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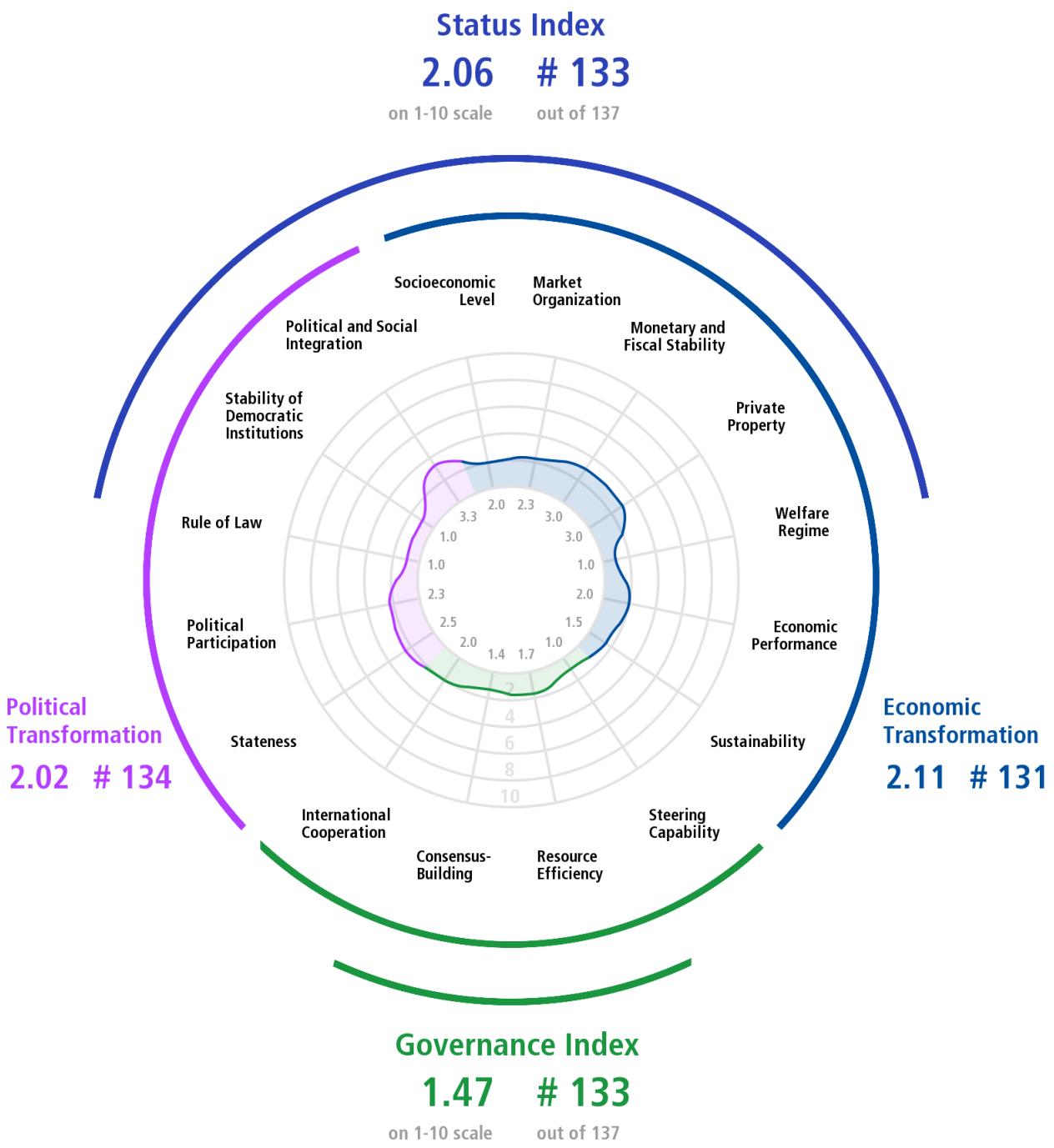
BTI 2020 Country Report

Sudan



This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2020**. It covers the period from February 1, 2017 to January 31, 2019. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at https://www.bti-project.org.

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Key Indicators

Population	M	**41.8**	HDI	**0.508**	GDP p.c., PPP	$	**4759**
Pop. growth[1]	% p.a.	**2.4**	HDI rank of 189	**168**	Gini Index		**35.4**
Life expectancy	years	**64.9**	UN Education Index	**0.339**	Poverty[3]	%	**40.5**
Urban population	%	**34.6**	Gender inequality[2]	**0.560**	Aid per capita	$	**19.9**

Sources (as of December 2019): The World Bank, World Development Indicators 2019 | UNDP, Human Development Report 2019. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than $3.20 a day at 2011 international prices.

Executive Summary

Before President Omar al-Bashir, in office since 1989, was ousted after months of peaceful protests in April 2019 and the notorious ruling National Congress Party (NCP) was dissolved, it had become increasingly clear to many people inside and outside Sudan that the country's democratic and economic transformation was being constrained by the NCP's kleptocratic grip on power. In 2018, President al-Bashir had reaffirmed the regime's commitment to the Islamic identity of the state, by which Islamic law defines the legal order and political institutions of Sudan.

Additionally, the legitimacy of the state was fundamentally questionable due to the fact that the general elections conducted by the regime were considered entirely unfree and unfair. The Sudanese people's political participation had been limited by the regime's suppression of freedom of expression and its restriction of assembly rights. The rule of law had been undermined by a malfunctioning separation of powers, the lack of an independent judiciary, corruption and severe human rights abuses. During the past few years, the authoritarian regime controlled by the ruling NCP had continued to impose restrictions on opposition political parties and independent civil society organizations.

South Sudan's independence from Sudan on July 9, 2011, which was the outcome of the 2005 Comprehensive Peace Agreement (CPA), has been costly to Sudan's economy. The country lost a significant part of its oil revenue and South Sudan had constituted a large share of Sudan's trade, government revenue and gross domestic product (GDP). Due to a lack of production, Sudan faces persistent fiscal deficits, high inflation rates and substantial increases in prices. In the period from 2017 to early 2019, Sudan witnessed a decline in growth rates because of the government's ineffective economic and financial policies. The government blamed the economic crisis on U.S. sanctions, but the lifting of those sanctions in October 2017 has not made a positive difference. The national budget continued to prioritize high military spending, while less than 10% of the state budget was spent on social services such as health and education. Amid the economic crisis, the

government revoked wheat subsidies, which prompted street demonstrations over increased food prices. The government responded with a crackdown on protesters.

The economic crisis forces many families to rely on remittances from abroad for their survival. However, the deteriorating economic conditions and increased prices drove many people from various regions of Sudan to join in demonstrations that began on December 19, 2018 and continued for several months. At the time of this writing (early 2019), the government responded brutally to peaceful protesters, using live ammunition and killing more than 50 people. The National Intelligence and Security Services (NISS) detained and tortured hundreds, and a few have died while being held in detention.

Political and economic corruption have been the primary challenges to optimally using Sudan's available resources. In 2018, the president attempted to reduce government expenditures by dissolving his cabinet and reducing the number of ministers from 31 to 21. However, in the absence of a sincere anti-corruption policy or effective policy coordination, the inefficiency in the use of budget resources and administration persists. Corruption has affected the government's capacity to maintain its strategic priorities and to implement its own policies. In the years under consideration in this report, the NCP's policies failed to establish a broad consensus on reform with rebel groups, opposition political parties and independent civil society. The NCP attempted to improve its relationship with the world, but international cooperation remained constrained by human rights abuses in Sudan and the regime's reluctance to cooperate with the International Criminal Court.

History and Characteristics of Transformation

Following Sudan's independence from British rule in 1956, the country was ruled by a civil government under the leadership of Prime Minister Ismail al-Azhari. The main issues facing the newly founded civilian government were the civil war that had started a year before independence, the formation of a new government and the country's troubled relationship with Egypt. While al-Azhari managed to regularize the country's relations with Cairo, the southern insurgency and the formation of a government remained great challenges.

This led to a first military intervention in 1958, when General Ibrahim Abboud assumed the powers of the parliamentary regime in a bloodless coup. Abboud withdrew his promise to establish a constitutional government, leading to the "October Revolution" in 1964, which dissolved the military regime and replaced it with a transitional government. Between 1965 and 1969, a coalition government led by Prime Minister Mohamed Mahjoub held power, but it faced the challenges of economic stagnation and political as well as ethnic fragmentation.

Another coup, led by Ja'far Muhammad Numeiry, abolished the parliament and imposed a military regime on Sudan. Numeiry's regime oversaw the signing of the 1972 Addis Ababa Agreement (which stopped the first Sudanese civil war), the introduction of Shariah (Islamic law) in 1983 and the outbreak of the second civil war due to the regime's Islamization policies. During Numeiry's regime, Sudan experienced a further deterioration in living conditions and oppression, which led to mass demonstrations and strikes that ended Numeiry's rule in 1985.

Between 1986 and 1989, an elected coalition government reigned under the leadership of Sadiq al-Mahdi. Al-Mahdi's regime, however, did not bring stability to the country – he proved to be a weak leader, unable to constrain corruption and party factionalism. Consequently, another military coup, led by Omar al-Bashir and the Sudanese Islamist movement, seized power in June 1989, overthrowing al-Mahdi's government and remaining in power until 2019.

The key developments since al-Bashir took power were the imposition of the Islamization project, which aimed to restructure society in accordance with the Islamist movement's interpretation of Islam, and the imposition of Islamic law on a multicultural society. After hosting Osama bin Laden and global jihadist movements in Khartoum, Sudan was designated a state sponsor of terrorism by the U.S. government in 1993. The U.S. imposed comprehensive economic, trade and financial sanctions on Sudan in 1997.

In 1996, 2000, 2010 and 2015, Sudan held general elections that opposition parties boycotted because they were neither free nor credible, which resulted in easy victories for President al-Bashir and the ruling NCP.

The regime characterized the civil war in the south as a religious conflict and mobilized popular defense forces to wage jihad against the Sudan People's Liberation Army, the main rebel group in that part of the country. After years of negotiation, the Comprehensive Peace Agreement (CPA) was signed in 2005 by the Sudan People's Liberation Movement (SPLM) and the Sudanese government, bringing an end to the civil war.

Meanwhile, another conflict had emerged in the western region of Darfur in 2003. As the situation deteriorated, and the number of victims went into the hundreds of thousands, the International Criminal Court issued an arrest warrant for President Omar al-Bashir on charges of war crimes and crimes against humanity in the Darfur conflict.

Based on the CPA, a referendum took place in southern Sudan in 2011 on whether the region should remain part of Sudan or become independent. The result favored independence, and South Sudan became a sovereign state in July 2011. At the same time, the SPLM-North (SPLM-N) and Darfur rebel groups formed the Sudan Revolutionary Front in November 2011, fighting the Sudanese government in the states of Kordofan and Blue Nile as well as in the Darfur region.

With the independence of South Sudan, Sudan lost 95% of its export revenues, as over 70% of the oil reserves are located in South Sudan. This led to another severe economic crisis, triggering protests and uprisings in which at least 200 unarmed protesters were killed in 2013. In an attempt to ease the turmoil, al-Bashir launched the "National Dialog" in 2015. However, the dialog was superficial and many perceived it as only a cosmetic offer by the government. As protests continued and further intensified, the army eventually removed Omar al-Bashir from power in 2019, reminding many of the Arab uprisings that swept away long-time dictators in Egypt, Libya, Tunisia and Yemen in 2011. Sudanese activists, however, understood the protests less as an "Arab Spring" extension but more as a "Sudanese sandstorm," bringing back the legacy of the two historical revolutions that had ousted dictators in 1964 and 1985.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

Transformation Status

I. Political Transformation

1 | Stateness

Question Score

Monopoly on the use of force

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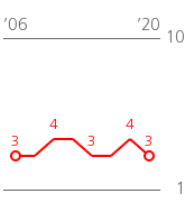

The government's monopoly on the use of force is challenged in various territories and in a number of ways. After the split of South Sudan as a result of the CPA, another armed conflict emerged in 2011 in the southern Sudanese states of South Kordofan and Blue Nile. That conflict continues between the government of Sudan and SPLM-N. In 2011, the Sudan Revolutionary Front (SRF) alliance brought together the SPLM-N active in the South Kordofan and Blue Nile states with the rebel groups of Darfur – the Sudan Liberation Movement/Army (SLM/A) and the Justice and Equality Movement (JEM). After years of fragmentation, the SRF united all the armed opposition militias to join the Sudanese opposition umbrella group "Sudan Call" at the beginning of 2018.

Thus, the Sudanese state's monopoly on the use of force is established in the capital Khartoum and the northern provinces, but the SRF challenges the state's monopoly on force in Darfur and the states of South Kordofan and Blue Nile.

State identity

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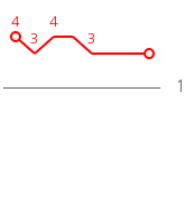

Since the NCP regime took power in 1989, the dominant aim of the Sudanese nation-state has been to create a state based on Islamic and Arabic identity. In a multicultural society, this imposed state identity has been problematic. Several minority groups, including African groups in Darfur and other secular groups, do not identify with either the Arabic or Islamic identity of the state. The imposed Islamic and Arabic identity has been frequently challenged domestically by secular opposition and rebel groups in Sudan, as it was intolerant of diversity and marginalized those who did not share the ruler's identity, classifying them as second-class citizens. Women in Sudan have been the segment of society most affected by the state's conservative interpretation of Islam, which has undermined gender equality and limited women's access to equal opportunities.

Internationally, the Islamic and Arabic identity of the nation-state has brought more harm than benefits to the country. In its quest to promote the state's Islamist identity,

the NCP regime supported global jihadi movements and hosted terrorist groups such as al-Qaeda, which resulted in Sudan being placed on the U.S. list of state sponsors of terrorism from 1993. This designation led to the imposition of economic sanctions on Sudan, which negatively affected the country's economy. Later, the government negotiated with the U.S. to lift the sanctions, and many observers believed that the regime was now relaxing its Islamic vision. In November 2018, however, President al-Bashir confirmed the state's commitment to the Islamist vision.

An alternative vision, which was presented by opposition groups, sought to build a nation-state based on the rule of law, democracy and human rights for the benefit of all Sudanese people, regardless of their religion, gender or ethnicity; however, the regime never took such a vision seriously into consideration.

When the Islamist regime took power through a coup in June 1989, it embarked on restructuring the Sudanese state and society according to its interpretation of Islam's rules through the Islamization project. The Islamization project continued the "September Laws" introduced by Numeiry, the former president, in 1983. These had established Shariah as the national law. Public order laws and police units (the Public Order Police, later renamed the Community Service Police) were introduced in the 1990s to specifically control the public sphere in accordance with Shariah.

No interference of religious dogmas

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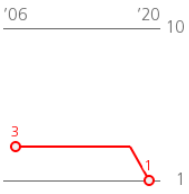

Laws related to public order included the 1998 Khartoum Public Order Act, some of the provisions of the 1991 Sudanese Criminal Act, and the 1992 Organization of Prisons and Treatment of Prisoners Act. Derived from Shariah, these laws were not consistently enforced in, for example, Sudan's second biggest city, Port Sudan, where they were usually not enforced at all; however, the "moral police" were otherwise humiliating, using lashing as punishment and targeting women in particular.

Based on its radical interpretation of Shariah, Sudan's state law is intolerant of religious freedom. For example, Christians experience state persecution, and many churches face harassment and demolition by the authorities. The public order laws punish non-Muslim women for dressing indecently. The law in Sudan favors radical Islamists groups that attack Christian activities.

Omar al-Bashir's regime embraced federalism as its mode of governance, in which power had to be distributed between the central government in Khartoum and regional/local governments. According to the government, this system was supposed to address the long-standing problem of imbalanced development between Sudan's regions, and it thus expanded the number of states and localities. Formally, the 1998 state constitution, the Local Governance Act of 2003 and the interim national constitution of 2005 regulate federal administrative structures. Localities are expected to provide basic services, such as water, education and health services.

Basic administration

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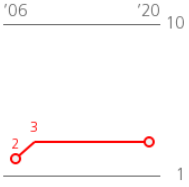

In reality, however, there is an imbalance between rich and poor states. Due to economic and geographical factors, the disparity in income generation has increased

between rich states, such as Red Sea and Khartoum state, and poor states, such as Sinar and Blue Nile. The allocation of resources from the central government to the states has been imbalanced and has lacked transparency. Localities have failed to provide adequate services due to that imbalance in resource allocation. Only 24% of the population had access to sanitation in 2015, and only 55% of the population had access to improved water sources in 2014.

Clientelism and favoritism became increasingly widespread in local governance in Sudan during the period under review. In each locality, the NCP regime created a personalized network to exchange services for political support, by which the NCP favored its affiliates in the provision of services. On December 19, 2018, protests broke out in the city of Atbara, because the government could not provide any more bread. Sudan's central bank also failed to provide cash to the banking system for several months in 2018.

2 | Political Participation

General elections are conducted in Sudan, but public confidence in the electoral process has been undermined by electoral misconduct and manipulation. In the last two Sudanese general elections, in 2010 and 2015, the leaders lost legitimacy in the eyes of the wider public, as the people believed that political posts were filled by questionable elections.

Free and fair elections

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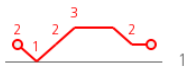

During past election processes, the government censored the press and controlled media outlets to favor the ruling NCP. Opposition political parties and civil society were denied access to newspapers and broadcast media, and the National Electoral Commission's role of ensuring balanced access to the media was limited. The ruling NCP exercised a monopoly over election campaigning, utilizing state resources while opposition parties had limited space and resources to carry out their campaigns.

The people have usually been skeptical of the integrity of elections and do not doubt that the practice of switching ballot boxes took place during past votes. In Sudan, which is characterized by high illiteracy rates, misinformation about the electoral processes made voter manipulation widespread and easy to carry out.

Given the NCP's past electoral misconduct, the persistent protests in Sudan that sought regime change before the planned 2020 election were a clear indicator that the public had lost confidence in any elections conducted under the regime of Omar al-Bashir. That free and fair elections would have been conducted in 2020 was greatly doubted in light of a December 2018 "proposal" by parties in the Sudanese parliament to amend Article 57 of the country's 2005 constitution regarding the limit of two-terms in the presidential office. The amendment would have allowed Omar al-Bashir to stand for a third presidential term in April 2020.

Omar al-Bashir's regime came to power in 1989 through a military coup initiated by the National Islamic Front, which overthrew an elected government and claimed to be saving the country from "rotten political parties." Upon seizing power, the military government banned trade unions, political parties and non-Islamic civil society organizations, replacing them with politicized unions and governmental organizations. To reshape the government, thousands of non-Islamist civil servants were dismissed from their jobs and replaced by loyal members of the Sudanese Islamist Movement. Ever since, the effective power to govern has been concentrated in the hands of the president, a small group within the NCP, army officers and other members of the security forces. The ruling NCP held the vast majority of the seats in the parliament.

Effective power to govern

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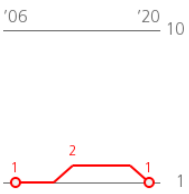

The ability of individuals to form or join independent political or civic groups is restricted in Sudan. Articles 40 and 27(3) of the 2005 interim national constitution (INC) guarantee freedom of assembly and association, but these laws have not been enforced. Instead, civil society organizations (CSOs) have been governed by the 2006 Voluntary and Humanitarian Work Act, which is inconsistent with the constitution. Local CSOs working on the rule of law, democratic transition, justice, and fundamental human rights and freedoms have faced severe restrictions on assembly and association in Sudan. The National Intelligence and Security Service (NISS) has arbitrarily arrested activists, as in the case of human rights defender Wini Omer, who was arrested in July 2018.

Association / assembly rights

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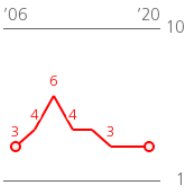

In December 2018, peaceful protests began in several Sudanese cities, including Khartoum, which posed a serious threat to the regime. The Sudanese Professionals Association, an umbrella group of shadow unions, coordinated the protests in Sudan (which were ongoing at the time of this writing) through social media. The protests began in reaction to rising bread prices and deteriorating economic conditions but quickly escalated to demanding systemic change. The authorities responded brutally against the protesters, leaving at least 50 people dead, hundreds injured, close to a thousand detained and several missing at the time of this writing. NISS carried out arbitrary arrests and used excessive force against protesters, human rights defenders, student activists, journalists, attorneys and academics.

CSOs that are not aligned with the government face severe restrictions on getting permits to associate or assemble. Contrary to the right of freedom of assembly granted by the constitution, organizers of demonstrations are required to apply beforehand to the Ministry of Interior. In practice, however, these permits are never granted.

The interference of the authorities in the affairs of CSOs represent a genuine restriction. NISS requires CSOs to have a permit before carrying out any activities and bans any activity deemed "political."

Article 39 of the interim national constitution states that “every citizen shall have an unrestricted right to the freedom of expression” and that “the state shall guarantee the freedom of the press and other media.” In practice, however, Sudanese journalists have faced limitations and severe restrictions. NISS has often confiscated printed copies of Sudanese daily newspapers, as it did when it confiscated all printed copies of the al-Tayar and al-Jareeda newspapers in May and June 2018. Journalists have faced unjustified restrictions on traveling outside the country to participate in conferences and events. Some journalists’ licenses to practice have been revoked by the regime, and they have been forbidden from writing. NISS has imposed censorship and prohibited publishing about certain topics deemed critical of the NCP, such as the deteriorating economic situation and the ongoing fuel crisis.

Freedom of expression

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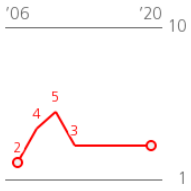

At the time of the writing of this report, the Sudanese authorities were using excessive force to disperse peaceful protests across Sudan. Since December 19, 2018, NISS and the police have dealt brutally with peaceful protesters, firing tear gas and live ammunition into crowds. Media outlets that reported on the demonstrations were restricted and reporters faced imprisonment. For example, the journalist Faisal Mohamed Salih was arrested several times in December 2018 and January 2019 for commenting on the incidents.

3 | Rule of Law

Sudan had nominally established a tradition of a separation of powers, but this reputation has changed since the 1980s. The execution of the Sudanese religious thinker Mahmoud Mohamed Taha in 1985 was just one example where the executive branch of government interfered with the judicial branch.

Separation of powers

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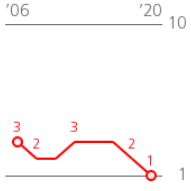

Under Omar al-Bashir, the separation of powers has been further undermined through the central government’s domination of all aspects of political life. The Islamization project, which has aimed to Islamize all aspects of society, has ensured that there can be no separation of powers, neither de jure nor de facto.

The Sudanese constitution grants the head of the executive the right to appoint and remove members of the judiciary with the approval of the legislature, which contradicts the principle of independence of the judiciary.

Independent judiciary

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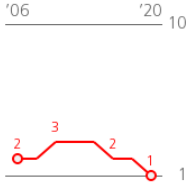

According to Article 120 of the 2005 national interim constitution, the president of the republic is tasked with appointing the president of the Constitutional Court. This is done with the approval of the first vice president upon the recommendation of the National Judicial Service Commission and with the approval of two-thirds of the representatives of the Council of States (parliament’s upper chamber). According to the third paragraph of Article 120, the president of the Constitutional Court can be dismissed by a decision made by the president of the republic, to be ratified by two-thirds of the representatives of the Council of States, in the event that he is unable to

perform his duties or if the conduct is not commensurate with his position. The president defines the events of "underperformance."

Similarly, Article 121.3 states that any judge may be removed from the Constitutional Court only by a decision of the president of the republic based on a recommendation by the president of the Constitutional Court and subject to the approval of two-thirds of Council of States representatives. Notably, the National Commission for Judicial Service is completely disregarded in such procedures.

The fusion of powers wrought by the regime's policies have empowered members of the Islamist movement and replaced all non-Islamist judges with Islamists.

Public servants and politicians are not held accountable by legal prosecution when they break the law and engage in corruption. However, accusations of corruption are used as a political instrument to arrest and prosecute persons who have lost the favor of the former.

Prosecution of office abuse

1

'06 '20 10

In 2018, the Sudanese government declared a "war on corruption," a campaign launched by President Omar al-Bashir through mass speeches, press statements and interviews. The campaign targeted persons involved in gold smuggling and currency trading on the black market. In practice, this campaign was carried out by NISS, and aimed to help the government to control the exchange rate against the U.S. dollar and the revenues generated from the gold trade. A group of businessmen and bankers were arrested and presented to the public as being responsible for the current economic situation in Sudan.

Political corruption allows office holders to abuse their positions and escape punishment. For example, members of NISS who were involved in murdering more than 200 peaceful protesters in 2013 were not held accountable, and none of them have been prosecuted.

The current regime has systematically violated civil rights, with the government practicing severe repression and discrimination to limit individuals' freedoms to participate in the civil and political life of the society. The repressive practices have included banning opposition political parties and restricting independent CSOs. The anti-regime mass protests that started in December 2018 were initially met with massive state violence.

Civil rights

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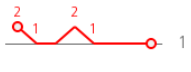

There are no mechanisms or institutions in place to protect political activists against the violations of human rights committed by NISS. Since the 1990s, many political detainees have been severely tortured or lost their lives in the notorious "ghost houses" (NISS detention centers). The peoples of the Nuba Mountains, Darfur and South Sudan have been discriminated against based on their race, as they consider them slaves.

Based on Shariah law, women's rights have been undermined through discriminatory laws such as the Public Order Act, which limits women's presence and participation in the public sphere. In particular, Article 152 on indecent dress discriminates against women and it goes against the personal freedoms of both women and men. Women prosecuted on charges related to Article 152 are sentenced to fines and lashes, and they are subjected to unfair arrests as well as excessive physical and verbal violence.

Homosexuality is illegal in Sudan, and therefore LBGT rights are systematically violated. Non-Muslims also experience severe discrimination because of their beliefs.

4 | Stability of Democratic Institutions

Sudan's democratic institutions have been systematically dismantled due to 30 years of authoritarian rule. The National Assembly is controlled by the ruling party and must be considered as an executive body. It does not exercise classical parliamentary rights such as to assess or reject the budget. The parliament simply approves the budget as proposed by the government. Public administration is underfunded in a way that affects its ability to govern, since over 70% of state revenues are spent on the security forces.

Performance of democratic institutions

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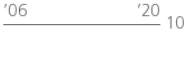
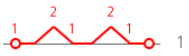
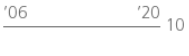


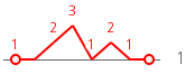


Political power is exercised outside of democratic institutions. The National Assembly and many government offices are not part of any political processes. In the past, relevant actors have tried to exercise their own political power through legitimate organizations like the NCP, the military and the security forces.

Commitment to democratic institutions

1



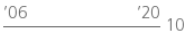


5 | Political and Social Integration

The Democratic Unionist Party (al-Hizb al-Ittihadi al-Dimuqrati) and the Umma Party (Hizb al-Umma) are the oldest traditional parties, having been established in the 1940s during the country's struggle for independence. The two parties are closely linked to the Khatmiyya and Ansar Sufi orders.

Party system

3



After Sudan won independence in 1956, the number of political parties multiplied, representing all types of ideologies and interest groups. Besides the two large traditional parties, the list of political parties at the time of this writing includes the ruling National Congress Party (NCP), which follows the ideals of Islamism, pan-Arabism and nationalism, the center-right Popular Congress Party, the Sudanese

Ba'th Party, the Sudanese Communist Party, the Liberal Party of Sudan, the pan-Islamist Hizb ut-Tahrir, the center-left Sudanese Congress Party, and the Sudanese Socialist Democratic Union. The National Democratic Alliance is an umbrella organization of various opposition parties.

Despite the long history of political parties' presence in the political scene in Sudan, the party system remains unstable and fails to represent societal interests, as the political parties are weak and fragmented. According to the Council of Political Parties and Organizations, the entity responsible for regulating political parties and organizations, 79 political parties have participated in the National Dialog initiated in 2015. Despite this large number, these parties have failed to become socially rooted, due to their rigid programs. Many political parties have no permanent offices or active membership bases and meet only the minimum conditions for forming a party.

Fragmentation characterizes the party system in Sudan, as party leaders prioritize self-interest over representing the interests of their members. Typically, political parties are isolated from the wider society. At the time of this writing, the NCP is the only party that has free access to the mass media, and it uses state resources for mobilizing society. Opposition parties are permitted, but they are often harassed by the authorities. Despite this, the Sudanese Congress Party and the Communist Party in particular have been instrumental in organizing the anti-regime protests from late 2018 on.

When al-Bashir's regime took power through a coup d'état in 1989, the government banned all political parties, organizations, professional associations, trade unions, newspapers and magazines under a state of emergency. In their place, the government created its own Islamic organizations, while independent CSOs faced continual harassment and severe restrictions from the authorities. Activists, human rights defenders and students have often been arrested, and had their property confiscated and their licenses revoked.

Interest groups

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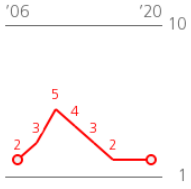


Thus, the scope of CSOs was limited by legal restrictions, such as the non-renewal of registration, disapproval of projects, suspension of activities and travel restrictions. CSOs active in the field of human rights face grave violations, such as the detention of staff members, closure of their offices and confiscation of property.

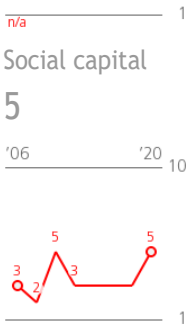
Although there is no reliable data for assessing public opinion in Sudan, some groups disapprove of the democratic system as the best form of government. For example, radical Islamist movements and Salafi groups that advocate for Islamic rule consider democracy to be a Western concept, and they instead believe in the rule of the divine. By contrast, opposition parties and CSOs have criticized the elections staged by the NCP and considered them to be neither fair nor free. Institutions such as the National

Approval of democracy

n/a

Assembly, the presidency, the legal system, the state bureaucracy and the military are all controlled by the NCP at the time of this writing. They are not trusted by citizens.

With the retreat of the Sudanese state from its role in providing for the welfare of its citizens, an increasing number of self-help groups are replacing government institutions, especially in times of crisis. In response to the worsening economic crisis, self-organized initiatives such as Shari' al-Hawadith provide medical assistance to the needy. Sudanese citizens increasingly rely on diaspora remittances and crowdfunding initiatives to build schools, hospitals and mosques, and to maintain water services in rural and urban areas.



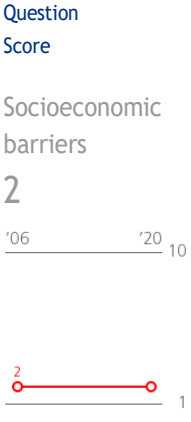
The protests that began in December 2018 and were ongoing at the time of this writing are an impressive sign of the ability of Sudanese capabilities for self-organization. Having their starting point in Atbara, a working-class town, the countrywide protests have been mainly led by young, usually middle-class activists, including many women. When the regime tried to blame students from Darfur for the killing of protesters, the crowd cried, "We are all Darfuris."

II. Economic Transformation

6 | Level of Socioeconomic Development

Question Score

Economic inequality and poverty are widespread in Sudan, especially in outlying regions of conflict such as Darfur and the states of Kordofan and Blue Nile. Wealth and services are largely concentrated in Khartoum and a few other urban centers, while the rest of the country lives in poverty. In 2009, Sudan's Gini index score was 35.4. Agriculture has failed as a result of the government's failed economic policy, and a large segment of the population has migrated from rural areas to live on the margins of big cities. Social services such as health care and education are scarce in rural areas, and people are forced to go to the capital city to access adequate social services.



Since South Sudan's independence, Sudan's economy has lost oil revenues, so the government has implemented austerity measures that have led to price increases for essential commodities. Also, the national budget prioritizes spending on security and the military rather than on social services, which prevents large segments of the population from accessing adequate social services. Unemployment rates are rising, and many young people have no prospects. According to the World Bank, Sudan's poverty rate was 40.5% in 2009. Sudan is ranked among the lowest countries in the

world in terms of gender equality, scoring a meager 0.564 on the 2017 Gender Inequality Index. Inequality hinders women's presence in the public sphere and their contributions to it. According to the Human Development Index (HDI), Sudan's inequality-adjusted HDI value shows an overall 34.7% loss due to inequality in 2017. With standards of living deteriorating, the 2017 HDI ranked Sudan among the lowest countries in the world (167th out of 189 countries, with a score of 0.502).

Economic indicators		2015	2016	2017	**2018**
GDP	$ M	96741.7	95558.2	123053.4	**40851.5**
GDP growth	%	4.9	4.7	4.3	**-2.3**
Inflation (CPI)	%	16.9	-	-	**-**
Unemployment	%	13.2	13.0	12.8	**12.9**
Foreign direct investment	% of GDP	1.8	1.1	0.9	**2.8**
Export growth	%	3.5	4.1	3.5	**0.8**
Import growth	%	2.5	-1.0	-1.0	**-0.4**
Current account balance	$ M	-5460.8	-4213.4	-4611.3	**-4678.5**
Public debt	% of GDP	92.2	128.4	159.2	**212.1**
External debt	$ M	21426.4	21114.1	21744.6	**21595.9**
Total debt service	$ M	523.2	294.2	236.7	**215.6**
Net lending/borrowing	% of GDP	-1.1	-1.9	-	**-**
Tax revenue	% of GDP	7.2	8.0	-	**-**
Government consumption	% of GDP	4.6	5.3	5.8	**6.0**
Public education spending	% of GDP	-	-	-	**-**
Public health spending	% of GDP	2.1	1.1	-	**-**
R&D expenditure	% of GDP	-	-	-	**-**
Military expenditure	% of GDP	2.8	3.0	3.9	**2.3**

Sources (as of December 2019): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.

7 | Organization of the Market and Competition

Market organization

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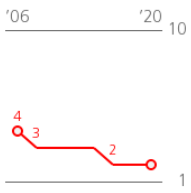

The United States imposed economic sanctions and a trade embargo on Sudan in 1997 in response to Sudan's support of al-Qaeda and its hosting of Osama bin Laden in the 1990s. After months of diplomatic efforts between Khartoum and Washington, the U.S. eased these sanctions in 2017, which had included a trade embargo, a freeze on some government assets, and restrictions on Sudanese banks and on the ability of other banks to do business with Sudan. The sanctions isolated Sudan and created a significant barrier to its businesses, as a result of which Sudan lost valuable investment opportunities. Starting a business took 11 procedures and 36.5 days in 2017, according to World Bank data, with costs amounting to 27.8% of per capita gross national income. This gave the country a ranking of 170th globally.

At the end of this report's assessment period – more than a year after the U.S. lifted these economic sanctions – the expected "relief" is hardly felt in everyday life in Sudan. The informal sector represents the majority of the country's economic activity. Due to a lack of transparency and widespread favoritism, the engagement of the state to guarantee compliance with the rule of law is limited. Individuals starting a business still face many barriers, including complicated procedures, long waiting times and prohibitive costs.

Competition policy

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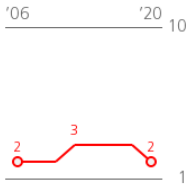

The ruling NCP consolidated its power over Sudan's economy by economically enabling party supporters. It has dominated the economy by privatizing state-owned companies and selling them to its networks at bargain prices. The NCP regime has compromised the protection of competition to privilege Islamist businesses at the expense of non-Islamist businesses. Party officials have encouraged monopolistic and cartelistic practices in the market economy by exempting party-affiliated firms from business taxes and customs excises, and through the monopoly of state contracts.

In 2013, a Competition and Antitrust Council was set up, following the 2009 Competition and Anti-Monopoly Law. According to Sudanese press reports, however, this council lacked sufficient funding and manpower, and it has thus been unable to yield any tangible effects on Sudan's overall weak competition framework.

Liberalization of foreign trade

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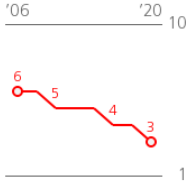

The Sudanese economy faces serious structural and institutional deficiencies. This has not even changed since the U.S. lifted its economic sanctions against Sudan in October 2017 (while keeping it on its list of states sponsoring terrorism). Poor governance, a weak rule of law and an inefficient regulatory regime create trade barriers; the simple average of the "most favored nation" applied tariff was 21.5% in 2017. Invitations by the minister of petroleum and gas to international investors to re-invest in the country's oil industry have thus been answered with hesitation.

China is Sudan's largest trading partner: oil is flowing eastwards while cheap everyday products are coming to the Nile. Besides that, foreign trade is largely failing due to the lack of a viable strategy for encouraging investment in productivity and a

failure to build sustainable levels of hard currency. The dominance of security expenditures in the budget creates difficult conditions for foreign trade liberalization. Conflicts in Darfur and the states of Kordofan and Blue Nile hinder the establishment of adequate infrastructure.

The overall performance of Sudan's banking system is inefficient, and it does not fulfill international standards such as the Basel accords for capital adequacy and liquidity ratios.

Banking system
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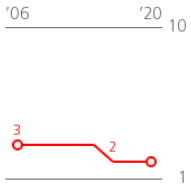

For the past 10 years, managerial inefficiency has been the major cause of the technical inefficiency of Islamic banks operating in Sudan, which do not optimally allocate their financial resources, as evidenced by inefficiencies of scale. This is due primarily to the increasing number of Islamic banks in the country that have not been keen to adopt cost-minimizing approaches. The allocative inefficiency of the banking sector could be due to internal factors, such as a lack of management expertise, as well as external factors, such as the economic sanctions that were imposed for the past two decades.

Toward the end of 2018, Sudan's notorious cash crisis worsened after the government devalued the Sudanese pound, which meant that many bank ATMs were running out of money.

8 | Monetary and fiscal stability

Amid the economic crisis in Sudan, the government lost control of monetary stability and inflation. In 2018, the inflation rate rose from 52.4% in January to 72.94% in December. The central bank repeatedly tried to control inflation, through a shortage of cash, introduction of digital payment systems, limitation of cash deposits, further criminalization of foreign currency trade and so on. Being dependent on imports, Sudan witnessed a shortage of foreign currency, and an expensive black market for dollars led to quickly rising prices. With no new investment, the Sudanese pound fell to 52 pounds to the dollar on the black market. In October 2018, the official rate of exchange rose from 18 pounds to the dollar to 47. To control the black market, the Sudanese government made two steep devaluations and imposed restrictions on dollar deposits; however, many influential government officials are reportedly involved in the black-market activities and thus protect such undocumented economic activities.

Monetary stability
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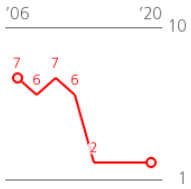
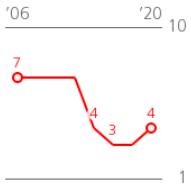


In 2018, Sudan introduced yet another economic reform policy, including both a short-term and a long-term stabilization program to achieve comprehensive development. This policy contains 15-month austerity measures aiming to curb inflation, stabilize the exchange rate, resolve the liquidity problem and combat corruption. The austerity measures were meant to limit government expenditure, currently at 6%, for various items including allocations for ministers and official delegations traveling abroad.

Fiscal stability
4

The stabilization program aimed to increase production and focuses on implementing infrastructure projects. However, the current account balance was -$5.033 billion in 2017, and public debt reached an unprecedented 163.2% of GDP in 2018 (the world's second highest after Venezuela), while it was at moderate 55.8% in 2008 (World Bank data). A long-standing burden on the Sudanese economy has been external debt, which was estimated to be around $21.8 billion in 2017, while debt service was $236.8 million. There are no figures available on net lending/borrowing, but the total reserves are low at $177.9 million.



9 | Private Property

In Sudan, a combination of customary and formal law, including Islamic law, regulates property rights. Customary institutions manage property rights in rural areas, while property rights in urban areas are administered through both formal and informal regulations. According to the Property Rights Index, which measures the degree to which a country's laws protect private property rights and the degree to which its government enforces those laws, Sudan ranks 169th out of 183 countries. This low ranking is due to weak and ambiguous property rights policies, corruption within the judiciary and the inability of individuals and businesses to enforce contracts. For instance, the imposition of a formal law that does not recognize individual rights to unregistered land has caused land tenure insecurity. Individuals and groups with customary rights are losing their land to private commercial interests, the military, land speculators and elites because of the government's policy to own unregistered land. International investors from the Gulf states have benefited from the government's commercialization of land at the expense of customary land tenure systems.

Property rights

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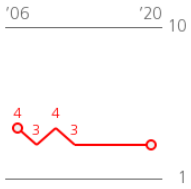

Women's property rights are highly insecure in Sudan, as women rarely have direct rights to land and face special obstacles to accessing land after divorce or the death of a husband. Male family members can sell and transfer family land without a woman's consent.

In Sudan, it has become almost a norm that private companies are vulnerable without protection from influential partners within the regime. The NCP members' economic empowerment policies over the past 30 years have empowered party affiliates, private companies and businesses while discouraging opposition enterprises.

Private enterprise

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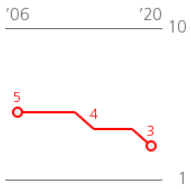


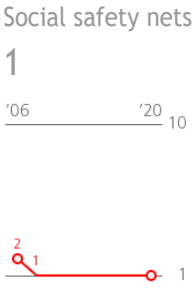
Moreover, Sudan's isolation from the international community during the long period of economic sanctions has distanced private companies from international standards and global conventions. Consequently, there is no open, fair competition or clear criteria regarding the conduct of the privatization process.

The scarcity of infrastructure has led to an uneven geographic distribution of private companies in Sudan, and the conflict in Sudan has forced many private companies either to terminate their activities or to migrate from war-torn areas to Khartoum.

Sudan's largest private enterprise is the DAL Group, which is particularly active in food and agriculture, but also construction, medical services, mining and real estate. Reports from 2016 on the exile "Sudan Tribune" news website indicated that major rifts had happened between the company's management and the regime, after the management publicly criticized the government's insufficient economic policies.

10 | Welfare Regime

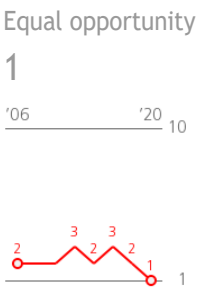
In recent decades, the protection and promotion of the economic and social well-being of Sudanese citizens has not been among the NCP regime's priorities. This is evident in the manner in which public expenditure has been distributed. For example, the sovereign sector, especially the military, security forces and the police, has always been given the majority share of the budget in comparison to low spending on social insurance measures.



In an Islamic economic system, zakat (alms giving) is considered to be the tool for caring for the welfare of the weaker members of society. In reality, however, the state-managed zakat system suffers from corruption and malpractices that prevent the poor and needy from benefiting from the funds.

In cases of unemployment, disability, old age or illness, there are no forms of compensation from the government. The pension scheme is fragile and covers only a small segment of society, and the same applies to health insurance, which is unreliable and inaccessible to the majority of society. Many families depend on remittances from expatriates who live and work outside Sudan for their survival.

Since the country won independence, marginalized groups in Sudan have fought for equality of opportunity and an equal distribution of wealth and power. However, the Islamist regime that came to power in 1989 adopted an Islamic and Arabic identity in a multiethnic, multi-religious society. This has systematically discriminated against individuals and groups who, despite being citizens of Sudan, do not share the ethnic and religious identity of the state. Instead of citizenship, a combination of ethnic, religious and political affiliation became a determinant for access to employment, education, health care and public office in Sudan. The regime adopted a radical interpretation of Islamic law that undermined gender equality and criminalized homosexuality. As part of the policy adopted by the regime to empower its party members, NCP affiliates and the party's network have been given priority access to employment opportunities.



While the socioeconomic situation is harsh for most Sudanese people, women are particularly disadvantaged. The female literacy rate is only 46.7% (compared to

59.8% for men, 53.5% in total), and only 25.7% of women are in the labor force (2017). However, today's female-to-male education enrollment ratios are almost balanced (0.9 girls for every boy at primary level, 1.0 at secondary level and 1.1 at tertiary level). Overall enrollment rates are still low (primary 73.6%, secondary 45.8% and tertiary 17.0%).

11 | Economic Performance

Sudan's economic performance is very poor and government statistics are often sugarcoated. According to the World Bank's 2018 World Development Indicators, GDP per capita in Sudan is $4,904 (PPP) and has been constantly rising in recent decades. Total GDP is also increasing, reaching $117.5 billion in 2017, while the unemployment rate has been relatively consistent over time at around 12.7%. Foreign direct investment, meanwhile, strongly contracted from 3.4% of GDP in 2012 to 0.9% in 2017, and the current account balance is $5 billion. Public debt reached a ten-year low of 53.5% of GDP in 2017, and gross capital formation was 18.9% of GDP.

Output strength

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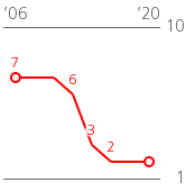

12 | Sustainability

In Sudan, environmental issues receive no consideration and environmental regulations are not enforced. When al-Bashir decided to dissolve the whole government, with its 31 ministers, in September 2018, he reportedly did not appoint a new minister for the environment and dissolved the whole ministry, officially for financial reasons.

Environmental policy

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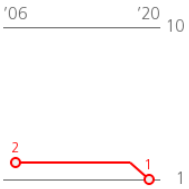
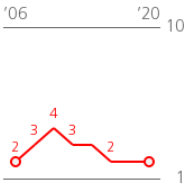


In general, Sudanese policymakers do not show any awareness of the crucial need for environmentally sound consumption and investment, much less consider it in their policy-making processes. Therefore, environmental goals and measures are not included in the country's policies, and also do not receive any attention from the government in the process of conflict resolution in Darfur, where environmental degradation has been an important factor in the ongoing violence.

Historically, Sudan had an adequate if limited educational system. The NCP regime enforced a revolution in higher education, which increased the number of higher education institutions but compromised the quality of the education provided. It also Arabized and Islamized the educational system and curriculum, which prevented Sudanese graduates from accessing international postgraduate programs and job opportunities.

Education policy / R&D

2



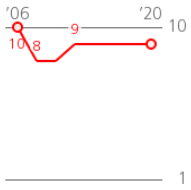
NCP affiliates took advantage of the education crisis to invest in private schools and universities. In 2018, the national secondary school exam was made available to a network of NCP members, but no one was held accountable.

The government considers academics, researchers and scientists to represent a threat to its power. Therefore, it has systematically destroyed the academic sector through

a lack of adequate resources and by placing restrictions on academic activities that are considered threatening to the regime. Bureaucracy and a lack of collaboration from government agencies undermine international cooperation in the education sector. Therefore, Sudan has lost many opportunities to connect Sudanese researchers with the world. Due to poverty and a lack of adequate infrastructure in rural areas, enrollment rates remain insufficient, as is the country's ranking in the U.N. Education Index (0.328 in 2017).

Governance

I. Level of Difficulty

Structural constraints
9


Located in northeast Africa, Sudan is the third-largest country on the continent. The country's great distances combined with poor infrastructure have limited successive governments' performance since its independence from British rule. Environmental conditions such as soil erosion and unpredictable rainfall are causing extreme poverty in rural areas of Sudan due to low agricultural productivity. Desertification and recurrent droughts have forced many to flee their areas and live in extreme poverty as internally displaced persons at the margins of cities and towns. Sudan lacks an educated labor force because of limited resources and expenditure on education. Focusing on urban areas, Sudan's education policies give little attention to commercial, agricultural, technical and teacher-training schools. Severe infrastructural deficiencies, with a lack of basic physical and organizational structures and facilities (e.g., roads, railways and power supplies), make Sudan an unattractive environment for investment.

Civil society traditions
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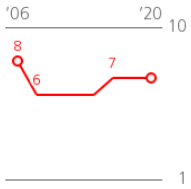

Civil engagement in Sudan goes back to the early 20th century. Sudanese trade unions, religious groups, societies and educational organizations engaged in the resistance against British colonial rule, beginning in the 1920s. The White Flag Society, formed in 1923–24, was an organized nationalist resistance movement of Sudanese military officers that made a substantial early attempt at Sudanese independence. The Graduates Congress, established under colonial rule in 1938 by graduates of Gordon College, put the activities of Sudanese intellectuals in the cultural and social fields on the political stage. The Graduates Congress's political goal was to liberate Sudan from Britain. Because the colonial government's Sudanese employees were forbidden from political activities, this idea came from a social body that was the nucleus of Sudan's independence on January 1, 1956. From the 1940s on, trade unions were particularly influential in the anti-colonial struggle, and they were the main proponents of change in the 1964 revolution against the military regime of Ibrahim Abboud. Professional, urban, white-collar unions and university students led the uprisings that resulted in the collapse of Numeri's regime in 1985. Since the 1990s, social trust has been undermined by the severe restrictions imposed by the state on politically engaged CSOs, such as trade and professional unions.

Starting on December 19, 2018, the government was confronted with the strongest civil unrest since it came to power, which started as public outrage against the increase in the price of goods and services but quickly transformed to an uprising aimed at regime change. The government used excessive violence against peaceful protesters in urban areas and several Sudanese towns, which had killed more than 50 people and injured hundreds at the time of this writing. In an attempt to control the uprisings in Sudan, NISS brutally tortured hundreds of journalists, activists and students.

Conflict intensity

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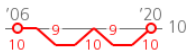

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On a larger scale, a civil war erupted in Darfur in 2003, when Darfuri rebel groups began fighting the Sudanese government over the oppression of Darfur's non-Arab population. The government responded with ethnic cleansing, which killed hundreds of thousands of civilians. As a result, the International Criminal Court indicted President Omar al-Bashir for genocide, war crimes and crimes against humanity.

Due to the lack of democratic elections, the armed conflict continues between the government and SPLM-N in the southern Sudanese states of South Kordofan and Blue Nile. Besides the hundreds that have been killed, the conflict has displaced more than 500,000 people.

II. Governance Performance

14 | Steering Capability

Question Score

Prioritization

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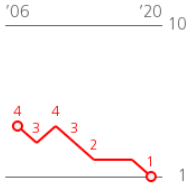


Various strategic planning units within Omar al-Bashir's administration have designed many national strategies, but few of these plans have been realized. The government has signed multiple agreements with political opposition and rebel groups, but it seems unwilling and unable to abide by any of them. This reflects the political leadership's failure to maintain strategic priorities.

Upon the independence of South Sudan in 2011, Sudan lost substantial resources from oil production, and, during the economic crisis, the government showed a limited capacity to adopt a longer-term perspective. The government's approach has been to borrow cash from Gulf states such as Qatar and Saudi Arabia to solve short-term problems while failing to address profound issues such as corruption and excessive security spending. The regime's high expenditure on the security of the ruling party at the expense of health and education services has exposed the government's inability to maintain strategic priorities.

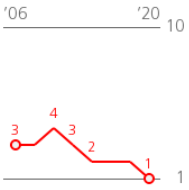
The government's capacity to set strategic priorities and to organize its policy measures has also been constrained by the fact that all decision-making powers have been concentrated in the hands of the president and a small group. Sudan has no

evidence-based policy-making or regulatory impact assessments. Experts and those calling for reform have been considered a threat to the ruling regime, and consequently their assessments have been utterly dismissed.

In early September 2018, Omar al-Bashir decided to dissolve the whole government and to reduce the number of ministers from 31 to 21, apparently for financial reasons. Because of this, it has been difficult to identify stringent policies from the government's side. When protests against the government intensified in early 2019, Omar al-Bashir tried to please those protesting against rising medication costs by replacing the minister of health. Thus, in the last few months of the period under review, the regime was in survival mode rather than doing any strategic policy planning.

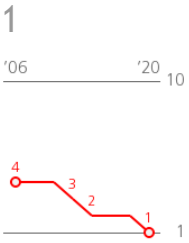
The government's strategic plans are mostly rhetoric meant to gain political support, but it shows no genuine political will to achieve its plans. The short-term priorities of the self-centered political leadership hinder the effective implementation of the declared objectives. Government officials often make public promises to achieve development projects, such as building schools, providing electricity to the population and improving water access, but these projects rarely materialize. The government's plans to combat corruption have been inadequately implemented, which restricts economic growth.

Implementation



The regime's capacity for policy learning and innovation has been limited. The government's tendency to create more enemies than friends has shown its meager capacity for learning from past experiences. For instance, the conflicts in Darfur, Blue Nile and Kordofan re-escalated after the South Sudan peace agreement because of the same grievances about marginalization that had inspired the earlier conflict. This demonstrated the government's inability to effectively monitor or evaluate its policies toward the marginal areas.

Policy learning



The isolated regime has also not observed or learned from the good practices of others in similar circumstances. For example, the regime tried to simply copy Arab models that do not work in Sudan instead of learning from the good practices of African countries with similar conditions and cooperating with them.

Academic experts and practitioners play no role in policy-making in Sudan. In fact, the NPC party considers them as enemies. Omar al-Bashir's government has been stuck in this mindset and has consistently been too inflexible to adapt to or exploit new opportunities for development.

15 | Resource Efficiency

The Sudanese government's resource inefficiency has become especially evident in the growing number of employment decisions that have been politically motivated. In an attempt to weaken opposition, the government has recruited members of small political parties and rebel groups into marginal political posts. The money provided for the expenses of administrative personnel in Sudan has been much greater than expenditure on state services. Many members of the public criticized the government for its inefficient allocation of resources, which could deliver social services if utilized efficiently.

Efficient use of assets

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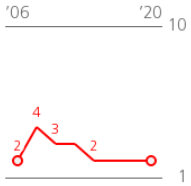

Military and security spending have dominated the national budget at the expense of the economic and social well-being of Sudan's citizens. Budget planning and implementation have not been transparent. Due to the lack of effective and independent auditing, it has become difficult to trace the deviation of actual budget expenditures from the associated planned expenditures.

Through policies aiming to empower the ruling party, the government has systematically damaged public administration in Sudan. Upon capturing power in 1989, the regime dismissed all the bureaucrats who were not affiliated with the NCP and began recruiting public servants based on party affiliation rather than merit. Many professionals migrated, and public administration fell to incapable personnel. This policy undermined efficient management, and there has been no institutional reform.

The majority of government spending in Sudan has been used to ensure the security of the ruling party and al-Bashir's hold on power, which has made other objectives, such as a functional public administration, less important for the regime. The contradictions between the diverse national strategic plans designed by the government's planning units demonstrate the inconsistency of the government's policy goals. State administration has lacked coordination vertically between the various levels of governance, such as from federal to state to local levels. Horizontally, there have been discrepancies regarding government policies and programs between various ministries.

Policy coordination

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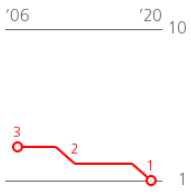

In a personalized style of governance that lacks any transparency, each official comes to office with a team and often cancels the policies of the previous minister to start something new. This leads to confusion within the ministry, which harms the continuity and consistency of policy goals. This inconsistency in government policy is exacerbated by weak oversight of the administration, staff recruitment based on political loyalty rather than merit, public administration employees' lack of training and qualifications, corruption, clientelism, the political culture, and a lack of efficiency and effectiveness.

Corruption has been perceived as one of the pillars of the NCP, spoiling Sudan's global reputation. Many investment opportunities have been lost because of this bad reputation. Corruption has been spread across diverse sectors of the government. Following much publicity around the issue, the government launched an anti-corruption campaign and formed "investigation" committees, including the Ministry of Justice, NISS and the police. The campaign, which implicated a number of former officials, as well as CEOs of companies and banks, came amid the economic crisis and popular outrage against rising prices for goods and services. It was therefore primarily perceived as an insincere gesture meant to absorb public anger and prolong al-Bashir and the NCP's hold on power.

Anti-corruption policy

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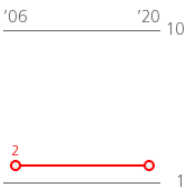

The government has been unable to contain corruption because of an absence of checks and balances or a system for auditing state spending. Anti-corruption policies have been constrained by the fact that there is no separation between the judicial, legislative and executive powers in Sudan. The NCP's finances have not been regulated, and the NISS has restricted and intimidated other political parties. Journalists have been banned from exposing the country's corruption due to the lack of freedom of expression. The absence of the rule of law has led officeholders to violate codes of conduct and tolerate conflicts of interest. For example, Mamoun Mohamed Ali Humeida, the minister of health in Khartoum state, owns a private hospital and a university of medical sciences.

16 | Consensus-Building

On paper, major political actors during Omar al-Bashir's rule agree on democracy as a strategic and long-term goal. However, the permanent discussion about the state's identity and its relationship with religion have presented a constant challenge to political reform in Sudan. Other issues constraining reform include the role of the military in politics, state-building and national unity. Failed development plans and the economic crisis have also been major obstacles to democracy and reform efforts. Political fragmentation and various conflicts have also weakened democratic culture in Sudan.

Consensus on goals

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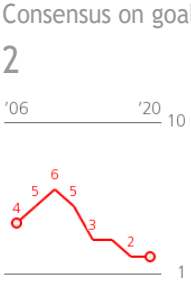

The government initiated a National Dialog in 2015 with the participation of smaller political parties and Hassan al-Turabi's Popular Congress Party. Many opposition and armed groups boycotted this government initiative. Because elections have been conducted to ensure al-Bashir stayed in power, the people have had little faith in the trustworthiness of elections under his regime.

Freedom of expression has been restricted, and opposition political parties and independent civil society have faced severe constraints. Many opposition parties, such as the Umma party, have had no popular basis among the Sudanese people and have been perceived as weak or driven by self-interest.

In practice, there are few major differences of opinion with regard to a market economy. Most recognize that only a market economy can attract much-needed foreign investment and achieve economic prosperity. The opposition parties, however, believe that the government has controlled the economy through corrupt crony capitalism, while the Communist Party questions the effectiveness of the privatization programs introduced by the government in the 1990s.

As an authoritarian actor based on the army's power, Omar al-Bashir's regime has banned opposition political parties and independent unions, and restricted freedom of expression. There was hope that the 2005 Comprehensive Peace Agreement (CPA) would make democratization a reality, but the elections of 2010 and 2015, which favored the NCP, were far from free and fair.

Anti-democratic actors

2

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The National Dialog initiated by the government in 2015 excluded independent CSOs from participation and was purely an instrument for the government to present a better image of itself externally. Thus, the regime failed to achieve a basic consensus with the opposition, even after a number of opposition parties proposed their "Sudan Call" for more democracy and less suppression in 2018, which was completely disregarded by the government.

As the engineers of many Sudanese conflicts, al-Bashir's regime has been unable to moderate division-based conflict. In fact, the government's policies have divided society along ethnic and religious lines. Because of the government's systematic policy of exclusion, South Sudan opted for independence from Sudan, and the regime has failed to reach consensus after the CPA. The government's polarizing polices created more conflicts in the Darfur region and the states of Kordofan and Blue Nile. In the past three decades, Sudan's political leadership has proven unable to remove the root causes of structural conflicts and has failed to establish a consensus to keep the society together. During the protests that began in late 2018, the regime has tried to blame students and rebel groups from Darfur for the killing of protesters, trying again to use cleavages to divide the protesters.

Cleavage / conflict management

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Omar al-Bashir's regime has banned civic, economic and professional interest associations as well as community-based organizations, and it has alienated intellectuals, scientists and journalists. Instead, it created its own CSOs, such as Islamic organizations. Until the end of this report's assessment period, independent and opposition CSOs continued to face severe restrictions by NISS and limited space in Sudan. Activists were harassed and excluded from the 2015 National Dialog, which the government pretended to also open up to civil society actors.

Civil society participation

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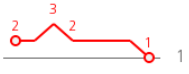
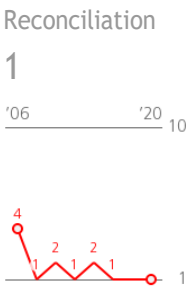


Civil society has played a central role in the mass protests since late 2018 through the "Forces of the Declaration of Freedom and Change," launched on 1 January 2019. Composed of the Sudanese Professionals Association and some opposition groups, including the National Consensus Alliance and Sudan Call, the "Forces" has become the main driver behind the mass demonstrations, which were ongoing at the time of this writing.

Since it seized power three decades ago, the regime of Omar al-Bashir has been a source of injustice at many levels. Besides abolishing democracy, the government committed many atrocities in the civil war in South Sudan. Although reconciliation was part of the Comprehensive Peace Agreement, no efforts were made to provide compensation for the unjust experiences of the war's victims. The same process continued in Darfur, where al-Bashir acknowledged killing 300,000 people.

Reconciliation

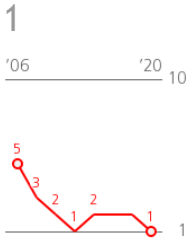


None of the perpetrators were brought to justice, including the president, who did not appear before the International Criminal Court after he was charged with war crimes and crimes against humanity. The government killed more than 200 people during the 2013 peaceful protests and 50 people have been killed during the protests being held at the time of this writing, but no efforts at reconciliation have been made so far.

17 | International Cooperation

Omar al-Bashir's government's international partnerships have been characterized by rent-seeking and short-term goals. Sudan's support of global jihadist movements and its hosting of Osama bin Laden and al-Qaeda in the 1990s were among several reasons for the imposition of decades of trade embargoes and economic sanctions on the country. The sanctions have had severe negative effects on the Sudanese economy, and the regime continuously lobbied to have them lifted until they were eventually removed in October 2017.

Effective use of support



The government has made efforts to have Sudan removed from the U.S. government's list of state sponsors of terrorism, on which it has been since 1993. To achieve this goal, Sudan's government has collaborated with the U.S. on counterterrorism, and the U.S. eventually acknowledged Sudan's anti-terrorism efforts.

After years of isolation, the regime in Sudan has started to collaborate with the European Union to stop migration from the Horn of Africa through what is known as the "Khartoum Process." It seems that the European Union intends to overlook the regime's human rights violations and support the government in order to guard its borders against undocumented migrants. Al-Bashir's oppressive regime received funds from the European Union to use notorious militias for border control, violating the rights of refugees.

Sudan's relations with the Gulf states have been self-centered and characterized by rent-seeking. Sudan's blatant need for foreign currencies opened the door for literally selling out Sudan's resources. In particular, the Gulf states' agriculture investments in Sudan, which aimed to increase food security in the Gulf, involved land grabbing and injustices to smallholders. The revenues from these deals have benefitted the ruling party but not the wider society.

Similarly, the Sudanese government has been involved in Saudi Arabia's war against the Houthis in Yemen, and it deployed thousands of Sudanese soldiers to the conflict in exchange for money. China has always been a good friend of the al-Bashir's regime, as its economic cooperation has not been bound by any conditions regarding good governance.

Omar al-Bashir has never sought sustainable support from outside, especially not from Western donors; instead, it has been driven merely by concerns about the regime's survival, and many of the regime's external "cooperation projects" have been done only for a further enrichment of the military ranks.

Credibility

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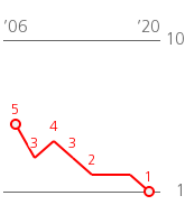
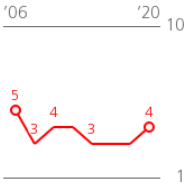


Sudan has earned little credibility in its relations with the international community. Although economic sanctions had been lifted, Sudan was still listed by the U.S. as a state sponsor of terrorism during the period under review.

Sudan has shown no commitment to the International Criminal Court's indictment of al-Bashir for genocide and crimes against humanity in Darfur. Although the indictment has somewhat limited the president's mobility, he has not appeared before the court. In both the development cooperation and investment sectors, the government's rigid policies have caused Sudan to lose the confidence of the international community.

Regional cooperation

4



Sudan's need for foreign investment prompted its effort to improve relations with neighboring countries. Following South Sudan's independence, the relationship between Khartoum and Juba was unstable. The disputed border region of Abyei, which is administered by Sudan but also claimed by South Sudan, remained an unsettled issue. A referendum to determine which country it will be a part of has been delayed. The relationship between the two nations is now somewhat normalized. Sudan attempted to mediate peace in South Sudan, which resulted in a preliminary agreement between South Sudan's President Salva Kiir and the rebel leader Riek Machar in Khartoum in July 2018. With this, South Sudan's oil production has resumed, and it exports oil through Sudan after paying fees to Sudan's government. The Sudanese army guards some of the oil fields in South Sudan.

The Sudanese regime's relationship with Egypt recently became normalized after years of tension. The relations were strained when Egypt accused Sudan's government of a failed attempt to murder former Egyptian President Hosni Mubarak in 1995 in Addis Ababa. Tensions between the two countries rose over Egypt's control of the Halayeb border area and the ongoing renegotiation with all countries along the River Nile about how to share water consumption. Irrespective of this, Egypt cooperated with NISS in 2018 to arrest a Sudanese activist in Egypt and hand him over to Sudanese authorities.

Likewise, the relationship between Sudan and Ethiopia has normalized after the two countries cooperated to address the violence that occurred between farmers of the two

countries, which led to many dead and wounded on both sides in mid-2018. In December 2018, Omar al-Bashir traveled to Addis Ababa to participate in the Ethiopian Nations, Nationalities and Peoples' Day celebration. Sudan supports the Grand Ethiopian Renaissance Dam (GERD) project in Ethiopia, which Egypt, on the other hand, sees as a fundamental threat to its national security.

Relations with Chad have strongly improved over time, leading to plans for a special section in Port Sudan for the supply of foreign goods through Sudan via railway into Chad. The relationship with Eritrea, however, has remained unstable. In January 2018, Sudan accused Eritrea of supporting rebel groups and closed the border after deploying thousands of troops along it. Four months later, the Eritrean government accused Sudan, Ethiopia and Qatar of supporting armed opposition groups to overthrow President Isaias Afewerki's government.

Strategic Outlook

The poor governance of the ruling NCP and President Omar al-Bashir, who had held power for 30 years, has basically destroyed any foundation for Sudan's positive transformation, whether in political or in economic terms. The protests by the Sudanese people, which began on December 19, 2018 on the streets of Khartoum and in an increasing number of other Sudanese cities, have made the widespread disillusionment with the regime clearly visible, resulting in strong demands for removing al-Bashir and his regime from power.

At the time of this writing, the regime's response to the protests has taken the lives of more than 50 people, left hundreds injured and thousands detained. Looking forward, a key question will be the extent to which and how those in power will address the injustices waged by al-Bashir's regime, both in terms of the violent suppression of peaceful protests and the long list of historic injustices. Politically, a path toward transitional justice and an inclusive new government will be crucial if the new regime, however it will look, wants to gain the support of the citizens.

A pressing need in this regard is to ensure the conduct of free and fair elections that express the will of the Sudanese people when selecting the country's leaders. For the next elections, the authorities in charge must ensure that all those who are entitled to vote have the right to register and vote freely without fear or intimidation. All registered political parties must have an equal right to contest elections, campaign for voter support, and hold meetings and rallies freely without the interference of the NISS. The political leadership must safeguard freedom of expression, halt censorship and the repression of journalists and reporters, and ease the restrictions placed on CSOs and opposition political parties.

Sudan's new government will need to establish a separation of powers between the executive, legislative and judicial branches. For Sudan to overcome decades of corruption and human rights abuses, there is an urgent need to ensure the independence of the judiciary from presidential influence. Legal reform is needed to ensure the law's compatibility with human rights and women's rights, and to recognize the diversity of Sudanese society.

While political reforms are important, overcoming the current economic crisis is crucial if the government is to appease Sudan's citizens. To achieve the desired economic growth, the political leadership needs to address the root causes of the crises, which are high military spending and corruption. They must reform the current economic policy and develop the agricultural sector. After a decline in the quality of health care and education, expenditure on those sectors should be given a high priority.

One of the key underlying challenges facing Sudan is the failure of the political leadership to use the country's available resources properly. This can be addressed by limiting corruption and reducing the government's expenditures by cutting back on the number of political positions. Government inefficiency has hampered the improvement of governance in Sudan. Thus, there is

a pressing need to improve policy coordination in various government sectors and enhance the administration of resources. After years of societal disintegration, Sudan's leaders must find a way to establish a broad consensus among all segments of society, including rebel groups, opposition political parties and independent civil society.

The international community should give priority to the Sudanese people's desire for freedom, peace and justice. In recent years, European countries have supported al-Bashir's regime to gain control over the influx of migration from Africa to Europe, but the international community should now emphasize that the new rulers in Sudan are a more reliable partner also when it comes to human rights and protection of vulnerable minority groups. If the misuse of funds by Sudan's regime to oppress people continues instead, more young individuals and groups will be driven to seek a better life through migration to Europe. Sudan and the international community now have the unique opportunity to build a better Sudan for the future. They should not miss it.