

Economic Development in Sudan: Some reflections on the Joint Assessment Mission Report

Prepared for presentation at the Sudan Studies Association 24th annual conference, York University, Canada.

Michael Kevane
Department of Economics
Santa Clara University
Santa Clara, CA 95053
mkevane@scu.edu

draft: August 17, 2005

Introduction

Over the past year and a half, a group of people from the United Nations, the World Bank, the Government of Sudan and the SPLA have written a blueprint for economic development in Sudan. This group goes by the name of the Joint Assessment Mission for Sudan (JAM). The blueprint is called, "Framework For Sustained Peace, Development and Poverty Eradication," and was released in March 2005 by the JAM in time for the Oslo Donor's Conference in April. The donor's conference largely approved and funded the blueprint.

So this is an important document. I would like to spend 20 minutes this evening both praising and critiquing the document. Let me say a little bit of praise about the process, because it seems to have been especially open and consultative. All of the documents related to the process are available through the JAM website, and they constitute an indispensable and incredible archive for any student of the post-war reconstruction. It really is very impressive.

The JAM plan

Before I start an analysis of the JAM plan, let me say a bit about the magnitude of the plan. What the plan does is specify spending of just under \$8 billion in two and a half years, from July 2005 through 2007. Donors and both governments (of southern Sudan and the so-called national unity government) are committed to the spending priorities and are committed to delivering their share. The share of government comes, of course, from the oil revenues, expected to be roughly \$2 billion plus per year for the medium term.

\$8 billion is a lot of money to spend over 2.5 years, coming to around \$3.2 billion per year. If you think about the population of Sudan at around 32 million, then this is about \$100 per person per year. If you think of the funds as being largely directed towards the poorest and most marginalized in Sudan, say

about 20 million persons, then you have spending of about \$160 per person. What is this money going to be spent on? The biggest shares go to public education, public health, and road infrastructure. Building schools and roads is the biggest percent of the budget. As usual with public expenditures; the builders are the first to win.

Looking at some of the specific numbers is instructive. About \$242 million will be spent on building roads (at \$100,000 per kilometer, this ends up being about 2400 kilometers). An additional \$672 million is assigned for projects under the rubric "National Infrastructure," largely involving building up the physical capacity of the new Government of Southern Sudan. Another \$375 will be allocated to urban infrastructure, for a total infrastructure spending of \$1289, or 16% of the total budget. Education spending will be equally massive, amounting to \$1223 million to build out especially the schooling infrastructure of the South. This spending will be 15% of the total. The next major category is basic health and water spending, at \$1030 million, or 13% of the total. Capacity building will receive 9% of the total funds. Rural finance will be allocated \$510 million, or 6% of the total.

Some of the line items are bizarre. Land policy is accorded \$400,000 at the national level, \$2.8 million for the three areas, and \$200,000 for southern Sudan. \$48 million goes to the media in southern Sudan. So 240 times more will be spent on the media in the south than on land policy. In northern Sudan \$8 million is allocated for the media, or 20 times as much as land policy. Whatever the land policy is, it will be well-communicated. The budget doctors have allocated \$119 million to the functioning of the central bank. And how much for mainstreaming gender and HIV? A lot of brave talk, but you have to follow the money when reading these reports: \$1.9 million for the whole country. So there is foreseen 50 times as much for central banking as for mainstreaming gender.

Why not give the money away?

Let us come back to the \$8 billion. To me, it is always worth thinking about simply giving that money away. In other words, subtracting the delivery costs, you could probably give each poor person in Sudan an annual payment of \$150 for the next several years. When you think about family income, two adults and two children could get \$600 per year. Most people in rural areas earn far less than this in a year, and probably if given a choice they would rather have the funds delivered as an income supplement than as a bundle of services, however well intentioned the service providers. So I always think it is an interesting question, why do we think that a joint government of national unity of the GOS and SPLA can spend that kind of money in a wiser way than a poor person in Bahr al-Ghazal, or Nuba Mountains, or Sinja?

It is not that puzzling to note that none of the documents suggest that the revenues accruing to the government- of aid and oil- should be handed over to citizens in the form of an income guarantee. Now there is no need to think deeply about why this is overlooked. The consultants would all be out of future

jobs if they said that individual recipients could do a better job. There is a bias among development thinkers to suppose that government spending is more effective than private spending. There is the sad likelihood that many of these consultants probably think that people would waste their windfall. This mentality is very, very common. Even among a distinguished and enlightened audience such as yourselves, you probably believe that. Your first thought, I might venture, was of a poor person getting a \$150 check and going out and buying beer. In southern Sudan, of course. In northern Sudan they might buy *tombac*, I suppose. The women would buy *toobs*. Younger people would buy cell phones. But think about it for a second. Is that really what poor people would do with an income windfall? Do we not think that parents would send their children to a high-quality school? Do we not think that a farmer might buy a younger, stronger donkey? Do we not think that a woman tea-seller might invest in another set of tea glasses? I think we would see a lot of that kind of small-scale private investment, much more than you might imagine.

You know, an economist at UC Berkeley (Ted Miguel) has done a study of how the incidence of witch-killing varies in rural Tanzania with rainfall and income. When times are tough, the young tough guys take out their frustration on elderly, powerless widows. They call them witches and kill them. An income supplement not only enables the very real poverty of these widows to be alleviated, but also might keep them alive.

So the first thing I want to say about the plan is that I am a little disappointed that no consideration seems to have been given to an income support scheme. I would have been happy to see it targeted to the elderly, and especially to elderly women.

Conflict and justice in Sudan

I want to digress a little now and talk about the analysis of the conflict underpinning of the plan. There are some very nice background pieces on the conflict, and many of these pieces summarize and nicely interpret articles and books written by Douglas Johnson, Wendy James, Jok Madut Jok, Francis Deng, and other regulars of the Sudan Studies Association. But the summary report boils down the conflict to one paragraph, which I want to parse line by line. So first I'll read the whole thing.

Key structural causes of the war between the North and the South are linked with the South's historic underdevelopment and lack of inclusion in decision-making. More proximate causes included increased centralization of power in Khartoum, failure to implement the Addis Ababa peace agreement, and the issue of state and religion triggered by the regime of General Nimeiri. Issues of identity rooted in religion and culture have played a unique role in the South. The North-South and other conflicts have extended to arming of tribal militias, reinforcing and

exploiting ancient tribal and ethnic rivalries for war.

JAM p. 14

Let me parse the first two sentences. “Key structural causes of the war between the North and the South are linked with the South’s historic underdevelopment and lack of inclusion in decision-making.” Notice the very passive sentence structure- there are no actors here; the causes are “linked.” No one is going to disagree with this boilerplate if poorly written. The next sentence goes on, “More proximate causes included increased centralization of power in Khartoum, failure to implement the Addis Ababa peace agreement” and this is really just saying the same thing as the first sentence, “and the issue of state and religion triggered by the regime of General Numeiri.” I appreciate how they cannot say the word *sharia*, don’t you? Is there another issue of state and religion that is relevant? I also appreciate the idea of blaming General Numeiri. He seems to be turning into the teddy bear villain of Sudan. “Aw shucks, if only Numeiri hadn’t done this or that, things might have turned out just fine.” “What are you gonna do, when you have a guy like Numeiri? Bad things happen.” You may be beginning to smell a rat- the two parties to the agreement, of course, want to say that they are not responsible for what happened in Sudan! It was all the fault of that other guy, the guy who came before.

The paragraph goes on, “Issues of identity rooted in religion and culture have played a unique role in the South.” I find this sentence simply amazing. The South now seems to be responsible, with its “issues” of identity. Again, though, note the passive voice. Finally, the last sentence, “The North-South and other conflicts have extended to arming of tribal militias, reinforcing and exploiting ancient tribal and ethnic rivalries for war.” Notice that the conflicts are the actors here, not Sadiq al-Mahdi, say, who officially armed the militias used by the northern regime.

Now, you have to be a bit saddened by a paragraph like this. Even understanding the niceties of diplomacy, this version is basically a whitewashing of the Sudan civil war. Who was responsible? Who needs to be held accountable?

To bring home my point, let me turn to a document that goes a much longer way there, Abel Alier’s *Southern Sudan: To Many Agreements Dishonored*. Here is what Alier writes in his introductory comments where he traces his own career before becoming Vice-president.

I received a blow in Bor in 1967 when I went there to defend a great and fine man, Paramount Chief Ajang Duot Bior with 14 other chiefs. They were detained by the army garrison in Bor... I was immediately confronted by a young officer who was dangling his revolver in front of me and said, without mincing his words: “I hear you are an advocate who has come to defend the chiefs. Well, this is our law...” pointing to the revolver...I returned to Juba to seek transfer orders... the Paramount Chief and

others were taken from detention and escorted to their homes where they were shot. The young officer in Bor was earnest in his threats. (Alier, p. 7)

Alier goes on to talk about some other wanton and unjustified killing, and then he summarizes very wisely, in my opinion. He writes of the violence and the killing: “The whole thing can be endless, self-sustained by its own momentum. ... Much could be salvaged if wisdom, statesmanship and justice are exercised. But how often in the dynamics of violence these qualities have been ridiculed.” (Alier, pp. 8-9). Wisdom and statesmanship, I think, the people of southern Sudan are getting, recently. But justice? Justice is an essential element of peace, and the comprehensive peace agreement contains no justice (not even a truth and reconciliation commission of the most watered down kind). I do want to point out that Alier does not actually name the “young officer”. (Instead, he has a veiled connection straight to Sadiq al-Mahdi, but that is another story that many of you know better than I.)

Now, I am supposed to be talking about the economic development, so let me say that the JAM plan doesn’t even pretend to have a justice component, despite its laudable emphasis on poverty. At the end of the US civil war, the freed slaves were promised 40 acres and maybe a mule. Maybe a mule, they never did get the mule. But many did get their 40 acres. That is what “mainstreaming” justice means, after all- taking away and restituting. In Sudan, nobody gets anything. Instead, their children will go to school, maybe.

Why is that? Let’s turn to the JAM analysis of why the war happened. The JAM report ends up largely ignoring even that passive voice structural analysis of the conflict, and instead adopts a practical vision of conflict very much like that advocated early on by the GOS for the Darfur conflict. That is to see the conflict as an almost inevitable bursting forth of tensions arising from pressure on a diminishing resource base. You all know this story, of the pastoralists and the farmers who cannot get along as they fight over watering rights, and probably either tell it or have friends tell it. I don’t mind saying, in front of this distinguished audience, that I find the argument to be nonsense. As many of you know I have spent the last ten years doing research in Burkina Faso, at the other end of the Sahel. Poorer, by many indicators, than Sudan. And guess what? No civil war. Of course there is conflict. But like most places in the world, the conflict is not allowed to descend into lawlessness and arming of militias.

Thus the thesis of conflict in Sudan: underlying local level conflict. Notice who is responsible for the war. The poor people. The pastoralists and the farmers, who can’t get along. So they need to be taught how to get along, through education. And since they are the cause of the war, and nothing was taken from them, there needs to be no restitution. So there is no economic justice in the economic development plan.

Addressing poverty

I suppose I should tell you some good news about the plan. The plan is drawn from the “Make Poverty History” and Millennium Development Goals menu. It is a cookie-cutter plan, no doubt about it. Nothing original at all, no flair, no vision, just an abundance of common sense. When you find a little restaurant in Kordofan that serves *aseeda* and *mulaah*, you don’t criticize it. You are hungry, and you enjoy the plain food. So honestly, I do admire the JAM team, who probably had a lot of resisting to do, from those who wanted to add things to the menu, like a sugar plantation larger than Kenana, or the world’s largest sawmill, or an laying an advanced fiber optic cable in the whole country, and other nonsense.

But still, I find myself returning to the core of the plan, education and roads. I keep asking myself whether the private sector cannot manage education just fine, especially in the south where Christian missionaries are more than willing to subsidize schooling. And I keep reflecting on my experience in Burkina, where people are very much more interested in getting bicycles than in having roads built. Sure, they would like a road. But they know that the benefits of roads go disproportionately to rich people, while the benefits of bicycles go straight to themselves. Incidentally, I did a search for bicycles in the JAM documents, and found no mention at all!

Conclusion

So I hope I have left you with a flavor of my reading of the JAM report and touched on some important issues of economic development in Sudan. Perhaps not everything has been covered. I cannot of course discuss the oil sector, not macroeconomic policy, in twenty minutes. What I hope you remember from this brief talk is that serious political attention should be given- should you so choose, as actors in Sudan- to support income guarantee schemes rather than state-led development. Also, the sanitized intellectual underpinnings of economic development risk ignoring the essential justice component. And the pro-poor poverty spending emphasis on education and infrastructure runs the risk of ignoring the real choices of the poor, the choices that they make when confronted with their poverty, and instead go down a path that enables the smart and the rich to take advantage of public investment, while everyone else stays at the bottom of the well.