Yew is still an active and influential voice. He has remained a senior minister without portfolio ever since stepping down from the top post, and his public statements carry great weight. Since Goh had been involved in the Lee government for several years, it is not surprising that few major policy or stylistic changes would occur when he took over as prime minister. Another factor is the PAP's fear that younger generations will forget how they achieved their current level of prosperity and thus will undermine the foundations of that success. Aware of this, Goh seems determined not to make any major break with past approaches to governance.

## DOMESTIC POLICY

For years, Singapore has been known for its phenomenal economic growth. In finance, services, and transport Singapore has been a regional economic leader and has become a major investor in Southeast Asia and China. The Organization for Economic Cooperation and Development (OECD) considers Singapore to be a “developed” country and World Bank statistics rank it as one of the richest countries in the world in terms of per capita gross national product (GNP). Singapore's surplus totaled nearly 13% of the total 1996 GDP—providing the government with a powerful tool to direct future economic development. Despite



major disruption from the Asian Crisis in 1997 and 1998, Singapore's economy survived intact.

By 2000, the government was again projecting a budgetary surplus amidst modest tax cuts, and Singapore enjoyed virtually full employment. In the next two years, however, the economy declined, actually receding by 2.1% in 2001. Dependence on vulnerable high-tech manufacturing brought Singapore's economy down in the slump experienced by much of the developed world. In August 2002, Goh spoke of the need to restructure Singapore's economy to make it more competitive with China's. Any gains made in 2002 were to be cancelled out by a mysterious virus spreading through the region. The Sudden Acute Respiratory Syndrome (SARS) epidemic, appearing in early 2003, was a huge economic setback for Singapore, bringing tourism and related service industries to a grinding halt. SARS-related damage to the economies of major trading partners like China, Hong Kong, and Taiwan also threatened Singapore's trading and financial sectors. The Singapore government recommended wage cuts for companies affected by SARS as a way to ensure the survival of companies and slow down unemployment rates, which reached an unprecedented 5.5%. To control the spread of the virus, Singapore tried to enforce quarantines, with beach resort isolation locations as a reward for cooperating, and jail as punishment for failing to comply. They also have enacted pre-departure SARS-screening at their country's borders, a move that has won the respect of their neighbors.

Common social problems such as street crime, homelessness, poverty, and pollution have been almost nonexistent in Singapore. Some attribute this success to unique government policies. Many key aspects of life have been closely regulated. For example, the ownership and use of automobiles are discouraged, but an effective mass transit system provides an attractive alternative. The Housing Development Board spearheaded residential development which allows most citizens to own their own apartments in government-owned buildings. The upgrading policy which Goh used to spark his victory in the 1997 elections is a multi-billion dollar program to improve these buildings. In addition, Singapore has harsh criminal laws. Convicted drug dealers are executed, and even minor offenses such as chewing gum or feeding pigeons can lead to fines of hundreds of dollars. Hidden crime—particularly in the form of money laundering for narcotics operations from elsewhere in Asia, and transshipment of illegally harvested timber from Indonesian rainforests—does occur in Singapore, although Goh's government tends to downplay its existence.

One problem which concerns Goh's government is the aging of the population. Within the next 25 years, more than a quarter of the population is expected to be over 60. In 1996, a Tribunal for the Maintenance of Parents was established to intervene when adult children are accused of neglecting their aging parents. This policy enforces the traditional value of respect for elders and seeks to ensure that a large part of the population does not become reliant on the government in their old age.

Singapore prides itself on being a multicultural state, but the Chinese majority is often dominant, as government programs encourage the use of the Chinese language. With Goh's government an enthusiastic participant in the U.S.-led War on Terror, Singapore has become increasingly unfriendly

to shows of Muslim identity or other types of overt dissent. Recently, female Muslim students (who are usually of Malay ethnicity) have been forbidden to wear religious headcoverings in Singapore's public schools.

## FOREIGN POLICY

With a small population and no territorial ambitions or major strategic rivals, Singapore's global concerns are primarily economic in nature. It is a regional center for business and an increasingly important source of foreign investment in Asia. Despite a population of only three million people, Singapore's total volume of trade is the 13th highest in the world. In 1996, Singapore's importance in the economic growth of Asia was acknowledged as it hosted the World Trade Organization's first-ever meeting of trade ministers, with representatives from 160 countries.

Singapore's economic might gives Goh's government significant clout in the region, as in its 1994 decision to invest us\$15 billion in development projects in Asia. Economic concerns, however, can also create rivalries. Singapore has had a longstanding rivalry with Hong Kong in areas like financial services, communications, and regional headquarters of major corporations. Singapore's government, which fears becoming too economically reliant on service sectors, wants very much to maintain a manufacturing base for its economy. This forces it into competition with neighboring Thailand, Indonesia, and Malaysia, which can offer improving infrastructures, larger markets, cheaper wages, and lower property costs to investors. Responding to some of these pressures, Goh announced that his government would review the major factors affecting Singapore's economic competitiveness.

Singapore's domestic policies have sometimes been a source of international conflict. Relations with the Philippines were strained in 1995 when a Filipino maid convicted of murder was executed. In 1994, the caning of an American teenager convicted of vandalism created tensions with the United States. During the most recent campaign, Goh reacted angrily when the U.S. government criticized the PAP for promising to consider electoral results when implementing its program of housing improvements.

Goh and Lee sparked diplomatic incidents with Malaysia in 1996 and 1997 with remarks which were taken as insults. Relations improved in April 1999, when Singapore conducted joint military exercises with Malaysia, a turnaround from 1998 when Malaysia withdrew from military exercises stipulated in the Five-Power Defense Agreement involving Australia, New Zealand, United Kingdom, Singapore, and Malaysia. The price of water supplied by Malaysia to Singapore, land reclamation, transportation links, and Singapore's fly-over use of Malaysian airspace, have been other chronic sources of conflict between the neighbors.

Although China and the United States are political rivals in Asia, good relations are maintained with both. The Goh government feels a significant cultural bond with China and enjoys growing economic ties to the country, although there is a strong sense of trade competition as well. The United States is already a major trading partner and has been granted access to Singapore's air and naval facilities. A groundbreaking and comprehensive free-trade pact between Singapore and the United States was signed by Goh and U.S.

President Bush in May 2003. Goh has been a staunch supporter of the Bush administration's foreign policy, sharing intelligence with the United States and breaking up suspected terrorist plots. Singapore and the Philippines were the only Southeast Asian countries to support the U.S.-led invasion of Iraq in 2003. Singapore has been critical of its Muslim-majority neighbors, Indonesia and Malaysia, for being lax on Islamic militants.

Singapore is a member of the United Nations (UN) and occupied a rotational seat on the Security Council in 2001–02. Singapore has participated in UN peacekeeping/observer missions in Kuwait, Angola, Namibia, Cambodia, and East Timor. Singapore supports the concept of Southeast Asian regionalism and plays an active role in the Association of Southeast Asian Nations (ASEAN) and the Asia Pacific Economic Cooperation (APEC) forum.

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# SLOVAKIA

Mikuláš Dzurinda  
Prime Minister

(pronounced “MI-ku-lash dzuh-RIN-dah”)



*“The basic precondition for a successful fulfillment of tasks that stand ahead of us is political stability. There is no time for artificial ideological conflicts.”*

Slovakia is located in Central Europe and shares its borders with five states: Austria, the Czech Republic, Hungary, Poland, and Ukraine. Its total area is 48,800 sq km (18,842 sq mi).

Slovakia’s population was estimated at 5.4 million in July 2002. Approximately 86% of the people are Slovaks. Other nationalities include Hungarians (10.6%), the Roma (1.6%), Czechs, Moravians, Ruthenians, Ukrainians, Germans, Jews, Poles, and Croats. The official language is Slovak, but Hungarian is also somewhat widely used. The Slovak Constitution guarantees freedom of religion. Religious affiliation is 60% Roman Catholic, 10% atheist, 8% Protestant, 4% Orthodox, and 18% unidentified.

Despite a modern European economy and society, a large number of citizens live in rural areas. About 45% of Slovaks live in villages of less than 5,000 people, and 14% in villages of less than 1,000. Slovakia’s currency is the Slovak *koruna* (Sk). Per capita gross domestic product (GDP) was about us\$12,200 in 2002. That year, the unemployment rate stood at 17% of the workforce.

## POLITICAL BACKGROUND

During the past several centuries, the lands of the Czech Crown were ruled from Vienna, while Slovakia fell under the Hungarian domain. The Czechs enjoyed a relatively high degree of cultural autonomy from Vienna. The Slovaks, however, were subjected to the policies of Magyarization—becoming Hungarian through forced linguistic assimilation. Consequently, the Czechs were better prepared for independent statehood when the Czech lands and Slovakia were joined in the common state of Czechoslovakia in 1918. As a result, the republic was ruled and administered, to a great extent, from Prague. More than one million Czech professionals moved to Slovakia and played a key role in the urbanization and industrialization of the republic, and in the development of its educational system.

The governance of the interwar Czechoslovak Republic was derived from the doctrine of “Czechoslovakism,” meaning that the Czechs and Slovaks comprise one nation that speaks two similar languages. The main purpose of the doctrine was to minimize the influence of large German and Hungarian minorities that remained in Czechoslovakia after the partition of the Austro-Hungarian monarchy. Although the Czechoslovak state became one of the most stable and prosperous democracies in Central Europe, it was dismembered by Nazi Germany in 1938. The Czech lands and

Moravia fell under German control and formed a so-called *Protektorat*, while Slovakia was turned into Hitler’s puppet state under the leadership of Jozef Tiso. Both the Slovak State and the *Protektorat* lasted until the end of World War II. In 1945, Czechoslovakia was reunified.

The Czechoslovak Communist Party staged a coup in 1948, and Czechoslovakia became one of the satellites of the Soviet Empire. The 1949 Constitution proclaimed that Czechoslovakia is a unitary state comprised of two equal nations, Czechs and Slovaks. In 1968, Alexander Dubcek, a Communist Party leader, initiated the democratic reform movement known as “Prague Spring.” His attempt to build “socialism with a human face” was crushed, however, by an invasion of the Soviet-led armies of the Warsaw Pact in August 1968. An amendment to the Constitution gave Slovakia a nominal degree of autonomy, including its own government and legislature, making Czechoslovakia a federation of two republics. In practice, however, the federation was ruled from Prague, and the federal arrangements were unnoticed in the repressive aftermath of the “Prague Spring,” the so-called “period of normalization.”

After 20 years of “normalization,” the hardline Communist regime of Czechoslovakia crumbled in only 10 days, as the 1989 “Velvet Revolution” led to a peaceful transfer of power. In December 1989, a former dissident playwright, Vaclav Havel, became the president of Czechoslovakia. Free elections were held in Czechoslovakia on 8 June 1990, and new political parties, the Civic Forum (CF) and its Slovak counterpart, the Public Against Violence (PAV), won. Yet, in Slovakia the PAV faced a strong challenge from Jan Carnogursky’s Christian Democratic Movement (ChDM). The transitional process soon ran into interrepublic disagreements over the structure of the federation, competencies of republican governments, and the pace and strategy of economic reforms.

By 1991, strong political parties emerged in both republics, each with its own national agenda. Vaclav Klaus and his Civic Democratic Party (CDP) represented the interests of the Czech Republic. In Slovakia, the Movement for a Democratic Slovakia (MDS) was led by Vladimir Meciar. Both parties won electoral victories in their respective republics in the June 1992 elections. Despite public opinion polls that favored the continuation of a unified Czechoslovakia, the party leaders swiftly agreed on the dissolution of the federation. The peaceful dissolution, or the “Velvet Divorce,” was preceded by more than 60 agreements, signed



by political representatives of the Czechs and Slovaks. In December 1992, the Federal Assembly voted to dissolve the union and itself. Slovakia became a sovereign, independent state on 1 January 1993.

In Slovakia, Meciar and the MDS were plagued by internal fragmentation and by the absence of a stable parliamentary majority. Meciar's authoritarian and confrontational style quickly alienated many of his former supporters. Several party leaders deserted the governing MDS and formed smaller splinter-parties. These splinter-groups, the opposition (comprised mainly of the ChDM and the Party of the Democratic Left-PDL), and ethnic Hungarian parties gained strength as more deputies left the MDS. Finally, in March 1994, the opposition managed to pass a no-confidence vote with the help of President Michal Kovac. Following Meciar's resignation, the government of Jozef Moravcik retained power for only six months.

Meciar's MDS bounced back in the September–October 1994 elections, winning 35% of the vote. The MDS formed a coalition government that remained in power until the September 1998 elections. During his four-year term, Meciar attempted to consolidate the political power of the MDS. His new governing coalition excluded all opposition forces from the political process and reversed some policies of the Moravcik government. Privatization of state-owned property became an instrument for rewarding political loyalty. Election laws were changed in a way that favored the MDS, and Meciar was accused of manipulation and gerrymandering. Much legislation introduced by his government was found to be unconstitutional.

In reaction to the new election laws, five opposition parties combined to form the Slovak Democratic Coalition (SDC) in

1997. Mikuláš Dzurinda emerged as the spokesman and leader of the group. Parliamentary elections were held in September 2002, and three core center-right parties in coalition returned Dzurinda as prime minister.

### PERSONAL BACKGROUND

Mikuláš Dzurinda was born on 4 February 1955, in Spissky Sturtok. He attended a technical high school in Spisska Nova Ves and studied economics at the University of Transportation and Communications (UTC) in Zilina, where he received his Ph.D. in 1988. After finishing his university studies, Dzurinda worked as an economic analyst at the Transportation Research Institute and then as the director for Information Technologies at the Regional Directorate of the Czechoslovak Railways in Bratislava. Dzurinda's wife, Eva, also a UTC graduate, has served as the head of the Slovak Committee for United Nation's Children's Fund (UNICEF) children's hotline since 1999 and continues to be active in many issues concerning children's rights. The Dzurindas have two daughters.

Mikuláš has become quite well-known for his love of long distance running. He has run in over 13 International Marathons for Peace. In November 2001, he ran in the New York Marathon in the United States to express the solidarity of people in Slovakia with the American people after the 11 September 2001 terrorist attacks. In April 2003, he ran the London Marathon in support of U.S. and British troops in Iraq.

### RISE TO POWER

Dzurinda entered politics as a founding member of the ChDM (1990) and served as spokesman for the party's Transportation Club. An expert on economics, he soon became chairman of the ChDM's Economics Club.

From 1991–1992, Dzurinda also served as a deputy to the Slovak minister of transportation and communications. He was elected to Parliament in 1992 and became the minister of transportation, telecommunications, and public works in the government of Jozef Moravcik, a post he held until 1994. In 1993, when Slovakia became independent, he was promoted to vice chairman for economy. After the 1994 elections, Dzurinda returned to the parliamentary opposition, often criticizing the economic policies of the ruling coalition. Dzurinda represented the views of the younger, more pragmatic, and more moderate wing of the party on issues such as the relations between church and state, Slovakia's foreign policy towards the Vatican, and abortion. Dzurinda's moderation and popularity with young voters were the main reasons why the ChDM nominated him to represent his party in the SDC after its formation in October 1997. He began as spokesman for the five-party coalition and rose to be its chairman in June 1998.

In the September 1998 elections, the SDC gained 26.33% of the vote and was able to form a coalition government to oust Meciar's government. Dzurinda was sworn in as the new prime minister on 30 October 1998. He was sworn in again after the 2002 elections, on 16 October 2002, presently leading a three-party coalition.

### LEADERSHIP

When Dzurinda gained office, the problems of the coalition were numerous. After six years of Meciar's rule, the economy,

health care services, and educational system were on the verge of collapse. The industrial giant, VSZ Kosice, came close to bankruptcy in November 1998, when it was unable to repay a foreign loan of us\$35 million. The Slovak Electric Energy Industry managed to go from a Sk6.33 billion profit in 1994, to a Sk2.55 billion deficit in 1998. Slovak universities accumulated more than Sk6 billion in debt, to which Sk0.6 billion was added in 1998. Many schools were forced to operate without heating in the winter. The health care department started 1998 with a Sk5 billion deficit, which increased to Sk12 billion by the end of the year. As a result, pharmaceutical companies refused to supply hospitals and pharmacies with essential medication.

The broad governing coalition was formed by four political parties, two of which were coalitions themselves. These parties represent views, agendas, and ideologies from across the political spectrum, and their policy preferences are often incompatible. Adding to the already unstable political situation was the fact that the Slovak Parliament was unable to elect a president after Michal Kovac's term expired in March 1998. The new president, according to the coalition agreement, was to be chosen directly by the electorate in the first half of 1998. In May 1999, Rudolf Schuster, the mayor of Kosice, became the first directly elected president of Slovakia.

Then another challenge to Dzurinda's leadership came from the ranks of his very own party. In 1999, Jan Carnogursky, leader of the ChDM, succeeded in splintering the SDC back into the five parties from which it was originally created. The coalition partners in the government, and most of the SDC leaders themselves, strongly opposed this fragmentation with the fear that it could lead to instability and eventually force early elections. In 2000, Dzurinda founded a new political party, the Slovak Democratic and Christian Union, of which he is also the chairman.

Even with little experience in governing a new nation, Dzurinda has risen to the challenges of building a strong democracy with the respect and support of the international community.

## DOMESTIC POLICY

The Dzurinda government has emphasized the need to improve the legal system, revive the crumbling economy, normalize relations between the governing coalition and the parliamentary opposition, and end Slovakia's international isolation. This program was approved by the Parliament in December 1998 when the legislators passed a vote of confidence in the Dzurinda-led governing coalition.

Having learned from the mistakes of the Moravcik government, which was undermined from within by the remaining MDS members, a full-scale replacement of state and local administrators was one of the first steps taken by Dzurinda. The election law was found to be unconstitutional by the courts and changed. In a controversial decision, Dzurinda revoked the amnesty given by Meciar to the people implicated in the kidnapping of President Kovac's son in 1995. The National Assembly also repealed a language law, initiated by the Slovak National Uprising (SNP) under Meciar because it discriminated against minority languages. For the first time in a Slovak government, political parties representing Hungarian minorities were being given a voice.

Dzurinda continues to work to weed out corruption within the level of local law enforcement. In a 2001 statement of priorities, he alluded to widespread misconduct that ranged from theft of crops and misuse of social assistance to acceptance of bribes and abuses of corporate power. He called these deeds a "contempt of the law" and promised that his administration would continue to fight for the elimination of corruption and the fair treatment of all.

The Dzurinda government introduced an austerity package as its first step in developing a new economic policy. In 2001, the development of small and medium-sized enterprises was listed as a long-term priority for the government. Programs initiated through this cause are expected to create more new jobs and strengthen the economy through the development of an information society, acceptance of legislation for industrial projects, promotion of international investment capital and a continuing effort toward privatization in selected branches of the economy. Other anticipated changes include new tax policies, a rollback of subsidies on energy and water, and an end to price regulations on some basic food items.

One of the primary tasks of the administration continues to be the reduction of a massive foreign debt, which increased from Sk 3.7 billion in 1993 to Sk12.5 billion in 1998. These measures are not popular, but their proponents argue that they are needed in order to improve an economy that has been devastated by the reckless policies of the Meciar government. The economy is beginning to show signs of improving under Dzurinda during his second term: the Finance Ministry reported in early 2003 that growth is expected to reach 3.5% in 2003 and 4.1% in 2004. Inflation is expected to fall from 8.5% in 2003 to 7.5% in 2004. Slovakia's credit among foreign investors is increasing. Unemployment, however, will fall only slightly, due to the continuing restructuring of industry.

In April 2003, allegations surfaced that health care providers in Slovakia may have forced or coerced Romany (Gypsy) women to undergo sterilizations. Nine U.S. congressmen urged an investigation into the claim raised by human rights groups that 110 Romany women may have been forcibly sterilized since 1989. Dzurinda assured the U.S. congressmen that the government was committed to carrying out a full investigation of the claims.

## FOREIGN POLICY

The primary goals of the Dzurinda administration in foreign policy are to end its international isolation and to integrate the country into European and North Atlantic economic, political, and security structures. The first priorities, in this respect, have been to meet the conditions for membership in the European Union (EU) and North Atlantic Treaty Organization (NATO). Membership in the EU was initially delayed because Slovakia was found to be the only country in Central Europe that lacked those democratic institutions needed to protect its ethnic minorities. Foreign Minister Eduard Kukan responded by introducing legislation intended to foster the languages of minority groups, return multilingual report cards to schools, and initiate measures to improve relations with Hungary and the Czech Republic. In April 1999, the government opened Slovakia's air space for NATO planes. Upon reevaluation in October 1999, the European Union

recommended to begin negotiations with Slovakia, with Slovak hopes that membership will be complete in 2004. To that end, an amazing program of reforms has been outlined by the government and the administration expects to have approximately 1,200 staff members dedicated to dealing with issues of EU integration by the end of 2004. In December 2002, the EU extended an official invitation to Slovakia to join the body. Dzurinda signed the EU Accession Treaty on 16 April 2003 and Slovakia will then proceed through the process of ratification. "We will erase the division lines that have separated Europe since Yalta," said Dzurinda, referring to the end of WWII.

In September 2000, Slovakia gained membership in the Organization for Economic Cooperation and Development (OECD).

In 1999, at the suggestion of Defense Minister Pavol Kanis, the government began considering new security treaties with Poland, Hungary, and the Czech Republic—three Central European countries who had joined NATO that year. In February 1999, the premiers of Hungary and Slovakia signed a protocol on implementation of the Slovak Hungarian Agreement. By October 1999, the prime ministers from all four countries met in the Slovak resort Tatranska Javorina, coordinating efforts to combat organized crime and international money laundering. Together the four nations have formed an informal cooperative called the Visegrad Four. In November 2002, NATO formally invited Slovakia to join the organization.

In May 2001, Dzurinda and Slovakia served as host for the highly regarded international conference, "New European Democracies: Leadership and Responsibility." The conference was attended by the prime ministers of several countries including Albania, Bulgaria, Croatia, Estonia, Macedonia, Latvia, Lithuania, Romania, and Slovenia. Their objective was to discuss and issue a statement of cooperation to encourage the role of each respective country in accomplishing the vision of a free and united Europe.

In early 2003, Czech and Slovak troops specializing in combating nuclear, chemical, and biological weapons were stationed in Kuwait in the event Iraq would use such weapons

against the U.S.-led coalition and its allies in the war with Iraq. The Czech and Slovak troops were not deployed in forward combat areas, but were assigned to provide continuous monitoring and response to any chemical or biological attack.

Slovakia was one of the original members of the Central European Free Trade Agreement (CEFTA). Slovakia is a member of the United Nations, the Organization for Security and Cooperation in Europe (OSCE) and the World Trade Organization (WTO).

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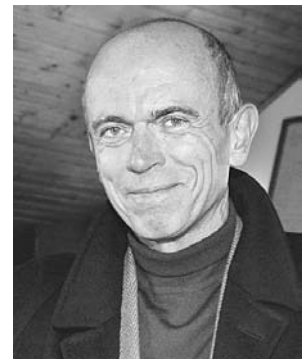
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# SLOVENIA

Janez Drnovšek  
President

(pronounced "JAN-ess der-NOV-shek")



*"Slovenia will be an incubator of ideas, a meeting point of cultures, a bridge of co-operation and the safe fireplace of cohabitation between civilizational, religious and cultural traditions of the European west, east, north and south."*

The Republic of Slovenia, one of the five successor states to the Socialist Federal Republic of Yugoslavia, is bordered by Austria to the north, Italy to the west, Croatia to the south, and Hungary to the east. It has 40 km (25 mi) of shoreline on the Adriatic Sea. Slovenia covers an area of 20,041 sq km (7,738 sq mi). The capital city is Ljubljana.

Slovenia had an estimated population of nearly two million in 2002, 91% of whom are Slovenes. The remaining 9% are Serbs, Croats, Italians, and Hungarians. The official language is Slovene, written with the Latin alphabet.

The official currency is the *tolar*. Slovenia's per capita gross domestic product (GDP) is approximately US\$18,000 (2002 estimate). Some 65% of total exports go to European Union (EU) members. Consumer goods, manufactured goods, and machine and transport equipment each account for about one-third of Slovenia's exports.

## POLITICAL BACKGROUND

With the collapse of the Hapsburg monarchy in 1918, the Slovenes, with Croats and Serbs from the Austro-Hungarian empire, joined with the Serbian kingdom to form the Kingdom of Serbs, Croats, and Slovenes, later renamed Yugoslavia. During the World War II (1939–45), much of Slovenia was incorporated into the Third Reich, with the remainder split between German allies Hungary, Italy, and the Nazi puppet state in Croatia. Following the war, Slovenia became one of the six constituent republics of the Socialist Federal Republic of Yugoslavia.

From 1945 to 1980, Yugoslavia was ruled by Josip Broz, popularly known as Marshal Tito. Though a communist, one-party state, Tito steered the country on an independent course from the Soviet Union. After 1980, Yugoslavia was ruled by a collective presidency. In this Yugoslav state, Slovenia was consistently the most progressive region. The Slovene members of the federal communist party were usually in the forefront of economic and political reform. Slovenia was by far the most developed of the Yugoslav republics, with only 8% of Yugoslavia's population contributing up to 20% of its gross national product (GNP) and 30% of its foreign trade. By the early 1980s, as the Yugoslav national economy faced growing crises, the Slovenes pushed for a greater reliance on market forces and greater acceptance of political pluralism.

By the mid-1980s, Slovenia's communist party had been rebuffed on economic issues by conservatives in the Serbian party who sought to recentralize the economy and party. The

Slovenes also saw Serbian repression in the Albanian-populated province of Kosovo as a major obstacle to Yugoslav membership in the European Community, which was a priority for the Slovene leadership.

Although many independent political movements arose in Slovenia in the mid-1980s, the major turning point in Slovene politics came in May 1988 when two Slovene journalists uncovered an alleged plot by the Yugoslav army to arrest 200 Slovene officials, intellectuals, and journalists and to use armed intervention to put down any protests. This event destroyed any hope in the Slovene party and society for reforming Yugoslavia through the federal government in Belgrade. From this point on, despite continued political, economic, and even military pressure from the Serbian communists, the Slovenes moved on their own. Independent political parties were formed, and in January 1989 the Slovene Communist Party admitted the need to accept a multi-party system. Slovene party chief Milan Kucan continued to defend the human rights of Albanians in Kosovo. At the federal party congress in January 1990, the Slovene delegation rejected Serbian demands for a recentralized party and called instead for the independence of republic parties, free multi-party elections, and respect for human rights. The Serbs rejected Slovenia's proposals, and the Slovenes walked out of the congress, marking the end of the Federal League of Communists of Yugoslavia.

The Slovene Communist Party renamed itself the Party of Democratic Renewal (PDR) and adopted a platform similar to the social democratic parties of Western Europe. It established a multi-party system in Slovenia, with the hope that by championing Slovenia's rights in the face of Serbian pressure, it had gained the legitimacy needed to win the upcoming elections. In the April 1990 elections, however, a coalition of six center and rightist parties, founded in 1989 under the name of the United Democratic Opposition of Slovenia (DEMOS), won 123 of 202 seats in Parliament. The head of the PDR, Milan Kucan, however, won the presidency with 58% of the vote.

In December 1990, the Slovenes overwhelmingly voted in a referendum for independence, giving the leadership six months to negotiate a new form of association with the other Yugoslav republics. In subsequent negotiations between the presidents of the Yugoslav republics, Kucan and Croatia's president, Franjo Tudjman, insisted on a new, confederal form of Yugoslavia while the Serbian and Montenegrin leaders insisted on a more centralized federation. By June





1991, the Slovene Parliament declared that Slovenia would begin the process of dissociating from Yugoslavia. Although it allowed that the Yugoslav army would remain in Slovenia for three years and explicitly recognized the legitimacy of existing Yugoslav institutions, this was taken as an illegal declaration of independence by the Slovene army. On 25 June 1991, units of the Slovene territorial defense force took control over border crossing posts on Slovenia's international borders from the Yugoslav customs service.

The federal Yugoslav army, which was allied with the Serbian Communist Party and had always opposed Slovenia's reformist moves, took this as the excuse to move into Slovenia to crush the new Slovene government and bring it back under Belgrade's control. The army, however, was met with surprisingly strong Slovene resistance. After diplomatic intervention by the European Community (EC), both sides agreed to a ceasefire. Slovenia froze its moves toward independence for three months while negotiations on the future of Yugoslavia continued. Stunned by their de facto defeat, the federal army agreed to pull out of Slovenia. The attack solidified full and unconditional support for independence within Slovenia. This support was reinforced by the full-scale attacks by the Yugoslav army on civilian targets in neighboring Croatia in the summer and fall of 1991. By December, the Slovenes had officially requested diplomatic recognition from the EC, which was granted on 15 January 1992. The United States recognized Slovenia in June 1992.

Milan Kucan served two five-year terms as president of Slovenia from 1992–2002. Janez Drnovšek was elected president on 1 December 2002; his inauguration was 23 December.

## PERSONAL BACKGROUND

Drnovšek was born in the northeastern city of Celje on 17 May 1950. He studied economics, graduating from the University of Ljubljana's Faculty of Economics. He finished his doctoral studies at the Faculty of Economics and Business at the University of Maribor, writing a doctoral thesis entitled "The International Monetary Fund and Yugoslavia." He received an honorary doctorate from the University of Boston in 1994, and one from Illinois Wesleyan University in 1999. After his doctoral studies he took a job with a construction company in Zagorje. He served for one year as an economic advisor to the Yugoslav embassy in Cairo, and then went on to study at the Oslo Institute for International Economics. In the early 1980s, Drnovšek was the director of a branch of the Ljubljanska Banka in Trbovlje. Drnovšek has written many articles on loans, monetary policy, and international financial relations, focusing on the world debt crisis. In 1995, he was awarded the Prix de la Méditerranée in recognition for his achievements in politics and economics. Drnovšek is a frequent lecturer and a guest of honor at universities and international organizations. He published an autobiography, "My Truth," in 1996. He is fluent in English, French, and Spanish, and also speaks German, Italian, and Croatian. His favorite hobbies are jogging, tennis, and cross-country skiing. Drnovšek had a cancerous kidney removed in 1999, and in early 2002 he announced he had a rare lung tumor, which doctors said was in remission; Drnovšek maintains, however, that he is fit for the presidency.

## RISE TO POWER

Slovenia's most popular politician, Drnovšek began his political career in the late 1980s. He was elected as the Slovene representative in the collective presidency of the former Yugoslavia in the April 1989 elections. He was head of the presidency of the former Yugoslavia from May 1989 to May 1990, and during Slovenia's independence negotiations, he served as the principal negotiator between the Slovene leadership, the leaders of the former Yugoslavia, and the Yugoslav army. He negotiated the withdrawal of the Yugoslav army from Slovenia in July 1991.

Drnovšek became the head of the Liberal Democratic Party of Slovenia in March 1992, and in April, was elected prime minister by the National Assembly. He was elected to that position four times. On 1 December 2002, he beat Barbara Brezigar, with 56% of the votes to 44%, to become Slovenia's second president.

## LEADERSHIP

As prime minister, Drnovšek focused on Slovenia's transition to a market economy, addressing such issues as privatization of the economy, reforming the banking system, and restructuring businesses. Under Drnovšek's leadership as prime minister, the country experienced strong economic growth, relatively low inflation, the reorientation of foreign trade towards western markets, and the integration of Slovenia into international organizations. While he was prime minister, Slovenia became a full member of the UN, the IMF, World Bank, Council of Europe, and GATT, and subsequently became a founding member of the WTO. He was also responsible for liberating all political prisoners in Slovenia, there from when it was a part of the former Yugoslavia.



Politically, Drnovšek initially put together a coalition of the Liberal Democrats (the party he led), the Christian Democrats, the United List of Social Democrats, and the Social Democratic Party of Slovenia. In 1994, he united the Liberal Democratic Party, the Democratic Party of Slovenia, the Green Party, and the Socialist Party into the Liberal Democracy of Slovenia. In 1997, he headed a coalition of the Liberal Democracy, the Slovene People's Party, and the Democratic Party of Slovene Pensioners. In 2000, he formed a coalition between the Liberal Democracy, the United List of Social Democrats of Slovenia, SLS+SKD Slovenian People's Party, and Democratic Party of Slovene Pensioners.

Upon becoming president, Drnovšek stated he was taking on a great commitment by assuming the position, but he pledged to do his work responsibly and to the best of his abilities. He envisioned a high international profile for Slovenia, imagining that it will take part in creating a future European continent based on common values. He stressed, however, that Slovenia will also take care of its national identity, language, culture, and arts.

## DOMESTIC POLICY

The main domestic issue since independence has been the attempt to shift the Slovene economy to private ownership and market principles, and to bring the country's laws and regulations into line with the European Union (EU). Given the almost unanimous support for EU membership among Slovenia's political parties, and the fact that Slovenia was invited in July 1997 to begin talks on EU membership, this issue became most pressing. Slovenia was the first potential new member that met all of the Maastricht Treaty criteria. The main stumbling block, however, was the issue of foreign ownership of property, which EU rules require, but which had been forbidden under Slovene law. In 1997 this issue was finally resolved when the legislature enacted regulations to allow foreign nationals to buy land as of 2001; two years later, in 1999, regulations were enacted to allow foreign banks to open branches in Slovenia. In December 2002, Slovenia became one of 10 new countries invited to join the EU, and accession is expected for 2004.

Slovenia's economy has been quite strong since 1994, despite the loss of its major markets in the former Yugoslavia. Its per capita GDP is \$18,000, higher than all other Eastern European countries. Its economy grew at an annual rate of about 4% during the late 1990s through 2002, and foreign investment in the country has been steadily increasing, especially following January 2002 policies to remove restrictions on foreign investment.

## FOREIGN POLICY

Slovenia has been successful in achieving its foreign policy goals. It obtained international recognition in 1992 and immediately began seeking membership in the EU and NATO. Slovenia was formally invited to become a member of NATO in November 2002.

The goal of EU membership was at the top of Slovenia's foreign policy agenda. Almost seventy percent of Slovenia's exports go to the EU, and Slovenia was seeking membership in the organization even before the breakup of Yugoslavia.

Slovenia signed an association agreement with the EU and in July 1997 (along with four other central European countries) was invited to talks on EU membership. Given the economic successes of the country and the efforts of former president Kucan and Drnovšek (when he was prime minister), it was likely that Slovenia would be included in a new expansion. The invitation to Slovenia to become a member of the EU took place in December 2002. On 23 March 2003, Slovenians approved both NATO and EU membership in referendums. The vote in favor of the EU was over 89%, and that for NATO was 66%. Voter turnout was estimated at 60%.

Relations with Croatia have been strained in recent years. The failure of Croatia to come to the aid of Slovenia during the 1991 invasion by the Yugoslav army had caused considerable strain between the two countries. Other unresolved issues include the fate of the jointly owned Krsko nuclear power plant, the fate of Croatian hard currency deposits in Slovene banks, and a dispute over Slovenia's access to the Adriatic Sea, although progress on this issue has been made recently. Despite these differences, the two countries were able to sign a free trade agreement in October 1997 and trade relations have indeed improved. Slovenia has also been working to normalize its relations with the Serbia and Montenegro, significantly increasing trade.

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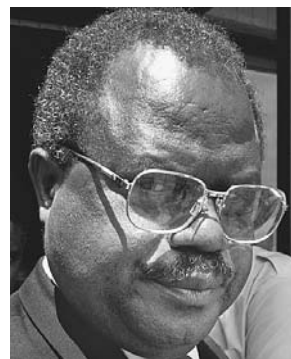
Profile researched and written by Jeneen Hobby, Ph.D. (4/2003).

# SOLOMON ISLANDS

Allan Kemakeza  
Prime Minister

(pronounced “A-len KEE-mah-KEE-zah”)

*“The times ahead are not going to be easy. These will be times of sacrifice. But we can be comforted in our faith in our Lord, that with him all things are possible but without him nothing is possible.”*



Lying to the east of Papua New Guinea, the Solomon Islands are a scattered double chain of islands, forming the third largest archipelago in the South Pacific. The land area totals more than 27,500 sq km (10,640 sq mi) spread over 1.35 million sq km (521,235 sq mi) of ocean. Volcanic action produced many of the islands, including the largest—Guadalcanal, Malaita, New Georgia, Santa Isabel, Makira, and Choiseul. Such seismic disturbance, including two submarine volcanoes in the Western Province, continues to the present day. There are also coral atolls of varied size. Altogether, the country consists of more than 900 islands, 347 of which are populated.

Population was estimated at 494,786 in 2002. Until the mid-1980s, Malaita was the most populated island. Since then, there has been considerable immigration to the capital, Honiara; Guadalcanal now boasts the largest number of residents. Though overall population density (16.6 per sq km) is one of the lowest in the Pacific, it is unevenly distributed, and the smaller eastern atolls are crowded. The annual growth rate of 2.9%, could aggravate the problem for the entire nation. More than 93% of Solomon Islanders are ethnically Melanesian. Slightly less than 4% are Polynesian. From 1955 to 1971, the ruling British government moved people from what were then the Gilbert Islands (now Kiribati) to ease overcrowding; there are some 4,000 Gilbertese presently living in the Solomons. The remainder of the population is of European or Chinese ancestry.

More than 90% of Islanders are Christian but speakers of the Kwaio language on Malaita still proudly identify themselves as “pagan.” The Anglican Church of Melanesia claims the most members, and there is a substantial number of Catholics, Seventh-Day Adventists, Methodists (United Church), and followers of the South Seas Evangelical Church. More than 80 indigenous languages and dialects are spoken, most of them of the widespread Austronesian language stock. Although English is the official language, the Solomon Islands Pijin is the most widely understood.

Like many Pacific Island nations, the Solomon Islands are heavily dependent on foreign aid, with Japan being the largest donor. Government expenditures are regarded as excessive, and estimates of national debt range between US\$170–200 million. Serious efforts have been made in recent years to bring financial well-being to the country. One encouraging sign is the Gold Ridge mine which completed its first year of full operations in 1999. Logging continues to be a problem. Carried out by foreign firms, levels of deforestation are not

sustainable. The country continues to have a very poor record of providing services to the people; literacy and health statistics are among the worst in the Pacific. The official currency is the Solomon Islands dollar.

## POLITICAL BACKGROUND

Alvaro de Mendana, a Spanish explorer, was the first European to see the Solomon Islands in 1568. The Spanish named the archipelago, which they mistakenly believed to be a continent, after King Solomon, hoping that riches like that credited to him in the Bible would be found there. At that time, Westerners had yet to discover a method of reckoning longitude so the Solomons were “lost” on European maps for almost 200 years. The English and French explorers of the late 1700s were finally able to chart the islands for other seafarers. Early contacts between European sailors and Islanders were often marked by violence and mistrust, but the former’s need for fresh water and other supplies and the latter’s desire for iron tools and weapons promoted trade that increased through the 1800s. Early in that century, exchanges with whaling ships were important, followed later by trade for tortoise shell and other tropical products. Beginning in 1870, Islanders were recruited to work on plantations in Australia, Samoa, and Fiji. Some of their descendants are found in those nations today. Trade also put firearms in the hands of the Islanders, adding a new element to conflict among different local groups. Diseases introduced by Europeans took their toll, and were further spread as Islanders began to travel more widely within the archipelago.

In the late 1800s Great Britain began to be concerned about the unregulated activities of outsiders in the South Pacific. These included labor recruiting that more closely resembled kidnapping and trading by beachcombers who were little more than criminals on the run from their home countries. The Western Pacific High Commission was established in Fiji in 1877 to protect British interests and those of British subjects living in the Solomons. France and especially Germany began colonial expansion into the Pacific during this period. Rivalry between Britain and Germany created a series of confrontations and ultimately treaty negotiations. The Solomons constituted one of the disputed areas in this process. Finally, the islands were divided between the two nations. Bougainville, the northernmost of the chain, became part of German New Guinea, ultimately to become a reluctant province of independent Papua New Guinea. The

rest of the Solomons became a British Protectorate (BSIP) in 1893.

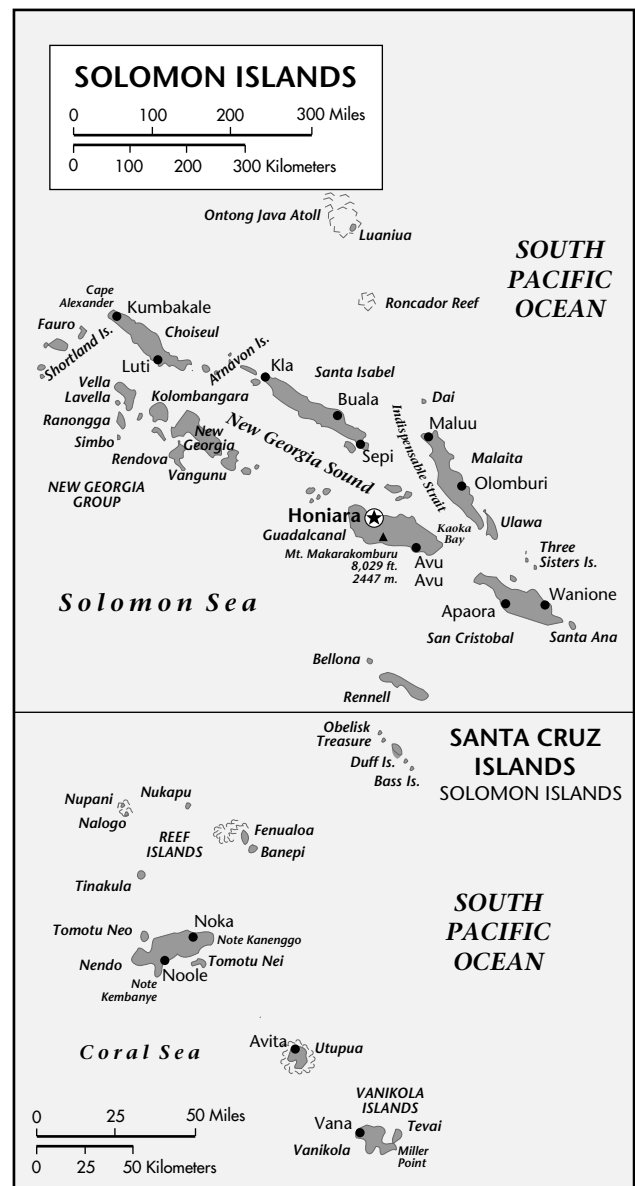
The Protectorate was a tiny part of the vast British Empire, regarded as having little economic potential. Administration concentrated on pacifying the more violent local groups and, to a lesser extent, easing the way for foreign commercial interests to develop a plantation economy with copra (dried coconut meat) as the major export. Christian missions provided most of the health and education services for Islanders, while administrators tried to prevent mission rivalry by keeping the different sects in separate parts of the Protectorate. One result was differing rates of social development among the various islands; for example, the aggressive Methodist mission created a noteworthy level of practical education in what is now the Western Province. Generally, however, the pace of change was slow until the Second World War.

The Japanese invasion of the Solomons in 1942 and Allied counterattacks brought great devastation. Military action on Guadalcanal was particularly fierce. Allied troops with vast amounts of European goods were a new stimulus to change among the local population. According to postwar British administrators, one consequence was the appearance of various social movements seeking to overturn the colonial status quo. The most famous of these was "Marching Rule" on Malaita, described on one hand as a "cargo cult" and on the other as the beginnings of Solomon Island nationalism.

Decolonization of the Pacific Islands began in the 1960s, but the Protectorate remained in place until independence was granted in July 1978. The new Constitution established a modified Westminster system of government with the British monarch as head of state. A Solomon Islands citizen is appointed, on the recommendation of the National Parliament, as governor general to represent the monarch, but has limited powers. Effective executive power is exercised by the prime minister and his cabinet. The prime minister is elected by and from the members of Parliament, and appoints ministers for parliamentary membership. Parliamentary elections occur every four years but without the support of a majority of members, the prime minister can be forced to step down between elections. Parliament can also dissolve itself before its four-year term is over by an absolute majority vote. In that case, a general election must be held within four months.

The geographic and linguistic fragmentation of the islands creates particular strains within the political system, including pressures to decentralize government functions. Parliamentary constituencies have increased in number since independence. There are presently 50 members—47 from electorates in the 10 provinces, and three from the Honiara Town Council area. Provincial governments have been established, each with an assembly, a premier, and a staff. This adds to the cost of government.

Although political parties are basic to a British parliamentary system, those in the Solomon Islands have been loose factions. There are frequent defections from one party to another, creating long periods of political instability. In 1997, 22 parliamentary incumbents failed in their bid for reelection. A coalition government was formed under the broad heading of the Solomon Islands Alliance for Change, and headed by the new prime minister, Bartholomew Ulufa'alu.



In late 1998, political conditions in the country deteriorated badly and armed ethnic factions began fighting what amounted to a civil war. The first group to arm itself was the Isatabu (Islanders' name for Guadalcanal) Freedom Movement, which sought to displace the ethnic Malaitans from the big island. In 1999, they began a campaign of ethnic cleansing, displacing thousands of Malaitans and killing, by many estimates, several dozen non-combatants. (The Malaitans were non-native to the major island of Guadalcanal, but held considerable economic and political power.) Ulufa'alu declared a state of emergency in February 1999 and entered into a series of negotiations with the militia, none of which yielded an end to the unrest.

In 2000, the Malaitans formed their own paramilitary force, the Malaita Eagles Force. In May, they kidnapped the prime minister and held him for two days at gun point, demanding the government do something to resist the Isatabu militia. Since the Solomons had no military, there was little that could be done. New Zealand and Australia sent military

craft to evacuate their nationals as the country descended into political chaos, and the Commonwealth sent a delegation to try and re-establish peace. The MEF ousted the government in June. Ulufa'alu was forced to resign and an interim government was established, headed by Monassah Sogavare on 30 June 2000. A peace accord, called the Townsville Peace Agreement, was signed in October 2000, calling for an end to hostilities, a surrendering of arms, and new elections in December 2001, which were won by the People's Alliance Party (PAP), headed by Allan Kemakeza.

### PERSONAL BACKGROUND

Kemakeza was born in 1951 on Savo Island. He attended religious primary schools and joined the Royal Solomon Islands Police force in 1972. He trained in policing in the United Kingdom and in Australia. In 1988 he had achieved the rank of Assistant Superintendent. He entered politics in 1989, running for Parliament from his native Savo as a member of the PAP, a seat he held until becoming prime minister in 2001.

### RISE TO POWER

In Parliament, Kemakeza held several ministerial posts. From 1989 through 1993 he was minister of housing and government services and was minister of forests, environment, and conservation in 1995-96. After the 2000 coup he was made deputy prime minister and minister for peace and national reconciliation. It was from this position that he gained the most power. Part of his duties after the Townsville accords was to oversee the distribution of compensation to the victims of ethnic cleansing and to help them reclaim their property. This brought him great visibility and helped to bring him the leadership of the PAP. He was, however, briefly embroiled in controversy over his handling of some of the money set aside for compensation and was dismissed from his post briefly. He maintained he had done nothing wrong and was soon reappointed.

### LEADERSHIP

Kemakeza, a deeply religious Christian, has sought to bring peace to the Solomons by bringing about reconciliation between the various ethnic groups. In his cabinet he has appointed former supporters (and possibly members) of both the major paramilitary groups that fought in the 1999-2000 civil conflict. He has attempted to fulfill the obligations of the Townsville accord, the most difficult of which has been the collection of weapons from the still heavily armed paramilitary groups. The accord offered the paramilitaries amnesty in exchange for the return of weapons they had looted in 2000.

### DOMESTIC POLICY

In addition to the crucial task of disarming paramilitaries (which by mid-2003 had still not been completed), Kemakeza and the PAP's domestic policy hopes to first revive the economy. The civil conflict of 1999-2000 essentially ended tourism as a source of revenue and so Kemakeza has been eager to portray the Solomons as a safe destination to the international community. This has proved a struggle as the country continues to struggle economically. Early into his term, Kemakeza attempted to devalue the Solomon dollar by 25 percent, a move that was met with great unrest and was aborted. Kemakeza has also worked diligently to attract

foreign aid, long the cornerstone of the nation's economy, but because of the unrest and political uncertainty, donor nations are reluctant to give.

Kemakeza and the PAP also hope to make the Solomons over into a republic, with a directly elected president, on the American model, rather than continuing with the parliamentary system now in place. With the ethnic rivalries and long history of political corruption and incompetence, MP's often switch parties immediately after being elected, causing unending shifts in parliamentary powers. Kemakeza has introduced a bill to remove from Parliament any MP who switches parties after an election. Kemakeza survived a vote of no confidence in March 2002, following the attempted currency devaluation.

In 2002-03, the Solomon Islands' social structure was suffering. Schools were inoperative, the country was hampered by strikes, and the nation's hospitals and medical clinics were operating on essential services only, having run out of many essential medical supplies and medicine. Many public servants were not being paid, and workers withdrew their services to the government. The state of civil society was fragile. A number of murders took place in 2003, including that of Sir Frederick Soaki, a member of the country's National Peace Council, who had worked with the United Nations (UN) to demobilize former militants still employed by the government as police officers on Malaita.

The economy continues to be in a state of duress. As of the end of 2002, the government had plans to cut 1,300 government employees, or 30% of the public sector workforce, a move supported by the IMF. Other sources of international aid were made conditional on further austerity measures to be taken by the government, including the stoppage of compensation payments made to people affected by four years of civil unrest, as part of the Townsville Agreement, which expired in October 2002. That month, Kemakeza restructured his administration, cutting the number of ministries from 20 to 10.

### FOREIGN POLICY

Being heavily dependent on foreign aid, the Solomon Islands' foreign policy is a chief concern to any leader. Kemakeza has attempted to draw foreign aid, but it has been a difficult sell. Australia, Japan, and New Zealand, the major economic powers in the area, look upon the island as politically unstable and corrupt. The murder of a New Zealand aid official in the capital further soured donor countries' appetites for engaging the nation. Pressure from the IMF to pare down government spending and jobs, in an attempt to improve the country's financial position, has caused further social instability.

The country's only remaining export industry is logging, which accounts for around 85% of foreign earnings. This industry is fragile, however, as it is devastating large tracts of forest.

The Solomon Islands is a member of the United Nations, the British Commonwealth, the International Monetary Fund, and the European Economic Community/Africa, Caribbean, Pacific Group, an aid organization made up largely of former European colonial states. The United States does not maintain an embassy in the nation; U.S. affairs are administered from the embassy in nearby Papua New Guinea.

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**Profile researched and written by Jim Henry (5/2002); sections contributed by Eugene Ogan, Professor Emeritus, University of Minnesota (3/98). Updated by Jeneen Hobby, Ph.D. (5/2003).**

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# SOMALIA

## Interim Government

Somalia occupies the area known as the “horn” of Africa, with coastline fronting the Gulf of Aden on the north and the Indian Ocean to the east. It is bordered on the northwest by Djibouti, on the west by Ethiopia, and by Kenya to the southwest. The country’s borders contain some 638,000 sq km (246,300 sq mi). Since the 1990s, political disturbances and large numbers of nomads and refugees have rendered population estimates unreliable. The last official census was taken in 1975; in 2002, the U.S. Central Intelligence Agency estimated the population at 7,753,310. Recent United Nations (UN) estimates place the national population at around 10 million, with as much as 25% living in urban areas.

Somalia is unique in Africa, being ethnically homogeneous. Over 95% of the population characterize themselves as “Somali.” Nonetheless, divisions between family lineages (“clans”), have tended to weaken the unity of the national government and led to chaos in the 1990s. Somali is the official language and is spoken by almost all inhabitants. Arabic, English, Italian, and Swahili are also commonly spoken.

The great majority of rural Somalis earn a living from the herding of goats, sheep, camels and cattle. Indeed, livestock exports to the Arabian peninsula and Middle East are a major source of foreign exchange for the country. A small proportion of Somalis earn a living from fishing. In the southern region, irrigated farmlands produce citrus fruits and bananas for export. Grain is grown to a limited extent in the southern and northern regions of Somalia, but not in large enough quantities to guarantee a regular supply of staples for the country. As a result, Somalia has been a net food importer for the past several decades.

### POLITICAL BACKGROUND

The coast of Africa’s eastern horn has long been a region of strategic significance and of cultural ferment. During the “scramble for Africa” in the late 1800s, the British were able to secure several treaties from local Somali leaders in the northern plateau area and declared the region a protectorate (called “Somaliland”) in 1886.

In the southern portion of the horn and elsewhere along the East African coast, the Italians were pursuing treaties with the Arab or Swahili sultans who controlled most of the area’s significant trading cities. In 1905, the Italians had declared the colony of “Italian Somaliland”—which included the modern capital of Mogadishu. From 1936, the region of

southern Somalia served as a base for Italian operations in Ethiopia, as the Italians sought to expand their colonial holdings. During World War II there were clashes between the forces of British and Italian Somaliland, with the British eventually seizing control of all Italian holdings. In 1950, the area of Italian Somaliland was returned to Italian administration, but under the aegis of a UN trusteeship.

The combination of nationalist agitation in both Somalilands and UN pressure for decolonization led to the two regions being unified as an independent Somalia on 1 July 1960. Elections in 1959 gave a strong majority to the Somali Youth League (SYL) party, but the first independent government was a coalition formed between the SYL and two smaller parties from the northern region. The first prime minister was Abdirashid Ali Shirmake, with Aden Abdullah Osman Darr as president.

From the first years of independence, Somalia’s government pursued a policy of “Somali self-determination” that led to tensions and conflict with neighboring states. Tens of thousands of ethnic Somali lived in the Ogaden region of Ethiopia, northeastern Kenya, and French Somalia (now Djibouti). The Somali government stated that these regions rightfully belonged to Somalia. Border skirmishes between Somali forces and those of Ethiopia and Kenya were common in the 1960s. These tensions were further fueled in 1962 when Somalia signed an agreement with the Soviet Union for the provision of military aid.

During the course of the 1960s, Somalia saw not only regional, but growing internal conflict. Rivalries between clans saw the fragmentation of political parties into smaller and smaller units. By the late 1960s, there were over 60 political parties in the country. When President Abdirashid Ali Shermake was assassinated in October 1969, the military seized power under the leadership of Major General Mohamed Siad Barre. Siad Barre’s government disbanded the Parliament, suspended the Constitution, and formed the Supreme Revolutionary Council. Declaring a policy of “scientific socialism” the government nationalized many foreign-owned firms, drawing the ire of already suspicious Western powers. The new government launched ambitious development and infrastructural programs, created an alphabet for the Somali language, and launched a major literacy campaign.

By the middle of the 1970s, Somalia was embroiled in regional and international conflicts. In 1975, the United States alleged that Somalia was allowing the Soviet Union to

establish military bases along the strategic Gulf of Aden. In 1977, Siad Barre officially recognized the Western Somali Liberation Front, which had been fighting for Somali self-determination in the Ogaden region of Ethiopia, and then sent in Somali troops. Substantial gains were made until the Ethiopians signed a mutual defense treaty with the Soviet Union, leading to massive military aid and an airlift of some 17,000 Cuban troops. Unable to face such overwhelming odds, the Somali troops were soon pushed out of the Ogaden. Soviet advisers were expelled from Somalia in retaliation, and the Siad Barre government turned to the West for support. The 1980s, during the administration of U.S. president Ronald Reagan, saw increasing U.S. military and economic aid to the Siad Barre government. Such aid was essential to the Somali repulsion of an Ethiopian-backed invasion in 1982.

### THE FALL OF SIAD BARRE AND DESCENT INTO CIVIL WAR

By the mid-1980s, both the Somali and Ethiopian governments were faced with growing internal conflicts, and in 1988 they signed an agreement to respect one another's borders. By the late 1980s, Siad Barre's hold on power was becoming increasingly tenuous. The Somali National Movement (SNM) began operating in the northern region in 1988. The Siad Barre government reacted with brutal force, but was not able to destroy the SNM. Beginning in 1989, the central government was also faced with insurrection in the south, particularly by the Somali Patriot Movement (SPM). By the early 1990s, additional insurgent groups organized along regional and clan lines were formed. These included United Somalia Congress (USC), the Somali Democratic Front (SDF), and the Somali Salvation Democratic Front (SSDF). Widespread conflict disrupted food production and distribution. By the late 1980s, hundreds of thousands were at risk for malnutrition and starvation. By late 1990, Siad Barre's government found itself in control of little other than Mogadishu and the surrounding environs. He was forced to flee the capital in January 1991.

Following Siad Barre's exodus, the USC seized Mogadishu. Though its leadership stated they had no plans to form a permanent government, the other factions showed little trust. Factions that had previously focused their efforts on unseating Siad Barre now threatened to turn upon one another—despite the efforts of “reconciliation” conferences sponsored by Djibouti and numerous calls for dialogue. The USC itself split into two antagonistic factions led by Muhammad Fara Aidid and Ali Mahdi. Mahdi later formed the Somali Salvation Alliance (SSA) and declared himself “president of Somalia.” In the north, the SNM declared the independence of their sphere of influence as “Somaliland”—roughly re-creating the borders of the old British protectorate. Leaders of the Isaaq clan then “elected” Mohammad Ibrahim Egal, who had been prime minister of Somalia in the 1960s, as “president of Somaliland.” Siad Barre and his supporters regrouped at Guerbaharre and reorganized under the name as the Somali National Front (SNF). In September 1991, open combat broke out among the various groups and continued for nearly six months.



### INTERNATIONAL INTERVENTION

In March 1992, the UN organized a tenuous ceasefire in the capital. The Security Council called for an arms embargo and moved to create the United Nations Operation in Somalia (UNOSOM), a group assigned to encourage peace talks and observe the distribution of food aid. UNOSOM had no military capacity. Certain factions, particularly the Aidid-led USC group, alleged that the UN was supplying their enemies with arms, and interrupted or seized relief supplies. During this time Siad Barre's SNF attempted to retake Mogadishu, but was driven back. This defeat effectively cost Siad Barre what little support and legitimacy he retained. After 21 years of rule, he fled the country.

Adding to Somalia's woes was a severe drought. Pastoralists and farmers, whose livelihoods had already been disrupted by the civil war, found themselves both unable to produce food and unable to find safe haven. Nearly half a million are estimated to have fled the country for camps in Kenya, Ethiopia, and Djibouti. Hundreds of thousands were threatened with starvation, and the political turmoil prevented effective distribution of relief supplies. In response to this deteriorating situation, the UN and the U.S. government organized the United Nations International Task Force (UNITAF). Composed of over 30,000 troops from over 20 countries, the UNITAF forces staged a dramatic landing in Mogadishu in December 1992. Given the moniker “Operation Restore Hope” the troops occupied urban centers throughout Somalia over the next several weeks, opening roads and establishing food-distribution networks. UNITAF forces also undertook efforts to establish a more stable

peace—arranging talks between two of the most powerful Mogadishu-based warlords, Mohammad Fara Aidid and Ali Mahdi. Divisions within the UNITAF administration became evident when the UN contingent pressed for active disarmament of the various armed factions. Despite U.S. reluctance, limited disarmament operations were undertaken.

In the early months of 1993, UNITAF forces were being substantially reduced, though conflicts between factions continued in many parts of the country. Ethiopia hosted representatives of 15 factions for a “national reconciliation” conference in March 1993. After extended debate, the conference established a transitional committee that was to serve as the supreme administrative body for Somalia, and which had a mandate to hold elections within two years. This outcome also prompted the UN to make arrangements for UNITAF to be disbanded and replaced by UNISOM II—which was to have a more rigid command structure and a clearer mandate to disarm the Somali factions.

The situation in Somalia had become increasingly tense by June 1993. Tensions between UNISOM II and Mohammad Fara Aidid’s Mogadishu-based group (called the Somali National Alliance) increased over issues of disarmament and UN accusations that Aidid was hindering peace talks. On 5 June a conflict between UNISOM II and Aidid’s forces resulted in the deaths of 23 Pakistani peacekeepers. A warrant was later issued for Aidid’s arrest. Attempts to capture Aidid over the next several months led to hundreds of Somali’s being killed or wounded. Such incidents led to an erosion of Somali goodwill towards the peacekeeping forces. On 3 October, U.S. Rangers entered an area of Mogadishu under Aidid’s control. In the ensuing battle, 18 American combatants were killed and dozens injured. The incident also resulted in hundreds of Somali casualties. Negative public opinion issuing from the clash led to plans being laid for an accelerated U.S. withdrawal.

In late 1993 and early 1994, several conferences between faction leaders were held in Ethiopia and in different regions of Somalia. Various factors—including conflicting strategies from within UNISOM and strife between Somali factions—prevented the reaching of any substantive agreements. In February 1994, the UN voted to gradually reduce its troop strength. This process continued until March 1995, when the last of the UN and U.S. troops left Somalia.

With the withdrawal of international forces, conflict between regional and clan-based factions continued. Further, unarmed UNOSOM personnel and relief workers who remained in Somalia became increasingly vulnerable to banditry. Some aid organizations simply declared the situation unworkable and pulled out of Somalia altogether. Others have taken to hiring bodyguards and paying “protection” to local leaders for the right to continue humanitarian operations in the area.

As Somalia entered the twenty-first century, it did so without a national government. However, the situation had somewhat stabilized with the establishment of several regional governments. Under the leadership of the SNM, the “Republic of Somaliland” in the north has maintained a modicum of stability. Courts have been established and currency has been printed. Still, ongoing conflict with smaller factions in the region has led to calls for recognition to be

rebuffed. In the south, Aidid’s SNA and Mahdi’s “Group of Twelve” emerged as the most powerful factions. Aidid’s group is based in South Mogadishu and Mahdi in North Mogadishu. On 1 August 1996, Mohammad Fara Aidid was killed in an ambush, and leadership of the SNA was taken over by his son Hussayn Muhammad Aidid—himself a former corporal in the U.S. Marines. Despite numerous assassinations within both camps, large-scale confrontations have been few. Hussayn Aidid did not, though, attend peace talks sponsored by the Arab League in Djibouti and Yemen. Rather, he repeatedly alleged that the UN and other groups are supplying his enemies. Mahdi, in turn, has stated that Aidid is receiving military aid from Libya and Sudan.

Northeastern Somalia, under the leadership of Colonel Abdullahi Yusuf, formed its own government called the Puntland regional government. Abdullahi was deposed in 2001 by a council of tribal leaders, a decree Abdullahi refused to recognize. Military supporters of his then declared a separate state within the statelet of Puntland. In 2002, Yusuf was attempting to regain power, and had won major battles against his rival for the Puntland presidency, Jama Ali Jama.

Efforts at mediation of the Somali internal dispute have been undertaken by many regional states. Ethiopia has played host to several Somali peace conferences and initiated talks at the Ethiopian city of Sodere, which led to some degree of agreement between competing factions. The governments of Egypt, Yemen, Kenya, and Italy also have attempted to bring the Somali factions together. In 1997, the Organization of African Unity (from 2002 known as the African Union) and the Inter-Governmental Agency on Development (IGAD) gave Ethiopia the mandate to pursue Somali reconciliation but with little success. During the early months of 2000, the Djibouti government attempted to bring together 50 Somali scholars and elders to work out modalities and procedures for the establishment of a national Somali government. In August of that year, a Transitional National Government (TNG) was established, led by Hassan Salat Abdiquassim (replaced in 2002 by Hassan Abshir Farah) and given a three-year mandate to create a permanent national government.

The TNG holds Somalia’s seat at the UN and is recognized as the official government of Somalia by the African Union, but few nations outside of the area recognize its legitimacy. After the terrorist attacks on the United States in September 2001, U.S. government and military personnel visited Somalia and Ethiopia, the major power broker in the area, to see if there were any terrorist organizations in the country that might have links to organizations implicated in the attacks on the United States. News reports at the time implied that U.S. special forces were in the area actively looking for such organizations, but there was no official confirmation of any such activity. Subsequently, the U.S. government closed down the Al-Barakaat group in Somalia, which had been the largest employer in the country, with operations involved in money transfers, telecommunications, and soft drinks. The U.S. accused Al-Barakaat of having links with terrorism, although the group has denied that charge.

In April 2002, the Rahanweyn Resistance Army (RRA) in Baidoa announced the formation of an autonomous “Southwest State of Somalia,” making it a third separatist



region in Somalia (in addition to Puntland and Somaliland). As of the end of 2002, hundreds had been killed and thousands displaced by fighting between the forces loyal to RRA chairman, Hasan Muhammad Nur Shatigadud, and two of his deputies, Shaykh Adan Madobe and Muhammad Ibrahim Habsade.

The president of Somaliland, Muhammad Ibrahim Egal, died in May 2002. He was replaced by his vice president, Dahir Riyale Kahin, in a peaceful transfer of power. Somaliland remained something of a haven of stability in 2002–03, as local elections were held in December 2002, and presidential elections were held on 14 April 2003. Kahin's challengers in the elections were Ahmed Muhammad Silanyo of the Kulmiye (Solidarity) Party, and Faisal Ali Warabe of the Justice and Welfare Party. Kahin won 205,595 votes, or 42.08% of the total, to Silanyo's 205,515 votes (42.07%), a difference of 80 votes. (Warabe came in third with 15% of the vote.) The Kulmiye Party did not recognize the results of the election as being free and fair. The breakaway province of Somaliland is not recognized by a single country, but is considered to be the only responsibly governed area of the country.

Elsewhere in Somalia, however, Islamic courts have been created to deal with lawlessness. Due to the efforts of these courts, security has improved significantly and law and order in some parts of the country, particularly Mogadishu, have seen periods of civil order.

A peace conference held under the auspices of IGAD was established in the Kenyan town of Eldoret on 15 October 2002, in an effort to bring about reconciliation between the TNG, factions opposed to it, and the regional administrations of Puntland and Somaliland. All groups agreed to suspend hostilities for the duration of the talks. In December 2002,

the TNG and five Mogadishu-based factions agreed to a ceasefire; however, that ceasefire was broken in early 2003.

In April 2003, the prime minister of the TNG, Hasan Abshir Farah, denied that there was a split between him and TNG president Hassan Salat Abdiqassim. Despite disruptions, the Eldoret peace talks continued in mid-2003, with all parties discussing the core issues of federalism, disarmament, conflict resolution, economic reconstruction, and land rights.

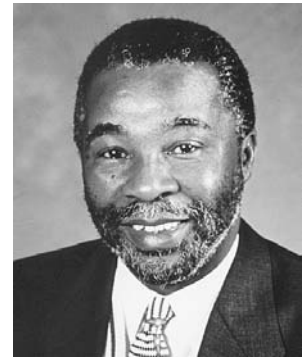
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# SOUTH AFRICA

Thabo Mbeki  
President

(pronounced "TAH-bow em-BECK-ee")



*"Affirmative action isn't a philosophy. It's not an end in itself. It's an instrument to get a more equal society, broadly representative of South African demography."*

The Republic of South Africa, located at the southern tip of the African continent, is bordered to its northeast by Swaziland, Mozambique, and Zimbabwe, to the north by Botswana, and to the northwest by Namibia. Lesotho, an independent kingdom, is an enclave within South Africa. The country has a total land area of 1,219,584 sq km (470,882 sq mi).

South Africa's population, estimated at 43,647,658 in July 2002, is composed of four distinct groups: 75.2% black, consisting mainly of Xhosa, Zulu, and Sotho, (collectively known as Bantu); 13.6% white, comprising Dutch-descended Afrikaners and whites of British descent; 8.6% of mixed heritage ("colored"); and 2.6% Asian, primarily from the Indian subcontinent. Reflective of this multicultural society, there are 11 official languages with Ndebele, Sotho, Pedi, English, and Afrikaans most widely spoken.

South Africa has an advanced industrial economy with manufacturing and services accounting for 63% of total employment. The country possesses abundant natural resources, particularly minerals. It accounts for one-third of the world's gold output. Agriculture is South Africa's second major employer, accounting for 30% of the labor force. While the per capita income was estimated at US\$9,400 in 2001, the average income of whites is about tenfold greater than that of blacks. The unemployment rate for the country is estimated at 37%, but white unemployment has been estimated at 4%, and black joblessness exceeds 40%. The national currency is the *rand*.

## POLITICAL BACKGROUND

From 1948 to 1994, the National Party maintained dominance over South Africa's political system. The policy of apartheid, based on the separation of races, structured the political and economic life of the nation. After years of racial oppression and international condemnation, the opposition African National Congress (ANC) was legalized. Negotiations began with Nelson Mandela and other ANC leaders for a transition to multiracial democracy in 1990.

Three thousand international observers monitored the first all-race election (in which the franchise was extended to South Africa's non-white majority) in May 1994. This historic election effectively ended apartheid and the National Party's dominance. Mandela's ANC obtained 63.1% of the popular vote and 252 seats in the National Assembly.

The current government is again led by the ANC, which solidified its hold over the National Assembly based on

results of the June 1999 elections. Mandela's successor, Thabo Mbeki and the ANC increased their majority to 266 seats, just shy of the two-thirds majority needed to unilaterally amend the Constitution. The Democratic Party, a multiracial party, emerged as the opposition leader with 38 seats while the Inkatha Freedom Party (IFP), representing primarily Zulus in Kwazulu-Natal, slipped to 34 seats. The former National Party (NP), reconstituted as the New National Party (NNP), saw its electoral fortune decline to 28 seats from 82 in 1994.

The current Constitution went into effect in 1997 and maintains a federal system with significant powers reserved for the nine provincial governments. The president is elected by the National Assembly for a five-year term, not to exceed two terms. He is responsible for appointing the deputy president and cabinet, as well as leading his party in the passage of legislation. The president oversees the day-to-day operation of the government and distributes power and functions among the deputy president, ministers, and the deputy ministers. The president can call for new elections by dissolving Parliament if a majority of representatives seek its dissolution and at least three years have lapsed since the last election. The National Assembly, however, may pass a no-confidence resolution that excludes or includes the president. If the majority of the National Assembly votes "no confidence" in the government, the president must reconstitute his cabinet. In the event that the National Assembly passes a no-confidence resolution that includes the president, both the president and his government must resign. The National Assembly must select a replacement from within its ranks.

Parliament consists of the National Council of Provinces (NCOP) and the National Assembly. The 400 members of the National Assembly are chosen by a proportional representation system through party lists for five-year terms. NCOP members consist of provincial officials chosen to reflect provincial parties' relative strengths. The National Assembly passes legislation, amends the Constitution, and oversees activities of the provinces in accordance with the Constitution. The NCOP passes legislation that pertains specifically to the provinces.

## PERSONAL BACKGROUND

Thabo Mbeki was born on 18 June 1942, in Mbewuleni, a village in Transkei province. He was the eldest son of Govan and Epainette Mbeki. Both of his parents were part of a rural aristocracy dating back to British colonial times. They

operated a small general store. During his early years, political discussions engulfed Mbeki's life. His mother, a teacher by training, became one of the first women members of the South African Communist Party (SACP). His father, also a teacher and SACP member, earned two university degrees and became a party activist. Highly literate by the age of 10, Mbeki read all the books in his home. From an early age, his parents instilled the values of self-reliance, empathy, and service.

As a result of his parents' activism, Mbeki was faced with the threat of disruptions in his life. He therefore spent most of his adolescent years away from home in boarding schools. At the age of 14, Mbeki joined the Youth League of the ANC. When his secondary education at Lovedale Institution was disrupted by a strike led by Mbeki himself in 1959, he was expelled from the school and continued his education at home. Early in the 1960s, Mbeki joined the SACP and studied under its brightest theoreticians. In 1962, one year before his father's arrest and subsequent life prison term, Mbeki left South Africa on ANC orders. He was elected secretary of the African Students' Association in London while completing a degree in economics at London University. In 1966, he completed a master's degree in economics from Sussex University and became an important fixture in the ANC's diplomatic efforts abroad. After receiving guerrilla training and lessons in Marxist ideology in 1970 at the Lenin International School (in the Soviet Union), he worked for the ANC in Nigeria, Botswana, Mozambique, Zambia, and Swaziland.

Mbeki met Zanele Dlamini, the director of the Women's Development Bank, during a stay in Swaziland to organize that country's ANC headquarters. They were married in 1974. Kwanda Mpahlwa, Mbeki's son from a previous relationship, remains missing after going into exile in 1980. Mbeki's home is in Ecingwana, Eastern Cape province. In May 2000, he received an honorary doctor of laws degree from Howard University in Washington, D.C. His hobbies include chess, reading, and spending time with his family. Unlike most political leaders, Mbeki writes his own speeches. His book, titled *Africa: Your Time Has Come*, outlines his belief in a coming African Renaissance.

## RISE TO POWER

Throughout his youth, Thabo Mbeki was groomed for leadership within the ANC under the tutelage of Oliver Tambo. Regarded as a brilliant political strategist and a man dedicated to hard work, Mbeki rose through the party ranks rapidly, serving in Swaziland and Nigeria to establish ANC branch offices and to build support abroad. In 1978, when he returned to the ANC headquarters in Lusaka, Zambia, Mbeki became the political secretary in the office of its president, Oliver Tambo. He was later promoted to director of information. Through repeated trips abroad, Mbeki polished his diplomatic skills by meeting with foreign dignitaries and business leaders. In 1985, Mbeki became a member of the National Executive Committee (NEC) of the ANC.

During the 1980s, he spearheaded a campaign to involve more white South Africans in anti-apartheid activities, including a meeting between the ANC and influential Afrikaners from the Institute for a Democratic Alternative for South Africa in 1987 at Dakar, Senegal. He emerged as the



primary public relations spokesperson and diplomat of the ANC. In 1989, he headed the group's international affairs department and participated in secret talks with the South African government for legalization of the ANC and release of political prisoners, including Nelson Mandela.

Mbeki returned to South Africa in 1990 when the ban on the ANC was lifted. He emerged as a key figure in negotiating the rules for South Africa's first all-race elections, the content of an interim Constitution, and the transition to majority rule. Upon Mandela's election to the South African presidency in 1994, Mbeki was appointed deputy president of the Government of National Unity. As Mandela aged and decided not to run for another presidential term, Mbeki began to perform presidential duties with Mandela's blessing. On 18 December 1997, he was elected president of the ANC and received Mandela's support during the 2 June 1999 elections. The ANC won, virtually assuring Mbeki's election as president. He was inaugurated on 16 June 1999 in an elaborate ceremony with 60,000 spectators and dignitaries from 30 countries.

## LEADERSHIP

Mbeki brings important leadership skills and experiences to the office of the presidency. His negotiating experiences involving many diverse ethnic and economic interests over the years positioned him well to lead South Africa during the second stage of post-apartheid governance. Mbeki is a pragmatist, one who studies the issues and positions meticulously and seeks to resolve conflict through compromise. His public stance minimizing the gravity of the AIDS epidemic in his country began to undermine his stature both at home and internationally in the early twenty-first century.

Despite his considerable strengths, Mbeki remained somewhat of an enigma to many. His support within some quarters of the ANC, especially among the poor and militants, remained weak and culminated in Mbeki's unsubstantiated claim in 2001 that three ANC veterans had plotted to kill him. Partly because of his concern that the coup plot rumors were true, in March 2002 Mbeki ordered a US\$3 million surveillance system to be installed in Parliament. This sparked some to observe that the president's paranoia was likely to intensify rifts in his party.

He enjoyed the full support of the ever-popular Nelson Mandela until the two clashed over the AIDS issue. Mbeki does not have his predecessor's charisma and he was the target of harsh criticism for his attitudes about the HIV virus and AIDS; in 2002, five million South Africans were known to be infected with the virus. Mbeki publicly questioned the connection between HIV and AIDS, drawing criticism from Mandela, civil society, human rights groups, and Western governments. At the opening of Parliament in 2002, Mandela openly criticized Mbeki, who continues to minimize the seriousness of the AIDS epidemic and does not support widespread treatment or testing for AIDS.

His ambiguous stance toward Robert Mugabe's expropriation of white-owned farmland in Zimbabwe also brought disapproval. He is sometimes viewed as detached and too cerebral by radicals because he did not participate in the armed struggle from within South Africa. Despite his sound macroeconomic management, growth and job creation have been elusive in South Africa, foreign investment has dropped dramatically, and the *rand* lost 25% of its value in 2000. Also, it showed no signs of recovery in the years that followed.

Mbeki's cabinet, which was announced on 17 June 1999, consisted mostly of ANC members who, like him, had spent the apartheid years in exile. During his administration, Mbeki needs to convince the skeptics in his party and the rank-and-file ANC members that he can move the transition several steps forward by transforming the condition of most blacks. To do this, he must acknowledge that AIDS is a social problem that will certainly have economic effects if not confronted soon.

## DOMESTIC POLICY

The first post-apartheid government brought significant changes to the nation, including the incorporation of ANC's armed guerrillas, known as the Umkonto we Sizwe (Spear of the Nation), into the South African Defense Force; the creation of a multiracial civil service and national police; and increased public spending for social programs for the disadvantaged through the National Reconstruction and Development Program. The most significant achievement was the creation of 500 rural clinics and the establishment of free medical care for children under age six and pregnant women. All of these changes were accomplished initially with sustained economic growth. The burgeoning AIDS epidemic, however, threatened to undo the early progress.

Mbeki's major challenge, to uplift the economic condition of the black majority, constitutes an extremely difficult task. The government will remain committed to major public works projects, including rural electrification, education funding, the building of affordable homes, and the creation of sanitation systems. It needs to maintain the support of the

predominantly white business community, however, which looks at Mbeki and the ANC with concern and suspicion.

While a modest level of white out-migration to Australia, Great Britain, and Canada has taken place since the fall of the apartheid government, the major problem for South African immigration policy remains the migration to South Africa from nearby nations by those seeking economic improvement and the significant increase in crime that has resulted. In the past five years, the judicial system failed to deal adequately with increasing crime.

In December 2002, Mbeki addressed the third ANC conference held since the party took power in 1994, and said South Africa still had a long way to go if it were to create a non-racial society. The majority of the economy, including the land, remains white-owned, and "wealth, income, opportunity, and skills continue to be distributed according to racial patterns," he said. The ANC is widely expected to win the 2004 elections, and Mbeki would then gain a second term in office. Divisions within the ANC exist, however, and some question Mbeki's failure to address poverty, unemployment, AIDS, and his support for privatization. Mbeki defends his position and the direction of the ANC movement, and especially targets elements he calls "ultra-leftists" opposed to the movement's social and economic policies. In his State of the Nation address given in February 2003, Mbeki stressed the steady economic growth South Africa was experiencing, as well as increased spending on social and economic development programs.

Mbeki in April 2003 announced that about 22,000 anti-apartheid victims would receive one-time reparations payments of 30,000 *rand* (approximately us\$3,800), but he rejected the levying of a "wealth tax" on businesses which profited by apartheid to pay for reparations. Mbeki's statement to Parliament came on the heels of the Truth and Reconciliation Commission's (TRC) final report on victims of apartheid. Human rights groups held that the payments were meager. The Truth and Reconciliation Commission dedicated itself to the principle of accountability in dealing with the past and in the creation of a new ethos in South African society. Perpetrators who came forward to admit their crimes under apartheid were granted amnesty by the TRC.

## FOREIGN POLICY

During the apartheid era South Africa was a pariah state. It now enjoys full membership in the international community. Over the past five years, South Africa has gradually assumed an important role as an economic and moral leader for sub-Saharan Africa. Relations with neighboring nations have become strong, and South Africa has begun to provide economic and technical assistance to neighboring states through the Southern African Development Community (SADC). Mbeki's message of an "African Renaissance" is undermined by his public lack of concern over the ravages of AIDS. If he can find a way to retract or modify his stance on this critical health issue, Mbeki will be able to restore the wide respect he enjoyed among African leaders.

Since the ANC government remains deeply committed to domestic resource redistribution and maintains close ties with Cuba and Libya, the West regards the government with caution. During the apartheid era, Cuba and Libya provided financial assistance and training to ANC guerrillas and the Mbeki government remains appreciative of that support.

Mbeki's government cannot antagonize western investors and governments, however, because South Africa seeks a major infusion of foreign investment.

In his February 2003 "State of the Nation" address, Mbeki announced the deployment of a South African technical team to Iraq to aid that country in demonstrating to the world that it did not possess weapons of mass destruction. In attempting to prevent a war between the United States and Iraq, Mbeki had staked out a role for South Africa as an independent player on the international stage. Mbeki's speech was criticized for paying too much attention to the situation in Iraq at the expense of the political crisis in Zimbabwe. Following the address, Mbeki spoke to the issue of property owned by South Africans in Zimbabwe, and stated a bilateral agreement to protect investments in both countries was under consideration. As inaugural chairman of the African Union, however, Mbeki was pressed for not denouncing Zimbabwe's President Robert Mugabe and the politically motivated violence committed against the opposition there during the 2002 elections, in addition to the restrictions Mugabe placed on the press.

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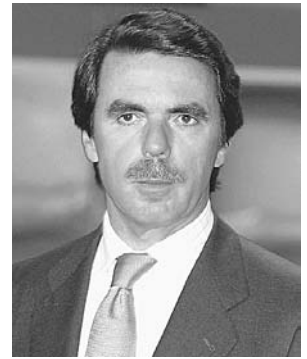
Profile researched and written by Robert W. Compton, Jr., Western Kentucky University (9/1999); updated by Jeneen Hobby, Ph.D. (4/2003).

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# SPAIN

José María Aznar  
Prime Minister

(pronounced “ho-ZEY mah-REE-ah AZ-nar”)



*“Spaniards have been very generous to us and we know how to thank them: with hard work and collaboration.”*

The Kingdom of Spain occupies four-fifths of the Iberian peninsula in Southwestern Europe. The national territory also includes the Balearic Islands in the Mediterranean Sea, the Canary Islands in the Atlantic Ocean, and a few small enclaves in Morocco. Together, these parts cover 504,782 sq km (194,896 sq mi). Mainland Spain shares its northern border with France and its western border with Portugal. The Mediterranean Sea lies to the east. Morocco is 30 km (20 mi) to the south. The capital and largest city is Madrid; metropolitan Madrid is home to 4 million Spaniards. The nation’s population was estimated at 40 million in 2002, and was reportedly largely Roman Catholic, although there has been no state religion since 1979. Castilian Spanish is the official language, but the distinct ethnic groups within Spain—Catalans, Valencians, Gallegos, and Basques—have preserved their languages. Regional divisions within Spain have led to the formation of 19 autonomous regions within the country, each with its own political parties and government.

Spain’s economy is one of the largest of the Organization for Economic Cooperation and Development (OECD) nations. Its gross domestic product (GDP) was expected to account for 8% of the combined GDP of the “euro-zone” countries that adopted the new euro currency in January 1999. The country’s GDP was estimated at us\$828 billion in 2002, with per capita GDP estimated at us\$20,700. As a member of the European Union (EU), Spain has tied its economy closely to the regulations that govern that alliance. Almost 75% of trade—both imports and exports—is carried on with other EU nations. Principal exports include automobiles, fruit, minerals, metals, clothing and textiles. Imports include petroleum, aircraft, grains, chemicals, machinery, and transportation equipment. Until 2002, the currency was the *peseta*; that year, Spain was among the nations to adopt the common currency, the *euro*. Unemployment decreased from over 24% (1996) to 11.3% (2002). In 2003, the country’s economy was expected to grow by 3% (government estimate), compared with 1.0% to 1.2% for the EU.

## POLITICAL BACKGROUND

Present-day Spanish language, law, and religion date from the Roman conquest, which began in the second century BC, and lasted until the fifth century AD, with the invasion of the Visigoths. The arrival of the Moors in 711 AD brought an end to Visigoth power, and it was not until 1492 that the Moors were driven out. By 1512, the unification of present-day Spain was complete.

During the sixteenth century, Spain was the most powerful of the European nations, due largely to the immense wealth derived from its colonial expansion into the Americas. The defeat of the Spanish Armada by the British in 1588 was the beginning of a steady decline of Spanish influence in Europe. The nineteenth century brought with it the revolt and subsequent independence of most of Spain’s colonies.

The twentieth century saw no great improvement in Spain’s fortunes. In 1931 a democratic republic was established. In 1936 the Army, led by General Francisco Franco y Bahamonde revolted against the republic. A bloody civil war lasted until 1939 when Franco’s Nationalist forces defeated the Loyalist forces. The Nationalist victory in 1939 swept into power General Franco, who established an authoritarian government which severely restricted individual liberties and repressed any challenge to its power. General Franco died in November 1975 and was succeeded by King Juan Carlos. A new and more liberal council of ministers was formed and restrictions on political activity were lifted, but long pent-up pressures and frustration at the pace of reforms led to widespread demonstrations. In July 1976 Prime Minister Carlos Arias Navarro, who had been appointed by General Franco, resigned at the king’s request, and was replaced by Adolfo Suárez González. Political reforms then proceeded rapidly, including the establishment of a bicameral legislature.

General elections in October 1982 brought decisive victory to the Partido Socialista Obrero Español (PSOE—Socialist Workers’ Party) and to the party’s leader Felipe González Márquez. Despite gradual but continual erosion of support over the years, González and the PSOE remained in power throughout the 1980s and early 1990s. It was during González’s tenure that Spain faced a range of controversial issues, and it is due in part to these factors that the popularity of the government suffered. Economic rationalization met with bitter opposition from trade unions, education reform met with resistance from the public, and Spain’s continued membership in the North Atlantic Treaty Organization (NATO) was the source of large-scale public demonstrations. Despite these obstacles, economic rationalization did take place, paving the way for Spain’s full membership in the EU; education reform went forward; and Spain remained a full member of NATO after a general referendum on the question in March 1986. In the early 1990s, the government was rocked by a series of financial scandals involving family members of some government officials. Following an eruption of even more scandalous allegations concerning the

PSOE's financing, early elections were called for 6 June 1993. The PSOE was once again returned to office, but for the first time lost its majority in the Cortes Generales (National Assembly). By 1996, Spanish voters had put the conservative Popular Party (PP) in power, with José María Aznar as head of government. Unknown outside conservative circles, Aznar ruled the country during a prosperous time. While his party lacked a majority, and had to broker agreements with minority parties to rule, the country was taking a decisive turn to conservatism. In March 2000, the PP obtained a resounding victory, capturing a majority of seats in the Congress of Deputies. With an absolute majority, the PP didn't need help from any party to govern.

Under the 1978 Constitution, Spain is a hereditary monarchy and the king is head of state. The king appoints the president of the government (prime minister) and the council of ministers on the prime minister's recommendation. Legislative authority is vested in the Cortes Generales, which consists of the 350-seat Congreso de los Diputados (Congress of Deputies), elected by proportional representation; and the Senado (Senate), comprised of 208 directly elected members and 51 regional representatives. Both houses are elected by universal adult suffrage to four-year terms, subject to dissolution.

### PERSONAL BACKGROUND

José María Aznar was born 25 February 1953 in Madrid, to a family that included several well-known conservative journalists, one of whom chronicled the Spanish Civil War from General Francisco Franco's perspective. Aznar's father and one of his grandfathers held political posts in Franco's authoritarian government. Aznar was educated at the University of Madrid, where he trained as an attorney. During the 1970s and 1980s, Aznar was employed as a tax inspector in Madrid. It was during this time that he became active in the right-wing Popular Alliance.

Aznar is married to Ana Botella, who is also a lawyer. In 1996, Botella played a minor role in her husband's campaign. During the 2000 campaign, however, she made visits to every region of the country, speaking with voters and pushing her husband's agenda. The couple has three children. For recreation, Aznar enjoys playing paddle tennis.

### RISE TO POWER

José María Aznar was first elected to the Spanish Parliament in 1982, after which his rise to prominence within the Popular Alliance was rapid. In the mid-1980s, he served as chief minister of the Castile-Léon region. He also led a faction within the party which advocated a shift toward the political center and a break with Franco's remaining adherents. In 1989 Aznar was elected leader of the Popular Alliance, which was then renamed the Popular Party (PP). Throughout the early 1990s Aznar continued to steer the party toward the center, avoided ties to groups on the extreme right, advocated conservative fiscal and economic policies, and made a concerted effort to recruit women and young people into the party.

In the first elections contested under Aznar's leadership in 1989, the PP lost by a wide margin to the PSOE. Nevertheless, Aznar was credited with having refashioned the PP into a "clean" party of the right—devoid of fascist and



extreme elements devoted to Franco. The 1993 general election, although still won by the PSOE, brought the PP within a narrow margin of capturing a majority of seats in the Cortes. The continuing scandals within the PSOE allowed Aznar to capitalize on the PP's recent electoral strength by making ethics an issue.

Continued erosion of support for the PSOE, coupled with the widening inquiry into corruption at the top levels of the party forced Prime Minister Felipe González Márquez to call early elections for 3 March 1996. As the principal opposition party, the PP was expected to gain an outright majority in the March elections, with no need for coalitions with regional parties. Despite commanding leads in all the polls, when the vote was counted Aznar and the PP had won only 156 seats in the Congress of Deputies—20 seats short of the majority needed to form a government. In fact, with only 38.8% of the 25 million votes cast, the PP garnered only 1.4% more than González and the PSOE.

To rule, Aznar was forced to forge a coalition with the Catalan Convergence and Union (CiU) party, which was led by Jordi Pujol, a powerful political figure. Aznar had counted on an outright victory and had attacked the Catalan party during the campaign. Yet Pujol was willing to forget, in exchange for concessions and political power. For the next four years, Aznar's party ruled with CiU on its side.

In March 2000, Aznar and the PP were expected to barely win against a leftist coalition intent on gaining power back. The PSOE aligned itself with the United Left (IU), but voters were disillusioned with continued political scandals and accusations of corruption that had shocked the left. In 1999, the PSOE's presidential candidate, the popular Jose Borrell, was forced to resign when two of his underlings were charged

with allegations of wrongdoing. The PSOE then settled on Joaquín Almunia to lead the party. By all accounts, the campaign for the March 2000 elections lacked drama or major ideological differences. Aznar, Almunia, and other candidates were left to exchange personal insults. Aznar was especially hard on Basque separatist nationalists, an easy position to take since most Spaniards were tired of Basque Fatherland and Liberty (ETA) terrorist attacks. What really worked in favor of Aznar was the thriving Spanish economy. Under Aznar, the economy was one of the fastest growing in Europe. The liberalization of the economy had been one of Aznar's major goals in 1996, and many of his policy decisions had worked. By 1999, the economy was growing at more than 3% per year, and unemployment had decreased from about 24% when he took power, to about 15% by late 1999. Faced with those numbers, the left didn't have much to offer, except to accuse Aznar of being too far to the right. Aznar would not concede much in ideology, however. During the latter part of his presidency, he continued to claim a more centrist position, talking both about family values and creating more jobs.

Since 1996, Aznar had grown in confidence if not in style. Still considered a bland orator with a serious lack of charisma, Aznar had become an able politician who had managed to maintain the fragile alliance with Pujol and the CiU. As more European countries leaned to the left in the late 1990s, the successful economic policies of Aznar became powerful symbols for conservative leadership. By 2000 elections, Aznar was seeking a majority so he would not have to negotiate with Pujol or any other party as he sought further economic reforms. What happened at the polls caught even Aznar by surprise. The PP captured 44.5% of the vote and increased its seats in the Congress of Deputies from 156 to 183, a majority. The PSOE lost 16 seats (from 141) and the United Left lost 13 (from 21). The CiU held on to 15 seats, but lost its political leverage since the PP no longer needed anyone to form a government.

## LEADERSHIP

In 1996, Aznar spent six difficult weeks negotiating with regional party leaders before his inauguration as prime minister. He came to terms with Jordi Pujol and leaders of parties representing the Canary Islands and Valencia. Without the alliance he would not have been able to govern. Even the Basque Nationalist Party signed a formal agreement with the PP, giving Aznar's government a great deal of stability.

The PSOE, which won 140 seats in that election, was the principal opposition to the PP. Together with the United Left, they were expected to make Aznar's four years in office difficult at best. Plagued by internal difficulties and political scandals, the left never managed to cause problems for his government. Pujol, who relished his role as kingmaker, was more concerned with winning political and economic concessions for the Catalan region than creating problems for Aznar.

Political terms were quite different after the 2000 elections. With majority rule, Aznar won't have to seek any alliances with other parties to pursue his policies. Yet, Aznar was conciliatory during his victory speeches, saying he would seek the cooperation of other parties to push further reforms

to Spain's economy. Aznar, who has been criticized for his conservative politics, stressed democratic themes in graciously accepting his victory. That may not be enough, however, with some sensitive issues that face the nation, including separatists in Basque country.

## DOMESTIC POLICY

In 1996, Aznar inherited an economy with several notable strengths—annual growth of nearly 3% and inflation under 4%—and one overwhelming weakness—unemployment that hovered near the 25% mark, despite two years of sustained economic recovery. He also inherited an entrenched welfare state, established during 14 years of Socialist governments. Fears of a weak or unstable government were laid to rest with the emergence of a strong coalition that supported Aznar's pro-business, pro-EU position. From 1996 until early 2000, Aznar guided Spain into the European monetary unit, privatized many state assets, and lowered taxes. Yet Spain's standard of living remained below that of other members of the EU. Economists have pointed out that Spain's economy must continue to grow at 4% annually to catch up—a difficult goal.

In his second term, Aznar promised to continue to liberalize the economy. He wants to trim what he sees as a bloated bureaucracy; cut more taxes for citizens in the upper-income brackets; introduce competition in the energy and telecommunications industries to reduce prices and increase quality of service. He has proposed to increase the hours of operations for commerce, potentially disturbing a Spanish lifestyle that has endured for centuries. A higher GDP has meant greater energy consumption, which could lead to inflation. Also, while unemployment has decreased significantly, it remained at 11.3% in 2002. To accomplish his goals, Aznar has said he will make "democratic use" of his majority in Congress. That means he doesn't want to upset the many leftists who crossed party lines to vote for him. It also means he would not be likely to simply ignore those who do not agree with his policies.

Aznar also faced the difficult task of dealing with Basque separatist violence. In late November 1999, the ETA ended a self-declared ceasefire. The Nationalist Basque Party (PNV), which believes that only through negotiation can peace be achieved, was concerned that Aznar's resounding victory in March 2000 would hurt the peace process. Moderate nationalists fear Aznar will not negotiate with ETA, or even hold a dialogue with Basque separatists, perhaps leading to more violence. During the EU summit held in Seville in June 2002, ETA was held responsible for a series of bomb blasts in a number of tourist resorts. That August, the government and a Spanish judge outlawed Batasuna, the separatist Basque political party believed to be the political arm of the ETA. Batasuna's political activities (fundraising, meetings, campaigning) were suspended for three years while the judge, Baltasar Garzon, investigated alleged criminal links to ETA. The Spanish members of Parliament also voted to ban the party altogether, as it is the only political party in Spain that refuses to condemn ETA's attacks. Batasuna was outlawed by the Supreme Court in March 2003 on the grounds that it was a "constant political complement" to ETA. In April, the Justice Minister asked the EU to place Batasuna on its official list of terrorist organizations. As of 2003, more than 800



people have been killed by ETA in 35 years of fighting for an independent state.

Aznar had to face an environmental disaster in late 2002. In November, after suffering damage in a storm, the oil tanker *Prestige* split in two and sank to the bottom of the ocean 150 miles off the coast of Galicia. It was carrying 77,000 tons of oil, and the government was blamed for not adequately addressing the disaster. It failed to equip and coordinate efforts to clean up the spill and was slow in sharing information. Aznar was accused of being everything from arrogant to absent, yet no one in the government resigned.

## FOREIGN POLICY

Upon the death of General Franco and the subsequent return to democratic government, Spain's first foreign policy priority was to re-enter the international community from which it had been isolated during the Franco regime. To this end the nation actively pursued diplomatic relations with other nations. Spain became a member of NATO in 1982, and has become a major participant in multinational security activities. Spain became a full member of the European Community (now the European Union) in January 1986, further strengthening its ties to its neighbors. The country often coordinates its response to international policy issues through the EU political cooperation mechanism, even on issues outside Western Europe. Spain retains a special identification with Latin America, and advocates the concept of *Hispanidad*, which emphasizes historical and cultural ties between Spain and Spanish-speaking American nations. Spain also maintains economic and technical cooperation programs with the region. Many of its corporations have major holdings in Latin America. In some of those nations, Spain is the top foreign investor.

Spain has been positioning itself as the gateway between Latin America and Europe, but its relations with some Latin American countries were strained starting in October 1998, when Spanish judge Baltazar Garzon asked British authorities to arrest former Chilean dictator Augusto Pinochet, who was recovering from surgery in London. Garzon was trying to prosecute Pinochet, one of the most notorious dictators of the twentieth century, for human rights violations. Garzon's efforts were applauded nationally and internationally, but it strained relations between Spain and Chile, Spain and Britain (both countries also had issues over Gibraltar in 1999), and other Latin American countries that came to the defense of Chile's sovereignty. Aznar was criticized for twice trying to intervene to prevent Pinochet's extradition to Spain. Chile threatened to end relations with Spain, which is the largest foreign investor in that country. Many Spanish citizens left Chile after being threatened by right-wing supporters of Pinochet. In August 1999, Aznar said he would respect the independence of his country's judicial system and allow Garzon to continue to petition Pinochet's extradition from Britain. While a British judge finally agreed that Garzon could extradite Pinochet to Spain, the dictator was released for humanitarian reasons in March 2000. Spanish judges agreed in early 2000 to investigate human rights cases in Guatemala, and they continued to investigate human rights abuses committed during the Argentinean "dirty war" of 1976–83.

Aznar became the president of the EU in early 2002, serving six months before leadership rotated to another European leader. In this position, he sought to push free market reforms, speeding up full liberalization of energy, transportation and telecom markets. With the introduction of the *euro*, Aznar supported the creation of a single European financial market.

Spain and the United States have long maintained official and cordial relations. Recent years have seen the strengthening of these ties with the exchange of high-level visitors. The two countries cooperate in NATO and bilaterally in defense and security areas, whereby Spain permits U.S. use of some Spanish military facilities. There is also long-term cooperation in support of aerospace research and exploration. Cultural and educational relations are maintained through both the Fulbright Scholarship program and a U.S. embassy exchange program.

During 2002 and into 2003, Aznar actively supported the U.S. position on disarming Iraq, by force if need be. He was widely criticized for this position, especially from other EU members. In February 2003, he stated that all governments, including Spain, had "the information that the regime of Saddam Hussein, with its biological and chemical weaponry and links to terrorist groups, poses a threat to the peace and security of the world and of Spain." At that time Spain held one of the rotating seats on the United Nations (UN) Security Council, and was caught in the diplomatic struggle between the United States and United Kingdom supporting the use of force on one side, and France, Germany, and Russia opposing war on the other. Public opinion in Spain was firmly opposed to war in Iraq and after it began on 19 March, opinion polls revealed 91% of Spaniards were against the war. Aznar prior to the war had stated Spain would not commit combat troops to fight along U.S. and British troops but he committed 900 troops to assist in medical support and provide anti-mine capabilities.

Spain was involved in a minor international skirmish with Morocco in mid-2002. On 11 July, 12 Moroccan frontier guards landed on the tiny uninhabited island of Perejil—claimed by Spain—and claimed it as Moroccan territory. Aznar stated he would not accept the occupation, and sent troops to evacuate the Moroccan guards. Diplomatic relations only began to improve in December 2002, when the Moroccan and Spanish foreign ministers met to discuss plans for the return of their respective ambassadors.

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**Profile researched and written by Ignacio Lobos (6/2000); updated by Jeneen Hobby, Ph. D. (4/2003).**

# SRI LANKA

## Chandrika Bandaranaike Kumaratunga President

(pronounced “chan-DREE-ka bon-dar-a-NAH-ee-kee koo-mar-ah-TUNG-ah”)

*“The fundamental obstacle to increased foreign investment is Sri Lanka’s costly and prolonged ethnic conflict.”*



The Democratic Socialist Republic of Sri Lanka (formerly called Ceylon), is a teardrop-shaped island country in the Indian Ocean, situated off the southeastern coast of India. The Maldives lie to its west. It has an area of about 65,610 sq km (25,332 sq mi). Major cities include Colombo, the capital, Dehiwala-Mount Lavinia, Jaffna, and Kandy.

The island had a estimated population of 19.5 million in 2002. Official languages are Sinhala and Tamil, but English is also recognized as a national language. Since independence, one of the constant issues bedeviling Sri Lankan life has been ethnic conflict. Almost 74% of the population is Sinhalese. Tamils form about 18%, Muslims about 7%, and smaller groups such as the Burghers (people of Eurasian descent), Malays, and Veddah aborigines are also to be found in the country. About 70% of the population is Buddhist, but Hinduism, Islam and Christianity are also followed by smaller groups of the population. The Tamils themselves are divided into two groups: Sri Lankan Tamils, who have lived in the country for centuries, and Indian Tamils who were brought by the British colonizers as plantation laborers in the nineteenth century. Most of the ethnic conflict has been between the Sinhalese and the Tamils, particularly the Sri Lankan Tamils.

The per capita gross domestic product (GDP) was estimated at us\$3,250 in 2001. The unit of currency is the Sri Lankan *rupee*. The Sri Lankan economy is heavily dependent upon agriculture, which contributes about a 21% of the country’s GDP and employs about 44% of the labor force; the economy has diversified somewhat, with industry and services comprising about 19% and 60% of GDP respectively. Attempts have been made to boost the tourism and banking sectors. Textiles and clothing are the most important sources of foreign exchange, but traditional exports such as tea, rubber, and coconuts form over 20% of export earnings. Sri Lanka’s forest cover has decreased drastically due to illegal logging, dam construction, road building, and land-clearing for cash crops. Torrential rains in May 2003 caused massive floods and mud slides in deforested areas, killing 256 people and destroying over 25,000 homes.

### POLITICAL BACKGROUND

On 4 February 1948, Sri Lanka obtained independence from the United Kingdom (UK), which had colonized it in 1815. Established as a parliamentary system within the Commonwealth, the country became a republic in May 1972 and, in fall 1978, switched to a presidential-parliamentary system. This largely unitary system is akin to the French presidential

system and concentrates power in the president, who is limited to two six-year terms. The president appoints and dismisses the prime minister and other ministers and can also dissolve Parliament. The unicameral legislature is composed of 225 members who are elected by proportional representation for six-year terms. The Supreme Court judges are appointed by the president, and the Court has sole jurisdiction over constitutional issues.

Several parties are active in Sri Lankan politics, but the two most important ones are the United National Party (UNP) and the Sri Lankan Freedom Party (SLFP). The UNP is a moderate, liberal, and generally pro-Western party, while the SLFP, which is currently in power, is a more leftist-oriented party. Two of the more prominent groups implicated in guerrilla attacks against the government are the *Janatha Vimukhti Peramuna* (JVP—People’s Liberation Front), with a militant Sinhalese ideology, and the Liberation Tigers of Tamil Eelam (LTTE, commonly called the Tamil Tigers), which is the leading force in the fight for a Tamil homeland in Sri Lanka. Large-scale repression and the death of top JVP figures, allegedly at the hand of security forces in late 1990, reduced the organization’s effectiveness, but by early 2000 the JVP had re-emerged as a political force on the island.

The ethnic conflict in Sri Lanka has been simmering for decades. Government policy in the 1950s aimed at enhancing the political and social status of Sinhalese and embittered the Tamils. While there was some violence during the 1970s, the conflict escalated into a civil war in the 1980s, sending many Tamil refugees to Tamil Nadu in India. Indian attempts at mediation between the LTTE and the Sri Lankan government in the mid-1980s were ineffectual. Fighting between the Tamil Tigers and Sri Lankan forces have continued, although the former have suffered severe losses with the withdrawal of Indian support, weakening of support from the Tamil population and increasing success of the Sri Lankan Army attacks. But the Tigers continued to demonstrate their power. In May 1991 they were implicated in the assassination of India’s Rajiv Gandhi, and, according to the Sri Lankan government, the Tigers are the likely suspects in the 1 May 1993, assassination of President Ranasinghe Premadasa and the October 1994 assassination of Gamini Dissanayake, the UNP’s candidate for the Sri Lankan presidency. The latter was perceived as being a hard-line anti-Tamil politician. Chandrika Kumaratunga’s main priority, in her two terms of executive leadership, has been to find a solution to the LTTE insurgency.



## PERSONAL BACKGROUND

Chandrika Kumaratunga was born on 29 June 1945, in Colombo, the capital of Sri Lanka. Her father was a senior minister of the government when she was born and later became the prime minister. (Her mother would later serve as the nation's prime minister as well.) She received training in political journalism with *Le Monde* in Paris and a degree in political science from the University of Paris, where she also studied for a doctorate in development economics. Kumaratunga studied law and group leadership as well. Between 1976 and 1979, she served as an expert consultant with the Food and Agricultural Organization of the United Nations (UN). Kumaratunga was a guest lecturer at Jawaharlal Nehru University in India and Bradford University in the United Kingdom, and a research fellow at the Institute of Commonwealth Studies, University of London. She has authored several research papers on land reform, political violence, and agriculture. Between 1977 and 1985, she served as the chairperson and managing editor of the *Dinakara Sinhala*, a daily newspaper. Kumaratunga married Vijaya on 20 February 1978. She has a son and daughter. She is fluent in Sinhala, English, and French.

## RISE TO POWER

The ascension of Chandrika Bandaranaike Kumaratunga to the presidency of Sri Lanka continues the South Asian pattern of family ties leading to democratically elected political power. The Bandaranaiques have been major political figures throughout the country's political history. Kumaratunga's mother, Sirimavo Bandaranaike, who held the office of prime minister three times (from 1960–65, 1970–77, and again in

1994), was the first female prime minister anywhere in the world. Chandrika Kumaratunga's brother, Anura Bandaranaike, was a cabinet minister in the UNP cabinet that lost power in the 1994 elections. He defected from the SLFP in April 1994, as a result of his rivalry with his sister.

Part of Chandrika's popularity is due to the perception among the electorate that the family has paid a bloody price for public service. Kumaratunga's husband, Vijaya, a popular actor and politician, was assassinated by Sinhalese extremists on 16 February 1988; her father, Solomon W.R.D. Bandaranaike, prime minister between 1956–59, was assassinated in September 1959.

As a member of this illustrious Sri Lankan family, it was only a matter of time before Chandrika Kumaratunga joined the political fray. She was first appointed to the position of additional principal director of the Land Reforms Commission during her mother's second term in office. She has also served as chairperson of the Janawasa Commission, Executive Committee member of the Women's League of the SLFP, member of the Executive Committee and the Working Committee of the SLFP, and as the vice president and president of the Sri Lanka Mahajana Party (SLMP), a party formed with her late husband, Vijaya.

Kumaratunga left the country after her husband's assassination in 1988 but returned in 1990 to help her mother, Sirimavo Bandaranaike, in leading the SLFP. The party was at the head of the People's Alliance that had been formed in the prelude to the 1993 provincial elections. Kumaratunga was instrumental in the victory of the coalition in the Western Province, where she became the chief minister. On 24 June 1994 President D. B. Wijetunga dissolved Parliament and ordered elections for 16 August 1994. By then, Kumaratunga had supplanted her brother, Anura Bandaranaike, as her powerful mother's heir apparent.

Although Kumaratunga was unable to win a clear victory, she was able to form a government and became the prime minister. In the presidential elections in November 1994, after the assassination of UNP candidate Gamini Dissanayake, she faced the latter's widow, Srima. Although Srima was expected to get a lift from the "sympathy" vote, Kumaratunga was able to carve out an impressive victory, with 62% of the vote, becoming the first female president of Sri Lanka. Escaping an assassination attempt three days before polling, Kumaratunga narrowly won a second six-year term as president on 21 December 1999.

## LEADERSHIP

Kumaratunga is an experienced politician who comes from a family with a prominent place in Sri Lankan politics. Before her mother, Sirimavo, died in 2000, Chandrika could call on Sirimavo's expertise as a political veteran. In her own political career, Chandrika Kumaratunga has demonstrated many of the qualities necessary for someone in her position. She is renowned among her supporters for her energy and intellect. However, the task she has faced as Sri Lanka's president would test anyone's abilities to the utmost. Kumaratunga was elected and re-elected to office by a populace that expected her to restore peace and prosperity to a violence-torn country, a challenge which has yet to be completed. She has also become a somewhat volatile and very outspoken leader, rather than a conciliator or consensus-builder. This has led to

very public tensions within her government, as she has been forced to share power in her second term as president, without holding the prime minister's position. Her relationship with Prime Minister Wickramasinghe, of the United National Party (elected in December 2001) has been acrimonious and even threatening. Kumaratunga's legacy as a social reformer and peacemaker is in danger of being eclipsed by her fierce personalized rivalry with a prime minister from an opposing party.

### DOMESTIC POLICY

The most important domestic problem in Sri Lanka remains the ethnic conflict between the Tamils and the Sinhalese. In January 1995, the LTTE Tamil rebels agreed to a "cessation of hostilities" with the government of Kumaratunga, then a newly-elected SLFP president who was perceived as being a moderate. Within three months, this truce collapsed and the LTTE resumed its attacks on government forces. The Sri Lankan army went on the offensive, and by early 1996 appeared to have control of the northern peninsula. Tamil resistance continued, however, with attacks on the military in the north and bombings elsewhere on the island. After a 1998 suicide bombing at Sri Lanka's most sacred Buddhist shrine, the Temple of the Tooth in Kandy, the government formally outlawed the LTTE. President Kumaratunga continued to offer the Tamils limited regional autonomy, a position that was opposed by the UNP opposition and rejected outright by the Tamils.

By late 1999, the LTTE had regained much of its lost territory in the north, inflicting a series of major defeats on government forces. Despite this, Kumaratunga was elected to her second term as president in December 1999. Following several years of on-and-off attacks by both military factions, Kumaratunga's government placed the country on an emergency war footing in 2000. Separatist violence was largely confined to the north and eastern provinces, but terrorist bombings directed against politicians and civilian targets occurred in Colombo, Kandy, and elsewhere in the country. By mid-2000, the government's position in the Jaffna peninsula had deteriorated alarmingly, with some 40,000 soldiers isolated in the north by Tamil rebels. Not surprisingly, the Tamils rejected a renewed effort by Kumaratunga to begin peace talks. In July 2001, an LTTE suicide squad attacked the Bandaranaike International Airport outside of Colombo and destroyed a large number of military and civilian aircraft, as a show of ability to strike anywhere, anytime.

At last a breakthrough occurred, after as many as 64,000 deaths in decades of insurgency and counterinsurgency. In February 2002 a ceasefire was negotiated as the newly elected Prime Minister Ranil Wickramasinghe agreed to consider ending sanctions on rebel-held areas and lifting the ban on the LTTE. Wickramasinghe indicated that the government would consider all conditions except a separate homeland for the Tamils. Norway was brought in as the "facilitator" for the talks, which were scheduled to commence in May 2003, and preliminary discussions were held, but the actual negotiations were stalled when the Tamil negotiators suspended their participation in April 2003. With the process on hold, Kumaratunga castigated both Norway for going too far in acting as a mediator and Japan (which has a "peace envoy"

to Sri Lanka) for meddling in the peace process. She also accused Wickramasinghe of making too many concessions to the Tamils and conducting the process secretly. In May 2003, the peace envoy from Norway, Eric Solheim and his team held talks with all concerned parties in an effort to revive the peace negotiations. The LTTE was demanding an interim council to administer its territory, as a precondition to re-engaging in the talks, while Kumaratunga has conditioned such an interim council on the LTTE disarming and renouncing separatism.

Despite the fits and starts of the negotiation process, the cease-fire has held, enabling a "peace dividend" revival of economic development not only in the war zone, but throughout the island, with an encouraging 4% growth rate in 2002. Loans from the Asian Development Bank and international aid enabled reconstruction of infrastructure and agriculture in the Tamil-majority north. However, the rebuilding proceeded slowly. The program for returning internally displaced persons to their old homes was also slow and difficult, which caused particular discontent among the north's Muslim minority which had been forced out by the LTTE.

During her first term (as president and prime minister) Kumaratunga was a proponent of establishing a British-style government, with power concentrated in the hands of a prime minister. Constitutional reforms require a two-thirds majority in the Sri Lankan Parliament, and the UNP succeeded in blocking such changes. In her second term as president, now with an uneasy "cohabitation government" with Prime Minister Wickramasinghe, Kumaratunga has constantly wielded the threat of using her power to dissolve the Parliament, although she insists that she would only do so if it threatened national security. At the same time, Wickramasinghe, backed by his parliamentary majority, has tried to decrease Kumaratunga's presidential powers, using his own threat of calling new elections. The relationship reached a low point in July 2002, when scuffles broke out in Parliament over apparent accusations that Kumaratunga had brought a recording device, or even an explosive device, into a cabinet meeting. In October 2002, Kumaratunga attempted a more conciliatory approach, asking the political factions to put aside their differences so as not to endanger the peace process. By the start of 2003, the wrangling and war of words had resumed full force, as Kumaratunga and Wickramasinghe traded accusations of sabotaging the peace negotiations. When Kumarasinghe took over the Development Lotteries Board from the Economic Ministry in May 2003, there was renewed conflict with the Parliament, controlled by Wickramasinghe. Kumaratunga appeared to be engineering an agreement between her People's Alliance and the left-wing Sinhalese-nationalist JVP, for an attempt to gain control of Parliament.

On the economic front, Kumaratunga has abandoned most of her socialist beliefs and is a firm supporter of Sri Lanka being a free-market economy. During her administrations she has promoted privatization, financial reform, and restructuring of the tax system. Great disparities in production, employment and income now exist in Sri Lanka, with gaps between rich and poor regions, as development projects have favored the island's west over other regions during recent decades. Kumaratunga and her People's

Alliance party have opposed attempts by Wickramasinghe's government to equalize development and to distribute more aid to rural areas. In spite of economic inequality and chronic warfare, Sri Lanka has a high life expectancy, and has made gains in health care and education. Clearly, the future growth of Sri Lanka's economy and the well being of its people depend on a peaceful and lasting resolution of the country's ethnic conflict.

## FOREIGN POLICY

Although there have been problems with India in the past, particularly because of Indian government support of the Tamils in the 1980s, Sri Lanka generally maintains cordial relations with its neighbors in South Asia. After being burned by its abortive peacekeeping efforts in Sri Lanka, the Indian government became reluctant to get involved with the Sri Lankan conflict. Kumaratunga's peace efforts are welcomed by India, which is facing its own secessionist struggles in Kashmir and some of its northeastern states. India and Sri Lanka have recently worked to improve trade and transport links, planning a ferry service between the countries.

In October 2001, as part of its "War on Terror" the United States redesignated the LTTE as a terrorist organization. The LTTE has been on and off the US government's terrorist list since 1997. LTTE terrorist activities, generally aimed at destabilizing Sri Lanka politically and economically, have included assassination of politicians, including the assassination of the industrial development minister by suicide bombing in June 2000; bombing of economic targets such as the central bank in January 1996, Colombo's World Trade Center in October 1997, and the Sri Lankan airport in July 2001; as well as attacks on Buddhist religious sites. Even with the terrorist designation, the US has approved of the Sri Lankan government's negotiations with the LTTE, although the United States has criticized violations of the cease-fire by the LTTE. In May 2003, US Assistant Secretary of State for South Asia Christina Rocca met with Sri Lankan leaders and encouraged the Prime Minister and President to work together so as to not jeopardize the peace process.

Sri Lanka was a founding member of the Non-Aligned Movement (NAM) and hosted its 1976 summit. Kumaratunga's efforts to democratize the political and social structure, investigate human rights violations, and bring peace to the island have been supported by the global community. Sri Lanka is a member of the Commonwealth, the South Asian Association for Regional Cooperation

(SAARC), the World Bank, the International Monetary Fund, the Asian Development Bank, and the Colombo Plan.

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# SUDAN

## Omar Hassan Ahmed al-Bashir Prime Minister

(pronounced “oh-MAR hab-SAHN ab-MED al bah-SHEER”)

*“As soon as we feel that the Sudanese people are capable of making good decisions free from sectarian considerations and party politics, we will relinquish power.”*



The Republic of the Sudan, historically known as the land of Kush, borders on eight neighboring states and is the largest country in Africa. To the north of Sudan are Egypt and Libya; to the west are Chad and the Central African Republic; to the south are Zaire, Uganda and Kenya; and to Sudan's east are Ethiopia and the Red Sea. Its total area is 2.376 million sq km (917,000 sq mi). The population was estimated to be 37 million in 2001. The unit of currency is the Sudanese *pound*. Arabic, the official language, is spoken by about half of the population. Nubian and Ta Bedawie are also spoken. Over 100 dialects of Nilo-Hamitic, Sudanic, Bantu, and Darfurin languages are also used, while English is spoken in major urban areas. Ethnically, Sudan is complex, with over 500 different tribes composing 19 major ethnic groups: in the north are mostly Arab peoples; in the south are the Nuba, Beja, Fur, Sudanic, Nilotic and Para-Nilotic groups, among them the Dinka, Nuer and Shilluk. Sudan's religion is predominantly Sunni Muslim (70%, mostly in the north), but indigenous belief systems (25%) and Christianity (5%, mostly in the south) also exist. The per capita gross domestic product (GDP) for the country was estimated at us\$1,360 in 2001. The country's primary exports are oil and petroleum products, cotton, sesame, livestock, groundnuts, gum arabic, and sugar.

### POLITICAL BACKGROUND

After gaining its independence from Egypt and the United Kingdom in 1956, Sudan initially was established as a civilian parliamentary republic. Democratic mechanisms, however, have faltered over the years as a series of military and civilian coups brought nonelected leaders to power. In the coup of 6 April 1985 President Gaafar al-Nimeri was overthrown by General Abdul Rahman Suwar al Dahab, who had been promoted to minister of defense only three days earlier. Suwar al Dahab suspended the constitution, declared martial law and formed the Transitional Military Council of 15 senior military leaders to act collectively as the heads of state. Civilian government was restored in 1986 and, in elections held between 1–12 April 1986, Sadiq al Mahdi was chosen prime minister. Mahdi's Umma Party formed a coalition with the Democratic Unionist Party to oppose the militant fundamentalist National Islamic Front (NIF). A Constituent Assembly was established to govern the country as its legislative body, while a Council of Ministers, headed by Mahdi, implemented government policy. The executive branch

consisted of a five-man Supreme Council which acted collectively as president.

After the 30 June 1989 coup led by Omar Hassan Ahmed al-Bashir, Bashir declared a state of emergency, suspended all political activity, and established a 15-member Revolutionary Council. Although initially Bashir's *junta* ruled Sudan in an autocratic manner with no apparent links to political parties, his group eventually allied itself with the NIF, which sought to reinstate Islamic law (*shariah*). Civilian government was nominally restored in 1993, but Bashir and the NIF remained in control through the 1990s as warfare continued between government forces based in the north and non-Muslim rebels in the southern part of the country.

### PERSONAL BACKGROUND

Omar Hassan Ahmed al-Bashir comes from a rural and working class background. He was born in 1944 in the town of Hoshe Bannaga, 100 km (80 mi) northeast of Khartoum. He received some of his military training in the USSR, although he later held distinctly anti-Communist views. Bashir served in the Sudanese army, rising to the rank of brigadier. He was the third-ranking paratroop and airborne commander in the civil war between the central government and the southern rebels of the Sudanese Peoples Liberation Army (SPLA), led by John Gurang. It is believed that he is a member of a northern Muslim sect that opposed Sadiq al Mahdi's efforts to suspend the imposition of Islamic law.

### RISE TO POWER

Bashir, who has said that he had considered taking power ever since Suwar al Dahab returned Sudan to democracy in 1986, reportedly arrived in Khartoum only three weeks before the 1989 coup. Prime Minister Sadiq al Mahdi's inability to end the civil war or to rehabilitate Sudan's crippled economy led to months of growing confrontation and animosity between the military and the government. In February a group of military officers presented Prime Minister Mahdi with an ultimatum, demanding that he either settle the civil war through negotiation or give the military the means to gain victory on the battlefield. Bashir is said to have been involved in the planning of a coup attempt set for 22 June 1989, though he was not among those arrested in an 18 June preemptive roundup of conspirators.

On 30 June, a group of military officers, dissatisfied with Sadiq al Mahdi's progress in ending the war and solving Sudan's endemic food crisis, moved to arrest the prime



minister and dismissed 28 generals loyal to his government. The coup was for the most part bloodless, as it was reported that only two officers were killed in the takeover. The little-known Bashir soon announced on the official Omdurman radio that he was the leader of this coup and that henceforth Sudan would be ruled by a new Revolutionary Command Council of National Salvation. He further announced that the *junta's* primary goals would be achieving peace and putting the *shariah* issue to the people in the form of a referendum.

### LEADERSHIP

After the 1989 coup, Bashir moved to monopolize power within his 15-member Revolutionary Council. He dissolved parliament, established a state of emergency and a curfew in Khartoum, suspended all political activities, and freed 14 army officers who had been arrested earlier for plotting Mahdi's overthrow. He promoted himself to brigadier general and declared himself prime minister, defense minister, and commander in chief of the armed forces. He also purged the military of dozens of officers who were thought to have loyalties to the old regime, thereby cementing his own position of dominance vis-a-vis the military. Bashir appointed officers loyal to him to head the air force, the infantry institute, and military intelligence. He then traveled throughout the country to solidify his position by reappointing regional governors that would support him.

By 1990, Bashir had formed an alliance with the National Islamic Front (NIF), an Islamic fundamentalist party led by Hassan al-Turabi; the two men remained the country's most powerful political figures throughout the decade, even after the nominal restoration of civilian government in 1993. Al-Turabi served as the political and ideological leader of the

country's program of Islamization, while Bashir maintained the military power behind the government. In December 1999 a growing power struggle between the two men led to the removal of al-Turabi and the appointment of new political leadership by President Bashir. In February 2001 Turabi was arrested on charges of obstructing the implementation of the Constitution, waging war against the state, and attempting to topple the government through force. He was released in October 2001 but was kept under house arrest for security reasons. In August 2002, 26 members of al-Turabi's People's National Congress Party were arrested for creating disorder, obstructing the ongoing peace process, and leading the country into "killing and destruction." Six months later, six of those being held were released from prison without further explanation.

### DOMESTIC POLICY

The cornerstone of Bashir's domestic policy has been the imposition of Islamic law and institutions through severe political repression involving widespread human rights abuses. All real political opposition has been driven underground or into exile. *Shariah* was reinstated as the Criminal Act of 1991, instituting harsh punishments nationwide, including amputations and stoning. The southern states are "officially" exempt from these Islamic prohibitions and penalties. In 1993, however, the government transferred all non-Muslim judges from the south to the north, replacing them with Muslim judges. The introduction of Public Order Police to enforce *shariah* law resulted in the arrest and treatment under *shariah* law of southerners and other non-Muslims living in the north.

Periodic ceasefires and negotiations have failed to end the civil war that has ravaged the country since the early 1980s, killing two million people, internally displacing over four million, and exacerbating famine conditions in the south. In 1997, the government signed a series of agreements with rebel factions under the banner of "Peace from Within," calling for a degree of autonomy for the south and the right of self-determination. Government and rebel negotiators continued to meet in 1999, reaching agreement on transit routes for humanitarian relief.

In July 2002, another round of peace negotiations between the government and John Garang's SPLA rebels in the south in the Kenyan town of Mashakos resulted in the "Mashakos Agreement." The agreement hinged on the initial acceptance of a unified state; however, after a six-year period, a referendum for the self-determination for the people of southern Sudan would be held, to see if they would wish to remain a part of a united Sudan, or to form a separate state. In September, talks broke down as Garang's forces seized the town of Tourit. Severe fighting continued in January 2003. In April, however, Bashir and Garang met to express their desire to reach a final peace agreement by the end of June 2003. The two sides subsequently returned to the negotiating table at Mashakos, and decided to focus on some of the major issues between them, including the location of the nation's capital; the office of the president; the authority of executive and legislative bodies; distribution of oil revenues; and issues relating to the financial system, central bank, and currency.

Although the war has occupied most of Bashir's energies, his country's pressing economic problems have forced him to



implement harsh programs aimed at cutting government expenses and boosting Western lenders' confidence in his regime. In spite of the government's privatization program and efforts at stimulating foreign investment, Sudan's economy is still weakened by massive foreign debt and heavy military expenditures. Sudan's primary resources are agricultural, but extensive petroleum exploration began in the mid-1970s, and some believe that petroleum might solve many of Sudan's problems. Significant finds were made in the Upper Nile region and commercial quantities of oil began to be exported in October 2000, reducing Sudan's outflow of foreign exchange for imported petroleum products. There are indications of significant potential reserves of oil and natural gas in southern Sudan, the Kordofan region and the Red Sea province. The Sudan, however, will still require significant assistance and debt relief to manage a foreign debt that was estimated at us\$24.9 billion in 2000.

In April 2002, the ruling National Congress Party announced it would pursue an amendment to the Constitution to allow the president to serve more than two terms.

## FOREIGN POLICY

Bashir has made clear his intent to take a strongly pan-Arabist approach to foreign relations, voicing his desire to make Sudan a model Islamic state in the region. Shortly after coming to power, Bashir approached many Arab countries such as Saudi Arabia, Kuwait, the United Arab Emirates, and Iraq, seeking assistance in the form of money, medical supplies, oil, and weapons. Capitalizing on his self-proclaimed solidarity with the Arab world, Bashir personally visited Iraq, announcing soon afterwards that President Saddam Hussein had promised to meet Sudan's requirements for aid and weapons.

During Bashir's period in power, Sudan has acquired an international reputation for political repression, human rights abuses, and support of terrorism. In the early and mid-1990s, notorious international figures—Carlos the Jackal, Osama bin Laden, Abu Nidal, and other terrorist leaders—resided in Khartoum. The United States added Sudan to its list of countries spawning international terrorism in August 1993. In October 1997, the United States imposed comprehensive economic, trade, and financial sanctions against the Sudan. Following the August 1998 bombings of the U.S. embassies in Kenya and Tanzania—allegedly carried out by the al-Qaeda organization—the United States launched cruise missile attacks against the El Shifa pharmaceutical factory in Sudan, claiming it was a chemical weapons factory with ties to Osama bin Laden. Despite these rocky relations, however, the United States and Sudan were able to enter into a bilateral dialogue on counterterrorism in May 2000. Following the 11 September 2001 terrorism strikes on the Pentagon in Washington, D.C. and the World Trade Center in New York, Bashir's government publicly committed full support for the U.S.-initiated international effort for the War on Terror, though the government did criticize the immediate U.S. strikes in Afghanistan against the al Qaeda and the Taliban regime. In a report submitted to the UN Security Council, Sudan asked for international assistance in reviewing laws

that would strengthen border controls against terrorists, improve efforts to freeze financial assets of suspected terrorists and develop programs for chemical and biological weapons that could be used by terrorists.

The United States and other donors continue to provide large amounts of humanitarian aid to all parts of the Sudan. A UN-sponsored program, Operation Lifeline Sudan (1989–90) moved some 100,000 tons of food into both government and SPLA-held areas of the Sudan, and widespread starvation was averted. A similar program was initiated in 2000–01 as the United States and the international community again responded to drought situations in Sudan. In April 2003, the U.S. government announced it would not impose economic sanctions against Sudan because it had taken steps to end the conflict in the south through the Mashakos peace negotiations.

In May 2003, Egyptian president Hosni Mubarak visited Sudan, the first such state visit in more than 12 years. Bashir indicated efforts at integration between the two countries, including in the areas of trade and agriculture, would be highly beneficial. Some see such efforts as the first steps leading to the establishment of an Arab Common Market.

The United States, the Netherlands, Italy, Germany, Saudi Arabia, Kuwait, and other Organization of Petroleum Exporting Countries (OPEC) have supplied most of Sudan's economic assistance. Sudan's role as an economic link between Arab and African countries is reflected by the presence in Khartoum of the Arab Bank for African Development. The World Bank had been the largest source of development loans. Consequently, Sudan has become the world's largest debtor to the World Bank and International Monetary Fund (IMF).

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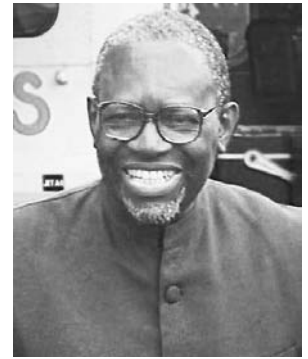
Profile researched and written by Craig Schultz (7/1990); updated by Jeneen Hobby, Ph.D. (5/2003).

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# SURINAME

## Runaldo Ronald Venetiaan President

(pronounced “roo-NAHL-doh RAH-nuhld ven-aye-ti-AHN”)



*“My election has allowed me to seek a solution in a peaceful manner... These difficulties will have to be overcome and the problems solved.”*

The Republic of Suriname (pronounced “suh-ri-NAM-uh,” but also pronounced in English without the last syllable) is situated on the north central coast of South America and covers an area of 163,270 sq km (63,039 sq mi). More than 95% of the country’s area was once covered by tropical forest, and efforts to preserve it have resulted in a loss of less than 10% to development. To the north lies the Atlantic Ocean, to the east French Guiana, to the south Brazil, and to the west Guyana. The population was estimated at 436,494 in 2002. More than 90% of the population is settled in the northern coastal region, the site of extensive plantation agriculture in the seventeenth through nineteenth centuries. Movement out of agriculture has produced an urban sprawl around the capital city of Paramaribo with an estimated population of 180,000.

Dutch is the official language, but the majority speak Sranang Tongo (Surinamese, also known as Taki-Taki). Also widely spoken is Sarnami Hindostaans (a local Hindi dialect). There are also a number of tribal African and Amerindian tongues spoken by the Maroons (descendants of runaway slaves) and the Carib and Arawak groups living along the rivers of the interior and in other scattered locations. English, Chinese, French, and Spanish are also spoken. Ethnically the population is a rich composite of peoples, most of them brought to the country by the Dutch to work on sugar and other plantations: Creoles (descendants of intermarriage between Europeans and Africans) make up about 31% of the population, Hindustanis (from India, also known as East Indians) about 37%, Javanese 15%, Maroons 10%, Amerindians 2%, Chinese 2%, and others (including Dutch and Lebanese) 3%. The population also exhibits a rich variety of religious faiths: Protestants and Catholics each comprise about half of the total Christian community, making up 48% of the population. Hindus add another 27%, Muslims 20%, and smaller numbers of Jews, Buddhists, and animists round out the figures.

The currency unit is the *Surinamese guilder*. Suriname’s primary export products are alumina, rice, bauxite, aluminum, shrimp, and bananas.

### **POLITICAL BACKGROUND**

Suriname was a prosperous British settlement on the banks of the Suriname River of northeast South America. The settlement was transferred to the Dutch in 1667 by the Treaty of Breda, with the British receiving New York, New Jersey, and Delaware in return. Slaves imported from Africa

furnished labor for the vast plantations, and after slavery was abolished in 1863, indentured laborers were brought in from British India and the Dutch East Indies for this purpose. Suriname has been a fully self-governing member of the Dutch Kingdom since the end of World War II. In 1975, upon being granted independence, the country dropped its former name of Dutch Guiana. Although originally governed as a parliamentary state, the Constitution was suspended in early 1980 following a military coup led by Désiré Bouterse. The arrest and execution of 15 prominent civilians by Bouterse’s government resulted in internal and external pressures for the drafting of a new Constitution, approved in September 1987, and subsequent free elections. This Constitution gave Suriname a mixed presidential and parliamentary form. Civilian rule was restored in 1988; Lt. Colonel Bouterse created the National Democratic Party (NDP), a political vehicle for him and his supporters to use in the next elections. Bouterse’s NDP won only three seats in the National Assembly. Nevertheless, after Bouterse staged a 1990 Christmas Eve coup, the National Assembly rapidly approved a new government dominated by the NDP that had the strong backing of the army. A semblance of constitutional government was maintained and elections were held in May 1991. The New Front (NF), a coalition made up of four political parties, swept the election on an anti-military platform, and their leader, Ronald Venetiaan, became president. Relations with the armed forces remained tense during the Venetiaan administration. He served until 1996, but lost his reelection bid to Jules Wijdenbosch, the candidate of the National Democratic Party (NDP). Former military dictator, Désiré Bouterse, was president of the NDP. In elections held in 2000, Venetiaan and his NF coalition were returned to power.

Under the terms of the 1987 Constitution, Suriname is a parliamentary republic with one legislative house, the National Assembly. Ultimate authority rests with this 51-member body which is elected for a five-year term. The National Assembly reflects the diverse population through ethnically based political parties. Elections are not prescheduled and can take place at any time during the five-year period. Executive authority rests with the president, who is elected by the National Assembly. The president serves as head of state, head of government, head of the armed forces, and chair of the Council of State, which is an advisory body. The president shares some of his powers with his vice

president, who heads the Cabinet and oversees day-to-day policy-making and administration.

### PERSONAL BACKGROUND

Runaldo Ronald Venetiaan was born 18 June 1936 in Paramaribo. He was educated in mathematics in The Netherlands. He began his participation in politics when he became chairman of the Nationale Partij Suriname (Suriname National Party—NPS), mainly supported by the Creoles (descendants of intermarriage between Europeans and Africans). He served as minister of education in the first post-independence government, and is respected as an educator and as a fair politician. Venetiaan was the primary force behind the coalition formed to oust the military regime of Désiré Bouterse.

### RISE TO POWER

Ronald Venetiaan, who served a term as Suriname's president from 1991 to 1996, took office for a second time on 12 August 2000 pledging to improve the economy. He had been involved in Suriname politics for almost 30 years. Venetiaan became the minister of education in the pre-independence Suriname government in 1973, and remained in the post when Suriname gained its independence in 1975. In 1980, when the government was overthrown in a military coup led by Désiré Bouterse, Venetiaan (and all the other ministers) gave up their posts. When the military allowed elections to be held in 1987, Ramsewak Shankar became president and Venetiaan joined his cabinet, again as minister of education. The government functioned until 1990, when the military again assumed power. Venetiaan formed a coalition, the New Front (NF), to oppose the military control of the government. The NF coalition was made up of four political parties: the NPS, the Hindu Progressive Reform Party (VHP), the Suriname Labor Party (SPA), and the Javan party, Pertjaja Luhur. Under international pressure, the military government again agreed to hold elections in May 1991, and the Venetiaan's NF swept to power; Venetiaan was selected to become president in September 1991. Bouterse and his fellow military leaders were fired by Venetiaan, but Bouterse remained a powerful political leader as president of the National Democratic Party (NDP). The government, led by Venetiaan and his vice president, Jules Rattankoemar Ajodhia, managed to implement a plan to restructure the economy. They led the country until the general election on 23 May 1996, when President Venetiaan's New Front coalition initially appeared to have narrowly won the National Assembly. When the votes were tallied, the NDP, led by Jules Wijdenbosch (and with Bouterse behind the scenes) won only 16 of the 51 National Assembly seats, but it subsequently increased its strength to 28 when the New Front coalition disintegrated. Members of the VHP and the Indonesian party, KTPI, defected, joining a new coalition with the NDP, giving the election to Wijdenbosch and the NDP. Wijdenbosch won 437 votes of the United Peoples' Assembly against 407 for Venetiaan, an outspoken defender of democracy over military government. While Bouterse was still a powerful force in the NDP, the new recruits to the NDP-led coalition stipulated that Bouterse should not hold office in the new government. Wijdenbosch's close association with Bouterse, a former dictator, reawakened fears of a



resurgence of the bloody civil war of the 1980s. These worries grew and the country's economic woes worsened. These factors combined to result in Wijdenbosch's defeat by Venetiaan in the elections held in 2000, when the NF coalition won back control of the government. Ironically, one of the unlikely—but successful—candidates in the May 2000 elections for the National Assembly was Bouterse, whose popularity in Suriname seemed unaffected by the fact that he was found guilty of cocaine trafficking by the Dutch government.

### LEADERSHIP

Venetiaan assumed the office of president for the second time in 2000 under challenging conditions. The country's treasury was nearly bankrupt, the civil service was overstaffed and inefficient, the economy was stagnating, and relations with neighboring Guyana were strained. He ran his campaign on his past reputation as a respected educator and staunch supporter of democracy. He promised stability, an end to government secrecy and corruption, and economic growth. "During the campaign we emphasized the need to address the troubles in the economy that the country had been facing during the past three to four years," Venetiaan noted. He was banking on the resolve of the Suriname citizenry to endure the austerity measure that would be necessary to turn the economy around. At the same time, he looked for support from the legislature to pass legislation to fight government corruption. The vice president, Jules Ajodhia, told a reporter, "In his [Venetiaan's] address to the national assembly, the president announced that he wanted the anti-corruption act passed as soon as possible. Investors need to have confidence in the law enforcement institutions."

Ventiaan's coalition was firm in its resolve to thwart any early coup attempts by former military dictator Désiré Bouterse, who had staged coups in both 1980 and 1990 and was reportedly hiding out in the forests of Suriname in late 2000. The government called on military leaders to publicly declare their support for the incumbent government in a move to force the military to solidify military allegiance to the elected government. Bouterse was convicted of cocaine trafficking by a court in The Hague in July 1999, where a judge sentenced him *in absentia* to 16 years in prison, and fined him US\$2.18 million.

## DOMESTIC POLICY

Any disturbances in the economy have profound effects on this small, impoverished nation, where 63% of the people live below the poverty line. Frustrated citizens staged protests against the government of Venetiaan's predecessor, Jules Wijdenbosch. The country's central bank president has pointed to rampant spending during the Wijdenbosch administration as the cause of the economic problems. Noting the swelling government deficit as the country's number one problem, he challenged Venetiaan to slash government spending immediately.

To wrestle the economy under control, Venetiaan sought advice and support from the International Monetary Fund (IMF) and the World Bank—both of whom have helped the government sketch out an austerity plan to bring the treasury out of its near-bankrupt condition. Venetiaan's government began implementing the austerity measures in 2002, raising taxes and trying to cut government spending. In the fall of 2002, an IMF review found that the country's financial and economic indicators were still weak. The depreciation of the country's currency early in the year had led to rising inflation, totaling 22% for the year ending August 2002 (compared with 5% for the previous year). Economic growth, however, which totaled 1.2% in 2002, was expected to rise to 2.1% in 2003, and the government deficit was expected to decline. IMF advisors urged diversification for the country's mining-intensive economy.

Although Suriname is in the top 20 nations of the world in natural resources, most of its minerals resources—believed to include reserves of gold, diamonds, platinum, uranium, manganese, copper, nickel, and iron ore—have gone unexplored. The only resource that has been exploited is bauxite, the raw material used in the production of aluminum; Suriname is one of the world's leading suppliers of this raw material. The U.S. Geological Survey also suggests that Suriname's territory has billions of barrels of untapped oil reserves.

## FOREIGN POLICY

Suriname is a member of the United Nations (UN), the Organization of American States (OAS), and the nonaligned movement, and is associated with the European Union (EU) under the Lomé Convention. In 1995 Suriname became a member of CARICOM (Caribbean Community), the Caribbean common market. Suriname is making efforts to boost its political and economic ties with India and Indonesia. Relations with France became strained during the years of military rule because of the influx into French Guiana of

8,000 to 12,000 refugees from eastern Suriname and fears of Haitian refugees entering French Guiana via Suriname.

In the weeks following his inauguration, Venetiaan improved relations with neighboring Guyana. (Suriname and Guyana are the only CARICOM members with borders in common.) The two countries have ongoing conflicts over mineral rights that came to a head in June 2000. Surinamese warships approached a drilling rig owned by the Canadian firm, CGX Energy. The rig was preparing to explore for oil in a 5,985 sq mi (15,500 sq km) area, known as the Eagle field, under an exploration license CGX had negotiated with the government of Guyana. Suriname claimed the Eagle field was comprised of Surinamese territorial waters, but Guyana disputed that claim. Since then relations between the two countries have been strained.

Upon assuming the presidency, Venetiaan expressed willingness to discuss the border dispute and to work toward a resolution. In January 2002, the Suriname/Guyana Cooperation Council and a border commission were both meeting after years of inactivity. Also, on 31 January 2002, Guyana's president Bharrat Jagdeo visited Suriname for talks with Venetiaan; the two signed a document indicating their commitment to seek ways to cooperate for their countries' mutual benefit in oil exploration. Surinamese government officials assured the concerned parties (oil exploration companies, principally, and the government of Guyana) that they were committed to the exchange of ideas.

Under the leadership of Venetiaan and his counterpart, Guyana's president Bharrat Jagdeo, the two countries seemed to be moving closer to cooperation and resolving their disputes and expanding areas of cooperation beyond mineral rights to agriculture (including marketing of rice and other commodities), promotion of ecotourism, and technology sharing to improve export product quality. Their January 2002 meeting was generally regarded as a major step forward in warming their relations. Oil companies from Brazil, The Netherlands, the United States, France, Canada, and Korea have all expressed interest in gaining access to the deepwater exploration area, which the United States Geological Service (USGS) has identified as the second most promising of the unexplored world deepwater basins. Exxon has negotiated licenses for nearly all the exploration area off the shores of Guyana.

While seeking to improve relations with Guyana in areas where the two countries could pool resources for their mutual development—as in the promotion of ecotourism—Venetiaan and Jagdeo were cautious about allowing goods to travel too freely across their shared border. The two countries agreed to cooperate to quell the increase in cross-border smuggling, trafficking of narcotics, money-laundering, and other illegal activities, while ensuring that the appropriate duties and taxes be collected so that neither country's treasury suffers as relations improve. Venetiaan has stated that he hopes the free flow of goods and capital across the border between the two countries will eventually make smuggling pointless. He advocates close and continuous communication between the two countries to avoid misunderstandings and hostility. In October 2002, military authorities in Guyana charged that the smuggling of arms over the border from Suriname was contributing to a crime wave that had plagued their country for over half a year.

In 1999 diplomatic relations with the Dutch were damaged as the government of Venetiaan's predecessor, President Wijdenbosch, protected and defended former dictator Désiré Bouterse, who was convicted of cocaine trafficking by a court in The Hague. Wijdenbosch refused to extradite Bouterse, and his position caused a rift with the country's Dutch benefactors. Suriname has a lot at stake in its foreign relations with the Dutch since it relies on a substantial amount (us\$1 billion) of Dutch development aid. Upon taking office, Venetiaan indicated that he was less inclined to protect Bouterse and asked the Parliament in February to repeal the ban on extradition of Surinamese citizens. Asserting that constitutional protection should be applied judiciously, he told the Parliament, "When our citizens threaten other parts of the world with drugs, crimes, torture, or violation of human rights, then there is a question of whether you are using your Constitution to cover up for those concerned, to prevent their being called to account."

Venetiaan opened talks with The Netherlands to renew the flow of significant financial aid from that country, which had dried up over Suriname's lack of cooperation in prosecuting Bouterse for past criminal activity. Dutch aid to Suriname has resumed, paving the way for international development financing.

Suriname has also gained international attention with the commercial exploitation of 40% of its rainforest, under contract to three Asian companies. This has prompted international organizations, including the Inter-American Development Bank (IDB), UN Food and Agricultural Organization (FAO), and European Union (EU), to offer financial assistance to maintain a healthy level of resources through replanting and managed harvesting.

In December 2002, the IDB announced a us\$3.37 million loan to help finance Suriname's first census since 1980.

Expected to aid in the formulation of national and regional planning and policy by charting major population shifts over the preceding two decades, the census was scheduled for spring 2003.

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Profile researched and written by David Kyle, Ph.D., Texas A&M University (12/1996); updated by Rosalie Wieder (5/2003).

# SWAZILAND

## Mswati III King

(pronounced “em-SWAH-tee”)

*“I call on the whole Swazi nation to remain united in our commitment to overcome the difficulties we face, with honesty and openness in our dealings with one another. And may Almighty God continue to watch over us as we make every effort to create the right conditions to allow all Swazis the opportunity to live in peace and prosperity.”*



The Kingdom of Swaziland, surrounded by South African territory but for a short border with Mozambique, lies in Africa's southeastern corner. Topographically diverse, Swaziland's 17,363 sq km (6,704 sq mi) area changes from rugged, mountainous terrain in the west to low plains in the east. The population was estimated at 1,123,605 in 2002, of which 90% are Swazi, with 10% of the population split between Zulu, Tongan, Shangaan, and European peoples. Nearly 60% of the Swazis are Christian, 30% practice indigenous beliefs and 10% are Muslim.

Swaziland ranks among the more prosperous countries in Africa. Even so, in 2003, an estimated one-quarter of the population was at risk of starvation due to severe drought the previous year. The sugar industry is Swaziland's leading export earner and private-sector employer. Soft drink concentrate (a U.S. investment) and sugar are the country's largest export earners, followed by wood pulp and lumber from cultivated pine forests. Cotton yarn, refrigerators, and citrus fruit are other important exports. The currency is the *ilangeni*.

### POLITICAL BACKGROUND

The Swazi nation originated with the Ngunwe people of the Nguni language group. The Ngunwe moved into what is today Swaziland in the latter half of the 18th century. King Sobhuza I was responsible for conquering and incorporating other groups of Africans into the burgeoning Swazi Kingdom. Swaziland was administered for a short period by Afrikaners until the British declared the Swazi state a protectorate. Swaziland maintained this status from 1902 until 6 September 1968, when it received its formal independence.

At that time a parliamentary style of government was put in place. Parliament now consists of a 65-seat House of Assembly (55 members are elected through popular vote; 10 are appointed by the king) and 30-seat Senate (10 members are appointed by the House of Assembly, and 20 are appointed by the king). The king must approve legislation passed by Parliament before it becomes law.

After the Ngunwe National Liberation Congress (NNLC) won the right to represent one of Swaziland's eight constituencies in 1972, King Sobhuza II banned all political parties, including his own Imbokodvo National Movement. King Sobhuza enacted a new electoral system in 1978, utilizing the *tinkhundla*, or local councils composed of two or three chief-taincies. Each *tinkhunda* sends two representatives to an

electoral college, which selects their 55 members of Parliament from a list provided by the king.

Historically, the *tinkhundla* system has been a source of antagonism and uncertainty for many chiefs, who fear that the system of representation detracted from their traditional authority. The king appoints *tindyuna*, or governors, to head each *tinkhundla*, and the chiefs have voiced concern that their powers are being usurped by the *tindyuna*. A meeting of chiefs was held at Ludzidzini, the royal *kraal* (cattle enclosure) in 1986. The chiefs wanted clarification from the king as to the duties and rights that the chiefs would keep in relation to the king's *tindyuna*.

In fact, the trend in Swazi politics and government has been toward the centralization of power in the hands of the king and the expanding bureaucracy surrounding him. This tendency has decreased the power of chiefs and the Swazi people, which has in turn been reflected in poor voter turnout for elections to the *tinkhundla*. The National Democratic Institute for International Affairs (NDI) has provided assistance with local elections, starting with the Manzini elections of 1997. This assistance has resulted in more people registering and voting in local elections, although in 1997 still only 35% of those eligible to vote actually voted. Opposition groups have regularly called for voters to stay away from the polls in response to the continuing ban on political parties.

### PERSONAL BACKGROUND

The present monarch, King Mswati III, known as Crown Prince Makhosetive prior to ascending the throne, was born in Swaziland on 19 April 1968 to Queen Ntombi. Prince Makhosetive was one of possibly as many as 200 children born to King Sobhuza II, who ruled Swaziland from 1921 for 60 years. Mswati was educated in South Africa and Europe. With Sobhuza's death in August 1982, Prince Makhosetive was chosen heir-apparent. Prince Makhosetive was 16 at the time, and was attending a private school in Dorset, England.

### RISE TO POWER

Prince Makhosetive faced a number of challenges between the time of his selection in 1982 and his installation as King Mswati III in 1986. In the four years prior to his installation, the country was ruled by a number of regents. Queen Dzeluwe, one of Sobhuza's 50 wives, was the first to rule Swaziland after the king's death. After she refused the Likoqo's request to remove Prince Mabandla Dlamini as prime minister, Queen Dzeluwe was removed as regent in

August 1983. A new regent, Queen Ntombi, mother of the soon-to-be king, was chosen, and Prince Makhosetive was then presented to the nation. In 1984, the Liqoqo attempted to purge itself of a number of opponents, including the head of Makhosetive's lineage, Prince Mfanasibili. Queen Ntombi and a number of cabinet ministers repudiated these purges, and the heads of the army and police were dismissed. Mfanasibili, however, was at the center of the struggle for power in the Liqoqo and only when he was arrested was the attempt to maintain the Liqoqo's supremacy thwarted. This move restored governmental power to the prime minister and cabinet, and permitted Prince Makhosetive's coronation on 25 April 1986 at the age of 18.

## LEADERSHIP

King Mswati's first two years of rule were characterized by a continuing struggle to gain control of the government and consolidate his rule. Immediately following his coronation, Mswati disbanded the Liqoqo and revised his cabinet appointments. In October 1986 Prime Minister Bhekimpi Dlamini was dismissed and for the first time a nonroyal, Sotsha Dlamini, was chosen for the post. Prince Bhekimpi and 11 other important Swazi figures were arrested in June 1987. Mfanasibili, Bhekimpi, and eight others were convicted of high treason. Eight of those convicted, however, were eventually pardoned. In early 1989, rumors circulated to the effect that Prince Mfanasibili had attempted to orchestrate a coup while in prison. Other rumors suggested that Mfanasibili was planning an escape from prison for the purpose of mounting a coup. After Mswati's coronation, royal infighting and intrigue remained very much an aspect of Swazi governance.

Mswati has also faced non-royal challenges to his rule. In 1989, Dr. Ambrose Zwane, a Swazi nationalist from the preindependence period was caught with pamphlets promoting a People's United Democratic Movement, which reflected popular displeasure with the endemic royal infighting. Also that year, Mswati appointed Obed Dlamini, a former unionist and labor activist, to the post of prime minister, in an unsuccessful effort to quell labor unrest, especially at the Havelock asbestos mine. In 2003, Mswati attracted international attention when he selected an 18-year-old student to be his tenth wife; the girl's mother accused Mswati of kidnapping after his aides removed the girl from her classroom, allegedly against her will, taking her to join the Mswati household.

The media have found it increasingly difficult to function with independence in a country where the monarch's reign is supreme. In September 1999, authorities charged the editor-in-chief of the *Times of Swaziland*, Bheki Makhubu, with criminal defamation for publishing a profile of a fiancée of King Mswati, the eighth wife-to-be. In 2000, Mswati gave in to public pressure by allowing a few reforms and releasing some political prisoners. Popular discontent, however, was increasing, with some citizens asking for more political freedom and an actual bill of rights.

## DOMESTIC POLICY

Early in his reign, King Mswati earmarked corruption as one of the major challenges to stability and prosperity in Swaziland. Opening the 1988 parliamentary session, King



Mswati suggested that corruption was undermining the nation's stability, offering numerous examples. In 1984, a minister, Mhambi Mnisi, allegedly embezzled aid monies sent to Swaziland in the aftermath of a major cyclone. In 1987, Minister of Justice David Morse appeared in court as co-director of a company that was charged with evading payment of customs duties. In 1988 ranking members of the Swazi police and the attorney general were charged with illegally selling stolen autos and pocketing the proceeds. During the 1990s corruption in high circles continued fomenting discontent among the general populace, particularly those campaigning for a more democratic system. By January 2002 King Mswati identified poverty alleviation and the continuing fight against corruption as key priorities for his government.

The Swazi economy, intimately tied to the South African economy, has remained strong despite South Africa's economic difficulties and currency crisis. As of 2002, Swaziland was receiving over 83% of its imports from South Africa and was sending nearly 74% of its exports there. The Swazi economy remains highly dependent upon sugar exports for foreign exchange. Swaziland's reliance on sugar and timber sales makes for many economic fluctuations, with prosperity dependent on world commodity prices and good weather. The manufacturing sector has enjoyed some expansion, which helps to offset Swaziland's reliance on primary product exports. Coca-Cola's 1986 decision to move its concentrate plant from South Africa to Swaziland was a boon to the latter country, adding nearly 5% to Swaziland's manufacturing value in 1988. As Swaziland entered the twenty-first century, it was one of the wealthier countries in the region, with gross domestic product (GDP) of us\$4.6



billion in 2002, and per capita GDP of us\$4,200. Real GDP growth was estimated at 2.5%.

As a concession to the prodemocracy movement in Swaziland, Mswati appointed in 1996 a constitutional review commission to review and redesign the Constitution, which his father had banned in 1973. Controversy and allegations of irregularity, however, have plagued the Constitutional Review Commission since its inception and threaten the credibility of the resulting document. The opposition has voiced its concerns over the makeup of the Constitutional Review Commission, which is full of royals, traditionalists, and those with the most to lose from the reform. As of 2003, a Constitution had not been presented, although the Constitutional Review Commission continued to meet and discuss the document.

HIV/AIDS has been declared a natural disaster in the Swaziland government since the mid-1990s. It has continued to pose a serious threat to the growth and development of the economy, affecting an estimated 35.6% of the population and creating a population of more than 70,000 AIDS orphans as of 2002. In 2002, Mswati announced his intention to form a Royal Commission against HIV/AIDS to promote an awareness and prevention measures of the disease, as well as offering support for those affected. Healthcare in general remains an urgent priority of government. In 2001 life expectancy at birth was estimated to be only 37.7 years for women (down from 39.4 years in 2001) and 36.3 years for men (down from 37.9 years in 2001). The government's 2002/03 budget included major allocations for the renovation of facilities, purchase of equipment, and the promotion of other activities within the widely distributed health centers, clinics, and hospitals.

## FOREIGN POLICY

Swaziland's foreign policy is largely dictated by geographical and economic realities and the inherent conservatism of the monarchy. Nearly surrounded by South Africa, Swaziland has little choice but to maintain cordial relations with its powerful neighbor. This relationship has involved the coordination of security and intelligence operations. During the apartheid era, members of the African National Congress, banned in South Africa, were not welcome in Swaziland.

In February 1982 King Sobhuza II signed a secret security pact with South Africa, for which he came under criticism from a number of other southern African countries for establishing close ties to South Africa. The experiences of the direct raids by South African military forces against members of the African National Congress in Swaziland during the 1980s repeatedly demonstrated the country's vulnerability to South African might.

As of 2002, Swaziland receives security assistance from the United States and enjoys strong diplomatic relationships with Israel and Taiwan. In 2002, U.S. aid to Swaziland included human resource development and projects aimed at improving public health and rural water systems. Swaziland

was a beneficiary of the 2002 U.S. African Growth and Opportunity Act initiative announced by President George W. Bush.

Swaziland is a member of the United Nations (UN), the African Union (AU), Common Market for Eastern and Southern Africa (COMESA), and Southern African Development Community (SADC). Along with Lesotho, Botswana, Namibia, and the Republic of South Africa, Swaziland is a member of the Southern African Customs Union (SACU), a regional cooperative group where import duties apply uniformly to member countries. Swaziland, Lesotho, Namibia, and South Africa also are members of the Common Monetary Area (CMA) in which repatriation and unrestricted funds are permitted. In 2002, Swaziland maintained diplomatic missions in Brussels, Belgium; Copenhagen, Denmark; Kuala Lumpur, Malaysia; London, England; Maputo, Mozambique; Nairobi, Kenya; Pretoria, South Africa; Taipei, Taiwan, Washington, D.C., and the UN.

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Profile researched and written by Joshua Lazerson (7/1990); updated by Ezekiel Kalipeni, University of Illinois (3/2000); updated by Patricia Hale (5/2003).



# SWEDEN

**Göran Persson**  
**Prime Minister**

(pronounced “YUR-an PERSH-on”)



*“The strength of democracy is determined in the meeting between people. Democracy does not only confer rights. It also entails obligations. Each and every one of us must always refuse to choose indifference or oblivion. Each and every one of us must take an active stand.”*

The Kingdom of Sweden, situated in northern Europe between Norway and Finland, is part of the Scandinavian peninsula. The total area is 449,964 sq km (173,731 sq mi) with an estimated population of 8.9 million in 2002. Approximately 80% of the people live in urban areas. Stockholm, located on the eastern Baltic coast, is the capital and largest city.

Sweden is ethnically and culturally homogeneous, but much less so than a generation ago. Although virtually everyone speaks Swedish, post-1945 immigration has introduced significant multicultural elements. Two traditional minority groups are the Sami (formerly known as Lapps) and Finnish-speaking Swedes in the northern provinces. In addition, another 10% of the population is foreign born and 5% are foreign nationals. While many come from neighboring countries (including 103,000 immigrant Finns), almost 100,000 are from former Yugoslavia, with significant numbers from the Middle East, Asia, Africa, and even Latin America. The Swedish Lutheran church is nominally the faith of 87% of the population.

Famous for adopting a “middle way” between state socialism and competitive capitalism, Sweden enjoys a high living standard coupled with one of the most extensive social security systems among developed welfare states. Nevertheless, slow economic growth, coupled with economic turmoil in the early 1990s, has reduced Sweden’s relative economic prosperity. Per capita gross domestic product (GDP) is approximately us\$24,500 (2001 estimate). Unemployment, long among the lowest in Europe, soared to nearly 13% in the early 1990s but then declined to 4.5% and went up again in 2003 to around 6%. Sweden’s wealth was built first on its rich natural resources, including minerals, timber, and fish. Its economic prosperity rests on exports, which amount to more than 30% of GDP. In addition to raw materials, Sweden has a sophisticated industrial sector, known for its automobiles, specialized machinery, and biotechnology products. The Swedish currency unit is the *krona*.

## POLITICAL BACKGROUND

Sweden is a constitutional monarchy with a parliamentary form of government. The gradual development of parliamentary democracy was realized in the early twentieth century with the expansion of suffrage and with elected leaders being accountable to the Parliament, simultaneously reducing the role of the monarchy. Since 1975, King Carl XVI

Gustav has served as a unifying force and a symbol of national identity, performing largely ceremonial roles.

Whereas the Swedish Parliament (Riksdag) consisted of two houses between 1866 and 1970, the constitutional amendments of 1968–69 established a single chamber, popularly elected through universal suffrage. Members of the 349-member Riksdag are elected to three-year terms through an electoral system of proportional representation. The speaker of the Riksdag nominates the prime minister, usually the leader of the largest party in Parliament. This selection must be confirmed by the Riksdag with a simple majority of votes.

The Socialdemokratiska Arbetarpartiet (SAP—Social Democrat Party) is both the oldest and largest among the major parties in Sweden, having controlled government or participated in governing coalitions almost continuously since 1932. The SAP was forced into opposition from 1976 until 1982 and again from 1991 until 1994. This long period of governance has allowed them to pursue goals of economic prosperity, social security, full employment, and equality. The SAP is closely tied to the Swedish labor movement, which organizes more than 80% of employees. Between 1994 and 1998, it governed as a minority government with support from centrist parties. In the September 1998 election, the SAP won 131 seats (a loss of 30 from 1994). It must now rely on two untried coalition partners: the Vänsterpartiet (VP—Left Party) and the Miljöpartiet de Gröna (MP—Green Ecology Party). This bloc will have a solid majority of 190 seats, but there may be problems between the moderate leftist SAP, the radical socialist Left Party, and the countercultural Greens.

The main opposition party is the Moderata Samlingspartiet (M—Moderate Conservative Party), the second largest party, with 82 seats in the new Parliament. The center-right Kristdemokratiska Samhällspartiet (KDS—Christian Democrats) gained 27 seats and now hold 42. The other parties include the Centerpartiet (C—Center Party) and the Folkpartiet Liberalerna (FP—Liberals). Each lost nine seats and hold 18 and 17 mandates respectively. In September 2002, the Social Democrats, who have run Sweden for 61 of the past 70 years, won their third general election in a row and, for the first time since 1968, the government actually increased its share of the vote, achieving nearly 40% against 36% four years ago. For the main opposition party, the conservative Moderates, who promised big tax cuts, the 2002 election was a catastrophe. Their vote slumped from 23% last time (1998), to a bare 15%. To ensure a stable majority in



Parliament the leader of the SAP, Göran Persson, must rely on the small Green and ex-communist Left parties. Before the election, both had demanded a seat in government as a condition for their continued support. Persson refused, mainly due to differences over defense and the EU: the two small parties are keener on neutrality and suspicious of further integration into Europe.

### PERSONAL BACKGROUND

Göran Persson was born on 20 January 1949, in Vingåker, Sörmland, the fourth of five children. Upon completing his secondary education, specializing in chemistry, he went on to study sociology and later political science at the University College of Örebro. In 1971, he left his studies to work in the district organization of the Swedish Social Democratic Youth League in Sörmland. After completing his military service (1973–74), Persson became an official of the Workers Educational Association in Sörmland and taught economics, mathematics, and social studies at various high schools. He became chairman of the Katrineholm Local Educational Committee (1977–79) prior to his entry into Swedish national politics in 1979. Persson was married for a second time in 1995 to Annika, who works in county government in southern Sweden. In 2002, Persson filed for divorce from his wife after seven years of marriage. The couple did not have children together.

His personal interests include reading, art, architecture, and cooking.

### RISE TO POWER

Persson first entered national politics in 1979, becoming a member of Parliament. During his legislative tenure, he has gained considerable and varied political experience. Persson was appointed to the Ministry of Education and Cultural Affairs with special responsibility for schools and adult education in 1989 during the Ingvar Carlsson administration. While the SAP was in opposition between 1991 and 1994, Persson was chairman of the Standing Committee on Agriculture (1991–92), a member of the Standing Committee on Industry and Trade (1992–93), and vice-chairman of the Standing Committee on Finance (1993–94). After the return of the SAP to power in 1994, Persson was appointed minister of finance, achieving considerable success by reducing welfare benefits and cutting government expenditures. The economic difficulties of the 1990s precipitated in the minds of many the need for fiscal conservatism, for which Persson was selected. Although it is widely perceived that Carlsson was grooming Mona Sahlin, then deputy prime minister, to succeed him upon retirement, a minor scandal involving the misuse of a government credit card compelled party leaders to seek an alternative candidate to lead the SAP. In March 1996, Persson was selected to become chairman of his party. He was confirmed as prime minister one week later of a minority Social Democratic government. In 1998, he won the election and brought in new faces into the cabinet. After the 2002 election, there was a minor change in cabinet post and the SAP formed yet again a minority government after they were unable to conclude an agreement on a coalition government.

### LEADERSHIP

Persson is considered to be a decisive and determined politician; a tough-minded technocrat, with “strong views and strong methods.” He has now led his party to a third consecutive term after pledging to safeguard the welfare state. The Swedish result is all the more striking because the center-left has lost power in many other European countries. Persson is, moreover, no reformer or innovator because his party is still closely aligned with the powerful trade unions while he is opposed to private involvement in public services such as health care. He fought the 2002 election by stressing that it was better to keep up spending on the health service, schools and looking after the old than to cut taxes and Persson has not shied away from proposing to raise taxes. His ability to form a working, informal coalition with two radical parties demonstrates his political skill, as well as the pragmatic Swedish political culture.

Persson has not abandoned Sweden’s famous welfare state, which is especially generous in health, education, and social security programs. Support for these programs remains strong across the political spectrum despite serious critiques from foreign media commentators and academics. The SAP restored some of the cuts in unemployment and sickness insurance. Persson continued efforts to reduce bureaucratic inefficiencies and encouraged cautious measures aimed at stimulating competition and even outsourcing in the public sector. Public sector labor unions and the left wing of the SAP object to many of these measures. Traditional voters showed

their displeasure by abandoning the SAP for the more collectivist Left Party in 1998. Clearly though, Persson is able to compensate for the loss of these voters by appealing to employees in the private sector, especially Sweden's large engineering and high technology sectors, who enjoyed growing prosperity fueled by dynamic exports in the late 1990s until very recently. The strong export growth and buoyant domestic economy also drove up property values, which pleased middle-class voters. After 2001, the sluggish international economy has hurt Swedish export firms, depressed tax receipts, and increased social spending pressures. Voters, however, were not convinced that the opposition knew how to deal with the international economic uncertainties.

### DOMESTIC POLICY

Persson demonstrated his ability to gain support from across the political spectrum by adopting a major old-age national pension reform in June 1998 after years of planning and discussion. The new program is one of the first national pension schemes to move in the direction of "defined contributions" rather than relying on other public revenues to guarantee benefits. Although it will be phased in over many years, the new system ties benefits to economic performance and demographic changes. Moreover, it invites citizens to make individual investment decisions with a modest portion of their obligatory pension contributions. While voluntary pension plans have long allowed such personal discretion, extending it to the entire public system is a radical reform.

After the 2002 election, Persson addressed the high sickness rate in Sweden. In the rest of Europe, 1.9% of employees are off sick for a week or more in the year. In Sweden, that figure stands at 4.5%. Any weekday, near 10% of the workforce is off sick, and the total of days lost this way has doubled in five years. The 2003 budget spends nearly \$12 billion for sick pay and disability pensions—more than 10% of the government's total spending. The incentives to call in sick are strong because the sick employee can expect to receive 80% of his or her pay, paid by the employer, after the first day of sickness; after two weeks, the percentage climbs to 90%. Persson created a new ministerial post just to deal with the problem. The aim is to cut sick leave in half by 2008.

More money is to be spent on rehabilitation and improving workplace environments, but the government also proposed to tighten the verification of illness among those on sick leave. In spring 2003, the weak international economy and uncertainty caused by war in Iraq hit the country's biggest exporters, with companies such as Ericsson, Electrolux, and SAS shedding thousands of jobs. The 2004 budget was the first since 1996 that featured a tightening of fiscal policy. Households will see no increase in real disposal income in either 2003 or the following year. The cabinet also increased childcare fees; delayed road, rail, and defense projects; and shelved an election promise to raise the ceiling in the sickness and parental insurance systems.

Several noneconomic issues remain prominent as well. The presence of 12 nuclear power plants has been a contentious issue for more than 20 years. Promises to phase out nuclear power by the year 2010 have been postponed repeatedly as economic and other environmental issues have intruded. Both

the Left and the Green parties want to accelerate the phasing out of nuclear power.

### FOREIGN POLICY

Sweden has maintained a policy of neutrality throughout the 20th century, avoiding both world wars and remaining nonaligned during the postwar period. Unlike Denmark and Norway, Sweden declined membership in the North Atlantic Treaty Organization (NATO) in 1949, wanting to remain outside of all military alliances. Moreover, Sweden's decision not to join the European economic alliance was based on a concern that membership would undermine its traditional policy of neutrality. Sweden has, however, participated actively in many international organizations, including the United Nations (UN), the International Monetary Fund (IMF), the Organization for Economic Cooperation and Development (OECD), and the General Agreement on Tariffs and Trade (GATT). With the end of the Cold War and the necessity to strengthen its economy, Sweden officially joined the European Union (EU) on 1 January 1995.

Persson's new government will depend on parties skeptical of membership in the EU, opposed to Swedish participation in the European Monetary Union (EMU), and opposed to closer ties with NATO. Along with Denmark and Britain, Sweden has chosen to remain outside of the EMU but reserves the right to join later. Sweden is committed to keeping its economy and currency closely tied to the EMU. With the economic improvements of recent years, it is now in substantial compliance with the criteria for EMU participation. Sweden has historically allowed its currency to depreciate significantly in order to maintain international competitiveness. EMU membership would close that option.

Sweden has modified its nonalignment policy to include participation in the NATO-sponsored "Partnership for Peace." As NATO expands into central Europe, Swedes have discussed closer ties to the alliance. While a majority of Swedes support NATO membership, the Left and Green parties, as well as more traditional SAP circles, are opposed. Persson will continue to maintain an activist role in peace-keeping operations, assertive diplomacy, and generous foreign aid programs.

Persson first took a moderate stance on the U.S. Iraq policy, but in March 2003, he called for a demonstration against the war in an attempt to win back the support of his own party's left wing. In 2001–2003, Sweden held the presidency of the Barents Euro-Arctic Council, a cooperation of Nordic and Baltic Sea countries. During that period, the focus on the economic development of the region based on its rich natural resources was emphasized.

After his electoral triumph in September 2002, Persson announced that Sweden would hold a euro referendum in September 2003. His own party continued to be divided and Persson clamped down on anti-euro notables in his cabinet. The public, however, also seemed skeptical and support for the euro hovered at 34% in the late spring of 2003, signaling that the referendum might end in defeat. In general, in European affairs, Sweden has been supportive of enlargement and of the EU convention although its main concern is to create a more transparent and accountable governance system.

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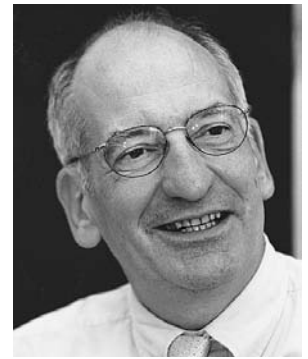
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**Profile researched and written by Eric S. Einhorn, University of Massachusetts, Amherst (3/1999); updated by Paulette Kurzer, University of Arizona (5/2003).**

# SWITZERLAND

## Pascal Couchepin President

(pronounced “pahz-KAHL koosh-PAN”)



*“Switzerland and the EU have a shared geography, common values, and economic interests. This requires us to continue our dialogue with the EU.”*

The Swiss Confederation is located in the heart of Western Europe and is bordered by Germany, France, Italy, Austria, and Liechtenstein. Of the country’s 41,292 sq km (15,943 sq mi), 60% are covered by the Alps and contain some of the highest mountain peaks in Europe. The remaining 30% is referred to as the *Mittelland* or central plateau. This area supports the majority of the nation’s urban, economic, and agricultural activity.

Switzerland’s population numbers approximately 7.3 million (2002 estimate). The native Swiss are an amalgam of different ethnic traditions—65% German, 18% French, 10% Italian, and 1% Romansch. The majority speak German, with smaller percentages speaking French, Italian, and Romansch. All four are official languages of the government. An estimated 46% of Swiss were Roman Catholic in 2002, while 40% were Protestant. The largest city in Switzerland is Zurich, although Berne is its capital; both are in the German-speaking section of the country.

Switzerland is one of the wealthiest countries in the world and boasts a higher per capita gross domestic product (GDP) than many larger European countries, such as France and Germany. Per capita GDP was estimated at \$31,700 in 2002. Switzerland is home to some of the largest banks and multinational corporations in the world. Major exports include machinery, chemicals, pharmaceuticals, and watches. The primary destination for these goods is the European Union (EU), which accounted for about 61% of all Swiss exports as of 2002. The unit of currency is the *Swiss franc*. After undergoing a period of economic stagnation during most of the 1990s, the Swiss economy turned around briefly at the end of the decade. Growth then dropped again, to about 0.8% in 2002; the economy recovered slightly, to experience neither growth nor decline (0% growth) in 2002.

### POLITICAL BACKGROUND

The origins of Switzerland can be traced back to 1291 when the cantons of Schwyz, Unterwalden, and Uri signed a defensive alliance to oppose Austrian domination. Other cantons joined the alliance and, by the late fifteenth century, the coalition was able to achieve virtual independence within the Austro-Hungarian Empire. Following a period of occupation by France, the place of the Swiss federation in post-Napoleonic Europe was affirmed at the Congress of Vienna in 1815. In that same year, the federation was joined by the cantons of Geneva and Valais, and was declared to be perpetually neutral. After a brief civil war in 1847, the feder-

ation was replaced by a more unified confederation that became a federal state in 1874.

Reflecting the country’s variegated geography as well as its diverse cultural and historical roots, Swiss politics is firmly anchored at the local level. The 26 cantons and 3,000 smaller communes exercise a large degree of autonomy over many areas including policing, school administration, health systems, and tax collection. The 1999 Constitution specifically grants all power to the cantons not granted to the federal government, such as defense, social insurance, and foreign affairs.

The Federal Assembly is comprised of the 46-member Council of States and a 200-member National Council. Two members are drawn from every canton for the Council of States. Membership in the National Council is based on a system of proportional representation, the number of seats gained by a political party being directly proportional to the number of votes it receives. Elections for all legislative seats take place every four years.

The Federal Council is a seven-member executive body, elected by the Federal Assembly. Each member of the Council is of equal rank and holds a cabinet portfolio assigned by common agreement with his or her colleagues. The Swiss refer to this arrangement as the “magic formula” and it has worked well for decades. The formula provides that two members of the Council come from each of the three large, centrist parties: the Social Democrats (Sozialdemokratische Partei der Schweiz—SPS); the Free Democrats (Freisinnig-Demokratische Partei der Schweiz—FDP); and the Christian Democrats (Christlichdemokratische Volkspartei der Schweiz—CVP); and one seat from the rightist People’s Party (Schweizerische Volkspartei—SVP). This emphasis on collegiality is carried over into the Council’s decisions on legislative matters. Its deliberations are held in secret and its decisions are generally presented to the public as unanimous. On those occasions when consensus has not been arrived at, the majority prevails, though the votes of each member are not released. Each December the Federal Assembly elects a president and vice president from among the councilors, though in practice the previous year’s vice president is usually moved to the higher position. Swiss presidents serve for one year at a time and are also cabinet ministers in their own right. The role of a Swiss president is unique among parliamentary democracies. He or she is both head of state and government, yet wields very little power. Throughout the twentieth century, the power of the Federal Council relative to that of the Assembly has steadily increased. As of 2002, the



great majority of legislation was initiated by the Council, after which it was submitted to the Assembly for review and alteration. The final decision on a policy rests with the general public, in the form of a referendum.

The third component of the confederation is the Federal Supreme Court, which is empowered to decide constitutional law issues, primarily cantonal and communal law. Federal statutes passed by the Assembly are not subject to judicial review. The rationale behind this limitation lies with the right of referendum, which allows the public to submit any federal statute to a popular vote, with the exception of the budget. Thus, it is the general public, and not the judiciary, that decides on the constitutionality of a federal statute.

The right of referendum is an important element in Swiss politics. Since the practice was begun in 1848, Switzerland has held over 450 nationwide referendums, more than all other countries combined. Any bill approved by the Federal Assembly can be challenged in a national referendum. For this to occur, a petition signed by 50,000 citizens or eight cantons must be presented within eight days of the bill's passage. The outcome of the referendum is then decided by popular majority vote. Swiss voters can also exercise direct democracy by means of the constitutional initiative. Any seven Swiss voters can begin this process by submitting a request for an initiative and a description of the desired changes in the constitution. They then have 18 months to collect the 100,000 signatures necessary to force the initiative to a referendum. Such proposed changes to the constitution must be accepted by both a majority of the voters and by more than half the cantons. This so-called "double majority" applies also to any constitutional changes proposed by the Council or Assembly, as well as to Swiss membership in supranational bodies.

The so-called "magic formula" that determines the political composition of Switzerland's Federal Council was called into question by the 1999 national elections, in which the Swiss People's Party (SVP), traditionally the smallest of the four leading parties, and the most right-leaning, won a plurality of the votes. The SVP had since 1959 been granted only one seat on the Federal Council, but now that it held the most seats in the proportionally elected National Council, it demanded greater representation in the Council. After considerable debate no consensus was reached, and the traditional arrangement was left in place, much to the dismay of the SVP, which only agreed to forgo changes on the understanding that if it retained its majority in the elections of October 2003, a new "magic formula" would have to be devised. Based on the SVP's success in local elections, it appeared as of early 2003 that the party had continued to gain ground.

In addition to potential changes in party representation, other changes to the Federal Council seemed likely in the spring of 2003 as legislators debated increasing the number of councilors from seven and nine and expanding the rotating residential term from one to two years, both measures designed to lighten the workload of individual councilors.

## PERSONAL BACKGROUND

Pascal Couchepin was born 5 April 1942 in Martigny, in the canton of Valais. After earning a law degree from Lausanne University, he became active in politics at the cantonal level, and his involvement in local politics continued even after he entered the federal arena in 1979. In addition, he has served on the boards of companies in the engineering, energy, communications, and health care sectors and has been active in organizations that aid the handicapped. He is married with three children.

## RISE TO POWER

Couchepin first entered politics in 1968, when he was elected to the Communal Council in his hometown of Martigny. He went on to become deputy mayor (1976) and then mayor (1984) of the city. By this time he was already active at the federal level as a member of the National Council, to which he was elected in 1979. He led his party's contingent in Parliament from 1989 to 1996, and continued to serve as mayor of Martigny until 1998, when he was elected to serve on the powerful Federal Council, the seven-member body that directs Swiss politics.

Upon his election to the Federal Council, Couchepin became minister for economic affairs, with responsibility for the offices of labor, professional education, trade, and agriculture. He was also the Swiss representative to the World Trade Organization (WTO) and was a governor of both the World Bank and the European Bank for Reconstruction and Development (EBRD). After serving as vice president for a year, Couchepin was elected to the presidency of the Swiss Confederation on 4 December 2002. On 1 January 2003, his portfolio on the Federal Council (on which the Swiss president continues to serve) was changed to the Department of Home Affairs, with responsibility for health, social security, education, research, and cultural matters.

## LEADERSHIP

The Swiss president has no more power than any other member of the Federal Council. Legislative issues are often initiated by the Council, but their deliberations and the particular positions of any one member are not made public.

Thus the position of president is in many respects ceremonial. However, President Couchepin used his visibility on several ceremonial occasions early in 2003 to make statements about issues important to his country.

Giving the opening speech at the World Economic Forum in Davos on 23 January, he stressed the importance of reestablishing trust in political and economic institutions to combat the global recession and the decline in financial markets. Addressing an audience of business leaders in New York at the end of February, he refuted claims that his country's banking secrecy policies were providing a safe haven for the financing of terrorism, and called attention to the financial sector's efforts to combat money laundering. The following morning he rang the opening bell at the New York Stock Exchange. On 20 March, upon the outbreak of the U.S.-led campaign to oust Iraqi leader Saddam Hussein, Couchepin addressed Switzerland's Federal Assembly, reaffirming Switzerland's tradition policy of neutrality and protesting the decision to attack without the backing of the United Nations Security Council.

### DOMESTIC POLICY

In recent years Switzerland has been rocked by controversy over the role its banks and government played in World War II and the future of its much-vaunted banking secrecy laws. In August 1998 Swiss banks agreed to pay out us\$1.25 billion to settle claims made by Jewish groups and individuals. In 2001, a report on Switzerland's behavior during the war revealed some disturbing truths that ran counter to the belief many Swiss citizens held that their government had maintained complete neutrality throughout the war. Most troubling were revelations concerning border closings to Jewish refugees and documents proving Swiss companies helped finance Germany's military, in defiance of Swiss law.

Switzerland's banking secrecy laws have long made it a haven for people wishing to hide their assets, for whatever reason. The government has long maintained that it had no power to intervene to determine the ownership or control of accounts. In the late 1990s this began to change as human rights groups and aggressive European magistrates looking into corruption and money laundering began demanding some kind of accounting. The government passed a law in 1998 opening formerly secret information to a certain extent. After the terrorist attacks on the United States in September 2001, the United States began pressuring Swiss banks to provide investigators with information to help track money transfers and accounts held by international terror organizations. Swiss authorities were quick to comply and have been diligently tracking all suspicious transfers. President Couchepin has reaffirmed his government's determination to prevent the use of its financial sector and banking laws to finance international terrorism. Banking reforms planned for 2003 includes measures designed to root out terrorist financing, a crack down on money laundering, and the imposition of withholding taxes on foreign accounts.

### FOREIGN POLICY

Historically, Switzerland has maintained a stance of neutrality and limited engagement in its foreign policy. Increasingly, however, this position has been brought into question by the demands of a much more integrated world. Switzerland is completely surrounded by nations belonging to the European

Union (EU), which by 2002 had become so integrated that 12 of its members now use a single currency, the *euro*.

In 1992, Switzerland became a member of the International Monetary Fund (IMF) and World Bank. It also joined the World Trade Organization (WTO) and the Organization for Security and Cooperation in Europe (OSCE). In response to the ever-increasing level of integration among their European neighbors, Swiss voters approved a referendum in 2000 creating a series of bilateral trade and residency agreements with the European Union. It is thought that much of the Federal government and the business elite would like to see Switzerland join the EU, but opinion polls consistently show that up to three-quarters of the Swiss population are fervently opposed to any such move. President Couchepin believes his country will eventually have to join the EU, but that integration should take place gradually and that the ultimate decision must accord with Switzerland's tradition of direct democracy.

Another significant move toward integration came in March 2002, when the Swiss electorate voted for membership in the United Nations. This was the second referendum held on the issue. The first, fifteen years before, had been voted down by a wide margin (75% of Swiss rejected membership), but this referendum was approved by a small majority (55% to 45%) in an election notable for its small turnout: only 58% of Swiss citizens voted on this contentious issue. Switzerland officially became a member of the UN in September 2002.

Switzerland's foreign policy of neutrality was tested during the wars in the Balkans of the 1990s, when Yugoslav armed forces and paramilitary squads began a campaign against the Albanians and NATO entered the conflict, launching air strikes in Kosovo and Serbia. While Switzerland had supported economic sanctions imposed on Yugoslavia, it did not support NATO action and refused to permit NATO forces to use its airspace.

President Couchepin announced a similar policy toward the U.S.-led war on Iraq in the spring of 2003, saying that the attack represented a failure of international diplomacy and voicing the fear that it would undermine international efforts toward collective security and, in particular, the authority of the UN Security Council.

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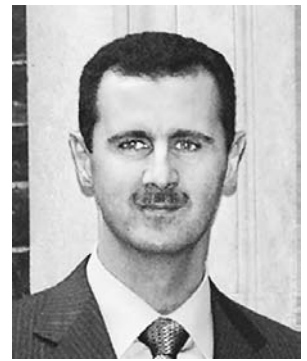
Profile researched and written by Jeneen Hobby, Ph.D. (5/2003); sections contributed by Jim Henry (5/2002).



# SYRIA

## Bashar al-Assad President

(pronounced "ba-SHARE all ab-SAHD")



*"The man who has become president is the same man who was a doctor and an officer and first and foremost is the citizen."*

The Syrian Arab Republic covers an area of 184,050 sq km (71,043 sq mi) and is bordered on the north by Turkey, on the east and southeast by Iraq, on the south by Jordan, on the southwest by Israel, and on the west by Lebanon and the Mediterranean Sea. The capital of Syria and its major city is Damascus.

Syria's population was estimated in 2002 at 17.2 million inhabitants, with an annual growth rate of 2.5%. Approximately 74% of the people are Sunni Muslims. Other religious groups include various branches of Shi'ism, Druze, and Christianity. Racially, the Syrians are varied, and except where ethnic distinctions have found religious expression, racial types are generally intermixed. It is estimated that Arabs make up about 90% of the population. Other ethnic groups include Kurds, Armenians, Turkomans, Circassians, Assyrians, and Jews. There are approximately half a million Palestinian refugees in Syria. The official language is Arabic, although Kurdish is also widely spoken. Syria has three remote villages where ancient Aramaic, the language of Christ, is still spoken.

The country's GDP is estimated at US\$54.2 billion, and per capita income is US\$3,200 (2001 estimate). The national currency is the Syrian pound. Despite recent reforms, Syria's economy continues to be dominated by the government. The country's four banks are all state owned, and interest rates are fixed by law. Syria's large public sector industrial firms are unproductive and unprofitable. Agriculture provides a livelihood for 40% of the workforce. Wheat, barley, and cotton are the main cash crops. Although its oil production is small by Middle Eastern standards, oil accounted for 65% of Syrian exports in 1998, the most recent year for which reliable data are available.

### POLITICAL BACKGROUND

Archaeological evidence suggests that Syria was the center of a great Semitic empire extending from the Red Sea to Turkey and Mesopotamia around 2500 BC. In the 4th century BC, Syria fell to Alexander the Great, first in a long line of European conquerors. In 637, Damascus was conquered by the Arabs. Most Syrians were converted to Islam, and Arabic gradually became the language of the area. Ottoman forces gained control of the territory in 1516 and Syria remained a province of the Ottoman Empire for the next four centuries. Following World War I, Syria was divided into British and French mandates until gaining its independence in 1944.

Two parties that had led the struggle for independence dominated Syrian political life immediately after World War II. They were eventually discredited and replaced by pan-Arab and left-of-center political forces. For three years, Syria joined with Egypt to form the United Arab Republic (UAR). Syrians chafed under Egyptian rule and, in 1961, seceded from the UAR. A period of political instability followed until power was seized by a group of leftist army officers and a radical socialist government was formed. On 16 November 1970, a former chief of the air force and defense minister named Hafiz al-Assad took control of the government.

Today, Syria is a republic under a military regime. The Constitution of 1973 defines Syria as a "socialist popular democracy," and provides for a 195-member People's Assembly, elected by universal adult suffrage. In 1990, the seats in the Assembly were increased to 250. The president is vested with the power to appoint and dismiss vice presidents, the prime minister, ministers, and other high officials. He is also the commander in chief of the armed forces. Elections for the presidency are held every seven years, while members of the People's Assembly are elected every five years.

Although a number of parties operate in Syria, for the past three decades politics have been dominated by the Baath Party, which advocates socialism and Arab unity. Three of the smaller parties (Arab Socialist Union, Unionist Socialist, and Arab Socialist) have combined forces with the Baath, forming a coalition known as the National Progressive Front. In December 1998, the Baath won 135 of 250 Assembly seats. The president of the republic is also the secretary general of the Baath Socialist Party. Upon the death of long-time ruler Hafiz al Assad in June 2000, the Assembly appointed his son Bashar al Assad to the post of president. A referendum was held on the choice in July 2000, in which the younger Assad was approved for a seven-year term. The president, the military, and National Progressive Front hold all power; no political dissent is tolerated. The country has officially been under a state of emergency for nearly forty years.

### PERSONAL BACKGROUND

Bashar al-Assad was born on 11 September 1965 in Damascus. There, he was educated at the French-Arab al-Hurriyet school and continued on to medical school, specializing in ophthalmology. In 1988, he enrolled in the Tishrin Military Hospital in Damascus; he graduated in 1992, after which he moved to the United Kingdom to further his medical studies, where he was in 1994 when his elder brother



Basil was killed in an automobile accident. After returning to Syria, he was installed in the military and quickly rose through its ranks. Assad has traveled widely in the West and speaks fluent English, French, and Arabic. Bashar is chairman of the Syrian Computer Society, a loose coalition of business executives in the technology sector and government officials who seek to increase Syria's connectedness to the global information infrastructure.

### RISE TO POWER

For many years it was assumed that when the elder Assad stepped down from the presidency, or died, his oldest son Basil would take over. Basil was a well-known figure in the country and was well-respected in the powerful military for his years of service. In 1994, however, Basil was killed in a car accident and the political line of succession grew murky. Having always planned a life outside of politics, it was only under duress that Bashar returned to Syria following his brother's death. He was quickly given a military post and began surrounding himself with trustworthy men nearer to his own age, pushing aside some of his father's allies, including his chief of staff and the head of military intelligence. As he rose through military ranks he was given increasing power.

When the elder Assad died in June 2000, the Syrian political elite quickly went about elevating Bashar to the presidency. The Constitution was amended to change the minimum age for the president from 40 to 34, Bashar's age at the time. He was appointed commander in chief of the military and promoted to head of the Baath Party. The Assembly nominated him for the presidency within days of his father's death, and in the constitutionally mandated referendum following the nomination, Bashar Assad received, according to Syrian press reports, 97% of the vote.

### LEADERSHIP

Bashar Assad was seen by many as someone who might have a moderating influence on Syrian government and society. After taking office, he instituted some limited political reforms. He freed hundreds of political prisoners, instituted some limited media reforms (though censorship still exists), and closed the country's security courts. He drew the line, however, at allowing for the creation of new political parties. Following the instability caused by the second Palestinian uprising, he has slowed reforms. Many observers believe the Palestinian uprising and the increasingly militaristic Israeli response to it have hardened Assad's attitude toward Israel. He has been quoted in the international press comparing Israel's policies toward the Palestinians to Hitler's policies toward the Jews. Assad opposed the U.S.-led war against Iraq in March–April 2003, one reason for which the United States dubbed Syria a "rogue nation."

### DOMESTIC POLICY

In 2001, Assad allowed for the introduction of private banking and has made some incremental steps at liberalizing the economy. The country also applied for membership in the World Trade Organization (WTO), though its admission, critics claim, is likely years away. One of the major problems facing the Syrian economy is unemployment. Official figures estimate unemployment at 10%, but most analysts believe the actual figure to be at least 20%. Since much of the non-



agricultural economy is based on oil, very few jobs are created in that sector. Additionally, proven reserves are expected to be depleted by 2013. In an attempt to deal with this potentially politically destabilizing issue, in 2001 Assad announced the creation of a US\$1 billion fund to create nearly half a million jobs over the next five years.

### FOREIGN POLICY

Assad aims to resolve his country's long-standing dispute with Israel over the Golan Heights and increase Syria's profile in the Arab world (the country has often been at odds with many of its neighbors).

As one of the Arab countries that shares a border with Israel, Syrian forces were involved in both the 1967 and the 1973 Arab-Israeli wars. In 1973, Syria lost control of the Golan Heights, which were officially annexed by Israel in December 1981. Ten years later, Assad's father agreed to engage in a regional peace conference with Israel, in an attempt to recover the Golan Heights. These peace talks have continued on and off over the years, but no agreement has yet been attained. In 2000, just before his death, Assad's father made a final attempt to reach a settlement with Israel, mediated by the United States, but this too was unsuccessful. Assad insists that any final peace agreement be in compliance with all outstanding UN Security Council resolutions, which Israel does not at present recognize. In 2002, Assad backed a Saudi peace initiative that would grant Israel recognition and peace from all of the Arab world in exchange for the return of all land occupied since 1967.

Despite repeated calls for Arab unity, Syria's relations with its neighbors have often been characterized by conflict. Although both the Syrian and the Iraqi regimes subscribe to

the Baath ideology (prior to the fall of Saddam Hussein's regime in 2003), relations between the two countries were antagonistic for most of the past 20 years. Syrian support for Iran during its war with Iraq caused considerable strain. Despite a reported meeting between the elder Assad and Saddam Hussein of Iraq in April of 1987, relations between the two countries did not improve. Further tension occurred when Syria joined the multinational effort to expel Iraq from Kuwait in 1990.

Syria has long been a major power-broker in Lebanon, which was a part of Syria from the end of World War I until 1926. Syria intervened militarily in Lebanon's civil war in 1976, and since has made repeated attempts to establish a cease-fire among warring factions. Israel's invasion of Lebanon in 1982 further escalated hostilities and increased Syria's resolve to exercise its influence in its former territory. In 1989, Michel Aoun, commander-in-chief of the Lebanese army, attempted to drive the Syrian military out of Lebanon. Aoun was defeated by the Syrian army and, in 1990, the Lebanese government implemented the Taif Agreement, which solidified Syria's presence in Lebanon. In 1991, Syria and Lebanon signed a treaty of fraternity and cooperation. Under the terms of the Taif agreement, Syrian troops were to have been withdrawn from Beirut by 1992, but Syria refused to implement this aspect of the accords so long as Israel continued its occupation of southern Lebanon. Following the Israeli pull-out in 2000, it was expected that Syria would comply with the accords, but Syria disputes Israel's claim of having fully removed its forces, a claim officially validated by the United Nations.

Relations with the United States improved when Syria joined the U.S.-led multinational effort to expel Iraq from Kuwait in 1990 and agreed to participate in direct peace talks with Israel in 1991. The warming of relations was short-lived, however. The United States considers Syria a sponsor of international terrorism and Syria has been included on its yearly list of such states since its inception in 1979. Inclusion on the list mandates severe restrictions on access to U.S. markets and trade, particularly access to U.S. military technology.

In response to the 11 September 2001 terrorist attacks on the United States, President Assad publicly emphasized his country's stance against terrorism. However, he did not offer support for the U.S.-led War on Terror, stating his view that military action is not an effective tactic to use against terrorists. Assad does not consider the militant organizations in Palestine terrorist organizations, and opposes any international efforts to classify them as such.

Syria's official stance toward Iraq had shifted by 2002–03. During the diplomatic crisis leading up to the U.S.-led war in Iraq that began on 19 March 2003, Assad vehemently opposed the use of force to remove Iraqi President Saddam Hussein from power. The only Arab nation sitting on the UN Security Council in 2002–2003, Syria initially opposed Security Council Resolution 1441, which called on Iraq to disarm itself of weapons of mass destruction, to allow for the return of U.N. and International Atomic Energy Agency (I.A.E.A.) weapons inspectors, and to comply with all previous U.N. resolutions regarding the country since the end of the Gulf War in 1991. Syria was then expected to abstain from voting, which would not have stopped the outcome of the vote, but would have indicated disapproval. However,

France insisted on language in the resolution that prevented the automatic use of force against Iraq if it were to defy U.N. demands, which caused Syria to vote in favor of the resolution.

As the combat phase of the war was ending in April 2003, the United States accused Syria of producing chemical weapons, possibly seeking to produce biological weapons, harboring terrorists, and offering sanctuary to top Iraqi leaders. It threatened diplomatic, economic, and other sanctions against the "rogue nation." Although U.S. officials stated there were no plans to take military action against Syria, tensions between the two countries were high. However, in early May, U.S. Secretary of State Colin Powell visited President Assad in an attempt to promote the U.S.-backed "road map" for peace between the Israelis and Palestinians, and indicated that they had spoken of all issues of concern. The United States received assurance from Syria that it would close the Damascus offices of Palestinian groups Israel accuses of carrying out terrorist attacks, but no further concrete steps toward ameliorating relations between the United States and Syria were taken. Nonetheless, Powell indicated the United States wanted to "engage" with Syria.

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Profile researched and written by Jim Henry (5/02); sections contributed by Hootan Shambayati (6/00). Updated by Jeneen Hobby, Ph.D. (5/2003).

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# TAIWAN

## Chen Shui-bian President

(pronounced “SHEN shoo-EE BEE-on”)



*“We should insist on Taiwan’s independent sovereignty. This is not our job; it is our mission.”*

Taiwan, officially known as the Republic of China (ROC) since 1949, is a semitropical island about 145 km (90 mi) off the southeastern coast of mainland China. With a total land area of 35,203 sq km (13,592 sq mi), Taiwan has an estimated 22,603,000 inhabitants (February, 2003.) The P’eng-hu (Pescadores) Islands and 13 scattered offshore islands, including Quemoy and Matsu, are also part of Taiwan. Approximately 98% of the population is ethnically Chinese and the remainder consist of nine aboriginal tribes of Mayalo-Polynesian ancestry. The Chinese are divided into three groups: the majority Amoy Fukienese; the minority Hakkas; and the “mainlanders” who fled the mainland when the Communists seized power in 1949. Mandarin Chinese is the official language and Taiwan’s main religions are a mix of Buddhism, Taoism, Confucianism (93%) and Christianity (4.5%). The literacy rate is 94%.

Taiwan is a rich and recently industrialized nation, with a per capita income of US\$17,200 (2001 estimate). Primary exports consist of textiles, clothing, chemicals, machinery, and consumer electronics. Its major trading partners include the United States, Japan, Hong Kong, Germany, and the United Kingdom. The national currency is the New Taiwan dollar. The capital and largest city is Taipei, with an estimated population of 2,880,000.

### **POLITICAL BACKGROUND**

Taiwan was a part of China before the Japanese Occupation in 1895–1945. In 1949, the Kuomintang (KMT) regime, also called the Nationalists, were driven from the mainland by the Communists who were led by Mao Zedong. The Nationalists retreated to Taiwan, taking along with them approximately two million soldiers, officials, merchants, and dependents. Both the People’s Republic of China (PRC) and Taiwan claim to be the legitimate government of China, resulting in frequent political hostilities and occasional military skirmishes. PRC considers Taiwan as a renegade province.

According to the Constitution promulgated 1 January 1947, the popularly elected National Assembly is the highest organ of state power for all of China. Its responsibilities include recalling the president and vice president, amending the Constitution, and granting the power of consent for presidential appointees. The Legislative Yuan, which is the de facto legislature for Taiwan, however, performs primary parliamentary functions. The first National Assembly was elected in 1947, with 2,961 delegates serving six-year terms.

Since Communists took over the mainland in 1949 and the Nationalist government moved to Taiwan, subsequent elections were impossible. Thus, the terms of National Assembly members, along with those of the legislative and control branches, were extended indefinitely until constitutional reforms in 1991 paved the way for Taiwanese control of the legislature. The original members either retired or contested local Taiwanese seats.

The Legislative Yuan functions as the legislative organ for the ROC. Its representatives are elected by universal suffrage of adults older than 20 years old for three-year terms through a system of proportional representation. It exercises legislative power over statutory and budgetary bills and other important affairs.

The president, directly elected for the first time in 1996, is head of state and acts as mediator and arbiter among the government’s five branches or yuans: executive, legislative, judicial, examination, and control. The president is also responsible for choosing the premier with the consent of the legislative branch. Furthermore, the president, with the recommendation of the premier, appoints the vice premier and ministers of the cabinet.

Until recently, the Kuomintang (KMT) was the only legal political party; but presently the other major parties include the Democratic Progressive Party (DPP), formed in September 1986, and the New Party (NP). The ideology of the KMT espouses a foundation of traditional Chinese culture and adds Western political, economic, and social theories as the building blocks of a successful Taiwan. The DPP’s party platform is proindependence and anticorruption. The election of DPP member Chen Shui-bian as president signaled an end to KMT’s dominance in Taiwanese politics.

### **PERSONAL BACKGROUND**

Chen Shui-bian was born in Tainan county (southern Taiwan) some time in the ninth month of the lunar calendar in 1950. He was so weak as a newborn, however, that his parents, poor tenant farmers, did not register his birth until 18 February 1951. Throughout his elementary and secondary education years, Chen was normally at the top of his class despite gripping poverty reflected by life in a mud hut. He attended the prestigious National Taiwan University, graduated with a bachelor’s degree in law in 1974 and won the Outstanding Performance Award for Academic Achievement. In 1973, he passed the Examination, Yuan’s legal qualification test as a top performer. In 1976, he began a



successful legal career practicing maritime law with the Formosa International Marine and Commercial Law Office. Shortly thereafter, he married Wu Shu-jeu, the daughter of a wealthy doctor. They have a son and a daughter.

In 1980, Chen became the defense attorney for two dissident leaders and publishers of the *Formosa Magazine*, who were charged with sedition in what came to be known as the Formosa Incident. That violent protest in Kaohsiung left 140 police injured and 50 people jailed for inciting civil disorder. He lost the case, but became convinced that political activism was necessary to reform the authoritarian political system. One defendant, Annette Lu, served five years in prison for sedition. Lu became Chen's vice-presidential running mate and upon Chen's victory, the first female Taiwanese vice-president.

Chen remained active in legal circles throughout the 1980s, but also became active in politics. In 1981, he was elected member of the Taipei City council. His antigovernment stance gained him a reputation as a populist and anti-KMT politician. The KMT government sought to contain his growing influence. In 1985, he was sentenced to a one-year prison term for libel resulting from his article in *Formosa Magazine*, which accused a progovernment university professor of perjury. He served eight months in prison. During his incarceration, his wife was elected to the national assembly at a heavy cost. A truck struck his wife in what Chen claimed was an assassination attempt by KMT thugs. Wu's spine was shattered in 30 places and resulted in paralysis below the waist and confinement to a wheelchair. As a result, Chen became even more determined to support the weak, challenge unfairness and ensure social justice. In 1998,

he wrote an autobiography, *Son of Taiwan*. Chen's hobbies include membership in the Rotary Club and Western movies.

## RISE TO POWER

The legalization of DPP and the introduction of multiparty politics coincided with Chen's release from prison. He joined the DPP and began to serve as legislative assistant to his wife, who had been elected to the Legislative Yuan in 1986. From 1987–1989, he was a member of the DPP Central Standing Committee where he developed a strong network with the party in preparation for seeking a seat in the National Assembly.

In 1989, Chen was elected to the Legislative Yuan and became a major spokesperson for the DPP. As a leader of the party, he championed political democracy and governmental reform. His calls for political and economic reform created enemies in the government, but increased his popularity among the people. From 1990–1994, Chen's political stature increased as he assumed greater political responsibility and prominence. He became the cochairman of the National Defense committee in the Legislative Yuan, a member of the DPP Central Executive Committee, and director of the DPP Caucus in the Legislative Yuan. In recognition of Chen's rising star, *Time* declared him one of the "Global 100" roster of "Young Leaders for the New Millennium."

Chen was elected mayor of Taipei in 1994. As Taipei's first popularly elected mayor, he obtained a significant electoral following during his administration. Many came to appreciate his proactive administrative style and increased attention to administrative efficiency. Others saw him as an abrasive and confrontational leader who could bring about harmony and consensus. However, supporters point to improved traffic conditions; decreased crime, prostitution and corruption; and the creation of large city parks. He hired additional police officers and used the zoning system to move the vice industry from residential to industrial zones. Periodically, he appealed to younger voters by holding massive downtown dance parties and appeared wearing Superman and other costumes. Despite polls indicating an approval rating of over 70% at the height of his popularity, in 1998, Chen suffered an electoral defeat by losing his reelection bid for mayor to a KMT candidate.

In 1999, Chen was chosen by the DPP as the party's candidate for president. He chose Annette Lu as his vice presidential mate. Like Chen, Lu rose to political prominence from a low-income family. In his policy statement made in Europe, he stated, "Taiwan is a country and I am running for its presidency" provoking the anger of PRC's leaders. Chen and Lu's campaign centered on the themes of Taiwanese independence, an end to KMT dominance, and political and economic reform. As a maverick candidate, he appeared at campaign functions dressed as James Bond and Superman. His campaign web site painted him as an underdog candidate by showing him in a black jumpsuit, suspended above a computer alluding to the theme "Mission Impossible." In the three-way race that divided the establishment vote in two, Chen captured 39% of the vote. The KMT candidate, Lien Chan, garnered 23%, and James Soong, an independent candidate and KMT defector, embarrassed the KMT by obtaining 37% of the votes. The poor performance of the KMT and President Lee's support of Chan led to a crisis

within the KMT and his eventual resignation as party leader. The Chen-Lu inauguration marked the first ever peaceful transfer of power from one political party to another, a positive sign of Taiwan's commitment to democracy.

### LEADERSHIP

In his victory speech, Chen rejected China's "one country, two systems" formula for reunification by stating that Taiwan's sovereignty must be protected. He also invited the PRC's leadership to engage in a dialogue with him to resolve the future of Taiwan-China relations. On taking office, Chen faced major leadership challenges. For the past half-century, the KMT had controlled national politics and the stability that it brought could no longer be taken for granted. Further complicating the political environment was the KMT control over Taipei and the Legislative Yuan. Chen's China policy has shifted considerably during his term in office, and remains his biggest challenge, as his pro-independence views are balanced against real threats or promises from the Mainland.

### DOMESTIC POLICY

The first major focus of Chen's administration has been to improve cooperation between parties, particularly in weeding out corruption and reforming the economy. In August 2001, Chen convened the Economic Development Advisory Conference, a multipartisan economic meeting to discuss the national economic vision. A total of 322 points of consensus were achieved. As a result of the meeting, Chen was also able to form a "government reengineering committee," to work toward restructuring government organizations in order to increase national competitiveness.

As a new member of the World Trade Organization, Taiwan was compelled to open up its markets. This had stressful effects on the agricultural sector, provoking a mass demonstration of farmers and fishermen in Taipei in November 2002, at a time when Chen's approval rating had plunged to just 36%. Another domestic crisis was the arrival of the Sudden Acute Respiratory Syndrome (SARS) epidemic in Taiwan. In May 2003, the World Health Organization declared Taiwan a SARS danger zone. A hospital in Taipei was closed down amid charges there had been a cover-up regarding infection of its staff. SARS cases were reported throughout the island. The government considered an island-wide ten-day SARS control quarantine, despite potential damage to the economy.

### FOREIGN POLICY

During the presidential elections, Mainland China made intense efforts to prevent the Taiwanese from electing Chen because of the DPP's call for independence of Taiwan. However, in the December 2001 elections, Chen's DPP party won 87 of 225 seats in the legislature. Initially, Chen promised not to declare independence, instead calling for a more constructive relationship with China. In response, Chinese officials agreed in February 2002 to open the "three links" with Taiwan: shipping, mail and trade. In November 2001, Chen's government rescinded the 50-year-old ban on direct trade and investment with China. Previously, China insisted that Taiwan must accept the "one China" principle before such economic links would be allowed.

The early rapprochement did not last. In mid-2002, relations between Taiwan and the PRC took a decided turn for the worse. During August 2002, Chen made comments favoring a referendum on independence for Taiwan, provoking a storm of criticism in the Mainland Chinese media and condemnation by the Mainland's Communist Party officials. By September 2002, Chen took an even harder line, likening the PRC's military pressure on Taiwan to terrorism. Describing the stationing of hundreds of missiles aimed towards Taiwan by the PRC, Chen declared, "There is no reason to have 23 million people here being shadowed by protracted military threat." He called attention to high-tech weaponry which the PRC could use against Taiwan's communications and financial infrastructures. Still, despite the fierce rhetoric, backed up by military vigilance, relations warmed again in early 2003. A "semi-direct" series of flights (with only one stop-over) was arranged for Lunar New Year visits between Taiwan and the PRC in February 2003.

Lack of sovereignty has kept Taiwan out of many international organizations, and Taiwan has failed in repeated attempts to gain a seat at the United Nations. The World Trade Organization agreed to grant Taiwan separate membership, but only on the condition that China's admission was accepted. Support from the United States is essential in controlling Chinese influence and for providing Taiwan a sense of national security. Taiwan's First Lady, Wu Shu-chen visited Washington DC in a "private" visit in September 2002, during which she met with members of the US Congress. Another high-profile "private" visit was that of Vice-President Annette Lu to Indonesia. The PRC objects strongly to such high-level contacts, viewing them as acceptance of Taiwanese independence. When Thailand bowed to such pressure, refusing to allow Taiwan's labor minister to visit, an accord between Thailand and Taiwan on migrant labor was jeopardized.

Chen's foreign policy is based on supporting democracy in the region and providing economic aid to the developing world. Because of Taiwan's successful economy, the country now provides a significant amount of foreign aid and technical assistance to the developing world. In return, some emerging countries have recognized Taiwan by establishing formal diplomatic relations. In July 2002, the list of those with formal relations fell from 28 to 27, as the Pacific island nation of Nauru ended its diplomatic ties with Taiwan, replacing them with official ties to the PRC.

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# TAJIKISTAN

Imomali Rakhmonov  
President

(pronounced “ee-MOM-all-i rah-MON-off”)

*“The people of Tajikistan are not indifferent toward the homeland’s destiny, and all are disposed toward peaceful and creative endeavors.”*



The Republic of Tajikistan borders Uzbekistan to the west, Kyrgyzstan to the north, China to the east, and Afghanistan to the south. Tajikistan is only 20 miles away from Pakistan on one section of its southern border, separated by a narrow Afghan corridor. Tajikistan has a total land area of 143,100 sq km (55,251 sq mi) and is largely mountainous. The Pamir Mountain range, known as the “roof of the world,” runs through Tajikistan, China, and Afghanistan. Major administrative subdivisions include the Gorno Badakhshan Autonomous Region (an ethnic enclave enjoying theoretical rights) and other regions. The population of Tajikistan was estimated at 6.7 million in 2002.

Tajikistan has been subject to myriad historical influences. While Tajikistan’s language and ethnic background are heavily Persian, its religion and culture were influenced by Turkey. Though it only became an independent nation in 1991, its culture has produced impressive architecture in Bukhara and Samarkand, cities now in Uzbekistan, and major contributions to Persian literature. About 65% of the population is ethnic Tajik, 25% Uzbek, and 3% Russian. Clan and regional identities are also significant among most Tajiks and can transcend national identity. These include the Khjoent, Kulyab, Garm, and Pamiri regional focuses. More than a million Tajiks also reside within Uzbekistan and four million in Afghanistan.

The official language is Tajik, closely related to Farsi, the chief language in Iran; but 36% of the population is fluent in Russian. Most Tajiks belong to the Sunni branch of Islam, common to the other Turkic peoples of Central Asia, rather than the Shi’a branch, dominant in Iran. Tajikistan has the highest percentage of rural population, the lowest educational level, and the highest infant mortality rate of the former Soviet republics. Most of the people live in tiny rural *qishlags*, or hamlets, with as few as 15 to 20 cottages in the most mountainous areas.

Following independence, Tajikistan, unlike other former Soviet republics, agreed to subordinate its economy to Russia, but was forced by 1995 to introduce its own currency, the Tajik *ruble*. The breakup of the Soviet Union and civil conflict in Tajikistan severely harmed its economy. The gross domestic product (GDP) of Tajikistan was estimated at us\$7.5 billion and per capita GDP was about us\$1,140 in 2001. Tajikistan’s major industry is the aluminum smelter in Tursunzade, one of the world’s largest, although it is currently producing well below capacity. Tajikistan’s other exports include hydroelectric power and cotton. Tajikistan

and Kyrgyzstan are the main suppliers of water to the rest of Central Asia. Cotton and silk production and sheep herding are the main livelihoods. Crime and corruption, mainly drug-related, threaten the emergence of a market economy.

## POLITICAL BACKGROUND

From ancient times, what is now Tajikistan has been subject to Persian, Greek, Arabic, Turkic, Mongol, Uzbek, Afghan, and then Russian control. Northern Tajikistan was annexed by the Russian Empire in 1868, while the southern parts remained under the sovereignty of the Uzbek Bukharan Khanate. After the Bolshevik revolution in Russia in 1917, the northern parts of Tajikistan were included in the Turkestan Autonomous Soviet Socialist Republic, while a Communist-run and nominally independent People’s Republic of Bukhara was proclaimed in the south, which was eliminated in 1921. In the early 1920s, many Tajiks revolted against Communist rule. These rebels, termed *Basmachi* (bandits) by the Russians, were finally suppressed in the early 1930s, though with large Tajik casualties. Many Tajiks fled to Afghanistan at that time.

In October 1924, the Tajik Soviet Socialist Republic was created as part of the Uzbek Soviet Socialist Republic, recognizing the historical dominance of Uzbeks over Tajiks. In 1929, however, a Tajik Soviet Socialist Republic was created as a nominally sovereign subunit of the Soviet federation.

Tajikistan declared its sovereignty over its land and resources on 24 August 1990, and its independence on 9 September 1991. It was among the Central Asian republics least prepared and inclined toward independence. Its Communist-dominated elite, largely composed of members of the Khjoent and Kulyab clans, has endeavored to rebuild traditional ties with Russia. In August 1991, the Communist Party chief fully supported the coup attempt against Soviet leader Mikhail Gorbachev; he was later forced to resign. The Communists continued to rule, however, and supported former Tajik Communist Party chief Rakhmon Nabyev’s popular election as president in November 1991. This election was condemned as fraudulent by groups opposed to continued Communist Party rule, leading to massive demonstrations and an agreement by Nabyev in May 1992 to form a coalition government. In September 1992, however, opposition forces, largely composed of members of the Pamiri and Garm clans, who had long been excluded from political power and many of whom were supporters of the Islamic Renaissance Party (IRP) or the liberal Democratic Party,





forced Nabyev from office and tried to consolidate power. Hard-line Communists resisted these efforts. By December 1992, these forces had succeeded in routing the oppositionists from the capital and launched a concerted countrywide offensive, resulting in 20,000–40,000 or more casualties and over 350,000 displaced persons, many of whom fled to Afghanistan. Uzbekistan and Russia contributed arms and troops to assist Tajik procommunists in routing the opposition.

The armed conflict between the two sides continued throughout 1993 and early 1994 with border attacks launched by Tajik rebels based in Afghanistan. At a United Nations-sponsored meeting in Tehran, the Tajik government and opposition emissaries agreed on 17 September 1994 to a ceasefire, to begin when United Nations (UN) observers were in place along the Tajik-Afghan border. The UN Security Council formally established a UN Mission of Observers in Tajikistan (UNMOT) in December 1994, consisting of several dozen observers, to monitor the ceasefire. This committee was later expanded to investigate ceasefire violations, monitor the demobilization of United Tajik Opposition (UTO) fighters, assist ex-combatants to integrate into society, and offer advice for holding elections. A small Organization for Security and Cooperation in Europe (OSCE) mission also promoted peace. In 1993, the Commonwealth of Independent States (CIS) authorized joint Russian and Central Asian peacekeeping in Tajikistan under the auspices of its Collective Peacekeeping Forces (CPF) treaty to protect what Yeltsin termed “CIS borders.” CPF consisted of Russia’s 201st Rifle Division, based in Tajikistan, and token Kazak, Kyrgyz, and Uzbek troops. In late 1998, Uzbek president Islam Karimov pulled Uzbek peacekeepers out of Tajikistan to protest

charges made by President Imomali Rakhmonov that Uzbekistan had fostered an insurrection there. Kyrgyzstan pulled out as well, citing costs. Russian media reported in late 1999 that there were about 20,000 CPF, border, and other Russian troops in Tajikistan. In August 1999 the commander of the CPF troops stated that the role of his forces had largely shifted to the delivery of humanitarian cargo, clearing mines, and giving medical assistance. Nonetheless, plans to withdraw the CPF have not been announced, perhaps because in April 1999, Russia and Tajikistan signed a basing agreement for the 25-year presence of Russian troops.

In December 1996, the two sides agreed to set up the National Reconciliation Commission (NRC), an executive body composed equally of government and opposition emissaries. In June 1997, Rakhmonov and UTO leader Seyed Abdullo Nuri signed the Comprehensive Peace Agreement. Under this accord, Rakhmanov remained president, but 30% of ministerial posts were allocated to the opposition with, Nuri heading the NRC. Benchmarks of the peace process have largely been met, including the return of refugees, demilitarization of rebel forces, legalization of rebel parties, and the holding of presidential and legislative elections. Stability in Tajikistan remains fragile, however. An unsuccessful insurrection in the Leninabad region of northern Tajikistan launched by notorious warlord Mahmud Khudoyberdiyev in November 1998 highlighted concerns by some observers about secessionist tendencies in the region and about ethnic tensions between ethnic Tajiks and Uzbeks in Tajikistan.

Part of the peace process was the scheduling of elections for 6 November 1999. The Central Electoral Commissions (CEC), controlled by Imomali Rakhmonov, declared him the only candidate and opposition members of the NRC resigned. In March 2000 the NRC was dissolved and legislative elections were held. Two months later, UN observers left the country, praising the work of the NRC and the progress toward stabilization that had been achieved.

## PERSONAL BACKGROUND

Imomali Rakhmonov, a Tajik belonging to the Kulyabi clan, was born 5 October 1952 in the town of Dangar in the Kulyab region. He studied economics at Dushanbe’s Lenin State University. After serving in the Soviet armed forces, he held several low level jobs, including: electrician salesman, head of a trade union committee, and secretary of a Communist Party organization at an agricultural enterprise. In 1988, he became the director of a state farm in his native Dangar *raion* (county). He was elected chairman of the Culvert region government (oblast executive committee) on 2 November 1992.

## RISE TO POWER

Rakhmonov’s rise to power was meteoric, boosted by his clan and political links to the Kulyabi paramilitary leader and ex-convict Sangak Safarov, his relationship with ex-president Nabyev, and the opportunity for upward mobility presented by civil war. After Safarov shot the previous chairman of the Kulyab regional government, Rakhmonov was installed in the post. Three weeks later, he was selected by the Communist-dominated Supreme Soviet as its chairman when they met in exile in Khojent. Rakhmonov was further considered an



attractive candidate for the chairmanship because of his Communist Party ties and his hard-line position against reconciliation with the opposition. After the Communist forces retook Dushanbe at the end of 1992, the Rakhmonov-led Supreme Soviet was able to return to the capital.

## LEADERSHIP

Rakhmonov is described by the Russian independent media and others as a tough and skillful politician who has managed to retain power despite years of political opposition, a difficult peace process, internal separatism and ethnic dissidence, economic collapse, and fragile political relations between his Kulyabi regional supporters and other regional interests, particularly the previously dominant Khojent clan.

Moving to consolidate his hold on political power, Rakhmonov decided to hold presidential elections and a referendum on a new Constitution in November 1994. Tajikistan was the last of the Central Asian states to replace its Communist-era Constitution. The main Tajik democratic and pro-Islamic opposition groups announced that they would boycott the election and referendum because they had no say in drawing up the draft Constitution and would not be allowed to field their own candidates. The election and referendum restored the presidential system of rule and witnessed the further consolidation of Rakhmonov's power when he was elected by a wide margin and his Constitution was overwhelmingly approved. Only one candidate besides Rakhmonov was permitted to run, Abdumalik Abdullojanov, a prominent politician in the northern Leninabad region and a former Tajik prime minister. Abdullojanov alleged that there was widespread election fraud. The OSCE declined to send monitors because it viewed the electoral process as not meeting its standards. Elections to a new 181-member legislature took place in February 1995. Four parties were allowed to compete, but restrictive nomination procedures ensured that about 40% of candidates ran unopposed. The election excluded virtually all opposition parties, and Western groups refused to monitor the "seriously flawed" vote.

The Tajik legislature in June 1999 rubber-stamped constitutional changes proposed by Rakhmonov calling for a seven-year presidential term, a two-house Supreme Assembly (legislature), and the legalization of religious parties. The resulting presidential and parliamentary elections, in 1999 and 2000, respectively, were widely considered to be unfair yet peaceful. The inclusion of an overtly declared Islamic party committed to secular government (Islamic Rebirth Party) and several other parties in the Parliamentary elections represented an improvement in the Tajik people's right to choose their government. Tajikistan is the only Central Asian country in which a religiously affiliated political party is represented in Parliament.

## DOMESTIC POLICY

After defeating the oppositionists in 1992, Rakhmonov followed the path of other authoritarian leaders in Turkmenistan and Uzbekistan by putting into place one of the most authoritarian political systems in Central Asia. Opposition political parties were banned or suppressed, press freedoms were circumscribed, and human and civil rights were frequently violated.

While no longer specifically obliged, as he was under the peace accords, to allocate one-third of government positions to the UTO, Rakhmonov has kept some former UTO officials in senior cabinet-level positions. While the government and the now incorporated former opposition continue to distrust each other, they have often found a way to work with each other and seem to be committed to peacefully resolving their differences.

In his April 2003 State of the Nation address, Rakhmonov outlined the state of Tajikistan's economic development and defended proposed constitutional amendments which are to be put to a referendum in June 2003. Rakhmonov stated that the economy must grow at a rate of 6% and that inflation must be kept to no more than 7% for the country to prosper. He cited the need to have foreign investors finance the construction of hydroelectric facilities. Rakhmonov also stated that a large proportion of government investment in 2003 would be devoted to education and health, and that poor families would receive government subsidies to help them pay for higher gas and electricity costs (electricity prices rose 200% and gas prices rose 30% since the beginning of 2003).

The constitutional amendments proposed for June 2003 deal with a variety of issues, including the death penalty and healthcare. The most important amendment, however, will deal with an extension of the president's term of office. In 1999, the president's term of office was extended from five to seven years, but was limited to one term. The next election is scheduled for 2006. Rakhmonov's term, if the amendment passes, could be extended for another seven years.

## FOREIGN POLICY

President Rakhmonov has proclaimed Tajikistan's willingness to establish amicable relations with all countries, and has supported stronger ties with the neighboring states of Iran, Afghanistan, Pakistan, and other countries sharing Tajikistan's language, history, and culture. He has emphasized cooperation with China and India, and has called for increased economic ties with the United States, Europe, and Japan.

Afghanistan continues to be a base of international terrorism, a scene of civil conflict between the Taliban and their opponents, and the world's largest producer of opium. This combination of negative factors produces crossborder effects that regularly threaten to destabilize Tajikistan's fragile and hard won peace. In the summers of 1999 and 2000, the Islamic Movement of Uzbekistan, a U.S.-declared terrorist organization, used Tajikistan as a staging ground for an insurgency campaign against the government of Uzbekistan. At the same time, Taliban advances in northern Afghanistan threatened to inundate Tajikistan with thousands of refugees. All the while, a constant flow of illegal narcotics continue to transit Tajikistan from Afghanistan on its way to Russian and European markets, leaving widespread violent crime, corruption, and economic distortions in its wake. As a result, the Tajikistan government has offered full cooperation with the United States in the War on Terror, initiated by U.S. President George W. Bush following the 11 September 2001 terrorist attacks against the Pentagon in Washington, D.C. and the World Trade Center in New York. The attacks were suicide missions staged by members of the al-Qaeda terrorist

network based in Afghanistan. In April 2003, Rakhmonov expressed regret that Islam was being linked by some international politicians to international extremism and terrorism. He claimed that the acts of terrorist and extremist organizations had nothing to do with true Islam. In 2002 and 2003, the non-political, but radical Islamic movement Hizb-ut-Tahrir ("Freedom Party") became more active in Tajikistan. Tajik officials during that time closed down mosques and removed imams in the northern Isfara district, which added to the region's instability.

Critics of Russia's large role in security in Tajikistan argue that it jeopardizes Tajikistan's independence, while still failing to safeguard it from drug trafficking, arms smuggling, terrorism, and other transborder criminal activity. Tajikistan continues to permit the basing of the Russian 201st Motorized Rifle Division, which never left Tajikistan when it became independent. Most of these Russian-led forces, however, are local Tajik noncommissioned officers and soldiers. Uzbekistan, Kazakhstan, and Kyrgyzstan assisted Russian peacekeepers in guarding Tajik borders. In April 2001, Rakhmonov and Russian President Vladimir Putin agreed to establish a 3,000-man tactical air base in Tajikistan. Russia announced it would increase its border troops along the Tajik-Afghan border. Russia wishes to establish a rapid reaction military presence in Central Asia, including Tajikistan.

Tajikistan's relations with Uzbekistan have been mercurial. Tajikistan has accused Uzbekistan of harboring separatists, and Uzbekistan has accused Tajikistan of harboring Uzbek and Tajik terrorists intent on overthrowing the government.

Rakhmonov met with China's head of the Central Military Commission (and former president) Jiang Zemin in March 2003, and the two discussed border issues and pledged to increase bilateral ties between the countries.

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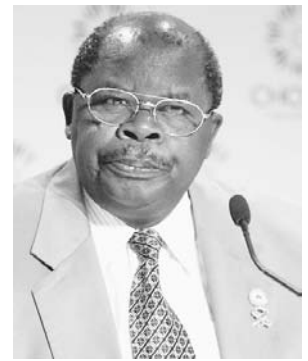
Profile researched and written by Jim Nichol, Library of Congress (5/2000); updated by Jeneen Hobby, Ph.D. (4/2003).

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# TANZANIA

**Benjamin William Mkapa**  
**President**

(pronounced “em-KA-pa”)



*“Transparency and accountability must now cease to be a condition [just] to be tolerated, but be perceived as a government’s core function, to be cherished as party to a deepening culture of service to the people.”*

The United Republic of Tanzania was created by the formal union of Tanganyika, on the East African mainland, and the island nation of Zanzibar (comprised of the islands of Zanzibar and Pemba). Tanzania is bordered to the east by the Indian Ocean; to the north by Uganda and Kenya; to the west by Rwanda, Burundi, and Zaire; and to the south by Zambia, Malawi, and Mozambique. The national territory occupies a total area of 945,087 sq km (364,898 sq mi); over 99% of which is mainland Tanzania. The population of 37.2 million (July 2002 estimate) is largely rural, with only about 31% of the people living in or near metropolitan areas. The official capital is Dodoma, which is home to 300,000 Tanzanians. Official languages are Kiswahili and English, although numerous indigenous languages are spoken among the nation’s more than 120 ethnic groups. The majority of Tanzanians are African; non-Africans make up less than 1% of the population. There is no official religion in Tanzania, where Christian, Muslim, and indigenous beliefs are each professed by roughly one-third of the people. Zanzibar, however, is overwhelmingly Muslim. Agriculture dominates the economy, accounting for 49% of gross domestic product (GDP) and 80% of employment. Cash crops such as coffee, tea, cotton, cashews, sisal, cloves (from Zanzibar), and pyrethrum are important for export earnings. Industry in Tanzania accounts for 17% of GDP. The currency is the Tanzanian *shilling*. Per capita income was estimated at US\$610 in 2001. The country relies heavily on foreign economic assistance.

## **POLITICAL BACKGROUND**

Arab traders were active in Tanganyika’s coastal region by the eighth century. By the twelfth century, traders from India had arrived. In 1506, the Portuguese claimed control of the coastal region, although they neither colonized nor explored it. By the early eighteenth century indigenous coastal dwellers, with the assistance of Omani Arabs, had driven the Portuguese from the area. The Omani Sultan, Seyyid Said, claimed the coastal region for himself and eventually moved his capital to Zanzibar in 1841.

The mid-nineteenth century saw the arrival of European explorers. Germans reached Mount Kilimanjaro in the 1840s, and the British reached Lake Tanganyika by 1857. Colonial rule soon followed. The Germans contrived to bring African societies under their “protection” by negotiating fraudulent treaties with illegitimate African leaders. In 1886 and 1890, Anglo-German agreements were reached stipulating specific spheres of influence for each nation. The United Kingdom

took control over Zanzibar and Germany over Tanganyika. Germany’s defeat in World War I spelled the end of its African colonial empire and Tanganyika was passed to the United Kingdom under a League of Nations mandate. After World War II, Tanganyika became a United Nations trust territory under British control. The first Tanganyikan political party was formed in 1954 by Julius K. Nyerere. The Tanganyika African National Union (TANU) and Nyerere were instrumental in guiding Tanganyika to independence. In May 1961, the country became autonomous with Nyerere as prime minister under a new Constitution. Full independence came in December 1961. Nyerere was elected president of Tanganyika when the country became a republic within the Commonwealth in 1962.

Zanzibar, the other part of the United Republic of Tanzania, had a stormier path to independence than the mainland. British interests became established in Zanzibar for both commercial purposes and in an attempt to end the slave trade. The British reached an agreement with the Sultan in 1822 to end the slave trade, but it was more than 50 years until it finally came to an end. The Anglo-German agreement in 1890 made Zanzibar a British protectorate and the British incorporated the sultan into their colonial administration. The British created a strict racial hierarchy on the islands with Europeans on top and Arabs favored over Africans. According to the British, Zanzibar was an Arab state. In December 1963, Zanzibar became an independent sultanate; in January 1964, the sultan was deposed by an armed uprising of members of the African nationalist Afro Shirazi Party and a republic was proclaimed. In April 1964, the Zanzibari government signed an Act of Union with Tanganyika and the United Republic was formed.

The political history of the Tanzania has been largely shaped by the political stature of Tanganyika’s first president, Julius Nyerere. Considered the father of the country, Nyerere was president of Tanzania from 1962 to 1985. Under his leadership the country embarked on a course of democracy within a one-party state. TANU was the only recognized political party and all candidates for any office were TANU members. This, however, did not preclude sometimes hotly contested races among several candidates from within the party. In 1977, TANU, under Nyerere’s leadership, merged with the Afro Shirazi Party, the sole political party on Zanzibar, to form the Chama cha Mapinduzi (CCM—Revolutionary Party). Nyerere implemented a sweeping economic reorganization known as *ujamaa*, a system



intended to produce a uniquely African form of socialism. State control of everything from agricultural collectivization to transportation and utility services was initiated. Widely viewed as a failure, the system nevertheless remained in place until the 1980s when Nyerere's hand-picked successor, Ali Hasan Mwinyi, began the slow process of dismantling *ujamaa*.

The Constitution of Tanzania, as adopted in 1977 and subsequently amended, articulates the structure of government. The president is head of state and head of government, and is elected to no more than two five-year terms. Universal suffrage is granted at age 18. The National Assembly is made of 274 legislators. There are 232 who are elected to five-year terms by popular vote. The president then nominates the remaining 42 members of Parliament. The Union of Tanzania is a carefully structured balance of interests, with guarantees of Zanzibari representation in the National Assembly and at the executive level. Zanzibar continues to elect its own president and House of Representatives, which have authority over the two islands' internal affairs. In 1992, the move toward a multiparty state was initiated. The 1995 elections were the first multiparty elections held in Tanzania since the early 1960s, marking the rise of Benjamin Mkapa to the presidency of the Republic.

In August 1998 the U.S. embassy in Dar es Salaam was the target of a terrorist bombing. Twelve people, all Tanzanians, were killed in the incident alleged to be linked to the international terrorist, Osama bin Laden.

### PERSONAL BACKGROUND

Benjamin William Mkapa was born on 12 November 1938, in Ndanda, Tanganyika. Educated at Makerere University

College, Mkapa held positions in the civil and foreign service in the early 1960s. Later he was appointed the managing editor of two national newspapers, served as press secretary for President Nyerere in 1974, and was a founding director of the Tanzania News Agency in 1976. Beginning in the late 1970s, and continuing until his election as president, Mkapa was appointed to a series of high level ministerial and ambassadorial positions. Mkapa served abroad as high commissioner to Canada and ambassador to the United States, during which time he also continued his education at Columbia University. Mkapa has been married to Anna Joseph Maro since 1966. The couple has two sons, Nico and Steve.

### RISE TO POWER

Benjamin Mkapa has been active in CCM for much of his adult life, and worked closely with both President Nyerere and President Mwinyi. He was a protégé of Nyerere, and it was with this first president's backing that Mkapa emerged as the CCM candidate for the nation's first multiparty election in decades. In the 1995 elections, the newly organized political parties that emerged after the opening of the system in 1992 were no match for the decades-old political power of the CCM. Mkapa further benefited from the active role Nyerere took in campaigning on his behalf.

The vote on 29 October 1995 was marred by procedural errors and delays, which led to the returns from Dar es Salaam being nullified. A revote for Dar es Salaam was held on 19 November. Many of the opposition parties boycotted the rerun, charging that insufficient procedural guarantees were in place. Since the 22 October Zanzibari presidential election had been tainted with fraud, leading to a disputed victory for the CCM candidate, tensions were high for the Tanzania election. There were no allegations of fraud in the elections and Benjamin Mkapa won the presidential balloting with 61.8% of the 6.1 million votes cast. CCM candidates also won 75% of the seats in the National Assembly, thus handing Mkapa a stable legislative base for his first five-year term. Benjamin Mkapa was sworn in as Tanzania's third president on 23 November 1995. Omar Ali Juma (the former First Minister of Zanzibar), who was Mkapa's running mate, became vice president. In October 2000, Mkapa overwhelmingly won reelection for a second and final five-year term in office, with a large CCM majority in the National Assembly.

### LEADERSHIP

Mkapa is from a new generation of African leadership. His government represents a passing of responsibility from the generation of leaders who won independence to a new generation that must figure out how to bring economic development to a continent that has played a marginal role in the global economy. Symbolic of this change was the death of the first president Julius Nyerere on 14 October 1999. While there was some speculation that instability might follow in the wake of the passing away of the father of the country, Tanzania has continued with its tradition of peace and stability.

Mkapa inherited the leadership of an economically disadvantaged, agriculturally unproductive, donor-dependent nation of millions of desperately poor people. His immediate predecessor initiated the process of freeing the market for

competition, repairing infrastructure, and meeting International Monetary Fund (IMF) guidelines for continued economic assistance. Marking a departure with the Mwinyi regime, Mkapa shunned many long-standing politicians when he named a new council of ministers with Fredrick Sumaye as prime minister. Mkapa has succeeded in deepening market reforms and winning the confidence of donor countries that had been shaken by the widespread corruption under the Mwinyi government.

During his election campaign, Mkapa pledged a war against corruption. In January 1996 he appointed a special presidential commission, chaired by former prime minister Joseph Warioba, to undertake a full investigation of corruption in Tanzania. In its final report issued in December 1996, the commission established a number of causes and remedies for corruption. It also pointed out some individuals who seemed to be involved with corruption. Despite the report, many of the named individuals escaped prosecution, although two high ranking government officials eventually were forced to resign and another was brought to trial in 1999. The Mkapa administration has generally received high marks from donors for its efforts to reduce this problem; however, in 2003, seven years after the commission's final report, some members of Parliament were still publicly critical of the government's efforts to fight corruption.

### DOMESTIC POLICY

Mkapa's skills as a conciliator and negotiator have been put to the test over the issue of the Union. Zanzibari resentment toward the mainland has been on the increase and the activities of CCM operatives in recent Zanzibari presidential elections have fueled resentment. In 2000, Zanzibar President Karume was declared the winner in a highly controversial election that was criticized by four independent monitoring groups. The Civic United Front (CUF) protested and demanded a rerun of the elections. CUF demonstrations in January 2001, declared illegal by the government, led to the use of force by security units that left at least 23 people dead on Pemba island, the opposition stronghold. Mkapa was accused of refraining from taking a firm line in the dispute. Reacting to domestic and international criticism of its actions, the government did initiate a peaceful dialogue between CCM and CUF in March 2001 that is intended to lead to an agreement on electoral reforms and resolve outstanding grievances between each party's supporters.

Early in 2003, Mkapa dismissed the National Microfinance Bank (NMB) board of directors, just as a bill to privatize the bank came up for consideration. The board was unhappy about the proposed bill, calling for more local control of the NMB than the government proposal allowed, and threatened to resign if the bill passed. The government stated that privatization would go forward without the board, even in the face of the lack of support from the Parliamentary Committee on Finance and Economic Affairs, but following the resignations, the issue was not brought forward for debate as scheduled.

### FOREIGN POLICY

Tanzania has long been at the forefront of African affairs and has taken a leadership role in East Africa. Tanzania's influence has been greatest in the regional arena, and the

country adopted an active role in the Organization for African Unity (OAU) and the Southern Africa Development Community (SADC). From the time of Tanzania's own independence, the government has openly supported liberation movements throughout southern Africa. Tanzania maintains close ties with Uganda, Mozambique and Zambia. The East African Community's collapse in 1977 resulted in a complete breakdown in relations between Tanzania and Kenya. However, under the leadership of Mkapa and his colleagues, President Yoweri Museveni of Uganda and President Daniel arap Moi of Kenya, a close relationship between the three countries was reestablished with the signing of an East African Cooperation treaty in Arusha, Tanzania, on 31 November 1999.

During Mkapa's first term, relations with Burundi were problematic. In July 1996 the Mkapa administration, in cooperation with other regional governments, imposed sanctions on the Burundi military regime following the overthrow of a democratically elected Hutu led government by Tutsi extremists. Relations remained uneasy as a civil war erupted in Burundi and Tanzania was accused with complicity in rebel attacks. This issue was exacerbated by an increasing number of Burundians seeking refuge in Tanzania throughout 1996 and 1997. Despite the tension between the two states, peace talks aimed at bringing an end to Burundi's civil war were hosted in Tanzania's northern city of Arusha. The slow-moving talks were facilitated by Julius Nyerere and, after his death, Nelson Mandela, the former South African president. Mkapa's administration continues to work toward peace in this region.

In 2003, Mkapa and South African president Thabo Mbeki worked together to attempt to mediate the growing tension between Uganda and Rwanda. The Uganda People's Congress publicly welcomed the two leader's efforts, but expressed little hope for their success.

Another major foreign policy concern for the Mkapa government is the hundreds of thousands of refugees from Rwanda, Burundi, and Congo who fled to Tanzania to escape the widespread violence unleashed by the Rwandan genocide in the Great Lakes region. In addition to facilitating regional peace talks, the Tanzanian government has attempted to mobilize international humanitarian support and to repatriate refugees.

After the controversial 2000 election in Zanzibar, several western donors, especially those from the European Union, suspended foreign assistance to the island, pending the outcome of the government/opposition dialogue. However, the United States and Japan continued to provide aid to Zanzibar. In early 2002, the United Nations Industrial Development Organization (UNIDO) pledged support to help develop the island's small businesses.

Tanzania did not support the United States/United Kingdom war against Iraq in 2003, preferring that the United Nations provide a peaceful means of disarming Iraq. President Mkapa feared that Tanzania's failure to support the United States might lead to a loss of assistance, especially crucial in 2003 as the UN World Food Programme warned of grave food shortages facing the nation; however, the United States pledged to continue to provide humanitarian and developmental assistance to Tanzania.

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**Profile written and researched by Bruce Heilman and Miraji Kitigwa, University of Dar es Salaam (6/2000); updated by Pat Hale (5/2003).**

# THAILAND

## Thaksin Shinawatra Prime Minister

(pronounced "TAK-sin shin-ah-WAH-trah")



*"I need to punch things, otherwise nothing gets changed. You have to be strong. Sometimes I am too strong and that is my weak point. I never worry about my [reputation], but worry about the success of the government."*

The Kingdom of Thailand is located in the heart of Southeast Asia's mainland. To its northwest is Myanmar (Burma); to the northeast, Laos; to the southeast, Cambodia; and to the south, Malaysia. The total area is 514,000 sq km (198,456 sq mi) and its total population was estimated at 62.4 million in July 2002. The population is comprised of approximately 75% Thai, 14% Chinese, and 11% various other ethnic groups. It is a nation abundant in natural resources, including fertile farmlands in the central part of the country surrounding the Chao Phraya River. The capital and largest city, Bangkok is the country's major commercial, financial, and administrative center.

Thailand is rapidly becoming a more urban nation. While farming employs the majority of Thais, the level of urbanization doubled from approximately 15% to 30% from the 1970s to the 1990s. The official language is Thai and many of the ethnic Chinese have adopted Thai surnames. The literacy rate is 93%. More than 95% of the people are Buddhists, Thailand's official religion. Buddhism and its temples play an important role in daily life.

During the early 1990s, the Thai economy grew by 7–9% annually. In 1997, that trend came to a halt, when the economy contracted by 0.4%. In 1998, the economic downturn worsened, with the economy shrinking another 10.2%. In 1999 and 2000, however, the economy turned around, growing about 4% a year. In 2001 the estimated per capita gross domestic product (GDP) was us\$6,600. Thailand's primary exports are textiles, computer parts, electrical appliances, precious stones and jewelry, rubber, shrimp, rice, and auto parts. In the early twenty-first century, Thai leaders envisioned the development of a regional communication hub in Thailand, and further growth in the auto parts segment. The unit of currency is the *baht*.

### POLITICAL BACKGROUND

Thailand, known as Siam until 1939, was the only nation in Southeast Asia to avoid direct colonization. During World War II, Thailand was sympathetic to the Axis Powers and supported Japan to avoid colonization. Initially governed as an absolute monarchy, a series of military coups limited the power of the king in 1932. Siam became a constitutional monarchy and was renamed Thailand in 1939 to reflect a movement toward modernization. King Bhumipol Adulyadej, monarch since 9 June 1946, plays a largely ceremonial role, but his opinions are highly regarded and his influence on politics is significant. His major influence and power stems

from his role in dealing with political crises by granting or withholding legitimacy. In 1996, King Bhumipol celebrated his 50-year golden jubilee, making him the longest reigning monarch in the world. December 5, his birthday, is a national holiday.

Thailand has a long history of military regimes and military intervention in politics. There have been at least 18 coups and attempted coups since 1932. The three decades following World War II (1950s, 1960s, and 1970s) were characterized by authoritarian rule. Gradually, however, Thailand evolved toward a semi-democratic government that showed high levels of instability until a coalition of civilian parties led by Chuan Leepai won power in 1992.

The Thai Parliament approved a new Constitution on 11 October 1997. Drafted by a 99-member charter committee, the document is, by far, Thailand's most democratic Constitution. It requires the prime minister be an elected member of Parliament. It continues the tradition of a bicameral Parliament with a 500-member House of Representatives (400 elected from geographic districts and 100 from a national list). Contrary to earlier Constitutions that provided for an appointed Senate, the new Senate of 200 members is elected nationally from throughout the country. As before, elections for prime minister are held every four years or whenever Parliament is dissolved. The leader of the party that gains the most seats in an election is charged with forming a government and presenting the list of cabinet members to the king for formal approval. The basic goal of the 1997 Constitution was to reduce the influence of money in politics and to make Thailand a more genuinely democratic society with greater local involvement.

### PERSONAL BACKGROUND

Thaksin Shinawatra was born 26 July 1949 into a wealthy Chinese-Thai family in Chiang Mai Province, in the north of Thailand. He studied law enforcement in school, graduating from the Police Cadet Academy of Thailand in 1973. He joined the Royal Thai Police Department in 1973 and took an extended leave to continue his studies in the United States. He then traveled to the United States where he earned a master's degree in criminal justice from Eastern Kentucky University (1975), followed by a doctorate in the same field from Sam Houston State University in Texas (1978). Upon his return to Thailand, Thaksin continued serving with the police and by 1983, he was a lieutenant colonel. In 1983, he left the force and with family money began a business distributing movies.



From there he moved into computers and telecommunications, establishing the Shinawatra Computer and Communications Group, where he built a substantial fortune, making him one of the 50 wealthiest men in Asia and the richest person in Thailand. He controls several companies in a variety of technology industries.

### RISE TO POWER

Thaksin entered politics in the early 1990s. He served as Minister of Foreign Affairs for a few months in 1994-95 and then was appointed leader of the Palang Dharma Party in 1995. He served as Deputy Prime Minister in charge of traffic and transportation in Bangkok during 1995-96, resuming the same post again in 1997. After the constitutional changes in 1997, Thaksin formed a new political party called Thai Rak Thai (Thais Love Thais) and was elected to Parliament in 1998. The 2001 elections were the first to be held under the guidelines of the new Constitution, one of which restricted the much criticized Thai practice of elected officials haphazardly changing parties. The Constitution outlawed individual members of Parliament from switching parties, though it did allow entire political parties to switch allegiances. Thaksin spent lavishly from his own fortune on his campaign (published reports indicate that of the 330 million *baht* spent, 300 million was from his personal fortune) and recruited members of other political factions to join Thai Rak Thai, hoping to win a majority in Parliament, something no single political party had been able to do in a democratic election in Thailand. Thaksin's victory in the 2001 elections won his Thai Rak Thai party 248 seats, the largest parliamentary plurality an elected Thai government has ever enjoyed. All 14

members of a small party later joined Thai Rak Thai, giving the party an absolute majority: a first in modern Thai history.

During his campaign, Thaksin was indicted by the National Counter Corruption Commission for allegedly hiding personal assets in excess of US\$100 million. (The indictment came less than a month before the elections, and Thailand's constitutional court agreed to hear the case after the elections. In September 2001, by a vote of 8-6, Thaksin was cleared of the allegations.)

### LEADERSHIP

Thaksin ran as a populist, appealing to the average Thai's belief that the government of Chuan Leekpai was more interested in imposing harsh structural reforms to appease the international financial community than it was in easing the economic hardships of the Thai people. As a candidate, he promised to create a new banking sector that would serve small businesses, to impose a three year debt moratorium for farmers, to provide a grant of us\$23,000 to every Thai village, and to institute a program of universal healthcare available to all Thais for a nominal fee.

After Thaksin's election, the Thai stock market rallied briefly, with many investors buying up shares in companies controlled by Thaksin in the belief that, like many Thai politicians before him, he would work to enrich himself and his family. There was much international skepticism that Thaksin would be able to deliver on his campaign pledges without incurring huge debts, further weakening Thailand's reputation among international lenders and monetary authorities. His pledge to distribute us\$23,000 to every village in the country was seen as particularly problematic in that it had the potential of tempting local officials to skim a percentage from the grants for themselves. The health care scheme was greeted with great support domestically, but it too was seen by many observers as impractical in a country like Thailand, much of which is rural and ill-served by hospitals and doctors.

After assuming office, Thaksin made some revisions to the economic liberalizations Thailand had undertaken in the early 1990s, during the peak years of its economic boom as it opened itself to international investment. One such move was the exclusion of foreign investors from participating in the initial offerings of shares from the sales of state-owned enterprises. He also added restrictions to ways foreign-owned enterprises, particularly in the retail sector, could operate in Thailand, a move meant to help struggling Thai retailers compete with foreign chains.

### DOMESTIC POLICY

After creating his cabinet in February 2001, Thaksin set about immediately fulfilling his four major campaign pledges. He instituted the debt moratorium for farmers in July 2001 and also in that month began distributing grants to Thai villages. In October 2001, his universal health care policy had been instituted, and any Thai could receive medical attention for 30 *baht*, about US\$0.80. His plan for helping the banking sector has been more difficult: as much as 30% of the banking sector's outstanding loans are non-performing and the problem has had no easy solution. By early 2003, the Thai economy relied on its healthy export growth for survival in an increasingly difficult financial climate.



Despite running on a populist platform and promising to eliminate corruption and cronyism from Thai politics, Thaksin's cabinet was made up of many well-known politicians from previous governments, as well as at least three other Thai multi-millionaires. The combination of his immense wealth and his political power has drawn criticism from political opponents, segments of the population, and the media. Government intervention in the massive default case of Thai Petrochemical Industry (TPI) was one area of concern. Also, Thaksin himself controls Thailand's only private television broadcast network and there was some discontent when its management fired some news reporters who had a reputation for critical reporting. In the telecommunications sector, Thaksin ran into political trouble when his government passed a law limiting foreign ownership in the sector to just 25%, a law that greatly benefited Thaksin's economic interests. After much criticism, Thaksin relented and allowed 49% foreign ownership.

Thailand has long had one of the freest press in Southeast Asia. But in 2002, Thaksin threatened to revoke the visas and expel from the country two reporters for the *Far Eastern Economic Review*, for allegedly publishing stories critical of the king. An international outcry combined with substantial internal protests caused him to rescind the order. But this incident led many to see an authoritarian streak in Thaksin, a quality Thais find deeply troubling in light of the military dictatorships that have ruled the country over the years.

Authoritarianism characterized Thaksin's large-scale "war on drugs" during early 2003. Thousands of people were allegedly killed during the three month campaign to wipe out illegal narcotics dealing. Human rights organizations condemned the high number of extra-judicial killings by the Thai police forces. Thaksin defended the crack-down as necessary to rid the country of large-scale trafficking in heroin and methamphetamines. "Everything that has been done is according to the Constitution of Thailand, and also under the law," he insisted. There has been considerable criticism of Thaksin's concentrating on lower-level dealers, while maintaining friendly relations with Myanmar (Burma), the source of the hard narcotics.

## FOREIGN POLICY

Thailand's foreign policies center chiefly around increasing the country's international profile and protecting the country from the mandates of international financial institutions that many Thais believe contributed to the currency crisis of 1997 and Thailand's slow recovery from it. Thailand's important international tourism trade suffered considerably in 2002-2003 due to the Bali bombings and other terrorist threats, and the spread of the Sudden Acute Respiratory Syndrome (SARS) epidemic. Thailand took strong measures to combat SARS, and Thaksin made public statements declaring the country SARS-free. Special meetings were held in Thailand to develop a regional strategy for fighting SARS. At that time,

the new Chinese Premier Wen Jiabao, in his first official foreign visit since taking office, met with Thaksin. Maintaining Thailand's close relationship with China has been of particular importance for Thaksin.

Thailand has outstanding border issues with Laos, Myanmar, and Cambodia. The situation with Myanmar has been particularly tense, with fighting between the Myanmar armed forces and ethnic rebels spilling over into Thailand. Thaksin's government has steadily drawn protests from the European Union, the United States, Canada and others for repatriating thousands of refugees to Myanmar. Thailand received further international criticism for closing refugee camps on its border with Myanmar, and for exploitation of refugees in the sex trade and for cheap labor. Thai relations with Cambodia imploded on 29 January 2003, when rioters in the Cambodian capitol, Phnom Penh, attacked the Thai Embassy and Thai businesses. The riot had its roots in popular Cambodian resentment of Thai economic domination of their impoverished country, but the Cambodian government of Hun Sen is thought to have played a role in stirring up the anti-Thai sentiment. Thailand recalled its ambassador from Cambodia, and only restored normal relations after being promised repayment by Cambodia for the riot damage.

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# TOGO

## Gnassingbe Eyadéma President

(pronounced “nyah-SING-bay ey-YAH-deh-mah”)

*“The tenets of my new five-year term will be maturity, peace, security, reconciliation, and forgiveness.”*



The Togolese Republic is a West African country whose political culture reflects its colonial history and the economic roller coaster of post-independence Africa. Situated along a narrow north-south axis, Togo stretches across several ecological zones. It includes 50 km (31 mi) of Atlantic coastline on the Gulf of Benin, a zone of tropical rain forest, and a northern region comprised of semi-arid savannah. Ghana borders Togo to the west, Burkina Faso to the north, and Benin to the east. Its total area is 56,786 sq km (21,925 sq mi)—roughly the size of West Virginia.

The population was estimated in 2002 at 5.2 million—though census figures are complicated by the large number of Togolese living in neighboring countries. The capital city of Lomé has a population of approximately 800,000.

Togo's population parallels the diversity of its landscape, with some 40 ethno-linguistic groups. The largest group, the Ewe, make up some 40% of the population and reside primarily in the south. The next largest group, the Kabye, represent some 25% of the population and live primarily in the north, though many have migrated south in search of work. Other ethnic groups include the Mina, Cotocoli, and Moba. There are significant numbers of Christians (mostly in the south) and Muslims (in the north) though a majority of the population practice indigenous religions, often blended with elements of Christianity and Islam. The official language is French, used for government, business, and in the schools. Many other languages, such as Ewe and Kabye, are used in daily life.

Togo's economy is largely agricultural, with over 60% of the labor force involved in growing food and export crops (of which cotton and cocoa are the most important). Calcium phosphate and marble are the principal non-agricultural exports. The per capita gross domestic product (GDP) is estimated at us\$1,500 (2001 estimate). The currency is the *Communauté Financière Africaine (CFA) franc*, which is shared with most other former French colonies in Africa.

### POLITICAL BACKGROUND

The Ewes, a tribe of hunters and farmers, moved into the area which is now Togo from the Niger River Valley between 1100 and 1300. During the fifteenth and sixteenth centuries Portuguese explorers and traders visited the coastal region, which became a major slave-trading center. As European powers struggled to gain control of overseas territories in the late nineteenth century, a German diplomat named Gustav Nachtigal signed a treaty with Chief Mlapa III in 1884 that

led to the creation of the German protectorate of Togoland. Following the German defeat in World War I, Britain and France divided the colony, which they held under a League of Nations mandate. The British administered the western portion of Togo as part of its Gold Coast colony, while the French retained the east. The division left the Ewe people divided between two different colonies ruled by different European powers, a legacy which has been a source of political tension ever since. In 1956, the UN supervised a plebiscite in British Togoland. Despite vocal Ewe opposition, a majority in that district supported formal union with the Gold Coast colony, which in 1957 became the independent nation of Ghana. French Togoland achieved its own independence on 27 April 1960.

During the campaign for independence, Sylvanus Olympio, a Ewe nationalist, emerged as Togo's most powerful political leader. On 27 April 1960, in a smooth transition, Togo severed its ties with France, shed its United Nations (UN) trusteeship status, and became a fully independent nation with Olympio as its first elected president. On 13 January 1963, Olympio was killed in a military coup led by a young army officer named Gnassingbe Eyadéma. The military installed a new civilian government with Nicholas Grunitzky as president. In 1967, the military overthrew Grunitzky and installed Colonel Kleber Dadjo as head of state. Within a few months Eyadéma seized power and named himself to the top leadership position. In 1969, Eyadéma's government established a party called the *Rassemblement du Peuple Togolais* (RPT—Togolese People's Rally), which integrated the military rulers into civilian roles. In 1972, 1980, and 1993, Eyadéma ran for office unopposed.

After seizing power, Eyadéma suspended the Constitution, abolished all opposition parties, dissolved the National Assembly, and permitted only state-run television. At times fierce opposition to Eyadéma's iron-fisted rule was met with a wave of arrests. Many defendants were tried and sentenced to death. Outside observers, particularly Amnesty International, accused the government of torture and murder. Combined with internal pressures, these accusations forced Eyadéma to undertake a series of reforms, including the appointment of a commission on human rights and amnesty to many members of the opposition—including those jailed in the 1986 coup attempt.

In 1990, the RPT met to consider party reforms. A multi-party system was rejected, but a wave of protests and a general strike persuaded Eyadéma to hold a national

conference in July 1991. The conferees declared the recommendations emanating from their assembly to be sovereign and drafted an interim Constitution. The conference named a transitional government and elected Kokou Joseph Koffigoh as prime minister. Following an attempt by the transitional legislature to ban the RPT, Eyadéma ordered troops to seize Koffigoh and demanded a “friendly” transitional government. Security forces attempted to assassinate Gilchrist Olympio (son of the slain president) in May of 1992, and succeeded in assassinating Tavio Amorin in July. In October, following the seizure and closing of the interim legislature, Eyadéma declared the transition process over. Another wave of strikes and protests ensued, and on 25 January 1993, security forces fired on peaceful demonstrators in Lomé, killing at least 19. Eyadéma’s promise to hold multi-party legislative and presidential elections proved insincere, and under boycott by opposition candidates, Eyadéma ran unopposed and claimed victory on 25 August 1993 with 96% of the vote. In January 1994, Eyadéma survived another coup attempt by Ghana-based dissidents.

In 1998, it appeared that Togo might conduct its first multiparty presidential elections. Six candidates contested the presidency and were permitted to make brief statements on RPT-controlled TV. However, the chief members of the National Electoral Commission, including chairwoman Awa Nana, resigned while returns were being counted, alleging death threats. Eyadéma’s internal security minister took over the count and declared Eyadéma to be the victor with 52% of the vote, enough to avoid a run-off with Gilchrist Olympio, who officially garnered 30% of the vote. Riots ensued, and under the pretext of restoring order, police burned the headquarters of Olympio’s *Comité d’Action pour le Renouveau* party. The opposition, led by Olympio’s Union des forces de changement (UFC—Union of the Forces of Change), boycotted the March 1999 parliamentary elections where as few as 10% of eligible voters cast ballots, despite government claims of a 66% turnout. The RPT claimed 77 of 81 seats in the National Assembly.

In the first half of 2000, Eyadéma’s government fell siege to allegations of sanctions-busting and extra-judicial executions. In March a UN report alleged that Eyadéma and President Compaoré of Burkina Faso sent arms and fuel to Angolan UNITA rebels in exchange for diamonds. In June a UN-OAU commission conducted an inquiry into Amnesty International allegations that Eyadéma’s armed forces executed hundreds of people during the run-up to the 1998 presidential election. Amnesty International said political opponents were detained without trial, tortured, and hundreds were executed by security forces both before and after the elections. The group said bodies of victims, some handcuffed, washed ashore on the beaches of Togo and Benin. In February 2001, the commission concluded that systematic violations of human rights after the presidential election of 1998 had indeed taken place.

In April 2002 prospects for reconciliation and a graceful exit for Eyadéma appeared dim. In February, the RPT-dominated legislature unilaterally changed the electoral code, effectively barring Olympio from running for president in 2003, and opening the door for Eyadéma to run again. Eyadéma jailed opposition leader, Yaovi Agboyibo of *Comité d’Action pour le Renouveau*, who subsequently was released



with an eye to appeasing the opposition and to moving forward with the legislative elections. The elections—originally promised for October 2001 and delayed three times, were finally held on 27 October 2002 before the end of the normal term. Despite a high voter turnout, the radical opposition boycotted them. As expected, the RPT won a majority of seats and revised the 1992 constitution to allow Eyadéma to stand for a third term. Olympia has said he will oppose Eyadéma in the June 2003 polls, but he will not meet the residency requirements—changed by parliament—and an appeal before the Eyadéma-controlled judiciary will likely fail. With opposition forces in disarray, an Eyadéma victory is virtually assured.

## PERSONAL BACKGROUND

Gnassingbe Eyadéma was born on 26 December 1937, at Pya, in the northern region of Togo. His father was a peasant who died at an early age. Eyadéma was raised by his mother and other relatives. Though he enrolled at a mission elementary school, he dropped out to join the French colonial army in neighboring Dahomey (now Benin) in 1953. His military career took him overseas to fight in French colonial wars in Indochina and Algeria. During the course of these campaigns, he rose to the rank of sergeant. He later served in Niger before the French colonial army was demobilized in 1963.

## RISE TO POWER

Eyadéma was a central player in the demise of Togo’s post-colonial democratic government. In 1963, the demobilized colonial soldiers demanded integration into the Togolese army. When President Olympio refused, his government was

overthrown in a military coup. Eyadéma was instrumental in planning that coup and is rumored to have personally executed Togo's first head of state. He was immediately promoted and, within two years, attained the rank of lieutenant colonel and chief-of-staff of the armed forces.

As chief-of-staff, Eyadéma held considerable power over the civilian government he and his colleagues installed. By 1967, Eyadéma had grown dissatisfied with the authoritarian leadership of Nicolas Grunitzky and overthrew him in a bloodless coup. A new government under Colonel Kleber Dadjo lasted only a few months before Eyadéma seized power again—this time for himself.

## LEADERSHIP

As Africa's longest-ruling head of state, Eyadéma has proven himself time and again to be a shrewd and often brutal political pragmatist. He rose to power as a populist leader whose main base of support lay with the army and Togo's more northern ethnic groups. Eyadéma's popular image has been enhanced by his survival of several assassination attempts and one plane crash. He has also promoted a cult of personality in which his image is found in all public places and on lapel badges worn by all civil servants. From the mid-1970s, Eyadéma initiated a national program of cultural "authenticity" in which foreign toponyms were abandoned in favor of African names, and the languages of Ewe and Kabiye were encouraged to replace French as the language of education and cultural life.

Since the 1991 national conference, President Eyadéma has coopted, intimidated, detained, tortured, and executed opposition to his rule. He maintains a strong grip on the military, most of whom hail from his own northern region. Instead of encouraging the growth of civil society, Eyadéma blames the opposition, trade unions, and student associations for crippling Togo's economy.

On 27 April 2000, Togo marked the fortieth anniversary of its independence. Many Togolese around the world celebrated with heavy hearts, while some staged protests. In September, the Togolese diaspora in North America organized protests outside the United Nations to condemn Eyadéma's government.

## DOMESTIC POLICY

Eyadéma has consolidated his power through strategic control over political processes and institutions. In 2002, the RPT-dominated Parliament revised the Constitution and strengthened electoral laws in Eyadéma's favor making certain that no real political threat could arise from the President's opponents. Indeed, political space for civil society and political opposition has shrunk, suggesting that he has no intention of relinquishing power. The French NGO, *Reporteurs sans Frontières*, ranked Togo 97th out of 139 countries in terms of press freedom, compared with Benin ranked 21st. With eligibility requirements for president lowered to 35 years, it will be possible for Eyadéma's son Faure Gnassingbe to succeed his father should the elder step down. It has been rumored that Gnassingbe may become speaker of the Parliament and replace his father as head of the RPT. Although Eyadéma has enjoyed loyal support from the army, dissension among junior officers poses a threat to his tenure.

Failure to meet payments on external debts broke off World Bank project assistance in January 2003. Therefore, Eyadéma's economic policy will aim to restore external financial support and a poverty reduction and growth facility (PRGF) with the IMF. A successful PRGF would allow Togo to be considered for debt relief under the IMF-World Bank's heavily indebted poor countries (HIPC) initiative, a prize that Eyadéma does not want to miss. Togo has been a student of IMF policy recommendations and has made progress in stabilizing public finances, particularly in privatizing public banks and phosphate operations. Although Togo failed to meet all of the eight convergence criteria for UEMOA (public revenues versus public spending, etc.), the 2003 budget appears disciplined enough in spending and revenue enhancement within the context of poverty alleviation to win IMF approval. However, Eyadéma may have to satisfy EU demands for democracy reforms as conditions for external funding to support structural reforms. Nevertheless, donor displeasure with Eyadéma's authoritarianism is unlikely to stand in the way of approval of the PRGF by end-2003, which would be a major victory for Africa's senior head of state.

In January, Eyadéma along with heads of state from Ghana, Benin, and Nigeria, signed a 20-year protocol paving the way for the development of the \$500 million West Africa Gas Pipeline (WAGP) scheduled to come on-stream in 2005. The submarine pipeline will carry Nigerian natural gas mainly for power production to three countries, and is expected to cost one-third less than hydro-electric power. Togo will absorb 9% of the gas supply, thereby reducing business costs, and alleviating energy and environmental pressures on its limited power resource base.

## FOREIGN POLICY

Since French President Mitterrand's democracy speech at La Baule in 1990, Eyadéma's authoritarian rule and human rights abuses have come increasingly under criticism from the West, and soured Togo's relations with Western powers. In particular, the controversy over the 1998 elections, the repeated delays in the legislative elections, and the unilateral revisions to the Constitution and electoral code have led to cuts in foreign aid, and have aggravated the precarious socio-economic footing for the majority of Togolese. These fortunes are reversible given the European Union members' concern for stability in the sub-region, and given the enduring friendship between French President Jacques Chirac and Eyadéma. The US, which was perhaps most critical of the October elections and Constitutional revisions, has since appointed a seasoned ambassador to Togo signalling a normalization of relations.

Togo historically has enjoyed good relations within Africa, particularly with former Zairian leader, Mobutu Sese Seko. When Mobutu was driven from power in 1997, Eyadéma lost a valuable ally. Relations with Ghana, which Eyadéma frequently accused of sponsoring coups, improved following the election of President Kufuor in 2000. Although opposition leader Gilchrist Olympio continues to be exiled in Ghana where he has resided since 1982, Togo's border with Ghana was opened 24 hours a day in March 2002 to facilitate bilateral and inter-regional trade. Togo imports most of its products from Ghana, which accounted for 26% of Togo's

total purchases in 2000. Togo exports mostly to Benin, Nigeria, Ghana, and Colombia.

Despite his somewhat dubious reputation as a political dinosaur and international pariah in some circles, Eyadéma takes an interest in international peace and has distinguished himself and his country through this passion. As head of the Economic Community of West African States' (ECOWAS) contact group, Eyadéma had taken the lead in the Côte d'Ivoire peace process until the Paris talks in January 2003, which he boycotted. President Wade of Senegal, then chair of ECOWAS, lobbied for control of the process himself. Subsequently, Ghana-the current ECOWAS chair-and France all but replaced Eyadéma in his role as chief mediator. Nevertheless, Eyadéma has supporters in the sub-region including President Tandja of Niger, who also boycotted the Paris meetings. Under Eyadéma's leadership, Togo hosted many international conferences and gatherings including the Lome I-IV Conventions. However, owing to Eyadéma's support for UNITA in violation of UN sanctions, subsequent meetings were hosted in Cotonou. Togo has memberships in the UN, ECOWAS, and the African Union (AU), which Eyadéma chaired in 2000.

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Profile researched and written by Jonathan T. Reynolds, Livingstone College (12/1998); updated by Robert J. Groelsema (5/2003).

# TONGA

## Taufa'ahau Tupou IV King

(pronounced "TOW-fa-ah-how TOO-po")



*"It is difficult for anybody to know what will happen in the future, but there are problems because it is difficult to control a democratic government."*

The Kingdom of Tonga is a small Polynesian kingdom located in the central South Pacific consisting of 160 islands with a total land area of 748 sq km (289 sq mi). Tonga's neighbors include Samoa to the north, Fiji to the northwest, and New Zealand to the south. Recent archaeological evidence indicates that the Tongans were associated with a *lapita* (a type of pottery) culture group originating out of Southeast Asia. Slowly migrating eastward through Melanesia, these peoples settled in Tonga around 1000 BC. Contemporary Tongan society, often characterized as deeply religious and traditionally conservative, is largely composed of semi-subsistent farmers and noble elite. Tonga's population was estimated at 106,137 in 2002. Approximately 95% of the population are practicing Christians. The per capita gross domestic product (GDP) averages about US\$2,200 (2000 estimate). The unit of currency is the *pa'anga*.

As in all Polynesian cultures, kinship and collectivism predominate. Even today, groups based on kinship are often formed to carry out activities. Similarly, many valued possessions are corporately owned. Women command a strong position in Tongan society, and many tasks are shared between the sexes.

Agriculture is the mainstay of the Tongan economy. Nearly 50% of the GDP and more than 60% of the active wage labor force originate in this sector. Although manufacturing and tourism are on the increase, partly due to government efforts to diversify the economic base, the bulk of Tongan exports are agricultural. These include copra, coconut oil, bananas, melons, vanilla beans, and vegetables.

### POLITICAL BACKGROUND

Renowned for its highly stratified, ascribed status society, consisting of king, chief, and commoner classes, Tonga established an elaborate political structure long before European contact in the 18th century. By 1835, after a period of political unrest and civil wars between the various clans, a chief named Taufa'ahau emerged as the dominant leader. He eventually became King Tupou I, Tonga's first modern ruler, and in 1875, established Tonga as a constitutional monarchy.

Although Tonga distinguishes itself as the only Pacific island nation never to have been colonized, in 1899, at the invitation of King Tupou II, Tonga became a British protectorate, and all foreign affairs were transacted through the United Kingdom. Full independence was restored in 1970.

Tonga's political structure today has changed little since its inception in 1875. It still consists of three bodies: the

Executive Council, the Legislative Assembly (Parliament), and the Judiciary, with the king exercising wide influence over all three. The Executive Council is comprised of the king, the Privy Council, and the Cabinet. When the king presides, the Cabinet becomes the Privy Council. The Monarch, His Royal Highness Taufa'ahau Tupou IV, personally appoints the members of Cabinet without election or public involvement. This includes Tonga's two governors and 10 Ministers of the Crown. All Cabinet members also act as heads of government ministries, and ministers maintain their positions until retirement. The prime minister of Tonga is the king's younger brother, Prince Tu'ipelehake.

The Legislative Assembly, traditionally the government's debating chamber, consists of only one house that meets annually. Sessions last three to five months and are opened and closed by the king. Parliament is comprised of the speaker, who is selected by the king, the 11 appointed Cabinet members, nine noble's representatives (elected by the 33 nobles of the realm), and nine people's representatives (elected by the commoners). There are no political parties; however, there is a prominent political pressure group, the Tonga Human Rights and Democracy Movement, members of which won 7 of 9 seats in the 2002 election. Unlike other constitutional monarchies, Tonga's king is not a figurehead. He has absolute veto power over any laws put forth by Parliament.

### PERSONAL BACKGROUND

Taufa'ahau Tupou IV is the direct descendant of King George Tupou I. He was born on 4 July 1918, and was christened Crown Prince Siasia Taufa'ahau Tupoulahi. Tupou received his early education in Tonga where he was both an outstanding student and sportsman. He then attended secondary school at Newington College in Australia and received his bachelor of arts and bachelor of laws degrees from the University of Sydney. He was the first Tongan citizen to receive a university degree. In 1947, he married Halaevalu Mata'aho, the daughter of the noble Ahome'e. They have three sons and a daughter.

### RISE TO POWER

Shortly after his return from studies in Australia, Taufa'ahau was appointed to the Cabinet as the Minister of Education. A year and a half later, the portfolio of Minister of Health was added to his duties. He held these two portfolios until December 1949, when he became Premier of the Kingdom,

combined with the portfolios of Education, Agriculture, and Foreign Affairs. In 1962, the portfolio of Works was added to his many duties.

During the 16 years that the crown prince served as premier, Tonga underwent a number of important economic and social changes. One of his earliest aims was to improve the standard of education in the kingdom, and he was the moving force behind the establishment of Tonga's Teacher Training College and Tonga High School. As a result, Tonga has one of the highest literacy rates in the Pacific Basin region.

Taufa'ahau was also instrumental in developing Tonga's agricultural sector via the establishment of a number of boards and councils whose duties were to facilitate the handling and marketing of Tongan produce locally and regionally. The Tongan Broadcasting Commission, the International Dateline Hotel, Queen Salote Wharf and the government newspaper, the *Tongan Chronicle*, were all established under the Crown Prince's leadership. Because of these many achievements, the British accorded him a Commander of the Order of the British Empire and a Knight of the British Empire in 1951 and 1958, respectively.

In 1965, Her Highness Queen Salote Tupou III died. Two years later, on 4 July 1967, after a year of mourning and another year of preparation, Crown Prince Taufa'ahau Tupou IV was crowned King of Tonga in the Royal Chapel in Nuku'alofa, the capital of Tonga.

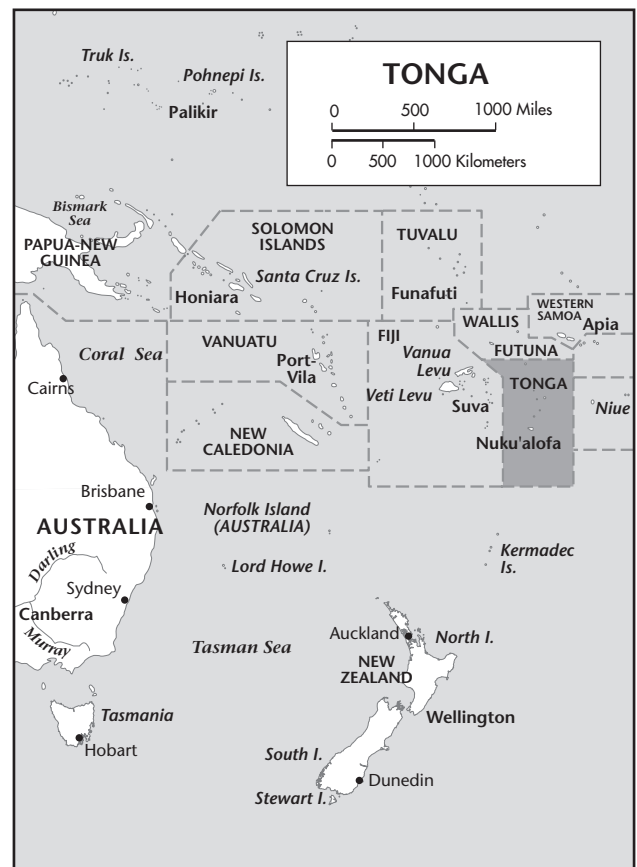
## LEADERSHIP

As Tonga entered the 21st century, its political stability was threatened by a number of growing problems. These include an increasing national debt; overpopulation; limited land resources; high under- and unemployment; decreasing productivity in the primary sector; and a heightened awareness by the majority of citizens of Tonga's socio-political and economic imbalances.

Cognizant that Tonga must come to grips with its socio-economic problems in order to maintain an independent state, Tupou IV's reign has been marked by concerted efforts to meet these challenges and to modernize Tongan society. Tupou IV has encouraged the diversification of the economic base, the development of basic infrastructures, and the strengthening of Tonga's position regionally. Over the last 20 years, a Development Bank has been established, and several loan schemes for new entrepreneurs have been initiated. Foreigners, with their capital and business acumen, are now encouraged to settle in Tonga as never before in its history.

Although the king is also aware that additional political reforms must be introduced for the monarchy to survive, Tongan monarchs historically have been reluctant to tamper with the foundations of the political structure. This is because they fear that once such reforms are underway, there may be no end to them until they eventually overwhelm and terminate the monarchical structure. The political changes most recently introduced have only been piecemeal, delaying actions that effectively keep ultimate power (especially on matters concerning land allocation) in the hands of the traditional elite.

Fortunately for members of the monarchy, the demand for far-reaching structural changes in the political system has not



yet arisen. This is in large part due to a combination of factors including emigration, remittances, and a genuine affection for and strong national pride in Tonga's monarchy. But Tupou IV, perhaps more than any of his ancestors, may find himself forced to initiate reform precisely because of his own liberalism in allowing other influential changes to filter into the Kingdom. Such reforms could include the creation of political parties, an increase in political influence in Parliament, the readjustment of parliamentary participation, or more radically, the abolition of the formal legal elements of the noble system. Commoners are already demanding increased opportunities for political participation.

Although Tonga is going through a period of upheaval and change, Tongans are very protective of their political independence and their monarch, and with good reason, having witnessed the plight of other Pacific Islanders in the wake of foreign encroachment. The majority of Tongan citizens still appear to have an abiding affection for their monarch, although a growing ambivalence surrounds Tonga's nobles, who often serve as convenient scapegoats for Tupou IV. Like his great-grandfather, this king appears to be a master at playing both sides of the fence: appeasing the nobles while simultaneously attending to the needs of the commoners. He is a religious man who does not, for instance, have an opulent lifestyle. He does not rule by force but by reason and suggestion, and is apparently willing to change his position on specific matters if public support is not forthcoming. This occurred recently when the public strongly contested the

construction of a waste treatment plant Tupou IV supported. Eventually, plans for the plant were withdrawn.

### DOMESTIC POLICY

Tonga is at a crossroads in its history. Land reform issues, for instance, are a recurrent theme; because of a growing population and finite land mass, many persons legally entitled to land can no longer obtain it. This situation is further aggravated by the tendency of some nobles to take advantage of their status by leasing out estate land to those who would be undeserving according to Tongan law. To date, little progress has been made on land reform, though Tupou IV has set an example by dividing his 'api (land) allotments in half, thus allowing the redistribution of more land to the commoners. Unfortunately, few other members of the traditional elite have followed suit.

The king has been criticized, however, as one who is ready to jump on the bandwagon of any scheme that might prove profitable for the Kingdom. He has promoted tourism with great enthusiasm, touting it as Tonga's salvation from economic impoverishment and underemployment, although it has been slow to develop. In January 2003, he gave approval to a Chinese businessman to build a cigarette factory in Tonga, in contrast to his own public health campaign urging the population to abandon alcohol and tobacco use. Through the years, a variety of other, perhaps less realistic, schemes have been considered and sometimes pursued: Tonga as a duty-free port, a tax shelter, a Pacific Monte Carlo. More recently, administrative emphasis has been placed on attracting manufacturing and export industries with foreign backers. Meanwhile, until the government strikes it rich, projects in the agricultural sector are kept afloat to buoy the balance of trade and keep the Tongan people fed and occupied. Subsistence activities, kingship networks, and overseas remittances (which are steadily increasing) are not discouraged since they ensure that the social welfare of the Tongan people will be provided for while the government continues to look for Tonga's lucky break.

The king also has to deal with continuing allegations of corruption with the Royal House. In 2002, the king himself was accused by a few members of Parliament of having a secret overseas account worth us\$350 million. The money allegedly came from proceeds of gold bullions found somewhere in Ha'ano. Tupou IV has denied these allegations. (He does, however, have an account with the Bank of Hawaii, which contains proceeds from his vanilla bean export project.) Accusations of misuse of funds have come from the New Zealand Associate Minister of Foreign Affairs, who has reason to suspect that much of the \$6 million dollars in aid given to Tonga each year has been used for pet projects of the privileged elite, rather than the nation as a whole. The king also denies these charges. Further accusations have been made concerning the business activities of Crown Prince Tupouto'a and Princess Pilolevu Tuita. Their entrepreneur efforts have included a 1997 partnership with a San Francisco-based Internet company, Tonic Corporation, to sell Internet domain addresses ending in ".to" (the domain name assigned for exclusive use by the Tongan government). An earlier enterprise involved the acquisition of equatorial satellite slots. Tonga, which has no satellites of its own, owns at least seven slots, with leasing controlled by the princess.

Critics contend that these and other such businesses should be state-owned. Tupou IV, however, maintains that his children have the freedom to own and operate private businesses just as any other Tongan citizen.

With the king, who is in his 80s, in somewhat poor health, political tension in 2002 has begun to grow as both traditionalists and reformers consider objectives for the post-Tupou IV era.

### FOREIGN POLICY

Though staunchly anti-communist, the king encourages the practice of tolerance and political nonalignment with all nations regionally and internationally. This is an astute stance on Tupou IV's part. Because the Kingdom was never colonized like its Pacific neighbors, and thus does not benefit (or suffer) from financial assistance from one donor nation, Tonga must rely on piecemeal assistance from whatever source is available. Over the years, the king has negotiated with government and private parties from the United States, New Zealand, Japan, Australia, India, Germany, Saudi Arabia, Russia, France, Sweden, Libya, the United Kingdom, and China. Several negotiations, particularly with Japanese and German businessmen, have led to long term friendships, business, investments, gifts of aid, or equipment. Where some negotiations have resulted in suspect deals and losses for the Kingdom, others have given the king additional leverage in aid requests. The courting of the Soviets, whether intended or not, attracted concern and notice from New Zealand, Australia, the United Kingdom, and the United States. Although this can be a dangerous game politically, the king has been fairly successful to the extent that he has secured funds for many projects without politically alienating any one country.

In 1998, Tonga established diplomatic relations with China, ending a 26-year relation with Taiwan and securing the unopposed endorsement of the United Nations (UN) Security Council, where China has a veto. A UN Security Council committee recommended Tonga's admittance to the UN in July 1999.

In November 1999, Tonga joined seven other Pacific island nations to criticize worldwide lack of action to reduce greenhouse gas emissions and help vulnerable nations adapt to climate changes. The eight nations held a press conference in Bonn, Germany, described damages already being felt in their nations, and said it was time to stop global warming before problems grew worse.

In December 2001, the government approved ratification of the Pacific Agreement on Closer Economic Relations (PACER) and the Pacific Island Countries Trade Agreement (PCTA). Tonga was the fourth country to sign on these agreements which seek to establish a free trade area between 14 Pacific Island countries and promote economic cooperation. PACER provides for assistance to Tonga from Australia and New Zealand to improve trade.

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**Profile researched and written by Deacon Ritterbush (7/1990); revised by Pat Hale (5/2003).**

# TRINIDAD AND TOBAGO

**Patrick Manning**  
**Prime Minister**

*(pronounced "PAA-trik MAA-ning")*



*"Rest assured, my friends, that the Government of Trinidad and Tobago is committed to ensuring that the country remains safe from any undesirable and destabilizing element."*

The Republic of Trinidad and Tobago lies in the southern Caribbean just off the coast of Venezuela. The total area of Trinidad and Tobago is 5,128 sq km (1,980 sq mi). The population was estimated at 1,163,724 in 2002, divided between the African descendants of slaves (39.5%) and East Indian descendants of indentured laborers (40.3%). European, Chinese, Syrian, Lebanese and mixed races comprise the rest of the population. The population is predominantly Roman Catholic (30%), Hindu (24%), and Anglican (11%), with smaller groups of various Protestant sects and Muslims (6%). English is the official language of the country, but Hindi, French, Spanish and Chinese are also spoken. Trinidad and Tobago, which had an estimated per capita gross domestic product (GDP) of us\$9,000 in 2001, is one of the most industrialized Caribbean countries. Its economy is based primarily on petroleum and petroleum products. Industries include petrochemicals, methanol, and iron and steel. Sugar is the main agricultural export. The unit of currency is the Trinidad and Tobago dollar.

## POLITICAL BACKGROUND

The larger of the two islands, Trinidad, was captured by the British from Spain in 1797. The smaller island, Tobago, was disputed by the Dutch, French, and English until it was ceded to the British in 1814. The islands were administratively joined in 1888. Trinidad and Tobago became self-governing in 1956 and gained its independence from Britain in 1962. In 1976, they became a republic within the British Commonwealth. Trinidad and Tobago has a parliamentary system patterned along the lines of the British Westminster system. General elections for the 36 members of the House of Representatives are held every five years. Elections may be called earlier by the president at the request of the prime minister or after a vote of no confidence in the House of Representatives. The president, who is the head of state and performs mainly ceremonial and procedural duties, is elected to a five-year term by an electoral college. The Senate's 31 members are appointed by the president: 16 on the advice of the prime minister, 6 on the advice of the leader of the opposition, and 9 independents selected by the president from among outstanding members of the community. The House of Representatives is made up of 36 members elected to serve five-year terms. The prime minister is the leader of the party that has the majority of parliamentary seats.

Trinidad and Tobago is a multiparty state, but from independence until 1986 the Afro-Trinidadian People's National Movement (PNM) dominated. In 1986, an ethni-

cally heterogeneous alliance with its center of strength on Tobago, the National Alliance for Reconstruction (NAR), was voted into power by a populace seeking change. The NAR alliance collapsed, however, and a segment formed the Indo-Trinidadian United National Congress (UNC). A revitalized PNM returned to power in 1991. In 1995, an early election vote produced a 17–17 stalemate in parliamentary seats between the two main parties, the PNM and the UNC. The NAR itself won its two traditional seats in Tobago and joined with the UNC in the country's first coalition government, and the first one to be headed by an Indo-Trinidadian prime minister.

## PERSONAL BACKGROUND

Patrick Augustus Mervyn Manning was born 17 August 1946, in San Fernando, on the southwest coast of Trinidad. He and his wife have two children; the family adheres to the Anglican sect of Protestantism. Manning was educated at schools in his home town, including the Rose Bank Private School, San Fernando Government School (1953–57), and Presentation College (1958–65). In 1966, he entered the University of the West Indies at Mona, Jamaica, where he studied geology, receiving a bachelor's degree with special honors in 1969. He began working for Texaco Trinidad, Inc. while a student; his first position was as an operator at a refinery. Upon his graduation, he became a geologist for the company, a position he held from 1969–71.

Manning enjoys playing table tennis and chess, as well as reading, in his leisure time.

## RISE TO POWER

Manning became involved in the government in 1971, when he was named parliamentary secretary in the Ministry of Petroleum and Mines. After that, from 1973–78, he served as parliamentary secretary for a series of government agencies and offices—the prime minister's office, the Ministry of Planning and Development, Ministry of Industry and Commerce, and Ministry of Works, Transport, and Communications.

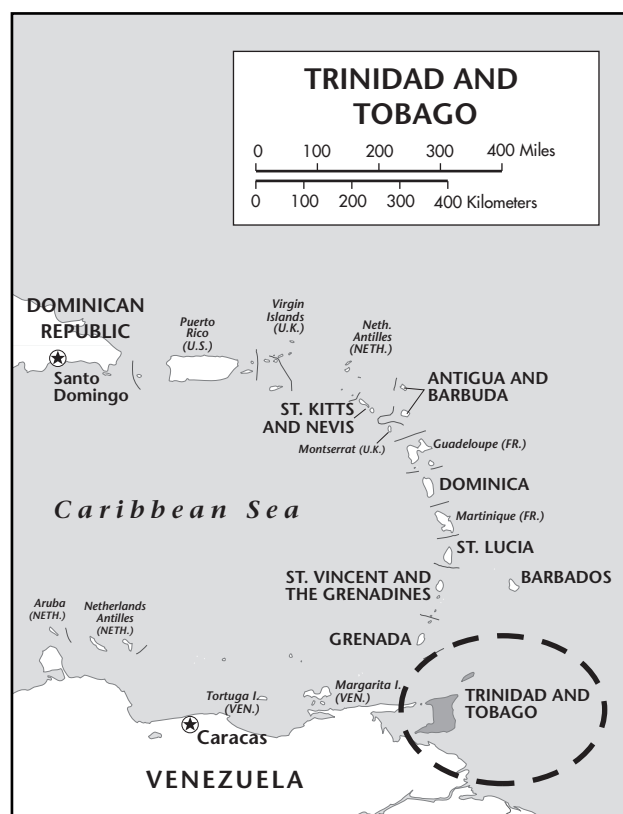
Manning then accepted portfolios (maintenance and public service) as a minister of finance. Following the death of the PNM founder and prime minister, Eric Williams, in 1981, Manning held the posts of information minister, minister of industry and commerce, and minister of energy and natural resources, all in the administration of Prime Minister George Chambers, also of the PNM.

Following the 1986 elections, a coalition led by the NAR defeated the PNM and won control of the government; NAR leader Arthur N. R. Robinson became prime minister and Manning left the government to join the leadership of the PNM. Robinson and his coalition-controlled legislature, after promising to privatize the state-owned companies and reduce the country's dependence on oil, implemented austerity measures to try to deliver on those promises. These tactics were unpopular with the citizenry. Radical black Muslims, among the most dissatisfied, staged a coup attempt and took Prime Minister Robinson and other government officials hostage for six days. Although the coup was unsuccessful, it was a reflection—albeit an extreme one—of the citizens' unhappiness with conditions in Trinidad and Tobago. In elections held in 1991, the NAR was ousted from power, the PNM was returned to form the government, and Manning became prime minister. But confronted with the reality of the government budget, Manning and his coalition had no choice but to pick up where the Robinson government had left off in the restructuring of the economy. Thus, the populace became disillusioned with the PNM, too. At the same time, the UNC, part of the former NAR coalition, was trying to broaden its base by incorporating Afro-Trinidadian elements into its primarily Indo-Trinidadian leadership. Demographically, the Indo-Trinidadian population was in the majority in Trinidad and Tobago, and was also somewhat less geographically concentrated than before. A highly mobilized UNC was therefore ready for the polls when an election was called by a too-confident PNM in November 1995. The result was a political stalemate that was brokered by the UNC's former ally, the NAR, which won its two traditional seats in Tobago. After two decades in opposition politics, Indo-Trinidadian Baseo Panday became the first prime minister of East Indian descent. Shortly after assuming power, Panday's government succeeded in bringing two opposition members of Parliament into the UNC coalition, so that Panday no longer needed to rely on the NAR to govern. This in turn led to increased tension between the prime minister, Panday, and the president, NAR leader Arthur Robinson. In December 2000 elections, the UNC retained power when they won 19 seats, while the opposition PNM won 16, and the NAR 1. Panday was sworn-in for a second five-year term as prime minister.

Within the first year of his second term, Panday found himself facing accusations (mostly unproven) of corruption and election fraud that were undermining his ability to lead. On 10 December 2001, the Panday government lost its majority when three cabinet members left the government. New elections were called for, since the UNC no longer controlled the government.

Because party loyalties follow underlying racial divides, the demographics of the society make a dead heat between the Afro-Trinidadian PNM and the Indo-Trinidadian UNC appear inevitable. Following the polling, the UNC and the PNM had each won 18 seats in the 36-seat Parliament. The leaders of the two parties—Panday and Manning—were both prospects for the prime ministership, since neither of the two parties had a majority.

President (and PNM loyalist) Arthur Robinson named Patrick Manning prime minister, a decision that was met with protests and criticism of favoritism from the UNC. Robinson maintained that his decision was based on ethical, not party



or racial, considerations. Manning was sworn in as prime minister, while Panday said his party refused to accept the decision, accusing Robinson of bias.

## LEADERSHIP

Patrick Manning is of African descent, as are most of the members of the PNM. President Arthur Robinson is also Afro-Trinidadian, and when he named Manning prime minister following the election tie, he stated that his decision was not influenced by ethnicity, national origin, or politics. He maintained that he was following the constitutional guidelines that specified, in the event of an election tie, the candidate most able to control the government in the president's judgment should be named prime minister. But tensions between Indo-Trinidadians and Afro-Trinidadians were increasing following the election, since most Indo-Trinidadians supported Panday's United National Congress party.

Despite being sworn in as prime minister, without a sitting Parliament, the government was in turmoil. The Constitution requires that Parliament must have a Speaker of the House, elected by the House of Representatives; if this is not accomplished within four months of the voting, new elections must be called. Panday, as leader of the UNC, refused to rally his party to vote for a speaker, so no legislative majority could be reached, and Parliament could not be convened. Manning tried to make light of this problem at first, but as weeks and months went by without any success in bringing the Parliament together, it became clear that politics in Trinidad and Tobago had brought the Parliament to a standstill. This left Manning, as prime minister, in sole control of government; he could exercise executive powers even to the

point of declaring a national emergency. The opposition party classified the government as an “executive dictatorship” and pressed for new elections. But Manning contended that the last two elections were plagued with voting irregularities, and wanted to postpone setting a date for elections until the list of registered voters could be verified. An inquiry was conducted, but as of April 2002, none of the allegations of irregularities had been substantiated. During the months immediately following the election, President Robinson encouraged Panday and Manning to meet, and they complied—meeting on several occasions—without success. On 7 April 2002, Manning dissolved Parliament and called for new elections within six months (as dictated by the Constitution).

As of May 2002, the country’s journalists were calling on Manning to accept the standoff and to set a date for elections; it appeared likely that the PNM leadership would reluctantly accept a plan to hold elections in September 2002, although his inability to lead following the December 2001 elections had weakened his prospects considerably for the next election.

### DOMESTIC POLICY

Manning’s government was unable to make much progress in the aftermath of the tie election, but some issues were being debated publicly and Manning, as prime minister, responded in kind. In May 2002, some Trinidadians of non-Indian descent were pressuring the government to drop the Indian designation from the name of a national holiday, Indian Arrival Day (30 May), suggesting the holiday could commemorate the arrivals of Trinidadian ancestors of all nationalities and ethnicities. However, former prime minister Baseo Panday, during whose administration the holiday was created (1995), responded that the holiday was created to commemorate the arrival of the indentured workers from India, and argued that the reason for the holiday would be lost if the Indian designation were removed. Prime Minister Manning, not wishing to inflame further the intergroup tensions, indicated no interest in changing the holiday’s name.

Despite the problems in getting the government impasse resolved, the economy was on a gradual upswing, with energy holding fast as the centerpiece. Energy remains the centerpiece of the economy. In the early years of the twenty-first century, the government was headed on a path leading to an increase in oil production. The government also hoped to continue to attract foreign investment and had streamlined the investment procedures, lowered corporate taxes, and increased financing for small businesses. In addition, poverty alleviation was a necessary priority, since over 20% of the population is estimated to live in poverty. The prevention of crime, especially international drug trafficking, is a central concern for citizens and government officials alike. Trinidad and Tobago has become a regionally significant drug transshipment center; attempts to bring drug lords to justice have often been thwarted by the disappearance or murder of witnesses. The government was working closely with the United States to hone investigation techniques and develop a more substantial witness-protection program.

### FOREIGN POLICY

As the most industrialized and second-largest country in the English-speaking Caribbean, Trinidad and Tobago has taken a leading role in the Caribbean Community and Common Market (CARICOM), and strongly supports CARICOM

economic integration efforts. The Association of Caribbean States (ACS), formed in 1994, is headquartered in Trinidad. This 35-member grouping seeks to further economic progress and integration among its states.

In 1997, Trinidad and Tobago applied in 1997 for entrance into the North American Free Trade Area (NAFTA). In 2000 the U.S. government enacted the Caribbean Basin Trade Partnership Act (CBTPA), known as the NAFTA Parity Bill, to extend trade benefits to producers of wearing apparel and certain other industries. Caribbean countries’ share of imports to the United States had dropped from 19% in 1998 (\$3.2 billion) to 12% (\$2.6 billion) in 2000. CBTPA was designed to reverse the trend. Within CARICOM, Trinidad was the leading exporter, primarily of methanol, to the United States under the terms of the 1983 Caribbean Basin Economic Recovery Act. From January to August 2001, Trinidad exports to the United States totaled \$445 billion, greater than the total for all of 2000.

In international relations, Trinidad generally follows the lead of the United States and the EU, while guarding an independent voting record. As Manning and Panday jockeyed for control of the government, Trinidad’s participation in the global economy seemed not to have suffered many negative effects. Were the stalemate to continue, it would certainly have an effect on the country’s relationships with its diplomatic and trading partners.

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Profile researched and written by Jacqueline Anne Braveboy-Wagner, The Graduate School of the City University of New York (2/96); revised (6/2003).

# TUNISIA

## Zine El Abidine Ben Ali President

(pronounced “ZIN-ah el ab-bih-DIN-ah ben AH-lee”)



*“Our commitment to Republican values is firm and unshakable. We believe in the sovereignty of the people, the primacy of the Constitution and the inviolability of the institutions. We also believe in the values of liberty, democracy, justice, pluralism and human rights.”*

The Republic of Tunisia is located on the Mediterranean shores of North Africa between Algeria on the west and Libya on the east. It has an area of 163,610 sq km (63,170 sq mi) and a population estimated at 9.8 million in 2002, most of whom are Arabs. As of 2002, the population growth rate was 1.12%, one of the lowest in the Arab world. The religion of 98% of the population is Islam. Tunisia’s national language is Arabic, but French is widely used and is the language in which business is transacted. The country is predominantly urban with two-thirds of its land area consisting of desert or high, arid plains. Tunisia’s gross domestic product (GDP) of us\$64.5 billion in 2001, with per capita GDP estimated at us\$6,600. The currency unit is the *dinar*. Tunisia exports crude oil, textiles, phosphates and olive oil. Other important sources of foreign exchange are a very developed tourist infrastructure and emigrant workers’ remittances.

### POLITICAL BACKGROUND

According to the 1 June 1959 Constitution, revised 12 July 1988, Tunisia is a republic in which power is shared by a strong president who is elected for five years (except for Habib Bourguiba, the first president of independent Tunisia, who nominated himself for life) and a unicameral legislative body, the Chamber of Deputies (Majlis al-Nuwaab), whose members are directly elected for a five-year term. The president nominates a prime minister who is responsible to him; he can dissolve the Chamber of Deputies and call for new elections. He is an important initiator of legislation.

From Tunisia’s independence from France in 1956 until 1987, the Tunisian political system was dominated by Habib Bourguiba, a heroic nationalist leader, and his Neo-Destour Party (later known as Constitutional Democratic Rally—Rassemblement Constitutionnel Democratique, RCD). Under 31 years of Bourguiba’s presidency, Tunisian politics alternated between one-man authoritarianism and relative liberalism with only one party in power. In December 1974, the Chamber of Deputies, controlled by the RCD, made Bourguiba president-for-life. Multiparty politics was then a remote possibility and the system moved toward stagnation and intolerance of opposition.

By the mid-1970s, opposition movements started to form at home and abroad to oppose the rule of the aging president and his prime minister, Hedi Nouira. The Popular Unity Party (PUP), led by Ahmed Ben Salah (former minister of agriculture) was formed in Europe, and former minister of interior Ahmed Mestiri created the Movement of Democratic

Socialists (MDS). Both were banned in Tunisia and many of their sympathizers were arrested. More important challenges came from the General Union of Tunisian Workers and Islamic fundamentalist groups. The labor confederation organized a major strike in January 1978, which was followed by street rioting across Tunisia. In retaliation, the army killed around one hundred people, arrested hundreds more, including the Labor leader Habib Achour. The Islamists, led by Le Movement de la Tendence Islamic (MTI) expressed its first challenges, both verbally and with violence, by the late 1970s, which resulted in the arrest of its leaders.

As the political and economic situation continued to erode, the Tunisian regime moved by the early 1980s toward the liberalization of the system by accepting independent candidates in elections and by releasing political prisoners. Opposition parties such as the MDS, the PUP and the Communist Party were recognized. Only the Islamist group, MTI, was not given legal recognition. However, all these parties were too weak to compete with, or unseat, the RCD, which maintained its dominant position. New nationwide rioting took place in 1983 and 1984 after the announcement of an increase in the price of semolina and bread and other economic austerity measures. Many people were killed and many more arrested by the governmental forces. Bourguiba, who was then 81 years old, finally reversed the price increase decision and calm temporarily returned. It was in this context that the current president of Tunisia rose to power and overthrew Bourguiba with a bloodless coup on 7 November 1987.

### PERSONAL BACKGROUND

President Zine El Abidine Ben Ali was born on 3 September 1936 in Hammam Sousse. In Tunis, he pursued studies in electrical engineering. Before becoming president he held several state offices, notably that of director of military security (for 16 years), secretary of state for national security, and minister of national security. He received degrees from the French military academy of Saint Cyr and the French artillery school of Chalons sur Marne. He also trained in the U.S. Army’s School of Field and Anti-Aircraft Artillery in Texas and, at Fort Holabird, Maryland, where he completed a course on intelligence and military security.

He started his career in 1958 as director of Military Security. After an alleged disagreement with Bourguiba, he was sent in 1974 to Morocco as military attaché, and to Poland in 1980 as ambassador. However, in the wake of the 1983–84 bread riots in Tunisia, he was recalled and made



head of National Security. That was the beginning of his very rapid rise to power.

President Ben Ali is married and is the father of five children. His wife, Madame Leila Ben Ali, is active in a number of Tunisian and international charities, working to promote the causes of women, families, and children.

### RISE TO POWER

A few months after his return, Ben Ali became secretary of state for National Security; he was then named minister of national security in October 1985, and minister of interior in April 1986. In that same year, he was made undersecretary general of the RCD party. The final appointment under Bourguiba came on 2 October 1987 when he was appointed prime minister and secretary general of the party.

According to Article 57 of the 1959 Tunisian Constitution then in effect, the prime minister was to assume the presidency in case of death, resignation or permanent inability of the president. Using this provision, Ben Ali deposed Bourguiba on 7 November 1987. The former president, who was 84, was judged by most people as having become mentally unstable, senile, erratic and more dictatorial than ever. His ouster was, therefore, almost unanimously welcomed by the Tunisians.

Since taking power in 1987, Ben Ali has run for president three times. After his first election he pushed through amendments to the Constitution that made the president of the Chamber of Deputies, rather than the prime minister, the successor to a president unable to continue in office. Furthermore, that individual would then be precluded from running for the office in new elections, thus precluding the

route to power that he had used. In the first two elections, in 1989 and 1994, he ran unopposed. In the 1999 elections he faced two opponents, Mohamed Belhaj Amor, who garnered 0.3% of the votes and Abderrahmane Tlili, who received 0.2% of the votes. Two other potential candidates were arrested after announcing their intention to run: Abderrahmane el-Hani, a lawyer and leader of a political party that the government would not recognize, and Moncef Marzouki, a vocal critic of the regime's human rights record.

### LEADERSHIP

From the start, the tasks facing the new president were numerous and challenging, particularly the struggling economy and the Islamic fundamentalist movement. Promising a democratization of Tunisia, Ben Ali moved quickly to reconcile the government with the various opposition groups, notably by freeing hundreds of political prisoners, establishing contacts with exiled opposition, abolishing the state security court, and paving the way for a multi-party system. He changed the name of the DSP to the Constitutional Democratic Rally (RCD), and recognized new political parties. However, he would not tolerate any party based on religion. Ben Ali has refused to recognize the Islamic party, which has since been renamed al Nahda (Renaissance). His strong and unchanging opposition to the Islamist factions in Tunisia have won him praise from the West, though increasingly the means he uses to shut down opposition are causing concern both within the country and outside.

Ben Ali initially faced an increasingly cynical public and alienated youth due to the tight control he maintained over the political process, the suppression of effective opposition, and his poor human rights record. Despite cosmetic changes to the Constitution and electoral process, he and his RCD party refused to allow any effective opposition to emerge. However, by 2000, new legislation showing a move toward greater democratic freedoms gave Ben Ali a more respectable image internationally.

In November 2002, on the occasion of the 15th anniversary of his assumption of power, Ben Ali announced a series of measures destined to permit Tunisia to proceed on the path to democracy and development. Some of the issues concerning Ben Ali were reform of the electoral code, the life of political parties, information, education, and the development of economic infrastructures designed to construct the "Republic of Tunisia of tomorrow."

### DOMESTIC POLICY

One of Ben Ali's greatest achievements has been success of the National Solidarity Fund (NSF), established on his initiative in 1992. Its basic mission was to implement a national strategy extending from 1993 to late 2000 in over 1,000 of the country's poorest villages. Nearly one million people lived in these areas, where they lacked stable incomes, basic facilities, schools, health, roads, or drinking water. Through the NSF, about US\$400 million was used to build over 30,000 houses, 122 health care centers, 140 schools, 3,565 km (2,228 mi) of road, and a number of "youth halls." NSF activities also made it possible to connect 63,151 households to the power grid and to the potable water network and to launch sanitation and anti-desertification projects. Furthermore, the NSF generated thousands of jobs. These achievements were carried out under direct supervision by

President Ben Ali, who dedicated many cabinet meetings to the NSF. Ben Ali demonstrated his commitment to the NSF by making personal visits to the needy areas. The NSF served as the model for the World Solidarity Fund supported by the United Nations (UN), also initiated by Ben Ali.

Ben Ali's government has engaged in economic policies, with varying success, to promote private investment in industry and agriculture; increase irrigation agriculture through a number of dam constructions; consolidate landholdings in order to achieve cereal self-sufficiency; search out new markets for its olive oil, date and citrus exports; encourage a broadening of manufacturing industries and modernization and improved marketing plans of the traditional industries of textiles (which accounts for 45% of Tunisia's export earnings) and fish processing; promote petroleum exploration and export through liberal terms offered to the more than two dozen foreign companies currently involved in that industry in the country; renovate plants and promote its internal market for calcium phosphate, of which Tunisia is the world's fourth-largest producer; and promote industrial zones and its offshore banking sector to achieve an economic goal to make Tunisia a "Mediterranean Singapore."

In 2001, Ben Ali announced a major constitutional reform initiative to pave the way for the "Republic of the Future." The reform bill, which was adopted by the Chamber of Deputies in 2002, provided greater protection of civil liberties and public freedoms, stronger oversight over the constitutionality of laws and, for the first time, consecration of the notions of human rights and tolerance as constitutional values. One amendment called for the creation of a second legislative branch, the Chamber of Advisors, with 120 members elected for six-year terms. There will be no term limits stated for the presidential office, but the maximum age ceiling for candidacy was set at 75 years. The constitutional reform bill was approved in a 26 May 2002 referendum, with 99.52% of voters voting in favor of the changes. Also in 2002, Ben Ali initiated a draft law for the creation of a children's forum within parliament that will be called Children's Parliament. The purpose of the forum is to raise awareness of children's rights issues and to consider ways to provide better education and opportunities for children.

## FOREIGN POLICY

Ben Ali's foreign policy has consisted of maintaining a careful balance between close relations with Western Europe and the United States along with increasing inter-Arab cooperation (including a restoration of good relations with Egypt after a long hiatus following that country's signing of the Camp David accords), as well as seeking support and trade partnerships with Asian countries. France, its former colonial ruler, remains Tunisia's number one trade partner, with Italy following close behind.

Ben Ali has shown full support for the Palestinians as violence continued to escalate in the Israeli-Palestinian conflict. The Palestine Liberation Organization (PLO) maintained its headquarters in Tunisia during the 1980s until the movement of the organization to assume its leadership of the Palestinian Authority in Gaza in 1994. When the peace process began between the PLO and Israel, Tunisia moved toward normalization of relations with Israel. With the massive 2001-02 Israeli military campaign against the Palestinians, the normalization process had been put on hold. In a

2002 statement, Ben Ali offered full support and solidarity to the Palestinian cause for an independent state and called upon the United States and the European Union to intervene in the situation of heightened Israeli attacks against the Palestinians.

Ben Ali has played an important role in the Arab Maghrebi Union (AMU). The AMU became moribund in the mid-1990s due to strains between various members, but in 1999 it appeared to be reviving under calls from Morocco and Tunisia. In 1993, Ben Ali served as president of the AMU and in April 1994 was at the helm of the Organization of African Unity (OAU, renamed African Union in 2001) for one year. He used that platform to encourage greater cooperation between Europe and Africa, seek improvements in terms of trade for African economies, and to accomplish much-needed debt restructuring for African countries. Tunisia also consistently supported demands of the Organization of African Unity/African Union to add two permanent African seats to the UN Security Council.

In 1999, Ben Ali played an initiating role in the creation of the World Solidarity Fund, calling for cooperation among the nations of the world to eradicate poverty. The goal of the Fund is to serve as an instrument for strengthening mechanisms of humanitarian intervention and as a means to fight poverty in the most destitute parts of the world. The initiative has since gained full support of the UN as well as various other regional organizations.

The president's support of Iraq in the Gulf War brought a withdrawal of investment dollars from Saudi Arabia and Kuwait that only began to return in the late 1990s due to a significant lobbying effort by the president. Tunisia consistently called for an end to the UN sanctions against Iraq. President Ben Ali also called for a peaceful resolution to the 2002-03 crisis in Iraq, and for a guarantee of its territorial integrity and sovereignty in light of the U.S.-led war that began on 19 March 2003. He stressed the need to prevent suffering on the part of the Iraqi people, and to avoid the risks of increased tension and instability in the Middle East. After hostilities had ended, Ben Ali in May 2003 called on the international community to address the "deplorable" state of humanitarian conditions in Iraq.

Following the 11 September 2001 terrorist attacks on the United States and the resulting U.S.-initiated War on Terror, Ben Ali issued statements of total condemnation of terrorism worldwide, but firmly warned that nations exercise caution in their responses to prevent unjustified attacks on Arab nations. Ben Ali's strong offensive against internal Islamic groups has brought support and praise from the West, although, he was increasingly criticized by the international community for the methods he uses to control these groups and other political opponents. In late 2002, Ben Ali called for a UN-sponsored conference to adopt an international code of ethics for fighting terrorism and extremism in the world. This appeal followed an April 2002 terrorist attack attributed to the al-Qaeda organization, when a Tunisian detonated a gas-laden truck at North Africa's oldest Jewish synagogue, on the resort island of Djerba, Tunisia. Twenty-one people, including fourteen Germans, died in the attack.

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**Profile researched and written by Kathryn Green, California State University (6/00); updated by Jeneen Hobby, Ph.D. (5/2003).**



# TURKEY

## Recep Tayyip Erdogan Prime Minister

(pronounced “re-JEP tie-YEEP ERR-doe-juan”)



*“This [election victory] is a turning point in the struggle for a democratic state, a state of rights, a just state.”*

The Republic of Turkey covers an area of 780,580 sq km (301,382 sq mi) in Europe and Asia. Turkey’s neighbors include Greece and Bulgaria on the west, Syria and Iraq on the south, Iran on the east, and the former Soviet republics of Armenia and Georgia on the northeast. It borders the Black Sea to the north and the Mediterranean Sea to the south. The Turkish straits—the Dardanelles and the Bosphorous—separate Turkey’s Asian side from Europe.

The population was estimated at 67.3 million in 2002. Ethnically rather homogenous, 80% of the people are Turkish, with a substantial Kurdish minority, and small groups of Arabs, Circassians, Greeks, Armenians, Georgians, Lazes, and Jews. The official language is Turkish. A 1982 law banning the use of the Kurdish language was rescinded in early 1991. Turkey is an overwhelmingly Muslim country with 99% of the people adhering to one of the two main branches of Islam (Sunni or Shi’a).

The Turkish economy is primarily agrarian, with about 50% of the population engaged in agricultural pursuits. The per capita gross domestic product (GDP) was estimated at \$6,700 in 2001. Grain, tobacco, cotton, nuts, and olive oil are the chief agricultural products. Natural resources include chrome, copper, iron ore, manganese, bauxite, borax, and petroleum. The most important industries are textiles, iron, steel, sugar, food processing, cement, and fertilizers. The currency is the Turkish *lira*.

### POLITICAL BACKGROUND

The Republic of Turkey is the political successor to the Ottoman Empire, whose domination extended over most of North Africa, the Middle East (with the exception of Iran), the Balkans, and much of Central Europe during the fifteenth and sixteenth centuries. The nineteenth century witnessed the disintegration of that empire, as different provinces gained their autonomy or independence. The final collapse came when the Ottomans entered World War I on the German side. The end of that war was followed by the War of Independence led by General Mustafa Kemal Ataturk, who defeated the occupying Allied forces and eventually dissolved the Ottoman dynasty.

A secular nationalist republic was declared on 29 October 1923, with Ataturk as its first president. He initiated a reform program under which Turkey abandoned much of its Ottoman and Islamic heritage. The new principles adopted by the republic were secularization, establishment of state

control of the economy, and creation of a new national consciousness.

Multiparty democracy was introduced into Turkey in 1946 and the first peaceful change of government took place in 1950. Since the transition to a multiparty regime, Turkey has experienced three brief periods of military intervention (1960, 1971, and 1980), during which democratic principles were suspended. For the most part, however, Turkey remained a democratic country with free elections held at regular intervals.

The Turkish Constitution has been rewritten three times (1924, 1961, and 1982). Under the present structure, legislative power is vested in a unicameral National Assembly. This 550-seat body is elected by universal suffrage for a five-year-term. The National Assembly in turn elects the president for a seven-year term. The prime minister, who heads the government, is appointed by the president and usually leads the majority party in the National Assembly. The president is also vested with some executive powers. In 2000, after the ruling coalition was unsuccessful in their efforts to pass a constitutional amendment to allow Suleyman Demirel to serve another term as president, the presidency was won by Ahmet Necdet Sezer. Following parliamentary elections held on 3 November 2002 that were swept by the Justice and Development Party (Adalet ve Kalkinma Partisi, or AK), Abdullah Gül was named prime minister. He resigned in favor of the head of the AK, Recep Tayyip Erdogan, on 11 March 2003. Erdogan took office as prime minister on 14 March.

### PERSONAL BACKGROUND

Tayyip Erdogan was born in 1954 in the city of Rize on Turkey’s Black Sea coast. He came from a poor family; his father was a coastal guard, and when Erdogan was 13, his father moved the family to Istanbul so that they might have a better future (he was one of five children.) Erdogan sold lemonade and sesame buns in Istanbul to earn money, and attended an Islamic school. He studied in the Marmara University Faculty of Economics and Commerce, taking a degree in management. While in college, he was a member of the National Turkish Students’ Union, and was elected leader of the National Salvation Party’s (MSP) Beyoglu Youth Branch in 1976 and the MSP’s Istanbul branch leader the same year. While young, he also played professional soccer.

Erdogan went to work for the Istanbul Electricity, Tunnel and Trolley Enterprises (IETT) (Istanbul’s transportation authority), but in 1980, when his boss (a retired colonel)



instructed him to shave off his mustache, Erdogan refused and quit his job. He went to work in the private sector and later set up his own business. His mentor was Necmettin Erbakan, who became Turkey's first Islamist prime minister in 1996, but was forced to resign a year later for pursuing an Islamist agenda.

Erdogan is married and has four children. He speaks no foreign languages, a fact which some have seen as a liability when it comes to working in the international arena.

### RISE TO POWER

Erdogan's political career began in 1984, when he was elected chairman of the Welfare Party's office in Beyoglu; in 1985 he was elected head of the Welfare Party's Istanbul branch, and a member of the party's executive board. In 1994, he was elected mayor of Istanbul, and is credited for improving sanitation and the environment in the city, and working to prevent crime. He banned the sale of alcohol in cafes, however, an act which displeased secularists. He served as mayor of Istanbul for over four years.

His devout adherence to Islamic values led to his conviction in 1998 for inciting religious hatred, however. Erdogan had read a poem in 1997 that included the lines, "the mosques are our barracks, the domes our helmets, the minarets our bayonets, and the faithful our soldiers." He served four months in prison but was barred from running for, or holding political office, due to his criminal conviction.

Erdogan became leader of the reformist wing of the Virtue Party after the banning of the Welfare Party in 1998. When the Virtue Party was outlawed in July 2001, he was involved in founding the Justice and Development Party (Adalet ve Kalkinma Partisi or AK) in August of that year and was

elected its leader. The AK swept the parliamentary elections of November 2002, winning 363 of 550 seats. Erdogan, still unable to stand for office, remained leader of the AK while Abdullah Gül was named prime minister. In February 2003, Parliament amended the Constitution, allowing Erdogan to be eligible as a candidate in parliamentary by-elections held in March. Erdogan was elected a member of Parliament from Siirt on 9 March. Gül resigned as prime minister on 11 March, and Erdogan became Turkey's new prime minister on 14 March 2003.

### LEADERSHIP

Erdogan, once a staunch advocate for Islamist values, has moderated them since his founding of the AK party. Once categorizing the European Union (EU) as a "Christian Club," he sees membership in the EU as necessary and useful to Turkey's development. Secularists within Turkey view Erdogan's recent moderation with caution, however. For instance, he has avoided the issue of Islamic dress for women—who are banned from entering government offices and schools if they wear headscarves—by not having his wife, who wears a headscarf, accompany him to official functions.

Even before he became prime minister, his influence in the AK was such that U.S. president George W. Bush invited him to Washington to garner his support. President Bush in early 2003 hoped Turkey would approve the stationing of 62,000 new U.S. troops in Turkey, in preparation for an invasion of Iraq from the north. Erdogan indicated that legislative approval of the troop deployment would not be difficult but on 1 March 2003, Parliament voted not to allow Turkey's bases to be used for any invasion of Iraq. Erdogan was reported to be displeased with the decision, but he maintained that it was a democratic act that had to be respected.

Erdogan is seen as a determined leader, who thrives on adversity and learns from his mistakes. He is seen to transform setbacks into advantages, as when he stated after the March 2003 parliamentary vote vetoing an influx of U.S. troops into Turkey, "may it be for the best."

### DOMESTIC POLICY

Turkey is currently going through a period of reform, largely due to its desire to gain admission to the EU. Changes in the state security law were introduced and subsequently the Parliament voted in 1999, with an overwhelming majority, for the removal of military judges in State Security Courts. In October 2001, Parliament voted for 34 changes to the Constitution, including the abolition of the death penalty except in times of war and for acts of terrorism, ending the practice of torture, and allowing the use of the Kurdish language in broadcasting and education.

The government will need to adhere to anti-inflationary policies and privatization plans of previous governments and work to combat rising unemployment. Turkey sought International Monetary Fund (IMF) backing for a "disinflation program" to cut hyper-inflation to single digits by the end of 2001. Social security reform, which is crucial for IMF support, will need to be a priority for Erdogan, as is reform in agricultural subsidies. The IMF has urged Turkey to reform its pension system, which produces losses of around 3% of the GDP each year. Parliament has passed banking laws aimed at making Turkey more attractive to investors.

For a number of years, international investors have been engaged in planning the Ilisu hydroelectric dam, to supply Turkey with irrigation and electricity. In 2001, however, British contractor Balfour Beatty pulled out of the project, as did the Swiss bank, UBS, in 2002, due to claims that the dam would have an adverse social and environmental impact on the region.

## FOREIGN POLICY

Turkey has been eager for membership in the EU. The EU, however, has cited Turkey's underdeveloped economy and human rights violations as impediments to its entry. The EU-Turkish accession partnership agreement, finalized in November 2000, established a "road map" of human rights, democratization, and other reforms required for Turkey to formally accede to the EU. In December 2002, however, Turkey was not one of 10 new countries to be invited to join the EU.

Relations with Greece will continue to dominate Turkey's foreign policy agenda. Ever since it joined the EU in 1981, Greece traditionally opposed the entry of Turkey into the union because of the situation in Cyprus. With the support of Greece, however, the government of Cyprus sought ascension to the EU. Turkey believed that Cyprus' acceptance in the EU without an official, internationally recognized resolution to the issue of continued self-government for the Turkish Cypriots would be a violation of the rights of the latter. Although the question of the reunification of Cyprus was not resolved by early 2003, the Greek Cypriot government was accepted as an officially invited new member of the EU, with accession to take place in 2004.

Nevertheless, since mid-1999, Greek-Turkish relations have undergone significant improvement. The tragedy surrounding the major Turkish earthquake in August 1999 formed the catalyst for this thaw. Greece was among the first countries to offer aid to its traditional foe. When a smaller earthquake struck Greece the following month, Turkey reciprocated the Greek gesture. In the aftermath of the tragedies, Greece and Turkey continued a dialogue that resulted in the signing of cooperation accords in the areas of tourism and the fight against terrorism. In addition, Greece's support of the decision of the 1999 EU summit in Helsinki to place Turkey as a candidate for EU membership also helped to continue the thaw in Greece's relations with its eastern neighbor.

In January 2003, France, Germany, and Belgium blocked a North Atlantic Treaty Organization (NATO) agreement to have the alliance come to the aid of Turkey in the event of an attack from Iraq. The issue was resolved a month later, with NATO maintaining it would stand behind Turkey, but tensions within the alliance were high. This action came against the backdrop of the United Nations (UN) Security Council's resolution passed in November 2002 to have Iraq disarm itself of weapons of mass destruction and allow for the return of international weapons inspectors, and the U.S.

and British-led efforts to speed that process, by force if necessary. The United States requested Turkey allow the deployment of 62,000 troops for use in a possible invasion of Iraq from the north, a decision voted down by Parliament on 1 March 2003. War began on 19 March, and Baghdad fell to U.S. forces on 9 April. Erdogan had stated the AK-led government that was voted into office in November 2002 would support a military strike against Iraq, although he stated Turkey was concerned that the territorial integrity of Iraq be preserved after a war, and that the economic effects of such a conflict should be taken into consideration. Turkey threatened to send troops into Iraq, concerned with a potential seizure of power by the 3.5 million Kurds in northern Iraq. Turkey fears the Iraqi Kurds will want to unite with Turkey's 12 million Kurds to form an independent Kurdistan.

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# TURKMENISTAN

Saparmurad Niyazov  
President

(pronounced "saa-par-MUR-ad nih-YAH-zoff")

*"Right from the start of perestroika, we embarked on economic reforms, and we did this gradually, adapting to national features and the people's mentality and traditions."*



The Republic of Turkmenistan borders on Kazakhstan and Uzbekistan to the north and east, Iran and Afghanistan to the south, and the Caspian Sea to the west. It covers a total land area of 488,100 sq km (188,455 sq mi). The capital is Ashkhabad, near the border with Iran. The Caspian seaport of Krasnovodsk is called the "gateway to Central Asia." The least populous of the Central Asian states of the former Soviet Union, about 90% of the land area is covered by the Kara Kum desert.

The population is 4.7 million (July 2002 estimate), of whom 77% are Turkmen, 7% are Russian, 9% are Uzbek, and 7% represent other ethnic backgrounds. The official language is Turkmen; 72% of the population speak Turkmen fluently, and 12% speak Russian fluently. In a move to emulate the Turkish model of modernization and Westernization, the Latin alphabet has been chosen to replace the Cyrillic (Slavic) alphabet. The majority of the population is Muslim; most Russians are Russian Orthodox.

Turkmenistan is among the world's top 10 in cotton production, and agriculture accounts for about one-half of employment. The per capita gross domestic product (GDP) is estimated at US\$4,700 (2001 estimate). Poverty is widespread and infant mortality and drug use are high. State subsidies for some food and other necessities provide some relief. Environmental problems center around the shrinkage of the Aral Sea and widespread water pollution.

## POLITICAL BACKGROUND

Beginning in the sixth century, the Urguz group of Turkish peoples migrated into western Asia and the Middle East, settling in areas in modern Turkmenistan in the tenth century and establishing the Seljukid Empire in southern Turkmenistan. In the eleventh and twelfth centuries, the Urguz Turkmen also established the Khorasan and Khorezm khanates, the root of the future Turkmen nation. In the thirteenth century, Mongols overran Central Asia including the area of modern Turkmenistan. In the fifteenth century, what is now southern Turkmenistan was divided between the Khivan and Bukharan khanates and Persia (now Iran). The Turkmen provided determined opposition to Russian Czarist forces in the eighteenth and nineteenth centuries, finally being annexed by the Czar in 1886 as part of what was called the Transcaspian Region.

After the Russian Bolshevik Revolution of 1917, a period of political disorder occurred, but in 1920 the Red Army occupied what is now Turkmenistan. Turkmen in the

Basmachi resistance movement fought on for several years against the Bolsheviks. In 1924, Stalin established the Turkmen Soviet Socialist Republic. Forced collectivization in Turkmenistan in the late 1920s and early 1930s encountered massive resistance among the largely nomadic population and resulted in great loss of life.

Turkmenistan was long a relatively neglected republic of the Soviet Union; few investments in industry or other infrastructure developments were made. Turkmen were also underrepresented as members of the Soviet Communist Party and in the leading ranks of the party. In the late 1950s, some Turkmen leaders called for preference to be given to Turkmen in filling top posts in the republic; Moscow responded by purging the Turkmen Party. In 1969, conservative Muhamednazar Gapurov became Turkmen Party leader, remaining in power until late 1985, when he was ousted from his position as part of Gorbachev's purge of Central Asian leaders. Gapurov was replaced as Turkmen Party leader by Saparmurad Niyazov.

During the abortive Soviet coup attempt in August 1991, Niyazov did not issue a statement condemning the coup until it had unraveled. Upon Gorbachev's return to Moscow, Yeltsin and public opinion forced Gorbachev to resign as party leader. A staunch proponent of authoritarian political power, Niyazov did not follow Gorbachev's example, but did announce his resignation from the Soviet Communist Party Politburo; later he nationalized some Communist Party assets in Turkmenistan. Instead of abolishing the Turkmen Communist Party, he attempted to preserve it by orchestrating its "transformation," renaming it the Democratic Party in December 1991. He serves as the chairman of this "new" party. While this party proclaims that it stands for the rule of law, a mixed economy, and a multi-party system, it also operates much like the old Communist Party through its cells in the workplace and elsewhere.

## PERSONAL BACKGROUND

Saparmurad Niyazov was born on 19 February 1940 into a worker's family in Ashkhabad. His father died in battle in World War II and the remaining members of his family perished in Ashkhabad's massive earthquake of 1948. He was raised first in an orphanage and later in the home of his distant relatives. Niyazov graduated from the Leningrad Polytechnic Institute in 1966 with a degree in power engineering. He began his career in 1969 as an instructor at a geological prospecting worker's union. He joined the

Communist Party in 1962. Niyazov became a foreman of a shop at the Bizmeyn district heat and power plant from 1967 until 1970, when he began full-time political work. As a promising young party official, he was invited to take part in the correspondence program of the Communist Party's Higher Party School in Moscow. Niyazov underwent major heart surgery in 1997, after which he quit smoking. He ordered all of his ministers to quit smoking as well, and banned smoking in public places. Niyazov and his wife have two children.

## RISE TO POWER

Niyazov headed the Industrial Transport Department of the Turkmen Communist Party until December 1980, and then was appointed first secretary of the Ashkhabad City Party Committee. Although Ashkhabad's industries did not perform well during his tenure, Niyazov was viewed as a competent party boss. In 1984, he became an instructor in the Organizational Party Work Department of the Communist Party, then six months later he became chairman of the Turkmen Council of Ministers. At the end of the year, the relatively young Niyazov was appointed first secretary of the Communist Party of Turkmenistan as part of Gorbachev's efforts to reinvigorate the party elite, fight corruption, and find a scapegoat for economic decline in Turkmenistan. Due to his new post, Niyazov was elected a full member of the Central Committee at the Soviet Communist Party Congress in March 1986.

In addition to his party posts, he became chairman of the Turkmen Supreme Soviet in 1990, following Gorbachev's call for party leaders to head up legislatures. He played a prominent role in the July 1990 Soviet Communist Party Congress, being named to the presidium and presiding at a session. He defended Turkmenistan's caution in implementing Gorbachev's reforms in order to avoid the ethnic and political storms that had occurred in other republics, called for a renewed federation of republics, and for an independent and powerful Turkmen Communist Party. He and all other republican first secretaries were elected ex-officio full members of the Politburo of the Soviet Communist Party, at that time the leading decision-making body of the party.

In early October 1990, the Supreme Soviet changed the Turkmen Constitution to allow a quick popular presidential election, the first such election among the former Soviet republics. Niyazov was overwhelmingly elected, receiving 98.3% of the popular vote, to the newly created post of president of Turkmenistan (relinquishing formal leadership over the Supreme Soviet). He ran unopposed, being unanimously nominated for the post by the Turkmen Supreme Soviet. He remained Communist Party first secretary after winning the election.

In May 1992, Turkmenistan became the first Central Asian republic to enact a post-independence Constitution. It sets up a "secular democracy" embracing a presidential system of rule, granting Niyazov wide powers as head of state and government, though it formally upholds the balance of powers between executive, legislative, and judicial branches. Niyazov issues edicts that have the force of law and appoints and removes judges and local officials. The Constitution includes an impressive list of individual rights and safeguards (though not freedom of the press), but cautions that the



exercise of rights must not violate national morality and public order, nor damage national security.

A democratically-oriented provision calls for the direct popular election of the president, who by law must be an ethnic Turkmen. In line with this provision, a new presidential election was held on 21 June 1992, and Niyazov was elected unopposed, winning 99.95% of the votes cast. In a referendum in January 1994, he received the support of 99.99% of the vote for extending his term until 2002. A change to the Constitution was enacted in late December 1999 naming Niyazov president for life. Most observers viewed the referendum and the life term as serious setbacks to democratization in Turkmenistan.

## LEADERSHIP

Niyazov is president, supreme commander of the armed forces, first secretary of the Democratic Party of Turkmenistan (DPT, formerly the Turkmen Communist Party), head of the People's Council (Khalk Maslakhaty), and chairman of the Cabinet of Ministers and the National Security Council. He has created a "cult of personality" by awarding himself medals and titles, including the title of "Turkmenbashi," leader of all Turkmen. The national oath recited by officeholders and school children includes the phrase "[if] I betray...Turkmenbashi, may my breath stop." Niyazov has also formulated a *Rukhname* (spiritual book), which he envisages as dictating Turkmen national cultural and ethical standards.

President Niyazov rejects what he calls the "chaos and permissiveness" of multi-party democracy, favoring the collective "togetherness" of one-party rule. The DPT, like the TCP before it, is the only party allowed to operate. It is

closely controlled by Niyazov. The DPT proclaims that it stands for the rule of law, a mixed economy, and a multi-party system, but it operates like the old Communist Party through cells in the workplace and elsewhere. The DPT reports that it has 60,000 members. Seeking to bring together most major cultural, religious, and public groups as a wider political bloc, in early 1994, Niyazov created a National Revival Movement, which he heads. Unregistered parties are tiny and have been severely repressed. Physician Pirkuli Tangrikuliyev announced that he wanted to create an opposition party and would run in the 1999 Mejlis election, but he was arrested and convicted of corruption.

The lack of democratization in Turkmenistan was accentuated during the 11 April 1998 election of 60 unpaid "people's representatives" to the Khalk Maslakhaty. Turnout was reported at 99.5%, though some of the candidates ran unchallenged and no real campaigning or political party contestation occurred. Elections to the Turkmen 50-seat legislature (Mejlis) were held on 12 December 1999. Niyazov rejected a role for parties, stating that partisanship could lead to clan rivalries. Instead, he directed that nominating groups choose "professional" candidates, and they dutifully selected two candidates per constituency to run. There was no discussion of political issues or problems during the campaign. Prior to the race, Niyazov stepped up his repression of political and religious dissidents. The Organization for Security and Cooperation in Europe (OSCE) refused to send monitors, citing the government's control over the electoral process. Elections for the Khalk Maslakhaty were held ahead of schedule in April 2003. Turnout was cited at 89.3% and all of the candidates belonged to the DPT.

Niyazov was the target of an assassination attempt on 25 November 2002. Following the attack on his motorcade, his government began an intense investigation, and 61 individuals were arrested in connection with the plot. The Mejlis gave powers to the Supreme Court to administer "special punishment" to those found guilty. The Supreme Court may hand out life sentences to those convicted, with no possibility of amnesty, pardon, early release, or change of prison. The United States expressed concern over Turkmenistan's handling of the investigations, stating it could not condone actions that violate international practice, including torture and abuse of suspects.

### DOMESTIC POLICY

The 1992 Constitution created a People's Council (Khalk Maslakhaty) with mixed executive and legislative powers, consisting of the president, ministers, the 50 legislators of the Supreme Council (Mejlis), 60 "people's representatives," and others. The people's representatives were elected by district in a virtually uncontested vote in December 1992. The Khalk Maslakhaty serves as a forum and rubber stamp for the president's policy initiatives. Resurrecting pre-Soviet customs, a Council of Elders, hand-picked by Niyazov, was also created to advise the president and choose presidential candidates. Oppositionists complained that both these bodies were designed to stifle dissent. A new Mejlis of 50 members was elected in December 1994. The candidates were all nominated by Niyazov, ran unopposed, and most were members of his DPT. The Mejlis routinely supports presi-

dential decrees and has little legislative initiative. The court system retains its basic Soviet-era structure and functions. The president appoints all judges for five-year terms without legislative consent, except for the Chairman of the Supreme Court, and removes them by decree.

Niyazov has vowed to move slowly on reforms, and has tried to maintain some subsidies for food, water, and other necessities to placate the population. In December 1999, he stated that the economic and political transformation of Turkmenistan would not be completed until 2011. In April 2000, he rejected proposals to step up market reforms and allow political pluralism, averring that "the Turkmen people, given their mentality inherited from their forefathers, will not accept such things....we have honesty, purity, and accord in our blood." He has, however, directed some legal reforms he claims increase human rights, such as abolishing the death penalty and holding yearly amnesties. He has also hailed a law he initiated to permit exile instead of a jail term. In May 2000 he called for representatives of elders' councils, members of the People's Council, and local administration heads to become responsible for endorsing arrest documents and monitoring the actions of prosecutors. Critics have objected that such a change would place criminal justice even more tightly under Niyazov's control.

In March and April 2003, Niyazov placed restrictions on foreigners and residents holding dual citizenship in Turkmenistan. He stated every foreigner entering, departing from, or staying in Turkmenistan should be registered by the State Border Service, and that information on the identity, age, and travel destinations of all visitors would be recorded. As well, on 22 April, Niyazov signed a decree giving residents of Turkmenistan who hold dual citizenship two months to decide which one they would like to keep. The decree followed a 10 April agreement between Niyazov and Russian President Vladimir Putin revoking the right to dual citizenship instituted in 1993. If residents do not choose which citizenship they would like to retain, they will be considered Turkmen citizens. Over 100,000 people living in Turkmenistan held dual citizenship in April 2003. By the end of April, hundreds of people holding dual Turkmen-Russian citizenship were gathered on the Uzbek-Turkmen border in an attempt to leave Turkmenistan using their Russian passports as exit visas, but Turkmen border guards were not allowing them to leave. Holders of Russian passports were required by Niyazov's decree to show difficult-to-obtain exit visas before they could buy plane tickets to leave the country. The residents trying to gain access to Uzbekistan were hoping they would be able to take trains from there to Russia, as trains from Uzbekistan to Russia were then not stopping in Turkmenistan, even though the rail line from Uzbekistan to Russia passes through Turkmenistan.

In March 2003, the official state statistics on the economy were released, and the government claimed a 19.3% rise in GDP from 2002-03. Industry, public services, and agriculture were listed as among the major contributors to the growth in GDP. Also, transportation and communication sectors were also listed as performing well. Foreign trade equalled us\$517 million according to the statistics and exports exceeded imports by us\$115 million. Turkmenistan lists 56 countries as foreign trade partners.

## FOREIGN POLICY

Niyazov has stated that his country's neutrality in world affairs prevents it from heavily participating in multinational defense organizations, rather it permits bilateral military assistance. During Niyazov's May 1995 visit to Moscow, he and President Yeltsin signed agreements on air defense, military transport, Russian use of Turkmen military facilities, and others they typified as creating a "strategic partnership." Actual cooperation, however, has been minimal. In early 1995, Turkmenistan became the first Central Asian state to join North Atlantic Treaty Organization's (NATO) Partnership for Peace (PFP), calling for aid in officer training. In keeping with the neutrality policy, however, Turkmen troops have merely "observed" PFP military exercises. Turkmen armed forces have numbered 17,000–19,000, including ground, air, and air defense forces. Niyazov has emphasized replacing the higher officer corps with ethnic Turkmen and has replaced almost all lower echelon officers from Russia. Turkmen are receiving officer's training in Russia, Ukraine, and Turkey. In 1993, Russia and Turkmenistan agreed that Russian border guards would work with Turkmen border guards under Turkmen command at borders with Iran and Afghanistan. In 1999, Niyazov canceled this agreement, and the last of Russia's 1,000 border troops in Turkmenistan left in late 1999.

Niyazov supports some of Russia's policies in the region while endeavoring, where possible, to resist, contravene, or reduce Russian influence. Russian military and border troops assisted Turkmenistan until it built up its own forces and Russia's presence has been used to counter Uzbek policies in the region. In 1992, Turkmenistan and Russia signed a Friendship and Cooperation Treaty that contained security provisions. In 1993, Turkmenistan was the only former Soviet republic to agree to Russian demands for dual citizenship for the relatively small number of ethnic Russians residing in Turkmenistan, to assuage Russian criticism of Turkmen nationality policy and to encourage skilled ethnic Russians to remain; this privilege was revoked in April 2003. Russia objects to Turkmen efforts to reduce dependence on existing natural gas export routes that transit Russia. Turkmenistan, at first, supported Russia's and Iran's demands that Caspian Sea resources be exploited in line with Soviet-era treaties, but Niyazov in September 1999 decreed control over navigation, fishing, and resources within a national sector.

President Niyazov has resisted proposals by Kazakhstan and Russia to strengthen the Commonwealth of Independent States (CIS) and has refused to sign several CIS agreements viewed as violating Turkmen sovereignty. In 1992, Niyazov "initialed" a CIS collective security arrangement, but then refused to participate in CIS "peacekeeping" in Tajikistan. After Kyrgyzstan joined Kazakhstan, Belarus, and Russia in a "deeper integration" customs union in 1996, Turkmenistan's Foreign Ministry noted that it rejected "entry into rigid supranational structures." Instead, Niyazov has stressed the establishment of bilateral ties with CIS. Relations with Uzbekistan have been tense, with both states vying for regional influence and arguing over borders and water sharing. Uzbekistan has criticized Turkmenistan's ties with Iran as threatening the region's independence.

Turkmenistan's "neutral" foreign policy is enshrined in its Constitution. Niyazov has declared that Turkmenistan's

"open door" or "permanent neutrality" policy precludes joining political or military alliances and entails good relations with the East and the West, though priority will be placed on relations with Central Asian and other Islamic states. Turkmenistan joined the Non-Aligned Movement in 1995, and the United Nations General Assembly in 1995 recognized Turkmenistan's status as a neutral state. Turkmenistan has pursued close ties with both Iran and Turkey. In addition to growing trade ties with Iran, Turkmenistan is also interested in cultural ties with the approximately one million Turkmen residing in Iran. Turkey is the largest foreign investor in Turkmenistan and has far surpassed Russia in trade turnover with Turkmenistan.

In the past Turkmenistan has been generally supportive of the Taliban regime in neighboring Afghanistan. The government, however, was generally supportive of the U.S.-initiated attacks in Afghanistan against the Taliban regime and al-Qaeda, the Islamist militant group responsible for the 11 September 2001 terrorist attacks on the Pentagon and World Trade Center in the United States. The Turkmenistan government has worked closely with the United States in providing humanitarian aid to Afghanistan. On a state visit to Iran in early March 2003, however, Niyazov condemned the looming U.S.-led war in Iraq, which began on 19 March. "We are against a war, because it brings devastation to countries and mass destruction to the peaceful population," he stated.

Turkmenistan is a member of United Nations (UN), International Monetary Fund (IMF), World Bank, Economic Cooperation Organization (ECO), Organization for Security and Cooperation in Europe (OSCE), Islamic Development Bank, and Commonwealth of Independent States (CIS).

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Profile researched and written by Jim Nichol, Library of Congress (5/2000); updated by Jeneen Hobby, Ph.D. (4/2003).



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# TUVALU

Saufatu Sopoanga  
Prime Minister

(pronounced “SAW- fa-too SEW-powan-Ga”)

*“Economic gains through trade and globalization must not be pursued at the expense of increased poverty and environmental degradation and worsening of global warming and sea level rise.”*

The remote Pacific Island nation of Tuvalu consists of a chain of nine atolls situated a few degrees south of the equator and just west of the international date line. Its nearest neighbors are Kiribati (formerly the Gilbert Islands) to the north, Rotuma and Wallis Island to the south, the Solomon Islands to the west, and Tokelau to the east. The Tuvaluan islands stretch over a distance of 560 km (350 mi). From north to south, they are Nanumea, Niutau, Nanumanga, Nui, Vaitupu, Nukufetau, Funafuti, Nukulaelae, and Niutaka. The last of these has not had a permanent population, so “Tuvalu” means “group of eight.” The islands rise no higher than 6 m (less than 20 ft) above sea level. The total land mass is less than 26 sq km (approximately 10 sq mi), making Tuvalu second only to Nauru as the smallest Pacific Island state. However, Tuvalu’s Exclusive Economic Zone, including fishing rights, extends over 898,700 sq km (347,000 sq mi), creating one of the country’s major economic resources and giving Tuvalu the world’s largest sea-to-land ratio. From March to November the weather is warm; the rainy season extends from November to March.

The population of Tuvalu was estimated at 11,146 in 2002. Ninety-five percent of the people are Polynesian, with the remainder being mostly Micronesian. Most Tuvaluans are members of the Tuvalu Christian Church—the local version of Protestantism originally brought to the islands in the 1860s by the London Missionary Society. Other religious affiliations include Seventh-Day Adventist and Baha’i. Except on Nui, where a dialect of I-Kiribati is spoken, the national language is Tuvaluan. English is the official language of government.

The Tuvaluan *dollar* is the unit of currency, convertible at par with the Australian *dollar*. The capital and administrative center is Fongatale on the island of Funafuti. Since 1980, migration to Funafuti has shifted the population so that the island is now home to some 45% of Tuvaluans. This rural-to-urban shift has been accompanied by a rapid shrinkage of the traditional activities of agriculture and fishing, although copra production remains one of the few sources of cash income for outer islanders. In 2000, the per capita gross domestic product (GDP) was reported to be \$1,100. In February 2000, proceeds from a deal with a Toronto, Canada, company (Information.ca.Corp.) to license the Tuvalu “.tv” domain names for us\$1,000 each reportedly doubled Tuvalu’s GDP.

There are more skilled laborers than jobs on Tuvalu. Government jobs are almost the sole source of steady wages or salaries for the 30% of the labor force participating in the

formal wage economy. The primary economic activities on the outer islands are subsistence farming in poor soil and fishing, both occupying 70% of the remaining labor force. Remittances from sailors are a major source of income. In 2002, the Asian Development Bank (ADB) approved assistance to upgrade the Tuvalu Maritime Training Institute, which trains seamen to work aboard foreign vessels, the large container ships. Annually, German-owned ships employ about 500 Tuvalu men as sailors. Another 300 sailors are on leave between the demanding 12-plus-month cruises. The phosphate mining industry in Nauru has employed about 1,000 Tuvaluans, but as phosphate resources run out Tuvaluans are repatriated.

Government revenues largely come from the sale of stamps and coins, fishing licenses, income from the Tuvalu Trust Fund (TTF), worker remittances, and Tuvalu’s “.tv” Internet domain name. Tourism includes on the average fewer than 1,000 visits annually. The TTF provides much of Tuvalu’s income, roughly 11% of the annual government budget since 1990. The TTF was established in 1987 with initial grants from the United Kingdom, Australia, and New Zealand. These grants were subsequently increased with contributions from Japan, South Korea, and Tuvalu itself. The fund was originally designed to help balance the total government budget, though balance-of-payment deficits continue to be financed by aid funds. Careful management of the fund’s investments has produced an annual average return of 6.5%. This has permitted an expansion of social services, such as free public education through eighth grade. In the late 1990s and early twenty-first century, substantial revenue has been generated for the country through licensing of both the country’s area code and Internet domain.

A 1997 United Nation’s Children’s Fund (UNICEF) report found the status of Tuvalu’s women and children to be higher than that in some larger Pacific countries. In 2001, the ADB approved a new aid strategy for Tuvalu. Based on Tuvalu’s relatively low poverty rate, the plan stressed making investments in the private sector and supporting financial sector restructuring.

## POLITICAL BACKGROUND

When a British sea captain discovered Funafuti in 1819, he named the island “Ellice” after a member of Parliament who owned the ship’s cargo. In 1841, Charles Wilkes of the U.S. Exploring Expedition gave that name to the entire group. Great Britain declared a protectorate over the then Gilbert



and Ellice Islands in 1892; the islands were elevated to the status of colony in 1916. When preparations for the colony's independence began in the 1970s, the Polynesian Tuvaluans feared being overwhelmed by the larger Micronesian Gilbertese population. They voted overwhelmingly in a 1974 referendum, monitored by United Nations (UN) observers, to be treated separately, and the colony of Ellice Islands was established in 1975. Great Britain granted independence to Tuvalu in October 1978.

The original Constitution was revised in 1986. Tuvalu remains a member of the Commonwealth of Nations and the British monarch is the head of state and is represented by a Tuvaluan governor-general, whose functions are mostly ceremonial. The monarch, with advice from the prime minister and Parliament, appoints the governor-general. The cabinet, made up of the prime minister and not more than four ministers, holds real executive authority. The prime minister is elected by Parliament.

Parliament consists of a single chamber of 15 members elected by all citizens over 18 years of age. Candidates must be at least 21. Elections are held every four years, more often if Parliament is dissolved by the governor-general under provisions set out in the Constitution. Seven islands elect two members each, and one island elects one member. Parliament can remove the prime minister by passing a no-confidence vote.

A 70-member police constabulary, the only security force, is responsible to and effectively controlled by civilian authority.

Funafuti, the main island, has a town council; the other inhabited islands have island councils. Each council consists of six members and is elected to four-year terms. Councils are responsible for the provision of local services and upholding law and order.

Like a number of other Pacific Island nations, Tuvalu inherited a British type of political system that does not always fit easily with traditional culture and values. There are no major political parties. Personal alliances are much more important than ideology, and economic issues inevitably affect government. Accusations of financial mismanagement led to the ouster of the first prime minister, Toaripi Lauti, in 1981.

## PERSONAL BACKGROUND

International information sources listed no details on Sopoanga's personal life as of April 2003.

## RISE TO POWER

Following general elections held on 25 July 2002, Saufatu Sopoanga was elected prime minister, replacing Koloa Talake, who was elected the fourth prime minister within two years, in December 2001 when parliamentary discontent with the policies of Prime Minister Faimalaga Luka led to a motion of no-confidence resulting in the dissolution of Luka's government. The motion of no-confidence ended a period of political instability that followed the unexpected death of Luka's predecessor, Ionatana Ionatana, on 8 December 2000. Sopoanga was the former minister of finance in the Talake administration, and he defeated opposition candidate Amasone Kilei in Parliament by eight votes to seven.

Sopoanga named Maatia Toafa deputy prime minister and minister of communications and transport; Bikenibeu Paeniu was named minister of finance, economic planning, and industries; Otinielu T. Tausi was named minister for home affairs and rural development; Alesana K. Seluka retained the post of minister of health, education, and sports; Samuelu P. Teo retained the position of minister for natural resources, environment, energy, and tourism; and Saloa Tauia became the speaker of Parliament. The official head of state is Her Majesty Queen Elizabeth II, and the governor-general is Tomasi Puapua.

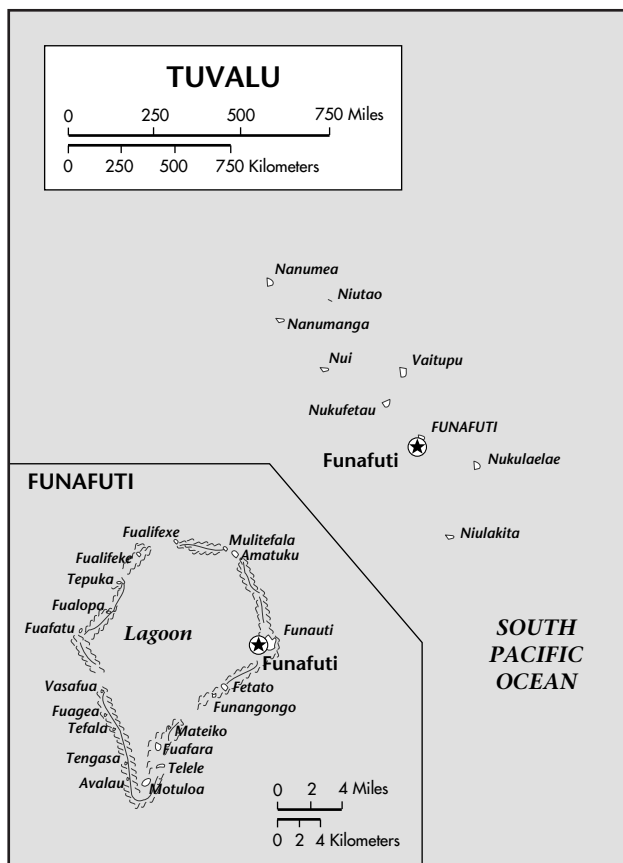
In February 2003 Sopoanga's parliamentary majority evaporated when he lost two supporters. Sio Patale's election for his seat as Member of Parliament for Nanumea was declared unconstitutional because his nomination papers were submitted late. His seat was declared vacant. The untimely death of the Speaker of the House, Saloa Tauia, further undermined Sopoanga's position. His minority government remained in power. A confidence vote would occur after the May 9, 2003 by-elections for the vacated seats in Nanumea and Niutao. Opposition candidates immediately began to canvass support. Speculation was that Luka would run again for top position if supported after the by-elections. Kilei had lost by one vote in the contest for prime ministership against Sopoanga. In May the by-election for Nanumea was won legally by Sio Patiale. For the island of Niutao, Taavau Teii was elected unopposed. Teii kept his allegiances secret, but finally declared for the opposition. The opposition claimed they could form a government. Opposition leader, Kelei, declared he was ready to take leadership. However, Sopoanga did not convene Parliament to elect a new speaker. The opposition reacted by calling upon the Governor General to reconvene Parliament.

Formerly, Sopoanga was a civil servant. From 1997-99 he was Acting Secretary to Government. In the Queen's Birthday Honours, June 13, 1998, he was awarded the Officer in The Most Excellent Order of the British Empire (OBE) for his public service and for services to the community. In 2000, under Ionatana, he was again acting as Secretary to Government. In 2002, under Talake, he served as the Minister for Finance and Economic Planning and Minister for Tourism, Trade and Commerce. He did not serve under the Luka government in 2001.

## LEADERSHIP

Sopoanga came to power with the slimmest margin of victory—eight votes to seven, and he heralded his leadership qualities in 2003 by asserting he was fulfilling his campaign promises. He exudes confidence—in November 2002, Sopoanga stated “I feel secure even with the majority of one seat. That one is a very solid one indeed. This government will last the next four years.” He is also pragmatic—Sopoanga believes in working with the opposition in what he terms the “consultation process.” This strategy is one that might keep him in office and guarantee Tuvalu's political stability.

Sopoanga outlines four main issues facing Tuvalu: first, he envisions plans for a referendum on Tuvalu's potential status as a republic; second, he wishes to review a local government act incorporating a traditional system of providing communal services; third, to work for the decentralization of industries



and development; and fourth, to confront the issue of urbanization and the development of Funafuti as the nation's capital. Although Sopoanga is firm in pursuing his goals, he also recognizes that he needs to work on improving the telecommunications industry and electrical links on the islands. Power has been irregular on the islands, and there are occasional blackouts.

Sopoanga has established community fishing centers on each of Tuvalu's islands, in an attempt to improve the cash economies of the islands. The centers buy fish from the islanders and sell it to other islanders, with the remainder going to the capital.

Sopoanga is in favor of Tuvalu becoming a republic. He has said that the change in government would stabilize Tuvalu, because the people and not Parliament would choose the nation's leader. He asserted that Tuvalu would not leave the Commonwealth, however.

In 2002, former prime minister Talake hired two legal firms—one in Australia and one in the United States—to explore the feasibility of taking legal action against the industrialized nations most contributing to the greenhouse emissions and the resulting rise in sea levels. Sopoanga continued this policy, and at the UN's World Summit for Sustainable Development in Johannesburg, South Africa, held in September 2002, Tuvalu attempted to rally other states to join in its plans to take the United States and Australia to the World Court over their greenhouse gas emissions.

### DOMESTIC POLICY

Governing a tiny island nation with limited economic resources presents particular challenges. A key issue is the

attempt to reduce dependence on foreign aid. In 2000, Tuvalu began leasing its Internet domain name ".tv." This would bring us\$50 million dollars to the government of Tuvalu over 12 years. Tuvalu received us\$20 million in early 2000 representing licensing fees earned during 1999, a windfall amounting to us\$2,272 for each citizen of Tuvalu, a nation where the per capita GDP was closer to us\$1000. The newly wealthy country announced plans to use some of the "dot tv" money to improve medical services, transportation and educational facilities across its nine islands; other reports cited that the money would be put in a trust for the people of Tuvalu.

The ADB warned Tuvalu that its years of budget surpluses caused by the leasing of the dot-tv Internet name might be breeding complacency. When Tuvalu responded to the unexpected wealth by raising government expenditures 20% in 2001 to cover doubling senate salaries, the ADB urged Tuvalu to have its ministries watch their expenditures and protect the nation's trust fund.

The success of the Tuvalu Trust Fund is critical to the country's future survival. The government has explored other ways to increase revenue, including offering passports for sale (mainly to affluent Chinese), a practice engaged in by several other Pacific Island nations. Selling special issues of stamps has been a source of income for the country for some time.

In his 2003 budget address, Sopoanga indicated the economic future for Tuvalu might be bleaker than expected. He predicted the long-term potential benefit from the "dot tv" domain name was diminishing, and the global economic downturn was adversely affecting the Tuvalu Trust Fund. The revenue from fishing and telecommunications licenses had also dropped. Balancing this less than promising news was an agreement between Tuvalu and the European Union (EU) to help raise living and educational standards on the outer islands. The EU committed 3.3 million euros for projects on education, water, and the environment in 2003.

### FOREIGN POLICY

In the year 2000, Tuvalu became the 189th member of the UN. In the same year, it also became a full member of the British Commonwealth, having been a special member since it became independent in 1978. These changes in status reflect Tuvalu's growing involvement in world affairs. Soon after joining the UN, Tuvalu lobbied in favor of the Republic of China's bid to join the UN and other international organizations. Tuvalu wishes to keep the ties between the two nations strong, and will continue to support Taiwan's bid for UN membership.

Tuvalu protested the 2001 failure of the United States to sign the Kyoto agreement on greenhouse gas emissions. While the United States claimed the protocol would hurt the U.S. economy, Tuvalu defended the agreement as crucial to the survival of small Pacific Island nations such as Tuvalu, which had already lost two atolls to rising sea levels.

Tuvalu joined with 13 other Pacific Island nations and territories in March 2002 when it signed a Memorandum of Understanding with South Pacific Regional Environment Programme (SPREP) confirming their involvement in the International Waters Programme (IWP). The IWP establishes community-based environmental projects involving marine and fresh water quality.

In January 2003, the United States Pacific Command selected four Pacific islanders, including one from Tuvalu, to take part in a 12-week training program to study regional security issues, programs, and missions of the U.S. military in building security relationships in the region.

Tuvalu is a member of the Pacific Islands Forum and the Pacific Community, the Asian Development Bank, UNESCO, and the World Health Organization. Tuvalu's only diplomatic office overseas is in Suva, Fiji, but it is looking to establish a mission in the United States.

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Profile researched and written by Jeneen Hobby, Ph.D. (5/2003); sections contributed by Eugene Ogan, Professor Emeritus, University of Minnesota (3/98), and Jeanne Marie Stumpf (5/2003).

# UGANDA

Yoweri Kaguta Museveni  
President

(pronounced "YOU-ree kah-GOO-ta muh-SEH-veh-nee")

*"My mission is now almost accomplished, which is to orient my people toward modernization. We shall complete this process of democratization."*



The Republic of Uganda, a landlocked equatorial East African country, is bordered by Zaire to the west, the Sudan to the north, Kenya to the east, and Rwanda, Tanzania and Lake Victoria to the south. The capital is Kampala, located on the northern shore of Lake Victoria. Uganda occupies 235,885 sq km (94,354 sq mi), an area which is home to some 24.7 million people (2002 estimate), 99% of whom are African, and 1% of whom are of European, Asian, and Arab ancestry. The indigenous African population is quite diverse, with different groups dominating particular geographic regions of the country: Bantu groups, 65% of the African population, are located largely in the south; Nilotic groups comprise roughly 10% of the population and are found in the north; the Turkana and Karamojong are among the Nilo-Hamitic groups in the northeast. The official language is English, although Luganda and Kiswahili are widely used. The majority of Ugandans are Christian, but there are those who profess Islam or practice traditional religions as well.

Although Uganda has attained a record of solid economic reform and sustained growth economic growth over the last decade, and won accolades in the process, the economy is still among the least productive in the world: per capita gross national product (GNP) is US\$1,200 (2001 estimate). The economy is primarily agricultural, and Uganda's principal exports are cash crops, including coffee (70% of all exports) cotton, tea, and maize. The currency is the Uganda *shilling*.

## POLITICAL BACKGROUND

Several African kingdoms had been in place for centuries when the first Arab traders moved inland in the 1830s into what is now Uganda. British explorers, searching for the source of the Nile, arrived in the 1860s. Protestant and Catholic missionaries first entered the country in the late 1870s. In 1888, Britain assigned control of its emerging central African "sphere of interest" to the Imperial British East Africa Company. In 1890, an Anglo-German agreement confirmed British dominion over Uganda and neighboring Kenya. By 1893, the company abandoned the territory, which became a formal British protectorate in 1894. It was not until 1955 that the terms of the protectorate were expanded to include constitutional changes that would eventually lead to Uganda's independence.

Uganda's first general elections were held in 1961, and internal self-government was granted on 1 March 1962, with Benedicto Kiwanuka as prime minister. On attaining independence on 9 October 1962, Kiwanuka had been succeeded by

Dr. Milton Obote, leader of the Uganda People's Congress (UPC). At the time of independence, the country comprised four regions, including the Kingdom of Buganda, traditionally among the most powerful political entities in the area. In 1963, Uganda became a republic and Mutesa II, the king of Buganda, was named president. Executive power, however, remained with the cabinet and Prime Minister Obote. After several years of conflict between those who favored a centralized state and those who preferred a loose federation with strong roles for tribally based kingdoms, Obote led a coup against the king in February 1966. He suspended the Constitution and assumed all government powers as executive president in April 1966.

In 1967, Obote promulgated a new Constitution, which granted the president greater power, proclaimed Uganda a republic, and abolished the traditional kingdoms. All opposition parties were banned in 1969. In January 1971, Obote was overthrown by the army, led by Major General Idi Amin Dada, who assumed full executive power. In February, Amin dissolved the National Assembly, assumed legislative power, suspended the Constitution, and declared himself head of state. In an "economic war" intended to free Uganda from foreign domination, Amin expelled all Asians, many of whom were engaged in trade and small industry. The next seven years were characterized by brutality virtually unmatched in history, with the ruthless extermination of any suspected opposition and an army which was allowed to trample on civil and human rights with impunity. Relations with nations around the world, and especially with the East African community, deteriorated steadily throughout the 1970s, leading to its collapse in 1977. In November 1978, Amin annexed the Kagera salient from Tanzania, which provoked the 1979 joint invasion of Uganda by Tanzanian troops and the Uganda National Liberation Army (UNLA), an umbrella organization of rebel forces. The invasion force quickly gained control of much of the southern region of Uganda, and Amin's troops capitulated. In April 1979, a Tanzanian assault force entered Kampala. Idi Amin fled to Libya and later to Saudi Arabia.

Elections held in 1980 were won by the UPC and Milton Obote became president for the second time. Obote's second term was marked by increasing guerrilla activity, to which he responded with repression and violence. Obote was overthrown in a military coup in July 1985. Over the next several months, agreement was reached between exiled opposition groups and the interim government. These talks

were opposed by the National Resistance Movement (NRM) and its military wing, the National Resistance Army (NRA), led by Yoweri Museveni. Museveni assumed the presidency when the NRA took over the capital in January 1986. Unresolved conflict in the north, military adventurism in neighboring Democratic Republic of the Congo (DRC), and poor governance have destabilized the country and constitute key handicaps to sustained economic growth.

### PERSONAL BACKGROUND

Yoweri Kaguta Museveni was born in 1945 in Ntungamo, in the Ankole district of southwestern Uganda. Museveni was provided with an excellent education by Ugandan standards, attending Kyamate Boys School (1953–1959); Mbarara High School (1959–1960); and Ntare School (1961–1966). He attended University College in Dar Es Salaam, Tanzania, where he graduated in 1970 with a Bachelor of Arts degree in economics and political science. He returned to Uganda in 1970 and joined the government of Prime Minister Milton Obote as a research assistant. When Obote's government was overthrown by Idi Amin Dada in 1971, Museveni fled to Tanzania. Yoweri Museveni is married to Janet Kataaha. The couple has one son and three daughters.

### RISE TO POWER

While in exile in Tanzania, Museveni formed the Front for National Salvation (FRONASA), a rebel army whose stated purpose was the overthrow of Amin. When this occurred in April 1979, Museveni assumed a prominent place on the Military Commission which was established as the new national leadership of the country. He served as minister of defense to the three presidents who served prior to the 1980 elections. Museveni was enormously popular, within the Military Commission and among the Ugandan general population. In November 1980, Museveni was promoted to vice-chairman. The December 1980 election of Milton Obote to the presidency again precipitated an exodus of resistance fighters from the country. As head of the NRA, Museveni was once more in the forefront of the effort to overthrow Uganda's government. After a bloody civil war, Obote was overthrown in a 1985 coup, which brought Brigadier Basilio Okello to power. Most rebel groups soon reached agreement with the Okello government and were given positions on the Military Council; the NRA was not among those groups. The UNLA, now the official national army, continued its reign of terror.

The NRA continued its campaign to overthrow the government and succeeded in gaining control of large areas of the country. On 26 January 1986, they entered Kampala and dissolved the Military Council. Museveni was sworn in as president three days later. By this time, Uganda's 24-year turbulent history since independence had been through seven military coups, eight presidencies, two suspensions of the Constitution, and loss of an estimated 400,000 lives.

### LEADERSHIP

In February 1986, Museveni named a new cabinet, which was comprised primarily of NRM and NRA members, but which also included representatives of other political parties and three members of the previous administration. A National Resistance Council was created to take over legislative duties until a new Constitution was written. At the local and district



levels, Museveni established a system of “resistance committees,” whose duties included local security and the elimination of corruption. Throughout his career, Museveni witnessed the civil disruption which was occurring throughout Africa. He concluded that much of the unrest was the result of political party divisions based on regional, religious, and ethnic distinctions. This conclusion led Museveni to limit the role of political parties in Uganda. One reason for Museveni's widespread support is his steadfast adherence to a (professional) code of conduct for his troops, which prohibits rape, pillage, and the murder of civilians. While not without unsavory elements, and clearly responsible for violations of human rights, the NRA has historically identified and punished those within its ranks accused of these crimes. This earned him a lot of trust from the Ugandan people.

During the first three years of Museveni's government, guerrilla activity continued. By 1989, the war had ended. Museveni was determined to root out corruption among the security forces, and established commissions to investigate charges of corruption and human rights violations. As a result, more than 80% of the police force was dismissed from service. In June 1987, the NRC offered amnesty to all rebel troops except those accused of murder or rape; by mid-April 1988, more than 30,000 rebel forces had surrendered to the government.

In February 1989, national elections were held, the first since 1980. The NRC was expanded from 98 members to 278 members, 210 of whom were elected. Ministerial posts were no longer reserved exclusively for appointed members,

and 14 ministers and deputy ministers lost their positions. A new Constitution was promulgated in October 1995. It established a "no-party" state, at least through the year 2000. New elections were scheduled for May and June 1996. The elections were open to all, provided they did not organize as candidates of particular parties.

Presidential elections held on 9 May and parliamentary elections in June 1996 were deemed to be generally free and fair, within the limits imposed by the "no party" or "movement" based system established by the Constitution. Most observers and analysts acknowledged the advantage the system ceded to Museveni. Unable to organize under the auspices of political parties, Museveni's challengers were limited in their ability to raise funds and to campaign effectively during the short three-month electoral season. For many, the election was essentially a referendum on the validity of Museveni's system.

The results of the presidential election were unsurprising. Museveni took 74.2% of the vote. His runner up, Paul Ssemogerere, got 24%. His challengers claimed massive vote rigging, but international observers were unable to find evidence of electoral fraud. Inaugurated on 12 May 1996, Yoweri Museveni pledged to continue the process of democratization and economic recovery, which was begun during his previous 10 years as Uganda's national leader. His critics accuse him of lacking democratic credentials; of being a despot, be it a benevolent one, for suppressing political parties.

In June 2000, this matter was settled through a national referendum when despite accusations of vote rigging and manipulation by the opposition, Ugandans approved the no party system. He was re-elected to a second five-year term in March 2001. Museveni insists that he will abide by the Constitution and will stand down in 2006, but his 'Movement' is advocating for Constitutional changes to allow a third term. In May 2003, the National Executive Committee recommended that parties be free to operate subject to a national referendum next year.

Uganda, hard hit by the AIDS pandemic and once at the disease's epicenter, constitutes a rare African success story for its commitment to combatting HIV/AIDS. The WHO reported that rates of infection are dropping, and in one area they decreased from 27-30% of the population in 1993 to 11-12% in 1997.

### DOMESTIC POLICY

Ravaged by decades of war and civil strife, Uganda's economy has made a remarkable recovery since the cessation of most rebel activity in 1989. Economic growth has since averaged 6-7% annually, and inflation has averaged only 4.7% since 1993-94. Overall, there has been a reduction in the proportion of Ugandans living in absolute poverty. This performance is largely due to continued investment in the rehabilitation of infrastructure, improved incentives for production and exports, gradual improvement in national security, and the return of Indian-Ugandan entrepreneurs.

Museveni has aggressively adopted free market economic policies and embraced sustained economic structural adjustment programs as prescribed by the IMF. This has won him praise as a role model for African Development, and much needed economic assistance, from the IMF, World

Bank, and western countries. This level of performance also helped Uganda in 1999 to be the first among least developed countries to qualify for debt relief. With foreign debts totaling about US\$3.631 billion, up to US\$650 million may be forgiven under the scheme.

In education, Uganda is making big strides, especially with the introduction of universal primary education in 1997. Before then, education was not compulsory in Uganda and all schools charged tuition, making attendance impossible for many children. In 2003 it is anticipated that 700,000 children will complete primary school compared with fewer than 200,000 in 1997. "Progress on universal primary education is the most important legacy for any government in the developing world," Museveni's wife, Janet, was quoted as saying upon receiving the Pencil Award from Oxfam's Education Now program in April 1999, for the country's success in using money saved from debt relief for universal education.

There is growing concern, however, over the government's inability to build political consensus in the country. The Lord's Resistance Army (LRA), a cult-like Christian rebel group operating in northern Uganda from bases in southern Sudan; the Allied Democratic Forces (ADF) which has stepped up rebel attacks in western Uganda from the DRC since 1997; and other groups, including Rwanda Hutu rebels, Uganda National Rescue Front-II, and the Uganda National Front/Army have committed rape, kidnapping, torture, child abuse (they use abducted children as combatants, or sex and labor slaves), and murder of several hundred non-combatants, and other human rights abuses. UNICEF estimates that LRA and ADF have abducted over 4,900 men, women and children since 1987, most of whom remain missing.

Museveni has tried to end the fighting through diplomacy and military means. He reluctantly accepted an Amnesty Bill in January 2000, which provided for pardon to any rebels who surrendered their arms within 6 months. Three months later, no rebels had complied. A highly publicized all-out offensive in 2002 also failed to achieve its goals, and independent observers have accused government troops of killing innocent civilians including women and children. Failure to end the war has driven away foreign investment, tourism, and has diverted funds away from other ministries to defense, cancelling much of Uganda's economic and social progress.

Uganda has one of the fastest growing populations in the world. However, in 2002 there was little political or programmatic progress in bringing the birth rate under control. The provisional 2002 Census data indicated that Uganda experienced an average annual growth rate of 3.4 percent between 1991 and 2002. This was 36% higher than the annual growth rate of 2.5% over the previous decade, and was mainly due to persistently high fertility (total fertility rate=6.9). Even if fertility rates declined, the UN's 'low variant' population projection has Uganda's population growing from 24.7 million in 2002 to 88 million by 2050.

### FOREIGN POLICY

Uganda is a member of the UN, the Commonwealth of States, and several related agencies, and is a founding member of the Organization of African Unity (OAU). It also belongs to the Non-aligned Movement, the Group of 77, and the Organi-

zation of the Islamic Conference. Uganda welcomes diplomatic relations with all nations, regardless of ideology.

Once strong relations with African neighbors have become mostly strained. With Kenya there are unresolved issues over trade and dissident political activity by Ugandan exiles. In light of the still unresolved insurgency movements on both sides of the Uganda-Sudanese border, diplomatic relations with Sudan continued to be strained. Though Museveni signed a cease-fire with President Joseph Kabila of the Democratic Republic of the Congo, and withdrew most of his troops from Congolese territory in early 2003, fighting on the Democratic Republic of the Congo side of the border continued into May 2003, and indeed intensified between the Hema and Lendu in the Bunia area as a result of Ugandan interference. Museveni's relations with his once stalwart ally, Rwandan President Paul Kagame, have been strained since hostilities broke out between the troops of the two countries in Kisangani, Democratic Republic of the Congo, in 2001. Finally, some African countries have voiced concern over Libya's provision of fuel and military supplies to Uganda.

Though fairly steady since Museveni came to power, relations with the United States have reached a sensitive stage. Relations hit a high point in the late 1990s capped by President Bill Clinton's visit to the country in April 1998. However, given the recent lackluster performance of the economy, the destabilizing effect of unresolved wars, and high levels of corruption, the United States is increasingly concerned that the wheels of Museveni's government and its social-economic policies may have left the tracks. The United States was disappointed with logistical delays, irregularities in distribution of electoral material and voting, confusion over electoral laws, and electoral violence during the 2002 local elections. Of particular concern is the lack of political space and freedom of speech that Museveni's 'Movement' has allowed other political forces. It is anticipated that the United States will express its concern on these matters as well as voice its disapproval of any attempt by Museveni or his Movement to tamper with the constitution to legalize a run for a third term. Important discussions between US representatives and representatives of the Ugandan government are planned during the donors' Consultative Group meetings scheduled for May 2003 in Kampala.

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# UKRAINE

Leonid Danylovich Kuchma  
President

(pronounced “lee-a-NEED da-NEEL-o-vitch KOOCH-ma”)



*“The country needs a breakthrough towards new horizons as a gulp of fresh air.”*

Bounded by Poland, Romania, and Moldova to the west, the Black Sea to the south, Russia to the east, and Belarus to the north, Ukraine covers 603,700 sq km (233,100 sq mi) and had an estimated population of 48.4 million in 2002. The capital is the city of Kiev, which has 2.6 million inhabitants.

Its population is divided among several ethnic groups, with 77.8% Ukrainian, 17.3% Russian, and numerous other minorities. Ukrainian is the official language, similar to Russian in its use of the Cyrillic alphabet, although other languages can be used in official proceedings. Ukrainians profess a variety of religions, including Ukrainian Orthodox (both Moscow Patriarchate and Kiev Patriarchate), Ukrainian Autocephalous Orthodox, Ukrainian Catholic (Uniate), Protestant, and Jewish.

Long the breadbasket of the former Soviet Union, Ukraine consumes only half of the food it produces, exporting the rest to Russia and other states. It has a large industrial sector based on heavy industries, automobile production, and other consumer durables. In addition, it has sizable deposits of coal, petroleum, oil and gas, manganese, uranium, gypsum, and other minerals. The Ukrainian authorities are seeking to find export markets for all these products; to date, they have had most success in selling electric power to Eastern Europe. This power is produced by the more than 20 nuclear power stations in the republic. Chernobyl, scene of the world's worst nuclear plant accident, is located in the Ukraine.

Like Russia and the other post-Soviet successor states, Ukraine's economy has been in steep decline since independence. Its national currency, the *hryvnia*, has declined rapidly in value relative to the Russian *ruble* and other currencies since its introduction in the summer of 1992. In 1993, Ukraine suffered hyperinflation, with prices increasing over 10,000%. These changes, and the partial privatization in some areas, make estimates of gross domestic product (GDP) problematic. Estimates placed the inflation rate at 12% and the per capita GDP at us\$4,200 as of 2001. Although Ukraine's economy is still badly struggling, Ukraine experienced export-based growth of 6% in 2000, the first growth since independence. In 2001, industrial output grew by over 14%, and GDP rose 9% to us\$205 billion.

## POLITICAL BACKGROUND

Ukraine, the current name for this country, was not widely used until the nineteenth century. Meaning “at the border” or “at border region,” its use was often seen as a pejorative or derogatory term. Important political units, however, have

existed on what is now Ukrainian territory for more than a millennium. From the ninth to the thirteenth centuries, Kievan Rus dominated most of what is now Ukraine, controlling much of the north-south trade between Scandinavia and Byzantium. Following the capture of Kiev by the Mongols, Ukrainian lands fell under a variety of outside rulers, more importantly Lithuania in the fourteenth century and then Muscovy. In 1569, Ukrainian territories were transferred from Lithuanian to Polish control, and Ukrainians were divided between Catholic and Orthodox subordination.

In 1654, the nominally independent Ukrainians under the leadership of Bohdan Khmelnytsky sought Russian help against the Poles. The Russian state used this alliance to absorb and incorporate Ukrainian lands into the growing Russian state and gradually displaced many Polish nobles with Russian ones. By the end of the eighteenth century, all elements of local autonomy were suppressed. Russianization expanded rapidly, particularly after the annexation of Crimea in 1783, which opened the Black Sea coast for export of grain to Europe and beyond.

In response to Russian heavy-handedness, particularly Russian moves to restrict the use of the Ukrainian language in 1863 and 1876, a Ukrainian national movement emerged in the nineteenth century. Much of it was headquartered in those portions of Ukraine that remained under more liberal Austro-Hungarian control. By World War I, these groups had a broad network of activists throughout the Ukrainian lands. After the February 1917 overthrow of the czar, a Ukrainian Central Rada emerged under German protection. That government was replaced several times during a complicated civil war in which White Russians, Bolsheviks, Germans, anarchists, and Ukrainian nationalists alternated in power or, to be more accurate, in claims to power.

By the end of 1920, Soviet power was successfully imposed and a Ukrainian Soviet Social Republic proclaimed. It became a founding member of the USSR in 1922. Initially, Soviet policy was quite supportive of Ukrainian rights; Moscow pushed a policy of Ukrainization of Russian and Jewish cadres who dominated the cities and the Communist Party organization. By the end of the 1920s, however, Soviet policy shifted, with the imposition of brutal collectivization policies in which at least six million Ukrainians died and the equally brutal industrialization strategies which uprooted citizens and transformed Ukrainian life. By the end of the 1930s, virtually all the gains of the 1920s had been wiped out, but the existence of a Ukrainian state with its panoply of institutions



encouraged Ukrainians to think that they might someday have greater autonomy or even independence.

Moscow added Galicia and Western Volhynia to Ukraine as a result of the 1939 Hitler-Stalin Pact. The German invasion of 1941, however, in which Ukraine was occupied, appeared to nullify these actions. After the Soviet victory, Ukraine was reconstituted in its current borders which include these west Ukrainian lands. In 1954, Moscow transferred Crimea from the Russian republic to Ukraine to mark the 300th anniversary of the incorporation of Ukraine into the Russian state, and, more importantly, to preclude the return of the Crimean Tatars whom Stalin had forcibly deported to Central Asia in 1944. Moscow helped to rebuild Ukraine but faced armed resistance from the population until the time of Stalin's death.

Ukrainian nationalism ebbed and flowed with the course of Soviet reforms after 1953. Finally, under Gorbachev, as a result of both his more open policies and the shock of the Chernobyl nuclear accident, Ukrainian nationalism exploded. A national movement, the *Rukh*, was founded, and the republic's leaders were forced by several rounds of elections to attend to its demands for autonomy and ultimate independence. Like other Soviet republics, Ukraine declared itself sovereign in July 1990. Following the August 1991 coup and the subsequent resignation of Mikhail Gorbachev in December 1991, Ukraine sought to achieve independence but agreed to work within the Commonwealth of Independent States (CIS) as a transitional measure. It achieved international recognition, made easier by the fact that Ukraine has been in the United Nations (UN) since 1945. In 1996, the country adopted a new Constitution that significantly broadened the powers of the president.

## PERSONAL BACKGROUND

Born in Chaikine in Ukraine's Chernihiv oblast on 8 August 1938, Leonid Kuchma graduated from Dnepropetrovsk University in 1960. He worked as an engineer and later as a manager in a highly classified Soviet design bureau in Dnepropetrovsk and then at Baikonur, the Soviet space facility in Kazakhstan. Between 1986 and 1992, he was general director of the world's largest missile factory in Dnepropetrovsk. An avid tennis player and soccer fan, he and his wife, Lydmila, have a daughter and grandson.

## RISE TO POWER

Kuchma's entrance into public politics took place in February 1990 when he shocked a plenum of the Ukrainian Communist Party Central Committee by comparing the Soviet Communist Party to a captain who had steered his ship onto the rocks. He was elected to Verkhovna Rada (Supreme Council or Parliament) in 1990 and 1994. He served as prime minister from October 1992 to September 1993 when he resigned over differences with then-president Leonid Kravchuk. After leaving office, he served as president of the Ukrainian Union of Industrialists and Entrepreneurs, a body that became the power base for his successful bid for the Ukrainian presidency against Leonid Kravchuk in July 1994. Kuchma was to serve under transitional provisions as president until elections would be held in 1999. In the 1999 elections, Kuchma was reelected on the second ballot with 56% of the vote.



## LEADERSHIP

A pragmatist who believes that Ukraine must cooperate closely with both Russia and the West, Kuchma appeals to the intellect rather than the heart, quite the opposite of Kravchuk, his predecessor. This pragmatism also reflects his own power base: the industrial leaders of the country who want stability and more production. It also means that he does not have much emotional resonance with the population.

Like Boris Yeltsin and the presidents of many of the other former Soviet republics, Kuchma has sought to reduce the power of the Parliament in various spheres of life, particularly the economy, as a means of breaking the deadlock that has prevented Ukraine from initiating economic reforms. In spite of his insistence, however, on the unilateral right to define the powers of the presidency, this deadlock persisted throughout his first term.

Soon after taking office, he established a Constitutional Commission with the charge of preparing independent Ukraine's Constitution. By 1996, the country was able to adopt its own Constitution.

In his second term, beginning in 1999, he still faced the challenge of bringing to fruition his stated commitment to economic reform. The challenges Kuchma has faced in bringing about substantial change may have affected the parliamentary elections of 30 March 2002, in which Kuchma's candidates did not fare as well as he had anticipated and the majority of votes went to the opposition party, led by former prime minister Viktor Yushchenko. Kuchma's current term expires in 2004, and he is constitutionally barred from seeking a third term. In 2002, however, Kuchma

announced plans to amend the Constitution to weaken the powers of the president and transfer power to Parliament, in the event that a reformer such as Yushchenko would be elected to the executive post. Yushchenko stated in March 2003 that he feared that the amendments might extend Kuchma's tenure until 2006. The proposed amendments were also seen by some as paving the way for Parliament to amend the Constitution and allow Kuchma to run for a third term. As of late 2002, any suggestion that Kuchma is moving to further consolidate his power and extend his term in office has been met by public protest.

### DOMESTIC POLICY

Early in his first term, Kuchma surprised everyone by pushing through a radical economic reform package. Kuchma's plan called for fiscal and monetary stabilization through the introduction of a new national currency, the *hryvna*, the reduction of budget deficits and subsidies, the reduction of taxes on enterprises, an independent state bank, privatization and capital accumulation in private hands, the development of Ukraine's first mortgage system, privatization of agriculture, the liberalization of the export-import regime, the delinking of social welfare from individual enterprise, and the creation of a stronger executive system to push through these reforms.

Many in the Ukrainian Parliament and population opposed these moves, however, which were certain to bring at least short-term suffering to some. Little of Kuchma's ambitious program had been implemented by the time of the 1999 presidential elections. Privatization lagged far behind his goals, foreign investment levels were low, and only a major effort by newly appointed prime minister Viktor Yushchenko saved the country from defaulting on its debt to Western bond holders. In April 2002, however, Yushchenko was dismissed, and his efforts to fight corruption and further economic reforms were brought to a halt.

In March 2003, tens of thousands of protesters nationwide took to the streets, calling on Kuchma to resign for abuse of office, corruption, impoverishing the country, vote-rigging in the March 2002 parliamentary elections, illegal arms dealings with Iraq, and involvement in the murder of a journalist who was critical of him. Demonstrators chanted "down with Kuchma" and "no to dictatorship."

### FOREIGN POLICY

Kuchma surprised many observers in the foreign policy area, taking positions favoring both Russia and the West. This course has increased Ukraine's freedom of action, allowing it to act more like an independent country and Kuchma more like a president. With regard to Russia, he has shown himself willing to cooperate and even to defer to Moscow on important issues. Ironically, this has not increased Russian influence in Kiev but rather the reverse because it has led Moscow to back off from some of its more threatening interventions, as Russia has no interest in destabilizing a regime that wishes to cooperate. Since Kuchma's 1994 election, Moscow has withdrawn much of its support for the Russian community in Crimea, has been more forthcoming about the Black Sea fleet, and has toned down its rhetoric about Ukrainian energy purchases. In 1997, the leaders of the two

countries signed a 10-year friendship treaty and reached a settlement regarding the Black Sea fleet. The Russian Duma ratified the treaty in 1999. Kuchma and Russian President Vladimir Putin agreed in March 2002 to strengthen their economic ties in order to boost post-Soviet economic influence in both the European and world markets.

Kuchma's approach to the West has been equally liberating. During his first presidential campaign, Kuchma said he would not press for ratification of the Non-Proliferation Treaty (NPT). This angered the West by calling into question the January 1994 tripartite agreement on the withdrawal of nuclear weapons from Ukraine, and raised doubts about new aid from Western-dominated international agencies. After the election, however, Kuchma reversed himself, pushed through the ratification and has been rewarded with sizable international assistance. Moreover, his removal of the nuclear question that had hung over Ukraine's relationship with the West has led many countries, including the United States, to be more supportive of Ukrainian interests. The last Soviet-era ICBM nuclear missile silo in Ukraine was destroyed in October 2001. During Kuchma's first term in office, Ukraine was admitted to the Council of Europe, the Central European Initiative, and the Central European Free Trade Agreement (CEFTA). It also signed a economic cooperation agreement with the European Union (EU), although it was not among the countries invited to begin negotiations for admission in 1998. Kuchma does not believe the country will become a member of the EU during his presidency, but he does hope for the Ukraine to become an associate member before the end of his term. Germany has agreed to support the Ukraine on this bid.

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# UNITED ARAB EMIRATES

Zayid bin Sultan al Nuhayyan  
President

(pronounced “ZAH-yid bin SUHL-tahn al NUH-bah-yahn”)

*“Money is of no value unless it is used for the benefits of the people.”*



The United Arab Emirates (UAE) is a federation of seven former Trucial States (emirates): Abu Dhabi, Dubai, Sharjah, Ras at Khaimah, Ajman, Umm al-Qaiwain, and Fujairah. These states were known as the Trucial States because of truces concluded with the United Kingdom in the 19th century. The UAE was formed in December 1971, when the United Kingdom terminated its treaty relations and ended its security role in the Persian Gulf region. Its total area is estimated to be 82,880 sq km (32,000 sq mi) and it has a coastline of 1,318 km (824 mi). Largely desert, the country's climate is characterized by extreme temperatures and sparse rainfall. The UAE had a 2002 population estimated at 2.45 million, most of which is concentrated in the emirates of Abu Dhabi and Dubai. The majority of the native population is Sunni Muslim, though about 16% of the population is Shia. Native Arab inhabitants are outnumbered by non-Arab immigrant workers. These expatriate workers, who account for 70% of the population, are mostly from Pakistan, India, Iran, and other Arab countries. Arabic is the official language but English, Persian, Hindi, and Urdu are also spoken.

The currency of the UAE is the *dirham*. In the past, the economy relied on trading, fishing and pearling. Since 1958, it has been largely dependent on oil and gas extraction, which together make up about 48% of its gross domestic product (GDP). Oil revenues supply over 90% of public sector revenues and account for over 80% of export earnings. Abu Dhabi has the largest reserves within the UAE and the greatest petroleum production. Dubai has a large reexport trade and boasts one of the world's largest and most modern dry docks. Oil has led to rapid building of infrastructure and to development of health and education services.

UAE's major trade partners are Japan, the United States, and Western European countries. Its major imports are consumer goods, machinery and transport equipment. Per capita GDP was estimated at US\$21,100 in 2001.

## POLITICAL BACKGROUND

Prior to the 1960s, individual emirates lacked formal institutions of government. The British resident agent took care of foreign and defense affairs and intervened in internal tribal matters only to mediate. It was only in the 1970s that a formal governmental structure was established. When the federation was created in 1971, a provisional Constitution was approved, which was meant to be replaced by a formal Constitution five years later. However, the provisional Constitution was repeatedly renewed and has remained in force

throughout the period of independence. In 1996, the term “interim” was removed, officially changing the document's status from de facto to permanent.

According to the Constitution, the highest government authority is vested in the Supreme Council, which consists of the rulers of the seven emirates. The president and the vice president are elected by the Supreme Council. The president in turn appoints the Council of Ministers, which exercises executive authority. A Federal National Council, consisting of 40 members appointed by the rulers of the seven emirates, acts as the legislature. This body reviews laws proposed by the Council of Ministers and can reject them or suggest amendments.

Under the present system, individual emirates retain a great degree of autonomy, and all powers not specifically reserved for the federal government belong to them. Each of these emirates has retained control over mineral rights, taxation, and police protection. In November 1976, the Supreme Council amended Article 143 of the provisional Constitution so that the right to control armed forces was placed exclusively in the hands of the federal government. This action represents an important step toward integration. Although there are no political parties in the UAE, secret political groups are known to exist.

## PERSONAL BACKGROUND

Sheikh Zayid belongs to the al bu Falah (or Nuhayyan, after the name of the founder of the dynasty) section of the Bani Yas tribe, which traces its origins to the Liwa Oasis. Zayid was born near the end of World War I, probably around 1918 (the date is uncertain). He was the youngest of four sons of Sheik Sultan bin Zayid al Nahyan, ruler of Abu Dhabi from 1922 to 1926. Even as a member of a ruling family, Zayid never acquired a formal education; however, his natural curiosity served him well. He is largely self-taught and able to converse in several languages. He observed the conduct of public affairs in his oldest brother's palace; additionally, he spent considerable time in the desert, learning the style and traditions of tribal politics. As governor of Alain, he acquired the loyalty of the local tribes with his generosity, shrewdness, and effective methods of mediation. Zayid encouraged the economic development of the Alain region, particularly its agriculture. As governor, Zayid traveled to both Europe and the United States, where his ideas about development of his country were stimulated.



## RISE TO POWER

After oil was discovered in Abu Dhabi in 1962, revenues from petroleum exports began to grow. However, the ruler, Sheikh Shakhbut, Zayid's elder brother, took a conservative approach because he feared that development could lead to disintegration of the social fabric and an end of the traditional way of life. Zayid tried unsuccessfully to persuade his brother to change his views and to use the oil money for constructing infrastructure and for providing needed social services. With the approval of his family and the British, Zayid deposed his brother and acquired power in a coup in 1966. In 1971, when the federation was formed, Abu Dhabi was the largest and richest emirate. Not surprisingly, Zayid was elected president of the federation. Zayid has consistently supported the concept of the federation and has contributed significant funds to the federation budget as well as to the smaller emirates.

## LEADERSHIP

Zayid's main support comes from the Bedouins (desert nomads) of Abu Dhabi, particularly those of the Alain region. Zayid travels throughout the country and maintains close personal contacts with his constituents. Although previous successions in Abu Dhabi have been violent, the emergence of the federation and the elevation of Abu Dhabi's ruler to the presidency has brought about stability. Moreover, the steady flow of oil income has eliminated the need for taxes and has provided sufficient resources to placate opposing groups. Zayid has used oil revenues to expand education, health and other social services and to solidify his support throughout the UAE. He has been a strong proponent of economic devel-

opment, including numerous joint ventures with foreign-owned companies.

In 1996, Zayid was elected to his sixth five-year term as president. The nation staged gala festivities celebrating both the 30th anniversary of Zayid's accession to the presidency and the 25th anniversary of the UAE's foundation as a federation. The occasion had added personal significance for Zayid, who was recuperating from recent, successful surgery in the United States. In the weeks following his return, a succession of visits by both Arab and other foreign leaders had given evidence of the high regard in which the 79-year-old president was held in the international community. Zayid was reelected to a seventh term in 2001.

## DOMESTIC POLICY

Zayid's domestic policies have been designed to enhance the integration and centralization of the federation. Despite his efforts, the process of integration has been slow. In December 1973, the separate cabinet of Abu Dhabi was disbanded and several ministries were upgraded to federation level. By 1976, the Supreme Council granted the federal government control over defense, intelligence services, immigration, public safety, and border control. In 1977, the National Council (Majlis al-Ittihad al-Watani) was inaugurated.

The main obstacles to integration are the differing interests of the two larger components of the federation, Abu Dhabi and Dubai. While Abu Dhabi's main source of income is oil, Dubai relies on trade and reexport to Iran and other countries of the region. The two sources of economic activity have led to differing political outlooks. Additionally, there has been a long-standing rivalry between the dynasties of Abu Dhabi and Dubai. However slow it may be, considerable progress towards integration has taken place; because of Zayid's efforts, it is unlikely that this process will be reversed.

Zayid has been committed to the responsible use of the federation's rich natural resources, particularly its massive reserves of oil and gas. Since 1973, the government of Abu Dhabi, the emirate with the lion's share of reserves, has controlled the majority of oil reserves and maintains total ownership of associated and nonassociated gas. Through its Abu Dhabi Investment Authority, created by Zayid, the country now has financial reserves unofficially estimated at around us\$200 billion.

Zayid continues to make good on his original campaign promise that the wealth of the nation should be used to the benefit of all of its people. Educational standards have risen considerably over the past three decades. In 1971, the federation had only 74 schools with about 32,800 students attending. In 2000–2001, there were 1173 schools (747 government-sponsored and 426 private), with about 640,000 students attending. Through the Ministry of Education (ME), the government has focused on implementation of the Education 2020 Strategy, a program based on several five-year plans designed to introduce advanced education techniques and improve skills and learning abilities in students. By 2003, the ME plans to complete the first few phases of its Information Technology Education Project, which includes setting up computer labs in all public secondary schools in Dubai and Abu Dhabi and establishing the E-Store, an online marketplace of educational materials

and software. The E-Store will be the first of its kind in the Middle East.

In 1999, the National Council approved legislation to establish and regulate a more comprehensive social security benefits program with particular focus on helping women, children, and the disabled. Although women have access to higher education, they are largely excluded from the economy and governmental decision-making. Muslim women are forbidden to marry non-Muslim men, but Muslim men are permitted to marry non-Muslim women (such marriages accounted for 28% of all UAE marriages in 1998). Fourteen percent of women in the UAE are employed in the labor force; married women need the permission of their husbands to be employed outside the home. President Zayid's wife, Fatima, announced in 1998 that women observers would be appointed to the Federal National Council to train for eventual membership in the body. President Zayid in January 2003 appointed 40 new members of the Council; however, none of them were women.

### FOREIGN POLICY

Zayid's foreign policy has been motivated chiefly by his support for Arab unity. He was one of the leading figures in the establishment of the Arab Gulf Cooperation Council in 1981. The UAE has given considerable aid to various Arab causes and is particularly active with regard to the Palestinian issue.

During the Persian Gulf War in 1991, the UAE cooperated with the military coalition arrayed against Iraq and allowed deployment of foreign forces on its soil, as well as contributing a large sum toward the cost of the war. Having purchased weapons from the United States since 1987, the UAE signed a military cooperation pact with the United States in 1994.

In 1999, the UAE was one of only three states to have diplomatic relations with the Taliban government in Afghanistan. Following the imposition of United Nations (UN) sanctions against the Taliban in 2000 (a response to their failure to hand over suspected terrorist leaders for international trial), these relations began to strain considerably. Following the 11 September 2001 terrorist attacks (in which the Taliban was implicated as a supporter) on the Pentagon in Washington, D.C., and the World Trade Center in New York, the UAE broke diplomatic relations with the Taliban completely. The UAE supported the U.S.-led War on Terror and the initial military strikes against Afghanistan, which came as a response to the terrorist attacks. However, the UAE also offered immediate and substantial financial assistance for the rebuilding of Afghanistan and support for civilian victims and refugees.

In the ongoing Israeli-Palestinian conflict, Zayid continued to support efforts toward a Palestinian homeland, with Jerusalem as its capital, and has issued statements urging the United States to act against the "state terrorism" of the Israeli forces.

Several of the emirates of the federation have poorly demarcated borders, which have led in the past to tensions between UAE and its neighbors, Saudi Arabia, Qatar, and Iran. Abu Dhabi resolved its dispute over the Buraimi oasis with Saudi Arabia in 1974, and Sharjah reached an

agreement with Iran in 1971 over the island of Abu Musa. However, the dispute over the two Tunbs islands between Rais al Khaimah and Iran and a similar dispute over the nearby island of Abu Musa reignited territorial tensions between the UAE and Iran in 1992 and led the UAE to seek international mediation. In March 2002 the six-nation Gulf Cooperation Council (GCC) affirmed its support of UAE's claims to Abu Musa and the Tunbs islands, rejecting all claims by Iran to sovereignty over the territories.

Zayid has taken a strong interest in the fate of the Muslim population in war-torn Bosnia, criticizing the international community for not intervening in the conflict sooner and raising money for the Bosnian Muslim community.

During the 2002–03 international diplomatic crisis leading up to the U.S.-led war in Iraq, which began on 19 March 2003, sharp divisions within the Arab world emerged as to how to react to the looming war. At an Arab League summit held on 1 March 2003, President Zayid called upon Iraqi President Saddam Hussein to relinquish power and leave Iraq in exchange for immunity from prosecution. Zayid's plan was to have Iraq placed under the tutelage of the United Nations (UN) and the Arab League until a new government could be formed. Kuwait and Bahrain supported the UAE position, but other Arab states rejected it. In any case, all of the Arab leaders at the summit issued a declaration expressing "complete rejection of any aggression on Iraq." Nevertheless, the UAE allowed the stationing of U.S. military personnel and aircraft on its territory in the prelude to war. In addition, the UAE sent some 3,000 troops backed by Apache helicopters, tanks, amphibious armored vehicles, and support ships to Kuwait ahead of the war, part of a Kuwaiti-UAE security arrangement. The Gulf Cooperation Council (of which the UAE is a member) also sent approximately 20,000 troops to protect Kuwait during the war, as part of the "Peninsula Shield" force. They began to leave Kuwait in May 2003.

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Profile researched and written by Bashir Ahmed (7/90); updated by Jeneen Hobby, Ph.D. (5/2003).

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# UNITED KINGDOM

Anthony Charles Lynton Blair  
Prime Minister

(pronounced “AN-thah-nee CHAR-els LIN-ton BLARE”)



*“The progressive parties of today are the parties of fiscal responsibility and prudence.”*

The United Kingdom of Great Britain and Northern Ireland, as it is officially called, is situated across the English Channel in northwest Europe and is comprised of England, Scotland, Wales, and Northern Ireland. The United Kingdom (UK) has a total area of 244,820 sq km (94,525 sq mi) and an estimated population of 59.8 million in 2002. England, accounting for half the total area, is the political and economic center of the United Kingdom. With 83% of the total British population, England is one of the most urbanized and densely populated regions in Europe. Scotland accounts for 9% of the population while Wales and Northern Ireland together only account for 8%. London, located on the Thames River in Southeast England, is the capital of the United Kingdom and its largest city, with 7.6 million inhabitants. Regional capitals are Edinburgh, Scotland; Cardiff, Wales; and Belfast, Northern Ireland.

The four regions of the United Kingdom have distinct ethnic and cultural identities. While English is the official and predominant language, Gaelic is spoken in parts of Scotland and Northern Ireland, and Welsh is spoken in parts of Wales. There are two established churches, the larger Church of England (Anglican) and the Church of Scotland (Presbyterian). Other practiced religions include Roman Catholicism, Methodist, and Islam. Since the 1950s and 1960s, a greater influx of immigrants from former British colonies—primarily from India, Pakistan, and the Caribbean/West Indies—have expanded the cultural and ethnic diversity of the British Isles. The inflow and concentration of nonwhite immigrants in urban centers have occasionally resulted in the swelling of racial tensions. About 5% of the current population is nonwhite.

The United Kingdom has one of the larger economies in Europe and has had average annual growth rates estimated at 1.6% in 2002. The per capita gross domestic product (GDP) was estimated at us\$25,300 in 2002. The Unemployment in 2002 was up to 5.2%, from 4% in 1998 (which was the lowest rate in 20 years). A majority of the labor force is engaged in the service sector of the economy (74%) while a smaller proportion of workers are engaged in manufacturing and construction (25%). Women comprise 49% of the labor force and are concentrated in retail, clerical, and human services. Major exports include machinery and transport equipment, chemicals, petroleum, and manufactured goods. Major imports include foodstuffs, machinery, manufactured goods, and consumer goods. The United Kingdom’s major trading partners are other West European countries as well as

the United States. The British unit of currency is the *British pound*.

## POLITICAL BACKGROUND

The United Kingdom is a constitutional monarchy with a parliamentary form of government. The gradual development of parliamentary democracy has resulted in the diminished power and role of the monarch in political affairs. Today, the monarch acts as a unifying institution and a symbol of national identity. The monarch is the head of state, discharging primarily ceremonial functions. These ceremonial duties, however, are part of the unwritten British Constitution and represent the continuity of the British political tradition. The current monarch is Queen Elizabeth II (r. 1952). Her eldest son Charles, the Prince of Wales, is next in line to the throne.

Parliament, composed of the House of Lords and the House of Commons, is invested with supreme legislative authority. The House of Lords, comprised of nonelected peers, has a limited role in the legislative process. Precluded from vetoing any “money bills,” it can only delay other bills for up to one year. The House of Lords, however, is in a unique position to scrutinize, debate, amend, and legitimize governmental legislation without answering to any specific constituency. While both chambers are required for bills to become enacted into law, the real legislative power rests in the House of Commons. The 651 members of the House of Commons are directly elected from single member districts to five year terms, subject to dissolution. Normally, the leader of the largest party in the House of Commons is designated prime minister. The prime minister, who is the head of government, appoints ministers to head the various departments. While cabinet ministers are responsible for the functioning of their departments, the prime minister determines the direction and goals of government policies.

The two major parties in the United Kingdom are the Labour Party, led by the present prime minister, Tony Blair, and the Conservative Party, led by Iain Duncan Smith. Until Blair’s administration, the Conservative Party had been in government since 1979, under Margaret Thatcher (1979–1990) and John Major (1990–1997). In the last two decades the Conservative Party has pursued policies of fiscal discipline, private ownership, free enterprise, deregulation, law and order, and has been skeptical of the European monetary union. While the Labour Party has traditionally been concerned with nationalization of industries, full



employment, workers' rights, and social welfare, these demands have been moderated gradually during the past decade. In response, Labour has attempted to "modernize" the party and to broaden its electoral base of support. The latest election platforms reflect a narrowing of the ideological distance between the two major parties. While the single-member, "winner-take-all" electoral system tends to produce majorities in the House of Commons, and thus, favors the two major parties, the Liberal-Democrats (formed through the merger between the Liberal Party and the Social Democratic Party in 1988), have been gradually gaining electoral strength. Their current leader is Charles Kennedy.

### PERSONAL BACKGROUND

Anthony Charles Lynton Blair, the second of three children, was born on 6 May 1953 in Edinburgh, Scotland, to Leo Blair and Hazel Corscadden. Blair grew up in Durham City in Northern England, where his father was a lawyer and university lecturer.

Chairman of the local Conservative association, Leo Blair is widely believed to have instilled in his son the values of ambition, initiative, hard work, responsibility, and competitiveness. It is from this middle-class background that Tony Blair developed his political views.

Blair was educated at Durham Choristers and then attended the prestigious Fettes College in Edinburgh in the early 1970s. While proving to be a dedicated and serious student, Blair also exhibited a gregarious personal side. During his formative years, Blair performed as an actor and was a singer in a rock band. After college he spent a year in London, where he drove a van, moved musical equipment, and worked in a department store. Blair continued his education at St. John's College, Oxford, where he studied law.

Upon completing his education, Blair became a barrister in London and practiced law until 1983, specializing in employment and industrial law. In 1980 Blair married Cherie Booth, a fellow barrister. Booth has since gone on to become one of London's most successful and best known lawyers. They have four children—Euan, Nicholas, Kathryn, and Leo. The youngest was born in May 2000 and was the first baby to be born at the residence of the prime minister in 150 years.

### RISE TO POWER

Tony Blair's first attempt to gain a seat in Parliament was unsuccessful. He was defeated in the traditionally conservative district of Beaconsfield, west of London, in 1982. Though this seat was considered unwinnable for a Labour candidate, Blair impressed several leaders by his ambition, dedication, and intelligence during the campaign. He was chosen to stand for elections in Sedgfield, near Durham, and gained the seat in 1983. After becoming a member of Parliament (MP), Blair's rise to power occurred rapidly. Some observers have stated that his "intelligence, energy, charm, and discipline" helped to propel him through the ranks of the Labour Party.

During Labour's years as an opposition party, Blair was promoted to the treasury front bench in 1985, and in 1987 became spokesman on trade and industry, with special responsibility for consumer affairs and the city of London. He was promoted to the shadow cabinet in 1988 as shadow secretary of state for energy. In the following year, he was



made shadow secretary of state for employment, and in 1992, he was appointed to the important post of shadow home secretary.

After Labour's fourth straight electoral defeat in 1992, Neil Kinnock resigned as Labour Party leader, replaced by his deputy, John Smith. Some people assumed that Smith would become the next prime minister, but with his unexpected death in 1994, the Labour Party sought someone new to lead them to victory. On 21 July 1994, at the age of 41, Blair became the youngest leader of the Labour Party. Three years later, Blair led the Labour Party to its first electoral victory since Harold Wilson, winning 419 seats in the House of Commons. On 1 May 1997, Blair became Britain's youngest prime minister in the twentieth century and in June 2001 he celebrated another milestone by becoming the first Labour Party prime minister to serve two successive terms.

### LEADERSHIP

Observers have noted in recent years that many parties of the left in Western Europe are becoming more centrist, concerned more with broadening their base of support and winning elections than with maintaining traditional socialist demands and ideological rigor. The Labour Party in Britain has gone through such a process, beginning in the mid-1980s under the leadership of Neil Kinnock (1983–1992). While the Labour Party has gradually become more ideologically pragmatic in the past since the mid-1980s, it has not come about without internal party struggles. Since becoming party leader in 1994, Tony Blair has adroitly held his party together while continuing the process of modernization, under the rubric of "New Labour."

Under Blair's leadership, the Labour Party voted in 1995 to drop the famous Clause Four of its party Constitution, which defines one of Labour's aims as the "collective ownership of the means of production, distribution and exchange." This clause has been at the center of debate concerning the future of the Labour Party. Moreover, Blair has been able to reduce the traditionally powerful role of trade unions in the policy formulation and candidate selection processes within the Labour Party. Rather than making specific policy commitments, Blair has attempted to gain support from "middle England" and unify the party factions around the goal of winning the 1997 elections. His iron-hand style of rule has enhanced his reputation for strong leadership.

Blair led the Labour Party to a decisive victory in 1997, with a resounding majority in the House of Commons (419 seats for Labour, 165 seats for Conservatives, 46 seats for Liberal Democrats). This electoral success is more surprising given the economic growth, controlled inflation, increased investment, and decreasing unemployment Britain enjoyed under John Major's government. The electorate is thought to have embraced a "fresh new leader," while at the same time rejecting the divided and scandal-plagued Conservatives. In addition to losing 177 seats from the previous election, the Conservative Party also lost many of its leaders during the 1997 elections. In 2001, Blair's Labour Party won the general elections with a majority almost as large as that of 1997. Labour took 413 seats in the House of Commons to 166 seats for the Conservatives and 52 seats for the Liberal Democrats. This victory, however, was clouded by low voter turnout, with only 59% of the eligible population turning out to vote.

### DOMESTIC POLICY

Blair has stated that his government will not drastically diverge from the previous policies of limited government, fiscal discipline, private enterprise, and individual responsibility. He has promised no new nationalization of utilities, no new public spending, and no new taxes to buttress the welfare state. Blair has described New Labour as no longer a "tax and spend party, but rather a responsible party, a law and order party, a pro-business party." Soon after taking office, Blair signaled an historic change in economic policy by ceding control over interest rates to the central bank (Bank of England), drawing cheers from the Conservative opposition, European leaders, and financial executives. Many have interpreted this decision as an indication of Blair's commitment to fiscal discipline. Mindful of the next general election in 2001, the government presented an expansionary fiscal policy in March 2000 with a sharp increase in spending on National Health Services (NHS), projected to be around 6% in real terms for three years. In July 2000 the government presented a blueprint for modernizing the NHS, investing heavily in staff and facilities and allowing for serious input from individual patients. In 2003, spending on healthcare was set to rise by 7.2% a year until April 2008, an investment which was to fund 80,000 more nurses and 25,000 more doctors.

Labour's victory brought several constitutional changes to the UK. After decades of debate, Labour organized a referendum on devolution of a Scottish and Welsh Parliament. The referendum was held on 11 September 1997 and produced

clear majorities for two propositions that created a separate regional Parliament and gave these Parliaments limited taxing powers. The Scottish and Welsh Parliaments were formally opened in 1999.

Blair also proposed to reform the House of Lords to make it more "compatible with a democratic society." In October 1999, a new measure came into effect that abolished 650 hereditary peer seats in the House of Lords. Instead, the House of Lords elected 75 of their numbers to sit alongside 500 life peers, several senior judges, 26 bishops of the Church of England, and 15 deputy speakers elected by the whole house from among the hereditary peers. His government has already discontinued the practice of recommending knighthood for senior MPs leaving Parliament. Such awards are to be bestowed based strictly on merit.

Local council and city elections on 4 May 2000 sent a mixed message to the modernizing program of Tony Blair and the Labour party. Blair opposed the candidacy of Ken Livingstone, a former Labour politician for mayor of London. Due to Blair's heavy-handed attempt to prevent Livingstone from running for mayor, he was forced to run as an independent. The publicity served Livingstone well and London voters overwhelmingly supported him. The success of Livingstone seems to suggest that Blair is losing touch with the core voters of the old Labour party. In 2001, however, Blair postponed nationwide municipal elections, due to the spread of food and mouth disease among cattle, sheep, and pigs.

### FOREIGN POLICY

In contrast to the Conservative party, the Labour party under Tony Blair carries a more positive relationship with the European Union (EU). Blair signed the social protocol, negotiated during the Maastricht summit in 1991 and aimed at protecting employees' rights and introducing a minimum wage (Britain did so in 1999). The Thatcher and Major governments absolutely refused to consider the social protocol. Blair also signed the Amsterdam treaty in 1997, which gave more decision-making powers to the European Parliament. Certainly, Blair wants greater British participation in the European integration process. But Blair has made no firm commitment to joining the *euro* and economic and monetary union. He has indicated that Britain would join as soon as the monetary and fiscal indicators are in alignment with that of the euro zone, but has not set any deadlines. The public strongly opposes the euro, leaving Blair an uphill task of swaying public opinion.

Blair has devoted himself to finding a lasting solution for Northern Ireland, which was also given new devolution powers. The problem was that the Unionists refused to share power with the Irish Republican Army (IRA) until the IRA had been disarmed and the IRA refused to comply with total decommissioning. Ireland and Britain signed an accord in 1998 that envisioned a Roman Catholic-Protestant administration in Northern Ireland. The power-sharing government began operating in December 1999 but lasted only 11 weeks after the IRA refused to make any disarmament commitments. A breakthrough occurred in May 2000 when the IRA announced its readiness to permit outside observers to inspect arms dumps to ensure that no weapons had been removed. The Protestant party voted to revive a joint government with



Catholics on 27 May 2000. The situation in Northern Ireland deteriorated in 2001 and 2002, however, with an increase in tensions and the refusal of the IRA to complete decommissioning. First Minister David Trimble of the Ulster Unionists resigned in July 2001. In October 2002, following revelations that Irish Republicans were engaged in a spy ring in the Northern Ireland legislature, direct rule from London was reinstated. In April 2003, both sides agreed diplomacy would be delayed for months.

Following the terrorist attacks made on New York City and Washington, D.C., on 11 September 2001, Tony Blair became a loyal ally of the United States in its war against global terrorism. Blair contributed moral and financial support, ground forces, naval forces, and peacekeepers in Afghanistan in the struggle to eliminate terrorist threats, gaining international recognition but only mediocre reception within the United Kingdom. Blair's relationship with U.S. president George W. Bush raised skepticism and concerns within the Labour Party, as Blair was seen as aligning himself with a president whose foreign policy was aggressive.

Indeed, these fears increased in 2002 and 2003 as the situation leading to war in Iraq developed. In 2002, the United States and the UK amassed troops in the Persian Gulf region in the event that Iraq would not rid itself of chemical, biological, and nuclear weapons or weapons capabilities as demanded by the United Nations (UN) Security Council's Resolution 1441. In the months leading up to the war, which began in March 2003, Blair found himself in a diplomatic crisis, as his fellow EU members France and Germany, along with Russia, vociferously opposed the looming war. Blair stood firmly, however, with the United States. British troops fought alongside American ones, and the coalition defeated the Iraqi regime in April 2003. Following the fall of Baghdad, Blair met with EU leaders and affirmed the need for the UN to play a leading role in the reconstruction of Iraq. This position was unresolved in Washington as of April 2003.

Blair has increasingly become a spokesman for a resolution of the Israeli-Palestinian crisis. In June 2002, US president George W. Bush called for a "road map" for peace, which envisioned Palestinian statehood in 2005, along with resolution of the issues of settlements, Jerusalem, refugees, and security. The "Quartet" as it is known—the United States, the UN, the EU, and Russia—are the driving forces behind the road map plan, and Blair has pressed for the process to steadily continue.

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# UNITED STATES

George W. Bush  
President

(pronounced "JORGE BUHSH")



*"In all these days of promise and days of reckoning, we can be confident. In a whirlwind of change and hope and peril, our faith is sure, our resolve is firm, and our union is strong."*

The United States of America is located in the North American continent, bordering Canada to the north and Mexico to the south. Alaska sits to the northwest of Canada, and the Hawaiian Islands are situated in the Pacific Ocean, midway between the west coast of the United States and eastern Asia. The United States encompasses approximately 5.8 million sq km (3.6 million sq mi) and has a population of approximately 281 million (July, 2002 estimate). The largest religious groups are Protestants and Roman Catholics. However, there are also great numbers of Buddhists, Hindus, Jews, Muslims, and other religious minorities. English is the primary language. With the exception of the Native American population, the United States is a nation of immigrants, settled and developed by people from all over the world.

The unit of currency is the *dollar*, a strong currency that is often used in many countries around the world. The per capita gross domestic product (GDP) was estimated at us\$36,300 in 2001. As the United States has the world's largest economy, its trading partners are numerous, though most business is conducted with Canada, Europe, Japan, and Mexico. Major exports include machinery, chemicals, aircraft, motor vehicles, agricultural products, and entertainment. The United States is also a leading producer of computer and communications technology.

## POLITICAL BACKGROUND

Consisting of 50 states and several territories, the United States is a federal republic with its capital in Washington, D.C. Any citizen over 18 years of age may vote, yet only about half of the people eligible to vote exercise this right. Those who do usually choose between candidates affiliated with the two major political parties, the Democrats and the Republicans. However, there are a number of smaller parties, such as the Libertarian Party, the Green Party, and the recently founded Reform Party. Responsibility for governing is shared between the states and the federal government. The two levels maintain similar structures, as outlined in the U.S. Constitution, which set up a federal government consisting of three branches: legislative, judicial, and executive. The legislature, known as the Congress, is bicameral. The House of Representatives, whose 435 members face election every two years, are apportioned by the populations of the various states. The Senate is made up of 100 members, two from each state, elected for six-year terms. The federal judiciary is comprised of a Supreme Court and a series of lower courts. Executive power is vested in the president who serves a four-

year term and can be reelected only once. A variety of agencies operate under the president, making up a vast bureaucracy which carries out the day-to-day tasks of implementing and enforcing laws and regulations. The president is George W. Bush, a Republican, who has held the office since 20 January 2001.

## PERSONAL BACKGROUND

George Walker Bush was born in New Haven, Connecticut on 6 July 1946 and grew up in Midland and Houston, Texas. He is the eldest son of former U.S. president George H. W. Bush and, like his father, he attended Phillips Academy in Andover, Massachusetts. In 1968, he received a bachelor's degree from Yale University, then, in 1975, he earned a Master of Business Administration degree from Harvard Business School. He served as an F-102 pilot for the Texas Air National Guard before beginning a career in the oil and gas business. After working in the energy industry for several years, he met his wife, Laura Welch, an elementary school teacher and librarian, at the home of mutual friends. They married in November 1977, and made their home in Midland. In 1981, Mrs. Bush gave birth to twin girls named Barbara and Jenna (after their grandmothers). In 1988, Bush helped manage his father's presidential campaign, then became an owner and manager of the Texas Rangers baseball team from 1989 to 1994. He was elected Governor of Texas in 1994. The Bush family also includes their dogs, Spot and Barney, and a cat, India.

## RISE TO POWER

Bush became the 46th governor of Texas on 8 November 1994, defeating incumbent Ann Richards, with 53.5 percent of the vote. In office, he forged bipartisan coalitions with the conservative legislature's Democrats and passed changes to tort laws and welfare, public-school, and juvenile-justice systems. Known as a centrist and coalition builder, Bush described himself as a different sort of Republican: conservative, but compassionate. His platform, which extends into his presidency, was based on the principle of limited government, personal responsibility, strong family values and local control. He appears less concerned with policy details than with garnering support among legislators, the public and the news media. Some say this approach has made him more effective in passing his agenda into law. Many people, including Democrats, praised his choices for appointments, which were considered unusually well-qualified. As governor,

he appealed to Hispanic voters in Spanish and became very popular among them, an unusual feat for a Republican.

In 1997, he faced his most difficult defeat when Republicans in the Texas legislature deserted his plan to overhaul the tax-system. In it, proposed cuts in property taxes were to be paid for with increases in the sales tax, new taxes on businesses, and a first-ever tax on lawyers, doctors, and others belonging to professional partnerships. Despite some set-backs, his improvement of educational standards in Texas is considered a crowning achievement. He was reelected on 3 November 1998 by a landslide, winning 68.6% of the vote. On that day, he became the first Texas governor to be elected to consecutive four-year terms.

In 1999, Bush began his campaign for the 2000 Republican presidential nomination, and quickly raised more campaign funds than any other presidential candidate in history. However, there has probably never been a U.S. presidential victory as hotly debated. He generally appeared to lead in the polls throughout the election, yet lost the popular vote. Ultimately, he won a slim victory by garnering votes in the electoral college. A controversy about the results ensued, underscored by the Democrats' scrutiny of the vote counting process in Florida, which could make or break either candidate. Presidential hopeful Al Gore challenged Bush's victory in Florida in court, but to no avail. On 20 January 2001, George W. Bush was inaugurated as the country's 43rd president and became the first person in more than a century to become president without achieving at least a plurality in the popular vote.

## LEADERSHIP

Bush is known for his Texan, folksy style of speech, sprinkled by colloquialisms and self-deprecating humor. In his early days in office, he was swift in winning congressional approval of his tax-cut program and he worked to stop or dismantle some of the regulations that the administration of the previous president, Bill Clinton, had proposed in its last weeks. They included legislation to modify bankruptcy laws and proposals to fund church-run social welfare programs. President Bush was also unusually liberal, at least initially, in granting greater policy-making and governing responsibilities to the vice-president and members of the cabinet than earlier administrations had.

Bush won favor from those, including the Christian right, who wanted a return to family values in the White House, particularly after Bill Clinton's relationship with a White House intern, Monica Lewinsky.

Bush also faced criticism early in his term. In May 2001, after accusing the president of moving the Republican Party too far to the right, Vermont Republican Senator Jim Jeffords switched parties, and, by doing so shifted control of the Senate to the Democrats. Other critics charged that Bush was too dependent upon trusted advisors such as Vice-President Dick Cheney and U.S. Secretary of State Colin Powell, and that he tended to be less interested in the details of policy-making, preferring to delegate. Supporters, however, say his strong panel of advisors, quick decision-making, and direct style were aptly suited to a time of war, spurred by the terrorist attacks of 11 September 2001.

In the 2002 mid-term elections, Republicans won back control of the Senate from the Democrats, albeit by a slim



majority (51 to 48), and President Bush had hopes his agenda would see its way through Congress. Bush proposed another large tax cut, added to the one passed in 2001, that was hotly debated in Congress until mid-2003, with Vice-President Cheney casting the tie vote in favor of a Senate compromise plan favorable to Bush's initiative. Bush was anxious to have his judicial nominations confirmed in the Senate, although the confirmations of a few nominees were being held up by Democratic filibusters.

Bush's leadership abilities were affirmed in 2003 with his prosecution of the war in Iraq. Bush stood firm in diplomatic negotiations with other Western nations opposed to war, to the point of ignoring this opposition and uniting with the United Kingdom and a "coalition of the willing" to support the use of force in disarming the Iraqi regime. Saddam Hussein's regime was quickly defeated by U.S. and British military forces, and Bush was faced with the task of guiding the rebuilding of Iraq, which presents a new geopolitical organization of the region.

## DOMESTIC POLICY

Before September 2001, Bush tended toward isolationism, preferring to focus on domestic rather than international issues. His administration held positions not typically associated with traditional conservatism, such as increased spending for education. More specifically, he worked to improve public schools by strengthening local control and insisting on accountability. Also, more in fitting with a stereotypical Republican agenda, he supported strengthening the military with increased pay and better equipment, but before the terrorist strikes of 11 September 2001, he initiated a review of military defense programs before supporting major spending increases. In the aftermath of 11 September, Bush named Republican governor of Pennsylvania, Tom Ridge, to head a new cabinet-level position for homeland security.

Battling a weakened economy, Bush instituted a tax rebate for most taxpayers and he initiated changes to Social Security and Medicare. He also took a strong stand in his support of capital punishment while also supporting traditional family

values, including a movement called “True Love Waits” in which teenagers are encouraged to abstain from sex before marriage.

While his quick launch of the “War on Terrorism” generally enjoyed widespread support, other actions were not as popular with the general public. In what some observers characterized as a shift in philosophy, Bush supported expanded subsidies for a number of industries, including energy, steel, and agriculture. His stand in favor of drilling for oil in the wilderness of Alaska and snowmobiling in the national parks angered environmentalists. His administration distanced itself from the need for reform in the accounting industry after the giant energy firm, Enron, collapsed, partially due to questionable accounting practices that went unchallenged by the auditing firm Arthur Andersen.

The United States economy began to falter in 2001, and by mid-2003, unemployment stood at 6%, the economy was expected to grow by only 2.2%, and the budget deficit was estimated at \$200 billion (down from a surplus of \$127 billion in 2001). In preparing for the 2004 presidential election campaign, Bush needs to avoid his father’s fate; President George H.W. Bush successfully initiated the 1991 Gulf War, but failed to win reelection in 1992, largely due to a perceived inability to deal with a poor economy. As of mid-2003, George W. Bush’s main domestic policy initiative, a \$726 billion tax cut (to be added to the \$1.35 trillion tax cut passed in 2001), was geared to stimulate the economy and create jobs by eliminating taxes on stock dividends, among other provisions. By mid-2003, the House of Representatives had adopted a \$550 billion figure, while the Senate approved a bill cutting taxes by some \$350 billion, although it retained the president’s proposal for the cut in dividend taxes. Bush considered the votes to be a victory, and awaited a final bill to emerge from both houses.

## FOREIGN POLICY

Overall, Bush tended to be Clinton’s antithesis. Early in his presidency, he worked to involve other nations minimally, in sharp contrast to the Clinton administration’s multilateralism. In this and other policies, the Bush administration opted to abandon the Kyoto Protocol, a legal agreement proposed by European nations to cut down the pollution blamed for global warming. Bush also worked to dissolve the Anti-Ballistic Missile Treaty (ABM) with Russia. Displeased by these maneuvers, some European and Asian allies called Bush’s foreign policies “cowboy diplomacy.” Concerns lingered over trade issues, North and South Korea, and what some considered Bush’s refusal to engage in the Middle East. By mid-2002, as suicide bombings increased and tensions escalated as a result, Bush was forced to take a stand; he called for the creation of a provisional Palestinian state, predicated on the installation of a new leader to replace Yasser Arafat.

When a U.S. spy plane doing routine surveillance near China’s southern coast was hit by a Chinese fighter aircraft, the Bush administration was able to resolve the issue with the Chinese government through a careful apology, short of a humiliating surrender. Bush also made a quick friend of Mexican president Vicente Fox, and he forged warm relations with Russian President Vladimir Putin. Despite their inability

to agree about the ABM treaty, Bush and Putin signed a new treaty reducing nuclear missiles.

The defining moment of Bush’s presidency and one that profoundly redefined his approach to foreign affairs, occurred on 11 September 2001, when suicide bombers sent two commercial airplanes into New York City’s World Trade Center Towers, one airplane into the Pentagon in Washington D.C., and one into a field near Pittsburgh, Pennsylvania. These events killed thousands in a single day and brought a death toll on American soil unheard of since the Civil War.

In a speech to Congress nine days later Bush said: “Every nation in every region now has a decision to make. Either you are with us, or you are with the terrorists.” This approach became known as the Bush Doctrine on anti-terrorism.

As Bush set forth to punish the perpetrators, he became immensely popular among Americans. His administration built a coalition of 120 countries to capture those suspected of directing the attacks: Osama bin Laden, the al-Qaeda network, and Bin Laden’s Taliban protectors in Afghanistan. By December 2001, following a U.S.-led military campaign, the Taliban had collapsed and an interim government was installed in Afghanistan.

On a grand scale, countries worked to stop the movement of terrorists. The United Nations Security Council unanimously passed Resolution 1373, which called on all member states to join the struggle against international terrorism and allowed for the coalition’s military intervention in Afghanistan. Some member nations detained suspects, while others offered the U.S. military assistance and overflight rights. For the first time, NATO invoked Article 5, which declares an attack on one member as an attack on all. NATO surveillance aircraft were deployed to patrol American skies, Japan sent a warship to the Arabian Sea and Germany sent ground troops outside Europe, which had not been done since World War II.

The Bush doctrine came under severe strain in 2002 as tensions in the Middle East escalated to the brink of war. A series of deadly Palestinian suicide bombings targeted against the Israeli civilian population prompted a brutal and sustained military response by the Israeli Defense Force. Thousands of suspected terrorists were arrested and the infrastructure of the West Bank was reduced to rubble. The violence is considered by many to be a root cause of much anti-American sentiment in the Arab world and Europe. In 2003, President Bush stood firmly behind the so-called “road map,” a plan for peace in Israel and the occupied territories drafted by the United States, European Union (EU), Russia, and the UN (the “quartet”). The Palestinian Authority named Mahmoud Abbas prime minister, a man with whom Israeli Prime Minister Ariel Sharon stated he would negotiate.

President Bush led the United States to war with Iraq on 19 March 2003. In the prelude to the outbreak of hostilities, Bush and British prime minister Tony Blair were faced with opposition within the UN Security Council—primarily led by France, Germany, and Russia—to the passage of a resolution authorizing the use of force against the Saddam Hussein regime if it did not disarm itself immediately of weapons of mass destruction. The UN Security Council had passed Resolution 1441 in November 2002, allowing for the reintroduction of weapons inspectors; however, the Bush administration doubted their effectiveness and thus called for more severe measures to be taken. Baghdad fell to U.S. forces on 9

April (southern Iraq had been secured by British troops), and on 1 May, Bush declared major combat operations had ceased and that the United States and its allies had prevailed. Coalition forces were then occupied with the task of restoring order and basic services such as electricity and running water to the country. As of mid-2003, the United States had appointed a civilian administrator for Iraq, and plans for the creation of an interim government were being made. In addition to guiding the transition to a legitimate government and stable society in Iraq, Bush is also faced with repairing the damage done to diplomatic relations within the trans-Atlantic Western alliance.

As suicide bombings against Western targets continued around the globe in 2002–03, Bush asserted stepped-up measures needed to be taken against international terrorism.

In his 2003 State of the Union Address, President Bush pledged \$15 billion to fight HIV/AIDS in Africa and the Caribbean. Such outreach to regions of the world which normally do not enjoy the same level of attention with regard to U.S. foreign policy as other, more high-profile crises, was seen as both surprising and generous on the part of Bush.

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Profile researched and written by Michelle Tackla (5/2002); sections contributed by David Bernell, Johns Hopkins University (6/2000). Updated by Jeneen Hobby, Ph.D. (5/2003).

# URUGUAY

## Jorge Luis Batlle Ibañez President

(pronounced "HOR-hay loo-EES BAH-zhay ih-BAHN-yez")



*"Why don't we just legalize the drugs?...If this powder was worth only ten cents, there would not be organizations dedicated to make a billion dollars to fund armies in Colombia."*

Slightly more than halfway down the South Atlantic coast of South America lies the Eastern Republic of Uruguay, second smallest country in South America, and a state where sheep outnumber people eight to one. Nestled between the southern tip of Brazil and a section of Argentina's eastern border, Uruguay covers 176,215 sq km (68,037 sq mi). Its seaside capital and largest city is Montevideo, with a population of 1.4 million.

The population was estimated at 3,386,575 in 2002. Almost 90% of the country's people are of Spanish or Italian heritage. The population is 66% Roman Catholic, 2% Protestant, and 1% Jewish. Spanish is the official language. The educational system is free from kindergarten through college and the adult literacy rate is one of the continent's highest at 97.3%. Its 76-year average life expectancy sets it apart from many other Latin American countries.

The currency unit is the Uruguayan *peso*. Despite its 85% urban population, Uruguay's economy has traditionally been tied to the land; about 14% of the population was engaged in agriculture in 2002. Principal exports are meat, rice, leather products, wool, vehicles, and dairy products. Tourism, especially from Argentina, has been an important growth sector during the last several years. Uruguay's major trading partners are Argentina and Brazil, accounting for nearly 50% of the country's imports and 40% of its exports in recent years. Per capita gross domestic product (GDP) was estimated at us\$9,300 in 2001. With us\$7.7 billion of debt in 2001, the World Bank has classified Uruguay as a severely indebted country.

### POLITICAL BACKGROUND

Beginning in the mid-1600s this sparsely inhabited fertile plain, home to the semi-nomadic Charrua Indians, became a contested arena between the Spanish and the Portuguese. By the end of the eighteenth century most of the Portuguese had been driven out of the area. In the early part of the nineteenth century, the movement for independence that swept through Latin America took an interesting twist in Uruguay. In 1811, José Gervasio Artigas led a group of revolutionaries against the Spanish in Argentina. Although they successfully ousted the colonial rulers, they failed to establish an Argentine confederation among the provinces of the Rio de la Plata. Ten years later, Brazil tried unsuccessfully to annex the East Bank. Finally, in 1828 Uruguay became independent from both Argentina and Brazil, adopted its first Constitution in 1830,

and elected revolutionary leader Fructuoso Rivera as the country's first president.

After independence, the conflict became an internal one. When Rivera's term ended in 1836, he tried to overthrow his successor, Manuel Oribe. Civil war ensued and continued for the next 16 years. Oribe's faction became known as the Blancos, because they wore white hatbands, and Rivera's followers, who wore red hatbands, were called the Colorados. In 1865, the Colorados captured control of the government (in exchange for ceding control of the countryside to the Blancos) and held onto power for nearly a century. During the long reign of the Colorados, one person in particular put a distinctive mark upon the Uruguayan political system. Elected president twice, in 1903 and 1911, José Batlle y Ordóñez was a visionary who instituted a wide-ranging series of social and political reforms that transformed this tiny country into a modern socialist state. Batlle established a social security system, unemployment insurance, and a penal system based on rehabilitation rather than punishment. Banking, insurance, and utilities were run by state corporations, divorce was legalized, and freedom of the press protected. One of his greatest achievements, Batlle made education universal and free.

The 1940s and 1950s were Uruguay's golden years. Bolstered by the Allied troops need for wool and meat during World War II (1939–45), Uruguay's economy boomed and the country enjoyed a period of prosperity and political stability. The tensions in Uruguayan society, however, reemerged during the 1950s as foreign trade declined, the economy stagnated, inflationary pressures mounted, and government deficits rose dramatically. In 1958, the Blancos became the majority party for the first time since 1865.

Social turmoil and political paralysis increasingly gripped the country during the next decade. Confronted with significant student and labor unrest and an incipient leftist, urban guerrilla movement (the Tupamaros), the military took over the government in June 1973. For the next 12 years, the country suffered brutal repression under authoritarian military rule. Thousands were tortured, unions were dissolved, universities were purged and restructured, and thirty-seven newspapers were shut down. Most writers, painters, and musicians were either arrested or fled the country. During this era Uruguay's external debt soared to more than us\$5 billion dollars.

The return to civilian rule began in 1980 when Uruguayan voters rejected a referendum to institutionalize the military's

ultimate authority over the country's political system. In November 1984, elections were held for a civilian president, and Julio Maria Sanguinetti, the Colorado candidate, won. Sanguinetti served a full term, and was followed by Luis Alberto Lacalle in 1989, a standard-bearer for the Blanco Party (now known as the National Party). Lacalle pursued a neoconservative agenda of market-oriented economic changes, which included lowering tariffs, shrinking the government, reducing social security benefits, privatizing the national airline, and promoting Uruguay's participation in international trade and the regional trading bloc, MERCOSUR. Lacalle's 1992 referendum that proposed selling several state-run companies, including the phone company, was overwhelmingly rejected, however, and the legislature blocked many of his other attempts at reform.

In November 1994, after what most observers called the most bitterly contested and closest election ever, Sanguinetti was once again chosen president, becoming the second Uruguayan in the country's 160-year history to hold the office twice. In 1999, in his fifth attempt at the presidency, Jorge Batlle and his Colorado Party had to strike an alliance with the National Party to defeat a strong challenge from a rejuvenated left. Batlle is the first civilian president since the end of military rule. He is the son and great-nephew of past Uruguayan presidents.

The Uruguayan Constitution bars presidents from holding office for successive terms. Its unique, complex electoral system allows more than one presidential candidate from each party, with voters voting simultaneously for a party and for specific candidates within each party. Each party's first-place candidate then receives all his party's votes. Members of Congress are elected proportionally to the number of votes cast for their party. Suffrage is universal and mandatory for citizens 18 and older, with fines administered to those who fail to vote. All national and mayoral offices are elected simultaneously for five-year terms. The bicameral General Assembly (Asamblea General) has a 30-member Chamber of Senators (Camara de Senadores) and a 99-member Chamber of Representatives (Camara de Representantes).

## PERSONAL BACKGROUND

Jorge Luis Batlle Ibañez was born on 25 October 1927. By 17, he already was working as a journalist for Radio Ariel, and later become its director. He joined the Colorado Party in 1945 when he was only 18. In 1956, he received a law degree from the Faculty of Law and Social Sciences at the University of Montevideo. By 1945, he was working as a journalist with *Diario Acción*, which was put out of circulation by the military dictatorship in the early 1970s. In 1998, he was recognized as a "distinguished citizen" by the World Zionist Organization as part of Israel's fiftieth anniversary. He has represented his country at the United Nations (UN).

Batlle is married to Mercedes Menafrá. He has two children and three grandchildren.

## RISE TO POWER

Batlle comes from a distinguished political family. His great-uncle, José Batlle y Ordóñez, remains one of Uruguay's most respected former presidents. During his presidency (1903–07 and 1911–15), Uruguay experienced remarkable social progress. Welfare programs that he initiated remained part of



the social structure at the beginning of the twenty-first century. Jorge Batlle came into politics in his teen years, joining the Colorado Party in 1945. Despite his name, Batlle's rise through the party ranks was slow. He was elected to the Chamber of Representatives in 1958, and reelected four years later. In 1966 and 1971, he unsuccessfully ran for the presidency. Outside politics, he spent the bulk of his time working as a journalist or editor of *Acción* newspaper until it was closed during the dictatorship of 1973–84. During the military regime, Batlle worked in agribusiness but remained politically active. He was arrested several times for his political opinions. At the return of democracy, Batlle, under the auspices of the Colorado Party, was elected senator in November 1984 and again in 1995. In 1989 and 1994, he unsuccessfully sought the presidency.

In 1999, Batlle was a presidential candidate for the Colorados. Traditionally, the Colorados and the National Party (formerly the Blanco Party) had dominated national politics. Yet in the 1990s, the leftists had made major gains at the polls. On 31 October 1999, Tabaré Vázquez, who was backed by a center-left coalition, gained 39% of the vote in the presidential election, not enough to prevent a second election between the top two vote-getters. Batlle finished second with 31.7%. In the November runoff election, Batlle gained 51.59% of the vote to win the presidency. Vázquez had 44.07% of the vote.

## LEADERSHIP

The unexpected first-place finish by Vázquez in the first round of the presidential election in October 1999 shocked the Colorados and the National Party. Vázquez had gained

support by promising not to touch the country's generous welfare system. More importantly, he promised to slow down liberalization of the economy, which called for more privatization of state assets. Batlle was seen as an old-guard conservative whose views on the economy did not inspire much confidence in Uruguayan citizens. Twice in plebiscites in the 1990s, Uruguayans had rejected proposed liberalization programs. Fearing a leftist victory, Batlle was forced to align the Colorados with their historic foe, the National Party. He positioned his party as a wiser and more moderate alternative to Broad Front, the leftist coalition. Yet, his economic positions remained quite similar to what Vázquez was offering: slow down the pace of liberalization and leave the country's nearly 100-year-old society untouched. It was his alliance with the National Party that brought victory. In exchange for their votes, Batlle named five Blancos to his cabinet.

At the beginning of 2000, the Colorados and the National Party held a slim majority in the Senate, with 17 of 31 seats, and a majority in the Chamber of Representatives, with 55 of 99 seats. The alliance was expected to allow Batlle more room to tinker with the economy. Faced with a shrinking economy and unemployment which had swelled to 15.2% as of 2001, the tough fiscal decisions Batlle faced at the beginning of his presidency in 2000 had in fact become even more pressing. As he makes his way through his five-year term as president, Batlle faces a declining Uruguayan economy that is being further devastated by the economic depressions in Argentina and Brazil.

### DOMESTIC POLICY

While Batlle had promised a cautious approach to economic reforms, his inauguration speech gave hints that he was prepared to press for major reforms to change antiquated ways of doing business. He planned to do this by bringing spending under control and making Uruguayan exports more competitive in the world market. Faced with a shrinking economy, he proposed cutting government expenses to reduce a fiscal deficit. He has said that he is committed to economic liberalization and has succeeded in deregulating and demonopolizing some economic activities, but some long-term measures appear to be stalled. Batlle wants state-owned companies to improve services, quality, and prices, and to compete at a regional level. He also called for more transparency, proposing a new government agency that would inform citizens about government expenditures. Shortly after his election, Batlle disclosed his salary and the salary of his closest associates on the presidential website. The Internet, and computer technology in general, was expected to be a main component of Batlle's development policies. He wants all Uruguayan students to become computer literate.

Shortly after his inauguration, Batlle met with families of Uruguayans who disappeared during the dictatorship years of the 1970s and early 1980s. The previous government had refused to meet with the families, simply saying that an amnesty law protected former and current military leaders and closed the issue. Batlle, however, said his government had a moral responsibility to bring closure to the approximately 159 unsolved disappearances. As of August 2002, however, the Batlle government had still failed to satisfy the inquiries of the bereaved families, and Batlle had not addressed a

punishment for the Lieutenant General Carlos Daners, the man deemed responsible for the disappearances. The issue remains an open wound in Uruguay. Batlle's government quickly dismissed a high-ranking member of the army in early 2000 for suggesting that the armed forces would someday have to stage another war against leftists.

In 2002, Uruguay's economy was its fourth year of recession with little sign of recovery. Batlle's advisors have told him to trim social services, but this goes against the grain of this highly socialistic country. Uruguay's citizens are not willing to give up the comforts of these services. Another of Batlle's strategies may be to privatize some government-owned companies. None of these solutions had been implemented as of early 2003, however.

Batlle has become one of the most outspoken leaders to address the prevalent drug problem in Latin America and the enormous criminal activity that results from the drug trade. He is a fervent believer in the decriminalization of drugs. He has called on Uruguay's neighbor, the United States, to follow his lead saying, "The day that it (drugs) is legalized in the United States, it will lose its value. And if it loses value, there will be no profit." On 22 December 2002, Batlle was proclaimed "Hero of the Year" by the *Narco News Bulletin* for his antidrug stance.

### FOREIGN POLICY

Despite the close economic ties to Brazil and Argentina that created economic problems in Uruguay starting in 1998, Batlle remained deeply committed to the Mercado Común del Cono Sur (MERCOSUR), the trade pact uniting Brazil, Argentina, Uruguay, and Paraguay. He has met with the Brazilian and Argentine presidents to discuss widening the scope of MERCOSUR, including a speedy process to accept Chile into the trade pact. Chile and Bolivia are associate members. The deep recessions in Argentina and Brazil, however, forced Batlle to fire his finance minister, Alberto Bensi6n, to avoid collapse of his coalition government. Argentinians have been withdrawing money from Uruguayan banks, causing panic among Uruguay's citizens. In 2002, Batlle found himself in trouble for describing the Argentinians as "a band of thieves."

Batlle firmly believes in a world economy, and was expected to press for greater ties with several nations. He envisions an economic pact that would cover all of the territories between Alaska and Patagonia. He also wants MERCOSUR to reach beyond the economy, acting as a cultural, intellectual, and technological ambassador for the region.

Diplomatic ties with Cuba, which have often been shaky, were broken in April 2002 after Uruguay supported a United Nations (UN) human rights resolution against the Cuban government. Uruguay recalled its own ambassador from Cuba and ordered the Cuban ambassador in Uruguay to leave the country. Cuban President Fidel Castro took no formal actions but took to the Cuban airwaves accusing Uruguay of "genuflecting" to the U.S. by sponsoring the resolution.

In October 2002, Li Peng, the chairman of the Standing Committee of the Chinese National People's Congress, met with Batlle to promote the development of Sino-Uruguayan relations. The two countries have diplomatic ties and have cooperated in trade and scientific endeavors.



The government of Uruguay took an active role in the 2001 Summit of the Americas and follow-up working groups. Uruguay vigorously supports the establishment of a Free Trade Area of the Americas.

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**Profile researched and written by Ignacio A. Lobos (6/2000, updated 4/2003).**

# UZBEKISTAN

Islam Karimov  
President

(pronounced “iz-LAHM ka-REE-moff”)



*“A firm hand is needed in today's explosive situation, and the people of Uzbekistan will not accept Western-style democracy because of their history and national character.”*

The Republic of Uzbekistan is by far the most populous of the predominantly Muslim Central Asian republics of the former Soviet Union. This landlocked nation shares borders with the other former Soviet republics of Turkmenistan, Kyrgyzstan, Tajikistan, and Kazakhstan, as well as with Afghanistan. It has a land area of 447,400 sq km (172,741 sq mi).

The rapidly growing population was estimated at 25.5 million in 2002. A Soviet-era census listed about 80% of the population as ethnic Uzbeks, 5% Russian (most of whom live in the capital of Tashkent), and the rest mainly other Central Asian peoples. By various estimates, between one-third and one-half of Uzbekistan's 1.65 million Russians have left. Despite decades of Soviet anti-religious propaganda, centers of Islamic study and religiosity continued to operate. Most Uzbeks belong to the Sunni branch of Islam. The population is predominantly rural (60%) and agrarian.

Nearly 75% of the arable land is dedicated to cotton, a legacy of Soviet central planning. Irrigating the arid land for cotton has led to the draining of the Aral Sea, formerly the fourth-largest inland body of water in the world, of 65% of its volume. The sea's depletion and the resultant salinization of tens of thousands of square kilometers of land, together with extreme overuse of pesticides, have led to one of the world's worst ecological and public-health catastrophes. The economy is mostly based on agriculture and energy and mineral extraction. It is currently the world's fourth largest producer of cotton, the seventh-largest producer of gold, and among the top ten in natural gas production. According to the U.S. Department of Energy, Uzbekistan has over one billion barrels of proven and possible oil reserves and 109–123 trillion cubic feet of gas reserves.

President Karimov aims to move gradually toward “market socialism” in order to ensure social stability. Uzbekistan put restrictive trade practices into effect after 1997, including high import tariffs that were imposed on Kazakhstan and Kyrgyzstan in 1999. The currency is the *som*; a restrictive currency conversion system holds back exports. The economy began to recover somewhat in 1996. Consumer price inflation decreased to about 30% in 2002 (compared to 204% in 1995). Gross domestic product (GDP) was us\$62 billion and per capita GDP was approximately us\$2,500 in 2001. A bad cotton harvest in 1998 and declines in world commodity prices contributed to a decline in exports, leading the government to increase foreign short-term debts and draw down international reserves. The Uzbek government reported

that industrial and agricultural production increases contributed to a 4.4% rise in GDP during the first nine months of 1999; growth slowed to about 2% in 2000, and it was expected to be about 4% in 2003. Widespread poverty, unemployment (10%), and underemployment (20%) provide grounds for religious extremism and dissent to grow, according to many observers. Most state-owned apartments and many small enterprises have been privatized.

## POLITICAL BACKGROUND

The Uzbek people stem from an amalgam of Central Asian Turkic tribes. Their language is Turkic. Central Asia was ruled for centuries by a succession of emirs, khans, and potentates. The most notable was Tamerlane, who conquered a vast empire in the fourteenth century and established his capital as Samarkand in present-day Uzbekistan. Russian penetration and annexation came in the second half of the 19th century. The Russians brought railroads, cities and cotton growing to what had been a largely nomadic society. In 1917 and 1918, following the collapse of the czarist regime and the Russian Revolution, pro-Bolshevik Russian workers in Tashkent and a rival Muslim Congress established competing governments. The intervention of the Red Army proved decisive, despite prolonged anti-Soviet resistance known as the Basmachi revolt. By 1924, a Soviet regime was established. To facilitate control, Central Asia was divided along ethnic and linguistic lines, leading to the creation of, among others, the Uzbek Soviet Socialist Republic.

Joseph Stalin, in power from 1924–53, transformed the Soviet Union into a highly centralized totalitarian dictatorship with all control emanating from Moscow. Rigid centralization was relaxed somewhat under Khrushchev's administration, 1954–64, and markedly under Brezhnev and his immediate successors. In the Brezhnev era (1960s and 1970s) Communist Party bosses came to exercise almost unlimited power locally, provided they remained loyal to Moscow on national issues. Sharaf Rashidov, head of the Uzbek Communist Party from 1959–84 ruled Uzbekistan virtually as a personal fiefdom in his later years. In Tashkent as in Moscow, the government was subordinate to the Party leader and the legislature was a rubber-stamp nonentity.

Gorbachev's leadership in Moscow from 1985 until 1991 accelerated the decentralization of the Soviet Union. Gorbachev also launched an anti-corruption campaign that hit hardest in Uzbekistan, where falsification of cotton

production figures and massive skimming of state funds pervaded Uzbek politics. Many important Uzbek officials were accused of crimes and some were imprisoned. Rashidov's immediate successor, Usmanhodzhayev, was forced out by Moscow in 1988. His successor, Nishanov, left Tashkent a year later for a leadership role in the USSR Supreme Soviet. Nishanov was succeeded as Uzbek Communist Party first secretary in March 1989 by Islam Karimov.

On 25 August 1991, days after the failed Soviet coup, Uzbekistan declared its independence and changed its name from the Uzbek Soviet Socialist Republic to the Republic of Uzbekistan. On 21 December 1991, it joined 10 other former Soviet republics in a loose association called the Commonwealth of Independent States (CIS).

## PERSONAL BACKGROUND

Islam Karimov was born on 30 January 1938 in Samarkand. His was a poor family. His father, an Uzbek, worked as a handyman. His mother was a Tajik. Young Karimov showed high intelligence and was able to attend the Russian high school in Samarkand. He then entered Tashkent's Central Asian Polytechnic Institute where he earned a degree in mechanical engineering. From 1960 to 1966 he advanced from assistant foreman to senior engineer, first in an agricultural machinery plant and then an aviation production association in Tashkent. In 1964, Karimov joined the Communist Party and in 1966, he shifted from engineering to work in the Uzbek government as an economic specialist. From 1966 to 1983, Karimov worked in the Uzbek State Planning Committee (GOSPLAN), eventually becoming first deputy chairman. During this period he also earned a Candidate of Economic Sciences degree, roughly equivalent to a Ph.D.

## RISE TO POWER

In 1983, Karimov was appointed Uzbek minister of finance, a post he held for three years. In 1983, he was also elected as a deputy to the Uzbek Supreme Soviet, or legislature. In 1986, he was appointed deputy chairman of the Uzbek Council of Ministers and chairman of the Uzbek GOSPLAN, holding both positions until 1989. At this time Karimov also took important posts in the Communist Party as an *oblast* (regional) first secretary and full member of the Uzbek Communist Party Central Committee.

Karimov reached a top leadership position in 1989. When Rafik Nishanov, head of the Uzbek Communist Party, became chairman of the upper chamber of the newly restructured USSR Supreme Soviet in the spring of 1989, Karimov, who had not been implicated in the corruption scandals of the Rashidov era, was selected to replace him as Uzbek Party first secretary, the de facto leader of Uzbekistan. This brought with it full membership in the Communist Party of the Soviet Union (CPSU) Central Committee and its Politburo in 1990. He orchestrated the election of the Uzbek Supreme Soviet in February 1990, forbidding the Birlik movement from fielding candidates, so that in many constituencies Uzbek Communist Party (UCP) candidates ran unopposed. Upon convening, this Supreme Soviet named Karimov to the new post of president. In November 1991, the UCP renamed itself the People's Democratic Party of Uzbekistan (PDP), retaining Karimov as its head. (He remained its head until he resigned in June



1996, arguing that as president he should be above partisanship.) In November 1991, he restructured the Council of Ministers as a Cabinet of Ministers directly under the president. Karimov completed his consolidation of power in December 1991 by winning the presidency of Uzbekistan in a popular election. According to official results, 94% of eligible voters participated and 86% of those voted for Karimov, while opposition Erk Party candidate Mohammed Solikh received 12%. Birlik had been refused registration so was unable to field a candidate. International observers found widespread election fraud by government officials.

## LEADERSHIP

Karimov has shown himself to be a shrewd politician, one of the few old-line Communist Party leaders able to maintain himself in power through the post-Communist era. Under Karimov, Uzbekistan remains one of the most authoritarian of the former Soviet republics.

A new constitution was adopted by the Oliy Majlis in 1992 by unanimous vote after two months of public discussion. It provides for a strong president and a weaker, 250-member unicameral legislature, termed the Oliy Majlis or Supreme Assembly (an amendment to the constitution passed in 2002 created a second chamber to be established via elections in 2004). Although a multi-party system was proclaimed, the Oliy Majlis, just after enacting the constitution, banned Birlik as a subversive organization and removed the legislative mandate from a prominent human rights activist. As detailed in the constitution and by a law approved in September 1994, the Oliy Majlis adopts laws and amendments to the constitution, determines the direction of domestic and foreign policy, approves the budget, determines

taxes, schedules legislative and presidential elections, elects the constitutional court, supreme court, and arbitration court, ratifies the president's choices for prime minister and other members of the cabinet, ratifies a presidential declaration of a state of emergency, and ratifies treaties, among other powers. In actuality, the Oliy-Majlis is closely controlled by Karimov.

On 26 March 1995, Karimov orchestrated a referendum to extend his presidential term until the year 2000, winning support by 99.6% of 11.25 million voters. Most international observers deemed these results questionable. Two candidates were registered to run in the 9 January 2000 presidential race, incumbent President Karimov and Abdulkhafiz Jalolov. Jalolov, a philosopher, was nominated by his People's Democratic Party (PDP), which Karimov formerly headed, to give the appearance of a contested race. All other registered parties and regional councils vied to support Karimov. His campaign pledges included extending privatization, promoting small business, and allowing currency convertibility for the Uzbek currency, the *som*, which would encourage foreign investment. He also appeared to extend an olive branch to some former opponents, such as exiled Sheikh Mohammed Sadeq, Uzbekistan's former Islamic leader, inviting him to return. Karimov won 91.9% of 12.1 million votes cast, with a reported 95.1% turnout. The U.S. State Department announced on 12 January 2000, that "this election was neither free nor fair and offered Uzbekistan's voters no true choice," mentioning the Uzbek government's refusal to register opposition parties and candidates and that Jalolov had endorsed Karimov during the campaign. Some critics argued that the election illustrated groups competing for Karimov's favor and spoils. Similar election scandal erupted after a referendum on 21 January 2002, when 91% of voters supported two constitutional amendments. One would make the parliament bicameral, while the other would extend the presidential term from five to seven years. At this time it is unclear whether this vote will affect Karimov's current term, which is slated to end in 2005. Karimov has publicly stated that his current term would be his last.

Karimov's leadership was challenged in February 1999 by explosions in the capital city of Tashkent that Karimov denounced as a coup attempt. After the explosions, which by various reports killed 16–28 and wounded 100–351, Uzbek officials detained dozens of suspects, including political dissidents. The first trial of 22 suspects in June 1999 resulted in six receiving the death sentence. Karimov in April 1999 asserted that former Uzbek presidential candidate Mohammad Solikh had masterminded the plot, and had been supported by the Taliban group in Afghanistan and Uzbek Islamic extremist Tohir Yuldash. The 22 suspects were described in court proceedings as Islamic terrorists who received training in Afghanistan (by the Taliban), Tajikistan, Pakistan, and Russia (by the terrorist Khattab in Chechnya), and were led by Solikh and Yuldash and his ally Jama Namanganiy. Testimony alleged that Solikh had joined the Islamic Movement of Uzbekistan (IMU), led by Yuldash and Namanganiy, in mid-1997, and that Solikh, Yuldash, Namanganiy, and others had agreed that Solikh would be president and Yuldash defense minister after Karimov was overthrown and a caliphate established. According to an Uzbek media report in July 1999, the coup plot included a planned attack

on Uzbekistan by Namanganiy and UTO allies transiting through Tajikistan and Kyrgyzstan. Another secret trial in August 1999 of six suspects in the bombings (brothers of Solikh or members of his Erk Party) resulted in sentences ranging from 8 to 15 years. Solikh rejected accusations of involvement in the bombings, alleging that court "confessions" were coerced and scripted. At the OSCE Summit in November 1999, Karimov called for the creation of OSCE special forces to combat terrorism. The OSCE more generally resolved that the international community should play a role in anti-terrorism and anti-crime efforts and in bolstering security cooperation in Central Asia.

Karimov faced another crisis in the latter part of 1999. Several hundred Islamic extremists and others fled repression in Uzbekistan and settled in Tajikistan but were being forced out at Uzbekistan's behest. Rogue groups from Tajikistan refused to disarm as part of the Tajik peace settlement and entered Kyrgyzstan in July–August 1999. Namanganiy headed the largest guerrilla group, the Islamic Movement of Uzbekistan (IMU military leader Namanganiy apparently was killed during a US-led air strike in Afghanistan in November 2001). The guerrillas seized hostages, including four Japanese geologists, and several Kyrgyz villages, stating that they would cease hostilities if Kyrgyzstan provided a safe haven for refugees and would release hostages if Uzbekistan released jailed extremists. The guerrillas were rumored to be seeking to create an Islamic state in south Kyrgyzstan as a springboard for a jihad in Uzbekistan. Kyrgyzstan's defense minister in October 1999 announced success in forcing guerrillas out of the southwestern mountains into Tajikistan. Karimov contributed air support that targeted several alleged guerrilla hideouts in Tajikistan, eliciting protests from Tajikistan of violations of its airspace. Karimov heavily criticized Kyrgyz President Askar Akayev for supposed laxity in suppressing the guerrillas. In November 1999, Karimov also denounced Tajik President Imomali Rakhmonov for allowing the guerrillas to enter Afghanistan rather than wiping them out.

## DOMESTIC POLICY

In November 1997, President Karimov admitted that "we do not fully meet many democratic standards today," blaming the "traditionalism" of the people and stating that he aimed to change this way of thinking "gradually and in stages." According to the U.S. State Department's *Country Reports on Human Rights Practices for 2001*, the Karimov regime severely limits human rights. Citizens cannot exercise their right to change their government peacefully because the government represses opposition groups and individuals and applies strict limits on freedom of expression. No real opposition groups are allowed to legally function. Only approved public meetings and demonstrations may be held. Police and security forces use torture, harassment, illegal searches, property confiscations, and arbitrary arrest and detention to stifle dissent. Beating of detainees is routine. No opposition newspapers are allowed; the last was banned in 1993. Thirty to forty independent television companies have operated, though they practice self-censorship. The State Department's *Report on International Religious Freedom for 2002* states that the Uzbek government regards unofficial Islamic groups as threats and has increasingly restricted their

activities. The government tolerates many Christian evangelical groups, but often harasses those that try to convert Muslims to Christianity. The head of the Uzbek Human Rights Society, Tolib Yoqubov (also a leading member of Birlík) in September 1999 reported that “tens of thousands of innocent religious people are being kept in prisons” in Uzbekistan.

In April 2000, Karimov issued a draft booklet of his speeches and writings on creating a national ideology to supplant the vestiges of Soviet-style “slavishness” and “hostility” among the people. This ideology would draw on the past and present to emphasize a “free and prosperous” Uzbekistan, and would be the lodestone of domestic and foreign policies, he stated. He stressed that it would be particularly useful in helping younger generations to be “conscious of their national identity, to stick to their national traditions, [and] to bring our sacred religion to a higher level.” At the same time, he averred, other ideologies would also be allowed to exist in Uzbekistan. He described Uzbeks as “the most simple...but also the most magnanimous people in the world,” able to be easily swayed by “evil forces,” particularly Islamic extremism that is being exported to the country by outside powers. Pointing to the autumn 1999 incursion into Kyrgyzstan by guerrillas aiming at invading Uzbekistan, he warned that hostile forces were again trying to invade, and called for “inculcating in our people’s minds” the ability to repulse the “evil forces.”

In addition to the IMU, the Hizb-ut-Tahrir (“Freedom Party”), another radical Islamic organization, operates in the country, although, unlike the IMU, it does not use violent tactics to pursue its goals. Among its goals are to revive Islamic life and to create a khaliphate system, first in Muslim countries, and then in the rest of the world. In January 2003, Uzbekistan requested that the United States place Hizb-ut-Tahrir on its international list of extremist organizations. International rights organizations have claimed that Hizb-ut-Tahrir associates have received unfair trials and convictions, and that their relatives have been persecuted.

Following a two-week International Monetary Fund (IMF) mission to Uzbekistan in February 2003, the head of the mission revealed Uzbek officials were not honoring previous commitments to the IMF, especially in the matter of currency convertibility, the lack of which hampers Uzbek trade. The IMF was also disappointed with Uzbekistan’s refusal to liquidate unprofitable state-owned businesses. Although Uzbekistan might not be ready for the market reforms the IMF insists upon, Uzbekistan’s move in 2002–03 to erect trade barriers with neighboring states can only harm the economy further. In tightening government control over the economy, Karimov seems to indicate he believes force to be the best strategy for containing popular discontent over poor living conditions.

## FOREIGN POLICY

In January 1992, Uzbekistan was admitted to the United Nations (UN) and the Conference on Security and Cooperation in Europe and agreed to abide by their many conventions and declarations including those on human and political rights and peaceful settlement of disputes. In addition, Uzbekistan agreed to honor all relevant international commitments of the Soviet Union. It has applied to join the World

Trade Organization (WTO) and is establishing diplomatic relations with countries around the world.

Uzbekistan seeks working relations with Russia that do not overly compromise its independence. Russia and Uzbekistan signed a Friendship Treaty in 1992 that includes collective security provisions. Uzbekistan, Russia, Armenia, and other Central Asian states signed a collective security pact in 1992, calling for mutual assistance in the case of aggression against the parties. Uzbekistan withdrew from this pact in early 1999, citing sovereignty issues, but in late 1999 stressed that it supported stepped-up bilateral security arrangements with Russia. Karimov refused to join an expanded customs union formed by Russia, Belarus, Kyrgyzstan, and Kazakhstan in 1996, calling its terms “categorically unacceptable” to Uzbekistan’s independence. Many in Uzbekistan argue that it should be the “big brother” in relations with the rest of Central Asia. Uzbeks make up over 50% of Central Asians and, like Russians, are the targets of attacks by nationalist extremists in Tajikistan and elsewhere. Karimov has eschewed such rhetoric but seeks to play a leading regional role. Karimov reportedly contributed arms and troops to help rout anti-government forces in Tajikistan in late 1992 and its troops were part of CIS “peacekeeping” forces sent to guard borders in Tajikistan. In late 1998, Tajik President Rakhmonov accused Karimov of supporting an uprising in northern Tajikistan. Karimov rejected the accusation and pulled Uzbekistan’s 140–150 “peacekeeping” troops out of Tajikistan.

President Karimov’s priority in foreign policy has been to establish good relations with regional powers such as Russia and Turkey, though he has also pursued ties with the United States and other nations. Karimov has raised concerns about the threat Islamic fundamentalism in Afghanistan poses to Uzbekistan and the region. As a member of the UN-sponsored “6 plus 2” Afghan peace group, he hosted July 1999 peace talks. Karimov and other officials have voiced concerns about Iran’s economic ties with Turkmenistan and other activities in the region. Recently, however, he has praised Iran’s role in mediating the Tajik and Afghan civil wars and called for increased trade. Relations with Turkey have been friendly and it is the biggest investor in Uzbekistan. In March 1999, Turkish President Suleyman Demirel visited Uzbekistan and Karimov hailed Turkey as “our closest supporter, friend and brother,” but by mid-1999 tensions had arisen over Turkey’s hesitancy to hand over suspects in a bombing incident in Uzbekistan. Ties with the United States have strengthened with Uzbekistan’s support of the U.S. efforts against terrorist activity in Afghanistan. Uzbekistan became the main military ally of the United States in Central Asia, and allowed for over 1,000 troops to be deployed in southern Uzbekistan near the Afghan border. Uzbekistan also received us\$160 million in aid in early 2002.

Influenced heavily by their own individual relationships with the United States, European Union (EU), and Russia, Central Asian nations were forced to choose sides in the diplomatic stand-off in Iraq in early 2003 between the United States and the United Kingdom (UK) positions on the one hand, and those of France, Germany, and Russia on the other. Uzbekistan backed the U.S. position on forcibly disarming the Saddam Hussein regime, and Kazakhstan and Kyrgyzstan leaned toward the more European viewpoint. Karimov in

March 2003 declared his full support for Washington, stating that the existence of chemical weapons in Iraq was like a genie in a closed bottle, and that if the bottle were to be opened, it would be impossible to close it again. He also stated that if Iraq's chemical weapons were not destroyed, they might fall into the hands of terrorists, which would lead to an uncertain future.

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**Profile researched and written by Jim Nichol (5/2000); updated by Jeneen Hobby, Ph.D. (4/2003).**

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# VANUATU

Edward Natapei

Prime Minister

(pronounced “ed-WAHRD naht-ab-PIE”)

*“Being prime minister is not an easy position. You are always having to look over your shoulder to see who is behind you.”*

The Republic of Vanuatu is the name that these South Pacific islands adopted when they became an independent nation in 1980. Formerly, the archipelago was known as the New Hebrides, the name given to them by the English explorer James Cook in 1774. The country is located 2,172 km (1,347 mi) northeast of Sydney, Australia. It lies within the geographic region known as Melanesia. Its closest neighbors are Fiji to the east, New Caledonia to the south, and the Solomon Islands to the northwest. There are some 80 islands in the archipelago, with a land area totaling 14,763 sq km (5,700 sq mi). The major islands are Efate, Espiritu Santo, Malekula, and Tanna, where 70% of the population lives.

The population was estimated at 196,178 in 2002. In the same year, the birth rate was 19 per 1,000 population, and average life expectancy was 69 years. Almost 18% of the populace live in the two largest towns, Port Vila on Efate and Luganville on Espiritu Santo. Ni-Vanuatu (people of Vanuatu) are ethnically Melanesian and constitute almost 98% of the population. The largest group of non-Melanesians are of European descent; smaller groups of Polynesians, Chinese, and Vietnamese make up the remainder. With a population density of about 13 people per sq km (34 per sq mi) and an average growth rate of about 2% in 2002, Vanuatu does not face an overpopulation problem quite so severe as that of other Pacific Island nations. According to the Constitution, Bislama (or Bichelama), an English-based pidgin, is the national language, but both French and English are also considered official languages and are used in government, business, and education. About 55% of children are educated in English-language schools and 35% in French-language schools. Although more than 100 indigenous languages are said to be spoken, Bislama now stands as the most widely understood tongue. Christianity in both Protestant and Catholic branches is the dominant faith. Traditional religious practices, however, that emphasize dependence on ancestral spirits have not entirely disappeared.

Vanuatu's economy is dominated by agriculture, with manufacturing being largely restricted to the processing of agricultural products. The major exports are copra (dried coconut), beef, veal, timber, and cocoa. Vegetable squash is emerging as a potentially significant export. A financial center opened in the capital city of Port Vila in 1971 and has become a significant provider of tax shelters and banking for offshore interests, although the Organization for Economic Cooperation and Development (OECD) has been increasingly critical of Vanuatu's banking activities. Tourism is a growing

sector with great potential. Vanuatu's unit of currency is the *vatu*, or stone. The per capita gross domestic product (GDP) was estimated at US\$1,300 in 2000. Vanuatu appears on the list of least-developed countries published by the United Nations (UN).

## POLITICAL BACKGROUND

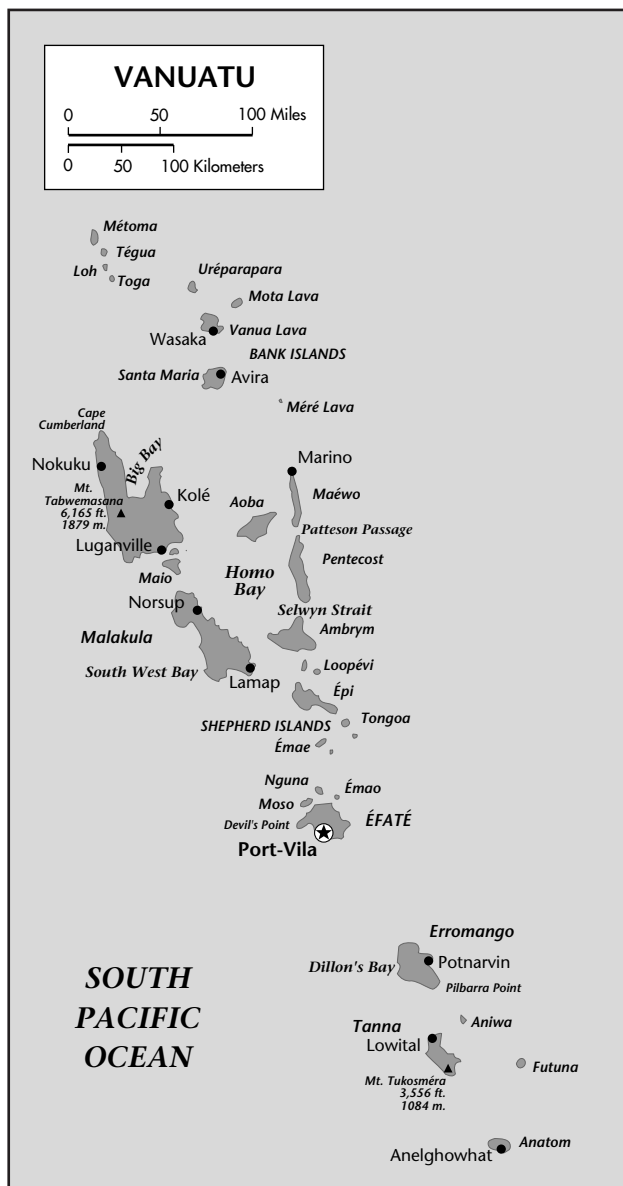
The colonial history of Vanuatu is unique in the Pacific Islands. For 74 years prior to independence, the islands were ruled as a “condominium,” controlled jointly by France and England. This meant that each colonial power maintained a separate administration. Though these were equal in theory, the actual amount of French and English influence varied greatly from island to island. This unusual history has important political consequences today. For example, the Vanua'aku Pati (Vanuatu Party—VP) led by Father Walter Lini, which dominated politics from 1971 until 1991 and again in 2001, when Natapei came to power, is regarded as the representative of anglophone interests. It has been associated in the news media with Anglican and Presbyterian congregations.

At present, the country is a republic, governed by a single-chamber Parliament, or Representative Assembly, made up of 52 members. This body is elected regionally at least every four years; the voting age is 18. Executive power is vested in the prime minister and a council of ministers. After a general election, Parliament meets to elect a new prime minister who then proceeds to form a government. The number of ministers in the council must not be more than a quarter of the number of members of Parliament. The government has been changed frequently by means of a motion of no-confidence. Edward Natapei, who became prime minister in 2001 through such a motion, was the nation's third prime minister in three years.

Vanuatu's head of state is the president, elected on a secret ballot by an electoral college of Parliament and the presidents of the six provincial councils. His term of office is five years. The incumbent is H. E. Father John Bani. The Constitution also allows for a national council of chiefs which meets at least once a year to discuss matters that will help promote and preserve *ni-Vanuatu* culture and languages.

## PERSONAL BACKGROUND

Edward Natapei is from the island of Futuna. He studied business in Fiji, and worked for a trust company and a cooperative federation before becoming involved in politics.



He is an active member of the Presbyterian Church and has served as convener of the church's finance committee. He is married with three children.

### RISE TO POWER

Edward Natapei first became involved in politics in 1982 when the member of Parliament (MP) for Futuna resigned his ministerial position after his disagreement with Walter Lini alienated his constituents. Natapei later went on to become a health minister and a parliamentary speaker.

Edward Natapei, president of the VP, became prime minister on 13 April 2001 as a result of a motion of no-confidence brought against the government of then Prime Minister Barak Sope. The motion followed months of controversy surrounding the Sope government's dealings with Asian businessman Amarendra Nath Ghosh. Early in 2001, the defection of several members of Parliament from Sope's government gave the opposition led by Natapei a majority. When the Sope government called for Parliament to be dissolved and for national elections to occur, the opposition

called for a vote of no-confidence. The speaker of the Parliament, Paul Ren Tari ruled to not allow the motion of no confidence against Prime Minister Sope to go forward, and delayed the vote for three weeks; however, Chief Justice Vincent Lunabeck ordered the speaker to reconvene Parliament and allow the motion of no-confidence to go forward. Hours before the vote, Sope attempted to declare a state of public emergency but the police commissioner refused. The vote, finally held on 13 April 2001, was successful, 27 votes to 1, and Edward Natapei was made prime minister. On 7 May, Tari suspended the prime minister and deputy prime minister and closed Parliament. When the Parliament reconvened a week later, Paul Ren Tari was removed from his position as speaker, and suspended from Parliament for seven months for his actions during the country's political crisis.

In 2001, the Natapei government held only a two-seat majority. His Vanua'aku party was in coalition with the Union of Moderate Parties, while the opposition was made up of the National United, Melanesian Progressive, Vanuatu Republican and Green parties. Within days of his taking power, rumors spread that some of his newest supporters were considering changing their allegiance; however, his majority held and Natapei praised the country for weathering the political crisis without violence. He pledged the goals of his government to be media freedom, transparency, and a commitment to structural reform.

### LEADERSHIP

Natapei is seen as a man of integrity and has the approval of Vanuatu's business community as well as of the tribal chiefs. He appears dedicated to the ideal of public service; he has been quoted as stating that the majority of Parliament is not serious enough about their work, that they are easily swayed by outside interests, financial and otherwise. Openly critical of the previous prime minister, Barak Sope, Natapei's government in late 2001 was preparing to charge Sope with forgery associated with his improperly signing letters of guarantee in the amount of \$23 million for Asian businessman Amarendra Nath Ghosh. In 2002 Sope was convicted and jailed on charges of fraud.

As the 2 May 2002 election date approached, 136 independent candidates registered to contest the election. Political analysts outside the country saw a Natapei government as providing the greatest chance of stability in the country. His governing coalition, however, underwent a couple of last-minute shake-ups in the weeks preceding the election. On 23 April the opposition National United Party signed an agreement to join the coalition, but disagreements over the assignment of cabinet posts prompted the party to pull out a week later. Natapei was returned to office in the election, although his Vanua'aku party had a weaker showing than the Union of Moderate Parties, its partner in the governing coalition.

The anticorruption group Transparency International Vanuatu expressed concerns regarding possible election fraud. To ensure fairness in the election, Natapei endorsed the group as official observers, and indicated he welcomed the monitoring, as it would provide the people of Vanuatu with a fair election.



## DOMESTIC POLICY

Natapei, who pledged he would bring transparency to the government of Vanuatu, inherited a government plagued by financial troubles and tainted by the questionable business deals of his predecessor, who had used money provided by a Thai company doing business in Vanuatu to pay back wages due to his police force. The police were at the forefront of another controversy in 2002, when more than twenty officers were charged with mutiny after taking part in the arrest of controversial police commissioner Maile Apisai in August. In September Natapei called for an end to feuding between the country's police and paramilitary forces.

As Vanuatu is a nation with a poor growth rate despite its plentiful natural resources, the aid strategy for Vanuatu developed by the Asian Development Bank (ADB) in 2001 relied upon investment in social and infrastructure programs as a means of reducing poverty. The ADB also pledged us\$330,000 in technical assistance to support Vanuatu's efforts to reform its legal sector.

On taking office, Natapei pledged his commitment to improving health service delivery in the remote rural areas. In June 2001, he formalized plans with Australia under which Australia would contribute A\$700,000 (us\$368,130) to Vanuatu, with a portion of this sum earmarked for the purchase of basic medical supplies, buildings, and maintenance materials for remote island dispensaries and clinics. The remainder would go toward the purchase of general medical supplies for the nation's Central Medical Stores. At the end of September 2002, Natapei announced that the first case of HIV/AIDS was officially recorded in Vanuatu.

In 2001, an agreement between the Vanuatu Commodities Marketing Board and Coconut Oil Production Vanuatu Limited determined that copra would be processed in Vanuatu rather than exported. Coconut Oil Production Vanuatu would process the copra using coconut oil, an economical and environmentally friendly alternative to imported diesel oil. Further goals of the agreement included increased production of oil and coco meal, and the establishment of a refinery on site.

Natapei's government has shown awareness of the relationship between the health of the environment and the health of the nation's economy. A report issued in 2001 spotlighted the use and misuse of the nation's national resources, warning of the over harvesting of clams and turtles. Programs were set up to encourage citizens to protect those resources so critical to the nation, and to serve as volunteer protective monitors. The following year, Natapei declared 2002 the "Year of Reforestation."

In February 2003, Natapei traveled to Pentecost Island to perform a peace ceremony aimed at ending two years of conflict between the chiefs there. The conflict stemmed from an incident in 2001 when police were accused of mistreating the Pentecost chiefs, to which the chiefs responded by banning all law enforcement officials from the island. The chiefs imposed a fine of cash and pigs before the police would be allowed to return. Ongoing violence and unrest were showing no signs of abating before Natapei's visit. Natapei paid the fine, apologized formally to the chiefs, and issued an appeal for peace. The chiefs expressed appreciation to Natapei for his efforts and stated their commitment to fostering peace again on the island.

## FOREIGN POLICY

In 2002, Natapei positioned Vanuatu as a peaceful nation with a welcoming government and able workers fluent in both French and English, a prime target for foreign investors. He encouraged agricultural development and internet businesses, and actively promoted Vanuatu's banking services as well as its gambling facilities. Citing Vanuatu's abundant energy potential, including geothermal, wind, and hydro-electric resources, he encouraged companies interested in energy self-reliance to come to Vanuatu.

Vanuatu's continuing dependence on foreign aid connects foreign policy to domestic economic concerns. Vanuatu benefits from its association with Australia, and is dependent upon the nations of the European Union (EU) for funds for development projects. The Lome Convention, a program through which Vanuatu and other African, Caribbean, and Pacific (ACP) countries received aid from the EU, expired in February 2000. It was replaced by the Cotonou Agreement in June of the same year. This agreement is a 20-year aid and development plan aimed at the elimination of poverty in the ACP countries. In 2002, Prime Minister Natapei signed an agreement with the EU giving Vanuatu us\$14 million over five years for development projects in Vanuatu. Vanuatu completed negotiations to join the World Trade Organization (WTO) in October 2001.

The Natapei government is actively in communication with other small island nations as well as nations outside its geographic area. Vanuatu is a member of the Melanesian Spearhead Group, and also of the Pacific Islands Forum, a group sharply critical of the failure of the United States to sign the Kyoto Protocol limiting the production of greenhouse gases.

At the South Pacific Forum in June 1999, Vanuatu supported a Pacific Free Trade Area (FTA) that would initially include 14 countries in the region, with the possibility of future expansion. The agreement to create the FTA was signed in 2001. The South Pacific FTA would buffer its members against the expiration in 2006 of the WTO waiver for the U.S. Compact of Free Association, which selectively offers trade preferences to member countries. An official of the South Pacific Forum mentioned Vanuatu's production of kava and beef as an example of the regional diversity of goods that can be traded to the mutual benefit of FTA member nations. In May 2003 the OECD removed Vanuatu from its list of island tax havens.

In September 2000, Vanuatu policemen were sent to Timor as part of the UN Peacekeeping Forces. This was Vanuatu's first peacekeeping mission outside the Pacific Islands region. Later in the year, Vanuatu also sent troops to Bosnia.

Vanuatu supports the one-China policy, and celebrated 20 years of diplomatic relations with Beijing in March 2002.

Natapei opposed the U.S.-led war on Iraq in the spring of 2003, saying he would only join the Coalition of the Willing if the war had the support of the United Nations. He reaffirmed his opposition to terrorism in any form but criticized the coalition for damaging the credibility of the UN.

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**Profile researched and written by Eugene Ogan, Professor Emeritus, University of Minnesota (9/1998); updated by Rosalie Wieder (5/2003).**

# VATICAN CITY

**John Paul II**  
**Pope**

*(pronounced "JON PALL")*



*"I was afraid to receive this nomination, but I did it in the spirit of obedience to Our Lord and in the total confidence in his mother, the most holy Madonna."*

The official name of the Vatican, or Vatican City as it is interchangeably called, is *Lo Stato de la Citta del Vaticano* (State of the Vatican City). It is not a country, but rather an independent city-state and is the smallest state in the world. It is roughly triangle-shaped and covers an area of 0.44 sq km (0.11 sq mi), lying entirely within the city of Rome, Italy, near the west bank of the Tiber River and west of the Castel Sant'Angelo. To the west and south it is bounded by the Leonine Wall. The Vatican is famous for its gardens which contain fine collections of orchids and exotic flora. The population of the Vatican was estimated at 900 in 2002. Until 2002 the Vatican unit of currency was the Vatican *lira* (plural-*lire*) which is interchangeable with the Italian *lira*; when the *euro* began to circulate in January 2002 in the countries of the European Union, the Vatican accepted it as well. Italian is the official language of the Vatican; however, Latin is the official language of the Holy See (the seat of jurisdiction of the pope as spiritual leader) and is used for most formal papal acts and addresses. Although the citizens within the Vatican represent countries from all over the world, most of the inhabitants of the Vatican are Italian. The entrances to Vatican City are guarded by Swiss Papal Guards. Vatican City is the center of the Roman Catholic Church and the seat of its holy leader, the pope. The Vatican economy is supported by contributions, known within the Catholic Church as Peter's pence, and tourism. The only industries of the Vatican produce a limited amount of mosaics, religious publications, and staff uniforms. The Vatican is active worldwide in banking and financial activities. Other than postage stamps, the Vatican produces no exports.

## **POLITICAL BACKGROUND**

The Vatican City is the physical seat of the Holy See, the central government of the Roman Catholic Church. For many centuries, the popes of the Roman Catholic Church held sovereignty over a wide band of territory across central Italy. In 1861, however, these Papal States fell under the control of the Kingdom of Sardinia. The pope's sovereignty was limited to Rome and its surrounding areas. In 1870, even Rome itself was forcibly incorporated into the new Kingdom of Italy. In 1871, the Italian Parliament passed the Law of Guarantees that secured the pope's spiritual freedom, an income, and special status for the Vatican area. Unwilling to accept this arrangement, however, the popes from 1871 until 1929 remained as self-imposed prisoners in the Vatican until a more permanent political and financial agreement, the

Lateran Treaty, was signed with the Italian government in 1929. A new concordat was signed in 1984 that further specified church-state relations between the Holy See and Italy.

A constitution, published at the same time the Lateran Treaty went into effect, provided for the pope to exercise supreme legislative, executive, and judicial power within the Vatican City. The pope delegates, however, internal administration to the Pontifical Commission for the State of the Vatican City, which is assisted by the Administration of the Patrimony of the Apostolic City. The Pontifical Commission consists of seven cardinals of the Roman Catholic Church and a lay special delegate, with the assistance of a board of 21 lay advisors. The principal government officials, other than the pope, are the secretary of state and the secretary of the Sacred Council for Public Affairs.

Following the death of a reigning pope, the College of Cardinals is called into conclave to choose a successor from their number. The cardinal who receives two-thirds of the vote is elected pope for life. There are no political parties and no local government. Much of the government's work is devoted to the needs of the Catholic Church and is conducted by offices called Sacred Councils. Each office is headed by a cardinal who holds his position for five years. Thus, the Vatican can be characterized as a monarchical-sacerdotal (hereditary-priestly) state.

The Vatican issues its own currency, stamps, and passports. Defense is the responsibility of Italy, but internal security is maintained by a contingent of the Swiss Guard and a civilian security corps. Judicial authority for criminal cases resides in the Vatican Courts. For ordinary legal matters, which typically involve religious cases, there are tribunals inside the Vatican to decide issues. Appeals can be made to the Roman Rota or, in exceptional cases, to the Supreme Tribunal of the Apostolic Signature.

## **PERSONAL BACKGROUND**

Pope John Paul II was born Karol Jozef Wojtyla (pronounced "voy-TEE-wah") in Wadowice, Poland, on 18 May 1920. He was the third of three children born to a strict Roman Catholic family. A sister, Olga, died in infancy before Karol was born. His mother Emilia (Kaczorowska) Wojtyla, who was of Lithuanian descent, died when he was only nine. His brother Edmund, who was much older than Karol, died four years later. His father, Karol Wojtyla, Sr., was a pensioned army sergeant; he died in 1942.



In school, the young Karol Wojtyła excelled in sports, dramatics, and academics. He enrolled in Jagiellonian University in Krakow, Poland in 1938 to study literature. There he acted with an amateur theatrical troupe and participated in poetry readings and literary discussions. He began his seminary studies in secret while earning a living as a manual laborer, first in a quarry and later in a chemical factory during Poland's occupation by the Nazis in World War II (1939–45).

Wojtyła was ordained in Krakow in 1946, after which he worked in France as a pastor to French working-class youth and Polish refugees. He then went on to further his studies at the Pontifical Angelicum University in Rome. After graduating, he returned to Poland to serve a parish for some years, later becoming a professor of ethics at the Catholic University of Lublin.

In addition to his native Polish, the pope speaks fluent Italian and Latin. He is also conversant in English, French, German, and Spanish. He is the first non-Italian pope since the year 1522 and the first Slavic pope ever.

## RISE TO POWER

In 1958, Wojtyła was consecrated auxiliary bishop of Krakow, Poland, under Archbishop Eugeniusz Baziak. Four years later the archbishop died and Bishop Wojtyła was named vicar capitular and placed in charge of the archdiocese of Krakow. In 1964, he was officially appointed archbishop of Krakow. From 1962 to 1965, Wojtyła addressed the Vatican Council II on several occasions concerning important doctrines of the Catholic Church. In 1967, the then-pope Paul VI elevated Wojtyła to a cardinal. During his cardinalate, Cardinal Wojtyła began to make the first of his many interna-

tional journeys, including trips to the United States in 1969 and 1976.

With the deaths of Pope Paul VI in August 1978 and Pope John Paul I in September of 1978, a secret conclave in the Vatican was called by the College of Cardinals to elect the 263rd successor to St. Peter as bishop of Rome. Cardinal Wojtyła was elected in October 1978, at which time he chose the new name John Paul II. With tears in his eyes he accepted the position. The new pope made his first public appearance shortly afterwards from the balcony overlooking Saint Peter's Square in which he announced to the gathered crowd, "I was afraid to receive this nomination, but I did it in the spirit of obedience to Our Lord and in the total confidence in his mother, the most holy Madonna." Humility and professed obedience to God have characterized his papacy. Like his predecessor, John Paul I, he declined coronation and was installed as pope in a simple Mass in Saint Peter's Square on 22 October 1978.

## LEADERSHIP

As the head of the Roman Catholic Church, the pope has an international constituency. Given the ever greater complexity of society, however, religious authorities can no longer assume that believers will automatically accept all, or perhaps even most, of the tenets of their religion. This is especially true when church dogma conflicts with personal beliefs, an especially common phenomenon today in industrialized countries. John Paul II has addressed this issue directly by reinforcing church teachings through numerous public addresses and visits to foreign countries. His message continues to be a call for greater reliance on spiritual faith and condemnation of what he sees as an overemphasis on material goods. In this regard, he is considered a conservative on Catholic doctrine.

In many ways, John Paul II is seen as one who has revolutionized the office of the modern pope. He has traveled more than any of his predecessors, logging in hundreds of meetings with world leaders and earning the nickname of "Pilgrim Pope." With his outgoing nature he has encountered more individuals than any other pope. He is on record as having celebrated the largest Mass ever, when an estimated 1.2 million people attended his Mass in Dublin, Ireland on 30 September 1979. His weekly audiences, or public appearances, at the Vatican attract such huge crowds that the meetings have had to be moved from Saint Peter's Church to the square outside. During one such appearance there in May 1981, John Paul II was shot and seriously wounded by Mehmet Ali Agca, a Turkish terrorist. Pope John Paul II completely recovered from the attack.

As Bishop of Rome he has visited 301 of the 334 parishes of that city. He has presided at 131 beatification ceremonies, through which 1,282 "blesseds" were proclaimed, and 43 canonization ceremonies, through which 456 new saints were proclaimed. Besides being an accomplished philosopher well-versed in Marxist theory, he has also written a number of books, including: *The Place Within: The Poetry of John Paul II* (1982); *Crossing the Threshold of Hope* (October 1994); *Gift and Mystery: On the 50th Anniversary of My Priestly Ordination* (November 1996); *My Dear Young Friends: Pope John Paul II Speaks to Teens* (2001); and *Every Child a Light* (2002), as well as several treatises dealing with religion,

literary poems, and plays. He has recorded an album of religious hymns and once enjoyed staying physically fit through both swimming, jogging, and even skiing. In 2001 his physician acknowledged that John Paul II suffered from Parkinson's disease.

### DOMESTIC POLICY

Since the pope is the leader of the Roman Catholic Church, domestic policy of the Vatican City is primarily devoted to the health, maintenance, and augmentation of the church worldwide. The Vatican City labor force consists mainly of priests and other ecclesiastics who naturally accept the leading role of the pope. Adult literacy is close to 100% and about 65 papal educational institutions are located throughout Rome. One of the major responsibilities of the Vatican is to be the voice of the Catholic Church for its members. To that end, the Vatican publishes a newspaper and magazine devoted to Catholic affairs and prints official church documents that are communicated throughout the world.

John Paul II has made himself and his papacy part of the global scene through his extensive worldwide travel. These journeys are used to show the universal character of the Roman Catholic Church and to personally deliver the pope's message to all interested peoples. This universality of the church, combined with a call for greater religious toleration, has long been a personal doctrine for the pope. At the Vatican Council II (1962–1965), the future Pope John Paul II pointed out that the church could not claim religious liberty for itself without conceding it to others.

Despite his outgoing, modern personal image, John Paul II is still considered to be somewhat strictly conservative when it comes to traditional church doctrine. He continues to condemn the use of artificial forms of contraception, denies the right of priests to actively participate in the political and economic affairs of their host countries, strongly supports the mandate of celibacy in the priesthood and is firmly against the ordination of women in priestly orders. At the same time though, the pope has spoken forcefully for the need to respect human rights and the need for the world community to act with greater unity. He has been especially vocal in calling upon the rich to share its wealth with poor regions and has tried to build bridges with the Islamic world in the 1990s.

In 2002, allegations of serial predatory pedophilia among a number of U.S. priests led many church leaders to seek changes in canonical law that would allow for immediate or quicker dismissal of clergy who have been accused of such abuse crimes. As of 2002, a priest who faced a credible accusation of misconduct could be suspended from immediate service, such as serving in Mass, but removal from the priesthood involved appeal processes that could take years. The 2002 cases highlighted instances where priests accused of pedophilia were quietly reassigned to other parishes, where in some cases they continued their pattern of abuse. John Paul II issued a statement to the U.S. cardinals that offered vague support for addressing the issue and called the abuse a "crime" but fell short of calling for removal from the priesthood of those who have been credibly accused. In fall 2002, the pope rejected part of a plan put forth by U.S. bishops to deal with sexual abuse within the church because it failed to protect the rights of priests falsely accused.

The pope remains staunchly committed to the youth of his church, and in 2002 despite frail health, he attended World Youth Day in Toronto, Canada. His message to the youth was one of optimism, telling the crowd that "Man is made for happiness. Your search for happiness is within you."

Health problems have begun to plague the octogenarian pope, often so that he is unable to fully participate in the celebration of Mass. But he remains intellectually sharp and has only cut back slightly on his official international activities. In 2002 some observers questioned whether John Paul's fragile physical condition would prevent him from providing the strong leadership needed to help the Roman Catholic Church address the challenges it would face in the twenty-first century. Despite these health concerns, the pope travelled to his homeland of Poland in 2002 for an emotional visit, and planned an apostolic voyage to Spain in May of 2003.

### FOREIGN POLICY

Many nations today recognize the State of the Vatican City as an independent sovereign state under the temporal jurisdiction of the pope. The Vatican also has permanent observer status in the United Nations. Until the 1990s, the Vatican had uneven relations with the communist nations of Eastern Europe and the former Soviet Union. With the dramatic political and social changes that took place within these countries during the 1990s, relations between the Roman Catholic Church and these governments have markedly improved. Relations with other communist or socialist countries in Asia, Africa, and Latin America, however, remain somewhat tense. The major principles behind the Vatican's foreign policy are neutrality and the demand for greater international cooperation.

In 2002, John Paul II took a step towards reconciling the Vatican with the Italian government when he became the first pope to address the Italian parliament since 1870, healing wounds between church and state in Italy. In 2002, John Paul II also reached out to the indigenous people of North and South America, canonizing the first indigenous American saint, Juan Diego, in Mexico City. The canonization was accompanied by a plea for the rights of indigenous people.

From 1870 to 1984, the United States had no formal diplomatic relations with the Holy See. Since 1984, the pope has visited the United States regularly. In March 2000, the pope made an historic trip to Israel where he visited Holocaust memorials and spoke of the Church's culpability in fostering anti-Semitism. During this trip, he also went to Bethlehem and reaffirmed the Holy See's support for an independent Palestinian homeland. The pope has made over 170 visits to 115 countries; in 1994 *Time* named him "Man of the Year" for his unprecedented efforts to take his message of peace and human dignity to citizens around the globe. In 2003, the pope vehemently opposed the military actions (undertaken by coalition forces from the United States and the United Kingdom) against Iraq, asking the world instead to pray for peace.

### ADDRESS

Supreme Pontiff of the Roman Catholic Church  
Vatican City

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**Profile researched and written by Laurence Marcus, Washington University (4/91); updated (4/03).**

# VENEZUELA

Hugo Rafael Chávez Frías

President

(pronounced “OO-go CHAH-vezz”)



*“This will be a government of neither the left nor the right...It will be a civic humanist government because it will put in first place, at the center of its attention, human beings.”*

The Bolivarian Republic of Venezuela sits on the northern tip of the continent of South America, directly east of Colombia. Its northern boundary is 2,800 km (1,740 mi) of Caribbean Sea coastline. Guyana and Brazil share borders on Venezuela’s east and southeastern sides, respectively. Venezuela covers an area of 912,050 sq km (352,144 sq mi) and is shaped somewhat like a saddle. The capital and largest city is Caracas.

Venezuela’s population was estimated at 24,287,640 in 2002. Approximately 67% of the people are mestizo (half-indigenous, half-Spanish), 21% white (Spanish), 10% black, and 2% indigenous (largely Yanonami, living in the Amazon jungle along the border with Brazil). The official language is Spanish, spoken by all except the indigenous people, who speak various dialects. Christianity is the main religion, with 96% of the population nominally Roman Catholic. Adult literacy was over 90% in 1998.

The unit of currency is the *bolivar*. Although Venezuela is Latin America’s fourth-largest economy, as of the late 1990s, almost 70% of the population was living in poverty. The per capita gross domestic product (GDP) was estimated at US\$6,100 in 2001. Petroleum accounts for nearly 80% of the export revenue. In addition to oil, the country is resource-rich with iron ore, bauxite, gold, diamonds, and other valuable minerals, plus vast expanses of untapped forests and excellent grazing and agricultural lands producing coffee, rice, and cotton. After expanding by 3.8% and 2.9% in 2000 and 2001, Venezuela’s economy shrunk by 7% in 2002, mostly as a product of the social instability caused by a political crisis. Inflation also rose from 12.3% in 2001 to 30.7% in 2002.

## POLITICAL BACKGROUND

As Latin America’s second-oldest democracy, Venezuela is a federal republic. The 1961 Constitution was replaced by a new charter in 1999. Since 1958, the country has functioned as a democracy and was considered one of the most stable governments in Latin America until conflicts arose after the 1999 Constitution came into effect. As of 2003, Venezuela is widely perceived as one of the most unstable democracies in the region. Suffrage is universal and compulsory for anyone over the age of 18. The 165 members of the unicameral Congress are elected every five years. The judicial system is weak and generally politicized. Supreme Court members are appointed by the legislature. Since 2000, the president is elected for a six-year term with re-election provisions.

The first Europeans to set foot on Venezuelan soil came with Christopher Columbus in 1498. Prior to Columbus, the territory was home to the Carib and Arawak Indians. The Spaniards thought the Indian pile dwellings on Lake Maracaibo resembled buildings in Venice, Italy, and named the area Venezuela or “little Venice.” It remained a remote outpost of Spanish administration until the eighteenth century, when cacao, tobacco, and coffee companies were given charters by the Spanish crown. Venezuela gained its independence from Spain in 1821, after a 10-year struggle led by Simón Bolívar, Francisco Miranda, and others. Between 1821 and 1830, it belonged to the Gran Colombia confederation with Ecuador and Colombia.

Venezuela became an independent republic in 1830. The nineteenth century witnessed dictatorships, civil war, and intermittent forays by foreign commercial interests. By 1930, Venezuela had become a major petroleum producer and exporter. Between 1935 and 1958, the country vacillated between dictatorship and democracy.

Until recently, Venezuela had a two-party political system that resulted from the Pact of Punto Fijo, a power-sharing arrangement reached during the transition to democracy in December 1958. Acción Democrática (AD) is a social democratic party founded in 1941 with a strong base of support in organized labor. Comité de Organización Electoral Independiente (COPEI) is a Christian Democratic party slightly right of center. Traditionally, these two parties commanded widespread support from across Venezuelan classes, occupational groups, and regions, effectively marginalizing parties on both the left and right. For 40 years they largely alternated in office. However, since 1988, both parties had been suffering internal leadership rifts. Moreover, the Venezuelan public grew increasingly disaffected with what they frequently referred to as their *partidocracia* (or “partyarchy”), a government run by the party for the party. By the early 1990s, the perception of widespread corruption among public officials, confirmed by revelations of specific instances, brought public disenchantment to an all-time high.

In 1992, two coup attempts were sparked by junior military officers who were dissatisfied with President Carlos Andres Perez’s stringent economic reforms and evidence of political corruption. The leader of the first failed coup was Hugo Chávez, a lieutenant colonel. In May 1993, Perez left office in disgrace after being impeached by the Senate for his participation in a misappropriation and embezzlement scheme. Elections held in December 1993 returned Rafael



Caldera, a Venezuelan political institution, to the presidency after 20 years. Caldera was the first president since 1958 not elected as the candidate of either AD or COPEI. He won a mere 30% plurality of the vote. Over the next five years the country was plunged into recession three times and the gap between rich and poor grew wider. By the time Caldera left office, Venezuela was in a state of political and economic disarray.

### PERSONAL BACKGROUND

Hugo Rafael Chávez Frías was born 28 July 1954, the son of schoolteachers from Sabaneta, a poor farming town in the western state of Barinas. He earned a degree from the Military Academy of Venezuela in Caracas in 1975. He later earned a graduate degree in international relations at the Simón Bolívar University. Chávez spent years building an underground organization inside the army to oppose military corruption. As head of an elite paratrooper unit, he led 12,000 troops in the first of two failed coup attempts against President Carlos Andres Perez in 1992.

Chávez is an avid baseball player. He enjoys traditional Venezuelan food, the popular *joropo* dance, and native art. Chávez is well-read, and has dabbled in play writing. He has been married twice and has four children with his second wife, Marisabel. His political inspiration is Simón Bolívar, who is often invoked in his speeches. Chávez is a devout Roman Catholic who often quotes passages from the Bible.

### RISE TO POWER

Since 1989, Chávez and a group of fellow soldiers had worked clandestinely to build the Bolivarian Revolutionary Movement. The movement first surfaced in 1992 during a

time of riots, strikes, and scandals that were threatening the long-touted stability of the country. Chávez led insurgent troops in a bloody but unsuccessful attempt to overthrow the Perez government. After the failed coup, he was jailed for two years before being pardoned by President Rafael Caldera. Upon his release in 1994, Chávez visited Cuba and praised President Fidel Castro and “the Cuban way.” A charismatic figure and fiery orator, he formed the Polo Patriótico (Patriotic Pole), an alliance of 14 minor parties across a wide political spectrum.

In March 1998, Chávez reappeared on the political scene, mounting a populist campaign that harnessed discontent among ordinary citizens and disadvantaged groups who were angered by the corruption and cronyism of Venezuela’s political system. He accused the country’s traditional parties of being dishonest, of catering to the elite and to foreign investors, and of mismanagement of the oil revenues. Chávez enjoyed the support of leftist intellectuals and the Fifth Republic Movement, a largely leftist party led by former coup leaders. He also had the backing of nationalists, large landowners, and conservative business leaders in agriculture and manufacturing who hoped he would keep out foreign investors. Among his legions of mostly poor supporters, Chávez is known as El Comandante. At his closing campaign rally, he drew more than 700,000 people, many of whom wore the red parachutist’s beret that had become his trademark on the campaign trail.

On 6 December 1998 Chávez became the youngest elected president in Venezuelan history, defeating his closest challenger, Henrique Salas Romer, a Yale-educated economist, by 56.5% to 39.5%. Immediately after taking office, Chávez delivered on one of his electoral promises and held an election for a constitutional assembly. The assembly immediately began to write a new Constitution. Because Chávez’s election also brought about the end of the traditional political parties, Chávez supporters won an overwhelming majority of the seats in the constitutional assembly. Logically, the new Constitution was custom-made for Hugo Chávez and suits perfectly well his political ambitions. After its adoption in 1999, Chávez ran for a new 6-year term in the presidential elections held in July 2000, easily defeating Francisco Arias by 57.5% to 39.5%. The Venezuelan Constitution allows for a plebiscite to be held during the midterm election. If the president is defeated, he must resign from office.

### LEADERSHIP

Chávez came to office at a difficult time. Venezuelans, whose standard of living has been steadily declining for more than 15 years, saw consumer prices rise 33% in 1998. Chávez’s opponent had received the endorsement of Venezuela’s political establishment, including the two traditional parties and 15 of the 23 state governors. The Patriotic Pole coalition, which united around Chávez’s criticisms of neo-liberalism and its standard package of free-market economic prescriptions, won a plurality (35%) of the 208 congressional seats in the November 1998 regional elections, breaking the 40-year political stranglehold of the two traditional parties.

In July 1999, voters gave Chávez’s supporters 121 of 131 seats in the Constitutional Assembly, which was given the task of rewriting the Constitution. In December 1999, 47%



of the country's 11 million voters went to the polls to vote on the new document. Of those who voted, 71% approved the reforms. With his supporters holding the majority of seats, the new Constitution reflected the agenda of President Chávez. New presidential and congressional elections were held in 2000 and Chávez won the election for a fresh six-year term. His supporters also won a majority of seats in the unicameral Congress, with Chávez's own Fifth Republic Party getting 46% of the seats. Chávez's cabinet, announced on the eve of his inauguration, included the same broad spectrum as his Patriotic Pole: soldiers, leftist intellectuals, business and labor leaders, and a native Wayu Indian activist. Yet, high concentration of power in the office of the president and Chávez's overexposure in television and radio quickly hurt the president's popularity. An economic crisis and the government's inability to deliver on its promises of more jobs and economic development soon turned high levels of support into growing discontent.

Massive public-initiated, military-backed anti-Chávez demonstrations turned violent, triggering political instability, during the week of 8 April 2002. Shots were fired on 11 April, killing at least 17, including a Caracas police officer, while demonstrators called for Chávez to be removed from office. By 12 April, prominent military officers attempted to force Chávez to resign. Chávez conceded to a different procedure in which he would "abandon his duties." A general of the armed forces publicly stated that Chávez had resigned. At that time Pedro Carmona Estanga claimed the presidency of a transitional government. After taking office, Carmona made bold steps by removing the Supreme Court from office, suspending the National Assembly, and calling for a presidential election to be held within the next year. These moves upset many civilians, who took to the streets by the thousands in attempts to reinstate Chávez. On the following day Carmona resigned office while the National Assembly placed Chávez's former vice president, Diosdado Cabello, into the presidency. On 14 April, Chávez was released from custody and was reinstated as president.

Public opinion was mixed. Chávez enjoys the support of the country's poor, but he is fiercely opposed by many business and military leaders. Chávez's return to power did not put an end to the political impasse. His opponents have vowed to remove him by peaceful or forceful means. Because the new Constitution authorizes a midterm presidential plebiscite, the most likely solution is that the conflict will linger until late 2003 when a referendum decides Chávez's fate.

Throughout the political turmoil, Chávez sought to assure Venezuela's business class and foreign investors that his election would pursue prudent economic policies. Local investors had taken their money out of the country before the December 1998 election, but brought it back after they saw the results. The retention of Maritza Izaguirre as finance minister was viewed by business leaders, investors, and international financial institutions as an indication of his seriousness in pursuing a market-oriented approach to his economic reform measures.

### DOMESTIC POLICY

To reform Venezuela's political system, Chávez successfully orchestrated a popular referendum to elect a Constitutional Assembly to rewrite the 1961 Constitution, reorganized the

judiciary, and extended his own presidential authority. Chávez was clearly the major political winner in the late 1990s. The new Constitution, which came into effect on 30 December 1999, replaced the Senate with a unicameral National Assembly and consolidated power in the executive branch. It extended the presidential term from five to six years and eliminated a law that prevented the president from seeking two consecutive terms. Critics said the new Constitution would allow Chávez to remain in power for more than a decade. According to Chávez's wishes, the Constitution renamed the country *Republica Bolivariana de Venezuela* (*Bolivarian Republic of Venezuela*) to honor Simon Bolívar.

Chávez had asked for an extension of his presidential authority in order to fight poverty, reform the fiscal system, and restructure the foreign debt. Political opponents feared the changes had given Chávez too much power. By early 2000, Chávez had grown increasingly more critical with anyone who opposed his plans for the nation. In April 2000, journalists symbolically refused to ask any questions during a presidential press conference, in part to protest against a constitutional mandate that could be used to censor the press. While Chávez remained popular, criticism of his policies was growing. By May 2000, Chávez held a 15- to 20-point lead in public opinion polls over his presidential opponent, Francisco Arias Cardenas, a former state governor. General elections were to take place in July 2000 and Chávez won with 59.5%.

Yet, the economy continued to be a problem. The decline in oil revenues, combined with high interest rates, pushed the country into a deep recession. Over 18 million Venezuelans were living in poverty. Venezuela's gross domestic product shrank 1% in 1998 and 5.8% in 1999. Despite 3.8% and 2.9% growth in 2000 and 2001, Venezuelans were poorer in 2002 than when Chávez took office in 1998. Unemployment has remained in the double digits. Chavez promised to cut the budget by over 11%, raise the sales tax, and encourage foreign investment, but his effort to remain popular among the poor made it impossible for him to cut social services. His need to keep the loyalty of the military also prevented him from cutting the defense budget. The high unemployment rate placed a huge burden on the government bureaucracy. In the end, the government was paralyzed and no drastic economic policy reforms were undertaken. Oil exports were seriously affected after labor strikes began in March 2002. In April, the strikes were extended indefinitely. Thus, despite high international oil prices, Venezuela has not benefited from its oil exports.

### FOREIGN POLICY

In the mid-1990s, Venezuela was the world's second-largest oil exporter and the largest source for U.S. oil. About 75% of its export earnings, 25% of GDP, and nearly half of all government revenues came from petroleum. But with oil prices at under us\$10 a barrel, Venezuelan foreign indebtedness has grown to us\$36 billion, and nearly 40% of the budget is devoted to meeting debt service obligations during the 1990s. Higher oil prices should have benefited Venezuela, but labor conflicts with the state-owned petroleum company and Chávez's confrontational policies with foreign investors and creditors has made Venezuela's foreign debt soar and revenues from oil production decline.

Because of the international disapproval of Chávez's decision to push for a constitutional assembly in 1999, Chávez's stance in the eyes of the world community in 2003 is not very good. The custom-made Constitution and Chávez's occasional attacks on capitalism and the United States have also generated tensions with the U.S. government and the international democratic community. Although Chávez had been denied a visa to enter the United States prior to his election because of his participation in the 1992 coup attempt, Chávez acknowledges that improved relations with the United States would likely help his country's economic situation. However, he knows his support within Venezuela depends in part on his public opposition to U.S. domination in international politics.

Chávez has sought support from Fidel Castro, the Cuban dictator, and has visited other dictators around the world to show his solidarity against what he terms unfair attacks by the United States. Early in his presidency, Chávez made it clear that he welcomed foreign investors from every part of the world, and he embarked on long international trips in 1999, with visits to China, Malaysia, Singapore, Japan, the Philippines, Spain, and France. His international image remains tainted by his close ties to Cuba's Fidel Castro and Organization of Petroleum Exporting Countries (OPEC) partners Libya and Iraq.

His rejection of electoral democracy and his embrace of participatory, hyperdemocracy have created tensions at home and abroad. Four years after attaining power, Chávez has gone from a social democratic stance to a stand against what he sees as U.S. imperialism. The erratic response of the U.S. government to the failed attempt by the military to topple Chávez in 2002 has made matters worse. The United States did not directly condemn the coup nor did it ask for the return of Chávez to his democratically elected post. In the end, Chávez came back to power, but relations with the United States were even worse than they were before the coup attempt. As he struggles to hold on to power, Chávez must rebuild relations with the United States and neighboring Latin American democracies. By adhering to the Constitution and respecting the rights of the opposition, by distancing himself from non-elected leaders of the world, and by letting his diplomats do the talking on international affairs, President

Chávez may be able to improve his relations with the United States and the international community. Yet, he might find it difficult to do that because his support within Venezuela partially depends on maintaining an anti-United States discourse in international affairs.

#### ADDRESS

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# VIETNAM

**Nong Duc Manh**  
**General Secretary**

(pronounced “nahng duhk mahn”)



*“We are determined to correct the mistakes [of the past] and fight to stop the negativity, bureaucracy, corruption and wastefulness—and to build the party clean and strong.”*

The Socialist Republic of Vietnam extends 1,650 km (1,025 mi) along the eastern part of the Indochina peninsula. It is bordered by China to the north, Laos and Cambodia to the west, and the South China Sea and the Gulf of Tonkin to the east. Its area is 329,560 sq km (127,243 sq mi). The two largest cities are Ho Chi Minh City and Hanoi.

Vietnam’s rapidly growing population was estimated at 81,098,000 in July 2002, with a density of over 238 people per sq km (616 people per sq mi.) Its ethnically diverse population consists of more than 60 groups, including many highland tribes, Chinese, Khmer, and other non-Vietnamese people. Although religion is discouraged by the state, many Vietnamese are nominally Buddhist, Taoist, or Roman Catholic. The official language is Vietnamese, but English, French, and Chinese are also spoken. The literacy rate is 94% and the life expectancy for males and females is 67 and 72 years, respectively.

The Vietnamese economy is largely agricultural. Traditionally, northern Vietnam has been more industrialized. Since the recent opening of the economy, commerce in Ho Chi Minh City is flourishing. Vietnam is becoming self-sufficient in food production. Its per capita gross domestic product (GDP) was US\$1,950 in 2000. Major trading partners are China, Japan, the United States, the United Kingdom, Germany, and other Pacific Rim countries. Exports include crude oil, fish, rice, coffee, clothing, and shoes. As of 2002, Vietnam suffered from large trade deficits. The national currency is the *dong*.

## POLITICAL BACKGROUND

The defining feature of Vietnamese history is nationalism. Throughout its history, Vietnam experienced foreign domination. Despite 1,000 years of Chinese rule (111 BC to AD 939), Vietnam emerged with many of its cultural and historical traditions intact. From 1862 until 1893, the French established control over the entire Indochina region, including Vietnam, Laos, and Cambodia. They administered the area as French Indochina until World War II. Following the Japanese occupation of 1945, the French allowed the formation of the Democratic Republic of Vietnam under Ho Chi Minh’s nationalist resistance movement, the Vietminh. Ho’s group subscribed to a nationalistic brand of communism while another organization, consisting of royalist and anticommunist groups, supported Emperor Bao Dai.

After World War II, the French attempted to reestablish control over the region. While they provisionally recognized Ho’s government in the north, the French sought to negotiate the future of South Vietnam. However, negotiations broke down and the Vietminh attacked French forces. In 1949, the French recognized the authority of the Bao Dai government over southern Vietnam. Fighting between the French and the Vietminh continued until a humiliating French defeat at Dien Bien Phu in May 1954. At the Geneva Conference of July 1954, an armistice ended the fighting and Vietnam was divided at the seventeenth parallel into two nations: the Democratic Republic of Vietnam, headed by the communists and the southern Republic of Vietnam, led by the anticommunist forces, organized around Bao Dai. While this north-south divide was intended to be a temporary measure, Ngo Dinh Diem proclaimed himself the first president of the Republic of Vietnam and repudiated the provisions of the Geneva Accords. Thereafter, Vietnam remained a politically divided and conflict-ridden place until 1975.

After the French withdrew from Vietnam, the United States became steadily involved in propping up the southern regime. However, a groundswell of opposition emerged against the repressive Diem regime in the late 1950s, led by the National Liberation Front (NLF) and its military arm, the Viet Cong. As U.S. involvement in the country increased, so did North Vietnam’s control over the Viet Cong. By the mid-1960s, protecting South Vietnam became a cornerstone of U.S. foreign policy in Asia. At the peak of its military involvement, 500,000 U.S. troops were stationed in Vietnam to fight the Viet Cong. Massive U.S. aid, however, failed to shore up the South Vietnamese government and communist victory became increasingly inevitable, as domestic opposition undermined the American will to fight. After a 1973 peace agreement, the United States withdrew its troops and the South Vietnamese government continued its downward spiral. Without U.S. assistance, Saigon (then capital of South Vietnam) fell to the Viet Cong and, in April 1975, the South Vietnamese government surrendered.

The reunification of the country gave birth to the Socialist Republic of Vietnam, with its capital at Hanoi. The North Vietnamese quickly consolidated their control over the south and dominated its politics. The new leaders imposed re-education camps to instill socialist values and moved to collectivize farms and nationalize business operations. Saigon was renamed Ho Chi Minh City, honoring the founder of the



values on Vietnam's young people as the economy further liberalizes.

### DOMESTIC POLICY

Of primary importance to Manh is economic growth. The boom years of the early 1990s have passed and the economy is growing at a much diminished rate, barely keeping up with a rapidly growing population. It is estimated that 1.4 million people annually join a workforce dominated by bureaucracy, badly run state-owned enterprises, and a state-owned banking sector unfriendly to extending credit to private enterprise. These areas all need to be reformed, and Manh has indicated his intention to tackle these difficult issues. Speaking to the National Assembly in July 2002, Manh called for improvements in Vietnam's legal system, with reforms even edging towards democracy. Corruption has continued to be a major issue, with a scandal regarding criminal "godfather" Nam Cam reaching into many areas of Vietnamese life. In early 2003, Nam Cam was put on trial, with 154 associates (some of whom were politicians and police officers), for multiple charges, including murder and bribing public officials. The trial held great interest for the public, but observers stressed the need for system-wide reforms as well as high-profile criminal prosecution.

Manh has worked to address an issue of long concern in Vietnam: the economic disparity between north and south. Hanoi, the capital and the largest city in the north, is economically behind Ho Chi Minh City, which contributes 30 percent to the nation's budget but is restrained in many of its capitalist impulses by Hanoi's bureaucracy. In August 2001, Manh granted Ho Chi Minh city (and the province of the same name) greater autonomy for development. The city would have liked even more freedom, but Manh and the party bosses in Hanoi fear Ho Chi Minh City becoming another Singapore or Hong Kong while the rest of the country falls further behind economically.

The Sudden Acute Respiratory Syndrome (SARS) epidemic appeared early in Vietnam, but was declared under control there in April 2003 by the World Health Organization, which praised Vietnam's transparency and international cooperation in fighting the infectious disease. In spite of this, Vietnam's tourism industry was hard-hit by the stigma of the epidemic.

While he may be in favor of economic liberalization, Manh is a strict adherent to party discipline and maintains a tight grip on political dissent. Early in 2002, the government initiated a crackdown on books deemed to be "dissident" and ordered them seized and destroyed. One of the dissidents named in the crackdown was a former general and highly placed party functionary. The Communist Party also moved to restrict religious expression, particularly the Christianity practiced by ethnic minority people of the Central Highlands, a region where severe repression continued. Additionally, vocal dissidents from the educated urban elite were given prison sentences in late 2002 and early 2003. In March 2003, dissident physician Nguyen Dan Que was arrested. A human rights and health care advocate, Que had previously spent many years in prison.

### FOREIGN POLICY

The demise of the Eastern bloc fundamentally altered Vietnam's foreign policy and forced it to reach out to noncommunist states. This process began in conjunction with domestic economic liberalization in 1988. The withdrawal of Vietnamese forces from Cambodia led to a dramatic improvement in relations with China. The foreign policy emphasis shifted from emphasizing ideological solidarity with the Communist bloc toward a pragmatic attempt to attract overseas investors.

In November 1991, China and Vietnam normalized relations, effectively ending Vietnam's international isolation. Meanwhile, Vietnam made a rapprochement to the West, in particular with Germany and the United States. Vietnam also launched an initiative to improve relations with Japan, Russia, and its Southeast Asian neighbors. As a result, the United States lifted its trade embargo against Vietnam in 1994 and normalized diplomatic relations the following year. In return, Vietnam pledged continued cooperation in locating and returning the remains of U.S. soldiers. German, Japanese, and other Asian firms have invested heavily in Vietnam since 1994. These achievements culminated with Vietnam's entry into the Association of Southeast Asian Nations (ASEAN) on 28 July 1995.

When the economic meltdown hit Asia in the late 1990s, Vietnam was affected by the drying up of investments. The government's unwillingness to bow to the demands of foreign investors and their governments also hampered growth. Following the investor euphoria of Vietnam's opening up, a sense of disappointment with red tape, Party control, and corruption set in. The Party was perceived as being in denial about the state of its economy, even as it became more dependent on foreign aid. Reforms promoted by lenders such as the International Monetary Fund (IMF) were rejected when they did not fit into the leadership's socialist vision for the nation.

Other international commitments will be harder for the Party to ignore, however. As a member of ASEAN, Vietnam is committed to drastically lowering tariffs, a move that imperils many state-owned enterprises. Manh has overseen improved relations with the United States. In 2002, a new trade deal came into force (the United States-Vietnam Bilateral Trade Agreement), allowing for greatly expanded exports to the world's largest economy and opening the door for negotiations on entry to the World Trade Organization. Vietnam enjoys good relations with its communist neighbor Laos and generally good relations with all the nations of ASEAN, although it has a long-standing dispute with China, the Philippines, Malaysia, and Brunei over the Spratly Islands, a small archipelago in the South China Sea thought to contain rich reserves of oil and natural gas.

In spite of the new realities of international trade links, much of Vietnam's foreign policy still is influenced by old affiliations from the Cold War era. Manh visited India in May 2002, an expression of long-standing close ties between the two countries. In February 2003, Cuban President Fidel Castro visited Vietnam, providing an occasion for celebrations of relations between two of the last surviving communist states. Vietnam offered its backing to Saddam

Hussein's Iraqi government against the U.S. invasion in March 2003.

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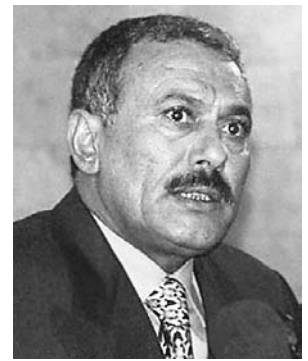
**Profile researched and written by Robert W. Compton, Jr., Binghamton University (SUNY) (6/1998); updated by Edith Mirante (5/2003).**

# YEMEN

## Ali Abdullah Saleh President

(pronounced “ah-LEE ab-DAH-la sah-LEE”)

*“The Republic of Yemen will be a factor for stability and security in the Arabian Peninsula and the Gulf region and a strong bastion for the Arab Nations, the Arab League and joint Arab action.”*



The Republic of Yemen was established on 22 May 1990 from the union of the two formerly independent states of the Yemen Arab Republic (YAR) and People’s Democratic Republic of Yemen (PDRY). Yemen borders on the Kingdom of Saudi Arabia, the Sultanate of Oman, the Arabian Sea, the Gulf of Aden, and the Red Sea. It should be noted however, that like most other borders in the Arabian peninsula, Yemen’s borders with its neighbors are not well defined and are open to dispute.

Yemen covers an area of 527,970 sq km (203,849 sq mi) and controls the strategic strait of Bah al-Mandeb, connecting the Arabian Sea and the Indian Ocean to the Red Sea. Yemen’s population was estimated at 18.7 million in 2002, most of whom belong to various tribes. It is believed that about two million Yemeni nationals live outside the country, working as laborers in Saudi Arabia and other Gulf countries. Large numbers of Yemenis also live in the United States, mainly in southern California.

Yemen’s political capital is San’a (the former capital of YAR) with a population of 1.6 million as of 2001. The economic capital of the state is Aden (the former capital of PDRY). Islam is the official religion of the state, and its official language is Arabic. Yemen’s exports include cotton, coffee, hides, vegetables, and salted and dried fish. The per capita gross domestic product (GDP) was estimated at us\$820 in 2001; the currency is the Yemeni *rial*.

### POLITICAL BACKGROUND

The home of the ancient kingdom of Sheba from 950 to 115 BC, Yemen was part of the Ottoman Empire from 1517 until the end of World War I. However, Ottoman power in Yemen was always limited, and in reality, the province was ruled by the Zaidi (a branch of Shi’a Islam) imams (religious leaders) who had established the Rassid dynasty in the ninth century. The last of the imams were overthrown in the early 1960s.

In 1839, British forces, who had established their presence in the area as early as 1799, occupied the strategic port of Aden and its surrounding countryside. While the Aden Colony was administered by the British, the rest of Yemen remained under Ottoman/Zaidi control until 1918 when it became an independent kingdom ruled by the Zaidi imams. The imams’ position, however, was challenged in 1962 and the dynasty was overthrown, resulting in a civil war between the promonarchy forces supported by Saudi Arabia and the republican forces supported by Egypt. The republican forces established the Yemen Arab Republic (commonly known as

North Yemen) in San’a, which was recognized by the superpowers and admitted to the United Nations (UN) in 1963. The Yemeni civil war, however, continued until 1969.

Upon the withdrawal of British forces from the Aden Colony in 1967, Marxist elements took over and established an independent state known as the People’s Republic of Southern Yemen. The name was later changed to the People’s Democratic Republic of Yemen (PDRY—commonly known as South Yemen). For the most part, relations between the conservative and pro-West government in the north and the Marxist pro-Soviet government in the south were troublesome, culminating in numerous military clashes, including a full-scale war in September 1970 and attempts to overthrow each other’s regimes. In June 1978, for example, the North Yemeni president was assassinated when a bomb carried in the briefcase of a South Yemeni envoy exploded. North Yemen accused Aden of involvement in the assassination and fighting broke out between the two countries.

Despite their differences, however, the two Yemens engaged in unity talks as early as 1972. Plans for a unified Yemen were originally drawn up in the mid-1980s, but a 1986 coup in South Yemen and the subsequent civil war postponed reunification. In 1989, the two countries announced that they would merge on 30 November 1990. On 22 May 1990, however, six months ahead of schedule, the Parliaments of the two countries approved the plan for unification and the two Yemens formally merged to form the Republic of Yemen.

On the same day, the Parliaments of the two countries elected Ali Abdullah Saleh, president of North Yemen, as the president of the newly established Republic of Yemen. Ali Salim al-Baid, the former secretary general of the ruling Yemen Socialist Party of South Yemen, was elected as his vice president.

### PERSONAL BACKGROUND

His Excellency Ali Abdullah Saleh was born 21 March 1942 in the village of Bayt al-Ahmar. Saleh’s family belongs to the Sanhan tribe, which is part of the Hashid tribal confederacy. He received his early education in the village’s religious school and is a follower of the Zaidi branch of Shi’a Islam. Saleh is married and has five children.

### RISE TO POWER

Saleh’s military and political career began in 1958 when he joined the irregular tribal forces of Imam Ahmad, the last



Rassad ruler of Yemen. In 1958, Saleh joined the regular armed forces. By 1970 he was enrolled in a non-commissioned officer's school. At the time of the 1962 revolution, which overthrew the Imam's regime and precipitated the Yemeni civil war, Saleh was an army sergeant who chose to side with the revolutionary republican forces; he was wounded in the line of duty. He was commissioned as a second lieutenant in 1963 and enrolled in the armored school for officers in 1964. In 1974, Saleh was one of the chief participants in the military coup that brought Lt. Colonel al-Hamdi to power. After the coup, he held a number of military commands, including armament chief of armory corps, armor battalion commander, staff officer of the armor division, and the commander of the Taiz Brigade, a position that he held through to the time of his election to the presidency in 1988. In 1982, Ali Abdullah Saleh was promoted to the rank of colonel.

After the assassination of President al-Ghashami on 24 June 1978, Saleh became a member of the temporary council of the presidency and used his position to defeat other contenders for the presidency. On 17 July, the People's Constituent Assembly (the North Yemeni Parliament) elected him president and commander in chief of the armed forces. He was reelected for a third term on 17 July 1988, and became the first president of unified Yemen in May 1990. In September 1999, the Republic of Yemen carried out the first direct presidential elections ever held on the Arabian peninsula and voters returned Saleh to office for another five-year term.

## LEADERSHIP

As president of North Yemen, Saleh's policies were guided by three principles: stabilization of the domestic scene, improving the economic situation, and union with the South.

In general, both South and North Yemen suffered from political instability beginning in the early 1960s. Both countries were the victims of numerous military coup d'états, revolutions, assassinations, and civil wars. Yemen's tribal structure and the fact that two governments with opposing political ideologies ruled in San'a and Aden made it fertile for violent uprisings, often backed by foreign powers. Until unification, the two regimes were often actively involved in plots to overthrow each other. In addition, foreign powers like Saudi Arabia, Egypt, and the superpowers, often tried to exploit the differences between the two regimes and the various social groups. Hence, when President Saleh took office, his first task was to build a national consensus. He did this by improving relations between San'a and its neighbors, in particular South Yemen, and by devising a mechanism through which different social groups could voice their grievances.

Saleh's tribal background has given him an appreciation of the importance of tribes in the Yemeni society. Whereas Yemeni leaders before Saleh had tried to eliminate the tribes and exclude them from participation in the political life of the country, Saleh has actively courted the tribes and tried to integrate them into Yemeni society and politics. At the same time, he has also been responsive to the needs of other groups. Under Saleh's leadership, Yemen has developed democratic institutions and in 1988 it became the first country on the Arabian peninsula to have an elected Parliament.

Constitutional amendments adopted in the summer of 2000 extended the presidential term by two years, thus moving the next presidential elections to 2006. The amendments also extended the parliamentary term of office to six years, thus moving elections for these seats to 2003. On 20 February 2001, a new constitutional amendment created a bicameral legislature consisting of a Shura Council (111 seats; members appointed by the president) and a House of Representatives (301 seats; members elected by popular vote).

## DOMESTIC POLICY

As one of the poorest countries in the region, Yemen is highly dependent on foreign economic aid and remittances from Yemenis working abroad. The economic situation, however, was helped enormously by the discovery of oil in the summer of 1984 in the border area between the two Yemens. In January 1989, the two countries established the Yemeni Company for Investment in Oil and Mineral Resources for the development of the oil fields along their common border.

In 1999, like other oil-producing states, Yemen—where oil accounts for more than 80% of exports—was hard hit by falling world oil prices. The government's income was cut in half, necessitating major budget cuts, and unemployment was in the double digits. Low oil prices also endangered another major source of Yemeni income—remittances by Yemenis working abroad, since the neighboring Gulf states that usually host these workers were in trouble themselves. Adding to the nation's problems, Yemen's tourist industry, which normally plays an important role in its economy, was



endangered by a rash of kidnappings and killings of Westerners that had been brought to the forefront of public attention by a major kidnapping incident at the end of 1998.

## FOREIGN POLICY

Saleh's foreign policy as the leader of North Yemen was characterized by the principles of "positive neutrality" and Arab unity. Under Saleh, Yemen cultivated close ties with Saudi Arabia and other pro-West states in the region. He also purchased military equipment from the United States and expanded economic relations with the West. At the same time, Saleh also tried to maintain friendly relations with the then-Soviet Union (which broke apart in 1991). In October 1984, he renewed the treaty of Friendship and Cooperation that was originally signed in 1964 by San'a and Moscow.

Saleh has emerged as one of the staunchest supporters of Arab unity. After the 1982 Israeli invasion of Lebanon, he sent Yemeni volunteers to assist Palestinian fighters in Lebanon and provided the Palestine Liberation Organization with training facilities in Yemen. During the Iran-Iraq War, Yemeni volunteers were dispatched to fight alongside the Iraqis. In 1989, Yemen—along with Egypt, Iraq, and Jordan—formed the Arab Cooperation Council to facilitate the movement of capital and labor among member states. Yemen's refusal to publicly condemn the Iraqi invasion of Kuwait of August 1990 indicated the new Republic's foreign policy would continue to be guided by the principle of Arab unity. Indeed, when the UN Security Council voted in November 1990 to authorize the use of force to remove Iraqi troops from Kuwait, Yemen and Cuba were the only countries to vote against the resolution. U.S. foreign aid to Yemen, which then amounted to around us\$70 million a year, was eliminated for a decade. In 1999, Yemen was one of nine Arab Parliaments that appealed to UN Secretary-General Kofi Annan to lift the sanctions on Iraq, which they claimed amounted to genocide.

In the summer of 2000, Yemen and Saudi Arabia signed an International Border Treaty settling a 50-year-old dispute over the location of the border between the two countries. Yemen settled its dispute with Eritrea over the Hanish Islands in 1998.

In early 2002, President Saleh cancelled a scheduled visit to Egypt when that country requested extradition of 22 Islamic militants, one of whom was a possible suspect in the 1996 attempted assassination of Egyptian President Hosni Mubarek. International observers feared that Yemen was providing safe haven for extremists connected with the terrorist organizations al-Qaeda and Islamic Jihad, a suspicion discounted by President Saleh as of early 2002. Saleh admitted, however, that tribal groups may harbor terrorists without government knowledge or support.

Yemen's connections to international terrorism are also linked to the 12 October 2000 suicide bombing against the USS *Cole* in Aden harbor, in which 17 Americans died and 37

were wounded. The United States held al-Qaeda responsible for the attack.

Yemen is also the ancestral homeland of Osama bin Laden, whose father was born in Yemen. Yemen's international standing as a nation friendly to the West was questioned in December 2002 when a North Korean ship laden with 15 Scud missiles, warheads, and chemicals headed for Yemen was apprehended by U.S. and Spanish naval vessels before being allowed to proceed on its way and deliver its shipment. The United States seized the ship in an effort to curb the proliferation of weapons of mass destruction and missile delivery systems. Although highly critical of North Korea's role in arms dealing, the United States recognized the legality of the weapons sale to Yemen and did not want to jeopardize relations with a country it considered to be cooperating with its War on Terror.

Since 11 September 2001, Yemen has tightened security at its borders, improved visa procedures, and worked to develop its cooperation with the United States in the areas of intelligence gathering, law enforcement, and the military. In 2002, us\$30 million was allocated to Yemen for security assistance. However, in April 2003, ten suspected terrorists disappeared from a high-security Yemeni prison. Two of the ten were suspects in the bombing of the USS *Cole*, and the other eight were alleged members of al-Qaeda. Tens of thousands of Yemenis protested the U.S.-led war against Iraq that began on 19 March 2003. The Yemeni government opposed the war in Iraq, but leaders tried to control the demonstrations, afraid the protests could turn against them.

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**Profile researched and written by Hootan Shambayati (8/1990); updated by Jeneen Hobby, Ph.D. (5/2003).**

# ZAMBIA

## Levy Mwanawasa President

(pronounced “LEE-vee moo-wah-nah-WAH-sah”)



*“With all the good attempts at political harmony and democracy, our Constitution fails us. With all the good attempts and intentions at social and economic development, we have been a disaster and continue to remain one of the poorest countries in the world.”*

The Republic of Zambia is a landlocked country located in the heart of southern Africa. The national territory occupies 752,614 sq km (290,584 sq mi) and consists primarily of grasslands and forests. Zambia is bordered to the north by Democratic Republic of the Congo (DROC, formerly Zaire) and Tanzania; to the east by Malawi and Mozambique; to the south by Zimbabwe and Namibia; and to the west by Angola. The population was estimated to be just under 10 million in 2002, with an annual growth rate of 1.9%. Approximately 1.7 million people live in the capital city of Lusaka and almost half of the nation’s population is clustered in the densely populated province, Copperbelt. The largest segment of the population is composed of various Bantu-speaking groups, notably the Bemba in the north and the Lozi in the southwest. A handful of whites, Asians, and people of mixed descent are concentrated in the Copperbelt in the north. The official language is English, but Afrikaans and more than 70 other languages are also spoken. Almost 75% of Zambians are Christian; the remainder practice either traditional religions or Islam. The Zambian economy is almost entirely based on mineral extraction and commercial agriculture. Copper accounts for about 90% of Zambia’s total exports. Cobalt, lead, manganese, and zinc are also mined. Commercial crops include maize, peanuts, tobacco, and cotton. Agriculture employs about 85% of the labor force, while producing 12% of the gross domestic product (GDP). Zambian per capita GDP was estimated to be us\$870 in 2001. The national currency is the *kwacha*.

### POLITICAL BACKGROUND

Zambia, formerly the British protectorate of Northern Rhodesia, was under British dominion from 1888 until 24 October 1964, when it became an independent republic within the Commonwealth under the leadership of Kenneth David Kaunda and his United National Independence Party (UNIP). Kaunda consolidated control over the nation in the ensuing years, culminating in the 1972 abolition of political parties other than the UNIP. Elections continued to be held, but only UNIP members could stand for office. No one dared to oppose Kaunda as president.

In December 1990, bowing to persistent demands for democratization and riots over rising food prices, Kaunda legalized opposition political parties. The Movement for Multiparty Democracy (MMD) quickly organized itself as the primary opposition to the UNIP. A broad-based, diverse coalition of interest groups, MMD’s sole unifying principle

was its opposition to UNIP and continued political domination by Kaunda. Frederick Chiluba, a founding member of MMD, ran for president and won in the country’s first multiparty elections in nearly 20 years. Chiluba faced many challenges as he strove to modernize the economy and the country’s political system. The worst blot on Chiluba’s record was his handling of the 1996 elections, when his main opponent again was Kaunda, the former president whom Chiluba had beaten in 1991. Although most observers agreed that Kaunda’s candidacy was a long shot, Chiluba chose to amend the Constitution in such a way that Kaunda was barred from running. (The new rules required that the candidates’ parents be from Zambia; Kaunda, whose parents came from what is now Malawi, was therefore ineligible.) The change triggered a boycott by Kaunda’s supporters and protest from the international community. Chiluba was re-elected with 70% of the vote and the MMD took 131 of 150 parliamentary seats. Only 40% of registered voters participated, and international observers declared the election to be neither free nor fair, citing irregularities in voter registration, vote buying, and Kaunda’s exclusion.

In addition to Chiluba’s new constitutional rules regarding candidates’ parentage, Zambia’s 1991 Constitution provided for the president to be elected to a five-year term by universal suffrage, and restrict the president to two five-year terms. The Constitution also provided for a prime minister and cabinet, both appointed by the president, and a 150-member National Assembly, elected simultaneously with the president.

In the 2001 election, eleven candidates were on the ballot for president. Levy Mwanawasa, candidate of the MMD and Anderson Mazoka, candidate of the United Party for National Development (UPND), finished in a near tie, with Mwanawasa reportedly winning with a margin of 11,000 votes. Despite protests lodged with the country’s Supreme Court, Mwanawasa was inaugurated in January 2002, however, as late as May 13, 2003, opposition parties were mounting legal campaigns to nullify the presidential election.

### PERSONAL BACKGROUND

Levy Patrick Mwanawasa was born 3 September 1948 in Mufulira, Copperbelt, a province in central Zambia. He was the second of ten brothers in a family that belongs to the Lenje ethnic group. In a country where ethnic and tribal loyalties play a major role in daily life, Mwanawasa’s Lenje heritage is important.

Mwanawasa attended primary school in his home community, and received his secondary education in Ndola near the DROC border. In 1970, he enrolled in the University of Zambia in the capital, Lusaka, where he studied law. He returned to Ndola to practice law, establishing Mwanawasa & Company in 1978. He was named the country's solicitor general in 1985, a post he held for one year before returning to his private law practice. In December 1991, after being appointed vice president of Zambia, he again gave up the practice of law to enter public service.

In 1992 Mwanawasa was involved in a serious automobile accident of suspicious origin. Because the other vehicle was owned by the government, there were suggestions that the accident may have been planned by opponents in the government or by a rival ethnic group. Mwanawasa was President Frederick Chiluba's vice president at the time, and in the aftermath of the accident, Mwanawasa resigned the vice presidency in July 1994.

Mwanawasa, whose health has been relatively poor since the 1994 accident, is a Christian, and his second wife, Maureen, was excommunicated by the Jehovah's Witness following Mwanawasa's declaration of his candidacy for president. The couple have four children—Chipokota, Matolo, Lubona, and Ntembe. Mwanawasa also has two other children, Miriam and Patrick, from his first marriage. In addition to his law practice, Mwanawasa also owns three Zambian farms.

## RISE TO POWER

When Mwanawasa took office on 2 January 2002, he became the first member of the Lenje ethnic group to become president of Zambia. In fact, until he took office, all previous presidents had been Bembas. He first became involved in the government when he was appointed solicitor general in 1985, but this role was really an extension of his profession as a lawyer. In July 1990, his predecessor, Frederick J. T. Chiluba, helped bring about the legalization of opposition parties, and Chiluba became the president of the new Movement for Multiparty Democracy (MMD). Following the enactment of the country's new Constitution in 1991, elections were held and Mwanawasa joined the newly elected Chiluba administration as vice president. He resigned in July 1994 before serving the complete term after suffering serious injuries in an automobile accident. At the time of his resignation, Mwanawasa cited corruption in the government as a contributing factor in his decision. Following an unsuccessful campaign for president of MMD, Mwanawasa left politics in 1996. He returned to his law practice, putting aside his involvement in the country's government.

In August 2001, the MMD designated Mwanawasa as its presidential candidate for the 2001 elections. (The Constitution limits the president to two five-year terms, so Chiluba was ineligible to run for reelection.) Mwanawasa was declared the winner following the 27 December 2001 balloting, but with less than 29% of the vote, he did not have a clear mandate from the electorate. Among the eleven candidates on the ballot for president, Mwanawasa was one of three former vice presidents running. Opposition candidates protested the election, alleging that Mwanawasa was former president Frederick Chiluba's hand-picked candidate, and that the election was rigged to keep power in MMD's hands.



Protestors in the streets following the election results claimed they voted for change, but the government imposed the status quo. The opposition UPND candidate, Anderson Mazoka, who was the runner-up to Mwanawasa, lodged a protest with the Supreme Court, claiming "We will never recognize Mwanawasa's illegitimate election and will pursue a multi-pronged legal campaign to have his victory nullified."

Mwanawasa's margin of victory over Mazoka, a wealthy businessman, was estimated by various agencies as 11,000, 33,000, or 35,000 votes. Mwanawasa's support in Parliament was weak, with his party winning 69 of 159 seats. However, as he took bold steps to follow through on his campaign promises in the early weeks of his administration, opposition parties were grudgingly aligning with his government.

## LEADERSHIP

Mwanawasa faced an uphill battle from the moment of his inauguration. Bitter protests in Lusaka and the Copperbelt region over the outcome of the elections brought clashes with police before Mwanawasa was even inaugurated. He elected to extend the Christmas holiday recess at the University of Lusaka, where large protests following the election had brought university operations to a standstill. On 2 January 2002, Zambian judge Peter Chitenge rejected the petition by ten opposition parties to postpone Mwanawasa's inauguration and to force a ballot recount. Thousands of opposition protestors outside Chitenge's courtroom clashed with police as the verdict was announced. Although Mwanawasa's MMD party vigorously denied any vote-rigging, European Union observers monitoring the election process reported irregularities in the balloting.

Perhaps as part of an effort to convince his critics that he was his own man, Mwanawasa took bold action in the weeks immediately following his inauguration. He eliminated two of Chiluba's pet projects—the Presidential Housing Initiative and the Food Reserve Agency. Both were designed to benefit the poor but had accomplished little. He also fired Xavier Chungu, head of the secret service, and appointed a director from his home Copperbelt province to the post, lifting political restrictions on law enforcement. These moves surprised most Zambians, who had expected Mwanawasa to leave the Chiluba government in place, unaltered, since Mwanawasa was widely perceived to be Chiluba's puppet. However, in the early months of the Mwanawasa administration, key aides from the Chiluba era were being investigated for crimes ranging from corruption to murder. In March 2002, Mwanawasa launched an independent agency, National Movement Against Corruption, stating "Corruption is a crime against the nation and humanity for which punishment should be severe."

Early in 2003, Mwanawasa convened and appointed member to a Constitutional Review Commission charged with the task of forming a Constitution which would better serve the nation and reduce the conflict associated with the current document.

### DOMESTIC POLICY

In one of his first interviews after being sworn in, Mwanawasa told the Reuters news agency that one of his top priorities would be addressing the needs of Zambians living with HIV/AIDS. He proposed a multipronged approach to treat those infected with HIV/AIDS and to prevent the further spread of the disease. "AIDS is a national disaster and it must be looked at in that way," he said. "We will be examining all options on getting cheaper drugs to those of our people carrying the virus. We are encouraging national awareness." An estimated 20% of the adult population in Zambia has AIDS, where 200 AIDS-related deaths occur daily and life expectancy has dropped from 50 (as of independence in 1964) to 37 years; more than 650,000 Zambians have died of the disease since the late 1980s, when the government began keeping records. The government reported that orphaned children of AIDS victims number over 800,000 as of 2002.

In April 2002 Mwanawasa sought \$19 million in funding from the UN Global Fund for AIDS, and received a pledge for \$42 million in aid from the World Bank. The World Bank aid comes with the requirement that the Parliament pass a national AIDS policy, guaranteeing access to drugs for those who need them. A previous bill criminalizing the deliberate spread of HIV languished in the session of Parliament that adjourned in November 2001.

Government privatization efforts during the decade from 1991-2001 had begun to show results, but for many Zambians the results came at too high a price. Mwanawasa faced a situation where 80% of the people live in poverty and were desperate for government aid to achieve subsistence. In early 2002 he reintroduced free education and selected agricultural subsidies. Both of these were measures that international lending organizations discouraged. The following year, anticipating that Zambia would meet the requirements set forth by the World Bank under the Highly Indebted Poor Country initiative, the World Bank pledged \$150 million in

aid for government programs, \$50 million of which was for the Emergency Drought Recovery Programme.

President Mwanawasa has sought to develop Zambia as an eco-tourism destination. In 2003 he encouraged his people to become involved in tourism locally, while he also sought foreign investment that would bring North Americans to his country. Giving the opening address at the 28th Africa Travel Association congress in 2003, he called upon African nations to join together in promoting and developing Africa as a tourist destination, stating that all would benefit from the cooperation. He described tourism as an industry that would provide jobs and economic diversification, while also preserving the biological diversity of the region.

### FOREIGN POLICY

Mwanawasa's predecessor, Frederick Chiluba, began his second term in 1996 as the darling of the international community, mostly for his economic reforms. During the campaign Mwanawasa accused international organizations of excessive meddling in the country's affairs, which resulted in a cooling-off of relations with most Western donor nations. In March 2002, a delegation of government officials from Europe visited Zambia to discuss the transfer of power in the government following the election. One of the areas of interest for the delegation is the condition of the mining industry in Zambia, and the predicted effects of Anglo American mining's announcement that, in light of depressed worldwide prices for copper, it would end its two-year investment in Zambia's copper mines, adding thousands of Zambians to the already swollen ranks of the unemployed.

Mwanawasa's administration sought to shore up the weak economy by banning the import of goods from Zimbabwe, including cigarettes, alcohol, and agricultural products. The government also intervened in the currency market, since black-market trading of Zambian and Zimbabwean currencies were damaging Zambian producers' ability to market their goods, and Zimbabwean goods were being dumped in Zambia at below-market prices. To outside observers, Mwanawasa's government was fighting an uphill and futile battle; they warned that implementing protectionist procedures would not result in long-term stability. However shortsighted they may be, the Zambia National Farmers Union and the Zambia Association of Manufacturers supported the government's plan to ban Zimbabwean dumping of goods into Zambia. The farmers have charged that Zambia's interest rates and electricity and fuel costs are higher than those in neighboring countries, making home-grown products more expensive, and therefore not competitive.

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# ZIMBABWE

## Robert Mugabe Executive President

(pronounced "moo-GAH-bay")



*"Shut your dirty mouths. You are not our judges, you are not our keepers."*

The Republic of Zimbabwe is a landlocked nation in south-central Africa bordered by South Africa to its south, Botswana to the west, Zambia to the south, and Mozambique to its north and east. Most of its 390,580 sq km (150,803 sq mi) occupies fertile plateaus and mountainous regions between the Zambezi and Limpopo Rivers. Zimbabwe's population is 12.3 million (2002 estimate) with more than 30 people per sq km (75 per sq mi).

Zimbabwe's population is composed of two broad multi-tribal groupings, the Shona (about 77%) primarily located in the north, and the Ndebele (about 18%) who are concentrated in the southern area of Matabeleland. Less than one percent of the population is of European descent, with even fewer Asians and people of mixed race. The major religions in Zimbabwe are traditional animism (often in combination with Christianity), 50%; Christianity (Anglican), 24%; and Islam, 24%. Zimbabwe's official language is English but Shona and Sindebele are widely spoken.

The Zimbabwean economy is fueled by an abundant natural resource base. Zimbabwe's primary industrial products are processed metals, clothing, and chemicals. Primary agricultural products include tobacco, sugar, cotton, and maize. Mining, especially that of gold, nickel, chrome, and copper, is a major contributor to foreign exchange earnings. South Africa is Zimbabwe's major trading partner. Since the 1990s, however, a series of droughts combined with Mugabe's disastrous land redistribution and economic policies have crippled the economy. While over 60% of the people are engaged in subsistence agriculture and 16% in industry and services, an estimated 45% of the population is unemployed. In the space of a few years, per capita GDP has fallen to us\$2,450. The national currency is the Zimbabwean dollar. In addition to its political and economic woes, Zimbabwe has been hard hit by HIV/AIDS with prevalence rates for 15-49 year-olds surpassing 30%.

### **POLITICAL BACKGROUND**

Originally administered by the British South Africa Company, Southern Rhodesia (as it was then known) became an internally self-governing British colony in 1923. In 1953, it joined Northern Rhodesia (now Zambia) and Nyasaland (now Malawi) to form the Federation of Rhodesia and Nyasaland, but in 1963 it reverted to a separate status. On 11 November 1965, Prime Minister Ian Smith unilaterally declared Rhodesia's independence cementing white control over the government. Great Britain refused to accept Rhodesia's

Unilateral Declaration of Independence (UDI) because the Smith government systematically prevented black majority rule and practiced economic exclusion. After a 1965 meeting between British Prime Minister Harold Wilson and Ian Smith failed to produce any progress toward majority rule, the United Nations (UN) imposed international sanctions on Rhodesia. Subsequently, on 20 June 1969, Rhodesia declared itself a republic and Britain suspended diplomatic and economic ties with Rhodesia.

A decade of armed struggle in the 1970s, led by Joshua Nkomo's Zimbabwe African People's Union (ZAPU) and Ndabaningi Sithole and Robert Mugabe's Zimbabwe African National Union (ZANU), followed the UDI. On 18 April 1980, Zimbabwe/Rhodesia became the Republic of Zimbabwe with Robert Mugabe as prime minister. Under the Constitution that went into effect that day, 20 of the 100 seats in the National Assembly were reserved for a white constituency, while the remaining 80 seats were elected by registered voters (excluding those who were white). In 1987, the Constitution was amended to end the separate roll for white voters, effectively diminishing white participation in the National Assembly. Furthermore, the position of prime minister was replaced in favor of an executive president who is elected for a six-year term. Members of the National Assembly elected Robert Mugabe as president on 30 December 1987, and he was popularly elected on 28-30 March 1990 following a constitutional revision. Also in 1987, ZANU and ZAPU merged and Joshua Nkomo became one of two vice presidents.

In 1990, the upper house (Senate) was abolished. The present legislature, the House of Assembly, consists of 150 members, of which 120 are popularly elected to six year terms, ten appointed by traditional chiefs, and 20 appointed by the President. While the House of Assembly possesses primary legislative power, policy-making power has migrated to the cabinet and to Mugabe's party. A new party Constitution (1989) enlarged the ZANU's Politburo from 15 to 26 and the Central Committee was expanded to 150 members. Mugabe's attempt to create a de facto one-party state in 1990 was defeated by the politburo, but Mugabe remained firmly in control as party president.

Though Mugabe was reelected as executive president on 17 March 1996, he increasingly had to rule by intimidation, or by pandering to the population, with land seizures. On 12-13 February 2000, voters rejected a new Constitution indicating a growing popularity for Morgan Tsvangirai of the

Movement for Democratic Change (MDC). In ZANU-PF circles confidence in Mugabe's leadership began to falter. In the run-up to the 24–25 June 2000 parliamentary election, 34 people were killed. ZANU-PF managed to win 62 of 120 elective seats in the House of Assembly, with the MDC taking 57 seats. MDC leader Morgan Tsvangirai's driver and a poll worker were killed in a gasoline-bomb attack. International observers refused to declare the contest free and fair.

Mugabe's claim to victory in the March 9–11, 2002 polls was soundly rejected by the opposition and the international community as fraudulent, and has been a source of civil unrest and sporadic violence over the past year. Mugabe declared himself the winner with 53.8% to 40.2% for Tsvangirai while others claimed 6.0%. The government prevented as many voters as possible in urban districts favorable to the MDC from registering, reduced the number of urban polling stations by 50% over the 2000 elections, added 664 rural polling stations, conducted a state media barrage, and intimidated the opposition. By some reports, 31 people were killed in January and February and 366 tortured. The U.S., EU, the Commonwealth, and SADC observer teams condemned the election, and the Commonwealth suspended Zimbabwe for a year. Favorable assessments were given by observers from South Africa, Namibia, Malawi, Nigeria, and the African Union.

Tsvangirai was detained twice in early June 2003 amid anti-government protests and accusations of plans to assassinate Mugabe. Tsvangirai poses a serious threat to Mugabe's 23 years in power.

## PERSONAL BACKGROUND

Robert Gabriel Mugabe was born on 21 February 1924 in Kutama, Zimbabwe (then Southern Rhodesia) to Gabriel, a mission carpenter, and Bona Mugabe. Initially educated at missionary schools, Robert completed his secondary and early college studies through correspondence, qualifying as a secondary school teacher in 1941. He taught at a variety of mission schools before going to South Africa, graduating with a Bachelor of Arts in English and History from Fort Hare University in 1951. Upon returning home in 1952, Mugabe taught at Highfield (Harare) and Mambo (Gwelo) government schools. In 1955, Mugabe moved to Northern Rhodesia to teach at Chalimbana Teacher Training College after obtaining a bachelor's degree in education by correspondence.

In 1957, Robert Mugabe went to Ghana to teach at St. Mary's College. It was there that he developed an interest in politics after being inspired by Ghanaian independence and charismatic leaders including Ghana's Kwame Nkrumah and Malawi's Hastings Kamuzu Banda. It was there that he met his first wife, Sally Hayfron (later deceased).

Upon Mugabe's return from Ghana in 1960, he entered the political arena by becoming the publicity secretary and youth organizer for the National Democratic Party (NDP). The NDP was banned on 9 December 1961, but Mugabe became deputy secretary general for the ZAPU. In 1962, authorities banned ZAPU and arrested Mugabe. He was placed under detention from 1964–74, when international pressures secured his release along with other nationalist leaders. From 1974–79, Mugabe commanded guerilla forces from Mozambique. He was elected ZANU president and the



commander in chief of the Zimbabwe National Liberation Army (ZANLA) in 1977 and ultimately led ZANU to the Lancaster House agreements in 1979.

On 16 August 1996, Mugabe married Grace Marufu, his former secretary. The wedding, dubbed “wedding of the century,” was attended by 40,000 people. Mugabe's contribution to Zimbabwean and African development are widely recognized; he holds many honorary degrees and two awards for public service: Africa Prize for Leadership for the Sustainable End of Hunger (1988) and the Jawaharlal Nehru Award (1989). He and his wife have a residence at Zvimba, a rural village 50 mi (80 km) west of Harare.

## RISE TO POWER

Throughout the 1970s, Mugabe played a major role in providing ZANU with leadership stability and a united sense of purpose as he led the armed struggle against the white minority regime. After the assassination of ZANU National Chairman Herbert Chitepo in 1975 and a popular rebellion against former ZANU head, Reverend Sithole, for his relationship with the Smith government, Mugabe became the undisputed leader of ZANU. From 1974 to 1979, Mugabe led the armed struggle from Mozambique by building a highly effective liberation army that eventually helped bring the Smith government to the negotiating table. He succeeded in establishing himself as the primary independence leader.

In 1976, Mugabe formed an uneasy alliance with Joshua Nkomo's ZAPU party to create a united front against the Smith government. While the alliance was uneasy, it directly contributed to the Mugabe victory in the February 1980 elections. Mugabe's major constituency was the Shona tribe,

which represented the majority population, and ZANLA troops. Mugabe was considered a nationalist and liberator of Zimbabwe, and therefore, he had wide-ranging popular support.

Despite ZANU's landslide victory, Mugabe sought to form a government of national unity by naming a cabinet that included ZAPU and white members. Furthermore, Mugabe initiated policies designed to stabilize a war-torn nation by promoting a gradual change toward socialism that also upheld the property rights of white landowners. His rival, Joshua Nkomo was given the position of minister of home affairs in the first government.

## LEADERSHIP

Since the 1990s, Mugabe's popularity has waned owing to economic decline, political instability, the war in the Democratic Republic of the Congo (DRC), and his reluctance to face the HIV/AIDS crisis afflicting the nation. In the past Mugabe was considered a man of high integrity and moderation, but given recent events his judgement has been called into question. Corruption among the rank-and-file ZANU officials has become a serious political liability.

Mugabe has proved Machiavellian in his quest for and control over power. During the 1980s, Mugabe's political power expanded dramatically. His party increased its number of seats in the House of Assembly by six in June 1985, the first elections following independence. ZANU, however, was unable to secure any seats in Matabeleland, the traditional stronghold of Joshua Nkomo's ZAPU. Mugabe dealt effectively with a serious ethnic rift between the Shona and Ndebele by pulling off a stunning political maneuver that reconciled ZAPU and ZANU. In an agreement signed between Robert Mugabe and Joshua Nkomo in December 1987, the two leaders merged their political parties and Mugabe named Nkomo as vice-president. Furthermore, in September of that year, the 20 seats set aside for the white minority were abolished.

Mugabe's inauguration as executive president, a position that combined the roles of prime minister and ceremonial president, represented the apex of his power. By 1988, however, citizen discontent mounted and Mugabe's nationalistic appeals fell on deaf ears. In the 1990s, Mugabe abandoned his Marxist-Leninist rhetoric for international investment, but the increasingly lawless expropriation of white-held land for distribution to black peasant farmers proved disastrous. ZANU officials hoarded land intended for redistribution, while 'war veterans' too young to have fought in the war occupied white farms. Meanwhile, the spectre of drought, famine, AIDS, and joblessness haunted the nation, leading to speculation that Mugabe's unfortunate legacy may be that of economic ruin and political despotism.

## DOMESTIC POLICY

Mugabe's political and economic policies have run amok of internal and international pressures, signaling a loss of control if not perhaps the beginning of the end of his regime. Following the March 2002 elections, the government faced a three-day strike called by the Zimbabwe Congress of Trade Unions (ZCTU) to protest political violence against opposition supporters. Morgan Tsvangirai, who refused to enter into negotiations with the government, was called back

to court on charges of treason, and has been on trial. Some analysts speculated that with President Mbeki's pressure, a government of national unity might be formed. Attitudes on both sides, however, have been unmovable, and Mugabe has utilized the police, army, militias, and intelligence services against the opposition, leaving them with little to lose. On 18–19 March 2003, the MDC organized a strike that shut down most cities. Mugabe and ZANU-PF are pursuing a strategy of undermining the MDC by intimidation, election rigging, restrictions on civil liberties, and arbitrary arrest. Meanwhile, the unions and the MDC opposition will no doubt step up their attacks and attempt to rally popular support against Mugabe. A military coup cannot be ruled out.

The political crisis has been a disaster for the economy. Zimbabwe has been an exporter of food, but the unfortunate convergence natural and human-made conditions have resulted in food shortages and food lines. Droughts and land repossession and redistribution have created conditions for insufficient production making Zimbabwe a net grain importer. The government is establishing mechanisms to distribute farm inputs, but it will not be enough, or soon enough to alleviate maize and other food shortages. Businesses and factories have slowed to a two to three-day workweek. From 2001 to 2004 (est.), agriculture production will have declined by 43%. Manufacturing production over the same period will have declined by 37%. Zimbabwe's real GDP shrank by 7.3% in 2001, 12.1% in 2002, 8.8% in 2003, and is expected to decline another 4.7% in 2004. Inflation reached 74.5% in 2001, 134.5% in 2002, 304.5% in 2003, and is expected to increase by 176.8% in 2004.

The Minister of Finance, Herbert Murerwa, has outlined the main elements of the government's proposed new economic policy, the National Economic Revival Program (NERP). NERP involves a partial devaluation of the Zimbabwe dollar, but it does not address the key issues of the budget deficit and lack of confidence in the government. Owing to the government's need to spend more on food imports, and farm inputs, the deficit is likely to remain high. In 2002, the fiscal deficit was 10.5% of GDP, and is predicted to be 13.2% in 2003 and 12.4% in 2004.

As for the worsening AIDS pandemic, no clear end is in sight. If Mugabe were to leave office, the international community most likely would supervise fresh elections and mentor Mugabe's successor closely until the economy recovered. Changes to the government's fast-track land reform program would also most likely be seen favorably by the IMF, which would result in an agreement with them.

## FOREIGN POLICY

During the Cold War, Mugabe pursued a course of active nonalignment that sought to avoid entanglement with the United States and Soviet Union. His foreign policy, however, included an active role for Zimbabwe in African affairs. As part of the latter, Mugabe has provided military and finance backing for anti-apartheid and liberation struggles, and for the government of Mozambique in its fight against the Mozambique National Resistance (RENAMO). From 1992 through 1995 Zimbabwe contributed peacekeeping troops to UN missions in Mozambique, Rwanda, Angola, and Somalia. Against armed threats from Rwanda and Uganda, Zimbabwe



was the main supporter of the Kabila governments in the DRC. Although Zimbabwe historically maintained extensive trade relations with South Africa, it was a leading member of the Frontline States—a group of southern and central African states dedicated to end minority white rule in South Africa. Partly because of this history, Presidents Chissano of Mozambique and Mbeki of South Africa have been reluctant to criticize Mugabe for the March 2002 elections and present crisis.

Since the elections, Mugabe has managed to divide the international community over how to deal with his regime. On the one hand he has played up the equity and justice dimensions of land redistribution while criticizing the international community for its hypocrisy in support of white landowners. The argument has received a sympathetic ear from African heads of state and other developing countries, even though they have been made to pay for it in terms of lukewarm support from the donors for the New Partnership for Africa's Development (NEPAD). It has also shifted the terms of the debate away from the 2002 elections and the abuses of political freedoms and civil rights that followed. Analysts have noted Mugabe's ability to make timely concessions, which he has withdrawn strategically to keep his adversaries off balance. The bottom line is that he has been able to perpetuate his regime.

Relations with the United States and EU will continue to be tense as both have adopted targeted sanctions against senior members of ZANU-PF, restricting their ability to travel and freezing their financial assets. Nonetheless, the United States and UN will continue to provide food aid on humanitarian grounds, as well as to support civil society and other internal forces for change. Rumors have surfaced that the regime has used food aid as a political weapon. Proof of this would isolate Mugabe further, and make it more difficult for sympathetic African heads of state to support him.

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