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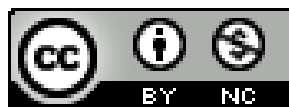
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The Future of Arab Democracy under the Rentier System: The Case of Sudan

Fouad Aalouane

Abstract

The rentier economy has long been an important source of power for autocratic regimes, serving as a key tool for Arab authoritarianism. Rentierism is a grave matter as it not only hinders economic liberalisation, but it also disrupts the development of democracy. Following the political economy literature that demonstrates an inverse correlation between democracy and rentierism and shows the responsibility of political systems for the emergence of rentier practices, this paper examines how ruling elites in Arab states use rents to buttress their authoritarian regimes and obstruct the building of a democratic society. To better understand the factors that shape and sustain the rentier system, the paper focuses on the case of Sudan, where rentierism is deeply embedded. The paper sheds light on the challenges impeding the transfer of power from the military establishment to civilian elites, given the resilience of the rentier economy and the prevalence of negative practices that strengthen authoritarianism, such as the spread of clientelism and endemic levels of corruption. The paper concludes that it is impossible to build a democratic system in the shadow of the rentier structure. It also discusses ways to dismantle the rentier economy in Sudan to ensure the emergence of a productive state by moving beyond the rentier social contract to a new social pact.

Keywords: Rentier Economy; Democracy; Authoritarianism; Military Establishment; Sudan

Introduction

The rentier economy has played an important role in consolidating authoritarian regimes, serving to stabilise and perpetuate them. Instead of helping to build a strong economy and pushing the development process forward, rents function as a mechanism to strengthen the position of authoritarian institutions in the political system and extend the hegemony of the regime and its elites.¹ Clientelism and patronage are employed to contain protest movements and deter society from demanding fundamental rights and civil liberties.

Much research shows that the rentier economic system typically impedes democracy, which Francis Fukuyama deems to be the most suitable system for human nature,² serving to entrench authoritarian regimes, with adverse implications for individual and collective rights.³ In this context, Michael Ross believes that rentierism constitutes infertile ground for the cultivation of democracy, asserting that the revenues from oil rents cause government greed and the corruption of elites.⁴ The higher the income in oil producing countries, the steeper the decline in democracy.

Helena Svaleryd and Jonas Vlachos argue that the fundamental problem in all political systems, especially corrupt ones, is that ruling elites or those close to power at times benefit from rents at the expense of the public, which allows them to promote their own interests over those of individuals and groups.⁵ This makes rents a standing threat to democracy. This conclusion is consistent with the research findings of Cesar Calderón and Alberto Chong. Relying on a set of indicators related to politics and rent-seeking behaviour, they found an inverse relationship between democracy and rent-seeking: the more prevalent and entrenched democratic values become in a country, the less prominent rent-seeking and corrupt practices are, heralding the beginning of the disintegration of the rentier system. Democracy, according to Calderón and Chong, gradually improves the performance of state institutions by improving the quality of laws, ensuring the transparency of political processes, and allowing for participation in administrative decision-making, which in turn reduces opportunities for rent-seeking.⁶

Turning to developing countries, Mehrzad Javadikouchaksaraei and Bustani Reevany argue that rentier economies heavily dependent on natural resources and oil wealth not only lack economic development—even if they aspire to self-sufficiency through their reliance on revenues from these resources—but also political development. They assert that the structure of rentier governments and their desire to control the sources of wealth are an obstacle to the formation of a democratic society. In fact, these features foster the rise of undemocratic regimes that embrace and exploit political and economic corruption.⁷ This is in line with the conclusions of a study by Rabah Arezki and Thorvaldur Gylfason that looked at twenty-nine sub-Saharan African countries rich in oil and mineral resources. By examining how the interaction between rents and political institutions affects corruption levels, the researchers concluded that a rentier economic structure was more pronounced in less democratic states, affirming that political regimes were responsible for the emergence of rentier practices and the corruption resulting from them.⁸

The concept of rent has historically been associated with the writings of Adam Smith, Karl Marx, and others. If Smith was the first to use the term ‘rent’, Marx was the first to use it to refer to an economic model, that of rentier capitalism. While both men agreed that rent represents income that is not generated from work and does not enter the productive cycle, the liberal literature saw it as tantamount to a profit surplus accruing from a dysfunctional market, disrupted by cartels and monopolies arising from the concentration of income among a few actors and their control over income sources. A range of literature in Arabic, such as the work of Hazem al-Beblawi, has identified rents with revenue generated from the export of natural or scarce resources, such as oil, gas, phosphate, and gold. The economies of oil states are thus typically described as rentier economies.⁹

The concept of rentierism is associated in particular with the work of Iranian intellectual Hossein Mahdavy, who defined the rentier state as one that regularly receives substantial revenues from external rents.¹⁰ These states are characterised by their capacity to subordinate production to the logic of rent. Rent becomes an integrated institutional system capable of turning any investment or productive process into rents whose benefits accrue to individuals and groups under the auspices of the state.¹¹ Only a small cohort is involved in the process of generating rents, in particular the ruling civil or military elite, who are also the prime beneficiaries. In turn, this allows them to monopolise political power.

Following the increase in oil prices in the 1970s, the topic of oil rents attracted greater attention from researchers in the fields of politics and economics. Opposition to the rentier economy also became a central theme in economic and political discourse, particularly since rents not only impede economic liberalisation but disrupt democratic transition as well. Many scholars believe that rentierism, which is an Arab phenomenon par excellence, is the principal cause of the economic and political problems evident in several Arab countries, including those like Tunisia that are not oil-rich. This thesis is not universally accepted. Others see anti-rentierism as an ideological, economically irrational discourse that ignores the domestic economic difficulties confronted by Arab countries.¹²

This paper examines how ruling elites in Arab states employ rents to consolidate and perpetuate authoritarian regimes. Sudan was chosen as a case study in order to clarify the relationship between rent and democracy. It has received little academic attention despite its tumultuous politics, from the April revolution of 2019 to the coup of October 2021 to the armed conflict that erupted in mid-April 2023 between the Sudanese army and the Rapid Support Forces (RSF) following the collapse of the final political agreement between military and civilian elites to establish an independent civil authority. Despite the tremendous advantages Sudan possesses in terms of geography and population¹³ and its significant natural resources, especially gold and oil—the country produces some 74,000 barrels per day¹⁴—Sudan is facing an acute economic and political crisis, a chief cause of which is its robust rentier economy.

Taking Sudan as a case study, the paper sheds light on the challenges facing democracy in a country with an entrenched rentier economy, where practices that promote authoritarianism and threaten democracy are prevalent, such as political clientelism and rampant corruption. The study also discusses the potential for reducing rent-seeking and dismantling the rentier economy to allow the transition from a rentier social pact to a new social contract.

In light of the foregoing, this research posits that the entrenchment of the rentier state is a major reason for democratic setbacks in Arab countries, particularly Sudan, and that the rentier system in Sudan hinders the handover of power from the military establishment to civilian elites.

In order to test my primary hypotheses, the paper relies on a set of political science-oriented methods. A chief method, the case study approach, allows an examination of all aspects of rentierism in Sudan and in-depth look into the factors that help shape it. A structural approach was used to analyse the rentier economy and understand the dynamic and reciprocal influence among rents, political actors, and political and military state institutions, which offers insight into the

pathologies of rent-seeking practices, especially corruption and political clientelism. To understand the roles and functions of rent, the paper relies on the functional approach to show how ruling elites exploit the rentier system, consolidating their authoritarian regimes by using revenues from natural resources to control society and contain its demands.

I explore the topic and its implications in four sections. First, I discuss rents and their negative repercussions on the Sudanese economy (part one), before examining how rents are employed as a mechanism to strengthen authoritarianism and perpetuate the regime (part two). I then turn to the adverse implications of rents on rights and freedoms, and the unity and cohesion of the state (part three). Finally, I address the dichotomy of democracy and rents and the prospect of civilian elites exercising power under the rentier system (part four).

Rents and Their Implications for the Sudanese Economy

To qualify as a rentier economy, a state must meet several basic criteria. Specifically, in rentier states, non-productive sectors associated with natural resources contribute more to GDP than the industrial and agricultural sectors. Rents generally finance more than fifty per cent of total investments and cover more than fifty per cent of government spending, while rent-based exports account for more than fifty per cent of all exports.¹⁵ Sudan does not deviate from these general rules, making it a typical rentier state.

Sudan has vast natural resources, including agricultural land, livestock, oil, and abundant mineral wealth. Of the twenty-three types of minerals found in Sudan, the most important are gold, silver, platinum, copper, and strategic minerals like manganese and titanium, in addition to precious stones such as aquamarine and emerald.¹⁶ But this wealth is not properly harnessed to achieve economic growth, and the financial returns it brings are far below its potential. In fact, less than forty per cent of GDP is generated from Sudan's natural capital.¹⁷ There are two principal reasons for this: first, the rentier economy, which means that no productive investment is made in these resources, and second, the relative weakness of state institutions compared to the regular armed forces and militias affiliated with the army leadership or outside its control, which has given rise to a parallel economy not subordinate to state institutions. This shadow economy is made up of army-owned irrigated land and legitimate projects such as military-owned firms that are exempt from customs and tax duties (a key factor in the crisis facing the Sudanese economy), as well as what are essentially investments coerced by militias, such as investments in the gold trade, which is controlled by the RSF under Mohamed Hamdan Dagalo (known as Hemetti), also the vice-president of the Sovereignty Council. International institutions and organisations estimate that revenues from the trade in gold, oil, and other sources of Sudanese wealth squandered and smuggled through these militias amount to more than \$7 billion dollars annually—enough to plug the annual budget deficit and pay off the public debt.¹⁸

In this way, Sudanese natural resources and the revenue they generate are managed, exploited, and distributed undemocratically. Instead of revenues being invested in priority, productive sectors—making rents serve production as was the case elsewhere—production is put in service

of rents. Given these conditions, the economic and social plight of the Sudanese people was compounded after subsidies on basic goods were lifted and the Sudanese pound was devalued, exacerbating inflation, increasing the cost of living, and spurring a record spike in the poverty rate. Citizens also shoulder the extra burden of taxes levied to provide public services and support development programmes, to compensate for squandered rents. This has prompted demands for economic liberalisation as a priority, before the drafting of development programmes.¹⁹

As a result of these conditions, the Sudanese economy has been in a downward spiral, with inflation approaching 400 per cent, a severe shortage of basic goods and services, and an unprecedented decline in food security.²⁰ According to the latest census conducted by the Social Security Commission of Sudan in 2020, seventy-seven per cent of Sudanese live below the poverty line, and per capita income does not exceed \$1.25 a day. Conditions deteriorated further following the coup of 25 October 2021 as a result of governance reforms initiated by the transitional government. Moreover, in response to this detour from the democratic path, Western countries, development financing institutions, and the Friends of Sudan reneged on their pledges of financial assistance to Sudan. The International Monetary Fund (IMF) also suspended Sudan's special drawing rights, estimated at about \$857 million, to be used to supplement its currency reserves.²¹ The constant demonstrations in Sudanese cities demanding an end to military rule and the handover of power to civilians has further exacerbated the situation. Sudan has lost investments estimated at more than \$35 billion in the fields of agriculture, integrated industries, and more.²² With an average GDP of no more than \$30 billion, the state was in dire need of such investments. The budget deficit amounts to about eleven per cent of GDP,²³ while external debt stood at \$56 billion in 2020 (163 per cent of annual GDP). About half of Sudan's foreign debt was slated for forgiveness by 2022 under the Heavily Indebted Poor Countries Initiative launched by the World Bank and the IMF, but this was put on hold when progress towards benchmarks stalled after military elites seized power in October 2021.²⁴

As a rentier economy dependent largely on the export of raw materials, the Sudanese economy strains under chronic structural imbalances resulting from totalitarian regimes' monopolisation of power in the more than half century since independence in 1956. The chief focus of these regimes was to appropriate natural resources and squander public assets and revenues. For example, the regime of former President Omar al-Bashir, which lasted for some thirty years, exploited the wealth of Sudan and wasted its potential by protecting corruption, supporting smuggling, and establishing a rent-based system.²⁵ Although Sudan is one of the top three producers of gold in Africa, the unregulated exploration and mining sector controls most production, and gold is smuggled out and sold outside official state channels,²⁶ thus depriving the state and citizenry of significant revenues that could have been used to alleviate the country's crippling economic and social crisis.

Rents in Service of Authoritarianism

In Sudan and other Arab rentier states, ruling elites deploy rents—from oil in particular—to consolidate and perpetuate their power. Their rule is based on a tacit rentier social contract, whereby the individual has no opinion or role in choosing governing elites and determining the features of the political system. Individuals accept the status quo in exchange for certain advantages that represent the price of their acquiescence, namely positions and jobs in the civil service and housing, land, grants, and economic benefits. This is the case in Sudan. In contrast to the repression experienced by groups living in the south, Darfur, the Nubian Mountains and the Blue Nile region, the Nile-based elites in the north control multiple aspects of the country's economic and political life and enjoy many privileges. Rent is thus not only an important tool allowing totalitarian regimes to control society; it also creates an auspicious environment for the flourishing of practices incompatible with democracy, such as corruption and political clientelism.

Rents as a Source of Corruption and Clientelism

Political regimes in rentier states can be considered neo-patrimonial systems that exploit some political practices associated with rent-collection to ensure continuity in power. This poses a true threat to democracy, spurring the rise of a set of pathologies associated with corruption and clientelism. Over time, these have transformed from merely dysfunctional aspects of totalitarian political regimes that must be combatted—given abundant oil revenues—to a mechanism to possess and maintain power.²⁷ Following Daniel Boch and Mamoudou Gazibo, this is wholly consistent with neo-patrimonialism, a concept that describes the close link between the maintenance of power and clientelism and confirms the strong relationship between corruption and legitimacy building.²⁸

In order to ensure their survival, political regimes rely on an ever-expanding clientelist network, which in turn broadens the scope of elite corruption, as ruling elites appoint their loyalists to key positions even if they lack qualifications or competence. The organs of authority also seek to recruit as many clients and loyalists as possible, marking a shift from the stage of elite corruption to the stage of societal corruption, in which the theft and waste of public money becomes a scourge at all levels.²⁹

This description applies to most Arab countries, including Sudan. As military elites have drifted towards clientelism, it has become the central, dominant feature of the political, economic, and social system. It began to emerge clearly during Sudan's two prolonged military regimes—the May regime of Nimeiry and Salvation regime—and became more apparent at the beginning and end of Bashir's rule (1989–2019). Bashir strengthened his grip on power by building alliances with pressure groups and influential figures and engaging in so-called 'empowerment', as Islamists and loyalists of the military regime took control of all the levers of state. Thousands of qualified, experienced personnel were dismissed and replaced with Islamic Front cadres without consideration for any occupational standards.³⁰ In this regard, Douglass North posits that the use of rents by military elites—or so-called 'restrictive regimes'—to establish a clientelist political,

economic, and social system leads individual and collective centres of power to understand that the survival of the system, which serves their interests, depends on their compliance and acquiescence to the existing regime.³¹

Rents as a Means of Controlling Society

In rentier states, political regimes use natural resources as a mechanism to control society. To contain the demands of opposition groups and thwart the emergence of protest movements, the regime increases spending on the instruments of repression, grants privileges and gifts, and distributes wealth on the basis of loyalty and proximity to the ruling authority. Those that are ruled must appease the ruler to obtain their share of public spending, which ultimately tightens ruling elites' control and ensures their survival in power. This is the dynamic operating in Sudan and most Arab countries, where ruling elites seek to contain the political ambition of other political actors by bestowing financial, economic, and social benefits and privileges.

Michael Ross emphasises the causal relationship between oil abundance and authoritarianism in rentier states, noting that ruling elites seek to deploy the oil resources they control to support the stability and continuity of their authoritarian regimes,³² though it may entail the violation of the fundamental rights of citizens or the curtailment of their civil liberties. Posing a real threat to democracy, totalitarian regimes use oil revenues to fund increased spending on the security and intelligence apparatus with the aim of silencing dissenting voices and restricting and monitoring the work of civil society actors to prevent the emergence of effective, independent organisations. To achieve this end, they rely on a set of mechanisms, most importantly the prohibition of external funding, restrictions on associations' ability to fundraise, and the distribution of support to civil society institutions based on fealty, exemplifying the rentier contract between the regime and civil society.

The situation differs little for political parties, whose loyalty is bought with rents. Ruling military elites in Sudan have long engaged in such practices, doling out significant financial and economic privileges to the leaders of some political parties, especially sectarian-based parties. In addition, they support and protect party leaders' investments and economic enterprises through favouritism and by stymying free market competition, as a result of which such party leaders have amassed great wealth while neglecting economic and human development and abandoning their political demands. It should be noted that taxes and customs duties constitute a second source of wealth for party leaders and senior officials, with the state apparatus effectively 'stealing' from citizens to redistribute tax revenue to regime loyalists and clients.³³ The Sudanese state, like most countries of the Global South, seeks to make up for the economic potential lost to corruption and rentierism by imposing more taxes and fees, putting a drain on citizens' income. Military elites, their cronies, and their clients benefit from this twice over, first from oil rents and second from the collection of levies. In this sense, the Sudanese economy is both a rent-based and tax-based economy.

Rentierism as a Real Threat to Human and National Unity

While the rentier economy serves the interests of ruling elites and their authoritarian regimes, discriminatory rentier policies have grave implications for the human unity and political stability of the state. Democracies adopt the concept of citizenship and the principle of equality, ensure equal opportunities and the fair distribution of wealth, and guarantee respect for human rights and fundamental freedoms, including freedom of expression and opinion and freedom of assembly, which are among the basic elements of democracy.³⁴ In contrast, the privileges granted by rentier states to some of their ‘subjects’ rarely rise to the level of rights. The ruling elite is not legally obligated to provide benefits to certain individuals or groups—these can be granted or withdrawn whenever the authority deems fit—but protected rights are a different matter, as the state cannot deprive any citizen or group of them without a legal basis. While citizens have equal rights and duties, subjects do not have equal privileges. In fact, the unequal distribution of these privileges and benefits is how the rentier state compels its ‘subjects’ to vie to win the favour of the ruling elite.³⁵

While elites come out on top in this situation, the biggest loser is state unity and harmony. Discriminatory rentier practices, which are often based on ethnic, tribal, or religious distinctions, foment hatred between individuals and groups and erode national loyalty, which poses a real threat to political stability, as seen in Sudan. Authoritarian regimes, in pursuing discriminatory economic policies and rentier practices, therefore not only flagrantly violate the economic and social rights of their citizens, but also fuel hostility between the groups making up the country. And having successfully transformed socioeconomic conflicts into ethnic, religious, and linguistic ones, they act to privilege local loyalty over national loyalty, which serves their interests and diverts attention away from their abuses and the corruption of their institutions.³⁶

Along these same lines, totalitarian regimes—particularly in Arab countries with divided societies—seek to exploit tribal sentiments to acquire power.³⁷ This holds true for Sudan, where in Darfur alone there are an estimated one hundred tribes, both Arab and African.³⁸ This allows regimes to win support for their repressive practices towards certain ethnic groups,³⁹ taking advantage of the rigidity arising from rentier structures, which bolsters the tribe’s prospects for survival and the likelihood that it will submit to the desires of the political regime.⁴⁰ As a result, the social conflict between the regime and various constituencies is transformed into an ethnic conflict with dire consequences, the only beneficiary of which is the political regime.

The liberal school believes that armed conflicts cannot be attributed to ‘evil’ human nature, but are rather related to corrupt institutions and a political regime that promotes and employs clientelism to ensure its own continuity and preserve its interests. This has a negative impact on human and group behaviour and is a fundamental driver of conflicts. Internal conflicts in Sudan since the 1950s conform to this view, including the armed conflict between the Sudanese army and the RSF that erupted in April 2023. Having abandoned their obligation to represent all social constituencies, Sudan’s rulers failed to create an inclusive national framework. Even more, their rentier policies, the unjust distribution of wealth, and the lack of balanced economic development

in the country fuelled conflicts between the North and the South, ultimately leading to the partition of the country.⁴¹

For some analysts, a chief cause of the secession of South Sudan—following civil war between the North and the South in the periods of 1958–1972 and 1983–2005—is the commercial dominance of Arab Sudanese in all parts of Sudan, including the South, and the control they exercise over the economy by dint of their hold on most of the country’s wealth.⁴² Sudan is among the most unequal countries in the world when it comes to the distribution of wealth.

It is an irony that in Sudan and other Arab rentier states, some ethnic groups live in poverty and precarity, denied the benefits of economic and human development, although the areas they inhabit are home to immense natural resources. These groups’ sense of injustice stokes conflicts that threaten the integrity of the state⁴³ and is the main driver of the prolonged, costly armed conflicts in Sudan, where the misuse of natural resources has transformed them from a blessing into a curse. For example, the discovery of oil in 1978 north of Bentiu, currently located in South Sudan, prolonged the civil war in Sudan despite the truce that followed the Addis Ababa Agreement of 1972, as the dispute over ownership of oil resources and the distribution of oil revenues heightened the conflict. The discovery of oil has also exacerbated the conflict over the administrative border between North and South Sudan, especially in economically strategic areas that contain significant natural resources, such as Abyei.⁴⁴

Rents and Democracy: The Impossible Dichotomy

Rentierism is a genuine obstacle and major challenge to democracy in Sudan and other rentier states. Such states deliberately obstruct democratisation because of the inseparable, mutually reinforcing link between rents and regime perpetuation.⁴⁵ A decisive break with all forms of economic rents and the shift towards a new social contract therefore requires strengthening democratic structures and implementing real political reforms. Because democracy is grounded in the free expression of the people, who determine the shape of the political, economic, and social system and have the absolute right to participate in all aspects of life,⁴⁶ it is necessary—as consistent with the right of political participation—to transfer power from the Sudanese army to a civilian authority that will act to promote individual and collective rights and pave the way for direct, free elections in the future.

The Transition from Military Authority to Civilian Authority: A New Social Contract

Samuel Huntington’s approach to civilian-military relations offers a useful framework for a discussion of the interventionist role of the military establishment and its control of political power in some Arab countries. Huntington posits that the military establishment’s central position in political life is a characteristic unique to military elites in the political systems of developing countries, contrary to Western democracies. He explains that the decisive modernising and developmental role played by the army during the construction of the independent nation state in such countries allowed it to dominate political decision making and even assert custodianship over

all political and bureaucratic institutions, which lacked modern internal organisation and a coherent structure, as well as the military establishment's lack of capacity and will to institute social change and reform.⁴⁷

In contrast, an independent civilian authority is predicated on a more exemplary relationship between the military establishment and civilian elites achieved by regulating the legitimacy/power dichotomy within the state—the legitimacy manifested in civilian elites and the power monopolised by military elites. The subordination of military elites to civilian elites conforms to the theory of civilian control over the military as an ideology grounded in the values of Western liberalism. This idea was elaborated by American thinkers like Morris Janowitz, who agreed that respect for the democratic processes of delegating political power from the people—the sovereign—to the civilian political elite requires the latter to assume full responsibility for the administration of all state facilities and institutions, including the military.⁴⁸

Distancing military elites from politics in Sudan and transitioning to a real civilian authority is the first step on the road to establishing a state for all, meaning a state identified with all its people rather than one set apart from them. With its realisation of equal opportunity, such a state allows for social mobility, creating an open society in which individuals can move from one class to another based solely on their qualifications, regardless of other political, economic, or ethnic considerations, which has a profound, positive impact on their relationship with the authorities.⁴⁹ This is the basic building block of the transition from the existing rentier contract between the ruler and the ruled to a new social contract, embedded in the framework of a civil state based developmentally on the shift from the rentier state model to the productive state. This requires a radical change in the structural relationship between state and society, given that rentierism has evolved into a system of economic and social relations that dominates all aspects of life. The most important element of the new social contract is the democratic transition, which can only be completed by allowing all segments of society, through their representatives, to control the national wealth. This includes controlling the sources and revenues of rent, subordinating them to oversight, and determining how they are spent and on whom in a context governed by social justice.⁵⁰

Rents: The Main Cause of the Stalled Transfer of Power to Civilian Elites in Sudan

Military elites in rentier states typically refuse to hand over political power to civilian elites because they are loath to give up the benefits and privileges of rents, which they would inevitably lose in the event of a handover to a real civilian authority that establishes a democratic system of government. Sudan is no different in this respect from other Arab states controlled by military regimes. There have been multiple national efforts aimed at developing realistic plans for the transition to civilian governance, not least the final agreement of the political process that was slated to be signed in early April 2023. These plans were thwarted because the handover would deprive the rentier system of one of its most important tools—namely, building community-based constituencies that rely on the military regime for jobs, privileges, and benefits, as consistent with the existing clientelist political and economic system.

Relatedly, points of contention arose between civilian and military elites, and even within the military elite itself, that impeded the conclusion of the final framework agreement under which civilian elites would assume the reins of political power. These disagreements largely revolved around the regulation of all sources of rent and the inclusion of military spending in the general budget. There is currently a set of military expenditures whose nature is unknown and not subject to any significant oversight. Of course, this is a key avenue for corruption, which is typically attached to projects, deals, and agreements that are not included in the budget and thus are not subject to oversight.

Army companies in particular, which control important natural resources and enjoy significant tax and customs benefits—a major factor in Sudan’s economic crisis—are a chief point of dispute impeding the transition to independent civilian rule. Civilian elites demand that army companies be fully subordinate to the control and mandate of the Ministry of Finance as is consistent with legitimacy and the rule of law, which necessitates ‘the subordination of the state, inclusive of all its legislative, judicial, and executive authorities, to the law’.⁵¹

Establishing effective control over rents collected by the military establishment can only be achieved by subordinating the Sudanese army in its entirety to civil authority. First and foremost, this requires initiating security and military reform and integrating all military formations, militias, and irregular paramilitaries into the Sudanese army—especially the RSF, which controls a group of gold mines. This issue was in part a cause of the deadlock between the Military Sovereignty Council and civilian forces, which sparked a military conflict between the Sudanese army and the RSF on 15 April 2023, with serious implications for political stability and economic growth.

After civilian forces insisted that a deadline for the integration of the RSF and the modernisation of the Sudanese army be included in the political framework agreement,⁵² profound differences surfaced within the military establishment. While army commanders believed that military integration and reform should be completed within six months, General Mohamed Hamdan Dagalo, commander of the RSF, insisted that the process continue until 2045—that is, for twenty-two years. This prompted army leaders to boycott the security and military reform conference in Khartoum, the final conference of the last stage of the political agreement.⁵³ Matters soon devolved into an armed conflict over power—or rather, over who owns the sources of rent. Perhaps the RSF would have easily gone along with the military reform scheme and would have accepted integration into the Sudanese army in a much shorter frame if it did not own and control gold mines and benefit from their revenues without legal basis.

We should not overlook civilian elites’ responsibility for the current situation and their role in encouraging military interference in politics and the army’s seizure of power. As the army attracted party leaders and political figures, tempting them with economic perks and government positions, civilian elites played a major role in the politicisation of the military establishment. The military became an extension of the civilians within it, and military coups a continuation of politics by other means. Civilian political forces even colluded in some coups, for example, Abboud’s 1958 coup, Nimeiry’s coup in 1969, and Bashir’s 1989 coup.⁵⁴ This comports with Eva Bellin’s research on the determinants of the behaviour of armies. Bellin found that military elites’ seizure of power

is contingent on their ability to build a loyal base grounded in clientelism, through which tribal, ethnic, and sectarian affiliations are exploited.⁵⁵

In the end, it is important to emphasise that rentier practices will not disappear in Sudan, where for decades military coups have entrenched the military's control over political life, except by bringing military elites under the effective control of the civilian authority, which would allow for an independent government that controls all sources of rent and exercises its full powers in all areas of life, including military affairs. Ali Askouri, head of the Democratic Alliance for Social Justice, believes that the economic and social situation in Sudan will not change. He asserts that any new government will find itself in the same position given the current state of the Sudanese economy, its dependence on rents, and the lack of a strong, effective productive base.⁵⁶ While change in Sudan is necessarily linked to the formation of a government that exercises full powers, the consolidation of civilian rule over all areas of life will only be achieved by developing effective strategies to institutionalise this control. Aurel Croissant and David Kuehn, the authors of a theory of civilian-military competition in developing countries, identify such strategies as the development of the military intelligence apparatus to monitor and track the activities and movements of army officers, the development of programs and curricula used by military academies, and the modernisation of their training methods to ensure the political socialisation of members of the armed forces.⁵⁷

Conclusion

Understanding and explaining political, economic, and social conditions in Sudan and resolving related problems requires understanding the nature of the prevailing rentier system. This system poses a challenge for any political authority, even an elected one, making it vulnerable to the temptation to monopolise power, buy loyalties through clientelist networks, and reproduce authoritarianism.

Overcoming obstacles to development, elevating human rights, and strengthening freedoms is unquestionably difficult under authoritarian regimes and given military elites' control over government, as is the case in Sudan. The success of the democratic transition and the establishment of an independent civilian authority is therefore largely contingent on the shift from a rentier economy to a productive one—that is, from an economy that serves the interests of a small clique of ruling elites and their loyalists to an economy that benefits the majority of the people. This transformation can be achieved under a democratic political system that involves the people in the administration of governmental affairs, acts to protect national wealth and preserve its value for future generations, and strictly abides by the rules of free competition, providing for the legal means and mechanisms to ensure respect for them.

At the same time, there are multiple obstacles impeding the attempt to transition to a productive industrial economy, drain the wells of corruption, and make a break with clientelism, chiefly authoritarian regimes' resistance to democratisation and their denial of people's natural right to actively participate in political life, as the bearers of sovereignty exercised through their

representatives, in line with the constitutions of several Arab states. In Sudan, the control, administration, and exploitation of natural resources and their associated revenues was an indirect impediment to the conclusion of the final political agreement under which authority would be passed from the military establishment to the civilian elite. Disputes between ruling elites have also devolved into armed conflict. In turn, this has delayed democratisation and the civilian elite's assumption to power, through which it could exercise full, effective oversight of all sources of rent, including army companies and gold mines controlled by the RSF.

There are additional difficulties to ending rentier practices. Anti-rentier movements lack a clear vision of how to manage the post-rentier stage, especially since most of them are unfamiliar with the theoretical framework around rentierism. Most hold an ideology that sees rents as the primary cause of political, economic, and social crises; while they advocate for conditions and rules of fair competition and fight against illicit gains as a moral end, they lack economic rationality and have no particular economic project they wish to implement.

Given all these obstacles, it seems necessary to end economic rent in all its forms. The democratic path of Sudan and other Arab countries will continue to be thwarted under the shadow of the rentier state model. Entrenched rentierism destroys incentives for production and limits the capacity to diversify revenue sources, while helping to transform society into a consumerist society that competes for benefits and privileges without actively participating in production. Since political power equates to control of national wealth and natural resources, this rentier structure reinforces the belief that being out of power is synonymous with marginalisation and exclusion, therefore sharpening the struggle for power and threatening political stability, as amply demonstrated by events in Sudan since mid-April 2023. This situation can only be transcended by dismantling the rentier system and moving to a new social contract.

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