



Sudan: a political marketplace framework analysis

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Sudan:

A Political Marketplace Framework Analysis

ALEX DE WAAL

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The [World Peace Foundation](#), an operating foundation affiliated with the Fletcher School at Tufts University, aims to provide intellectual leadership on issues of peace, justice and security. We believe that innovative research and teaching are critical to the challenges of making peace around the world and should go hand-in-hand with advocacy and practical engagement with the toughest issues. To respond to organized violence today, we not only need new instruments and tools—we need a new vision of peace. Our challenge is to reinvent peace.

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OVERVIEW: Sudan's Predicament

This paper provides a succinct analysis of Sudan as a political marketplace. It assumes a working knowledge of the basic principles of the political marketplace framework (PMF). It does not offer a policy recommendation, but rather a framework for analyzing the Sudanese predicament so as to understand the implications of different courses of action.

The basic predicament facing Sudan's rulers today—irrespective of whether they are soldiers, paramilitaries, civilian technocrats or civilian politicians—is that they have neither the material resources nor the skills and reputation to manage a political marketplace based on mercenarized paramilitarism and crony capitalism, but also do not have the means to transform it.

The alliance of forces supporting the Declaration of Freedom and Change (hereafter FFC), along with some army generals in the Sudan Armed Forces (SAF), and the majority of African and western nations, aspire for a transition to an institutionalized and democratic state. According to the PMF analysis that is not in prospect.

The leadership of the Transitional Military Council (TMC), namely Gen. Abdel Fattah al-Burhan and his deputy (and real power-broker) Gen. Mohamed Hamdan Dagolo 'Hemedti', along with their 'Arab troika' backers (Egypt, Saudi Arabia and the UAE), appear to aspire to a strong military government that can impose order and stability. According to the PMF, that is also not in prospect.

The PMF posits that the immediate options for Sudan lie within a range of ways in which the political marketplace can be organized: functional centralized kleptocracy; collusive or rivalrous oligopoly; or deregulated free competition (or a hybrid of these). The political entrepreneur who has the clearest grasp of these dynamics is, without doubt, Gen. Hemedti. However, the political business strategy pursued by Hemedti (and others) faces major challenges which indicate it is likely to be unsustainable in the medium term.

This strategy depends upon extracting rents from macro-economic distortions (especially a monetary policy of a dual exchange rate and domestic inflation), that is in direct contradiction with Sudan's macro-economic stabilization. Such stabilization is a minimum condition for democracy or institutionalized authoritarianism. Even with stabilization, however, much would need to be done to make institutionalized politics and economics the master, rather than the servant, of the monetized transactional politics of the political market.

The analysis briefly covers the critical junctures in the emergence of a mature political marketplace from 1972-2011, in which public office, political loyalties, and political services became commoditized. It traces the booms and busts of Sudanese political finance, the emergence of a fragmented security arena, and the different configurations of competition in the political marketplace. During the 1999-2011 period, Sudan's political economy consolidated around a rentier crony capitalist system, reliant on oil revenues. At the centre it functioned as a centralized kleptocracy and in the 'far peripheries' (southern Sudan, Darfur and the 'two areas') as a competitive political marketplace. Key to the regime's consolidation was the incorporation of the 'near peripheries' (the provinces within a day's drive of Khartoum) where people could share the material benefits of the oil boom, in the form of salaried employment, and a boom in construction and consumer commodities. A secondary effect of the boom was the growth of a national business sector less dependent on access to political power: not all Sudanese capitalism is of the crony variety. Some of these businesses subsequently provided financial support to the democracy movement.

Following the separation of South Sudan and the loss of oil revenue, the regime pursued new strategies for financing state operations and politics, but each involved major trade-offs. Artisanal gold was exploited for export, at the dual cost of inflation and empowering the paramilitaries that controlled the gold mines. Renting out military services to Saudi Arabia and the United Arab Emirates ('state mercenarism') generated powerful rivals within the centre. Leasing agricultural land and increasing tax revenue squeezed the constituencies that had benefited from the oil boom era, especially those in the 'near periphery'.

By 2018-19, Sudan's political marketplace no longer had material means needed to sustain the model of a centralized kleptocracy. President Omar al-Bashir had considerable political skill but his political budget was fast dwindling, and with it his ability to reconcile the competing demands of different claimants. With a shift in the sources of political finance towards gold and state mercenarism, the system had become a collusive oligopoly masquerading as centralized authoritarianism.

The popular uprising was a protest against the 'rule of thieves', comprising a coalition of the former subaltern beneficiaries of the oil boom and 'payroll peace', who had been shortchanged after 2011, plus the professional classes in Khartoum and their children. It drew on a well-established repertoire of Sudanese civic protest, adapted to the current circumstances.

The military takeover in April was (after a brief wobble) the restoration of a similar political market, except with a new political business manager (Gen. Hemedti). Although it has received an injection of cash (from Saudi Arabia and the UAE) and political energy (Hemedti is hyperactive and has smart political market skills), it is a less viable arrangement than that of the ousted Pres. al-Bashir. This is because Hemedti lacks the reputational assets of his predecessor, his coalition (domestic and regional) is narrower, and his takeover does not remedy the macroeconomic crisis. Hemedti's brazen political marketplace transactions will soon face steeply discounted returns as his payouts buy less loyalty. His takeover is thus likely to represent an acceleration of the trend towards an unregulated and violent political marketplace.

The dominant discourse today is military versus civilian rule, authoritarianism or democracy. This is relevant insofar as civilian, democratic rule has legitimacy that military rule does not. However, agreement between the TMC and the FFC on the composition and institutions of government do not affect these fundamentals of

the political economy or the political marketplace. A premise of the PMF is that the politics of formal institutions is subordinate to transactional politics. According to the PMF, what will determine political outcomes will be the material factors driving politics, namely the organizational structures of the political firms contesting for power, the resources that can be traded for political allegiance, and the skill of those making the deals. A key concept here is the *security arena*: the plethora of military and security units, most of them formally associated with the state, but each of which has considerable political, financial and command autonomy. In the vocabulary of the PMF, the three overall alternatives are: (a) a functional, centrally-coordinated kleptocracy; (b) an oligopoly which could be either collusive or rivalrous, or both; or (c) an unregulated and competitive market which is likely to entail a high level of violence. The second variant of option (b)—rivalrous oligopoly—runs a constant risk of lapsing into option (c). The third alternative could also be characterized as paramilitary governance.

Sudan has experienced variations of these permutations before, in both center and periphery, and an examination of Sudan’s historical political economy allows for a deeper understanding of how the dynamics of the political marketplace are likely to play out.

Origin of Sudan’s Political Marketplace

In the 1960s and ‘70s, Sudan’s political economy was dominated by four contending political-economic blocs: two sectarian parties based respectively on the interests of the business class in trade and agriculture; organized labour anchored in the railway, irrigated farming and the state bureaucracy; and an emergent informal sector tied to the rise of private financial services (Islamic banking).¹ At that time, Sudan’s politics was institutionalized and fiercely ideological. The north-central parts of Sudan had the deserved reputation of a developmental state with well-run bureaucratic institutions, symbolized by the Gezira Board which administered the largest irrigated farm in the world, which incubated both an *effendiya* class of technocrats and organized labour.² The country’s peripheries were governed on the basis of the ‘native administration’ system of adapted provincial aristocracy, which nurtured neo-patrimonialism. The tribal aristocracy emerged as a class in its own right,³ while the bourgeoisie of the provinces were drawn from Khartoum and the adjoining riverain areas, and, having made their profits in the provinces, invested them in the centre.⁴ The inner peripheries (the Nile north of Khartoum, Gezira and the Blue Nile, the Gedaref mechanized farms, northern Kordofan) were gradually drawn into the capitalist economic relations of the center, based on the industrial organization of labour in the railways and the commercial farming sector.⁵ The furthest peripheries (southern Sudan, Darfur, the Nuba Mountains) were ‘closed districts’, at best labour reserves and at worst territories administered with the utmost economy.

Table 1: ‘Old Sudan’ political economy, 1950s-1970s

Economic Sector	Power Base	Politics	Party	Preferred Form of Government
Agriculture	Provincial aristocracy & landowners	Conservative sectarian	Umma Party	Parliamentary
Trade	Provincial aristocracy & business	Conservative sectarian	Unionist Parties	Parliamentary
Organized labour and state bureaucracy	Urban, military	Secular, some radical	Communist Party, ‘modern forces’	Revolutionary-transitional
Informal sector and finance	Diffused	Islamist	Muslim Brothers <i>et seq.</i>	Islamist oligarchy

1 Niblock 1987; Woodward 1990.

2 Barnet and Abdelkarim 1991; Young 2017.

3 Ahmed 2002.

4 Mahmoud 1984.

5 Alsikainga 1996, 2002.

This bifurcation in administrative geography was reflected in the parallel tracks whereby the political arena became marketized: through grand corruption and political finance at the centre, through counter-insurgency and pacification in the periphery.

Sudanese nationalism was a curious three-fold hybrid: the ‘modern forces’ of the *effendiya* class of state bureaucrats, professionals and army officers; the unionized working class drawn from railway workers and tenants of the irrigated sector; and the patrician leaders of sectarian parties. The Muslim Brothers arrived too late to claim the nationalist mantle and also found that the sectarian parties had long resisted the secularization of politics.⁶ The Islamists’ central project was Islamic law: completing decolonization through unifying the laws that governed the state and society.⁷

The marketization of politics began in the 1970s, when President Jaafar Nimeiri turned to the newly oil-rich Gulf states and western donors for loans for development projects. These were notoriously poorly monitored, leading to major corruption, both for personal material gain and for buying influence.⁸ This accelerated with the 1977 ‘National Reconciliation’ in which the Muslim Brothers returned to Sudan along with Islamic banks which were avowedly political in their lending practices (supporting emergent economic sectors using Islamic financial instruments with the explicit aim of building an Islamist constituency).⁹ Marketized politics penetrated the army with the establishment of the Military Economic Board in 1982 (an extension of military ownership over the commercial sector, which served as a massive bribe to the officer corps to buy their political quiescence—which failed to fulfill both those objectives but nonetheless marked the commercialization of the military).¹⁰

The 1970s reconstruction of southern Sudan became a vehicle for grand corruption also. With the outbreak of renewed civil war in 1983, the marketization of politics accelerated with the use of militias as regime proxies, for both reasons of political expedience and because of crippling budgetary constraints.

Economic mismanagement meant that by 1985, Pres. Nimeiri was unable to fund his avaricious kleptocratic machine. He was overthrown in a non-violent popular uprising, driven by a coalition of the trade unions and the *effendiya* and professionals, with the army and Islamists standing aside. In the late 1980s, Prime Minister Sadiq al-Mahdi was unable to govern, because there was no dominant political constituency at the centre, the money he spent did not buy allegiance (no-one had confidence in his longevity) and as a civilian ruler he did not have the option of repression in the capital. Counter-insurgency in southern Sudan and the Nuba Mountains was principally pursued by renting the services of irregular militia, which conducted operations hand-in-glove with a military-commercial complex eager to acquire land for commercial agriculture and cheap labour from people displaced by war or land seizures, whose labour could often be exploited at sub-subsistence rates because of humanitarian aid.¹¹ Darfur was essentially ungoverned, a cockpit in which Libyan and Chadian forces fought a proxy war, and the local authorities armed themselves in response.

After taking power in the 1989 coup, the military-Islamist duopoly of Pres. Omar al-Bashir and Sheikh Hassan al-Turabi violently repressed opposition, dismantling the trade unions and professional associations, purging the officer corps of non-Islamists, while also undermining the economic basis of the sectarian parties and the provincial aristocracy. The military-Islamists thereby succeeded in keeping down the price of politics. In order to run the country on a minimal budget, the regime established an elaborate network of parallel financ-

6 Woodward 1990; El-Affendi 1991, 2013.

7 Ibrahim 2008.

8 Kameir and Karsany 1985; Khalid 1985; de Waal 2015.

9 Stiansen 2004.

10 Brown 1992.

11 Duffield 1991.

ing, including further proliferating paramilitaries. Among other things this included embracing transnational Islamic charities (which also functioned as commercial businesses, government service providers, security companies and terrorist networks, to establish a parallel state structure).¹² Counter-insurgency in southern Sudan was more thoroughly monetized. It was a remarkable system, which created fertile conditions for a thoroughly marketized political arena.¹³

Figure 1: Critical Junctures in the Sudanese political marketplace

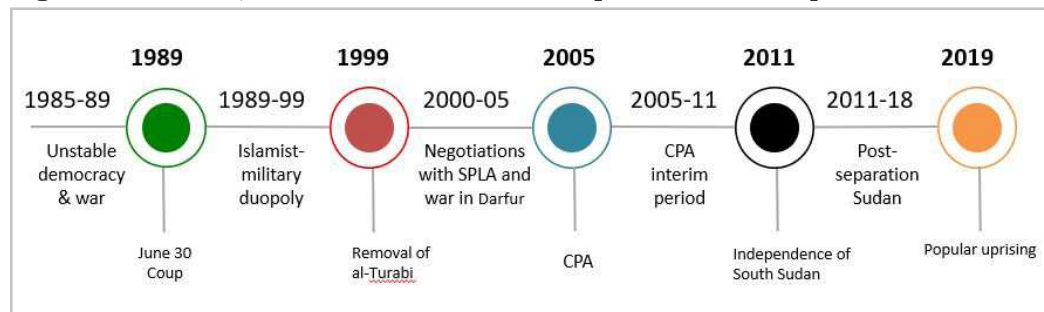


Figure 1 provides a schematization of the critical junctures in the evolution of the Sudanese political marketplace.

There are no good data for political budgets, but overall spending provides an indication of the overall size of political spending. There is a cycle of boom and bust.

- Spending increased in the 1970s, based on borrowing, allowing Pres. Nimeiri to implement his agreement with the southern rebels in 1972 and make a deal the northern opposition in 1977; this stalled in the early 1980s leading to a crunch in 1984-85 and his overthrow.
- In the democratic period, 1986-89, the government spent liberally but ineffectively; there was a budget crunch in 1988-89 which was followed by a coup.
- In the 1990s, government spending was extremely low, although most political finance was channeled through parallel mechanisms (Islamic organizations and military industries), and repression was used to keep politics inexpensive.
- The period 1999-2011 was the oil boom which made possible agreements in the south and east and accommodation with the civil opposition. The exclusion of al-Turabi made these agreements possible but also helped drive the Darfur war.
- Since 2011, following the separation of South Sudan, and the associated collapse of oil revenues, budgets have stagnated, making new peace agreements and political inclusion far more difficult. Three new sectors emerged, each providing some employment but even more political finance: artisanal gold; foreign military deployment; and smuggling.

Table 2: The Marketization of Sudanese Politics 1970s-2018

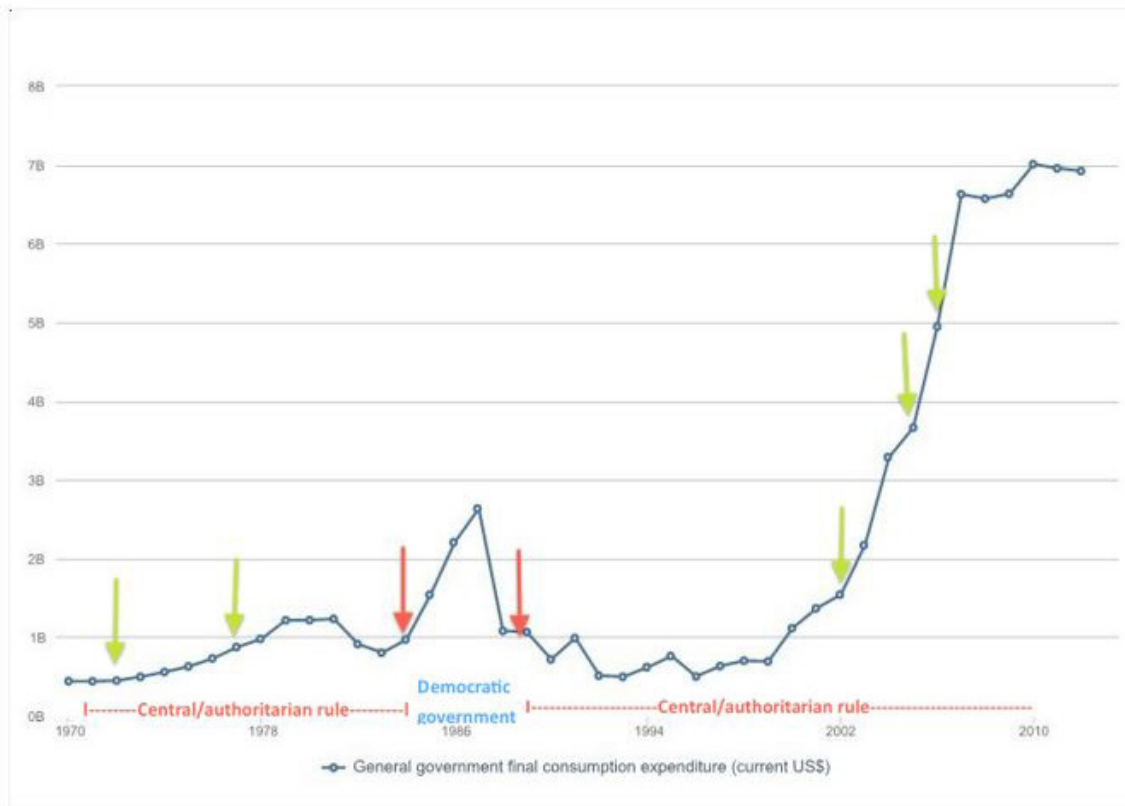
Period	Economic Characteristics	Political Finance	Economic Beneficiaries	Political Beneficiaries
1972-77	Debt-led boom	State borrowing	Crony capitalists	Modern forces
1978-83	Crisis	Privatization, Islamic banks	Informal sector, finance	Islamists
1983-99	Severe crisis	Islamic banks, pillage	Informal sector, security sector	Islamists and paramilitaries
2000-11	Oil-led boom	Oil and associated contracting	Security actors and crony capitalists	State, army and ruling party
2012-18	Crisis	Gold, state mercenarism	Paramilitaries, smugglers	Paramilitaries, Arab states, and their clients

12 de Waal and Abdelsalam 2004.

13 de Waal 2015.

Figure 2 shows total government spending during the period 1970-2015, using World Bank data with peace agreements (green arrows) and regime changes (red arrows) marked.

Figure 2: Sudan Government spending 1970-2011



Evolution of Sudan’s Political Marketplace

This section provides a schematic overview of how the political marketplace has developed in each period. It uses three tools:

- A summary political economy of the period.
- A brief description of what happened on the basis of the political marketplace framework.
- A representation of Sudan’s placement and movement according to the three basic forms in which a political marketplace can be organized (‘centralized authoritarian kleptocracy’; ‘oligopoly’—either collusive or rivalrous—and ‘free market’).

Sudan’s political marketplace is segmented: there is a central market based on Khartoum and the adjoining areas, and a provincial market. The focus is on central politics and the ‘near peripheries’, though the war in Darfur will also be considered (not least because it provides the power base and model for Hemedti’s rise). The marketplace in southern Sudan/South Sudan will be mentioned only in passing as it is less relevant to Sudan today.

Table 3: 1972-1989: Sudan becomes a Political Marketplace

Level of analysis	Account
Political economy	The 'Old Sudan' political economy of parties based on agriculture, trade and organized labour was replaced with a succession of rentierist systems, based on (successively): borrowing; privatization; Islamic finance and pillage; protracted economic crisis wiped out organized labour and the <i>effendiya</i> class.
Structure of political firms and strategies	Pres. Nimeiri needed funds to grease the wheels of his patronage machine and when he was unable to secure these, his lieutenants defected. His successors (the Transitional Military Council and PM Sadiq al Mahdi) resorted to increasingly desperate measures to secure funds and keep the governing coalition intact, and failed to do so in the face of economic crisis, war leading to proliferation of militia, and a challenge from the Islamists, who had a highly-developed political-financial system.
Organization of the marketplace	A functional, centralized kleptocracy was dismantled, replaced by an unstable, rivalrous oligopoly with the key actors investing in paramilitaries. A free market in unregulated militia emerged in the far peripheries (southern Sudan, Darfur, and the transitional areas).

Figure 3: Shifts in the Sudanese political market (1985-89)

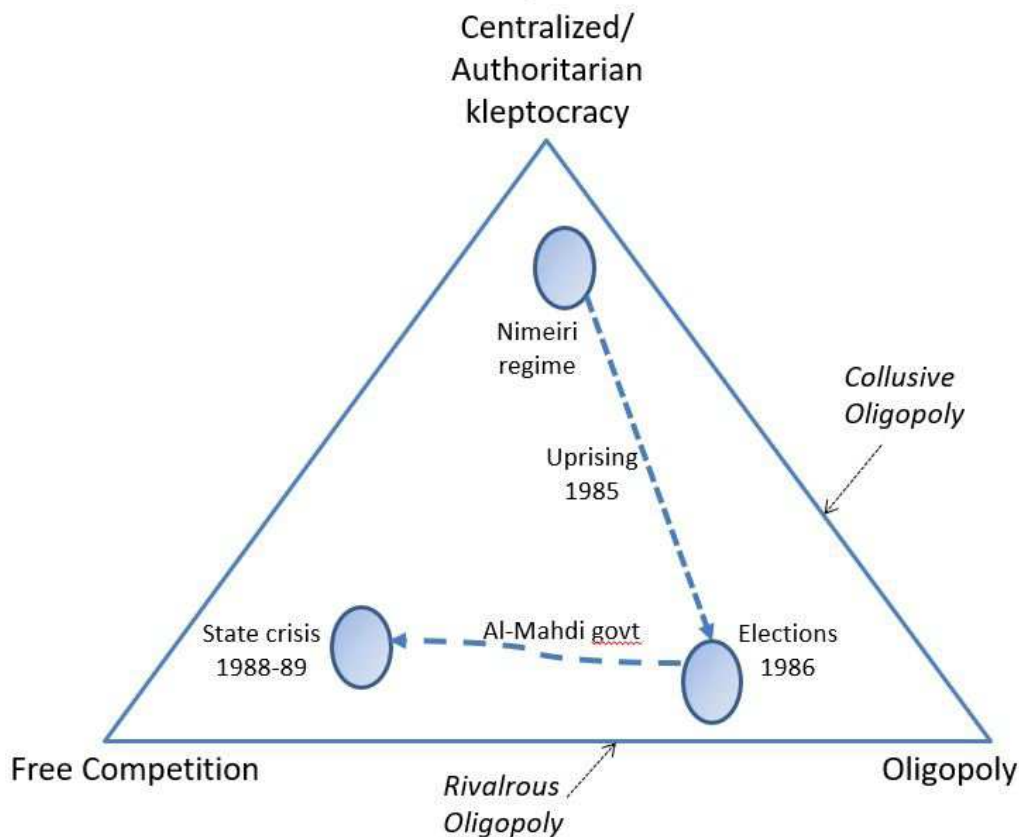


Table 4: 1989-1999: The Islamist-Military Duopoly

Level of analysis	Account
Political economy	Protracted economic crisis created niche economies of plunder; radical austerity measures alongside Islamic finance began to revitalize small and medium enterprises in Khartoum and the 'near periphery'.
Structure of political firms and strategies	The military and Islamists seized power with a division of labour (the army would secure the regime, the Islamists would implement policy). Their aim was not a political marketplace but a revolutionary Islamist state. Their agenda was destabilized by the reckless overreach of the Islamists (declaring for Iraq in the 1990 Gulf War; backing jihadi groups that tried to assassinate the Egyptian president in 1995); the regime also overreached in turning a favourable regional alignment (friendly governments in Eritrea and Ethiopia) into an actively hostile coalition of 'frontline states'; the internal rivalries were heightened as al-Turabi demanded that the Islamist revolution should be consummated and the army step aside, while Pres. al-Bashir saw the threat and first moved against the Islamist banks (accusing them of corruption) and then split the Islamists, bringing key figures (Ali Osman Taha) into alignment with the military to expel al-Turabi.
Organization of the marketplace	A collusive oligopoly at the centre, became rivalrous in the later part of the decade when the prospect of massive financial resources became imminent; the regime initially used violent repression to lower the cost of loyalty, and then innovated a complex mechanism of parallel financing for various governance tasks including warfighting; the regime tolerated/promoted a free market in loyalties in the far peripheries.

Figure 4: Shifts in the Sudanese political market (1989-99)

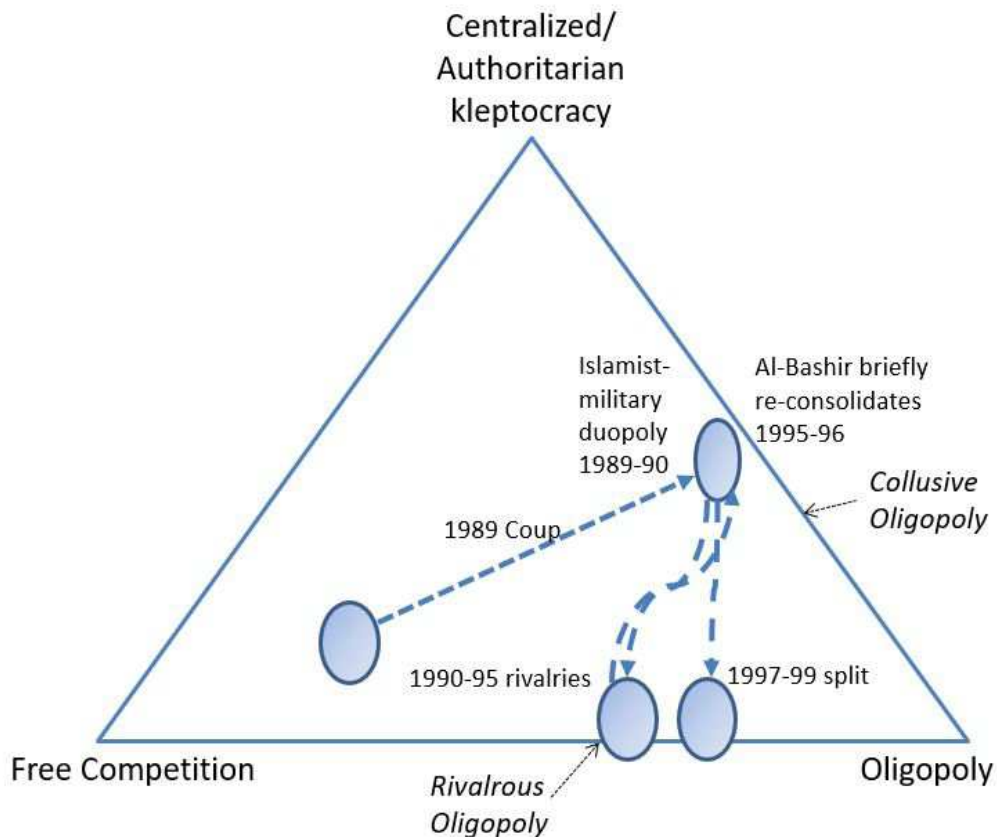


Table 5: 2000-2005: The Oil Boom and a Putative New Duopoly

Level of analysis	Account
Political economy	Return to rentierism, with a vast expansion of crony capitalism associated with oil, construction contracts, import-export trade, urban consumables, and private security. The benefits extended across the spectrum of the northern Sudanese political, economic and social elite, and included the 'near periphery'.
Structure of political firms and strategies	Political spending and the economy were restructured around the oil boom that enabled a 10-fold increase in government spending. Al-Bashir consolidated power in Khartoum, using spending to bring most Islamists onside and to make a deal with the SPLM/A, thereby creating a new political settlement; however the expulsion of the al-Turabi faction alongside the continuing rivalry with the SPLM/A created the conditions for war in Darfur; the Troika-IGAD coalition prioritized the resolution of the war in the south; Egyptian influence was reduced; democratization was made secondary.
Organization of the marketplace	A centralized authoritarian kleptocracy at the centre with a massively expanding political budget allowing for strategic political inclusion, alongside rivalrous oligopoly in the far peripheries (both established, with SPLM/A, and new, with dissident Islamists such as JEM) which created the conditions for new entrants to the political market in Darfur. The CPA was envisaged as a collusive duopoly between NCP and SPLM.

Figure 5: Shifts in the Sudanese political market (2000-05)

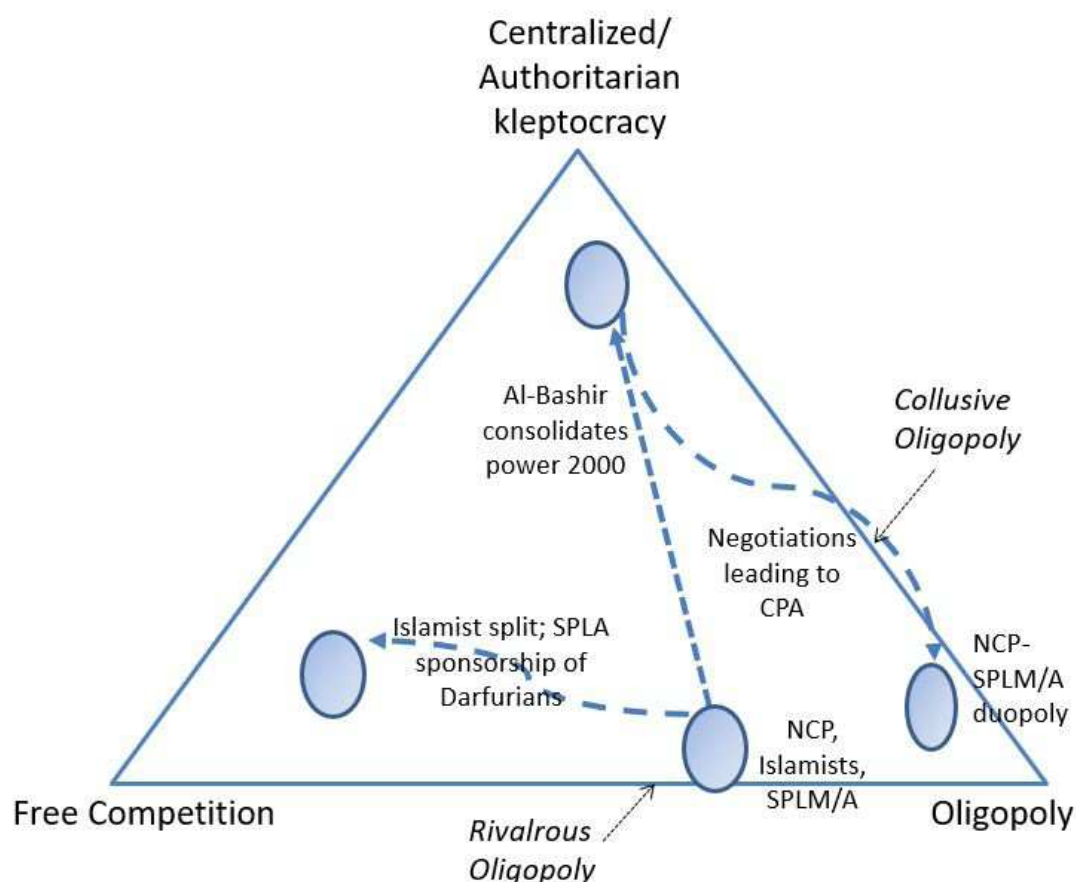


Table 6: The War in Darfur 2003-2010

This deserves a special analysis as it developed in a distinct manner, which has had far-reaching repercussions for the national political marketplace.

Level of analysis	Account
Political economy	After 20 years of near-total economic stagnation, Darfur’s business class, students and sub-altern bureaucrats demanded a share of national patrimony and state rents. Many were Islamists. The counter-insurgent forces, initially organized on an ad hoc basis, became more powerful than the official state actors, controlling key sectors of the economy (gold, trade) as well as security.
Structure of political firms and strategies	The war began with the convergence of local grievances, SPLM/A sponsorship of insurgents, and the defection of Darfurian Islamists. This caught the regime by surprise and it underestimated the political price to be paid; it overreacted to military threats and enlisted local proxies that were extremely violent, but also demanded a high price for their loyalty. The government then had to manage peace talks with the rebels, its costly, capable and ruthless proxies (which mutinied en masse), neighbouring sponsors (Chad, Libya, SPLM/A) and the international community. It adopted a retail strategy of micromanagement of disorder, unlike the wholesale deal pursued for the south. Government-sponsored paramilitaries became the most powerful actors in Darfur.
Organization of the marketplace	The height of the war (2003-05) was two hostile coalitions (a violently rivalrous duopoly); this was followed by fragmentation on both sides as the market opened up, with multiple patrons bidding and low barriers to entry by new start-ups (a ‘conflict gig economy’) from 2006-09; followed by partial consolidation in 2009-10 with the Sudan-Chad agreement.

Figure 6: The Darfur political marketplace (2003-10)

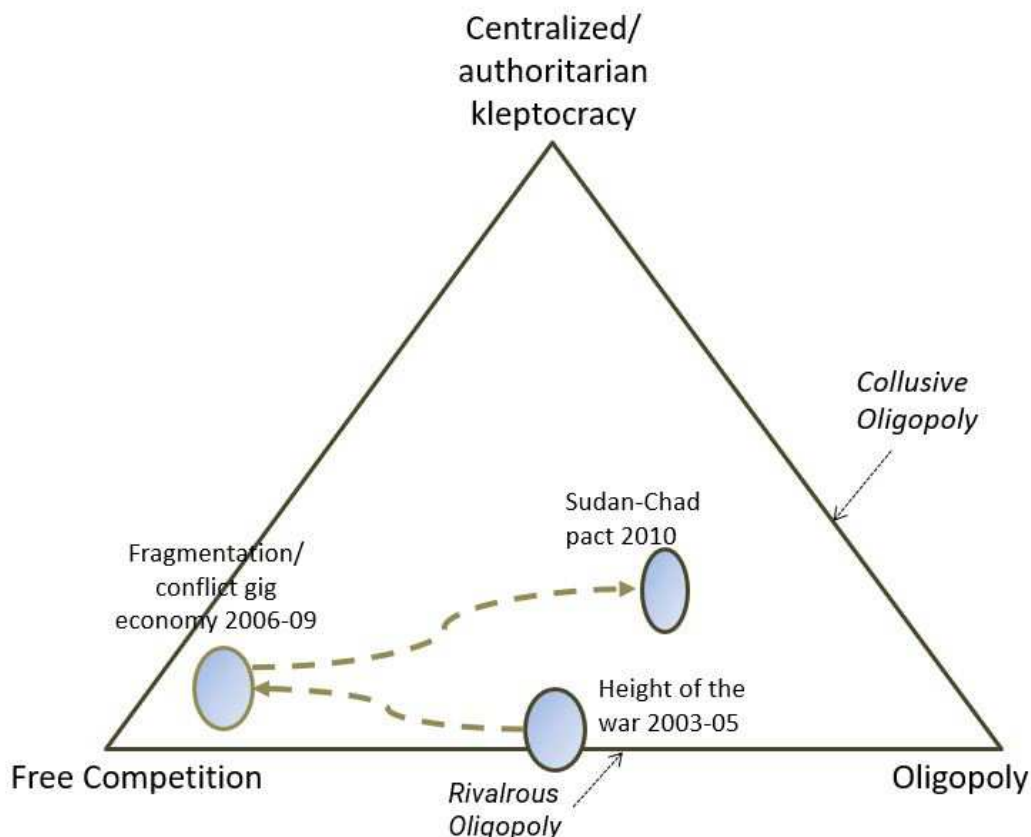


Table 7: 2005-2011 The CPA Interim Period

Level of analysis	Account
Political economy	The zenith of oil rents and crony capitalists, with the SPLM/A elites bought into the market. It was a 'payroll peace' in which the numbers of civil servants, soldiers and paramilitaries on the government payroll were massively expanded. Note that oil revenues centralize political finance, and the CPA created a duopoly of control over oil revenue. The boom also generated a business sector less dependent on cronyism, potentially the core of a future transition to a non-rentier political economy.
Structure of political firms and strategies	The death of Garang killed the putative NCP-SPLM/A deal that would create a New Sudan as a well-managed duopoly; it also marginalized Ali Osman Taha and instead empowered those in Khartoum and Juba dedicated to tactical transactional politics. Because of the war in Darfur, Khartoum was unable to focus on a settlement with the SPLM/A that would 'make unity attractive' (the stipulation of the CPA, which the Sudanese government interpreted as a massive payout to the southern elites). The Govt. of Southern Sudan under Salva Kiir spent its patrimony on a vast expansion of the military payroll/patronage. There were two simultaneous arms-and-patronage races: between Khartoum and the SPLM/A over whether southern Sudan will secede and on what terms; and between Khartoum and Chad/Libya over the question of who should dominate Darfur. Thus there was the ironic situation that the CPA ushered in a massive increase in military spending. Outspent by Southern Sudan, Pres. al-Bashir decided to concede over separation. Al-Bashir could not afford to lose the 2010 elections and spent massively on the core NCP constituencies of the 'near periphery' and those on the state payroll.
Organization of the marketplace	A collusive oligopoly collapsed before it was properly initiated; the rivalrous oligopoly meant that political budgets were poured into a zero-sum arms-and-patronage race between rival firms in Khartoum and Juba; Khartoum also had to contend with a highly competitive political marketplace in Darfur (which it managed through sponsoring paramilitaries); while factional politics within Khartoum was also very expensive. Al-Bashir could manage this because budgets continue to rise until 2008 and remain high until 2011. In the period 2010-11, Sudan could also be characterized as two centralized, functional authoritarian kleptocracies.

Figure 7: The Khartoum-SPLA arms race

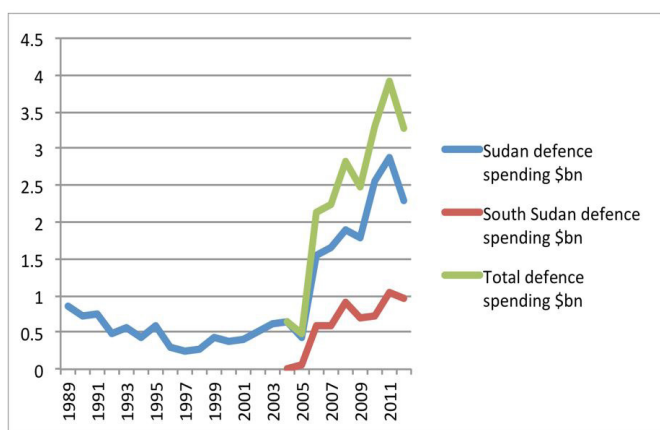


Figure 8: Shifts in the Sudanese political market (2005-10)

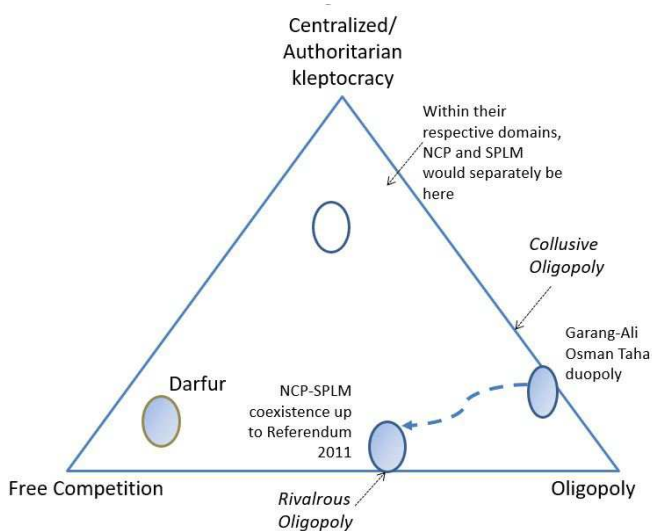


Table 8: 2011-2018 Post-Separation Crisis

Level of analysis	Account
Political economy	Sudan failed to transition to post-rentier political economy. This combined with the failure to agree and implement a post-separation transitional financial arrangement with South Sudan, causing economic crisis. This left the beneficiaries of the previous era discontented, notably the subaltern groups of the 'inner periphery'. The diversification of sources of revenue also fragmented and decentralized political finance (notably from artisanal gold, deployment of military forces in Yemen, and smuggling). Those who gained were those who controlled or provided political finance. Crony capitalists struggled; Khartoum sought deals with South Sudan to increase oil-related revenues. The strategy of paying above-market price for gold (to disincentivize smuggling, so that the regime could monopolize the hard currency) by printing Sudanese currency led to inflation which undermined the wellbeing of the general population, especially those dependent on salaries.
Structure of political firms and strategies	Oil revenues diminished, removing the principal source of political finance and driver of economic growth. The main sources of political finance were: (a) artisanal gold mining; (b) the Yemen military deployment; (c) commercial investments (leasing land for agriculture); (d) smuggling; (e) payments from Middle Eastern patrons; and (f) (modest) revenue from pumping South Sudanese oil. Note that control over artisanal gold requires cutting deals with those who control the mines, which were predominantly in Darfur adjacent to major routes for smuggling vehicles and people to and from Chad and Libya. This hugely empowered the armed groups controlling these locations, leading to a power struggle among them, which was won by Gen. Hemedti, who also gained from the Yemen deployment and emerged as the most dynamic and well-resourced political entrepreneur. Pres. Bashir sought to coopt Hemedti rather than repress him. Others strategically positioned to broker deals with Middle Eastern patrons also gained. Pres. al-Bashir struggled to manage this reorganization of the political marketplace. He remained tactically adept but could not capitalize on tactical successes. The democratic opposition enjoyed support from the non-crony business sector.
Organization of the marketplace	Sudan in this period was a collusive oligopoly posing as a centralized authoritarian kleptocracy. Central political funds were depleted and the staying power of its leader was fast dwindling, so that the credibility of bargains was reducing. The limited functionality of the central business manager (Pres. al-Bashir) was maintained because he benefited from (a) good tactical acumen and networks and (b) all key players' tolerance for him as better than the alternatives, leading to more collusion than competition. New players emerged, who tapped directly into the key new sources of political finance, namely gold and foreign military deployment.

Figure 9: Total Government spending 2010-2017

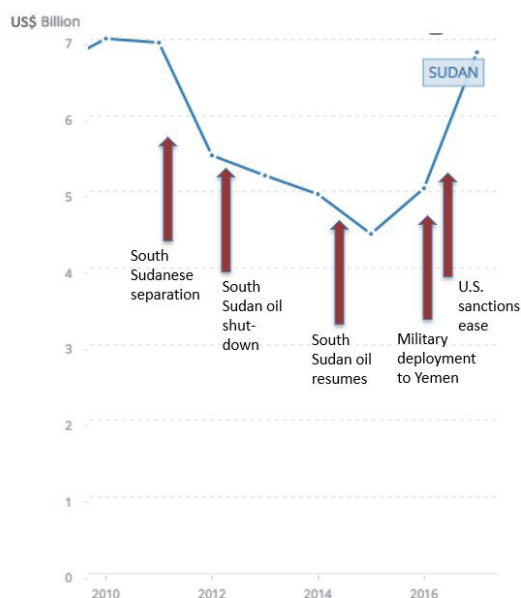
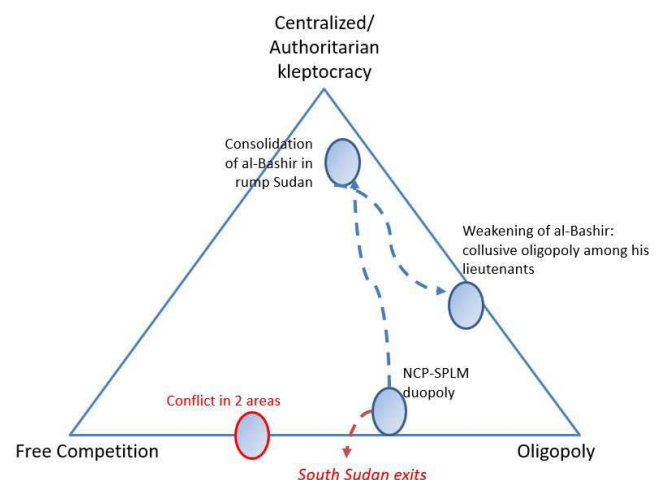


Figure 10: Shifts in the (northern) Sudanese political market (2011-18)



Structure of the Political Marketplace from Secession to the Uprising

Sudan's political marketplace in 2018 and early 2019 was a collusive oligopoly masquerading as a centralized but fragile authoritarian kleptocracy. The central political business manager—Pres. al-Bashir—was becoming weaker because of his dwindling finance and shortening shelf-life. Those who gained (a few in absolute terms, more in relative terms) from the reorganization of the political marketplace colluded to maintain Pres. al-Bashir in office, for want of a better alternative. The far peripheries, including Darfur and also the re-extension of Khartoum's political patronage across the border into South Sudan, also had elements of loosely-regulated open competition.

This section explores the key characteristics of this marketplace. It covers the changing political economy, and specifically the roles of: oil (and relations with South Sudan), gold (and smuggling), mercenarism (and relations with the Middle East), and crony capitalism. It turns to political finance, the security arena, and embeddedness in the wider region.

The Sudanese economy was in deepening crisis after 2012, and this was associated with substantial shifts in the structure of the country's political economy. The following subsections focus on the traumatic shift from an oil-based rentier economy to a gold-based one. Oil had been the basis for the boom of 1999-2011 and the associated centralized rentier economy, which involved a massive 'payroll peace' that brought hundreds of thousands into the civil service and military payrolls¹⁴; the subsequent diversified rentierism, based principally on gold and mercenarism, generated a markedly different political economy.

Oil and Relations with South Sudan

In the run-up to the secession of South Sudan, the IMF calculated that Sudan would face a budgetary gap of just over \$9 billion during the three-and-a-half years it would take for the country to make an economic transition. Under the facilitation of the African Union High-Level Implementation Panel, Sudan and South Sudan agreed that this cost would be divided into three equal parts. Sudan should implement austerity measures; South Sudan would provide \$3.014 bn. in 'transitional financial assistance' (TFA); and the two governments would make a joint approach to international donors for financial aid. None of this worked as planned. Khartoum only belatedly reduced subsidies and cut spending in 2013 (a major contributor to the street protests of that year). More importantly, South Sudan obtained independence in July 2011 without agreement on the terms on which South Sudanese oil would be pumped to market through (northern) Sudan and on the terms of the TFA. Sudan began diverting South Sudanese oil to refinery and to ships for sale itself. In response, South Sudan closed its entire oil production. The two countries went to war in April 2012. The war was settled, along with a deal for reopening South Sudanese oil production, the terms of use of the pipeline, and the TFA, in September 2012. However, production only restarted in April 2013, at a fraction of its previous level, and did not recover to pre-conflict levels by the time civil war erupted in South Sudan at the end of that year. No joint approach was made to donors and there were consequently no efforts to lift financial sanctions on Sudan (they began to be lifted in 2017) or for Sudan to enter into debt forgiveness processes. Sudan quickly fell behind on its interest payments to the IMF and World Bank, making it ineligible for further loans.

In 2012, the negotiations over restarting South Sudanese oil production and the reopening of the pipeline, Sudanese generals took a tough line on the grounds that stopping oil would kill South Sudan, whereas it would only harm (northern) Sudan. The crisis in South Sudan developed rapidly; in Sudan it took longer, but the harm done was very substantial nonetheless.

From early 2013 onwards, the Sudan government was desperate for South Sudan to reopen its oil production and export. This happened gradually over 2014-18, and provided revenue to the Sudanese treasury, includ-

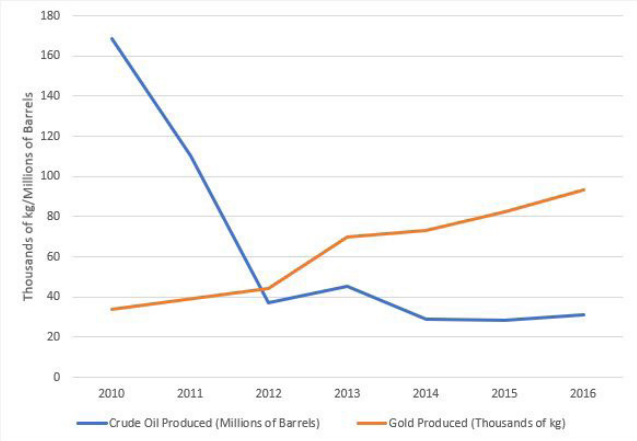
14 World Bank 2007.

ing fees for the use of the pipeline and TFA payments based on the September 2012 agreement. The deal was renegotiated in late 2014 after its first phase concluded: the deal was done directly between Khartoum and Juba without intermediaries and the details were not made public, indicating a likelihood of off-the-books payments. However, the reduced production in South Sudan and the low price of oil meant that these payments were relatively limited. The production from Sudan’s own oilfield in Heglig barely covered domestic consumption. Oil-based centralized rentierism was finished.

Gold and Smuggling

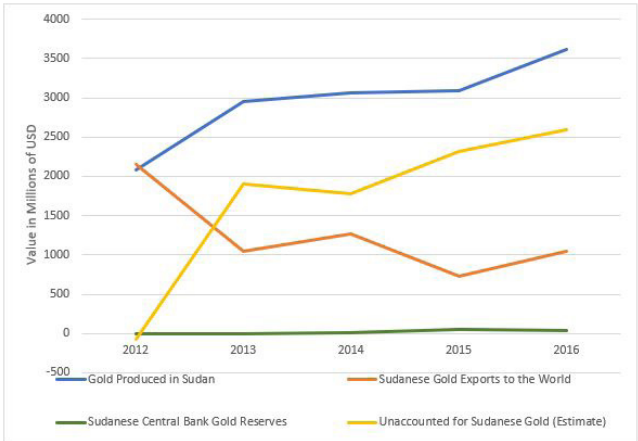
Gold was discovered in Darfur in 2012.¹⁵ It appeared as a godsend and soon became the country’s number one source of hard currency, earning about \$2.5 bn per year, about 40 percent of Sudan’s exports. But in fact gold soon proved to be a curse. The gold is overwhelmingly artisanal (90 percent mined in about 800 small mines by an estimated 200,000 small miners¹⁶); and the richest seams were discovered in Darfur in areas controlled by Arab militia, especially Jebel Amir near Seraf Omra. The early winner in the contest to control the Jebel Amir gold mines was Musa Hilal, commander of the Border Guards (former ‘Janjaweed’) who drove out the local Beni Hussein community in a battle in which more than 800 died.¹⁷ Hilal warned the central government to stay away. According to the UN Panel of Experts, Hilal earned \$28 million annually from taxes and levies on prospectors, \$17 million from mines he owned, and \$9 million through illegal exports.¹⁸ The total income to Arab paramilitaries was estimated at \$123 million. Over the following years, Khartoum armed Hilal’s rival, Gen. Hemedti, formalizing his paramilitaries as the Rapid Support Force (RSF). In November 2017, Hemedti’s RSF defeated Hilal’s Border Guards, capturing Hilal and his senior commanders.¹⁹

Figure 11: Sudanese Crude Oil and Gold Produced



Data Source: Central Bank of Sudan and U.S. Geological Survey

Figure 12: Where is Sudan’s Gold?



Data Source: Central Bank of Sudan (with estimations for gold ‘unaccounted for’)

In addition, the Arab paramilitaries gained a very substantial income from smuggling tens of thousands of vehicles to and from Libya and Chad and trafficking people across the Sahara. Groups such as the RSF that were deployed to control smuggling and illicit migration, also benefitted from those activities.²⁰ The RSF was entrusted with disarmament campaigns in Darfur, which serve as a means of accumulating weapons and

15 Tubiana 2014.
 16 Marwan 2015.
 17 Radio Dabanga 2014.
 18 UN Security Council 2016.
 19 MacGregor 2017.
 20 African Centre for Justice and Peace Studies, 2018; Tubiana, Warin and Saeneen, 2018.

vehicles and taking control over key checkpoints and smuggling routes.²¹ Hemedti thus became the country's number one gold trader, smuggler and border guard, and thereafter, the RSF became the de facto military rulers of northern Darfur.

Elsewhere in Sudan, notably in the northern region, gold mining attracted large numbers of prospectors. Tensions with local people arose over attempts by the government to transfer artisanal concessions to foreign companies,²² and over the despoliation of the local ecology through pollution with mercury and arsenic.

The other major impact of gold was the macroeconomic strategy adopted to minimize smuggling. Artisanal gold is notoriously easy to smuggle, and the government needed to pay a premium in order to incentivize traders to sell through official channels. The policy adopted was to require traders to sell the gold to the Central Bank of Sudan, (CBOS) which then served as the exclusive exporter of gold. A study of the macroeconomics of gold in Sudan, by Ibrahim Elbadawi and Kabbashi Suliman²³ observed, 'The fact that the CBOS, not the Ministry of Finance and National Economy, is the government agent in this market suggests that domestic credit creation is likely to be the main source of financing the gold purchases.'²⁴ The IMF found that resulting CBOS foreign exchange losses amounted to 2.9% of GDP annually in 2012-17. Elbadawi and Suliman conclude, 'the combination of increasing monetization of the fiscal deficit and purchases of gold through money printing by the CBOS have not only been the main source of short-term macroeconomic instability but has also undermined the competitiveness and diversification of exports in the medium to longer runs and worsened the external debt problem.'²⁵

Nonetheless, from 2013 onwards, most of Sudan's gold production does not appear in official figures for exports or gold reserves. The most credible explanation for this is officially-sanctioned off-the-books exports by companies associated with the regime and the RSF.

The inflationary strategy also had a major socio-economic impact. First, it was a forced transfer of material wealth, reducing the real incomes of those on fixed salaries (such as civil servants) and increasing those in the gold mining and trading economy and others who had access to hard currency. Second, the resulting hyperinflation caused far-reaching economic distress including inability to afford basic foodstuffs. The main social groups that lost out were those that had gained in the oil boom and 'payroll peace' of the previous decade, and which had also been the core of support for the NCP during the 2010 election. Geographically this group is concentrated in the 'near periphery' of towns within a day's drive of Khartoum. This is where the protests began in December 2018, focused initially on the high price of basic commodities, especially foodstuffs.

Mercenarism and Relations with the Middle East

Sudanese troops were deployed in Yemen from 2015, paid for by Saudi Arabia and the UAE. In 2016, a contingent of the RSF was also deployed, under a separate agreement that bypassed the SAF command.²⁶ The SAF and RSF are deployed separately. Their total numbers are variously estimated at between 7,000-15,000, and they comprise the largest number of ground troops serving with the coalition. The deals to deploy the troops were both brokered by the head of Pres. al-Bashir's office, Taha Hussein, and it is very likely that he took a very substantial personal commission.²⁷ The financial structure of the deals are quite different: the SAF contingent is paid through regular army channels, while the RSF commanders received their troops' salaries

21 Radio Dabanga 2018b.

22 Amin 2018.

23 Elbadawi and Suliman 2018.

24 Ibid p. 4.

25 Ibid p. 5.

26 Perry 2018.

27 Perry 2018.

in hard currency, and they paid their troops in Sudanese pounds, providing them with substantial personal profit. Additionally, Saudi and Emirati recruiters have cooperated with RSF commanders to hire individual militiamen from Darfur, paying them the equivalent of \$55,000 up front for five years' service.²⁸ Gen. Hemedti was the single major beneficiary of this.

In July 2019, the first 1,000 men of a promised 4,000-strong contingent of the RSF were being deployed in Libya to fight alongside Gen. Khalifa Haftar, supported by Egypt and the UAE.

Pres. al-Bashir tried to balance his ties in the Middle East, dealing equally with the two rival blocks. While Saudi Arabia and the UAE paid for the Yemen deployment and also gave occasional one-off budgetary support payments (e.g. in response to Sudan's cutting diplomatic ties with Iran), Khartoum also kept ties open with Qatar and Turkey. Both these countries provided direct investment, such as the Turkish rehabilitation of the port city of Suakin, associated with the construction of a naval facility.

A secondary source of foreign military income was private mercenarism in Libya, where all armed factions were short of manpower and ready to hire Darfurians. This included formed units of Darfur rebel groups such as the SLA-Minawi and units of the Arab militia.

Crony Capitalism

Sudan also tried to revive its old strategy of agriculture-based investment and growth. It made some progress. Most of this consisted of land in the inner periphery leased to Arab investors, often dispossessing local farmers and herders. However, relatively little of the land leased was subsequently developed, in part because of the extent to which local officials demanded bribes. The system of licensed corruption was gradually becoming self-defeating. Land-leasing also generated considerable local tensions, notably in the 'near periphery'.²⁹

The domestic business sector remained dominated by a hybrid of the Islamist corporations established in the 1977-99 period and the oil- and construction-related firms that developed after 1999, which however were becoming increasingly squeezed. Sudanese businesses not associated with the crony capitalist networks also struggled as the economy declined and then plunged into free-fall. Meanwhile, new businesses emerged out of the booming gold sector. The RSF's 'Special Operations Wing,' headed by close relatives of Gen. Hemedti, established the Al-Junaid Corporation which includes companies engaged in mining, housing, road construction, transportation and a host of other activities.³⁰

Political Finance

Political finance reflects a country's political economy, though inexactly—some of the mainstays of the economy, such as small-scale agriculture, are largely irrelevant to political finance, while relatively small transactions from foreign sponsors or banks can have a major impact on the political marketplace. The principal sources of political finance lay in the areas of dramatic growth (gold and mercenarism) and the network of corruption around crony capitalism and the residual oil rentierism.

The main sources of political finance during this period were:

- Gold, which was dominated by the Darfur Arabs and increasingly Hemedti and his RSF, with a smaller element of crony capitalists.
- Mercenarism, dominated by the RSF, and secondarily the brokers between Sudan's security forces

28 Radio Dabanga 2018a.

29 Schwartzstein 2019.

30 PAX 2019.

and their Arab patrons, with a smaller element linked to non-state mercenarism in Libya.

- Brokerage payments and commissions paid to Sudanese acting on behalf of Middle Eastern patrons. These individuals are exclusively people well-placed within the security-political-commercial networks of Khartoum.
- Smuggling and trafficking, bringing profits to the Darfur Arabs (on account of their geographical position) and the crony networks in Khartoum.
- The (reduced) payments from South Sudan for the oil pipeline and TFA, and associated off-the-books payments.
- Corrupt dealings associated with foreign direct investments, especially in the agricultural sector, although these became less efficient as corruption consumed itself.

It is clear that political funds were (a) much reduced and (b) less centralized. Political funding to the armed opposition (in the Two Areas and Darfur) was however even more reduced because of (a) the financial collapse of South Sudan, (b) regime change in Libya, and (c) the enduring security pact between Sudan and Chad. The key political rivalries were *within* the Sudanese regime, not between the regime and provincial rebels.

The number one beneficiary of the new sources of political finance was Gen. Hemedti and the RSF. Other key beneficiaries were the brokers with Riyadh and Abu Dhabi, such as Taha Hussein and Salah Gosh (who were bitter rivals).

Pres. al-Bashir was losing his financial patronage capacity. In addition, as the end of his term limit as president approached (scheduled for April 2020), the discount rate on any bargains he made increased: politicians could take his money and then defect with little cost. Al-Bashir's political engine was running on fumes.

The Security Arena

Sudan's security sector is properly described as a 'security arena', characterized by multiple armed organizations with independent or quasi-independent command, control and financing. This security arena has emerged in stages since the 1980s and is dominated by forces initially mobilized on an ad hoc basis for counter-insurgency. It began with the use of proxy militia in the 1980s and the Islamists' development of their own dedicated security units, as a coup-proofing mechanism. Each counter-insurgency bred more of these forces. While those in southern Sudan subsequently contributed to the rapacious political marketplace in South Sudan, those in Darfur, Southern Kordofan and Blue Nile contributed to the militarized political marketplace in Sudan. Al-Bashir's security sector 'reform' consisted of formalizing paramilitaries, providing them with uniforms and salaries and giving officer rank to their leaders, and bringing them under the command and control of the armed forces (usually military intelligence) or the intelligence service, or (in the case of the RSF) the president's office.

Pres. al-Bashir also used classic coup-proofing mechanisms of multiplying security forces that are mutually distrustful. A decade ago, the biggest and most powerful of these was NISS, which grew to the extent that it became a potential coup-maker itself. During the JEM attack on Khartoum in 2008, the NISS leadership used its own armed forces to repulse the attack, keeping the Sudan Armed Forces out of the action. Among other things this indicated the military capacity of NISS. In 2009-10, NISS took the lead in organizing military action in Chad, including mobilizing Arab paramilitaries as ground forces. However, by 2011 it became clear that the head of NISS, Salah Gosh, was sufficiently powerful that he was a threat to the president, and he was sidelined and then removed. Thereafter, NISS's operational units were reduced in size and some of them were brought under the command of SAF, and some of the paramilitaries under NISS control were put under SAF control.

The RSF subsequently emerged as al-Bashir's favoured coup-proofing instrument—to the extent that the former president referred to Gen. Hemedti as *himayti*, 'my protector.' The RSF was created out of Arab para-

militaries formerly part of the Border Guards, which had been coordinated by NISS during the Chadian operations. In 2013, the SAF high command rejected the proposal that it should be responsible for the RSF, which was instead put under direct presidential control. Training facilities for the RSF were established in and around Khartoum, giving it a presence in the capital.

The elements in Sudan's security arena currently include:

- Sudan Armed Forces (SAF). This is the largest and most expensive element in the security arena. Most of its money comes from the state budget, but there are also military industries, producing arms and ammunition, and involved in regular commerce. Much of the army spending is on high-end procurement (tanks, aircraft, etc.) and its infantry units have been short-changed.
- Rapid Support Forces (RSF). The RSF have become the de facto infantry of the army. Also funded mostly through the state budget, the RSF also has parallel sources of revenue from gold, mercenarism, smuggling and other commercial activities. The core of the RSF is drawn from the Abbala (camel-herding) Rizeigat of northern Darfur. However, SAF officers have been assigned to it, and it has recruited from elsewhere in Sudan and has absorbed at least one former rebel group, a splinter faction of the Sudan Liberation Army (SLA), led by Mohamedein Ismail Bachar 'Orgajor'.³¹
- National Intelligence and Security Service (NISS). Its operational capabilities are much reduced compared to ten years ago. It is thoroughly interpenetrated with the NCP, and has its own commercial operations and external links (to many different Middle Eastern states) and thus parallel sources of finance. In July 2019, the TMC announced that the NISS would become the General Intelligence Service (GIS) without an operational arm.
- Popular Defence Forces (PDF). This is an umbrella term for a range of militia and paramilitaries, including Islamist security units and tribal militia. Some PDF units have independent links to external Islamist sponsors.
- Other paramilitaries such as the Border Intelligence Units (Darfur), and the Central Reserve Police, though these have mostly become subordinate actors. Their income is a mixture of government security budgets and self-financing.
- Numerous irregular tribal militia, self-financing.
- Opposition armed groups in Darfur and the Two Areas including the SLA-Abdel Wahid, SLA-Minawi, JEM, other small SLA splinters, SPLA-North (Abdel Aziz al Hilu) and SPLA-North (Yasir Arman and Malik Agar). Some of these have external support (political and mercenary).

Under al-Bashir, the security arena was organized differently in different parts of Sudan. In the capital and the near peripheries, the regime-sponsored security actors functioned as a collusive oligopoly, with rivalries subsumed under common interests. In the far peripheries, the purportedly pro-government security actors were much less disciplined, and their rivalries often came out into the open. Especially in Darfur, security forces sometimes clashed among themselves. On many occasions, militia and paramilitaries mutinied and went into armed opposition, making tactical alliances across the lines with rebels, usually demanding material rewards.

Payments to actors in the security arena are estimated to have consumed about 60 percent of government spending in recent years. It is unlikely that this appetite for payoff will be reduced quickly.

In 2018-19, due to its military efficacy, the presence of its infantry units in Khartoum, and the high level of disposable political budget in the hands of its overall commander, Gen. Hemedti, the RSF became the most powerful security actor. The RSF took on most of the military functions of SAF.

31 Tubiana, Warin and Saeneen, 2018.

Regional Embeddedness

Political marketplaces in the Nile Valley, Sahel/Sahara, Horn of Africa and Red Sea do not respect state boundaries. In the early 1990s, Sudan's political market activities extended across its borders into Chad, Uganda, Ethiopia and Eritrea. Subsequently Sudan was subject to hostile political market engagement from Chad, Libya and Uganda, and after the separation of South Sudan, from South Sudan itself (briefly). After the disastrous estrangement of Egypt and Saudi Arabia in 1990 and the attempted assassination of Pres. Husni Mubarak in 1995, Pres. al-Bashir became expert at navigating Middle Eastern politics. He was able to do this successfully for many years principally because Egypt lost interest in sub-Saharan Africa and the Gulf Cooperation Council countries regarded Sudan as a minor security issue. Sudan became more important to the Middle Eastern powers in the aftermath of the Arab Spring, on account of its role in the war in Libya, renewed Egyptian interest in the Nile Valley, and the emergence of the Red Sea as a theatre of security contestation. Sudan is currently entangled in Middle Eastern political markets in a junior position.

Some of the current dimensions of the regional political market integration are:

- Saudi Arabia and the UAE are quintessential political market players, using money to secure personal loyalties among members of the Sudanese elite (and others). Since April 2019, Saudi Arabia and the UAE are the leading backers of Gen. Hemedti and have provided him with a political budget.
- Qatar and Turkey also provide direct political sponsorship of individuals but also tend to deal with the Muslim Brothers as an organization and use soft power (notably the media).
- Egypt engages with the military and uses direct institutional military and intelligence cooperation. It is cooperating with the UAE on Libya but has misgivings on the UAE and Saudi role in Sudan.
- Sudan has a close collusion with Chad, covering a broad range of joint enterprises including engagement in Libya and CAR, and smuggling.
- Sudan is a major player in the South Sudanese political marketplace. Khartoum's position as a sponsor of South Sudanese armed factions was interrupted during the later CPA period, when the SPLA possessed sufficient funds to corner the market, but resumed in earnest following Juba's financial collapse. The Revitalized Agreement on the Resolution of the Conflict in South Sudan (R-ARCISS) of 2018 was first and foremost a bargain between Sudan and Uganda. Salah Gosh was one of the engineers. One of the results was the elevation of Tut Yew Guatlak, adopted son of al-Bashir, from security advisor to Pres. Salva Kiir, to chair of the National Pre-Transition Committee.

It is important to note that financial-political patronage does not automatically translate into political control. Sponsors such as the Arab countries usually lack detailed information about the activities of their supposed clients, and the rivalries among sponsors create space for the next rank of political actors to play political games. Thus, the interests of Saudi Arabia and the UAE do not always align and on occasion they contradict one another, and they often are (discreetly) in dispute with Egypt. For example, although Taha Hussein and Salah Gosh both benefited, personally and politically, from Saudi and Emirati sponsorship, this did not make them masters of Khartoum. In the post-al-Bashir power grab of 11 April 2019, Gosh lost out to Hemedti, and Hemedti won the support of Riyadh and Abu Dhabi, and Gosh's arch-rival Hussein was able to return to Khartoum.

The 2019 Uprising and the Political Marketplace

There are many fascinating dimensions to the 2019 popular uprising in Sudan, including the scripts on which it drew (previous 'Khartoum springs' and the 'Arab spring'), the organization and discipline of the protesters, the role of an ageing vanguard from the Sudan Communist Party, and tensions between the metropolitan leadership of the alliance of forces that signed the Declaration of Freedom and Change (FFC) and the provincial leadership of armed groups. This section will not delve into these details but instead place the uprising

in its political marketplace context. The uprising can be divided into the ‘resistance’ phase (from the first protests in December 2018 until the fall of Pres. al-Bashir on 11 April 2019) and the ‘contestation’ phase (since 11 April).

Structure of the Political Economy

The key consideration on this point is that Sudan’s political economy did not change during either the ‘resistance’ or ‘contestation’ phases. Despite widespread recognition of the problems of corruption, rentierism and macroeconomic imbalances in Sudan and the pressing need to address the economic crisis, no significant steps were taken.

Shortly after the fall of al-Bashir, Saudi Arabia and the UAE announced an economic assistance package of \$3 bn., consisting of \$500 million in immediate cash payments and \$2.5 bn. in essential commodities (food, fuel, medical supplies). The cash payment appears to have been a contribution to the political budget of Gen. Hemedti which he has used to buy loyalty or at least acquiescence, for the short-term purpose of consolidating power. The commodity support may alleviate shortages but only over a short period.

In all other respects the existing political economic system has been left intact or strengthened. For example, RSF forces appear to have tightened their hold on the gold trade and a contingent of RSF troops has been deployed to Libya.

Organization of the Ruling Elite

In late 2018, Pres. al-Bashir was (according to one’s vocabulary): the conductor of an increasingly unharmonious orchestra: the ailing boss of a cabal of political-security chiefs who were becoming more and more fractious; or the political business manager of an oligopoly that was shifting from collusive to rivalrous. Al-Bashir possessed the crucial reputational asset that he had a record of protecting members of the ruling elite, which meant that every aspiring putchist regarded him as the second-best option--better than a ruthless rival taking over.

The protests that began in December 2018 were driven by popular disgust at poverty, kleptocracy and cronyism, and the cynical brutality of a gerontocratic leadership. Such protests were foreseeable. At least one in the security cabal (Salah Gosh) tried to leverage the protests for his own power-grab. Others (some SAF officers, Hemedti) waited out the protests, until the right moment. All hedged their bets on the working assumption that the protests would fade and Pres. al-Bashir would continue in power until the April 2020 elections.

There was a brief moment of confusion in the week of 10 April, when the members of the Higher Security Committee (representing the key ministries and security institutions) agreed to remove Pres. al-Bashir and for Vice President Ahmad Awad Ibn Auf to take power for a moment in which they could assess their options. There were three possible outcomes on 11 April: (a) Ibn Auf would meet with the AFC leaders and form a government; (b) NISS director Salah Gosh would take power; and (c) Gen. Hemedti would take power. Gosh’s biggest drawback was that he was held in universal suspicion—no-one could be sure of their personal security under him. Ibn Auf made the announcement of the removal of al-Bashir in order to signal to the establishment that all would be secure; he then handed over to al-Burhan and Hemedti because they would guarantee his own security. The FFC leadership and Gosh missed their chance and Hemedti and al-Burhan became the leaders of the TMC.

Hemedti took the place of al-Bashir as the central political operator, using his control of money and violence. He has acted as a political trader in a very overt manner, providing material rewards to political actors in return for cooperation or loyalty.

- An early example was the way in which Hemedti handled the challenge of the police, who were on strike because they had not been paid. He took cash from the funds provided by the TMC's Arab sponsors, met with the police commissioner, and gave them sufficient money to incentivize their return to work.
- Hemedti convened a conference of the Native Administration (tribal chiefs) and rewarded them with vehicles.
- Hemedti has met with and provided resources to teachers and electricity workers.
- There are indications that he has personally paid key members of the SAF high command.

In broad outline, Hemedti has replicated the system he inherited from al-Bashir and placed himself at the centre. Thus he has inherited al-Bashir's predicament, and although Hemedti has energy, tactical political acumen, and cash in hand, in the medium term his liabilities will become clear.

Hemedti's political management differs from his predecessor in that his political-financial transactions are more blatant and he does not possess the reputational assets or legitimacy (albeit vestigial) of al-Bashir. He openly trades cash for loyalty, and cannot lay claim to any political programme, though he has made overtures to the armed groups in Darfur and Southern Kordofan, indicating that as the first western Sudanese to rule the country for more than a century, he will represent the interests of the peripheries against the centre. Hemedti has made alliances that exclude powerful domestic and regional forces; he has removed the Islamists and has openly aligned with the Arab troika (Egypt, Saudi Arabia and UAE) against Qatar and Turkey.

Socio-Economic Profile of the Uprising

The uprising began in the near periphery in towns such as Atbara, Damazin and Gedaref, spreading quickly to the capital.³² It began among the socio-economic groups that had been drawn into the 2000-11 political dispensation through the material benefits of oil and the 'payroll peace', but who were suffering most from the economic crisis (i.e. the biggest losers in the restructuring of the political economy after 2011). The immediate spark was continuing rises in prices of essentials, so that there was a shortage of bread.³³ From the start its slogans targeted kleptocracy.³⁴

The protests rapidly spread to Khartoum and took on a different socio-economic character. Leadership passed to the Sudan Professionals Association. This was established in 2016 as a trade union alliance, initially to press for the rights of the professionals in these sectors and economic reform. These professions, along with university professors, have historically been at the heart of the modernizing *effendiya*. However, their position today is very different to in earlier decades, when such professionals were overwhelmingly in government employments and could bring state administration to a halt. Their key allies in earlier uprisings, notably railway workers, are now economically irrelevant. The SPA also lacks representation from other key sectors: banking, telecoms, industries, and transport, and of course does not draw on the larger group of people who are farmers, farmworkers, small traders, taxi drivers, artisans, gold miners, teachers and workers in the informal sector. Instead, the mobilizational capacity of the FFC relied heavily on networks of young people using social media, such as Girifna ('we have had enough') and Change Now.

The FFC coalition is financially and logistically supported by elements in the Sudanese business community. Along with the spirit of voluntarism this has underpinned the resilience of the protests. The viability of the coalition and the structure of any government that it forms will be strongly influenced by the business class and its provision of political finance.

32 El Gizouli 2019a, b; Gillette 2019.

33 Vall 2019.

34 Guibert 2019.

The FFC represented only one slice of the opposition. Those excluded from leadership and decision-making included the veteran civilian parties, fractions of the Islamists who had moved into opposition, and the armed groups active in Darfur and the 'two areas' of Southern Kordofan and Blue Nile. After 11 April, in the 'contestation' phase, the AFC leadership insisted that it alone represented the Sudanese people, and not only marginalized these other parties but antagonized some of them. This decision is variously attributed to the lack of organizational structures within the AFC, and to dominant role of the Sudan Communist Party, which wanted not to repeat what it saw as its mistakes in 1964-65 and 1969-71, when it engineered revolution but failed to take power.

There are credible claims that NISS decided not to use its arsenal of tools to repress, divide and disorient the protests, but instead to facilitate them with the aim of provoking a crisis in which Gosh could seize power.

Dynamics of the Security Arena

The RSF is the dominant actor in the security arena. Hemedti will presumably seek to refashion the security arena around this force, enhancing its capabilities, putting SAF in a subordinate position, folding NISS functions into the RSF, and absorbing other paramilitaries and armed groups. He may also make use of mercenaries, especially for specialist functions that augment the RSF capacity. This is a logical extension of how security sector 'reform' has been practiced under al-Bashir.

Others resent this dominance and the material advantages that go with it. That resentment will be amplified if they are not paid or face reduced privileges. It follows that there is a risk of conflict among actors in the security arena. This could take several different forms (not mutually exclusive):

- The RSF could seek to establish complete dominance, either eliminating its rivals by force or subordinating them through a show of force and an appeal to common interest. The demonstration of capability and ruthlessness need not be against other security actors but could be against third parties, such as civilians or the Islamists.
- A counter-coup by those excluded by the RSF. For example, units of SAF could challenge the RSF militarily in Khartoum, or a regional SAF command could mutiny and link up with others to challenge the RSF at a provincial level.
- A failed coup could lead to a civil war which lowers the barriers to entry to the political-military market, leading to a multiplication of armed groups.
- Provincial security actors could establish territorial fiefdoms, simply because they are neglected in the prioritization of payouts which go to those in the centre.
- Hemedti could pursue a coup-proofing strategy by purging rivals from his inner circle, which runs the risk that those excluded will mobilize for provincial rebellion.
- The RSF could itself split, along the lines of internal disputes among its commanders or their constituencies. (Hemedti's rivalry with Musa Hilal is an example.)

Regional Factors

Middle Eastern regional powers tried to utilize the protests to advance their own agendas, and Pres. al-Bashir appears to have seen those agendas as being the determining factor, rather than a minor element in what developed.

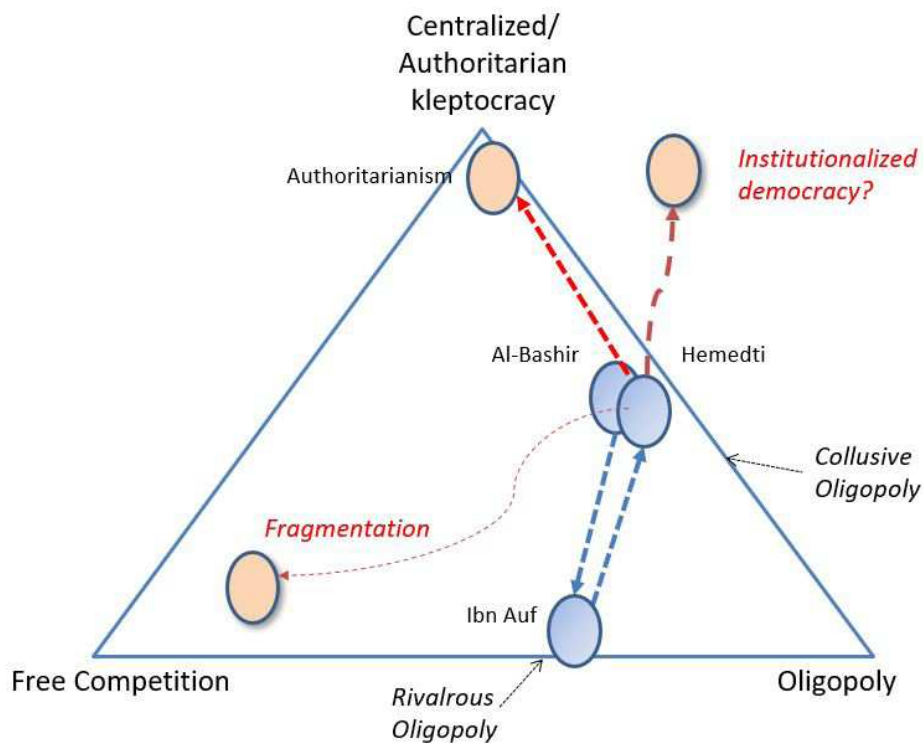
- The Government of Egypt appears to have seen the protests through the lens of the Egyptian experience, and as more akin to the 2013 anti-Islamist demonstrations that provided an opportunity for the army to step in on the side of the people, than the 2011 uprising. Pres. Abdel Fattah al-Sisi supported Pres. al-Bashir's declaration of a state of emergency on 22 February, possibly as a means of deflecting

responsibility for the country's crisis to the NCP and the Islamists. Egypt then congratulated Gen. Ahmed Awad Ibn Auf on 11 April, rather prematurely as it turned out.

- Saudi Arabia and the UAE appear to have seen the protests as an opportunity for their favored candidates to make bids for power. It is possible that some elements within NISS and even some paramilitaries were stoking the protests, or at least discreetly tolerating them, on the grounds that this would pave the way for a takeover.
- The Islamists were split: some remained in government, and others were in opposition, including some supporting the protests. However, the Middle Eastern sponsors of the Muslim Brothers did not find a credible political faction that they could support.

In the dynamics that followed the military takeover on 11-12 April, Middle Eastern transactional politics were crucial. Saudi Arabia and the UAE extended important political and financial support to the TMC.

Figure 13: Shifts in the Sudanese political market (2019-)



The Next Stage for Sudan's Political Marketplace?

The immediate political discussion in Sudan is focused on the question of democracy. Specifically, it is concerned with negotiations between the TMC and the FFC, over the composition of a sovereign council, cabinet and legislature, and the timetable for democratization.

The political marketplace framework suggests that additional questions need to be asked and that the dynamics of the political marketplace will be the principal determinants of the future of the country.

During April 2019, Sudan moved from being a collusive oligopoly disguised as a weak, centralized authoritarian kleptocracy, to being a rivalrous oligopoly (during the 36 hours in which Gen. Ibn Auf was in power), back to where it was before, save with a different principal political business manager, and a narrower coalition.

The aspiration of the protesters and the FFC is for Sudan to exit the political marketplace altogether and to become an institutionalized democratic state. They know that this is not possible immediately but nonetheless, the impressive triumph of organization represented by the protests, and the euphoria of their bloodless revolution, encourages them to aim high. However, there is no prospect of Sudan exiting the political marketplace under any realistic scenario.

Hemedti has a viable political business strategy based on control over the flows of political finance and divide-and-rule among his rivals and opponents, alongside targeted uses of force to demonstrate his ruthlessness. His transnational mercenary political-business venture has captured the state. However, Hemedti cannot expect to gain the kind of reputation enjoyed by al-Bashir, at least in the short term, which means that many other members of the elite see his rule as time-limited, which in turn means that his payouts convert into loyalty at a discount.

The possibility of an establishment counter-coup cannot be ruled out. Indeed, there appear to have been attempts already by Islamists and generals to seize power back. If successful, these will not alter the fundamentals of the political economy, and would also risk fragmenting the political marketplace.

Hemedti's method of governing does not address the structural challenges of the Sudanese political economy, notably its macroeconomic crisis. Indeed, his reliance on gold and mercenarism will worsen that structural crisis, and short-term injections of money from Gulf sponsors are unlikely to be sufficient. The convergence of such a challenge within the political arena and a deepening crisis in the political economy, could mean that Sudan faces another critical juncture within a year or so, with possibly an attempt at large-scale repression of the FFC and its constituency.

The most realistic alternative path to stability is through seeking a well-regulated collusive oligopoly of the powerbrokers. This could be pursued by focused negotiations on the two principal spheres in which power is transacted, namely the security arena and the economic sectors that generate political finance. Under such a scenario, political negotiations would shift from an exclusive focus on the composition and powers of the sovereign council and executive, to the consensual governance of the security arena (by bringing all the security actors into an inclusive council) and the consensual regulation of political finance (by bringing all those with a stake in business and economic management into a council).

For Sudanese democrats, the picture is discouraging. However, it is critically important for democratic activists to analyze correctly the forces arraigned against them, and the structural crisis of the Sudanese political economy. Such an analysis will help in identifying potential allies and potentially successful strategies for promoting change. An open discussion about the nature of political power in Sudan today is a pre-requisite for a successful movement for democracy. This analysis is presented as a contribution to that debate.

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