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WHEN KLEPTOCRACY BECOMES INSOLVENT: BRUTE CAUSES OF THE CIVIL WAR IN SOUTH SUDAN

ALEX DE WAAL *

Abstract
South Sudan obtained independence in July 2011 as a kleptocracy—a militarized, corrupt neo-patrimonial system of governance. By the time of independence, the South Sudanese ‘political marketplace’ was so expensive that the country’s comparatively copious revenue was consumed by the military-political patronage system, with almost nothing left for public services, development or institution building. The efforts of national technocrats and foreign donors produced bubbles of institutional integrity but the system as a whole was entirely resistant to reform. The January 2012 shutdown of oil production bankrupted the system. Even an experienced and talented political business manager would have struggled, and President Salva Kiir did not display the required skills. No sooner had shots been fired than the compact holding the SPLA together fell apart and civil war ensued. Drawing upon long-term observation of elite politics in South Sudan, this article explains both the roots of kleptocratic government and its dire consequences.

JUST FIVE WEEKS BEFORE the signing of the January 2005 Comprehensive Peace Agreement (CPA) that brought to an end the long civil war between the Government of Sudan and the Sudan People’s Liberation Movement/Army (SPLM/A), Commander Salva Kiir Mayardit summoned his Commander-in-Chief, John Garang de Mabior, to a meeting with an assembly of the SPLA commanders. Among the many criticisms voiced in the meeting, Cdr. Kiir, said:

I would also like to say something about rampant corruption in the Movement. At the moment some members of the Movement have formed private companies, bought houses and have huge bank accounts in foreign countries. I wonder what kind of system are we going to establish in South Sudan considering ourselves indulged [sic] in this respect[?]1

Eight months later, following Garang’s death, Kiir found himself President of the autonomous Government of South Sudan (GoSS) and First Vice President in the

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Sudanese Government of National Unity (GoNU). Since then he has presided over a kleptocracy. Its roots lie in the way that Sudan ruled southern Sudan, including through a counter-insurgency that used ethnic militia, and in the nature of the insurgency itself, which was run on neo-patrimonial lines. But the stakes increased by several orders of magnitude in 2005-06, when oil monies suddenly made the SPLM/A rich. The World Bank observed that ‘[t]he former SPLM Secretariat of Finance, which managed resources of around $100,000, transformed itself into a Ministry responsible for managing over one and a half billion dollars annually.’ Its budget doubled again by 2011.

Garang was a unionist who had sought power and resources in Khartoum, and planned to use the state apparatus of the united Sudan for political transformation. Kiir’s political objective was the secession of South Sudan. He feared that President Omar al Bashir would renege on the CPA commitment to self-determination and accordingly he spent massively on the military payroll in order to make it too expensive for Sudanese security officers to rent southern militia. Meanwhile, Kiir’s strategy for managing the SPLM/A’s fractious leaders was to indulge their appetite for self-enrichment.

Sudanese governance has long been neo-patrimonial, and a lesser-noticed feature of Sudanese rebellions, including the SPLM/A, has been that they share many of the same characteristics. In a neo-patrimonial system of governance, political office is used primarily for personal and factional advantage. The South Sudanese version has particular features. First, it is kleptocratic, both in the everyday sense that national leaders use every opportunity to steal public funds, and also in the original social-scientific sense used by Stanislav Andreski with reference to Nigeria: ‘The essence of kleptocracy is that the functioning of the organs of authority is determined by the mechanisms of supply and demand rather than the laws and regulations.’ Second, it is militarized, in that contending members of the elite at all levels use force or the threat of force as an instrument of bargaining. Third, governance transactions are highly monetized, and the cashflow to the ruler is the heartbeat of governance. Fourth, it is a dynamic and ‘turbulent’ system, in which patron-client relations are not stable but are constantly subject to renegotiation.

South Sudan’s political turbulence is akin to the chaotic structure of a stream of water from a tap: unpredictable from moment to moment, but retaining its basic structure over time. South Sudan became this way primarily because of how Sudan governed its

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peripheries with a system of monetized and militarized tribalism. However, the SPLA’s armed struggle reproduced many of these characteristics, and after the CPA, they displayed them in an exaggerated form. Members of the South Sudanese political elite, in their desire to acquire wealth as fast as possible, and determination to prevent the northern government from renting the allegiance of southern militia and thereby jeopardizing the SPLM’s secessionist project, created a governing system even less regulated and no less brutal than its northern counterpart. Untrammeled greed, combined with the reckless decision to shut down national oil production, meant that by 2013 the South Sudanese government simply could not afford the loyalty payments to keep the system running, and it fell apart.

In order to understand how this happened, it is critical to appreciate the key determinants of the functioning of a political marketplace: the flow of funds to the ruler, the extent of competition in the auction of loyalties, and the business skills of the ruler.\(^7\) The ruler functionally classifies the national budget into three items: the ruler’s private security spending, the ‘political budget’ (for patronage), and the budget for public goods. The higher the demands on the security and political budgets, the less is left over for public services, development and institution-building. In an institutionalized system of governance, corruption and patronage are distortions of the system, albeit sometimes common ones. In a rentier political marketplace, corruption and patronage are the system. There may be bubbles of integrity, due to the efforts of committed and influential individuals to carve out a sphere of public spiritedness, but they are fragile and subordinate to the kleptocratic operation of the broader system.

One of the most troubling characteristics of governance in much of north-east and central Africa is that contending elites use violence as a means of bargaining. A commander or a provincial leader can lay claim to a stake of state resources (rents) through a mutiny or rebellion. The government then attacks the leader and his constituency to press him to accept a lower price. After a number of people have been killed, raped and displaced, and their property looted or destroyed, as an exercise in ascertaining the relative bargaining strengths of the two parties, a deal will be reached. In South Sudan, these cycles have become known as “rent-seeking rebellions”. Such conflicts follow a material logic but have ethnic manifestations.

Most accounts of South Sudanese separatism and the internal conflict within South Sudan focus on historic root causes and identity-based conflicts.\(^8\) While not discounting such societal factors, this article seeks instead to highlight the more immediate motivations for members of the political elite to use organized violence. That is, it deals with “brute causes” rather than root causes. The analysis is drawn from more than twenty years’ participant observation of South Sudanese elite politics, looking for

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patterns in what sometimes appears to be patternless contestation and conflict. The analysis has implications for peacemaking and statebuilding, and the long-term prospects for South Sudan.

War and civil war

The roots of the war run deep. Since imperial conquests in the 19th century, the peripheries of Sudan were ruled by means of administrative and militarized tribalism, and were grossly under-developed, and the people of the southern periphery in particular were regarded as at best second-class citizens, and at worst as commodities. Following violent pacification, which was concluded only in the 1920s, colonial governance was limited to ‘care and maintenance.’ After independence, successive governments in Khartoum ruled on behalf of commercial and military elites, creating a governing system characterized by extreme economic inequality and tribalized counter-insurgency.

Although some southern Sudanese leaders early recognized the need for the transformation of the entire political economy of the country,9 most focused on their racist exclusion from the spoils of government, and sought to be members of the ruling clique on the same terms as their northern peers. Garang accused the southern rebel leaders during Sudan’s first civil war (1955-72) of being ‘jobbists,’ intent solely on gaining political posts for personal ends.10 The 1972 peace agreement brought the leaders of the Anyanya rebel movement back to southern Sudan, along with returnees from east Africa and ‘insiders’ who had worked with the Khartoum government. These groups fiercely competed for jobs in the new autonomous South Regional Government, in which ‘a high political or administrative position was a very important foundation of wealth and also a basis of conversion of value into political support and clientelism.’11

During the 1970s in northern Sudan, the established mercantile class of traders and farmers was overtaken by a middle class that was parasitic on the state and used government contracting as a route to enrichment.12 In southern Sudan there was no indigenous middle class apart from government office holders. In their study of national corruption during these years, the Sudanese economists El-Wathig Kameir and Ibrahim Kursany note:

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11 Terje Tvedt, ‘The collapse of the state in Southern Sudan after the Addis Ababa agreement,’ in Sharif Harir and Terje Tvedt (eds), Short-Cut to Decay: The case of the Sudan (Uppsala, Nordiska Afrikainstitutet, 1994) p. 73.
Against this background the elite in the South wanted to enrich themselves as quickly as possible so as to be on a level with their colleagues in the North. This is why they have resorted to corruption as the quickest way of acquiring money.¹³

The SPLM began in 1983, not only as a rebellion against northern misgovernment, but also as an assault on what Garang called the ‘bourgeoisified southern elite.’ It started with a spontaneous rush to arms, and the SPLA’s ranks swelled extraordinarily fast. As Garang noted, ‘We did not start as a Movement in the classical way of Latin American liberation movements with a small group of men. We started as a mob. We have been in a series of reforms, reforming a mob.’¹⁴ He tried to build a disciplined, centralized military-political movement, and to crush bourgeois tendencies. The SPLA’s militarism verged on nihilism, exemplified by the naming of the SPLA’s ‘Locust Division’ and the notorious slogans chanted by graduating soldiers, ‘even my father, I will give him a bullet’¹⁵ and ‘You must live through the barrels of your guns. Food, wife and property wherever you find them are to be acquired through your might.’¹⁶ This attempt to smash the old order did not work: no ‘New Sudan’ emerged from the destruction. In fact, the SPLA split in 1991, unleashing several years of internecine bloodshed, which compelled Garang to accommodate his political supremacy to others’ demands for participation. The SPLM became more consultative, and more enmeshed in foreign programmes of humanitarian and political assistance.

The SPLM deftly manipulated American and European sentiment, developing the narrative of a Christian people oppressed by an Arab-Muslim government, in order to win international backing including a free pass on human rights and corruption issues, at least for a while. Because Garang, alone among southern Sudanese leaders, retained credibility with the neighbouring countries and the international community, when peace negotiations finally began in earnest in 2001, the SPLM became the Government of Southern Sudan in waiting.

Inverting its original intent, the SPLM became a magnet for rent-seekers. In reality, however, corruption had permeated the armed struggle from the earliest days. Peter Adwok Nyaba cites a shocking case of how food rations for conscripts in Ethiopia—which may in fact have been aid initially destined for refugees—was sold, contributing to the deaths by disease and starvation of many hundreds of young recruits.¹⁷

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¹⁶ African Rights, Food and Power, p. 84.
Over the years, SPLA officers became oriented towards an apparently unending supply of international humanitarian aid, which could be stolen with impunity.

Looting food aid was elevated to military strategy in the 1990s, when the contending factions of the SPLA staged hunger camps to attract humanitarian relief, which was then stolen. Both NGOs and donors often connived in this: ‘Diversion [of food aid] was so blatant and widescale that one official speculated off the record that Garang himself must have been told by U.S. officials that indirect support of him (at that time) would come in the form of plentiful food assistance, which is easily diverted and bartered.’ Another case was the exploitation of church donors to pay funds to ransom supposed former slaves, a practice that quickly acquired the reputation of being a racket. SPLA officers also sold natural resources including gold and timber to finance the war effort and themselves, leading some to speak of ‘blood teak.’ During the war years, SPLA commanders became a ‘military aristocracy’ using a raft of coercive, corrupt and patrimonial measures.

Meanwhile, the Government of Sudan played an effective game of divide-and-rule, exploiting the greed and grievance of southern elites to turn the civil war into an internecine conflict between southern Sudanese armed groups, with militia commanders selling their services to the highest bidder. The SPLA was compelled to compete with the National Congress Party (NCP) in this game.

Rent-seeking secessionism

The CPA was heralded as Sudan’s “second independence” and its last and best chance for unity. It promised to resolve half a century of conflict over national identity and structure of government. However, the CPA contained unresolved questions. Was it a mechanism for national democracy or a stepping stone for the secession of the South? And was it a means of broadening political participation, or sharing power and wealth between the two signatory parties? It is possible that had Garang lived he and Vice President Ali Osman

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22 Pinaud, ‘South Sudan’.
Taha would have made the collective Presidency into a dynamic institution that could have transformed Sudan. After Garang’s death, that future was closed.

Instead, under President Omar al Bashir and First Vice President Salva Kiir, the implementation of the CPA became an exercise in zero sum competitive patronage. In principle, the two leaderships could have cut a deal that would have resulted in the southern elite buying in to a united Sudan. The NCP could have lavished enough largesse on their southern compatriots to mollify the animosities engendered by decades of Arab-Islamic political identity projects. In practice, leaders in Khartoum did not make a serious offer.

The wealth-sharing provisions of the CPA provided half of the income from southern Sudanese oil directly to the GoSS and the remainder to the GoNU. It its short-term bid to maximize its own political budget, the NCP leadership did not spend any significant amount of the latter on southern Sudan. For the GoSS, secession therefore implied a straightforward doubling of oil revenue. Although the current oilfields passed their peak production in 2008-10 with production expected to decline by half by 2020, the GoSS also looked to the short-term funding stream, not to any longer-term benefits from remaining in a united Sudan. Figure 1 shows oil production from 2005 to 2012 and the government’s own projections for future production from existing fields.

**FIGURE 1 IN HERE**

Sudan enjoyed an economic boom in the 2000s. The national budget expanded from $950 million in 1999 to over $11 billion in 2006. However, this petroleum-and-peace dividend was dispensed mostly on expanding the public sector and security services payroll. This was the NCP’s means of consolidating its fractious constituency, and it paid off in its landslide victory in the 2010 general election. Those ‘ugly elections’ resembled the conservative, even authoritarian tendencies of electoral politics in some Middle Eastern countries, which have been characterized as ‘competitive clientelism,’ in which candidates compete by promising their potential for being most in favour with the president. The elections in southern Sudan were no more honest, with the electoral victories of SPLM candidates in every single gubernatorial race particularly incredible.

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25 For various data on South Sudanese production, see ‘Sudan Peak’, *Crude Oil Peak*, 26 September 2014, [http://crudeoilpeak.info/sudan-peak](http://crudeoilpeak.info/sudan-peak) (3 May 2014). Improved technology and exploitation of additional reserves could expand future production.
For the SPLM leadership and its international backers, self-determination was more important than democracy. The national elections were downgraded to a box to tick on the path to the referendum, and were held just nine months before that referendum, so there was no opportunity for an elected government to demonstrate the benefits of national unity. The elections led not to a broadening of the two governments, but parallel clean sweeps by the two ruling parties, which between them won every governorship and 422 of the 446 seats in the National Assembly.

While the CPA formally committed the SPLM to working for unity, and left the outcome of the referendum to popular choice, the SPLM leadership was not prepared to compromise on its unstated commitment to secession. It therefore needed to build a strong army to deter northern Sudan. This was one reason why the SPLA expanded when the war was over, as Khartoum’s defence spending increased. Figure 2 is based on the SPLA’s own estimates for its payroll, and that of the southern Sudanese enrolled in the Sudanese army and militia.

The CPA security arrangements were designed to enable SPLA to deter the Government of Sudan from reneging on the agreement, by becoming the GoSS army. But in 2005, the SPLA was a minority armed force in southern Sudan, and it faced many armed southern rivals, which were collectively more numerous and better armed. On assuming office, Kiir chose to absorb these other groups rather than fight them. He made a simple bargain with the senior commander of the Khartoum-sponsored South Sudan Defence Force, General Paulino Matiep. As is the nature of agreements based on trust and common understanding, the Juba Agreement of January 2006 is short and simple—and carries the implicit promise of honour among thieves.

Kiir was afraid, not only that militia leaders could disrupt southern Sudan, but also that Khartoum’s security paymasters would use cash to buy the support of discontented southern Sudanese provincial elites, who could make the referendum impossible or swing the results towards unity. For that reason, shortly after the Juba Agreement, the Southern Sudan Legislative Assembly voted to double the pay of private soldiers, to $150/month, twice that of their counterparts in the Sudan Armed Forces. As the referendum approached, this was again raised to $220.

The Kiir-Matiep bargain most likely averted a civil war, but consolidated southern Sudan’s neo-patrimonial tendencies. Rather than demobilizing, the SPLA expanded after

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the end of the war. From a generous estimate of 40,000 fighters in 2004, the SPLA expanded to absorb numerous militiamen, former soldiers in the Sudanese army, new recruits and actual and potential rebels, so that the army itself had a payroll of about 240,000 in 2011, with another 90,000 policemen, prison warders and wildlife guards serving as a paramilitary reserve. The SPLA’s own internal audit suggested a minimum of 40,000 “ghost soldiers” whose salaries were pocketed by their commanders. During the 2005-11 Interim Period, more than 80 percent of defence spending was on wages and allowances, which were usually hugely overspent (see Table 1).

Table 1: South Sudan defence spending (US$m)

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defence</td>
<td>586</td>
<td>580</td>
<td>917</td>
<td>688</td>
<td>736</td>
<td>1,047</td>
<td>964</td>
</tr>
<tr>
<td>Total Govt exp.</td>
<td>2,281</td>
<td>1,888</td>
<td>2,563</td>
<td>3,273</td>
<td>2,785</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defence (% of exp.)</td>
<td>40</td>
<td>36.5</td>
<td>28.7</td>
<td>32.0</td>
<td>34.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GDP</td>
<td>15,264</td>
<td>11,853</td>
<td>15,179</td>
<td>19,146</td>
<td>10,220</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defence (% of GDP)</td>
<td>6.0</td>
<td>5.8</td>
<td>4.8</td>
<td>5.5</td>
<td>9.4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: Defence spending: 2006-08: Lewis 2009, p. 66; 2009: World Bank 2010-12: SIPRI; (excludes other uniformed services and off-budget expenditure); GDP and government spending: World Bank data.

Additionally, public order spending (on the police, prisons and security service) reached over $600 million in 2011. Off-budget spending on major arms purchases such as 110 T-72 tanks from Ukraine consumed many more hundreds of millions of dollars. As the referendum neared, the perils of the Sudanese political marketplace were noted.

Today, Sudan’s main domestic mechanism for conflict management is financial patronage. This functions in the shadow of unregulated political competition between the NCP and SPLM, and between the NCP and what it sees as an international conspiracy in favor of regime change. This is leading to a defensive zero-sum political game in which the NCP and SPLM spend excessively on rival patronage systems. Apart from war, there is another adverse outcome to arms races, which is that the economic burden cripples one party to the point of collapse. It is possible that today’s arms-and-patronage race will end up with the

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33 Mike Lewis, ‘Skirting the law’, pp. 34-9. However, it is also possible that the Ukraine arms purchase was concealed within an inflated payroll budget.
34 Alex de Waal, ‘Sudan’s choices’, p. 24.
Sudanese parties bankrupting themselves and making Sudan effectively ungovernable.

South Sudan’s defence budget is distinct from the personal security budget of the President. Kiir’s security budget paid for the newly-created ‘Presidential Guard’—the Tiger Battalion he led in the early days of the war, supplemented by hand-picked loyalists and supplied and trained by U.S. private military contractors—plus a militia from his home region. Most SPLA spending was ‘political budget’—loyalty payments.

Despite clear problems, there was no internal SPLA reform other than expansion of numbers. Edward Lino, a senior SPLM member, complained:

SPLA has never been a robust united force since we started to incorporate militia into it in appalling numbers. Each formation taken was not fully absorbed, in reality. But was left to wonder [sic] in uniform commanded by their previous untrained jihadist officers. Each soldier was almost free to take whoever to choose to be commander! … In reality, there was nothing called ‘SPLA’! It was divided and shredded into tribal formations adhering to individual commanders, based on localized tribal understanding.37

Lino’s allegation that southern militia were under jihad-ist officers is an exaggeration, but his key point holds: the SPLA was less a guardian of national security than a social welfare distribution combined with a threat to the security of the communities where its forces were stationed. It became a vast, one-dimensional infantry force, deployed in the home areas of militarized communities. In other places—such as the borderlands of Western Equatoria affected by the depredations of the Lord’s Resistance Army—the SPLA was largely absent, and the government responded to the problem by providing $2m to train and arm additional village militia, known as “Arrow Bows.”38

The enormous payouts to expand the SPLA payroll were critical in deterring the northern leadership from trying to stop the southern Sudanese referendum. The former national security chief Salah Abdalla ‘Gosh’ complained that southern militia had become so overpriced that Khartoum was squeezed out of the market.39 Kiir’s strategy worked, and, the fact that the official vote tally in the referendum was 98.83 percent in

36 This allegation was made by the SPLM dissidents in their press conference on 6 December 2013. See also: ‘South Sudan president admits forming private army’, *Sudan Tribune*, 18 February 2014, <http://sudantribune.com/spip.php?article49993> (24 February 2014).
39 Interview, Khartoum, 15 November 2010.
favour of secession stands as a testament to the hegemonic power of the SPLM-SPLA patronage-coercion nexus.

Rent-seeking governance

Kiir’s strategy of rewarding loyalty with license for fraud also meant that South Sudan achieved independence as a kleptocracy. The nation entered the Transparency International corruption perception index almost at the bottom: ‘Corruption permeates all sectors of the economy and all levels of the state apparatus and manifests itself through various forms, including grand corruption and clientelistic networks along tribal lines.’

Corrupt practices and rapid self-enrichment among the SPLM leadership were observable from 2005. A scandal over procurement of grain and building associated infrastructure became public in 2011, with allegations that hundreds of millions of dollars in state funds had gone missing. The following year, Kiir has acknowledged that at least $4bn and possibly much more has been diverted by leading figures in government and taken abroad. Kiir publicly accused 75 government leaders of corruption but his stated intent to add fifty army leaders to the list was not followed through after representations from SPLA generals.

Until 2012, the supply of funds was enough to meet the demands of the greater part of the South Sudanese elite. South Sudan’s public spending was $350 per capita, three times that of Kenya and seven times Ethiopia’s, in addition to aid receipts of over $100 per capita, more than any of its neighbours. By far the biggest source of rent was oil revenue, but aid and investment were important secondary sources. As the South Sudan Investment Conference website coyly notes, ‘where risks are high so are the returns. All the societal and infrastructural challenges in South Sudan are Investment Opportunities in disguise.’

Land is South Sudan’s second biggest resource, and less and less of it is under the control of communities. Between 2007-10 alone, more than 5 percent of the land area was leased to foreign investors, ostensibly for the development of agriculture, biofuels, forestry or wildlife parks. The deals were marked by opacity, lack of consultation with

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43 South Sudan Investment Conference, Juba, 4-5 December 2013. For more details see <http://www.investsouthsudan.net/> (23 February 2014).
44 David Deng, ‘The new frontier: a baseline survey of large-scale land-based investment in Southern Sudan’ (Norwegian People’s Aid with GADET-Pentagon and South Sudan Law Society, Oslo, March 2011).
the affected communities, disregard for both customary law and the Land Act, failure of investors to deliver on promises of social services and compensation to relocated communities, and local tension.\textsuperscript{45} Government officials have admitted that most land deals were ‘unofficially signed,’\textsuperscript{46} and the extremely low leasehold rates—for example just $125,000 annually to lease 105,000 hectares of land in Unity State\textsuperscript{47}—are warning signs that suggest that most money paid by investors never made it into the official accounts.

The pattern of public spending wholly ignored budgetary discipline, with tiny amounts going to public services such as health and education and investment and actual allocations of funds being made on a cash-in-hand basis to whoever had the most persuasive political demand. Figure 3 shows how spending tracked actual revenue, not budgets. Greg Larson and colleagues describe this:

One donor official distinguished between the “Real Ministry of Finance” and the “Fake Ministry of Finance”. The “Fake Ministry” is the one working with the donors and technical advisors on budget allocations, promoting the outward appearance of high functionality, while the “Real Ministry” is operated through backdoor dealings between South Sudanese officials, concealed from donor view. As the donor official says: “The technical advisors help prepare budget allocations, but then the army generals wheel into the minister’s office, and they make the real allocations.” While budget allocations are readily and publically available from MoFEP, the budget expenditures are only rarely (and then, only partially) shared.\textsuperscript{48}

\textit{FIGURE 3 IN HERE}

Despite repeated efforts by international partners, the quality of budgetary management actually \textit{declined} over the period 2007-12. A brief improvement in discipline following a fiscal crisis in 2009, when the price of oil dropped sharply, was soon reversed when revenue rebounded.\textsuperscript{49} Despite South Sudan having by far the largest public expenditure per capita in East Africa, and a very generous allocation of aid, there was very modest progress in health and education indicators. The World Bank’s 2013

\textsuperscript{45} The Oakland Institute, \textit{Understanding Land Investment Deals in Africa: Country report - South Sudan} (The Oakland Institute, Oakland CA, 2011).
\textsuperscript{47} The Oakland Institute, \textit{Understanding Land}, p. 2.
\textsuperscript{49} Ben French and Nicholas Travis, ‘South Sudan: the Juba compact’ (ODI Budget Strengthening Initiative, July 2012); World Bank, ‘Sudan - strengthening good governance for development outcomes in Southern Sudan: issues and options’ (World Bank, Report no. 48997-SD, April 2010).
public expenditure review lamented that ‘the current pattern of public expenditures, if left unchanged, will not allow meaningful gains in social outcomes in health and education over the foreseeable future.’

Much of the national wealth was simply stolen or recycled into a patronage system. Meanwhile, donors and international financial institutions worked under the misapprehension that corruption was an abuse of the system, and that the SPLM leadership genuinely intended to build working institutions. In fact, corruption is the system. Kiir’s main instrument of governance was permitting members of the elite to join the kleptocratic club. He was at the top of the system but not in control of it, and, as he later noted, ‘once there is corruption, there is insecurity.’

The doomsday machine

By 2011, the costs of maintaining this system were so inflated that the ‘political budget’ was crowding out all other spending. Not only did this governance method eliminate the budgetary discipline, but it made political management almost impossible. In the provinces, the security-corruption nexus translated into ethnic-military patronage. Military commanders were both rewarding and defrauding their followers, by putting them on the payroll but cheating them of their full pay. For both patronage purposes and to lessen the dangers of the mobilization of the aggrieved, commanders assembled military units on tribal lines with the aim of maximizing personal loyalty. This is one reason why three attempts to institute a centralized roster of SPLA soldiers were thwarted. It is an inherently risk way of managing an army: it generates grievance at every level and, because most units are composed on ethnic lines, any military operation risks becoming an ethnic conflict.

Since 2006, and most noticeably since the 2010 elections, a growing phenomenon in southern Sudan has been ‘rent-seeking rebellion,’ namely the mutiny of army commanders or local political leaders with armed constituents, seeking a larger share of the resources dispensed by government. Among the abler practitioners of this are Gen. Peter Gatdet, who has defected several times, and David Yau Yau, who has staged two rebellions in Jonglei. These rebellions follow a characteristic cycle of mutiny, counter-attack (both of which entail high levels of fatalities among soldiers and civilians), bargaining between the rebel leader and government, and a settlement in which the rebel leader obtains a government or army post and his followers are enrolled in the SPLA. Variants include the payroll mutiny, such as occurred among parts of the Third and Fifth

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50 World Bank, ‘Public expenditures in South Sudan’, p. 16.
Divisions in March 2010. The logic of the mutineers is to organize enough force to compel the government to bargain, and the logic of the government is to use enough punitive force to compel the rebels to settle for a lower price. As remarked by a local chief, ‘we understand this government, it listens better to people doing bad things.’ On the surface these appear to be ethnic conflicts, but that is a product of the ethnic patronage that constitutes military units, not deep-rooted tribal animosities. However, these conflicts typically generate bitterness, enmity and a cycle of revenge. Human lives are casually expended to signal seriousness in bargaining.

Political indiscipline is also seen in the way that State governors and SPLA divisional commanders ran autonomous policies, to the extent of being able to determine national security decisions independently of Juba. Examples of this occurred in the 2012 border conflict with Sudan. The exact process of decision-making whereby SPLA units crossed the border and occupied Heglig in April is not clear. One version of events is that the divisional commander gave the order without higher authorization, forcing the President’s hand. Alternatively, Kiir went back on an assurance given days earlier to the U.S., and ordered the attack. Whatever the truth about this incident, the President’s limited authority became evident six months later, when Kiir, having signed Cooperation Agreements with Sudan, had to renegotiate those agreements because of pressure from constituencies in Northern Bahr al Ghazal that insisted that their interests in the border area were not properly reflected in the text.

The most spectacular example of chaotic political decision-making is the shutdown of national oil production in January 2012. South Sudan achieved independence without an agreement with Sudan on the terms under which oil should be transported, through the sole pipeline, to Port Sudan in northern Sudan for export. For some months, South Sudan exported oil without paying anything to Sudan. Perceiving that South Sudan was ready for this state of affairs to continue indefinitely, in December 2011 Khartoum began diverting South Sudanese oil to its refineries and to ships that it had itself chartered, waiting in Port Sudan. This was illegal. The international community, with the African Union High-Level Implementation Panel (AUHIP) in charge of the mediation, responded with pressure on Khartoum to stop the diversion of oil, and proposals to resolve the crisis. Nonetheless, on 20 January 2012, the Minister of Petroleum instructed oil companies to prepare for a national shutdown.

Negotiations on the terms of a deal on oil and related financial issues had been ongoing since 2010, and key points of principle had been agreed. The AUHIP therefore had a good indication of what would be acceptable to the parties, and put forward a proposal accordingly on 21 January. The next day, the South’s chief negotiator, SPLM Secretary General Pagan Amum Okiech, dismissed the AUHIP proposal as ‘biased’.

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53 Interview, informant’s name withheld, Nimule, Central Equatoria State, 11 April 2014.
54 Mareike Schomerus and Tim Allen, Southern Sudan at Odds with Itself: Dynamics of conflict and predicaments of peace (London, London School of Economics, 2010).
55 The author was an advisor the AUHIP during this period and this section draws on personal notes.
Ethiopian Prime Minister Meles Zenawi foresaw the consequences of a shutdown as ‘suicidal’ and anticipated that the South Sudanese would come to their senses.\(^{56}\) He and the AUHIP called a special summit of the north-east African regional bloc, the InterGovernmental Authority on Development (IGAD), for 27 January, to negotiate a solution.

Kiir arrived for the special summit, to be held at the Sheraton Hotel in Addis Ababa. He booked himself into a luxury villa at the hotel, which normally costs $30,000 per night.\(^{57}\) At 11.30 a.m. on 27 January, Prime Minister Meles, Kenyan President Mwai Kibaki, the chair of the AUHIP President Thabo Mbeki and a second member of the Panel, President Pierre Buyoya, met with Presidents Kiir and al Bashir. Despite the best efforts of members of the mediation team to track him down, Pagan disappeared and was not present for this meeting. After a break for a late lunch, the full session of the IGAD Summit opened just after 17:00. In the chair, Meles opened the meeting with formalities, and then announced the good news that a resolution to the oil crisis was imminent: ‘both are ready to sign despite serious reservations, on the understanding that nothing is finally agreed until all is agreed.’ There was applause and Meles asked presidents Kiir and Bashir to address the summit. Kiir had been sitting impassively, with his aides whispering urgently in his ear. He responded first: ‘with regret I must inform you that our delegation is still discussing the matter and might not be ready to sign.’ Silence fell on the hall.

At 20.45, Pagan held a press conference in the hotel. He said, ‘We have been forced to shut down oil exploitation until we get this [complete] commitment from the GoS [Government of Sudan]. The shut down will be complete, and we will discuss with Kenya, Ethiopia and Djibouti for future oil operations options. It’s a tough decision we had to make. … These talks have come to an end.’\(^{58}\) Pagan publicly denied a split in the SPLM, but he had overruled and humiliated his president. His logic defies easy explanation. Why would he contradict the basic tenet of a monetized patronage system by eliminating its cashflow? The rationale of the shut-down, as explained by Pagan over breakfast six days earlier, was that South Sudan had sufficient cash reserves to last eight months, and before that period was out the Government of Sudan would fall, because it depended on revenues and tariffs from oil and it was facing armed insurgencies and popular unrest.\(^{59}\) Pagan was the champion of a group within the SPLM/A leadership that still adhered to Garang’s doctrine of seizing control of the power and wealth of Khartoum. Without this, they believed, South Sudan could never control its own destiny. With those resources, their political system would be hugely better funded. After meeting Pagan and his team, Meles described them as ‘better informed than I expected, and more

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\(^{56}\) Interview, Meles Zenawi, Addis Ababa, 23 January 2014.

\(^{57}\) He reportedly was given the sixth night free as a bonus by the hotel.

\(^{58}\) Author notes from the press conference.

\(^{59}\) Interview, Pagan Amum, 21 January 2012.
reckless than I expected.’ Fearing that this action would cause the collapse of both countries, this could be described as South Sudan’s ‘economic doomsday machine.’

The political calculus of the SPLM leaders was based on elite factors: their own resources and interests. Thus they felt able to act in a manner without any reference to the welfare of the citizens of their country. The decision to close down the entire national production caught donors and oil companies entirely by surprise. A World Bank team, visiting Juba one month later, met with the Government and then briefed international donors:

The World Bank has never seen a situation as dramatic as the one faced by South Sudan. In [Mr. Guigale’s] view, neither the President nor senior ministers present in the meeting were aware of the economic implications of the shut-down. He candidly said that the decision was shocking and that the officials present [at the previous meeting] had not internalized nor understood the consequences of the decision.

The government attempted to manage the resulting revenue collapse by implementing several measures. It doubled domestic revenue collection but this made no discernible dent in the finance gap. An emergency budget was passed that purported to cut public spending in half. The cuts fell on the politically lightweight areas and not at all on the military—which ignored the constraints, spent almost $1bn (see table 1) and made a mockery of the austerity budget. Reserves of $2bn were spent. The Government borrowed an amount estimated at $4.5bn at commercial rates against future oil production, but the then-Minister of Finance, Kosti Manibe Ngai, asserted that he had no knowledge of how most of the loans were negotiated and where the funds were held. Six months after the shut-down, Pagan was obliged to agree a deal on oil with northern Sudan on very similar (and slightly less favourable) terms to those he had rejected in January. A full set of cooperation agreements was signed in September but the oil only resumed production in April 2013.

Managing a bankrupt kleptocracy

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62 Kosti Manibe Ngai, Minister of Finance and Economic Planning, ‘South Sudan: Challenges, reforms and a new partnership’ (Presentation to the World Bank, Washington DC, 16 April 2013), slide 5.
64 Personal communication, 19 February 2014.
After independence, the main factors causing inflation in the price of loyalty were no longer competition from Khartoum, they were the dynamics of the South Sudanese political marketplace itself. In March 2013, three members of the SPLM Political Committee—Vice President Riek Machar, Pagan Amum, and Rebecca Nyandeng, widow of John Garang—declared their intent to contest the presidency in the 2015 general election. One interpretation of this was that each of the three aimed to reorder the hierarchy of kleptocracy in their favour. Another is that, having gained enough personal benefit, the challengers planned to develop a national political agenda beyond the naked greed of the political marketplace (in the way that some successful businessmen become politicians or philanthropists). Either way, the financial payoff required to keep the challengers in line was more than Kiir could afford, and the political reforms needed to head off their challenge were beyond his talents. The amount of money in Kiir’s political budget was diminishing, and in the meantime he was accumulating a new group of cronies who were not ready to be dislodged, several of whom had close ties to the leadership in Khartoum. While he was at the apex of the system, Kiir was not in control of it. Notably, he did not have a dominant, let alone monopolistic, position on control of information about the political system.

To manage this challenge, Kiir turned to using his executive power, with an implicit threat of coercion. In July he dismissed Machar and the majority of his cabinet and brought in others whose demands were more modest. The dissenter’s refusal his invitation to form a different political party and contest elections, well aware that SPLM membership was the only guaranteed ticket to being a member of the ruling club. A second reason for staying in the SPLM was that they hoped to manage internal elite political competition in a non-violent way. However, each side knew that it would need to threaten the use of force, at the minimum, to maintain its leverage.

Kiir’s measures had appreciable short-term results. Relations with Sudan improved and oil production and export re-started in April 2013. Government offices began to function with noticeably greater attention to timekeeping. But the president’s political management was inept. By dismissing his challengers at one time he pushed them together into a single bloc that putatively commanded a majority in the SPLM Political Committee. He then declared his intention to suspend all SPLM organs other than the Chairman’s office (his own position), but partially reversed this by agreeing to a meeting of the National Liberation Council, the SPLM’s legislative body (in which he would win a majority).

For nine months, Kiir and his adversaries in the SPLM leadership danced around one another like boxers reluctant to land the first blow. To change the metaphor, it was as if they knew that the slightest spark that jumped the thin layer of insulation between party and army—that most slender of constitutional fictions—would ignite a trail of

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65 Johnson, ‘Briefing’. 
gunpowder that led straight to the army units at the presidential palace and SPLA headquarters, and from there to critically placed charges along the ethnic fracture lines of the SPLA itself. On 15 December, the friction of the political contest generated just such a spark, and within two days the whole edifice of government, party and army was blown apart. The 2006 Juba Agreement, the basis of internal stability in South Sudan, was dead.

The prospects of a cheaper and manageable political marketplace vanished in a puff of smoke. Who started the shooting and with what purpose is less relevant than the fact that each had prepared for this eventuality. As noted by one of the founders of the Sudd Institute in Juba, ‘Based on the interviews we conducted few days before the violence, both sides had resigned in their efforts to find a peaceful means and they both had resorted to zero sum calculations.’ The leaders resorted immediately to a mixture of cash payoff and appeals to solidarity. Kiir, having greater funds, was better placed to use financial patronage and therefore to make appeals to national sentiment and ethnic unity. He announced a plan to recruit another 5,000 soldiers from each state (a number soon exceeded), asked the Ugandan army to defend Juba, and then to fight the rebels in Bor, and allocated extra funds to the SPLA. He paid every member of the assembly to propagate his version of the events to their constituents.

The SPLM/A in opposition, led by Machar, had less money and therefore appealed more directly to ethnic sentiment, mobilizing the “White Army” of Nuer youth. The White Army helped itself to booty in Bor town and elsewhere. Subsequently Machar struck in Malakal, Bentiu and Renk with the aim, inter alia, of controlling the oil fields and reducing the financial capacity of the government. While the initial battles resembled two large coalitions of forces engaged in intense, geographically limited fighting, as the conflict continues it is likely to mutate. The logistics, organization and finance of maintaining the contending coalitions stretched the capacities of each leader, and the appeal to passion began to fade, causing subordinates on either side to inflame ethnic sentiments and especially a spirit of revenge. Each began to develop a personally loyal security force, mercenaries, and to adopt version of Khartoum’s old militia strategy of renting loyalties. Indicative of this is the fact that, despite having several hundred thousand troops and paramilitaries ostensibly available to fight, Kiir relied on a few battalions of Ugandan soldiers for key combat operations. By April 2014, South Sudan appeared to be on the brink of a new cycle of rent-seeking rebellions, and mutinies and reconfigurations within each side, leading to a more widespread multi-sided conflict.

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Implications

The anthropologist Cherry Leonardi describes how ‘liberation’ became individual self-enrichment in South Sudan.69

A growing resentment is reported among junior soldiers as well as civilian youth regarding the monopolization of the profits of war (and peace) by senior officers. The word “liberation” is increasingly used with bitter irony in reference to senior officers “liberating” land, resources and even women from their rightful owners. “It is the commanders who liberated themselves—from poverty!” as one young NGO employee from Yei put it.

For many members of the southern elite, ‘liberation’ was possession of the same opportunities to loot a state, as their northern peers had long enjoyed. For Garang, the workable definition of ‘New Sudan’ was a nation ruled by John Garang. Ordinary fighters in the SPLA were famously and confidently coy: ‘What we are fighting for, we know.’70 What they got, however, was a cruder version of the militarized political marketplace against which they thought they had been fighting. To challenge Khartoum’s neo-patrimonialism, the SPLM/A leadership set up a more ruthless version of that kleptocracy.

International partners erroneously assumed that either a nascent institutional, rule-governed system existed, or that South Sudanese leaders were genuinely seeking to establish such a system, and that corruption and rent-seeking were deviations from this system. This is no longer possible to believe. Good faith efforts to build institutional integrity were routinely suborned toward factional advantage and private gain. Security sector reform and disarmament, demobilization and reintegration failed utterly.

Members of the South Sudanese elite, within the Government and opposition—and including the larger number who identify with their own interests—are attempting to suborn the peace negotiations established by IGAD immediately after the conflict exploded, and turn it into an arena for tactical bargaining. For them, the negotiating forum is entirely subordinate to both cash-based patronage bargaining and the logic of force, as well as providing an opportunity for rest and recreation. The principal function of the mediation exercise is that it will be on hand when the South Sudanese leaders decide to make a deal, and can legitimize the new bargain among the kleptocrats. This point was poignantly expressed by Jok Madut Jok, head of the Sudd Institute: ‘The two

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men [Kiir and Machar] will eventually sit down, resolve their issues, laugh for the cameras, and the thousands of civilians who have died will not be accounted for.'

The African mediators and South Sudanese civil society organizations recognize this likelihood, and are proposing mechanisms such as national dialogue, a truth and reconciliation commission, or people-to-people peace as supplements to an elite political bargain. Any effort to make South Sudanese politics more participatory and transparent will press the leadership to be more accountable, but South Sudan’s leaders are also experienced at co-opting these kinds of exercise into their own political business management. Under extreme pressure during the 1990s, the SPLA was compelled to establish political institutions and civilian structures, and to concede to local peace and reconciliation initiatives led by lower-ranking commanders and church leaders. Garang made every effort to circumvent the demands made by these participatory processes, to co-opt their instigators, and to turn them into instruments for consolidating the SPLM/A and his position as its leader. He succeeded, but the SPLM/A that emerged had stronger mechanisms for collective political management and greater openness to civilians than beforehand.

After the CPA, there have been numerous local conflict resolution initiatives building on the model of inter-tribal reconciliation conferences, which, as noted by Schomerus and Allen, provide resources and legitimacy to tribal leaders, and redefine conflicts arising from administrative and military politics as inter-communal disputes. This does not make these exercises futile, but rather draws attention to the way in which they function as fora for contesting power and meaning. For example, political leaders may cynically tribalize a political dispute, in an effort to mobilize a constituency cheaply and distract attention from political causes, but in doing so they also invoke the authority of tribal chiefs whose power is legitimated by custom, and may in turn find themselves beholden to those chiefs.

Perhaps the most powerful and subversive demand is for justice. The logic of the unregulated political marketplace reduces social relations and even people themselves to commodities. People naturally resist this fundamental violation, and the language of human rights and accountability for crimes is a powerful way of asserting basic human dignity and a demand for government in the public interest. Anecdotal evidence suggests that South Sudanese want equally to address economic crimes and atrocities. They, of course, well understand the inter-related nature of these violations.

72 Oystein Rolandsen, Guerrilla Government: Political changes in the Southern Sudan during the 1990s (Nordiska Afrikainstitutet, Uppsala, 2005).
73 Mark Bradbury, John Ryle, Michael Medley and Kwesi Sansculotte-Greenidge, Local Peace Processes in Sudan: A baseline study (Rift Valley Institute, London and Nairobi, 2006).
74 Schomerus and Allen, Southern Sudan, p. 9.
Almost thirty years ago, President Nimeiri’s insolvent kleptocracy was brought down by non-violent street demonstrations, articulating a wide range of popular grievances. There is no comparable level of civil society organization in South Sudan, and many national advocates for peace and human rights are embedded in foreign donor patronage networks that limit their potential for political mobilization of this kind, or are aligned with western lobby organizations such as the Enough! Project, which are very uncomfortable with taking any robustly critical stand against a government that they worked so hard to bring to power. But the potential for explosive change should not be underestimated. Just a fortnight before the outbreak of violence, Jok noted the explosive potential of popular discontent, especially among the youth, and the way in which the country’s leadership, ‘benefiting from the history of South Sudanese popular and blind support for the SPLM,’ appeared oblivious to what happens when people ‘become so poor, desperate, unable to speak, insecure and above all when they lose trust in their leadership? Such is the stuff with which civil unrests, protests, and even outright revolutions are made. The political leadership of South Sudan should not play with fire.’

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75 Jok Madut Jok, ‘South Sudan and the risks of unrest’ (The Sudd Institute, Weekly Review, Juba, 3 December 2013), p. 13.