South Sudan began voting on Sunday in a referendum which will bring it independence from the Sudanese state. Legitimate grievances against the North’s under funding of the Southern region will likely lead to an overwhelming vote for independence.

Yet the process which has caused referendum was initiated due to imperial rivalries which could well spill over into a return to civil war in the coming months.

The referendum is taking place between the 9th and 15th January, with early reports showing an overwhelming vote for secession.

Full results will only be announced on February 6th due to the underdeveloped infrastructure of one of the poorest areas of the world.

Until 2005 Sudan was in a 22-year long civil war between the largely Muslim and Arabic North and the South whose religious composition is a mixture of Christians and other religions local to the Sudan itself.

Two million died as a result of this war. A US-sponsored deal, the Comprehensive Peace Agreement (CPA), ended the war and promised a referendum and set up an official South Sudanese government within the greater Sudan.

This CPA set up a powersharing deal between the dominant Northern party under President Omar al-Bashir, the National Congress Party, and the Southern Sudan People’s Liberation Movement headed by Salva Kiir.

As part of the CPA a referendum would take place on independence.

Despite efforts of the North to avoid this, pressure from the USA and an offer to remove the North from the list of states sponsoring terrorism has caused it to agree.

Although it appears to be accepting the likely outcome of the referendum, tensions over border regions remain high and could spill over into armed conflict.

Already attacks on democratic rights have been hinted at, with the North expected to expel two million South Sudanese and not grant residency rights it extends to Egyptians.

While the South is expected to deny access to nomadic peoples from the North who seasonally migrate to the South.

The curse of oil wealth in an imperialist world
The Sudanese state is highly dependent on oil revenues. Its economy has grown at inflation-adjusted average of 7.9 per cent between 2004 and 2008 compared with an average of only 2.9 per cent between 1980 and 1998 due to oil resource extraction.

China makes up the largest shareholder of all, but one of the major local oil companies, with other Asian states, India and Malaysia, having larger shares than Western countries.

To a large extent this was due to a strategic error by the USA in placing Sudan on the list of states sponsoring terrorism, a status which Barack Obama has promised to remove if the referendum goes through smoothly.

Exports have largely also been directed towards Asian economies, with China taking 56 per cent of production followed by Japan with 15 per cent.

In total oil revenue contributes 90 per cent of Sudan’s export earnings between 2004 and 2008, giving China a large political sway in Sudan’s capital Khartoum.

High levels of corruption among the Northern elite have led to low levels of development, especially in the South where infant mortality is three times the level in the North.

The GDP per capita, while in many respects a flawed measure of economic strength is only $1200 which really underlines the level of poverty in the country.

But this masks the inequality within the Sudan where 90 per cent of the Southern population live on less than $1 a day.

Despite increased government revenues, debt levels have also risen rapidly, largely caused by direct corruption. Wikileaks US embassy cables revealed that Sudanese President al-Bashir has personally stolen an estimated $9 billion which are placed largely in British banks.

At the same time living standards remain low, an estimate by the World Bank show that between 60 and 75 per cent of the Northern population and 90 per cent of the Southern population are below their definition of the poverty line.

In addition to corruption this has been caused by expenditure on fighting civil wars in Darfur and maintaining militias in disputed border regions between North and South. Of the total budget this makes up around 40 per cent of its budget.

Exports other than oil have dropped in value, largely due to the change in value of local currency associated with oil exports (often referred to as the Dutch Disease).

Fluctuations in oil valuation have led to massive austerity measures several times by governments in both the South and North. On Wednesday the Northern parliament voted through further measures in anticipation of the economic impact of Southern secession.

With oil reserves expected to last perhaps only a decade longer as recent exploration has only led to dry wells rather than predicted reserves, both states are likely to go further into crisis.

**The development of a rival southern elite**

The government of South Sudan’s access to half the oil revenues of southern wells as part of the 2005 CPA has allowed the development of a local elite with access to large sums of money - $8.3 billion between 2004 and 2009 (98 per cent of its total revenue). Of the $3 billion budget of 2008, 45 per cent
went towards government salaries, largely towards the Southern elite.

The Southern Sudan government has claimed that the amount it is receiving is being manipulated by the North, and revenues are lower due to subsidies on Petroleum in the North. This led to a two-month suspension of the Government of National Unity in October 2007 when the SPLM pulled out. A greater role in management of oil resources led to its re-establishment.

The interest of the USA in the question of South Sudanese independence has clearly been motivated by access to vital resources in Sudan, particularly oil. The Southern government is seen as pro-US, and has shown its willingness to attempt to renegotiate oil field ownership in favour of UK-US interests. Indeed the 2005 CPA was caused by the US interest in preventing China gaining exclusive access to the Sudanese economy.

With oil fields staggering the border between the North and South the potential for war is high. Currently around 80 per cent of oil revenue comes from territory in the South, giving the North more incentive to make incursions.

Furthermore the oil-rich region of Abyei is disputed between the two states, with President Bashir promising war if the South seize it after independence, and inviting the pro-North Popular Defence Force militia to open training camps in the region.

Abyei is also the centre of local resistance to oil company destruction of the local environment and livelihoods of locals who traditionally used the lands for grazing. Furthermore oil companies have contaminated water supplies and caused serious health issues for the local population.

While the South produces four-fifths of the oil, the North controls the entirety of refinement and export. The Chinese-controlled pipeline takes oil from the fields in the border region to Port Sudan in the far North where it is exported. The South is responding by proposing a $1.5 billion pipeline through Kenya backed by Japanese finance.

**Fight for a United Socialist States of East Africa!**

Despite the largely agricultural and peasant nature of the Sudanese economy, with two thirds of the population working in the agricultural sector, a proletariat has developed and has shown its willingness to fight.

In August 2006 reductions in state subsidies on petrol and sugar caused protests in Khartoum which were met violently by the police.

The further reduction in subsides announced last Wednesday on these products is likely to cause further working class action.

It is this working class which alone can develop the Sudanese economy and bring democratic rights to the country. It should fight for the opening of oil company books to uncover corruption of government officials which steal resources from those that need it.

We should steadfastly defend the South’s right to secede, and defend it against the North but at the same time argue for a Socialist Federation of Sub-Saharan Africa ? free of the foreign multinationals that have plundered the continent since ?independence.?

Workers militias should be set up to repel attacks from government or oil-backed militias in event of separation. Oil revenues must be put to the vital twin tasks of raising living standards and developing the
This cannot be done while oil wealth is being exported to either Chinese or American companies - the oil industry must be nationalised and controlled by the working class.

As is seen with the rivalries over oil causing the potential for multiple pipelines to be built with the waste of $1.5 billion, a bloc of united workers? states of Eastern Africa is needed for economic development and resistance to imperial domination.

Ethnic and religious tensions that are stocked up by rival economic interests will only be superseded by working class unity against imperialism in East Africa.

But we won?t succeed in building this unity unless we recognise the right to self determination for the people of the South.

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