

# Political Islam and Crony Capitalism in Sudan: A Case Study of “Munazzamat Al-Dawa Al-Islamiyya”

Mohammed Elhaj Mustafa Ali and Ebaidalla M. Ebaidalla

**POLITICAL ISLAM AND CRONY CAPITALISM IN SUDAN:  
A CASE STUDY  
OF “MUNAZZAMAT AL-DAWA AL-ISLAMIYYA”**

Mohammed Elhaj Mustafa Ali<sup>1</sup> and Ebaidalla M. Ebaidalla<sup>2</sup>

**Working Paper No. 1633**

**April 2023**

**Send correspondence to:**

Mohammed Elhaj Mustafa Ali  
University of Khartoum  
[mohdaj1976@gmail.com](mailto:mohdaj1976@gmail.com)

---

<sup>1</sup> Assistant Professor, Development Studies and Research Institute (DRSI), University of Khartoum.

<sup>2</sup> Associate Professor, Department of Economics, University of Khartoum. Email: [ebaidalla@gmail.com](mailto:ebaidalla@gmail.com)

First published in 2023 by  
The Economic Research Forum (ERF)  
21 Al-Sad Al-Aaly Street  
Dokki, Giza  
Egypt  
[www.erf.org.eg](http://www.erf.org.eg)

Copyright © The Economic Research Forum, 2023

All rights reserved. No part of this publication may be reproduced in any form or by any electronic or mechanical means, including information storage and retrieval systems, without permission in writing from the publisher.

The findings, interpretations and conclusions expressed in this publication are entirely those of the author(s) and should not be attributed to the Economic Research Forum, members of its Board of Trustees, or its donors.

## Abstract

This paper examines the role of political Islam in encouraging cronyism in Sudan, with a focus on Munazzamat al-Dawa al-Islamiyya (MADA) businesses during the rule of former President Omar al-Bashir (1989-2019). The study focuses on the mechanisms by which MADA's businesses dominated the private sector and maintained the authoritarian regime. It also investigates the extent to which the regime's affiliates benefited in exchange for the benefits they provided to MADA. The study is based on data and information gathered through desk reviews and key informant interviews. The analysis reveals that although the organization's original goal was to spread Islam among non-Muslim societies, its mission has shifted to supporting the Islamist regime. MADA was heavily involved in business and its size grew dramatically during al-Bashir's regime. The investigation shows that MADA has disproportionately benefited from privileged access to credit, tax breaks, trade protection, land, and preferential financial transactions granted via its 1990 Act. MADA provided Islamists with numerous benefits in exchange for these privileges, including job opportunities, cadre training, and continuous political support. Despite the lack of data, the analysis concludes that the rise of radical Islamists' ideology aided the rise of cronyism in Sudan. This indicates that MADA played a significant role in extending al-Bashir's rule for three decades; thus, it represents a pioneering experiment in the field of Islamist politics around the globe.

**JEL Classification:** F5, F6, P4

**Keywords:** Crony capitalism, political Islam, MADA, Sudan.

## ملخص

تبحث هذه الورقة في دور الإسلام السياسي في تشجيع المحسوبية في السودان، مع التركيز على أعمال الدعوة الإسلامية (مدى) خلال حكم الرئيس السابق عمر البشير (1989-2019). تركز الدراسة على الآليات التي هيمنت بها أعمال (مدى) على القطاع الخاص وحافظت على النظام الاستبدادي. كما يحقق في مدى استفادة الشركات التابعة للنظام مقابل الفوائد التي قدمتها إلى (مدى). تستند الدراسة إلى البيانات والمعلومات التي تم جمعها من خلال الاستعراضات المكتتبية ومقابلات رئيسية. يكشف التحليل أنه على الرغم من أن الهدف الأصلي للمنظمة كان نشر الإسلام بين المجتمعات غير الإسلامية، فقد تحولت مهمتها إلى دعم النظام الإسلامي. شاركت (مدى) بشكل كبير في الأعمال التجارية ونما حجمها بشكل كبير خلال نظام البشير. يُظهر التحقيق أن (مدى) قد استفادت بشكل غير متناسب من الوصول المميز إلى الائتمان والإعفاءات الضريبية وحماية التجارة والأراضي والمعاملات المالية التفضيلية الممنوحة من خلال قانون 1990. قدمت (مدى) للإسلاميين العديد من المزايا مقابل هذه الامتيازات، بما في ذلك فرص العمل وتدريب الكوادر والدعم السياسي المستمر. على الرغم من نقص البيانات، يخلص التحليل إلى أن صعود أيديولوجية الإسلاميين المتطرفين ساعد في صعود المحسوبية في السودان. هذا يشير إلى أن (مدى) لعبت دورًا مهمًا في تمديد حكم البشير لمدة ثلاثة عقود؛ وبالتالي، فهي تمثل تجربة رائدة في مجال السياسة الإسلامية في جميع أنحاء العالم.

## 1. Introduction

Like other countries ruled by autocratic regimes, corruption and cronyism have been the salient features of the business sector in Sudan, particularly during former President Omar al-Bashir's rule. The international organizations that frequently deal with corruption include Sudan among the group of highly corrupt countries. For instance, Transparency International's Corruption Perception Index (CPI), which ranks countries based on how corrupt their public sector is perceived to be, ranked Sudan 173<sup>rd</sup> out of 180 countries in 2019. Specifically, on a scale ranging from 0 (highly corrupt) to 100 (very clean), the CPI for Sudan was 16 in 2019, indicating the dominance of extreme corruption. The Worldwide Governance Indicators (WGI) report, which estimates governance in the range from -2.5 (weak) to 2.5 (strong) performance, revealed that Sudan scored -1.67 in the regulatory quality indicator in 2019 (World Bank, 2021). Likewise, the country scored -1.12 and -1.37 in indicators concerned with rule of law and control of corruption in 2019, respectively (World Bank, 2021). Parliamentarians instilled by the toppled regime (i.e., the National Assembly) were frequently in hot debate over various cases of corruption (Ismail, 2011). Moreover, reports on the ease of doing business demonstrate that Sudan lacks a conducive business environment and therefore performs poorly in facilitating business. The perception of such levels of corruption obstructed the process of economic development and, consequently, kept the country in a chronic vicious cycle of poverty.

Many factors, including personal, cultural, institutional, and organizational characteristics, can be identified as the driving forces of the prevalence of corruption in Sudan. However, the long-term dominance of autocratic regimes, namely Ibrahim Abboud (1958-1964), Jaafar Nimeiry (1969-1985), and al-Bashir (1989-2019), was the root cause of all these corruption-nurturing factors. In particular, the spread of corruption was an inevitable result of al-Bashir's totalitarian rule, which was marked by a lack of accountability and transparency (Baldo, 2018; Kostelyanets, 2022). After seizing power on 30 June 1989, the Islamists launched an aggressive campaign to control the national economy in order to ensure the sustainability of their rule (Natsios, 2012; El-Battahani, 2013). To accomplish this, the regime fired and reshuffled a large number of disciplined employees in the public sector, parastatal corporations, and even parts of privately-owned businesses. Those employees were replaced by National Islamic Front (NIF) members, most of whom lacked experience and transparency but were fiercely loyal to the new regime (Mann, 2014). This was followed by the abrupt implementation of the Structural Adjustment Program (SAP) in the early 1990s, a policy recommended by the World Bank and the International Monetary Fund (IMF) to alleviate chronic distortions in the Sudanese economy. The authoritarian regime's implementation of SAP assisted Islamists in capturing the majority of economic activities and resources, propelling the country down a long path of cronyism (Simone and Simone, 1994; Sidahmed and Sidahmed, 2004). The regime took advantage of this policy by selling many publicly-owned assets, such as companies, real estate, and projects, to private owners, primarily NIF members. Sudan Shipping Lines, the Port Sudan Textile Factory, the Gezira Tannery, the Blue Nile Packing Factory, the Friendship Palace Hotel, and the Sudanese African Company for Development and Investment,

for example, had privatized at below-market prices (Elbeely, 2003). By giving its members leadership positions in the executive and judicial offices, as well as by distorting the implementation of SAP policies, the regime was able to transfer a large number of public properties to its affiliates. According to El-Battahani (1996), Islamists or their followers owned one-third of the 4,000 business entities registered between 1984 and 1994. The campaign to seize public resources was not limited to the SAP policies implemented in the early 1990s but lasted until the regime's demise in 2019. This manifested in other ways, such as privileges, concessions, tax breaks, tariff exemptions, and land access. It has been well documented that during al-Bashir's rule, the government's prevailing policy was to grant licenses in lucrative businesses to firms owned by Islamist members (Musso, 2017; Assal, 2019). The policy's goal was to realize the old dream of the Muslim Brotherhood, which had been sparked in the early 1980s, of controlling private economic activities (Shaaeldin and Brown, 1985; Kameir and Karsany, 1985; El-Affendi, 1991; Miller, 1997). They believe that imposing complete control over economic activities and resources would limit the oppositions' ability to shake or overthrow political rule (Rabasa, 2009; Musso, 2017). From an economic standpoint, the prevalence of cronyism enabled Islamist firms to outperform politically unconnected firms (PUFs), driving many of them out of the business market (Elmahadi, 1997). Furthermore, the cronyism that resulted from the private sector's conformity with the ruling regime depleted public revenues, leaving the government unable to develop infrastructure, let alone implement a plan to diversify the national economy. As a result, Sudan's economy has remained undiversified, reliant on raw material exports, and home to a large number of unemployed individuals. The prevalence of such poor performance explains why the Sudanese economy failed to absorb the sudden external shock caused by the drop in oil revenues following South Sudan's secession in 2011.

The crony relationships that arose as a result of the strong ties between al-Bashir's regime and the private sector were not limited to profit-maximizing activities, as is the case in the majority of highly corrupt countries. Rather, it included some charitable organizations, particularly those engaged in business activities, such as the Islamic Call Organization or Munazzamat al-Dawa al-Islamiyya (MADA). Among hundreds of crony firms in Sudan, those owned by MADA dominated the business sector during al-Bashir's rule. According to MADA's Act of 1990, the organization's main goal is to spread Islam among non-Muslims both inside and outside of Sudan. However, this did not appear to be the case, as the organization engaged in many profit-oriented activities. In fact, the Act of 1990 granted the organization the right to conduct business and provided it with a generous package of privileges and concessions. According to Wagdi Salih, the spokesman for the Dismantling the 30<sup>th</sup> of June Regime, Fighting Corruption, and Recovering Stolen Funds Committee (DFCRFC), the propagation of Islam accounted for only five percent of MADA's activities. Salih added that the organization was "the arm of the al-Bashir regime" during its reign. Similarly, several authors have claimed that MADA was an element of the NIF's strategy to Islamize all aspects of Sudanese society (De Waal and Abdel Salam, 2004; De Waal, 2004; Rabasa, 2009). As a result, the organization benefited disproportionately from privileged access to credit,

tax breaks, trade protection, land, and government procurements, and it conducted business in a variety of lucrative sectors such as agriculture, infrastructure, trade, and mining. MADA became qualified to exert significant influence on Sudanese politics through its representative leaders in al-Bashir's government as a result of its vast privileged businesses (Aljarieda, 2020).

Before the ousting of al-Bashir in April 2019, MADA was running more than 40 companies that have been accused of practicing gold smuggling, money laundering, and the misuse of export gains (Aljarieda, 2020). These illegitimate business practices were natural results of the continuous support and blessings being granted to MADA. The organization's slogan that it carries the "Islamic message" to non-Muslims opened the door for MADA to gain privileges and regulatory exemptions. Furthermore, the strong political ties with al-Bashir's regime may have provided MADA businesses with a charismatic push that PUFs do not have. Thus, MADA's firms benefited greatly from the interplay of religious motivations and political ties with the regime in making their businesses highly profitable compared to PUFs. In other words, in addition to the conventional cronyism that usually arises from political and social connections, the slogan of propagating Islam provided MADA with what can be called "religious cronyism."

Overall, MADA's ties to the al-Bashir regime, as well as its involvement in business, raised many questions about its goals and performance. With the advent of the December Revolution and the fall of al-Bashir's regime in 2019, the organization found itself in a position of investigation and questioning by institutions of the transitional government advocating accountability and transparency. In 2020, the transitional government dissolved MADA and confiscated its assets through the DFCRFC. Companies, real estate, lands, and accounts in both local and foreign currencies were among the confiscated assets. According to the committee, the organization acted as a supporter of the deposed regime and went beyond its initial goal.

Despite the significant share of MADA businesses in the private sector during al-Bashir's rule, the nature of its political connections and the impact its firms may have had on private sector performance in Sudan have yet to be studied. Many obstacles stood in the way of researchers intending to investigate the nature, role, and impact of MADA businesses. These barriers include (but are not limited to) difficulties in obtaining data and the red tape imposed by the deposed autocratic regime to prevent research and investigation into such issues. As a result, the overthrow of the al-Bashir regime and the dissolution of MADA provide an important opportunity to comprehend the role of political Islam in encouraging cronyism in the Sudanese private sector. Given that MADA was founded on radical Islamist ideology, this study represents a serious attempt to understand the role of religion in fostering crony capitalism in Sudan.

Based on the preceding discussion, the primary goal of this research is to investigate the role of political Islam in encouraging cronyism in MADA businesses over the last three decades. The study's specific objectives are as follows: (1) determining the mechanisms by which MADA's

businesses dominated a large segment of Sudan's private sector; (2) estimating the contribution of MADA companies to Sudan's economy; (3) examining the role of MADA in sustaining the Islamists' authoritarian rule; and (4) identifying what al-Bashir's regime/followers gained in exchange for the privileges granted to MADA firms.

The study includes all MADA businesses that were registered and operating prior to the start of the al-Bashir regime. As a first step, MADA firms are identified using commercial registrar records. The study also conducts key informant interviews with many actors in the field of corruption and transparency, including members of the DFCRC committee, lawyers, anti-corruption organizations, and journalists, as well as former MADA directors and staff.

The rest of the paper is organized as follows. Section 2 describes the rise of political Islam in Sudan, while section 3 discusses the penetration of political Islamists into Sudan's economy. Section 4 outlines State-business relationships during al-Bashir's regime, and section 5 presents the establishment of MADA and introduces the main mechanisms through which it dominated the business sector in Sudan as well as the role of MADA in maximizing the age of the authoritarian regime in Sudan. Finally, section 6 concludes.

## **2. The rise of political Islam/Islamists in Sudan**

Although Islam was introduced into Sudan many centuries ago by the Funj and Fur Sultanates, Islam in its political form was not introduced until the 1940s.<sup>3</sup> This occurred in 1944 when two of the Egyptian Muslim Brotherhood leaders visited Sudan: Salah Abd al-Sayed and Jamal al-Din al-Sanhouri (Ibrahim, 1991). The two leaders held a meeting at the Graduate's Club in Omdurman and called for the ideology of the Muslim Brotherhood based on the ideas of Hassan al-Banna. That meeting concluded by constituting the first committee of the Muslim Brotherhood in Sudan, headed by Ibrahim al-Mufti, Badawi Mustafa as his deputy, and Ibrahim Talibullah as a secretary (Ibrahim, 1991). Recently, the number of Muslim Brotherhood families in Khartoum has increased, prompting the Egyptian Muslim Brotherhood to strengthen ties with their Sudanese counterparts. As a result, in 1946, the General Center of the Muslim Brotherhood in Egypt dispatched two of its leaders to Sudan: Abd al-Hakim Abdin, the organization's Secretary-General, and Jamal al-Din al-Sanhouri, to establish offices and recruit more Sudanese individuals into the group (Ibrahim, 1991). Along with local recruitment, the enrollment of Sudanese students in Egyptian universities in the early 1940s helped increase Muslim Brotherhood memberships. After returning home, many students adopted the ideology of their Egyptian counterparts and began to serve as focal points for recruiting new members (Ibrahim, 1991; Abdelwahid, 2008; Turabi, 1991). Parallel to that active cross-border movement of Muslim Brotherhood ideas, activities and

---

<sup>3</sup> Islam was introduced into Sudan after a lengthy process that included massive demographic movements of Arab tribes and their settlement in various parts of the country. The process of Islamizing Sudan also included commercial contacts with Islamic regions as well as the preaching and educational efforts of Muslim scholars who visited Sudan starting from the 15<sup>th</sup> century.



recruitment began to permeate among students at local Sudanese universities, particularly the University of Khartoum.<sup>4</sup>

By the end of the 1940s and the beginning of the 1950s, the Muslim Brotherhood had been heavily influenced by the liberation, independence, and equality slogans that had dominated the political atmosphere following World War II. In this context, a group of Muslim Brotherhood students founded the Islamic Socialist Party at Khartoum University, calling for an alliance with peasants and workers (Ibrahim, 1991). This newly formed group decided in one of its meetings in 1953 to draft a number of socialist messages, including one on “land for those who cultivate it” and another on “nationalizing production facilities” (Ibrahim, 1991). The emergence of this group, which disagreed with the original organization in terms of name and orientation, led to a split into two branches. The first was affiliated with the Egyptian Muslim Brotherhood, while the other was purely Sudanese, with no ties to organizations outside of Sudan (Affendi, 2004). This fragmentation in the group created great tensions between the Muslim Brotherhood and the Islamic Liberation Movement (ILM), which refused the name of the “Muslim Brotherhood.” The conflicts between these two branches were exacerbated by an increase in the number of ILM members who began to seep into the Muslim Brotherhood group. Thus, until 1953, the Muslim Brotherhood group in Sudan was not a united party working under one umbrella or leadership. Although they followed the same ideological line, the group was divided between students and some dispersed families. For that reason, the organization was not qualified enough to run in the first parliamentary elections in Sudan held in 1953.<sup>5</sup> In a step to unify different groups of the Muslim Brotherhood in one body, a conference was held in Omdurman Cultural Club on 21 August 1954 in the attendance of different groups. The attendees of the conference voted to establish a unified organization that adopts the ideas of al-Banna as guidance. The conference approved the Muslim Brotherhood to be the official name of the group, thereby advocating the strong relationship with the Egyptian organization (Abdelwahid, 2008).<sup>6</sup>

Ibrahim (1991) refers to the period between the military coup of General Ibrahim Abboud in 1958 and the advent of the October Revolution in 1964 as the stage of the emergence and expansion of the Muslim Brotherhood in Sudan. This period witnessed the resurgence of the Islamists who had pushed to write a constitution that agrees with Sharia rules. This movement led to the emergence of the Islamic Constitution Front, which put the debate on the Islamic constitution at the forefront of the country’s political debate (Sidahmed and Sidahmed, 2004). According to al-Turabi, the

---

<sup>4</sup> It is worth mentioning that many authors have argued that the emergence of the Muslim Brotherhood organization came as a reaction to the failure of the political Sudanese elite in transforming the political independence achieved in 1956 into economic independence (Abdelwahid, 2008).

<sup>5</sup> In the 1953 elections, the number of constituencies was 97, contested by 227 candidates representing six parties. The winning seats were distributed among four parties only: the Unionist National Party (53 seats), the Umma Party (22 seats), the Independents Party (seven seats), and the Southern Party (seven seats).

<sup>6</sup> Hassan al-Turabi attended the meeting as a representative for the body of the Muslim Brotherhood group among students.

slogan of the Islamic Constitution served as a “mobilizing call” that aimed to bring the traditional parties to the Islamic track (al-Turabi, 1991).

The major shift in the trajectory of the organization occurred when al-Turabi assumed its leadership in 1964. Under his leadership, the Islamic Charter Front (ICF) played a prominent role in toppling General Abboud’s military regime in October 1964 (Berridge, 2015). This was followed by the 1965 parliamentary elections in which the ICF only won seven seats, two of which were from graduate constituencies (Abdelwahid, 2008). Although the ICF failed to defeat the SCP, which won 11 seats in the graduate’s constituencies, it succeeded in placing the call for the Islamic constitution among the agenda of the mainstream parties, namely Umma and DUP. During that period, the Islamists endeavored to make the victory of the October Revolution their own. Thus, they had managed a hard battle of competition with their traditional enemies, the communists who were relatively more organized and had sophisticated experience in mobilizing the masses (Turabi, 1991). With the impetus of the Muslim Brotherhood and the approval of the right-wing parties, the Sudanese Communist Party was dissolved in 1965. This event, in addition to the outbreak of the civil war in South Sudan, led the communists to organize a military coup led by Jaafar Nimeiri to topple the democratic government on 25 May 1969. The new communism-leaning regime confiscated and nationalized many private companies, giving birth to the State’s interventions in the economy. In 1971, the radical communist elements in Nimeiri’s government executed what had been called a “corrective coup”; however, the coup failed and Nimeiri restored his power. Afterward, Nimeiri took an anti-communist stance and carried out campaigns of arrests and set up field trials targeting SCP members.

Economically, the President reviewed the communist-backed economic policies adopted when communists were dominating the government. Accordingly, many confiscated companies returned to their owners, and the private sector had been freed to operate in the economy. This economic transformation was accompanied by a huge influx of Arab grants and investments thanks to the boom in oil prices in the early 1970s. Moreover, due to the radical change being witnessed on political and economic fronts, several anti-communist Western countries, such as the US, began to assist Sudan in implementing some infrastructural projects.

Politically, Nimeiri called for national reconciliation with the major Sudanese parties in 1977, specifically the Umma Party, DUP, and Muslim Brotherhood parties. Based on the National Reconciliation Accord (NRS) signed in 1977, both the Umma and Muslim Brotherhood parties shared power with Nimeiri, and al-Turabi had dissolved the Muslim Brotherhood to go in line with Nimeiri’s rejection of political parties.<sup>7</sup> This pragmatic attitude helped the Muslim Brotherhood

---

<sup>7</sup> In the 1970s, the Islamists strongly opposed Nimeiri and participated with other political parties in fighting his regime. They joined Ansar’s (i.e., Mahdists) military training camps in Aba Island to prepare themselves to fight Nimeiri. In 1976, the Muslim Brotherhood executed, with a coalition of other political parties, the armed attack against the regime. However, after a bloody fight in the streets of Khartoum, the attempted coup was aborted.

group to benefit from sharing power with May's regime in achieving a considerable level of economic and social empowerment. First, the participation in power helped the group penetrate the country's different classes and regions. Of course, this expansion in Islamist memberships occurred at the expense of other traditional parties' memberships, namely the Umma and DUP. Second, the group devoted major efforts to achieve some degree of economic penetration by establishing many economic institutions to empower the organization in the future. They successfully convinced Nimeiri to transplant some Islamic windows and institutions to create an impression that the country is "abiding with the rules of Islamic Sharia." In May 1977, many financial Islamic institutions were launched, such as the Sudanese Faisal Islamic Bank<sup>8</sup> and the Islamic Insurance Company (as the first Islamic financial institution in the country). This was followed by the establishment of the Sheikan Insurance Company, which carried out its insurance activities in accordance with Sharia rules. The NIF was dedicated to empowering its members economically by occupying the management of emerging Islamic banks in Sudan, which served as the main financier for the group's investment projects. Later, the dominance of Islamic business institutions acted as the starting base for disseminating the group's ideology and thought in different parts of Sudan via Islamist cadres who were sent to the branches in the regions (Abdelwahid, 2008).

On the charitable front, the reconciliation with Nimeiri allowed Islamists to establish MADA to be the upper hand in spreading the ideas of the Muslim Brotherhood not only in Sudan but in other African countries. It is worth noting that this shift toward Islamizing economic institutions was orchestrated by the Muslim Brotherhood, which adopted a pragmatic technique in dealing with the Nimeiri dictatorship (Abdelwahid, 2008).

After Nimeiri was overthrown on 6 April 1985 by a massive popular uprising, general free elections were held in 1986 and the democratic system was restored. The Umma Party won the elections (100 seats), while the DUP (63 seats) and the NIF (51 seats) came second and third, respectively. Arguably, although the NIF came in third position, it had a louder political voice compared to its competitors. This race led both the DUP and Umma parties to adopt political programs that stressed further Islamization in both State and society (Sidahmed and Sidahmed, 2004). To realize political stability, Prime Minister Sadiq al-Mahdi initially formed a coalition government with the DUP. In 1989, another coalition was formed between the Umma Party and the NIF, and as a result, al-Turabi was appointed as Deputy Prime Minister. The coalition between the Umma Party and the NIF was driven by the latter's fears that leftists may destroy Islamic economic institutions, such as banks and individual enterprises (Abdelwahid, 2008). However, the NIF quickly resigned from the government after al-Mahdi entered peace talks with the Sudan

---

<sup>8</sup> The fund for this bank was provided by Prince Mohamed al-Faisal and a group of Arab and Sudanese investors. El-Affendi (1991) stated that Faisal Islamic Bank tended to grant funds and employment to large numbers of Islamists and those who could potentially join the NIF party.

People's Liberation Movement (SPLM), according to which an agreement was signed between the government and SPLM on a ceasefire, followed by the abolition of Sharia laws, the dissolution of the state of emergency, and the cancellation of the military alliances with Egypt and Libya. However, on 30 June 1989, al-Mahdi's government was toppled after a coup led by al-Bashir, who had dissolved the parliament, political parties, and trade unions.

In the beginning, the identity and nature of the 1989 coup were not clear to observers. This situation helped the new government win broad internal and external support. The government made a number of large-scale arrests, including al-Turabi himself, who later appeared to be the architect of the coup and its mastermind. Later, the government gradually demonstrated its Islamic identity, and statements emerged frequently from its leaders confirming its identity and affiliation with NIF. The participation of the NIF became more apparent after al-Turabi was released and held important positions in the country, the last of which was the head of the National Council.

### **3. The penetration of political Islamists into Sudan's economy**

The overthrow of the democratic rule by the coup organized by the NIF party (lately the National Congress) symbolized a milestone in the modern history of Sudan. This is because the seizure of power was not executed by a pure military group, as it usually happens in third-world countries; rather, the coup was orchestrated by a radical party that was a genuine partner of the overthrown government. Moreover, since the coup was backed by the ideological party, it paved the way for one of the most brutal totalitarian regimes that fully controlled the political, social, and economic aspects of life in the country. However, despite the severe political and social consequences that resulted from the newly formed regime, the disastrous ones had been more manifested on the economic front. The economic policy of the Islamic regime revolved around two basic principles. The first was the arbitrary firing and retiring of civil service employees. The coup enabled the Islamists to exclude and oppress political opponents and thus control the entire economy, a matter that led to severe consequences for people, particularly during the first years of the rule (Elnur, 2009). The purpose of this policy was to replace the well-trained civil servants inherited from British rule by the Islamist cadre to ease the process of controlling the political and economic courses of the country. Moreover, the regime took this step to guarantee that public licenses and privileges could be easily captured by the Islamist cadres. Statistics indicated that there were approximately 80,000 employees who were dismissed for unknown reasons and without justifications from their positions during the first years of NIF's rule (Hiba and Imad, 2020).

The second principle was the sudden implementation of SAP policies in the early 1990s. Under the mask of these policies, the regime had partially, and sometimes completely, abandoned its role in funding public services, including health and education. Instead of focusing on correcting the distortions hindering the national economy and encouraging the private sector to lead the economy, which are the issues around which SAP was centered, the regime evaded its social responsibilities, leaving a large sector of society facing difficult living conditions. Paradoxically, the government

diverted resources made available due to diminishing public spending on other wasteful agendas that cost more. For instance, driven by the assumption that the dispute in the South could be solved through military mobilization and confrontation, the regime increased and multiplied the budget for security and defense. The regime opened hundreds of camps to train the Popular Defense Forces (PDF) and licenses were given to the regime's supporters to import weapons (Elnur, 2009). Mobilizing resources for military purposes opposes SAP measures, which basically aim to cut public spending to restore external and internal balances. The expansion in military spending opened the door for corruption and crony practices.

The diversion of resources availed from implementing SAP stood as an indication that the goal behind picking up that policy was not to achieve efficiency gains toward a more liberalized and free economy; rather, the goal was to culminate economic power for the Islamists (Suliman, 2007). Based on SAP policies, the government sold many lucrative public institutions in deals that lack the minimum level of transparency. In the first phase of privatization, 57 projects were privatized, and their ownership was handed over to NIF affiliates (Suliman, 2007). It has been well-documented that transactions executed during phase I (1992-97) and phase II (1998-2003) of privatization were not transparent and corrupt. Dagdeviren (2006), for instance, reports that the privatization of telecommunications company Sudatel, which was a government-protected monopoly until 1997, had been taken private without tenders. What happened was that the Technical Committee for the Disposal of Public Enterprises (TCDPE) invited well-connected personalities as joint stock partners in the company after downgrading asset evaluation by a company selected by the NIF-controlled government (Dagdeviren, 2006). Privileges, licenses to undertake the task of public services provision, and the capturing of public lands were extensively exercised.

In addition to taking over public enterprises, the NIF expanded its control over national resources through several channels. All public bidding, import licenses, public contracting, and government procurement were given exclusively to NIF-connected entities. For instance, in the field of education, NIF members were in greedy marathons to get licenses to operate educational institutions at all levels, including primary, secondary, and tertiary. The anecdotal evidence demonstrated that the proliferation of private schools and universities owned by the Islamists crowded out their public counterparts in the rare human cadre, which turned the latter into ruins or places to spawn losers.

The crony practices adopted in privatizing public enterprises that the government defined as "financially unviable" coincided with the dismissal of a large number of public employees as a cunning plan hatched by the NIF to control Sudan's economy. The congruence between totalitarianism and the implementation of liberal economic measures led to disastrous results from which the national economy is still suffering. Among those unpleasant results was the birth of a parasitic capitalist class that did not recognize free competition in managing businesses. This class

relied purely on the government apparatus to develop and expand economic activities. The corrupt practices associated with the implementation of SAP policies were mainly attributed to the political nature of the implementer. Thus, it was unfortunate that SAP policies had been implemented by a totalitarian system in which citizens were not allowed to bargain in order to achieve some gains or be compensated for the negative consequences of these policies (Dagdeviren, 2006).

Externally, the radical nature of the Islamists' rule imposed negative effects on the country's economic performance. For instance, the disturbances in Sudan's international relationships caused by the attitude of al-Bashir's regime toward the invasion of Kuwait by Saddam Hussein in 1990 had great negative impacts on the economy. The Islamist-steered regime strongly opposed the UN-sanctioned intervention to free Kuwait from the Iraqi invasion. The regime called for solving the crisis in the Arab context instead of relying on the power of the new colonizers (Harry, 2016). In response to this attitude, the Arab Gulf countries considered Sudan disloyal to their nonstop generosity and began to draw out investments and diminished their share in official development aid by 10 percent (Harry, 2016). To compensate for the drought in foreign aid caused by disconnection with international communities and donors, the regime initiated a self-reliance policy under the slogan "We should eat what we grow, and we should wear what we make," which aggravated the closure of the national economy. Moreover, the regime maintained strong relationships with Iran and Iraq, which were also isolated and lacked international influence. The regime took another step to compensate for its international isolation by allowing foreigners to enter the country without restrictions. In the symposium of Arab and Foreign Investors held in Khartoum in March 1990, al-Bashir announced that all Arabs were allowed to enter Sudan without a visa. The adoption of an open-door policy made the country a haven for thousands of Islamists who were mostly rejected in their own countries (Collins, 2008). In December 1991, Osama bin Ladin, the leader of the al-Qaida organization, arrived in Khartoum and was enthusiastically welcomed by al-Turabi (Collins, 2008).

Opening the country to those who were classified as terrorists worldwide, inciting hate speech against the West in the official media, opening PDF camps to train locals and foreigners, and accusations of attempting to assassinate former Egyptian President Hosny Mubarak plunged the Sudanese economy into vicious cycles of stagnation and poverty. The only breakthrough in international relations was achieved via establishing a concrete relationship with the People's Republic of China (PRC). Strengthening the relationship with the PRC helped the regime realize a leap of achievements on the economic front. Without Chinese investment in oil, Sudan would never become one of the oil suppliers to the world (Harry, 2016). During the 2000-09 period, oil represented 90 percent of the country's total exports, signifying the weakness of non-oil sectors and the emergence of Dutch disease in the economy. This indicates that, due to the misallocation of resources and the corruption that characterized al-Bashir's totalitarian rule, Sudan missed a great opportunity to utilize its rare oil resources in diversifying its national economy. The services and agricultural sectors remained the major contributors to the GDP, with the industrial sector always

lagging (World Bank, 2020). In addition, despite the huge inflows of revenues from oil exports recorded between 1999 and 2011, the majority of the population lived under the poverty line (HBS, 2009; HBS, 2015).

The poor performance of Sudan’s economy can be attributed, in part, to the corrupt nature that branded al-Bashir’s rule in which corruption, crony practices, and lack of governance were widely spread. Put differently, the absence of clean business that prevailed during al-Bashir’s rule made it difficult to sustain reasonable living conditions for the majority of the population. A look at the country’s records on transparency and corruption indices demonstrates that the economy was occupied by growth-defeating practices, including corruption, lack of accountability, and absence of the rule of law. Table 1 reports the ranks and the scores of the CPI exhibited by Sudan during the period 2012-20. As can be read from the figures, corruption was highly indigenized; a matter that ranked the country among the highly corrupted countries. Moreover, the table shows that the country’s CPI scores were also extremely low, reflecting the corrupt nature of the totalitarian regime.

**Table 1. Sudan’s rank and corruption perception index (2012-21)**

Year	2012	2013	2014	2015	2016	2017	2018	2019	2020
Rank	173	174	173	165	170	175	172	173	174
Score	13	11	11	12	14	16	16	16	16

Source: International Transparency, 2019 (<https://www.transparency.org/en/cpi/2015/table/nzl>).

Another testimony to the corrupt nature of the business environment prevailing during al-Bashir’s autocratic regime can be shown by reports on the record of Sudan in the ease of doing business indicators prepared by the World Bank and the International Finance Corporation. This discouraging picture is portrayed in Table 2, which shows the ranking of Sudan's performance in the ease of doing business indicators during 2007-19. As the table depicts, the country performed very poorly in all doing business indicators. It is situated among the poorest performing 20 countries out of more than 180 countries covered by the survey. These difficulties in the ease of doing business arise from the corrupt environment that had kept the country in the vicious cycle of poverty. Until now, the infrastructure established by the British colonizer, such as bridges, roads, hospitals, and schools, continues to dominate and lead the social development in the country.

**Table 2. Sudan's performance in doing business indicators**

Year	Ease of doing business	Starting a business	Dealing with construction	Getting electricity	Registering property	Getting credit	Protecting minority investors	Paying taxes	Trading across borders	Enforcing contracts	Resolving insolvency
2007	160	82	92	-	29	143	142	93	165	158	151
2008	143	95	131	-	32	135	141	60	143	143	178
2010	147	107	135	-	35	131	150	67	139	143	181
2011	154	118	139	-	37	135	154	103	142	146	183
2012	154	121	139	-	40	138	154	94	143	146	183
2013	135	126	130	-	41	166	155	103	151	148	183
2014	149	131	167	113	41	170	157	108	155	154	89
2015	160	139	160	136	46	165	174	139	162	163	156
2016	159	146	146	102	89	167	166	140	184	142	154
2017	168	156	145	113	89	170	187	141	184	147	153
2018	170	159	133	110	89	173	186	163	185	146	154
2019	162	156	105	120	93	161	168	163	185	144	118

Source: The World Bank and the International Finance Corporation (reports for many years).

#### 4. The State-business relationship during Islamists' rule

In its early years, the Islamist regime was, to some extent, inspired by ideological and religious values that see Sudan as an emerging Islamic model to be followed by others. This perception led the Islamist elite in power to work on transforming Sudanese society into a purely Islamic one under the slogan of the “Islamic Cultural project” (Elnur, 2009). To achieve this goal, they endeavored to capture both political and economic domains. Thus, the economic empowerment of the party and its members went hand in hand with actions geared to Islamize society. However, after a short period, the actions that targeted empowering politically connected Islamists outperformed the actions on the societal front. The regime put the mission of Islamizing society aside and slicked to the implementation of the empowerment policy (known as *Tamkeen* in Arabic) in all sectors and at all levels. This occurred because the peaceful nature of the Sudanese society and its rejection of ideologizing religion complicated Islamists' mission and raised their worries regarding the stability of their regime (Elnur, 2009).

The empowerment policy entailed enacting different means and tactics to hand over the key political and economic positions to the NIF's affiliates (Elnur, 2009). This policy opened the door for corrupt practices, including bribes, nepotism, abusing public property, and cronyism. Cronyism had been adopted openly and, in some cases, with religious justifications.<sup>9</sup> Although the

<sup>9</sup> For instance, to justify possession of huge assets and money mostly gained and collected through crony practices, the Islamists used a Hadith reported by Amr ibn al-Aas that the prophet Muhammed said: “The blessings of good money are for a good man.” This Hadith had been narrated by Imam Ahmad. In a narration by him and by Ibn Abi Al-Dunya and Abi Dawood, it said: “The blessings of good money are for a righteous man.”



empowerment policy had been implemented extensively in the first years of the regime, the crony practices covered the 30 years of al-Bashir's rule. In the first two years, thousands of civil services employees had been replaced by NIF members, particularly in highly ranked positions (Elnur, 2009). Even the army had not survived from empowerment policy, as the NIF limited enrollment in Sudan War College to Islamists only (Abdelwahid, 2008). Moreover, the al-Bashir regime emptied the army of all highly ranked and disciplined cadres and promoted its affiliate officers to occupy their positions. The key aim behind the "cleaning up government" apparatus from disciplined staff and cadres was to pave the way for Islamists to tighten their grip on the country's economy. In fact, the journey of the Islamists' capitalistic crony practices dates back to the end of the 1970s when the signature of the NRA allowed them to share power with Nimeiri's regime. That period witnessed the first attempts initiated by Islamists to exploit political power in pursuit of gains in the field of business. However, the usage of political connections to realize materialistic benefits was usually masked by religious motives. Thus, the crony practices executed by Islamists represented a mix of politics and religion. For instance, the Islamists, through their position to the Nimeiri government, granted Faisal Islamic Bank a bundle of privileges and exemptions in 1977, including tax holidays, protection from confiscation, and the green light to transfer foreign exchange deposits outside Sudan (Shaaeldin and Brown, 1985; El-Affendi, 1991). Based on these privileges, Faisal Islamic Bank qualified to earn 35 percent profits for investors in 1981 and allocated 90 percent of its investments in external trade as well as services (El-Battahani, 1996). Thus, at the beginning of the revolution against Nimeiri's regime in March 1984, the bank had vandalized on the ground that it represented one of the institutions that signified dictatorship and its Islamist alliances (Berridge, 2015). On the other side, the senior Sudanese Socialist Union (SSU) officials who strongly supported Nimeiri frequently complained to him about the damage caused by Muslim Brotherhood-dominated institutions, such as Faisal Islamic Bank, to the national economy (Berridge, 2015). The bank then allowed Islamists to fully control and benefit from Islamic banking activities in the 1980s, paving the way to the economic empowerment that assisted them to assume power in 1989.

The Islamist cronies extended to Al-Qaida leader Osama Bin Ladin, who legitimately ran a huge number of investments in Sudan at the beginning of the 1990s. The strong connections between al-Turbai and Bin Ladin gave a big push to his businesses in Sudan. Upon his arrival in Khartoum in 1991, al-Turbai organized a good reception for the Al-Qaida leader. The latter also granted People Arabic and Islamic Conference Organization (PAIC), the organization invented and headed by al-Turbai, USD five million as kind support. Moreover, maybe driven by worries about securing his business, Bin Ladin attempted to strengthen his connections with the ruling regime by getting married to al-Turabi's niece as a third wife (Collins, 2008). Due to these connections, al-Turbai assisted Bin Ladin in importing the equipment needed to run his investments without duties. It is worth mentioning that Bin Ladin had run many investments in Sudan, including Taba Investments, Ladin International, Qudurat Transportation, and al-Ikhlās Company (Collins, 2008). He also

established the al-Hijra Construction Company, which worked on building the road between Khartoum and Port Sudan in the 1990s (Collins, 2008).

Like the case of other countries in the MENA region such as Tunisia, Egypt, and Morocco, the Islamists implement SAP policy as a Trojan horse to capture and fully control economic activities in Sudan. Most of the institutions that had been privatized were acquired by influential Islamist businessmen at the lowest prices, via non-competitiveness auctions and in deals that were not conducted in public (Dagdeviren, 2006; Suliman, 2007). During different phases of implementing privatization policies, no sector escaped from the corrupt practices in selling its assets. In 1990, TCDPE prepared a list of 107 State-owned enterprises with a recommendation to be privatized through two phases. Due to the absence of anti-corruption institutions and the weaknesses in the legal framework governing economic activities, cronies and corrupt practices dominated most privatization transactions (Suliman, 2007). The campaign to hand over publicly-owned companies to politically connected Islamists covered all sectors, including agriculture (Abu Name Kenaf Factory, Blue Nile Agricultural Corporation, Khartoum Dairy Products, Nuba Agricultural Corporation...etc.), manufacturing (Abu Name Kenaf Factory, Port Sudan Spinning, Krikab Sweet Factory...etc.), services (State Cinema Corp.), tourism (Friendship Palace Hotel, Sudan Hotel, Kosti Rest House...etc.), telecommunications (Sudatel), and finance (Sudan Commercial Bank). The crony practices included the reception of bribes from capitalists who were politically disconnected but possessed the financial capabilities to pay for mediators with strong political connections. In 1994, for instance, the ownership of the Sudatel Company was passed to the private sector in one of the corrupt deals. By 1994, the Islamists and their supporters had captured one-third of the 4,000 firms and commercial corporations registered between 1984 and 1994 (El-Battahani, 1996).

Anecdotal evidence shows that benefiting from public tenders and government procurements was the preferred method for politically connected businessmen to obtain huge profits during the al-Bashir regime. The family of al-Bashir, the head of the ruling regime for 30 years, his brothers, and his second wife, Wedad Babaker, secured massive economic gains from his position as the President of the Republic of Sudan. Al-Bashir's brother, Major General Doctor Abdullah al-Bashir, was among the individuals who benefited greatly from his brother's position in managing Hi-Tech Commercial Group, which runs businesses in many sectors, particularly petroleum, communications, mining, pharmaceuticals, chemicals, imports, and exports. In an interview conducted with Omar al-Bashir on Al-Jazeera TV (the English Channel), the presenter asked him for his opinion regarding what had been said about the corruption of his brothers. The President replied: "My brothers, as citizens, have the right like other Sudanese to engage in trade, and I cannot prevent them from doing businesses, and whoever has evidence that my brothers are corrupt, I invite him to bring it to the judicial authorities."<sup>10</sup>

---

<sup>10</sup> <https://www.alrakoba.net/>, retrieved in 2021.

One of the corrupt Islamist figures who benefited greatly from his political position and connections during al-Bashir's rule was Abdel Halim Al-Mutafi, the governor of Khartoum State and, lately, the Minister of Agriculture at the federal level. Al Mutafi owned, with his brothers, the Mam Trading Group, which worked in the construction of roads, construction of bridges, excavation, limousines, energy, petroleum, and mining. The first customer of these companies was the government of Khartoum state, which was headed by Al Mutafi himself.

The dispute that occurred within the NIF in 1999 played a fundamental role in revealing the corruption and cronyism nested in the organization. In 2002, al-Bashir accused Ali al-Haj, al-Turabi's deputy in the Popular Congress Party, of misappropriating the public funds being allocated to build the Western Salvation Road linking the capital with the Darfur region. These accusations came as a reaction to Ali al-Hajj's accusation against the ruling National Congress Party of stealing oil funds.

The auditor general's reports have repeatedly shown a large and growing abuse of public funds by the members of the al-Bashir regime. For instance, one report revealed that only 16 percent of the misappropriated public funds had been retrieved from embezzlers in 2007. This indicates that the auditor general's reports were often ignored or thrown away, thus evading the politically connected and corrupt individuals from accountability.

The crony practices during al-Bashir's rule in Sudan were not limited to economic transactions and businesses; they extended to philanthropic organizations. Many authors have cited that charitable organizations represented one of the channels through which the Islamists achieved economic ascendancy and empowerment (Elnur, 2009). Those authors documented that the Islamic relief organizations founded by the Muslim Brotherhood played a great role in pooling resources and funds from the Gulf's oil-exporting countries, especially during the oil price hikes of 1973 and 1979 (Elnur, 2009). During the 1990s, exemptions from import duties for non-governmental and Islamic organizations played an important role in empowering Islamists. This situation pushed the Minister of Finance in 1996 to complain openly about the growing exemptions being granted to NGOs, highlighting their negative consequences on the national economy.

In this regard, MADA has been considered one of the organizations that benefited from political connections with ruling regimes in establishing a wide range of businesses in Sudan. Since its establishment in 1980, the organization became plagued by its continuous involvement in Sudanese political affairs. It has been widely acknowledged that MADA acted as one of the long arms of the Muslim Brotherhood. After assuming power in 1989, the Muslim Brotherhood-leaning government approved the 1990's Act for the organization. That Act provided MADA with unlimited privileges that assisted in expanding its businesses and constituted an interactive relationship between the two sides. After the collapse of al-Bashir's rule in April 2019, the

organization was accused by the DFCRFC of preserving nontransparent connections with the toppled regime. These connections dated back to when the NRA furnished the organization with a bundle of unjustifiable privileges that allowed it to capture a considerable share of the national economy in the 1970s. This share had mounted up with the Islamists' dominance of private enterprises to impose the Muslim Brotherhood over the entire economy. Thus, based on these accusations, the committee dissolved and confiscated MADA in 2020.

## **5. MADA and cronyism**

### **5.1 MADA's establishment and goals**

MADA was established in 1980 and registered under the Missionary and Religious Organizations Act of 1962. Until the decision of dissolving MADA in April 2020, the organization assumed its headquarters in Khartoum, with four offices in Qatar, Bahrain, Yemen, and the UAE. The organization was established in response to the recommendations proposed by the Islamic Da'wa Conference held in Khartoum in 1980. The conference came as one of the outcomes of signing the NRA between Nimeiri and Sudanese political parties, including the NIF (Elnur, 2009). Although both the Umma and NIF parties had signed the NRA, the NIF occupied an advanced position in steering the political voyage of Nimeiri's regime. The party used a pragmatic approach in recruiting the head of the regime to serve the agenda that he had opposed for a long time. Commenting on the establishment of MADA, former Prime Minister al-Sadiq al-Mahdi declared that the Islamists succeeded in collecting huge resources from some Arab countries such as Saudi Arabia and Kuwait under the guise of propagating Islam among non-Muslim communities (Elnur, 2009). Confirming Al-Mahdi's argument, Saleh, the official spokesman of DEFRFC, stated that "the propagation of Islam represented only five percent of MADA's activities" (Saleh, 2020).

In May 1990, the al-Bashir regime issued a new act called the MADA Act of 1990 to establish the organization's mission and give it more discretion to carry out that mission. As stated in that Act, the key goal of the organization is to propagate Islam among non-Muslims. However, the same Act granted MADA the right to run business activities and provided it with an unprecedented set of privileges. Accordingly, MADA engaged in a wide range of profit-oriented business activities. These included a set of companies working in many sectors, including contracting, agriculture, manufacturing, financing, and services. In addition, MADA has many training and educational institutions, such as the Foundation for Rehabilitation and Training of Preachers and the African Foundation for Education.

It has been well-documented that the relationship between MADA and the al-Bashir regime raised many questions about the role it had played in the political affairs of the Republic of Sudan during the last three decades. Many have accused the organization of consolidating and facilitating al-Bashir's rule, which is the matter that led the country toward a chronic political and economic dilemma. Ashraf Abdelaziz, the managing editor of Al-Jarida newspaper, noted that there was an organic relationship between MADA and Islamists as they used to occupy leading administrative

positions in the organization (Abdelaziz, 2021). The same argument has been confirmed by Rasha Awad, who argued that “there is a strong relationship between the organization and the Islamists and that the organization, in one way or another, represented an arm for the Islamists” (Awad, 2012). She added that MADA played a crucial role in executing the coup that brought Islamists to power. Opposing these points of view, Khalid Altigani, one of the MADA staff, believed that the emphasis should be directed to the role that MADA plays in helping the poor in Africa and that conformity between the organization and the ruling regime springs from the fact that they share the same Islamic background (Altigani, 2021). According to Abdelaziz (2021), having Sudan host its headquarters assisted MADA in acquiring huge privileges during al-Bashir’s rule. However, he added that these privileges decreased significantly after Sudan was listed as a terrorist-sponsor country (Abdelaziz, 2021). In the same vein, Awad indicates that the organization had benefited from the toppled regime in financing its project, enjoying tax and tariff exemptions, and jumping over regulatory rules (Awad, 2012). According to her, the organization could not obtain all these privileges without its involvement with the former regime in managing the political issues (Awad, 2012). She also states that even the Islamists criticize MADA and point out the corruption that takes place in its transactions and businesses, adding: “The organization was not subject to regular auditing by the auditor general despite the huge corruption that can be evidenced by the outrageous wealth of the people who work for it, even for a limited number of years” (Awad, 2012).

## **5.2 MADA’s engagement in businesses**

Based on the Act of 1990, the Government of Sudan granted MADA generous privileges and incentives to engage in the business sector. Following the issuance of that Act, the number of firms owned and run by the organization spiked dramatically. This indicated the significant contribution of privileges and concessions provided by the Act in strengthening the competitiveness and financial capabilities of MADA. The data collected from the Commercial Registrar’s head office in Khartoum showed that before May 1990, the organization administered five business entities (Table 3). However, by the introduction of this new Act, the working businesses of the organization boomed by 260 percent within a year and a half as the number of registered firms climbed up to 19 by the year 1992. Moreover, the table demonstrates that MADA became engaged in diverse investments covering the main sectors of Sudan’s economy, namely agriculture, services, financial, and manufacturing. It must be noted that the substantial expansion in businesses occurred during a period in which Sudan’s economy was suffering from a tough economic downturn. This may stand as an indication that the crony privileges received from the regime were functioning well in nurturing MADA businesses. Another observation regarding the route of MADA’s businesses is that the organization registered only five firms during the period extended from 1980 to 1991. Moreover, during the second democratic rule (1986-89) no single firm had been registered in the name of MADA.

**Table 3. List of registered MADA companies**

#	Registration no.	Company name	Date	State	Status
1	2056	Danfodio Holding Corporation Ltd	4/11/1981	Khartoum	Name changed
2	2074	Tadamon Islamic Bank	28/11/1981	Khartoum	Working
3	2178	Islamic Investment (Sudan) Ltd	07/04/1982	Khartoum	Liquidated
4	2835	Islamic Development Company for Water and Drilling	14/06/1984	Khartoum	Working
5	3248	Balsam Pharmaceuticals Ltd	5/1/1986	Khartoum	Working
6	5570	White Nile Development Holding Ltd	20/08/1991	Khartoum	Deleted by log
7	5629	Ynabea Elkhair Endowment Ltd	19/09/1991	Khartoum	Liquidated
8	6025	African Bridges for Investment and Trade Ltd	5/3/1992	Khartoum	Working
9	6091	Alfajer Holding for Investment and Trade Ltd	7/4/1992	Khartoum	Deleted by log
10	6204	Tasabeeh for Trade and Services Ltd	11/5/1992	Khartoum	Working
11	6205	Al-Makassed Pharmaceuticals and Chemicals Ltd	13/05/1992	Khartoum	Deleted from record
12	6464	Dar Alzahraa International Ltd	4/8/1992	Khartoum	Working
13	6722	Goodly Charity	10/10/1992	Khartoum	Under liquidation
14	6876	Ala'alemiat Charity Ltd	4/11/1992	Khartoum	Name changed
15	6889	International Firm for Production and Charitable Media Development	7/11/1992	Khartoum	Deleted from record
16	6997	Um Ayman Charity for Trade and Service Ltd	30/11/1992	Khartoum	Working
17	7006	Saudi Sudanese Transport and Investment Co Ltd	1/12/1992	Khartoum	Working
18	7089	Almarafe Charity	19/12/1992	Khartoum	Working
19	8180	Madiniq Trading and Contracting Co Ltd	28/10/1993	Khartoum	Under liquidation
20	9821	White Nile for Investment in Higher Education Ltd	7/11/1995	Khartoum	Working
21	9926	Tama Agricultural Co Ltd	21/12/1995	Khartoum	Working
22	10087	Berhaa Charity Ltd	27/02/1996	Khartoum	Liquidated
23	10164	Strategic Development Group Ltd	8/4/1996	Khartoum	Working
24	10449	Islamic International Investment Ltd	4/8/1996	Khartoum	Deleted from record
25	11177	Danway for Roads and Bridges Ltd	5/4/1997	Khartoum	Working
26	12099	Symatic Investment Co Ltd	4/2/1998	Khartoum	Working
27	12590	Ansam International Ltd	11/7/1998	Khartoum	Working
28	16234	Almursi International Stores Co Ltd	14/02/2001	Khartoum	Working
29	16273	Albadaia Engineering Ltd	13/03/2001	Khartoum	Name changed
30	18110	Danfodio for Contracting, Roads, and Bridges Ltd	20/03/2002	Khartoum	Working
31	18112	Danfodio Trading Ltd	23/03/2002	Khartoum	Working

Source: Commercial Registrar Office, Khartoum, May 2021.

This is very indicative of the crony privileges that the al-Bashir regime granted the organization. It also indicates that the expansion path of MADA's businesses coincided with a rise in the corruption-riddled regime, as reported by many organizations. Furthermore, the absence of structured data on the performance of MADA's businesses and activities can be counted among the indicators of lacking transparency and accountability in its firms. It is worth noting that the number of firms shown in the Commercial Registrar's report doesn't reveal the exact size of the businesses, as many of them had split into new branches and affiliates. For instance, the Danfodio Holding Corporation, which appeared in Table 3 as a single business entity, owned Danfodio Trading Company, under which there were five sub-companies, each of which engaged in different business activities. These sub-companies include Danfodio for Heavy Machinery, Danfodio Automobiles, Danfodio Agricultural Company, Danfodio Electrical Works, and Danfodio for After-sales Service. The group also owned Danfodio Petroleum Services Company, City Transport Company (APRA transportation), and Danfodio Company for Advanced Industries. In the area of construction, the group owned the giant Danfodio Contracting, Roads, and Bridges Company specialized in the field of contracting, buildings, roads, bridges, landfills, dams, and irrigation facilities. To give a further push to its business, this company established the Engineering and Technical Studies Institute to develop and train engineers' skills. According to the DFCRFC data on MADA, the company owns around 600 pieces of equipment and machines that can be used for engineering and construction purposes. The DFCRFC data revealed that since its establishment, the company has completed more than 700 projects.

Due to political and religious connections between the al-Bashir regime and MADA, the businesses of Danfodio Holding Group expanded significantly during the 1990s. Undeniably, these connections blocked other competitors (i.e., PUFs), particularly in the areas of construction, which became entirely monopolized by the group. Thus, dozens of public construction works were allotted to the group without announcing tenders to the public. On the day of its confiscation, 4 April 2020, the Danfodio Contracting, Roads, and Bridges Company of Danfodio Holding Group was found working on 13 public and parastatal projects. Among others, these projects included the NCP's headquarters building in Khartoum, the police towers in Khartoum, the Federal Ministry of Labor tower in Khartoum, and Hassan Ibrahim Malik University City for students' accommodation in Khartoum. Apart from political connections, the simultaneous implementation of these projects reflects the huge financial capabilities of the Danfodio Group. These capabilities are reflected directly in the group's high profitability. Table 4 below reports the profits and inventories of the main companies working under the umbrella of Danfodio Holding Group for the year 2019.

**Table 4. Profits and inventories of Danfodio companies by the end of 2019**

No	Company name	Type of activity	Profit (USD)	Inventory (USD)
1	Danfodio for Heavy Machines	Agency for selling excavators and loaders	12,213,294	7,028,000
2	Danfodio Automobile	Agency for selling cars (agent for Isuzu cars), trucks, and buses (Daewoo)	552,657	1,280,000
3	Danfodio Agriculture	Selling agricultural machines/tractors	579,749	2,883,000
4	Danfodio Electric Works		239,483	-
5	After-sales Service	Maintenance for all the above agencies	1,221,330	2,544,438
6	Al-Kanar Pharmaceutical Company	Pharmaceuticals	550,010	-
7	Danfodio Roads and Bridges Company	Roads and bridges (owns around 600 machines)	196,927*	6,000,000
8	Danfodio Petroleum Services Company	Oil upstream	541,345*	-
9	Madena Transportation Company (APRA)	Transportation	713,000*	3,480,000
10	Taiba Engineering and Contracting Company	Contracting and excavation	110,272	-
11	Danfodio for Advanced Industries (Soriba)	Producing of gables and masts	121,745	-
<b>Total</b>			<b>17,039,812</b>	<b>23,215,438</b>

Source: DFCRC, 2021, \*Profits for half year of 2019.

The table shows that the estimated total profits attained by Danfodio Group companies in 2019 were, approximately, USD 17,039,812. The Danfodio Heavy Machines and After-sales Service companies were the most profitable firms in the group, with profits amounting to about USD 12.2 million and 1.2 million, respectively. Given the fact that the reported figures were accounted for the year after the ousting of the al-Bashir regime, the expected profits of MADA companies before 2019 are expected to be higher than what was reported in the table. Moreover, some companies reported profits for the half-year of 2019, meaning that they were highly profitable if profits are computed for the whole year. The table also indicates that the value of inventories of Danfodio companies was about USD 23.2 million in 2019. Given the probability of under-reported profits and assets due to a lack of transparency and weaknesses marking the audit system in Sudan in general and MADA firms in particular, the expected amounts may be more than double the values reported.

In addition, MADA owned shares in many institutions, including North Islamic Bank, Al-Balsam Pharmaceutical Company, the Islamic Bank of Sudan, the National Leasing Company, the Sudanese Petroleum Company, the White Nile Company for Investment, the Islamic Development Company, and Mona Pharmaceutical Factory. Yet, information about these shares was not available due to a lack of disclosure and transparency.

According to the DFCRC, MADA possessed a considerable amount of liquid assets (cash) in Sudanese banks. Following the DFCRC's decision no. 156, all these accounts have been frozen.



Table 5 below reports the amounts of cash that have been frozen in MADA's accounts in the Sudanese commercial banks.

**Table 5. Bank accounts recovered by the DFCRC between 29/4/2020 and 25/8/2020**

No	Firm name	SDG	USD	EUR	AED	SAR
1	MADA	24,674,238,003	6,220,826	-		236,892
2	Danfodio Petroleum	229,398,053	121	-	808,415	-
3	Abra Transportation	2,195,441,698		-	148,059	-
4	Danfodio Commercial	581,878,952	7,943,187	927,432	-	-
5	African Council for Education	650,985,828	-	-	-	-
6	Danfodio Contracting	708,059	69,848	997,459	-	-
7	Al-Kanar	5,231,354,324	2,051,845	-	-	-
8	Tayba Contracting	174,610,128	-	-	-	-
9	Child City	24,77,328	-	-	-	-
	<b>Total</b>	<b>33,741,092,399</b>	<b>15,286,975</b>	<b>1,924,891</b>	<b>956,474</b>	<b>236,892</b>

Source: DFCRFC (2020).

However, the reported information on cash and profits does not reflect the actual values of all the assets owned by MADA. It is worth mentioning that the Federal Ministry of Finance and Economic Planning formed a committee to evaluate the actual values of the assets that had been recovered from the members of the al-Bashir regime, including those recovered from MADA. To date, this committee did not report on the total actual value of the assets owned by MADA. Adding up profits, inventories, cash in banks, and land ownerships indicates that MADA represents one of the largest business groups in Sudan. In light of the collapse of the business sector after the secession of South Sudan in 2011, the available information about the size of MADA's businesses confirms the political connectedness of this organization. MADA has indeed benefited from the incentives granted by the Act of 1990. According to Salah Manaa, a member of the DFCRC, the Danfodio Group completely controlled Sudan's economy during the al-Bashir regime. He added that due to its connectedness with the ruling regime, the Danfodio Group used to get one percent of foreign loans from Chinese banks to Sudan through the organization's offices in Korea and Beijing (DFCRFC, 2020).

He also believes the Danfodio Group acted as an incubator from which the engineers of the former regime's security apparatus graduated, including Salah Gosh, Kamal Abdel Latif, and Mohamed Atta.<sup>11</sup>

### 5.3 MADA's mechanisms to penetrate the business sector

As reported in Table 3, MADA's firms captured a large share of business across all remunerative sectors. Before 1989, MADA's business size was very small, and its activities were dominated by charity work in a limited number of African countries. However, after the Islamists assumed

<sup>11</sup> The three of them have served as directors of the National Intelligence and Security Service, which has long been accused of committing acts of torture and unlawful killings during the Islamists' rule.

power, the organization benefited greatly from political and religious connections with the new regime to pass the MADA Act of 1990, which allowed it to engage in business activities. Driven by both political and religious connectedness, the Act granted MADA a generous bundle of privileges that assisted the organization to grow rapidly in a short period. These privileges included tax exemptions, financial freedom, access to lands, and regulatory exemptions, each of which represented a mechanism through which MADA seized a share in the business pie (DFCRFC, 2020). The process of these mechanisms can be detailed as follows:

### **5.3.1 Tax exemptions**

The MADA Act of 1990 provided its businesses with unlimited tax exemptions. The tax paragraph stated that the organization and its fixed and variable assets, income, and other properties should be exempted from all taxes, duties, and fees imposed by the government of Sudan, the governments of states, and localities. The Act also stressed that there should be no restrictions on imports and exports in the case of goods imported or exported for MADA's official uses. Moreover, the Act argued that all goods, materials, equipment, machinery, and vehicles imported or exported by MADA's businesses are exempted from customs duties. Obviously, these exemptions and concessions indicate that the organization had been given preferential treatment enabling it to shape a sizable market power in the economy. In other words, granting such privileges to MADA's firms denotes the existence of severe crony practices and constituted one of the big cronyism stories in the context of developing countries.

These exemptions are expected to create numerous negative effects on the PUFs. In addition to the harmful impact of being taxed, PUFs were expected to suffer a lot given the fact that the exemptions narrow the tax base and thus increase the tax burden to be shouldered by these firms. Moreover, the gains resulting from tax exemptions enable MADA's firms to diversify their product, adopt modern technologies, and implement sophisticated managerial practices. The manifestation of these improvements increases the competitiveness of MADA's firms at the expense of PUFs. Furthermore, in the context of Sudan, the harmful effects of leaving some firms untaxed may affect PUFs through the reductions in developing infrastructure attributed to the contracted public spending.

### **5.3.2 Financial freedom**

Along with tax exemptions, the Act of 1990 granted MADA absolute freedom to conduct financial transactions, making its firms financially unconstrained compared to PUFs. In this regard, the Act stated that MADA has the right to hold cash in various hard currencies and that the organization could manage its accounts in any currency. Furthermore, the Act gave MADA the right to transfer deposits and cash to and from other countries and to benefit from the best currency rates determined by the Central Bank of Sudan when purchasing foreign currency. This indicates that the Act granted the organization full financial freedom to deal with hard currencies, a matter that was strictly prohibited for other business entities. Based on these concessions, many MADA firms

engaged in many import and export activities with advantages that could be harmful to PUFs. The freedom to transfer foreign cash without any restrictions undoubtedly qualified MADA's firms to outperform PUFs working in the same areas. In the press conference held by the DFCRFC to announce the dissolution and confiscation of MADA's assets and properties, Saleh said that the financial freedom given to the organization interprets the scarceness of hard currencies in Sudan and signifies the role played by MADA in leaking Sudan's resources (Saleh, 2020).

### 5.3.3 Access to land

Under the 1990 Act, MADA had the right to access lands to develop or initiate businesses. It has been clearly stated in the Act that if the organization wishes to access land, it should request it directly from the government of Sudan, to which the latter is obliged to respond. Accordingly, MADA had granted many first-class lands, particularly, in expensive areas and sites in Khartoum and other states. In decision no. 156, the DFCRFC confiscated dozens of land plots with market values worth more than USD 350 million. Table 6 below depicts the size, site, and purpose of land plots owned by MADA and confiscated by the DFCRFC. As shown in the table, the lands granted to the organization were well-located and valuable. Specifically, the table demonstrates that MADA accessed a large number of land plots in Khartoum state, mainly in the capital city, where land is considered a scarce and very valuable input. This has been the case because Khartoum state in general, particularly Khartoum city, is populous, congested by economic activities, and occupies the smallest area compared to other Sudanese states. It is worth mentioning that although land is generally considered an abundant input in Sudan, land in lucrative sites such as Khartoum is very limited. Thus, getting access to privileged lands in such highly commercialized areas increased MADA's firms' profitability and raised their competitiveness in the market. In addition, accessing lands in commercialized areas would heighten the market power of these firms and, thus, possibly push PUFs to shut down.

**Table 6. Plots of lands owned by MADA and confiscated by ERC in Khartoum state**

No	Reg. no	Block	Area	Area in square meters	Purpose of use	Estimated market value in (USD)
1	461	65	Al Riyadh	114,940	Baby Garden/investment	126,434,000
2	52	14	Al Riyadh	4,950	Investment tower	5,445,000
3	65	15	Al Riyadh	16,480	Five floors, headquarter of MADA	18,128,000
4	3/411	65	Arkawit	127,050	Child City/investment	88,935,000
5	5	7/8	Dium East	1,500	Danfodio building	6,000,000
6	63	7	Bahri	6,112	Workshop/storage	2,444,800
7	7/A	5	Bahri	3,000	Warehouse	1,200,000
8	167	2	Kafari	2,135	Warehouse	12,081,000
9	379		Alragi	7,924	Abra Company	5,546,800
10	1288	30	Al-Azhari	10,270	Taiba Company	250,000

**Table 6. Plots of lands owned by MADA and confiscated by ERC in Khartoum state (contd.)**

11	220	29	Al-Azhari	400	Taiba Company	80,000
12	219	29	Al-Azhari	400	Taiba Company	80,000
13	1291	30	Al-Azhari	10,010	Taiba Company Garage	202,000
14	24	19	Al Riyadh	500	Al Rashideen Tower	550,000
15	2/531	17	Umbbada	600	Omdurman mission	120,000
16	1309	30	Mayio	79,952	Warehouse	11,922,800
17	1262	3/2	Omdurman	11,700		4,680,000
18	157	28	Bahri	9,000	Schools/buildings	2,250,000
19	691	7	Sharag Al- Nil	34,200	Sharag Al- Nil mission + investment	6,840,000
20	292	37		750	World Health Institution building	375,000
21	299/3	34	Al-Emtidad	87,808	African Society building	43,904,000
<b>Total</b>						<b>337,468,400</b>

Source: DFCRFC (2020).

In addition to the above residential land plots, MADA was found to possess huge areas of land in the rest of the Sudanese states. According to the DFCRFC, the organization owned seven land properties in Kassala State, 12 properties in Northern State, seven properties in Central State, four properties in West Kordofan, 26 properties in South Kordofan, two properties in Blue Nile State, four properties in South Darfur, and two properties in West Darfur State (DFCRFC, 2021). Since these land plots were used for profit-oriented businesses, one can easily conclude that the presence of MADA's privileged firms in these states intensified the burden on infant businesses. Moreover, the African Foundation for Private Education, one of MADA's largest firms, was found to possess 31 land properties, most of which are located in Khartoum (Table 7) (DFCRFC, 2021).

**Table 7. Land properties owned by the African Foundation for Private Education**

No	Number of land plots	Block	State /City	Area in square meters	Purpose of use	Estimated market value in USD
1	14		Khartoum	58,400	Investment	11,680,000
2	4		Port Sudan	2,100	Investment	525,000
3	3		Gadaref	11,950	Investment	2,390,000
4	5		Gezira	13,454	Investment	3,363,500
<b>Total</b>						<b>17,958,500</b>

Source: DFCRFC (2020).

Moreover, the DFCRFC confiscated agricultural lands owned by MADA of around 188 feddans located in Khartoum (six feddans) and Gazira (182 feddans) states. This indicates that the circle of MADA investments – and, thus, the privileges it had enjoyed during al-Bashir's regime – covered all sectors (DFCRFC, 2020). The jump over regulations and rules that govern public land ownerships extended to conquer abroad public premises. The DFCRFC declared that the

ownership of many abroad premises had been transferred from the government of Sudan to MADA illegally and without official permission (DFCRFC, 2020).

According to Manna (2020), the large number of MADA land ownerships reflects the strong connections between the organization and the ruling regime, not to mention the political and religious connections with the toppled regime, without which these ownerships could not have been obtained.

#### **5.3.4 Regulatory exemptions**

It is well-known that regulatory barriers/exemptions play a critical role in deciding the expansion and profitability of businesses, particularly in corrupt contexts. In this regard, MADA benefited greatly from the boundless regulatory exemptions to overtake a considerable share of business firms. Similar to the aforementioned mechanisms, the regulatory exemptions also spring from the MADA Act of 1990. For instance, the Act granted foreign employees and workers in MADA's firms both diplomatic and legal immunity, making them above prosecution from all Sudanese laws (DFCRFC, 2020). According to that Act, foreigners employed with the organization are free to move from one place to another and are exempt from all Sudanese Immigration Acts. In addition, MADA's statute stipulated that the vehicles and buildings that belong to the organization should be exempted from all legal procedures and would not be subject to confiscation without permission from the organization (DFCRFC, 2020). With these regulatory exemptions to MADA firms, the Act made other firms, particularly foreign ones, receive lower preferential treatments, although both of them are driven by the carrot of profits and the stick of losses. In other words, the softening of regulations and the removal of red tape in front of MADA firms qualified them to crowd out foreign firms. This was very damaging for the national economy as local PUFs had been forbidden from acquiring know-how and other positive spillover effects to be brought by foreign firms.

Also, the regulatory exemptions that the regime granted to MADA were manifested via the freedom to deal with transferring and trading hard currencies. Specifically, the MADA Act of 1990 granted the organization the right to deal with hard currencies and to transfer money to and from Sudan. Moreover, to strengthen the position of the organization, the Act nominated the President of the Republic of Sudan to act as the honorary director of the organization. One can imagine the benefits that the organization could gain from having the head of the State as its director. In such cases, the authorization cronies don't only become unavoidable; they become larger and have a devastating impact on PUFs.

#### **5.4 The share of MADA businesses in the private sector**

The lack of accurate data and the ambiguity surrounding MADA businesses make it difficult to predict the precise values and the size of MADA's businesses. The strong political and ideological connections between the 30 June regime and MADA discouraged the process of preparing well-structured data on business activities. This argument may interpret the existence of cronyism

wrapped with MADA activities and businesses. However, despite the lack of accurate data on the actual size of its businesses, the privileges arranged for MADA made it one of the biggest investors in Sudan’s economy during the al-Bashir regime. This conclusion can be vindicated by the large companies and ownerships registered by the organization. The Danfodio Holding Group symbolizes the hugeness of size and the monopoly power of MADA businesses in the Sudanese private sector. This can be indicated by the profitable performance of the group in 2019, the year that witnessed the revolution and collapse of the al-Bashir regime. Due to the continuous strikes and demonstrations waged at the end of 2019, Sudan’s GDP troughed, registering a -2.5 percent growth rate (World Bank, 2021). However, in the same year, the Danfodio Holding Group opposed that negative path of the economy. Specifically, the 11 sub-companies of the Group saw large and positive profitability in 2019 (DFCRFC, 2021). More specifically, the Danfodio Contracting, Roads, and Bridges Company of the Danfodio Holding Group dominated the works of construction particularly in the areas of roads, bridges, and buildings as the company holds 13 contracted works. The same can be said about the African Foundation for Private Education, which captured the largest share in the private schooling sector at the pre-primary, primary, and secondary levels. Based on some information and data collected via interviews, the market value of the total assets owned by MADA can be estimated and presented in the following table.

**Table 8. Estimated total value of assets owned by MADA**

No	Item	Estimated value (USD)
1	Land	355,426,900
2	Buildings	-
3	Machines and equipment	10,148,000
4	Vehicles	-
5	Companies’ assets	-
6	Cash in banks	16,280,975
7	Inventories	23,215,438
<b>Estimated total assets</b>		<b>405,071,313</b>

Source: compiled by authors based on DFCRFC (2020) and brokers’ estimates.

As indicated from Table 8, data on the actual values of buildings, vehicles, and companies’ assets, which represent the bulk of MADA’s assets, were not available. The values of lands, machines and equipment, cash in banks, and inventories were obtained based on estimation. These estimated assets are valued at, approximately, USD 405 million, signifying the hugeness of MADA’s businesses. The total value of these assets, excluding buildings, vehicles, and companies’ assets, represents roughly 0.62 percent of the country’s GDP, 1.93 percent of industrial value-added (including construction), and 4.26 percent of the country’s total exports. These percentages reflect the dominance of MADA businesses over both the private sector and Sudan’s economy. This also demonstrates the role that had been played by privileges granted to the organization. According to the data reported in the table, the lands captured the lion’s share in the total value of the assets owned by MADA. Implicitly, this indicates that the organization relied on land accessibility depending on the Act of 1990. Read from another perspective, the large shares of MADA’s

business in both the private sector and the GDP stand as an indication of the political power retained by the organization and, accordingly, its ability to paint the political picture in the country.

### **5.5 The role of MADA in sustaining al-Bashir's authoritarian rule**

The evidence indicates that MADA played a facilitating role in stabilizing and consolidating al-Bashir's authoritarian rule. The mature relationship between Islamists and MADA dated back to the collapse of Numeiri's regime in April 1985 and the formation of the Transitional Government. Field Marshal Siwar al-Dahab, the head of that government, had been nominated as Secretary-General for MADA after the Islamists took power in 1989. Under his administration, the size of MADA's businesses grew significantly and its status in the governmental bodies became more recognizable. One year later, in May 1990, the Revolutionary Command Council (RCC) approved the MADA Act of 1990, which, as discussed, furnished the organization with bundles of unprecedented privileges. According to Saleh and Manaa, members of DFCRFC, the RCC approved that Act as a reward for MADA for its effective role in supporting the 1989 coup (DFCRFC, 2020). The records of the Commercial Register showed that many of MADA's businesses grew dramatically after the approval of the 1990 Act. This was very indicative that the organization had benefited from the leadership of Siwar al-Dahab, who had been the head of the State during the transitional period.

Abdelaziz mentioned that the leaders and secretaries of the organization used to maintain strong relationships with the NCP. For example, al-Dahab, head of MADA's board of trustees, was one of the Islamists and engaged in managing al-Bashir's electoral campaign in 2015. Also, Atta al-Manan, the last Secretary-General of MADA, was known for his affiliation with the Islamists ever since he was a university student. The existence of Islamist political figures in the MADA administration confirms the strengthened relationships between the organization and the 30 June regime. Seen from another perspective, the organization benefited from Islamist cadres, particularly those who hold advanced positions, to achieve numerous goals, particularly on the business front (Abdelaziz, 2021). Moreover, MADA provided Islamist cadres with jobs in exchange for the privileges provided to its firms.

The evidence reveals that all job opportunities and training in MADA were confined to those who were listed as Islamist members. Currently, MADA employs a large number of employees, most of whom were Islamists (Awad, 2021). Likewise, Abdelaziz pointed out that MADA had restricted the jobs it offered to Islamists and the followers of the NCP (Abdelaziz, 2021). This made the organization act as an important platform for empowering Islamists by limiting jobs to those with concrete loyalties to the regime.

### **5.6 The dissolution of MADA and the confiscation of its businesses**

Based on the Law of Dismantling the 30<sup>th</sup> of June 1989 Regime, the DFCRFC dissolved MADA and confiscated its assets in April 2020. The DFCRFC's decision no. 156 canceled the registration

of the organization and recommended the repeal of MADA's Act of 1990. Moreover, decision no. 156 also recommended confiscating and recovering all internal and external funds, accounts, and assets belonging to the organization. It also recommended canceling the registration of all companies and business names owned by the organization and putting all confiscated items under the control of the Federal Ministry of Finance and Economic Planning.

In its press conference held to announce the dissolution of MADA, the DFCRFC claimed that the organization played a major role in completing the 30 June 1989 coup. The committee also argued that MADA used to support and consolidate al-Bashir's regime and, thus, it has been accused of aborting the process of democratization in the country (DFCRFC, 2020). Manaa (2020) added that the organization's premises represented the safe haven in which the Islamist-leaning coup was planned, and the place where the first proclamation of the coup was recorded. Saleh (2020) argued that MADA's Act of 1990 granted the organization wide powers that go beyond those granted to executive departments of the State. The most "astonishing fact," according to him, was that the organization has no general assembly to discuss and decide on its activities (Saleh, 2020). According to him, it is also puzzling that MADA's statute states that the organization's board of trustees consists of 50 members, 10 of whom are non-Sudanese (Saleh, 2020).

On the operational front, MADA's Act of 1990 granted the organization tax, tariffs, and fee exemptions. The Act also granted MADA ownership of real estate and access to land, including agricultural lands. Saleh stated that MADA's statutes stipulated that the primary mission of the organization is to preach Islam to non-Muslims inside and outside Sudan (Saleh, 2020). However, the same statute also granted the organization the right to run investments and businesses opening doors for crony and corrupt practices (Saleh, 2020). In his words, "The corporations and companies owned by the organization were the strong arms of the 30<sup>th</sup> of June 1989 regime. MADA's affiliates played an essential role in enabling the regime to control the political and economic affairs of the country. This organization was the actual government that ran the country" (Saleh, 2020).

In fact, granting MADA privileges based on the fact that it works on propagating Islam in Africa represented a clear violation of the Sudanese Investment Acts. Usually, these acts grant investors encouraging packages based on satisfying certain characteristics. These may include the potential contribution of initiated investment to GDP, employment, exports, and import substitutes. However, in the case of MADA, the encouraging packages were given based on the non-materialistic goal of bringing in more people under the umbrella of Islam. Running businesses based on privileges driven by religious motives produced what can be called "religious cronyism." This type of cronyism is quite diverging from the conventional crony practices, which are mostly based on exploiting political connections.<sup>12</sup> Yet, it seems impossible to draw a clear demarcation

---

<sup>12</sup> An economic entity is said to be politically connected if one of its shareholders or top officers is a member of parliament, a minister, the head of State, or closely related to one of the top officials (Faccio, 2006).



line between the role of political and religious connectedness in the case of MADA. From a religious perspective, the al-Bashir regime looked at the privileges granted to the organization as an authentic duty dictated by religion. Politically, the al-Bashir regime was guided by the universality stemming from Islamic thought and, thus, adopted the principle of exporting its radical beliefs to the rest of the world. Thus, the organization represented one of the bridges on which the vehicle of the regime's radical beliefs can be passed to other countries. This argument can be vindicated by the branches that the organization set in more than 40 countries. Moreover, the managers of the organization were mostly chosen from Islamists who have strong political ties with the ruling regime. Hence, the size of the privileges granted to MADA had been influenced by its political connections with the ruling regimes.

Whatever shapes they take, the crony practices characterizing MADA's businesses create a fundamental contradiction between the means and goals of the organization. On the one hand, the organization aimed principally to propagate Islam among non-Muslim societies, while it manages businesses based on crony practices. The contradiction arises from the fact that the legislator bypassed rules and regulations applied to the business sector and granted privileges to MADA based on religious connections. For instance, the Act of 1990 granted the organization the right to request land from the Sudanese government through allotment. This assisted the organization to possess huge lands, mostly located in strategic and promising sites, giving MADA businesses more competitiveness over other firms. The confiscation of MADA's lands by the DFCRFC represents a solid indication that the organization had benefited greatly from crony practices during the al-Bashir regime. It also signifies the critical importance of MADA for the toppled regime. The crony practices are applied to all MADA firms, particularly contracting companies, which had been given bundles of privileges that couldn't be obtained without political and religious connections. The most prominent example is Danfodio Holding Group, which worked in contracting and construction. Being owned by MADA qualified the company to acquire the lion's share in public bids and tenders. In addition, MADA's ownership supplemented the group's businesses with varieties of privileges including tax, tariff, and fee exemptions.

From an economic perspective, the privileged investments of MADA are expected to harm Sudan's economy. First, the concessions and privileges disturbed the inflows of foreign direct investment (FDI), as MADA firms gained more competitiveness compared to foreign firms. Therefore, the privileges and concessions granted to MADA represented a real loss for the Sudanese economy as they reduced FDI inflows. Moreover, the tax and tariff exemptions would lower government revenues and, thus, diminish public spending on infrastructures placing a negative impact on economic growth. Besides, MADA's engagement in agriculture would generate negative consequences on the small landholders who lack inputs and capabilities. In the end, MADA agricultural investments would disturb the performance of smallholders and, thus, push them out of agricultural markets.

The crony path of MADA is more evident when looking at it in the context of other charitable organizations. To highlight this, one can ask why MADA had preferential advantages over other equivalent organizations. Did the organization get these advantages because it was more dedicated to serving the community and its pressing needs such as fighting poverty, illiteracy, and disease more than other organizations? Was the organization superior to other organizations in these regards? If MADA performs the same functions performed by its counterparts, what made it occupy a distinguished position in government? The answer to all these questions is very clear: MADA worked on propagating Islam among non-Muslims. However, this answer raises another question: is it acceptable to allocate all these privileges to an organization that does not target satisfying people's materialistic needs? These privileges circumvent resources that belong to both Muslims and non-Muslims, thus, how would the government justify taking the public resources, which, in part, belong to non-Muslims, to propagate Islam while ignoring other religions? Is the mission of the Sudanese government to propagate Islam or to satisfy people's needs and wants? Of course, the answer to the first question is no, since it is not acceptable to use public resources to realize a target that is beyond the satisfaction of its people's basic needs, while the answer to the second question is that the government is not allowed to utilize public resources in favor of a social group against the other.

To sum up, the relationship between MADA and the al-Bashir regime during the period 1989 and 2019 was extremely occupied by cronyism. This represents one of the issues that need to be explored and investigated. However, up-to-date data concerning this issue is rare and largely not available. We hope that the data on MADA businesses and activities will be structured and made available to researchers to shed more light on the relationship between MADA and the al-Bashir regime.

## **6. Concluding remarks**

This paper investigates the relationship between political Islam and crony capitalism in Sudan, with a particular focus on Munazzamat al-Dawa al-Islamiyya (MADA). This is a significant departure from previous literature, which has typically focused on anatomizing cronyism in the context of profit-maximizing firms. MADA represents a mixed institution where public benefits were blurred with profit-maximizing behavior. This overlap is what distinguishes the current study. In April 2020, the Dismantling the 30<sup>th</sup> of June Regime, Fighting Corruption, and Recovering Public Funds Committee (DFCRFC) dissolved and confiscated MADA. The atmosphere created by the December Revolution allowed for the investigation of some issues that were strictly prohibited under the deposed regime. However, due to the difficulty in obtaining concise and well-structured data, this analysis relies heavily on secondary data, desk reviews, and key informant interviews to map and detect the crony relationships between MADA and the regime. It is worth noting that despite the fact that MADA was established in 1980 (during the Nimeiri regime), MADA's role in Sudan's economy and politics has grown over the 30 years of al-Bashir's rule (1989-2019).

To further their agendas, the Islamists passed the Act of 1990, which granted MADA's businesses a variety of benefits and concessions. The Act of 1990 was one of the channels through which the cronyism that characterized MADA firms was institutionalized. The goal of establishing the organization, according to that Act, was to spread Islam among non-Muslim societies in and outside of Sudan. MADA, on the other hand, had been involved in a wide range of business activities, including oil, retail, agriculture, construction, and services.

The analysis reveals that the organization benefited greatly from political and religious ties to the al-Bashir regime in obtaining a large package of privileges, indicating the presence of deeply rooted cronyism. This conclusion is supported by the correlation between the Islamist takeover of power and the boom in MADA businesses at the start of the 1990s. Furthermore, the analysis reveals that the organization used to obtain numerous contracts to build public facilities. This suggests that MADA's orthotic marriage with the ruling regime aided the latter in capturing the lion's share of public bids and tenders. Overall, this reveals the advantages that MADA derived from the al-Bashir regime and emphasizes how the al-Bashir regime benefited greatly from its support for MADA. Alternatively, the organization served as one of the focal points for mobilizing cadres to ensure the regime's dominance. This is the first study to explore whether the rise of radical Islamist ideology aided the emergence of cronyism in Sudan. This provides motivation for further research into the relationship between political Islam and capital cronyism. Furthermore, the Islamist regime's duration of more than 30 years represents a pioneering experiment in the field of political Islam around the world.

There are some limitations to this study. First, there could have been other potential mechanisms by which MADA contributed to the continuation of the Islamist regime. However, due to a lack of data, we are unable to investigate and explore these mechanisms. For example, MADA's involvement in security issues during the deposed regime may have contributed to its long age. Anecdotal evidence suggests that MADA appointed many security leaders during the Islamist regime. As a result, the findings of this study may represent a lower bound on the precise relationship between MADA and the Islamist regime. Second, the study is unable to estimate the actual size of MADA's business or its share of the Sudanese economy due to difficulties in gaining access to MADA's financial records. Thus, the actual estimates would be much higher if data for all assets were made available. Finally, the available data don't allow for investigating the impact of MADA cronies on politically unconnected firms. However, it can be concluded that given the weakness of the private sector, the privileges allotted to MADA businesses were likely to impose a negative impact on independently working firms. Moreover, a clear conclusion about the impact of MADA privileges on businesses at macro levels cannot be drawn. MADA may have affected the macroeconomy through the support it provided to Islamists' rule. In other words, since its inception in 1989, the regime experienced significant volatility in its international relations and

was subjected to economic sanctions for an extended period of time. The occurrence of these growth-obstructive events hindered progress on the economic front.

## References

- Abdelwahid, M. (2008). *The Rise of the Islamic Movement in Sudan 1945-1989* (Doctoral dissertation).
- Al-Jarida Newspaper (2020). *Accusations of Corruption and Politics: The Islamic Call Organization, Strings of Darkness and Snowball Rolls*, in Arabic.
- Alterman, J. B. and Von Hippel, K. (Eds.) (2007). *Understanding Islamic charities* (Vol. 27). CSIS.
- Assal, M. A. (2019). *Sudan's Popular Uprising and the Demise of Islamism*. CMI Brief. University of Bergen.
- Baldo, S. (2018). *Sudan's Self-Inflicted Economic Meltdown*. Enough Project, 13.
- Bano, M. (2005). *The Charitable Crescent: Politics of Aid in the Muslim World*. Jonathan Benthall and Jerome Bellion-Jourdan (London: IB Tauris 2003), 208pp. HB£ 39.50 ISBN 1-860-64901-7.
- Berridge, W. J. (2015). *Civil Uprisings in Modern Sudan: The 'Khartoum Springs' of 1964 and 1985*. Bloomsbury Academic.
- Collins, R. O. (2008). *A History of Modern Sudan*.
- Dagdeviren, H. (2006). *Revisiting Privatization in the Context of Poverty Alleviation: The Case of Sudan*. *Journal of International Development: The Journal of the Development Studies Association*, 18(4), pp.469-488.
- De Waal, A. (2004). *Islamism and its Enemies in the Horn of Africa*. Indiana University Press.
- DFCRC's Media Press (2020). <https://www.youtube.com/watch?v=Cfdx4HgUEVw&t=1008s>
- El Mahadi, S. (1997). *On Sudan's Current Affairs*, unpublished lecture notes, El Rayaam.
- El-Affendi, A. A. (1991). *Turabi's Revolution: Islam and Power in Sudan*. Grey Seal.
- El-Affendi, A. A. (2004). *On the State, Democracy, and Pluralism*. IB Tauris.
- El-Battahani, A. (2013). *The Post-Secession State in Sudan: Building Coalitions or Deepening Conflicts?* In *Sudan Divided* (pp. 25-44). Palgrave Macmillan, New York.
- El-Battahani, A. E. (1996). *The Social and Political Impact of Economic Liberalization and Social Welfare in Sudan*.
- Elbeely, K. H. (2003). 'Sudan's Privatisation Experience 1990-2000: Implementation, Constraints and Impact,' *Leeds African Studies Bulletin*, 66.
- Elnur, I. (2009). *Contested Sudan: The Political Economy of War and Reconstruction*. Routledge.
- Faccio, M. (2006). *Politically Connected Firms*. *American Economic Review*, 96(1), pp.369-386.
- Grafham, O. (2015). *Water, Civilization, and Power in Sudan: The Political Economy of Military-Islamist State Building*. By Harry Verhoeven. *International Affairs*, 91(3), pp.647-648.
- Ibrahim'Ali, H. (1991). *Azmat al-Islam al-Siyasi. AI-labha al-Islamiyya al-Qawmiyya Namudhajan* (Casablanca: Dar Qurtuba, 1991).
- Ismail, O. H. (2011). *The Failure of Education in Combating Corruption in Sudan: The Impact on Sustainable Development*. *OIDA International Journal of Sustainable Development*, 2(11), pp.43-50.

- Kameir, E. W. and Karsany, I. (1985). Corruption as the 'Fifth' Factor of Production in the Sudan (Uppsala, Scandanavian Institute for African Studies, Report No. 72).
- Kostelyanets, S. (2022). Sudan's December Revolution and the Demise of the Al Bashir Regime. In *New Wave of Revolutions in the MENA Region* (pp. 33-56). Springer, Cham.
- Mann, L. (2014). Wasta! The Long-Term Implications of Education Expansion and Economic Liberalisation on Politics in Sudan. *Review of African Political Economy*, 41(142), pp.561-578.
- Miller, J. (1997). Global Islamic Awakening or Sudanese Nightmare? The Curious Case of Hassan Turabi.
- Musso, G. (2017). Sudan and the Unbearable Lightness of Islamism: From Revolution to Rentier Authoritarianism. *The International Spectator*, 52(4), 112-128.
- Natsios, A. S. (2012). Sudan, South Sudan, and Darfur: What Everyone Needs to Know. OUP USA.
- Potter, H. (2018) *Something Wicked This Way Comes*. Interviewed by Barnabus Cuffe, Publishers, Rabat, 2nd edition.
- Rabasa, A. (2009). *Radical Islam in East Africa*. Rand Corporation.
- Shaaeldin, E. and Brown, R. (1985). *Towards an Understanding of Islamic Banking in Sudan: The Case of Faisal Islamic Bank*. Monograph series.
- Sidahmed, A. S. and Sidahmed, A. (2004). *Sudan*. Routledge.
- Simone, A. M. and Simone, T. A. M. (1994). In *Whose Image? Political Islam and Urban Practices in Sudan*. University of Chicago Press.
- Suliman, O. (2007). *Current Privatization Policy in Sudan*. Policy Brief, 52.
- Turabi, H. (1991). *The Islamic Movement in Sudan: Progress, Gains and Methods*, El Furgan.
- Waal, A. D. and Abdel Salam, A. H. (2004). *Islamism, State Power and Jihad in Sudan*.
- Wakoson, E. N. (1998). Islamism and Militarism in Sudanese Politics: Its Impact on Nation-building. *Northeast African Studies*, 5(2), 47-94.