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THE STABILITY OF THE ZIA REGIME

I. President Zia ul-Haq appears more firmly in control of Pakistan than at any time in his four years in power.

A. His hold on the army appears secure and his authority within the bureaucracy and among important social groups has been consolidated by external and internal threats to Pakistan.

-- The regime has kept martial law from becoming unacceptably repressive.

-- Zia is moving toward an Islamic political system that will give Pakistanis some form of popular participation, possibly through indirect elections to legislative bodies or a plebiscite on Islamization.

B. Good crops, strong exports, and economic reforms have brought significant recovery from the economic stagnation under Bhutto.

-- Manufacturing remains strong and worker remittances from abroad should top \$2 billion again this year. Pakistan's overall foreign exchange earnings are expected to top \$5 billion this year, doubling the average rate of increase during the Bhutto years.

-- Growing numbers of Afghan refugees--now over 2 million--however, are a major burden on the economy.

C. The opposition remains divided and lacks a credible alternative to Zia.

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- Bhutto's PPP still has basic support and probably would be the strongest party to emerge in a national election.
 - The PPP, however, is poorly organized and has been weakened by ineffective leadership and factionalism. It is unable by itself to initiate an opposition movement against Zia, but could take advantage of protests by students, workers, Shia dissidents or separatists.
- D. Zia remains vulnerable to a mass opposition movement or civil strife, but we believe a successor regime would likely remain beholden to the Army.
- We believe the Army would replace Zia with another general in the event of serious opposition and would negotiate a return to civilian rule on terms acceptable to the military.
 - Zia is not a popular leader and rules through a negative consensus. Most Pakistanis would prefer a return to civilian government, although there is no broad agreement on how that should be done.
 - Political storms can blow up suddenly in Pakistan. Even if the domestic situation remains relatively stable, Zia could begin to feel increasing pressure from social groups --students, lawyers, workers--whose interests run counter to Zia's policies. These groups, however, would have difficulty organizing a broad opposition movement unless the economy worsens.

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II. Separatist impulses in the minority provinces that could be exploited by outside powers are a serious long-term problem for Pakistan.

- For the moment, Soviet actions in Afghanistan have dampened both Pashtun and Baluch pressures for autonomy or independence.
- We have no hard evidence the Soviets are giving arms to the Baluch, but believe Moscow may become more interested in exploiting the Baluch problem now that Pakistan and the US are entering a new relationship.
- Some Baluch leaders, principally Sardar Marri and Sardar Mengal, might be willing to accept Soviet arms aid. These leaders currently are in exile, however, and probably could not raise their tribes in revolt without direct personal leadership.
- Most Baluch leaders, including Sardar Bizenjo, still hope for an accommodation with Islamabad and would be willing to settle for a greater degree of provincial autonomy under the 1973 Constitution.