

Economic and Security Challenges to State Building in the Horn Africa: The Case of South Sudan

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Abstract

An attempt is made in this study to examine economic and security challenges that face the new-born state of South Sudan. Relevant data for the study were collected from different secondary sources. Civil wars, struggling for political power and changes oil prices and absolute dependency on oil production are major obstacles to sustained strong economic growth in particular and state building in general. Low level of productivity, limited support from international community and repeatedly failed to honour its obligation towards the World Bank and International Monetary Fund has been a serious impediment to state building in South Sudan.

Keywords: Challenges, State building, South Sudan, Economic, Security

1. Introduction

Sudan is a large country which is located in the north east Africa. The people of Sudan have been subjected to two civil wars spanning 40 years (Kock, 2011). Politics of identities and political marginalization did contribute to these civil wars. The roots of culturally and regionally imposed political marginalization and economic constraints are leading to grievances and instability in the periphery of Sudan (Ylonen, 2005). Marginalization and the economic ignorance of peripheral regions created conflicts in Sudan. The war was mainly fought over the issue of political and religious self-determination of the South. Besides, the question of who would attain control over the country's resources, particularly oil, was very important concern for both South Sudan and Sudan. There were some important areas on which the South Sudan did not have exclusive powers for years. These include foreign affairs and international representation; nationality and naturalization; immigration, customs, excise and import duties (Agency for International Business cooperation and Conflict Research Unit, 2009). For these matters Comprehensive Peace Agreement (CPA) has signed. The signing of the Comprehensive Peace Agreement (CPA) in 2005 had tried to end the over two decades of conflict between the Government of Sudan and the Sudan People's Liberation Movement/Army (SPLM/A (NABC, 2009).

The formation of South Sudan as an independent state based on June 9 referendum which was the result of the 2005 Comprehensive Peace Agreement, which had passed through many challenges and difficulties. It is possible to argue that the CPA affords a high level of autonomy for the South Sudan. According to the South Sudan Referendum Commission (SSRC), 98.83% of the voters voted in favour of separation. After 98.83 percent of South Sudanese voted for independence in the referendum so that jubilation quickly spread across the South Sudan (Roach and Walser, 2011). As result, in February 2011, Sudanese President Omar Hassan al-Bashir officially recognized the referendum result, as the United Nations, the African Union, the European Union, the United States, and other countries did. Therefore, on July 9, 2011, South Sudan officially declared its independence (Ted Dagne, 2011). Here after the South Sudan started the state building project by far.

The concept of state-building has been variously defined but for the purpose of this paper, state-building is an action to develop the capacity, institutions and legitimacy of the state in relation to an effective political process for negotiating the mutual demands between state and societal groups as OECD/DAC, 2008 cited in (Nyong'o, 2013). State building is not an easy task especially for insecure countries like South Sudan. It is obvious that South Sudan is facing enormous challenges. In this regard even under assistance of international community, the progress in state building would likely be slow.

In South Sudan itself, a variety of different ethnicities and a national identity has yet to be born. Even during the ongoing conflict with Khartoum, fighting among the different groups in the South Sudan sometimes claimed more victims than the conflict with the government. Now, after the separation, though the common enemy ceases to exist the problem of tribalism keeps threatening the new born state. Most of the public services are still delivered by foreign aid. This clearly shows that there are existences of security and economic challenges, which are far from constituting a favorable context for state building in South Sudan. Before the independence of South Sudan, there have been some literatures regarding economic and security challenges to South Sudan. Nevertheless, post-independence economic and security challenges to state building in South

Sudan are not adequately, critically and analytically studied. Thus, through filling the explained gaps, the paper would come up with adequate knowledge sharing.

The objective of this study is to investigate economic and security challenges South Sudan facing. In terms of methodology, this paper is based on a qualitative research to investigate the potential economic and security challenges to state building in the South Sudan. This is due to the fact that qualitative research is a type of scientific research that consists of an investigation that seeks answer to a question, collects evidence, and produces finding (Guest et al, 2005).

In terms of tools of data collection, this paper is based on the data collected from secondary sources such as books, journal articles, reputable media, official documents and reports, research reports, newspapers, and magazines. This article is delimited to economic and security challenges to the state building in South Sudan since its independence as statehood. These challenges are discussed here under as follows.

2. Security Challenges to State building in South Sudan

South Sudan is facing serious security and economic challenges. Regarding this, there are a number of unresolved issues between the governments of South Sudan and rebel groups which could pose a serious threat to development, peace and stability in a country. There are also rebellions, often backed by the government in Khartoum, against the Government of Southern Sudan (GOSS) (Dagne, 2011:3). Above all these aggravates the problems more. In 2010-2011, more thousands people were killed and displaced as a result of the conflicts in the South Sudan. In Sudan's north-south conflict, oil has been a conflict driver in various ways. It has increased the strategic significance of the border area due to the fact that it is in this area that most oil deposits are located (UNESCO, 2014). Thus, the control of these areas has become an issue of disagreement and the oil installation becomes a military target. Oil intensifies grievances in the south as the government in Khartoum exploited the resource without providing any tangible benefits to local populations (Ibid). At the national and state levels, resource distribution grievances and struggling for political power foster discontent in South Sudan. In the months since the referendum the South has experienced a rise in armed insurgencies, military defections and militia activity, which can be seen as a clear indication that unity and security, key pillars of stability, are under threat (Zwan, 2011). The outbreak of conflict has created an economic, social and humanitarian catastrophe on top of a political and security crisis (Ibid).

The conflict between President Salva Kiir and Dr. Riek Machar has further undermined the prospects for future growth of the South Sudan. The most immediate impact has been on oil production. Oil Finances nearly 80 percent of the Government's overall budget, provides 98 percent of public sector revenue, contributes 60 percent to GDP and to almost all foreign exchange earnings, thus making the South Sudanese economy highly vulnerable to changes in oil prices and oil production levels (UNESCO, 2014). An inadequately diversified economy is more exposed to economic shocks and volatile global commodity markets. Thus, heavy reliance on oil revenues means South Sudan is at the mercy of economic cycles of boom and bust, making fiscal discipline difficult and long-term planning complicated (Ibid).

The insecurity crises that emanated from the outbreak of conflict have broken existing supply chains, cutting off market-based commodity flows to several parts of the country. The uncertainty created by this has deterred investment, both foreign and domestic. Planned infrastructure projects, including refineries, dams and road construction, have been suspended. With respect to prices of basic commodities, the conflict has created two worlds, with relative stability in prices in non-conflict-affected states and significant price increases in conflict-affected states (Ibid). Modern studies on peace and conflict confirm that regions in post-conflict situations are most likely exposed to return back to conflict again, if matters are not properly managed. Security concerns are usually placed as high priority in normal functioning of polities, however, in the case of South Sudan, which is under serious internal and external security challenges, security concerns should get attention above all state affairs (Jamie, 2013). Though South Sudan is getting strong international support from donors in different fields including security sector but these donors face some difficulties in the transitional situations (Ibid). That is why the problem persists across years.

3. Economic Challenges Facing South Sudan

The discovery of oil resources qualified a state to be ranked as a middle-income state, but the reality in South Sudan is opposite to this idea. South Sudan would be able to achieve economic growth if income generated from oil were fully utilised to fuel the development of the other sectors (ARRF, 2013). The limited revenue generated from oil exports is being used for growth in terms of building roads and investing in development projects and industry. Income generated from the gas industry causes the domestic currency's value to appreciate against the value of other foreign currencies. This subsequently causes the country's export activities of other products to become uncompetitive in the internal and external markets respectively. The decline of oil as a revenue source for an independent South Sudan also calls into question its economic viability and may therefore increase pressures on the Government of South Sudan (GoSS) to explore alternative political and economic arrangements.

The discovery of new oil deposits in the south would not solve, but only delay the need to address the issue of the economic viability of South Sudan (NABC, 2009).

Poverty is persistent in Southern Sudan. The economy remains hugely uneven with significant regional disparities within in terms of investment allocations, health care, education and establishment of industries (ADBG, 2010). Apart from the oil sector, Southern Sudan's economy can best be described as a subsistence economy, which accounts for the limited market activity and low import and export level (ibid).

The value of wealth sharing may be more about politics, however, than economics. The GoSS may be exposed to increasing external economic pressures due to fiscal deficits, lower oil prices, and continued sanctions (Wennmann, 2011). In addition, the GoSS heavily borrowed from outside investors against future oil revenue thus increasing the leverage of those external investors is another problem. In the context of rising domestic and external pressure, negotiations on resource sharing could be an economic tool to diffuse domestic and international political opposition at a minimal economic cost (Ibid). Besides, South Sudan faces serious development challenges as many analysts state that it will take years to see sustained economic growth in South Sudan due to all most mono production, insecurity and the lacks of capacity to deliver basic services to its people. 'Transportation is a major problem due to lack of roads, and the only major airport, with limited capacity, is in the regional capital, Juba' (Tedy, 2011). Communication and information infrastructural development service is also limited to major towns and even dependent on cell phone services from Uganda and Khartoum. Many South Sudan people do not have access to electric power (Ibid). It is obvious that the lack of physical infrastructure is undermining and discrediting the roles of private sector in development activities of the country. Infrastructural development in South Sudan is yet limited and poorly maintained. Even it is highly dependent on Kenya and Uganda for its access to the sea and to trade facilitation purpose. This highly challenges the economic and social development of South Sudan in one hand and triggers challenges to its state building in another.

Though South Sudan's the request for loan is high and limited backing from the international community can trigger financial and economic crisis in South Sudan in one hand and seriously impacting on the Sudanese economy on the other. The funds relatively available to South Sudan previously have in recent times diminished sharply and in turn finance allocated for public spending in South Sudan is decreasing from time to time one due to recent civil war in country particularly between Nuer and Dinka ethnic groups. Ways of treating human rights and human security by Government of South Sudan as well contributed for limited backing international community. Thirdly, the engagement of South Sudan in war from time to time due to different reasons led it to be a heavily indebted country which has repeatedly failed to honour its obligations towards the World Bank and the International Monetary Fund also aggravates its economic limitation.

4. Conclusion

South Sudan faces massive challenges in its state building project. These challenges are severe in nature and thus, it is not easy to overcome without the commitment and dedication of the South Sudanese and the substantial support of the international community all together. One of the reasons for the conflict among others, is the fact that political leaders and/ officials are driven by internal divisions for the sake of competing for political power. Specially, the problem between Riek Machar and President Salva Kiir spill over to their ethnic groups and this in turn created insecurity and uncertainty in South Sudan, which is deterring investments, both foreign and domestic. The income generated from oil merely is undermining economic viability of the South Sudan in particular and limiting the Government of South Sudan in addressing the need of its peoples in general.

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