



SUDAN

A Metaphor for Africa?

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April 2021

Discussion paper 005/2021



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Published in April 2021 by The Brenthurst Foundation (Pty) Limited

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The restaurant on the sixteenth floor of the Corinthia Hotel in Khartoum affords an incredible view of the spot where the White and Blue Niles converge. The White Nile flows from the great lakes of equatorial Africa, with the shorter Blue Nile, whose remotest source is the Felege Ghion spring in the Ethiopian highlands, contributing nearly 90% of the water carried by the Nile proper. The slow, sweeping waters through Khartoum contrast with the darting traffic at its edges, both passage of the river and the country's history marked by a series of bridges – from the bascule 1909 Blue Nile Road and Railway Bridge completed in Cleveland Bridge & Engineering Company and the blue steel truss Omdurman Bridge (also known as the Redemption Bridge or the Old White Nile Bridge) built by Dorman Long in 1926, thirty years before independence, to the modern Tuti suspension bridge opposite the hotel.

Not for nothing is Khartoum translated by the locals into the 'hose' or 'elephant's trunk'.

The 7,000km Nile exemplifies the ties that bind the region together, whatever the politics and beliefs stretching their people apart. The controversy surrounding the construction of the Grand Ethiopian Renaissance Dam (GERD) on the Blue Nile both underscores the extent of the self-reliance and the extent of political failure in finding a resolution.



A 1929 agreement between Great Britain and Egypt, which was reinforced by the 1959 Nile Waters Agreement between Egypt and Sudan, allocated 55.5 billion cubic meters (bcm) of water annually to the former and 18.5 bcm to the latter. With the total Nile flow estimated to be 84 bcm, virtually nothing is left to the other eight states in the river's basin, which were not parties to the accord



because they were either colonies at the time or, in the case of Ethiopia, ignored entirely. Now the GERD, just 15 kms from the border with Sudan, which will take as long as 10 years to fill from 2020, threatens this lifeblood, at least in the opinion of Cairo, even though the GERD is just half the capacity of the High Aswan.

The GERD (the 8th largest water reservoir on earth) will soon join Egypt's High Aswan Dam (the 3rd largest) in the unprecedented combination of two major, multipurpose dams operating on the same river system with no agreement for water management and co-ordination in place.

Even so, the region is inextricably and increasingly interdependent in terms of the ties of people, goods and infrastructure. Egypt is the fourth-largest market for Sudan's exports at 10% of the total, with Ethiopia the fifth largest, comprising 3.6% of exports. Sudan's neighbours absorb a total of 14.2% of its exports. There is more to this than the flow of goods. There are approximately 50,000 Sudanese officially living in Ethiopia, and, during the Tigrayan crisis, at least 65,000 Ethiopians in Sudan.

On paper, the risks to Egypt, compared to the gains for Ethiopia of the irrigation and hydropower possibilities from the 6,350 MW GERD, are small, reflecting the small role played by agriculture (11% of GDP) and hydropower (10% of total generation) in modern Egypt. Yet the impact on Egypt's national identity of the Nile, and pride is considerable, risking irrational responses, with Sudan caught in the middle between these two 100+ million regional population giants.

Khartoum itself, a sprawling city of five million, around one-quarter of whom live in poverty, is ironically rain-poor.



Agriculture contributes an estimated 28% of Sudan's GDP¹ with over 40% of the labour force employed in this sector.² One of Sudan's main cash crops, cotton, accounted for 4.3% of total export earnings in 2018.³

The Kenana Sugar Company, set up by Lonrho's Tiny Rowland in 1972, is reputedly the world's largest producer of white sugar with 400,000 tons produced per year and average sales since 2017 of SDG3.3 billion (\$59.7 million).⁴ Livestock farming is another important source of (mainly) local income, with an estimated 30 million head of cattle, 40 million of sheep, and 31 million of goats.⁵ Livestock export opportunities are another mainstay, notably to the Gulf region.⁶

Industry contributed 31% of GDP in 2019⁷ including mining, manufacturing, construction and power, employing 16% of the labour force.⁸

Led by the US company Chevron, the commercial flow of oil started in 1979. Hampered by insecurity, Chevron's exploration and development activities ended five years later after rebels attacked the main Chevron base killing several employees. The French company Total soon followed suit in exiting the country. The Canadian firm Arakis, which had bought the Chevron concession, moved ahead to form a consortium known as the Greater Nile Petroleum Operating Company (GNPOC), with the China National Petroleum Corporation, the Malaysian state oil company PETRONAS, and the publicly owned Sudan National Petroleum Corporation.

Sudan held an estimated five billion barrels of proven oil reserves as of 2016, ranking 23rd in the world and accounting for about 0.3% of the world's total reserves.

As oil came on stream, Sudan boomed. By 2010, it was adjudged to have the world's 17th-fastest-growing economy. Then, with the 2011 secession of South Sudan, where 80% of the oil was located, Khartoum's world imploded. Even with a 2012 revenue agreement in place to export oil from the South via a pipeline through the North to Port Sudan, the civil war in the South has slowed the flow, compounding the effect of the downturn in the global oil price.

Yet, even when the economy was booming and oil production reached 450,000 barrels per day in the unified Sudan, the income was spent less on people than the politically-connected and powerful. Such is the consequence of a failure of democracy and accountability.

Sudan's politics read like a handbook for African coups. Independence from Britain on 1 January 1956 was followed by a military coup in November 1958 and the establishment of the Supreme Council of the Armed Forces.

Six years later a civilian government was formed, but within five years, a Revolutionary Command Council had taken power with Colonel Jaafar Muhammad an-Nimeiri at its head. As resistance to his increasingly Islamist rule escalated, Nimeiri was, in turn, overthrown in a bloodless military coup while on a visit to the



United States in April 1985, and General Abdel-Rahman Swar al-Dahab became head of state. Elections followed in the next year, with the head of state functions assumed by a six-member Supreme Council, with Sadiq al-Mahdi appointed as Prime Minister. Then, on 30 June 1989, in another coup, Brigadier Omar Hassan Ahmad al-Bashir took over as head of the Revolutionary Command Council for National Salvation in conjunction with the militant National Islamic Front (NIF) under the radical legal scholar Hasan al-Turabi.

For all of the attempts to popularize these grabs for power through the use of religion and socialist rhetoric, the political economy has centred on elite interests, principally those of the military, which today controls perhaps as much as 80% of the formal economy. The business of war was business. And the manner of the deal-making was opaque, as befitted a military dictatorship.

The road out to the southern industrial city of Giad fifty kilometres south of Khartoum is evidence of the consequence of such carelessness. Queues of trucks and cars wait at the petrol stations in a country that exports oil. The industrial city itself is a scrappy collection of factories and a dilapidated infrastructure, the businesses centring on plastics, steel and CKD motor-vehicle production; the route a haphazard throng of trucks and donkey-carts, buses and tuk-tuks, pick-ups, motorcycles, policemen and soldiers at check-points, lowbeds, GS's, VX's and the occasional VW. Slip-slopped pedestrians move lazily across the traffic, their hijabs and galabias blowing in the dust.



Returning to Khartoum along Said Abdurahman Street, at the point the tarmac disintegrated into a series of dongas, the driver asked: 'You have this in Johannesburg? Imagine,' he said, 'this is the capital of the Sudan. This is,' he stressed, banging the steering wheel of his Giad Byra, a rebadged Hyundai, 'the middle of the capital of the Sudan.'

The metrics in other infrastructure is equally bleak. Omer Ismail, the acting foreign minister and long-time Darfur activist brought into the transitional government in 2019, reminds that Sudan Airways was an early operator of jet aircraft, the first Comet being pressed into service in 1962, followed by the Boeing 707 ten years later, with more than a dozen aircraft in service. By 2010, however, the airline was banned from Europe on account of its safety record and, by 2020, had just three aircraft in its fleet.

The same applies to the Gezira irrigation project, set up by colonial authorities before the First World War, and centred on the state of Al Jazirah, just southeast of Khartoum. Originally envisaged as a wheat scheme, this was supplanted by cotton as a cash crop, and the Sennar Dam constructed on the Blue Nile in 1925 to provide a reservoir of water. A 4,300km network of canals and ditches was dug. By 2008 the irrigated area covered 2.4 million hectares, about half the country's total land under irrigation.

As Minister Ismail notes, however, 'by the end of Bashir, the scheme had been completely destroyed and run aground.' This fate was shared by other sectors, including the railways. Started by General Gordon in the 1870s and accelerated by Lord Kitchener 20 years later for military purposes, Sudan has nearly five thousand kilometers of narrow-gauge, single-track railway serving, sporadically today, the northern and central portions of the country. About ten percent of the country's more than 100 locomotives are running today, bereft of spares. A visit to the Railway Station North in Khartoum confirms the parlous state: just four trains a day were running.

All this, concludes Professor Muntasir Eltayeb, is the 'harvest of 30 years of mismanagement' by the government of Omar Hassan al-Bashir. 'While Bashir,' he says, 'had an enormously strong army, a weak economy brought him down.' Or as Omer Ismail puts it, 'it is hard to have any description of Bashir's governance within a reasonable framework. It was the government of one single day. Yesterday was the past, today is the present and tomorrow is the hands of good. It was unplanned, ad hoc system of running the economy.' One proxy for this lack of planning and vision is, Ismail points out, the decline in the value of the Sudanese pound which, was worth nearly three US dollars in 1969 and when 12 pounds bought one dollar 20 years later. When Bashir left in 2019 after thirty years at the helm, one US dollar cost an effective 45000 of the original Sudanese pounds.

It was also famously corrupt. Sudan has consistently registered in the bottom ten on Transparency International's Corruption Index, at 173rd place of 180 countries surveyed in 2020. The military profited from the scheme of grand corruption, says Minister Ismail, 'a patronage system in which profiteers shut the mouth of the president by shoving money into it.' It was a political-economy of one lever of power – the military – fed by a network of businessmen, notably in construction, electricity production, and the trade in essential goods. Repression as a tool of control was never more than a trigger pull away, and there was money to make from this too. By 2020, Sudan's debt to China stood at \$12 billion according to the



government, much of it a consequence of unbridled military expenditure to keep the lid screwed on.

And there were other dimensions to the levers of control, notably through the use of paramilitary militia, under local control and relatively unrestrained. This form of 'governance' is increasingly a regional norm, particularly in Ethiopia, as has been on public view in the various civil conflicts in Oromia and with Tigray.

While the politically connected profited, the people suffered.

The consequence of all this is that by 2020, nearly half of all of Sudan's 42 million people live in poverty; though in North Darfur the figure tops 70%. Economic growth has averaged under 1.5% since the secession, compared to an average of 7% between 2000 and 2010, while consumer inflation today is at over 170%, higher than the volatile period of the mid-1990s.



This environment complicates the management of diversity, Sudan being a metaphor for the ethno-nationalist differences which plague the continent.

Before the secession, Sudan was Africa's largest geographic state, bordering nine nations and encompassing at least 50 ethnic groups and 570 distinct peoples over 2.5 million square kilometres. Yet it was also highly unequal.

Until the Turko-Egyptian invasion of 1821, the North and South lived in virtual isolation. This changed with the advent of military garrisons, telegraph and other linkages, and tax collection, though the British conquest of Khartoum in 1898



offered a measure of protection for (and isolation of) the South from northern influence.

Yet British colonial policy towards Sudan from 1899 emphasised development of the Arab Muslim north while essentially ignoring the Black African largely Christian and animist south. Rebellion in the South against northern rule broke out in 1955 in the run-up to independence the following year in response to attempts by Khartoum to centralise authority in Muslim Arab hands. This neglect of basic infrastructure, including schools, hospitals, roads, and bridges was continued by Khartoum after independent Sudan. This led to regular and sustained uprisings and revolts, including the continent's longest civil war between the north and south from the mid-1980s, even though the rebellion started in 1955 and stopped with the 1972 peace agreement. Fighting between the North and South escalated once more when Nimeri cancelled the 1972 agreement.

In June 1983, Nimeri decided to re-divide the South into three smaller regions in an effort to stop the unrest. In September, he announced the imposition of Islamic Shari'a law. Furthermore, the regime decreed that the central government would receive the revenue from the then newly discovered oil reserves in the South.

The South saw this as a betrayal of the 1972 agreement, and the military situation continued to worsen for the government with the emergence of the Sudanese People's Liberation Movement (SPLM) under the leadership of Colonel John Garang, a US-educated agri-economist and former member of the Sudanese Army.

The North-South war cost the lives of an estimated two million people amidst claims against Khartoum of ethnic cleansing. And at least another 300,000 people have been killed and 2.5 million displaced in other struggles this century, especially since fighting erupted in the western region of Darfur in 2003.

The South's secessionist ambitions stem from the obvious disinterest of northern elites in their development. Rather Khartoum was concerned only in extracting wealth for their own benefit, and ruthlessly repressing any resistance to their rule. As Pagan Amum, then the South Sudan Minister of Peace put it just before independence, 'Secession is favoured by South Sudanese because the Sudanese state has been built around excluding them – it was not built to realise their aspirations.... Khartoum has failed to build a state to manage our diversity. In this sense the [current] Sudanese state is a failed state.'

At the time of this 2010 interview, The Brenthurst Foundation had been asked by the African Union to prepare an assessment on the likely impact of the independence of South Sudan. Our conclusion was that, while the challenges of the South Sudan state were well known, as summarized by the title of our subsequent report 'Everything is at zero', we warned against the security and other development difficulties this presented to the north, not least given the loss of prestige resulting from secession along with a loss of oil revenue.

Most other African leaders were firmly against secession, seeing it through the traditional prism of a potential Pandora's Box of possible insurrections and



irredentist attempts elsewhere. But it was folly to expect people to remain as part of a country of which they could not become president by accident of birth or faith.

Still, there were some who believed then that secession would liberate the North. 'The South, whether in war or peace, has been a liability. In war it was bleeding the North. In peace, it was costing the North for development. It has always been a burden and has never contributed to the North's economy until very late, when oil was found,' said Dr Gotbi El Mahdi, Member of the NCP Leadership Council, also in November 2010. 'All we lose [from secession] is this continuous bleeding,' he added. 'But we will lose a lot from a strategic point of view, when we see it from the view of prestige and nationalism.'

But Bashir eventually became a victim of his own failings, when the very system which kept him up let him down.

The problem for Bashir was that he did not have a plan for investment, only for extraction and repression. He was spending less than ten percent annually on education and health in a country predominantly made up of young people. His wiggle room was increasingly constrained by his relationship with the United States, making it impossible to acquire multilateral funding to bail out his failing economy.



I was in Sudan in December 2020 to assist President Olusegun Obasanjo with his peacemaking efforts in the civil war which had broken out between the rebellious Tigray province in Ethiopia's north and the warring federal government in Addis Ababa.

We stayed in the Corinthia, a Libyan-built hotel, now *the* place for visitors. Just a hundred and fifty metres down the riverside road was the Grand Hotel, built by the



railway in 1902, where visitors included Thomas Cook, Sir Winston Churchill and the delegation of Queen Elizabeth II during her visit in 1965.

The Grand was, for 100 years, regarded as the place to stay, during the colonial era especially the perfect meeting spot for cosmopolitan Khartoum. With a population of just 80,000 at independence, Khartoum was then considered a European town, with bars and nightclubs, and where prostitution was legal. Known by locals as 'Funduk al-Kbir' (the biggest-oldest hotel), the Grand remained the centre for the political elite, their discussions usually revolving around alcohol, regular visitors including Muhammad Ahmad Mahjub, leader of the opposition at the time of independence, and who served briefly as prime minister. Other regulars included leading businessman Abu Al-Ila, and Bashir Mohamed Saeed, who co-founded the *Al-Ayyam* newspaper in 1953. The advent of Nimeiri's regime signalled the decline in the hotel's political role along with Khartoum's nightlife, the colonel banning alcohol in the early 1980s under a policy of Islamisation which continues today.



One set of imperial interests was replaced, in the new world, by another. Sudan's foreign allegiances flick-flacked from the United States in the 1950s to the Soviet sphere and back to the US in the 1970s. Relations improved after July 1971, when the Sudanese Communist Party attempted to overthrow President Nimeiri, and Nimeiri suspected Soviet involvement. After the murder of the US ambassador and his deputy in March 1973 in Khartoum, and the release of the suspects into Egyptian custody, relations soured once more. In 1976, the US decided to resume economic assistance to Sudan which, by 1986, was the single largest recipient of US development and military assistance in sub-Saharan Africa.

Then in April 1986, relations with Sudan deteriorated with Sudan's improvement in relations with Libya. Official American aid was suspended in 1989 in the wake of



the military coup against the elected government. Relations were further strained in the 1990s when Sudan backed Iraq in its invasion of Kuwait and provided sanctuary and assistance to Islamic terrorist groups. In the 1990s, no less than Ilich Ramírez Sánchez, better known as Carlos the Jackal, Osama bin Laden, Abu Nidal, and other terrorist leaders resided in Khartoum. Sudan's Islamist links with international terrorist organisations led to Sudan's 1993 designation as a state sponsor of terrorism and a suspension of US Embassy operations in Khartoum in 1996. In October 1997, the US imposed comprehensive economic, trade, and financial sanctions against the Sudan. Then, in August 1998, in the wake of the East Africa embassy bombings, Washington launched cruise missile strikes against Khartoum.⁹

Then, as now, such external interests will have a strong bearing on the likely path for Sudan's recovery.

'Abandoned by the UAE, Sudan's Bashir was destined to fall' read the headline of the July 2019 Reuters' special report on Sudan.¹⁰

In his 30-year rule, Bashir had survived coup attempts, rebellions, even war, and periodic economic meltdowns. He had brushed off American strikes against Al-Qaeda targets and US sanctions, and had evaded arrest by the International Criminal Court on charges of genocide and war crimes in Darfur, famously been weaselled out of South Africa during a June 2015 African Union summit under threat of arrest.

Sudan has for a long-time been a focus of concern of NGO groupings and human rights activists, involving Hollywood stars and high-brow media campaigns. But this does not appear to have made the blindest bit of difference to Bashir's policy choices.

It was rather the combination of protracted widespread protests led by young professionals over rising food costs and the withdrawal of support from a key ally in the UAE led to his downfall in April 2019. The UAE had pumped at least \$7.6 billion into Sudan's coffers, partly due to Bashir's support for Emirati and Saudi actions in Yemen, and partly because he had stayed, more or less, onside with the Saudi-UAE nexus in its squabble with its Qatari-Turkish rival. In March 2018, however, Sudan and Qatar announced plans for a \$4 billion agreement to jointly develop the Sudanese Red Sea port of Suakin. Bashir also opted to maintain key Islamist figures in his government, including Ali Osman Taha, a former first vice president, and his successor Bakri Hassan Saleh, who had participated in the 1989 coup that brought Bashir to power.

These ties cut across the region. And it illustrates just how important the outside world is their remedy. This includes relations with key donors and potential investors, such as the United States.

The problem, states Muntasir Eltayeb, is with Sudan's elites, not the common people. This explains, he adds, why it is so difficult for labour to flow freely, for



regional interests to trump those of narrower concerns, or why elites are happy to profit in a careless manner.

Can Sudan's transitional government, in power since August 2019, narrow the yawning gap between elites and people?

Sudan will prosper or falter depending on its ability to manage its 3 'Ds': Demography, Democracy, and its Dependency on its neighbours.

At independence in 1956, Sudan's population was six million. Now young people under the age of 35, reminds Omer Ismail, comprise 70% of the population of 42 million. By 2050 this will reach over 80 million.



Democracy offers greater accountability and policy competitiveness, presuming the military is serious about relinquishing its authority, and does not only see the civilians in government as a fig-leaf of international respectability. A lagging economy, persistently high unemployment, and perceptions that nothing has changed are, however, common reasons for popular, democratic transitions to stall and potentially fail. Sudan's own transition from military to civilian control depends on regional peace and relative prosperity. Sudanese reformers need to have space to sustain domestic faith in the country's transition. This requires the unambiguous achievement of markers towards social and economic inclusion.

And Sudan has to manage its regional relations, turning confrontation into co-operation while reducing tensions, managing egos and redirecting geopolitical ambitions to its own interests.

All this will place a premium on leadership, including the management of expectations of the population.



Endnotes

- ¹ See <https://data.worldbank.org/indicator/NV.AGR.TOTL.ZS?locations=SD>, accessed December 2020.
- ² See <https://data.worldbank.org/indicator/SL.AGR.EMPL.ZS?locations=SD>, accessed December 2020.
- ³ See <https://tradingeconomics.com/sudan/exports-by-category>, accessed December 2020.
- ⁴ Arab Authority for Agricultural Investment and Development, 'Kenana Sugar Company', October 2020, accessed December 2020 at <https://www.aaaid.org/en/companies/kenana-sugar-company/>.
- ⁵ For a detailed breakdown of livestock in Sudan, see <https://sudan.opendataforafrica.org/>.
- ⁶ In 2018, Sudan's largest export to Saudi Arabia (in US\$ value) was that of livestock – valued at \$482.5 million. See <https://tradingeconomics.com/sudan/exports/saudi-arabia>.
- ⁷ See <https://data.worldbank.org/indicator/NV.IND.TOTL.ZS?locations=SD>, accessed December 2020.
- ⁸ See <https://data.worldbank.org/indicator/SL.IND.EMPL.ZS?locations=SD>, accessed December 2020.
- ⁹ See <https://sd.usembassy.gov/our-relationship/policy-history/us-sudan-relations/>.
- ¹⁰ At <https://www.reuters.com/investigates/special-report/sudan-bashir-fall/>.

ABOUT THE AUTHOR

Dr Greg Mills heads the Brenthurst Foundation. He holds degrees from the Universities of Cape Town and Lancaster, and was the National Director of the SA Institute of International Affairs from 1996 to 2005. He has directed numerous reform projects in African presidencies, sat on the Danish Africa Commission and on the African Development Bank's high-level panel on fragile states, and has served four deployments to Afghanistan with the British Army as the adviser to the commander. A member of the advisory board of the Royal United Services Institute, he is the author of the best-selling books *Why Africa Is Poor* and *Africa's Third Liberation*, and most recently, together with President Olusegun Obasanjo *Making Africa Work: A Handbook for Economic Success*. In 2018 he completed a second stint as a visiting fellow at Cambridge University, writing this time a book on the state of African democracy, which was published as *Democracy Works* in 2019. The *Asian Aspiration: Why and How Africa Should Emulate Asia* has followed in 2020, which identifies the relevant lessons from Asia's development and growth story.