

# State Building and Elite Conflict: The Potential of a Power - Sharing Structure in Sudan

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## INTRODUCTION

A recently signed protocol on revenue sharing between the largely Christian south and the Muslim government of the north seemingly clears the way for a peace agreement and power-sharing arrangement following twenty years of civil war. Power sharing has become an increasingly popular way out of protracted conflicts in multi-ethnic societies. The conventional wisdom behind power sharing is that the resolution of conflict will lead to a viable state with transparent institutions and reasonable expectations for economic development. Critical to the sustainability of social order is therefore the nature of the relationship between societal institutions and the state at time of settlement. Still, once implemented these agreements rarely succeed. This study proposes that it is the timing of implementing new rules of the game that has been responsible for collapse of the settlement coalitions in Sudan. A comparison of the 1972 peace settlement with the current process reveals the potential for establishing institutional arrangements that lead to development and stability.

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Models of power-sharing arrangements stem from theories of collective action. The literature on conflict theory and conflict resolution is extensive. So-called breakdown theories and resource mobilization models focus on the aggregate motivation of individual behavior or the social and organizational processes that make action possible. Attempts by scholars to integrate conflict theory with resolution are steeped in the rationalist treatment of collective action. The theories on coalition formation and power-sharing arrangements are limited to measurements of costs and benefits of maintaining the current conflict versus coming to a peaceful resolution. It is assumed that peace agreements fail because the war potential is not fully exhausted and the level of vulnerability vis-à-vis opposition remains high.<sup>(1)</sup> On the other hand, sociological theory tends to explain behavior by institutionalized norms and values. Centered on what can only be explained as deviant behavior, the emphasis is on the structural processes by which elites and groups generate operational norms. However, it is dangerous to assume that behavior is directed by agreed upon norms. Interpretation that infers organizational and institutional dispositions from aggregate outcomes attempts to normalize collective action, but insufficiently accounts for the failure of coalitions after settlement. Of importance, though, is that these theories specify the capacities of institutions to promote structural transformations, economically, socially, and politically.

None of these traditions can adequately explain the breakdown of peace settlements and coalitions on their own. An explanation of the conditions necessary to sustain power-sharing arrangements needs to take into account the causal significance of newly implemented institutions on economic outcomes. Since institutional relationships created at settlement ultimately determine the sustainability of social order, cohesion among societal and state elites is of consequence to the development of the state. The power-sharing agreement defines the role of the state in relation to society and the ability of policy to respond to societal interests. Alternatively, society must recognize the state as the binding authority over all action within its territorial jurisdiction with a monopoly over the legitimate use of force.<sup>(2)</sup> Consequently, peace settlements and the resulting institutional arrangements

impact state building along three dimensions: state-society relations, the nature of the government, and state economic intervention.

### STATE-SOCIETY RELATIONS

In Sudan, rationalization of social order resulted in the 1972 Addis Ababa Settlement and the power-sharing framework of the 2003 Machakos Protocol. The 1972 peace settlement ended the first Sudanese civil war. It eventually collapsed in 1983 and since then the southern separatist organization Sudan's People's Liberation Army (SPLA) has been fighting the northern-based regime of President Gaafar Nimeiry. Competition over economic resources deteriorated into ethnic fragmentation and hindered the emergence of a unified Sudanese identity.<sup>(3)</sup> This environment of failed amity and instability created distrust between society and the state and undermined potential power-sharing arrangements. A stable coalitional government was difficult to sustain in Sudan because cooperation between incompatible elites was never incorporated into political strategies.

After twenty-one years of civil war, Sudan is now on the verge of implementing a new plan for economic development. Maintaining lasting peace requires institutions that facilitate economic development. State-society relations at the time of formation determine both the nature and strength of these institutions. A strong state is one that has the capacity to mobilize society's population. Mobilization involves channeling people into specialized organizational frameworks that enable state leaders to build stronger institutions.<sup>(4)</sup> Mass mobilization and social control may be subverted by intense elite competition. Elites, according to Waldner, "are those that control a disproportionately high level of politically relevant social and economic resources."<sup>(5)</sup> State elites should operate within the constraints of the governing apparatus. However, in the event of civil war, elites emerge beyond the state's control and are capable of mobilizing their own basis of support. The high level of elite conflict characteristic of civil war is inevitably detrimental to state building and economic development. Consequently, the degree of elite autonomy from society is crucial to the

development of political-economic institutions. A high level of conflict causes elites to seek broad societal support. Elite cohesion rather than discord at the time of institutional transformation, allows state building to begin prior to incorporation of popular classes.<sup>(6)</sup>

In addition to the cohesion of elites, state building involves the transition from mediated rule to unmediated rule.<sup>(7)</sup> The creation of an unmediated Sudanese state requires the incorporation of diverse groups and perspectives in order to overcome the role of traditional leaders. Under British colonial rule, one of the many functions of indirect rule was the preservation of indigenous forms of political institutions. The system aimed to uphold the authority of local, tribal chiefs.<sup>(8)</sup> At independence in 1956, the post-colonial government attempted to unify the country through a centralized system. The structure of Sudanese Islam underwent a dramatic change and traditional institutions were transformed. However, elites in the south sought to preserve the distinct cultural differences between the northern and the southern regions through a federal system. This vision of the Sudanese state was ultimately rejected and armed rebellion permanently divided the country into distinct Muslim and Non-Muslim societies.

Sudan's state-society relationship affects the way the rules of the game have been made and maintained. In 1972 and 2003 there was a high degree of conflict among elites on both sides of the civil war. Consequently, institutions formed as a means to overcome internal discontent hampered Sudan's development. Comparing the level of elite conflict and the strategies employed by dominant elite groups at the time of the 1972 Addis Ababa peace accords with the 2003 Machakos peace process provides insight to Sudan's ability to maximize its development potential.

### **ELITE CONFLICT AND THE ADDIS ABABA AGREEMENT**

The first war in southern Sudan ended following a stalemate in 1972. Tension between communists and the government subsided after an abortive coup inside the regime in 1971. Southern mistrust of communists provided an opportunity for President Nimeiry to secure a settlement with rebels. After purging the left, Nimeiry was able to marginalize elites on the right by

building a southern base of power. Intense elite conflict in the north necessitated Nimeiry to build a broad coalition of support in the south in order to implement the Addis Ababa Agreement. The settlement had solid support in the south, but it left the Nimeiry regime vulnerable to extremist opposition in the north. In an effort to appease these elements, Nimeiry eventually provided them with an extensive role in the government.

Nimeiry had been forced to mobilize a large base of support to counter the Islamists. The coalition included mostly southerners and northern secularist socialists. The conflict between Nimeiry's revolutionary regime and the Islamists' goal of an Islamic state shaped the institutions established by the settlement. A constitution was adopted in 1973 incorporating the terms of the Addis Ababa Agreement. Sudan became a centralized state led by a single political party, but with a multi-party system in the south. The deal also gave southern Sudan regional autonomy and recognition of Christianity. The settlement was not based on a shared vision for state building. In fact, the ability of elites opposed to the agreement to mobilize the northern population jeopardized it immediately, leaving Nimeiry isolated in Khartoum.

A fundamental problem with sustaining peace in Sudan is the breakdown in relations among former allies, not former enemies.<sup>(9)</sup> Elite conflict is extreme between warring parties, and exhaustion is insufficient to guarantee long-term stability. The conflict between former allies can be attributed to a breakdown in the ruling bargain due to an inability to uphold the founding coalition. The institutional arrangement was a result of the coalition formed at the time of Addis Ababa settlement. And, once the constitution was implemented, southern autonomy allowed Nimeiry's supporters in the south to abandon him and his efforts to contain the northern rivals.

The high degree of conflict among northern elites led to the transformation and collapse of the Addis Ababa system. The ruling party at the time of transition was dominated by elites who favored settlement. However, Nimeiry authored an agreement supported by groups who could not help him stay in power in the long run. Elite conflict and the timing of popular incorporation redefined the state-society relationship:

When elites incorporate popular classes for instrumental non-revolutionary purposes, they give even greater priority to controlling recently expanded participation. In the absence of powerful organizations representing lower classes, ruling elites inaugurating new projects of economic development typically value and defend their newly won monopoly over major political organizations.<sup>(10)</sup>

Furthermore, the people within the ruling coalition whom he thought were necessary to propitiate his stay in power were, in fact, willing to put the settlement at risk for their own ends. This division frustrated Sudan's economic development, and the state became increasingly authoritarian in nature.

#### **ELITE CONFLICT AT THE MACHAKOS PROTOCOL**

When Nimeiry dismantled the Addis Ababa Agreement in 1983, war broke out again. Mediation became more difficult because the government of Ethiopia supported the SPLA and after 1989, the northern Sudanese government became intransigent when replaced by an Islamic exclusionary regime. At this stage, the rebellion in the south turned from a reform movement to a secessionist movement.

The Islamic regime in the north enjoyed substantial autonomy from society. However, elite conflict among southerners replaced the cohesion that the southern elites enjoyed in 1972. In August 1991, the SPLA exploded into two warring factions. This political rift soon ignited a full-scale civil conflict between the Dinka and the Nuer, the two largest ethnic groups in the south. The leaders were divided over the question of whether the SPLA should abandon its declared aim of creating a united democratic secular Sudan in favor of total independence for the South.<sup>(11)</sup> Most rural men and women insisted that there were no political differences between Dinka and Nuer civilian populations; instead the conflict was between the educated elite.<sup>(12)</sup>

As with the elites in the north in 1972, the capacity of these movements was dependent on the level of population mobilization. Conflicting elites

must rely on a broad class coalition for survival, leaving them with very limited autonomy. Issues of nationalism gave way to self-preservation as leaders of the various splinter factions aligned themselves with government forces.<sup>(13)</sup> Elites used the ethnic divisions within southern society in a bid for autonomy and to eliminate John Garang from the SPLA leadership.

The Wunlit Reconciliation of 1996 resolved the southern infighting. Reconciliation between elites and the Nuers and Dinkas allowed their combined military attention to be turned against state forces. Of most importance, is the way in which the elite conflict was ultimately resolved in southern Sudan. The context in which Sudanese elites created institutions in order to achieve “political stability, security of incumbency, and rapid economic development,” produced constraints on the formation of the state.<sup>(14)</sup> A civil war requires the support of the population and therefore elites had very little autonomy from their popular base at the time of settlement. In the past, the conflict between elites over the proper relationship of the state to its economy was so intense that the system collapsed. Although popular incorporation is a necessary means to end any conflict, the nature of social control rests in an organizational ability to deliver key components for the strategies of survival.<sup>(15)</sup> Hence, the bargain that emerges from the framework of the Machakos Protocol must account for the societal constituents that allowed southern discord to be resolved. Incorporating these specific groups will constrain the state’s efforts at development but it will also prevent future disunity among southerners.

### **NATURE OF THE GOVERNMENT**

In order to implement power-sharing arrangements, dominant elites created coalitions of broad support. However, the political and economic institutions that emerged from these agreements only took into account the limited perspectives of those members of the coalition. This is why the ruling bargain limits the state’s ability to deal with divergent societal interests. Timing is crucial to the incorporation of the popular classes. Had state builders institutionalized direct rule prior to popular incorporation, the state

would have enjoyed greater flexibility in its economic strategy. Instead, mass incorporation prior to or simultaneous with the implementation of the rules of the game handicapped state elites and created a system based on patronage appointments.<sup>(16)</sup> For this reason, the nature of the government and its policies eventually undermined and destroyed the power-sharing arrangement. From the time of independence, the highly centralized Sudanese state proceeded to weaken traditional institutions. And, as with most modernized dictatorships of neopatrimonial societies, a crisis of state capacity and elite cohesion resulted in the appearance of militant groups, such as the SPLA.

#### **THE INSTITUTIONS OF THE ADDIS ABABA AGREEMENT**

Patrimonial rule is an outgrowth of the timing between state building and mass incorporation. Because of the high degree of elite conflict among northerners, Nimeiry's government had to incorporate the interests of the south, which left the regime with limited autonomy. Only by tightening state control could the Nimeiry regime placate Islamists during economic crisis. Max Weber maintains:

Purely bureaucratic type of administrative organization – that is, the monocratic variety of bureaucracy – is, from a purely technical point of view, capable of attaining the highest degree of efficiency and is in this sense formally the most rational know means of carrying out imperative control over human beings.<sup>(17)</sup>

The state relied on authoritarian institutions because it had to deal with both building the administrative apparatus required for sustaining an unmediated state and managing large-scale national politics.<sup>(18)</sup> The assumption of patrimonial rule was that “through a universal message delivered by a charismatic leader, peoples of widely differing background were attracted to a single community.”<sup>(19)</sup> The Sudan Socialist Union was the regime's political organization and highest arbiter of government authority. Nimeiry's party guided the provincial administration's policy, development programs, and public service.

After a few years of promise, Nimeiry's economic development schemes began to collapse as a result of ineptitude and corruption. Economic conditions were worse than before the civil war. When the threat from sectarian political parties and the Islamists proved serious, Nimeiry decided to reverse his southern policy in a belief that northern opposition groups were more dangerous than those in the south. Islamists committed to the idea of an Islamic state led a coup attempt in 1976. The inflexible position of Nimeiry forced him to invite Muslim coup leaders into the government. He began to support the idea of making Sudan an Islamic state and reduced southern autonomy. As the economic conditions deteriorated, the regime became more dependent on Islamist groups for political support. A plan to divide the south into three regions and the introduction of Islamic law throughout the nation ensured the resumption of civil war.

The patrimonial nature of the state allowed the Nimeiry regime to break the Addis Ababa Agreement. "Personal politics tend to be informal politics in the sense that the most important leaders are often those who are not bound by formal contracts or limited by institutional constraints."<sup>(20)</sup> The political arrangement of the settlement, specifically the decentralization of the state, left southerners with such extensive autonomy that their support of Nimeiry became irrelevant to the efforts of anti-settlement elites in the north.

After large-scale protests erupted, prompted by the ending of food and fuel subsidies required by the International Monetary Fund, the military assumed power. A disastrous drought affecting half of Sudan's people enabled the military regime to take control in 1989. The spread of political Islam throughout the Middle East provided the opportunity for the National Islamic Front (NIF) to present themselves as linked directly to God.<sup>(21)</sup> For the exclusionary regime, a politicized Islam offered the symbol and the model of identity for nation building. Exploitation of the rift between southern elites in the 1990s and oil revenue enabled the NIF to survive despite its relatively small degree of popular support.

The resulting institutions of popular incorporation linked the cultural and social dynamics of Sudan to state performance and economic development. The Addis Ababa Agreement attempted to build federated, regional states

with a strong center in Khartoum. It fostered unity through the expansion of authorized political activity to facilitate broader participation in government and politics. In reaction to the northern identification of the country with “Arabism,” southern Sudanese put forward an equal and even greater claim to the identity of the nation.<sup>(22)</sup> However, the political and economic institutions could not adequately respond to the magnitude of these social demands. The government, therefore, resorted to authoritarian behavior and ignored the power-sharing agreement.

### **INSTITUTIONS OF THE MACHAKOS PROTOCOL**

As in 1972, the level of elite conflict at the time of the Machakos Protocol determined the need to incorporate mass support at transition. Despite the truce between warring factions in the south, elite conflict among southerners made a peace agreement between the south and the north difficult without incorporating a broad social base. Elite conflict divides society and creates distrust between state and society. Consequently, institutions created by the power-sharing framework lacked a foundation of legitimacy.

How, then, could the failures of the Addis Ababa agreement be avoided this time around? If elite conflict is low and societal groups are unified in their vision of the role of the state, popular incorporation will not be necessary until after the implementation of a new political arrangement. This condition will leave the state in a position to guide development through the economic policies of representative institutions. However, for democracy to become viable, democratic “political institutions and mechanisms of the state; a well entrenched, democratically committed elite; and, most important, a civil society” must emerge.<sup>(23)</sup>

Trust and institutionalization is virtually impossible “if the state apparatus remains in the hands of the Arab population.”<sup>(24)</sup> Ethnic division must therefore be reflected in the new institutional arrangement. The new institutions emerging from the conflict have no track record though. Behavior has been shaped by past experience of political participation in the form of war since formal institutions excluded all other participation. The necessity of legitimacy for developing states is articulated by Joel Migdal:

The most potent factor accounting for the strength of the state, legitimation, is more inclusive than either compliance or participation. It is an acceptance, even approbation, of the state's rules of the game. It is social control, as true and right.<sup>(25)</sup>

The strength of the SPLA remains limited to areas where local ethnic groups support it. It is dependent on multi-ethnic groups and continues to be supported by a large consortium of social groups. The new institutions emerging from the framework of the Machakos Protocol call for the integration of the army, southern autonomy for six years followed by a referendum on independence, and the SPLA leader to be positioned as vice president.<sup>(26)</sup> Crucial to economic development and state building is the character of the legislature. According to Weber:

Calculability and reliability in the functioning of the legal order and the administrative system is vital to rational capitalism. This need led the middle class to attempt to impose checks on patrimonial monarchs and the feudal nobility by means of a collegial body in which the middle classes had a decisive voice, which controlled administration and finance and could exercise an important influence on changes in the legal order.<sup>(27)</sup>

The legislature must be in a position of strength vis-à-vis executive power. It must be the most identifiable and powerful political institution in the system. Otherwise, cross-class coalitions will eventually collapse and the regime will remain authoritarian. The National Assembly must also be able to enact laws and take into account the religious and cultural diversity of the Sudanese people. The power sharing agreement requires thirty-three percent of the members be representative of the south, and twenty-six percent of the total number of Assembly members appointed by the SPLA.

Beyond the formal structures and reflection of the particular mixture of politics and society, there are several factors needed for democracy. According to Mehran Kamrava, political institutions cannot sustain democracy until aspects of society are changed:

Islam – or, more specifically, what today’s Islam in the Middle East stands for – must undergo a radical and far-reaching process of reformation, whereby its politically machinated doctrines cease to be shelters for undemocratic practices and instead become another means through which society democratically organizes and expresses itself.<sup>(28)</sup>

Incorporating broad, diverse and cross-class segments of the population in order to abate elite conflict may jeopardize the longevity of any power-sharing agreement. The relative cohesion among elites on both sides of Sudan’s current civil war should allow a practical arrangement with representative institutions capable of formulating and implementing long-term development plans. At this point, society lacks the civil society organizations necessary to sustain democracy. The divisiveness over traditional identities prevents legitimacy from being afforded to a democratic system. Only once economic policies are fair and equitable will state institutions be regarded as legitimate.

### **STATE ECONOMIC INTERVENTION**

Sudan’s economy has been mired by inefficient policies and civil war has destroyed the country’s growth potential. The state has had difficulty implementing direct, unmediated control over society and the country’s resources. The poor economic performance is a direct result of the state institutions of Sudan. Thus, state institutions are linked to economic outcomes and their arrangements determine “the developmental capacity of the state.”<sup>(29)</sup> The institutions and ruling bargain generate a particular process of development and when these policies fail to deliver, the state becomes susceptible to collapse.

Sudan embarked on a path in which state transformation occurred simultaneously with the incorporation of classes into a cross-class coalition. Consequently, it had only a narrow capacity to ensure long-term economic development. Due to the high level of elite conflict at transformation, the state was sensitive to societal and economic disruptions. The high level of

elite conflict that impelled Sudanese elites to incorporate different ethnic groups also forced them to incorporate workers and peasants into cross-class coalitions. In 1972, conflict over state economic intervention produced a polarizing and destabilizing struggle that was resolved through popular incorporation. The context of the coming peace agreement shares many of the same characteristics. There is opposition to the arrangements among elites in both the south and the north where the elites have not tired of war.

### **ECONOMY OF THE NIMEIRY STATE**

Following the civil war in the south in 1972, the government embarked on an ambitious program of development. Despite war, ethnic and religious conflicts, and famine, the government remained committed to economic development and cultural change. The primary undoing of the Nimeiry state was drought and the oil crisis of 1973-1974, after which the regime could not retain support from its base, leaving it vulnerable to competing elites. The precarious coalition and appeasement of elites stagnated development.

The context of development was the overall shifting of emphasis by the Sudanese government toward the concerns of rural society. The state attempted to shape institutions based on the needs of the peasantry. The regime insisted that the rural poor should have a direct say in designing, implementing and evaluating the projects that affected them. After 1972, Nimeiry attempted to do away with the relics of mediated control by placing the bureaucratic apparatus in direct contact with the peasant masses. “To acquire and sustain the loyalty of lower classes, elites seek substitutes for uncontrolled participation by balancing repression with the provision of either ideal or material incentives to collaborate.”<sup>(30)</sup> The Sudan Socialist Union attempted to dictate the behavior of the peasantry through village level institutions in both the north and the south. However, as the Sudanese society became industrialized, urban groups clamored for state attention and resources. Labor unions and professional organizations made demands upon the state, but the state had only limited ability to address urban concerns due to its coalition with the middle class peasantry and subsistence farmers in the south.

One central component of the development policy was the mechanizing and nationalizing of agriculture for increased production. Decisions about large cooperative and company cultivations were made entirely in Khartoum.<sup>(31)</sup> In the 1970s, the government decided to expand its agricultural economy creating an emphasis on mechanized farming. Prior to the discovery of oil, ninety percent of the country's exports came from agriculture. The Gezira scheme, in which large farms were nationalized for cotton production, held a central place in Sudan's development plan and was a model of agricultural progress.<sup>(32)</sup>

The development policies of the state reconstituted society. Instead of just producing crops for consumption, Sudanese farmers produced cash crops for the world market.

As a rational man in economic terms, the new farmer has no direct relation to his erstwhile social and political unit, lineage, or tribe. Previous ideological considerations are now irrelevant in terms of his livelihood or in regard to what he produces because he is now responsible to a board that decides the costs, profits, crops, and the number of *feddans* to be planted.<sup>(33)</sup>

Similar schemes were used to address the economic crisis. In the private sector, subsistence farming received little or no assistance from the state and very little technical aid to improve farming methods. The government's notion of development differed substantially from farmers' expectations.<sup>(34)</sup>

Furthermore, the Six-Year Plan of Economic and Social Development 1977-1983 was meant to help the private sector to mobilize its savings. The state kept close relations with traders and merchants in order to secure incumbency. Commitments to raise constituents' standards of living forced state elites to trim tax burdens and expand transfer payments, resulting in budgetary deficits that were covered by external transfers and inflationary monetary policies.<sup>(35)</sup>

Increased state activity required the construction of new agencies and led to distributional conflicts. The state moved farther and farther away from the ruling bargain and the gradual extension of state authority triggered political

conflict between state officials and southern and northern elites.<sup>(36)</sup> The discovery of oil in 1981 kept the authoritarian regime in place, but the institutions created by the Addis Ababa Agreement did not have the ability to adapt to the changing economic and social environments. Thus, Islamic Law was implemented throughout Sudan, and the Nimeiry regime collapsed.

The level of elite conflict and the means used to incorporate popular support impeded economic development from the start. The coalition composed mostly of rural workers was in no position to uphold the regime during periods of drought in Sudan. Side-payments to merchant traders and urban sectors enabled the state to implement collectivization schemes that reconstituted Sudanese society. Intense elite conflict, however, resulted in a sub-optimal rate of development and the polarization of society.

#### **REVENUE SHARING AGREEMENT**

The economy of Sudan is far different in 2004 than it was in 1972. With the start of oil production for export in 1999, Sudan's economy changed dramatically. Oil revenues now account for seventy percent of Sudan's total exports earnings. The revenue sharing deal concluded between the SPLA and the government in 2004 is thus far the most important step to long-term stability. It provides a framework for the implementation of transparent institutions. Moreover, greater access to resources reduces distrust between the elites. This in turn, reduces the vulnerability between conflicting parties and makes civil war more expensive. The deal reached on 50-50 revenue sharing from oil exports stipulates:

The revenue sharing should reflect a commitment to devolution of power and decentralization of decision-making in regard to development, service delivery and governance. The development of infrastructure, human resources, sustainable economic development and the capacity to meet human needs shall be conducted within a framework of transparent and accountable government.<sup>(37)</sup>

The new power-sharing agreement based on wealth sharing addresses the failures of Sudan's past industrialization policies. Pricing policies vested

tremendous leverage in the state, on both input and output. The pricing policies have the long-run effect of transferring tremendous wealth out of agriculture and into urban-oriented projects. In the past this has required “high levels of side-payments—that is payments made both to capitalists and to workers, to peasants or to both classes such that payments made to lower classes substantially increase the factor costs of industrialists—strongly influence the selection of trade policy.”<sup>(38)</sup> Consequently, the industrial bourgeoisie has been compensated for its inclusion into the current ruling coalition.

A “precocious Keynesian” state is one that constructs broad, cross-class coalitions in order to transform states from mediated to unmediated structures, at early stages of industrial development.<sup>(39)</sup> The gap between state and society allowed the promulgation of internal conflict in Sudan. And the inability to overcome traditional elites forced the state to retain the public sector’s leading role in development. The original developmental thrust was exhausted by the mid-1970s. Had a policy of structural adjustment been undertaken at the time by cutting military spending and consumption subsidies instead of having to uphold the ruling coalition, it may have had an immediate positive impact on the Sudanese economy.

Under the new arrangement, the determination of macro-economic policies remains the explicit duty and responsibility of the national government. The wealth sharing agreement further stipulates that the state has an obligation to provide grants and transfers to the Government of Southern Sudan. “Social control is the currency over which organizations in an environment of conflict battle one another. With high levels of social control, states can mobilize their populations, skimming surpluses effectively from society and gaining tremendous strength.”<sup>(40)</sup> Sharing and allocating wealth to ensure equal development throughout the country is now the state’s primary mechanism for penetrating society.

As of January 2003, Sudan’s estimated proven reserves of crude oil stood at 563 million barrels, more than twice the 262.1 million barrels in 2001. Southern Sudan, and those areas in need of construction and reconstruction, can be brought up to the same average social and economic standard and

public services as the north through efficient export policy. In Sudan, economic development necessitates state autonomy from the divergent interests. The institutional capacity to resolve conflict among elites requires stability. In the past, Sudan has relied on patrimonial politics to maintain periods of relative peace. The strength of the state comes from its ability to mobilize the population and also to create sources of revenue. “Rent-seeking behavior is a product of the type of state intervention associated with precocious Keynesian states.”<sup>(41)</sup> Whether or not a state embarks down a path of development based on rentierism or liberalization is determined by the pattern of state building or coalition formation, resulting from elite conflict. The exclusionary nature of the Sudanese state up to this point has created an environment of low economic development and costly civil wars. Although rent-seeking behavior may strengthen the state’s ability to implement policy, power-sharing arrangements based on the wealth sharing deal will require a liberal economic approach to reconstruction.

## CONCLUSION

After twenty-one years of civil war and the death of over two million people, Sudan is nearing another peace agreement and power-sharing arrangement. The manner in which elite conflict was resolved at the time of the Addis Ababa settlement led to the resumption of civil war and the creation of a militant Islamic regime whose legitimacy rests on the notion of security. The external threats to Sudan, whether from neighboring countries or elsewhere, have not been significant enough to mobilize or unify society around specific state building policies. Rather, internal upheaval in the southern and western regions of the country has led to divergence between the state and society and has destroyed Sudan’s developmental capacity.

Had the level of elite conflict been low in Sudan at independence, unmediated rule would have given the post-colonial regime a large degree of autonomy and the foundation for a strong state. When conflict is low, and political incumbency is secured without incorporating popular classes into coalitions, the state is able to freely choose the policies to pursue and

segments of society to support.<sup>(42)</sup> The Sudanese state's intervention in the market would then have been goal oriented, resulting in a specific set of state economic priorities. Still, rural development and the equitable distribution of assets were central to the state's development strategy and planning. However, institutions were formed through coalitions that required side-payments in order to appease competing interests. These side payments distorted economic performance and weakened the state's social control.

The process of state building, the transition from indirect or mediated rule to direct or unmediated rule, determines the nature of these institutional arrangements. The dimensions of state building, state-society relations, the nature of the state, and state economic intervention, determined whether or not peace and stability was sustainable in Sudan. In regards to state building and late development, all aspects that hinder successful outcomes along the three dimensions are still in place. This is primarily, if not entirely, due to the on-going civil war. Allowing external actors a stake in Sudan's future by increasing foreign capital inflows would augment the potential for long-term stability. In addition, external involvement affords the state autonomy from society and simultaneously raises the capacity and expectations of societal groups through liberal institutions. Restructuring the political system through the 2004 power-sharing agreement would then give hope to Sudan that peace and stability is finally attainable. ❖

## NOTES:

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