

Pipelines across Fault Line: Shifting Alliances in Chad and Sudan

Jean-Paul Azam

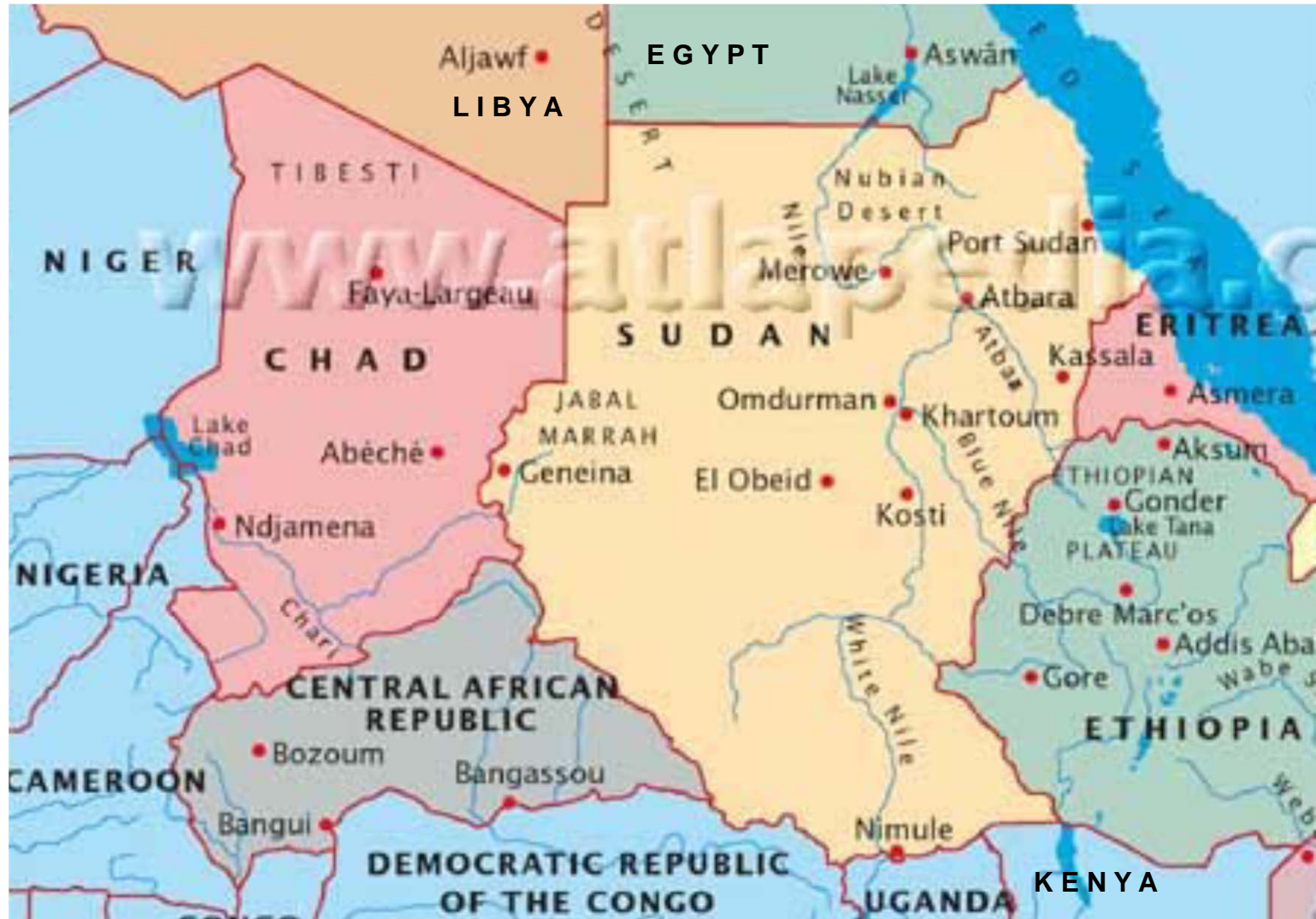
Toulouse School of Economics

Keynote Address to the 2nd AMSE Development Workshop and 8th
HiCN Workshop, December 3, 2012, Aix-en-Provence.

“Clash of Civilizations” vs. Oil Money in Chad and Sudan

- The comparative study of oil and war in Chad and Sudan provides an illuminating counter-example to Huntington’s “Clash of Civilizations” thesis.
- It shows that the so-called “ancient hatred” gives way to a more pragmatic approach when simple economic calculations dictate a more cooperative strategy.
- It shows that protecting the pipelines is at least as important as “controlling” the oil for explaining the pattern of ethno-religious alliances and conflict.

Chad and Sudan (i)



The Previous “Black Gold”

- For over a millennium, Arab slave traders and their local partners have been raiding the black farmers in what is now southern Chad and southern Sudan.

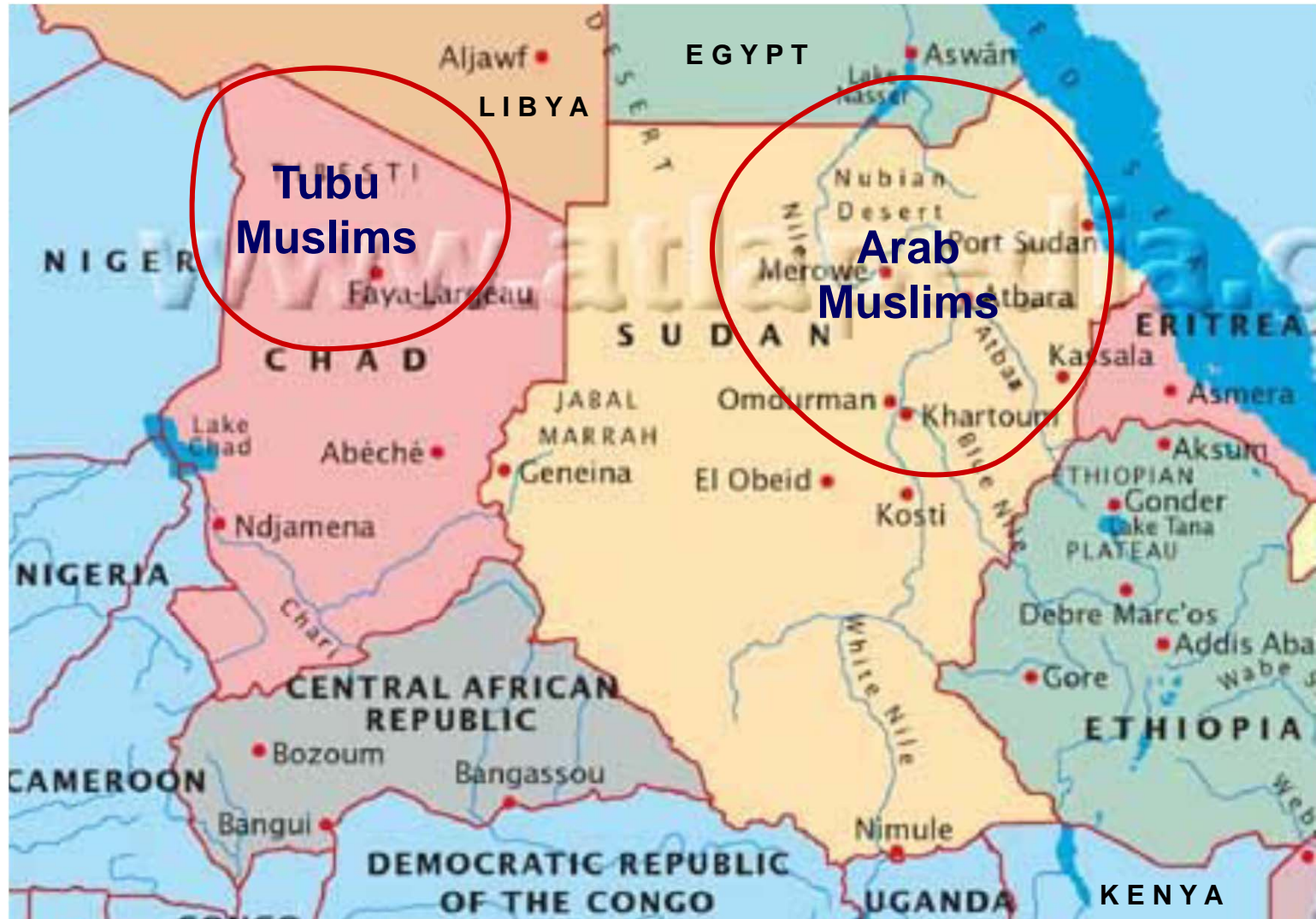
| | Trans-Atlantic | Indian Ocean | Trans-Saharan | Red Sea | Total |
|------------------|----------------|--------------|---------------|---------|-----------|
| Sudan (Nb. 5) | 615 | 174 | 408,261 | 454,913 | 862,962 |
| Chad (Nb. 10) | 828 | 0 | 409,368 | 118,873 | 528,862 |
| Total | 1,443 | 174 | 817,629 | 573,786 | 1,391,824 |

Source: Nunn (2008): “The Long-Term Effect of Africa’s Slave Trades”, *Quarterly Journal of Economics*, 123 (1), 139-176

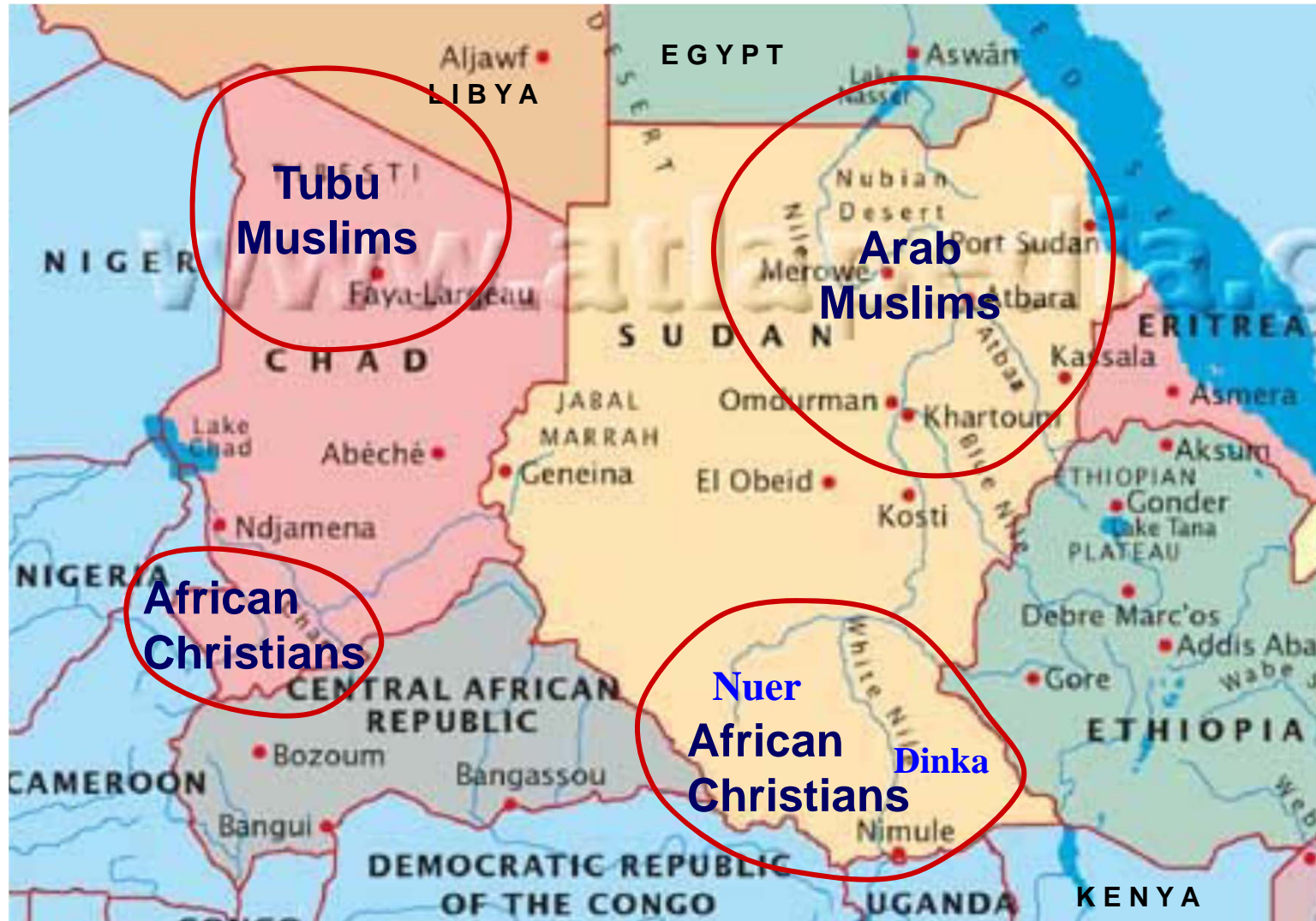
Creating Ethnic Identity

- The Kuran offered a pleasant ideological comfort as it allows Muslims to enslave *Kufirs* (infidels).
- This also provided some African groups with an incentive to convert to Islam, as the Kuran protects them against enslavement by other Muslims.
- According to Nunn (2008), this kind of relationships should have created long-lasting antagonism between the groups involved.

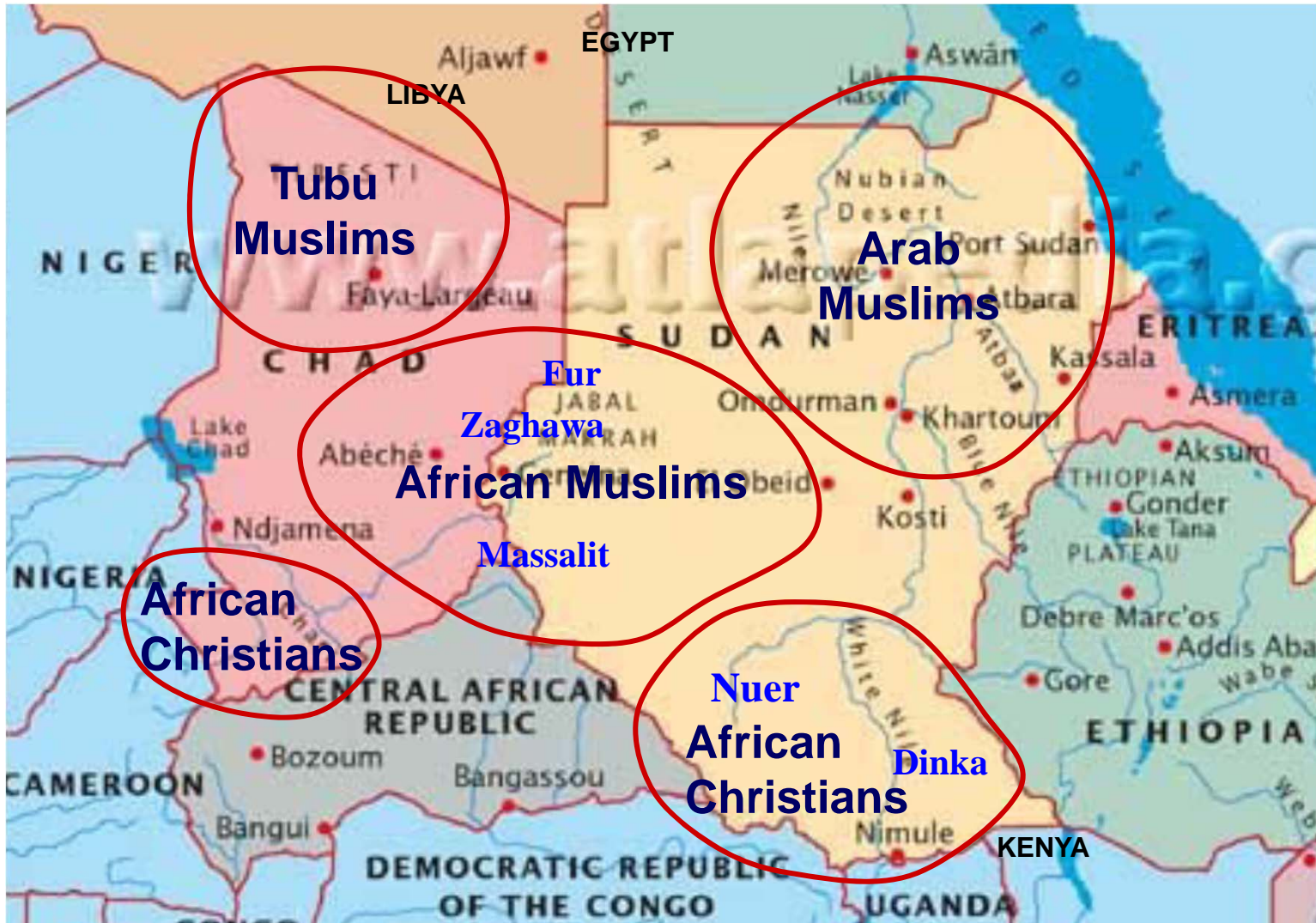
Chad and Sudan (ii)



Chad and Sudan (iii)



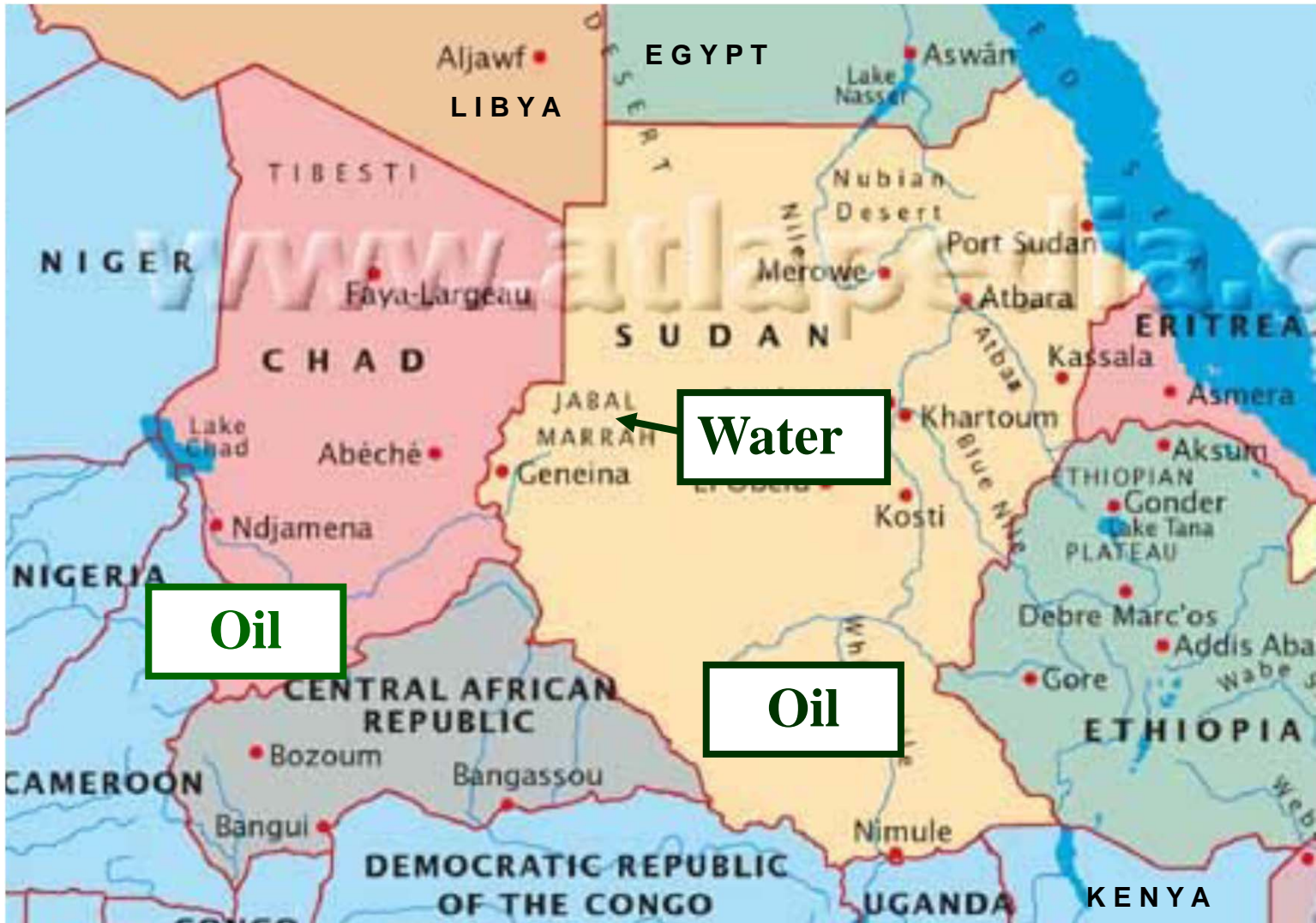
Chad and Sudan (iv)



The Shifting Fault Line

- If we follow Huntington's line of analysis, the conversion to Islam of the African semi-nomadic groups of Central Sudan, around the fertile mountain of Jabal Marrah, must have shifted Islam's southern fault line southwards.
- Political economy suggests that we should look at the available resources before concluding that these wars are mere "fault line" conflicts.
- Jabal Marrah provides the only water available between the Nile and Lake Chad on a sufficient scale for supporting agriculture, and oil has been discovered probably in the mid 1970s in these countries' southern parts, but exploited only recently.

Chad and Sudan (v)



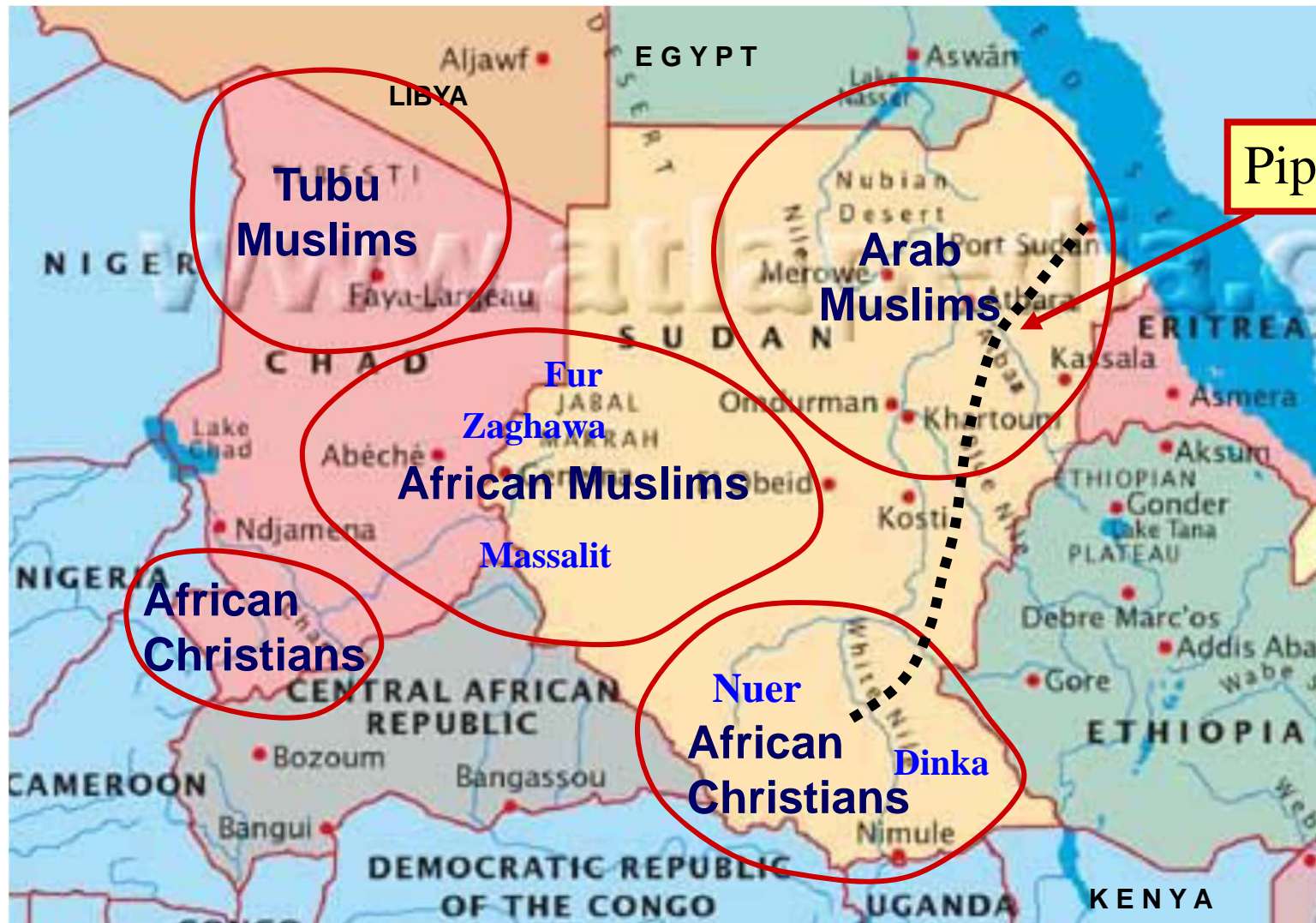
Sudan's North-South Conflict

- For decades, the government in Khartoum fought against the southerners who rebelled against their political and economic marginalization.
- Jihad provided an effective rallying cry against the Christian south, and the African Muslims of Central Sudan fought alongside the Arabs.
- Hasan Al Turabi provided Khartoum's government with a powerful religious propaganda, justifying the violence against the south.
- The resulting ethnic cleansing campaigns in the south might also be interpreted as an attempt to clear the ground for making oil prospection easier.

The Oil Companies

- The main oil companies prospecting in South Sudan were Western ones, more or less exposed to the pressure of their own country's civil society.
- Chevron left the country in 1984, just after having struck oil. The Canadian Talisman company gave in to public opinion's pressure, and tried to hold out threatening to get out if human right violations went unabated.
- A few weeks later the Chinese oil company took over Talisman's concessions, and human rights violation went unabated. The Chinese invested a lot in building the pipeline up to the Red Sea.
- Oil started to flow in 1999, while the war was still going on in southern Sudan.

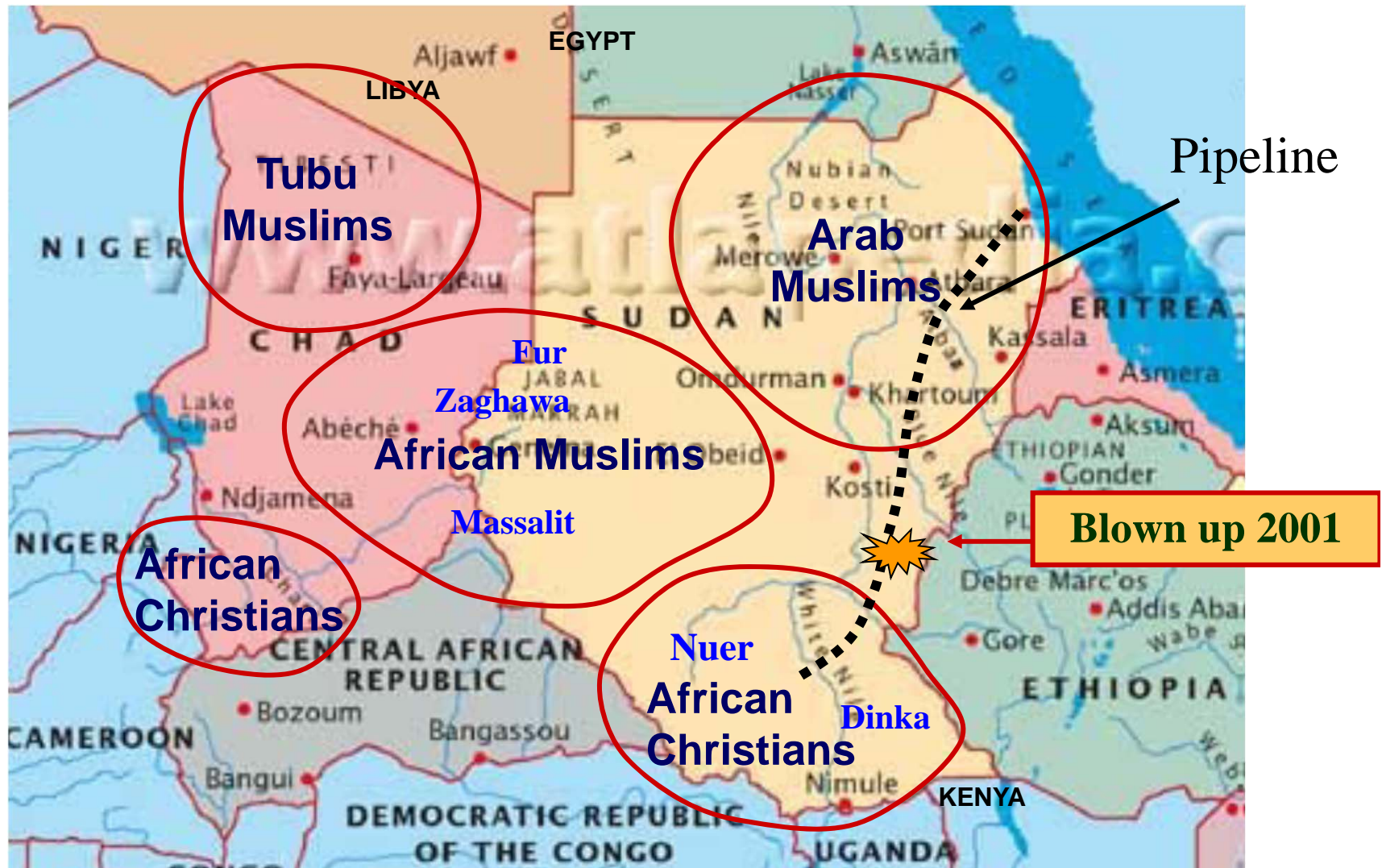
Chad and Sudan (vi)



The Rebels

- John Garang, a Dinka, was the leader of the southern rebellion, the SPLA.
- His political line was resolutely not in favor of secession, but of a more balanced political equilibrium within a united Sudan.
- As a trained economist (PhD AgEcon Iowa State), he had probably understood that controlling the oil fields is useless if you don't also control the pipeline.
- As the Chinese built the pipeline and the crude flew in it from 1999 on, Garang sent the right signal in early 2001 by blowing up the pipeline and burning a few oil wells.

Chad and Sudan (vii)



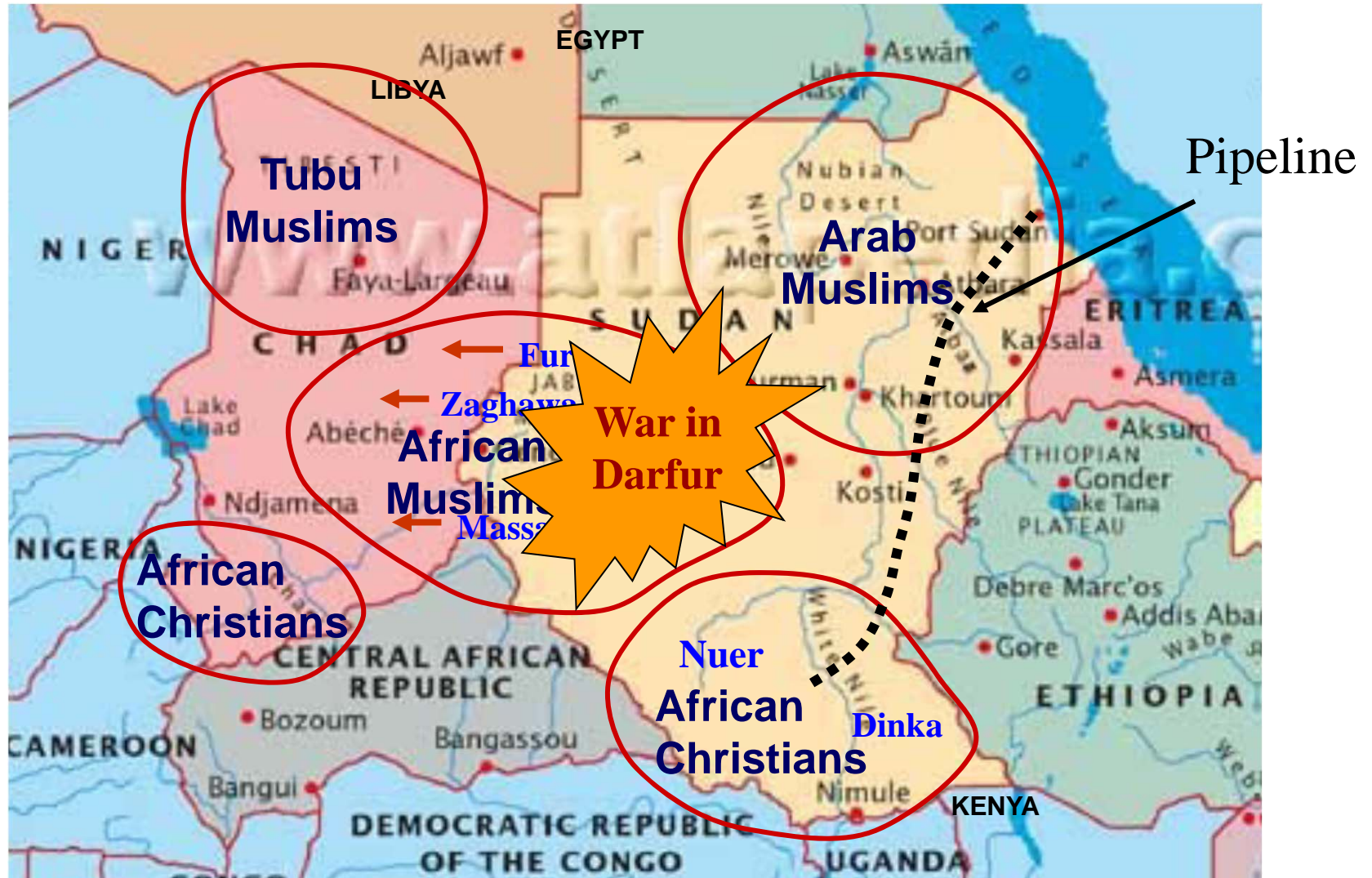
Why did the Chinese Expose their Pipeline to Be Blown Up?

- Instead of waiting for peace to prevail, the Chinese started pumping in Sudan as war was ongoing.
- Two conjectures come to mind to explain this:
- (i) they underestimated the SPLA's capacity to blow up the pipeline and/or overestimated Al Bashir's ability to protect it, or
- (ii) they wanted to ratchet their presence in Sudan and accelerate the peace process by letting Al Bashir have a sip at oil money and get addicted to it...

Forgetting Jihad

- In Khartoum, Al Bashir got the message clearly, and started to substitute Arab supremacy to Jihad, and Hasan Al Turabi was sidelined. The latter sought refuge in Darfur.
- Al Bashir understood that he was unable to protect the pipeline from the SPLA's attacks, and sought for peace. The peace agreements contained a 50-50 sharing clause for the oil money.
- Then, Al Bashir realized also that his long-time allies from Central Sudan wanted a cut in the booty, but were not really dangerous. He unleashed the "Janjaweds," recruited in the Arab nomadic tribes of the area, on the African villages around Jabal Marrah, granting them the land that they could clear that way.
- The war in Darfur was thus another ethnic cleansing enterprise, aimed at pushing Al Bashir's former African allies even further away from the pipeline, as a protective measure.

Chad and Sudan (viii)



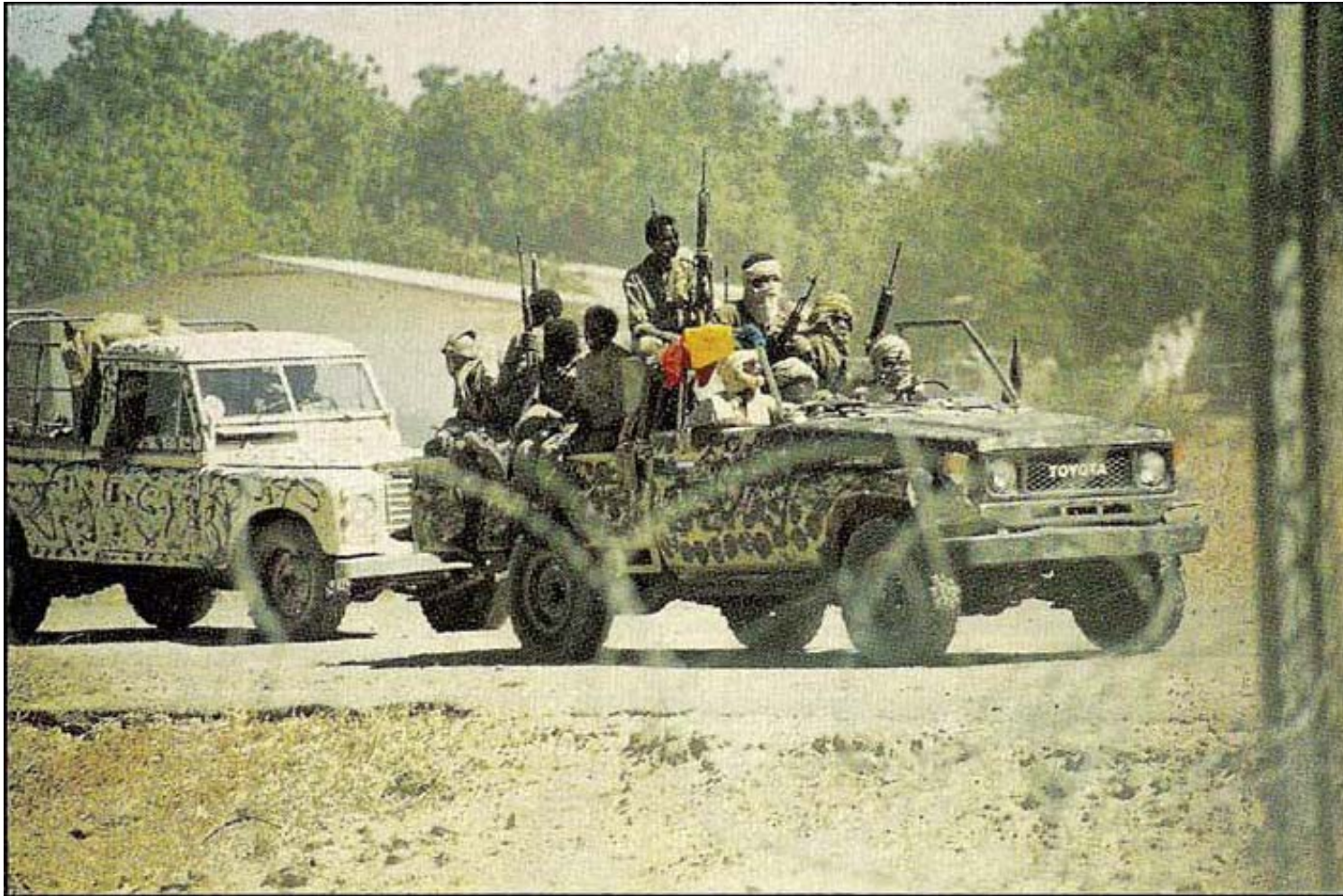
The Chadian Different Timing

- Like in Sudan, the north-south violence had been endemic in Chad since time immemorial, for the same reasons.
- The French colonization had given some prominence to the Southerners, whose religion was more compatible with going to the French school, and then to pass the competitive exams for joining the civil service and then the political elite.
- A civil war followed by widespread massacres in the south took place from 1975 to 1982, bringing the Tubu leader Hissein Habre to power. The latter was supported by the West because of his staunch opposition to Ghaddafi, whose Libyan army was occupying a stripe of land in the north of Chad.

The new political equilibrium

- Ghaddafi tried to invade Chad in 1986, but he was repelled in 1987 by Habre with some discrete help from the French.
- Habre sold the Soviet weaponry seized as the Libyans fled to the US, without letting the French even look at it, and he was dumped by Mitterrand.
- In 1990, the Zaghawa leader Idriss Déby took over, and applied a “carrot and stick” strategy.
- While he was waging a near-genocidal campaign in the south, he invited the rebel leaders to a “National Conference” in N’Djamena in 1993.

How to Beat Ghaddafi



Source: Thierry Lemoine (1997): *Tchad. 1960-1990. Trente années d'indépendance*, Lettres du monde: Paris.

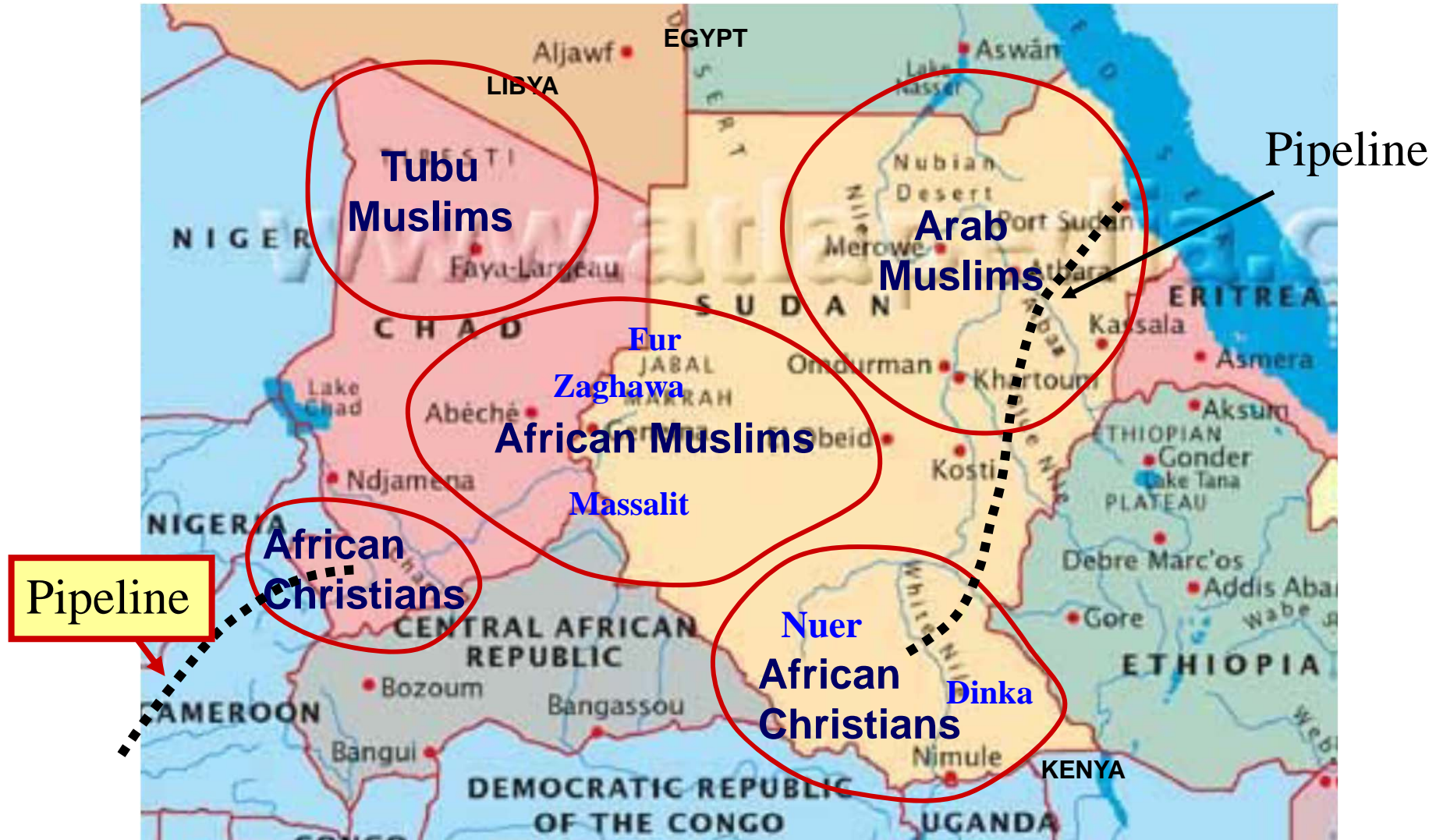
Preparing for Oil

- Idriss Déby gave up the traditional alliance with the Tubu, based too far away from the future oil fields, in favor of a close partnership with the southern groups, often referred to collectively as the Sara.
- He gave General Kamougué, the rebel leader of the south, the National Assembly's presidency, the number 2 position in the regime.
- More importantly, he did not dismantle the former rebel units, merging them formally in the Chadian army while keeping them operational.
- This was a clever commitment device, as Kamougué could at any time resume the civil war in case of cheating by Déby.

How Peace Produced Oil Money

- The (mainly US) oil companies and the World Bank pushed Déby to strengthen even further the implicit power-sharing agreement by creating a “College” for managing the oil money, with a strong presence of the Chadian civil society.
- The pipeline through Cameroon to the Kribi oil terminal was built very quickly. It is buried underground for security reasons.
- Oil started to flow in 2003, while Chad only gets 15% of the oil money, the lowest share in any production-sharing agreement.
- A smaller oil field is exploited near N’Djamena, with a refinery that provides energy to the city and its area.

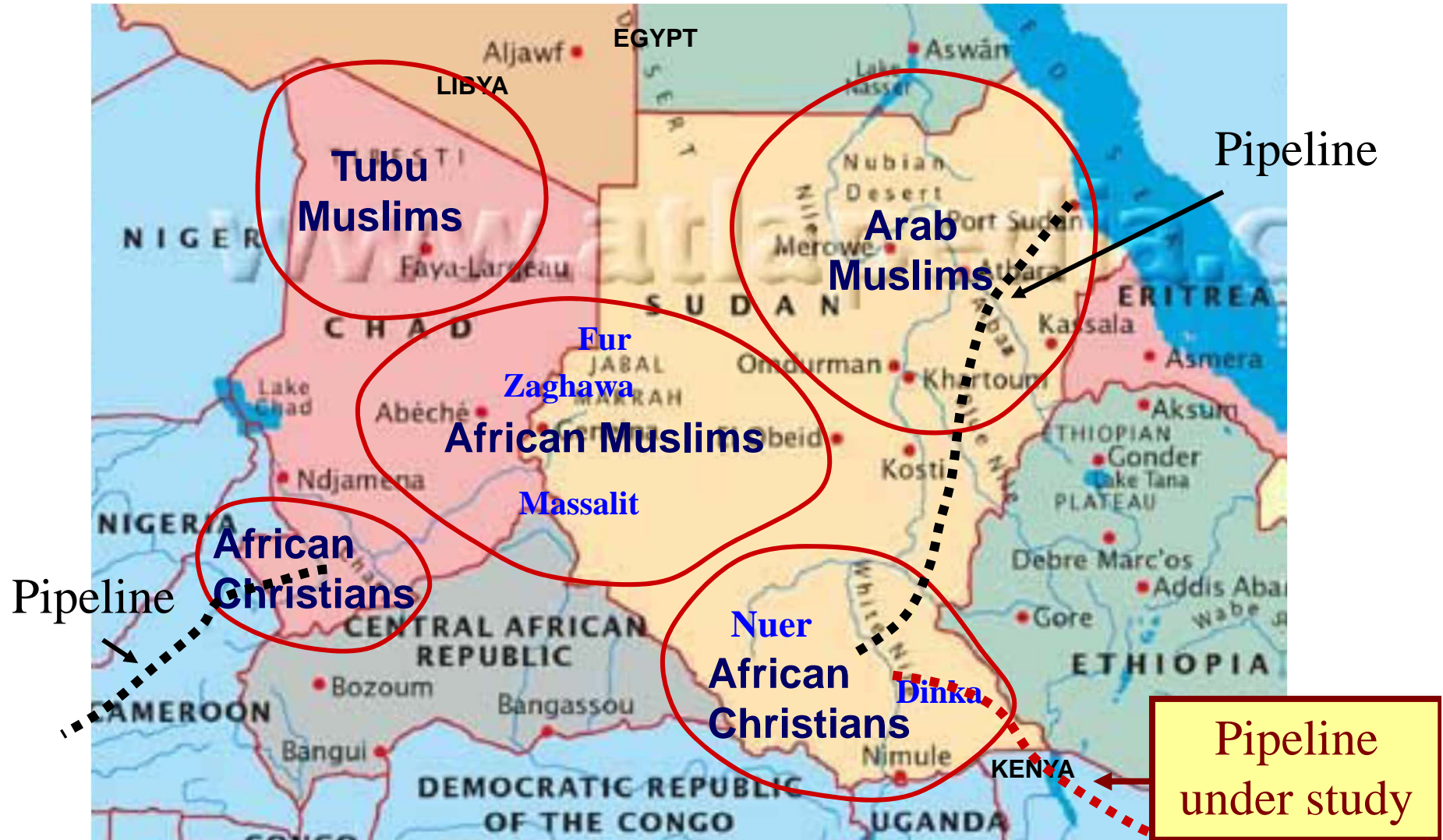
Chad and Sudan (ix)



Will War Break Out between the Two Sudans?

- South Sudan got its independence from Sudan after the January 2011 referendum, and a fragile peace prevails between the two countries.
- Al Bashir has then imposed a \$ 32 per barrel fee for transporting the South Sudanese oil to the sea, more than a third of the oil's value at the current \$ 90 per barrel (August 2011).
- Southern officials talked of a project of connecting a new pipeline to an existing one from Eldoret to Mombasa in Kenya, or to connect to a new one currently under study in Kenya linked to a projected port and refinery in Lamu.
- Experts are now making a lot of efforts to ease the resulting tension by claiming that this whole Kenyan project is “uneconomical”. However, it could become so if Total found oil in the concessions where it is prospecting in South Sudan.

Chad and Sudan (x)



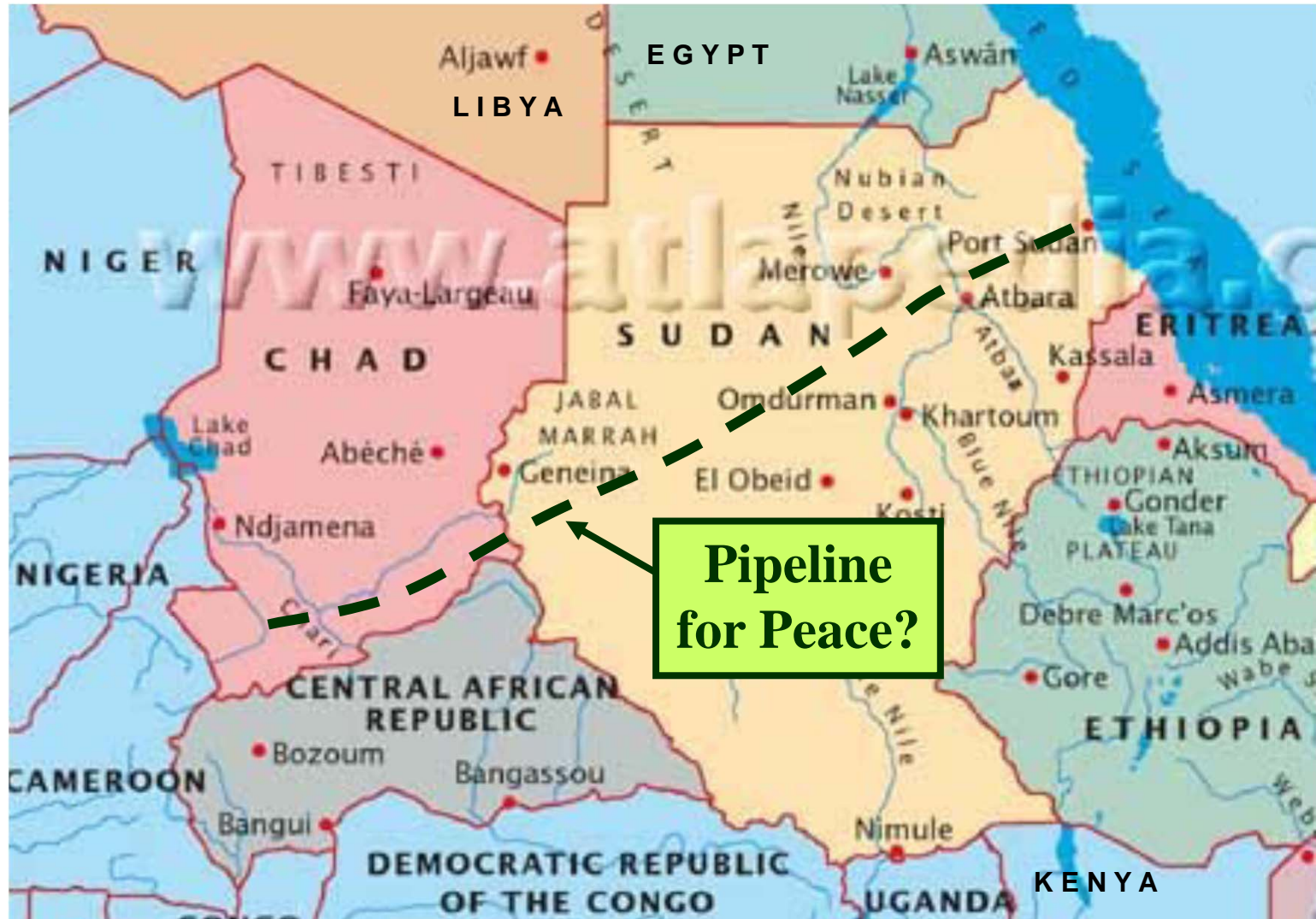


Al Bashir and Salva Kiir found an agreement on September 27, 2012

Black Gold vs. Black Gold

- The much acclaimed “clash of civilizations” thesis has paled in front of the political economics of oil and pipelines in Chad and Sudan.
- Slave raiding against the non-Muslims went on up to the late 19th century (and beyond on a smaller scale), and planted the seeds of antagonism between the Sara and the others.
- These long-term divisions crumbled easily when oil money and pipelines made cooperation a necessity.
- Then, the only criterion for coalition formation was the distance to the pipeline, as a proxy for the credibility of the implicit threat against the exclusive wealth-sharing political equilibrium.

Would a New Pipeline Save Darfur?



Any Hope?

- Such a peace promoting pipeline could only be funded if:
 - either additional oil deposits were found in Chad,
 - Or some new oil fields were found in Darfur
- Who knows? The Chinese are prospecting over there...