

## ***GLOBALISATION AND THE WAR IN SUDAN***

The civil war in Sudan, like the one in Ivory Coast, needs to be understood in relation to processes of globalisation. Such only becomes apparent, once the historical evolution of the country's economy be reviewed. In recent years, the Western media have focused much on the violence perpetrated against the civilian population of the Western region of Darfur. Here, members of an Arab militia, the *Janjaweed*, supported by functionaries of the Khartoum regime, have looted and burned down villages, and have brutalized the population. Undoubtedly, the human rights' violations committed in the given region are severe. Undoubtedly also, the relationship of Darfur to the world economy should be looked into. As some newspapers have reported, - Darfur's attraction for multinational companies lies primarily in the fact that it furnishes two-thirds of the world's supply of gum arabic, a tree sap used as an essential ingredient for commodities ranging from soft drinks to beauty products (1). Yet any tendency to analyse the conflict raging in Western Sudan in isolation is short sighted and must be resisted. Today's war in Darfur in fact forms a *third phase* in Sudan's civil war, - the two previous stages of the civil war having been concentrated primarily in the country's Southern region. It is largely during the second phase of the country's civil war, which lasted from 1983 up to 2002, that the pattern of warfare, as well as the relationship between Sudan's war and processes of globalisation, has been set.

To start, it needs to be noted that Sudan's economy indeed has been oriented externally, towards the world market, throughout the twentieth century. An external orientation was already introduced by the country's former British colonial rulers, and successive governments of Sudan ever since independence in 1956 have stuck to the given orientation. An enclave economy, where one predominant raw material is produced or extracted, was built in the early part of the 20<sup>th</sup> century. At the time, Britain's manufacturers based in Lancashire increasingly specialized in the manufacture of fine cotton thread, requiring long staple varieties of cotton. The Sudanese colony was selected as source of supply for this variety (2). In order to respond to the needs of Britain's industrial manufacturers, the colonial rulers sponsored construction of a huge irrigation scheme, known as the Gezira scheme. According to academic research carried out into Sudan's economic history, raw cotton has formed 70 percent of Sudan's total export earnings through all three decades leading up to the country's independence. No less than 80 percent of these earnings were contributed by the Gezira scheme. And although the percentage share of cotton in Sudan's exports subsequently dropped - it for instance was 42.1% in 1987 -, up to the end of the decade of the 1990s cotton has remained Sudan's main export item (3).

Before elaborating on the transition in the country's export orientation, from cotton to oil, we further need to briefly look into the role which the World Bank and the IMF have played in shaping Sudan's economic policies. Although the international

financial institutions, the IMF in particular, in recent history have maintained a conflictual relationship with the Khartoum government, they did influence the country's economic policymaking in the past. First, when under the country's First Ten Years Plan (1961/62 – 1970/71), the government decided to expand export-oriented cotton farming, the World Bank came forward to extend a series of loans. These loans were used to finance machinery imports, and enabled the government to promote and extend mechanized cotton farming, notably in Southern Kordofan (4). From the late 1970s onwards, the IMF also came in to provide economic advice to Sudan's government, in a context of growing external indebtedness. The standard combination of measures the IMF proposed included both major devaluations of Sudan's currency, reinforcing the country's export orientation, and austerity measures. Since Sudanese politics more recently has been heavily militarized, it is especially important to note that the economic hardships caused by increased food prices in an earlier phase have repeatedly led to massive political protests, directed against both the government and the IMF (5). In the 1990s, the WB and the IMF have suspended all lending to Sudan. Yet the country's huge external debts, estimated at 21 Billion Dollars in 2003, continue to offer considerable leverage for future external imposition of policies.

Let's now look at the dramatic transformation in export commodity dependence away from cotton which has occurred more recently. According to the UNCTAD report on Least Developed Countries (LDCs) for 2002, in 1999 Sudan's status changed from being an exporter of *non-fuel* primary products into an LDC ranked as *fuel* exporter (6). Cotton lost its position from being Sudan's main export item, to oil. At first, this shift would appear the outcome of a wise decision on the part of the country's government. In the early eighties, it was faced with a rapidly increasing bill for oil imports. Oil imports absorbed no less than 75 percent of Sudan's total export earnings in 1982, and contributed to a growing deficit on Sudan's balance of payments. Through the decade of the 1990s, Sudan's dependence on oil imports continued unabated, costing the country over 300 million Dollars annually. At first, then, Sudan's choice in favour of oil extraction could be read as a healthy choice, since it was helpful towards ending the country's import dependence. However, a closer reading of the growth of oil exploration and oil extraction in the context of the persisting civil war, reveals that oil extraction rather serves as source for the waging of war, and that it even has been accompanied by the perpetration of war crimes.

First, the areas of oil exploration, and the region from where a long pipeline has been built to Port Sudan, in the country's North East, are not uncontested territory, but form a part of the Southern Sudan region where guerrilla forces claiming self-determination for the region's ethnically distinct population have been operating for decades. The American Chevron company reportedly first discovered oil in Heglig and Unity oilfields way back in 1980. At the time it was granted concessions in the form of a product sharing contract by the Sudanese government. However, the oil exploration activities of Chevron soon became a target of attack by armed combatants of the SPLA (the Southern People's Liberation Army), which rightly presumed that the Southern population would not benefit from these oil contracts under Sudan's existing political system. From its side, the then government sought to undermine resistance to oil

exploration and extraction through the use of brutal tactics. As several human rights' reports brought out on Sudan in recent years have pointed out, - as early as in the 1980s the government pursued a policy of *depopulation*, displacing people from areas earmarked for oil activities (7).

Further, the exploration, extraction and processing of oil (in an oil refinery built by Shell company), have not just been taken up in order to supply Sudan's domestic market and eliminate the country's former import dependence, but also in order to export oil to the world market. Concessionary rights have been divided into blocks, and the rights, initially at least, were shared by Western and Asian oil companies. Thus, Blocks 1 and 2 in Western Upper Nile, which include Heglig and Unity oilfields, was granted to a consortium, that originally comprised both the Talisman Energy Inc of Canada, and the China National Petroleum Company (CNPC). Block 5A was granted to a consortium, which included the Swedish Lundin Oil as lead partner, owning more than 40 percent. Block 5, which awaits development, is by far the largest concession, comprising an area of 120 thousand square kilometers. It was granted to the French multinational TotalFinaElf (8). The oil concessions taken into exploration from the moment the oil pipeline started functioning, in 1999, rapidly helped the Sudanese government to raise its oil revenue from exports. In the years from 2001 to 2004, the government is said to have earned some 400 to 500 US million Dollars per year from its lucrative oil exports. Two-thirds of the exports (plus 64 percent) were destined for China, which emerged as Sudan's main trade partner.

Now, the large income accruing to the government from these oil exports was not used to enhance the welfare of Sudan's population, but to strengthen the government's war efforts in the South and in Darfur. Contrary to other Subsaharan African countries-at-war, Sudan's government has not relied on arms' imports alone, but has built several military complexes with money obtained via oil concessions and oil exports. Construction of these complexes was, for instance, recorded in Christian Aid's report on Sudan, entitled 'The Scorched Earth', published in 2001. According to this report, the military section of the newly built Military Manufacturing Complex (MMC) specialises in light weapons, machine guns and ammunition. A second site, (built at the cost of 450 US million Dollars) according to Sudan's president was entrusted amongst others with producing rocket grenades, machineguns and mortars (9). Clearly, Sudan's regime has not relied on purchases of arms on the world market alone, but has sought to ensure that at least a part of the arms' supply towards the government's war efforts be available from domestic military industries.

Nevertheless, importation of major armament systems has undoubtedly been facilitated by the country's rising oil income from exports, and has also had dramatically negative consequences for Sudanese civilians. Sudan's military budget is reported to have more than *doubled* since construction of the oil pipeline, rising from 162 million US Dollars in 1998, to US 327 million US Dollars just two years later, in 2000 (10). Reports by international human rights' organisations further state that Sudan in recent years has been using as much as *half* its annual budget for expenditures relating to the civil war. Items, importation of which has visibly increased since the 1999 watershed, are tanks,

fighter planes and helicopter gunships. A country which has been quite willing to supply the Khartoum regime with arms is Russia. Its government confirmed to the UN that it had exported 22 armoured combat vehicles and 12 attack helicopters to Sudan in 2001. Similar weaponry was also sold by Russia to Sudan in 2002 (11). An overview of arms imported by Sudan over a period of a decade, from 1994 till 2004, made by the Swedish peace research institute SIPRI, indicates that more than three-quarters of arms' imports over the given period were supplied by Russia alone (12). And although it is difficult to establish direct interconnections between specific arms' imports and the exportation of oil, - there is little doubt that rising armament expenditures and recent imports of sophisticated weaponry have all been financed by the exportation of oil. The latter mechanism of the international exchange of arms against oil is best characterized as *disparate exchange* (13).

A central issue for any review on the case of Sudan's civil war relates to the government's policy of *depopulation*. As already mentioned, the forced eviction of civilians in the South as a part of governmental war strategy has a long history in Sudan, going back to the 1980s. The given tactic was resumed in the late 1990s, and has led to very massive displacement. The 2003 report of Human Rights Watch (HRW), which is probably the most detailed report brought out on the issue, speaks of an estimated **174,200 civilians** displaced in Western Upper Nile/Unity state over a period of three years. Further, the displacements clearly took place in areas earmarked for oil exploration and extraction, and they were enforced with 'sophisticated' weaponry: the government's air force would first strafe villages using helicopter gunships, and would then move in to expel villagers with brutal force, leaving a tail of destruction. HRW argues, amongst others, that newly imported helicopters were employed as part of the depopulation campaign, thus raising the spectre of a connection between the mechanism of disparate exchange and the perpetration of war crimes (14). The main thrust of the Human Rights Watch report, as also of reports brought out previously by Amnesty International, Christian Aid and the European Coalition on Oil in Sudan (ECOS), was to pinpoint the responsibility of oil companies for the suffering of Sudan's people (15). According to HRW, in some case, such as in the case of the Talisman Energy Inc and Greater Nile Petroleum Operating Company concessions, oil companies even 'assisted' the government in its depopulation campaign, by allowing airfield and road infrastructure they themselves have built, to be employed by the government's armed forces (16).

Before concluding this summary, it is necessary to refer to the role of the US government in the recent evolution of Sudan's civil war. Since Chevron's withdrawal in the 1980s, no American oil corporation has been involved in oil exploration and oil extraction in Sudan. In fact, there exists a significant lobby of conservative religious organisations in the US, favouring Southern opposition forces with a Christian constituency. Yet whereas in the past, the US government had clamped down sanctions on Sudan, - after the construction of the oil pipeline which heralded a major shift in the balance of forces in Sudan's civil war, it moved towards a position of favouring a negotiated settlement between the Khartoum regime and the SPLA. HRW in its report significantly refers to the instance where capital market sanctions against foreign oil companies doing business in Sudan were proposed in the US Congress, yet were not

approved due to resistance by US corporate (oil and financial) interests (17). In 2002, peace talks were held through American mediation. These resulted in an agreement on the cessation of hostilities, in the form of a memorandum of understanding, signed on October the 15th. The agreement, however, was immediately criticised by Sudanese political opposition forces based in the North, characterising it as a dictatorial deal between two militarist forces. Moreover, soon after the signing of the deal, resistance erupted full scale in the Western region of Darfur, confirming that the US government had ‘overlooked’ the interests of a major section of the Sudanese population. In a recent interview, the UN’s envoy for Sudan, Jan Pronk, states that it was entirely wrong to leave out the question of Darfur in the US brokered peace deal (18). It appears then that the US government was acting out of the feeling that the Sudanese oil deals had left out American interests, and that – no matter the consequences for the Sudanese people – the US should seek to regain ground by steering a ‘middle’ course.

This summary regarding Sudan’s civil war does not purport to give a complete overview of all issues at stake in the given war. Yet on the basis of the evidence collected so far, key lines of analysis can well be drawn. First of all, the country of Sudan presents an example of a long continuum of export-oriented governmental policies, stretching from the colonial period when cotton-cultivation was initiated, to today’s oil-based economic strategy. There is a need to look closely into the significance of this strategy, and into the role which WB/IMF have played in promoting it. Secondly, there is the core issue of exploration and extraction by foreign oil companies, and the impact it has had on the direction of Sudan’s civil war. Given the accumulated evidence on the implementation of a depopulation policy, and accusations by international human rights organisations, stating that oil companies bear responsibility for the government’s use of tactics that are considered war crimes under international law (19), - any analysis of Sudan’s war and globalisation needs to highlight both the perpetration of war crimes and their connection with oil exploration/extraction. Thirdly, the mechanism of disparate exchange, of the international exchange of raw materials against arms, forms an intrinsic part of the story on the Sudanese war. While the trading mechanism by now is finding broader application in the world economic system, its historic emergence was primarily promoted by the US government, in reaction to the struggle of OPEC’s oil producers, and was a part of its effort to defend US corporate interests in the Middle East (20). Given the fact that disparate exchange is related to globalisation, and that it has been applied in the context of a whole series of African wars, this mechanism definitely needs to be understood.

*Dr. Peter Custers*  
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