

Promoting Just Economic Development

By Amy P. Henson, USAID

I'd like to focus most of my remarks today on the issue of "just economic development" and some of the challenges that lie ahead, namely emerging from injustice of the war, past marginalization, and some traditional practices. These all merge into one another, but peace brings an opportunity to put to rest injustices that are not directly war-related, but that have been sustained by the war. Conflict has torn down walls, and killed and uprooted millions. A less obvious problem though is that the war has kept communities in isolation from one another and the outside world.

As Dr. Reeves mentioned, there is a need for a major infusion of transitional aid. I characterize the challenges the way that I have because as one makes the case for a major infusion of resources for a peace dividend, we are faced with the job of explaining why a peace dividend includes electricity, includes roads and includes just economic development. The reaction from some is to say that post-peace assistance should only secure the peace and address the most obvious challenges related to war. However, securing the peace agreement requires more than simply focusing on the problems most directly affected by the war. It requires a deeper look into the injustices that have been sustained by the war.

I am going to give examples of emerging from these injustices, and then briefly outline USAID's economic development programs and peace dividend package.

Emerging from Injustice

Problems stemming directly from the war are obvious and are beginning to be addressed. One of the best examples of emerging from the injustice of the war was a Save the Children/UK program I saw just recently in War-a-War Market. As many of you are well aware, the train that came down from the North into the South was a source of terror for southerners. Murajaleen would ride with the train and from there branch off to loot and raid villages. In 2002, the tracks were recently dismantled. Now, if you go to War-a-War Market, you will find those same train tracks, but they are not now the material of terror; they are now tools used for planting. This program is the epitome of just economic development. It is a reflection of Sudanese looking at the resources that are in southern Sudan, even if they came from the war and the conflict, and turning them into tools of life and prosperity.

The less obvious problems of marginalization and oppressive traditional practices are indirect consequences of the war, and as a result, will not be as obvious in the post-peace environment. One prime example of marginalization is land tenure issues in the Nuba Mountains. The conflict and insecurity led the Nuba people into the most infertile areas, while mechanized farming took over the productive lands. This was one of the main

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factors that lead the Nuba to take up arms, and without recognition and resolution of this grievance, it will be impossible to have a lasting peace. USAID funded a land study in the Nuba Mountains, which was implemented by USDA. The study found postulated that as resources dwindle conflict will increase and counteract a peace. The goal of the study was to develop a people-led process for the development of policy on land and natural resources control and management for sustainable livelihoods. Current practices are not sustainable in part because traditional and government regulations are not enforced and in some cases are outdated. Resources are limited and the majority of the economic benefits are realized by people from outside the region. The survey concluded with the recommendation that a strategy be developed to arrest the deterioration of the environment with or without a peace agreement. Significant challenges lay ahead because land issues lie at the very heart of people's wealth and survival.

Role of Women

Finally, emerging from the injustice of traditional roles and treatment of women will be critical in a post-peace environment. Women constitute 60% of the population of Sudan, and yet participation of women in decision-making is critically low. USAID and USDA have been supporting the Women and Natural Resources Working Group, which just completed a survey of the status of women in Yei and Mundri counties. It is no surprise that the status of women, including health facilities and mortality, employment opportunities, and community opportunities, was found to be very low. Let me just highlight some their findings:

Women have to contend with oppressive traditional beliefs and an ineffective legal system. Most of their effort is spent on food production, which leaves very little time for community participation. Most income from women is spent on household requirements. What is left over is controlled by the male members of the household, so it is difficult for women to build assets. According to tradition, women can neither inherit nor make decisions regarding assets or property.

In my own experience of speaking with women in Sudan, it has become clear that the lack of assets in turn has an effect on education. If all a woman's assets go to her husband, it is difficult for the average Sudanese family to expend valuable family resources on school for girls. If a boy is educated, he will provide for his parents when he earns an income, but if a girl is educated, all of her wealth will go to her husband. If women are not educated, low literacy rates contribute again to their inability to participate in decision-making, planning and policy formulation. Thus, the cycle of injustice continues. Some women I met in southern Sudan are working to change the traditional bride price, so that a man must give more cows for an educated wife.

The challenges in this area are immense, but incorporating women into the planning and gender issues into the priorities of new government structures will be essential to a truly equitable peace.

USAID's Peace Dividend

Transitioning now to USAID's plans in the coming years, one of the objectives of USAID's base economic recovery program seeks to establish the foundation for market-based economic recovery in southern Sudan. It will promote the delivery of market support services (credit, business skills, improved agricultural practices, export promotion, market information, and road rehabilitation) to entrepreneurs and the market support institutions that deliver those services (including a microfinance institution, agribusiness training centers, business associations, a statistical analysis center, and local road maintenance departments). USAID will also support improved economic policies in southern Sudan through technical and logistical assistance. At the same time, USAID will continue humanitarian assistance to those communities who are most vulnerable to disaster and conflict, including food aid, seeds and tools, and training.

In the event of a peace agreement, USAID has planned a package of special programs in FY05. This program will underpin the peace agreement through five key program elements described below. It will also meet humanitarian needs which will dramatically increase in the short term as access is gained to regions in the South long isolated by conflict. The five elements essential for peace to endure in Sudan are the following:

- **A quick-start program** will build public support for peace by providing rapid and visible benefits to communities through many small projects over a broad geographic area (both South and North) immediately after a peace agreement is signed.
- **Demobilization, Disarmament, Reintegration:** Southern Sudan has been at war for four of the past five decades. There are already some impressive developments in resolving South-South militia divisions, but formal armed forces and other armed groups long accustomed to war must be demobilized, retrained and integrated into peacetime activities. One-half of this is required in FY04 for the priorities of Juba (the former capital of South Sudan) and the other garrison towns, as well as the three GOS-SPLA conflict areas of Abyei, Nuba Mountains and Southern Blue Nile, and Upper Nile where most militias are located.
- **The next area is infrastructure** for roads, bridges, water, sanitation, electrification, and communications. Such infrastructure is essential for governance, economic recovery and delivery of social services. In southern Sudan, there are few paved roads, and most towns are without proper water, sanitation, electricity and communications facilities. The focus will be on key roads and major towns in the South, and on river transport linking North and South.
- **Expansion of basic services:** Two generations of Southern Sudanese have grown up without education. Millions of Sudanese in both North and South lack adequate health care. The peace dividend will triple the impact of USAID's programs in these key areas, through rapid expansion of facilities and training in technical and private sector skills.

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- **Democratic Governance:** Southern Sudanese will have the historic opportunity to establish their own autonomous regional government. Working government institutions and skilled human resources in the South are nearly non-existent. USAID will support the establishment of the new government of southern Sudan and the new North-South unity government. Priorities are to provide a team of technicians in key ministries of the southern government; training of government officials; building and refurbishing institutions and facilities; and supporting elections and a census.

In summary, let me just re-emphasize that the challenges that lay ahead in a post-peace environment are not only the obvious challenges that are directly related to the war. They are also the deeper challenges rooted in the isolation of Sudan from its neighbors. I appreciate the opportunity to share some of these challenges and USAID's plans to address them in the post-peace environment.

Thank you.