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The International Community in South Sudan“

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Abstract

This dissertation deals with the economic recovery process in post-conflict countries and the potential impact of international intervention. For that purpose, the post-conflict status is defined as the first decade after the outbreak of peace. The period can be characterised by further localised conflict, a valuable security situation and weak public administration. The dissertation uses the case study of South Sudan in order to link academic research and policy advice to a contemporary incident.

In the course of the thesis the main argument is that the academic literature and the resulting policy advice leads into a great discrepancy between the complex reality of reconstruction and pacification especially in terms of economic recovery. A main finding of the dissertation is that the economic recovery requires a capable state, which provides a framework in which international actors can develop economic development measures.

Furthermore, the thesis elaborates the strong link of economic underdevelopment and conflict as well as the further reduction of economic opportunities due to the loss of infrastructure, markets and investment in periods of conflict. In addition, the dissertation reviews key pieces of literature on post-conflict economic recovery on the risk of renewed conflict, governance, financial aspects of statehood, resource management, investment, and aid. In the course of the dissertation a number of achievements and continues challenges to economic development in South Sudan are discussed. The attempts of the international community to assist in the economic recovery are assessed while taking a particular focus on projects of the United Nations Industrial Development Organisation. The chapter points out the continuous challenges of the international community to bridge humanitarian and economic assistance. The dissertation concludes with a discussion of the further considerations on security, resource management and private sector development.

Zusammenfassung

Diese Abschlussarbeit beschäftigt sich mit dem wirtschaftlichen Wiederaufbau von Kriegs- und Konfliktstaaten, sowie der potentiellen Unterstützung durch die internationale Gemeinschaft. Zu diesem Zweck wird ein Kriegs- und Konfliktstaat als ein Staat definiert, welcher sich in den ersten zehn Jahren nach Unterzeichnung eines Friedensabkommens befindet. Die Situation kann deshalb durchaus von lokalen Konflikten, einer instabilen Sicherheitslage oder/ und einer unzureichenden staatlichen Ordnung geprägt sein. Die Abschlussarbeit nutzt das Fallbeispiel der Republik Südsudan, um einen Vergleich zwischen akademischer Analyse sowie der daraus resultierenden politischen Empfehlungen und der Realität in einer Nachkriegssituation zuziehen.

Das Hauptargument der Arbeit zeigt die Diskrepanz zwischen der analytischen Perspektive und der komplexen Realität von Wiederaufbau und Friedensintervention in einer Nachkriegslage. Das Ergebnis der Untersuchung ist, dass es eines mündigen Staates bedarf, der die Rahmenbedingungen für die wirtschaftliche Unterstützung der internationalen Gemeinschaft schafft.

Im Rahmen der Analyse zeigt die Arbeit die Verbindung von wirtschaftlicher Unterentwicklung und Konflikt im Südsudan auf. Des Weiteren zeigt sie die Schädigung des wirtschaftlichen Potentials durch den Verlust einer funktionierenden Infrastruktur, des Marktes und des Investitionsrahmens. Die Arbeit sammelt essentielle Schriften zum wirtschaftlichen Wiederaufbau in Nachkriegsgebieten, zu den Risiken eines erneuten Konflikts, Finanzwesen, Ressourcenmanagement, zu Governance, Investitionen und Entwicklungshilfe. Im Verlauf der Arbeit werden die zahlreichen Erfolge aber auch die diversen Probleme des wirtschaftlichen Wiederaufbaus im Südsudan aufgezeigt. Die Projekte der internationalen Gemeinschaft zur Unterstützung der Wiederaufbaumaßnahmen werden mit einem besonderem Fokus auf die Projekte der ‚UNIDO‘ erläutert. Das Kapitel zeigt die fortwährenden Probleme der internationalen Gemeinschaft bei der Umsetzung von Wiederaufbauprojekten auf. Die Abschlussarbeit endet mit einer Diskussion von Gedanken zur Sicherheit, Ressourcenmanagement und Privatwirtschaftsentwicklung.

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Abbreviation

CANS	Civil Authority of New Sudan
CPA	Comprehensive Peace Agreement
COMESA	Common Market for Eastern and Southern Africa
GNU	Government of National Unity
GoS	Government of Sudan (Karthoum)
GoSS	Government of South Sudan (Juba)
ICP	International Cooperation Partners
IDP	Internally Displaced Person
ILO	International Labour Organisation
JDT	Joint Donor Team
MCII	Ministry of Commerce, Industry and Investment
MDTF	Multi Donor Trust Fund
MDTF-SS	Multi Donor Trust Fund South Sudan
MVTC	Malakal Vocational Training Center
MoLPSHRD	Ministry of Labour, Public Service and Human Resource Development
NRMC	Natural Resource Management Committee
OLS	Operation Lifeline Sudan
PFM	Public Finance Management
UNDP	United Nations Development Programme
UNIDO	United Nations Industrial Development Organisation
UNMIS	United Nations Mission in Sudan
UNMISS	United Nations Mission in South Sudan

SINGO	Sudanese Indigenous non-governmental organisation
SME	Small and Medium Enterprise
SP	Policy on South Sudan
SPLM/A	Sudan People's Liberation Movement/ Army
SSDP	South Sudan Development Plan
SSNBS	South Sudan National Bureau of Standards
SSPS	Southern Sudan Police Service
SRRA	Sudanese Relief and Rehabilitation Committee
SRRC	Sudanese Relief and Rehabilitation Association
TMEA	Trade Mark East Africa

1. Introduction: The Challenge Ahead

Introduction

“The soldier wrings out his cap and says he is sorry for the inconvenience: ‘You know how it is’”. This scene in at the border of Senegal to Guinea- Bissau describes the attitude of war tired African citizens across the continent. Angola, Congo, Chad, Guinea- Bissau, and Somalia are characterised by the conflict that marked people’s life’s and the countries development. Observers emphasis the changes but noting that the conflicts in Ethiopia, Mozambique, Sierra Leone, Rwanda and Sudan ended. Yet, peace brings new challenges, which can only be tackled with sound economic management and targeted assistance of the international community (Tired of War, 2013, p. 6).

The challenges of post- conflict economic recovery will be telling the story of this thesis. The thematic analysis is the post- conflict economic recovery and the intervention of the international community. The case will focus on the South- Sudan, which after the Comprehensive Peace Agreement in 2005 and the

independence in 2011 started to build a state, which provides its citizens with an economically sustainable infrastructure. Much has been written about the peace agreement and the interim period, which builds the foundation for the youngest state on the African continent. This thesis aims to contribute to the literature by analysing the time that follows the peace, the time of establishing an economic structure, tackling the challenges of economic development and the measures taken by the international community in support of the Republic of South Sudan.

Therefore, the thesis posed the question: "To which degree did the international community intervention contribute to sustainable post conflict economic development?" In order to answer the research question comprehensively the thesis will firstly give a overview of the key issues of the economic historical developments of South Sudan. The second chapter of the thesis will summarise and use the literature on post-conflict economic development as it has been advocated by Collier. Based on the theoretical recommendations and the challenges identified, the literature will be applied to the economic recovery of South Sudan in the third chapter. Furthermore, it will analyse the economic potential and the barriers to economic growth of the economy of South Sudan. The key issues will be the sectorial set up of the economy, trade relations, industrial capacity, formal and informal economic structures, economic policies, natural resource management and the overarching economic environment etc. In chapter four the international community and its intervention in South Sudan will be entering the analysis. The questions to be addressed are whether the interventions responded to the economic challenges of South Sudan and actively targeted its intervention in line with nationally identified priorities. The concluding chapter will summarise the findings and draw the lessons for economic management in post- conflict situations, for the academic understanding of the post- conflict recovery and for the international communities assistance to South Sudan.

The relevance of the topic derives from the consideration that civil wars in Africa are declining. More and more countries will have to face the challenge of reconstruction and initiating sound economic policy and management. Therefore, the right analysis and a understanding of the consequences and potential of different economic measures will become more and more important. The question of how to handle the vast natural resources of many of these countries in Africa as well as the most beneficial trade pattern will be key to lasting regional peace. Furthermore, the diversification and structural transformation of the economics will be key to profound human development which includes the economic empowerment of rural communities and the most vulnerable groups, namely women, youth and ex- combatants.

The analysis might not only be a role model to other fragile post conflict countries but also to the international community, which can improve its assistance towards an approach which strengthens the economic development on the individual level and provide people with a perspective. Assistance through vocational trainings and access to electricity through renewable energy might have the potential to be the peace building of the future.

The theoretical foundation for the analysis is the writings of Paul Collier on post-conflict recovery. The approach emphasises the importance of economic reconstruction on peace building and sustainable state building. It addresses questions of ex- combatants reintegration, youth employment, private sector development, diversification of rentier states, trade as well as many more stabilizing components. The message of the literature is that sound economic management in a post-conflict situation has key effects to continuous peace and development. The theory will function as a framework for the analysis of South Sudan's economic potential as well as challenges. Furthermore, it will set out the targets that a response of the international community should meet. The theory shall also be reflected on in order to check on its applicability and potential to advise the many post- conflict countries in their challenging tasks ahead.

The Economic Development of South Sudan



Figure 1: Map of South Sudan (Source: OCHA)

South Sudan is a Central African Republic. It is bordering Sudan in the North, Uganda and Kenya in the South, the Central African Republic and Congo in the West and Ethiopia in the East. South Sudan is a landlocked country, in size comparable to the state of Afghanistan or France. The climate in South Sudan is characterised by the seasonal rainfall and the world's largest wetland. The Sudd is a swamp, which is formed by the White Nile, which flows in through the North from the Central African Republic. South Sudan's main natural resource is oil along other metals. South Sudan has a large hydropower potential and

very fertile agricultural land. The plains in the North of the country are dryer than the highlands in the South.

There are 11 million South Sudanese citizens originating in about 17 different tribes. Most citizens are Christians and the official languages are English and Arabic. Next to the official languages a number of regional languages are spoken. The population is extremely young, 66 % of are under 15 years old. 1/5 of the population lives in urban centres of which Juba, the capital is the biggest with 250,000 inhabitants, while 83% remain in rural regions. 50% of the population live under the poverty line. 31% of the urban and 34% of the rural population experience food deprivation. Many suffering from displacement or human trafficking.

The economy is characterised by subsistence farming which supports the population while 98% of the government revenue is made up from oil exports. The agricultural sector is based on livestock and a range of crops such as grains, fruit, vegetables, coffee and tea. The productivity of the agricultural sector is extremely low due to the lack of infrastructure and finance (African Development Bank, 2012, p. 3). The GDP is highly dependent on the oil exports and the relations to Sudan through which the oil is exported. Oil revenues account for 71% of the GDP (African Development Bank, 2012, p.3). Industry and manufacturing are severely underdeveloped. The infrastructure is not able to support trade or markets. Most roads are unpaved. Markets are non functional and prices are no indicator of supply or demand. The insufficient implementation of property rights constitutes an additional barrier to economic development. Inflation remains another instable factor to the economy. In 2010 the price stability resulted from the relatively stable 1% rise in consumer prices. In 2011, inflation increased to 47% which was caused by the strong increase of food prices. Furthermore, prices for transport, health services, and household equipment. In 2012 the consumer price index declined by 3.5%, which lowers the overall inflation insignificantly. The issue of trading and economic cooperation will be further address in the main body in order to identify the potential and barriers to economic development. Nevertheless, at this point it is important

that the development will depend increasingly on the co-operation with the North. In addition, South Sudan became a member of the Common Market for Eastern and Southern Africa (COMESA) in 2011. During the stalled trading with the North in the last years, Uganda became South Sudan's major trading partner. Imports from Uganda increased from 60 million in 2005 to 635 million in 2008. The private sector is dominated by small and medium enterprises (SMEs). They are mainly operating in retail, wholesale trade, construction, hotels, restaurants, and transport as well as communication. The private sector in Juba is growing significantly from 471 registered business to 8 894 in 2010. The businesses are characterised by a variety of factors such as number of employees, ownership, investment potential, and business development. The rural-urban divide in these numbers of registration is significant. Formal business outside the capital remains limited. Furthermore, the private sector remains volatile to political uncertainty. The further development of the private sector is highly dependent on the stability and functioning of the financial sector. The coverage of financial services is limited to the capital due to the weak regulatory framework, poor infrastructure and a limited management capacity of the financial institutions. South Sudan has eight commercial banks, most of them being Kenyan and Ugandan banks. The services in the loan, trade finance and savings accounts business are limited. Nevertheless, there are a high number of microfinance institutions present in South Sudan. The penetration of bank accounts remains extremely low (0,075% of the population). Therefore, 21.297 microfinance borrowers were registered in 2009 (African Development Bank, 2012, p.6).

Despite the current economic set up of the country the potential for economic development is significantly influenced by its political contextual and human development circumstances. Primary school enrolments has increased significantly since 2000 up to a 72% enrolment rate in 2009. In addition, the secondary enrolment rate doubled since 2005. Nevertheless, the participation rates vary. Along the urban-rural and the rich-poor axis the disparities are strongest. Furthermore, the chance of completing the 8 year primary cycle is currently only 17% for girls compared to 30% for boys. A current problem is the

high youth employment. In addition to the reforms in the health care services delivery and the Government launched the 'Payam Youth Services' to promote youth employment in a community based system. The programme has to address the severe mismatch of skills. Therefore, vocational training will become increasingly important in the economic recovery process.

The Economic History of South Sudan

The Republic of South Sudan was founded in 2011 after a secession referendum. The Comprehensive Peace Agreement was signed by the Sudan People's Liberation Movement/Army (SPLM/A) and the Government of Sudan (GoS) in 2005. It initiated an interim phase of 6 years in which a national unity government should be established and a referendum over secession by the 2011 should be prepared. The referendum took place in January 2011 resulting in a secession of the South Sudan and the foundation of the Republic of South Sudan. 3,8 million votes constituted a majority of 98.83% in favour of a secession from the North. This decision marked the beginning for the South Sudanese state and brought up several old and new challenges. Natsios points out that in 1956 the British left a well-developed North and the South as the least- developed part of the British global empire (Natsios, 2012, p.27). It is important to state that not only the South remained undeveloped in the efforts of the British to create a modern Sudan also the regions of Darfur and Kordofan remained with few schools, roads and public services (Natsios, 2012, p.34).

The Sudan experienced two periods of civil war. The first civil war began in 1955 due to the increasing influence of the Islamic and Arabic North over the English African South. The war lasted until 1972 and was followed by a decade of fragile peace. In 1983 the country collapsed into a renewed civil war. The second civil war was caused among other factors by the South opposition to the North introduction of the sharia as general law. Gadir Ali and Elbadawi argue that war risk was further increased by the regionalization and internationalization of the conflict over time. Furthermore, the high number external inter-

vention during the first civil war increased the likelihood of further conflict and the prolonging of the conflict. Accordingly, the second civil war experienced an over average external level of intervention (Gadir Ali & Elbadawi, 2005, p.146). The Central African region is prone to boarder crossing civil conflicts and neighbouring involvement into the internal disputes (Gadir Ali & Elbadawi, 2005, p.146). Moreover, the conflict roots much deeper in the economic set up of the country.

The conflict between the Republic of Sudan and the Republic of South Sudan consists of ethnic, linguistic as well as economic differences. The first signs of conflict between the North and the South of the country go back to the 1989 when the British colonial power made the Sudan part of the Egyptian colonial structure. The British had little interest in the economically scarce South of the country, while the North became a beneficial cotton production site (Prunier, 1999, p. 292). The South Sudan provided the North with a variety of agricultural products such as coffee, sugar, tea, meat and fish. The pre-independence patterns of non-inclusion of the South into reliable development plans continues in the immediate post independence period until 1972. Throughout the colonial period the British administration followed the Policy on South Sudan (SP) which allowed for the partition of the colonial territory. The policy was only changed in 1947 in an ad-hoc decision to keep a unified Sudan. Even after independence in the first Sudanese parliament the 'Independence Motion and Resolution' was discussed and passed (Gadir Ali & Elbadawi, 2005, p.151). A first sign of political will for secession tendencies in the South. The economic imbalance should consolidate throughout the colonial and postcolonial history.

During the colonial period subsistence farming and breeding dominated the economic life in South Sudan. In the region Upper Nile and the North of Bahr-el-Ghazal, semi nomadic breeding and the farming of corn and sorghum were the main agricultural activities. The production only provided around 40% of the nutrition demand of the population. In the region of Zande agriculture dominated as breeding was impossible due to the tsetse fly. Further South a more balance mixture of agriculture and breeding was possible. The two sectors made up 95% of the GDP added by a small workshop sector, which was stimu-

lated by the Jellabas¹. The small workshops produced smaller manufacturing articles. Barter trade and self-supporting agriculture remained dominant throughout the 1950s, despite the temporary access of 37% of the population to the monetary system. The first modernization and development projects were all administrative and political disasters. The ‘Zande project’ in Nazara in Western- Equatorial centralized the cotton production and caused despite extreme mismanagement of the overall project the displacement of thousands of people. The failure of the sugar production project in Melut further strengthened the attitude of many planners that the South was special and not includable into a modern economy. Many argued the South should remain a region of subsistence farming and semi-nomadic breeding.

	Agriculture	Industry	Services
Bahr el- Ghazal	95,7	1,0	3,1
Equatoria	89,2	2,5	6,2
Upper Nil	96,2	0,5	2,9

Figure 2: Est. employment per sector in South Sudan around 1945 (Source: Prunier, 1999, p.294)

The Addis Ababa Agreement 1972 was the first peace agreement in the postcolonial history of Africa. Unfortunately, the implementation did not prove as progressive as the act of peace after the 17 years of civil war. The agreement did not result in a federal resolution but constituted a compromise. For the South the period between 1972 -1983 meant an arbitrary resource allocation from the central government, which hampered the implementation of a development plan. The deal initiated a Southern army and a regional government but did not provide sufficient financial resources and autonomy. The Governments expenditures for the development of the Southern part of the country accounted to only 26,5 % of the national total expenditure (Prunier, 1999, p.293 f.). The development of the agricultural, mining,

¹ Arabic traders.

transport and communication sectors remain limited through this shortage of funding. The regional government officially had the ability to despoise over the local taxes but the tax revenue remained extremely limited in a region committed by subsistence farming. The lack of investment was caused by corruption, inadequate governance and a missing will of the new political leadership, which grew in the South post-1972 (Prunier, 1999, p.294). The villages remain remote, which explains why 1/3 of the population of the South at the time had access to the monetary system. In 1973, the number of people having access to the monetary cycle had fallen to 29,6%. Furthermore, through out the 11 years of peace the South remained marginalized in terms of income and public service provision (Gadir Ali & Elbadawi, 2005, p.151). This extreme low results in terms of economic and institutional development added by the continuing exploitation of the regional natural resources led the rebels to reenter into the second civil war later.

The economic history of South Sudan continued to feed the inequality of the South compared to the North in the 1970s, 80s and 90s. The Sudan negotiated a stabilization plan with the International Monetary Fund (IMF). The economic development in the 1970s was characterised by declining industrial output, decreasing savings, declining investment paired with increasing poverty due to inflation and shrinking production. The economic and human costs of the decade were extremely high. The 1980s showed strong urbanization tendencies, which reflected the food insecurity in the rural areas caused by the increasing environmental degradation of intensive irrigation agriculture. A major famine in the North killed an estimated 200,000 people in the North during 1983 to 1984. In 1988 to 1989, a second wave of famine hit the South killing estimated 250, 000 people (Natsios, 2012, p. xxvi). The famines had equally terrible effects on the refugee situation. In 1987 a total of 165,000 refugees fled to the Ethiopian border. In the beginning of 1988 the number increased to 225,000 scaling up to 400,000 in the end of the year. Many displaced persons died on the 500km long journey to the boarder (Prunier, 1999, p.285). The unemployment in towns increased rapidly through the rural urban migration and the social and physical infrastructure of many centres collapsed. The on-going first civil war explains the extremely poor economic man-

agement and several extra budget planning. The monetary policy of the Central Bank was weak. The policy failures and the natural disasters in the 1980s hit the South severely. The IMF identified a strong urban bias, little support to private sector development. The tax system of the time weighted heavily on the consumer and did not stimulate development. Meanwhile the governmental expenditure structure did lead into an increasing fiscal gap. The 1970s and the 1980s were characterised by the lack of market development, severe economic and political instability, which consequently resulted in declining investment. The 'New Islamic Front' coming into power in 1989 implemented a new plan for economic development. The plan benefited mid scale farmers instead of small subsistence farmers. The privatization processes were highly chaotic and spontaneous. The number of remittances decreased and the Sudanese who lived abroad and had for long been a source of investment stopped their engagement. A lack of raw materials caused problems in the development of value chains in the leather, soap and food industry. One of the biggest economic historical failures of the new plan was the neglect to establish a linkage between rural and urban areas to increase the interaction and generate industrial linkages with the agricultural sector. Poverty remained and did not improve through the internal migration. The new Islamic social welfare system did not provide support to migrants as it reinforced old support patterns in families (Lüftenegger, 2011).

The distribution of humanitarian aid equally backed the division between the North and the South. In the 1980s, the hunger crisis at the Horn of Africa activated a large-scale humanitarian aid mission of the international community. The government in Khartoum only allowed aid to come enter the country in 1984, 18 months after the recognition of the hunger crisis. The humanitarian aid provision was only possible due to the end of Numeiris presidency. At the time US-aid provided most of the nutrition supply, 80% of the total amount. The statistics show how unequal the measures were distributed. In 1989, USAID delivered 419000 tons into the North, mainly Kordofan and Dafur, and only 6000 tons to the

South (Prunier, 1999, p.301f.). The year after the difference increased even further, as the North received 222000 tons and the South was provided with 3000 tons. The few tons which made it to the South were only distributed in the boarder region which were under control of the Government in Khartoum. Support for the Government became a condition for receiving aid for many tribes. The rebels and the territory under the Sudanese People Liberation Army (SPLA). In addition, the SPLA was able to control more territory in 1896/7 which made the hunger problem even more severe. The international community reacted by talking to the Government in Khartoum and to the rebels leader colonel Garang in order to ensure a distribution across the country. The result was the Operation Rainbow, a mission which due to mismanagement did not succeed to bring any relief to the people. The support of the international community reached the South only in 1989 with the beginning of the Operation Lifeline Sudan (OLS) (Prunier, 1999, p.302). The cooperation of the UN with about 40 NGOs and the EU enabled the OLS South to provide 50000 tons of nutrition from Kenya to the South for 7 years. The aid which finally supported the territories under rebel control again should become an feature of the unequal dynamics in Sudan. In order to enable the OLS South the OLS North had to provide 3 times as much nutrition to the territories under Government control. The aid of the international community was part of the power game between the supporters of the rebels and the backing of the Government in Khartoum. The OLS was definitely a valuable support to the 500,000 people in refugee camps. Nevertheless, the malnutrition remained extremely high and the aid of the international community feed the economical division of the country (Prunier, 1999, p.301f.).

This shows how the economic underdevelopment and the poor economic circumstances contributed to the dissatisfaction of the population. The economic malformation reinforced the North- South conflict which was founded on ethnic, linguistic and cultural difference but mainly as this thesis argues on economic grounds. Gerhard Prunier clearly points out that ‘the triggering factor for the renewed civil conflict

was not so much the proclamation of a Islamic Republic by president Numeiri in September 1983, but indeed the offensive economic disproportion' (Prunier, 1999, p.297). Therefore, it will be even more important to ensure the sustainable economic development in the post- independence context of South Sudan.

The Economic History of the Civil War

The economic development of Sudan explains the reasons, which lead to civil war and renewed conflict. Nevertheless, the two civil wars had an economic dynamic of themselves, which further weakened the development potential. The reasons for the civil war in between the two main regions in Sudan after independence 1956 until 1972 and the second civil war from 1983 until 2005 are manifold. The reasoning for the civil wars are of different nature and the reasons are highly interconnected. Religious, ethnic, and economic reasons overlap in their explanatory importance. Nevertheless, the civil wars in South Sudan have an economic history in line with the general economic development and history. The first civil war in Sudan took place in an extremely large territory, with a relatively small density of population and a weak infrastructure. Therefore, a large number of military bases were cut of during the rainy session which left 60% of the South Sudan in swamp. The importance of the military bases which were accessible and provided bearable living conditions through out the year increases significantly. The supply with food for the troops as well as the civil society was extremely difficult in the guerrilla war (Prunier, 1999, p. 280f.).

Considering the notion of financing civil wars, Cramer explains how the production of gum arabic financed the Sudanese civil war. Cramer describes how constrained poor and developing countries are in financing war. Due to the lack of manufacturing, effective taxation and weak financial instruments and limited war material production, governments in least developed countries have to turn to predation and rent seeking, inflation and borrowing as well as aid. Rebel groups are not even having these limited op-

portunities. Foreign exchange is extremely important for governments to finance war activities. In the 1997s the US banned all imports from Sudan in order to react to the terrorist attacks in the Middle East in the 1990s. Large US America cooperation lobbied to waive the import of gum arabic in order to ensure the supply of extracts that prevent solidification in the refrigeration process, print sticks, and thickener in food and pharmaceuticals. Through the exemption of gum arabic the US, the largest export of Sudan remained in order to gain foreign exchange (Cramer, 2006, p. 173). Johnson points out that the US debt rescheduling changed increased the Governments ability to stay in power during the 1980s. The rescheduling resulted in a shift of accountability. The Government was less accountable to its own population than to external donors (Johnson, 2011, p.144).

Similarly, oil companies played a crucial role in financing the war. Chevron entered the South Sudanese oil fields in 1974. During the second civil war, Chevron hired different militia groups in order to protect the oil fields (Prunier, 1999, p. 287). Furthermore, the polarzation of the Cold War significantly effected the alliances and resource distribution until 1990. Until its fall in 1990, the communist regime in Ethiopia supported the SPLA.² After the fall, the support lines shifted and the US and Uganda began to support the now ideologically independent South. The North progressed with a islamisation policy which decreased international support (Prunier, 1999, p. 283).

In addition to the imperfect import ban and the debt rescheduling the economic history of the civil war is strictly connected to international relief measures. The Sudanese civil war was stamped by the economic objectives of the government in Khartoum and by the economic survival strategies of the SPLA and the fractional militia groups (Johnson, 2011, p.143). In his book Johnson shows how Sudan is a product of its civil war but also how the civil war was a product of its own fragmentation (Johnson, 2011, p.144). During both civil wars the international community was highly dependent on the Khartoum Governments policies and allowances. The written development strategies increased the ability of survival of the Gov-

² During the Cold War, the government in Khartoum was supported by the US and the West, while the SPLA sided with the regime in Ethiopia and the communist Soviets.

ernment during the war as international organisations such as the UN but also international donors had to comply with the stated demands instead of serving the actual needs (Johnson, 2011, p.161). In general it can be said that displacement, slavery and raids were the major tools of warfare in both civil wars. The objective of the war was the depletion and economic subjection of the counterparts (Johnson, 2011, p.145). In order to decrease the enemies' supplies the governmental rebels raided a large amount of villages in order to destroy the cattle farming and subsistence farming of the Southerners. During the mid-1980s the SPLA followed the same strategy, through moving a lot of displaced people to Ethiopia it increased its access to relief assets during the fighting's in the first civil war. As soon as the SPLA was in control of more territory it changed the policy between 1988 and 1991. It tried to increase the agricultural production and gained more credibility. By archiving the signature of own relief agreements with the international community (e.g. UNCEF) the rebels further extended their credibility among the population in the South (Johnson, 2011, p.148). The return to increased reliance on subsistence farming increased the population's vulnerability to natural hazards such as in the crisis of 1990/1991 (Johnson, 2011, p.148).

Similarly, the government restricted the access of international aid to the South. By having the authority over the information and restricting international observers to make a neutral analysis of the needs, the GOS restricted the relief measures in the South and to the SPLA controlled areas. The power of the GOS became obvious in 1991 during when it was able to restrict the Operation Lifeline Sudan to supply relief to the South (Johnson, 2011, p.149).

Moreover, in 1998 during the second civil war the number of raids and fighting increased again. The GOS had banned relief flights. The difficulties of development became obvious in the labour supply for productive activities in the North. During the preparing and harvesting sessions the food relief activities were requested to stop through international NGOs in order to bring people back to the fields and participate in production. The instances of capturing labour for the armies and modern slavery became apparent. Capturing became a policy of terror (Johnson, 2011, p. 157) Closely connected to the question of

modern slave trading is the question of slave redemption. It was considered whether the inflow of hard currency in order to free captured labour would further increase the fighting due to availability of cash.

The International Community in South Sudan

The international engagement can be divided between firstly the peacekeeping and secondly the development agenda of the international community.

The United Nations Mission in Sudan (UNMIS) began in 2005 and ended in 2011 with the independence of South Sudan. The follow up mission is entitled United Nations Mission in South Sudan (UNMISS). The mission is expected to last at least one year and has the purpose to consolidate peace and provide security for development. (UNMISS). ³ The mission is supplied with a budget of \$ 839.490,000 and has a strength of 7,519 uniformed personnel (police and troops as well as 866 international civilian personnel 1.347 local civilian staff and 416 UN volunteers).

Furthermore, the international community responded to the independence of South Sudan in 2009 by establishing the common assistance frameworks in the country. The United Nations Country Team (UNCT) consists of 22 agencies⁴, funds and programmes in support of the world's newest country. The Team is headed by the One UN Resident Coordinator who is in charge of managing the humanitarian action, the activities in favour of protection and stabilization, measures to advance social progress and justice and state take-off and accountability initiatives. The United Nations Development Programme (UNDP) established one of the largest programmes in the world in South Sudan. With 102 persons staff including 67 nationals and 35 internationals and 147 United Nations national and international volunteer

³ <http://www.un.org/en/peacekeeping/missions/unmiss/>

⁴ The agencies include: UN Development Programme, UN Women, Food and Agricultural Organization, UNICEF, World Food Programme, UN Department of Safety and Security, UNAIDS, UN Refugee Agency, UNESCO, International Labour Organisation, UN High Commissioner of Human Rights, UN HABITAT, World Health Organization, UN Mine Action Office, World Bank, Office for the Coordination of Humanitarian Affairs, UN Industrial Development Organisation, UN Operational Programme Service, UNODC, UN Environment Programme, UN Population Fund and the International Organization for Migration.

the UNDP country team assisted in the formulation of a South Sudan Development Plan (SSDP). In order to enable all agencies to deliver targeted assistance the United Nations Development Assistance Framework (UNDAF) has been formulated. The UNDAF constitutes a guide for all agencies to align their assistance with the SSDP and establishes goals to be achieved.

Moreover, several other UN agencies have entered South Sudan in order to deliver assistance and follow the development progress. In 2011, South Sudan applied to the International Monetary Fund in order to become eligible to the lending and financing mechanisms. Furthermore, the Enhanced Integrated Framework (EIF) admitted South Sudan as a country eligible to receive funding from the EIF Trust Fund. In order to begin the work of the trust fund in South Sudan a national coordination office is developed including a focal point and a donor facilitator.

Outline

Concluding the introduction a short outline of the set up of the thesis is given. The thesis will analyse government development and policy documents, strategies of the development organisations and academic literature on post-conflict economic recovery.

The second chapter will provide an overview and literature review of recent studies on economic recovery and post-conflict economic development. In the third chapter the main variables deriving from the literature will be taken up again and applied to the case of South Sudan. Furthermore, the forth chapter will provide information on the international community approaches and projects in South Sudan. The chapter will also introduce the projects of the United Nations Industrial Development organisation in South Sudan in order to show some types of interventions and challenges to the implementation. It will enable to compare the academic approve, discussions of the projects in comparison with the needs and critical issues of development in South Sudan. The last chapter will provide a summary as well as a discussion of the thoughts.

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2. Literature Review: The policy advice

The introduction chapter has shown how the economic development and the war economy of Sudan have characterised the civil war and development efforts since the colonial period. It has become clear that the neglect of investment and economic development of Southern Sudan (as well as the Dafur region) have made the country prone to conflict over equal economic opportunities. The two civil wars have further prolonged the economic development in the South over a time period of 50 years. Even in the short interim peace after independence the lack of inclusive economic development and the poor investment into the Southern provinces increased the risk of further conflict.

This chapter will summarize the academic literature on post-conflict economic development and give an overview on the recommendations that derive from the empirical findings of the studies. Since academia has shown that immediate post-conflict recovery can provide substantial economic growth and that the policy improvement in the post conflict setting is rapid due to less political hurdles and fractional

fighting, it is important to point out the most relevant findings in order to turn immediate growth into sustainable growth and poverty reduction while creating an environment which allows for continuous economic reform and adjustment (Elbadawi & Ndung'u, 2005, p.22) (Collier, 2005, p.54).

First of all, it is important to point out that conflict and economic development are mutual reinforcing variables. Bodea et. al. called this phenomenon the 'conflict underdevelopment trap' (Bodea & Elbadawi, 2008, p.28). Their research has shown that the risk of civil war accounts for 22% of the income gap since 1999. Political violence has a significant negative impact on growth (Bodea & Elbadawi, 2008, p.28). As a result, deteriorating security and political stability as well as civil war become more likely and will further economic decline in Sub-Saharan Africa.

Low economic growth and development trigger conflict, while conflict further reduces the potential of economic development and sustainable growth (Fosu, 2005, p.xv). Furthermore, it is important to define what is a post-conflict economy at this point of the paper. Therefore, the notion of Fosu will be used which points out that it is not the definition per se which is important but to use the term to 'stress the importance of attaining such a state, as a prelude to archiving the political stability for economic growth and development' (Fosu, 2005, p.xv). Brinkerhof adds that 'most post-conflict reconstruction efforts take place in situations where conflict has subsided to a greater or lesser degree, but is ongoing or recurring in some parts of the country.' (Brinkerhoff, 2005, p.4). Post-conflict economies start with a number of additional barriers to growth considering the 'excessive, war-induced mortality, morbidity and refugee movements, capital depreciation and capital flight, possibly inflation, a large trade deficit, and a considerable budget deficit' (Alvarez-Plata & Brück, 2008, p.490).

What makes conflict more likely in these countries? Firstly, it is important to point out that independently of the countries individual reason for armed conflict, Collier and Hoeffler found four major characteristics, which make countries more prone to conflict. Firstly, most countries are characterised by (1) low

income. Increasing the per capita income significantly lowers the risk of conflict⁵. Secondly, countries with a (2) negative or slow growth have an increased risk of conflict. An additional percentage point of growth lowers the risk of conflict by 1%. A substantial increase of risk is caused by (3) high rents from primary commodity export. The last component is the (4) degree of ethnic fragmentation. A large ethnic community as the majority of society has a comparative higher risk of conflict than a country with ethnic homogeneity or a high ethnic diversity (Collier, 2005, p.46).

What are the consequences for the post-conflict economy? The resulting post-conflict setting has four key characteristics of post-conflict economies, which are a (1) low foreign direct investment due to political and economic instability and poor savings investment as a cause of capital flight. Moreover, the (2) population growth in the post-conflict period nullifies the limited economic growth resulting in increasing instead of lowering poverty. Furthermore, post-conflict economies in Africa are highly likely to be (3) highly indebted poor countries. The high external debt further weakens the post-conflict recovery environment. Lastly, post-conflict countries need a (4) pro-growth policy set including fiscal policy, exchange rate management and economic reforms in order to minimize the risk of conflict and pave the way for economic recovery (Elbadawi & Ndung'u, 2005, p.23f.).

During 1990 and 2000 researchers have counted 19 major armed conflicts including the civil conflict in Sudan, whose origins have already been looked at in more detail (Wallensteen & Sollenberg, 2001). What are the objectives in a post-conflict economy? Emerging from these conflicts the containment and the reduction of inequality and poverty are main objectives of economic development policies. In order to achieve these goals the provision of public goods, revenue sharing, resource revenue allocation, and maximizing the peace dividend are core issues to be addressed (Addison & Murshed, 2005, p.4f.). Furthermore, the relationship of public investment, private investment, tax revenue and military expenditure in

⁵ 'A doubling of per capita income approximately halves the risk.' (Collier, 2005, p.46)

post-conflict economies is an important component of the political economy in the first decade of peace (Elbadawi & Ndung'u, 2005, p.19f.).

In order to give a comprehensive overview of the different variables and the empirical impact on post-conflict economic recovery, the factors will be discussed in the following.

The risk of renewed conflict

Countries which arise from armed conflict continue to be characterised by the original factors which made it prone to conflict in the first place. Furthermore, the conflict will most likely deteriorate the underlying factors of conflict such as low per capita income. Some of these factors will have different consequences in the post-conflict societies (Collier, 2000, p.2).

Collier and Hoeffler identify 3 policy-dependent risk factors. The first factor is the (1) 'extent of natural resource rents'. The risk factor is highest when the natural resource rents make up around 25%-30% of the GDP. Secondly, the (2) lack of alternative economic opportunities increases the risk for renewed conflict. The effect of conflict on the economy is significant. During a conflict, the average income falls by around 2.2% per annum. A 15-year lasting conflict reduces the income by 25% compared to a conflict of maximum a year. Furthermore, the enrolment of young man decreases as military expenditure increases leading to a reduction of the public investment in schools and vocational trainings (Collier, 2000, p.4). The logic behind that is strongly connected to poverty, population growth and potential recruits. Little economic opportunities, especially for young man, increase the benefits of entering into a rebel group compared to taking wage labour or attend school. Population growth further decreases the opportunities for new labour force entrants to enter into productive employment. High youth unemployment increases the level of poverty. Therefore, the empirical evidence shows that one percentage point of increase in the population growth rate increases the risk of conflict significantly more than a reduction of per capita

growth of GDP by one percentage point. The third risk factor is (3) ethnic dominance. The model defines ethnic dominance as a 45 to 80% of the population being of the largest ethno-linguistic group (Collier, 2000, p. 3). An armed conflict has considerable impact on the ethnic fragmentation and structure of the society. Ethnic minorities are likely to become refugees or displaced persons during the course of the conflict. The three factors enable one to estimate a generic post-conflict risk factor of a country after conflict.

The impact of democracy and political stability

Before looking into the economic factors of conflict prevention, democratic consolidation and post-conflict economic recovery, one can analyse the political framework and the political economy, which provides the environment for economic growth. The discussion is relevant as a democratic environment provides a substantially different economic recovery potential than a non-democratic political economy.

Acemoglu and Robinson in the book 'Economic Origins of Dictatorship and Democracy' outline some key variables, which characterise the political economy of democracy and autocratic rule. This summary will focus on the political and circumstantial features that impact economic growth during the consolidation of democracy rather than democratization. Firstly, it is important to notice that we assume that the political environment is partly driven by an interest in maximizing the economic benefit of the different groups in power (Acemoglu & Robinson, 2009, p.40). Therefore, the political power structure influences the economic decision making substantively. In a democracy the majority promotes the economic policy which maximizes its economic benefits (ideally a broad distribution of the common wealth) while in a non-democratic environment the elite protects its political power in order to accumulate the wealth in the hand of a few.

From these basic assumption derives an important first impact on consolidation. The threat of coups is absent in democracies as the majority supports the government put in place. As the majority is more in-

fluent then minorities it ensures the survival of democracy (Acemoglu & Robinson, 2009, p.29). Even so democracies bear some uncertainty in which direction economic policy will change in shifting administrations, democracy is stable in its economic certainty. Political stability is important in order to secure foreign investment, international loans and economic growth.

Nevertheless, the chances of shocks to the democratic stability increases in the time of crisis. Acemoglu and Robinson mentioned oil price changes and economic depressions as economic shocks, which can make democratic consolidation more precarious. In times of crisis coups are assumed to be more likely (Acemoglu & Robinson, 2009, p. 31).

Furthermore, the source of income of a country's elites makes an essential difference to consolidation of democracy and economic progress. Considering that capital, oil and natural resources are different in their taxability and revenue creation than land, the source of income of elites has different impacts on the costs of disturbing democratic consolidation. Acemoglu and Robinson suggest that in theory in democratic consolidation more likely as coups are more expensive when the elite holds land rather than capital related assets (Acemoglu & Robinson, 2009, p. 31). In addition to the wealth held by the elite, the inequality in a post-conflict society makes an important impact on the stability of the political economy. In order to find a sustainable equilibrium to redistribution, the inequality between the elites and the majority of the society has to be carefully balanced. Redistribution may be a burden to the elites' wealth, which could lead to a decreasing support for democracy. Furthermore, the redistribution has to balance the will of the majority to gain from state resources and benefits. Therefore, it will be important in post-conflict economies to redistribute the elites' assets while ensuring some degree of discussion and electoral dispute over the redistribution policies (Acemoglu & Robinson, 2009, p.36).

In addition to the distributional tasks of a post-conflict recovery policy, the role of the middle class can influence the process of democratic consolidation as well as the degree of political and economic stability. The existence of a middle class might seem an irrelevant concept in the discussion of post-conflict econ-

omies in which the income and sources of livelihood are marginal. Nevertheless, I think it is important to outline the theoretically important role of this particular group of society in settling distributional conflict. The middle class functions as a buffer to distributional conflict as it limits the redistribution of elites' wealth but ensures a sufficient degree of broad redistribution to the citizens. Therefore, the theory suggests that a large middle class is vital in democratic consolidation (Acemoglu & Robinson, 2009, p.38).

The last issue contributing to a politically stable economic development is the degree of international market integration and globalization. Acemoglu and Robinson list a number of mechanisms through which globalization increases successful democratization and consolidation. Firstly, the authors point out that international financial integration enables capital holders in every country of the world to transfer assets more easily. Even so it enable capital flight with negative externalities to nations, by causing tax evasion and or fraud, it can also have a positive influence through relieving capital holders from the immediate threat of distributional politics. Even more important is the effect of trade factor prices, which provide less-developed countries to benefit from the relative abundance of cheap labour and increase the inflow of investments, closing the capital gap. Increasing global trade is in theory expected to decrease the extent of inequality between capital owners and labour (Acemoglu & Robinson, 2009, p.38f.). A third aspect of international integration through, especially, trade contributes to the economic and political stabilisation, namely the costs of economic disruption. The costs of economic disruption in a globalized market is higher than in a little integrated market. Furthermore, the cost of repression of citizens becomes more costly to the elite if an international third actor can introduce trade sanction (Acemoglu & Robinson, 2009, p.39). The consolidation of a democracy will have in the long run, due to the given features, increase the certainty and stability of the political and economic environment in a post-conflict country. It remains questionable how quickly post-conflict countries can implement and benefit from these growth-enhancing factors.

The role of good governance

In addition to the political stability in a democratic regime, another political and administrative factor has a significant impact on economic recovery. Brinkerhoff (Brinkerhoff, 2005) and several other authors described the impact of good governance in a post-conflict setting. The author provides three tools in order to rebuild governance in post-conflict or failed states. Firstly, he points out that the (1) creation of legitimacy is important. A basic level of legitimacy of the new ruling regime needs to be established in order to prepare political stability and a coherent governance mechanism. Establishing democratic rule is one way to provide a regime with a sufficient degree of legitimacy (Brinkerhoff, 2005, p. 5). Secondly, Brinkerhoff puts emphasis on the importance of (2) providing security. In post-conflict countries the main task in security provision is to align international peacekeeping, if applicable, with national security forces. The third tool of governance in post-conflict countries is to (3) increase the effectiveness. In order to enable economic growth public service provision has to be re-established in the field of infrastructure, electricity, water, sanitation but also education, and health. Capacity building in the public sector is therefore a key measure to be undertaken. Establishing increasing effectiveness according to Brinkerhoff goes beyond public services. The author extends the request by arguing that a wealth-creating investment structure and continuous fiscal policy. Both factors will be elaborated in more detail in this chapter. 'Service-delivery and economic-development effectiveness relates to legitimacy that citizens tend to withdraw support from governments that cannot or will not provide basic services and some level of economic opportunity' (Brinkerhoff, 2005, p.6). Therefore, it is crucial that governance issues are a priority of capacity building in post-conflict states, only through a capable administration the following economic factors can have positive externalities on the overall political stability and development.

The impact of natural resources

In the first period of peace the government faces the ‘growth-diversification trade off’. Therefore, the strategy can be to reduce the natural resource predation of any rebel groups. Furthermore, the government should provide as much transparency over the distribution of natural resource rents as possible in order to increase accountability towards the beneficiaries and decrease the risk of corruption. The effect of different resources determines the dynamic and result of the civil war as well as its outcomes. Addison et al. find that conflict over natural resources are characterised by the type of resource rather than by the immediate revenue. Among the possible types of resources one can distinguish between point resources such as minerals and diffuse resources such soil and water. Point resources are defined as non-renewable, geographically concentrated and their extraction need little labour input. Diffuse resources are renewable, geographically spread and the use is important in generation agricultural and livestock production. In order to capitalize on diffused resources a large amount of labour is needed (Addison, Le Billon, & Murshed, 2001, p. 2). Point resources result in poor economic growth and have the tendency to sustain regimes through the control of and the redistribution of resources rents. Diffused resources struggles can also lead into conflict but are less likely compared to point resources (Addison, Le Billon, & Murshed, 2001, p. 16). Furthermore, Ballentine and Nitzschke add how the resources shape the motivation of different groups. They point out that lootable resources (gemstones, narcotic crops, timber or coltan) are easy to transport by small groups. Therefore, the conflict can be considerably prolonged by fragmented groups, which derive financial means from the looted resources. In contrast, unlootable resources (kimberlite diamonds, deep-shaft minerals, oil and natural gas), according to the authors provoke separatist conflicts, as the process of turning these resources into wealth is dependent on the locality and the labour in the region. While the extraction is often organised to the benefits of the central government local communities bear the negative externalities of the resources extraction. In addition to the central-

peripheral conflict over regional unlootable resources, the resources constitute a source of economic income in an independent state (Ballentine & Nitzschke, 2005, p.5f.).

In order to decrease the risk of renewed conflict, the resource rents should be invested in diversification of the economy. The so often appraised Norway model, which focuses on long-term financial asset creation, is not highly recommendable to low-income countries (Collier, 2006, p.12). In low income countries the rents can rather be invested in job generation, diversification and private sector development. The international community can support a countries attempt to manage natural resource rents by only opening the international markets to legitimate traders of the resources (e.g. the elected government or international companies holding valid permits) (Collier, 2000, p.6f.). In addition to establishing a distributive resource rent policy the government can lower the risk of renewed conflict by providing school opportunities, vocational trainings and pro-growth economic policies. These are relative quick options to lock young potential recruit into alternative systems of employment and education.

The impact of military expenditure

An additional set of policies can further facilitate economic recovery and reduce the risk of renewed conflict. The military spending is a major part of the budget during an armed conflict. Empirical research has shown that many post-conflict governments maintain the high level of military spending in order to ensure peace and security in the chaotic and fragile post-conflict environment. Theoretically this situation applies not only to conflict that end in the elimination of the rebel army but also in inter state conflict in which the trust in the peace treaty is low. Often military expenditures remain high even so the rebels are forced to lower decrease their military activities. Demobilization activities (DDR) can be useful in mediating in order to over come the time consistency problem. Policy advices in order to reduce the risk of renewed conflict therefore, suggests a significant cut in the military budget. This has two beneficial effects: (1) firstly it shows that the government is committed to peace and does not plan a new attack, sec-

only (2) it allows the budget to be restructured and more funds are made available for economic diversification and public expenditure (Collier, 2006, p. 3f.). The international community can support the military expenditure cuts by providing peace forces, which neutrally ensure the peace and security in the first years of peace. These expenditure planning's are recommended to be made in a medium term strategy. During the conflict citizens and government do short term calculations, which ensure immediate benefits in circumstance of high uncertainty. Therefore, a reasonable mid term economic policy is a valuable asset in lowering the risk of renewed conflict. The strategy can include property provisions, a functioning commercial contract enforcement mechanism, and a legal system to hold the public service accountable (Collier, 2006, p. 6f.) The measure can be supported by the international community through capacity building in the public and civil sector (Collier, 2006, p. 9f.). Furthermore, a long-term strategy increases the certainty for international foreign investors and decreases the costs of borrowing money on international markets.

The impact of foreign aid

The academic debate of aid and aid efficiency shall shortly now be review. The effect of aid on economic recovery is still researched and the recommendations on aid policies are not coherent. The role of aid on economic development is only assessable via its impact on economic growth and economic development (Collier, 2005, p.48).

Collier notes that aid is not significantly higher in post-conflict countries than in comparable no conflict countries. Nevertheless, aid is 'super-effective in raising growth in post-conflict situations' (Collier, 2006, p. 10). The increase effectiveness in comparison to other countries can be linked to the necessity to rebuild infrastructure and recover the revenue. The growth enhancing effects are limited in the early stages of peace but are significant in the middle of the first peace decade. Therefore, aid in support of economic recovery has to be timed strategically. The commitment remains important from the beginning, according

to Collier, but the disbursement should be managed flexible and over a longer time period. The priorities of the recipient country have to be aligned with the motives of the donor countries in order to arrive at a mutual beneficial capital flow. In an early study, Dudley and Montmarquette find that the probability of receiving aid is determined by the per capital income of the receiving country as well as economic, political and bandwagon considerations⁶ of the providing country (Dudley & Montmarquette, 1976, p.142). The authors point out that aid donation is mainly influenced by the estimated impact of the returns to aid on a given donating countries, especially the exports from donor to recipient were statistically significant in the equation (Dudley & Montmarquette, 1976, p.141).

The effectiveness of aid in post-conflict economies is even more complex. All the positive effects can only be reached if the policy, governance and institutions dealing with aid are of sufficient quality and the recipient's absorptive capacity adequate (Collier, 2006, p. 12). Especially the capacity of the civil administration plays a crucial role in determining whether aid will indeed be effective or not. Through good governance aid can, in comparison to other developing countries, increase and add to the growth spurt in the first decade of peace. Therefore, it is important to phase the aid properly so that it stimulates the economy before the saturation point. In a raising growth phase, aid is likely to be ineffective (Collier & Hoeffler, 2002, p. 6f.) If the absorptive capacity in policy and institutions is given than post-conflict countries have more ,than double the absorptive capacity for aid of that in normal circumstance' (Collier & Hoeffler, 2002, p. 7). Considering the time of aid inflows it is important to begin with the inflows in the beginning of the peace and increase the aid incrementally towards the mid decade. Furthermore, the aid inflow has to be limited and should slowly decrease towards the end of the first peace decade. This point is strongly advocated especially by Moyo who argues that aid dependency is a major barrier to sustainable economic development of the many economies in Africa (Moyo, 2010). Moyo's main argument is that in most developing countries unlimited aid inflows critically disturb the economic functioning through ex-

⁶ The ,bandwagon effect' in which ,donor's residents give a higher evaluation tot he impact of their aid, the greater the rest oft he world gives tot he recipient country (Dudley & Montmarquette, 1976, p.137).

change rate and competitiveness problems. Lastly, ethnic domination cannot be changed by policy. Nevertheless, it can be managed. The protection of minorities in a young democracy through constitutional safeguards allows for a minority protection and participation. The international community can support the introduction of constitutional safeguards by aid conditionality (Collier, 2000, p.7).

The impact of the real exchange rate

As it has been discussed the aid inflow can have disruptive effects on the economy. Therefore, it is important to consider the real exchange rate management in order to limit negative effects and provide for economic growth rather. Elbadawi et al. further investigated the impact of aid flows on the real exchange rate, competitiveness and growth performance in post-conflict economies. The authors find that foreign aid peaks shortly after peace is attained before declining in the post-conflict years. Furthermore, they show that the real exchange rate is undervalued during the war and overvalued in the first years during peace onset. Later the exchange rate returns to the equilibrium. Growth measured in per capita GDP growth increases significantly in the post-conflict decade (Elbadawi, Kaltani, & Schmidt-Hebbel, 2008, p. 133). In line with Collier and Hoeffler's findings, they confirm that aid allocated in the beginning of the peace period has more positive results than aid invested during the conflict or in the end of the post-conflict period (due to diminishing returns). The main finding of the authors is that aid does not trigger a 'Dutch disease-type real exchange rate misalignment and lower growth' (Elbadawi, Kaltani, & Schmidt-Hebbel, 2008, p. 134). Nevertheless, the research shows that the interaction of aid and growth is important when planning the timing of aid since an inappropriate alignment results in the overvaluation of the real exchange rate. The authors provide a number of policy advices deriving from their findings. The international competitiveness of a countries and the financial development have to be assisted in the post-conflict period. This might include strengthening of the domestic banking sector, the development of

domestic capital markets and the promotion of financial instruments to support the real exchange rate management (Elbadawi, Kaltani, & Schmidt-Hebbel, 2008, p. 134f.).

The impact of fiscal policy

It has already been discussed that the decrease of military expenditure is a core advise of academia towards post-conflict countries. Ndikumana goes even further in the recommendations on fiscal policy. The task of fiscal policy is to manage public expenditure. In line with the previous literature, Ndikumana confirms the necessity to tackle excessive military expenditure. Furthermore, it is pointed out that even so civil war harms all sectors of the economy, high skill requiring sectors such as high technological production and export-oriented activities are hit hardest (Ndikumana, 2001, p.3). Fiscal crisis differ depending on the economic set up of the post-conflict country. Capital-intensive products like oil and minerals sustain a more stable export revenue, which often enables regime survival. In comparison, labour intensive productions such as agricultural or livestock production are severely disturbed by displacement and raids. Therefore, the export revenues decline more dramatically leading into rapid fiscal crisis. Furthermore, the author points out that ethnic conflict can influence the tax collection administration (Ndikumana, 2001, p.4). Moreover, in order to improve the post-conflict fiscal capacity, fiscal reform has to address the management of the civil service. Reform initiatives will have to address competence levels in the civil service, base public employment on a transparent merit system (rather than a politicized kind ship base) and introduce equitable public employment policies in the public institutions (Ndikumana, 2001, p. 6). A major challenge remains the establishment of a state-society reciprocity based taxation mechanism. One has to introduce a taxation system, which rewards citizens paying taxes with access to public service delivery. The argument is made that debt relief is necessary in order to enable post-conflict countries to provide services to their citizens. Post-conflict countries should also try to minimize new deficits (Ndikumana, 2001, p. 12f.). In line with the findings, Ndikumana advocates a fiscal policy with a social mandate in

order to end exclusion and destabilizing fiscal policy and introduce a policy which focuses on poverty alleviation through kick-starting the economy through public investment (Ndikumana, 2001, p. 14f.)

The impact of monetary policy

Having considered the fiscal policy choices and considerations of a post-conflict government it is interesting to review the monetary component. Adam et. al. have researched the interaction of inflation, seigniorage and foreign aid. The authors find interesting results, which add to the role of foreign aid discussed so far. Unsurprisingly, the governmental need for money is even more persistent in the post-conflict setting than during the war. As a result, the government faces a trade-off between seigniorage and inflation (Adam, Collier, & Davies, 2007, p.3). The inflation rate in a typical pre-conflict country is around 12%, rising to 18% during the war. The paper shows that in the absence of aid a further increase is expected to rise to 21%. Furthermore, the currency demand collapses through out the conflict, in a typical country from around 6.7% to 5.2%. Even so the money demand is likely to recovery to around 6% of GDP in the onset of peace if its unlikely to return to the pre-conflict level (Adam, Collier, & Davies, 2007, p.17). Considering these developments, the post-conflict government is likely to experience the trade-off whether to reduce seigniorage in order to facilitate the reconstruction of money demand and make the monetary circumstances more sustainable in the future or to resort to seigniorage, risking inflation and damaging the banking system (Adam, Collier, & Davies, 2007, p.13). Therefore, the authors suggest to use the inflow of foreign aid to improve monetary management. They find that aid has the potential to enable a government not to use seigniorage but to incrementally lower the taxation of the currency to prior conflict levels. The lengthy process is estimated to take up to 20 years (Adam, Collier, & Davies, 2007, p. 18). They concluded that foreign aid in addition to the pro-growth effects it is estimated to have in post-conflict countries plays a decisive role in monetary reconstruction (Adam, Collier, & Davies, 2007, p.18).

The impact of investment

The different policy recommendations for post-conflict countries assign competing roles to foreign aid. Therefore, it is important to explore other forms of investment into the country in order to avoid aid dependency and create a credible investment climate.

Investment can take many forms. A first form of investment to be considered is diaspora investment. A diaspora is ‘ a social-political formation, created as the result of either forced or voluntary migration, whose members regard themselves as of the same ethno-national origin and who permanently reside as minorities in one or several host countries’ (Nielsen & Riddle, 2010, p. 435). Especially, in conflict prone countries persons with business assets and talent are first to emigrate. The diaspora’s often transfer remittances or more direct investment into their countries of origin. The remittances are to a certain percentage invested in business-development but mainly spent on private consumption of the relatives. Nevertheless, diaspora investment had a great potential to contribute to economic development by supporting investment and entrepreneurship, investing in manufacturing and assisting the local production of goods for regional and export sale. Furthermore, diaspora investment can have a showcase effect towards bigger investors (Nielsen & Riddle, 2010, p.436). While the reason behind diaspora investment is still debated, it is agreed upon that it can bridge the investment lack until the security level is sufficient for large-scale multinational enterprise investment. In order to attract a diaspora investment a number of measures can be taken in order to facilitate the investment even for persons tied to or familiar with the local circumstances. The researchers recommend the establishment of a network facilitating diaspora investment such as investment centres and strengthen the sense of connection between the diaspora and the countries of origin (Nielsen & Riddle, 2010, p. 443).

In addition to diaspora investment, a post-conflict government should also consider the options of private sector investment. Linked to the provision of infrastructure Schwartz et. al. did research on the opportunities and shortcomings of private sector investment in the infrastructure recovery (Schwartz,

Hahn, & Bannon, 2004, p. 1). The need for infrastructure investment is enormous in post-conflict countries in Africa. They have the lowest infrastructure stock and meanwhile the highest needs in terms of development. Moreover, infrastructure such as water, electricity, and transportation facilities are key for economic development and humanitarian recovery. The risk of early small scale private service provision is that due to their independence from government, they are likely to operate in an unregulated and unlicensed environment. Furthermore, they often don't have the capability to comply with international standards and provide full safety for their products (e.g. to regulate the voltage levels, pressure levels and hours of service) (Schwartz, Hahn, & Bannon, 2004, p.7). Finally, the private sector is unlikely to be able to establish investment intensive projects. An example for less risk investment sectors is the increasing and early investment in the telecommunication sector (Schwartz, Hahn, & Bannon, 2004, p.14). These investments are not even likely to be undertaken in public-private partnerships (Schwartz, Hahn, & Bannon, 2004, p.8). Therefore, the literature suggests supporting small-scale investment in the immediate post-conflict period and preparing for large-scale investment later in the first peace decade. The investment should be aligned with the aid and economic growth pattern in order to improve the economic spurt effect. The infrastructure should be developed more quickly in order to have cumulative effects of inflowing aid and investment. In order to facilitate large-scale investment facilities like the MIGA⁷ or Guarantco structure can be used. These facilities reduce the risk for large-scale investors and therefore, make investment more likely (Schwartz, Hahn, & Bannon, 2004, p.17).

An additional type of investment originates from the foreign direct investment of multinational corporations (MNC or MNE). The investments can come in form of 'cooperate social responsibility' (Kolk & Lenfant) funding but even more importantly from direct investment into the economy (Getz & Oetzel, 2009). The literature on MNC investment in conflict and post-conflict economies is very recent and sta-

⁷ The objective of the 'Multilateral Investment Guarantee Agency' is to provide political risk insurance guarantees to private sector investors and lenders. The guarantees insure investments against non-commercial risks when investing in the poorest countries of the world, conflict-affected environments, complex infrastructure and extractive industry projects and South-South initiatives.

tistically elaborate research is not available. In addition, the impact of foreign direct investment (FDI) on the host country remains debated and conditional. First of all, weak institutions in post-conflict countries are a barrier to entrepreneurial investments. FDI is complementary to aid and only in the long run can bring advantages, leading into a balanced economy. Literature states that the impact of FDI is conditional to the quality of the investment and the form in which the investment is made. The quality depends on a long-term investment strategy and the form has to initiate spill over effects into the local economy (e.g. increased employment, horizontal ties with local suppliers etc.). In order to achieve positive effects and minimize the negative effects, FDI has to be carefully regulated (Turner, Aginam, & Popovski, 2008, p.2). Resource-rich developing countries often lack the institutions to successfully transform the investment into their natural resources in e.g. economic diversification. Human and financial resources often hinder the establishment of a comprehensive FDI framework in a post-conflict recovery economy. Therefore, the authors suggest borrowing strategies and human resources to establish a policy, which creates incentives for the establishment of local processing facilities. These facilities are most likely to infuse capital, technology and know-how as well as generate employment. The establishment of 'Build, Operate and Transfer'⁸ (BOT) is a way to export value added products instead of natural resources (Turner, Aginam, & Popovski, 2008, p.5). Furthermore, the government can attract long-term investors by establishing a stable and certain tax regime in order to improve the investment climate. The main challenge is therefore to attract foreign direct investment to the benefit of the population and the economy (Turner, Aginam, & Popovski, 2008, p.7).

The impact of external debt

So far this chapter has discussed two measures of attracting financial means for post-conflict recovery policies: aid and different forms of investment. In order to improve the ability to receive loans from the

⁸ The government grants concessions for companies to finance and build a facility or establish a service which after the pay of period is transferred to the government.

international community, multilateral or bilateral, the following paragraph will discuss the characteristics of external debt in post-conflict countries. Alvarez and Brück found in their research that countries struggling from war face a tremendous challenge in using external borrowing and building peace using the scarce public finance possibilities. Therefore, they discuss the option of debt relief in order to lower the risk of debt hindering further development (Alvarez-Plata & Brück, 2008, p.485). The authors describe that the debt stock remained fairly constant for most of the low-income countries (LIC) in their sample during the 1990s. Countries at war showed a above average indebttness. LICs emerging from war experienced rising debt stocks during the 1990s, only falling since 2000. The export-to-debt ratio was much higher in conflict countries than in comparable peace economies due to the poor export performance (Alvarez-Plata & Brück, 2008, p.487). Furthermore, the findings show that post-war economies receive significantly more aid than peace countries or countries with ongoing wars. This leads to the result that ,during a war debt levels rise and after a war debt level fall'. Interestingly, conflict-affected economies increasingly raise funds from multilateral sources while bilateral lenders decrease their lending (Alvarez-Plata & Brück, 2008, p.488). In order to prepare for the engagement of multilateral lenders the country has to prepare a number of measures. Alvarez-Plata and Brück show that the country needs to (1) form a internationally recognized, capable government, (2) establish domestic political capacity for debt management, (3) undertake a debt reconciliation exercise⁹, (4) reinitiate formal relations to the International Monetary Fund (IMF), as well as (5) formulate and implement a national debt management policy. The return to multilateral lenders precedes the engagement of bilateral lenders as Alvarez-Plata and Brück show (Alvarez-Plata & Brück, 2008, p.489). Before considering if debt relief has a positive impact on post-conflict development, it has to be considered that ,moderate debt levels are expected to have a positive effect on growth'. It is the accumulated high debt which hinder development. Therefore, public debt service must derive from budget sources, fed by increasing government revenue through establishing

⁹ An exercise to identify the outstanding debt, its nature and match it to the particular lender.

taxation mechanisms and changed public expenditure (e.g. decreasing military expenditure) (Alvarez-Plata & Brück, 2008, p.490). It is crucial in the post-conflict debt management to create certainty about how a government is planning to use its own resources to repay future debt. The policy has to prevent a debt overhang. In countries suffering from a debt overhang¹⁰, investors might benefit from debt relief as the expected value of their claims increases with decreasing debt service. This is an economic incentive for debt relief of multilateral and bilateral lenders. The authors Alvarez-Plata and Brück suggest that debt relief can assist countries in their debt management through ‚reducing uncertainty concerning debt repayment, by lowering the debt service payments (thus making additional resources available for public investment) and by reducing the debt overhang effect’ (Alvarez-Plata & Brück, 2008, p.491). The authors suggest that in addition the lenders can try to identify odious debt. Odious debt, borrowing which has been used to finance personal expenditures of the leader or regime. These odious debt shall not be a barrier to the overall development. Therefore, lenders have to make increasingly sure the borrowing is not invested to the personal benefit (Alvarez-Plata & Brück, 2008, p.493f.). In sum, it can be said that multilateral lenders are first suited to support a country in re-establishing its debt management.

¹⁰ A debt overhang is defined as a circumstance in which the existing debt is so high, that no new loans can be obtained even if they would pay off.

The argument

In conclusion, academic research has made considerable progress in analytically exploring the cause, factors and effects of conflict on economies. In the last years authors have provided detailed analysis of many economic features on post-conflict economic recovery. This chapter identified a number of features that affect post-conflict economic recovery in among other countries, South Sudan. The results have increasingly been phrased in policy advice by the researchers.

Issues addressed by academic literature on Post-Conflict Recovery – Overview

1. Lower the risk of renewed conflict
2. Establish democratic institutions
3. Increase the capacity of national and local governance
4. Manage the natural resource wealth
5. Create a peace budget
6. Institute a sound fiscal and monetary policy
7. Administer foreign aid
8. Generate additional sources of investment

On the ground the results might look less applicable and difficult to implement. Therefore, the following chapter will provide research on post-conflict recovery of South Sudan. It will apply the research results and check their degree of applicability.

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3. Achievements and Challenges in South Sudan

The first chapter has outlined the economic development of South Sudan during the colonial and independence period. It has shown that the historical delay of investment, infrastructure and economic activity has fuelled to long civil wars. Furthermore, the second chapter showed the current statistical evidence on how post-conflict countries are assumed to recover through setting up a political governing institutions, a sound economic policy, sustainable resource management, a favourable business environment and attracting investment.

This chapter will go further by discussing the status quo of South Sudan's economic recovery two years after independence and 8 years after the civil war ended in the most of the territory through a peace agreement (the Comprehensive Peace Agreement or CPA). Furthermore, the chapter will discuss the applicability of the theory to the real circumstances of economic recovery. The argument is forwarded is that there is a discrepancy between the statistical and theoretical policy advices and the complexities and challenges that citizens, politicians and businesses face in post-conflict countries. As Brinkerhoff notes 'nation-building templates, particular ideological biases, risk oversimplification and conflation and tend to

discount the impact of situational and historical factors' (Brinkerhoff, 2005, p.13). Therefore, a case study is suggested to apply and test the theories in their applicability and provide an ideas in which domains the theory has to consider in more detail the difficulties that institutionally weak and economically underdeveloped countries experience. Therefore, the policy advice will be matched with reports and where possible statistics from South Sudan. Throughout the analysis it will be important that some date goes back further than 2011. In these cases the differentiated data from the time period between the CPA in 2005 and independence has been considered. For clarification, the Republic of Sudan is mentioned as the Government of National Unity (GNU), Khartoum (the capital of Sudan), North Sudan or simply as Sudan. The Republic of South Sudan is mentioned as South Sudan, Southern Sudan or Government of South Sudan (GOSS).

In order to show the complexity this chapter may begin with an observation of Rolandsen who notes that the peace dividend as to be as diverse as the people of the South Sudan. To assume that there is one unique peace dividend is to assume a one fits all approach to the citizens of South Sudan (Rolandsen, 2006, p.9). The issue of the peace dividend shows neatly that post-conflict recovery policies might well be based on statically advice and historical observations but must be adjusted in more detail to the background and circumstance in the country effected.

Overcoming local violence, traditional ethnic divisions and the Abyei uncertainty

The prior analysis by Collier and Hoeffler has discussed at length the different factors that increase the risk of renewed conflict. Themes like resource management, economic opportunities other than military occupations, and ethnic dominance were brought forward.

The biggest threat to renewed conflict is the continuous local –partially armed- conflicts and violence. It will be a main task to pacify the country in all regions, from the high level political conflict related to the

region of Abyei to the local ethnic violence. The conflicts reflect to a major extent local and regional particularities. Due to the strong pastoralist tradition in many Sudanese regions the struggle mainly turns around land, which is scarce if needed for moving cattle in times of drought. In addition to the unresolved land issues, the tribal conflicts remain. An example is the inter-tribal conflicts in the region of Equatoria or the violent clashes between the SPLA and regional militias in two states of Greater Upper Nile, which left 100 dead (Zwan, 2011, p.14). Here Mundari, Bari and Dinka, as well as Acholi and Latuka and the tribes of the Toposa, Didinga and Murle still continue to struggle with the long-standing grievances (Sorbo, 2010, p.175). These local grievances were used in the second civil war to forward the fight for independence (Pantuliano, Buchanan-Smith, Murphy, & Mosel, 2008, p.55). The conflicts partially go back to the poor economic development of the region and the access to public services. The primary school attendance was 10% in half of the states in South Sudan (compared to 90% in the River Nile State in the North) (Sorbo, 2010, p.179). Many civilians remain armed in order to protect themselves in an insecure policing environment. The international community did not adequately response to the local conflicts. Sorbo critiques that there was a 'lack of joint diplomatic and developmental approach'. He points out that interventions did not target the reduction of conflict especially over land and natural resources. Planning of recovery and development measures have been late and did not include conflict-sensitive approaches (Sorbo, 2010, p.183). Considering this under the aspect of ethnic dominance, one has to acknowledge that it is not only ethnic dominance but also the extreme diversity of strong identity based groupings. Especially, if these historical tribal identities have been strengthened by economic as well as political agendas and unequal treatment. Through its independence, South Sudan has overcome the political domination of the ethnic domination from Khartoum but the regional ethnic divides which have been reinforced by the civil war continue to constitute a challenge to nation-building.

A central aspect in the analysis of the risk of renewed conflict is the ongoing dispute over the region of Abyei. Unresolved under the Abyei Protocol of the CPA, the regions future is yet to be determined. The region is populated by the Dinka Ngok and the Misseriya tribes. While the Misseriya are pastoralist which

need the land for moving their cattle during the seasons, the Dinka Ngok are sedentary farmers who require the land for their agricultural activities. The land is highly fertile and holds a considerable amount of the oil wealth of the two Sudan's. Historically the region with its still disputed border between Sudan and South Sudan has experienced extremely violent war years. According to estimates 20,000 people were internally displaced through the recent fighting in 2011. The question when these people are supposed to return to their homes remains unresolved. Continuous fighting from March to May 2011 led to an intervention of Ethiopian UNISFA peacekeepers. The political challenge is that the armies have to redraw from the region in order to allow for IPs return and setting up of a representative local administration. Only a sustainable and inclusive solution in Abyei will enable improving North-South relations (Zwan, 2011, p.13). The end of local violence is key to political, democratic stability, which is the next aspect to be considered in the development of South Sudan.

Tackling political and administrative insecurity

South Sudan has established a federal state mechanism, which is governed by a presidential central government in Juba and regional assemblies headed by regional governors.

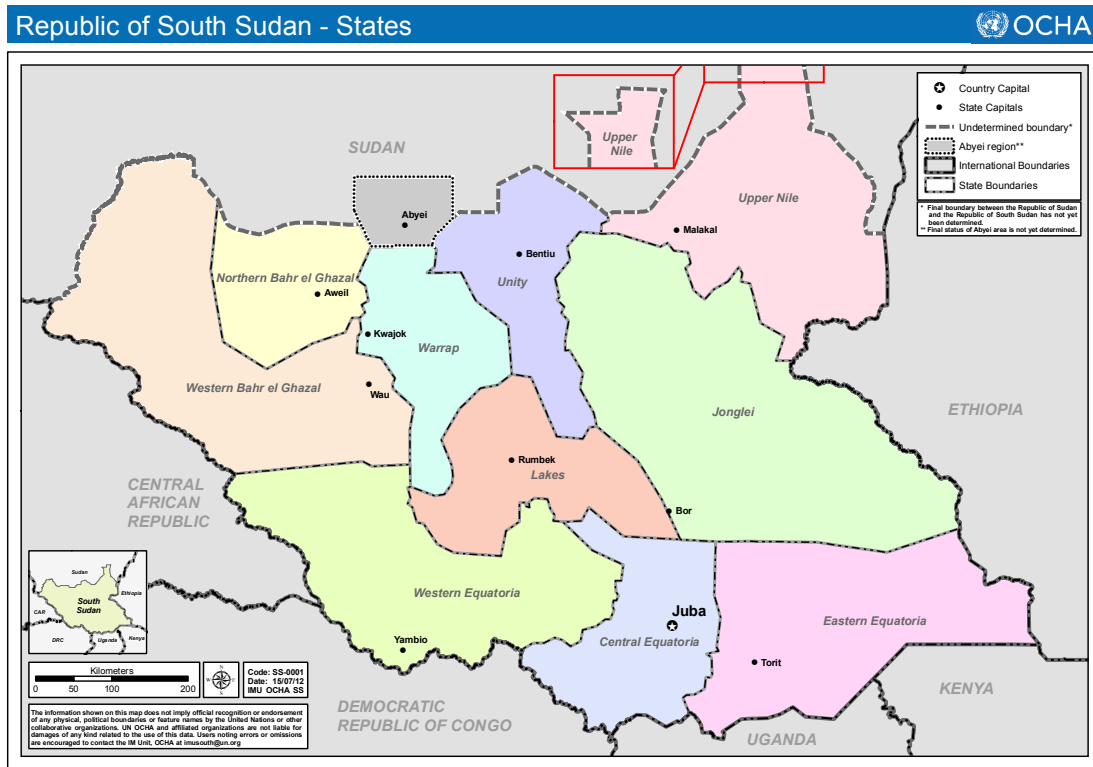


Figure 2: Republic of South Sudan – States (Source: UN OCHA)

Rolandsen is pointing out the main weaknesses of the current political system by stating that the party system has yet to diversify. In 2006, the system consisted of one party in a military dictatorship environment. Furthermore, he describes the elections as imperfect and the options for grass root level political participation were limited. In addition, he points out that the level of influence in the rural areas outside the main cities is extremely limited. Many communities have become used to the autonomy during indirect rule and the civil wars. Therefore, the chief rule system remains viable. During his research Rolandsen experienced the ambivalent attitude of the rural citizens towards the government. Many don't believe in the establishment of a modern administration and in a stable democracy (Rolandsen, 2006, p.5). The level of trust is extremely low in these communities, which through the weak infrastructure, to be discussed in more detailed shortly, are extremely distant to the capital or the province cities.

In addition, political instability persists. Events in July 2013 brought evidence to the fact that ethnic rivalries and corruption weaken the political apparatus. On July 23rd the president Salva Kiir expelled his vice-president Riek Machar and the chairman of the ruling party from office. Western supporters had openly criticised corruption and human-right abuses. Furthermore, a power struggle in the ruling party is assumed to be the cause of the severe response of the president to the open letter (The Economist, 2013, p.29). The incidence reveals the slow transformation from a liberation movement in the civil war into a capable democratic government.

The engagement of the higher educated and former civil servants is crucial in the formation of a functioning and to a certain extent effective administration. Therefore, the public servants have to be treated justly and inclusively. Currently, 35% of the positions are filled by women. In South Sudan, according to the observations of Rolandsen, the public servants are made up of two different groups. Firstly, the exhausted former civil servants who served through the civil war and despite the hostile government in Khartoum (Rolandsen, 2006, p.5). They appear to be well intended but suffered through a critical period in a underdeveloped public administration which is not capable of providing many services to its citizens. The second grouping is made up of students, high school graduates and teachers who joined the SPLM late but were despite the sometimes lacking formal skills assigned to administrative positions. Rolandsen describes the group as more visionary and being able to bring in fresh initiatives (Rolandsen, 2006, p.6). The inclusion of the last groups shows that the assignment of positions is not always based on qualification and relevant experience. This constitutes a problem for a third group of potential staff for the public service. The group of highly- educated and experienced elites and younger generation, which has studied and worked abroad during the civil war. This group returning to South Sudan for ideological and political reasons are eager to participate in the rebuilding of the state. Nevertheless, they encounter severe prob-

lems in finding employment. This group is likely to frustrate if they are effectively excluded from the nation building process¹¹.

In addition to the aspect of public administration, the aspect of setting up political stability between the regions and the central government in Juba. In such an extremely large country with a weak infrastructure, the MPs face difficulties in being close to their constituency. Therefore, the role of the assemblies and governors is important in order to consolidate democracy and political stability. It will be crucial to find a working balance between regional independence and institutional check and balances on the federal level (Rolandsen, 2006, p.7). Furthermore, the regional integration into the East African Community will enable South Sudan to strengthen its international portfolio but also bring significant challenges (Zambakari, 2013).

There are far more obstacles to democratic consolidation than just the low capacity of the public administration and the uncertain power play between the regional assemblies and the central government. Some of these obstacles are direct barriers to economic growth and are therefore, discussed below. Nevertheless, it is to remember that due to the strong link between political stability and economic growth many factors are mutually reinforcing.

The literature on democratization had pointed out the challenges of crisis on the consolidation process. In the following this chapter will point out the effect of fiscal, ecological and natural resource crisis. Furthermore, it will discuss the governance challenges of natural resource management and the high risk of local violence to become major risk to peace.

Enhancing human resources and governance capacity

The issue of governance has been touched upon by the literature and a number of policy recommendations have been made.

¹¹ The story of the young youth leaders shared on Aljazeera on the 9th of July, 2013 explains it in more detail. See <http://stream.aljazeera.com/story/201307092316-0022889>

Browsing through the experience of South Sudan in the two years of independence it becomes clear that the MDTF has been able to enhance some of the governance aspects. The report claims that when launched the semi-autonomous government of South Sudan had no basic infrastructure, legal or regulatory framework nor the human resources to govern and implement policies as well as projects. Nevertheless, the final report does grant the state institutions a greater level of capacity. The enhancement was most advanced in the capital of Juba but also on the state level considerable progress had been made. The governance improvement were closely connected to an improved physical infrastructure, the enhancement of human capital and of course the establishment institutional systems and structures. The funds enabled South Sudan to build offices, provide trainings and develop management mechanisms (World Bank, 2013, p.14).

Nonetheless, major problems persist. An issue little discussed but belonging to the most common is the problem of corruption. Maitre finds that corruption has been found in the GOSS. The new authority will not be able to function effectively if military and civil servants are not paid regularly (Maitre, 2009, p.61). Furthermore, the institutions have to be as inclusive for different ethnic groups as possible in order to ensure the visible representation of all groups (Deng, 2004, p.8).

An important issue which is addressed in many reports from post-conflict countries is the lack of human capital. The question is only little discussed in the literature. Nevertheless, the problem of insufficient human capital in the reconstruction phase is significant.

Gadir Ali found that between 2005 and 2007 the GOSS invested 10% of its US\$ 2.5 billion total resource in basic and related education. In a second period he found an investment of 12,5% of a total of about US\$ 4.2 billion (Gadir Ali, 2006, p.3). His results show that Sudan in general entered into the post-conflict phase with an extremely low stock of human capital (Gadir Ali, 2006, p.16). This results in great changes in the human capital investment. The lacks reflect in the low capacity of the public service but will also continue to be a barrier to private sector development.

The deficits in governance are reflected in many following problems. The inability to enforce and regulate the resources might be one of the most severely effected domains of the lack of governance.

Resource management beyond oil

The academic literature has discussed the question of resource management fairly elaborate. Most of the considerations turned around the exploitation of oil and a wealth enhancing revenue strategy to follow. These questions are highly important to South Sudan, a country with big oil fields but also a country with water and plenty of land.

South Sudan's oil wealth has, as pointed out earlier, played a key role in the prolonging and strategies of the civil war. Since the CPA, it has played an even bigger role in the settlements and ongoing violence. The South Sudanese oil fields are connected to a refinery in Port Sudan with a 1,600km long pipeline crossing the Republic of Sudan (Ngor & Chmaytelli, 2013). In the approved budget of 2011 the 5,767,110,495 Sudanese pound heavy budget was financed by oil revenues amounting to 5,656,364,677 Sudanese pounds. Only 110,745,818 Sudanese pounds were estimated to come from non-oil revenues (Government of Southern Sudan, 2011, p.2). Therefore, the conflicts with the government in Khartoum over the transport of the oil from the South to the refinery in Port Sudan became a major obstacle to the GOSS. Before South Sudan's independence in 2011, an oil revenue sharing agreement was in place to distribute the oil wealth between the Government of National Unity in Khartoum and the GOSS in Juba. Oil revenue up to a certain benchmark (agreed up on in the beginning of the year) was shared by the governments. The amount exceeding the agreed up on price and production figure was put to an 'Oil Revenue Stabilization Account' (Hansohm, 2008, p.125). Hansohm reports that a significant amount was saved between 2002 and 2005. Nevertheless, since 2005 savings declined, used in finance fiscal deficits of the GNU and GOSS. The government in South Sudan remains highly dependent on the Sudan in its oil exports. Between January 2012 and May 2013, South Sudan put operations on a halt, assuming that Sudan would steal some of the crude oil transported through the pipeline. In June 2012, in his speech to explain

the 2012-2013 budget, the Minister of Finance and Economic Planning Mr. Kosti Manibe Ngai pointed out the effects of the shortage of oil exports: “The shortage of foreign currency has led to the South Sudan Pound losing around 40% of its value against the US dollar since February this year, with one dollar now buying around five pounds. Since we rely heavily on imported goods, this depreciation has contributed to significant increases in the price faced by consumers in our markets. Annual inflation reached nearly 80% in May this year, the highest recorded rate since independence. This means the average family in South Sudan has faced nearly a doubling of its costs over the last year. Rapid inflation hits the poorest citizens, those who have limited or no savings to draw on, hardest’ (Ngai, 2012, p.4). Furthermore, the minister points out that they have to find alternative sources of foreign exchange and reduce the imports if the shutdown of oil continues (Ngai, 2012, p.4). This situation shows neatly how limited post-conflict governments can be in their natural resource management. Recent speculations forecast a renewed shutdown of the oil exports through Sudan due to an accusation that South Sudan supports rebels in the Republic of Sudan to prepare a coup against the president (Ngor & Chmaytelli, 2013).

The extremely limited capacity in resource management becomes even clearer when considering the additional actors in the oil business. In 2005, Sudan produced 250,000-300,000 barrels a day of which $\frac{3}{4}$ were exported. Even so its estimated oil reserves are larger than the total proven 1,6 billion barrel mainly on the territory of now South Sudan it remains a small player in the class of oil rich countries. In 2013, oil outputs are estimated to be around 200,000 barrels a day since May 2013. A renewed shutdown severely harms the planning of the fiscal expenditures, as production hadn’t resumed to the 350,000 barrels a day before the halt in January 2012 (Ngor & Chmaytelli, 2013).

Apart from the inability to securely estimate and implement an oil exploitation policy, the sector remains difficult to steer. The oil sector remains non-transparent and ‘needs institutional reforms affecting oil production, investments, pricing and transfers (Hansohm, 2008, p.126).

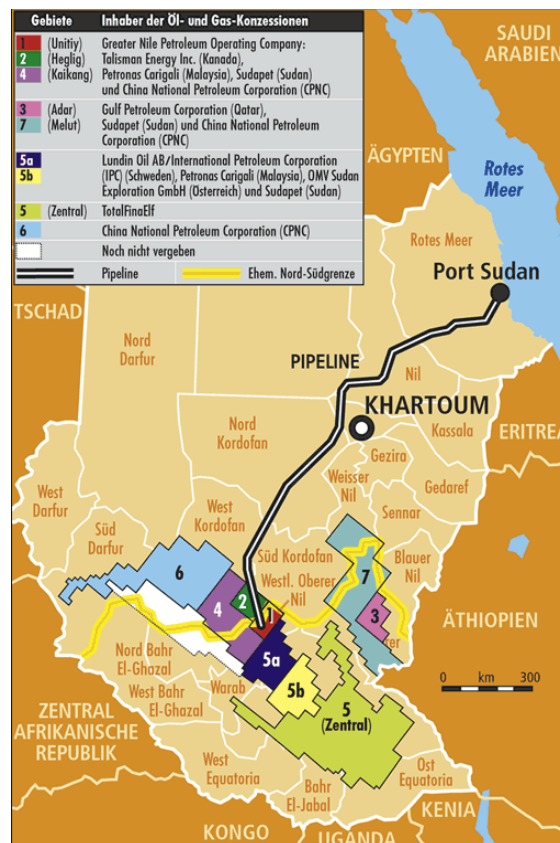


Figure 3: Oil and gas fields Sudan & South Sudan (Source: Michael Till-Lambrecht, 2004)

The oil companies operating in South Sudan have increasingly become less transparent. Since mainly NGOs and state politics drove Chevron, Lunin and Talisman out of business in Sudan (Patey, 2007), a number of even less transparent companies have moved in. The state-controlled companies such as the Chinese National Petroleum Corporation or the Malaysian Petronas do not provide reliable industry data on local exploration and production. Therefore, revenue and production are even more difficult to control. Sudanese firms such as Sudan Petroleum Corporation and Sudapet are not publishing annual reports, which increases uncertainty and volatility of the oil sector (Hansohm, 2008, p.127).

Not only oil is a contested good, land becomes a scarcity, too. There is a growing feeling among the citizens of South Sudan that their land is contested by powerful international and domestic sources (Shanmugaratnam, 2008, p.8). A major challenge is to provide sufficient land to the returning displaced

citizens. The numbers are estimated to be approximately 3-4 million people who are in search or claim land in their country of origin. Furthermore, the future of the long-standing question of customary (communal) land tenure has to be resolved. Also the land question brings us back to the wealth lying under the ground. The high number of rather non-transparent oil companies such as the Malaysian Petronas increased the fear among citizens that basic environmental standards will not be met in the oil extraction projects. It is claimed that in the past the Sudanese government and the Chinese oil companies illegally cleared land for oil extraction. Fears are high that violence will be used again in order to clear people of their land for extraction purposes (Shanmugaratnam, 2008, p.9). The Land Commission of the CPA continues to have a difficult task. The arrival of returnees broadens up the old conflict between farmers and herders and the GOSS was not able to prevent displacement of people by oil companies who were enforcing oil contracts validated by the CPA. In addition, women will have to be granted direct access to land (Shanmugaratnam, 2008, p.13f.)

The third natural resource factor which needs to be addressed in order to point out that resource management goes beyond oil extraction is the issue of water in South Sudan. The waters of South Sudan, both the two river arms as well as the Sudd, are important eco-systems for the whole region, including Egypt. In South Sudan water functions as a product to produce electricity, enable transport and communication (especially in the rain season), for irrigation purposes and as a resource for livelihood. Historically the water management in South Sudan is weak and dominated by external political demands from Egypt (Wassara, 2010, p.182). Water was one of the six priorities of the GOSS in the expenditure periods from 2008-2011 (World Bank, 2013, p.7). Accordingly, water was also a key area of intervention in the MDTF-SS activities. The uneven distribution of water and the great variation in water availability in the different seasons are characteristic for South Sudan. Furthermore, 'only 34% of South Sudanese have access to clean water' often having to walk up to 30 minutes to a water source and access to sanitation facilities remains low. 'Water Supply and Sanitation Projects increased the access to safe water and sanitation in all

states from more than 1 million people' (World Bank, 2013, p.17). Wassara suggests strengthening the water management through fisheries policies, wetlands management, eco-tourism, irrigation and drainage systems, the development of hydropower and water quality checks (Wassara, 2010, p.182). Important will be to install institutions with sufficient capacities to formulate a water policy and enforce water management across all political levels (federal, states, counties) and across the territory. Therefore, the consultation of local communities will be of outstanding importance (Goldsmith, Abura, & Switzer, 2002, p.198). Furthermore, sufficient funds will have to be mobilised in order to develop a sustainable water policy (Wassara, 2010, p.185). Like in the case of land, the question of water interacts with the debate on oil management. The water pollution from oil extraction has to be addressed especially in the Upper Nile region where the White Nile is affected by the negative externalities. As a result, further pollution could have serious consequences for the Sudd wetlands and connected rivers in Bahr el Ghalzal (Wassara, 2010, p.193).

As one can see the challenges of resource management are far more diverse than just the necessity to develop oil extraction policies. Therefore, the importance of natural resource management shall become the focus in South Sudan in order to be able to control the interaction of different natural resources.

The revision of the military and security budget

One of the core recommendations of the academic community for post-conflict recovery was to reduce the military budget significantly and to turn it into a peace budget. An analysis of the budget as obtained from the Ministry of Finance of the Government of South Sudan (GOSS). The numbers show that within the security sector the expenditure for SPLA related affairs is still considerable higher than the expenditures for the DDR commission or de-mining operations. The below table shows the output in security expenditures from 2006 to 2010 (columns).

Security	De-Mining Authority	3,474,842	3,090,028	3,233,890	2,744,156	3,530,000
	DDR Commission	3,861,364	3,472,879	5,228,834	5,027,849	21,680,000
	SPLA Affairs	1,197,493,770	1,185,434,246	1,873,621,146	1,403,662,521	1,120,610,000

Figure 4: Security Expenditure by Field 2006-2010 (Source: Dagne, 2011)

The expenditure has been slowly decreasing before spiking again in 2009. In 2010, the expenditure slumped and reached a unique low point. In the approved budget of 2011, the expenditures for the SPLA and veteran related affairs increase considerably to 1,600,000,000 SP. It has to be considered that in large parts of the country, especially in the rural areas, the military provides policing functions. The actual police services are calculated in a different budget line. In addition to the pure reduction of the military expenditure it is important to consider other expenditures. The comparison shows clearly that the military expenditure in 2010 was indeed still the largest part of the budget. That becomes most obvious if one considers that the 1,120,610,000 SP for the SPLA related issues are part of the 4,482,809,610 SP amounting total budget. In addition, it has to be pointed out that during the shutdown of the oil exports from January 2012 (cuts started in May 2012) to May 2013, caused by a dispute with Khartoum over transshipment fees, the military was the only budget exempt from the across the board cuts of 26% (World Bank, 2013, p.8).

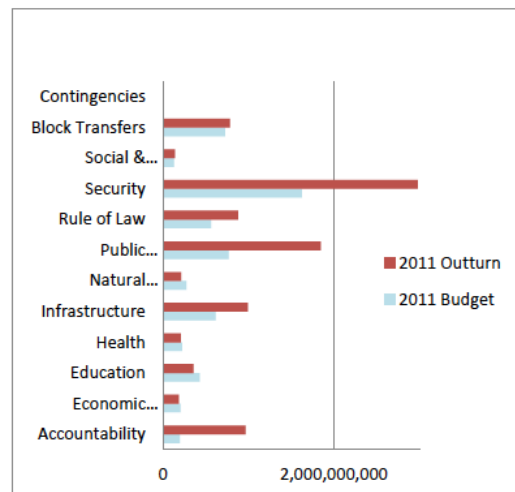


Figure 5: Expenditure Overview of Budget 2011 (Source: World Bank, 2013)

The foreign assistance of the US under the Obama administration requested US\$ 518 million for the financial year 2012. The aim of the programming funds is to support stability and security by assisting conflict mitigation, preventive diplomacy as well as peace and reconciliation work (Dagne, 2011, p.11). This works includes transforming the SPLA into a professional armed force. Furthermore, the assistance provides for training of the Southern Sudan Police Service (SSPS). The 'International Military Education and Training' budget of the requested assistance programme amounts to US\$ 800,000. This has increased gradually since 2008. Considering this amount in comparison to other amounts one can note that the military aid is quite low. The highest amount goes into an economic support fund US\$ (335,650,000)¹². If one considers these findings on the military spending in 2010, the increasing amount in 2011 and the latest assistance programmes putting funding into the SPLA, the policy advice can hardly be considered as met. The budget eight years after the signature of the CPA and two years after independence is still highly involved in providing security across the country. Additional budget lines provide funds for DDR measures and policing. The budget hardly meets the needs of the police as the research of Collins shows (Collins, 2010, p.8).

¹² See additional budget lines in Annex.

A major challenge of post-conflict countries is to maintain security over a long time period, firstly perhaps with the help of a peacekeeping unit but in the long run on domestic pillars of police and military. The provision of security provides a large degree of legitimacy.

Aspects of security can go further than simply the solution of local conflicts. Food security might be just as important. Rolandsen suggest several security measures, which shall increase the security in South Sudan. He points out that the ability of the SPLM to police the whole state territory is crucial to future development. The police force requires adequate training and equipment in order to fulfil its tasks (Rolandsen, 2006, p.2). The continuation of the UNMIS might provide citizens with a greater feeling of security (Rolandsen, 2006, p.3).

The problem of aid efficiency

The next paragraph will shortly discuss some experience on aid expenditure in South Sudan. The expenditure of aid had become a central question to academic literature.

Sudan received high amounts of aid during the Cold War. The sources were depended on the political connections and governmental developments of the country. Sudan received much aid from the US as a bulwark against communist Ethiopia while aid declined during the Islamic policies. The CPA in 2005 welcomed a number of International Cooperation Partners (ICP) back into Southern Sudan. Due to the oil resources, the ICP demanded a large domestic investment, which would only be supported by foreign investments (2/3 formula) (Hansohm, 2008, p.129). Hansohm remains critical of the aid management before independence. The problems are not only related to South Sudan or Sudan, a number of problems are caused by donor bureaucracies, donor's perception of their intervention capabilities and donor's coordination willingness. He concludes that the 'problems of aid coordination have not vanished' (Hansohm, 2008, p.133). The report of the MDTF- SS from 2013 shows which were the main challenges to the disbursement of aid paid into the trust fund in South Sudan. The findings show the multiple challenges that

aid disbursement faces in reality. The listed barriers to quick aid disbursement were (1) fledgling government human resource capacity, (2) inadequate procurement systems, (3) initially limited understanding of World Bank standard procurement processes, (3) ongoing insecurity in some states, (4) inaccessibility due to poor road networks (World Bank, 2013, p.12). Already in 2009 it became clear that the GOSS would not be able to sustain a commitment of two dollars per one dollar aid to the projects. Therefore, the oversight committee, in charge of the trust fund, decided to continue grant agreements without the government contribution (World Bank, 2013, p.13). Nevertheless, the MDTF tried to strengthen the government's capacity to lead the use of the funds.

Achieving fiscal sustainability

Already during the CPA period it became clear that South Sudan would face a major struggle to implement a sustainable public finance management (PFM) (Hansohm, 2008, p. 143). A major task was to enhance the institutional capacity for revenue collection. In 2005, 60,000 South Sudanese were employed in the public service, an equivalent of 2-4% of the population. This high public employment is evidence of a non-effective government and administration (Hansohm, 2008, p.144f.).

South Sudan faces significant challenges in its fiscal policy, which include taxation, expenditure and lending by government, as well as budgetary policy. Like most developing countries South Sudan faces the challenge to raise taxes, mobilize new sources of revenue and tap into new lending possibilities (Dhal, 2008, p. 154). During the CPA period the sharing of the oil revenues did not deliver as planned in the agreement. The GOSS received 50% of the oil revenues as agreed upon in the CPA but the non oil revenues collected in Southern Sudan were not equally shared (Dhal, 2008, p.168). Furthermore, the allocation of resources within the Southern States from the GOSS was debated in 2006. Dhal, in his 2005 analysis supports the role of fiscal policy in encouraging trade and microcredit programmes (Dhal, 2008, p.167). It was pointed out that through the inability of the GOSS to secure the full amount of eligible funds from the GNU, it was not able to achieve its pro-poor budget in 2005 and 2006. This is likely to

continue if one recalls the challenges of revenue collection from oil exports in 2011 and the long time dependency on oil export revenue of the GOSS. Therefore, it will be even more important for the GOSS to be able to secure MDTF funds in the future and mobilize further sources of income variable to a independent country (Dhal, 2008, p.170). The MDTF supported South Sudan in assisting with the establishment of a procurement regulations, policies and procedures in order to strengthen day-to-day procurement business and increase the fiscal structure. Furthermore, an accounting firm supported by MDTF funds helped to formulate implementation guidelines for projects and track expenditures (World Bank, 2013, p.24).

Once again the problem of a sustainable fiscal management is interconnected with the ability to manage the oil revenues and diversify the state income through a growing industrial sector and an improved tax collection. An other way to decrease the dependency on oil exports and foreign aid is a enabling investment structure.

Attracting and managing investments

First of all, it is important to note that the little infrastructure that existed in the rural areas of South Sudan has to a great extent been destroyed in the war. This results in limited market access and significant reductions in investment (Jooma, 2005, p.4). Jooma points out that investment in the natural resources which provide quick and sizable amounts of rent are most likely to secure investment (Jooma, 2005, p.11). From 2005 onwards, the first post-conflict investment was channelled through a Multi-Donor Trust Fund (Jooma, 2005, p.13).

The investment needs in South Sudan are significant. Deng presents numbers calculated in 2004, which show that South Sudan would have had to grow by 30,77% in order to add to the growth of the North and achieve the growth rate of 7,88% of GDP which would have allowed both countries to half poverty by 2015. Considering the poor infrastructure and the lack of human capital this growth rate is nothing

more than a number. Even with windfalls from the oil production the millennium goal of reducing poverty significantly can not be reached. The historical divide of the economy which has been described at length in the first chapter is even more obvious in the investment needs of the now two countries. The numbers show that in 2004 Sudan would have required a annual investment rate of 34,2% of GDP over a ten-year period. Northern Sudan would have had to invest 24,6% of its GDP and South Sudan would have required 227,1% of its GDP (Deng, 2004, p.12). This shows how low the GDP of South Sudan is and further which massive investment has to be made in order to function as a prerequisite for a functioning economy¹³.

Moreover, when considering the investments in South Sudan, it is important to firstly point out that South Sudan is not directly limited by the economic sanctions against Sudan anymore since its independence in 2011. Dagne points out in his report to the Congress that US businesses and trade is allowed, too. Furthermore, he explains that South Sudan might be negatively affected by the sanctions and restrictions which continue for Sudan and relate to the oil sector which has to be coordinate between the Government in Khartoum and Juba (Dagne, 2011, p.10).

Not only external investment in South Sudan is limited by the extreme needs and the political considerations of investors. The public investment is of special importance in an oil rich country. This reflects in the fact that South Sudan in its MDTF received 1 dollar external funding for 2 dollars of public investment. The World Bank in its economic briefing points out that until 2005 the capital expenditures were above 25% of the total expenditure. Unfortunately, the share declined gradually amounting to less than 20% in 2010. The already declining trends in capital expenditure were further accelerated by the austerity measures during the oil shutdown between January 2011 and May 2012. More negative externalities of the shutdown will be discussed in this chapter. During the shutdown capital expenditure fell to 17% in 2011/2012 and to 6% in 2012/2013. As a result, investments have been cut considerably more than more

¹³ It remains unclear how oil revenues are calculated into the GDP estimates.

difficult to cut public costs such as for example salaries for the large public sector (World Bank, 2013, p.5).

The case of South Sudan shows that investment is more difficult to attract in a resource rich country than commonly assumed. Older sanctions, political considerations in investment and the insecurity of public investment remains a uncertain ground for the high investment that the academic literature called for.

The reconstruction of a reliable infrastructure

Several of the discussed components have pointed out the need for a sufficient infrastructure. The necessity for a reliable infrastructure is even more important considering that South Sudan is a land-locked country. It is extremely important to keep in mind the seasonal changes in weather which cut off many places from regional connections during the rain season, when people become dependent on navigation service for example in the region of Upper Nile.

South Sudan has a land area of 648,000 km². Apart from the roads in the towns of Juba, Malakal and Wau, there were no paved roads in South Sudan. During the Addis Ababa Agreement (1972-1982) a total of 2,500 km of gravel-surface road were developed between Juba and Wau (840km), in the province of Bahr el Ghazal, from Juba to Malakal (728km) in the Upper Nile province and to the neighbouring countries (Deng, 2004, p.9)

The infrastructure needs of South Sudan go further than just the development of a physical infrastructure and a transport system. Telecommunications, public utilities like electricity and water are urgently needed in order to allow small business to be established (Deng, 2004, p.9). In addition, one has to add the need of mine clearing after the war. The railway connection between Wau and Aweil-Babanousa needs to be rehabilitated and the navigation service improved (such as in the case of the 1,336 km long Juba-Malakal-Kosti connection). The major airports need rehabilitation in order to provide quick links in the large

country. Furthermore, in the city sanitation systems have to be redeveloped and updated to modern needs (Deng, 2004, p.9).

Under the Multi-Donor Trust Fund for South Sudan (MDTF-SS) emphasis had been put on building 'hostels, hospitals, classrooms, and government offices – and to establish 18 ministries' (World Bank, 2013, p.6). In addition, 2,400 km of roads were rehabilitated or build which now connect Juba to some state capitals. Another 1,960 km of feeder roads are planed by the Ministry of Roads and Bridges to extend the network (World Bank, 2013, p.6).

The improvement of infrastructure is of central important in the post-conflict process and to the development of South Sudan. Collins points out that the infrastructure in South Sudan in 2010 was still to weak to support increasing security measures. Especially electricity and roads are essential to enable public service provision (Collins, 2010, p.2).

Enabling trade and private sector development

The literature gives limited information on detailed advice on recovering trade and the establishment of a sound business environment in order to enable diversification away from oil and provide sustainable incomes for all citizens.

Nevertheless, South Sudan showcases a good example of what is necessary and what needs to be done in order to enable trade and price business development in difficult post-conflict circumstances. The trade between Sudan and South Sudan only resumed in April 2013 when the Sudanese president Omer Al-Bashirt visited Juba to meet with the South Sudanese president Salva Kiir. Trade had been suspended for almost a year since violent clashes in an oil region at the border (Sudan Tribute, 2013). Sudan is one of the biggest trading partners of South Sudan due to the oil business conducted between the two countries. 'South Sudan recorded a trade surplus of 20453,89 million SPD in 2011' (Trading Economics, 2013). Nevertheless, the trade figures have to be considered under the aspect of the oil business which marginalises other economic sectors and contributions to trade and GDP.

The World Bank provides an analysis of trade issues of South Sudan and Uganda in June 2011. The analysis is written before independence but has a clear focus on South Sudan. The report focuses on Uganda which since the reduction of violence in South Sudan and in Northern Uganda has increase significantly (Yoshino, Ngungi, & Asebe, 2011, p.1). It is important to notice that a lot of the trade is informal but not illegal. Furthermore, it is an interesting, most probably under researched fact, that many of the traders are female and illiterate. The women living in the border region in South Sudan or come from Uganda and Kenya. The main purpose of their activities is to increase the family income in the mainly female-headed households (Yoshino, Ngungi, & Asebe, 2011, p.7f.). The main products traded are food and consumer non-durables and construction goods. The demand for agricultural goods in South Sudan was so severe that it generated shortages in the bordering regions of Uganda and led to a price increase for food (Yoshino, Ngungi, & Asebe, 2011, p.3). A number of cost constraints at the boarder are listed in the findings, namely: high transport and logistics costs, poor transport infrastructure, inconsistent trade policy enforcement, security, limited customs opening hours, and low customs staff capacity (Yoshino, Ngungi, & Asebe, 2011, p.4f.). These factors are caused by already discussed poor infrastructure, insecurity, corruption and the low human resources available. Within South Sudan trade is hindered by high load factors costs¹⁴, traffic fees, and individual taxes of the states crossed (Yoshino, Ngungi, & Asebe, 2011, p.6). A last but considerable factor is the lack of trade financing only provided to a limited number of foreign commercial banks (Yoshino, Ngungi, & Asebe, 2011, p.7f.).

Unfortunately, reliable enterprise data has not yet been published. Nonetheless, the surveys are prepared and are accepted to be finalized by the World Bank in 2014.

¹⁴ Due to the imbalance in trade between Uganda and South Sudan, many trucks return empty from South Sudan to Uganda.

Results of the case study

An analysis of the material and reports written since approximately 2005 and 2013 point out the many basic challenges in South Sudan. Especially the high dependency on oil feeds further development challenges. Overcoming local violence, achieving fiscal sustainability and long term security are threatened by the inability to manage the oil, land and water.

Listing the challenges and the achievements of economic development has made clear how connected economic development is to the decisions and actions of neighbouring countries. The relations to Sudan need to be further improve in order to overcome many of the challenges. The political and economic achievements are partially connected to the support of the international cooperation partners which need to make further long term commitments in order to strengthen South Sudan.

The case study has shown the extreme complexity in which a post-conflict country is place in the first decade of recovery. It become clear that there is a large discrepancy between the reality on the ground and the academic policy advice. The challenges are historically and traditionally manifested in the countries basic political and economic structures.

A further analysis of the applicability and the discrepancy between the policy advice and the current development reports will be give in the conclusion. Next, will be a further analysis of the role of the international community and the globalization impacts on the development challenges in South Sudan.

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4. The role of the international community

In the last chapter, one has seen the achievements and challenges of South Sudan two years after independence and eight years after the CPA. Some of the achievements have been possible due to the support of the international community. Also in the last chapter, the MDTF- SS has been mentioned several times in order to show where reforms already began. The MDTF is made up of 14 stakeholders, so called ICPs. Furthermore, the last chapter has also shown some policies and support measures of the US.

Next to the contribution of the MDTF and the US a number of other international actors have initiated projects and financial contributions in order to assist South Sudan in its post-conflict recovery. One of them is for example the 'Joint Donor Team' (JDT) representing the Netherlands, Norway, Sweden, and the United Kingdom as well as Denmark and Canada. The group has been founded with the objective to better coordinate and strengthen the development efforts in South Sudan. The role of the JDT is to oversee the MDTF, provide technical advice and analysis to the GoSS. The initiative is aiming at a close

cooperation with the UN, the World Bank, the EU, USAID and civil society as well as NGOs (Joint Donor Team, 2010).

Among them is the United Nations Industrial Development Organisation (UNIDO), which focuses on industrial and economic development in its member states. As a specialised agency of the UN, UNIDO has currently 4 projects in South Sudan (some of the in the beginning phase and others about to end). The projects shall give us an inside into how projects of the international community meet the identified challenges and how far the international community contributes to achievements. The organisation has been chosen due to its economic focus of assistance rather than humanitarian or peacekeeping interventions. The project documents have been kindly provided by the respective project managers and their experience will be included through some informal interviews during an internship of the author in the HQs.

The academic literature reviewed in chapter two has shown that some degree of international intervention is requested in policy advice to post-conflict countries. The intervention of peacekeepers is welcomed as they are statistically lowering the risk of renewed conflict. Nonetheless, other aspects of international intervention, such as the disbursement of aid and sanctions, are highly debated, as their effects are under examination and unclear. South Sudan has seen both forms of intervention. It has a UN peacekeeping force in the Abyei region (UNIFA) (Zwan, 2011, p.13) and number of non-military focused groups have been moving in (NGOs, UN agencies, donors).

Challenges to the international community

The historical outline in the introduction has shown that measures of the international community such as relief action or sanctions had unintended or misleading effects in the turbulences of the civil war in South Sudan. Nonetheless, it needs to be pointed out that the international community, represented in non-governmental organisations (NGO) or international governmental organizations (IGO), faces a

number of difficulties in post-conflict states. These are to act in a weakly regulated environment or in an area of law absences. Furthermore, they have to deal with non-recognised groups seeking power in a disputed area or rebels controlling seized territory. On top of the administrative power vacuum in which the international community has to manoeuvre, it is forced to make a trade off between providing highly necessary relief and humanitarian relief and running the risk to prolong the war and support violent groups. An interesting challenge in the case of South Sudan is the fact that the organisations had to establish and initiate an administrative structure in the health, education and coordination sector which is traditionally the role of a state institution.

A critical outline of the difficulties and the role NGO's in the 1990's in South Sudan is given by Riehl (Riehl, 2001). Even so the analysis is written in 2001, it might still hold true in some elements, as we have seen the administrative weaknesses of the GOSS and the necessity to employ the SPLM/A as a security provider in many regions until today.

Riehl describes how in the early 1990s in South Sudan 'INGO's (international non-governmental organisation) and international agencies (had) captured rights and obligations which normally would be part of state administration' (Riehl, 2001, p.4). The lack of a functioning administration is a heritage from the interim peace between the first and the second civil war in which the self-determination of the South was severely limited by the weak administration infrastructure (Riehl, 2001, p.5). This goes inline with the findings of Hironaka, who points out that 'indicators of state weakness are better predictors of civil war years (duration) than ethnic diversity' (Hironaka, 2005, p.47). Riehl argues that under the OLS humanitarian relief turned into a political process by providing capacity building and advocacy activities. The reason why in the first place humanitarian relief groups took over administrative functions in the health, education and nutrition sector was the inability of the SPLM/A to establish a functioning governance mechanism in the conquered territories (Riehl, 2001, p.7f). Only in 2000, the SPLM/A asked the INGOs to

sign a Memorandum of Understanding¹⁵ to align technical procedures for work permits, which now had to be paid for at the Sudanese Relief and Rehabilitation Association (SRRA). Eleven OLS- INGOs left the country not agreeing with the fact that they had to pay for the provision of humanitarian aid. Nonetheless, the ‘political directive and development coordination remained widely in the hands of INGOs and their network’ (Riehl, 2001, p.9). Therefore, the INGOs in South Sudan supported the policy and actual performance of self-determination. These activities brought INGOs into a difficult trade off between developing the country and generating highly necessary services on the one hand. On the other hand, they undermined the ability of local structures to develop in a situation where human resources were low, citizens relied more and more on INGOs and the sharing of authority became increasingly difficult (Riehl, 2001, p.10f.). Furthermore, Riehl points out that during the normalisation process, when the SPLM/A controlled big parts of the territory the humanitarian agencies promoted the founding of Sudanese Indigenous NGO’s (SINGO) (Riehl, 2001, p.4). Riehl points out that the dependency on INGOs in the political structure leads to three major problems, namely (1) the weakening of local institutional capacities, (2) a brain drain from human resources of regional existing structures and (3) a limited sustainability, as INGOs remain sensible to political violence (Riehl, 2001, p.15). In the end it has to be argued that the opportunity to provide capacity building turned into domination by INGOs (Riehl, 2001, p.17).

The difficulties of the SPLA to build support among citizens through a governance of the conquered territory becomes even more evident in some regions. In the state of Equatoria the locals were outnumbered by Dinkas who moved into the region in order to flee from the more intense fighting in the North. These ethnic conflicts convinced the SPLM/A to initiate decentralized government structures in 1996. The Civil Authority of New Sudan (CANS) was founded. Nonetheless, it became clear that the CANS was still highly dependent on the SPLM/A (Branch & Mampilly, 2005, p.5f.). Nonetheless, the relation-

¹⁵ „Memorandums of Understanding are introduced between legitimate state organs and organisations which want to carry out operations in their territory on their behalf’ (Riehl, 2001, p.13). Therefore, the SPLM/A would even be the official partner to sign the MOU with, the MOU was a political statement towards the self-determination and acknowledgement of South Sudan.

ship between the local, civil government and NGOs changes since 2000. In the beginning of the new millennium Branch and Mampilly recognise considerable change towards a demilitarisation of the local governments. Furthermore, the SRRC (the renamed SRRA) was able to prepare the return of refugees (Branch & Mampilly, 2005, p.6f.). Moreover, ‘with the termination of open fighting in the South, the civil administration has been regularised, the administrative capacity of the CANS has increased, and the SPLA’s control over foreign NGOs has improved to the point where it can effectively mediate between foreign NGOs and civilian population’ (Branch & Mampilly, 2005, p13). The decentralization also reflects in the work and effectiveness of foreign interference. A main concern of Branch and Mampilly was that the distribution of development funds and NGO services was now decentralised to the local authorities decision-making and therefore, vulnerable to ethnic conflicts, making favouring and exclusion more likely (Branch & Mampilly, 2005, p.16).

The comparison to recent experience of the international community point out similar challenges and shortcomings in its intervention. Already in chapter three, the MDTF-SS has been discussed with a number of projects in assistance of South Sudan. Naturally, the discussion of the impact of the international community leads us back to the MDTF-SS. The MDTF-SS, one of the two funds established in 2005 by 14 donor countries¹⁶ and institutions (such as the European Union and the World Bank). The MDTF ran parallel to the National MDTF applicable to the whole of Sudan between 2005 and 2013. The World Bank became the executive in order to enable the other donors to use the banks financial facilities for disbursement purposes. The fund channelled 10% of the total aid to South Sudan between 2005 and 2013. In 2006, the deposits accounted for 89% of total donor commitments and gradually declined until they accounted only for 2% in 2010 (Fafor Institute for Applied International Studies, 2013, p.9). This shows that the fund was an entry point for aid in the unstable beginning period. The review of the funds shows clearly that the obvious lack of institutions was the main problem to an optimal working of the aid

¹⁶ Canada, Denmark, Egypt, European Union, Finland, Germany, Iceland, Italy, The Netherlands, Norway, Spain, Sweden, United Kingdom and the World Bank.

disbursement. The fund was established with the aim to quickly deliver a peace dividend, as recommended in the academic literature. Nonetheless, the challenges of a weak institutional infrastructure in South Sudan limited the ownership and leadership of national institutions in the beginning. The consolidation of the GOSS and the transition of the SPLM/A were circumstances which did not allow for a quick implementation and therefore, the pressure to achieve outcomes contributed to 'ineffective design for early projects, and to the financial and transaction costs, forms of political and reputation risk and inefficiencies that later manifested with implementation delays and project restructuring' (Fafor Institute for Applied International Studies, 2013, p.5). In addition to post-conflict domestic (or rather from 2005-2011 local) deficits it took the World Bank until 2007 to fully mobilize its internal resources to meet its commitments. Furthermore, the full donor capacity was only established through a sufficient presence in 2006. The evaluation reports points out that this time period has to be considered as a transition from humanitarian to recovery- oriented programs (Fafor Institute for Applied International Studies, 2013,p.6). Among the lessons learned from the internationals fund project in South Sudan has to be that the implementation is highly vulnerable to contextual and financial shocks. The shocks in oil-related economic recovery and the uncertainty in political leadership caused by the death of Dr. Jogn Garang resulted in a necessity to flexibly react to changes in the CPA implementation and the financial assets of South Sudan. These political uncertainties and the high dependency on oil revenues are still part and parcel of the post-conflict recovery now with renewed risk of oil disputes and political shifts in government as pointed out in chapter three. Interesting issues in the evaluation report, which should be taken up for further elaboration are the ownership and sustainability aspect. While ownership was no problem of motivation, it was constrained by capacity. In comparison 'the sustainability of the MDTF-SS outcomes is uncertain' (Fafor Institute for Applied International Studies, 2013, p.14). The problems in sustainability relate to the project design, the restrained resources and the coordination of aid across the country. The report concludes with a number of lessons which mainly point out the need to coordinated recourses, expectations, leadership

and governance. These are key elements of the success to the operation of a trust fund (Fafor Institute for Applied International Studies, 2013, p.17).

Four years after the signature of the CPA, Pantuliano reviewed the progress made by the international community in assisting South Sudan. She concludes that the citizens of South Sudan still wait for their peace dividend. The procedures of the World Bank for the government to access funds have often been too complicated for the low qualified civil servants. The bureaucratic challenges caused severe delays in funding procedures. Many donors therefore channel resources bilaterally or pool funds in order to allow for short-term projects. In its mid-term review, the JDT's survey shows that 70% of the respondents 'think that weaknesses in the coordination of aid are being addressed' (NORAD, 2009, p.30). As a result, '66% of the survey respondents agree that the JDT has strengthened donor alignment with GoSS policies' (NORAD, 2009, p.32). Furthermore, 80% of the participants in the survey conclude that the JDT has helped to take the lead in aid coordination (NORAD, 2009, p.31). In contrast, Pantuliano criticises that the partners of the joint donor team failed to 'develop and operate under a common policy framework, and could not contain the proliferation of bilateral programmes and projects' (Pantuliano, 2009, p.1). A main issue of the earlier debate was the ability of the SPLM/A to establish an effective and capable governance structure. It has been acknowledged that with the independent GOSS the phase as a passive recipient humanitarian aid has ended and the government has taken an active role in developing and leading the recovery programmes. Similarly, progress has been made in on the regional and state level. Nonetheless, corruption, an issue, which will be named later again, and the basic service provision capacity remains limited. Considering the peacekeeping intervention of the international community, Pantuliano criticises that the UNMIS has been fairly ineffective. The communication between the military and the communities remains low and the resources seem to remain unused. Meanwhile the spending on the unit remains high while according to Pantuliano the visibility of aid delivery remains low. In conclusion, it remains viable that the national actors have a strong leading role as the international community can only stimulate improvements but not drive the process (Pantuliano, 2009, p.2).

UNIDO's assistance

In the following the projects of UNIDO will be introduced in order to show the objectives and achievements of micro-level intervention. All UNIDO assistance projects are initiated in request of the countries and as a response, a service to the contextual needs of the member states. The economic recovery process is assisted by enabling economic participation at the very base of society and by improving the business environment. The aim is to establish a broad based and inclusive growth. Furthermore, the projects are aligned with the South Sudan Development Plan 2011-2013 (SSDP) of the GoSS and the United Nations Development Assistance Framework for the Republic of South Sudan 2012-2013 (UNDAF).

The UNDAF is a document developed in cooperation between the GOSS and the United Nations Organisations outlining the development objectives of South Sudan for the period between 2011 and 2013. The document reviews the progress of development in the previous period and identifies the main priorities for intervention in the next period. For the timeframe between 2011 and 2013, 5 main outcomes have been agreed upon, namely: governance, economic development, conflict prevention and security, access to justice and an improved rule of law. The thematic areas are broadly formulated and are elaborated in length in order to identify the detailed objectives and targets. Under the outcome of economic development food insecurity and livelihood opportunities are addressed. Increasing the agricultural output of smallholder farmers and conflict-affected citizens is one of the main strategies (United Nations, 2012, p.12). Furthermore, the sustainable management of natural resources and the environment shall be ensured through policies, the establishment of financial institutions in support of the environment and locals shall be assisted in their natural resource management projects. Moreover, through improving the policy framework (labour laws, promotion of SMEs) and trainings the private sector development is to be accelerated. Last but not least, the provision of a basic social infrastructure shall be improved by increasing access to water, sanitation facilities, and wastewater management (United Nations, 2012, p.13). As the

UNDAF is guiding document for intervention by the international community, the outcomes often reoccur in the justification sections of project documents.



Figure 6: Share of Submitted UNIDO Projects by Thematic Area (UNIDO, 2012, p.4)

One of UNIDO's strategic objectives is to reduce poverty through enabling productive activities for developing and post-conflict countries. Therefore, a large part about 30% of UNIDO's projects focus on poverty reduction. (UNIDO, 2013, p.4). The poverty reduction work is partially done in the agro-business development branch which specializes in upgrading agricultural provisions in developing countries and increasing outputs and effectiveness of small-scale agricultural producers in order to achieve food security and income generation in rural areas.

In order to assist South Sudan a project has been developed by the agro-industry technology unit, which is entitled 'Integration and progress through protection and empowerment of displaced groups in South Sudan'. The target was to reach about 750 people from 2012-2013. The beneficiaries will be enabled to share the benefits of a vocational training through establishing small start-ups or taking up wage jobs. The project had been planned in cooperation with the Ministry of Labour, Public Service and Human Resource Development (MoLPSHRD). The project had a total budget of US\$ 1,5 million. The beneficiaries of the

project are mainly young people, many of the internally displaced persons (IDP), women and demobilized soldiers, who need life skills in order to reintegrate into society and the economy. As pointed out in the first chapter, 2/3 of the population of South Sudan are under the age of 25 and most of them have due to the civil war not received basic education or vocational training. Furthermore, the third chapter pointed out the risk and challenge, which the large numbers of internally displaced persons play in the development of the country. Therefore, the project addresses two distinctive and vulnerable groups in post-conflict countries. The gains from shifting the large young labour force from informal, non-wage, low-productivity employment into formal employment with sustainable incomes are enormous. Through engaging this particular valuable but also risky group peace building is enhanced and the human resource base of South Sudan is expanded through relevant vocational trainings. In order to support the community of returning IDPs, ex-combatants and women the following activities are proposed: (1) a survey to target and mobilize beneficiaries, (2) provision of marketable skills to a minimum of 750 direct beneficiaries and (3) installation of a support system to support the micro-industries beyond the project duration. During an inception mission in April 2012, the main challenges of the project were to provide training which enables liberate persons to take part and make considerable achievements towards employability. Further challenges identified are the coordination with other stakeholders providing vocational training and ensure relevant trainings which increase employability, as well as rebuilding and strengthening the existing vocational training centres. The mission concluded that the demand for training is high while qualified trainers are scarce. Therefore, UNIDO's project aims at extending the trainings into new fields (IT and mobile phone repair), increase the access for young people, and provide tool-kits in order to foster self-employment and employability options. Furthermore, so-called Training of Trainers workshops will be provided in order to increase the base of trainers available and the multiplier effect. Trainings took place in venues (schools, multi-purpose training centres) in Juba and in companies on the job trainings were provided. The mid-term report in September 2012, 6 month into the project, lists 14 trainers trained

on entrepreneurship, 924 trainees registered, a training plan was established estimating to be able to cover 810 trainees, technical equipment necessary was identified and procured. Furthermore, a labour market needs study was conducted. The project had made considerable progress towards reaching its targets depending on the timing of the particular activity. Interestingly, the mid-term report also reveals the main security and implementation challenges and constraints. Often problems occurred due to the supply difficulties, some training were delayed due to ongoing constructions in a trainings centre. The trainings centre was not ready in time due to a lack of cement. Similarly a vehicle had to be hired as the project vehicle was delayed. Lack of petrol, increasing process and heavy rain make it more difficult for a number of trainees to participate. Subsequently, the incentives for higher participation are discussed to increase the number of trainees in particular fields (e.g. tailoring).



Figure 7: Auto-Mechanics training in Juba

The project described so far was delivered in a short implementation span in the area and region of Juba, available to citizens being able to commute to the training centres. Nonetheless, rural economic development plays an equally important role in post-conflict recovery. The rural-urban divide can threaten security and needs special consideration in the light of the South Sudanese history. It has been pointed out that South Sudanese citizens who have received vocational training are more likely to enter into employment

than follow citizens without. In Jongolei state in Bor, 74,5% of the youth who did not receive any education are fishing for a source of livelihood (Forcier, 2011, p.90f.). Furthermore, the increased production of local goods will decrease the dependency of rural communities on the difficult transportation of goods. The local production could increase prices on markets, e.g. in Juba, considerably as high prices are mainly triggered by transportation costs (Forcier, 2011, p.90).

Therefore, UNIDO implemented a project in the Jongolei and Upper Nile states between 2010- 2013, in cooperation with the FAO, the Canadian Embassy and GoSS. The total project grand is approx. 10 million of which 2 million will be administrated in the UNIDO activities. A number of the stakeholders active in the region such as UNICEF and the Ministries in Juba have been involved to maximise the synergies. The focus of the project was the food security and livelihood development in the vulnerable states. Jongolei and Upper Nile were among the states where recent violence and armed conflict is still disruptive to peoples economic and livelihood recovery. The infrastructure connecting the two states to the capital and other regions is poor and makes it extremely fragile in food provision and food security. The necessity to provide economic and entrepreneurial possibilities to the youth in these regions is high in order to divert them from falling back into conflict related activities. Furthermore, an involvement of the youth decreases the workload of elderly and women as well as enable more girls to continuously go to school. Hence, the project aims at delivering the services requested by the counties. The counties suggested focusing on water harvesting in order to assist herders and increase the skill transfer in the agricultural sector.

The intervention of UNIDO is based around the work at the Malakal Vocational Training Center (MVTC), which was operated by UNIDO since 2005. The project has a number of objectives, which translate in more concrete outputs. A first output is to establish so called 'Community-based Natural Resource Management Committees' (NRMC) for the effective organisation of water harvesting structures. Next, an appropriate water harvesting structure is set up and the management is taken over by the

NRMCS. Furthermore, a number of beneficiaries will be supplied with appropriate agricultural skills in order to increase their production, productivity and income. This was done in centres such as the Malakal Center and Farmers Field School. Through value chain and market studies the agricultural practice in the region can be improved. These measures shall in the first place target women and the young rural population. Therefore, the aim was to provide them with practical knowledge to use in agricultural and livestock production. Furthermore, they were provided with value-addition and marketing techniques. In order to increase the share of income in non-agricultural activities, the project provided business skills to the target groups enabling them to take up positions in manufacturing or microenterprises. Under this output a curricula for the Trainings Centers was developed, workshops in professions such as blacksmith and hand tool manufacturing were given and contacts to trader associations were established. An important element in rural development of small-scale producers is the access to grants. A lack of industrial finance constitutes a barrier to development. Therefore, the project tries to provide the communities with small grants, starter tool kits, credit and saving schemes to be tapped into by microenterprises. The UNIDO measures actively contribute to improve the circumstances of rural livelihood and education. They are in line with the call of for financial and technical support for the education system as well as promoting the agricultural sector in order to increase food production and food preservation (Women's Commission for Refugee Women and Children, 2007, p.14).

UNIDO aims at developing a competitive manufacturing sector in developing and post-conflict countries, entering the recovery phase. These means to remove supply-side constraints and provide useable, modern equipment for production efficiency.

In the next step the industries are engaged to ensure the conformance with the technical and market requirements as well as international standards (e.g. in the food sector). In order to enable the conformance a national quality system is established. A 'National Quality System' is the infrastructure to ensure compliance with the legal and regulatory frameworks. Through legal and regulatory provisions standards, accreditation and certification as well as inspection can be established and ensured. In the long run these

measures improve the tradability of products on domestic, regional and international markets (UNIDO, 2006, p.v). Assistance to the establishment or improvement of a quality infrastructure include the upgrading and founding of laboratories, which can insure the standards of international testing procedures. Furthermore, different sectors can be provided with calibration chains to enable measuring and precise manufacturing. These relatively abstract interventions and measures are necessary measures to facilitate the growth of small-scale producers by extending their production and trade facilities. It is debatable when exactly it is necessary to establish this infrastructure in post-conflict country but it is in any case an inevitable step to transform from small-scale domestic production to enhanced economic growth.

The third project to be described is a project addressing the development of a National Quality System for South Sudan. The purpose of the programme is to enhance the trade capacities and in the long-term enable economic growth and consumer protection. In a preparatory phase the project mapped the existing quality infrastructure in order to develop a proposal how to upgrade and extend the existing institutions. The project is estimated to have a budget of approximately 1,398,940 euros and is planned over a period of 4,5 years. It will be implemented in coordination with the Ministry of Commerce, Industry and Investment (MCII) and the counterpart is the South Sudan National Bureau of Standards (SSNBS). The project has been requested in May 2012. Accordingly, UNIDO organised a validation workshop as part of the mapping exercise. The workshop was organised in Juba and the minister of MCII as well as 50 participants from a number of public and private institutions as well as companies. After the workshop in March 2013, the Minister confirmed that the project should be implemented in order to improve the South Sudanese quality infrastructure. The outcome shall be a functioning and effective quality system, which promotes trade and ensures consumer protection. Therefore, the outputs included a national quali-

ty framework and accordingly the provision of quality services, increased institutional and operational capacities of the MCII & SSNBS as well as to achieve EAC & ISO/IEC¹⁷ membership.

The project identified the organisational, institutional and legal stakeholders and provisions. It showed who is in charge, how the offices structured and which laws so far regulate quality measures. All acts and laws are brand-new and date back to the first or second year of the independence (e.g. National Bureau of Standards Act, 2012 and the Consumer Protection Act, 2011). Furthermore, the project explored the cooperation with partners such as the EIF or Trade Mark East Africa (TMEA) in order to promote and benefit from synergies. In order to achieve the objectives of the project a number of activities are suggested. Activities include establishing committees to guide the progress of building a quality system, elaborating and designing a policy framework and implement awareness raising campaigns on the ministerial level. Further activities are to design procedures how to develop standards, found a documentation centre, design in cooperation with the private sector a conformity marking scheme, define requirements for the metrology system, and develop a national market surveillance scheme. These activities focus mainly on the SSNBS. In addition, the UNIDO project intends to assist with the setting up of a governance plan for the SSNBS (such as a business plan), and assist in the human capacity building. In order to achieve deeper integration into regional and international trade zones, activities focus on supporting membership dossiers, coaching of SSNBS staff to develop international cooperation arrangements, technical trainings on participation in international standardization organisations as well as coaching on trade negotiations and committee participation for SSNBS officials.

In addition to the operationally completed and the two ongoing projects, one will have a look at a project design in preparation. The project is prepared in collaboration with the International Labour Organisation (ILO) and the Peacebuilding Fund. The project is prepared for a duration of 18 month between August 2013 and June 2015. The project volume is estimated to have a value of US\$ 1,545,540. The 'skills and

¹⁷ East African Community (EAC), International Organization for Standardization (ISO), International Electrotechnical Commission (IEC)

employment for peace' project targets young men and women in several counties in Jonglei State. The goal of the project is to reach up to 1,500 beneficiaries. The project returns to continue the operationally completed project in the rural counties discussed earlier. The main purpose of the project is to decrease the recent conflicts over cattle raiding by giving young man and women a different source of income through productive activities in a less violent environment. The lack of economic perspective (employment rate of 21% compared to 5% in other states), the suffering of women from violence, the continuous food insecurity and the low educational standard distance young men and women particularly far from any peace dividends. In a region dominated by pastoral communities the conflict over cattle is widespread. Therefore, an intervention targeting young men with technical skills and business skills trainings is an attempt to pacify the region. In order to learn from earlier lessons, the project will provide a mobile unit to reach beneficiaries who normally would not be able to reach the training facilities. Moreover, steady training facilities will be used to reach those young people who are living in the surrounding and are able to commute. The challenges to a successful project implementation are the poor road conditions, the attempt to make the project sustainable, to achieve immediate livelihood improvement and to reach employability. In order to increase the sustainability of the project, it is planned to leave the trainers in the region after the project. Through having a long-term contact the youth can rely on sustainable mentoring. In addition, the project shall be handed over to local stakeholders in order to continue beyond the original project framework. Furthermore, the project will try to identify a clear market demand and facilitate the establishment of micro-businesses as well as markets. The business skill trainings have the objective to reduce the economic marginalization of youth by connecting different groups and provide them with business and financial literacy training. Nonetheless, a number of issues prevalent, such as the need to support the trainees during the course if they are the only breadwinners might still need to be addressed (Forcier, 2011, p.92).

Challenges to UNIDO's assistance

If one recalls the challenges pointed out by the authors earlier in the chapter, it becomes obvious that similar analysis and conclusions have been made by the project managers of UNIDO who have been working in assistance of South Sudan. In informal conversations with the managers in June 2013, they informed me on the challenges they face in South Sudan in at the moment. The managers put emphasis on what they see as the major challenge. The first mentioned is the extremely large territory and the weak infrastructure. In order to reach the projects in the North in Upper Nile during the rain season a 9-hour boat journey is necessary. The changes of the rain and the dry season have huge impact on the infrastructure available. The infrastructure makes it extremely difficult to supply projects with equipment and insure regular visits even of the local consultants and regional staff members.

Another important issue highlighted by one of the project managers was the absorptive capacity of the administration and the economy itself. The administration level is so low that every project begins at the very scratch of things and the civil servants are in need of support when it comes to complex regulation. Furthermore, another project manager addressed the need to pay bribes in order to implement assistance projects. The level of corruption delays and hinders projects to be developed. In addition, the uncertain aid disbursement was mentioned. The recent shift of donors back into humanitarian rather than economic development funding does not enable the project managers to secure sufficient funding for economic and industrial, including agricultural and vocational, projects.

Trade offs in economic development engagement

In the course of the paper one has seen the challenges of economic development in the post-conflict South Sudan. Furthermore, some of the activities and the limitations that project managers encounter while implementing economic recovery projects.

Uvin wrote an interesting analysis on the ethnic and moral problems in the international community reconstruction in Rwanda after the genocide in 1994. He describes how the community initiated an unprec-

edented progress of re-establishing and upgrading the justice, governance and security system (Uvin, 2001, p.184). In South Sudan the problem is not mainly the justice system. Similar to the situation in South Sudan were cooperation with a weak and corruptive administration. Is it morally legitimate to pay bribes in order to accelerate aid agenda implementation and recovery? The international community has put great emphasis on promoting a governance mechanism. It has to be kept in mind as Uvin recalls that 'donors really only control the form, but not the substance, of the institutions they help to build' (Uvin, 2001, p.186). He outlines how democratic reforms were compromised in order to ensure stability (Uvin, 2001, p.180). Furthermore, Uvin shows that prioritisation and contextual analysis of different donors result in little coordination of projects in Rwanda (Uvin, 2001, p.178f.). In South Sudan the intention of cooperation on the highest level of donor coordination was made through the Joint Assessment Mission and the MDTF. Nonetheless, Pantuliano as quote formerly does not assign the measure much success. In the UNIDO projects one can see that cooperation on particular projects can work better. Still, there are a large number of stakeholders and actors to coordinate with. Another problem, which Uvin points out in the Rwanda case is the scarcity of resources compared to the needs in development aid. Therefore, donors were forced to prioritise activities and interventions. In the case of South Sudan the prioritization is similar. In addition, the projects can often only help few in their economic development and provide few income increasing opportunities. Uvin points out that the likelihood of error is extremely high in post-conflict countries (Uvin, 2001, p.185). The effects of actions are little predictable. Considering the few years of independent administration and independence as a sovereign country, errors and disinvestment are just as likely.

Summary

This chapter has outlined some aspects of the international communities engagement in South Sudan. It has shown that historically the role of the international community was characterised by a large degree of

administrative functions, which are state functions in a non-post conflict setting. It has become clear the challenges faced by a non-functioning public governance operates is not only a challenge to domestic economic development initiatives but even more so for an effective international assistance mission. Furthermore, the chapter has voiced some of the critique towards the work of the international community, mainly addressing coordination among donors and effectiveness of aid and civil military cooperation. Moreover, the chapter has described the actions taken by one specialised agency of the UN, UNIDO, in accelerating small- scale, partially rural, economic development. It has elaborated the specific actions, which are supposed to translate into the achievement of broadly phrased development objectives. It has become clear that an economic development project is able to address several thematic areas beyond the narrow economic sector. Subjects of peace, conflict prevention, reduction of food security, and education as well as gender and youth empowerment are affected. The impact of citizen's level intervention on private sector development in contextual relevant sectors is significant. Nonetheless, the challenge to translate every project into a sustainable effect remains. The questions of employability and the scarcity of materials and tools has to be kept in mind continuously. Furthermore, it becomes obvious that the evaluation of the international communities intervention varies from actor to actor. While official reports claim a degree of improvement and success (such as in the case of the JDT), academics and professionals remain critical in their assessment.

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5. Conclusion

This final chapter aims at summarising some of the key findings of the paper. Furthermore, it shall give room to a discussion of a couple of considerations that result from the observations and findings. In addition, the chapter will point out what might lie ahead of the different actors and what might be at stake. First of all, the chapter will summarise the argument and review the structure of thought underlying the thesis.

In the beginning, it should be stated clearly that South Sudan is a valid example of a post-conflict recovery state following the definition of Fosu as pointed out in chapter two. South Sudan is in process of preparing a state, which provides stability and an enabling environment for economic growth and development despite the major challenges to security, public revenue and infrastructure. In addition to the definition, South Sudan is characterised by the most common barriers in post-conflict economics as pointed out in chapter two. Firstly, it has a low foreign direct investment rate which is typical for post-conflict countries. The low foreign investment is strictly connected to the restricting in business environment as 'according to the World Bank's 2011 Doing Business report, the economy of Juba, South Sudan's

capital is ranked 159 among 183 economies on its “ease of doing business” scale’ (U.S. Department of State, 2013). Furthermore, South Sudan has a rapidly growing population, which it has in common with other post-conflict countries (Elbadawi & Ndung'u, 2005, p.23f.). South Sudan had an annual population growth rate of approximately 4% between 2003 and 2012 according to the World Bank. The rural population growth was rather steady with a similar 4% increase since 2004, while the urban population growth rate is 5 % since 2005. This rapid population increase nullifies the small improvements of economic growth and does not lead into decreasing poverty (World Bank, 2013). A third characteristic of post-conflict economies is the highly indebted state. South Sudan has been able to negotiate a zero-sum agreement with Sudan, in which the continuous state of Sudan assumes all debts as long as both countries involve in debt relief outreach to the international community and achieving debt relief (African Development Bank Group, 2012, p.2). Furthermore, earlier assistance by the international community had already included debt resolution (African Development Bank Group, 2012, p.17). The last characteristic of post-conflict economies is the necessity for a pro-growth policy set. The existence of a pro-growth policy might be supported by the legislation on enabling foreign investment since 2009 (U.S. Department of State, 2013).

Before summarising the structure and main findings as well as the argument of the thesis, let's recall the tremendous hurdles to South Sudanese economic development. It has to be kept in mind that 83% of the population still reside in the rural regions, that food deprivation is common despite and because of the low productivity subsistence farming. Furthermore, the governmental revenue up until 2012 was depended on 98% revenue from oil extraction has to be diversified and broad-based. Nonetheless, improvements have been made after the oil shutdown in the beginning of 2012. Through better revenue collection the tax and customs revenue made up 12% of the government budget in 2013. Further investment in non-oil sectors, including agriculture, mining and teak wood exports are planned. (U.S. Department of State, 2013).

Summary

Firstly, it is necessary to review the research question posed in the beginning of the paper. The question is "To which degree did the international community intervention contribute to sustainable post conflict economic development?". In order to answer the question, the economic history of South Sudan has been reviewed and the function of the war economy of the two civil wars has been elaborated. This was necessary in order to understand many of the underlying and predatory elements of economic development in South Sudan. The longest civil war in the history of the continent did severely undermine the post-conflict recovery potential and capacity of South Sudan. Nevertheless, in order to understand the development barriers and give 'conflict-sensitive' advice it is necessary to be able to determine and consider the effects of the civil war on the public and private sector as well as the population in general. Secondly, the paper provided a review of economic development literature specialised in post-conflict economic recovery. Sectors such as investment, financial management, natural resource management and aid effectiveness were debated with a focus on their potential role in a post-conflict recovery tool box. The chapter also brought up the importance of reducing the risk of renewed conflict. Concluding the chapter on the academic approach and considerations it became clear that it has to be argued that the gap between the literatures attempt to promote post-conflict economic recovery with a statistically framed approach and the reality of weak infrastructure, a weak state, an uneducated and young population. The third chapter elaborated some of the development in South Sudan since 2005. It outlined some positive achievements as well as some enduring struggles. Especially the low level of administrative capacity has become most obvious as a barrier to accelerated economic growth. Furthermore, it showed that the ongoing regional conflicts and the enduring insecurity of business and citizens hamper development of markets and enterprises. Moreover, the low level of infrastructure development only allows for poor trading results and unequal supply of inputs. The industrial financial infrastructure is another major obstacle. Even on the state level the changing income from oil resources are unpredictable and therefore, do not allow for long-

term investment strategies. It became clear that the insecurity in natural resource management and the high military budget do not yet allow a full fetched pro-growth policy. The forth chapter pointed out the efforts and achievements of the international community in assisting with economic development. It became clear that a large amount of effort has been channel into the public sector in order to enable federal and regional governance. Nonetheless, the voices on the success of donor coordination remain divided over the actual impact. In the evaluation, the challenges that the international community faces historically in the region and state of South Sudan should be included. The historical outline shows that earlier engagement was similarly difficult in times of war and departing from the extremely remote level of economic and humanitarian development.

Key findings

The main findings of the thesis are straightforward considering the structure of the approach. It has become clear that, as earlier research has pointed out, the low economic development stems from the economic neglect in the colonial, as well as short term peach period. Furthermore, the economic development was further delayed by the long civil war, which left people displaced, uneducated and vulnerable to reoccurring conflict.

Nonetheless, it becomes clear that smart and strategic economic policy can support security and economic development through increasing financial stability and boost investment. In resource rich countries, such as South Sudan, the natural resource management will be key to the broad economic development. Overcoming the difficulties around oil extraction and transporting it through Sudan will enable a stable economic growth if corruption decreases and the revenue is invested in broad-based growth measures. Furthermore, the increasing trade with Uganda allows for different stakeholders to participate in an inclusive economy. Nevertheless, in order to increase the trade potential the infrastructure needs to be further developed and the customs mechanism improved in order to allow more South Sudanese citizens to se-

cure a share of the trade benefits. Further diversification of trade will have positive externalities on peace in the region.

In South Sudan all 5 major type of challenges to post-conflict private as well as overall economic development factors can be found (Mac Sweeney, 2008, p.20). The government faces reputational problems having a low level of legitimacy in some regions and little trust by its citizens after the latest government changes in July. Furthermore, the practical problems of a poor infrastructure and communication network persist. Maintaining control and providing public services remains a major challenge to the government. The financial problems became clear in the oil revenue incomes of the South Sudanese government between 2011 and 2012. Even more evident are the capacity-related problems that have been pointed out throughout the paper. The local administrations as well as the police force remain poorly equipped. Corruption and a lack of transparency in administrative procedures are fairly common. Violence and cattle raid remain a problem not only in Abyei but also in other regions (Mac Sweeney, 2008, p.20).

The capacity problems in the administration are highly connected with the low human capital stock in South Sudan. The problem is described in chapter three for the public sector but spans across all sectors experiencing a lack of skilled and unskilled workers. 84% of the people employed work in the non-wage work. The literacy rate remains low with 27% of the population. Children often enter cattle herding with the age of 10 and therefore, are deprived of secondary schooling possibilities. Businesses are unable to meet the required 80% of local employees especially in the management positions (World Bank, 2013). Therefore, further investment in education and higher education as well as a reality adjusted Labour law is necessary to meet the needs in the next years.¹⁸ An increased human capital stock is essential in order to boost the development of the public sector and the private sector development.

Another key finding of the analysis is the unchanged high military expenditure. It has been pointed out that it is still highly necessary considering the unstable security situation and the ongoing fighting in the

¹⁸ A new labour law is expected to be passed in 2013 but prospects are low that it will reform the necessity to employ locals.

Abyei region. Nonetheless, the high expenditure for the SAF can not be used in economic development measures of any kind. The importance of the military budget became even clearer when the austerity budget was in place between 2011 and 2012 and the military budget was the only one not experiencing across the board cuts (World Bank, 2013, p.8).

The barriers to the assistance in of the international community have been elaborated in chapter four. It became obvious that corruption and the weak state framework were major obstacles to projects of the international community. The difficulties of the international community, including both the United Nations agencies and bilateral donors, to organise a framework of cooperation at first and then slowly empower the weak state to provide a framework for projects cost a lot of resources. Furthermore, the trade off between providing continuous humanitarian aid or shifting towards large scale economic and general development limits a number of organisations in their funding possibilities.

Nonetheless, the international community was, despite major challenges and critique, able to considerably forward the process of economic development in South Sudan. Especially, the continuous payments to the MDTF, despite the end of the 2:1 arrangement, have to be noted as a major commitment. Through the continuation the fund a number of projects increase the local capacity and working towards the established priorities was enabled.

Only by increasing the ownership of the South Sudanese government over economic development, the international community can provide more targeted and coordinated development work in the future. The demanded actions and policy advice of the academic literature can only be applicable and constructively used in a later state of post-conflict recovery when governmental legitimacy and statehood are further established.

Discussion

In 2013, the peace dividends are still to be harvested by many in South Sudan. Nevertheless, the short decade since the outbreak of peace has progressed already. Only now the civil administration is slowly able to steer the countries developments independently. It remains restricted by oil disputes with the Republic of South Sudan and corruption. The many conflicts on the ground remain a security threat, which make more violence likely. Therefore, the country is at risk to invest too much efforts and investments into security and to face a trade-off between security and public investments in schools, vocational training, health and infrastructure improvements. The importance of vocational trainings has been recognised lately by the GoSS (GoSS, 2013). Mac Sweeney points out a respectable number of potential benefits to infrastructure development on private sector and governmental stakeholders. Not only an increase in legitimacy for the government is suggested but also long-term job generation in maintenance, increasing number of tenders and contracts and positive spill over effects on the economic development (Mac Sweeney, 2008, p.63). The first decade of independence will be a short decade considering the many challenges ahead of the citizens and the government.

Furthermore, the instable security situation in the neighbouring countries especially in the West has to be kept in check. As Gadir Ali & Elbadawi point out correctly, the likelihood for the influx of boarder crossing conflict remains high (Gadir Ali & Elbadawi, 2005, p.146) and the risk to be torn into a neighbouring conflict is severe considering the yet ongoing struggles over territory in Abyei or in Dafur.

That's just why a long-term engagement of the international community in peace keeping as well as development work will be necessary. Only then it will be able to provide a long-term development strategy with prospects of sustainable project implementation. It seems to be important to extend projects meeting the citizens more directly. Therefore, direct intervention projects are needed, which target especially the rural population, which cannot commute to the bigger cities. Nonetheless, the approach of strengthening the business and administrative environment has to continue. Further steps towards enable in trade,

local production and a market infrastructure should be taken such as in the 'National Quality Infrastructure' programme.

Therefore, further coordination of donors and project is beneficial. The benefit of coordinating for example vocational training programmes might be to reach more beneficiaries and arrive at common standards. Meanwhile, the ability of funds appears to be a problem for some projects. By making the funds available more accessible for economic development efforts both of the South Sudanese officials as well as international community members seeking for funding might increase the number and diversity of projects.

It will be increasingly important for academic research and the development stakeholders to be aware of the extreme complexity of a post-conflict development situation. It is not simply a reconstruction measure, nor a humanitarian intervention: it is a combination of humanitarian aid, political commitment to state building and assistance towards economic development.

The way ahead

Among the few economic and general development issues that have been highlighted here were only a few cases, which directly benefited private sector development. Since 2008, the international community has increasingly paid attention to private sector development in post-conflict countries. The achievements of this work should be carried into South Sudan in order to decrease the dependency on imports and oil revenues. Furthermore, private sector development provides a possibility of a broad economic development across the country and society. Nevertheless, the overall development situation and the many barriers to economic development, listed above, are particularly hampering the private sector. Under the current circumstances the degree of business taking place in the informal sector is highly likely to increase. In addition to the direct intervention, similar to the outlined UNIDO projects, broader business environment improvements have a wide range of sectors to target. Reform or establishment of a legal framework

often needs to be undertaken in the field of property, company, competition, and contract law. Furthermore, the environments for business start ups needs to be provided, dispute resolution methods found, trade and customs regulations need to be put in place as well as the taxation system needs to be developed (Mac Sweeney, 2008, p.60). Corruption, the different interests of multiple stakeholders as well as funding and capacity obstacles challenges the immediate dealing with these urgent measures (Mac Sweeney, 2008, p.63).

If one returns to the findings of Collier, Elbadawi and Ndung'u, the major advancements can be made in the post-conflict period as political huddles are small and fractional differences are small. In the case of South Sudan, an inclusive policy has to be established, which enables all groups across the country to take part in the economic development progress. It is still a complex network of bureaucratic huddles and a lack a clear operational framework.

Furthermore, the role of non Western (OECD) actors remains uncertain. Which impact will have the engagement of China and other Asian emerging markets have on the natural resource management in South Sudan? Especially the influence of the non- OECD based oil companies is difficult to forecast. It needs considerable political strength of the state government to actively steer the engagement of the oil companies in developing countries.

A further uncertainty is the continuity of aid and the effect of aid on the South Sudanese economy. Several donor conferences have been held among them the South Sudan Economic Partners Forum. It was indicated that in 2013 approximately 1,3 billion of aid were provided to South Sudan. Furthermore, the partners, including the governments of Norway, the United Kingdom, the United States, and the European Union, pledged up to 300 million of further aid. The aid conditions are going to be further determined and are likely to 'include mutually agreed policy benchmarks for the Government of South Sudan, matched with commitments from partners to build capacity and improve the effectiveness of aid' (U.S. Department of State, 2013).

Further research

In my view further research should be conducted on the interaction of the number of economic factors in order to establish a realistic and flexible approach which priorities doable measures. Importance should have the long-term strategy, which includes comparative research beyond a decade after the peace agreement.

Furthermore, field research on private sector development in post-conflict countries with specific analysis of needs and barriers to small and medium enterprises could add considerable to the applicability of academic research.

Efforts in increased data collection in South Sudan might enable research as well as development stakeholders to improve the measures and target interventions more carefully to specific sectors or regions.

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Annex

Table A-2. GOSS Budget Outturns & Estimates: 2006 – 2010

Sector	Ministry	2006 Outturn	2007 Outturn	2008 Outturn	2009 Outturn	2010 Budget
Accountability	Anti-Corruption Commission	1,410,955	2,892,186	4,866,097	3,408,467	8,530,000
	Audit Chamber	1,012,575	2898121	2,608,725	1,810,649	4,800,000
	SSCCSE	12,169,087	13,122,660	12,158,400	4,449,034	12,280,000
	Finance & Economic Planning	242,917,006	48,159,020	631,444,863	315,380,310	123,760,000
	SSFFAMC	927,310	1,458,437	1,823,884	1,599,398	2,200,000
	SSRDF	399,440	2,836,193	3,096,284	3,048,140	5,890,000
Economic Functions	Commerce & Industry	6,029,664	4,572,685	11,074,544	12,078,540	13,940,000
	Energy & Mining	4,144,908	3,657,645	10,083,654	4,454,024	26,900,009
	Electricity Corporation	0	13,863,748	90,694,682	42,321,130	67,690,000

Sector	Ministry	2006 Outturn	2007 Outturn	2008 Outturn	2009 Outturn	2010 Budget
Education	Information & Broadcasting	18,840,025	25,533,073	35,188,458	28,576,033	40,660,000
	Investment Authority	0	1,123,023	1,155,508	1,479,289	1,970,000
	Telecommunication & Postal Services	16,524,063	3,961,285	47,084,231	5,939,023	13,380,000
	Education, Science & Technology	225,150,335	223,071,609	290,219,940	234,088,973	323,530,000
Health	Health	135,793,846	65,629,529	109,896,475	93,457,737	182,260,000
	HIV/Aids Commission	259,474	1,582,899	4,194,408	3,601,673	7,180,000
Infrastructure	Housing Physical Planning & Environment	217,144,590	89,163,467	153,541,962	61,121,075	70,410,000
	Transport & Roads	126,454,476	71,079,118	638,371,721	451,172,591	463,180,000
	Urban Water Corporation	0	4,233,751	8,343,501	7,864,118	15,500,000
	Water Resources and Irrigation	17,231,832	5,857,149	13,650,229	16,139,413	52,792,255
Natural Resources & Rural Devt	Agriculture & Forestry	33,363,038	18,506,545	32,356,173	44,442,539	40,510,000
	Animal Resources & Fisheries	13,484,451	12,129,445	26,353,571	14,079,984	1,374,000
	Cooperatives & Rural Development	7,154,496	9,041,127	27,486,185	8,369,873	10,890,000
	Wildlife Conservation & Tourism	65,056,099	68,900,259	108,774,614	110,769,921	132,060,000
Public Administration	Land Commission	725,569	789,714	1,484,181	1,106,093	2,180,000
	President's office	44,691,137	31,031,381	157,982,111	92,590,311	135,490,000
	Vice-President's office	4,914,808	33,634,783	44,112,822	30,007,690	19,440,000
	Presidential Affairs	0	52,180,301	11,875,250	29,686,095	16,820,000
	Cabinet Affairs	47,475,941	37,829,208	52,135,039	82,279,720	126,427,600
	Labor Public Service & HRD	5,195,716	7,267,319	8,115,528	10,068,751	20,890,000
	Parliamentary Affairs	4,462,101	3,443,677	11,221,413	9,731,409	10,940,000
	Regional Cooperation	10,132,113	15,107,658	32,478,697	30,167,159	25,980,00
	Civil Service Commission	904,752	1,465,336	2,174,397	1,836,055	2,160,000

Sector	Ministry	2006 Outturn	2007 Outturn	2008 Outturn	2009 Outturn	2010 Budget
Rule of Law	Local Government Board	17,652,388	5,547,750	2,620,554	2,459,253	3,250,000
	Employees Justice Chamber	905,607	1,611,867	2,246,846	2,644,224	3,430,000
	Public Grievances Chamber	1,147,124	1,396,697	2,346,794	2,193,694	2,120,000
	Legislative Assembly	48,108,121	44,111,338	85,322,806	51,387,165	204,631,288
	Judiciary of Southern Sudan	27,689,394	21,341,438	24,989,494	25,273,562	68,000,000
	Legal Affairs & Constitutional Development	10,619,755	14,717,554	22,276,455	28,767,645	31,090,000
Security	Internal Affairs	311,220,857	218,521,435	462,816,694	469,296,818	381,858,800
	Human Rights Commission	1,901,338	2,586,613	5,095,555	6,016,427	6,970,000
	De-Mining Authority	3,474,842	3,090,028	3,233,890	2,744,156	3,530,000
	DDR Commission	3,861,364	3,472,879	5,228,834	5,027,849	21,680,000
Social & Humanitarian Affairs	SPLA Affairs	1,197,493,770	1,185,434,246	1,873,621,146	1,403,662,521	1,120,610,000
	Gender, Social Welfare & Religious Affairs	3,819,664	4,840,974	7,206,660	7,680,354	10,580,000
	Culture, Youth and Sport	8,912,441	3,982,531	6,581,887	6,909,524	20,220,000
	Peace Commission	5,450,676	2,859,962	3,991,139	2,775,759	5,429,000
	War Disabled, Widows & Orphans	455,393	3,836,160	2,899,779	4,643,119	31,660,000
	War Veterans Commission	0	2,859,347	2,854,305	3,315,034	3,330,000
	SSRRC	66,640,069	19,531,238	60,561,628	14,038,394	27,740,000
	Block Transfers To States	5,910,385	416,023,119	452,720,054	438,689,053	50,666,667
Suspense Items (Unattributed)	State Executive	318,145,587				434,000,000
	Counties					40,000,000
		284,169,923	94,708,025		3,087	
Overall Total		3,581,548,512	2,936,495,552	712,662,066	4,234,656,856	4,482,809,610

Source: Government of South Sudan, Ministry of Finance

Curriculum Vitae

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Internship at Youth for Understanding e.V., Hamburg (Germany) 2008

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Languages & IT Knowledge

German: Native speaker.

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