

Development through Peace: Could China's Economic Cooperation with South Sudan be More Conflict-sensitive?

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While China has already provided some development aid, it is likely that in the future it will be a source of considerably more financial assistance to the Government of South Sudan (GoSS), especially for the construction of infrastructure.^① This holds substantial promise for post-conflict reconstruction and economic development in the world's newest nation. However, on-going insecurity remains a significant obstacle. For many of South Sudan's people, the absence of a peace dividend is perhaps one of the biggest post-independence disappointments. Alongside the continued tensions with its northern neighbour, inter-community conflicts have escalated to alarming levels, taking lives, displacing families and wreaking humanitarian havoc. This insecurity prevents the delivery of important development projects and deters commercial investment. It is widely accepted that development cannot occur in conditions of heightened conflict and insecurity. The World Bank notes that no low-income fragile or conflict-affected country has yet to achieve a single Millennium Development Goal.^②

While insecurity might restrict economic growth, the reverse is also true: economic engagement, no matter how well-intentioned, can inadvertently fuel conflict. Explaining China's economic co-operation with a pre-secession Sudan that was 'mired with conflict', some Chinese officials espoused the theory of 'peace through development'. However, as is acknowledged in China, the reality of economic co-operation presents a far more complex picture.^③ For example, while Sudan saw GDP growth figures above 10 percent in 2006 and 2007, the country was far from peaceful in that period.

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^① Saferworld *China and South Sudan* Saferworld Briefing (2012). Also see International Crisis Group *China's New Courtship in South Sudan* Africa Report 186 (2012).

^② World Bank, *World Bank Development Report 2011*.

^③ Saferworld *China and Conflict-affected States* (2012) and Large, D *Between the CPA and Southern Independence: China's Post-Conflict Engagement in Sudan* (2012) SAIIA, Occasional Paper No.115.

Chinese state banks, and Chinese companies, have long been big players in Sudanese infrastructure development, funding and building railway tracks, water pipelines, electricity grids, ports and bridges. As the largest consumer of Sudanese oil, and the biggest shareholder in its oil blocks, China National Petroleum Corporation (CNPC) made significant investments in the infrastructure required to extract it. Much of this economic co-operation between China and pre-secession Sudan likely brought real and tangible benefits for development and, ultimately, some people's wellbeing.

Nonetheless, it could never be totally isolated from a context of conflict which was (and remains) so common to Sudan. In some cases, China's economic role may have inadvertently exacerbated the pre-existing factors that drive conflict. For example, Chinese dam construction projects were reportedly associated with displacement and violent protest in regions where political relations were already tense.^① The creation of Sudan's oil infrastructure, including roads, was associated with extremely high levels of violence between the Sudanese security services, armed groups and civilians in oil-rich areas. As argued by one South Sudanese politician, this history remains a major hurdle in China-South Sudan relations.^②

Large scale development assistance to South Sudan may come to address one major criticism that is common among officials and civil society in the country, which is that, before independence, the benefits of economic co-operation with China – including infrastructure development and jobs – overwhelmingly favoured the North. “They say they have built things – hospitals and schools – but this is in the North, not in the South,” summarises one South Sudanese observer.^③ Feelings of marginalisation from economic development underpinned armed rebellion down the path of succession for many Southerners. A substantial boost in Chinese economic engagement in South Sudan may go some way to redressing these feelings. In this way, as Chinese officials and academics have long argued, economic engagement can positively address root causes of conflict. But another fact also becomes evident: perceptions of where, and to whom, the benefits of

^① For example see: Bosshard P, “New Chinese Dam Project to Fuel Ethnic Conflict in Sudan,” *Huffington Post*, 26 January 2011, and “UN Expert Urges Sudan to Respect Human Rights of Communities Affected Byhydro-electric Dam Projects,” *Sudan Tribune*, 28 August 2007.

^② Deng L, “South Sudan: China – a Strategic Partner of the New Nation,” *Sudan Tribune*, 16 April 2012.

^③ Saferworld interview, Unity State, South Sudan, August 2011.

economic co-operation are distributed matters more for stability than whether it is delivered at all.

These are obviously extremely complex issues raising difficult questions about responsibility: was it Chinese companies, or warring parties that turned oil fields into battlefields? Is it Chinese state banks who should decide whether, where and how an infrastructure project is implemented, or the national government in whose country it is being built? If people are displaced, who should ensure that they have new homes to go to? And who is it that should decide where the fruits of economic development go?

Clearly, there are no straight forward answers. Of course the GoSS holds primary responsibility in ensuring that assistance from China is shared equally between the country's people, that development is catalysed and that conflict is not exacerbated. But in order for Chinese officials and companies to support such efforts, they must acknowledge that economic co-operation will potentially have an impact on the high levels of violent conflict in South Sudan and – at the very least – take concrete measures to ensure that no harm is done.

One way in which to meet this objective is through adopting the three steps of conflict sensitivity. First, Chinese actors involved in economic co-operation should understand the conflict context through consulting with all the stakeholders – including the GoSS, state governments, politicians, civil society groups, elders and local communities. Second, based on this understanding they should identify how their engagement might impact on conflict by conducting a thorough risk analysis before starting a project. Third, they should use this information to minimise negative impacts and promote positive ones, working closely with the host government and other involved actors. However, in some cases, the risks may simply outweigh the benefits, meaning that the whole project should be reconsidered.

For Chinese companies, in both the infrastructure and extractive sectors, conflict sensitive approaches offer significant benefits for risk management in a dangerous environment. Better understanding the operating environment and seeking acceptance from local communities and conflict actors maybe less costly and more effective than relying exclusively on armed protection from state security services, who are very often targets themselves. For the Chinese government, applying conflict sensitivity to its development co-operation can be a way to co-ordinate and

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achieve its FOCAC commitments for peacebuilding and contributing to post-conflict development. For both Chinese commercial actors and the government, the approach will help guard against reputational costs that will be felt far beyond South Sudan.

Future economic co-operation with China can potentially boost development in South Sudan. It is clear that this is conditional on stability. It is for South Sudan's government, politicians and civil society to achieve peace and security. Outsiders cannot do this for them; they can only support their efforts. Through reflection on China's role in the recent past, Chinese decision-makers can ensure that how they choose to help in the future is in line with peace and development.