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## China's Influence in South Sudan: Prospects and Challenges

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### I. Introduction

South Sudan, also known as the regional south part of Sudan, has suffered deeply through its birth and development. After it gained independence on July 9<sup>th</sup>, 2011, South Sudan has gradually developed, even with regional battles between Sudan and South Sudan. However, things changed in December of 2013, when the political power struggle broke out between President Kiir and his former deputy Riek Machar. This caused the civil war to begin and it continues to impact civilians' lives. China, as one of the fastest growing economies around the world, has recognized the richness of natural resources in Africa, and China made enormous progress in Africa by following its "non-interference policy." The non-interference policy basically says that China would only have business connections with other countries, and it would not interfere with other countries' politics. Based on this policy and large investments, the Chinese government provided help to build roads, infrastructure, and housing. China has gained a high reputation and value inside the African community, including South Sudan. China had built and kept stable relationships with both Sudan and South Sudan until the civil war exploded. This review consists of three sections, and is based on research from articles and news. This report describes the civil war inside South Sudan, why China is heavily involved in South Sudan, and why South Sudan needs China for its development.

### II. Review of the Civil War

In December of 2013, due to the political struggle between President Salva Kiir and former Vice-President Riek Machar, violence erupted between presidential guard soldiers from both sides.

The Dinka and Nuer, the two largest ethnic groups in South Sudan, traditionally had conflicts between each other and they were influenced by this political struggle. While soldiers from the Dinka ethnic group, one of the two largest ethnic groups in South Sudan, aligned with President Kiir and those from the Nuer ethnic group, the other largest ethnic group supported Riek Machar. The two ethnic groups are different in beliefs and political ideologies, which makes it harder for them to accept each other or work together. Even though President Kiir signed a peace agreement with Riek Machar in August 26, 2015, under pressure from possible international sanction, the peace agreement still did not keep for long, as the presidential side was not willing to share much power with the rebel side. Consequently, the war broke out again and is still continuing.

The civil war also has prevented farmers from planting food, which also caused food shortage inside South Sudan. According to BBC news, almost 28% of children in South Sudan under 5 years old are moderately or severely underweight.<sup>1</sup> Food shortage is one of the issues inside South Sudan that is caused by the civil war. According to the Council on Foreign Relations, ever since the war erupted, over 50,000 people have been killed and more than 1.6 million have been forced to move out or lose their property.<sup>2</sup> The two sides are both accusing each other of breaking the peace agreement, but none of them seems willing to stop as the civil war continues.

### **III. Involvement in South Sudan**

In 1954, China set its rule for foreign policy, also known as the Five Principles of Peaceful Coexistence.

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<sup>1</sup> "South Sudan's Food Crisis 'worst in the world' -UN," BBC, Last modified July 26, 2014.

<http://www.bbc.com/news/world-africa-28502260>.

<sup>2</sup> "Civil War in South Sudan," Council on Foreign Relations, Last modified May 26, 2017.

<https://www.cfr.org/global/global-conflict-tracker/p32137#!/conflict/civil-war-in-south-sudan>.

One of them indicates non-interference in other countries' domestic affairs. However, throughout these years, the world has started to see a “new China” that played unfamiliar roles during its foreign relations, especially in the region of Africa which includes South Sudan. This section will review the purpose that China has been highly involved with in South Sudan through three elements: oil, business, and political benefits.

As China develops at a fast speed, it needs natural resources for its development. One of the resources China needs most is oil. Yuwen Wu states that China’s economic boom requires a great deal of oil, but home production is limited and imports account for more than 56% of China’s total oil used in 2012.<sup>3</sup> China needs oil to develop, but their home production cannot reach the level needed, which pushes them to import oil from other areas. Africa has been famous for its natural resources, so China has begun trading with countries in Africa for a while, especially Sudan. Sudan, a country that is rich in oil, was a reliable partner with China until 2011. According to Haggai, before it split into two in 2011, Sudan was the second largest provider of oil in Africa, only trailing Angola. Sudan supplied 5% of China’s total crude oil imported.<sup>4</sup> After Sudan split into two countries, China established a relationship with South Sudan, and maintained relationships with Sudan because of oil. China’s heavy investment, as well as the great amount of money they lent to South Sudan, was a way to secure oil rights in South Sudan. In other words, they use money and heavy investments as a tool to guarantee the continued trade of oil between China and South Sudan. Just like Haggai claims that after the split of Sudan, most of the oilfields are in the South part of Sudan.

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<sup>3</sup> Wu, Yuwen. “China’s oil fears over South Sudan Fighting,” BBC, last modified January 8, 2014.  
<http://www.bbc.com/news/world-africa-25654155>.

<sup>4</sup> Matsiko, Haggai. “Boots on the ground: China’s growing role in peace and security on the continent,” Africa-China Reporting Project, last modified January 31, 2015.  
<http://africachinareporting.co.za/2015/01/boots-on-the-ground-chinas-growing-role-in-peace-and-security-on-the-continent/>.

The China National Petroleum Corporation has invested over \$7 billion dollars and controls a 40% stake in South Sudan's biggest oil consortium.<sup>5</sup> There is no doubt that China's investment in South Sudan fits its needs, and it made some progress before the civil war broke out. Yuwen also mentions that the heavy investment works, and in the first 10 months of 2013, China imported 1.9 million tons of oil from South Sudan. This is twice as much as China imports from Nigeria each year.<sup>6</sup> All this evidence shows that China has a high interest in South Sudan, and China has to build and maintain a stable relationship with South Sudan for its own interest.

Some people may wonder why China chose to invest in South Sudan, considering that there are many countries around the world that may have what China needs. The main reason is that China might not have many choices. When we take a look at countries that China has invested in, it is easy to recognize that quite a few of the countries are considered unstable: including Nigeria, Sudan, Iran and so on. Yuwen may provide us with an answer: "all the known global markets have been dominated by western companies or have been off limits because of sanctions, leaving China with little choice but to adopt high-risk strategies."<sup>7</sup> Considering all the facts and heavy competition in Africa, China chose a risky country where they would have little competition.

It is undeniable that China has tried to be more responsible as a world power, in order to gain a better reputation. However, it is also hard to argue that no matter how responsible China tries to be, the thing that most attracts China's government and its people is its own national interest. China is heavily involved in South Sudan because the Chinese government realized that there are business opportunities in South Sudan. Arguably, one of the business opportunities is selling weapons.

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<sup>5</sup> *ibid.*

<sup>6</sup> Wu, "China's oil fears," January 8, 2014.

<sup>7</sup> *ibid.*

Beijing has been criticized by the UN and other countries for selling weapons to South Sudan's army during the civil war, thus China stopped selling them. Even though China has stopped selling weapons, it had earned sizeable profits from previous sales. According to ATT Monitor, China transferred weapons to South Sudan from 2011-2014, and one of the single transactions in 2014 was worth around 30 million in U.S. dollars.<sup>8</sup> China offered weapons to South Sudan from 2011 to 2014 during the civil war because the army in South Sudan at that time definitely needed weapons to defeat their opponents.

In addition to that, China also interferes in South Sudan by sending peacekeepers and using negotiations to try to achieve a ceasefire. Aly Verjee demonstrated that China offered funding to the East African regional organization; Intergovernmental Authority on Development (IGAD), which hosted peace talks in Ethiopia from 2014-2015 to end the civil war. Foreign minister Wang Yi also chaired a meeting with both parties from South Sudan, and agreed to a five-point plan, which aims to accelerate the South Sudan peace process.<sup>9</sup> It surprises a lot people that the Chinese government has been extremely interested in the South Sudan conflict despite its non-interference policy. Nevertheless, as previously mentioned, China has a great amount of investments in South Sudan, so Chinese businesses need a peaceful atmosphere in which to develop. Moreover, history has proved that civil war and other major changes that happen in one country can cause significant economic loss for countries they are doing business with.

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<sup>8</sup> "Arms transfer to South Sudan," ATT Monitor, Accessed May 20, 2017.

<http://armstreatymonitor.org/fr/arms-transfers-to-south-sudan/>,

<sup>9</sup> Verjee, Aly, "Explaining China's Involvement in the South Sudan Peace Process," Real Clear World, Last modified December 29, 2016.

[http://www.realclearworld.com/articles/2016/12/29/explaining\\_chinas\\_involvement\\_in\\_the\\_south\\_sudan\\_peace\\_process\\_112158.html](http://www.realclearworld.com/articles/2016/12/29/explaining_chinas_involvement_in_the_south_sudan_peace_process_112158.html).

For instance, Tony Cartalucci reported that oil production that is operated by China in South Sudan has already dropped by 20% since the civil war broke out, and more than 300 Chinese workers have been removed from the war zone.<sup>10</sup> Oil production dropping and employees leaving are things that Chinese businesses do not want to see and try to avoid because they are terrified of losing profits again. In 2011, China had tremendous losses in Libya, when project after project failed. These failures included the collapse of the infrastructure of the country, as well as a drop in oil production. The drop in oil was due to the Arab Spring fighting, with the total loss for China being estimated at around \$20 billion.<sup>11</sup> Since China had already suffered from the Arab Spring, they were taught a lesson about high risk when involved in an unstable region. This forced China to work towards creating a stable situation in South Sudan.

The last reason China is heavily involved in South Sudan is that Chinese leaders believe that successfully solving the conflict in South Sudan can benefit China long-term. May 14-15 of 2017 is one of the significant dates for China because of the Belt and Road Forum (OBOR) for International Cooperation which allows more economic trade between China and other countries. Peter Biar Ajak, the founder of the Juba-based Center for Strategic Analysis and Research reported that South Sudan will be central to any OBOR plan that targets the eastern part of the continent because of its oil production.<sup>12</sup> China's new OBOR project needs support from South Sudan, which seems likely given the previous heavy investments made by China.

More importantly, the Chinese government realized that to solve the conflict in South Sudan, it must increase China's reputation in this area.

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<sup>10</sup> Cartalucci, Tony, "The Plundering of South Sudan," Global Research, Last modified January 9, 2014. <http://www.globalresearch.ca/the-plundering-of-south-sudan/5364376>.

<sup>11</sup> Wu, "China's oil fears," January 8, 2014.

<sup>12</sup> Ajak, Peter Biar. "China's success in Africa depends on peace in South Sudan," Mail & Guardian, Last modified May 10, 2017. <https://mg.co.za/article/2017-05-10-chinas-success-in-africa-depends-on-peace-in-south-sudan>

It will also be beneficial for China for future business cooperation and connections in Africa because the issue in South Sudan has become a world issue and involves more countries. Robert Rotberg claimed that “An estimated 2.5 million South Sudanese have been displaced by the civil war. More than 110,000 have fled to Uganda. Another 200,000 often very hungry South Sudanese crowd into lamentable displaced persons camps near Juba and Malakal.”<sup>13</sup> Refugees from South Sudan have escaped to nearby countries. Peter Biar Ajak also indicated in his article that while Uganda has more than 830,000 refugees from South Sudan, 100,000 are settled in Kenya and more than 140,000 in Ethiopia.<sup>14</sup> South Sudan’s civil war has transferred from a domestic issue to a world issue, which means it needs more countries including China and countries surrounding South Sudan to help stabilize it. This provides China with opportunities to build connections with other African countries to learn from them and work together. It also allows China to win the trust from African countries and to establish and maintain stronger and more reliable relationships for the future. More importantly, if China could work with other countries’ leaders to achieve peace in South Sudan, it will not only improve its reputation inside Africa, but they will also gain more experience for the future, since some of China’s investments are in similar unstable areas.

#### **IV. South Sudan needs help from China**

In the previous section, we discussed why China is highly involved in South Sudan. In this section, we will discuss why South Sudan chose China to help, and why South Sudan accepted and maintains this relationship. There are two primary reasons that South Sudan needs help from China. The first reason is that China and South Sudan have a common ground: oil.

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<sup>13</sup> Rotberg, Robert. “Why China is South Sudan’s best hope,” The Globe & Mail, Last modified August 16, 2016. <https://www.theglobeandmail.com/opinion/why-china-is-south-sudans-best-hope/article31394168/>.

<sup>14</sup> Ajak, “China’s success in Africa,” May 10, 2017.



As previously mentioned, China needs oil for its booming economy, and is willing to offer South Sudan aid and take the risk of unstable conditions in South Sudan. Shannon Tiezzi mentioned that the aid from China to South Sudan is worth at least \$21 million, and could reach \$45 million in the future.<sup>15</sup> China's aid abates the pressure on South Sudan and that is definitely something that South Sudan needs. On top of that, China has also created a unique relationship with South Sudan: while they are willing to lend money to South Sudan, China asks for oil in return. Raymond illustrated that South Sudan's government plans to borrow around \$1.9 billion from China to build new infrastructures and repay them with future oil proceeds.<sup>16</sup> Due to the richness of oil in South Sudan and the desperate need for oil from China, China and South Sudan could establish a unique relationship which creates a win-win situation for both sides.

The second reason is that China may be one of the few countries that are willing to take a risk in trading with South Sudan. South Sudan's civil war has never truly stopped. Even though countries' leaders have tried to seek solutions for this issue, most of them have recognized that this is an issue that will take time. So unless the two sides come up with a peaceful agreement, South Sudan is still unstable, and a high risk business-wise. This is why many countries refuse to continue investing in South Sudan. One of the biggest examples is the United States: Bloomberg View reported that the U.S., which used to be the biggest supporter of South Sudan, has changed since Donald Trump became the new President as President Trump is against foreign aid and remains silent in Africa. Some of his colleagues also question whether the U.S. should pay their share for U.N. peacekeeping missions.<sup>17</sup> It is inevitable that the U.S. will start to reduce its aid

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<sup>15</sup> Tiezzi, Shannon. "China in South Sudan: Practical Responsibility," The Diplomat, Last modified January 13, 2015. <http://thediplomat.com/2015/01/china-in-south-sudan-practical-responsibility/>.

<sup>16</sup> Mpubani, Raymond. "China-Africa News: Guangzhou, racism, ivory, South Sudan," Africa-China Reporting Project, Last modified August 15, 2016. <http://africachinareporting.co.za/2016/08/china-africa-news-guangzhou-racism-ivory-south-sudan/>.

<sup>17</sup> "South Sudan's Famine is China's Chance to Lead," Bloomberg View, Last modified February 27, 2017. <https://www.bloomberg.com/view/articles/2017-02-27/south-sudan-s-famine-is-china-s-chance-to-lead>.

to Africa, and similar situations will occur in other countries because they are either unwilling to take the risk to be involved to the extent Beijing has, or they are not as interested as China in this area. With that being said, South Sudan may find the hard truth that they may have no other options than to do business with China to keep their country running.

## **V. Conclusion**

The relationship between China and South Sudan will be maintained if nothing major changes. China is willing to take the risk of South Sudan's instability because of the oil, and South Sudan is willing to continue receiving support and money from China, and then repay them with future oil. For some countries, South Sudan can be seen as a black hole. No matter how much aid and support they give, unless a ceasefire is successful, South Sudan will remain unstable and suffer more casualties. Instead, for China, South Sudan can be a great test to test China's ability to handle world issues. South Sudan can be the touchstone for China. If China succeeds by working with other countries to achieve a peaceful South Sudan, it increases China's reputation around the world, showing that China is ready to take the lead as a world power.