

## **China's Relations with Two Sudans: From 'One Country, Two Systems' to 'Two Countries, One System'**

ZHANG Chun\*

Either before or after the peaceful separation, the relationship between former northern and southern part of Sudan, now Sudan and South Sudan, is full of disputes and even conflicts and wars, which imposes great pressures on China's foreign policy. However, China tried hard to play a constructive role in both promoting the realization of Comprehensive Peace Agreement (CPA) concluded in 2005 and mediating the contradictions between the two parties after the separation in 2011, while the policies in different periods are a bit different.

The difference is: it's a policy of 'one country two systems' in the first period and of 'two countries one system' in the second. Since the signing of CPA in 2005, China has closely engaged into its implementation. To better deal with the SPLM-led Government of Southern Sudan (GoSS), China introduced the policy of 'one country, two systems'.<sup>①</sup> Since 2005, China and GoSS have established formal relations, with President Hu Jintao and President Salva Kiir met twice in 2007 and later China opened a new consulate in Juba in 2008, an example followed by many Chinese companies. Most significantly, the Chinese Government's Special Representative for African Affairs, with special interests in Sudan and Darfur issues, always attaches great importance to the implementation of CPA. While there are skepticism from the international community, China confirmed the international community that it supported the full implementation of CPA and would collaborated with the USA to promote it. Former Envoy Ambassador LIU Guijin met with America's special envoy to Sudan Princeton Layman at least 5 times in the half year

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\* Dr. ZHANG Chun is Deputy Director, Center for West Asian and African Studies, Shanghai Institutes for International Studies (SIIS).

<sup>①</sup> Daniel Large, "China's Sudan Engagement: Changing Northern and Southern Political Trajectories in Peace and War," *The China Quarterly*, 199, September 2009, pp. 610–626.

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before the referendum, the latter expressed that he believed China had delivered the right message to both parties of Sudan.<sup>④</sup>

Though the two countries are separated peacefully, the story is not over with a lot of unsettled disputes, which requires policy adjustment for not only China, but also other external partners including USA, EU, and many others. The reason lies in the changing fact that there are two countries now. In this context, China's policy after the separation is a policy of 'two countries, one system'. The term 'one system' means that China has not changed its goal of helping both parties to find a way for development through resolving their disputes. Here we need to reaffirm that the goal of the first stage's 'one country, two systems' policy always puts the economic development at the center stage while disputes resolving simply is one of the preconditions.

In the Chinese eyes, whether the Southern part gains independence or not, economic development is fundamental to the dispute solution. With the independence of the South, now it's time to shift focus from reconciliation to development by joining hands together. To meet this goal, both sides need to abandon the mindset of zero-sum game through weakening the other party for more reasonable bargaining chips during the negotiations.

However, the reality is that both parties practiced such a wrong win set supported either by furious or victorious passions. On the Sudanese side, accepting the separation of South Sudan is the biggest concession, thus it seems reasonable to hope for greater rewards from the international community and South Sudan in particular. However, supported by victorious passion, South Sudan chose not to reward Sudan and even provoked Sudan with assumption that its support will keep support for it as usual. Thus, a kind of security dilemma is rising. Entering 2012, since the unilateral decision of South Sudan to stop its oil production and not to use oil infrastructure in Sudan and the decision of Sudan to close its border with a 'shoot-to-kill' policy for any smugglers of goods to the South, the bilateral relations

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<sup>④</sup> "UN Disappointed China not Arrest Sudanese President, US Content with China," *Ifeng.com*, 2 July 2011, [http://news.ifeng.com/world/detail\\_2011\\_07/02/7394697\\_0.shtml](http://news.ifeng.com/world/detail_2011_07/02/7394697_0.shtml), 21-11-2012.

deteriorated and reached the breaking point when South Sudan invaded Heglig and destroyed the oil infrastructure there, which in return agitated the racist attitude of President Bashir and provoked the strong condemnations from the American side who is a longstanding friend of the South. There are lots of stories of this kind in the recent development of this relationship.

China tries hard to persuade the two parties to return to the right track and gain a real success. Through his shuttle diplomacy, China's new Special Envoy Ambassador ZHONG Jianhua convinced both sides that they should be sensitive to the expectations of their people and the international community and to take the talks seriously so as to find win-win solutions that would improve their strained relations. China warns both sides that economic costs for lasting conflicts can't be afforded by two peoples. Generally, the economies of the two countries have been badly affected by their strained relations. While the South has temporarily lost oil revenue that constituted 98% of its budget, Sudan has lost more than 30% of its revenue from oil-related fees from the South, and almost more than 80% of its foreign exchange earnings. Besides, there're more serious and long-term economic impacts. For example, the monthly inflation rate, which used to be one digit, has reached more than 30% in Sudan and around 25% in the South in the first half of 2012. The exchange rate, which was less than 3 Sudanese Pounds and 3 South Sudanese Pounds per dollar, has reached almost 6 Sudanese Pounds and 5 South Sudanese Pounds in the parallel market during the same period.<sup>①</sup>

China used wisely its leverages to push Sudan and South Sudan to shift their eyes to rebuild their economy by joining hands together. While Sudan has a better understanding about this, South Sudan needs time to realize it. For example, in the first half of 2012, South Sudan strongly held that the mega project of Lamu-Juba corridor could be the substitute for the pipeline through Sudan port. This policy stance means that South Sudan takes a zero-sum game theory and tries to cut clear with Sudan economically, which is a lose-lose scenario that China does not agree with. That's why China did not provide supports for this mega project until the two

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<sup>①</sup> Luka Biong Deng, "Strained Sudan-South Sudan Relations: Who Pays the Price?" *Sudan Tribune*, 24 June 2012, <http://www.sudantribune.com/Strained-Sudan-South-Sudan,43030>.

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parties almost reached oil revenue share agreement in August 2012.<sup>①</sup>

Either ‘one country, two systems’ or ‘two countries, one system’, China’s real policy goal hasn’t changed a bit, with respecting formal state sovereignty and promoting economic development of Sudan and South Sudan as the core. That is the secret of the success of China’s African policy in general and two Sudans policy in particular.

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<sup>①</sup> “China Welcomes Oil Deal between Sudan, South Sudan,” *Xinhua News*, 6 August 2012, [http://news.xinhuanet.com/english/china/2012-08/06/c\\_131765167.htm](http://news.xinhuanet.com/english/china/2012-08/06/c_131765167.htm); Jane Perlez, “South Sudan to Get Aid from China; No Oil Deal,” *New York Times*, 25 April 2012, [http://www.nytimes.com/2012/04/26/world/asia/china-to-aid-south-sudan-but-pipeline-efforts-stall.html?\\_r=0](http://www.nytimes.com/2012/04/26/world/asia/china-to-aid-south-sudan-but-pipeline-efforts-stall.html?_r=0).