Oil in South Sudan: A (Re)Source of War and Peace

Sudan was a vast, poor country, with most of its wealth concentrated in the capital, Khartoum, and places within a day’s drive. The rest of the country, including especially southern Sudan, was desperately poor. Southern Sudanese lived from cattle and farming. Then, in the 1970s, Chevron struck oil. This promised riches.

Three quarters of it was in southern Sudan. Angry at their long history of neglect and exploitation by the north, southerners were determined that their riches wouldn’t be stolen from them. In 1984 rebels of the Sudan People’s Liberation Army attacked Chevron’s camp, bringing oil exploration to a halt.

It stayed that way for fifteen years of long, grueling war. Then, Chinese oil workers began working the oilfields and building pipelines. In 1999, Sudan exported its first barrel of oil. In the next eight years, the government’s budget shot up tenfold.

The SPLA had a choice: fight on against an enemy that could now rearm itself massively, or talk peace. It chose peace. A peace agreement based on sharing the country’s wealth was much easier when the national budget was growing 25% each year!

South Sudan won independence on 9 July 2011. At that time, 98% of its revenue was from oil exports.