



CONFLICT  
RESEARCH  
PROGRAMME



THE LONDON SCHOOL  
OF ECONOMICS AND  
POLITICAL SCIENCE ■

## South Sudan: The Perils of Payroll Peace

Memo, March 2019<sup>12</sup>

### Overview

1. South Sudan's peace is structured to create material incentives for political elites and soldiers to stick to the agreement. But it also creates a huge opportunity for the parties to mobilize for a new round of war.
2. This memo examines a challenge facing the Revitalized Agreement on the Resolution of the Conflict in South Sudan (R-ARCSS), namely the process of cantonment of large numbers of young men in preparation for either integration into a new national army or becoming the beneficiaries of a disarmament, demobilization and reintegration (DDR) programme. It uses the framework of the political marketplace. Drawing on the experience of recent peace agreements in South Sudan, it points to the explosive potential of the security arrangements provisions of R-ARCSS as currently implemented.
3. 'Payroll peace' is the practice of putting large numbers of soldiers and civil servants on the state payroll as an incentive for them, and the belligerent parties, to accept a peace agreement. This has become standard practice in South Sudan. Experience shows that that previous cantonment, force unification and DDR provisions have led to: (a) massive expansion of troop numbers (for military preparedness, political patronage and corruption); (b) increased pressure on political processes because they are overshadowed by armed groups; and (c) very high levels of organized violence when agreements break down.

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<sup>1</sup> This material has been funded by UK Aid from the UK Government, however the views expressed do not necessarily reflect the UK Government's official policies or positions.

<sup>2</sup> This memo was based on material and analysis by Alan Boswell and Nanaho Yamanaka, and was authored by Alex De Waal.

4. The policy formula for security arrangements is usually seen as a technical issue rather than a political decision. International policymakers fear that armed men who are not given a material reward from a peace deal will turn to criminality and rebellion. However, these dangers appear to be much smaller than the risks associated with an unregulated payroll peace in the security sector.

5. This memo concludes with two proposals to be explored: (a) decoupling the political and technical elements of security arrangements planning; and (b) setting ceiling quotas.

### The Political Logic of Payroll Peace

6. 'Payroll peace' is a political marketplace formula for using patronage for buy-in to a peace deal. But it is also a formula for the parties to prepare for a new round of war. At best it is corruption, at worst it is violently explosive.

7. Payroll peace is the practice of putting large numbers of civil servants and soldiers on the state payroll as an incentive for them, and the belligerent parties, to accept a peace agreement. The 2005 Comprehensive Peace Agreement (CPA), 2006 Juba Agreement, 2016 ARCSS and 2018 R-ARCSS all qualify as examples of payroll peace agreements. Their outcomes (which were foreseen by the parties) included a massive expansion in the numbers employed in government service and the armed forces.

8. In South Sudan, the two sectors have expanded according to different logics. The political deal expands the numbers of positions in the civil service and related posts (e.g. in legislatures). Sometimes the government also separately adds positions in response to a need to reward its followers. The increase is specified (often with great precision) in relation to the new administrative formula.

9. In the security sector, the logic is slightly different. Although the agreement may propose a number for the proposed final (reduced) size of the army, that final status is so far in the future that it does not figure in the political calculation of any belligerent. What matters is that for the interim, the warring parties can claim every single combatant. Mechanisms for verifying the numbers claimed are rarely proposed and never utilized. The result is that no real limits are set to the numbers of combatants that an armed group can claim. Each armed group will claim the maximum that it can and then there will be a bargaining process whereby those

claimed numbers are reduced. The agreed number is usually a huge exaggeration of the reality. Belligerents inflate their claimed numbers, partly so that they can recruit new soldiers and partly so that commanders can pocket the salaries and other benefits. This is simultaneously packaged as a top-down, technical programme for security sector reform (SSR) and DDR.

10. If the material incentives for inflated cantonment and DDR resulted in a workable peace agreement on the principles of the political marketplace, we might consider it a price worth paying. However, the military payroll peace is also an opportunity for massive recruitment in anticipation of a possible new war. Large-scale recruitment changes the balance of power, increases the fears of political leaders, and creates conditions for an explosion of organized violence should a serious political dispute arise.

### **The Technical Rationale for Payroll Peace**

11. The proliferation of jobs in a payroll peace is presented to international donors as institution-building and decentralization. The cantonment of soldiers and DDR provisions are presented as technical measures to control armed men and their guns.

12. International policymakers fear that armed men who are excluded from obtaining some material reward from a peace deal will turn to various forms of violence including banditry, fomenting rebellion, etc. There is no such fear for civil servants.

13. We need to critically examine the widespread supposition that having large numbers of young men with access to weapons, without formal cantonment and a DDR programme, is a recipe for danger. In South Sudan, almost all young men have access to arms, and many of them choose not to be members of organized armed groups, or choose to demobilize from them, without causing new rebellions. While formal DDR programmes have been notably ineffective, the simple arithmetic of the numbers of armed men in comparison to the number of active combatants shows that large-scale informal or spontaneous demobilization and reintegration has regularly occurred. It is in fact possible therefore, that in our exaggerated fear of these men, we have instead incentivized them to join armed groups and thus be available for organized violence.

14. To restate this point in a different way: South Sudan is a heavily armed society. Most young men have guns or easy access to guns, for numerous reasons. However, the danger of civil war is associated with *organized* armed units. A widespread distribution of firearms among civilians may contribute to lawlessness, but it is the *concentration* of armed men in organized military units that risks civil war. All civil wars in South Sudan are triggered by elite conflicts in which those elite members utilize their armed units. To date there has not been a civil war sparked by general ownership of arms among the population, though that does of course facilitate rapid mobilization of irregular forces.

### The 2005 CPA, 2006 Juba Agreement and After

15. The 2005 CPA and the 2006 Juba Agreement contained provisions for the armed forces of the belligerents. The CPA recognized only the Sudan Armed Forces (SAF) and the SPLA. All 'other armed groups' (OAGs) were required to integrate with either SAF or the SPLA or demobilize. Before implementation of these provisions was properly underway, the Juba Agreement allowed for the largest of the OAGs—the South Sudan Defence Forces (SSDF), which consisted of numerous different groups—to integrate into the SPLA. The reality was more complicated.

16. There was an increase in the size of most units. Prior to the agreements there were an estimated 40,000 combatants in the SPLA<sup>3</sup> and between 10,000 to 30,000<sup>4</sup> in the SSDF and other southern militia. However, these numbers were not specified in any agreement, leaving open the possibility that additional troops would be recruited. This is indeed what happened. After the agreements the numbers grew to an estimated 240,000 (2011)<sup>5</sup> on the payroll. However the real numbers of operational troops were much smaller. As many as half were 'ghost soldiers'.

17. As well as growing in size, multiple small political-military firms were consolidated under two conglomerates, namely SPLA and SAF, with different groups having the following status:<sup>6</sup>

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<sup>3</sup> John Snowden, 'Work in progress: security force development in South Sudan through February 2012', Small Arms Survey, HSBA Working Paper 27, (2012).

<sup>4</sup> The South Sudan Defense Forces in the Wake of the Juba Declaration, Small Arms Survey, Graduate Institute of International Studies, Geneva (2006).

<sup>5</sup> Snowden (2012).

<sup>6</sup> These categories were developed for the political marketplace toolkit of the CRP. Further details available on request.

- *Integrated*: fully integrated into the mother institution/superior firm, losing any separate organizational identity;
- *Absorbed*: officially integrated (adopting uniforms, ranks etc.) but the unit retaining its organizational identity;<sup>7</sup>
- *Aligned*: politically aligned under an agreement but remaining autonomous;
- *Quasi-aligned*: negotiating with one side only.
- *Non-aligned*: autonomous and/or negotiating with both sides

*Coalition characteristics (Following CPA/Juba Agreement)*

	Integrated	Absorbed	Non-aligned
SPLA	6	9	6
SAF coalition	0	34	0

18. The process towards the integration of 21 SSDF factions into the SPLA was driven by the short-term stratagem of buying up militias with the then-growing oil budget, rather than a long-term vision of integration and SSR/DDR. The SSDF factions negotiated with the highest levels of SPLA and the Office of the President and the Ministry for National Security. They agreed on the terms of military promotion and troop accommodation based on the ‘threat potential’ posed by each militia. This setup incentivized militias to opportunistically assert themselves to increase their bargaining power. While militias with lower threat potentials were integrated, those posing higher threats managed to bid up their price and keep autonomy by being only ‘absorbed’ or remaining non-aligned. The larger SSDF and OAGs joined the SPLA; those that joined the SAF coalition were mostly smaller ones. The huge and fragmented nature of the SPLA also created an incentive for Pres. Salva Kiir to establish special forces personally loyal to him, such as the Tiger units, and to facilitate the establishment of other forces from his own region such as the Mathiang Anyoor.

19. In parallel, ambitious SSR programmes were launched by different donors. The U.S. took a ‘train and equip’ approach. The U.K. focused on institutional reform, beginning with doctrine and strategy. Canada focused on the police. None of these were successful. The reason was that the political intent of the SPLM/SPLA leadership was (a) to expand the army to deter northern Sudan from interfering in the referendum; (b) to control southern Sudan through patronage of the SSDF factions and other militia; and (c) to extract resources for personal gain.

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<sup>7</sup> In 1972, Anyanya units were ‘absorbed’ into the Sudanese armed forces in this manner.

20. Ambitious DDR programmes were launched. These had the effect of demobilizing child soldiers, female combatants, and ageing and disabled soldiers. This helped the SPLA to recruit able-bodied young men into its ranks.

21. An important observation about this period is that, while the SSR and DDR programmes were assessed as failures, the number of fighting men in South Sudan was far, far less than the SPLA payroll. When the war broke out in 2013, the belligerents could call on only a small fraction of the numbers who had been paid, even accounting for ghost soldiers. This indicates that (a) some units chose not to fight and (b) many of the soldiers had self-demobilized and reintegrated (though they probably did not disarm).

22. The CPA set up 'Joint Integrated Units' of SAF and SPLA as the putative nucleus of a future national army (in the case of the southerners voting for unity). In reality the JIUs were not joint, integrated nor even units: they were co-located, mutually distrustful units from the two armies, that mostly coexisted but occasionally fought among themselves. There was no political intent on either side to integrate: to the contrary, each wanted to keep its forces intact in case of future conflict.

23. The combination of all these factors resulted in a large, fragmented, incipiently factionalized SPLA. One consequence was that a political dispute within the leadership in 2013, which the protagonists tried to keep within the political realm, rapidly became an extremely violent civil war as soon as the first shots were fired.

24. The CPA also led to a massive increase in the civil service payroll in both northern and southern Sudan. The World Bank's 2007 Public Expenditure Review noted with concern the relentless upward pressure on salary payments, particularly for local government.<sup>8</sup>

## The 2016 ARCSS and Its Failure

25. The 2016 ARCSS replicated the overall structure of the CPA, with the important differences that (a) the state budget was miniscule rather than large and growing, and (b) there was no territorial separation between the parties. In particular, the two parties were to jointly share militarized control of the capital, Juba.

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<sup>8</sup> World Bank, 2007. *Sudan: Public Expenditure Review, Synthesis Report*. Washington DC, World Bank, Poverty Reduction and Economic Management Unit, 2007 Report No. 41840-SD, December, pp. 61-2.

26. The provision for administrative positions included detailed distribution of posts at the national, state and local levels. Instead of handing the control of some of the states to the opposition, as stipulated, President Kiir unilaterally expanded the number of states from 10 to 28, and then to 32. This was the version of the payroll peace for the civil administration.

27. The security arrangements provisions called for the parties to assemble their forces in 'cantonment' sites ahead of the formation of a joint military. The opposition, in particular, used these provisions to mobilize new forces across the country in areas the conflict had not yet reached. This in turn also incentivized the formation of new groups, particularly under the umbrella of the SPLA-IO. Faction leaders anticipated that they would be able to reward their followers with positions in the new army, salaries, and/or DDR packages. Perhaps most importantly, political leaders wanted to bolster their military capabilities in case of a new war.

28. This new recruitment (a) massively spiked opposition forces, (b) expanded the war geographically outside the Greater Upper Nile region, and (c) sharply escalated tensions between the signatories to the peace deal.

*Coalition Characteristics (First stage of the war to ARCSS)*

	Integrated	Absorbed	Aligned	Quasi-aligned	Non-Aligned
SPLA	0	3	3	2	0
SPLA-IO	0	2	3	2	0

*Coalition Characteristics (Following ARCSS)*

	Integrated	Absorbed	Aligned	Quasi-aligned	Non-Aligned
SPLA	0	2	4	3	0
SPLA-IO	0	2	12	3	0
Independents	0	0	0	0	2

29. The ARCSS fell apart in July 2016. A provision in the ARCSS for demilitarizing the capital city and putting it under UN control was set aside. Instead, the peace deal arranged for a unit of SPLA-IO to travel to Juba to serve as a protection force for Riek Machar. After much delay and discussion over numbers, Riek and his contingent finally arrived in Juba in April. These special-trained, heavily-armed

protection forces were described as ‘police’. As foreseen by many observers, fighting broke out between these units and the peace deal essentially collapsed.

30. The post-ARCSS period had a different dynamic, as the leaders of the smaller groups had lost confidence that the provisions for payroll peace would be honoured. The SPLA-IO conglomerate fragmented. There was no integration of any forces at this time.

*Coalition Characteristics (ARCSS collapse)*

	Integrated	Absorbed	Aligned	Quasi-aligned	Non-Aligned
SPLA	0	1	7	4	0
SPLA-IO	0	3	8	8	0
Independents	0	0	0	0	12

31. An interesting observation about this process is that the actual number of active combatants did not increase proportionately. A fair (if unofficial) estimate for active combatants actually involved in fighting is 50,000. Given that the 2013 payroll was over 200,000, albeit with many ghost soldiers, this number implies that, as before, there had been considerable spontaneous demobilization and reintegration (though not necessarily disarmament).

## The 2018 R-ARCSS

32. The Khartoum Agreement, or R-ARCSS, is a classic political marketplace deal: a vast payroll peace. It promises a job for anyone who has been active or aspires to be active in South Sudan’s political marketplace.

33. In the executive and legislature, South Sudan now has the largest parliament in the region, the highest ratio of cabinet to population in Africa, and the highest MP-to-population ratio in the world.

- 1 President, plus First VP, and 4 other VPs (previously 3 members);
- 35 Ministers and 10 Deputy Ministers (previously 30 Cabinet Ministers);
- 550 MPs (previously 400).

34. In the military, the provisions are kept sufficiently vague and are essentially similar to that of the CPA and the ARCSS, but with some key telling differences. First, the R-ARCSS speeds up the ostensible SSR component to integrate, train, and ‘unify’ a new national army in the first 8 month ‘pre-transitional’ period, set to end in May



unless extended by the parties. Even with strong political will among the leaders this is not realistic.

35. The second key distinguishing feature is that the new peace deal deregulates the duopoly structure of the first ARCSS and widens cantonment and integration rights to the wider South Sudan Opposition Alliance (SSOA), a loose and fractious coalition of political elites who did not have active forces in the conflict. The SSOA nevertheless claimed hundreds of thousands of active forces, in reality non-existent, and now has the opportunity to mobilize and recruit to meet its claimed numbers. This alarmingly creates an even more factional scenario than ARCSS.

36. The ceasefire monitors were mandated to verify the forces but were given little capacity to do so, creating a de facto recruitment period which still continues. The belligerent parties, true to form, massively inflated their numbers of combatants. Even when their huge exaggerations of over one million active combatants were negotiated down, the numbers they were claiming were in excess of 300,000. For every active combatant, they were planning to recruit an additional five or six. As before, the promise of salaries, integration and DDR packages was an incentive for increasing the number of recruits, and thereby (at best) a vehicle for corruption and (at worst) a means of facilitating a new war.

37. The delayed implementation of R-ARCSS has led the two main belligerents to negotiate an ad hoc arrangement for Juba security: formation of a unified brigade, composed of forces from the two main belligerents. (Technically, other opposition forces are also to contribute troops, but thus far have not been able to produce any.) This has two functions, (a) to provide security in Juba, especially to political leaders, and (b) to form the nucleus of a new unified national army. These two functions are inherently incompatible: protecting political leaders demands troops who are personally loyal to that leader and who are his reserve in case something goes wrong; troops in a unified national army (which is many years in the future) need to be retrained, imbued with a professional ethos, and be loyal to the institution of the state. Given the real political incentives at work, immediate loyalty will trump professionalization. The language of forming the core of a new unified army is thus only rhetoric and in practice the 'unified brigade' is a re-run of the early 2016 formula of introducing contending forces into the city.

## Conclusions and Recommendations

38. The conclusions we can draw are as follows:

- South Sudan's military payroll peace has repeatedly been structured in a manner that incentivizes mobilization of young men into organized armed groups, helping lay the seeds for the next round of violence. The R-ARCISS is the latest example of this. The current formula is potentially just as explosive as the previous ones.
- Political disputes will always arise. They may be related to unfair allocations of positions in the civil service and military or other rivalries and grievances. What makes them potentially very deadly is the large numbers of *organized* armed men.
- Arising from a (possibly exaggerated) fear of the implications of not attending to the needs of armed young men, technical templates for DDR have been over-valorized. Internationally-supported DDR programmes appear to be more part of the problem than part of the solution, insofar as they exacerbate already existing incentives for mobilization during intervals of peace. We know next-to-nothing about spontaneous demobilization and reintegration, but it appears to be a major element in South Sudan's military marketplace.
- There is no realistic prospect of any force integration for the foreseeable future. Unified or integrated forces are distant dreams and security provisions should be based on a realistic assessment that units will remain loyal to their respective commanders throughout the implementation of any provisions in a peace settlement.

39. The recommendations are as follows:

- There should be no de facto open-ended payroll peace provisions for armed men. Instead, a cap should be put on the men who will be accepted into cantonment sites, paid salaries, given positions in a new army, or given DDR packages.
- One formula for this cap is that it should be the size of the future planned national army, with positions allocated according to agreed ratios. (Similar to the formulae used for allocating civil service positions). This should be based on a realistic 'audit' of the militias of all sides. Donors looking for high-impact effective funding in the security space would do well to frontload such verification right before or right after the signing of a peace deal.

- We need a better understanding of the weaponry in civilian hands, the real risks it poses, and alternatives to programmes of cantonment and DDR.
- There should be no 'unified brigade' deployed to Juba as currently conceived. These units should either constitute (a) much smaller VIP close protection units, each of which serves a specific leader, but not large enough to provide each elite political leverage through the implied threat of violence; or (b) a true new core army, located away from the national capital for extensive training, professionalization and full integration. *They cannot be both*. Resolving the immediate security challenges of the capital may yet require a robust third party force.