

South Sudan Looks East: Between the CPA and Independence

Daniel Large

On 9 July 2011, the special envoy of the Chinese President conferred his government's blessing on, and support of, the independence of South Sudan. The extension of full diplomatic relations and recognition of South Sudan's new sovereignty represented an immense change in China's Sudan engagement from 9 January 2005. Between January 2005 and July 2011, China's relations with South Sudan underwent a dramatic evolution. A sequence of phases led China from supporting the unity of Sudan to recognizing the new Republic of South Sudan. At first, China firmly supported unity; later, it then began to hedge its bets on the South's political future and to develop relations with the South and the "one Sudan, two systems" framework created by the Comprehensive Peace Agreement (CPA). In the face of the strong momentum towards secession, Beijing finally began to prepare for relations with an independent state. This article briefly considers aspects of this process and what China's relations with the Republic of South Sudan now mean for the new state.

Daniel Large is a research associate with the South African Institute of International Affairs' China in Africa Programme and director of the Rift Valley Institute's Sudan Open Archive (www.sudanarchive.net), which provides free digital access to historical and contemporary knowledge about all regions of the Sudans. He co-edited *China Returns to Africa* (London: Hurst, 2008) and *Sudan Looks East: China, India and the Politics of Asian Alternatives* (Oxford: James Currey, 2011).

In the Shadow of North Sudan

Sudan's relations with China have mostly been viewed through a narrow prism privileging formal interactions between northern central state and corporate elites. Analysis had thus been limited in terms of its political, economic and geographical purview. This dominance of northern-centric approaches to Sudan's China relations can be attributed to a combination of historical circumstance, neglect, and recent, more political factors. The historical mythology of Sudan's China relations mostly concerns northern Sudan, as evident in official narratives of shared colonial oppression or the more recent history valorizing Chinese oil operations in Sudan in the 1990s. Exceptions to this prevailing coverage mostly reinforce constructions of the South as merely an object of external intervention, when, it can also be seen, including with regard to China, as a more active agent in developing relations in line with its own political purposes.

Khartoum had good reasons to want to control access to and influence relations between China and the SPLM. The NIF had long defined and controlled China's relations with the South. China, in turn, only dealt with Sudan's sovereign central government. The Government of South Sudan sought to develop relations with various external powers as part of its efforts to develop a foreign policy of its own. Alongside the US, China stands out as being unquestionably of major significance in view of its economic role in Sudan, relations with the NCP and permanent seat on the UN Security

Council. In this context, the historical departure represented by the recent growth of relations between Juba and Beijing reflects changes in wider Sudanese politics.

China's Changing Role in Sudan

China's engagement in Sudan developed after the 1989 National Islamic Front (NIF) coup and the entry into the country of the China National Petroleum Corporation (CNPC) in 1995, to become a more multifaceted, complex role by the time the CPA was signed in 2005. Over this period, China became progressively more immersed in Sudan's domestic politics; its array of economic and military assistance coupled with international political patronage evoked US-Sudan relations under Nimeiri, albeit with notable differences. Beijing's policy of non-interference in Sudan's internal politics is a defining marker of difference from European states or the United States. This defining principle, so rapidly deployed by defenders and targeted by critics of China's foreign policy alike, was prominently brought into question by the Chinese government's actions in helping persuade the ruling National Congress Party (NCP) to accept UNAMID (the African Union/United Nations Hybrid operation in Darfur). As it transpires in practice, this sits uncomfortably with Beijing's multi-faceted support for the NCP, and while stretched over Darfur, there was no clear transgression. A more pressing question for China has been whether the principle is becoming a constraint on securing China's established interests. The non-interference principle might be rationalized by its proponents as a coherent, defensible normative position and policy intent; it has also factored in to China's political role over the CPA (being the reason, for example, for Beijing's unwillingness to be involved in the question of Abyei). It does not, however, comfortably square with the actual nature and effects of Chinese investment. China's heavy involvement in Sudan's oil sector was influential in solidifying the NCP's interests. The most emphatic rejection of non-interference prior to 2005 had been in South Sudan

where the Chinese role – together with that of oil companies from Malaysia, Canada and after 2003 India, to mention but the most prominent – had been experienced as functional partisan interference.

Arising from this recent wartime history before the CPA, illustrated only too vividly over Darfur from 2004, two associations with China are commonly articulated in the South. One is that China, as an active, willing supporter of Khartoum, was a wartime enemy. This receives various expressions, from understated views to more direct criticism and overt opposition. As the CPA negotiations continued during 2004 in the Kenyan town of Naivasha, and the UN was planning its future mission in Sudan, the refrain that the Chinese were “not welcome” summed up a common attitude in the South. Second, the active equation between China and the economic exploitation of the South is often cited, linked to views that the northern-based NCP had benefited from southern oil. China is regarded as engaging in narrow resource exploitation without corresponding benefits for the South in general and for affected populations in oil-producing regions in particular. China, then, was hardly well placed in the South.

The SPLM's approach towards China after the CPA was predicated upon “turning enemies into friends”. With Darfur overshadowing Sudan's CPA politics, it took time for substantive relations to develop. The first, semi-official post-war contact between Beijing and Juba took the form of a high-ranking Sudan People's Liberation Movement (SPLM) delegation visit to Beijing in March 2005 to discuss possible “economic cooperation”. The pioneers of the Chinese post-CPA engagement in South Sudan, however, were entrepreneurs, not diplomats, who rapidly moved in pursue economic opportunity in the South after the CPA (and in some cases before it). This was a different form of business engagement to the oil industry and the likes of the CNPC, which mostly continued business as usual.

Juba and Beijing Engage

A key turning point in political relations came after the July 2007 state visit to China by Salva Kiir Mayardit, then the President of Southern Sudan. This mission was one part of the Government of South Sudan's wider strategy of external engagement aimed at attracting investment and securing international support for implementation of the CPA. Due to China's important relations with the NCP and role in north Sudan, and the oil sector in particular, as well as Beijing's UN Security Council permanent seat, however, the stakes were disproportionately high. During Kiir's meeting with President Hu Jintao on 19 July 2007, he explained two fundamental issues: the geography of Sudan's oil and the CPA's referendum clause. As he reported back to the Southern Sudan Legislative Assembly not long afterwards: "At least China is now aware that most of the oil produced in Sudan is from Southern Sudan and that people of Southern Sudan will exercise their right of self-determination in a referendum to be conducted by 2011".¹ With some 75% of Sudan's proven oil reserves in the South, and in view of the SPLM's preference for independence despite legally binding "making unity attractive" politics to the contrary, clearly China needed to recognize and respond to a new political reality it appears not to have been fully cognizant of before. From the SPLM's perspective, despite suspicions in some quarters that China might use its Security Council veto against Juba, connecting with China represented something of an empowering coup in its domestic struggle with the NCP. The best friend of their enemy had little choice but to become their strategic ally, and did so in an eminently flexible, pragmatic way.

After this trip, relations between Juba and Beijing expanded. At the beginning of September 2008, in the presence of the Government of South Sudan's Vice-President, Riak Machar, China's Assistant

Foreign Minister Zhai Jun inaugurated the new Chinese consulate in Juba. China stepped up its bilateral assistance to South Sudan in tandem with, and as an important part of, its efforts to improve its standing with the Government of South Sudan and in the South more generally. Beijing defined and then sought to deploy a multi-stranded program of "development assistance in the South". An important pillar of China's policy with the Government of South Sudan was initiating and enhancing economic relations. One strand of pre-referendum Government of South Sudan – China diplomacy also concerned potential post-referendum development cooperation, and saw thickening links between Juba and Beijing as the months to the referendum and independence counted down. Relations were not, however, confined to economic matters but feature greater exchanges between both governments, and between the Communist Party of China (CPC) and the SPLM.

Unlike Khartoum, China was more involved in multilateral forums in Juba. Beijing was clearly more exposed in the South. While sticking to its bilateral interests, China sought to engage other international partners more, and to fit its activities around these to some extent whilst driving forward its own position through a determined strategic push.

The Government of South Sudan sought to secure Beijing's support for an independent South Sudan ahead of its referendum. China was one of a number of countries that Government of South Sudan delegations visited as this vote approached, to secure support for the CPA's final stages and plan ahead, but clearly, China was particularly important. Southern leaders, including the Government of South Sudan Vice-President, publicly emphasized their demand that China support the outcome of the referendum. At times, such demands were openly linked to China's future role in the oil industry, bound up in an apparent bargaining process in which both Juba and Beijing held shared vested

¹ Salva Kiir Mayardit, speech at the opening of the second session of the Southern Sudan Legislative Assembly, Juba, 10 September 2007.

stakes.² Beijing also took steps to enhance relations, expanding its aid program in the South, and standing ready to offer financial assistance to the Government of South Sudan. The CNPC sponsored a visible new computer facility at the University of Juba and, rather less conspicuously, sought to negotiate with the Government of South Sudan. One indication of the forward-looking elevation of the South in China's Sudan engagement came in October 2010 with the upgrading of diplomatic relations and appointment of Ambassador Li Zhiguo to be China's new Consul General in Juba. In the same month, a CPC delegation visit to Juba provided confirmation of high-level engagement by Beijing ahead of the referendum. In the period after the referendum and before 9 July 2011, the Chinese engagement ramped up noticeably in Juba and in the South more generally.

Two Sudans: post-secession relations

The creation of a new Republic of South Sudan formally enshrines the triangular pattern of relations connecting Beijing with both Khartoum and Juba. These are set to overlap both in terms of China's approach to the new Sudans, summarized in August 2011 by its Foreign Minister as "inextricably interdependent" but most significantly because of the underlying relations between the North and the South amidst new patterns of conflict, ongoing tensions and unresolved final status negotiations. China, and others, could well face difficult choices in maintaining relations with Khartoum and Juba if faced with difficult choices, depending on how North-South relations across a new international

border, however that is finally defined, develop. While separate but connected two Sudan policies might work on paper, they are certain to be tested by ongoing conflict in new peripheries of northern Sudan and Darfur.

A contrast now exists between China's established role in northern Sudan, and its emerging role in South Sudan, which is caught up in wider regional and geopolitical trends. These relations also are assuming regional dimensions: Sudan is more bound up in the regional North Africa and Middle East, and South Sudan within east and central Africa. Furthermore, there are geopolitical aspects at play too, defined by Sudan's current default alliance pattern characterized by China's support for Sudan and American support for South Sudan. This is not a zero-sum situation and remains subject to ongoing political uncertainty but is a present factor.

Overall, China's role is subject to uncertainty surrounding conflict in South Kordofan and other border regions of Sudan's "new South", unresolved oil sector negotiations and fraught relations between the new Sudans, and questions concerning review of inherited oil sector contracts. One outstanding question is the nature and extent to which Beijing is willing and able to play a political role in mediating ongoing negotiations between Khartoum and Juba about final status issues, including (but not only) future oil industry arrangements. China has expressed a willingness to mediate, and has not just self-interested reasons to work towards this end by virtue of its more developed economic interests but also leverage with the NCP.

From the Republic of South Sudan's perspective, and in face of the daunting development needs, a China policy could be an important part of future development strategy. China's potential budget support to the Government of South Sudan, in view of the expected time lag between independence and the process of the Government of South Sudan becoming eligible for concession lending from international financial institutions. With the basis of relations established by July 2011, China's major

² On her return to Juba, Dr. Ann Itto (Minister of Agriculture in the Cabinet of South Sudan) was quoted as having told Chinese officials that "if they want to protect their assets, the only way is to develop a very strong relationship with the government of Southern Sudan, respect the outcome of the referendum, and then we will be doing business": "South Sudan Says China Must Recognize Referendum Result to Retain Oil Assets", *Sudan Tribune* (Paris), 20 August 2010.

contribution in South Sudan could be yet to come. China's future role in an independent South Sudan could come to be significant, beyond oil. There are certainly widespread expectations among certain government figures and international agencies in Juba to this effect. Budget support is one area of possible Chinese assistance. Any future public finance crisis will present Juba with the option of turning to Beijing, which is able rapidly to deploy financial assistance. Chinese assistance offers a potentially significant means to finance and deliver rapid infrastructural benefits, advance practical steps to overcome severe infrastructural challenges, and establish the transport and energy foundations on which South Sudan's economic development might be based. The major question is not whether but how China can best contribute after Southern independence and the extent to which the Republic of South Sudan can best manage Chinese partnership to its own, sustainable and more broad-based lasting advantages.