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## **Sudan: Economic and Foreign Policy Dilemmas**

The Sudan was preoccupied with three major concerns in 1978: promotion of 'national reconciliation,' threats to the region's security arising from developments in the Horn of Africa, and a desperate economic situation. After a promising start, the negotiations to create a new sense of political unity between the ruling Sudanese Socialist Union (SSU) and the outlawed opposition parties ran into serious difficulties in mid-year. The future of President Ja'afar Numeiry's policy of national reconciliation thus remained uncertain in early 1979. Nor was there any improvement in the Sudan's security position. The growing Soviet/Cuban involvement in Ethiopia was a cause of major concern for the regime, more particularly because of the problems raised by the unresolved conflict over Eritrea, with the number of Eritrean and other Ethiopian refugees in Sudan rising to several hundred thousand.

The country's economy reached a new low in 1978, with inflation rampant and foreign reserves dwindling to the point where even essential imports like fuel could no longer be paid for. Industrial troubles proved inevitable as the regime embarked on a policy of severe austerity. While development projects have increased substantially, the country found itself short of capital for current revenue spending.

President Numeiry continued to give high priority to his activist foreign policy, both in the Middle East and in Africa. His close support for Egyptian policies had serious domestic repercussions and affected the country's inter-Arab relations. While tensions

were eased with Libya, relations remained bad with Ethiopia. The President continued to forge closer links with the West, and put himself at the head of the militant group of anti-Soviet leaders in Africa.

The elections in February 1978 turned out badly for the ruling party and produced a major upset for the Abel Alier Administration in the Southern region.

## **POLITICAL AFFAIRS**

### *The Role of the President:*

Gen Ja'afar Numeiry, 48, celebrated his ninth year of power on 25 May 1978.<sup>1</sup> It was a year of many initiatives, some achievements and a number of setbacks. The biggest prize—national reconciliation—continued to elude the President who not only failed to consolidate relations with his former political opponents in the National Front, but also weakened his position with many of his own supporters, some of whom were unenthusiastic over what they saw as weakening concessions made to sectarian religious forces. The Communists, who were largely unaffected by the process of reconciliation, remained strongly hostile to Numeiry. What was especially damaging to his position were signs of disagreement in the army necessitating a number of major changes. Numeiry's renewal of his Islamic roots took him closer to leaders in the Muslim Brotherhood but set him further apart from the country's secularist intelligentsia. His new orientation and his failure to achieve reconciliation left him in some danger of falling between two stools weakening his old power base but without establishing a new one.

This shift in Numeiry's policies was particularly marked in his relations with Egypt and in his personal ties with President Anwar Sadat. Cairo felt that his attempt to move to a position of greater neutrality in the Arab world would weaken the support of Sudan—Egypt's most faithful Arab ally—for itself. It was concerned that distancing himself from Cairo was the price Numeiry had to pay to achieve an alliance with *Ansar* and Umma leaders (who have always been suspicious of Egyptian hegemony), and that if those leaders were brought into a national unity

Government, relations would deteriorate further. Yet Numeiry himself largely negated this attempt at neutrality by broadly endorsing one part of the Camp David accords;<sup>2</sup> this pleased the Egyptians and Americans, but seriously upset the principal leaders of the National Front (Sadiq al-Mahdi and Sharif al-Hindi) and Saudi Arabia.

President Numeiry became chairman of the OAU for 1978-79 after hosting the fifteenth annual summit in Khartoum in July 1978. He was also made chairman of the Arab Solidarity Committee, which was established by the Arab League with a view to lessening differences between Egypt and other Middle Eastern States following Sadat's

visit to Jerusalem in November 1977. While Numeiry played a prominent role in mediation efforts in Chad, his own quarrels with Ethiopia remained unresolved—a hostility rooted in support for the Eritreans and his outspoken criticism of Soviet policies in the Red Sea area. On the other hand, there was a meeting and a lessening of tension between the Sudanese President and the Libyan leader, Col Gaddafi, thanks to the mediation efforts of Sadiq al-Mahdi.

While Numeiry's international status continued to grow, his authority at home seemed to diminish, for two major reasons: first, because the country's serious economic problems have produced widespread hardship in urban areas and thus fuelled popular discontent with the regimes policies; second, because Numeiry still tends to take too many major decisions unilaterally without sufficiently consulting his colleagues in the SSU. Nevertheless he remains popular and if he can succeed in his policy of national reconciliation and in dealing more effectively with the economy—two tough tests—his leadership is unlikely to be seriously challenged.

#### *National Reconciliation ( I): The Numeiry-Sadiq Agreement*

President Numeiry's policy of working for national reconciliation between the ruling SSU and the opposition National Front encountered a serious setback in 1978 which, at the time of writing in late June 1979, had not yet been overcome. The effort at reconciliation began in July 1977 at a secret meeting between Numeiry and Sadiq al-Mahdi, one of the two leaders of the opposition National Front.<sup>3</sup> Sadiq—a former Prime Minister, de facto *Imam* of the *Ansar* sect (a position he has declined to take up), and leader of the former Umma party—reached an agreement with Numeiry (see below) as a result of which he returned home to continue the process of reconciliation. His brother-in-law, Dr Hassan al-Turabi, leader of the Islamic Charter Front (Muslim Brothers), supported this decision; but Sharif al-Hindi, leader of the National Unionist Party and a former Finance Minister, took a different view about the conditions for return. This was after negotiations had gone some way. Although Sadiq and al-Hindi were allies in the National Front and maintained a joint army-in-exile in camps in Libya (from where they had launched an abortive coup attempt in July 1976). The two men held strongly different views. Sadiq, a dedicated Muslim believes in a modern Islamic political and economic system (though not in a theocracy); al-Hindi, a successful entrepreneur who spends as much time on his wide-ranging financial interests (which stretch from Saudi Arabia into Europe and Latin America) as on politics, is a spokesman for the *Khatimiya*. The two leaders did not always see eye to eye in the Front, and their differences grew more strained, even hostile, after Sadiq's return to Sudan.

The secret agreement reached between Numeiry and Sadiq, which only became known in late 1978, contained eight points:

1. All political prisoners shall be freed, and a general amnesty declared for those charged with offences connected with political activities.
2. All actions taken against individuals involved in the political struggle (confiscation of property, dismissal from civil service positions, etc.) shall be revoked.
3. The structure and operation of the SSU shall be reviewed with a view to opening its bodies to election at every level and permitting government policies to be freely debated and decided by majority vote.
4. The constitution shall be revised so as to ensure greater protection of individual liberties.
5. Greater emphasis shall be given to neutralism in Sudan's foreign policy.
6. Laws restricting personal liberties (primarily the State Security Act) shall be revoked.
7. The local government structure shall be reviewed so as remove the negative aspects, especially with view to cutting down the vast expenditure of resources in this field.
8. The prejudicial attitude to members of the *Ansar* sect should be revised, mainly by issuing a statement of regret at the death of the Imam al-Hadi in 1970.<sup>4</sup>

Implementation of points 3 and 5 soon proved stumbling-blocks to effective reconciliation: Sadiq insisted that agreement on making the SSU more democratic had to be reached before his supporters could join it, and that Numeir should stop taking sides in inter-Arab disputes.

*National Reconciliation (II): Al-Mahdi's Role Following his Return:*

When Sadiq was invited to address the SSU Central Committee in March 1978, he strongly criticized the organization of the ruling party. He believed decided that the SSU—which was formed at a time of conflict and division—needed reorganization: there should be genuine elections from the grassroots to allow all to participate on a democratic basis, and there must be more freedom to decide whether or not to join. According to *Sudanow*, Sadiq also called for “cuts in SSU expenses, more liberty to sector and mass organizations, Press reforms and wiping out ‘dualism’ by unifying the rule of the leadership in the political and executive offices”.

Sadiq's criticism of the SSU, which was mild compared to the views of other opponents of the regime, provoked strong reaction from SSU partisans in the Central Committee who seemed to take Sadiq's remarks as though they reflected on the regime as a whole. Although the daily press failed to publish Sadiq's speech, a series of articles appeared attacking his stand—a situation which gave greater point to Sadiq's call for the freedom of the Press and which, incidentally, added to the groundswell of rumours about his actual attitude to the regime. For a time, Sadiq declined to accept his appointment to the SSU Political Bureau and rarely attended the meetings of the Central Committee. But he insisted that his attitude had nothing to do with any reservations concerning reconciliation: “I just think it would be premature for me to get involved in the actual structure of an organization of which I disapprove”.<sup>5</sup>

*National Reconciliation (III): The London Agreement with Al-Hindi:*

Omdurman Radio announced on 12 April 1978 that an 'historic agreement' had been concluded in London between Abu al-Qasim Hashim, Speaker of the People's Assembly, and Sharif Hussein al-Hindi, co-leader of the exile National Front. Under the London Agreement, the National Front was to be dissolved, all training camps of dissident forces were to be dismantled, and all opposition figures were to return to Sudan. (All three points had previously been agreed upon with Sadiq and the National Front.) The agreement endorsed the Addis Ababa Agreement of 1972 and supported the permanent Constitution with its emphasis on the rule of law.<sup>6</sup> Joint committees were to be set up, not only to monitor and supervise the implementation of the agreement, but also to look into such issues as civil liberties, emergency laws, political organization and the settlement of the 'returnees.'

The London Agreement meant that the National Unionist group had now agreed to adhere to the policy of national reconciliation between Numeiry's regime and the Umma group led by Sadiq and the Muslim Brothers represented by Hassan al-Turabi. It remained unclear why al-Hindi had changed his mind. One explanation was that his ex-partner in the National Front, Sadiq al-Mahdi, had managed to persuade him to accept reconciliation. This seems unlikely, however, because the differences between them had increased since Sadiq's return to Sudan in September 1977. According to one source, “Hindi had previously been publicly critical of Mahdi and even during the announcement of his agreement to return was markedly cool, making it clear that the decision was the result of talks between his group alone and the Sudanese authorities”.<sup>7</sup>

The differences between al-Hindi and Sadiq had centred not on reconciliation itself, but on their different conceptions of how to approach it. While Sadiq was prepared to return to the Sudan and work for change from within the system, Al-Hindi insisted first on a negotiated agreement that would specify and define the required changes. Al-Hindi's persistent hostility to the vague, secretive and verbal agreement reached between

Numeiry and Sadiq had been a source of continuing concern to the regime—particularly since Sadiq's apparent failure to bring back the bulk of the National Front forces might have suggested that it was al-Hindi who was in effective control over the training camps in Libya and Ethiopia. In fact, however, Sadiq had taken the view, and Numeiry had agreed with him, that the men in the Libyan camps should not be brought back until proper arrangements could be made for their reintegration. They required work to return to so that they could be received with dignity, not as 'defeated men.' Time was needed to create these conditions. With the deepening differences between Sadiq and al-Hindi, the Libyans also tried to intervene in the affairs of the National Front (see below). Hence Numeiry's initiative, in sending a delegation to negotiate with al-Hindi and his associates in London there his basic demand for a specific written and public agreement was met.

The London Agreement was seen in Khartoum as 'a new triumph for national unity'<sup>8</sup>, and in London al-Hindi expressed the hope that "a new dawn had come".<sup>9</sup> The way now seemed paved to turn national reconciliation into a reality. In his address to the Workers' Trade Union on 17 April, First Vice-President Abu al-Qasim even hinted of contacts being made with the leadership of the Sudanese Communist Party. The People's Assembly ratified the London Agreement on 18 April.

President Numeiry was reported on 9 May to have formed a higher committee to review existing state security legislation. The Head of National Security, Maj-Gen Omer Muhammad al-Tayeb (who had participated in the London negotiations) stated that these laws had originally been necessitated by the 'unnatural circumstances' following the events; of July 1971,<sup>10</sup> but were now no longer applicable in the prevailing atmosphere of national unity.<sup>11</sup>

It was reported on 30 May that 'practical steps' were taken under the supervision Sadiq and al-Hindi to liquidate existing training camps in neighbouring countries and to ensure the return of all opposition forces.

The policy of national reconciliation seemed to be further consolidated when the Rev Philip Abbas Qabush, the leader of the United Sudanese National Liberation Front, announced in Nairobi the dissolution of his organization on 5 July. Qabush declared that his doubts about Numeiry's regime no longer existed: "We are convinced that a genuine democracy is being built in Sudan, with a very real movement of decision-making down to the people in every part of the country".<sup>12</sup>

During all these developments, and despite persistent reports in the Khartoum media about his imminent return, Sharif al-Hindi remained conspicuously absent. In fact, he was actively against either himself or Sadiq going back. He explained in June that the important issue was not his personal return but the return of the 'fighters' still living in training camps.<sup>13</sup> The real test of the London Agreement, he said, was that each side

should fulfill its basic commitments. Al-Hindi referred to the hostile Press he had recently received in Khartoum, and indicated that certain elements in the regime were actively working to “blunt the courageous initiative of President Numeiry to which we have sincerely responded”. As to his relationship with Sadiq, al-Hindi claimed that though there were differences of opinion there was certainly no enmity.

Several factors might have contributed to the widening gulf between al-Hindi and the regime. In the first place, it is true that there was internal opposition to the London Agreement in particular and more generally to the whole issue of national reconciliation. This opposition emanated partly from genuine concern over possible risks to the regime itself and partly from private considerations of self-interest. Secondly, each side seemed to read into the London Agreement more—or less—than it warranted. It is possible that while al-Hindi expected immediate and substantial changes in the nature and structure of the regime's institutions, Numeiry had in mind only minor changes so as to accommodate Sadiq, the *Ansar* and al-Hindi but without losing his power base in the SSU and the Army.

The state of uncertainty and confusion about the nature and effectiveness of national reconciliation was reflected in confusing and sometimes contradictory reports and articles in the press about the progress of the efforts to achieve it. In May, there were reports that the delay in al-Hindi's return was due to ‘transient and private reasons’ and that the numbers of opposition elements still living in training camps abroad had been drastically reduced.<sup>14</sup> In mid-July the press was still reporting the continuation of efforts aimed at national reconciliation and the preparations being made to receive the exile forces when they returned.<sup>15</sup> No explanation was given as to where the great numbers who left the camps in May had gone; nor was there any further enlightenment about ‘the transient and private reasons’ that had prevented al-Hindi's return since April.

#### *National Reconciliation (IV): from July to October 1978*

In late July a dramatic development took place that seemed to take national reconciliation into a new and delicate phase. Sadiq al-Mahdi announced at an extraordinary press conference in Khartoum that he had reached agreement with President Numeiry on a unified plan to reform the SSU. The plan called for direct elections at the end of the rainy season at all level of the organization, making it a popular rather than a governmental body. Sadiq explained that under the agreement, the Constitution would be amended to give “better expression to the Islamic and democratic sentiment of the Sudanese people” and to lift the restrictions on civil and political liberties.<sup>16</sup>

In an equally extraordinary editorial in the September issue of *Sudanow*, Bona Malwal (then Minister of Information and Culture), claimed that, if true, the agreement to reform the SSU “would amount to a *de facto* dissolution of that political organization”. Bona voiced the concern felt within the institutions of the regime about the nature of

negotiations between the President and Sadiq al-Mahdi, which he said should have followed the pattern adopted in the 1972 Addis Ababa talks. Bona ended his editorial by calling on both Numeiry and Sadiq—“now that they are both members of the same revolution”—to make public “in the interests of history”, the agreements they had reached since the Port Sudan meeting in 1977.<sup>17</sup> This was a remarkable challenge to come from a senior minister.

Relations between Sadiq and Numeiry changed after the President gave his broad endorsement to one of the Camp David accords. Sadiq claimed that this was a flagrant breach of their agreement which had called for greater neutrality in foreign policy. Sadiq also felt aggrieved that Numeiry's action was contrary to a decision adopted by the SSU committee dealing with foreign relations and was taken without reference to the SSU itself. (Also see Foreign Affairs, below). The fact that he denounced the Camp David accords stood Sadiq in good stead when trouble broke out in the Libyan camps in September 1978. (At One point feelings became so strong that Sadiq's supporters almost came into open military conflict with the Libyans, who had tried to register the Sudanese so as to indicate greater support for al-Hindi than was actually the case.) Nevertheless, Sadiq appeared to take the view that chances of reconciliation had been seriously impaired by Numeiry's approval of the Camp David agreements, and he spent little time in Sudan between October and December 1978. (For further developments regarding national reconciliation, see Foreign Affairs: Relations with Egypt, below).

*Transcending Reconciliation: Directive No 1 for Mass Enrolment in the SSU*

The move towards national unity, which seemed to have stalled somewhat during the preceding month, was given yet another push on 21 November When President Numeiry issued Directive No I designed to broaden the base of popular participation within the framework of the SSU in order to transcend the phase of reconciliation to the higher ideal of ‘comprehensive unity’. In his address to the opening of the 2nd Session of the People's Assembly on 27 November 1978, Numeiry described national unity as “the only formula which could overcome differences, integrate ideas and co-ordinate the efforts of the people for the benefit of all”.<sup>18</sup> A Higher Committee, chaired by First Vice-President Abu al-Qasim, was formed on 12 December to supervise the implementation of the President's directive. The Committee approved a two-phase schedule which would begin with an intensive enlightenment campaign, centring on the political, economic and social meaning of comprehensive unity and would culminate in a massive registration drive for SSU membership.

The first phase began in early December with a series of TV debates featuring some of the leaders of the former opposition, as well as some of the leading personalities in the regime. The debates revealed some differences of opinion mainly on different



interpretations of the nature of the political organization and the degree to which it was desirable to change it. Although all the participants invariably professed agreement on fundamentals, there was still a lingering and underlying note of mutual suspicion and distrust. Yet, whatever the value of these debates as enlightenment campaigns, the fact that former opposition leaders were at last given the opportunity to express and discuss their views publicly was a positive and encouraging development.

What remained to be seen was whether opening the SSU to mass enrolment was the right way to cure the party's malaise, and whether a mass organization as such was necessarily the best means of achieving national unity. As the *Financial Times* put it, "The ultimate political question which remains unanswered is whether the development of the political system in the direction now envisaged will create a framework within which the wider socio-economic problems can be solved. Some may even question whether a liberal consensus system can bring about the big changes of attitude and approach which may be required. Failure to cope with the problems facing the country would encourage support for those elements which remain outside the reconciliation".<sup>19</sup>

#### *Local Government:*

The People's Local Government National Congress (10-20 January 1978) came as the culmination of a series of conferences at the rural, district, provincial and regional levels, with the aim of ensuring popular participation from the grassroots and of providing some kind of link between political, administrative and popular organs. The declared task of the Congress was to examine the structural framework of local government, to assess its effectiveness and to chart its future role. According to *al-Ayam*, "the experience of People's Local Government has proved a viable alternative to partisan loyalties, sectarianism and the oppression of native administration". Vice-President Abel Alier hailed the Congress as "a demonstration of the unity of the Sudanese people".<sup>20</sup>

#### *The Elections of February 1978:*

The elections to the People's Assembly in early February provided the first real test to national reconciliation and unity. The elections were said to be "freer than had been previously staged before under President Numeiry".<sup>21</sup> According to the government-controlled Press, the SSU deliberately refrained from putting forward 'official candidates' in order to give a better chance to the 'returnees'—from exile or from a clandestine existence. However, this apparent concession was neutralized by election rules that not only required candidates to endorse 'the objectives and charter of the revolution', but also that they be vetted first by the SSU. This did not necessarily mean that former opposition elements were automatically excluded; both the Umma and Muslim Brothers groupings did in fact put forward their own candidates. But they had to

run under the banner of the SSU and in accordance with its rules. As polling day approached, there were signs of apprehension among SSU partisans about the probability of a sweeping victory for the former opposition candidates. On the eve of elections, Numeiry called on the people to vote for candidates “who are committed to the revolution’s values of freedom, democracy and socialism”.<sup>22</sup>

The election results tended to justify the fears of some of the regime supporters that the opposition elements would make headway, even under the restrictions imposed by the SSU. Although the candidates of the former opposition conducted a low-keyed campaign, they were able to make substantial gains. Some won with wide margins and in places where one would have thought that almost ten years had put to rest any popular enthusiasm for the old guard politicians.<sup>23</sup> Despite its good performance, the former opposition did not contest enough seats to constitute a majority, so that the SSU was still left in comfortable control of the Assembly.<sup>24</sup> In its analysis of election results the official monthly *Sudanow* attributed the election gains of the former opposition to two factors. First, the SSU did not nominate 'official candidates', and although card carrying members were allowed to run “the organization did not back them with the full paraphernalia of election propaganda”. Second, in the absence of officially nominated candidates, there was a multiplicity of ‘SSU candidates’ [*sic*] in the geographical constituencies, thus splitting the SSU vote.<sup>25</sup>

What was uncertain was whether the successful candidates would continue to be influenced by their previous allegiances or whether, as the regime hoped, “the involvement within the government and party structures [would] itself create a new mentality among such people, and any tendency to act in terms of previous party allegiance [would] gradually die out”.<sup>26</sup> In a post-election editorial reflecting concern over this issue, *al-Ayam* daily called on the new Assembly members to “act in accordance with the democracy of the May Revolution, which aims to place authority in the hands of the alliance of the working forces of the people. *Sudanow* reminded the country that “it had been stressed that the election results do not indicate any move towards the return of a multi-party system”.

*Government and SSU Changes, February 1978:*

The change of power structure in the North was insignificant compared to that in the South. The expected Cabinet reshuffle following the elections did not immediately materialize. Instead, Numeiry made only minor changes: Osman Hashim Abd al-Salam was promoted from State Minister of Finance to a full Minister, taking over the portfolio previously held by the President himself; Farouk Ibrahim al-MaQboul was promoted from Under-Secretary to State Minister of Finance; and Abu Bakr Osman Salih was appointed to head the resurrected Ministry of Presidential Affairs at the Council of Ministers.

The President appointed 51 new members to the 490-member Central Committee of the SSU. Among those from the former opposition were Sadiq al-Mahdi, Abd al-Hamid Salih, Omar Nur al-Daim, Hassan al-Turabi, Yasin Orner ah-Imam and Nasr al-Din al-Sayed. More significant perhaps was the appointment of six new members to the SSU Political Bureau: Sadiq al-Mahdi, Hassan al-Turabi, the former minister Badr al-Din Suliman, Ahmed al-Mirghani (son of the late leader of the *Khatimiya* religious sect), Clement Mboro, the former President of the dissolved Southern Front (who had been imprisoned for his alleged complicity in the 1976 events),<sup>27</sup> and Samuel Aru Bol, the new Vice-President of the HEC in the South.

These appointments seemed to be in line with the President's policy of broadening the base of his regime. Outside observers saw them as a move to "clear the way to Sadiq's taking a senior post in the government".<sup>28</sup> In Khartoum, however, the appointments immediately sparked rumours of disagreements between Sadiq and Numeiry.

*Manifestations of Public and Trade Union Unrest:*

In the period of instability which followed the February elections, there were reports of serious discontent in the Sudanese army, inspired mainly by Numeiry's warm relations with President Sadat. In a meeting of the Senior Officers' Congress in February (which Numeiry and Defence Minister Bashir Muhammad Ali attended) army officers openly voiced grievances about the government's political and economic policies. Numeiry reacted by dismissing 17 senior officers at the end of February.<sup>29</sup>

While dissatisfaction in the army was less obvious to the public and more difficult to confirm, this was not the case with trade union unrest which erupted at the beginning of April. The Technicians' Union went on strike on 2 April after their claims for parity with university graduates and for a new pay scale had been rejected. Five days later, the government retreated and agreed to meet the technicians' major demands. The railway workers in Atbara walked out almost simultaneously on 3 April, in protest against the negligence of their claims to their own union. After some acts of violence, 50 workers were arrested; for a time the situation seemed to be getting out of hand. The First Vice-President, Abu al-Qasim Muhammad Ibrahim, had to fly to Atbara to placate the angry workers. Those detained were released and a promise was made to resume negotiations. On 7 April, before the troubles in Atbara were over, the Medical Union, which had been demanding improvement of doctors' working conditions since 1977, went on strike. This was called off two days later after the Minister of Health issued a statement approving the Medical Union's demands as from July 1978, to coincide with the implementation of the new Job Evaluation and Classification Scheme (JECS).

This epidemic of trade union unrest (which continued and intensified throughout 1978) is not difficult to explain. While the media insisted that the use of strikes was unnecessary since all claims could legitimately be aired within the existing organizations,

these organizations had proved unrepresentative and ineffectual.<sup>30</sup> The lesson of the technicians' strike—as one of the union leaders put it—was that workers had to resort to industrial action because they lacked “effective representation inside the political and constitutional organs”.<sup>31</sup> Moreover, the government's initial belief that claims made by some union leaders did not reflect grassroots sentiment and its subsequent suspicion of subversive political motives were hardly conducive to the peaceful settlement of disputes.

Paradoxically, the mounting tide of militant trade union claims and the ensuing series of strikes and slowdowns—theoretically still illegal—were symptomatic of a new mood of relative tolerance and relaxation of repressive measures on the part of the regime—due in no small part to the policy of national reconciliation. As one shopkeeper said of the strikes, “That wouldn't have happened, people wouldn't have dared, even a year ago”.<sup>32</sup>

In his monthly *Face the Nation* broadcast on 31 July, President Numeiry expressed concern over what he called efforts at 'encirclement' of Sudan which were supported by some elements inside the country. The President saw a connection between these outside threats and the internal troubles manifested in industrial unrest. While acknowledging the existence of honest differences of opinion, he stressed the importance of settling industrial disputes through negotiation and arbitration. The President also denied allegations that the severe shortages of food and fuel in Khartoum during July were caused by making lavish supplies available to the OAU summit meeting.<sup>33</sup>

Sadiq's announce in late July he had reached agreement with Numeiry on a unified plan to reform the SSU (see above) led to speculation in Khartoum that the government reshuffle announced by the President on 29 July would give Sadiq or some of his top associates executive positions in the government. However, the reshuffle, which was made against the background of severe economic difficulties, was not radical, though there were important changes in the leadership posts of the SSU...The changes brought Dr. Hassan al-turabi to the post of Assistant Secretary-General for Information and Foreign Affairs...

According to *Sudanow*, “the changes in the SSU Posts could be seen as a step towards the separation between political and executive posts as recommended by the Central Committee”.<sup>34</sup> The *Financial Times* noted that “the President reshuffles his Cabinet and the political hierarchy once or twice a year, apparently with the aim of keeping his ministers on their toes and of adjusting the power balance among rival political groups which thrive unofficially within Sudan's single party system”.<sup>35</sup>...

In September the SSU organized a mass rally to support the decrees issued by Numeiry against corruption, profiteering and malaise in public and government institutions. In a hard-line address to the rally, the First Vice-President, Abu al-Oasim,

urged the political returnees to engage in objective debate and declared that suspicion and indifference would not be tolerated; nor would partisanship and sectarianism: “We will strike with an iron fist against those who want to move backward and who doubt the will of the people”.<sup>36</sup>

## THE SOUTHERN REGION

In Southern Sudan, where the February 1978 elections were more freely contested than in the North, the outcome was even more dramatic. Abel Alier's administration suffered a heavy defeat at the polls, leaving Gen Joseph Lagu's supporters in control of the Regional Assembly. Almost all the leading members of the High Executive Council (including Hilary Logali, the Speaker of the Regional Assembly) lost their seats. The ensuing power struggle between the two rival contenders for the Presidency of the High Executive Council (HEC) threatened for a while to explode into a major political crisis. To his credit, President Numeiry quickly and correctly read the new mood in the South and advised Abel Alier to withdraw his nomination. Gen Lagu became the new President of the HEC; Clement Mboro, leader of the Southern Front in the pre-1969 period, became Speaker of the Assembly; and Samuel Aru Bol, former leader of the Sudan African National Union (SANU), became Vice-President of the HEC. As the *Washington Post* noted: “Lagu's Cabinet is made up of men who had been either in jail or in the political wilderness”.<sup>37</sup>

According to one view, the victory of Lagu's side was a reflection of “a strong anti-North feeling in the South...The Southern problem has only been exacerbated by national reconciliation, for the South is suspicious of Islamic fundamentalism and this may have contributed to the growing discontent”.<sup>38</sup> While it is true that reconciliation and Islamization were issues of special concern in the Southern region—an area which, with the absence of liberalization in the North had become the exposed nerve of the country—the election outcome in the South can be seen more as a protest vote against the slow rate of development under the Abel Alier administration, and of the incidence of corruption among some of its leading elements. What the South wanted was change and a more dynamic leadership. It also seems true that some Southern politicians (who might have accepted regional autonomy reluctantly, but still cherish hopes of eventual secession) could find either in Islamization or in the drastic political changes in Khartoum sufficient inducement to revert to their original objective. But a more sober reading of the situation was that “whatever the militant anti-North rhetoric of some of the new Regional Council, they are no more likely than their predecessors to want to break the unity of the country”.<sup>39</sup>

The election in the South reflected another kind of problem: most leading Southern politicians still seemed to prefer to stand for the Regional Assembly rather than for the National Assembly. "Some feel that the Regional Assembly is closer, physically and mentally, and therefore better able to deal with the day-to-day problems that take up much of a politician's time".<sup>40</sup> Unless regional loyalties are sufficiently weakened, this tendency could endure and have negative implications for the future of North-South relations.

Speaking of the reasons for the electoral upset, Gen Joseph Lagu said that "the popular cry throughout the South had been for change".<sup>41</sup> He felt that Southerners should have wider representation in the central government in Khartoum, but added: "We don't worry much about Islamization because people here are mature enough to know what is best for them. The South is autonomous and will never accept laws which would not be good for the people here". At the opening of the Second People's Regional Assembly in Juba on 28 March 1978, Gen Lagu attacked what he called "institutionalized oppression of Southern citizens by Alier's previous administration. He promised to "liberate them and to improve their social and economic status in an open and tolerant society".

Durin, November 1978 there were reports of some local disturbances in the South. First came the news of student unrest, followed by reports of groups of bandits crossing Ethiopia into the Akoka area in the eastern sector of the Upper Nile Province, attacking and killing a number of people.<sup>42</sup> Gen Lagu blamed the student unrest on tribal fighting in schools instigated by "certain elements who might have been in the former Regional Government": their motive was to discredit the present administration by making it appear unable to control the situation. As to the Akoka incident, Lagu explained that the attack was made by a group of Southern Sudanese stationed in Ethiopia, some of whom were involved in the Juba incident of February 1977.<sup>43</sup> ...

Work began on the controversial 173-mile Jonglei Canal in June 1978.<sup>44</sup> A joint venture between Sudan and Egypt, the canal was estimated to cost \$240m when the present plan was finally adopted in 1977. However, it seemed that increased costs would double this figure by the end of 1978—even before the Ministry of Irrigation was forced to give way to pressure from local inhabitants to realign the canal in order to circumvent traditional seasonal grazing lands. This will add 100 km to the canal's length and will likely treble the cost of construction work. Jonglei is intended to divert a quarter of the White Nile's flow from the *Sudd* (swamps) and to save 4,000m cu metres of water a year which is now lost to evaporation.

## **SOCAIL AFFAIRS**

### *Education:*

The Six-Year Development Plan (1977-83) aims to enroll all children of seven and over; to eradicate occupational illiteracy by 1990; to establish craft training centres to absorb primary school-leavers who fail to qualify for further education; to expand junior secondary education; to diversify higher secondary education and develop technical education; to encourage education for girls; to achieve more equity in the regional distribution of schools; and to improve post-graduate studies related to development needs. As a matter of policy, mixed schooling is to be encouraged. It is also proposed to introduce rotating day and evening classes.

### *Health:*

The general objectives for development of health services under the Six-Year Development Plan are to give priority to preventive and social medicine; to raise the hospital bed allocation for every 10,000 people from 11.3 in 1976-77 to 13.6 in 1982-83; to raise the ratio of health cadres and improve the quality of curative medical services in the various regions and provinces; to develop and extend the existing hospitals and supporting medical services and to improve the health environment; and to expand health training resources to meet the needs of the health sector for trained cadres.

### *Population:*

Unofficial reports of the May 1973 census (unpublished to date) give a final figure of 14.8m of which 3m are in the Southern Region and 800,000 in the three towns of Khartoum, Omdurman and Khartoum North. However, World Bank figures put the present population at over 16.5m.

## **FOREIGN RELATIONS**

Sudan is one of the few countries in Africa where foreign policy is a matter of considerable public interest and one which strongly divides political groups. Moreover, because of its sensitive strategic position at the nexus of the Afro-Arab world and in the Red Sea, the country is highly sensitive to foreign intervention around its borders. The issue of 'foreign intervention' continued to be a major theme in the country's foreign policy in 1978, with the Numeiry regime taking a leading role among the anti-Soviet group of nations in the continent—a position which drew it even closer to the US and West Europe, as well as to the more conservative Arab states, like Saudi Arabia, Kuwait and Qatar. Khartoum's close ties with the Egyptian regime proved difficult for Sudan in its wider inter-Arab relations as well as in its domestic politics. Numeiry's attempts to distance himself from Sadat and his peace initiative did not go very far. Relations with

the USSR were understandably bad because of the Sudan's condemnation of its role in the Horn and elsewhere in Africa, while relations with China remain extremely cordial.

*Relations with Ethiopia:*

The issue of foreign intervention touched directly on Sudan's uneasy relations with Ethiopia which had shown some signs of improvement at the end of 1977. An OAU mediation committee, formed in the summer of 1977 under the chairmanship of Sierra Leone, met in Freetown in mid-December. Although the Sudanese delegation emphasized the need for a negotiated settlement of the conflicts in the Horn of Africa, the committee's recommendations avoided touching directly on the delicate issue of Eritrea.<sup>45</sup> A joint communiqué optimistically announced agreement on the need to end all hostile acts and propaganda.<sup>46</sup> Commercial air travel between the two countries, which was suspended in the summer of 1977, was resumed in January 1978, and Ethiopia's new ambassador, who arrived in Khartoum on 9 January, expressed the hope that the Freetown accord would "open a new chapter in the relations of the two countries".<sup>47</sup>

However, new strains developed in the same month following heavy fighting for the control of Massawa and reports of massive Ethiopian preparations for a major offensive in Eritrea and the Ogaden. *Sudanow* reported that "all the indications are that the deepening involvement in Ethiopia of Russia and some of its Third World allies is taking on the dimensions of a second Angola, but on a larger and politically far more dangerous scale".<sup>48</sup> Soviet involvement was the principal source of Sudan's mounting concern. President Numeiry said in an interview on 14 February that Sudan and Kenya were 'targets' of the new Soviet strategy in Africa, and that the 'absence' of the US from the events in the Horn might have encouraged Soviet adventurism in the continent. He stressed that he was not asking the US to replace Soviet influence in the region, but only to 'neutralize' it.<sup>49</sup> In fact, in early March the State Department announced that Sudan would be supplied with F-5 aircraft and radar equipment for cash, with the needed amount financed by Saudi Arabia, and that \$7.5m worth of credit in the aid programme would be used by Sudan to purchase armoured personnel carriers, engineering equipment and items related to air defence.<sup>50</sup>

In mid-May, when the long-awaited offensive against Eritrea was launched, an editorial in *al-Sahafa* (18 May) called on the Ethiopians to stop the 'blood-bath'. It appealed to the OAU and the UN to put an end to the military campaign and the 'foreign presence' in the region. In Cairo, President Sadat declared that any threat to Sudan's security as a result of the Eritrean-Ethiopian conflict would be "a matter of life or death for Egypt".<sup>51</sup>

Sudan had always held the view that the main source of tension in Sudanese-Ethiopian relations was the Eritrean problem. However, in all the uproar over the Soviet threat in Ethiopia, the Eritrean issue seemed to acquire secondary importance. Indeed, for



all Sudan's endorsement of the Eritrean cause, it was ironical that the OAU Summit in July was the occasion of a mass evacuation of Eritrean refugees from Khartoum. Officials explained that this exodus was necessitated by security precautions; even representatives of Eritrean liberation movements were prevented from lobbying OAU delegates. As *Sudanow* put it: "To the lorry-loads of refugees being shipped out of Khartoum, it may well have seemed that the price of Sudan's OAU chairmanship is a high one".<sup>52</sup>

In his opening address to the OAU summit on 18 July, President Numeiry took a tough stand against foreign intervention, declaring that "each invitation for intervention is followed by another counter-invitation until the armed foreign presence was about to outstrip the capacity to defeat it. Our main objective should be to keep Africa away from the dangers of alignment, the struggle of blocs and spheres of influence".<sup>53</sup> (For a fuller discussion, see essay 'The OAU's Year In Africa'). Ethiopia's military leader, Col Mengistu Haile Manam, refused to attend the OAU summit, ostensibly because Numeiry had declined to meet him on neutral ground before it opened.

The OAU extended the mandate of the mediation committee between Sudan and Ethiopia. However, it seems that as long as Ethiopia insists—quite legitimately under the OAU Charter—that Eritrea is an 'internal problem', any mediation attempt will be hard pressed to find the legal justification to discuss the issue. Conversely, since the Eritrean problem is the basic source of tension, it is difficult to see how any mediation effort can be successful without directly discussing it. This highlights the contradictions in the OAU Charter itself which on the one hand insists on the sanctity of colonial boundaries and, on the other, upholds the principle of self-determination. Speculation in late 1978 that Numeiry and Mengistu had agreed to meet soon to discuss bilateral relations proved groundless, and a meeting of the mediation committee in Sierra Leone in February 1979 yielded no results.

#### *Relations with Libya:*

By contrast, 1978 saw normalization and the beginning of friendly relations with Libya. The first sign of détente came on 16 January when Numeiry reaffirmed that relations had been normalized and that efforts would continue to improve them.<sup>54</sup> After a visit by First Vice-President Abu al-Qasim to Tripoli on 8 February, a joint communiqué announced that the two countries would take steps to adopt common policies based on "the principles of Arabism, Islam, African unity and socialism", and rejected "the policies of dependency and servitude". More significantly, each agreed to refrain from supporting any aggression or joining any alliance directed against the other. They expressed concern over the situation in the Horn of Africa and support for liberation movements in Southern Africa.<sup>55</sup>

It was evident that Sadiq al-Mahdi, who had met the Libyan leader on 30 January, played an important role in improving relations between Khartoum and Tripoli. This

could be seen as a direct product of the policy of national reconciliation—Libya's support of exiled Sudanese opposition elements having been the main source and manifestation of the conflict.

*Relations with Chad:*

The new mood of good neighbourliness was almost immediately reflected in Sudanese efforts to mediate in the conflicts between Chad and Libya, and between the Chad government and opposition rebel movements. On 12 February, Numeiry asked President Malloum of Chad to moderate his hostile attitude towards Libya; four days later he sent a special envoy, Ambassador Abu Bakr Osman, to Tripoli to help effect a ceasefire in Chad. A meeting of representatives from Libya, Chad, Sudan and Niger took place from 23-24 February in Sebha (Libya), where a ceasefire was arranged.<sup>56</sup> Although the ceasefire arrangements eventually broke down, Sudan continued its two-pronged mediation efforts.

*Relations with Egypt:*

Sudan's rapprochement with Libya struck a sensitive nerve in Cairo whose relations with Tripoli had deteriorated further following Sadat's visit to Israel. On 3 March, Numeiry insisted that the normalization of Sudanese-Libyan relations would not in any way be at the expense of Sudan's friendship with Egypt. He said that Egypt had been informed beforehand, had blessed his efforts and expressed the hope that they would pave the way for eventual normalization between Cairo and Tripoli.<sup>57</sup>

President Sadat visited Khartoum in early January 1978 to enlist Sudan's support to help defuse the mounting Arab hostility to his peace initiative with Israel. After the visit, on 8 January, Numeiry stated that Sadat was “moving in the right direction to solve the Palestinian problem” and that the Egyptian leader had reassured him that he was not seeking a separate peace with Israel. Numeiry added that the Tripoli conference of the 'rejectionist states' was counter-productive.<sup>58</sup>

In March, the Arab League secretariat circulated a Sudanese memorandum to Arab governments which called, among other things, for “quiet and objective debate” with Egypt instead of “resolutions of ostracism”.<sup>59</sup> The Arab League meeting at the end of March set up an Arab Solidarity Committee (composed of representatives from Saudi Arabia, Kuwait, Jordan, United Arab Emirates and South Yemen), under Numeiry's chairmanship, to narrow the differences among the Arab states and thereby create a climate more conducive to Arab solidarity. As chairman, Numeiry made an extensive tour of Arab capitals in May and June. Despite the optimism he expressed during his reconciliation mission, the Solidarity Committee decided to end its deliberations in mid-June with nothing more substantial than a promise to work out a draft plan for the co-ordination of Arab strategy.<sup>60</sup>

However, the whole issue of reconciliation was rendered academic with the announcement of the Camp David agreements on 18 September. Numeiry, who was visiting Europe and the US at the time, seemed to put some distance between himself and Sadat. In his address to the UN General Assembly, he emphasized the points in the Arab-Israeli conflict which the Camp David agreements ignored –namely, Jerusalem and support for the Palestinian cause. On the agreements themselves he was silent except to say that they needed “careful and objective study in the light of UN resolutions and the resolutions Arab summit conferences”.<sup>61</sup> It was expected that Sudan's official view would emerge from the joint session of the Council of Ministers and the SSU Political Bureau scheduled to meet upon the President's return. In the event, the joint session did not take place; when it was finally announced on 20 October, Sudan's view took the form of ‘a statement from the Presidency of the Republic’—a curious procedure which indicated either acute divisions within the other decision-making organs or else that, for reasons of his own, the President had decided to take personal responsibility for expressing Sudan's official stand. It is known that the SSU's Committee of Military Intelligence opposed Egypt's approach to Israel.

The President's statement drew a distinction between the two agreements made at Camp David. Firstly, it expressed support for all efforts to achieve peace and reaffirmed Sudan's special ties with Egypt which made it imperative to appreciate Egypt's position “during periods of difficult choices”. Sudan could not, and should not, criticize Egypt for taking steps to recover occupied Sinai and to remove Israeli settlements there. The statement noted that the peace process would have been more positive and effective if there had been collective Arab participation in it, but that the “present complications in the Arab world” had prevented this from happening. On the second agreement, the statement was critical. It found the general framework of the agreement characterized by “vagueness, ambiguity and omission” on some of the fundamental issues such as the status of Jerusalem, sovereignty over the West Bank, the future of the Israeli settlements and the refugee problem. The statement concluded that “if the quest for peace is to succeed, sufficient clarifications of these issues must be made so that other parties can be persuaded to [participate] in the Peace process in order to arrive at a final and comprehensive settlement”.<sup>62</sup>

The essential message in Numeiry's statement was that, while Sudan supported the Camp David agreements as steps towards peace, the agreements themselves fell short of providing for a final peace settlement. However, the Egyptian media selected only those passages favourable to Sadat's position, relaying them to the outside world as giving Sudan's stamp of approval to the Camp David agreements. This misrepresentation prompted the Paris-based *al-Mustaqbal* to comment that Numeiry “went beyond the call of friendship” in supporting Egypt.

Not only was Numeiry left in an embarrassing situation, but his support of Sadat, qualified though it was, could prove very costly to him both externally and internally. Externally, his mediating role in Arab politics had already been seriously damaged by his close identification with Sadat. Some Arab observers believed that Numeiry's statement would have been more effective and more helpful to Sadat if it had been presented as a working paper to the Arab Foreign Ministers' meeting which preceded the Baghdad conference.<sup>63</sup> In the Baghdad Arab summit conference, held at the beginning of November 1978, Sudan played no significant role and was represented only at ambassadorial level. In fact, it had only agreed to attend the meeting on condition that the conference should not aim at isolating Egypt. This negative attitude, which again is explicable only in terms of excessive Sudanese consideration of Egyptian sensibilities, was in fact probably unhelpful to Cairo. If Sudan had been represented at a higher level in the conference and had taken a more positive role, it is conceivable that some line of communication could have been kept open with Egypt.

Reports that some Arab countries might reconsider their investment policies in the Sudan were refuted by Numeiry in an interview with *Sudanow* in January 1979. These reports were probably unfounded, but the fact that they were made at all was a measure of the risk of isolation that Sudan was running.

Numeiry's stand also created domestic complications. Sadiq al-Mahdi was reported to have considered resigning his official posts in protest against Numeiry's support of Sadat.<sup>64</sup> Indeed, *Sudanow* hinted that he had actually resigned but was subsequently persuaded to withdraw his resignation.<sup>65</sup> In fact, Sadiq did indeed resign; Numeiry responded by saying that he should leave his resignation 'on the table'. Sadiq then left Sudan. More seriously, the possibility of a separate Egyptian-Israeli peace treaty could throw into question the whole future of Egyptian-Sudanese integration plans. The implications for Numeiry's regime could be very serious and the impact on Egyptian-Sudanese relations far-reaching. The Sudan would then have to make some difficult choices of a very basic nature.

Despite the difficulties that had arisen, both Numeiry and Sadat showed some determination in pushing forward with their plans for closer economic and political integration first agreed upon in 1974. A further joint session of the Egyptian and Sudanese parliaments met in Khartoum from 20-23 January 1979 and was addressed by both Presidents. A sour note was introduced when eight Southern Sudan MPs delivered a written note to the joint session calling for a referendum before any question of union between the two countries could be considered. They described Egypt's policy as 'neocolonialist' and repeated the familiar Southern fear that their territory would be used as a 'dumping ground' for Egypt's excess population.<sup>66</sup>

Progress was also made with the project (agreed at the October 1977 joint session of the two parliaments) to establish a joint development and integration zone stretching from the Aswan province of Egypt to c. 300 miles into northern Sudan and incorporating the lake Nasser Dam at Aswan. The six categories of proposals include free movement, settlement and trade in the area for citizens from both countries; free circulation of their respective currencies; joint promotion of economic resources, and the establishment of a joint agricultural project on 15,000 feddans of land west of Helwan.<sup>67</sup>

*Relations with the West:*

On 20 September Numeiry began a 26-day visit to the US, West Germany, Belgium and Spain. It was obvious that the President's 'working trip' would be primarily devoted to economic matters: the programme for his American state visit was drawn up by the Sudan-US Business Council.<sup>68</sup> However, the political and economic aspects of the visit could hardly be separated—for implicit in any effort to solicit economic and military aid from the West was the emphasis on Sudan's strategic position in relation to the Horn of Africa, the Nile Valley and East Africa. Numeiry publicly called for American involvement in the Horn to counter Soviet influence there; indeed, the tenor of his condemnation of 'Soviet intervention' in Africa provoked Moscow's 'Radio Peace and Progress' to denounce his 'anti-Sovietism' as “not an ideology, but rather a political bargaining counter to serve his friends across the Atlantic and obtain from them materially rewarding returns”.<sup>69</sup>

If Numeiry was indeed, hoping for ‘materially rewarding returns’ for Sudan, the Americans were apparently not forthcoming. The *Financial Times* reported that “informed US sources do not see an end to American hesitations unless there is an improvement in the performance of the Sudanese economy”.<sup>70</sup> However, one of the immediately tangible results of Numeiry's tour was West Germany's decision to write off Sudan's outstanding debts of \$218m—a welcome reprieve to the hard-pressed Sudanese economy.

*Relations with China:*

There was a close identity of views between the two countries over a wide range of international questions, particularly the nature of the Soviet role in the Horn of Africa and in other parts of the continent. In welcoming a Chinese military delegation on 2 November 1978 Numeiry said: “We should defend ourselves against colonialism, neo-colonialism and new-social colonialism”.<sup>71</sup>

**ECONOMIC AFFAIRS** (0.79 Sudanese pounds = £1 sterling; £S0.40 = \$1)

Sudan continued with the arduous and now familiar task of trying to make both ends meet during 1978. The exercise was to prove more difficult than before, and the year saw

the introduction of some drastic measures to relieve pressure on the worsening economic situation. However, the year started in style with Khartoum hosting its first international fair and a series of trade symposiums and business conferences.

The 1978 trade protocol was signed in February between Egypt and Sudan amounted to \$89m—a 60% increase of the 1977 figure of \$56.2m. In July, the Joint Ministerial Committee for economic and political integration approved several projects designed to meet both countries demands for oleaginous products. The committee also agreed that their nationals would not need passports for travel between the two countries after 1 August, and that custom duties would be abolished from 31 December 1980

Sudan activities during the year in trade agreements with various countries in a number of economic fields reflected the government's determination to attract the kind of foreign investment deemed necessary to realize the country's ambitious development plans.

#### *Energy and Oil Resources:*

In mid-April 1978 the first National Energy Conference was held in Khartoum to map out strategies for the development of energy in the Sudan. The conference concluded that, to solve the short-term problem, fuel consumption must be rationalized and the efficiency of production and distribution improved; in the long term, the development of the energy sector should be coordinated within the overall economy and oil and natural gas exploration intensified.

The long-term solution to Sudan's energy problem suddenly seemed in sight when *al-Ayam* daily, quoting informed sources in London, reported on May 1978 that oil had been found in “quantities larger than in any country in the Middle East”. According to sources in Abu Dhabi, the oil discovery (made by Chevron Overseas of the US) was the biggest oilfield in East Africa and contains enough oil to transform Sudan into a major oil-producing country”.<sup>72</sup> News of the oil discovery immediately led to speculation and high expectations. On 15 May, *al-Ayam* tried to inject a restraining note by commenting that “oil dreams should not overshadow the vast non-oil resources... Oil wells end up dry, but a good piece of land will produce forever”. Indeed, it soon became clear that the rejoicing was premature. Reports indicated that exploration in the central and southern areas had been positive, but it was still too early to determine how much oil there would be. In his speech on the 9<sup>th</sup> anniversary of the revolution, Numeiry said that the results of search for oil had so far been no more than 'promising.' The President reminded the nation that even if oil was found in large quantities, it must be used as a tool to develop Sudan's other resources and not as an alternative to them.<sup>73</sup>

### *Devaluation:*

The euphoria over striking it rich with oil gradually subsided and the grim reality of Sudan's economic situation was underlined when, on 8 June, the Sudanese pound was devalued by an effective 20%. The devaluation adjusted the official exchange rate from \$2.89 to the Sudanese pound to \$2.50. However, since the government had formerly operated a subsidy on incoming foreign exchange transactions and a tax on outgoing transactions of 14.878%, the previous effective rate was c. \$2.50 before devaluation. With an exchange rate subsidy/tax of \$0.10 on all transactions, the new rate was effectively c. \$2.00 to the Sudanese pound, or a devaluation of 20%.<sup>74</sup>

Devaluation was one of the stringent reforms demanded by the IMF in a soft-loan package deal worked out in late 1977, which Sudan had rejected because of its possible political repercussion. The package included c. \$130m in IMF help and as much as \$700m in soft-loans from Saudi Arabia, but imposed austerity measures which, besides devaluation, included cuts in government spending, a slow-down in development, higher taxes, fewer subsidies and a credit squeeze.

President Numeiry, who must have been painfully aware of what IMF-imposed reforms had done to Sadat in early 1977, went to Riyadh in February to plead his case before the Saudis. But according to one source, "Saudi financial experts were reported to have convinced the top leadership that sidestepping IMF conditions would involve them in open-ended cash payments such as those provided to similarly insolvent Egypt, albeit on a smaller scale".<sup>75</sup>

With the Saudis' apparent endorsement of the IMF conditions, Sudan could not ward off the evil hour for long. Even before the devaluation, the government had started discreetly taking some austerity measures to reduce the balance of payments deficit and to cut the inflation rate which was officially running at 25%--a figure which outside observers regarded as a 'wild underestimation'.<sup>76</sup>

### *Wages and Salaries:*

The tightening of financial control within the context of the stabilization programme was threatened by the government's political commitment to introduce the new Job Evaluation and Classification Scheme (JECS) in July 1978. The JECS, which is based on 'point rating,' would abolish the traditional civil service salary structure and create a new one based on 22 salary levels covering all types of service, with a pay difference of 15% between each level and a minimum wage of £S 28 per month. The scheme entailed an average pay-rise of 15% and was expected to cost the government £S 44m (out of a total recurrent budget for the coming year of £S 597.5m). Implementation began in December 1978. Although the JECS was potentially inflationary and destabilizing to the economy, it was regarded by the regime as an essential measure to compensate for inflation and to contain the rising tide of wage claims and industrial unrest. It was also hoped that its

inflationary impact could be contained through strict enforcement of price-control measures.<sup>77</sup>

*Flood and Fuel Rationing:*

The country's economic problems were further exacerbated in late July when torrential rains hit the Gezira, Kassala and the White Nile provinces, as well as Merowe in the Northern province and Port Sudan on the Red Sea. The worst hit area was the Gezira province, the backbone of the country's economy and the most populous area, where 100 villages were swept away and 120 others damaged, leaving c. half a million people homeless and c.1.5m acres of arable land flooded. The damage to agriculture was considerable, although cotton was not actually in the ground when the foods struck. The main Cotton seed stores were not affected, but the loss in swept-away fertilizer and herbicides was estimated at \$25m. About half the planted area of groundnuts was totally destroyed. In response to President Numeiry's appeal to the world for help, the UAE gave \$1.5m, Saudi Arabia 10m riyals; the EEC, Egypt and Uganda offered food supplies, and West Germany and Belgium offered air transport.

The combination of heavy rains and limited hard currency resulted in acute fuel shortages. Fuel rationing was introduced in July and was followed by more drastic measures.

*Austerity Measures:*

In his *Face the Nation* address on 11 September, President Numeiry announced a series of stern measures designed to relieve pressure on the nation's economy. Stockpiling, overpricing of consumer goods, black market activities, bribery and misappropriation of public funds would henceforth be treated as offences under the State Security Act.

Other measures announced by the President included a 25% reduction of official cars and telephones for government departments, abolition of national celebrations except for Independence Day and the anniversary of the May revolution, and the cancellation of all international conferences in Khartoum for the rest of the year, except for those financed externally.

*Debt Rescheduling:*

Faced with economic stringency, Sudan appealed to friends to reschedule its debt repayments. While West Germany was responsive, countries like Kuwait seemed less sympathetic. In September 1978, Sudan was \$56m in arrears in repaying its debt to Kuwait. In a draft agreement negotiated in September, Kuwait agreed to a moratorium on all repayments, but only for a short period (up to March 1979); moreover, Sudan was allowed no grace of the interest on loans accruing throughout the whole period of repayment, which would extend to 1988.<sup>78</sup> The Kuwaitis may have had their own good



reasons for insisting on these terms, but from Sudan's point of view the agreement could only aggravate the current balance of payments difficulties.

Indeed, Sudan's balance of payments situation was so bad during 1978 that the government was finding it hard to import even essential items needed to produce its regular foreign exchange-earning crops.<sup>79</sup> This critical payments situation was mainly the result of excessive borrowing for development purposes which, in the final analysis, was what Arab investment in the Sudan was supposed to be all about.

If Sudan and the oil-rich Arab countries do indeed have a mutual interest in developing the country's agricultural potential, it is equally true that this long-term interest has created short-term complications for the Sudan. The whole infrastructure of the country has been greatly weakened by the strains of development, and this has caused a vicious circle of investment creating the need for even more investment. As a result, Sudan is faced with a two-fold problem: first, most of the Arab funds for development are directed to long-term projects which will take time to bear fruit; second, these funds are given under articles of agreement which are not conducive, and may even be detrimental, to the short-term recovery of the Sudanese economy. Thus, the short-term situation of the economy has become, in more than one sense, the victim of the Sudan's long-term prospects. But the latter goal is unlikely to be reached on the hoped-for scale and within the scheduled time unless the immediate complications are first resolved. The outlook for these still remain unpromising.

## NOTES

1. For background on Numeiry's Presidency, see all previous editions of *Africa Contemporary Record (ACR)* 1968-69 to 1976-77.
2. For Sudanese statement on the Camp David Accords, see Documents Section: Political
3. See ACR 1977-78, pp. B117-20.
4. *Financial Times* (FT), London, 13 July 1978.
5. *Africa*, London, May 1978.
6. BBC Summary of World Broadcasts, 14 April 1978 For Addis Ababa Agreement, see ACR 1972-73 pp. B97-101
7. *The Middle East*, London, May 1978.
8. *Al-Ayam*, Khartoum, 13 April 1978.
9. *The New York Times*, 13 April 1978.
10. See ACR 1971-72, pp. 869ff.
11. *Al-Ayam*, 9 May 1978.
12. *Africa Research Bulletin* (ARB), Exeter, 1- 31 July 1978. Qabush revealed that his organization was responsible for the Juba incident in February 1977. See ACR 1977-78, pp. B114-15.
13. *Al-Mustaqbal*, Paris. 3 June 1978.
14. *Al-Ayam*, 4 and 9 May 1978.
15. *Al-Sahafa*, Khartoum, 11 July 1978.

16. *Sudanow*, Khartoum, September 1978.
17. *Ibid.* In the October issue, Bona Malwal was himself taken to task by a *Sudonow* reader who wrote: "Your editorial 'Uncharacteristic Announcements' was extremely uncharacteristic of its writer who is a minister in the Central government, a notable in the Southern Region and, above all, an ex-victim of social fissures and political feuds. The Press is not the proper means through which a top official airs his differences with his boss".
18. *Al-Ayam*, 28 November 1978.
19. *FT*, 14 July 1978.
20. *Al-Ayam*, 13 January 1978.
21. *FT*, 13 April 1978.
22. *Al-Ayam*, 1 February 1978.
23. A case in point was the landslide victory in his old constituency of Khartoum North-Central of the former National Unionist leader, Nasr al-Din al-Sayed, who had been absent from the political scene for almost ten years.
24. According to outside analysts, the opposition candidates captured as many as 140 of the 274 Assembly seats—enough in the view of some opposition elements to upset the SSU. Sadiq's followers won c. 30 seats, as did candidates affiliated with the National Unionist Party. The Muslim Brothers took c. 20 seats, and between 40 and 60 seats went to Independent candidates. *The Washington Post*, 11 April 1978.
25. *Sudanow*, March 1978. The *Sudanow* analysis seems to ignore the fact that although the SSU had deprived its candidates of official support, the candidates of the former opposition were equally handicapped. Indeed, their individual performances were impressive for people who, in *Sudanow's* own words "had been out of touch with Sudanese politics for many years!"
26. *Middle East International*.
27. See *ACR* 1976-77, pp. B 111-12.
28. *ARB*, 1- 31 August 1978.
29. *Africa Confidential*. 28 April 1978.
30. *Al-Ayam*, 5 and 11 April 1978.
31. *Sudanow*, May 1978.
32. *The Washington Post*, 11 April 1978.
33. *Al-Sahafa*, 1 August 1978.
34. *Sudanow*, September 1978
35. *FT*, 31 July 1978
36. *Al-Sahafa*, 9 September 1978
37. *The Washington Post* 11 April 1978
38. *The Middle East*, May 1978.
39. *Africa Confidential*, London. 17 March 1978,
40. *Sudanow*, March 1978.
41. *Africa*, April 1978.
42. *Al-Sahafa*, 19 November 1978.
43. *Sudanow*, January 1979.
44. See *ACR* 1977- 78, p. B 131.
45. *Marchés Tropicaux et Méditerranéens* (MTM), Paris, 10 March 1978.
46. *The Washington Post*, 20 December 1977.
47. *A-Ayam*, 15 January 1978.
48. *Sudonow*, February 1978.
49. *Al-Sahafa*, 15 February 1978. Early in 1977, after expelling Soviet military advisers, Numeiry had asked for US arms. The US informed Sudan that it was 'prepared to contribute to its legitimate defence needs'. The initial contribution was the sale of six C-130 transport planes. *The Washington Post*, 28 July 1977.
50. *IPS*, 1 March 1978.

51. *The Guardian*, London, 31 May 1978.
52. *Sudanow*, July 1978.
53. *Daily Telegraph* (DT), London. 20 July 1978.
54. *Al-Ayam*, 17 January 1978.
55. *Al-Sahafa*, 3 February 1978.
56. *Al-Ayam*, 10 March 1978.
57. *Ibid*
58. *Ibid*, January 1978
59. *Ibid*. 11 March 1978.
60. *Al-Sahafa*, 19 June 1978.
61. *Ibid*. 28 June 1978.
62. *Ibid*. 21 October 1978.
63. *Al-Mustaqbal*, 18 November 1978.
64. *Ibid*. 28 December 1978.
65. *Sudanow*, January 1979.
66. *The Guardian*, 26 January 1979.
67. See *Sudanow*, April 1978.
68. *Al-Sahafa*, 12 September 1978.
69. *BBC Summary of World Broadcasts*, 8 August 1978.
70. *FT*. 23 August, 1978.
71. *New China News Agency*, 3 November 1978.
72. *The Christian Science Monitor*, Boston, 24 May 1978.
73. *Sudanow*, June 1978: "If oil is found in commercially viable quantities ... there will be an agreement between Chevron and Sudan for 30 years, extendable for one period of ten years. Cost of the exploration and other initial work will be deducted from the total and the balance shared, with 70% going to Sudan and 30% going to the company".
74. *ARB*, 15 May-14 June 1978. According to *ARB*, "Despite the devaluation, Sudan still retains a multi-tier exchange rate system, and the new effective rate of \$2 to the pound is still considerably above both the black market rate and the rate offered to expatriate Sudanese for remitting foreign currency. Sudan is also to convert its earning from cotton at about \$2.50 without the \$0.10 incentive".
75. *The Washington Post*, 7 May 1978.
76. *Ibid*
77. *Sudanow*, July 1978.
78. *FT*, 5 September 1978.
79. *ARB*, 15 May-14 June 1978.