SUDAN:

RIFT WITHIN SECURITY FORCES IMPERILS POLITICAL STABILITY AMID ECONOMIC CRISIS

The Sudanese government is struggling to secure urgently needed cash lifelines from Gulf allies, while intensifying rivalries between the elite intelligence service and military rank-and-file threaten to undermine its political stability.

On 23 January, a member of Sudan’s National Intelligence and Security Service (NISS) was killed during fighting between members of the service and army troops in Port Sudan, in the country’s Red Sea province. The incident marks the first time security and military forces have confronted each other since a wave of anti-government protests began five weeks earlier.

EXX Africa has consistently maintained that the stability of the government of President Omar al-Bashir and his ruling National Congress Party (NCP) would be assured through the fidelity of the politically powerful NISS and leadership structures of the Sudanese Armed Forces (SAF). However, the incident indicates a potential turning point in this forecast (See SUDAN: PROSPECT OF ECONOMIC REFORM REMAINS REMOTE DESPITE URBAN VIOLENCE).

As we assessed in early December, discontent with the continuation of Bashir’s political reign has encroached into the rank-and-file of the SAF, where
the juxtaposition of their remuneration in relation to senior commanders has become starker amid the economic conditions in the country. Discontent among the ranks of the SAF has also been fuelled by the preferential treatment that Bashir has afforded to the paramilitary Rapid Support Force (RSF), which falls under the direct command of the NISS and is said to derive significant financial benefits from extortion and racketeering rings in areas of deployment within southern Sudan (See SUDAN: PRESIDENT’S RE-ELECTION BID RISKS DISRUPTING OPPOSITION DIALOGUE).

Meanwhile, there are growing indications that NISS commander Salah Gosh or Muhammad Hamdan Dagalo, who commands the RSF, could end their support for al-Bashir. In such a scenario, the probability of mutinies and perhaps a military coup instigated by junior and middle-ranking SAF officers would become more likely.

Moreover, the powerful Islamist movement, the Popular Congress Party (PCP), has become increasingly critical of the NCP and continues to threaten to withdraw from Sudan’s parliament. Various other Islamist parties have already withdrawn their participation in the government, most notably Reform Now, which has helped found the National Forces for Change opposition alliance. Local sources report that the Islamist and non-Islamist opposition parties, such as the Sudan Communist Party, are collaborating more frequently.

Any collaboration between the usually fractured opposition, as well as divisions within the elite RSF, the NISS, and the military ranks of the SAF, would be strong indicators that the government faces an immediate challenge to its stability. There is precedent for such indicators, firstly in 1964 when protesters ousted the military dictatorship of Ibrahim Abboud and in the 1985 protests that ended the May Regime of Jafa’ar Nimeiri.

Divisions in the security forces

The intensifying rivalries between the SAF and NISS come at a time of continuing mass rallies and violent protests across Sudanese cities. On 24 January, police used teargas to disperse protesters in the capital Khartoum and its twin city Omdurman, as well as in the eastern city of al-Qadarif. The latest demonstrations were instigated by the Sudanese Professionals Association (SPA), a group of trade unionists who have been leading some of the protests. The SPA’s call was aimed to mobilise the largest number of protesters since unrest began five weeks ago, although it seems that many protesters heeded warnings from security forces whose response has frequently been heavy-handed.

Sudan has witnessed near-daily protests since 19 December, amid worsening economic conditions and calls for an end to President Omar al-Bashir’s 30-year rule. The official death toll from five weeks of unrest stands at 26, although local activists place the fatality count much higher. The NISS, as well as a host of other parallel security organisations and armed militias, have been at the forefront in policing Khartoum, rather than regular SAF units.

On 23 January, Russia’s Ministry of Foreign Affairs for the first time confirmed that Russian private military contractors were training SAF forces. The number of contractors is estimated at several hundred, according to well-placed local sources. UK media had previously suggested that Russian contractors were assisting the SAF in suppressing demonstrations, an accusation which the Russian government denies. The role of Russian trainers may indeed have been overplayed as there is insufficient evidence to prove Russian military or contractor support for the NISS or the RSF.

Nevertheless, in case of a loss of NISS support, the
government would lose its first line of defence against the protesters and face a potential spree of mutinies in SAF ranks. The SAF plays a more important role in combating armed rebel movements that form part of the opposition coalitions. The current uprising has seen collaboration between regional armed movements and urban civil opposition. Any perceived weakness in the SAF could also resume the insurgencies in the Darfur region and the states of Blue Nile and South Kordofan, including those fought by the Justice and Equality Movement (JEM), which is part of the wider Sudanese Revolutionary Front (SRF) collective.

A resumption of conflict and insecurity in these regions – particularly in Darfur, which will be left vulnerable given the African Union/United Nations peacekeeping mission (UNAMID) withdrawal – could compromise a key tenet of the full sanctions removal that focuses on maintaining internal peace in Sudan. However, a full-scale return to hostilities in Sudan's conflict zones is not expected at this time. Rebel groups operating in southern Sudan no longer enjoy the patronage of South Sudan and neighbouring states, which severely impacts their operational capabilities. Moreover, the leadership structures of non-state armed groups are likely to enjoy political and financial concessions in exchange for their involvement in a peace agreement.

Rampant inflation and a sliding economic outlook

There is no immediate resolution to Sudan's fast deteriorating economic and financial crisis. The closure of the country's fuel refineries, combined with exhausted foreign reserves, has led to chronic fuel shortages across Sudan and left the bankrupt Bashir administration with minimal avenues of recourse. Fuel shortages have left most of the country without a stable electricity supply, while water provision systems reliant on diesel power have also failed. The most significant outcome of the fuel shortages has been its impact on Sudan's agricultural sector which has witnessed a marked decline in harvest. This has led to the closure of flour mills and bakeries, leading to countrywide shortages of bread and other wheat-based staple foods.

Earlier in January, Sudan's central bank announced a three-month plan to boost revenue, bring in hard currency, and print more banknotes supported by foreign funding. The central bank hopes that the printing of the new and larger bank notes will help solve the liquidity shortage. The new cash injection into the local banking sector may further stoke rampant inflation. The country's inflation rate increased to 72.94 percent in December from 68.93 percent in November, according to state news agency SUNA. The central bank still intends to reduce the inflation rate to
27.1 percent this year, which seems highly unrealistic.

The removal of US economic sanctions a year ago had been hoped to allow Sudanese banks to complete dollar transactions and reconnect to the international financial system. Sudan’s economy has in fact deteriorated since the removal of sanctions. Equally, a decrease in oil production and revenues have left the state with a lack of foreign currency to import fuel and basic commodities, leaving few avenues of respite for a government that is facing an increasingly desperate and agitated population. As an alternative solution, the government is now desperately seeking financial support from key allies on both sides of the ongoing rivalry in the Gulf.

**Reaching out to the Gulf**

The government is making urgent overtures to end the economic crisis, before allowing it to spiral further out of its control and to risk alienating the security forces even more. Over the past few weeks, NISS commander Salah Gosh has repeatedly warned President al-Bashir that the unrest poses a greater threat to political stability than initially anticipated. Sources in the ruling NCP comment that party leaders are becoming increasingly nervous by the ongoing civil and military unrest and are encouraging the government to seek urgent financial support.

On 23 January, Sudanese Oil Minister Azhari Abdel Qader confirmed the country had received financial assistance from the United Arab Emirates (UAE) and offers of support in the form of fuel and wheat from Russia and Turkey. Meanwhile, President al-Bashir this week risked travelling outside of the country for the first time since protests began to visit the Qatari emir.

Qatar has long played a mediating role in Sudan’s Darfur conflict and has important investment interests in the country. Last year, Qatar agreed a USD 4 billion deal to jointly develop Suakin port in Sudan. Qatar was also among the first countries to express support for
Sudan’s government after protests broke out last month. However, no firm offers of financial assistance seem to have been made by Qatar, which is possibly due to the country’s animosity with the UAE and Saudi Arabia.

Local sources also report that the government is urgently seeking further financial support from Gulf nations, such as Saudi Arabia and the UAE. Sudan’s central bank has previously received deposits from the UAE, likely in exchange for military and logistical support for the Saudi-led offensive in Yemen.

Attempts to secure new foreign funding from Saudi Arabia and the UAE would provide some temporary relief. However, a real change in the economic situation in Sudan is not anticipated at this time. Remediating the challenges requires significant fiscal reform which would necessitate a cut in government spending to the defence sector that would be unpalatable to the Bashir administration. Indeed, attempts at remediating Sudan economic situation by redirecting military funds could threaten Bashir’s position.

INSIGHT

Outbreaks of fighting between the NISS intelligence service and SAF military units are a strong indicator that the foundations of political stability in Sudan are unravelling. The NISS remains the guarantor of executive power in Sudan and any divisions in the organisation’s leadership would swiftly undermine President Bashir’s authority over the SAF hierarchy and the governing NCP party. Therefore, any further military unrest, such as mutinies and skirmishes between security forces, should be seen as an indicator of political instability. Attempts at remediating Sudan economic situation by redirecting military funds could threaten Bashir’s position. There is also a latent threat of a mutiny by the rank-and-file within the SAF should they continue to be beleaguered by the economic situation in the country.

In the absence of any means to resolve the economic and financial crisis by itself, the government will depend on Gulf aid and support from other countries. However, attempts to secure new foreign funding from Saudi Arabia and the UAE would provide only temporary relief. Remediating the challenges requires significant fiscal reform which would necessitate a cut in government spending to the defence sector that would be unpalatable to the Bashir administration. Indeed, attempts at remediating Sudan economic situation by redirecting military funds could threaten Bashir’s position.

Further business closures are likely over the coming weeks, as these incur unsustainable losses due to the devalued currency. While the government is seeking to close the discrepancy between the official and unofficial currency exchange rates, it is unwilling to implement a free exchange rate mechanism, as suggested by the IMF. Moreover, the high inflation rate has contributed to a continued rise in the consumer good prices throughout the country.

As a result, the risk of violent protests across Sudanese urban centres will remain severe at least in the coming weeks. Security forces will continue to use tear gas, stun grenades, and live ammunition against demonstrations, posing risk of death and injury to bystanders.

Unless protest fatigue sets in, the crisis may still reach an escalation point as the NCP-led parliament proceeds with a proposal to amend the Sudanese constitution to allow President Bashir to run for another term in office in 2020. While the Bashir administration has been able to achieve peace negotiations with a number of rebel groups operating in the country’s Darfur region and neighbouring Blue Nile and Kordofan states, the tentative peace has always been based on the long-serving leader stepping down and fostering a competitive pluralist democracy. Any efforts made to extend Bashir’s rule thus compromise a ceasefire with groups such as JEM, which had earlier threatened to resume its insurgency should Bashir contest another term.

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