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SOCIAL PROTECTION

OBSERVATIONS ON THE SITUATION OF SOCIAL PROTECTION AMIDST THE SUDANESE WAR



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Arab Region Hub
for Social Protection

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Cover photo: Sudanese people walk with belongings after crossing the border from Sudan, Abu Simbel, southern Egypt, May 2023. © EPA-EFE/KHALED ELFIQI

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1. Introduction

In April 2023, the Sudanese capital of Khartoum became the epicenter of an armed conflict that resulted in severe and far-reaching political, economic, and social repercussions. The war erupted between the Sudanese army and the Rapid Support Forces, a paramilitary group created by the Bashir government to engage in conflict in the Darfur region. As home to an estimated 12 million people, constituting nearly a quarter of Sudan's total population, the city bore witness to an unprecedented escalation of violent hostilities.

Over the following 90 days, the casualty toll surpassed 3,000 fatalities, and this number is likely to rise steadily. The conflict has triggered a massive internal displacement crisis, uprooting more than 2.2 million individuals from their homes. Furthermore, an additional 631,000 people have sought refuge beyond Sudan's borders, primarily in neighboring countries such as Chad, Egypt, and South Sudan. In response to the escalating situation, diplomatic missions and international organizations have been active in evacuating their respective nationals from Sudan. The alarming reports from the UN indicate that approximately 25 million Sudanese are in dire need of humanitarian aid, or more than half of the total population.¹

Because Sudan's economic and political activity is concentrated in Khartoum, the current armed conflict has had a significant economic impact. Considerable educational and healthcare centers are clustered within the city, while the outskirts of Khartoum host sprawling slums with a dense population of displaced individuals from different Sudanese states after the recent years of conflicts. Over 60% of Sudan's workforce is employed by the informal sector, dispersed across the country's periphery, and such workers are typically left out of what little social protections could exist through formal channels.²

The people of Khartoum have been thrust into a violent conflict, where various types of weaponry have been employed, and the fundamental human rights and ethical principles that typically govern warfare have been absent. Even after two months of the war, no safe passages have been established for civilians, and at least 67% of hospitals near conflict zones have gone out of service.³ A truce was successfully established, aimed at alleviating the profound

impact of the war on civilians. However, the conflict disrupted the entire central state apparatus, with belligerents targeting key ministries and industrial areas, including factories. As the conflict in Sudan enters August 2023, its fourth month, significant questions have emerged regarding the resilience of conflict-affected communities and the efficacy of social protection mechanisms in mitigating the impact experienced by civilians from hostilities.

Wars have a direct impact on increasing poverty and hindering access to basic public services. On the other hand, the existence of effective institutions and advanced tools for social protection can help alleviate the repercussions of the conflict on people's lives, livelihoods, and purchasing power. Moreover, the availability of social protection is essential in addressing and diminishing the root causes of potential new conflicts that may arise as a result of economic conditions and exacerbate social tensions.

In this report, we briefly delve into the current Sudanese context of social protection, including the situation of the country's social protection system before the war. We also explore the post-war involvement of state institutions in providing social protection, as well as the repercussions of the conflict on social security for workers in the private sector and informal labor. Additionally, we discuss the challenges and prospects entailed in providing social assistance considering the current emergency situation in Sudan.

2. Pre-War Situation of the Social Protection System in Sudan

In Sudan, numerous public institutions are engaged in social protection efforts, such as the Zakat Bureau, the Anti-Poverty Commission, the Health Insurance Authority, the Pension Fund, and the National Fund for Social Insurance, among others. The extensive presence of these institutions invites concerns regarding the fragmentation of the country's social protection system, and the effectiveness of their roles in ensuring the right to social security prior to the outbreak of the armed conflict. The anti-poverty strategy released by the Ministry of Finance in 2021 revealed that the poverty rate in Sudan has surged to over 65% of the population.⁴

¹ UN Office of Coordination of Humanitarian Affairs (OCHA), Sudan Situation Report, July 2023, available at <https://reports.unocha.org/ar/country/sudan>

² "The Informal Sector in the Arab Region - Social Monitor", Arab NGO Network for Development (ANND), 2016.

³ OCHA Report, Updated June 2023

⁴ National Strategy to Combat Poverty 2021, Ministry of Finance

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Additionally, there has been an increase in the school dropout rate, and access to essential health services has weakened. These circumstances have prompted questions regarding the effectiveness of social protection institutions in addressing the living challenges faced by the population, and fulfilling their responsibilities during these difficult times.

A forthcoming study on Zakat and social protection in Sudan highlights the primary obstacles to the effectiveness of the country's social protection system.⁵ Among these challenges are the lack of coordination and interdependence between social protection institutions and the absence of a comprehensive social protection strategy. Consequently, social institutions were ill-equipped and unprepared to confront the challenges posed by the armed conflict and its repercussions. Moreover, the unavailability of accurate information systems further hindered the provision of social protection services to those in need during such critical circumstances.

As a consequence of the 25 October 2021 coup, the Thamarat social protection program was suspended.⁶ This program was one of the key components in a package of social protection initiatives designed to alleviate the impacts of the structural reforms implemented by the transitional government, with the goals of debt relief and financial assistance. In addition to the suspension of the Thamarat program, the coup authority also terminated the commodity subsidy program previously sponsored by the Sudanese government. This subsidy program had played an important role in ensuring the availability of affordable bread by subsidizing flour mills.⁷

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⁵ Madani Abbas Madani, "Zakat and Social Protection in Sudan 2019-2021 [Critical View]", Arab Reform Initiative, 2023, pending publication.

⁶ Thamarat was a direct-cash support program designed to benefit 80% of Sudan's population. Launched on 24 February 2021, the program focused on providing direct cash transfers to Sudanese families, aiming to reach approximately 32 million citizens at a rate of US\$5 per person. The implementation of the program received technical support from the World Bank and attracted contributions from multiple donors, including Germany, Sweden, Saudi Arabia, Britain, Canada, Ireland, Italy, the Netherlands, Norway, Finland, and France.

⁷ The transitional government's negotiations with international institutions resulted in the adoption of economic reform policies as a foundation for re-establishing Sudan's cooperation with international financial bodies. A crucial part of this process was Sudan's accession to the Heavily Indebted Poor Countries initiative, seeking exemptions for its foreign debts that amounted to over US\$60 billion. The implementation of these reforms had a significant impact on the official exchange rate, aligning it more closely with the real value of the Sudanese pound. Additionally, the government made

3. Adopting Traditional Tools: Social Protection After the Outbreak of War

The outbreak of war triggered a significant wave of internal displacement, with many seeking safety in other states within Sudan, particularly the state of Gezira, located adjacent to Khartoum. Notably, a significant portion of these displaced individuals opted to reside with their relatives or acquaintances rather than seeking displacement camps. This highlights the efficiency and responsiveness of Sudan's "traditional" social protection mechanisms, anchored in family, group, and regional support, as compared to state agencies and humanitarian organizations. Nevertheless, the presence of displacement camps cannot be dismissed. For instance, there are over 80 camps in Gezira, with many established inside schools by local city committees (known as Resistance Committees), and in university student housing. A UN official who preferred to remain anonymous disclosed that more than 80% of the funding for subsistence and services in these camps was contributed by the hosting communities and benevolent donors, while only a few received sponsorship from the UN and international organizations.

Within the state of Khartoum, numerous neighborhoods have embraced a model of local solidarity, wherein residents come together to establish communal kitchens for distributing food to all inhabitants.⁸ A noteworthy example of this is seen in the city of Al-Juraif West, in the Khartoum locality, where families have become reliant on popular effort and the distribution of available foodstuffs among them.

Additionally, expat remittances have played a crucial role in supporting the needs of families within Sudan, despite the formidable challenges faced by the banking system.

strides in lifting subsidies on certain essential commodities, including gasoline. Furthermore, there were recent efforts towards reform and rationalization of the financial subsidy system.

⁸ The concept of communal kitchens revolves around the residents of a particular neighborhood coming together to pool food resources and prepare meals collectively. These initiatives are based on a cooperative framework among community members.

4. Post-War State Institutions and Social Protection

Since the outbreak of the war, the functioning of central state institutions and multiple social protection entities has been disrupted. Only a few Zakat institutions in certain states remain operational amid the turmoil. Moreover, the state's capacity to ensure the payment of public sector workers' salaries has also been hampered, primarily due to extensive disruptions in the banking system. Presently, only a limited number of branches of the Bank of Khartoum, one of Sudan's major private banks, are operational.

In Sudan, Zakat stands as a prominent pillar of social protection, functioning as a mandatory religious tax that significantly contributes to resource redistribution. Estimated to account for over 70% of the resources allocated to social protection, Zakat possesses the unique ability to rapidly mobilize direct or productive cash transfers. The outbreak of war has resulted in disruptions to state institutions and the banking system, curtailing the effectiveness of Zakat in providing social assistance. Moreover, essential social protection institutions responsible for cash transfers or social aid to citizens, like the National Pension Fund and the Health Insurance Center, faced operational cessation.

5. War and the Private Sector: The Implications for Social Protection

In the early nineties, the Sudanese government implemented privatization policies that reshaped the employment dynamics in the country. As a consequence, both the private sector and the informal sector have emerged as major players in the employment process.

The private sector assumes a particularly crucial role in providing social protection for its workforce. However, it faces formidable challenges presented by the scarcity of large enterprises – which comprise a mere 2% of the operational establishments – as the vast majority of enterprises are small

or medium-sized.⁹ Often, these establishments fail to comply with the social protection conditions mandated by law for their workers. Moreover, the burden of disasters and wars adds further strain, imposing difficult conditions on these establishments.

The private sector in Sudan has been profoundly impacted by the war. The capital, Khartoum, was considered a hub of industrial and commercial activity, hosting half of the operational factories in the country. However, many of these establishments have fallen victim to assault and vandalism, leading to a complete disruption of their operations.

In light of the current circumstances, several major private institutions have initiated measures to withdraw from the market, posing a grave threat to hundreds of thousands of workers in the private sector. For instance, the prominent Hajjar Foundation announced the cessation of its operations as of 30 June 2023, resulting in the termination of its workforce.¹⁰ Similarly, the Dal Engineering Company, a subsidiary of the Dal Group, which undertakes diverse business activities in Sudan, gave its employees a three-month unpaid leave. This pattern has been alarmingly replicated by numerous other companies. There are no reliable estimates or studies indicating the percentage of workers laid off in the private sector. However, given the ongoing war and the deterioration of banking services, limited legal safeguards for workers' rights, and a lack of responsibility from several private sector institutions towards their workers, it is conceivable that a majority of private sector workers may face job losses.

6. The Informal Sector and Social Protection

In Sudan, the informal sector comprises nearly 60% of the workforce. These individuals faced a lack of social protection prior to the outbreak of the war. While some initiatives aimed to integrate them into protective systems, their impact remained limited.¹¹ Daily wage labor sustains most of these

⁹ International Labour Organization, "A Roadmap Toward a National Employment Policy For Sudan", Project "SUDAN: Support to the development of a National Employment Framework", UN Development Program, January 2014, available at https://www.ilo.org/wcmsp5/groups/public/---africa/---ro-abidjan/---sro-cairo/documents/publication/wcms_334878.pdf

¹⁰ The Hajjar Foundation is considered one of the largest economic institutions in Sudan and has been operating for more than 100 years.

¹¹ One illustration of such initiatives is the work carried out by the Cooperative Society of Food and Tea Sellers. This cooperative

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workers, ensuring their basic needs for food and healthcare are met. However, they do not have access to health insurance and do not receive fixed salaries, social insurance, or pensions. In this sector, a significant concentration of workers can be found in the state of Khartoum, benefiting from the construction sector and the presence of food and tea vendors, which forms one of the largest segments of informal workers.

For over two months since the war began, these segments have lost their daily source of livelihood. Without available alternatives, they risk plunging into extreme poverty and becoming dependent on various forms of local social solidarity for support.

With the official role in providing social protection services absent, and the interventions of international and local NGOs being weak and irregular, grassroots committees in the neighborhoods play a central and significant role. For instance, the resistance committees in Khartoum have been crucial in forming emergency committees and providing essential health services, especially when most hospitals went out of service. These committees also aid in meeting the basic needs of impoverished families. Similarly, grassroots resistance committees in states where displaced individuals have sought refuge are making noteworthy efforts in establishing camps and providing meals and health services to them.

The Agricultural Season: A Specter of Disaster

As of 2021, updated World Bank data reveals that the agricultural sector employed 41% of Sudan's workforce.¹² Predominantly comprising small farmers, these workers have faced immense hardships since the outbreak of the war, coinciding with their preparations for the vital summer season. Both rain-fed and irrigated agricultural segments heavily rely on bank financing to initiate their seasonal preparations, and the closure and cessation of work by the Agricultural Bank posed a significant threat to the success of the season, impacting food security and significantly affecting

society stands out as one of the largest in terms of its membership, and actively strives to shield its employees from harassment and undue pressure from local authorities. The society played a pivotal role during the COVID-19 pandemic, providing crucial data and extending social support to female workers.

¹² The World Bank: Data, "Employment in agriculture (% of total employment) (modeled ILO estimate)", data as of January 2021, available at <https://data.worldbank.org/indicator/SL.AGR.EMPL.ZS>

Sudan's export volume. Notably, up to 50% of the country's exports come from oilseeds alone.

Amidst financing difficulties and security concerns in multiple production areas, the collapse of the agricultural season brought forth disastrous conditions, adversely affecting the cost of living, food security, and foreign trade. Considering the significant number of workers employed in this sector, the extent of the damage becomes evident, with lasting repercussions that continue to be profoundly impactful.

7. Navigating Social Protection Challenges Amid the Ongoing Conflict

The outbreak of war poses serious challenges and risks to the desired effective functioning of social protection systems and institutions. Notably, some of the most prominent challenges are:

- 1) The discontinuation of operations by social protection institutions at the central level.
- 2) The breakdown of the banking system, which continues to prevent government institutions from providing financial support for social protection programs and paying pensions to public sector employees.
- 3) Safety concerns in conflict areas obstructing access to social protection services. This is particularly evident in states like Khartoum and West Darfur, where warring parties have failed to adhere to any official truce, save for one that barely lasted 24 hours. Additionally, the arrest of many grassroots activists in the Resistance Committees further hampers the delivery of aid and services to those in need.
- 4) The eruption of conflict has significantly diminished the impact of both international and national organizations engaged in providing vital social protection services. With their main offices predominantly located in Khartoum, a city gripped by ongoing violent clashes between the Sudanese army and the Rapid Support Forces, these organizations have endured severe setbacks. Many of their offices have fallen victim to occupation and looting by the Rapid Support Forces and other groups post-war. Additionally, many of these organizations and their workers have sought refuge in other Sudanese states or even opted to leave Sudan altogether. Countless workers have left, and early in the war foreign workers in international organizations were evacuated. Many international organizations, and even some national ones, have relocated their main offices outside Sudan.

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To compound these issues, these organizations have also had to grapple with the challenges posed to all institutions and individuals in Sudan by the faltering banking system.

8. Opportunities for Social Protection During War

Despite the evident limitations in the state's ability to provide adequate social protection services during the conflict, there are potential opportunities to support the Sudanese population. A significant opportunity lies in harnessing the power of grassroots committees, which have intimate understanding of neighborhoods and the needs of individuals and families. Moreover, despite inadequate international assistance, there remains a noteworthy commitment to help those affected by the war demonstrated during a donor conference in Geneva in June 2023, which promised US\$1.5 billion in aid. Although this sum falls short of the UN's initial estimates pre-conference of a need of US\$2.8 billion, it still offers significant support.¹³ Furthermore, optimizing the use of resources like Zakat can offer a vital internal financing source to bolster social protection initiatives.

9. Conclusion

The Sudanese people have been enduring distressing humanitarian conditions precipitated by the outbreak of war between the Sudanese army and the Rapid Support Forces. The lack of robust social protection systems, and the state agencies' inability to respond promptly amidst the war, further complicate the situation.

However, in this tumultuous landscape, local communities and Resistance Committees within neighborhoods have assumed important roles in alleviating human suffering and driving initiatives, reminiscent of formal social protection institutions. Despite their significance in providing relief, the sustainability of these local endeavors remains uncertain given the adverse economic conditions impacting everyone. Thus, the strategic utilization of communication and information networks available to local committees becomes paramount in efficiently distributing and accessing services for beneficiaries. Nevertheless, the responsibility of financing remains a task that necessitates the involvement of government agencies and international institutions, as it

cannot be solely left to communities in a nation where the poverty rate affects two-thirds of the population. Amid the deteriorating humanitarian conditions in Sudan, several urgent priorities must be addressed to secure access to social care:

- 1) Government agencies and social protection institutions must assume their responsibilities and harness social welfare funds like Zakat to significantly contribute to the rapid response necessitated by the humanitarian disaster.
- 2) It is imperative to address issues related to activating the role of state agencies while facilitating the operations of the banking system.
- 3) The international and regional community must step forward and play a larger role in providing resources for social protection programs, including programs for direct cash transfers, extending support for health services, ensuring food provision for the most vulnerable groups, and empowering farmers by meeting essential requirements for the summer agricultural season.
- 4) Offering support to internal displacement camps and assisting families hosting groups of people displaced from conflict areas.
- 5) Collaborating and coordinating with neighborhood committees and local communities to bolster services related to social protection.
- 6) Designing social protection programs catering to the needs of internally displaced individuals and refugees in other countries. Additionally, dedicating attention to women who endure various forms of violence during conflicts, and addressing the challenges faced by children amid the interruption of educational services in conflict zones.

¹³ According to the aforementioned UN report, the total amount collected as of 20 July 2023 amounts to US\$593 million.

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About Arab Region Hub for Social Protection

We are a space in and through which professionals dedicated to exploring, understanding and advocating for better social protection in the Arab region exchange ideas and explore and initiate collaborative action. We envision an Arab region in which all people, regardless of their identities, are guaranteed social protections that secure their access to the essential goods and services needed to ensure their well-being and decent standards of living, which in turn gives them the opportunity to prosper and contribute as active members of society. We aim to facilitate the development of equitable and sustainable social protection systems in the region by: executing, encouraging and facilitating the production, analysis, collation, and dissemination of interdisciplinary knowledge about the topic; facilitating dialogue within professional spheres and awareness raising among the wider public; and enhancing collective action that amplifies advocacy efforts with the different stakeholders and decisionmakers.

Social Protection Program

The Arab Reform Initiative's Social Protection Program, which gave birth to the Arab Region Hub for Social Protection, aims to place social policy and its impact on the socio-economic rights of citizens and residents in Arab countries center stage in the research and advocacy efforts seeking to achieve social justice and social equality. By mobilizing and coordinating a community of practice and knowledge on social protection, the program aims to create a safe space for regular and systematic dialogue between the different stakeholders, in order to help addressing the problem of fragmented, non-inclusive, ineffective, and unsustainable social protection systems in the region. While doing so, the program adopts different perspectives – from addressing the necessary policy, programmatic, institutional, financial, legal and legislative reforms; to the political economy involved in the feasibility of these reforms; passing by social activism around welfare policies.



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The Arab Reform Initiative

The Arab Reform Initiative is an independent Arab think tank working with expert partners in the Middle East and North Africa and beyond to articulate a home-grown agenda for democratic change and social justice. It conducts research and policy analysis and provides a platform for inspirational voices based on the principles of diversity, impartiality, and gender equality.