



CHATHAM HOUSE

Chatham House, 10 St James's Square, London SW1Y 4LE
T: +44 (0)20 7957 5700 E: contact@chathamhouse.org
F: +44 (0)20 7957 5710 www.chathamhouse.org

Charity Registration Number: 208223

Meeting Summary

South Sudan: Current Trends, Regional Impacts and Donor Relations

Dr Matthew LeRiche

Fellow, Managing Humanitarianism, London School of Economics

Dr Edward Thomas

Fellow, Rift Valley Institute

16 October 2012

The views expressed in this document are the sole responsibility of the author(s) and do not necessarily reflect the view of Chatham House, its staff, associates or Council. Chatham House is independent and owes no allegiance to any government or to any political body. It does not take institutional positions on policy issues. This document is issued on the understanding that if any extract is used, the author(s)/ speaker(s) and Chatham House should be credited, preferably with the date of the publication or details of the event. Where this document refers to or reports statements made by speakers at an event every effort has been made to provide a fair representation of their views and opinions, but the ultimate responsibility for accuracy lies with this document's author(s). The published text of speeches and presentations may differ from delivery.

MATTHEW LERICHE

The main challenge for South Sudan is to find ways to bring people from different ethnic groups together. Building a South Sudanese identity is a fairly recent process, triggered by the civil war. At first, people were united behind the idea of South Sudanese independence through the liberation movement. Now a state, South Sudan needs to promote a different message to the most remote groups of its population in order to foster national identity. The government has to work hard to bring together people from different ethnic groups who have not really been engaged in the separatist movement so far.

If one looks at the diversity of ethnic groups and the difficulties in defining borders, more violence could have been expected. There is a need to define borders in order to have a clear strategy for national unity. By this we mean the question of the Sudan – South Sudan border, and also borders between communities.

In addition, the recent agreement reached by both states in Addis brought with it increasing political tensions. There are disagreements amongst government representatives and talk of a coup d'état. This is mostly due to a lack of communication with the public. The government's lack of ability to define clear goals and explain it to the population leads to rumour spreading around the country.

On the economic side, South Sudan is still trying to figure out how to develop a diversified economy. So far, it relies mostly on oil revenue, but people have hopes for the development of the agricultural sector. However, the state of agriculture in South Sudan today does not provide a short-term solution for the country's economic development. It would need a long-term plan in addition to a short-term solution to trigger diversification. What kind of economic prospect will work in the short and medium-term?

EDWARD THOMAS

The challenges for South Sudan are numerous. For many years, Sudan did not raise enough revenue to balance its budget and ran the state economy at a loss. That was true in the colonial period and further increased during the war years. In the 1970s, Sudan received only 15 per cent of its revenue from taxes, compared with up to 80 per cent in Ethiopia at the time. Today, until the recent embargo, 98 per cent of revenues came from the oil industry. This shows that the government is very disconnected from its people and is not aware of the economic situation in the rest of the country.

There are a number of problems, contradictions and challenges that need to be looked at in order to understand the difficulties of building economic autonomy in South Sudan. First, ethnicity plays a major role in dividing the population. For years, the government of Sudan applied 'dependency theory' to its economic development, dividing the country between its core and its periphery. Juba was a periphery of Khartoum which in practice created a social hierarchy between people from the centre and people from the periphery. It resulted in an increasingly diverse population with strong regional difference which was often felt in ethnic terms. This development model, also popular in Dar es Salaam, risked over fragmenting an already fragmented population.

Another trend is that the budget is being spent at the centre and not redistributed accordingly. In the past, 90 per cent of the budget remained in Khartoum with 83 per cent going to central ministries. This explains why rural development has not been accomplished. Rural areas have no resources available to invest in development. Politicians based in rural areas have no budget distributed by the central government and therefore there is an emphasis on ethnicity to gain support from the local electorate.

Communities are urbanising rapidly. These movements to towns can also be addressed ethnically with groups settling together in towns. Ethnic diversification is reflected in the army and civil services. As a solution to tackle the ethnic divide, the government decided to give a salary to everyone in the army. This small part of the population is then integrated in the government salary plan/pay roll system. It is not a bad way of redistributing South Sudan's wealth, but a major contradiction emerged due to this system. Originally, the solution was found to tackle ethical divide, but it has resulted in creating a new emerging class of salaried people, different from those who do not have one, or who are dependent on those who do. This gap will be increased in the coming years.

In this context, mechanisms to diversify wealth redistribution are very important. In addition to the army, the rest of the population needs to feel that they are getting a dividend from the hard-fought-for peace.

Q&A

Question 1:

Is the humanitarian crisis in South Sudan a destabilising factor for the country's peace building?

Matthew LeRiche:

This is not a new emergency situation; it has been the case in South Sudan for a long time. The humanitarian situation is not a destabilising element, but rather an opportunity for the state to bring something to people and change the situation. But these improvements have been slow and difficult to implement so far.

Edward Thomas:

There is not a high level of progress in terms of the humanitarian situation there - at least not much in health. At the same time, it takes a long time to observe results in the health sector. The government is trying to avoid cutting the army's pay roll by cutting every other area of spending. They target the health sector because as the situation has been disastrous for years, people do not see the difference. There have been some improvements, such as with drug storage systems.

Matthew LeRiche:

There are healthcare centres now in Juba, but they are private and very expensive. The system has improved to some extent but only reaches a certain kind of people.

Question:

Do you think that the centre and periphery development model will lead to some difficulties for Juba in the long-term? What tensions have you noticed in the government salary policy?

Edward Thomas:

The development theory applied to Sudan will not be replicated because there is no strong centre in South Sudan. There is no elite culture to create powerful institutions in Juba. One of the major issues is the budget and how they can bridge these emerging gaps? They have to defend the pay roll because it is their only way to redistribute wealth.

How to deal with tensions within the government? In theory, South Sudan is not a single party state, but all the main positions in government are held by the ruling SPLM party. This post-war scenario is the reason behind the current single party structure. In this case, the single party should lead the way for the people and give them direction. This is not happening so far.

Matthew LeRiche:

In South Sudan, politics are all about presenting the image of a united country, but ethnic issues are there. The pay roll system started in 2005 to create a united national army. Once you start paying the army, it is impossible to take it away. For this reason, they are cutting in government positions. These people then feel that they are targeted. The lack of communication from the president increases tensions. The president should be explaining his strategy and his decisions publically. Now people are spreading rumours and are left with open scenarios. It is a very risky situation.

Baroness Cox (Chair):

Any new nation faces tough challenges when trying to understand the nature of democracy and nation building. The economic challenge is to build a devastated nation and this cannot be done without effective communication and access to all parts of the country. South Sudan needs support to diversify its economy away from its dependency on oil, invest in sustainable institutions, improve its public spending record and bring economic development. Ethnicity is an additional challenge that the government is striving to address and there are remaining unresolved issues, such as border demarcation that will need to be kept on the agenda. The challenges are real; the opportunities are great; and support for this young state is needed.