

## THE SUDAN AND THE IMF, A POLICY WITH DISASTEROUS CONSEQUENCES

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“Lo .Allah changeth not the conditions of a folk until they change that which is in their Hearts.”

### **The Quran**

“...no improvements in the lot of mankind are possible, until a great change takes place in the fundamental constitution of their modes of thought.”

### **-John Stuart Mill**

“The symptoms of the strain are familiar; inflation, balance of payments deficits, a variety of monetary and exchange disorders. But these are no more than symptoms; the cause lies deeper.”

### **-Sir John Hicks**

“.....Sudan’s history clearly shows that even with the attainment of peace, economic performance is unlikely to improve unless there is a fundamental reform of economic policy.”

### **World Bank**

### **INTRODUCTION:**

During September 2013, Sudan had experienced an unusual political unrest which shook the base of the Islamic government that ruled the Sudan through a military coup that took place since June 1989. The incidence which shook this government was the removal of fuel subsidies (Benzine and Gasoil) thus raising the fuel prices by 66%. This was carried out upon the advice of the IMF and accepted by those concerned, in order to cover part of the expected deficit of SD 25 billion and consequently help the Sudan to restore sanity to its finances so that it will be able to repay its external debt.

As a result an overall revolt took place which left behind more than 220 citizens shot dead by the police and security forces in a demonstration which reflected a high degree of discontent and accumulation of such discontent over the last quarter of a century rule.

In October an IMF mission came to Sudan with the aim of making sure that their proposed measure among which was the gradual removal of subsidies should be carried out.

In spite of the death of more than 220 Sudanese, the IMF mission came back with the aim of insuring that their September recommendations which were the cause behind the

uprising are clearly included in the 2014 budget. This deteriorating economic situation was a result of the fact that the South Sudan departed and became an independent state taking with it 75% of the oil revenues that used to be collected by the old Sudan between 1999 and 2005. In 2005 and as a result of the Comprehensive Peace Agreement (CPA) which ended the long civil war between the two parts a National Transitional Government (NTG) was formed. The oil revenues were to be shared equally between South and North with 2% given to the producing states .

In June 2011 when the South officially separated it took 75% since most of the producing fields were located in the South.

This situation created a real financial crisis for the North and was thought by some official as an unexpected financial shock !!! What worsened the situation is that it took a long time to agree with Southern government on the question of royalties and transit fees etc. The reason behind the delay is that the government of Sudan was trying to make it difficult for the South since it knew well that they are totally dependent on the oil revenues and also that they have no way to export their crude except through Sudan. It forgot also that by so doing it made things difficult also for the people in Northern Sudan. The Sudan government made it even difficult for itself since it needed such revenues to support its military activities in the unsettled state e.g. Blue Nile, Abeyi, South Kordofan and Darfur. Moreover, was the problem of the unsettled border between the two parts which is more than 1000km.

In addition to this situation there were other factors which complicated the space of the country.

1) The political aspect that USA had been boycotting the Sudan since 1997 when it was listed as a terrorist state. This decision was, therefore, extended every year since that date. No matter what Sudan tried to do to improve its relation with the US chief among which was the cooperation in the area of security, the US was adamant on renewing the boycott every year. This may be due to the fact that there is a strong lobby in the US Congress who are sympathetic with the people of Darfur.

2) The charging of the International Criminal Court (ICC) of the Sudanese President (August 2008) and some other top people on the issue of Darfur ( and the warrant of arrest in March 2009) had its effect in making it difficult for Sudan's President to freely and fully move at the diplomatic level, with exception of some countries who do not recognize the ICC and describe such an institution as mainly targeting African presidents.

3) Sudan's collaboration economically and militarily with Iran brought considerable suspicion to most of the Gulf countries ( with the exception of Qatar) of such a relationship. This had to a great extent slowed down flows of funds from such countries. Sudan's point of view is that it has the right to deal with any country in accordance with its own interest. Many believe that its relation with Iran is to help the government to stay

in power rather than the interest of the Sudanese masses who are mostly Sunnis and not Shi'ites.

4) Sudan's foreign debt which stands at US\$ 43 billion is 318% of exports in 2010 and 410% of total exports in 2012, while the standard norm is 100% of exports. This is a very high and unacceptable level of debt that will make it impossible for Sudan to attract more financial resources specially commercial loans since many international banks resort to the IMF for advice before lending any funds. Even a friendly country such as China is reluctant to provide more funds unless a strict and proper rescheduling is agreed upon with the Sudan government. This is so because the Sudan has lately not been repaying its debt to China. A country such as Saudi Arabia has recently restricted the transfer of savings of Sudanese working in the Kingdom from being transferred to Sudan, therefore, depriving the economy from a helpful source in addition to sheer reluctance on the part of Sudanese working abroad who gradually started to lose confidence in the exchange rate policy of the banking system toward their savings which sometimes they are unable to take it when they are in Khartoum in the currency with which they originally transferred their savings. Things were even made worse when most Saudi commercial banks suspended the transfer of Sudanese remittances.

5) The internal debt is in a similar and an uneasy situation. It is estimated at about US \$16 billion. An important part of such a debt is the Islamic Sukuk (Shihama and sisters) which represented about 50% of the total banks' deposits. The problem with the major Sukuk (Shihama) is that while the return is no more than 15-17% in the best of cases, the current inflation rate is 42% (October 13). The idea of Sukuk is a very sound Islamic instrument which attracted considerable real resources (from inside and outside Sudan) which should have been used productively since such monies were real resources and were supposed to reduce resort to deficit financing. It is becoming unattractive, but still investors take to it since such certificates could be used as a guarantee in bank dealings. The IMF is actually advising against the continuation of such borrowing claiming that it will increase the public debt. In fact the IMF's undeclared reason is that it is not sure that such borrowing shall be utilized productively together with what is usually borrowed from the banking system.

By the end of 2013 the Sudanese economic space was greatly affected by the break of serious unrest in Southern Sudan which unfortunately might develop into an ethnic war. The effect might be through ;a) if drilling of oil is stopped, the Sudan's budget of 2014 will be affected by that level of expected revenues of about US \$ 2 billion representing services for the flow of the oil from the South. The new Minister of Finance declared that they will an alternative for that.

b) To the extent that Southern crisis produces immediate people's movement from the South to Sudan specially the border cities, it will constitute an additional financial burden on Sudan. Already more than 50,000 Southern citizens entered Sennar State in Sudan. Some emigrated to Uganda.

c ) The drift of South citizens to Sudan will constitute a security hazard in a situation that is already and unnecessarily complicated by the continued policy of Sudan to use sheer military force to contain the unrest in South Kordofan, Blue Nile and Darfur thus creating more agonies for the people in those unsettled areas.

This is more or less the environment which necessitated the Sudan to seek IMF technical assistance and support (before the recent conflict that took place in the South).

The IMF mission that came in September (2013) had advised that the Sudan should undertake gradual measures to improve the financial situation the country. One such measure was the gradual removal of subsidies on the basis that such subsidies do not reach the intended citizens with the hope that further measures to be embodied in the final version of the 2014 budget.

The deficit which was to be partly covered by such measures amounted to SD25 billion. Once these measures were declared in September 2013, the peoples' reaction was negative, abrupt reflecting an accumulated discontent over the failure of properly managing the economy. The revolt started at the Wad Medani the seat of the Gezira State and slowly spread to other towns mainly the Capital Khartoum. Prior to the adoption of such measures there were utterances by the Governor of Khartoum, the Governor of the Central Bank, the Head of the National Assembly and the Minister of Finance, all trying to throw the idea that there will be waiving of subsidies on fuel which out of Sudanese experience drives the prices of almost every commodity in a crazy upward trend. Such utterances were a sort of a Sudanese fiscal invention In order to test the reaction of the public in advance. It is a reflection of sheer ignorance about the fundamental modus operandi of fiscal budgeting!! This is in contrast to the usual practice all the world over which is the sole responsibility of the Ministry of Finance and/or Treasury which should be carefully studied and declared in the National Assembly by the Minister of Finance. If such measures are accepted then it will be passed by the Parliament .If such measures are not accepted then the Minister will either revise such recommendations or present his resignation. No one resigns!! Such utterances referred to above prior to the budget declaration resulted in the traders hiding their commodities or even raising prices according to their whims even before such measures were declared officially. More so in the context of a very unjust and fixed salaries and wages structure of all salaries and wage earners.

In any case as result of raising fuel by 66% demonstrations exploded in the capital. The government responded by utter force leaving more than 220 Sudanese including children who were to go their schools dead and hundreds wounded and a good number whose fate was unknown. This was the first revolt in the capital that the government had to face since they took power in 1989 and constituted a tough challenge for the government in years.

## **IMF INVOLVEMENT;**

In October 2013 an IMF mission visited Sudan and certainly well aware that their advice of gradually waiving subsidies and acceptance by the government was the real reason behind the massacre of those innocent citizens whose only crime was to show discontent. Of course the IMF cannot take the blame since those responsible had accepted it. The final responsibility falls on the policy makers who accept such advice.

Although IMF mission was aware of the consequences, yet their October 2013 visit was meant to make sure that their September 2013 proposals were embodied in the final version of the 2014 budget. Before the budget of 2014 was to be discussed by the Council of Ministers, a reshuffle took place and new Minister of Finance (Deputy Governor of the Central Bank of Sudan) was appointed as a new Minister of Finance. The 2014 which was prepared by the outgoing Minister included certain measures such as taxes as well as more waiving of subsidies. One such rumor was the raising of one gallon of Benzine from SD 24 to SD 42. The new minister aware of what happened as a result of waiving subsidies in September declared after passing the 2014 budget that the budget does not include any new taxes or burden on the citizens. That was a great temporary relief. This should be looked at with a lot of care, because the government is in the habit of refuting the introduction of any taxes and very silently one wakes up one morning to find a tax imposed on any commodity or service without being part of the budget officially approved by the Parliament!!

What one is concerned about and not often discussed is the kind of advice often suggested to a country that resorts to it for financial or technical help so that the economy is set on a sound track and be able to repay its debts and resume its normal relations with financing institutions.

First the IMF advice is not obligatory on the Sudanese technicians as well as the politicians to firmly follow such an advice or reject such advice and try to solve their economic difficulties away from the IMF. This greatly depends on the intellectual capacities of the policy makers and politicians and the level of their deep understanding of the objectives and role of the IMF as has been practiced in many less developed member countries or the degree of their belief in such a philosophy that form the basis of the IMF.

The main objective of the IMF is to make sure through the measures often suggested to reduce the pressure on the available foreign exchange resources as well as trying to obtain more revenues internally by reducing government borrowing from the banking system, enhance production, increase exports so that there will be ultimately an improvement in the balance of trade so that the country is able to repay its debt to its creditors specially the IMF. In their advice as regards rationalizing expenditure in the budget they just advise the member country to reduce its expenditures in the budget. However, they remain silent as to what and where they should rationalize expenditure since this will be considered as a sovereign area in which the IMF should not intervene. In the case of the Sudan its budget can be fairly described for the last three or four years

as a war budget since the share of Defense and Security of the budget went up from about 78% in 2013 to 88% of the total budget in 2014. This state of affairs resulted in primarily five major defects;

a) Depriving the majority of the Sudanese from decent health and decent education and leaving many to the mercy of private hospitals and private schools and payment of very high fees in government and privately owned colleges and universities. Not to dream of a modest house. There is none of what used to be described as a middle class one is either high up or deep in the valley! Early in 2013, the writer was invited by the Sudanese Students' Union to discuss the issue of the budget. The ex Minister of Finance and National Economy (Ali Mahmoud Abdel Rasoul) was there and the writer tried to explain how the budget could be reduced and how such reduction could be allocated to other needy social sectors. The ex minister of finance addressed the writer by saying, quote, "how can I reduce the budget of large ministries when I am not able to reduce the ministers' cars from five to one.?!?"unquote. Imagine five cars for each minister in a country which is considered as one of the least developed nations!!

b) Through such a high level of resources dedicated to Defense and Security, there is hardly any resources left for development projects or even partially repaying some debts. Of late some members of the National Assembly even suggested that the development budget should itself be dedicated to Defense and Security!!

c) Added to this is the revenues collected by some government units and parastatals are never passed to the central treasury. Such monies are spent by those units according to their doubtful priorities and personal whims resulting in incidence of corruption in some of these units. This was very clear from the reports of Sudan's Audit Chamber.

d) A good number of such government ministries and units and parastatals escape being audited by the Audit Chamber leading to the possibility of imperfect use of such funds. Even when the Audit Chamber presents reports about certain cases of imperfect use of resources to the Parliament, no one is taken to task or accountable for such misbehavior. Obviously that is not possible since those who are in charge of most such units are members from the National Congress Party within the unfortunate policy of empowerment which (will be dealt with in a separate paper) gave credence to loyalty rather than qualifications and experience.

e) Moreover, the budget embraces an item of "Miscellaneous" which is very sizeable and for which no details are available. This is where unknown and unjustified disbursements are recorded.

Therefore, the size and impact of such expenditures over which the IMF has no say, is very significant and cannot be ignored. The IMF, therefore, is only able to discuss those areas where they are allowed. It is, therefore, a partial advice and not necessarily an objective and comprehensive economic advice. Such an advice can easily distort the proper macroeconomic frame necessary for directing the economy towards a logical direction.

That is why an agreement was signed between the IMF and the Sudanese authorities on the supervision of performance until end of 2014. This agreement made an interesting mention that the IMF will only keep watch on the performance of the economy until the end of 2014 ,without being obliged to provide any advice to the Sudanese policymakers on what they should do or should not do. By observing the relation between the Sudan and the IMF since 1966 when the Sudan applied its first Three Years Stabilization Programme, which was cut short in March 1969 (because of a break in the Letter of Intent) , this is the first time as one remembers that the IMF decided to remain a distant observer just keeping watch on the behavior of the policy makers and the economy. Why was this?

There are to our mind four reasons why the IMF chose for the first time in its relation with the Sudan since June 1957 when Sudan became a member of the IMF, to remain as a mere watch dog with no obligation whether technical or financial on its part.

The first motive why the IMF staff members chose to just observe the performance of the economy at a distance is their feeling that if the Sudanese authorities chose to take drastic economic and financial measures and if such measures led to incidents like that of September 2013 where more than 220 citizens lost their life, that the IMF will not be held responsible.

The second motive is that Sudan has a debt to the IMF which cannot be forsaken to the Sudan while the IMF needs such funds to be given to other needy members. So the IMF needed to stay in front of Sudan's gate and keep watch without giving advice!

The third motive in our modest opinion is that the IMF staff are quite convinced of the impossibility of Sudan to reduce its fiscal expenditures specially Defense and Security and other expenditures and that by remaining as observers they might discourage those responsible of spending more.

The fourth motive is that the IMF staff started to feel that the economic and financial conditions in Sudan has become so intractable and complicated. Since any honest advice will have to address the root causes of the problems which means drastic measures which might reproduce the sad and unfortunate happenings of September 2013, for which the IMF is not keen to be associated with if such measures are carried out by the Sudanese authorities. But can they?

Since the decision by the IMF in early 2014 to remain on as observer without any commitment in the form of financial assistance or otherwise, the economy as shown by the latest visit of the IMF mission (3-16/9/ 2014) for Article 14 Consultations that the economic conditions of the Sudan are still far from achieving the required development targets and improvement in the welfare of the Sudanese people. Before the current visit by the IMF mission there was another visit in June 2014. All of all these visits were not different in their recommendations to the Sudanese authorities to give attention to fundamentals .

The last mission (of 3-16/91014) which left the country before the Sudanese public made remembrance of the September 2013 sad incidents which left more than 220 innocent Sudanese dead as a result of demonstrations in many Sudanese cities against the raising of fuel subsidies and increase in taxes. Such measures were attributed to advice to the Sudanese authorities by the IMF.

After discussions with the various officials of various concerned ministries, the private sector as well as the diplomatic community, the IMF mission Chief made a press statement in which he repeated almost what has been advised to the Sudanese authorities in previous missions but with a more serious picture than was the case at the beginning of 2014 or mid 2014.

The Chief of the mission who is himself a Deputy Director of the Middle East and Central Asia stated the following;

1. That inflation had gone up to such high level (46%) not seen since middle of the 1990s. He attributed such high level of inflation to the departure of South Sudan ( which became an independent State in 2012 taking with it about 75% of the oil revenues because the oil fields happened to be in the South Sudan).
2. The Head of the mission demanded from the Sudanese authorities the necessity of working to close the gap between the official exchange rate (around SD.5 to a Dollar) and the parallel rate (around SD.9 to a Dollar). He confirmed that the country's economy is operating on the parallel exchange rate. He indicated that both the public and private sectors are not operating on the official rate. He added that there is necessity to institute flexibility in the exchange rate ( of course by devaluation which is not explicitly mentioned) so as to reduce the gap between the two rates. According to him the flexibility in the exchange rate will help reduce the gap and help every public institution, individuals or even the government in dealing in the parallel exchange rate.
3. The Head of the mission downplayed any effects resulting from such a flexible policy and confirming the advantage of such flexible policy. He added it is the market system that determines prices. He demanded from the Central bank authorities to follow this plan specially that the official rate had remained unchanged while the parallel rate continued to change upwards.
4. The Head of the mission explained that the objective of the mission consist of providing technical assistance and the required technical conditions as well as presenting a real picture of the economic conditions in Sudan with the aim of facilitating (for the Sudanese authorities) transacting with the country's creditors and be able to present the technical conditions.
5. The Head of the mission advised both Sudan and South sound not to hurry in dividing debts. He added that it will not be possible for the mission to cancel Sudan's foreign debts and that it is not in their ability to decide on any debt relief. Thus closing the door

on any hope of securing any form of debt relief as hoped unrealistically by the Sudanese policy-makers.

6. In another instance the Head of the Mission declared to the press that the Mission did not demand for raising taxes but merely requested the institution of tax reform!

From the statement made by the Head of IMF mission on its current evaluation under Article 14 consultation for 2014 one could see the following;

1.No substantial improvement had taken place during most of 2014 and inflation instead of declining had reached high levels only known in mid nineties. In fact it was mentioned that the measures taken i.e. removing of fuel subsidies and raising taxes in September 2013 had contributed to raising inflation.

2.Bridging the gap between the official rate and the parallel rate is not an easy task specially in the absence of any degree of available foreign exchange whether from exports or whether in the form of foreign flows official or FDI the latter declining to visible levels. A flexible exchange rate means devaluation that is why even Sudanese policy-makers avoid talking about it explicitly let alone the IMF mission. Devaluation and waiving of subsidies are two words nobody wanted to hear about in such a complicated economic and financial situation where a minority holds the wealth and the majority can hardly live with one meal a day! The IMF downplays the impact of adjustment in the exchange rate while they know pretty well that experience had shown them such impact through the happenings of September 2013 when more than 220 innocent Sudanese were killed by the sheer force of Sudanese security just because they refused in peaceful demonstrations such a policy that according to them were instigated by the IMF. That is why the late Professor Yousif Saig, a Palestinian economist once described the staff of the IMF as technical economists and not social economists. The meaning in clear.

3.Still there is no talk about rationalizing expenditures specially that more than 80% of the budget is allocated to Defense and Security thus depriving the Sudanese people from much needed social expenditures as stated above. In the presence of poor production, fixed incomes of most wage earners and the unusual differentials between various levels between the leading managers of the economy and those in the lower levels and the high level of inflation the purchasing power of the majority of the Sudanese had deteriorated significantly. Moreover, there is clear monopoly by those closer to the top of most consumption commodities. As mentioned above the IMF missions never addresses to this irrational level of expenditures by Defense and Security since it is constituting a real pressure on the whatever is obtained of resources local or foreign. Many a time priority is given to Defense and Security at the expense of importing critical medicines! In fact the National Security hold more powers than in theory that is why their demands for more funding cannot be rejected by the financial authorities.

4.The statement made by the Head of the mission regarding cancellation of debt is the only statement which made sense. The issue is beyond the ability of the IMF mission or

the IMF itself since it is a financial institution which can give technical advice to a member country on how it could make its case when negotiating with its major creditors. It is illogical on the part of the Sudan to contract loans from various sources miss use such resources and mismanage the economy and be unable to repay such loans and simply ask for debt relief! However ,it could be said that the longer periods of austerity programmes imposed on the Sudan's economy in agreement with the IMF was one of the factors that Sudan was unable to put the economy right and ,therefore, be able to repay debts. It may also be due to a hidden Sudanese conception among some policy-makers that governments cannot be taken to prison for not paying!! In fact the present government had a golden chance to put aside part of the oil revenues that accrued to Sudan ( estimated until May 2005 at US \$70 billion or more) to repay a number of critical debts. Instead most of the development projects specially in infrastructure were financed by official borrowing from various regional financial institution which shall stand as a debt on the present and coming generation of Sudanese. At the same time unofficial estimates of private Sudanese holding foreign accounts outside Sudan (specially in Malaysia) stand at more than US \$ 31 billion, beside investments in the stock market and real estate !!

5. During all these missions conducted by the IMF and the continued supervision of an IMF Resident Representative of the Sudan's economy not only during the year 2014 but over many years did not succeed in contributing towards a healthy economy in Sudan, what then is the use of this continued watch on the economy. If the missions cannot give objective advice as mentioned above nor provide financial assistance to help the country's balance of payments, and if the Sudanese policy-makers are not putting fundamentals right then which way will the economy go?

### **DOES THE IMF TREAT ITS MEMBERS EQUALLY?**

Ms. Lagarde ,the Chief of the IMF had warned more than two years ago the European countries such as Greece, Spain etc. not to resort to austerity programmes as a way to reform their economies. Therefore, the rich countries of Europe such as Germany (reluctantly) as well as the financial institutions in Europe were greatly encouraged to extend massive assistance to countries such as Greece in addition to what it was able to obtain from the IMF. Although there were some complaints that such funds had entered into the country only to repay Greece's debt. In other words it did not help improve the performance of the Greek economy in a desired way. That is why it seems that the people of Greece taking pride in their country started to think differently in such a way as to try to discover how much they can do by themselves without having to resort to the IMF in future.

While the handling of the affairs of the European countries that were in financial distress was considerate, the treatment of less developed countries needing IMF help such as Sudan continued to remain within the narrow concept of austerity programmes which Lagarde warned European countries against. Of course Sudan's position is different in the sense that its fundamentals are not in a good shape. The level of external debt due to miss management of the economy is high as mentioned above. Sudan is not in any form

of union where other members could help, nor are its relations with other rich Arab countries like Saudi Arabia, UA Emirates or Kuwait in good shape. The only good relation of Sudan is with Qatar which had provided Sudan with funds to support the financial reserves of the country. This is because Qatar is in support of political Islam in some other countries. Sudan had tried to improve its relations with the rich Arab countries, by trying to reduce its cultural ties with Iran by closing 16 Cultural centres established in Sudan, which is the cause of such rich Arab reluctance to assist the Sudan financially .In spite of such a step the rich Arab countries mentioned are still not satisfied with their relation with Sudan. For example Saudi Arabia's banks stopped transacting with the Sudanese banks which greatly limited Sudan's financial movement and more important the transfer of savings of Sudanese working in Saudi Arabia which is very significant and important for Sudan's balance of payments.

As concerns the relation with the IMF it could be said that nobody denies the right of the IMF to run after members who are unable to put their economies in a proper direction and fail to repay their due debts .However, the IMF when finding that conditions in such member's economies are so difficult and so intractable as the Sudanese case, that they should either provide the correct analysis of the situation and , therefore, the full advice (not partial).Moreover, the IMF remains silent on the way the budget should be allocated as mentioned above when they remain silent on Sudan spending more than 88% of the 2014 budget on Defense and Security thus depriving the people from much needed social services. The shortest and easy way is always to advise the policy-makers to remove subsidies and adjust the exchange rate which both impart havoc in the already distorted economy and people.

It is ,therefore, no surprise when one prominent economist such as Joseph E.Stiglitz (Noble Laureate in economics) saying,

” Austerity has failed .But its defenders are willing to claim victory on the basis of the weakest possible evidence; the economy is no longer collapsing, so austerity must be working! But if that is the bench, we could say that jumping off a cliff is the best way to get down from a mountain; after all, the descent has been stopped.”(Europe's Austerity Zombies-Project Syndicate-26.9.14).If this reference actually refers to the case of European countries such as Greece and Spain one can imagine what could be said when one is considering a less developed country such as Sudan which has been under the grip of the IMF and its missions for many years within the most disliked narrow frame of austerity programmes!! If the theory is wrong the theory should be changed because it is the human kind which is at stake!!

### **CONCLUDING REMARKS;**

This unofficial agreement between the Sudan and the IMF is unique and has to be taken seriously by the Sudanese authorities. It simply says that the IMF is in no position to give any objective advice (which include areas not allowed ) or provide financial assistance to solve such a deeply complicated situation nor are they keen to be part of the negative and disastrous consequences if the Sudanese policymakers were to undertake such drastic

measures by themselves. The IMF is not keen to appear to be associated as was the case in last September 2013 unfortunate uprising. The way out has to be through Sudan's own courageous and sincere efforts which means a restructuring of the present system of governance and the rule of the law, freedom and full justice. In other words the issue is no longer a pure economic issue. But could such drastic measures be realized within the present set up managing the economy?

It must be understood that the IMF will not relinquish its supervision of Sudan's economy nor its intervention from time to time on the behavior of Sudan's economy nor on the way the policymaking is undertaken by the Sudanese policymakers as long as its debt on Sudan is not partially or fully repaid. Such a debt will never be forsaken for Sudan according to the Articles of Agreement of the Fund. Even if the IMF debt is fully paid the IMF will still go on insisting that the debt to other IMF members should also be honoured. The IMF also subtly works on behalf of the strong members. Therefore, how could Sudan fulfil such a target without being able to put the economy and society in a sound direction? Will this continued watch on the policymaking and the policymakers and the economy be beneficial and fruitful to the performance of the economy or not?

As long as Sudan is under the umbrella of the IMF and as long as the policy fundamentals are not taken care by the Sudanese policymakers, the unhealthy state of the economy shall persist and the welfare of the ordinary Sudanese will continue to deteriorate precipitating discontent, apathy and impoverishment. The result shall obviously be social and political upheaval.

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