

POLITICS NOW

## South Sudan: Beyond the ceasefire

BY RAMSEY BECK

### Key points

- South Sudan's conflict is rooted in the widespread availability of weapons; the common use of violence in contests for power and profit; growing ethnic inequality and resentment; and the debasement of government to a system of patronage and a sinecure for the elite.
- Economic development can help build peace, but only if delivered equitably, to all regions and ethnic groups.
- Decentralization could improve accountability and service delivery, but without the oversight and coordination of a strong central government it could also worsen division, violence, and corruption.
- Any improvement in South Sudan's near-term prospects for sustained peace will depend on the constructive engagement of the international community in obliging the government to achieve effective disarmament, stem corruption, deliver services and share the country's wealth.

### Participants

Eddie Thomas *Author, South Sudan: A Slow Liberation*

Peter Biar Ajak *Center for Strategic Analyses*

Casie Copeland *International Crisis Group*

Don Bosco Malish (*Chair*) *Open Society Initiative for Eastern Africa*

### Introduction

On Friday, 27 February 2015, the Nairobi Forum invited author Eddie Thomas to launch his new book *South Sudan: A Slow Liberation* in a panel

discussion at RVI's office in Nairobi. Peter Biar Ajak of the Centre for Strategic Analyses and Casie Copeland of International Crisis Group joined Eddie on the panel, which was chaired by Don Bosco Malish of the Open Society Initiative for Eastern Africa. As the Intergovernmental Authority on Development (IGAD) mediated peace talks in Addis Ababa continued without apparent progress in bringing South Sudan's 14-month old war to an end, the panelists were asked to reflect on the causes of the country's conflicts and its prospects for lasting peace after a ceasefire is agreed.



Eddie Thomas

The panelists found the roots of South Sudan's conflict in the complex interaction of a number of stubborn problems: the widespread availability of weapons; the instrumentalization of violence in contests for political power and, increasingly, in economic enterprise; growing inequality, and related ethnic resentments, as a result of uneven development and distribution of wealth; the global and regional integration of South Sudan's economy, which renders it susceptible to external interference even as it makes the outside world reluctant to challenge South Sudan's leaders; and,



Don Bosco Malish, Casie Copeland, Peter Biar Ajak, and Eddie Thomas

most importantly, the debasement of government to a system of patronage and a sinecure for the elite.

### Arms and the instrumentalization of violence

Security, stability and prosperity in South Sudan depend on the reduction of the use of violence for political and economic ends, which in part depends on the reduction of arms available to the various competitors for wealth and power. Unfortunately, even the country's most powerful political and economic actors have made use of violence, or the threat thereof, for the acquisition and preservation of their wealth and power. As Peter observed, in South Sudan, political power is acquired 'first by raising an army and then saying I want a position.' Salva Kiir and Riek Machar are the leading political players because they have the biggest armies. This use of violence for political ends recurs at all levels of government. This has militated against any serious political will for disarmament. Despite repeated post-Comprehensive Peace Agreement (CPA) disarmament drives, the country remains awash with weapons and, as a result, perennially insecure.

### The perils of economic growth

As a push for disarmament from above is lacking, policymakers have hoped to create a pull from below by promoting economic development fuelled by private sector-led growth. This, it is hoped, will create jobs and draw the country's large pool of combatants into productive employment. This reasoning seems uncontroversial, but, as Eddie observed, private sector development does not necessarily reduce insecurity in the short term. It may, in fact, exacerbate it.

Eddie cited, as an example, the nascent commercial cattle keeping industry, led by military generals from Bor, in Jonglei state, whose access to funds from the government has allowed them to accumulate huge herds. In the absence of effective state security, the owners of these herds have resorted to arming their herdsmen, so that what is emerging is a private sector that, like the political sector, is dependent on the availability of arms and the privatization of violence. The destabilizing potential of this kind of development has already been manifested in Nimule, an agrarian region of Eastern Equatoria, where Bor herdsmen displaced from Jonglei by the fighting there have come into violent conflict with local Madi communities, who have resisted the incursion of large, crop destroying herds into their fields. The resource conflict has thus assumed an ethnic character,

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which renders it prone to degenerating into widespread and cyclical violence.

In an economic and security environment as precarious as South Sudan's, Thomas pointed out, any economic development can exacerbate insecurity and ethnic conflict unless it is achieved uniformly, to benefit all communities simultaneously. For instance, if development is unevenly distributed, those close to a new road will have access to markets and capital unavailable to those whom roads have not yet reached. Envy and resentments can emerge, especially as development benefits some ethnic groups over others, resulting in ethnic competition for the political power that brings development. This, in turn can fuel politically and economically motivated ethnicized violence. So while it is generally accepted that South Sudan's rudimentary physical infrastructure, concentrated almost exclusively around Juba, will have to be extended to serve the country's rural areas and to allow farmers to bring their goods to markets, this will have to be achieved in a manner that minimizes the potential for inter-communal envy, resentment, and competition.

### Entrenched patronage and poor leadership

Ultimately, then, economic growth must be pursued in parallel with other efforts to strengthen security, distribute wealth and opportunity equitably, and build a sense of nationhood, all of which depend on the improvement of governance. It is impossible to envision a peaceful and stable South Sudan without better leadership. But poor leadership is the very problem that an emphasis on economic growth would seek to circumvent. And whether better leadership can emerge in the near term from existing South Sudanese institutions is doubtful, Peter said. Patronage, corruption, and the instinct to use military means for political ends are deeply rooted within the Sudan People's Liberation Army/Sudan People's Liberation Movement (SPLA/SPLM), which adopted those tactics to secure and maintain support during the long civil war. The depth of corruption and patronage is such that although the government has received two billion dollars a year in revenue, it has made no real investment in institutions or infrastructure. Instead, as Alex de Waal has reported, the SPLA has 745 generals, second only to Russia and more



than all four US armed forces combined.<sup>1</sup> The government officially spends over 80 per cent of the national budget on salaries and 40 per cent on security services. This includes salaries for a reported 210,000 infantrymen in the SPLM, which, Peter asserted, is overinflated by more than one hundred per cent. Unofficially, the government spends vast sums on special programs of the offices of the president and the vice president, which consistently overspent during the Interim Period<sup>2</sup> by up to 5,000 per cent and 4,000 per cent, respectively. Changing such deeply entrenched corruption would be beyond the capacity of many a better government, and the current leadership of the SPLM is neither strongly inclined to change it, nor equipped with the required management skills.

Eddie agreed that prospects for new management emerging from the negotiations or otherwise in the near term are not good, not least because the South Sudanese population currently exerts very little influence on the government and the latter has very few interests in common with people that it rules. Economies in the rural areas, which cover the vast majority of the country, continue as they always have, with property held in common, and without much use of money and markets. They are unreachable for taxation and not susceptible to influence from the central government, which, in turn, sustains itself almost exclusively from the oil revenues that make up 98 per cent of its budget. The government operates, as a result, almost completely without reference to the vast majority of society. In the longer term, if there was a greater economic alignment between the state and the non-oil based economy, governance would begin to change, Eddie predicted. In 2012, after the country halted oil production in a row with Sudan over pipeline transit fees, the government instituted



Elizabeth Ashamu Deng asks a question

austerity measures combined with efforts to extract more taxes from society. This started to align the state with economy more. But such a process will be slow and unpredictable. The current rentier economy, in which the government remains almost completely dependent on non-tax revenue, militates against a better alignment; this will be a problem until the oil runs out.

### Is ethnic federalism the answer?

Humphrey Ojwang, speaking from the audience, queried whether a better alignment of government to the population could be achieved through decentralization into ethnic states. He cited the example of the Greater Pibor Administrative Area (GPAA) as a possible model. The GPAA was established in the Pibor region of Jonglei in May 2014, after David Yau Yau, the leader of a Murle insurrection against the government, used his position to negotiate a form of self-rule for the region.

This option of ethnic federalism seems to be very much on the table in South Sudan. The SPLM-In Opposition (SPLM-IO) has called for a federal system of governance, and more recently, Riek Machar promised to split the country's current 10 states into 21—based on the Condominium-era districts which roughly followed ethnic lines—if he managed to come to power.<sup>3</sup> There are also GPAA copycats. For example, Lul Ruai Koang, a former spokesperson for the SPLA IO, recently defected, raised his own army, and demanded the establishment of a greater Akobo administration area, also in Jonglei.

Peter predicted that greater decentralization of government along ethnic lines would lead to better governance. If, he said, oil revenues

were distributed directly to communities and earmarked for specific services, like education, the communities, which have long-standing traditional mechanisms for accountability, would hold their leadership responsible for the delivery of the services.

However, Casie argued that traditional mechanisms for accountability do not guarantee the success of ethnic federalism. She pointed out that the Lou Nuer, who are currently disproportionately represented in government and whose leaders have unparalleled access to state resources, are some of the poorest people in South Sudan, yet their support of their leadership has been unwavering. It would appear that internal ethnic group accountability mechanisms are weakened in an environment of inter-ethnic competition. Casey worried that decentralization might not solve the problem of political violence, which is perhaps the greatest challenge to stability and good governance in South Sudan. On the contrary, it could deepen the problem, as local leaders would have the means and the incentive to use force to obtain or retain control of local budgets.

Noting that South Sudan has an advantage over many other countries when it comes to decentralization because it doesn't have a powerful mono-ethnic center upon which the country is politically and economically dependent, Eddie nevertheless questioned whether ethnic federalism would work to solve the problem of poor governance in the near term. He noted that localities have adopted methods of making demands on government that are currently rational, but that could as easily undermine as strengthen good governance. A huge proportion of spending in South Sudan has been and is on the wages that undergird the patronage system and maintain the elites in power. The South Sudanese have seen that, during periods of austerity, the central government has always safeguarded wages, cutting development spending instead. So when people consider rationally how to reliably bring some of the oil revenues to their region, they conclude that the best way is to create an administrative headquarters, as has occurred in the GPAA, rather than demand money for schools, roads or hospitals. Instead of encouraging the best uses of funds, then, this creates political and bureaucratic elites that can easily become a part



Humphrey Ojwang

of the patronage problem. This will remain a risk as long as the local economies are underdeveloped and local governments remain dependent on the central government's distribution of oil revenues.

Decentralization, then, would need to be implemented in manner that would manage these problems, and it is difficult to imagine how this might happen without better leadership from the central government.

### Sanctions and international oil revenue oversight

Several members of the audience asked whether South Sudan's leaders might not be forced to govern better with international sanctions, which could force them to stop the war, accept international oversight of the use of oil revenues and install a system of governance that works for all South Sudanese.

Peter answered that sanctions should be a part of the peace process. He observed that control of the oil money is what the belligerents are fighting over, so sanctions on oil exports would work to reduce the conflict by pressuring all warring groups. Targeted personal sanctions would also work because the main actors in the conflict—those who are the obstacles to peace on both sides are well known, and their assets can be traced.

It seems highly unlikely, however, that even targeted personal sanctions will be imposed by IGAD, which is leading the peace effort. So far the regional body has made no indications that sanctions are on the table: this may be because South Sudan's economy, and consequently its politics, are intimately connected with its neighbors'. There is a booming banking sector in

Juba that is led by Kenyan bankers, for example. Much of the northern Uganda economy of smallholder agriculture has found an important market in South Sudan. Actors in the region also have interests in illicit industries—illegal logging, for instance—that take advantage of the country's insecurity and in the business of war itself. At the same time, businessmen in South Sudan, who are more often than not connected to the warring groups, are deeply invested in properties and businesses in neighbouring countries. As a result, as Casie noted, the negotiations this time are very different from the negotiations early this century which produced the Comprehensive Peace Agreement. That agreement contained detailed provisions explicitly intended to reform government in both North and South Sudan. This time the negotiations make no pretence of reform at all—they seek only a power sharing deal that will restore stability without challenging the basic structure of South Sudan's government and economy.

Similarly, the IGAD countries are unlikely to advocate any oversight of the oil revenues and it is even more unlikely that the warring factions would accept such an arrangement if they did. Both sides in the conflict, Peter pointed out, are fighting over control of oil revenues, which they need to sustain their patronage systems. At the same time, the majority of the South Sudanese people, who would support an international role in monitoring oil revenues are not represented in the current negotiating structures. 'So called civil society [at the negotiations] are either loyal to the rebels or to the government. You cannot find among the delegates civil society members who are truly neutral.'

The task of imposing sanctions and oil oversight would therefore fall to the wider international community, which has thus far proved reluctant to intervene in the conflict or to attempt to influence the IGAD led process. However, Peter observed that there could be an opportunity for the international community to force some governance reform—and even impose an oil revenue oversight regime—if South Sudan is forced to appeal to it for support in its re-negotiation of fees paid to Sudan under the oil agreement of 2012.<sup>4</sup> That agreement requires South Sudan to pay USD 26 dollars in transport and other fees for every barrel

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of oil transported through Sudan. Fifteen dollars of that amount consists of instalment payments on a USD 3 billion transfer it agreed to make to Sudan as compensation for the latter's losses following South Sudan's secession in July 2011. Full payment of the debt is due in 2016, but, as oil prices have dropped and production has slowed due to the ongoing civil war, South Sudan is experiencing a steep drop in revenues that jeopardizes its ability to meet that commitment. At the same time, Sudan has been diversifying its economy—by increasing gold exports, for example—and is less dependent on oil exports and thus in a far stronger negotiating position than it was in 2012. Peter predicted that Khartoum will insist on terms South Sudan cannot accept and make threats. As it has done in the past when it felt oppressed by Khartoum, Juba will

then appeal to the international community for help. The latter will then have the opportunity to demand reform and oil revenue oversight in return for its intercession.

Unfortunately, this seems a very remote possibility. Casie Copeland observed that 'unlike during the last CPA negotiations, this time the international community is just not willing to put muscle behind much of anything.' But without international intervention, it appears that the people of South Sudan will have either have to organize themselves in opposition to the current leadership, if they are to begin to tackle the complex of poverty, conflict, and corruption, or wait for the oil to run out. Both are bleak prospects, indeed.

## Notes

1 Alex de Waal, 'Visualizing South Sudan: The Culprit: The Army', *Reinventing Peace*, 13 March 2014. (<https://sites.tufts.edu/reinventingpeace/2014/03/13/visualizing-south-sudan-the-culprit-the-army/>)

2 The period between the signing of the CPA on 9 January 2005 between the Government of Sudan and the SPLM and the referendum on the status of Southern Sudan, which was held in January 2011.

3 For more the history of federalist thought in South Sudan, see Douglas H. Johnson's research paper for RVI, *Federalism in the history of South Sudanese political thought*, available at [www.riftvalley.net](http://www.riftvalley.net).

4 'Agreement between The Government of the Republic of South Sudan and The Government of the Republic of Sudan on Oil Related Economic Matters', Addis Ababa, 27 September 2012. (<http://sites.tufts.edu/reinventingpeace/files/2012/09/Oil-Agreement-between-SudanSouth-Sudan0001.pdf>)



## Credits

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