

THE CIVIL WAR IN SUDAN AND THE TRADING MECHANISMS OF DISPARATE EXCHANGE

1. Introduction

To start, let me present to you the main presumption underlying the two-part lecture on the thematic of war and immiseration in countries of Africa, which I have prepared for this occasion. My basic point of departure is the conviction that the negative consequences of globalisation so far have been grossly underestimated, not only by proponents of the ongoing process of globalisation from above, but even by a section of those activists who are opposed to the building of an integrated world market under Western/Northern dominance. For the relationship between globalisation and African wars is rarely discussed, even though there is a close interconnection between the two. The wars which have raged or are raging in Sierra Leone, Angola, the Congo and the Sudan, are all sustained entirely through the trade in raw materials/primary products. In this two-part lecture I wish to illustrate my view that globalization is disastrous for Africa, by looking at the combined effects of two distinct, but interrelated trading mechanisms, i.e. those of *disparate exchange* and *unequal exchange*.

Since I can't presume that everybody is familiar with these two terms, let me offer you my brief definitions. The mechanism of *unequal exchange* has been amply discussed by critical economists in the past. It refers to the transfer of value from South to North, in consequence of the unequal remuneration of workers in countries of the South, as compared to the remuneration received by labourers in countries of the North. This transfer of value is expressed in changing terms of trade between commodities traded by the South and commodities traded by the North, at the expense of countries located in the Southern hemisphere. *Disparate exchange* has historically emerged from the previously mentioned mechanism. It refers to the indirect or direct exchange of commodities representing social waste against commodities representing wealth. This mechanism has been instituted by US imperialism to cope with Southern opposition against unequal exchange. Whereas both mechanism have played havoc in Africa, it is the *combined operation* of the two mechanism that has had the most devastating effects.

I have structured my lectures on unequal and disparate exchange in the following manner. In this first part I will analyse the economic background to the civil war in Sudan, - a war of long duration which has been largely ignored by the world's media. I will argue that the war cannot be understood without referring to the country's prolonged export dependence, which since 1999 has taken the shape of dependence on *oil* exports. In the second part, I will further elaborate on unjust developments in the international pricing of commodities, i.e. the theme of unequal exchange. Unjust pricing, like the squandering of resources to get access to weapons, too has contributed largely towards the further impoverishment of people living in Least Developed Countries (LDCs) of Africa. Some agricultural products and minerals, such as cotton and copper, appear in the context of both trading mechanisms. In any case, whether disparate exchange succeeds to, or overlaps with unequal exchange, the negative impact of the two mechanism combined is truly devastating.

2. War Crimes: The Example of the Depopulation Policy

Let's first discuss the issue of war crimes committed in Sudan, where civil war has raged continuously since 1983. One specific type of war crimes committed by the armed forces of the military regime of General Omar Hasan Al-Beshir and its militia, is the crime of *depopulation*, meaning that villages inhabited by civilians have been attacked, and then peasants who lived there have been killed or have been driven out and turned into a refugee population. This policy has not gone unnoticed, but has been documented amongst others in reports published by Amnesty International and, most recently, by the European Coalition on oil in Sudan (ECOS). The ECOS-report details events for two specific regions, i.e. for a section of *Ruweng* county, and for an area in the *Western Upper Nile*. Both *Ruweng* county and *Upper Nile* are located in the Southern part of the Sudan, and both happen to be areas where international oil companies have obtained concessions (the area in *Ruweng* county covers blocks 1 and 2, the area in *Western Upper Nile* covers block 5-A).

Further, the ECOS-report cites concrete figures for the numbers of civilians affected by the depopulation policy, and on the tactics employed by government and pro-government forces to achieve their target of depopulation. Aside from claiming that *thousands* of people have been killed in these war campaigns, - the report estimates that *80 thousand* persons have been forced to flee from *Ruweng* county, and that another *50 thousand* have been driven out from *Western Upper Nile*. Many of these refugees, the ECOS report states, 'are threatened with acute food shortages'. Whereas the Sudanese civil war in the past used to be a 'low budget war fought by ragtag armies', - the war in recent years has developed into 'modern counter-insurgency warfare between asymmetric parties where the population sits on the losing side'. Thus, the depopulation campaigns, carried out since 1999 with the help of helicopter gunships, bombers and tanks, have been specially gruesome, ECOS' observers write.

Depopulation as a tactic, however, is not newly being practiced in the context of the Sudanese civil war. This is explicitly stated in the report 'Oil in Sudan – Deteriorating Human Rights', brought out by Amnesty International two years ago. Thus, since 1983, the year when the civil war between the country's Northern-based government and rebel forces representing the aspirations of the people in the South, was last resumed, almost *2 million* people are believed to have been killed. More than *4,5 million* people are internally displaced, either 'permanently' or 'temporarily'. According to the same Amnesty report, as early as during the decade of the 1980s, the local population was permanently displaced from the areas of the *Unity* and *Heglig* oil fields (see chart), which at the time were operated by the French oil company Total. Foreign companies which have signed agreements with the Sudanese military regime in the 1990s, cannot have been unaware of these basic human rights violations committed by the regime previously.

In view of the topic of this lecture – globalisation/disparate exchange – it is especially important to note which methodology has been employed towards depopulation since 1999. The pattern has been concretely depicted in the mission report brought out by ECOS in May this year. First, helicopter gunships or high altitude bomber planes attack villages from the air. These types of arms are not produced by Sudan domestically, but have to be purchased by the country on the world market. They reflect the fact that Sudan is an active participant in world trade. Subsequently, newly-equipped government troops and government-sponsored militia carry out murderous raids. Once villages have been emptied of civilians, the cattle feed drop sites and herding paths are mined in order to effectively deter the displaced from returning to

their villages. Clearly, the depopulation of oil-rich areas is not an accidental by-product of intense fighting between two warring parties, but instead the outcome of conscious war-planning by the Sudanese military regime.

Since the policy of depopulation is so clearly a case of displacement not for the sake of people's protection but to defend the interests of transnational companies at the expense of people's survival interests, it is a case of outright violation of established international rules of war. The Amnesty International report which I have already mentioned above in this context refers to the *United Nations' Charter* on Universal Human Rights, to the wellknown *Geneva Conventions* on the responsibilities of parties in conflict, and to the *Additional Protocol II* of 1977 (Article 17) which seeks to protect civilians from arbitrary displacement. As this article states, 'The displacement of the civilian population shall not be ordered or forced for reasons related to the conflict unless the security of civilians involved or imperative military reasons so demands' (p.16). The Amnesty International report not only charges the Sudanese government with having committed war crimes, but also accuses international oil companies which, since the later part of the 1990s, have signed up for oil exploration and oil extraction in Sudan.

3. The 1999 Watershed in Sudan's Civil War

I will now proceed to explain how the depopulation policy of the Al-Beshir regime is directly related to this regime's use of the mechanism of *disparate exchange*. The first leg in my argumentation concerns the shift, from Sudan's position as an *importer* of oil – to a position as *exporter*. Up to the year 1999, Sudan used to be a net importer of oil. When in the early 1980s, it was faced with a rapidly increasing bill for oil imports – oil imports absorbed over 75 percent of total export earnings in the year 1982 -, the government sought to actively promote oil exploration and oil extraction, so as to ensure that a domestic supply of fuel oil would be available in the future. To this end, a major concession was granted to the American *Chevron* company, in the form of a *product sharing* agreement. Still, throughout the decades of the 1980s and the 1990s Sudan remained dependent on oil imports. These imports reportedly cost the country 360 million Dollars annually up to the year 1999. Up to 1999, Sudan's list of export products did not include crude or refined oil as a major item.

This picture, however, has changed dramatically since 1999. In this year, the country's position was transformed from that of net *importer* to net *exporter* of oil. While some claims regarding the extent of earnings which Sudan has reaped from oil sales in the last three years may well be exaggerated, independent estimates have put the country's oil income figure for the year 2001 at around 500 Million Dollars. That the year 1999 forms a watershed in the economic history of Sudan is also confirmed by the 2002 report on Least Developed Countries (LDCs) published by UNCTAD. This report, as part of its categorisation of the trading patterns of different LDCs, notes that Sudan's status has changed. Whereas before 1999, Sudan used to be mainly an exporter of *non-fuel primary products* (primarily cotton), since then the country is ranked amongst the selected few Least Developed Countries which are *fuel-exporters*. This is considered to be a crucial change of position, which *potentially* could facilitate the country's upward mobility within the hierarchy of nations.

Two developments have contributed to this change in Sudan's international position. One is the completion of the construction of a 1,600 kilometer long *oil pipeline*. *The pipeline* was officially declared opened by Sudan's military president Al-Beshir in August of 1999. Since then, it connects Sudan's oil fields located in the country's Southern part with Port Sudan, situated on the Red Sea (where a Shell-operated oil refinery is located, by the way).

The construction and operation of the oil pipeline has more than symbolic significance in the context of the longstanding conflict between the Northern-based government of Sudan and opposition forces in the South. Quite naturally, the latter have interpreted the building of the oil pipeline as an expression of the Northern-based ruling class' resolve to establish full control over the economic resources of Sudan's Southern region, and have in the past repeatedly staged armed attacks on construction works relating to the crucial oil-pipeline, so as to prevent implementation of the project.

A second major factor behind Sudan's change-in-international-position, are the oil concessions that have been granted to international consortia of oil companies. Here the examples which are specially worth mentioning – in view of the evidence on the forced displacement of civilians/the depopulation carried out in blocks 1 plus 2 and block 5-A cited above – are the following two concessions: * the concession regarding the *Unity* and *Heglig* oil fields (under blocks 1 and 2) granted to the Great Nile Petroleum and Oil Corporation (GNPOC) which amongst others comprises the Canadian publicly owned company *Talisman Energy* and the Chinese CNCP as main shareholders; * and the concession regarding block 5-A, of which a 40 percent share is held by the International Petroleum Corporation (IPC). IPC reportedly is wholly owned by the Stockholm-based company *Lundin Oil AB*. While these two concessions are crucial in the context of the discussion on depopulation, there are other agreements that have been signed, - agreements which further tend to increase the military regime's scope for manoeuvre and war crimes.

4. The 1991 Watershed: the Oil and Arms' Connection

In order to establish that disparate exchange has become the guiding mechanism sustaining Sudan's gruesome civil war, however, it is not sufficient to note that Sudan has been transformed from a net oil importer into a net oil exporter. We also have to establish that the expanded state-income deriving from the exportation of oil, has been given a special allocation, namely towards the importation of arms from countries outside Sudan's own region, i.e. from countries located in the Northern hemisphere. This only will suffice to categorise Sudan's war under the trading mechanism of disparate exchange. While detailed evidence – on the amount of weapons and their origins, and on the size of taxation-income channeled towards these purchases - should yet be collected to enable us to draw decisive conclusions, the evidence mentioned in newspaper reports and in reports by human rights/development organisations confirms that the trading pattern established since 1999 is one of disparate exchange.

Thus, a report published in the American Journal *Foreign Affairs* (March/April, 2002) states that Sudan's military expenditures have *doubled* since 1998, and that the enlarged military budget has both allowed the military regime to start production of light arms and ammunition domestically, and *to import sophisticated weaponry* from abroad. The *Amnesty International* report referred to above states: 'there is a clear connection between the new found oil wealth and the government's ability to purchase arms; on the day of the export shipment of the first 600 thousand barrels of oil, an import shipment of 20 Polish T-55 tanks arrived in Port Sudan, in violation of the UN embargo on military sales to Sudan'. Thirdly, The *ECOS-Report* of May last notes: 'Prior to oil, the war between the government of the Sudan and the Southern opposition had reached a stalemate. Now, however, the government of Sudan is building a domestic arms industry as well as importing large quantities of sophisticated arms. Without the doubling of the state budget due to oil revenues, the government would have found it impossible to procure, use and maintain the short-range

tactical ballistic missiles that were deployed last year, ..., or the MIG-24 'Hind' helicopter gunships, BM-21 long-range artillery or MIG-29 fighter planes'.

Thus, there is a second major change since 1999 that needs to be recognized in order to establish the working of the trading mechanism of disparate exchange, which is that of a major increase in the importation of (sophisticated) weaponry. It needs to be clarified that these increased arms' imports can be ascribed to greatly enlarged oil revenues recorded for the same period. Although, as indicated, further documentary evidence should be gathered, the evidence cited in the three reports referred to above, clearly points in the direction suggested. And not only are there grounds to speak of the application of disparate exchange, the trade between of commodities representing waste against commodities representing wealth. In view of the pattern of depopulation noted for *Ruweng* country and Western *Upper Nile* areas, we, it seems, can even speak of a **close interconnection between the depopulation policy carried out recently, and the imperialist trading mechanism of disparate exchange**. In view of this, the Sudanese case should be prominently highlighted in the worldwide debate on the effects of globalisation for Africa/the South.

Disparate exchange has been applied in the context of a whole series of wars waged over the last twenty to twenty-five years in the Middle East and Africa. Having been pushed first by the US towards Middle Eastern countries (eg. towards Iran and Saudi Arabia) during the 1970s, in response to the rise of OPEC, - the mechanism has later spread elsewhere. In particular all those countries possessing fuel primary products in sufficiently large quantities to be exported, are constantly at risk of being exploited through the given imperialist trading mechanism. Both Middle Eastern and African oil exporters have fallen prey to this mechanism. Unfortunately, however, the relationship which globalization holds to these international and civil wars is rarely posed in clear-cut terms. Moreover, there for long has been a tendency to gloss over the responsibility of international oil corporations and mining companies for the war crimes committed in the context of Middle Eastern and African wars. The example of the civil war in Sudan is, then, of general significance for the worldwide debate on globalisation. For it indeed brings out in the sharpest manner the severe injustices being committed under the signboard of 'free trade'.

Dr.Peter Custers
Bangladesh People's Solidarity Centre (BPSC)
P.O.Box 92066
1090 AB Amsterdam
The Netherlands
Tel/Fax: 00.31.20.6937681
Email: antimil@hotmail.com

