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## **South Sudan on the Eve of Independence. Assessing the Viability of the World's Newest State**

On 9 July 2011, South Sudan will declare its independence from the Republic of Sudan. The independence comes after 22 years of civil war, which ended in 2005 thanks to an internationally brokered Comprehensive Peace Agreement (CPA)<sup>1</sup>. The treaty was signed by President Omar al-Bashir and the late John Garang, head of the rebel Sudan Peoples' Liberation Movement (SPLM). It included provisions for a referendum in January 2011 in the 10 southern states to determine their political future. People in the south voted overwhelmingly (98.7%) for independence. The result of the referendum was recognised by the northern ruling National Congress Party (NCP). Most countries already have stated their intention to recognise the Republic of South Sudan.

Still, the new country faces serious internal and external challenges and its future prospects are far from certain. While South Sudan is not doomed to fail, a review of its current political, social and economic situations is necessary to establish what are its chances to remain a stable member of the international community and what other members of that community can do to help.

### **South Sudan: Strengths and Weaknesses, Opportunities and Threats**

#### *Society*

South Sudan is fragmented and polarised. There are more than 60 different ethnic groups, which have traditionally fought amongst themselves for dominance and resources. The largest of the ethnic groups are the Dinka, comprising nearly half the population. Their traditional enemies are the Nuer, the second largest group. Both tribes are cattle-herders and value livestock above all other resources. Cattle are not only the basis for the traditional economy but also have a deeply symbolic meaning. The presence or exchange of cows is

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<sup>1</sup> Guarantors of the Agreement include the EU, UN, Arab League, Intergovernmental Authority on Development (IGAD), U.S., UK, Egypt, Italy, Netherlands and Norway.

essential during any social functions or interactions. For example, a young man cannot get married until he has paid a dowry in cattle to the family of his prospective wife. “Blood money,” which ends a feud between clans in the case one of its members is killed, also is paid in cattle. For these reasons, both tribes have regularly raided each other to steal cattle and also often to take women and children from the other tribe. The practice of cattle-rustling is still prevalent today, especially in the far north and far south.

Apart from the occasional cattle raids, the tribes have learnt to live peacefully next to each other and there is no great animosity between them.<sup>2</sup> Tribalism, though, leads to other societal problems such as favouritism, exclusion and patrimonialism. Each tribe jealously guards its privileges and is envious of anything that it perceives to be an advantage for the other. This manifested itself clearly during the civil war. The SPLA was predominantly made up of the Dinka under the leadership of their tribesman, Dr. John Garang. The few Nuer and Shillouk officers felt that the interests of their tribes were insufficiently represented in the movement, and in 1991 they staged an internal rebellion under the leadership of Nuer Riek Machar. This led to a split, infighting and massacres that some historians estimate resulted in more casualties than the civil war with Khartoum<sup>3</sup> and certainly made it much more difficult to build a common national identity.

Favouritism will become more acute as the society modernises and income gaps widen. Those with access to government posts and money will build patronage networks based on their clans, hampering social mobility and breeding resentment. These are problems not particular to Sudan. Kenya is infamous for its graft and the clique-like nature of its politics—issues that to a large extent led to the tragic events of December 2004 when more than 1,500 people were killed. The scale of the problem is not yet that acute in Sudan but it is real. It is estimated that more than \$7 billion in donations from various international bodies since 2005 has been misappropriated or misused.

### *System of government*

South Sudan has no strong institutions in place to guarantee transparency or the accountability to tackle these issues, and it is plagued by the same tribalism that haunts the society. The government is dominated by the same ethnic group as the revolutionary army was, the Dinka, and many other tribes fear that after so many years in control the Dinka will find it hard to let go of power and adapt to a non-military, democratic nature of government. While many ministers, including the vice-president, are from the Nuer tribe, many smaller groups fear they will not have an equitable share of power and wealth.

South Sudan’s federalism, stipulated in the transitional constitution, was supposed to address that problem. The country is divided into 10 states, each of them with a governor and a state legislature. While on paper it is a good solution, practical effects have been mixed. A few years of peace cannot eradicate the habits of many decades of war, and some of the excluded prefer to use military rather than democratic methods to make their voices

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<sup>2</sup> Certainly the relation is nothing like the “ancient hatreds,” which are often put down as a convenient explanation of Africa’s problems.

<sup>3</sup> See for example Deborah Scroggins, *Emma’s War: An Aid Worker, a Warlord, Radical Islam, and the Politics of Oil—A True Story of Life and Death in Sudan*, New York: Pantheon Books, 2002.

heard. After the state elections in April 2010, new rebel militias were formed in nine out of the 10 states around former SPLA commanders who failed to win elections and secure a seat for themselves in the local government. The militias have grown as young, unemployed, ex-military men join their rebel kinsmen, further destabilising and fragmenting Sudanese society and making the task of bringing about development much harder.

The rebel groups are not entirely mistaken in their mistrust of the government, which recently has been displaying worrying, autocratic tendencies. Last month, the parliament, controlled mostly by Dinka SPLM tabled a draft of the “Transitional Constitution,” which is a blueprint for the eventual permanent constitution. The draft was ratified by the parliament on July 6 and is due to pass into law during independence day celebrations in July. The ruling elites seem to be counting on the festivities and the historic moment to overshadow the more troubling provisions of this document, such as the removal of presidential term limits or the new power of the president to appoint and remove MPs and state governors. There also have been reports of media intimidation and harassment, and the parliament has yet to draft a media bill that would grant and protect freedom of speech. Undemocratic presidential systems are common in this part of the world—Sudan, Ethiopia, Chad and Uganda all have them—and leaders have a tendency to overstay their time in office. It is not unreasonable to suggest South Sudan is in danger of emulating its neighbours.<sup>4</sup>

### *Economy*

The task of building up the economy is overwhelming. Most of the 10 million South Sudanese are subsistence farmers or remain unemployed. For income, South Sudan relies almost entirely on oil revenues—it exports about 500,000 barrels of oil per day—that comprise 98 percent of its annual budget. Despite its oil reserves, South Sudan remains one of the poorest countries in the world. Reliable economic data for South Sudan are not yet available, partly because of the embryonic state of its economy and partly because data are compiled for both the south and the north as one nation. A per capita GDP of \$2,300 for Sudan as a whole already is a low number, but does not reflect the scale of poverty in the south, where, according to UN estimates, more than 50 percent of the population lives below the poverty line.

Sudan has the potential to become a regional economic power eventually. With guaranteed oil revenues, it can afford to develop other industries that draw on the wealth of its natural resources. South Sudan is rich in minerals and other coveted resources, including gold and uranium. Its timbers (teak and mahogany) are of high quality. South Sudanese soils are very fertile, and the climate, especially in the south-west, is conducive to multiple yearly harvests of grains, vegetables and fruits. While there is no direct access to the sea, the

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<sup>4</sup> It might be argued that a united leadership and a strong executive are necessary in a country that is only just coming out of a civil war and battling internal security threats. The example often quoted is that of Uganda’s President Museveni or Rwanda’s Kagame—two regional leaders who, while not entirely committed to the democratic process, not only stabilised their countries after devastating episodes of destructive internal violence but also managed to significantly accelerate the development of countries out of poverty. Regardless of arguments that can be raised against these claims on the basis of the general development-through-democratisation theory, Sudan’s history and political reality speak strongly against it.

capital, Juba, is positioned between the economic centres of Kenya, Ethiopia and Uganda, allowing for vigorous trade. The Nile River is navigable for large stretches and parts of it with rapids hold the potential for harnessing hydro-electric power.

However, unless wise economic policies stimulate other branches of the economy, South Sudan is in danger of sharing the fate of oil-rich but underdeveloped countries such as Angola, Chad and Equatorial Guinea, which suffer from the consequences of the so-called “resource curse.” Excessive reliance on one internationally coveted commodity leads to the artificial strengthening of the local currency, which in turn adversely affects other export industries and stifles diversification of the economy. Moreover, an undiversified portfolio leaves a country vulnerable to fluctuations in the price of its export commodity, potentially resulting in sudden dramatic cuts in revenues. Presently, however, the country’s growth is hampered by a lack of investment and insufficient infrastructure.

### *Infrastructure and Investment*

South Sudan, a territory the size of France, has less than 100 kilometres of paved roads, most of them in Juba. Dirt roads sparsely cross the country between fewer than 10 urban centres. Most of these roads become impassable during the rainy season between April and July, making huge swaths of the country virtually inaccessible. There is only one bridge spanning the Nile in all of South Sudan. The majority of the population relies on rivers and wells—dug with the help of a variety of NGOs, including Polish Polska Akcja Humanitarna (PAH)—for their water supply. Electricity from rudimentary grids (available only in four urban centres) is unreliable and rarely functions for more than a few hours a day. Surprisingly, for an oil-rich country, it also suffers chronic fuel shortages. This is because South Sudan has no refining or pipeline capacities and relies on diesel and petrol imports from Uganda and the north.

Private or national investment in infrastructure is practically non-existent outside Juba. When there is, it is almost entirely donor-led with the exception of the mobile telephone network, which is run by regional telecom giants such as Kenya’s Zain and Uganda’s MTN. The hope is that investment, donor-led and private alike, will start flowing after South Sudan becomes independent and as such becomes eligible for more funds, especially from the World Bank and the IMF. The U.S. administration recently promised to organise a donor conference to help raise \$500 million that the government of South Sudan estimates is needed to push the economy forward<sup>5</sup>.

There have been some visible, trade-friendly improvements since 2005, however. For example, work has started on a sealed road for the 192 kilometres between Juba and Nimule, on the Ugandan border. The project is financed and supervised by the United States Agency for International Development (USAID). However, progress has been slow since most international development aid coming into Sudan still is directed through Khartoum. All this makes poor Sudan one of the more expensive countries in the world. For example, in the capital Juba it is impossible to find a room with electricity and running water for less than \$1,000 per month. Because everything needs to be imported over bad roads, the prices of non-essential food commodities are extremely high.

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<sup>5</sup> A figure mentioned by the Vice-President, Riek Machar, at a press conference, June 28, 2011.

## The North-South Animosity

South Sudan's paramount internal challenges have been overshadowed by troubling events at the northern border, in the regions of Abyei and South Kordofan. The roots of this conflict reach as far as the time of the British colonial rule, when Sudan was divided into two separate territories. The south—less developed than the north at the time—was expected to take much longer to become an independent nation. Yet, when the winds of decolonisation started sweeping through the continent in 1956, London quickly united the two territories and granted them independence as one country with a government in Khartoum. As elsewhere in Africa, the colonisers left hastily and were unable to prepare the new nations for statehood. In Sudan, the consequences of swift decolonisation were particularly dire. Southern Sudan, found itself united and de facto ruled by the northern Arabs, a group which people in the south deeply mistrusted and disliked. This untenable situation resulted in the first of Sudan's civil wars, which lasted from 1956 until 1972.

The reasons for the animosity between north and south Sudan are deeply rooted. The north is inhabited by Arabs and is predominantly Islamic. The south is home to more than 60 different ethnic groups, most of them Nilotic. Until the coming of the British, they held to their animistic religions, which was one of the many reasons why their northern neighbours held them in contempt. The Arabs from the north consider themselves to be more civilised and superior, often denoting southerners with the highly derogatory word *abid*, meaning slave. The practice of slavery permeates the history of relations between the north and south since for many centuries Sudanese Arabs only ever visited the south to raid black tribes to capture slaves, selling them at the markets in Khartoum and Cairo. The British put an end to this practice, but resentment and mistrust between the two nations persisted.

With such a history of warfare and exploitation, it is hardly surprising that the southern Sudanese refused to be ruled from Khartoum and rebelled. The period 1956–1972 saw very little in terms of development in the south as the country was plunged into a war that killed almost half a million people. The brief peace that ensued after the signing of the Addis Ababa Agreement saw some development as Arab traders ventured south, which stimulated agriculture production and trade, the government opened schools and international organisations started operating and bringing rudimentary health care. The peace did not last long, however. In 1983, the south rebelled again, this time over religious divisions and access to resources. Oil was discovered on the border between the north and south in 1978, and the government of Khartoum attempted to redraw the borders to annex the richest oilfields. This, compounded with the attempt to introduce *sharia* law in the south, resulted in a fresh war that lasted from 1983 to the signing of the CPA in 2005.

### *Abyei and South Kordofan*

On 21 May, Khartoum's Sudan Armed Forces (SAF) invaded Abyei, ostensibly to protect it from attacks by the Sudan Peoples' Liberation Army (SPLA) faction of the Joint Integrated Unit (JIU), which is a combined force of northern and southern armies set up under the CPA and responsible for peacekeeping in the region. Abyei, is an oil-producing region permanently inhabited by the farming Dinka people and seasonally visited by nomadic Arab herders, the Misseriya, who use Abyei pastures during the rainy season. The CPA contained provisions for a special referendum, scheduled to take place at the same time

as the southern referendum, to determine whether the region should join the south or remain in the north; it failed however to specify if both groups are eligible to vote. The disagreement over this issue precluded the holding of the special referendum, leaving the fate of Abyei unresolved.

Similarly unresolved is the situation in the north in Sudan's border provinces of South Kordofan and Blue Nile, which in the CPA were promised, though not well defined, "popular consultations" to determine their relationship to Khartoum. Parts of South Kordofan are inhabited by the Nuba People, known for their pro-southern sympathies. From the 1980s to the signing of the ceasefire in 2002, they fought in a civil war against Khartoum over political rights, resources and identity issues. Despite the mistrust and hostility between the two, the Nuba wish to remain part of the north. The "popular consultations" stipulated by the CPA were supposed to address grievances and the causes of conflict, as well as allow the Nuba a degree of self-rule. None of these provisions have yet been implemented.

Conflict broke out in the Nuba Mountains region of South Kordofan at the beginning of June as Khartoum moved to disarm the northern faction of the SPLA. The CPA stipulated that the Nuba, who fought alongside the southern tribes against Khartoum in the civil war, would join the SPLA stationed in the Nuba Mountains as a part of the JIU peacekeeping force. It is unclear what was meant for them post-separation. Although the southern SPLA in Juba has no authority over the Nuba fighters, Khartoum sees them as a fifth column and a potential threat to internal security. While Khartoum defends this move on the grounds of its reasonable expectation to maintain the monopoly on violence in its territory, it was perceived by the beleaguered Nuba to be the latest in a series of harassments inflicted on them by the government. After all but five years of fragile peace, civil war came back to the Nuba Mountains.

In all likelihood, it seems that Khartoum is using the international community's preoccupation with the Arab Spring and South Sudan's focus on the preparations for independence to secure a permanent foothold in Abyei and rid South Kordofan of any southern sympathisers. As the borders remain un-demarcated (another CPA provision that has not been implemented), it is likely Khartoum will be tempted to use its military superiority to move into other contested areas and present South Sudan and the international community with a *fait accompli*. Despite international condemnation and calls for a ceasefire, including a recent one from United States President Barack Obama, Khartoum remains defiant. At the end of June, agreements were signed in Addis Ababa stipulating the withdrawal of northern forces from Abyei and introducing a 4,200-strong UN peacekeeping force instead, as well as bringing the NCP and SPLA North to the table to negotiate the situation in South Kordofan. It remains to be seen if these agreements will be implemented and honoured.

The border incidents and the inter-tribal militia violence have left the country facing a desperate humanitarian situation. The invasion of Abyei sent more than 110,000 Ngok Dinka fleeing south and left the Misseriya as the possible sole inhabitants of the region. It is impossible to get confirmed reports about the scale of the conflict in the Nuba Mountains but it is estimated that at least 70,000 people were displaced and hundreds killed. The UN estimates that since the referendum in January, more than 2,300 people have been killed and almost 100,000 displaced as a result of the internal violence between the tribes. Partly it

is the result of rebel militia activities, and partly the result of the practice of cattle raiding, exacerbated by easy access to automatic firearms left over from years of civil war. Further to that, there are more than 300,000 voluntary IDPs who have been returning from the north to re-settle in the south as it becomes a new nation. This makes a total of more than a half million people without permanent settlement and livelihood, a staggering number. The UN estimates that more than 1.5 million people rely on its World Food Programme distributions to survive.

### Short-term Outlook

Addressing the humanitarian situation and containing its causes will surely be a priority for the southern government. The violence and humanitarian situation hamper development and growth. But equally as damaging for long-term stability and the prosperity of the region are Sudan's tribalism, poverty and undemocratic tendencies, and these will need to be addressed with the help of the international community.

The government is committed to encouraging growth. Ironically, it is hampered in its policies by oil revenues, which flow directly into the government's bank accounts. Most importantly, the government should improve its tax-raising capacity<sup>6</sup> and lessen its dependence on oil. As in many African countries, there is a temptation to invest such easy funds in massive, "vanity" projects instead of small-scale, grassroots initiatives. The government has yet to make sure that adequate funds are invested in agriculture and the development of transport networks to carry produce into urban centres. Rent-seeking is a problem as with any country in which most of the wealth generation is public. No data is yet available, but a brief walk in the country's capital and a look at its mushrooming government buildings and the absence of any other public utilities can give one an indication as to where the money is mostly being directed. Finally, without investor- and private sector-friendly laws, the continent's tendency to nationalise businesses will be hard to avoid.

The government in Juba will probably want to rethink its constitutional arrangements to make sure that a feeling of disenfranchisement does not deepen or result in a new, South Sudan civil war. So far none of the groups is strong enough or committed to challenging the central government, but could become a real danger if encroachments on a representational system continue. Reinstatement of presidential term limits might be a point in case. It is unclear what is the government's commitment to freedom of the media, which could play a huge role as an educational vehicle in a country in which more than 40 percent remain illiterate. Another problem is the over-sized army, resulting in its generals' unhealthy sway over the government.

The SPLA is boasting modest military successes and declares its confidence in being able to control the rebel groups.<sup>7</sup> There are reasons to remain sceptical, however, given the structural weaknesses of the army. The SPLA claims more than 40 percent of South Sudan's budget<sup>8</sup>, but because of its inflated manpower and reliance on infantry it is not as effective

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<sup>6</sup> Analysts also argue that apart from purely economic benefits, reliance on tax for revenues ties the government closer to its citizens, making it more accountable.

<sup>7</sup> Interview with Philip Aguer, SPLA spokesman, 16 June 2011.

<sup>8</sup> In comparison, the ministry of agriculture receives only c. 1 per cent of budget revenues.

as this number would suggest. Issues with discipline and internal abuses are reported. Rebels such as George Athor and Peter Gadet are battle-hardened soldiers operating in jungle and bush terrain well-known to their militias. It is unlikely that the SPLA will be able to vanquish the rebels on their own.

As for tensions with Khartoum, the government of South Sudan is so far playing its cards well. It maintains a conciliatory tone and constantly emphasises the need for diplomatic, rather than military, solutions. In truth, the SPLA is no match for Khartoum's military, and South Sudan has everything to lose by a renewed conflict standing as it is on the brink of statehood. Instead, it wisely appeals to the international community, the UN and the guarantors of the CPA, to help it resolve issues of disagreement. To President Bashir's threats that the north will cut off pipelines transporting oil from the south to the north if the south does not pay a hefty transit fee, the south responded calmly pointing the mutual gain from continuing oil exports. There is a chance the negotiations in Addis will lead to a peaceful resolution of outstanding issues, so the return to full-scale civil war seems very unlikely at this point, even if disagreements and instances of violence flare up occasionally.

Finally, an important factor in maintaining stability is the establishment of good relations with its new neighbours. Chad and Congo present a challenge to border stability and policing, but this is a result of their internal weaknesses and not hostile design. Kenya and Uganda are very sympathetic to the new state. Museveni's Uganda was supporting the SPLA guerrilla with arms, money and international contacts throughout the civil war. There are close links not only among the political elites but also between the populations—many young Sudanese were brought up in those neighbouring countries. There is burgeoning trade between the three countries, which helps seal political links. South Sudan also can count on the support of Ethiopia in its negotiations and dealings with Khartoum. Addis Ababa, the seat of the African Union (AU), sees itself as a regional power-broker and strives to keep on the good side of both the north and the south to maintain its reputation as a natural pro-Western mediator.

### **International Involvement**

Even in the absence of a major military conflict on the ground, South Sudan may have significant problems, given its humanitarian situation and structural weakness, to implement these policies and develop them on its own. The active guidance and material help of the international community is a prerequisite to creating stability in the region and economic growth.

The continued presence of UNMIS peacekeepers is required. The 10,000-strong force of mostly Asian troops has been helpful in maintaining peace on the ground, although it failed to stop the invasions of Abyei or South Kordofan. A review of its mandate in light of these failures would be welcome. It would be worthwhile to consider extending the provisions of the UNMIS mandate with respect to disarmament, demobilization and reintegration programs to include assistance with the protection of civilians from attacks by warring militias. Without UNMIS help, it is unlikely that the SPLA will be able to overcome this internal security threat. The future of the mission remains uncertain, however, as the government, unsurprisingly, wishes to minimise international military involvement in its internal affairs.



The guarantors of the CPA also should remain involved in monitoring the implementation of the Addis Ababa agreements on South Kordofan and Abyei. Both U.S. Secretary of State Hillary Clinton and President Thabo Mbeki of South Africa were instrumental in bringing the interested parties to the negotiating table and should not cease in their efforts to find a peaceful solution. The EU's involvement so far has not been significant on fronts other than humanitarian, where its efforts are spearheaded by the ECHO SUDAN programme. One area in which the EU could use its expertise is the encouragement and promotion of a free-trade zone between the East African countries. A free flow of people, goods and capital would greatly enhance the chances for development of South Sudan, and the EU could provide the know-how and funds to make it possible.

It is crucial that the international community remains actively involved in South Sudan after its independence. Without international scrutiny, South Sudan's government may slip on its road to a more advanced democratic system. The European Union should make it a priority to ensure that South Sudan's new constitution, which will be drafted during the "transitional period," contains provisions for truly democratic inclusiveness, including a sincere separation of powers, and guarantees for free speech and accountability. South Sudan should be guided in this process with a variety of incentives, such as direct aid flows, preferential trade agreements, loans and know-how transfers. As the EU remains committed to meeting its Millennium Development Goals for foreign aid contributions, South Sudan offers an opportunity to use these funds effectively. There are opportunities for the implementation of the European AID for TRADE policies and the establishment of mutually enriching multi- and bi-lateral trade relations.

#### *A Role for Poland*

Poland has a role to play in those international efforts, however small it may be. Thus far, the Polish government's involvement in South Sudan has been indirect—under the umbrella of various international organisations such as UNMIS, UNICEF and the Red Cross. Polish humanitarian interests include both well-known NGOs, such as Polska Akcja Humanitarna and Polskie Centrum Pomocy Międzynarodowej, and small independent initiatives such as the Snowflake Foundation. Polish business interests so far are underdeveloped and rather anecdotal but offer hope for further possibilities: a medium-sized construction company has been operating in Juba for the past two years.

There is no indication that this will change soon after independence. The Ministry of Foreign Affairs currently is not planning to open any diplomatic outposts in South Sudan. The consular affairs of the few dozen expatriates are to be dealt with from Addis Ababa. This is unsurprising given budgetary constraints. Yet, it might be worthwhile to consider the opening of a trade bureau to promote Polish business interests in the region. At least, South Sudan should be encouraged to open one of its 53 planned consulates in Poland. While still very poor, South Sudan is full of economic potential. It is desperate for FDI and, therefore, very open for investors. It is also entirely dependent on imports for all of its basic commodities, making it a highly desirable market. It also could benefit from knowledge transfers in areas of Polish *forte*, such as woodwork, agriculture and mining. Investing in Sudan remains a high-risk enterprise due to security and political concerns. Yet, it may still offer high returns in the near future while contributing to stability and development in South Sudan.