

The New Republic of South Sudan – Primary Challenges, Paths to Development

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Context: The Republic of South Sudan celebrated its independence on July 9, 2011, recognized formally now as the world's newest independent country. This followed decades of conflict that stifled development, and a January, 2011 referendum that overwhelmingly supported secession from Sudan. South Sudan finds itself at a crossroads of opportunity and exciting potential. However, many development challenges lie ahead; South Sudan has important resources, notably oil, but some of the lowest human development indicators in the world. Official institutions and governance structures are weak, and there are urgent and long term needs in virtually every sector. A question, not frequently posed but nonetheless significant, is the role that religious communities can and should play in meeting the challenge. Many have deep roots and provide many basic social services in areas ranging from education to trauma healing and reconciliation. Could a purposeful approach to the role of faith and faith institutions be an asset to the new Republic as it reflects on its development strategy?

On September 15, 2011, the Berkley Center for Religion, Peace, and World Affairs, and the World Faiths Development Dialogue hosted a panel discussion, with three distinguished and directly engaged actors, to examine the complex intersection of development policy and practice in South Sudan. The presentations highlighted common perspectives on the current situation, priorities, and underlying challenges, but also significant differences. Given lively interest in the discussion, here is a summary of the presentations and discussion.

Jok Madut Jok opened the discussion, framing the challenges as four pillars that must support South Sudan's successful development: (a) achieving political unity and a common sense of national purpose; (b) ensuring a disciplined, strong military; (c) setting a course of economic development that will include effective delivery of services; and (d) an active civil society, where non-state actors work as partners with the government.

Political unity and purpose: For the past 50 years, until July 9, 2011, a common purpose held South Sudan together: independence. Now that unity of opposition to the North is gone, what will bind together a South Sudanese identity, and prevent a shift towards tribal identity? Competition for public sector jobs has damaged national unity (the government is the largest job market). People are starting to use the "ethnic card" to secure public sector jobs. "We need to rebuild symbols of nationhood that will rally people around a distinct South Sudan-ness."

Disciplined, strong military: South Sudan is faced with the challenge of forming a single cohesive national military out of formally independent structures (The Sudan People's Liberation Army-SPLA, and militias). Before independence, the government in Khartoum brought all groups together under a single military leadership. Can the South succeed in this? The outcome will have implications for overall state security.

Economic development and service delivery: South Sudan has only 40 to 50 miles of paved roads, and its human development indicators are among the worst in the world. The national budget of US\$2 billion per year is insufficient; costs include US\$10 billion to pave roads from Juba to other states, another US\$10 million to provide electricity countrywide, while 4 million youth need schooling. How can we bridge the gap between budget and needs? At the present state, large deficiencies remain. And 98 percent of the budget comes from oil revenues, hardly a sustainable or diversified base on which to build.

Active civil society: South Sudan has a strong history of an open and active civil society and free expression is an asset. Civil society needs to organize however, to ensure that government priorities continue to reflect actual needs of the South Sudanese people. The new constitution (for which the process begins January 9, 2012) must enshrine these liberties for future generations. Civil society has an obligation to watch the constitution creation process, and ensure that their rights are preserved.

Civil society has a strong history of welfare provision in South Sudan. While the state was preoccupied with combat during the war, civil society (including local and international NGOs and faith-inspired organizations) filled gaps in welfare provision, taking over the state's responsibilities in service delivery. Following the war, civil society leaders joined government en masse; as a result, government leaders are now arguably more cognizant of the role of civil society in governance, but civil society groups have been gutted of their leadership. The Catholic Church needs to continue its role as the most visible and credible institution that can criticize and watch the government; it needs to be supported and elevated. The Catholic Church runs many of the best schools and medical services. Among international NGOs, faith-inspired organizations like Samaritan's Purse provided most welfare services to the population.

Ian Bannon: focused on the third pillar of Jok Madut's presentation: economic development and service delivery. South Sudan has all the characteristics of a fragile state; it is heavily oil-dependent; landlocked; in a dangerous neighborhood; has low state capacity; has suffered greatly from conflict; and has multiple ethnic groups. He outlined the "top ten" development challenges that face South Sudan, and the "top ten" immediate issues:

Challenges:

(1) *Fragile institutional capacity and weak institutions:* Despite huge progress, there is a long road ahead. Strong institutions are critical to coordinate and lead effective development policies.

(2) *Troubling social indicators.* South Sudan has a relatively high GNI per capita (\$984, primarily from oil revenues), but this does not benefit the population and human development indicators are tragically low.

(3) *Oil dependency:* South Sudan faces the classic "resource curse". Overreliance on oil (98 percent of government revenue.) makes the country susceptible to external oil market shocks; reliance on a single commodity has implications for corruption and inclusive governance (is economic power distributed among the population, or concentrated among a few?). How might Sudan go about diversifying effectively? Agriculture is one key area to expand.

(4) *Lack of connectivity:* Poor infrastructure (roads especially) and the intense rainy seasons make travel and connection (including economic markets) between different parts of South Sudan difficult; this poses challenges for service delivery, economic growth, and security.

(5) *High dependence on agriculture, but large food importer:* The need to diversify crops and expand markets is obvious, but how?

(6) *Economic management*: Need to establish a central bank to manage the exchange rate, interest rate, and the current inflation bubble. Is there capacity to undertake these reforms?

(7) *Extremely high payroll*: Government has limited fiscal space for development programs and reforms, due to the large percentage of revenue required to support the civil service.

(8) *Internal cleavages or divisions*: Sixty ethnic and tribal groups in South Sudan, with secessionist pulls; will this worsen now that the common enemy of the North is “removed”? How to foster national unity?

(9) *Extremely ineffective donor architecture*: Poor coordination and low efficiency; improving this is the government’s responsibility, but government is already overstretched.

(10) *Remaining North/South issues*: Oil rights, border disputes, limited trade (rising food costs), conflict in Blue Nile State/South Kordofan - The outcomes of each will have implications on the development trajectory and overall stability.

The top issues, areas for action:

(1) *Deliver services*: How can the government be the central provider when it lacks capacity? Until July 9, South Sudan relied largely on NGOs. Looking at the experience of neighboring countries, Uganda, Kenya, and Tanzania, it took 50 years to build a strong Ministry of Education. Sudan can’t wait that long; the risk of becoming a failed state is too high.

(2) *Coordinate international aid in an environment with multiple “donors” all seeking access and with their own views*: Coordination efforts to date have been disjointed. The multi donor trust fund did not succeed well in donor coordination. Donors are not receiving clear direction about where to channel funds; their guesswork creates problems. Aid coordination is a task for the government, not the donors. Does the government have the capacity?

(3) *Set priorities*: South Sudan has a three-year development plan, but the plan largely caters to all sectors and constituencies, and therefore is not realistic. A second iteration is needed to determine immediate priorities.

(4) *Security*: Citizens look to the state for individual security. The state’s capacity to ensure human and state security is limited and forming a national military is a challenge.

(5) *Jobs/livelihoods*: People need to feel the dividends of independence; they need to feed their families. If not, the government risks losing the support of the people.

(6) *Diversify economy away from oil*: Create new economic structures; improve agricultural efficiency to strengthen economy.

(7) *Think spatially*: Link all parts of the country to speed development outside of Juba. At present, most development is concentrated in and around Juba.

(8) *Governance/Corruption*: It cannot be eliminated, but we need a system that is “good enough.”

(9) *Inclusion*: Consult civil society to increase participation and government accountability.

(10) *Patience*: Actors need to stay the course, thinking beyond the next 2 to 3 years, to the next 20 to 30 years. Development in South Sudan will not happen overnight.

Andrew Natsios: Argued that highlighting South Sudan’s poor development indicators is not useful; current South Sudan statistics are not as bad as those in the United States at its founding. No one would have called the young

United States a failed state. South Sudan should not be held to the “Scandinavian model,” or Western model of development.

South Sudan is not likely to take the course of other fragile states. We must ask: why do some states succeed and why do some fail? Why did South Korea, Taiwan, Thailand, Malaysia, Singapore, and other Asian countries take off? Nancy Birdsall (now Center for Global Development) argued in a presentation years ago that the answer lay in the terror of elites in Asia in the face of Mao’s expansionary China, which had taken over through rural rebellion. As a result, Asian countries invested heavily in rural areas, driven by fear of peasant rebellion. This contrasts with Latin America or the rest of Africa; in Brazil, 90 percent of electricity investment was urban, only 10 percent rural (a single “China” threat was absent).

South Sudan faces a single outside threat. Northern Sudanese are still attacking the South (the office of a recently elected governor was bombed a few weeks ago). The North and South share about 1500 miles of border. South Sudan made the disastrous decision to construct a second capital away from the border, based on a fear of Northern invasion. Al-Bashir has stated that it is only a matter of time before the North goes to war with the South again. The ongoing threat of the North is the impetus to spur development in South Sudan. If South Sudan does not produce results, it will cause dissatisfaction, and lead to an insurgency. The instability of the North may also have consequences on the South’s trajectory.

South Sudan has a large civil servant roster (approx. 100,000 people working at the state level). There are 300,000 people on the state payroll. South Sudan is unique in that it has a democratization of oil revenue; money is dispersed to the average person, in a very broad sense, with 25 percent of families in South Sudan on government payroll. In reality, the country needs this money for other purposes, but it is the “democratization” of this money that will keep society together. Some corruption however, is present, though not as pervasive as in other countries.

South Sudan has an absolutely free market, which creates fierce competition. Without market barriers to entry, 7000 new businesses cropped up in South Sudan; the business climate is favorable, and may stay that way. The continued threat of the North may prevent the state from becoming predatory and stifling development.

Some donor efforts have worsened the situation. The European established Joint Donor Trust Fund is dysfunctional (as one example).

Speaking practically, Georgetown University can engage the impressive Jesuit community. While in Sudan, Natsios visited a Jesus priest and Director of the Catholic University in Juba (Father Schultheis). The students were impressive, and from a diverse range of ethnic groups. Private and Jesuit universities in the US can assist through funding and staffing.

A discussion followed, that focused on the role of faith-inspired organizations, prospects for peace between Sudan and South Sudan, donor coordination conundrums and challenges, the roles of education, gender roles, and the puzzle of priorities. Some common themes, questions, and areas of debate emerged:

Oil, Corruption, and Wealth Distribution in Sudan: What is the practical significance of South Sudan’s extraordinary oil-dependence (nearly 98 percent) and what can be done about it? What are the implications for levels of corruption, and wealth distribution? Bannon warned that the “resource curse” is a real and present problem, accentuated by the concentration of development within the capital city, Juba. “Visible dividends of independence” for the people are urgently needed. Goals for limiting corruption must be robust and realistic. Natsios argued that South Sudan was not likely to be a continuing failing state precisely because of the real, looming threat from Sudan (Khartoum). That will ensure that the new nation does not take on predatory forms, but instead will strive to keep its people content (as was the case in Asia with China as the threat). South Sudan’s form of corruption, he argued, is not predatory, and oil revenue is dispersed broadly to the vast number of people on the

state payroll. Madut Jok disagreed, emphasizing the vital importance of distributing wealth and development beyond Juba. For successful development to occur, wealth must spread beyond the city. The issues take very practical form in the extraordinarily high costs of living in South Sudan, which are a major impediment to attracting people to, for example, the university.

Models of Development/National versus Decentralized Programs: How, in a very practical sense, can meaningful development strategies and coordination mechanisms be developed? The current donor aid profile is bewildering in its complexity and works against any effective government-led approach. Bannon argued that this situation must change. But are development strategies (as Natsios argued) unrealistic vestiges of a central planning mindset? (Did the fledgling United States have a development plan? Certainly not.) Natsios argued that World Bank and Western development efforts to corral donors in common strategies and trust funds amount to an effort to translate Scandinavian models for development to other countries; development will not happen through centralized, top-down management, but rather through local initiatives by diverse and independent actors reacting to local needs. Bannon returned again and again to his conviction that government-coordinated, national development strategies (not plans that stifle local innovation, but coordinate and guide them) are a must. Sudan, Bannon said, does not have enough time to experiment (as in the early US). A cohesive and nationally-coordinated, strategic plan is needed to avert state failure and it needs to be communicated clearly to the donor community. Madut Jok questioned this approach, however, expressing some reservations as to the effectiveness of previous coordination efforts. The most effective initiatives to date have been independently run programs, largely through faith-inspired organizations. Community projects have a quick impact. In reality the state faces a choice: focus efforts on long-term growth strategies, or focus on quick impact service delivery to meet immediate needs. Both are essential but this puts the focus on setting priorities, in clear and meaningful ways. Successful development strategies combine a centralized long-term vision, along with diverse grassroots initiatives that tailor solutions to specific communities.

Gender and South Sudanese Development: Madut Jok stressed that gender-based violence was a common weapon during the war with the North, but continues after independence. This underscores how far it is based on traditional views on the role and value of women in society. Legal structures do not support women in reporting and investigating sexual assaults. He argued that independence benefits men more than women, and that gender inequality will remain the status quo until women demand equality. Bannon had a more optimistic analysis of women's roles, citing women's leadership in building social capital in refugee camps and transferring it back to their communities. While the threat of reversal is always present, there is an opportunity for the role of women to change. Natsios suggested that churches can influence value systems and family structures, including in advocating for attention to women. He attended a service in South Sudan where the bishop gave a homily, and a female general spoke about the important roles of the wife in the family.

Faith Institutions in South Sudanese Development: When asked, the three panelists agreed that faith-inspired institutions play especially critical roles in South Sudan, past and present, particularly the Catholic Church. The Catholic Church is, by far, the strongest institutional structure in the country. Madut Jok highlighted how important an active civil society will be, and singled out the Catholic Church as the most active and efficient welfare and social service organization. During the war years, the Church and other faith-inspired organizations were the sole providers of social welfare services. Today, churches need to be a government "watchdog;" faith-inspired institutions have a strong advocacy role to play. Most church welfare services are conducted through registered NGOs, he noted. Bannon cited the convening power of the Church, its moral authority, and the institutional space it provides for civil society to voice concerns. Natsios noted the strong capacity of faith leaders, citing five Presbyterian pastors elected to Parliament; they are the most educated, and can organize well. On one hand, he said, the move to government has taken away some capacity that church institutions had built, even as the pastors bring the church worldview to the government level. The church is often the only unifying factor shared by Sudan's diverse tribes, important in forming a new national unity.
