

A Future Peace or the Road to Future Conflict? Making Sense of Sudan's Impending Partition

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Executive Summary

In January 2011, the people of the southern provinces of Sudan voted overwhelmingly to declare the independence of South Sudan from the North. The referendum was the culmination of an armistice in the longest-running civil conflict in Africa, between the Sudanese government seated in Khartoum and the Sudan People's Liberation Movement (SPLM) of Southern Sudan. At the moment, the overriding question that is of concern to all Sudanese, as well as the international community, is having failed to build unity out of diversity, will the emergence of two new nation-states in the greater Horn of Africa result in a more durable peace, or plunge the region into a new phase of conflict? The discussions held during this workshop focused on identifying a variety of immediate and more long-term challenges facing Northern and Southern Sudan, along with their policy implications, in the lead-up to Southern Sudan's impending secession on 9 July 2011.

The main issues identified during the discussion can be grouped according to the following themes:

1-The Role of Culture and Identity in State Building

2-Strengthening State Institutions

3-Security Sector Reform

4-Citizenship, Migrant Populations, and the Future of the Internally Displaced

5-International Development Initiatives

Each section is subdivided according to its major aspects; most of the issues and themes overlap closely, and thereby would require a multifaceted approach to address in practice. The final section on international development initiatives concludes with an assessment of major areas in which Canada can provide value added or a clear contribution, especially in using Canadian expertise to strengthen local capacity. The workshop was held under the Chatham House Rules. The following is therefore intended to reflect the content of the discussions and to highlight the major themes and proposals that emerged from the workshop. The participants included academics, policy makers, and development practitioners. Consequently, there were a wide variety of views expressed in the roundtable discussions. Given the diversity of the participants the workshop was often characterized by a lively debate and a number of views expressed by the invited experts were often contradictory. Since it is not possible to outline all of the views and opinions expressed in the workshop in detail the report represents a synthesis of the information and ideas that were generated. Naturally, this means that the report necessarily distorts, or abbreviates, the wide-ranging views and complex debate that emerged during the roundtable discussion.

1.The Role of Culture and Identity in State Building

The conference discussed the ways in which Sudan's decades-long conflict has reified a variety of socio-cultural and ethnic identities between and within north and south, especially "Arab" and "African" identities, making national reconciliation difficult. Each government in the future dispensation will face overlapping yet distinct sets of challenges around identity and culture. The discussion addressed the interlinked roles of culture and identity in forging viable post-conflict polities in Northern and Southern Sudan. Within the contest of Sudan's immense social diversity, some identities that were once fluid – such as the Fur and Zaghawa – have become markedly politicized as a result of conflict. Going forward, these hardened identities must be acknowledged, but to preserve stability and avoid further disintegration along multiple ethnic lines, state unity should be preserved.

Socio-Political Identity in North Sudan

Identity politics in the Sudan have historically been linked to both domestic and external factors, a trend which is certain to persist. The National Congress Party (NCP)'s embrace of Islamist ideology and its attempts to implement Shari'a law set the stage for hardened, reified identities, exacerbating Southern grievances and setting the state for the resumption of civil war in 1983. President Omar al-Bashir's more recent post-referendum statements about implementing Shari'a in the North more strictly are certain to affect politics in both the North and South. Today, the NCP's ambivalence towards both Islamism and democratization is impossible to disaggregate from the remarkable events sweeping the Middle East and North Africa, which have overturned nearby regimes. Meanwhile, the current economic crisis in the North, combined with the likelihood of a decline in oil wealth following the South's independence, will continue to pose a challenge Bashir's regime.

The 2005 Comprehensive Peace Agreement (CPA) emphasized the importance of Sudan's diversity and cultural heritage, trends that should be reflected in current policymaking. To this end, the process of developing a new constitution in Sudan can serve as an entry point for a national discussion of identity, although the Khartoum regime appears to lack interest and incentives for developing an inclusive process. The international community should therefore focus pressures and incentives towards Bashir's government to discuss these issues and frame them in the new constitution. A civilian, democratic government would likely be better at handling issues of identity, without which the North may be rent by instability from the ethno-regional margins.

Yet power in Sudan remains highly centralized in the Khartoum government, and contestation is configured around challenging the NCP's tight grip on power, as reflected by recent demonstrations in the streets of the capital. Meanwhile, the NCP government is responding to challenges to its authority by resorting yet again to a combination of Islamist rhetoric and deal making, which alienates populations in peripheral areas such as the Nuba Mountains, reflecting old patterns of divide-and-rule. This familiar resort to Islamism reflects not only domestic challenges to Bashir's power, but also the way in

which he has defended his party for the concessions he has been forced to make to the South during negotiations at Naivasha, exposing his regime's fragility.

One key issue has been the marginalization of smaller ethnic groups on the periphery of Sudan's historical lines of cleavage. In particular, traditionally marginalized groups in eastern and southern Sudan have evolved their own sets of grievances towards the Khartoum government and the SPLM, respectively. The January 2011 referendum on secession has failed to solve this center-periphery problem, as ethno-regional groups with unresolved grievances such as the Beja and Rashaida in Eastern Sudan still fight despite the 2006 peace agreement. In Eastern Sudan, the Darfur conflict has given rise to a complex web of animosities that defy the binary categorizations imposed by outside observers. One participant described observing marketplace cooperation between Misseriya and Fur ethnicities, debunking the myth of a natural historical enmity between these two groups and demonstrating that the Darfur conflict is not primarily based on identity. This subverts the common 'African vs. Arab' explanation for that extremely bloody conflict. A key obstacle to resolving the conflicts in Sudan is that although the Bashir government insists on dialogue with legitimate local leaders on the ground, it has in fact systematically purged, imprisoned or killed such leaders, as attested to by a list of killed or missing leaders the Darfuris presented to one of the researchers. Through this strategy the Bashir government has sought to handpick the leaders with whom it is willing to negotiate. Yet despite these hardened cleavages, Northern Sudanese ethnic groups are distributed throughout the country and interlinked through patterns of history and trade, as illustrated by a recent survey in which a majority of Darfurians insisted that they would consider independence only "as long as Khartoum and Omdurman come with us." This indicates that even a group so ravaged by war with the Khartoum regime cannot imagine itself as distinct from a broader Sudanese national identity.

Socio-Political Identity in South Sudan

In terms of identity, the principle challenge to Southern Sudan will be to forge a national identity among its scores of ethnic groups. During the civil war, the South mainly rallied around a shared animosity towards the regime in Khartoum and its attempt to impose an exclusively Arab Muslim identity on the entire country. However, following Southern secession, it will be more difficult to create a unified southern identity in peacetime based on positive attributes rather than one that is underpinned by a sense of exclusion from a hegemonic northern Arab group. The result of this will be that a myriad of southern identities will come to the fore. In the South, a variety of grievances have triggered the rebellions against the SPLM in the peripheral regions, including economic, political, and ethnic grievances. One of the rebel leaders in the South is a Muslim calling for greater Muslim representation in the SPLM, while the Shilluk and other ethnicities have begun to protest Dinka domination within the liberation movement. One important factor is the SPLM's virtual exclusive control over decision-making with respect to the south's oil resources, causing certain non-SPLM affiliated groups to fear exclusion from the profits accruing from the development of the oil sector. Meanwhile, mindful of Khartoum's historical attempts at imposing Muslim and Arab hegemony, the SPLM-led government in Juba has encouraged a variety of local languages and cultures to flourish in state and educational institutions. However, there is an emerging trend of political

centralization in Bahr al-Ghazal and Upper Nile regions at the expense of the Equatoria states.

Historically, in Africa countries have followed divergent paths to nation building and creating a national identity. In some cases this has been a long and violent process, in others it has been more painless, but in nearly all cases the course taken has borne important path-dependent implications. Two recent nation-building projects in the regional highlight the choice facing the fledgling Southern Sudan: it can follow Eritrea's violent path to state consolidation, or it can follow relatively peaceful Somaliland. To avoid strife and weak governance, South Sudan must, among other priorities, develop civil society and grassroots mobilization.

International Dimensions of Identity

There are also important international dimensions of national identity: Northern Sudan has historically given an international expression to its Arab identity through membership in the Arab League, while its Islamic identity has been cultivated and hardened through linkages with the oil-rich Gulf countries that provide most of Sudan's foreign direct investment (FDI), such that Khartoum has come to resemble a "poor man's Gulf city." Meanwhile, South Sudan, has received a flood of imports and expertise from its neighbors to the south, especially Kenya, Uganda, and Ethiopia, and may retain their political and economic imprints and experience a high degree of trade and commercial dependence on them. Perhaps most importantly, China is likely to exert an irresistible pull in terms of its economic influence and political model, and Sudan may also come to mirror Chinese political problems with heterogeneity. We can consider Western Chinese and Chinese development models to stand at opposite poles, and the West must have a delicate and balanced strategy towards both North and South Sudan while remaining aware of China's increasing regional influence.

2. Strengthening State Institutions

Both North and South Sudan face the imperative of building and strengthening basic state institutions. One of the basic challenges of state formation is balancing the consolidation of state power with its decentralization in order to ensure adequate representation of populations in peripheral and rural areas. Because of their shared history, both countries' futures will be strongly intertwined for many years to come, and it will be to their mutual advantage to reach agreements in such areas as revenue sharing, thereby helping to ensure stable financial capacity for state building. An agreement on citizenship will enable the setting of norms that would facilitate travel and trade for both populations. The Khartoum government can also help the newly independent South build its institutions by offering expertise and cooperation in security and border management. Both sides will need to find an equitable and durable way of sharing oil revenues, and of considering how the distribution of these revenues will affect their national unity. In this regard, they will need to avoid the "resource curse" associated with oil revenues, in which a high cost of living and constant influx of aid become chronic.

For the South in particular, the pressures and challenge of state building brings with it the “expectation paradox”: on the one hand, having awaited independence for so long, many Southerners may now expect the state to solve all their problems, in a manner resembling popular expectations in South Africa after the National Congress’s election to power. This can give rise to unmet expectations and a widespread sense of disenchantment and alienation towards the new state. On the other hand, there may be domestic and external expectations that the new state will fail. Low expectations set the bar low for institutional performance, creating the rise of higher tolerance for corruption and rigged elections, and potentially creating a self-fulfilling prophecy. As it builds strength and authority structures, the Government of South Sudan will need to share power across a spectrum of actors including former rebel fighters, intellectuals, overseas expatriates, and tribal leaders in order to avoid creating spoilers. Another paradox facing new democracies highlights the tensions inherent in state building. The more authority and responsibility devolves to local powers, the more representative and durable the new democracy. Yet to coordinate systematic development, power must be more centralized. Ideally, a population should see the state as the deliverer and provider of services, inspiring common loyalty. In this sense, China’s recent initiatives to build roads and other kinds of infrastructure throughout Africa must be balanced to avoid undermining state-society relations, which derive strength when the population sees the state providing infrastructure and essential services.

Both governments will need to face potentially destabilizing conflict legacies. In North Sudan, Khartoum has long distributed power through complex ethno-regional channels, especially in Darfur, where bureaucratic structures were created and strengthened around arming and funding militias for war. Bashir’s NCP will now have difficulties reneging on its promises and disrupting the patronage networks through which it has survived in power for 22 years will not be easy. The new constitutional process thus potentially affords the opportunity to work out a different way of governing. As for South Sudan, in addition to defusing potential internal ethno-regional conflicts (discussed in more detail below), it will need to chart a course of fighting corruption. There are already some promising signs in this regard: the country’s anti-corruption commission appears to be working (although it lacks a professional capacity), and the governor of the Central Bank of South Sudan, Elijah Molok, has recently made a strong statement against corruption, backing the bank’s reputation for transparency.

Political Parties and Elections

Elements to contribute to a more inclusive process must be established well before the next elections are held. In both North and South, only the dominant political parties – the NCP and SPLM, respectively – have a meaningful capacity to reach voters beyond the capital. The NCP’s concentration among the Khartoum elite contributes to the party’s engrained divisiveness in terms of identity politics, an obstacle to inclusiveness in the North that is likely to remain insurmountable for the foreseeable future. The SPLM is the hegemonic part in the South, and is guaranteed a hold on power and a virtual monopoly on popular legitimacy for years to come. In the mode of liberation movements-turned-governing parties elsewhere, the SPLM has virtually the sole means of disbursing patronage, while other parties in South Sudan are left to pick up the crumbs. It remains to

be seen whether this will develop into a more representative kind of politics. South Sudan needs to draw a clear distinction between its government the SPLM as a party, and the international community also needs to respect this boundary.

Centralization and the Challenge of Capacity Building

North and South Sudan both face serious issues of government centralization in the capital, which needs to be surmounted in order to develop strong, representative states. In the North, the long history of civil war has concentrated power in Khartoum, while the SPLM and its army, the SPLA, are still transitioning from highly centralized military structures to governance structures. Khartoum has long used development as a key patronage tool, to the detriment of broad swathes of the population, especially southerners and westerners living in informal settlements and internally displaced camps in the peripheries of the capital city. There has been minimal government support for schools, HIV/AIDS outreach, and other essential services, while these populations have been subjected to police harassment and the selling of their land to fill state coffers. The state needs to reverse these trends.

In South Sudan, human capital is concentrated in Juba, and little has been done since the 2005 peace agreement to achieve balanced development in the region. Southerners are very conscious of not wanting to reproduce Khartoum's governance techniques in Juba, and having fought against it, they now have the opportunity to implement John Garang's emphasis on the "need to take towns to rural areas, not the other way around." Yet devolving power from the capital poses immense challenges. There is also the risk that people's initial enthusiasm for participating in building the state and nation will decline in the long term because of the enduring disparity between urban centers and the countryside, creating a strong pull factor towards the cities. This has the potential to reproduce inequalities in the availability of services.

South Sudan needs to be vigilant to avoid reproducing the conditions that first led to war and secession. Yet this will be difficult because of Juba's top-down approach of dictating to state capitals, which dictate in turn to the regions they control. For South Sudan, balancing democracy and development will require striving for both "vertical" and "horizontal" forms of equity within state institutions. In this case, attaining vertical equity involves altering the SPLM's current hegemonic position vis-à-vis other Southern political parties to avoid the danger of conflating state and party. One way this can be achieved by strengthening Southern civil society. Horizontal equity, meanwhile, refers to decentralization of governance in the South, and the accompanying transformation of armed movements into political parties. The distribution of power and services from the capital can have immediate and stark effects, as demonstrated by the rise in Southern mortality rates in 2007-8 after the peace agreement. This was due to the shift of funding priorities towards long-term investment in systems creation and capacity building, which undercut immediate service provision.

While the devolution of power and decision-making the capital to the rural areas will help to strengthen the legitimacy and stability of the government of South Sudan, the role of the central state in development and social welfare will remain a key component of development policy. In this regard the state must take the lead in establishing services such as clinics, education, and medical services, and in combating illiteracy, which in the

South stands at a staggering 87%. These state-led policies will potentially have a positive affect in terms of promoting closer integration between the capital and the outlying regions of the new state of South Sudan. It is imperative, then, to consider the kinds of sustainable projects in areas such as mining and agriculture that could bolster local economies in sustainable ways. Investing in such projects would give local communities more political and economic power and strengthen local governance.

Border Politics

The border between North and South brings opportunities for greater understanding and mutual cooperation, as well as potential threats to both national and local security. A demilitarized zone around the border could foster economic cooperation similar to what Arabs and Israelis have achieved in designated economic zones. Managing the borderlands also affords both sides the opportunity to defuse the potential conflict between landholders and pastoralists, which is increasing. This arises from layers of historical conflict, including water and grazing access, rights to land, oil access, which have been exacerbated through the imposition of a national border almost as long as the Alaska-Canada border. There are cultural and environmental factors here, and the transition zone between sandy soil of the North and the clay floodplain of the South defines the nature of various groups' livelihood. For groups in this area, the land is a shared resource regulated by a system of tacit or secondary rights, which the imposition of a potentially hard border threatens to alter drastically. This is compounded by the oil reserves in the Abyei region, which threaten to pit local interests and understandings against national and multinational interests.

3. Security Sector Reform

In the aftermath of civil war, security sector reform is a crucial process that needs to be performed properly; otherwise the other aspects of the transition have little chance of succeeding. During the long civil war in Sudan material, financial and human resources came to be disproportionately devoted to the military. As a consequence, current efforts to reduce the military's size and political clout with the objective of strengthening civil society may prove to be an inherently risky business. This is because in terms of civil-military relations, the Sudanese security services wield considerable power within Bashir's NCP, while the South must resolve the tension between SPLA's nation-building role and the imperative of developing strong civilian institutions that are neither militarized nor entirely controlled by the liberation movement.

Both countries face a dynamic and fluid security situation, including a regional flood of cheap former Soviet armaments, and a history of proxy warfare, long favoured by governments in the region- especially Khartoum- because it is inexpensive and affords plausible deniability to its sponsor. These proxy militias must now be convinced to buy into a lasting peace, and to reject opportunistic behavior and incentives to exit. It is also just as important for both governments to understand that it is not in either side's interest to destabilize the other. This is underscored by the recent bombing by North as a reprisal for Southern assistance to the Darfur rebels. Both sides will need to learn to abide by international norms.

To facilitate peace-building in the region, the international community should adopt a pragmatic approach to negotiations over security issues, which often means understanding and respecting national security concerns on all sides, and dealing with existing authorities to come up with practical solutions and outcomes. In this regard, a lack of respect for Northern Sudanese security concerns in particular may yield negative outcomes. A great illustration of this is the emerging conviction among British security advisors deployed to Sudan that by working with the infamous Janjaweed militias, they can “help them improve their behavior,” an approach that could help to solve intractable problems but is unlikely to garner British parliamentary approval.

Demobilization, Disarmament, and Rebel Reintegration

As in all post-conflict situations a key element associated with a durable peace in South Sudan is the issue of demobilization, disarmament and reintegration of former rebel fighters. Whereas North Sudan already has a government and national military institutions in place, South Sudan will need to craft these institutions largely from scratch. The first step will be to demobilize the thousands of SPLA cadres, which fought in the civil war, and there are some positive indications that the SPLM leadership has made some initial headway in this regard. After John Garang’s death, the 2006 Juba Agreement signed under Salva Kiir was pivotal in bringing in many militia commanders and reducing the number of potential spoilers. Kiir also made several successful overtures to former rebel fighters offering amnesty to various militias in the run-up to the referendum and independence. Nevertheless, in addition to the standard post-war stabilization process of demobilization, disarmament, and reintegration (DDR), the Sudanese conflict has given rise to many proxy militias and rebel forces some of which have currently taken up arms against the SPLM following the referendum vote. Consequently, bringing these rebel factions into a peace agreement is an issue of great urgency. Conflicts of this nature in South Sudan are more serious than SPLM would like to let on. In this regard, the historical opposition to the North which in many respects helped to unify southern rebels under the leadership of John Garang no longer obtains in the run up to South Sudan’s independence.

In some ways South Sudan’s independence may lead to a vacuum in the SPLA whereby army commanders manipulate their ability to destabilize the central leadership by becoming warlords, especially if they can manipulate ethno-regional factors. Many of these commanders were paid considerable sums of money to follow the Juba government. Meanwhile provisions for demobilization and security guarantees that were not implemented at the time of the 2005 peace agreement have become worrisome. The defection of major military commanders threatens to become systemic, and to threaten the security of Juba itself. This is compounded by elderly dissidents’ turf wars with the current leadership. The problem with co-opting rebels to join the peace is that it paradoxically creates incentives for other actors to use violence in order to be invited to the negotiating table and receive a payoff. This can give rise to cycles of conflict. Furthermore, long-term ties between Northern military commanders and Southern rebels raise the question of Northern complicity in Southern instability. However, it is important to note that the vast majority of militias that existed during the war in the South have formally agreed to integration, but given the heavy emphasis on the historical referendum

since the signing of the CPA this process has not as of yet been robustly supported by the international community.

At this juncture, and with the support of the international community, the SPLA needs to work towards inculcating professionalism in its ranks so that soldiers owe a greater allegiance to the new independent state rather than to individuals. To facilitate professionalization and avoid fractionalization, it is also crucial to ensure that soldiers get good, regular, and timely pay. As the South establishes revenue channels to pay its civil service and army, it will need to insulate itself from the price fluctuations of its primary exports, especially oil. The Iraqi experience demonstrates that plummeting oil prices can create a severe shortfall in government coffers, which has security implications. These implications could be huge if the government is relying on oil revenues as incentives for militias to remain peaceful.

Command and Control

Compared to the South, the North Sudan government is in a stronger position in terms of political and military consolidation, and threats to its authority from Darfur rebels and other armed factions are weaker than similar threats facing Juba. Yet despite its links to many militias, Khartoum has no real plans for demobilization, and neither South nor North Sudan exercises decisive command and control over the troops on the front lines. This makes it too easy for small incidents to spiral upward. It is imperative for North and South to develop and maintain secure avenues of communication to avoid having minor incidents assume outsized proportions. Security flashpoints today include Abyei, South Kordofan, and the Blue Nile region.

The most important potential flashpoint for future conflict in the Sudan is along the North-South common border. As both armies position their troops at key positions along the border, it becomes imperative to ensure that dialogue and conflict resolution outweighs militarization. Establishing a buffer zone along the border will facilitate this, as would an international neutral body. Both governments must ensure that they exercise full control over their militaries to prevent warlords and spoilers from establishing themselves. This demands unified command and control to ensure a monopoly on the use of force and avoid a situation resembling South Lebanon. Both states are faced with large territories in need of control, and wherever the military is reluctant to deploy, insecurity threatens. In the South, the SPLA will need to assert itself in these regions, and to deploy stabilizing forces where there have been recent uprisings by the Misseriya.

Regional Security Challenges

South Sudan is situated in one of the most conflict-prone regions in the world, where conflicts have repeatedly spilled over borders to devastating effect. In recent years, the Lord's Resistance Army (LRA) of northern Uganda has been particularly destructive in several countries in the region, and 40,000 Sudanese remain displaced in Central and Western Equatoria states because of fear of LRA, reducing agricultural production in those regions. This threat has also presented an opportunity, as the SPLA was able to team up with the Ugandan and Congolese militaries to coordinate a response. This established South Sudan firmly as a player in regional security issues. Meanwhile, the

once-fearsome LRA barely poses a serious stability threat anymore in South Sudan, especially since the Khartoum regime stopped rearming it via airdrops. The GoSS has also moved to provide support for local “arrow boys” to hunt down the LRA.

Other countries in the region have historically taken sides in the Sudanese civil war, but it seems that they are now coming to realize that further conflict is not in anybody’s interest, and that failed states can become prosperous ones. Neighboring countries are doing brisk trade in the south, and Juba’s food needs are now being met from Uganda, Kenya, Ethiopia, and Eritrea. The disadvantage of this is that such foreign trade in South Sudan may not create large-scale employment in South Sudan. However, the fact that these countries are investing heavily in South Sudan will certainly help to stimulate local business opportunities in the near future. In terms of regional multilateral actors, Arab League states’ assistance and investment in South Sudan will depend on the nature of the secession: violence will deter Arab assistance.

4. Citizenship, Migrant Populations, and the Future of the Internally Displaced

A key aspect of nation building is settling the citizenship issues that inevitably arise. These are usually loaded with ethnic and racial components, especially in post-conflict situations. With Sudan’s secession, migrant populations face the specter of being separated from their home regions by the new international border, raising questions about both governments’ willingness to grant dual citizenship or guest worker status. This issue needs to be sorted out before formal secession in July, and can hopefully be incorporated into constitutional discussions in both countries. Sudan has historically been a destination for migrants and refugees from many regions, including Egypt, the Horn of Africa, West Africa (West African migrants in Sudan number 2 million), and increasingly, China. Generous Sudanese refugee policies don’t create obstacles for refugees, and whereas Arab states’ ethnicity-based citizenship laws are inherited from colonial models, Sudan confers immediate citizenship upon marriage. This, at least, is promising, because internal divisions based on citizenship can turn bloody, as demonstrated by recent events in South Africa. Settling Sudan’s citizenship issues will depend on resolving pending fissures over national borders and the urban areas near them, such as Abyei. Rhetoric from northern leaders in particular about encouraging the free movement of people and trade obscures the more exclusionary policies that the Khartoum regime is likely to adopt. By contrast, there is as of yet no indication that the government of South Sudan is leaning towards exclusionary approaches to citizenship. Ultimately, it is important to bear in mind that whereas citizenship can exacerbate or attenuate access to basic services, focusing too closely on citizenship can obscure those more concrete, immediate concerns.

Over the past two decades, Khartoum has swollen to a population of approximately 7 million, ringed by large informal settlements and IDP and squatter camps composed of Southerners and people from other regions. These camps arose two decades ago and are populated by Southerners as well as migrants from other regions. The government’s lack of attention towards rural areas caused this migration to Khartoum for health care, education. The government has long treated these encampments as a national security threat, and sought to dismantle them during the

Darfur conflict. Humanitarian indicators in the camps such as infant- and maternal mortality, and malnutrition are atrocious, yet the regime hasn't improved them out of fear that this would attract yet more migrants to the camps. The Khartoum regime still has not managed a coherent policy towards these inhabitants, issuing them permits one day while blocking them at checkpoints the next day.

Secession and Internal Migration

There are as many as 1.5 million Southerners living in the North, especially in and around Khartoum but also in West Sudan. Northerners living in the South are comparatively few, but nonetheless represent an important economic segment of the Southern population. This raises the important economic dimension of citizenship. The NCP government has been mainly suspicious and hostile towards Southerners living in the North, claiming that they will dilute the country's Islamic nature and pose a potential security threat. Northerners are important in the trade and service sectors of the economy, and the Southern government's official line towards Northerners has been more positive. Southerners seeking to travel back South already represent an important challenge to be resolved, with thousands of southerners stuck at the border town of Kosti in the volatile Kordofan region. The vast majority of these internal migrants are women and children, because many who earn a living in the North will send their family South and keep sending them money. The South Sudan government will therefore need to ensure that these families can reach their destinations, and obtain health facilities, water, and housing so they can settle. Meanwhile, South Sudan relies on trade with the North for a range of commodities, including sugar, building materials, cement, which will hopefully contribute to the uninhibited flow of people as well as goods.

Following South Sudan's formal independence it is very likely that scores of Southerners living in Khartoum will want to go to the South. However, foreseeable problems include potential frustration by Southerners who sacrificed a lot and perceive migrants and recent arrivals as freeloaders seeking citizenship benefits. There is also a social dynamic of resentment in the South towards Southerners arriving from the North, who are often perceived to have abandoned their kin during the civil war. Meanwhile, even if Southerners can become citizens of the North, there is the real threat that they will remain second-class citizens driven to stay by economic factors with a tenuous future.

5. International Development Initiatives

One key issue for a developmental state in a post-conflict context is successfully managing the economy. To achieve this, aid specialists should help the state to centralize and closely guide economic management and development. Liberia provides a case of international intervention and assistance at the institutional level, whereby internationals assigned to various government ministries had co-signatory powers, which proved relatively successful in setting in motion state institutions and the economy. South Sudan has not always optimized this process, often opting for sovereignty instead of efficiency, an understandable choice given its long struggle for independence. Yet the sovereignty model has had mixed results for South Sudanese, and the limited partnerships that have

been established aren't moving at an optimal pace.

Now that South Sudan has had 6 years of autonomy to prepare for sovereignty, the next few years will be very decisive in determining whether South Sudan will witness the emergence of a state that can actually deliver. Some Southern government departments have huge gaps in personnel and capacity; for example, the bureau of statistics has 96 vacancies because they cannot afford to pay a qualified statistician. This problem is exacerbated by international NGOs and the United Nations that pay their employees many times what the local government and private sector can afford to pay, which attracts talent away from local institutions. There are also important discrepancies between foreign aid level in South Sudan's Equatoria province, where the capital is situated, and the provinces of Upper Nile and Bahr el Ghazal, which run the risk of reinforcing nascent internal divisions.

Even as South Sudan strengthens its focus on enabling a capable state to emerge, it must contend with the dangers of centralization, and the need for devolution and decentralization. The Southern government has only recently had significant international aid since previously most of external assistance was channeled through the capital of Khartoum. More recently, however, Juba has enjoyed greater direct international assistance, which has included training and technical advice in accounting and management. This is a fairly new development since as long as the South has remained a part of Sudan, its people have been cautious not to disrupt the status quo, especially since certain countries have been keeping their ties to the South quiet to maintain relations with Khartoum. As the South gains independence, it is likely to turn increasingly to the international community for a wide range of assistance from states and institutions like the World Bank. Even then, the issue of building a governmental apparatus will be immense challenge, and in order for the Liberian co-signatory model to work, the state leadership must commit to it wholeheartedly.

Oil, Security and Development

Sudan's oil wealth lies at the nexus of North-South cooperation and economic development. Sudan's oil output hasn't stopped growing, even through all the phases of the lengthy civil war. Today, Sudan's output is estimated at 500,000 barrels a day, but a number of recent reports indicate the possible decline in production among current oil reserves over the next decade, and there is much skepticism over the potential of additional finds. What is important to note in terms of the relationship between the oil sector and security is that North Sudan's economy is more diversified, but fully 98% of South Sudan's government revenues are from oil. Oil revenue sharing will undoubtedly be the economic engine for both countries going into the future, but it is also a potential flashpoint for the renewal of conflict, and recent talks about oil have stalled. There seems to be a general acceptance on both sides that following the South's independence that the sharing of oil will be based on a "70-30 ratio" for South and North Sudan respectively. Moreover, the Juba government has reassured foreign, and especially Chinese investors that it will honor existing contracts. There remains considerable resentment in the South that it never saw any of the national oil revenue during all the years of conflict, and as a consequence, a reluctance by many to share the wealth now. Intra-South competition over

oil wealth allocation remains an important source of instability, and ongoing insurgencies in the South continue trying to claim authority and sovereignty over oil-rich regions, while threatening to rearm and remobilize if their demands aren't met. Meanwhile, the military and security services in both North and South also retain important and long-standing interests in oil wealth. This further reinforces the importance of devolving power and authority away from the capital so that more remote regions can benefit from oil revenues.

Regional dynamics will hopefully help to increase prosperity and reduce conflict risks; the recent discovery of oil in northern Uganda means a regional pipeline could be in offing that would facilitate oil exports. Yet oil extraction seems like an expensive project because of extraction costs, meaning that foreign expertise will be required to further exploit much of Sudan's oil wealth. China leads the way among the foreign countries competing to bring this expertise, and it is notable that no major Western multinationals have lined up- rather, many smaller companies have expressed interest in further developing Sudanese oil. This underscores the importance of establishing an extractive industry transparency initiative, and raises the issue of environmental considerations. United States interests in the South remain unclear, although the US has invested more in South Sudan than any other country, and, especially post 9/11 2001, has developed broader geopolitical interests in the region.

In addition to avoiding the perils of the resource curse, South Sudan has other pressing reasons to avoid structuring its economy around oil wealth: the IMF estimates that the wells in the South will go dry in 12 years, and two oil companies, are already planning their departure. South Sudan's central bank has discussed creating an oil fund similar to oil-rich Norway's sovereign wealth fund in anticipation of the day when oil runs out, ensuring the state's ongoing ability to pay pensions and other expenses. Yet revenues are cyclical depending on oil's price, creating a potentially destabilizing macroeconomic problem. Furthermore, Norway's unique system of channeling oil revenues for widespread popular benefit would be extremely difficult to replicate in a country emerging from a long civil war with fledgling state institutions and civil society. It is therefore critical for South Sudan to begin planning and developing a post-oil economy.

Agriculture

In Sudan, the economic sector with the most potential for sustainably diversifying the economy and resolving food security threats is agriculture. Like many post-war societies, South Sudan's population is overwhelmingly young, and traditional patterns of agriculture have in many instances been disrupted, with the attendant knowledge and training lost. Historically, Sudan was the breadbasket to the Arab world, but the Green Revolution methods it used, characterized by monoculture sustained by intensive pesticide and synthetic fertilizer use, were a social, environmental, and political disaster. Today, one of the myriad development initiatives Sudan needs is an exhaustive survey of Sudan's modern agricultural history to determine whether previous initiatives could be revived for various agriculture schemes, and to investigate how to bring this sector into the mainstream economy.

Foreign agricultural initiatives abound in Africa, but most of them are large-scale,

foreign-operated, export-oriented agribusiness complexes that do not employ locals and displace traditional growers from their lands. Both North and South therefore need to adopt a sustainable alternative model that contributes to local food security and local economies. This requires the kinds of foreign assistance that will help local governments achieve these goals, while resisting foreign buyers who pay African elites for access to land to grow crops for export. In order to preserve sustainable traditional food security practices, it is important to recognize and protect groups such as nomadic cattle-herders, who represent an important segment of the population, especially in South Sudan. These groups combine seasonal migratory patterns with a reliance on crops and fishing to eke out an existence from Sudan's harsh landscape. Although such traditional ways of life may not produce surplus, they are sustainable, and agricultural development initiatives must avoid trying to supplant or displace these modes of living. This requires an approach based on micro-adjustments rather than massive interventions.

In some regions, South Sudan has already launched an initiative to promote smallholder development and production, aiming to get each household to grow on three or four hectares, and there is a big USAID project to support this initiative. The smallholder model has already enjoyed great success in Kenya, and South Sudan is striving to replicate it on a large scale. The most important agricultural problem facing South Sudan now is not the lack of actual agricultural output, but rather the loss of crops due to inadequate storage facilities and inadequate infrastructure to bring crops to market. This is an obvious area where foreign aid could greatly assist Southerners to achieve sustainable livelihoods.

Regional Aid and Investment

For the South, one key advantage will be adherence to the law Collier lays out in his recent book *The Bottom Billion*: to “have good neighbors.” Good relations with the North and Kenya, Uganda, and to a lesser extent Ethiopia will ensure sea access, while both the North and South stand to be among the chief beneficiaries of each other's prosperity, which regional as well as international actors can facilitate by continuing to resolve problems in Darfur, and providing aid and debt forgiveness. Saudi Arabia and Kuwait have been Sudan's biggest bilateral creditors, and debt forgiveness from these states would be very helpful. Not all forms of investment are created equal, and Arab investment in Southern land has not been constructive, as it doesn't create jobs. Qatar has pledged \$1 billion to assist Sudan, yet its approach seems based more on boosting Qatari prestige, and is not managed in a sustainable way: Qatari money goes straight to the government, not to NGOs or to civil society. The UAE has bought extensive real estate in the South, and NGOs in South Sudan are researching other foreign attempts at land grabbing to control resources. The Southern government will need to ensure that it maximizes the types of investment that help increase prosperity for its citizens. It must also configure its economy to minimize imports of industries and commodities, such as crops and cattle, which can be developed locally.

Regional actors want peace and stability, and several neighbors have stepped forth to offer assistance with institution-building and capacity building, most notably Kenya, which has plans to send in a big number of civil servants, while other countries will follow suit. Neighbors such as Kenya and Uganda have also pledged assistance in the

fields of health and education. Yet South Sudan has to contend not only with internal corruption, but also potentially avoid the negative influence of corruption from neighboring countries as well. For example, corruption in Uganda and Kenya, combined with inadequate infrastructure, could doom a proposed oil pipeline.

Foreign Debt

North Sudan has the longest-standing unpaid debt to IMF and World Bank in the world. Meanwhile, it owes significant debt to the Saudis and Chinese, and since 60% of known Sudanese oil reserves have largely been built and financed by the Chinese, who operate their wells and pipeline, Sudan has no way to simultaneously pay operating costs and debt payments. In a recent meeting between Southern and Northern heads of state, Kiir told Bashir that South Sudan has “friends who can cancel those debts,” and although Western countries have experienced their own financial difficulties of late, they should nonetheless take a lead in forgiving that debt.

In addition to debt forgiveness, the US has sought concessions from the Khartoum regime by using removal from its list of terror sponsoring countries as a carrot. Khartoum elites are frustrated by their perception that US continually raises the bar for North Sudan each time it meets US conditions. Yet while China and the Gulf countries have much greater influence on Khartoum, the West still retains important leverage over the Sudan, which wants membership in the WTO, more foreign direct investment, and greater participation in the global community. This leverage can be an important key to resolving the Darfur crisis, and highlights the importance of maintaining links with the Khartoum regime and safeguarding its stability even as it bombs civilian populations.

Implications for Canada

Some Canadian aid programs are already underway in both North and South Sudan. There are two main sectors in which Canadian development aid and expertise would be particularly beneficial: a) training personnel, and b) industry, including agriculture and mineral wealth extraction.

a) Training Personnel: Canadian training is extremely valuable to South Sudan’s nascent civil service. Canada has already begun training accountants for the South Sudanese government, and it could make valuable contributions towards human rights and public administration training. Canadian expertise in distance learning could be a tremendous asset to training civil servants and a variety of other professionals in both North and South Sudan. Both countries, and especially South Sudan, suffer from a serious lack of training in human resources, and Canada could assist in building local capacity to maximize the kinds of short-term funding typical of most foreign aid initiatives.

One of Canada’s most interesting projects in Sudan has deployed Sudanese-Canadian doctors to work in the South. This underscores the value of paying local Western-trained professionals to work within local state structures on a Western salary scale to avoid creating a brain drain. This is necessary because the irresistible pull of foreign NGOs’ high salaries often draws precious local talent away from the workplaces where they are needed most, and causes trained professionals to seek work with NGOs as

drivers or translators. Therefore, future foreign aid should be tailored to alleviate this problem. Canadian expertise can also be useful to provide a framework for allocating other countries' aid money; in particular, Qatar has very little infrastructure or skilled personnel to back up its recent massive investment in Sudan, creating the risk that the money will be squandered. Canadian expertise and offers of joint projects could help implement lessons learned from previous misplaced development aid, and improve the effectiveness of this large cash influx.

b) Industry: Canada has much to offer industries in both North and South Sudan, and could use its expertise to help develop oil wells and gold and copper mines; Canadian companies should work with Sudan's post conflict institutions to avoid the pitfalls of Talisman Energy. Canada can also assist with agriculture, and in helping to find a profitable middle ground between sustainable farming and agribusiness (as discussed above), and in helping to develop the infrastructure for farmers to get their produce to market. To achieve these ends, Canada should consider providing incentives to businesses and companies to invest and help in Sudan in a humanitarian way consistent with Canadian aid objectives.