The Problem of Uneven Regional Development in the Northern Sudan

ADAM AZZAIN MOHAMED

In the time since the Sudan attained independence in 1956, political development in the country has been characterized by conflicts between the country's national government and constituent regions, both in the southern and the northern Sudan. While the war in the southern Sudan was influenced by ethnic, religious, economic, and cultural differences between the south and the north, the main cause of strained relations between northern regions and successive Khartoum governments has been economic marginalization, both actual and imagined. Several northern regions believe they have not been receiving their due share of national wealth and power. Acting upon these grievances, the Beja, the Nuba, and the Darfurians formed regional political movements designed to articulate their demands and eventually resorted to violence to attain their political ends. National governments have adopted a confrontational and misguided attitude toward these regional movements. Instead of addressing demands, governments have periodically sought to debase complaints about insufficient development in certain Sudanese regions by disparaging the leaders of regional movements. Only recently, and since the regional conflict in Darfur attracted worldwide attention, has the Khartoum government started to negotiate political solutions for regional problems.

In early 2005, the Comprehensive Peace Agreement (CPA) ended the war in the southern Sudan. Though it was designed to end the violent conflict in the south, certain of its provisions will likely affect future governance of the

Adam Azzain Mohamed *is Director of the Institute for the Study of Public Administration and Federal Governance and professor at the University of Khartoum.*

northern regions and might serve as a relevant model for other marginalized places in the north such as Darfur and the eastern Sudan. This paper will analyze available economic government data to measure regional differences in development and assess whether claims of marginalization by various northern regions are justified. It will then review frameworks under existing peace agreements aimed at improving regional development in the south and evaluate whether these frameworks could form a model for development in the north.

IDENTITY IN THE NORTHERN AND SOUTHERN REGIONS

In general, people in the Sudan tend to identify themselves in terms of vaguely-defined regions. Those of most importance to this paper are Darfur, in the extreme west of the Sudan; Kordofan, to the east of Darfur; Khartoum, the capital city, located at the junction of the White and Blue Nile river branches; the Northern region stretching north from Khartoum to Egypt; the Central region to the south of Khartoum between the White and Blue Niles; and the Eastern region, which borders Eritrea, Egypt, and the Red Sea—taken together, these regions make up what will be referred to as the northern Sudan.

The population of the northern Sudan is predominantly Muslim and largely Arabized. But like the south, the northern regions are inhabited by a mosaic of ethnic and tribal identities, and conflicts frequently erupt between the different groups. Through extended coexistence, however, people have developed a sense of regional identity and even patriotism vis-à-vis other regions, particularly in relation to the central government. Charges of marginalization are therefore directed against Khartoum rather than against neighboring regions. Almost all of the Sudan's national governments have attempted—unsuccessfully—to weaken people's emotional attachment to their regions by redrawing boundaries and by dividing and re-dividing subnational administrative units. For instance, the crisis in the western Sudan is normally referred to as a "Darfur" crisis, although since the 1990s, the region has been administratively divided into three separate states: Northern Darfur, Southern Darfur, and Western Darfur.

Almost all national governments have attempted to weaken people's emotional attachment to their regions by redrawing boundaries.

REGIONAL CONFLICTS AND PEACE AGREEMENTS

In the southern Sudan, conflict took the form of a north-south civil war between 1955 and 1964 and again from 1983 until 2005. The root causes of this war are multiple and complex. Demands for regional autonomy began even before the Sudan was declared independent; indeed, in the south, support for the unity of the Sudan as an independent state was conditioned by demands for a system of federalism and regional autonomy.

In the north, the Nuba, the Darfurians, and the Beja had each formed regional political movements (respectively called the Nuba Population General Federation, the Darfur Development Front, and the Beja Congress) in a popular uprising in 1964[1] to articulate their demands for increased wealth and power. Successive national governments simply ignored developmental inequities and chose instead to use state-controlled media to stigmatize leaders of regional movements as racists, parochialists, and secessionists. Against this backdrop, several of these regional movements turned to violence. In 1983, the Nuba Mountains and the Blue Nile joined the south's Sudan People's Liberation Movement/Army (SPLM/A) in taking up arms against the central government.[2] Two rebel movements formed in the Darfur region and have been warring with the central government since 2003. Groups of ethnic Beja in the east have also declared themselves to be in armed opposition to Khartoum. It is only since international pressure has been growing in the wake of the Darfur crisis that the Khartoum government has begun negotiating political solutions for regional problems.

The proliferation of regional movements also had the effect of moving the Sudan further away from a more stable two-party system that could have provided a means for achieving national integration and addressing demands on a non-ethnic and non-parochial basis.[3] The failure of the two principal parties, the National Union Party and the Umma Party, to address regional demands encouraged political fragmentation, eventually making it impossible for either major party to secure a clear majority in the legislative councils. As a result, political parties resorted to coalition governments, which were weak and offered easy prey for military adventurers.

The war in the southern Sudan was ended by a peace agreement in 2005. Incorporated into the final text of the CPA are a set of agreements known as the Naivasha Protocols, which had been mediated by the Intergovernmental Authority for Development and concluded between the warring parties in 2004. These protocols specify how wealth and power are to be shared by the north and south during an interim period of six years, grant the southern Sudan autonomy and possible independence following a referendum, and indicate how military forces might be redeployed. Though the protocols were designed to end the violent conflict in the south, certain provisions will likely affect future governance of the northern regions. The protocols and the CPA provide for a genuine decentralization of power in both the north and south, particularly in the period following free elections that are to be held within four years. The Protocol on the Resolution of Conflict in Southern Kordofan/Nuba Mountains and Blue Nile States of May 26, 2004, which affords special transitional status to two states in Southern Kordofan and Blue Nile, is one example of "a model for solving problems throughout the country." It lays out principles of equality and fairness for the two states in terms of economic development, social welfare, stability, human rights, and fundamental freedoms.[4] The structure of government, both prior to and following the election, is also specified. As in the protocols governing relations between the north and the south, the two states are assured a share of national wealth and power and a say in security arrangements (though not the right to secede). Those who signed the CPA generally believe that the Nuba Mountains/Blue Nile States Protocol is a relevant model for other marginalized regions in the north.

Though the CPA was designed to end the conflict in the south, certain provisions will likely affect future governance of the northern regions.

MEASURING REGIONAL DEVELOPMENT

In this paper, three indicators will be used to measure regional differences in development: household (family) income, *per capita* allocation of capital by the central government to regional development projects, and *per capita* allocation of grants from the central government to the regions. Data for other indicators of disparity, such as clean water, electricity, or paved roads, are simply not available. Even data for the three chosen indicators are only available in certain years. The term "capital" corresponds to the cost of new development projects in the regions. Regardless of whether projects are proposed and implemented by the central or regional governments, it is the central government that finances them. What is labeled officially as "grants," or "grants-in-aid," are in fact equalization funds dispensed to cover the deficit between a region's estimated annual revenue and its estimated expenditure.

Methodological Difficulties

A researcher studying the regional allocation of resources in the Sudan faces four major problems. The first concerns the definition of the object of research (i.e. the unit of analysis). Names and boundaries of subnational administrative units have been subject to frequent changes. From the colonial era until 1974, there were nine provinces (*mudiriyaat*): six in the north of the country and three in the south. The northern provinces were Khartoum, the Northern, the Eastern, the Central, Kordofan, and Darfur. The three provinces in the south were Equatoria, Bahr el-Ghazal, and Upper Nile. In 1974, these provinces were further portioned into smaller units, such as Southern Kordofan and Northern Kordofan, Southern Darfur and Northern Darfur, the North, the River Nile, the Red Sea, and Kassala. In 1980, with the adoption of the Regional Government System, the original provinces were labeled regions (*agaleem*), while the district divisions took on the title of provinces. A further, more radical change of subnational administrative units was made in the mid-1990s, when the regions were portioned into smaller units known as states (*wilayaat*), apparently in a bid to give the impression that the Sudan was moving toward a federal system of governance. Twenty-six states were created by this move, with the constitution specifying their names and capitals.

The frequent changes in the boundaries of subnational administrative units create problems of data continuity on a regional basis.

These frequent changes in the boundaries of subnational administrative units create a second problem for a researcher—one of data continuity on a regional basis. Due to changes in recording systems, one can get only episodic data. Information about annual regional budgets is scant. Very few people know how much revenue the central government collects, how much it spends at the central level, and how much it transfers to the regions.

The third research problem concerns the availability of reliable and continuous data. Data about grants are available on yearly bases in the records of the ministry in charge of regions, but still subject to changes resulting from varying regional boundaries and titles. On the other hand, data on capital money are unavailable for most years. When they are available, they are organized by project type rather than by region, perhaps to avoid comparisons that might lead to complaints from disadvantaged regions. The data used here were obtained from a single document: *Sudanow*, a Khartoum-based journal, which published the relevant information to document President Jaafar Nimeiri's achievements as he sought a new term of office as president.

The fourth and last problem for researchers lies in using the indicators mentioned above to reliably determine the allocation of national resources. Development projects are not identified by their state or regional location or by their individual cost. Instead, development activities are presented as aggregated data, divided into sectors such as industry, agriculture, and energy. Very few people know about their regional or social breakdown. This problem perhaps results from government planners emphasizing national goals (such as increasing the national GDP, the *per capita* income, and the growth rate, as well as maximizing exports), at the expense of social objectives. The Sudan is regarded by these planners as a single unit, with identifiable economic objectives; emphasis is then placed on those economic sectors responsible for implementing the plans. Geographic and social dimensions are not considered. Despite these difficulties, the ensuing discussion will attempt to analyze the problem of uneven regional development by reviewing relevant literature and trying to quantify allocation of resources during different periods.

QUANTIFYING UNEVEN REGIONAL DEVELOPMENT

The natural starting point for serious analysis is to look at one of the earlier periods in time for which data is available. A report first published by the International Labor Organization (ILO) in 1976 defines the Sudan as an agricultural economy based on dual economic systems: a modern agricultural sector of irrigated or rain-fed mechanized farming on the one hand and a traditional agricultural sector, characterized by rain-fed traditional farming and livestock raising on the other.[5] Geographically, the traditional agricultural sector was concentrated in the southern and western Sudan, but the bulk of development activities and social services were in the modern agricultural areas, a discrepancy that led to political dissatisfaction in the former areas. The ILO commission recommended that emphasis be placed on the traditional sector, where more than 70 percent of the labor force was concentrated and production inputs were significantly cheaper.[6] The government at the time appears to have ignored this main recommendation of the ILO, however, and continued the policy of concentrating services and development activities in the modern agricultural sector, further alienating the people in the traditional sector.[7]

Analysis of Family Income Data

Data for regional family incomes is available only for the years 1967–1968 and 1982–1983 and is based on figures of the Department of Statistics in Khartoum, which carried out or projected interregional comparisons of household income until 1983 and then discontinued its statistics for unknown reasons.[8] The data reveals substantial income disparity among regions, reflected in a standard deviation of 44.5 in the year 1967–1968 that grew to 57 in 1982–1983, indicating that disparities were increasing over time. It would have been extremely useful if the Department of Statistics had continued its annual recording of family income by region, as the results could have justified a policy of equalization and made it difficult to ignore regional inequities.

TABLE 1: ANNUAL FAMILY INCOME BY REGION

	Income in Sudanese Pounds	
Region	*1967–1968*	*1982–1983*
Khartoum	263	283
Central	183	201
Eastern	180	195
Kordofan	153	164
Northern	124	130
Darfur	98	102
Standard Deviation	44.5	57

Source: *"Sudan Department of Statistics, Household Sample Survey"*

Analysis of Development Spending

Measuring governmental expenditure has been widely recognized as being the best method of determining the extent of government activities. As early as 1962, Peter McLaughlin made the point that in the Sudan "the government is the main economic developer through its direct activities."[9] Government spending in the six northern regions, in the form of development projects funded through the country's capital budget and social services funded through the current budget, will be used to test the charges of regional inequality.[10] The limited availability of data, however, restricts our discussion to only two periods: 1971–1980 and 1998–2002.[11]

These two periods are particularly important for measuring the effects that the infusion of money from the center had in developing the regions. The first period, 1971–1980, was a time when the Sudan was intended to be the breadbasket for the Arab world and received unprecedented amounts of foreign capital from oil-exporting Arab countries. As Peter Bechtold put it, "for the first time since independence, one can say that there is a large flow of foreign capital available for investment in the Sudan."[12] The second period, 1998–2002, is equally important because it represents the beginning of the Sudan's role as an oil exporter with considerable foreign capital coming into its treasury. A large portion of that money found its way to the regions, as will be illustrated in the ensuing discussion. The period also shows substantially increased expenditure from the central treasury to finance regional public services. For this second time period, data for "states" are grouped together to correspond to the former "provinces." To make regional comparisons more meaningful, both capital and grant allocations for this period have been calculated in *per capita* terms.

Table 2 displays findings for the period 1971–1980.[13]

TABLE 2: PER CAPITA REGIONAL SHARES OF CAPITAL EXPENDITURE AND GRANTS ALLOCATION

	Khartoum	*Central*	*Eastern*	*Northern*	*Kordofan*	*Darfur*	*Mean*	*Standard Deviation*
Capital	181	294	186	75	7	47	132	120
Grants	7.1	4.7	5.3	13.6	4.4	3.7	6.47	3.36
Both	188	298.7	191.3	88.6	11.4	50.7	138.1	95.3

Note: *All figures in Sudanese Pounds. Calculations are based on the following:*
Grants: total per capita annual shares divided by number of years.
Capital: per capita share of costs of projects located in-region.
Both sets of figures are average per capita.

Sources: *"Development Projects," Sudanow 2 (June 1977); Sudan Ministry of Finance, People's Executive Council Budgets (1971–1980).*

Population figures are based on Sudan Ministry of National Planning, Sudan Second Population Census 1973, Vol. 1, Socio-Economic Characteristics (1977).

Table 2 reveals several important truths about the regional distribution of government spending in the 1970s. First, it shows that regional shares of the national wealth (capital *and* grants) varied widely: a region's *per capita* share of development money in the form of capital expenditure ranged from only 7 Sudanese Pounds (LS) for a Kordofan native to 294 LS in the Central region.

On the other hand, the average *per capita* grant in Darfur amounted to less than 4 LS, while the average person in the Northern region received nearly 14 LS. Second, the amount of grants distributed by the central government was negligible compared to capital spending. Grants had an overall mean *per capita* of less than 7 LS, compared to a mean *per capita* of 132 LS for capital spending. In other words, the real developmental activities were in the regions with larger shares of government-based projects (Central, Eastern, and Khartoum regions). The other three regions received less than average development spending, which comprises the lion's share of overall spending on the regions. Third, it is noticeable that some regions fared well on both counts, while others had high numbers in only one area. Still others ranked highly in neither grants allocation nor capital spending. These neglected regions might be labeled as disadvantaged or marginalized, while the former might be identified as advantaged.

According to the principle of distributive justice, each regional share should be calculated in accordance with the relative proportion of its population. Table 3 contrasts regions' shares of grants and development spending with their percentage of population.

TABLE 3: PERCENTAGE OF POPULATION, GRANTS, AND CAPITAL BY REGION, 1973

	Region					
Indicator	*Khartoum*	*Central*	*Eastern*	*Northern*	*Kordofan*	*Darfur*
Percentage of Population	10.4	32.4	7.6	13	18	18
Percentage of Grants Allocated	12.8	27.7	18.4	13.9	15.4	12.6
Percentage of Capital Spending	12	60	4	18	0.7	6

Notes on calculations:

Population: Regional population divided by total population (1973 Census Statistics).
Grants: Total regional share of grants divided by total grants.
Capital: Total regional share of capital divided by total capital.

It is clear that both Darfur and Kordofan received less than their share in both grants and capital. The Eastern region received more than its share in allocated grants. Khartoum received more than its due share in both capital and grants; the Central region received far more than its proportional share in capital expenditure; and the Northern region surpassed its share of grants and capital. More revealing discrepancies among regional shares will become clearer if an index of advantage and disadvantage is created for computing across the two resources. The formula for computing the index is (the score minus the mean)/(the mean). Table 4 below displays the results.

TABLE 4: INDEX OF REGIONAL ADVANTAGE AND DISADVANTAGE

	Region					
Fund	*Khartoum*	*Central*	*Northern*	*Eastern*	*Kordofan*	*Darfur*
Capital	+0.415	+1.231	-0.431	+0.415	-0.981	-0.427
Grants	+0.094	-0.282	+1.083	-0.195	-0.328	-0.637
Both	+0.473	+0.949	+0.652	+0.22	-1.309	-1.064

Source: *Computed from Table 2 and Table 3.*

This table clearly shows that the charges of marginalization by some northern regions, such as Darfur and Kordofan, can be supported by hard data. They stand out as clearly disadvantaged. Khartoum emerges as the only region with privileged ratios on both counts (+0.415 and +0.094). The Central region is highly advantaged in receiving development projects/capital money (+1.231) and disadvantaged in grants (-0.2892). The Northern region received less than its due share in development/capital money (-0.431) and far above its expected share in grants (+1.083). The Eastern region fares reasonably well with development projects/capital money (+0.415), but received less than its proportional share in grants (-0.195). When the two resources are combined, only Darfur (-1.064) and Kordofan (-1.309) emerge as seriously disadvantaged. The evidence simply does not support the claim that all of the northern Sudan's regions have been treated equally in the distribution of national wealth from 1971 to 1980. This

The charges of marginalization by some northern regions, such as Darfur and Kordofan, can be supported by hard data.

pattern of resource allocations clearly confirms a contention by David Roden that a core-periphery relationship had been established in the Sudan's economy.[14] The riverain regions, which include the Central region, Khartoum, and the Northern region, emerge in the lead, using the index of advantage and disadvantage in Table 4 above. Kordofan, Darfur, and to some extent the Eastern region, appear disadvantaged. The ratios of overall advantage are as follows:

The Central	+ 0.949
The North	+ 0.652
Khartoum	+ 0.473
The East	+ 0.220
Darfur	– 1.064
Kordofan	– 1.309

One wonders whether the government continued with its policies of uneven development beyond 1980 or moved towards regional equality during the second episode (1998–2002).

Changing Patterns of Regional Resource Allocation?

Before tackling this question, some important points need to be made. First, as previously mentioned, in this analysis, the data relating to "states" has been lumped together to create data that corresponds to former "regions" and is therefore comparable across time. Second, it is worth noting that conventional grants (i.e. equalization appropriations) were changed into dramatically larger funds over the years, channeled through a newly created National Fund for States Financial Support. Third, the Central Bureau of Statistics and the United Nations Fund for Population Activities re-estimated states' populations in 2004, revealing shifts in population from those discussed in the first timeframe arising from the 1973 census.[15] Former "provinces" or "regions" are regarded as the units of analysis. The figures provided are the cumulative average of the years 1998 to 2002.

TABLE 5: FLOW OF CENTRAL CAPITAL FOR REGION-BASED PROJECTS (CAPITAL AND GRANTS COMBINED)

	Region							
Year	*Khartoum*	*Eastern*	*Central*	*Kordofan*	*Darfur*	*Northern*	*Total*	*Percentage*
1998	81.3	340.7	413.56	233.42	340.5	290.7	1700.18	8%
1999	153.69	669.5	1283.66	861.9	847.02	1023.81	4839.58	23%
2000	1131.09	952.35	1875.74	2378.51	912.16	622.57	7872.42	38%
2001	182.6	1042.7	1358.6	699.4	619.9	572.4	4475.6	21%
2002	38.7	386.74	651.65	450.89	250.95	372.01	2150.94	10%
Total	1587.38	3391.54	5583.21	4624.12	2970.53	2881.49	21038.72	100%
Percentage	7.5%	16%	26.5%	22%	14%	14%	100%	

Source: *Sudan Bureau for Federal Governance, Development Projects (1998–2002). All figures in Sudanese Dinars.*

One difference that is immediately noticeable between the two episodes is that, in general, regional transfers increased substantially during the second episode, amounting to 21,039 Sudanese Dinars (SD) for all northern regions combined, as shown in the table above. (In 1992, the Sudanese Dinar was introduced to replace the old Sudanese Pound. One dinar divides into 10 pounds, thus the total of 21,039 Sudanese Dinars shown above, amounts to 210,390 Sudanese Pounds.) Furthermore, a real attempt has been made to put right regional inequalities in resource allocations. Unfortunately, total transfers appear to be decreasing, standing at a mere SD 2,151 in 2002, after having amounted to SD 7,872 in the year 2000. When looking at the plain figures for regional shares of capital spending without further analysis, one automatically assumes the Central region to be the biggest recipient of funds (26.5 percent); followed by Kordofan (22 percent); the Eastern region (16 percent); the Northern and Darfur regions (14 percent each); and finally Khartoum (7.5 percent). However, comparing these raw figures is misleading without considering regional population proportions. Calculated in *per capita* terms, the regional shares of funds appear as follows:

1. The Northern region	SD	1,808.8
2. Kordofan region	SD	1,169.2
3. The Eastern region	SD	884.8
4. The Central region	SD	749.4
5. Darfur region	SD	452.8
6. Khartoum	SD	285.8

Using the formula of advantage (score minus mean)/(mean), for creating an advantage/disadvantage index, the results appear as follows:

1. The Northern region	+ 1.036
2. Kordofan region	+ 0.317
3. The Eastern region	+ 0.018
4. The Central region	- 0.162
5. Darfur region	- 0.521
6. Khartoum	- 0.7

A comparison of advantages during the two episodes makes it evident that regional equalization of the national wealth has been only partially implemented, as Table 6 illustrates:

TABLE 6: REGIONAL RATIOS OF ADVANTAGE COMPARED ACROSS TWO EPISODES

	Period	
Region	*1971–1980*	*1998–2002*
Central	+0.949	-0.162
Northern	+0.652	+1.036
Khartoum	+0.473	-0.700
Eastern	+0.220	+0.018
Kordofan	-1.309	+0.317
Darfur	-1.069	-0.521

According to principles of equalization, regions that received less than their due share in 1971–1980, namely Kordofan and Darfur, should have received bigger shares in the second episode and vice versa. Table 6, however, shows that the principle has only been followed partially. Kordofan was compensated in 1998–2002 with bigger shares, raising its ratio of advantage to +0.317. The Darfur region, however, remained disadvantaged in 1998–2002 as well. The Central region, the Eastern region, and Khartoum should have received smaller shares in 1998 to 2002, having received more than their due share in 1971–1980. The most alarming exception to the theory is clearly the Northern region, which received a ratio of +0.652 from to 1980 and then received the greatest share, +1.036, from 1998 to 2002. The Eastern region lies in the middle of the spectrum, having received slightly more than its due share from 1971 to 1980 and from 1998 to 2002.

In summary, a move toward regional equalization has certainly been made, but it has not been systematic. It does not apply to the Northern region or to Darfur. The former has been significantly advantaged; the latter alarmingly disadvantaged across the two periods studied here.

TOWARD EQUITABLE REVENUE SHARING

Perhaps no other country in Africa has embarked on such varied experiments with decentralization as has the Sudan, in a bid to garner popular support for authoritarian regimes. For instance, before the present government, there were five major legislative initiatives toward decentralization: the 1951 Local Government, the 1960 Provincial Government, the 1971 People's Local Government, the 1980 Regional Government, and the 1981 People's Local Government.

Since 1989, legislation pushing toward a decentralized system has increased substantially, but it has resulted in more political rhetoric than practical achievement. Only in the media are people told that the problem of sharing power and wealth among the regions has been solved.[16] A major limitation in the Sudan's experiments with decentralization is that projects have not been accompanied by the release of sufficient revenue. Revenue sources in the Sudan have been largely directed to national goals rather than toward developing the peripheries. Regional and local governments have been left with only property taxes as their major source of revenue. As most of the regions are still at the stage of subsistence economy, tax revenues are understandably limited and difficult to assess and collect. Regional and local authorities are often unable to finance social services, let alone to embark on substantive development. Therefore, charges of marginalization have continued despite experiments in decentralization.

A move toward regional equalization has certainly been made, but it has not been systematic.

The central government has better sources of revenue, such as import and export duties; a monopoly on sugar and fuel; business profit taxes; mining; and, lately, oil exports. It also gains revenue from outside the country in the form of grants or credit. In other words, for practical purposes, national revenue is effectively collected and spent by the central government. Transfers to the regions appear to have been carried out by various central governments without adhering to any criterion of revenue sharing. Instead, the central government continued to keep spending 93 percent of the revenue it collected and unjustly distributed the remaining 7 percent among the regions—evidently made clear by Kabaj, a famous economic analyst, in an interview with the *Sahafa Daily*.[17] In summary, decentralization experiments were intended to build support for Khartoum governments through popular participation rather than to respond to regional demands for power and wealth sharing. With the exception of the 1951 local government, all subsequent legislation was enacted during military regimes, looking for popular participation through decentralization mechanisms.

A major limitation in the Sudan's experiments with decentralization is that projects have not been accompanied by the release of sufficient revenue.

THE CALL FOR AN EQUITABLE REVENUE SHARING: REREADING THE NAIVASHA AGREEMENTS

Even before considering the broader issue of federalism, it can be argued that a sound revenue sharing system is a political necessity. Now that the Sudan is considering itself a federal system, it needs to look to the experiences of other federal systems which have had a system of revenue sharing introduced by law (such as the United States, Australia, India, and Nigeria). In the meantime, it is hoped that the model designed at the Naivasha Accords for certain transitional areas will be developed for solving the problems of all regions in the northern Sudan.

The Nuba Mountains/Blue Nile States Protocol that addresses the resolution of conflict in those two areas lays the foundation for local autonomy and a system of guaranteed revenue-sharing. Though some of the provisions in this protocol—in particular the pre- and interim-period election arrangements—might not be applicable to other northern regions such as Darfur (after all, they resulted from negotiations between the National Congress Party and the SPLM that do not necessarily have the same relevance in other regions), with good faith and political will, future subnational units in the northern Sudan will be more independent of the central grip, enjoying constitutionally-guaranteed equitable shares of the national wealth. At this point, lessons learned from the Naivasha Protocols may be most useful. Article 1.8 of a second Naivasha Protocol that forms part of the CPA, the Protocol on Wealth-Sharing, clearly states that "revenue sharing" should reflect "a commitment to devolution of power and decentralization of decision in regard to development, service delivery, and governance." The phrase "and other war-affected and least developed areas" is repeatedly linked to provisions of postwar power- and wealth-sharing arrangements.[18]

With good faith and political will, future subnational units in the northern Sudan will be more independent of the central grip, enjoying constitutionally-guaranteed equitable shares of the national wealth.

Chapter 8 of this Protocol on Wealth-Sharing is important for less-developed regions in the northern Sudan because it specifies their share of the national wealth. Articles 8.5 and 8.8 are also particularly important for war-affected or less-developed areas in the northern Sudan. The former (8.5) creates a National Reconstruction and Development Fund, with the aim of raising these areas to national standards and development levels. Article 8.8, on the other hand, provides for the creation of a commission for disbursing "Fiscal and Financial Allocations" to regions. It specifies criteria for wealth allocation, including population size, minimum expenditure responsibilities, human development index, geographical area, fiscal efforts, and damage from the civil war. Regions will be duly represented in both commissions.

A major threat to implementing the CPA in the Sudan, however, appears to be lack of clarity on the part of the incumbent government about whether it will genuinely transfer power to others. The crisis over the Ministry of Energy between the incumbent government and the Sudanese Peoples' Liberation Movement is a case in point. The incumbent government's insistence on keeping the ministry at all costs came close to ending the partnership between the two parties.

The ruling party's position with regard to balanced regional development appears to be a major threat to future governance in the north. The party says one thing and does quite another. National Congress Party officials are negotiating with the armed movements from Darfur in Abuja, Nigeria, and talking with another armed movement in the eastern Sudan about the distribution of national power and wealth. Meanwhile, the party's economic officials accepted a paper written by a former Sudanese minister for finance, the effect of which will be to deprive both Darfur and the eastern Sudan of their due shares in forthcoming investments.[19] Instead, the paper calls for the concentration of such investments in the riverain area. This time, the concentration—and concurrent marginalization of other regions—has not been justified on economic grounds. Instead, it is based purely on partisan and ethnic considerations, calculated to boost political support for the ruling party. The paper designates an investment area running through Dongola and Sinnar (two areas continuously favored by the ruling party), and Kordofan (an area which was, observers believe, included merely to appease the local population, since an important petroleum pipeline passes through their territory).

The economic paper and its content must be considered extremely serious. It was prepared by Abdul Rahim Hamdi, who long served as minister of finance of the Sudan. He is widely believed still to be the architect of economic policies followed by the incumbent government. Nothing appears more alarming and threatening to unity in the Sudan than Hamdi's thesis, which has not been opposed by the National Congress Party's economic department, implying that it has effectively become the party's policy paper. It raises serious questions about regional rights, such as: Who determines access to national wealth and resources? Is the National Congress—and Hamdi in particular—trying to prove that might makes right? Should that become the principle for future power struggle in the Sudan? Is the author of the paper ready to accept all of its consequences? And will Arab investors be willing to put their money into this rather conflict-generating area?

For the Nuba Mountains/Blue Nile States Protocol to be used for solving the problem of governance in the northern Sudan regions, several prerequisites need to be met. The incumbent government must be committed to the implementation of not only the Nuba Mountains/Blue Nile States Protocol, but more importantly of the CPA as a whole. The CPA needs to receive the consensus of *all* political actors, so that it becomes part of a constitution respected by all Sudanese people, and the revenue-sharing between the central government and the various regions must be clearly discussed, so that the regions know how much money will be allocated to them. At the same time, the criteria for financial and fiscal allocations must be followed to the letter, while a top-down approach to the implementation of the Nuba Mountain/Blue Nile States Protocol must be avoided. People in other areas must agree on how the model might be implemented in their regions, ensuring that the CPA serves as basis for genuine federalism. This represents an essential component of genuine democratic rule in Sudan. Only a sincere commitment to democratic transformation can guarantee the effective implementation of the CPA—and an end of resource inequity, in the north and the country as a whole. ■

ENDNOTES

1 In fact, the Beja Congress had existed since 1958, but gained significant momentum during this uprising.

2 The Blue Nile and Nuba Mountains regions lie along the historic north-south border. Parts of the populations of these regions have been aligned with the southern Sudan. However, these territories have been part of the northern Sudan for administrative purposes since independence in 1956.

3 In the Sudan's first election (1953), it was clear that a two-party system was emerging: the National Union Party received most votes, while the Umma Party constituted a strong opposition. Other smaller parties, representing left and right, also won representation in the parliament.

4 Government of the Sudan and Sudan People's Liberation Movement, *Protocol on the resolution of conflict in Southern Kordofan/Nuba Mountains and Blue Nile States* (Naivasha, Kenya, May 26, 2004), <www.iss.co.za/AF/profiles/Sudan/protnilemay04.pd> (accessed November 23, 2005).

5 International Labor Organization (ILO), *Growth, Employment and Equity: A Comprehensive Strategy for the Sudan* (Geneva: 1978). This is the second edition of the 1976 original report.

6 ILO: 228.

7 Martin Adams and John Howell found that the ILO's main recommendation was largely ignored in the 1976–1982 six-year development plan, which continued to concentrate on social and developmental activities in the modern sector; see Martin E. Adams and John Howell, "Developing the Traditional Sector in the Sudan," *Economic Development and Cultural Change* 27 (3) (April 1979): 505–518.

8 Sudan Department of Statistics, *Household Sample Survey*.

9 Peter F.M. McLaughlin, "The Methodology of Regionalizing and Distributing African Income: The Sudan," (University of Texas at Austin: unpublished Ph.D. Dissertation, 1962): 344.

10 The southern regions are excluded from the analysis, as data for those years is not available because of the civil war.

11 Availability of data is limited to the date ranges indicated because of changing boundaries and titles and, consequently, discontinuity of allocation patterns. States existed in their current form since the mid-1990s. The year 1998 is particularly important, as it marks the Sudan's arrival as an oil-exporting country, with foreign currency available for necessary development projects.

12 Peter K. Bechtold, *Politics in the Sudan: Parliamentary and Military Rule in an Emerging African Nation* (New York: Praeger, 1976).

13 "Development Projects," *Sudanow* 2 (June 1977); Sudan Ministry of Finance, *People's Executive Council Budgets* (1971–1980); and Sudan Ministry of National Planning, *Sudan Second Population Census 1973, Vol. 1, Socio-Economic Characteristics* (1977).

14 David Roden, "Regional Inequality and Rebellion in the Sudan," *The Geographical Review* 64 (4) (October 1974).

15 Sudan Central Bureau of Statistics and United Nations Population Fund, *Population Data Sheet for Sudan by States* (2004).

16 It is not argued here that misguided central policies have been solely responsible for hampering the national integration process. Other more important factors need to be added (e.g. ending elected governments by military intervention and short-sightedness of the radical elements, who have often paid scant regard to building national cohesion).

17 "Interview with Kabaj," *Sahafa Daily*, February 10, 2005.

18 Government of the Sudan and Sudanese People's Liberation Movement, *Agreement on Wealth Sharing during the Pre-Interim and Interim Period* (Naivasha, Kenya, January 7, 2004), <www.iss.co.za/AF/profiles/Sudan/sudanwealth04.pdf> (accessed November 23, 2005).

19 Abdul Rahim M. Hamdi, *Future Investments in Sudan* (Khartoum: Congress of the Economic Sector of the National Congress Party, September 11–12, 2005).