The Gold Boom in Sudan

Challenges and Opportunities for National Players

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1. Introduction

1 The independence of South Sudan, proclaimed in July 2011, marked a decisive turning point in the history of the Sudan. Not only did it compromise the shared future envisaged by the country's colonizers for regions that, despite having very different historical trajectories, had been closely related for several centuries; it also destabilized the immediate future of the Khartoum regime. Following this event, the central government lost control of nearly two-thirds of the oil fields being used in the country and therefore of the associated oil revenues.[1] Given the concomitant collapse of oil prices, the Khartoum Government suffered a considerable loss of income. In 2010, Sudan stated it had exported USD 9.69 billion in petroleum products compared to only USD 627 million in 2015.[2]

2 In the 2000s, while national oil production was reaching its maximum, oil revenues represented only a small part of the national GDP. But they played a key role in the Sudanese economy since they brought in the bulk of foreign currencies and accounted for more than half of the central government's revenue. Thanks to this valuable windfall, the regime stepped up development projects (roads, bridges, dams) for more than a decade and created many subsidies, asserting itself as a 'developmental state' in the eyes of the population (Jones et al., 2013). This lucrative revenue also allowed the regime to secure different sources of support. Its loss plunged the country into a terrible economic crisis that spared none of the players and posed a real challenge to the regime. Many foreign companies left the country, many national companies went bankrupt and others have struggled to survive. In a country facing soaring inflation, shortages of imported products, and an increase in transport costs, the daily lives of millions of Sudanese have become unsustainable, as the government has removed most subsidies for staples by imposing even more austerity plans to restore its balance of payments.[3] The Sudanese government is also envisaging a number of economic reforms

aimed at developing alternatives to this revenue, particularly by fostering the export of agricultural and mining products.

3 In the context of the Sudanese economy, this new focus on areas more open to national players is raising great expectations; many Sudanese investors hope to benefit from the new measures. This contribution focuses on the reform of the mining sector introduced by the Khartoum regime and the reactions it has aroused among Sudanese economic players. I will be analysing the modalities of the implementation of this reform and its consequences on the way this sector functions in practice, but also how economic actors, traders, and investors have reacted as well as the economic strategies they have developed. My investigation shows the consequences of these new economic policies in terms of power relations between State and society, but also relationships between the different regions of the country. It is part of a broader personal reflection on authoritarian practices seen through the prism of economic activities, as well as a collective research on mining resource conflicts in Sahelian countries.[4] This article is mainly based on fieldwork conducted in April 2014, June 2015, April and November 2016 in Khartoum and River Nile State.[5]

2. The myth of the developmental State

4 Even before they came to power in 1989, Islamists were particularly concerned about the control they could exert over the economy. In their view, the conquest of power and the creation of a new hegemonic alliance[6] were intrinsically related to a stranglehold on economic activity and to the creation of new revenues that they would be able to distribute in exchange for popular support, which they initially lacked. Once this support had been acquired, they worked on the implementation of their other priorities.

5 Before 1989, the Islamists developed their strategy in the interstices of the political and economic playing fields. Thus, they took over a central place in the financial sector from the 1970s onwards, playing the role of intermediaries in the circuits regulating the transfer of funds repatriated by Sudanese migrants from the Gulf. After their seizure of power, they undoubtedly gained strength. They directly took over the State and the economy, ousting elites of the old alliance. At the turn of the 2000s, the development of the oil industry actually increased the power held by the Islamists tenfold by putting an unexpected gain at their disposal that could be redistributed to their followers, allowing them to win new supporters and guarantee the financing of development projects planned for several regions. The oil economy made the emergence of a new Islamic bourgeoisie, fully committed to the regime, possible. It also served as the basis for a profound reorganization of power relations in a context where the regime had ceased to rely on its religious legitimacy, that of the Islamic revolution, laying claim instead to a modernising legitimacy, that of the developmental state. According to Jones, Soares de Oliveira and Verhoeven (2013), in the latter model, those who held power justified their place by the transformation of the economy that they implemented and the material benefits that resulted from it. For this purpose, they mainly relied on two economic strategies. The first consisted of creating revenues by limiting access to certain resources, operating a selective regulation of the economy, appointing relatives on a discretionary basis, etc. In short, they deployed a set of practices that can be described as classically clientelistic. The second strategy was seen

as more innovative as far as Africa was concerned. It consisted of a series of government initiatives – bold moves, in the view of the three authors mentioned above – to create new revenues that could be distributed to specific groups that the regime hoped to win over. The development of the oil and mining sectors is a particularly good example of this second strategy.

6 In the 2000s, the developing oil sector adopted a structure fairly typical of enclave economies (Patey, 2014), based on the exercise of direct control by national authorities, and in their midst by certain groups in positions of power. Although production was located in the peripheral regions of the country, this control was exercised solely from Khartoum. Thus, the sector worked quite independently of the national economic activities and especially of the subnational authorities (federal states, local authorities, etc.), national economic players and the vast majority of the national territory. However, the population benefited indirectly from the impact of this sector through government investments in infrastructure, various subsidies for basic commodities and petrol, and the economic growth that it stimulated. But these benefits were very unevenly distributed throughout the regions, preferred areas being Khartoum, the major cities in the country, and the home regions of certain groups favoured by the regime.

7 In practice, the sector was managed by the Department of Oil and Gas as well as by the Sudanese Mineral Resources Company, an agency responsible for the coordination and execution of decisions. With a specific political and administrative status that exempted it from the burdensome machinery of public law, the aim of this government agency was to work more efficiently. Similarly, the profile of the employees in this agency –engineers with degrees from the best universities in the world – reflected the very specific vision of development adopted by Islamists. These engineers were the most brilliant elite in the country and they alone were in a position to guarantee its development. In the eyes of the Islamists, only 'bureaucratic enclaves of excellence', in the words of Jones, Soares de Oliveira and Verhoeven, (2013, 6) can ensure a major overhaul of the modalities of economic production and therefore the development of the country.

8 The Islamist regime in power has encouraged, by quite specific means, the development of a mining sector with features similar to those in the oil sector: modern production, i.e. industrial or at least semi-industrial mining production.

9 Mining, and especially gold mining, is a historical activity in the Sudan (Ille, 2011). At the present time, it probably employs more than half a million people,[7] without ever actually occupying a central place in the country's economic system which is mainly focused on agriculture, and more recently, on oil. However, higher gold prices and the benefits of a fully controlled revenue led the Khartoum regime to consider from very early on developing the gold sector to replace the oil sector (if it were to disappear), a possibility envisaged in January 2004 when an agreement was signed to share resources with the rebels in the South.[8]

3. Saving the myth: the mining economy, a lifeline for Khartoum?

10 The main lines of the government's strategic plan for the period 2005-2011 testified to the fact that the regime in Khartoum had anticipated the consequences of a potential breakaway of the southern part of the country, which was home to most of the oil wells. This plan's main objective was the diversification of export activities through incentives for the export of livestock,[9] certain agricultural products (sugar, cereals), and minerals (mainly gold). It sought to promote development focused on the area between Dongola in the North, Sennar in the East and Kordofan in the South, an area known as the triangle of Hamdi (Gallab, 2016, 195-196), named after the grand architect of the regime's policies of liberalisation and privatisation in the 1990s.

11 In the mining sector, the plan clearly stated the government's desire to promote the industrialisation of the sector, although artisanal and semi-mechanised mining represented the bulk of the domestic mineral production (mainly of gold). To this end, as in the oil sector, the Khartoum Government created a government agency attached to the Department of Mines to supervise all stages of the production process of the mining companies authorised to work in Sudan, from the development of a business plan to the final production phase. The profile of candidates recruited by this new agency, like the speeches delivered by its director, testify once again to the persistent belief in the need to entrust the management of the country to those whom Jones, Soares de Oliveira and Verhoeven call enlightened mandarins, omniscient and able to deploy the 'sacred' knowledge of modern science to guide the backward masses (2013, 15).[10]

12 Grätz (2013) notes the inefficiency of the coercive measures taken by West African governments to control artisanal and informal gold mining. He shows that repression, confiscation, displacement, the destruction of informal mines, and even the control of access to mining sites, have not had the expected results. While these measures have greatly influenced the social organization of informal gold mining, they are far from having made it disappear. Grätz says that these measures have instead allowed the emergence of transitional and unstable organizational models based on the use of smaller and more mobile camps, an immediate share of profits between members of the camp, and on more precarious extraction methods.

13 More nuanced in its approach, the Sudanese regime planned to introduce drastic control of artisanal production, even though it had initially chosen to ban it and promote the industrial sector in its stead. The handling of the sector mainly occurred through the establishment of a monopolistic system in the artisanal gold trade, a system controlled by two main players: the Central Bank of Sudan and its own refinery. It also resulted in the deployment of new strategies of taxation imposed on producers in the mining areas.[11]

14 The new legislation on mining activities introduced at the end of the 2000s prohibited most of the activities of artisanal miners. Nevertheless, the regime's awareness of their role in gold production soon led to toleration. From then on, only illegal trade was subjected to strict bans imposed by the Sudanese government. Artisanal production was now tolerated insofar as it represented the main part of the country's production

(between 85 and 90 percent, according to estimates by the government department) and employed many people.[12]

15 On the ground, this new tolerance came with government encouragement for the mechanization of artisanal activities, reflected by a sharp increase in the number of licences granted in this sector.[13] It should also be noted that the activities of these miners are highly valued by mining companies seeking areas to exploit as they guide investigations across the vast Sudanese territory that is still largely unexplored.[14]

16 As of now, the regime wishes to eradicate artisanal mining in the long term, but is acting in line with its immediate interest by tolerating it. It does so in order to achieve sufficient production quotas to ensure its balance of payments and the availability of jobs for a population prone to challenge its domination if it is unable to control the disastrous economic situation. The central government is thus promoting two opposing points of view, simultaneously encouraging both the industrial and the artisanal sector. Nevertheless, the artisanal sector is tolerated only because of the deliberate vagueness of wording in the laws; nothing has been done to guarantee the rights of artisanal producers.[15] Workers in this sector, dependent on the arbitrariness of power, thus have to live in an increasingly precarious context.

17 The regime's mining strategy seems to be bearing fruit since the current amount of exports from the mining sector is as high as that of oil. 2014 official statistics show that the country exported USD 1.27 billion worth of gold as against USD 1.25 billion of oil, USD 792.9 million of livestock and USD 466.3 million of sesame (Sudan, 2014). IMF figures show that gold accounted for only 13 percent of Sudanese exports in 2011, compared with 42 percent in 2012 and 36 percent in 2013, while exports of oil products had again increased thanks to the transit of oil from South Sudan (IMF, 2014).[16] In early 2013, the government announced the discovery of new gold reserves estimated at 260 tonnes, near the town of Abu Hamed in Nile State. The veracity of such announcements is, however, difficult to confirm as they are part of a political strategy of legitimisation. However, the objective stated by the Minister of Mines, Ahmed Mohamed Sadiq al-Karuri, is that by 2018, Sudan should become the second largest gold producer in Africa after South Africa.[17] Today, the Sudanese government considers that it shares third place with Mali, after Ghana and South Africa, having announced a production of 34 tonnes for 2013, and 80 tonnes for 2015.[18]

18 The mining boom experienced by Sudan and the restructuring implemented under the leadership of the Khartoum regime are part of a major overhaul of the relations between the State and society, but also between the different regions, due to the localization of mining areas and controlling bodies, the origins of the actors involved, etc. This article does not claim to mention all the players concerned but to outline some of the features of the main winners in the new system and the strategies used by national players to adapt to these new opportunities and new constraints.

4. Mining companies and the central government at the heart of the new mining economy

19 In January 2007, the National Assembly passed the *Mineral Resources and Mining Development Act* (MRMDA), which replaced the *Mining and Quarries Act* of 1972.This new legislation has formed the basis of government projects and established a new legal

foundation for relations between the State, land, subsurface resources, land users, and investors in the sector. This new legislation is particularly favourable to industrial production because of the size, duration and type of contract offered to mining companies. The MRMDA, supplemented between 2010 and 2015 by different regulations and a new law in 2015,[19] distinguished between artisanal activities and industrial activities. By defining what comprise artisanal activities under the law, it effectively excluded a number of activities usually performed by artisanal miners, thereby benefiting industrial mineral extraction companies (Calkins and Ille, 2014).[20]

20 From the point of view of government actors, this legislation also favours the national government, the only entity authorized to grant mining concessions. In addition, the government has the power to create incentives aimed at attracting foreign capital (by the size of the concessions, the length of the contracts, various exemptions from, e.g., annual rental costs, etc.). Even before the South achieved independence, the Sudanese government had already given companies permission to explore various territories and awarded prospecting and mining licenses to many national and international companies.

21 This investor-friendly discourse was certainly welcomed by both national and international economic actors, including those in the Arab world with which Sudan has had a long-standing relationship. Recently, a report of the Arab Industrial Development and Mining Organization (AIDMO) confirmed the interest taken by the Arab mining sector in Sudan by indicating that the latter had large reserves of gold, chromium, and manganese.[21] Today, more than 130 companies, including 15 foreign companies, hold these licenses.[22] In addition, nearly 350 companies in the semi-mechanised and semi-industrial sector were also granted licences.[23]

22 Calkins and Ille (2014) describe the national government as a gateway to the gold resources in Sudan. It plays the role of mediator between global capital and the different regions. These authors show that the law, which gives full powers to the national government, allows it to ignore the concerns of people who live in and use the territories given in concession. Mining agreements do not take into account the fact that that land allocated to national or foreign investors is not uninhabited – it is often used by locals for seasonal pastures and rain-fed agriculture. At the level of the mining areas, it is not uncommon that conflicts erupt between the companies and artisanal miners working on the territories that they have been given in concession.[24]

23 But while this new legislation considerably weakens local authorities by denying them any role in the execution of contracts, in practice these authorities retain a role in the process. Indeed, they grant land access to thousands of gold-seekers who, locally, ignore governmental agreements by extracting the precious minerals in areas reserved for state-promoted mining projects. They also play a mediating role between national investors launching their activities in a new concession and the local populations, especially in the case of conflict. In practice, national investors most often try to win the support of local authorities before seeking a licence from the central government. Foreign companies do the same, often through a local partner committed to this goal.[25]

24 Finally, local authorities also play a role in the taxation of the artisanal production that takes place locally when refining the material extracted by miners from the ground and the machines used by the latter. However, their role in this regard has tended to decrease since 2015 when the government decided to mandate the Sudanese Mineral

Resources Company to carry out these tax operations, a point which has roused intense protest in certain mining communities.[26]

25 While artisanal producers are now prohibited from exporting their gold, industrial or semi-mechanised companies can still do so. But, in addition to the export licence they need to obtain from the Department of Trade, companies are also required to use the refinery of the Central Bank and then seek specific authorisation from the same institution, specifying the amount of gold exported. The company must then repatriate the foreign currency obtained through the sale of gold – foreign currency that will then be registered at the Central Bank in Sudan. Companies wishing to withdraw their currency must justify their use (business development, purchase of imported products, etc.) or convert it into local currency. Agents of the Central Bank are responsible for monitoring companies in the United Arab Emirates, which deal with the bulk of transactions, and thereby ensure that the proceeds from the sales are not partly diverted to offshore accounts.[27]

26 The Central Bank is particularly well-informed on the circuits of gold because of the obligation of companies to refine all gold exported from Sudan in country beforehand. The government agency, modelled on the oil sector agency, also has the barely-disguised aim of encouraging mining production through the modernisation of techniques and the streamlining of procedures, but also gives the regime the right to scrutinise the actions of companies.[28]

27 Therefore, many measures have been taken to encourage the growth of industrial mining production as a whole. However, the progress made to date is largely attributable to the improvement in the quality of the gold produced by the artisanal sector, which benefited from the opening of a refinery in Khartoum in September 2012, as well as the creation of the monopolistic system controlled by the Central Bank of Sudan, allowing the export of gold from artisanal mines.

5. Controlling the artisanal sector on borrowed time

28 If mining reform is designed eventually to eliminate them, artisanal activities remain, for now, essential for the regime that intends to control its profits. To this end, Khartoum has adopted a strategy based on increasing artisanal production through the mechanisation of activities, improving the quality of gold produced through the use of a refinery, but also, and above all, based on the control of its marketing. This new organisation aims to make the Central Bank the ultimate purchaser of the gold produced by the artisanal sector in Sudan, its unique vendor on the international market, and the sole beneficiary of foreign currencies which it sorely needs.

29 The colossal decline of oil exports since the separation of South Sudan and the fall in oil prices brought the country to the brink of bankruptcy. It suffered from a drastic lack of hard currency in the coffers of the Central Bank, now unable to supply commercial banks in foreign currency or to fulfill its role in regulating and stabilizing the monetary system. The successive revaluations of the official exchange rate and the imposition of strict conditions relating to the transfer of hard currency abroad have failed to dry up the parallel market that continues to flourish.[29]

30 This article is not intended to assess the correctness of the government's policy decisions, but to emphasize the critical nature of the lack of foreign currency, and

therefore the importance of the gold trade, and especially the exportation of gold at a time when international prices are still particularly high. The reorganization of the mining sector implemented by the Sudanese government aims to replenish the empty coffers of the Central Bank. This is probably its main short-term objective.

31 Thus, starting in 2012, the Sudanese government created from scratch a monopoly for the export of artisanal gold for its own benefit, even though the country boasts that it is pursuing liberal economic policies. Since then, only the Central Bank of Sudan is permitted to export gold produced by the traditional sector.[30]

32 Every morning, the Central Bank sets the price at which it will buy gold in the course of the day and, from this given amount, all the intermediaries between producers and the Bank try to negotiate profit margins. Yet, the system originally designed by the government limited the number of intermediaries able to sell the Bank gold from the artisanal sector. Only a few were eligible to become the Bank's final intermediaries – in 2015, there were only five of them. This number was not officially fixed, and each trader in a position to make a deposit of 85 kilos of gold at the Central Bank (through its refinery) was deemed able to obtain accreditation. But in reality, this was apparently very difficult to obtain. Originally, the quantity required to obtain accreditation was even higher (300 kilos), but it was reduced under the pressure of certain stakeholders in the sector, allowing the entry of two new intermediaries at the highest level of the commercial chain. In early 2016, the minimum deposit of 85 kilos was also suppressed after intense lobbying from gold traders – part of the federation of unions of gold traders – at the branch in charge of export activities within the Chamber of Commerce of Sudan. Traders were very satisfied with the success of their action but remained highly critical of the government and its monopolistic policy, one that they deemed to be both inappropriate and unrealistic. In their view, the cumbersome procedures of this public institution and the lack of competition deprived the Central Bank of much of its competitiveness in the face of private players on the international market, and required it to sell its gold at a price lower than what it could fetch on the international market. In 2013, for example, the IMF estimated that, on average over the year, gold from the Central Bank of Sudan had been sold at a price $0.21 per ounce lower to that of the international market, although the Bank purchased the production of artisanal miners at the price of the international market (IMF, 2014).

33 In addition, while the production areas are located far from the capital, in the various regions of Sudan, the reorganization implemented at the behest of the Sudanese regime has concentrated the keys of the sector in the capital. This is independent of whether or not it involves the commercial monopoly of the Central Bank, intermediaries based mainly in the gold market in Khartoum,[31] the role of the central government and its Department of Mines in the assignment of permissions and the management of procedures, or the part played by the refinery, also located in Khartoum.

34 However, the fact that there is a spatial gap between the place of production and that of the procedures and the final marketing of gold gives different players a certain leeway, including local communities and players in production areas (Calkins and Ille, 2013; Tubiana, 2014; Ille, 2016), intermediate traders and those who wish to establish parallel circuits. In 2014, government officials estimated that two-thirds of artisanal production existed outside the official circuit.[32] To limit gold smuggling, the Minister of Mines, in agreement with the Central Bank, announced in 2014 the opening of points of purchase in all gold-producing states in addition to those in Khartoum. Alongside the

fierce struggle waged by the central government against the black market in gold,[33] incentives have been developed to provide producers with particularly attractive prices (higher than those of the international market).[34] In August 2015, a presidential directive announced the government's intention to buy up all of the gold produced by artisanal producers.[35] In fact, the Central Bank did churn out the money to buy gold from local producers at the high black market price before selling it on the international market, using the much lower official exchange rate. IMF experts condemned this decision as unviable in the long term. In their view, massive liquidity injections carried out in this framework over three years fuelled an already rampant inflation (IMF, 2014).

35 The ban on exporting outside the monopoly and the Bank's policy of buying at a high price led to profound changes in gold trading channels. Traders who exported gold before 2012 and who were ordered to stop their activities to focus on the national market alone suffered huge losses, especially as they had benefited from very significant margins after the price of gold soared in 2007. Some, nevertheless, adapted to the new economic situation.

6. The adaptation of Sudanese economic players

36 The main traders who stand today at the top of the pyramid of the marketing system for artisanal gold are, for the most part, historical players in the sector. The five traders who have been authorised to re-sell gold to the Central Bank include, for example, the prominent Sheikh of the Tbydi family, whose members have worked for several generations in the gold trade.[36] Some are closely linked to members of the regime and others are at least part of the bourgeoisie that prospered under Islamic rule, members of the old bourgeoisie who were integrated into the new hegemonic alliance, or players that have emerged within this context (Chevrillon-Guibert, 2017). Three of these commercial companies authorized to sell gold to the Central Bank are particularly known for their links with the State apparatus. For example, one of them was denounced by its competitors because it was reserved for a senior official of the Central Bank.

37 In industrial, semi-industrial, and artisanal, mechanised sectors, government incentives combined with the economic crisis facing the country and the rise in the price of gold internationally have found a very favourable echo among many national and international investors.[37]

38 Among the main domestic investors, the much-prized sector devoted to recycling tailings from the artisanal sector is seen as highly desirable, but seems to be reserved for direct allies of the regime.

39 The particular situation of Sudan – including the American embargo, but also the important links between Sudan and other countries in the Muslim world (including Saudi Arabia and Turkey) and powers such as China (Large and Patey, 2011) – specifically affects the spectrum of international companies that are now investing in the Sudanese mining sector. Since BNP Paribas bank was fined because of its dealings with Iran and Sudan, Western companies have been more reluctant to invest in Sudan, especially since the regime's tendency to change its attitude depending on national or international economic trends is likely to scare off potential candidates.[38] In 2014, for example, Lufthansa, the German airline which had served the country for more than 50

years, decided to cease operations in Sudan because of the difficulties of working in the country. In the mining sector, the historic international company Ariab, originally Franco-Sudanese then Sudanese-Canadian, was finally bought by a wealthy Egyptian businessman close to the Muslim Brotherhood. For lack of a satisfactory agreement on profits and power sharing within the company, he sold all of his shares to the Sudanese government.[39] The failure of this partnership was no doubt partly caused by the witch-hunt launched in Egypt against the Muslim Brotherhood and their allies after they had been ousted.

40 The conflicts that have ravaged some Sudanese mining areas are also of concern to international companies who fear instability and its associated risks, but also the potential measures the international community could take against the minerals mined in these areas.[40]

41 Today, fifteen or so international companies and a little more than a hundred domestic companies have obtained industrial production licenses. However, the size of the projects varies greatly and, for now, the majority of companies are still in the exploratory phase. It seems that only some of those working industrially on the waste products from artisanal miners are currently producing gold.[41]

42 At the same time, many domestic companies have invested in mechanised and semi-mechanised activities requiring a much smaller down payment. The Department of Mines announced that nearly 300 small businesses had obtained licences for these smaller scale activities.[42] However, it is difficult to know how many of them are in operation.[43]

43 In the course of my research, I specifically looked at these small investors in order to understand their nature, their practices and the ways in which they seized the opportunities created by the gold boom and responded to constraints, etc. This work is in its early stages, but I think certain points are already clear.

44 First of all, it seems that conventional patronage mechanisms are fully operational in the new system. Businessmen or those close to the regime obtain the best contracts, i.e. those that allow them to benefit from the most advantageous sharing of profits with the Department of Mines or the best-located concessions. In general, they also obtain licenses to process the tailings from the artisanal sector, a particularly profitable activity insofar as it allows gold to be extracted at a low cost as long as one has the funds to buy the plant necessary to recycle the tailings (about USD 2 million).

45 Many conflicts have erupted in areas known for their gold mining potential, a situation conducive to competition among investors for obtaining operating rights. The case of Jebel Amir in Darfur is quite typical in this respect. This region was the scene of violent conflict between players very close to the regime and others who had been close earlier but who had subsequently joined the opposition (Tubiana, 2014; Bartlett, 2016). Similarly, in Kordofan, a less publicised conflict broke out between the historic company Ariab, for which the government was seeking a buyer, and a group of young investors in the region. The latter also legally obtained a licence to prospect on a space claimed by Ariab. To get a hearing and avoid being purely and simply ousted, these entrepreneurs drew on their links with local elites (mayors of villages and traditional authorities) who went to Khartoum to organize a sit-in in the waiting room of the Department of Mines. They persevered for several days, until their grievances were heard and acknowledged.[44]

46 The less politicised elite that rose to power in Sudan's economic landscape in the 2000s also found its place in the new organisation. However, it is dependent on clientelistic trends similar to those operating in circles close to the regime (de Waal, 2007; 2009). It should be noted that, well before taking power, the Islamic movement included extremely diverse elites engaged in fierce competition at the heart of the State. This competition manifested in various alliances within ruling circles, but also with various economic and political elites in the peripheries. The split in the movement at the turn of the 2000s[45] accentuated the phenomenon.

47 Other smaller players were also able to penetrate this sector – educated young people who saw the mining boom as an opportunity to use their academic knowledge in a context where the labour market was suffering greatly as a result of the crisis. Many of them had just graduated and had no experience in the mining sector. They usually invested as a group in a semi-mechanised activity because each of them had only small sums to invest (a few thousand USD). Once they had obtained their exploration licences, some approached foreign companies to join them. Through these partnerships, foreign companies comprised the main source of funding while the Sudanese partner kept track of the project day-to- day.

48 It is interesting to note that contractors from regions other than that of Khartoum generally sought to obtain licenses for concessions located in their home regions. They were also interested in other regions to the north and east of Khartoum, areas known for their ore reserves and their development, and therefore more conducive to mining. The regime favoured these regions by building big dams and tarmacking more than 1,000 kilometres of road between 2001 and 2009.[46] Darfur did not receive the same treatment, as the planned road from Khartoum to El Fasher and El Geneina that begun more than 20 years ago, is still not finished. This road, called the 'road of Inghaz' ('of Salvation') – after the name the regime initially gave itself – was one of the flagship projects of the Islamists. It was never completed. In the eyes of national entrepreneurs, the North and the East of the country also have the huge advantage of offering a peaceful environment better suited to extractive activities. In addition, gold produced in these regions is less likely to be considered as coming from a war zone and thus excluded from many international transactions, a risk that investors seek to avoid.[47] It should be also noted that regions in the North of the country attract investors because of the weak grip of traditional authorities that have been suppressed for decades.

7. Conclusion: bolstering an uneven development?

49 In general, the different regions of Sudan have benefited very unevenly from the regime's development policies. The underdevelopment of the peripheral regions – Darfur today and the regions of South Kordofan, and previously South Sudan – lies, however, at the heart of the demands of most of the regime's opponents. The centre/ periphery problem that is expressed through these different conflicts is part of a broader framework than just the discrimination affecting people from these regions in the political and administrative apparatuses. The huge disparities in economic development that the mining policies implemented by the government do not seem to be trying to solve also need to be taken into account. On the contrary, the mining development fostered by the regime creates an 'authoritarian space', which again excludes the outlying regions and their players. This development is ostensibly

completely controlled by the central government and based on certain economic agents whose support the regime wishes to obtain. But we have shown that this project is far from reaching its goals since gold production is still largely artisanal, it occurs in areas far from the capital, and requires local compromises in a context where the central government is forced to change its policies under pressure from various oppositional movements. My analysis has also found that the Sudanese regime does not operate unilaterally. Instead, it simultaneously builds on various mixed strategies based on institutions, networks and legal means but also on illegal approaches such as a marked patrimonialism or a strong bureaucratic power, all factors that make it difficult to grasp the relations of domination prevailing in this economic system.

50 Finally, it is important to consider what role the mining economy might play in a certain territorial rebalancing. Most gold mines are located in outlying Sudanese areas, and some are in those currently torn by conflict (Darfur, South Kordofan). Their situation inherently limits the unequal dynamics of development policies including those relating to oil (but also, historically, to agriculture for export) that lie behind a very asymmetrical development of the territory (Niblock, 1987; Chevrillon-Guibert, 2013). In the mining sector, the activities undertaken, as well as the conflicts that mining generates at a local level, favour the redeployment of regional territorial strategies on the part of investors and thus reduce the total control that the central government seeks to establish. This logic is especially evident in the semi-mechanized activities that attract Sudanese investors. The process of mining assumes that investors are deployed in the regions, that they can forge connections and reach compromises with local players, and that they can establish a system of communication between their operating centres and the capital, the seat of administrative and financial procedures and the place of residence of most of them. This operation differs profoundly from that of the major industrial mines (very rare in Sudan, with the exception of the Ariab company); the consequences of the economic system of such mines are similar to those in the oil economy: two enclave economies that exclude the regions and most of the national actors. Thus, the new policies perpetuate the asymmetries between the players who are close to the regime and those who are not, but also between the central authorities and local authorities. They simultaneously created the need for a redefinition of relations between regional territories without calling into question the authoritarian and deeply inegalitarian structures established by the government, which is the instrument of its own protection.

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NOTES

1. In 2013, Sudan stated that it had exported 40,433,971 barrels of crude compared to 132,101,228 at the time when production had reached its maximum (in 2009); in 2015, the country exported only 12,115,647 barrels of crude oil. The official figures are available on the website of the Central Bank of Sudan in the *Foreign Trade Statistical Digest* section: http://www.cbos.gov.sd/en/node/478 (accessed on 6 June 2016).

2. Idem.

3. In 2011, the Sudanese authorities developed an emergency plan to deal with this situation. It was modified in June 2012 and in September 2013. For a summary of this plan, see IMF, 2012.

4. For an overview of this collective project, see http://socextra.hypotheses.org/ (accessed on 15 November 2016).

5. It also includes information from interviews conducted during my doctoral research between 2005 and 2011.

6. In the sense given this phrase by Antonio Gramsci (2011), according to which capitalism enters a 'hegemonic phase' when the bourgeoisie dominates not only because of its capacities for coercion but also because it has assumed political leadership. The hegemonic character of the alliance lies in a 'pure collaboration', i.e. an 'active and voluntary consent' on the part of those who are dominated by it.

7. This in any case is the figure announced by the minister in charge of the sector. However, it is extremely difficult to get an exact idea of the figure, as most of this activity is not regulated or adequately reported in the national accounts.

8. The Agreement on Wealth Sharing, signed in January 2004, was part of the accords reached in the Comprehensive Peace Agreement (CPA) marking the end of the war with the rebels in the South. The CPA was finalized in 2005.

9. This aspect is being investigated in research conducted jointly with Alice Franck (Paris 1-PRODIG), the results of which have not yet been published.

10. Interviews and observation at the Agency, Khartoum, June 2015.

11. Observations and interviews in the state mining areas of the Nile Valley State, November 2016.

12. It should be kept in mind that, in many Sahelian countries, the gold 'boom' was mainly fuelled by the development of artisanal production in the regions where lodes of gold had been discovered, a development that attracted tens of thousands, even millions, of miners. The influx of miners, like the mines themselves or the new sources of income created in very poor economic contexts, have led to social, economic and environmental upheavals (Wadi and Alredaisy, 2015). The potential profits are raising hopes (Schwartzstein and Cecco, 2015) and intense desires, and are therefore triggering a great deal of conflict over the use to be made of these resources and the distribution of the products from the mines (Bartlett, 2016).

13. Presentation of an official from the Department of Mines: Suliman Ibrahim, Mohamed (2015). *Artisanal Mining in Sudan – Opportunities, Challenges and Impacts.* Presentation at the 17th Africa OilGasMine conference, Khartoum, 23-26 November: http://unctad.org/meetings/en/Presentation/17OILGASMINE%20Mohamed%20Sulaiman%20Ibrahim%20S4.pdf (accessed on 17 November 2016).

14. Interview with an executive from the Ariab Mining Company, June 2015; interviews and observations, November 2016.

15. Interview with the president of the union of workers in the artisanal mining sector of the locality of Abu Hamed, who is also the local MP (Khartoum, November 2016).

16. The volume and value of exports in USD are available on the website of the Central Bank (Sudan, 2014).

17. *Sudan Tribune*, 7/07/2014.

18. *Sudan Tribune*, 10/09/2015. Figures released by the Central Bank are lower, with an estimated 30.4 tonnes of gold for 2015, 13 tonnes of iron and copper and 48.4 tons of chromium: http://www.cbos.gov.sd/sites/default/files/digest_q4_2015.pdf (accessed on 6 June 2016).

19. Several regulations including some on artisanal activities have been issued and sometimes amended (the *Artisanal Mining Regulation* in 2010 and the *Regulations for Organizing the Exploitation of Mineral Resources* of 2012); several proposals are under consideration. A new law was also passed in 2015: the *Mineral Wealth and Mining Resources Development Act 2015.*

20. Interviews, various state mining localities in the Nile Valley and Khartoum, November 2016.

21. *Sudan Tribune*, 7/10/2014. The report puts Sudanese reserves at 700,000 tonnes of chromium, 100,000 tonnes of manganese, 53 million tonnes of asbestos, 25 million tonnes of talc, 150 million tonnes of gypsum, 1.5 million tonnes of kaolin and more than 15 million tonnes of magnesite.

22. Interviews, Khartoum, June 2015; *Sudan Tribune*, 9/07/2015; see also the article by Zachary J. Rose, 'Sudan's Gold Rush' in the *Geopolitical Monitor* of 29/04/2013.

23. Official presentation by an agent from the Department of Mines during a day to promote the sector to operators in Khartoum in September 2015: http://www.mineafrica.com/documents/C5%20Sudan.pdf (accessed on 22 February 2016).

24. Observations and interviews in state mining areas of the Nile Valley, November 2016.

25. Interviews with Sudanese investors, Khartoum, June 2015.

26. Observations and interviews in the mining areas of the Nile Valley State, November 2016.

27. Interviews with Sudanese investors, Khartoum, June 2015 and in April 2014 and interviews at the Central Bank, Khartoum, June 2015.

28. Interviews at the agency, Khartoum, June 2015.

29. The North still hopes to benefit by the imposition of transit charges on oil flowing through its pipeline to Port Sudan, as well as on refinery services. However, the current difficulties in South Sudan and the stormy relationship between the two former enemies make this an unstable source of foreign exchange.

30. This information comes from my interviews conducted in Khartoum in April 2014, June 2015, and April and November 2016.
31. In April 2016, the effects of the abolition of the monopoly of the five main traders were not yet being felt, but it is highly unlikely that a main trader located outside the capital could take precedence over the gold market in Khartoum, as the system remains highly centralised. Above all, the government prohibited the establishment of laboratories to assess the quality of gold outside the Khartoum gold market, which makes it difficult for large transactions to be made outside the capital as they would be based only on human assessment.
32. *Sudan Tribune*, 10/06/2014.
33. Those who are active in the black market are regularly arrested and imprisoned. Some are placed under house arrest by the national security forces, acting outside of any legal procedure, and their families have been subjected to intimidation. Interviews in Khartoum, June 2015 and April 2016.
34. *Sudan Tribune*, 27/05/2014.
35. *Sudan News Agency*, 3/08/2015.
36. Interviews, Khartoum 2009, June 2015 and April 2016.
37. Only the industrial sector of the main mines is open to foreign businesses.
38. Interviews with international mining companies, Khartoum, April and November 2016.
39. Interviews, Khartoum, June 2015.
40. Currently, the American NGO *Enough!* is campaigning for gold produced in Darfur to be seen as coming from a zone of conflict, which would banish it from the international market (Kumar, 2015). See also plans for American sanctions against the Sudanese gold trade (Khalid Abdelaziz and Ahmed Aboulenein, 2016), 'Sudan summons U.S. envoy over Darfur sanctions draft resolution', *Reuters*, 10 February 2016. For a stimulating discussion on this issue, see Enrico Ille's article (2015).
41. Interviews, Khartoum, April and November 2016.
42. Presentation by an official for the Department of Mines to investors in the mining sector, Khartoum September 2015: http://www.mineafrica.com/documents/C5%20Sudan.pdf.
43. As often in Sudan when it comes to income-generating activities that the government wants to tax and control, distrust of prospectors outweighs other factors. Interview with the production manager of the mining companies at the public agency in charge of the sector, Khartoum, April 2016.
44. Interviews, Khartoum, June 2015.
45. The Islamic movement, the real backbone of the regime when it came to power in 1989, suffered from deep internal divisions that led to the movement splitting into two groups at the end of the 1990s. The first supported Omar al-Bashir and comprised the core of the ruling party, the National Congress Party (NCP). The second went into opposition under Hassan al-Turabi, the intellectual leader of the movement for nearly forty years. He headed a new opposition party called the Popular Congress Party (PCP). This split led supporters of Omar al-Bashir to win new supporters in the business world because several Islamist businessmen were close to Hassan al-Turabi. The oil economy exerted significant leverage in the way clientelism came to dominate the business world.
46. The transportation system is a glaring example of the gross inequalities that characterise the Sudanese regimes' development policy. In the 2000s, more than 2,800 kilometers of roads were tarmacked in areas regarded as 'useful' (Northern Sudan, East and Centre) while only a few hundred were tarmacked in, for example, Darfur (Abdalla Bashir Hassan, 2015).
47. See my remarks about the attempts of some American players to make it seem as if Sudanese gold was coming from a conflict zone because of the Darfurian production.

ABSTRACTS

The loss of oil revenues from South Sudan, which became independent in 2011, together with the global decline in oil prices, plunged Sudan into a dramatic economic crisis. In the 2000s, the concomitant increase in the prices of minerals, particularly of gold, led to a renewed interest in mining on the part of the Khartoum regime. This article details the strategies deployed by the Sudanese government to turn mining activities into a lifeline, in particular by encouraging the development of industrial production and reorganizing the gold trade sector. To highlight the implications of these new economic policies on power relations between State and society, as well as relationships between the different regions of the country, my study also analyses how different economic players have responded to the new opportunities and constraints created. It is based on fieldwork conducted in Khartoum and Nile Valley State in April 2014, June 2015, April and November 2016.

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