Chapter 14

A SUDANESE STRATEGY FOR POSTCONFLICT, AGRICULTURE-LED TRANSFORMATIVE GROWTH

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The intense factional war between the Sudanese Armed Forces (SAF) and the paramilitary Rapid Support Force (RSF) that erupted in April 2023 has devastated Sudan. This war is a tragic legacy of the kleptocratic regime of General Omar Al-Bashir, which ruled the country from 1989 until it was deposed by the leadership of the two armies in 2019, following a massive popular uprising in December 2018 (see Chapter 2 for details). The presence of a divided military institution in Sudan has been attributed to the coup-proofing strategy of "coup-fearing" autocrats, who were willing to undermine the state's military effectiveness to extend their own tenure (Powell 2014).[1]

Sudan's current internal conflict resembles an interstate war in terms of the intensity of violence, destruction, and death, as well as the immense humanitarian crisis it has created. The death toll is estimated to be more than 44,000 as of September 2025 (ACLED 2025), though some assessments suggest fatalities could exceed 150,000 when accounting for deaths from violence, starvation, and disease (Sampson 2025). Even using the low estimate, the conflict ranks as the fourth-deadliest ongoing conflict in the world, according to the Conflict Index produced by the Armed Conflict Location and Event Data Project (ACLED), an organization that collects conflict and crisis data.[2] It has left more than half of Sudan's population in need of humanitarian aid, and nearly 12 million people have been displaced. Of these, 7 million people are displaced internally, while 4.5 million have sought refuge in neighboring countries, making Sudan the largest displacement crisis in the world (UNOCHA 2025; UNHCR 2026). Moreover, because this war has been fought in the capital and other major cities, it has substantially damaged the country's industrial base, education, and health

1 See Elbadawi and Fiuratti (2024) for an extensive discussion of the rift between the leadership of the two armies and the ensuing conflict.

2 https://acleddata.com/conflict-watchlist-2025/sudan/

facilities. It has also caused the collapse of critical services—including commercial, financial, and information and communications technology (ICT) services—and eroded state capacity, with detrimental impacts on food security and livelihoods.

This chapter aims to inform Sudan's national renewal and reconstruction, once peace is achieved. Obviously, the most urgent need for Sudan, and a prerequisite for economic revival, is ending the current destructive war and building a genuine, sustainable peace. This will require a broad-based peace process in which civilian stakeholders, such as political parties, civil society, and local communities, all have seats at the table as part of a national peace conference. Peace initiatives have been mounted previously by several regional and international actors, including the African Union, the Intergovernmental Authority on Development (IGAD), and the Jeddah Forum, but these have met with limited success. Unfortunately, in the absence of a credible peace process for ending this war or a decisive win by either of the two armies, the worst is yet to come. Already, the high-intensity violence is evolving into a large-scale, long-duration ethnic and regional war.

Throughout this chapter, we treat peacebuilding and national renewal as elements of the "enabling environment" for transformative agriculture-led growth that is the best hope for securing peace for the long term. In other words, ending the war, rebuilding institutions, and restoring social cohesion are not parallel goals; they are growth-critical public goods that will make input markets, value chains, and investment in agro-industry possible at scale. This framing guides our discussion of Sudan's future in this chapter.

In the following section, we argue that even if regional efforts succeed in ending the war, Sudan will still need a hybrid UN/regional multidimensional peacekeeping operation (PKO). In addition to enforcing and keeping the peace, a PKO would support several critical components of a transition agenda, such as meaningful security reforms commensurate with accepted international norms, capacity building, and institutional development. However, experience shows that, while such comprehensive UN-led missions have been successful in enhancing the *quality* of peace, they usually fail in sustaining it after the United Nations (UN) withdraws, especially in ethnically divided societies such as Sudan. Maintaining peace requires transformative economic growth that addresses interethnic grievances and promotes interethnic cooperation. We review available evidence on this thesis to make the case for embedding the envisaged PKO in a national renewal and development agenda, anchored around the goal of sustained, transformative economic growth.

Unfortunately, most of the scholarship community and most country experiences suggest that elites will choose growth-depressing, inefficient policies and institutions over growth-promoting policies in order to maintain their political power and hence their continued ability to access rents. In the next section, we review the main debates about why some elites chose to "gamble" on development by tying their legitimacy and accession to power to their success in achieving tangible economic improvements, especially sustained economic growth that transforms lives and enhances the social welfare of the broad population. In the subsequent section, we contrast the strategies of the elites of the Sudan Bashir regime to those of the Ethiopian Peoples' Revolutionary Democratic Front (EPRDF) and ask why the Ethiopian elites chose economic legitimacy as an instrument for maintaining political power, while the Sudanese regime opted for kleptocracy fueled by rent distribution as the main tool for holding onto power. Using the insights from these two case studies, we glean some lessons for promoting pro-growth coalitions in postconflict Sudan.

In the penultimate section, we argue that Sudan's diverse and richly endowed agriculture sector could be both the main driver of growth and a magnet for attracting the foreign direct investment (FDI) needed for financing the envisaged transformative agriculture-led economic growth. Sudan's agriculture sector has long been seen as a potential breadbasket, with potential to attract large-scale FDI associated with regional food security initiatives, especially from the capital-surplus Gulf Cooperation Council (GCC) countries. Recent global supply chain disruptions have significantly enhanced the drive toward re-localization and regional cooperation, especially for food security, and would undoubtedly generate renewed interest in Sudan's agriculture sector, once the current war is ended and the country manages to embark on deep economic reforms that anchor positive expectations about the future. The final section offers conclusions.

Building peace for reconstruction and national renewal for Sudan

As we look toward the postconflict era, we identify peace, reconstruction, and national renewal as the "enabling environment and critical public goods" for food security, agrifood system development, and inclusive growth. Within a multistakeholder approach, UN/regional PKOs are external facilitators with unique skills in civilian protection, de-escalation, and institutional support—functions that lower transaction costs, reduce risk, and crowd-in private and donor investments along food and agriculture value chains.

As a prerequisite for reconstruction and transformative development, the envisaged peace must go beyond just ending the war. A peace process that only aims to end the conflict and is primarily confined to the military protagonists in civil wars and anchored around power-sharing agreements (PSAs) has been called a "negative" peace. Sudan has experienced this kind of peacebuilding efforts, including four PSAs, supported by the international and regional communities, but these all failed to achieve sustainable peace and some led to disastrous outcomes. This disappointing history is consistent with predictions from the peacebuilding literature, which suggests that peace agreements confined to the military protagonists in a civil war, such as the Sudanese PSAs, are unlikely to lead to inclusive postconflict democratic transitions (Elbadawi 2008).

Sudan needs a broad-based peace process in which civilian stakeholders, such as political parties, civil society, and local communities, have seats at the table as part of a national peace conference. Such a comprehensive approach to peacebuilding would encompass building the economic, political, and social institutions and attitudes required not only for the peaceful settlement of the current conflict but also the prevention of future conflicts. Doyle and Sambanis (2006) call this approach "participatory peace," which includes not only an end to war but also ensures no significant residual violence, undivided sovereignty, and a minimum level of political openness. Their empirical model of peacebuilding specifies the probability of success as proportional to the area of a "peacebuilding triangle," with the three sides determined by (1) the prevalence of hostilities/social cohesion, (2) local capacities for postwar recovery and development, and (3) international capabilities to support peacebuilding. A high level of hostilities reduces the area of the triangle, as does a low level of local capacity; the area can be expanded by robust international capabilities. Thus, international capacity can ameliorate the negative impacts of limited social cohesion and local capacity in peacebuilding efforts.

Based on this model, achieving participatory peace in Sudan is likely to be extremely challenging. As we have shown elsewhere,[3] even by the standard of postconflict societies, Sudan is characterized by low intercommunal trust and social cohesion as well as low local competency. Compared to previous civil wars in Sudan and elsewhere, the death, displacement, and destruction caused by this war are unprecedented, and there are signs that the war has further hardened the country's social divisions. In turn, this has fueled aggressive

3 See Elbadawi and Fiuratti (2024) for detailed review of the evidence.

recruitment campaigns—largely along ethnic and regional lines—by both factions in the war, further depreciating the country's already low social capital. The Global Social Capital Index, which comprises indicators of societies' capacity to generate social cohesion and a certain level of consensus, ranked Sudan at 176 out of 192 countries in 2024.[4]

Moreover, while the main protagonists in the conflict remain the SAF and RSF, there is mounting evidence of increasing foreign meddling and social fragmentation. According to ACLED's 2025 watchlist on Sudan, "several armed groups, often seeking foreign backing, are positioning themselves to fill power vacuums across the country and establish themselves as security providers. Popular Resistance Forces [dominated by followers of the so-called Islamic Movement]—armed militias consisting of civilians in arms—have emerged in several regions with support from SAF, opening the door for the proliferation of armed groups and small arms. Eritrea opened its borders and established training camps for SAF-allied forces in the east, bolstering its influence along the Red Sea coast. These moves have raised fears that ethnic conflicts in the region may reignite" (Birru 2024). On the other hand, "the RSF's decentralized and horizontally organized structure, which builds on existing communal social networks, could also lead to fragmentation and exacerbate violence."

In terms of local competency, Sudan ranks very low on the multifaceted Global Sustainable Competitiveness Index relative to the global averages (Figure 14.1).[5] It was also among the 10 African countries with the largest population without access to electricity in 2021.

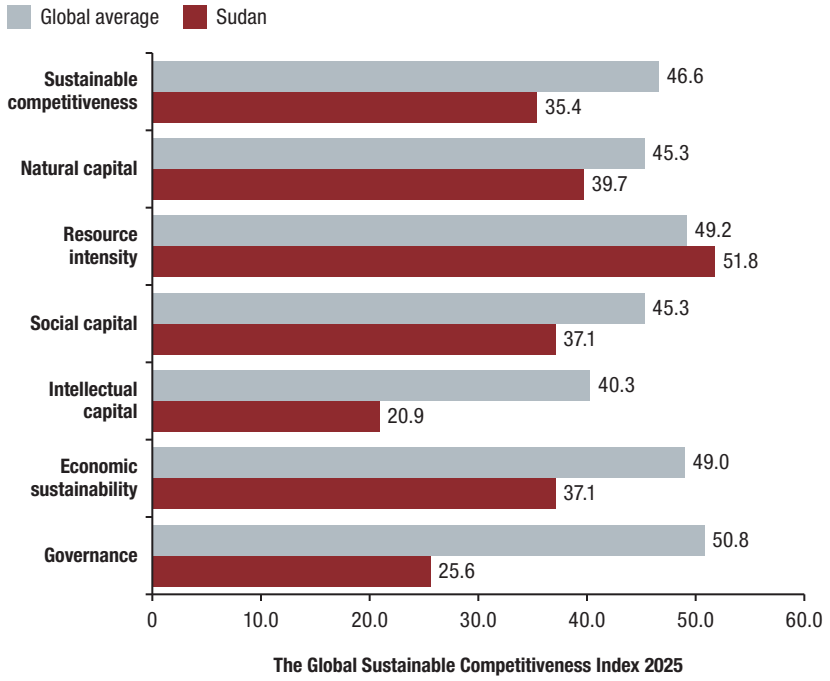
The case for a multidimensional UN PKO

In terms of the Doyle and Sambanis peacebuilding triangle, Sudanese political and civil society actors must address two sides of the triangle: the country's war-ravaged social capital and depleted institutional capabilities. This would require building a broad-based coalition for civil democratic peace. However, in view of the massive destruction and the evolving military contest between the two armies, it appears virtually impossible to end this war, much less to build sustainable peace, without external support. In particular, we argue that to secure a real chance for peace, the third side of the peace triangle must be

4 Countries ranked lowest by SolAbility's Global Social Capital Index are characterized by frequency of crimes, violent conflict, low availability of healthcare services and child mortality, limited freedom of expression, and unstable human rights situations. https://solability.com/the-global-sustainable-competitiveness-index/social-capital-index

5 https://solability.com/the-global-sustainable-competitiveness-index

FIGURE 14.1 Sudan's domestic capabilities relative to the global average



Source: Data on global sustainable competitiveness index are from SolAbility (n.d.). https://solability.com/the-global-sustainable-competitiveness-index

Note: The Global Sustainable Competitiveness Index measures competitiveness of countries based on measurable, quantitative indicators derived from reliable sources, such as the World Bank, the International Monetary Fund, and various United Nations agencies. These indicators are grouped into six sub-indexes: Natural Capital, Resource Efficiency and Intensity, Social Cohesion, Intellectual Capital, Economic Sustainability, and Governance Efficiency.

provided by an adequately mandated and fully equipped multidimensional, transformative UN/regional PKO. Such a hybrid operation, undertaken by a joint UN and African PKO, could not only help enforce and maintain peace but also support the much-needed security reforms for rebuilding a professional armed force that is apolitical and totally divorced from dealings in commercial activities or any form of economic interest. It is pertinent to stress that, unlike unilateral, nonneutral external interventions by individual countries, UN PKOs are conducted in accordance with, and in deference to, the sovereignty of the host state.[6]

6 See, for example, https://peacekeeping.un.org/en/mandates-and-legal-basis-peacekeeping

How successful have UN PKOs been?

The literature provides robust evidence on the positive impact of essentially all types of UN missions, especially those with strong, multidimensional mandates.[7] Using an updated version of Doyle and Sambani's dataset and applying different estimation strategies to analyze the short- and long-term effects of UN peace missions, Sambanis (2008) corroborated the findings of the earlier literature and produced further results, some with far-reaching implications for the case of Sudan.

First, he finds that a ceasefire treaty between the two warring parties is a precondition for a UN or hybrid UN/regional multidimensional PKO. A ceasefire treaty was the key objective of regional peace initiatives in Sudan, such as the Jeddah Forum and the IGAD initiatives. Unfortunately, such a treaty remains elusive, and if anything, more death, destruction, and humanitarian catastrophe may be required before it can be achieved. As rational choice models of war predict, it takes time for the warring parties in lethal conflicts to recognize the limited utility of continuing the war and appreciate the benefits of a peaceful settlement. However, Sambanis finds that the very same factors that eventually make a peace treaty possible tend to have a strong negative impact on the probability of success of participatory peace. It is precisely in these circumstances that the UN is useful: it can help parties implement peace when it is in their interest, despite a high degree of hostility.

Second, the above findings are particularly important for Sudan's peacebuilding strategy. In view of the high stakes for the two warring military protagonists, both might opt for a PSA-type settlement that would guarantee their continued dominance of politics and the economy postconflict. For regional peacebuilding actors, such a settlement might appear expedient, but a PSA is bound to reproduce the failed legacy of previous PSAs. To guard against this type of "negative" peace, a full-fledged, sufficiently mandated UN PKO is critical for Sudan.

Third, while UN missions are effective in implementing agreements and promoting broad-based participatory peace and democracy, their influence tends to fade in the longer run after the operation is concluded. However, Sambanis finds that sustained, transformative growth helps countries avoid postconflict relapses and maintain peace in the long run. Strikingly, he finds that despite the negative effects of lingering postwar hostility, countries with higher levels of income and fast-growing, more diversified postconflict economies are far more likely to experience longer-lasting peace.

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7 See, for example, Doyle and Sambanis (2000; 2006); Fortna (2004; 2008); Gilligan and Sergenti (2008); and Sambanis (2008).

Therefore, the benefits of sustained, transformative growth are particularly high for a country like Sudan, where intense wartime interethnic hostilities are likely to persist for some time in the aftermath of the war. This is compounded by the fact that Sudan has long suffered from the resource curse—even before the current war—while illicit gold mining has since become one of the principal sources of financing for the war.[8]

How could sustained, transformative economic growth promote long-lasting peacebuilding?

It has been argued that transformative economic growth can effectively improve interethnic cooperation by increasing nationwide economic progress and welfare across ethnic groups, thus mollifying interethnic hostilities. In socially fragmented societies, growth-promoting interethnic cooperation would, therefore, support "sustainable peace," which is defined by the UN Security Council as "an attempt after peace has been negotiated or imposed, to address the sources of present hostility and build local capacities for conflict resolution." This concept of peace hinges on the "capacity of a sovereign state to resolve the natural conflicts to which all societies are prone by means other than war" (Doyle and Sambanis 2000, 3).

Growth is not only a major driver of sustainable peace but also a major determinant of sustainable democracy.[9] Modernization theory argues that as countries develop through economic growth, social structures become more complex and labor more active, technological advances empower producers, civil society is also empowered, and dictatorial controls become less effective; growth thus fuels the transition from autocracy to democracy (Lipset 1959; Elbadawi and Makdisi 2017). In socially fragmented societies, growth-propelled processes of modernization, such as industrialization, accelerated urbanization, universal education, and access to mass media, promote interethnic deliberation, interaction, and ultimately supra-ethnic cooperation and national identification, as ethnic and other communal forms of subnational group identification diminish.

However, some scholars have argued that the rapid transformations associated with modernization can create uncertainties that strengthen the need for ethnic solidarity as well as opportunities that can best be captured by exploiting network externalities within social groups. As a result, ethnic group identification may not

8 See, for example, a recent study by the Sudan Transparency and Policy Tracker (STPT 2024): https://mcusercontent.com/b3101ea3866029414729ab5e5/files/c8f448d8-cfac-5e67-9571-f8635d4b632c/GoldSectorEN.pdf

9 See Rodrik and Wacziarg (2005); Collier and Rohner (2008); Epstein et al. (2005); Elbadawi and Makdisi (2011; 2016).

wane immediately and may even grow stronger (Robinson 2014). Nonetheless, to the extent that modernization has a stronger positive impact on national relative to ethnic identification, nation-building is still feasible. In the words of Paul Collier, "A society can function perfectly well if its citizens hold multiple identities, but problems arise when those subnational identities arouse loyalties that override loyalty to the nation as a whole" (Collier 2010, 52). Robinson (2014) tested this hypothesis about group identification using individual-level survey data on national versus ethnic identification from a representative sample of citizens in 16 African countries. The results lend support to the classic modernization theories by showing that living in urban areas, having more education, and being formally employed in the modern sector are all positively correlated with identifying more strongly with the nation than with one's ethnic group.[10]

However, in Robinson's study, though the focus on "the role of large-scale social transformations—economic modernization and colonialism—rather than on political agency in explaining patterns of group identification in Africa today" is justified, the case of Tanzania is an outlier, which could be explained by neither modernization nor by colonial legacy, making it clear that national policy has an important role to play. The data showed Tanzania was the best performer in terms of national identification due to highly effective nation-building policies consistently pursued since the country's independence, such as "the widespread use of a single common language (Kiswahili), the nationalist content of primary school education, and the equitable distribution of state resources in the early post-independence" (Robinson 2014, 737–738).

The political economy of growth: An overview of the theory

In this section, we review political economy considerations that shape outcomes postconflict, such as de jure versus de facto power and ideas versus interests. These determine whether elites will "bet" on development and accept policy designs that channel rents toward productivity. Examples include competitive allocation of foreign exchange for inputs and competitive exchange rate policies for exports, secure land-user rights, and impartial regulation of food safety and export standards. Without this support, agriculture-led growth cannot scale up and peace dividends will dissipate.

10 Robinson also tested the "African colonial legacy" hypothesis and found that the "purported obstacles to national unity in Africa—highly diverse states and partitioned ethnic groups—are actually associated with higher levels of national versus ethnic identification" (Robinson 2014).

The achievement of transformative, widely shared growth is clearly a worthwhile national project in its own right, but it is also critically important for sustainable peacebuilding, especially in socially fragmented societies. Yet most incumbent elites, including those ruling over conflict-prone, fragile societies, rarely espouse growth-promoting policies and institutions, such as strong property rights, measured and effective regulation, or competitive real exchange rates. The evidence suggests that elites will likely choose inefficient policies (broadly defined to include institutions) in order to maintain their political power and hence their ability to access rents in the future.[11] For example, in their analysis of the limited industrialization in 19th century Europe, Acemoglu and Robinson (2006) explain that the incumbent elites in some European countries reckoned that growth-oriented industrialization and the ensuing expansion of the urban middle class was bound to undermine their entrenched rural-based political power and, hence, their capacity to expropriate economic rents.

To begin the analysis for Sudan, we focus on three contributions to the literature that ask highly relevant questions for building a national agenda for transformative economic growth in postconflict Sudan.

Why are political transformations sometimes not sufficient to achieve better economic outcomes?

This question was addressed in another paper by Acemoglu and Robinson (2008), who used a theoretical model composed of two groups: elites and citizens. They show that economic outcomes are determined by the interaction between *de jure political power*—which is controlled by political institutions, such as constitutions, elections, and parliaments—and *de facto political power*—which is determined by the elites rather than by institutions. The elites are assumed to be more capable and more interested than the general public in investing in de facto political power because of their "wealth, weapons, or ability to solve the collective action problem." The key insight from this model is that, "a change in political institutions that modifies the distribution of de jure power need not lead to a change in equilibrium economic institutions if it is associated with an offsetting change in the distribution of de facto political power (e.g., in the form of bribery, the capture of political parties, or use of paramilitaries)" (Acemoglu and Robinson 2008, 268).

11 The political economy literature is dominated by this interest-oriented view. See for example, Bates (2014), Acemoglu and Robinson (2006; 2012), and the literature cited therein.

Sudan's 2018 December Revolution was a massive popular uprising that toppled a long-entrenched authoritarian regime and produced major political transformation. The military elite who seized the opportunity to remove the Bashir regime subsequently became partners with the revolutionary civilian leaders. However, they were able, through the exercise of *de facto political power*, to frustrate one of the key economic reforms intended to fight the legacy of decades-long corruption and to eradicate the so-called *tamkeen* system.[12] Using this instrument of kleptocracy, most notably the vast economic assets controlled by the military, the leaders of the military and the remnants of the deposed regime were able to co-opt the top brass of the armed forces and militias and to finance a large-scale counter-revolutionary movement (Elbadawi and Alhelo 2023). Thus, in terms of the Acemoglu and Robinson thesis, the de facto political power of the military elite enabled them to partially or even entirely offset the changes in de jure power brought about by the December Revolution.

How can we explain divergent economic outcomes in essentially similar political regimes?

In an insightful paper, Rodrik (2014) challenged the dominant strand of political economy literature that held that vested interests are the ultimate determinant of economic performance. Rodrik argues that "new ideas about policy—or policy entrepreneurship—can exert an independent effect on equilibrium outcomes even in the absence of changes in the configuration of political power" (Rodrik 2014, 190). In this context, he argues that (1) elites can creatively devise strategies that allow them to take advantage of improved economic opportunities without losing power and (2) that the "restriction on feasible strategies is often relaxed in practice" by innovation in the area of political ideas, and he likens such "political innovation" to technological innovation, which is commonly thought to relax resource constraints.

To corroborate his theory, Rodrik reports a few examples where elites were able to pursue creative political ideas to relax political constraints in order to "make themselves (and possibly the rest of society) better off without undermining their political power" (Rodrik 2014, 199). Perhaps the most compelling such experience is that of China, where the Communist Party's "state-directed industrialization, gradual concessions to the rising industrial classes, diversification into commerce and industry, alliance with industrial

12 *Tamkeen*—an Arabic word for "empowerment"—was used to mean exclusive empowerment for the narrow popular base of the Bashir regime.

interests, and similar choices ensured elites could benefit from industrialization while retaining much of their power" (Rodrik 2014, 199). Another example of an innovative political strategy adopted in China is the dual-track trade reform implemented through special economic zones, where, "rather than liberalize its trade regime in the standard way, which would have decimated the country's inefficient state enterprises, China allowed firms in special economic zones to operate under near-free-trade rules while maintaining trade restrictions elsewhere until the late 1990s. This enabled China to insert itself in the world economy while protecting employment and rents in the state sector. The Chinese Communist Party was strengthened and enriched, rather than weakened, as a result" (Rodrik 2014, 200).

What influences elites to bet, even to gamble, on development through growth?

With a view similar to Acemoglu and Robinson (2008), Dercon (2023) argues that, while institutions (broadly understood to include the formal and historical informal rules of the game) are important in shaping economic policies, how those rules are "interpreted, followed, used, or abused" by the incumbent elites is equally or more important. Elite groups, he argues, "have substantial agency, which significantly impacts present outcomes. The starting point is then to view the prevalent or dominant set of actions and behaviours by key players in an economy as a collective action equilibrium, whereby some places seem to be stuck in low-level equilibria and others in better ones... These equilibria are expectations equilibria: the actions of each player can be understood as rational in view of what they expect others to do (or what they expect a dominant coalition of others to do). A 'better' equilibrium in terms of growth and development is present if there is a consensus that other influential players will behave broadly consistent with such an outcome. In other words, there is an elite bargain for growth" (Dercon 2023, 4).

However, Dercon argues, the choice of elites to favor growth-promoting over economically inefficient but rent-enabling policies is always a gamble, because there is no sure recipe for achieving transformative growth, only generally principles such as investing in physical and human capital and institutions (Dercon 2022). A key question to ask, therefore, is what development partners can do to minimize the uncertainty of such a gamble in order to improve the odds of an elite commitment to growth-oriented policies.

In the following section, we first review the growth performance of Sudan during the last 30 years of the Bashir regime, which opted for economically inefficient kleptocratic polices and institutions. Second, we contrast this

regime's strategy with the case of the EPRDF elite in Ethiopia, who were able to pursue "creative political ideas to relax political constraints" in the sense used by Rodrik, enabling them to adopt growth-promoting policies while maintaining power. Third, drawing on insights from the above political economy discussion, we address the key question of how the postconflict transition in Sudan could be designed so that it underpins an elite bet on transformative economic growth. In response to this question, we discuss programs that the international development community could adopt to increase the chance of success and reduce risks of failure for the growth-promoting elites, while reducing the gains from rent-seeking practices.

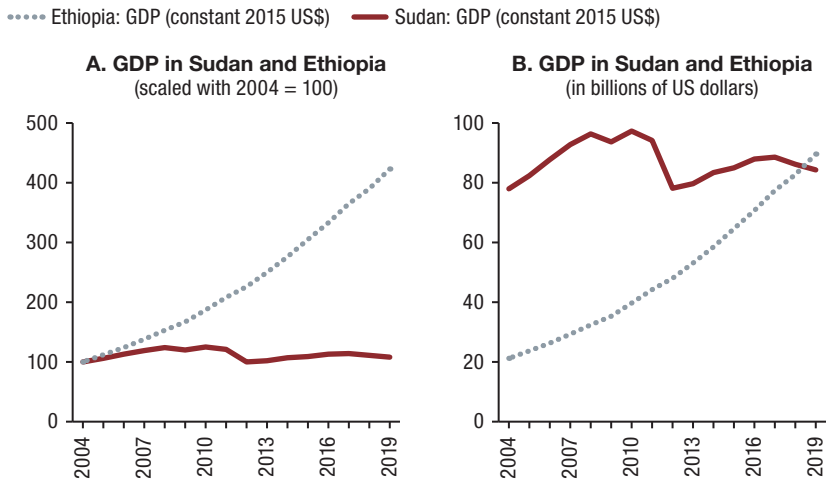
The political economy of growth: A tale of two countries

Ethiopia's growth experience illustrates how policy innovations (industrial parks, logistics upgrades, targeted foreign exchange allocation, and performance compacts) can mobilize agrifood value chains when political elites seek economic legitimacy. For Sudan, a UN/regional PKO that secures major transport corridors, protects critical infrastructure, and supports rule-of-law would reduce risks for investors and enable a similar policy package to take hold, provided that the transition design levels the political playing field and curbs extra-constitutional vetoes.

The similarities and differences between Ethiopia and Sudan are aptly characterized by Sarkar and de Waal (2023, 1): "These two large multi-ethnic developing countries share a common border, the Blue Nile, and a host of political and economic challenges from separatism to chronic food insecurity, and both faced scenarios of imminent state failure at the cusp of the 1990s. For a generation thereafter, the respective governments in Addis Ababa and Khartoum pursued radically divergent political and economic policies, each guided by its endowment and history, but also by leadership decisions. In the policymakers' caricature, Ethiopia became a model for an African developmental state while Sudan reproduced a pathological rentierism that foretold intractable crisis."

Our analysis corroborates this characterization, highlighting the two countries' extremely divergent growth experiences and shedding light on their very different governing elites. While the Sudanese economy stagnated for 15 years, the Ethiopian economy more than quadrupled. In less than one generation, the Ethiopian economy closed the gap of more than US$60 billion that separated it from the Sudanese economy in 2004 (Figure 14.2), and

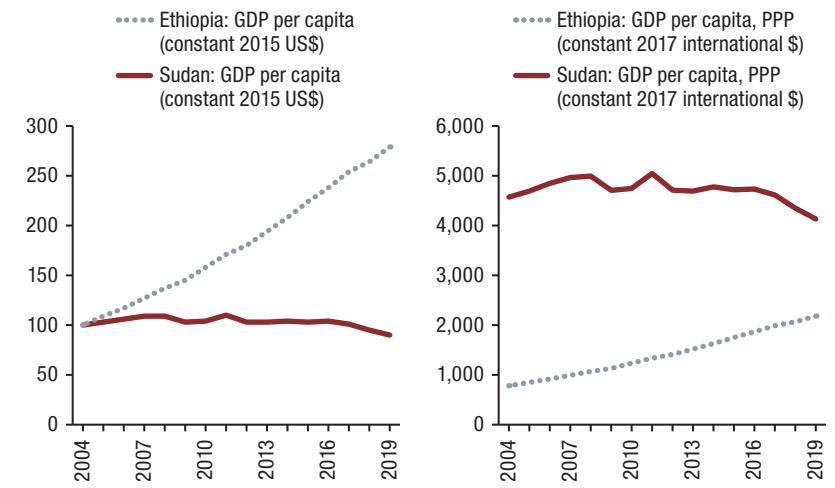
FIGURE 14.2 Ethiopia's and Sudan's divergent growth paths



Source: Data from World Development Indicators (World Bank 2025).

Note: In panel A, GDP for both countries was converted to an index using 2004 as a base year; we divided GDP for both countries during the 2004–2019 period by GDP in 2004 and multiplied by 100. Therefore, GDP equals 100 in 2004 for both countries. In panel B, constant GDP in 2015 US dollars is used for both countries.

FIGURE 14.3 Ethiopia's per capita income is catching up to Sudan's



Source: Data from World Development Indicators (World Bank 2025).

while per capita income in Sudan remained stagnant for 15 years, in Ethiopia it nearly tripled, increasing from less than a fifth of the Sudanese per capita income in 2004 to about half in 2019 (Figure 14.3).

Ethiopia achieved an average annual growth rate of per capita income of about 7 percent for a period of 15 years.[13] In Sudan, however, growth was modest and unstable, and almost collapsed in the aftermath of the secession of South Sudan and the consequent loss of most of the country's oil resources.

Most scholars share the view that states emerge as a result of agreement by the elites to share the rent available under the existing power, no matter how small it is. However, only in a few cases do ruling elites gamble on development, meaning they are willing to sacrifice available rent for future growth and development. This is always a gamble, which raises the question, why would some elites take the risk, if success is not guaranteed?

Ruling elites might choose to gamble on development if they think economic stagnation poses an imminent risk to the incumbent regime, as was the case of the Chinese Communist Party (CCP) elites in the wake of the Cultural Revolution. Under Chairman Deng Xiaoping, who assumed power in 1976 following the death of Mao Zedong, the CCP leadership radically restructured the party's ideology and public policy and transformed China through phenomenal growth. In other cases, such as countries emerging from devastating civil wars, choosing to bet on development depends on the ability of elites to learn from mistakes and engage in course corrections. In Ethiopia, the ruling elites under Prime Minister Melees Zenawi decided to undertake major economic transformation in 2004 after a decade pursuing an extreme version of Marxism.

In view of their apparent economic success, the Ethiopian elites, therefore, decided to build "economic legitimacy" as a basis for the regime's power. In Sudan, however, the elites of the Bashir regime continued to rely on the oil- and gold-financed kleptocracy to hold on to power, at their own peril. The lessons from the experiences of the Ethiopian EPRDF and the Sudanese regimes suggest that developmental authoritarianism[14] has a better chance of survival than does outright kleptocracy. However, equally important are the lessons

13 The Growth Commission report (https://www.growth-commission.com/) identifies "growth miracle" developing countries as those that achieved or exceeded a threshold of 7 percent annual average growth for 25 years—meaning that Ethiopia achieved more than half a miracle.

14 **Developmental authoritarianism** refers to a political system in which an authoritarian regime justifies limits on political pluralism, civil liberties, and electoral competition on the grounds that centralized control is necessary to achieve rapid economic growth, structural transformation, and national development.

from the failure of the former to maintain peace in the highly socially fractionalized Ethiopia, with looming risks of civil war and political instability threatening to undo two decades of spectacular economic achievement.

The equally divided Sudan, still reeling from 30 years of dysfunctional kleptocracy, severe political instability, and more recently the devastating factional conflict within its army, requires a genuine democratic transition. To sustain peace and democracy in the longer run, democratically elected elites emerging after the establishment of peace must also choose to "gamble on development" and seek economic legitimacy, rather than settling for electoral political legitimacy.

How could a pro-growth coalition be built in postconflict Sudan?

A key question is why the Ethiopian EPRDF elites were able to build a pro-growth coalition that gambled on development through transformative economic growth, while the Sudanese Bashir elites did not? Or to put it in terms of Rodrik's political innovation theory, why did the EPRDF political system benefit from a greater abundance of political innovation than the Bashir regime?

As explained by Rodrik (2014, 202), "...policy ideas that relax political constraints can be thought of as the consequence of both idiosyncratic processes and purposive behaviour." Contrasting the experiences of the two elites in terms of their relationships with China reveals that both idiosyncratic processes and purposive factors were at play. Though both regimes had strong economic and political ties with China, the EPRDF elites were most interested in emulating China's success in using special economic zones to promote economic diversification. The Sudanese elites, however, focused on harnessing their partnership with China to develop the oil sector, which eventually became the sole driver of Sudan's economy to the detriment of the vast potential of Sudanese agriculture. In addition, the strong ideological affiliation of the EPRDF elites with the CCP was perhaps another factor that explains why they took the Chinese development model more seriously.

The elites of the Bashir regime, who were not ideologically in tune with communism, were more concerned about exploiting their economic and political ties with China to overcome the elaborate sanctions imposed by the United States and other Western countries. These ties allowed them to access Chinese technology and finance to develop a new viable resource base for financing the regime's "political marketplace" and keeping the regime afloat. According to Alex de Waal (2016, 1), a political marketplace is "a system of governance run on the basis of personal transactions in which political services and allegiances

are exchanged for material reward in a competitive manner. A ruler bargains with members of the political elite over how much he needs to pay—in cash, or in access to other lucrative resources such as contracts—in return for their support. They exert pressure on him using their ability to mobilize votes, turn out crowds, or inflict damaging violence."[15] It could be argued, therefore, that both oil rents and political ideology might be idiosyncratic factors that set the two elites apart in terms of how they exploited their close ties with China and why the EPRDF elite drew beneficial lessons from the Chinese development model, while those of the Bashir regime did not.

In Sudan, where the Bashir regime came to power through a military coup, the dominance of the military and its pervasive business interests was an additional factor contributing to the regime's failure to adopt an efficient, growth-promoting strategy. The leaders of the Sudanese army and other uniformed forces were the main beneficiaries and actors in the political marketplace of the Bashir regime, which was the central institution for political settlement, and had little impetus toward political innovation. The complicity of the armed forces leadership in such corrupt practices not only degraded the professionalism of this critical national institution but also turned the army into a potent impediment to stable civilian democratic rule. In contrast, the EPRDF elite came to power following a successful rural insurgency in which the army was largely under the control of the civilian leadership of the ruling coalition.

In addition to learning from other countries' experiences, crises provide lessons for elites to learn from past mistakes and reconsider prevailing strategies as well as to better understand what needs to be done (Blyth 2007).[16] The EPRDF elites responded to the Ethiopian famine crises by targeting food security as a central tenet of its development strategy, including reversing a decade-long policy of pervasive controls on agricultural land and providing land tenure security to farmers, as part of a comprehensive agricultural transformation agenda; they also introduced a productive safety net program aimed at reducing dependency on emergency food aid and building community resilience through provision of food or cash transfers to millions of food-insecure households in exchange for participation in public works projects.[17] In contrast, the response of the Bashir elites to the loss of most oil

15 See also de Waal (2019).

16 Cited in Rodrik (2014).

17 However, despite these efforts, Ethiopia continues to face food security challenges due to recurrent droughts, conflict, locust invasions, and global economic pressures.

rents following the partitioning of Sudan and the major crisis that ensued was to search for new sources of rents rather than pursue political innovation (Elbadawi et al. 2023).

While finding compelling answers to the general question as to why some political systems have enjoyed a greater abundance of political innovation than others may be challenging, coming up with ideas for enhancing the interest and capacity of elites to pursue growth-promoting policies may be more straightforward. In this context we discuss a homegrown strategy for a Sudanese postconflict transition as well as external measures that could be considered by the international development community.

How can the political playing field be levelled for the Sudanese postconflict transition toward building and sustaining growth coalitions?

The Sudanese political transition in the aftermath of the December 2018 popular uprisings was built around constitutional power-sharing between the military and the civilian leadership. This allowed the military establishment to continue wielding strong influence in shaping the political, security, and economic landscape during the transitional period, including protecting its vast economic interests built up during the former regime. As a result, the military leadership showed little interest in moving forward with security reforms, nor were they willing to enable the Ministry of Finance to exercise control over their massive commercial companies and other economic interests (Elbadawi and Alhelo 2023).

According to Acemoglu and Robinson (2008, 287), it takes deep democratic reform to "create a sufficiently level political playing field so that it becomes no longer profitable for the elite to invest heavily in their de facto political power. Such democratization will lead to significant changes in equilibrium outcomes. In contrast, more moderate steps toward democracy may lead to little or no change in economic outcomes." It is not surprising, therefore, that the Sudanese political transition sparked by the December 2018 event was insufficient to enable the liquidation of the kleptocratic institutions of the *tamkeen* system.

For the envisaged Sudanese postconflict transition, the key lesson from this experience should be the need to ensure that the military's role in the transition is strictly "functional participation," not a "constitutional partnership," as was the case under the prior transition. Such participation is necessary for ending the commercial activities and liquidating the nonmilitary economic assets of the military and other uniformed forces. This constitutes

a fundamental departure from the dysfunctional broad-based "constitutional partnership" established between the military and the civilian leaderships in the past.

How can the international development community encourage elites to gamble on growth-promoting policies?

First, the international development community could increase the incentives for forming and sustaining growth coalitions in developing countries. For example, the development community could support countries in better responding to external shocks, such as the debt crisis that ensued in the aftermath of the recent global shocks. It is estimated that in 2022 about 25 developing countries paid more than 20 percent of total government revenue in external debt service—a share not seen since the year 2000, when the Heavily Indebted Poor Countries (HIPC) Initiative was launched. That crisis revived initiatives aimed at separating risks under direct or indirect control of the debtor from those exogenous to the contract, such as natural disasters or global supply chain disruptions and consequent shocks to commodity prices. For example, the International Monetary Fund (IMF) proposed instruments for so-called state-contingency debt (IMF 2017).

These crises also triggered several proposals for reforming the international financial architecture. For example, the UN Secretary-General's report on *Sustainable Development Goals (SDGs) Stimulus to Deliver Agenda 2030* put forward three areas for immediate action: (1) "tackle the high cost of debt and rising risks of debt distress, including by converting short-term high interest borrowing into long-term (more than 30 year) debt at lower interest rates," (2) "massively scale up affordable long-term financing for development, especially through public development banks, including multilateral development banks, and by aligning all financing flows with the SDGs," and (3) "expand contingency financing to countries in need" (UN 2023, 2).

Sudan has been grappling with a substantial external debt burden, which has significantly affected its economic stability and development. As of 2021, Sudan's external debt was approximately $62.4 billion, a significant portion of which is owed to the IMF and the World Bank. In 2023, the government debt stood at 256 percent of the country's GDP, indicating severe debt distress. The country was on course to receive significant debt relief during the transitional government (2019–2021) as part of the HIPC Initiative. Unfortunately, this process was halted after the army staged a coup in October 2021, which sent the country into grave economic and political crises that eventually led to the outbreak of the ongoing civil war.

Therefore, in the postconflict transition, resuming the process for major debt relief and rehabilitation of Sudan as a bona fide member of international financial institutions (IFIs) would allow the international development community to incentivize the postconflict Sudanese ruling elites to opt for pro-growth policies.

Second, the international development community could make it harder for elites to conceal and appropriate state resources under their control for their own private enrichment. Beyond the loss of resources that could be used to finance growth and social welfare, there is ample evidence on the negative externality of this common practice by elites in most failed states. The ability of elites to enrich themselves at the expense of their countries and get away with it also has a second, perhaps more profound effect on growth. As argued by Dercon (2023, 13), "...elites often collude not to generate growth and stability, but instead to steal and control resources that can be used to maintain their power (through patronage) or set themselves up for a life of luxury either at home or abroad. This is more likely if they believe that others in the elite behave similarly (contributing to a low-investment, low-growth local equilibrium), and even leads to ordinary citizens who cannot launder money being less committed to basic tax collection (breakdown of fiscal contract)."

Sudan has long struggled with illicit financial flows and challenges in asset recovery. These problems are linked to more than three decades of the kleptocratic rule of the Bashir regime, which presided over widespread corruption, with state resources siphoned off by elites. Gold smuggling remains a major issue, with large quantities illegally exported, depriving the country of much needed revenue.[18] The exact amount stolen during the Bashir regime is difficult to determine due to the secretive nature of these financial flows. However, various estimates suggest that billions of dollars were siphoned from Sudan through corruption, embezzlement, and illicit financial activities. Sudan's transitional government stated that Bashir and his network stole at least $64 billion over his 30-year rule, which included illicitly acquired real estate, bank accounts, and businesses linked to his inner circle, including at least $9 billion acquired as Bashir's personal assets.

Following the ouster of the Bashir regime, Sudan's transitional government attempted to recover stolen assets by freezing bank accounts and confiscating properties linked to corrupt officials. However, progress was slow due to legal and political hurdles and recovery efforts were completely abandoned following the coup in 2021.

18 See, for example, Patey (2024).

In the aftermath of the current war and the hoped-for democratic transition, supporting Sudan's efforts to recover these assets would not only provide much needed funds for the country's reconstruction but also promote the building of a pro-growth coalition. For Sudan to effectively combat illicit financial dealings and recover stolen assets, a high priority for the transition should be to build strong anticorruption institutions with enforcement power, improved financial transparency and regulation, and continued international cooperation to trace and repatriate stolen funds.

Sudanese agriculture: An investment magnet and driver of growth[19]

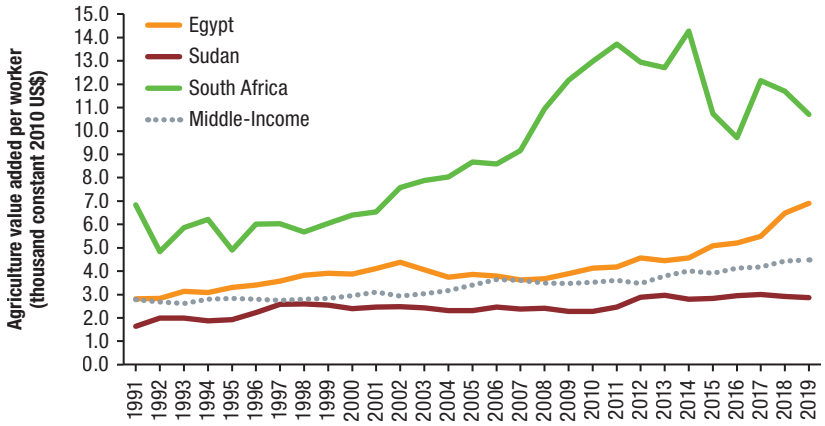
The agriculture sector is the backbone of Sudan's economy, is the source of almost all non-oil and mineral exports, and contributes more than 35 percent of the country's GDP and 47 percent of employment (Elbadawi et al. 2022). Moreover, the sector has long been seen as a potential "breadbasket" that could attract substantial FDI associated with the Pan-Arab Sudan Breadbasket Strategy, which is financed primarily by the capital-surplus countries of the GCC. This initiative was developed during the 1970s oil boom, which also coincided with the 1972 Addis Ababa Agreement that ended the first civil war in Sudan. The inflow of FDI and the peaceful resolution of the long war combined to fuel an impressive annual growth rate of about 10 percent for about a decade. However, this remarkable growth could not be maintained because complementary growth drivers did not develop, and it eventually came to a grinding halt in 1983, when the second phase of the first civil war plunged the country into conflict and political instability.

The recent global supply chain disruptions associated with the COVID-19 pandemic and the Russia-Ukraine war have significantly boosted the drive toward re-localization and regional cooperation, especially regarding food security. This will undoubtedly generate renewed interest in Sudan's agriculture sector once the current war is ended and if the country manages to embark on transformative economic reforms that support positive expectations about the future.

Yet despite its importance and immense potential, the agriculture sector remains underdeveloped, beset by low productivity and weak linkages to

19 This section draws from Elbadawi and Fiuratti (2024), Elbadawi et al. (2023), Elbadawi et al. (2022), and Elbadawi and Ismail (2021).

FIGURE 14.4 Agricultural labor productivity



Source: Elbadawi and Ismail (2021).

Note: This figure presents the evolution of agriculture labor productivity over the 1991-2019 period for Sudan, Egypt, South Africa, and the global middle-income median.

modern agro-industry, while most of the farming community lives in poverty and has poor access to basic services. To illustrate, agricultural labor productivity rates in South Africa and Egypt were, respectively, more than 3.7 and 2.4 times that of Sudan in 2019 (Figure 14.4).

In the same vein, while the average return to a *feddan* (slightly more than a hectare) of cultivated agricultural crop ranges between $600 and $700 globally, it was an appalling $20 for Sudan (Mahgoub 2023). This is not surprising in view of the acute undercapitalization of the sector, as can be seen in the low levels of fertilizer use. For example, though Sudan's arable land area is more than six times that of Egypt, Sudan's total fertilizer consumption in 2010 was only about 15 percent of Egypt's consumption. At the farm level, Egypt's fertilizer consumption was about 0.47 metric tons per hectare of arable land, while Sudan consumed only 0.01 tons per hectare (Elbadawi and Ismail 2021). Given the low productivity of Sudanese agriculture, its dominance of the economy is more a reflection of Sudan's poverty than of the vitality of its agriculture sector.

In this context, we propose an agriculture-led development model that combines inclusive agricultural production, tight linkages to industry, and strategies to rapidly improve productivity over time through education, new technologies, and investments in infrastructure. The envisaged development

program aims to bring about profound structural transformations in the Sudanese economy that will spark rapid, sustainable, and broad-based growth to expand job opportunities for youth, combat poverty, and make major strides toward achieving the SDGs.

Agricultural growth corridors and investment transitions

The proposed development model for Sudan is anchored in developing economic corridors to strengthen the agriculture sector's linkages with industry. The economic corridor model uses socioeconomic policies and investment in physical infrastructure to promote economic activities and thus economic growth along a transportation corridor (Healey 2004). Agro-industrial growth corridors, the model proposed for Sudan, combine agricultural policies with investments in agro-industrialization, agribusiness, and infrastructure. Such corridors are usually planned and managed as strategic private–public partnerships that can bring together expertise, funding, and coordination and benefit from multiple synergies that arise (Brüntrup 2019). This large-scale approach has several advantages: by pooling risks, corridors can attract many investors. The concentration of agribusiness allows economies of scale, lowers costs per unit of production, and facilitates the diffusion of technology. Various supportive markets are likely to form to serve the corridor. Unlike mega projects, which tend to create a hub-and-spoke style of development, corridors are spread out, thus promoting balanced regional development and shared economic growth across the country.

Articulating this development model for Sudan, Elbadawi and colleagues (2022) have proposed 14 agro-industrial development corridors around productive cities. This plan is built around the overall richness and diversity of Sudan's agricultural resource base and the particular strengths and opportunities of each area, bearing in mind the need to stimulate growth, reduce poverty, and improve food security across the different regions of the country. The proposed agro-industrial development corridors knit together distinct regional endowments with market access and existing institutions to create diversified growth poles. Each corridor pairs a comparative advantage in agriculture (irrigation, rainfed cereals/oilseeds, livestock, and fisheries) with adjacent industries (mills, oils, textiles, feedlots, leather, and cold chains). For details on the features and supportive interventions proposed for each corridor, see the appendix at the end of this chapter.

The common set of "enablers" for these corridors—feeder roads, storage and warehousing, sanitary and phytosanitary (SPS) and veterinary systems,

TABLE 14.1 Financial requirements to cover basic food commodities deficit in the Arab world

Operating capital = US$14.6 billion		Fixed cost = US$141.9 billion		
Industrialization: $3.9 billion	Agriculture: $10.7 billion	Land reclamation: $58 billion	Irrigation: $22.7 billion	Manufacturing: $61.2 billion
Total cost = US$165.5 billion				

Source: Mahgoub (2023), translated from Arabic.

Note: (1) Cost of total investment (with enhanced productivity) is US$156.5 billion; (2) cost of total investment (with current productivity) is US$321.2 billion.

finance, and research and extension—are "no-regrets" investments that can convert Sudan's resource diversity into export-ready value chains and broad-based jobs. However, we must stress that these enablers for successful transformative development corridors can only be realized *if* improved security and governance reduce logistics and contract risks. In high-endowment settings like Sudan, multidimensional PKOs can support investment in the enabling physical and institutional infrastructure by (1) securing trunk roads and storage to reduce spoilage and informal taxation, (2) supporting customs and SPS standards compliance to unlock export markets, and (3) coordinating with donors on feeder infrastructure that complements private agribusiness investment.

Financing this ambitious development model will require substantial investment over an extended period to achieve "miracle" growth in the first decade following the achievement of credible peace. Using a popular empirical growth model, Elbadawi and Fiuratti (2024) estimate that the aggregate investment needed to finance fast agriculture-led growth (10 percent growth per year) would be about $186 billion (in real 2021 dollars) for the first 10 years. The proposed agro-industrial corridors would absorb most of the required investment. With renewed interest in investing in Sudan as a breadbasket for Arab countries and Africa, domestic and FDI flows could provide an estimated $160 billion of the $186 billion total to finance the modernization and structural transformation of the agriculture sector, with the remainder expected from donors (Table 14.1).

Given the critical role of infrastructure as a main catalyst for development and economic growth, transforming Sudan's agriculture sector would also require further economywide investments in transport, renewable and nonrenewable energy, and information and communication technologies. Sudan's infrastructure, especially in the energy and transport sectors, is in great need of new construction, rehabilitation of decaying installations, and preventive maintenance if it is to support vibrant and integrated growth corridors. Improved telecommunications coverage and introduction of advanced

ICT are also needed to propel efficiency and productivity. For example, the Transitional Government's Ministry of Transportation presented an infrastructure investment plan to donors and investors totaling almost $30 billion for rehabilitation, maintenance, and new projects in seaports, river navigation, railways, highways, and air transport (EEAS 2021).

In view of the immense potential of Sudan's agriculture sector, such a hefty investment should be possible to mobilize during the first decade after peace is achieved. A World Bank report (2020) suggests three factors that could make the agriculture sector attractive to foreign investors. First, Sudan's agro-ecological characteristics are suitable for both a wide variety of crops and animal husbandry, with 74 million ha of cultivable land, 110 million animals, marine and freshwater fisheries resources, underground and surface water supplies, biodiversity, and a broad genetic pool. Second, Sudan is home to a diverse basket of agriculture products, some of which offer a unique advantage. The country's favorable location at the crossroads of sub-Saharan Africa and the Middle East places it closer to some of the largest sesame-importing countries (China, Iran, and Turkey) and meat (goat and sheep)–importing countries (China, France, the Middle East, and the United Kingdom) compared with competing exporters. It also has notable strength in gum arabic, a key input in food and industrial products worldwide. A wide range of oilseeds—cottonseed, groundnuts, sesame seed, and sunflower seed—gives Sudan relatively better resilience against imports of cheaper oils than those countries that face an edible oil deficit and do not produce palm oil. Third, there is a significant room for agricultural production growth. With less than 23 percent of arable land under cultivation and the yield levels of most crops currently below Sudan's previous heights, the potential to raise production is high.

Conclusions

This paper takes the view that Sudan's national renewal and reconstruction after this devastating war will require a broad-based participatory peacebuilding process, with the Sudanese democratic forces and other civilian stakeholders at its center. This concept of peacebuilding requires "an end to war, no significant residual violence, undivided sovereignty, and a minimum level of political openness" (Doyle and Sambanis 2006). Indeed, Sudan can ill-afford to repeat the tragic legacy of the PSAs that emerged from earlier peace processes, which allowed the military and insurgency forces to dominate the transitional governments that followed. This narrowly focused approach to

peacebuilding not only failed to achieve sustainable peace in Sudan but also led to disastrous outcomes.[20]

However, the scale of destruction and the depletion of the already limited national capabilities by more than 30 years of the Bashir kleptocracy, coupled with the collapse of social cohesion due to strained interethnic relations, leave little hope for ending the war, much less rebuilding sustainable peace, without external support. We argue that achieving peace is highly unlikely without shoring up these two sides of the national "peace triangle"—social cohesion and capacity—with credible external competency. In this context, an adequately mandated and fully equipped multidimensional, transformative UN/regional PKO is needed. The proposed hybrid UN/regional PKO is deemed essential to enforce peace and provide civilian protection and humanitarian assistance as well as to support meaningful security reforms, a democratic transition, and economic development programs. Importantly, such a PKO should not only secure peace in the narrow sense but also create an enabling environment for agriculture-led transformation. By securing transport corridors, protecting rural communities, and lowering risks along value chains, a PKO could directly increase the viability of investment in Sudan's agriculture and agro-industry sectors. In this way, peace operations can serve as catalysts for the very growth coalitions that can sustain peace.

To this end, the proposed PKO must be embedded in a serious national renewal and development agenda, anchored around the achievement of sustained, transformative economic growth. As the evidence from the received literature and a growing number of country experiences suggests, while such comprehensive UN-led missions have been successful in enhancing the *quality* of peace, they usually fail in sustaining it after the mission is ended, especially in ethnically divided societies such as Sudan. *Sustainable* peace hinges on the achievement of transformative economic growth that promotes interethnic cooperation by modernizing the economy, accelerating urbanization, and expanding the middle class. In Sudan's case, agriculture must be the central driver of this growth. Without PKO-secured peace and governance, the proposed agro-industrial corridors and FDI in farming, processing, and logistics will not materialize—that is, PKOs and agricultural transformation are not parallel tracks but mutually reinforcing pillars of Sudan's renaissance project.

20 These PSAs not only failed to sustain peace. The PSA in 2005 between the Bashir regime and the Sudanese Peoples Liberation Movement/Army (SPLM/A) also led to the partitioning of the country in 2011 and the creation of the Republic of South Sudan, and the 2021 PSA between the Sudanese military and the rebel movements of Darfur contributed to preempting the constitutional path to democracy and, arguably, to the build-up to the current tragic factional military war.

The achievement of transformative, widely shared growth is clearly a worthwhile national project in its own right, but it is also critically important for sustainable peacebuilding, especially in socially fragmented societies. Yet, most incumbent elites, including those ruling over conflict-prone, fragile societies, do not espouse growth-promoting policies and institutions, such as strong property rights, measured and effective regulation, or competitive real exchange rates. Elites often choose inefficient policies and institutions to maintain their political power and hence their future access to rents.

To promote the formation of pro-growth coalitions, we argue that the peacebuilding process must ensure that the political playing field is sufficiently level to guard against special interest groups, including the military and other uniformed forces, gaining political clout that would allow them to undermine the envisaged growth-promoting agenda. While the political settlement may democratize de jure power, the influential elite may still retain de facto power through formal political institutions, allowing them to divorce economic outcomes from the progress at the political front. Probing further, we compare the elites of Sudan's Bashir regime and their EPRDF counterparts in Ethiopia and ask why the latter chose "economic legitimacy" as an instrument for maintaining political power, while the Sudanese elites opted for kleptocracy, fueled by rent distribution, as the main rationale for holding onto power. With insights drawn from this comparison, we argue that both oil rents in Sudan and political ideology in Ethiopia may be idiosyncratic factors that set the two elites apart in terms of how they exploited their close ties with China and explain why the EPRDF elites drew useful lessons from the Chinese development model, while those in Sudan did not. Moreover, the dominance of the military and its pervasive business interests in the case of Sudan was another factor impeding the emergence of a pro-growth coalition.

In addition to home-grown design of peacebuilding institutions that compel elites to be accountable for economic legitimacy, the international development community could also help. First, resuming the process for major debt relief as part of the HIPC Initiative and restoration of the country as a bona fide member of the IFIs would provide a potent incentive for the postconflict Sudanese ruling elite to opt for pro-growth policies. Second, assisting the country in recovery of the massive assets that have been taken illicitly would provide much needed funds for the country's reconstruction and also promote the building of a pro-growth coalition.

Finally, we argue that when the country's political economy is sufficiently aligned toward creating stable growth coalitions in the aftermath of this war, the prospects for fast, sustained agriculture-driven growth will be strong.

The richly endowed and diversified agriculture sector could be both a driver of growth and a magnet for attracting much-needed FDI. In this context, we propose a development model for Sudan anchored by agro-industrial growth corridors to strengthen the agriculture sector's linkages with industry and services. Recent global supply chain disruptions have significantly increased the drive toward re-localization and regional cooperation, especially as part of the food security agenda of the capital-surplus countries of the GCC. These countries invested heavily in Sudan's agriculture sector in the 1970s and continued to be engaged, despite the challenging conditions under the Bashir regime. We can therefore expect renewed interest in the sector, once the current war ends and the country manages to embark on transformative economic reforms that support positive expectations about the future. Sudan's agriculture sector offers a range of potential opportunities for FDI that is largely unrivalled by other African or Arab countries.

A PKO-driven peace and security are the indispensable foundation for mobilizing these agricultural opportunities. Only by linking peacekeeping to transformation can Sudan shift from fragility to a virtuous cycle of peace, growth, and national renewal.

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Chapter 14 Appendix

TABLE 14.A1 Proposed agro-industrial growth corridors

Corridors	Strengths and opportunities	Prospective industries
1 Merawi-Dongla-Halfa	• Weather suitable for production of wheat, pulses, forages, fruits (citrus, mango, dates) • Potential to produce different crops in two seasons (summer/winter) • Major reservoirs and rivers for fishing • Proximity to Egyptian market with population of 100 million; expected to reach 180 million by 2050 • Established research, educational institutions, and banking services • Two main airports and more than 1,000 km paved road (from Egyptian border to Khartoum) • Presence of several tangible surface and ground water resources and vast land areas for agricultural investment • Presence of historical processing facilities	• Wheat mills • Slaughterhouses • Fruit processing • Animal feeds industry • Fishery industry development (mainly on Lake Nubia and Merawi dam)
2 Khartoum-Shendi-El-Dammer	• Government headquarters and Investment Administration • Proximity to services and government authorities and institutions • Large market for vegetable, fruits, dairy and poultry market • Available wage labor • Established research and education institutions • Established expanded public and private banking system • Relatively adequate basic infrastructure, in terms of roads, electricity, water, communications, and markets • Potential for expanding the irrigated agricultural area, such as the Hawad Project with more than 1.5 million ha • Existence of many projects in food and related industries • Khartoum international airport	• Cereals milling • Meat industry (beef, sheep, poultry, fish) • Dairy industry • Vegetable oils • Agricultural input procuring and or manufacturing • Processing of fruits and vegetables • Leather industries
3 Aj Jazirah-Managil	• Established large irrigation production schemes with more than 0.90 million ha of irrigated land and relative stability in production • High government and international community attention to investing and rehabilitating the irrigated schemes. • Presence of historical good processing activities (ginning and textile, vegetable oil, milling, leather) • Available finance from public and private banks • Established farmers' organizations and contract farming models • Proximity to Khartoum market • Large livestock population • Presence of infrastructure such as roads, communications, input services, markets, and government institutions • Presence of agricultural research headquarters, several well-established research stations and agricultural colleges	• Textile industries • Wheat and sorghum mills • Vegetable oil mills • Fruits and vegetable processing factories • Feed factories • Feedlots for livestock fattening • Manufacturing of agricultural inputs • Dairy industry • Aquaculture

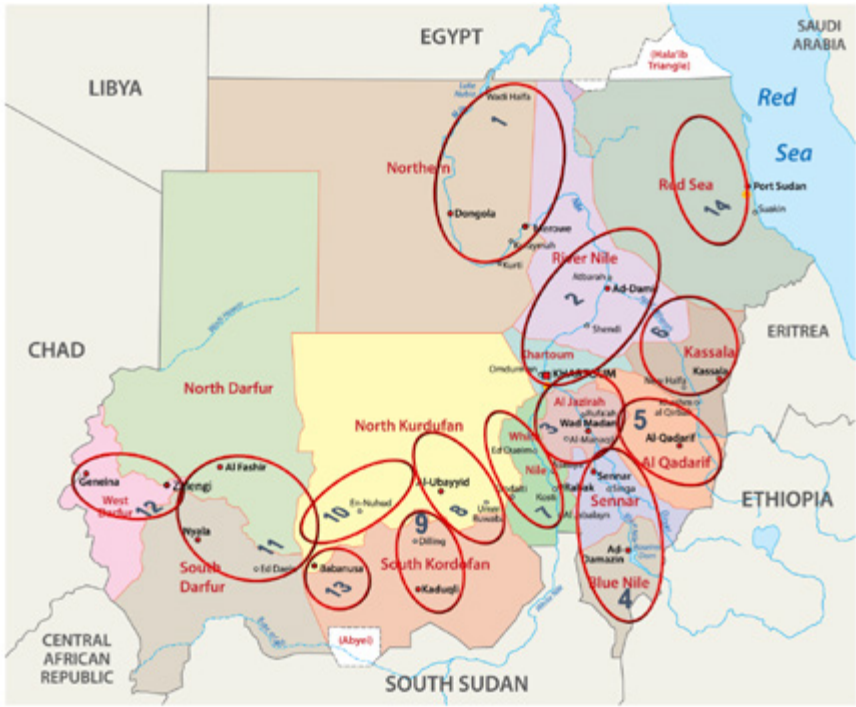
Corridors	Strengths and opportunities	Prospective industries
4 Sennar-El-Suki-El-Dinder-El-Damazin	• Vast underutilized agricultural lands and diverse production systems (mechanized, traditional rain-fed and irrigated, livestock, horticulture, and fishing) • Large areas of banana, fruits, vegetables, cotton, sugar cane, sesame, and sorghum production • Large diverse livestock population • Strategic location, rich resources, and access to all states • Potential of new irrigation schemes in Rosaries and El-Dinder • Availability of different water sources and water infrastructure (dams) and a hierarchical controlled irrigation system of water distribution • Dinder wildlife reserve park • Presence of historical processing activities (sugar, vegetable oil, textiles) • Presence of several research stations and agricultural colleges	• Sorghum mills • Ginning and textile factories • Vegetable oil mills • Fruits processing • Animal feed industries • Feedlots for animal fattening • Sugar factories • Development and promotion of tourism in Dinder reserve park
5 Gedaref-Rahad	• More than 2 million ha of semi-mechanized farming and about 150,000 ha under irrigation • Largest market for sorghum and sesame crops • Wealth of animal resources and the presence of vast rangelands (Butana) • Largest grain silo in the country • High potential for oil crops, livestock, and horticulture crops industry (raw material) • Presence of historical processing activities (vegetable oils, ginning) • Industries (oils, soap, sweets) in the city of Gedaref • Presence of infrastructure such as roads communications, storage facilities, input services, markets and government institutions, research and well-established specialized financial institutions • Close proximity to Port Sudan by paved road and neighboring several countries (markets)	• Sorghum milling • Vegetable oil (sesame) industry • Animal feeds • Ginning and textile factories • Feedlots for livestock fattening
6 New Halfa-Kassala	• More than 200,000 ha under irrigation (Gash and Halfa irrigation project) • New Half Sugar Scheme and industry • Fruit production in Kassala • Contract farming experience with cotton growers • New Upper Atbara irrigation project in the pipeline • Wealth of animal resources • Presence of industries (oils, soap and sweets) • Presence of infrastructure such as roads; communications; storage facilities; input services; markets and government institutions; research and financial services • Close proximity to Port Sudan and neighboring several countries (markets)	• Sugar industry • Wheat milling • Vegetable oil processing • Animal feed factories • Textile industry • Fruit processing • Feedlots for livestock fattening

Corridors	Strengths and opportunities	Prospective industries
7 Kosti-Ed-Duiem	• Vast agricultural land, including mechanized and traditional rainfed and irrigated • High production diversity in crop, fishing, horticulture, and livestock production • About 200,000 ha of underutilized irrigated land • Large livestock population • Presence of historical good processing activities (sugar, oil, fish, milk, textiles, milling) • Established sugar factories including Kenana and Asalya • Ginning factories • Largely dominated by traditional fishing and milk product industries • Established financial institutions • Proximity to the capital and port through railway lines and roads • Connected to Khartoum and neighboring states by paved road	• Textile industry • Sugar industry • Feeds factories • Meat and dairy industry • Fishing industry (taking, culturing, processing, preserving, storing)
8 El-Obeid-Rahad-Umrawaba-Bara-Sodari	• Strategic location (center of the country) with airport and road connection to several states and established major crop and livestock markets • Important producer of sesame and hibiscus • World largest market for gum arabic and other gums (covers large part of Gum Arabic Belt) • Presence of traditional vegetable oil industry • Main producer of the famous Kabashi sheep • Production of fruits and vegetables, mainly at Bara • Elobeid-Bara-Omdurman Road reduces the time and cost of transportation. • Well-established agricultural research station and university • Financial and banking institutions established across the state • Presence of infrastructure such as roads, communications, markets, and government institutions	• Production of vegetable oils • Processing of gum arabic • Slaughterhouses for livestock • Processing of fruits and vegetables • Processing of hibiscus • Leather industry
9 Dilling-Kadugli-Abassyia	• Important area for production of rainfed cotton • Eight ginning factories • Important area for fruit production, especially at Abassya and Abugebeha • Large livestock population • High potential for oil crops, livestock, and horticulture crops • Presence of historical agricultural research stations • Kadugli airport and roads connection with West and North Kordofan • Potential for using contract farming models	• Textile industry, which is labor intensive and could contribute to poverty reduction • Vegetable oil processing • Fruit processing

Corridors	Strengths and opportunities	Prospective industries
10 Elnuhud-Gobiesh	• Main sheep-producing area for domestic and export markets • Main producing area for gum arabic, covers the largest part of Gum Arabic Belt • Main groundnut production area • Presence of traditional vegetable oil industry • Presence of infrastructure such as roads, communications, markets, and government institutions	• Slaughterhouses for export of sheep meat • Groundnut oil production • Animal feeds • Leather industry • Gum arabic processing
11 Fashir-Nyala-Edien	• Comparative advantage in production of livestock, oil crops, and gum arabic • Major source of beef for the domestic and export markets • Major producing area for groundnuts and millet • Large, underutilized tracts of rainfed semi-mechanized land • Potential markets in neighboring countries • Agriculture, veterinary, and animal production colleges and agricultural research stations constitute good research system • Roads and airports at the main cities (Nayala and Fashir) • Presence of developed groundnut processing plants	• Meat industry • Leather industry • Vegetable oil industry • Production of honey • Cereal milling
12 Genena-Zalengi	• Production of livestock, oil crops, and gum arabic • Important source of high-quality oranges (Jebel Marra) • Good vegetation cover of various tree species • Potential markets in neighboring countries • Agriculture, veterinary, and animal production colleges and research stations • Roads and airport at the main cities (Genena) • Jebel Marra is an important tourist center (investment opportunities in tourism) • Presence of several NGOs working on livelihood issues and rural development	• Animal feed factories • Meat industry • Leather industry • Vegetable oil industry • Fruit processing industry • Honey production • Cereals milling • Tourism (Jebel Marra)
13 El-Fula-Babanusa-Lagawa	• Important area for production of millet, groundnuts, gum arabic, hibiscus • Large livestock population, especially cattle, depending mainly on natural rangelands • Important area for field watermelon production • Road connecting El-Fula with Kadugli and El-Obeid • Center for petroleum extraction • Presence of agricultural college and research station • Presence of historical processing facilities (hibiscus processing and dairy) • Potential for using contract farming models • Vast underutilized agricultural lands	• Meat and dairy industry • Leather industry • Vegetable oil industry • Hibiscus processing • Honey production • Cereals milling • Gum arabic processing

Corridors	Strengths and opportunities	Prospective industries
14 Red Sea	• Extends along the Red Sea coast, with more than 800 km of coastline • Great possibilities for tourism, with marine islands, coral reefs, and natural reserves, many kinds of marine life, and mangrove forests • Proximity to the main ports, handles the majority of the country's international trade and trade with neighboring several countries (markets) • Infrastructure in Port Sudan such as roads, communications, railway lines, storage facilities, government institutions, and financial institutions • Recent political attention to rehabilitating and developing the area • Investment opportunities in mining, fisheries, cross-border trade, and tourism • Delta Tokar, with cultivated area (about 150,000 ha) has very fertile soil, offers significant growth opportunities in agricultural production • Livestock estimate in the state is 1.7 million head of cattle	• Animal feeds factories • Textile industry • Marine aquaculture industry (offshore fishing, aquaculture, pearl oyster farming) • Tourism

FIGURE 14.A1 Proposed growth corridors



Source: Elbadawi et al. (2022).