**SPECIAL REPORT**

**THE DICTATORS**

**SOME ARE GONE,**

**MANY REMAIN IN POWER**

**SERIOUS IMPLICATIONS FOR**

**BUSINESS LOOM**

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**THE DILENSCHNEIDER GROUP, INC.**

**200 Park Avenue Three First National Plaza**

**New York, NY 10166 Chicago, IL 60602**

**212-922-0900 312-553-0700**

**INTRODUCTION**

In our September, 2008, Trend Report we highlighted several dictators, suggesting that things might change when they left power or died. That report drew much comment, including from the countries those men oversaw.

Many of the economic, political and technological forces that were brewing under the surface that year came to a head in 2011 as people in nation after nation agitated for change. Hosni Mubarak (Egypt), Zine El-Abidine Ben Ali (Tunisia) and Moammar Qaddafi (Libya) are gone. Strongmen in several other countries are under serious challenge.

And this month, in a final, ironic twist to the year’s events, death claimed the one dictator who was absolutely invulnerable to any other form of ouster, North Korea’s Kim Jong Il.

**The Leaders Under Challenge**

In Yemen, Ali Abdullah Saleh, who has dominated the nation for 33 years, has pledged to step down, although fighting between security forces and anti-government demonstrators continues.

In Syria, Bashar al-Assad is under internal and external pressures, with consequences that will be critical to the Middle East and the world. The U.S. and most European nations have imposed trade, travel and banking sanctions. In late November, the Arab League, in a rare show of forcefulness, imposed its own restrictions. Neighboring Turkey has been exceptionally aggressive in condemning Assad and demanding his resignation. And even Russia, long a loyal supporter, shows signs of losing confidence in his regime.

In Bahrain, King Hamad bin Isa Al Khalifa, backed by military units from Saudi Arabia, continues to crack down on demonstrators – most of them Shiites who are treated as second-class citizens, or worse. The king appears in no danger of being toppled, but the fact that the demonstrations continue in the face of brutal repression is a sign of how high are the levels of popular discontent. The U.S. has a big stake in the outcome, since Bahrain is an important ally and serves as a home port for the Fifth Fleet.

Perhaps most surprising of all, Vladimir Putin’s iron grip on Russia is under challenge. It started when Putin effectively reappointed himself as president, announcing he would run for the office again next year and acting as if victory was assured. The backlash set in almost immediately when, despite massive vote rigging, his ruling United Russia Party suffered heavy losses in early December parliamentary elections. The reports of widespread ballot fraud in turn triggered large demonstrations in Moscow and other major cities. Next, billionaire businessman (and owner of the NBA’s New Jersey Nets) Mikhail Prokhorov declared he will run for president.

It is a good bet Putin will prevail. But the very fact that he faces such opposition in a land that has long favored iron-man rulers is of major significance. It appears that the Russian middle class is responding to the same dynamics that have triggered discontent in so many other countries. Globalization and the social media have exposed people to a freer, more prosperous and democratic way of life – and taught them that popular resistance can overcome authoritarian rule. They want control over their own lives, and they understand now that they have a chance of getting it.

It is what one observer has called “the democratization of expectations.”

**The Awful Eight**

Two great questions remain: What will happen in the nations that have toppled their dictators? And what repressive regimes are still left?

No one knows the answer to the first question – the outcomes in Egypt and Libya in particular are full of dangerous uncertainties. As for the second question, here is a short list of eight sitting dictators with brief descriptions of each. Appended is a longer although only partial list of dictators who control the lives of tens of millions, forcing them to live in poverty and hopelessness.

In our 2008 Report we noted that the United States and other civilized nations trade and do business with many of these men, who benefit personally from these activities. In that regard, nothing has changed.

1. **Kim Jong Un**

North Korea

Age: Thought to be about 28

In power since: Mid-December

This listing is strictly provisional. Kim Jong Un was thrust into power by the death of his father, Kim Jong Il, on Dec. 17. But so little is known about Jong Un personally and about internal relationships in North Korea that it is impossible to foresee how long his grip will hold. The key, it appears, will be the attitude of army commanders who grew far more powerful under the father’s pro-military policies and who may be hostile to so young and inexperienced a leader.

The possibility that troubles officials from the Pacific Rim to Washington and European capitals is that a power struggle in North Korea might spin out of control with disastrous consequences, like hundreds of thousands of refugees fleeing the country or even regional warfare. China may be the key, since it is the only outsider with influence in North Korea and its policy imperative is to keep the peace on the Korean peninsula. Just what the Chinese will do now and what effects that will have are two more of the great unknowns in this unfolding drama.

What is known about the land that Jong Un inherits is uniformly horrifying. North Korea is cut off from virtually all external trade, media and immigration. The people have no access to information other than government propaganda. Their system includes collective punishment (three generations of a family can be punished for one member’s crime); the detainment of tens of thousands of citizens in prison camps, and the jailing and torture of those who are caught trying to escape.

According to a United Nations human rights report, women are trafficked for prostitution or forced marriage, and there are “ethnically motivated” mandatory abortions. Torture is routinely practiced, as are public executions and the extensive use of forced labor. Citizens who have been repatriated from abroad are considered traitors, interred, tortured and even murdered along with their children.

During the 1990s, an immense famine claimed up to 3.5 million lives. Lack of arable land, major flooding and severe droughts – all combined with the refusal of the government to accept foreign aid ­– created this disaster. Some observers believe North Korea may be headed for another famine this winter.

1. **Omar Al-Bashir**

Sudan

Age: 64

In power since: 1989

Al-Bashir came to power as a [brigadier](http://en.wikipedia.org/wiki/Brigadier) in the [Sudanese army](http://en.wikipedia.org/wiki/Military_of_Sudan) who led a group of officers in a bloodless [coup](http://en.wikipedia.org/wiki/Coup_d%27%C3%A9tat). WikiLeaks alleges that over the past 22 years al-Bashir has embezzled $9 billion in state funds.

In 2004, al-Bashir’s government negotiated an end to the [Second Sudanese Civil War](http://en.wikipedia.org/wiki/Second_Sudanese_Civil_War) – one of the longest and bloodiest conflicts of the 20th century – by granting limited autonomy to [southern Sudan](http://en.wikipedia.org/wiki/Southern_Sudan). This led to the creation last August of a new nation, the Republic of South Sudan, although fighting over disputed border territories continues.

Most readers will be more familiar with al-Bashir’s widely reported record in Darfur where he unleashed both regular and irregular military forces on a populace that had expressed tentative interest in independence. The rape, murder and pillage that ensued shocked the Western world. A tenuous truce is now in effect.

In July, 2008, the [International Criminal Court](http://en.wikipedia.org/wiki/International_Criminal_Court) accused al-Bashir of [crimes against humanity](http://en.wikipedia.org/wiki/Crimes_against_humanity) and [war crimes](http://en.wikipedia.org/wiki/War_crime) in [Darfur](http://en.wikipedia.org/wiki/Darfur) and issued an [arrest warrant](http://en.wikipedia.org/wiki/Arrest_warrant). In July, 2010, the Court held that there was also sufficient evidence for a charge of genocide and issued a second warrant. The court has also issued an arrest warrant for al-Bashir’s defense minister, Abdelrahim Mohamed Hussein, for crimes against humanity and war crimes.

Al-Bashir is the first sitting [head of state](http://en.wikipedia.org/wiki/Head_of_state) ever indicted by the ICC as well as the first to be charged with [genocide](http://en.wikipedia.org/wiki/Genocide). The court’s decision is opposed by the [African Union](http://en.wikipedia.org/wiki/African_Union), the [League of Arab States](http://en.wikipedia.org/wiki/Arab_League), the [Non-Aligned Movement](http://en.wikipedia.org/wiki/Non-Aligned_Movement), Russia and China.

China supplies most of Sudan’s arms, and the U.S. imports more than 4,000 tons of Gum Arabic annually from Sudan for use in soft drinks, candy, shoe polish, and stamps.

1. **Than Shwe**

Burma (Myanmar)

Age: 75

In power since: 1992

For nearly half a century, Myanmar has been a warm-weather version of North Korea. An entrenched junta now led by Than Shwe has not only repressed the people, but kept them as isolated as possible from the outside world. Once again, the only nation with close ties to the regime is China, which has an abiding interest in Myanmar’s great mineral wealth.

In 2007, Buddhist monks led pro-democracy demonstrations. Than Shwe ordered troops to fire at the crowds, killing dozens of protestors, and his forces detained several thousand more.

Burma’s Nobel Peace Prize winner, Daw Aung San Suu Ky, was recently released from house arrest, but in the last 21 years she has been jailed at least five times.

There is, however, a glimmer of hope that Myanmar may be changing. The new president, Thien Sien, was previously the foreign minister, and some analysts believe his travels in the outside world may have given him a sharp sense of how far behind his country has fallen and a strong desire to catch up.

Time will tell whether this leads to significant reforms. But the fact that Aung San Suu Ky was not only released from house arrest but was able to announce she will run for political office next year is taken as a hopeful sign. So too was the recent visit by Secretary of State Hillary Clinton. And reports by foreign media allowed to visit the country suggest the regime’s iron grip on the economy has loosened.

The exact role of Than Shwe in these events is unclear. Several reports say he has effectively retired from public life, although as one former official put it, “Burmese military dictators never leave in peace.” Other analysts have pointed out that an opening of trade with the West would enrich Than Shwe and his family. For the time being at least it must be assumed he remains the power behind the presidency.

1. **Hu Jintao**

China

Age: 65

In power since: 2002

Despite China’s economic successes, the government forces abortions, controls the major media, and harshly limits the practice of religion. There’s little criminal justice to be found in China – 99% of all trials result in a guilty verdict.

People designated as dissidents – including artists, human rights lawyers, and activists protesting abuses by corrupt government officials – are routinely imprisoned and in some cases killed in custody.

Despite this, popular resistance to the oppression and corruption appears to be increasing. In some cases, like the response to a horrific train wreck last summer, the government has acknowledged the need for reforms. Overall, however, Beijing continues to use the police and army to suppress anything that could be interpreted as a threat to authority.

Still, unlike other dictatorships, the Chinese Communists do replace their leaders at set intervals. There is actually a peaceful transfer of power, just like a democracy – but without the people having any say.

Hu is scheduled to step down as the Communist Party General Secretary in 2012 and as president in 2013. His designated successor is already known: Xi Jinping, who is currently the vice president. Like Hu, he is a career bureaucrat, although observers say he is a much more skillful politician. While this change of leaders may affect China’s dealings with the outside world, it is not likely to alter domestic policies, which are expected to remain religiously, socially and politically repressive.

China is a close economic ally of the United States and its second leading trading partner, following Canada. The U.S. Treasury owes Chinese lenders well over $400 billion.

1. **Robert Mugabe**

Zimbabwe

Age: 83

In power Since: 1980

Like his fellow dictators, Mugabe has used the army and police to brutally repress his people. What distinguishes him in this Hall of Shame is that he has also managed the economy so ineptly and corruptly that what was once a productive, prosperous nation is now one of the world’s basket cases. The inflation rate rivals that of Germany’s post-World War I Weimar Republic – 8,000 percent in the last year along. Unemployment is about 80 percent. One quarter of the population has fled to neighboring countries in southern Africa. Those who remain face unimaginable poverty and suffering.

Mugabe has maintained the illusion of democracy, at least in his own mind, by staging periodic presidential elections – all carefully rigged. In a testament to the determination and courage of the opposition, the last round of voting in 2008 forced him into a power-sharing arrangement with an opposition leader, Morgan Tsvangirai. Although Mugabe has mostly ignored the terms of the agreement, the balance of power has shifted somewhat and Tsvangirai now serves as prime minister.

Meanwhile, according to recent news reports, Mugabe is compensating for the losses that international sanctions have inflicted on his personal fortune by illegally selling diamonds from one of Zimbabwe’s most productive mines. His creativity in the abuse of power seems endless.

He is believed, however, to be suffering from colon cancer, so his life expectancy could be limited. If Tsvangirai can maintain his hold on office – and if he proves to be the democratic leader he claims to be – there could be better times ahead for Zimbabwe.

1. **Sayyid Ali Khamenei**

Iran

Age: 68

In power since: 1989

The name and face most Westerners associate with Iran is that of the president, Mahmoud Ahmadinejad, best known as a Holocaust denier who has vowed to wipe Israel off the map. While his governmental powers are not without consequence, the real ruler of Iran is Ali Khamenei, head of the religious council that holds ultimate power. To paraphrase the old saying about the relationship between American presidents and Congress, Ahmadinejad proposes but Khamenei disposes.

Khamenei’s policy imperatives boil down to two: To rule Iran as a theocratic state and to turn it into a nuclear power. Just how far along Iran is toward the second goal is a matter of intense debate – and intense concern, since success would make it the 800-pound gorilla of the Middle East and raise major security issues for Europe and the U.S.

Much more is known about Khamenei’s progress toward the first goal of ruling Iran under strict Islamic law. Among other actions taken during the past year, officials following his orders carried out public hangings, stoned a man to death for adultery, shut down music studios and cafes and persecuted dissidents.

Standing against all this is a growing population of educated young professionals who, like so many of their contemporaries elsewhere, seek more control over their lives – and more access to the technological benefits and social freedoms of the West. They made their presence known to the world when they staged mass protests after the 2009 presidential election in which Ahmadinejad’s re-election was widely seen as fraudulent. The crackdown was brutal and often deadly, and eventually the protests ceased.

It is an open question what will happen when Iran holds a presidential election in 2013 (Ahmadinejad is term-limited). No one expects Khamenei to relax his grip on power or give up his theocratic-nuclear goals, so more conflicts are surely just over the horizon.

1. **Islam Karimov**

Uzbekistan

Age: 70

In power since: 1989

The government engages in routine abuses of citizens and has subjected dissenters to forced psychiatric treatment. A [United Nations](http://en.wikipedia.org/wiki/United_Nations) report found that [torture](http://en.wikipedia.org/wiki/Torture) is “institutionalized, systematic and rampant” in Uzbekistan’s judicial system. Political prisoners’ bodies are returned to their families in sealed coffins, some reportedly boiled to death.

Despite huge deposits of natural gas, gold and uranium, Uzbekistan’s economy is lagging. A quarter of the citizens live in poverty, and per capita income is about $1,950 a year. Even worse than the economic stress, though, is the government’s brutalization of its citizens.

U.S. imports from Uzbekistan have doubled since 2002. The country has a rich supply of the uranium needed for power plants and weapons.

1. **Isayas Afewerki**

Eritrea

Age: 62

In power since: 1991

Eritreans under Afwerki live in a reign of terror and torture. There are no elections and no body of formal law. It’s every man for himself. Prisons are full of journalists, university professors and former government officials. Young people are sent to rural areas for several years to do their “national service,” which is aimed at keeping them from protesting against the government.

Eritrea broke away from Ethiopia in 1993 after a bloody 30-year civil war, and tensions still simmer. They could turn into a renewed fight in the near future over a boundary-commission’s decision concerning a village that both countries claim.

**Some of the Others**

In addition to the Awful Eight who control and repress millions, here is a short although not exhaustive list of other dictators. The impact these men have on their citizens can be summed up in one word: appalling.

* Belarus: Alexander Grigoryevich Lukashenko
* Burkina Faso: Blaise Compaoré
* Cameroon: Paul Biya
* Central African Republic: François Bozizé
* Chad: Idriss Déby
* Cuba: Raul Castro
* Equitorial Guinea: Teodoro Obiang
* Ethiopia: Meles Zenawi
* Gambia: Yahya Jammeh
* Rwanda: Paul Kagame
* Uganda: Yoweri Museveni
* Turkmenistan: Gurbanguly Berdymuhammedov
* Venezuela: Hugo Chavez

Should you want background on any of these men, please let us know.

**Final point:**  If this list had been prepared as recently as a decade ago, Latin America would have been heavily represented. Now only Castro and Chavez are left. No other region of the world has seen so much progress in so short a time.

**IMPLICATIONS FOR BUSINESS:** These autocratic strongmen and the way they operate have long represented an unknown – and a barrier – for any businessperson wanting to operate within their borders. However, another reality appears to be gaining momentum: The strength of the many, when they are united, is greater than the power of the few. As technology continues to create new sources of information and new means of communicating, the domino effect of recent revolutions seems destined to continue. Opportunities for business will eventually blossom in the places that already have seen a movement toward democracy and in the places likely to see them in the future.

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*The material in this Report is based on original research from data available from public sources. The Dilenschneider Group will continue to monitor this situation and issue further Special Reports as developments warrant*.