

## **REVIEW OF THE SUDANESE SOCIO-ECONOMIC DEVELOPMENT PROBLEMS**

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The article gives an overall picture of the present socio-economic problems of the Sudan. It argues that the government alone cannot handle the process of economic development, and that the rationale in the developed countries shows the importance of including the role of the people in the process of economic development either through the private sector, community development or through the non-profit sector.

### **1. INTRODUCTION**

Sudan is the largest country in Africa. It is endowed with rich natural resources such as abundant arable land, the largest river in the continent, the Nile, and rich mineral resources. However, it is surrounded with a number of extremely difficult problems. Some of these can be related directly to socio-economic difficulties such as poverty, urbanization and unemployment. Others can be attributed to the macroeconomic imbalance that is reflected in high rates of unemployment and inflation, excessive balance of payments deficits and heavy debt burden. These difficulties, in turn, have created chronic socio-economic problems that are very difficult to solve by the government alone.

This article is made up of four sections including the introduction. In the second section, the Sudanese economy over the last five decades and the main problems that hindered its development will be reviewed. In the third section, some of the problems that exist in the main sectors will be highlighted. The final section will conclude the article.

### **2. REVIEW OF SUDANESE ECONOMY**

Sudan is the largest country in Africa with an area of 2,504,530 square kilometers. It is bounded by nine countries: Egypt and Libya in the

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North and the Northwest, Ethiopia and Eritrea in the East, Kenya, Uganda, Zaire and Central African Republic in the South, and Chad in the West. All these countries, except Libya, are classified as least developed countries. Being bounded by nine countries easily explains the wide divergence in the country's population. While the language, culture and traditions of the people in the northern part of the country are Arabic and Muslims constitute 70% of the total population, the language, culture and traditions of the people of the southern part are made up of different ethnic groups where 20% have indigenous beliefs, 5% are Christian and 5% of other beliefs (Global Studies, 1994, 123).

Sudan is endowed with rich natural resources, including abundant arable land {about 2.376 million square kilometers of land and 129,810 square kilometers of water (Gurdon, 1984, p.36)} and mineral resources such as oil, iron ore, copper, chrome, other industrial metals and, recently, oil (Global Studies, p.123). It is also famous for its long river, the Nile, which runs from the South to the North. The fertile land in Sudan has been estimated at almost 200 million feddans<sup>1</sup> which led many scholars to consider Sudan as being potentially the "Breadbasket of the Arab countries" (Gurdon, p.36). At present, only about 60 million feddans of the fertile land are cultivated which means that about three quarters of the fertile land is idle.

The external as well as internal economic problems of Sudan during the last decades will be reviewed through analysing its population, employment and urbanisation, highlighting its extent of poverty and examining its macroeconomic imbalances.

### **2.1. Population, Employment and Urbanisation**

According to statistics, the total population of Sudan increased from 14 million people in 1970 to 20 million people in 1980 and up to 26 million people in 1990 (International Financial Statistics, 1998, 812-813. World Table, 1995, pp.628-629). It was estimated that the population of Sudan should have reached 30 million by 2002. This means that it increased at an annual growth rate of 2.9% (Economic Report of Sudan, 1997, p.15). Moreover, an estimation of the age structure in 1998 shows that 45% of the total population are in the age group of 1-14 years, of which 7,769,266 are male and 7,449,510 are female, and 52% in the age group

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<sup>1</sup> 1 Feddan = 1.03 acres.

of 15- 64, of which 8,818,018 are male and 8,778,485 are female. The remaining 3% are in the age group of 65 years and above (Moneim 1998, p.27).

The labor force in Sudan, which is defined to include those between the ages of 15 to 64, constituted about 52% of the total Population in 1998, (Economic Report of Sudan, 1992/93, p.17) of which 15% are estimated to be unemployed (Economic Report of Sudan, 1997, p.23). 2.3 million of the labor force are in the urban areas (1.9 million males and 0.4 million females), and 6.7 million in the rural areas (4.7 million males and 2 million females) (Ibid, pp.17-22). These figures indicate three facts. First, most of the labor force is concentrated in the rural areas since about 70% of the labor force is engaged in the agricultural sector. Second, a higher proportion of women in rural areas are engaged in the labor force than those in the urban areas. Third, 66% of the total population are non-productive. This shows that about 8 million people are the active labor force, and these are the ones who support more than three times the number of children, women and old people. To put it in another way, there are about 19 million people in Sudan who form an economic dependency burden.

In addition, according to the Human Development Report of 1999, Sudan's population will reach 39.8 million by 2015 (Human Development Report, 1999, p.199). Even though this number is not very high compared to other developing countries, such as Bangladesh whose total population is 124 million, Indonesia (200 million), India (962 million), Nigeria (118 million) and Egypt (60 million) in 1997, the increase in the population will exert further pressure on the already existing problems if they are not solved.

Another major problem is urbanization that has proceeded rapidly over the last three decades. The last decade witnessed a faster shift of population from rural to urban areas. This is clearly indicated in table 1 below.

**Table 1: Urban Population Increase from 1974 to 2015**

	1974	1984	1994	1998	2015
Total population (million)	15	21	26	29	40
Urban population (million)	3	4.2	7	11	20
Urban population (% of total)	18.4	20.8	24	33	50

Source: *World Table*, pp. 630-631. *International Financial Statistics* pp. 814-815 and *Human Development Report 1999*.

As shown in the above table, the increase in the urban population from 3 million in 1974 to 4.2 million in 1984 was not significant. This can be attributed to the fact that most of the development programs were conducted in the agriculture sector during that time and the majority of the population was engaged in that sector. However, due to the economic problems, which started in the middle of the 1980s, and the drought problem, which hit both the northern as well as the western regions, the great majority of people started to migrate from rural to urban areas seeking security, shelter and schools for their children. Hence, the urban population increased from 4.2 million in 1984 to 7 million in 1994, and further to 11 million in 1998. And if the trend continues, the number is expected to increase further to 20 million by 2015.

The increase in the number of people migrating from the rural to urban areas aggravated the economic situation. Since Sudan depends on traditional means in the agricultural sector, this implies a higher demand for labor force in this sector. However, the migration of people from rural to urban areas decreased the labor force in this sector and, therefore, its output. This forced the Government to import more food which, in turn, decreased the government budget (Taqwim, 1999). Furthermore, the increase in the number of people in the urban areas creates an enormous demand for new infrastructure facilities such as water supply, electricity, transportation, housing, and social services such as hospitals and health centers, schools, colleges and universities, besides providing jobs for the new comers. All these put another burden on the Government which already has limited funds and debts to settle first.

## **2.2. Extent of Poverty in Sudan**

The increase in poverty in Sudan is attributed to the lower rate of growth and the lack of anti-poverty programmes. In the past, the attention was not directed to enhancing human development and reducing poverty or protecting the environment to ensure sustainability. Instead, it was focused only on one sector, namely agriculture, which, in turn, contributed to the slower rate of growth. We do not deny the importance of the agricultural sector in the contribution to the Sudanese national economy, but we believe that equal attention to other sectors is needed as well so as to enhance the living standards of the people and the country.

According to the statistics, Sudan has the highest percentage of population who live in poverty. In 1994/1995, it was estimated that about 85% of the total population, i.e. almost 23.9 million people (Hogendorn, 1996, cover page) were living in poverty. Although the last decade showed an improvement in the Gross National Product (GNP) per capita, the human development index (HDI), life expectancy at birth and access to safe water to population in Sudan (World Development Report, 1998/99. Hogendorn, p. 136), are still very low compared to other countries as shown in the following table.

**Table 2: Economic Indicators in Selected Countries in 1997**

Country	Total population (millions)	Per capita income (US\$)	Life expectancy at birth	Human development index	% Population with access to safe water
Qatar	0.6	18.079	74	0.781	83
Kuwait	1.8	14.054	75	0.833	97
Egypt	64.7	1.200	66	0.616	84
Saudi Arabia	20.1	6.6663	71	0.812	88
Turkey	63.7	3.130	69	0.782	73
Syria	14.9	4.530	72	0.834	88
Malaysia	21.7	4.530	72	0.834	89
Sudan	27.7	290	55	0.475	60

Sources: United Nations, United Nations Development Programme, Human Development Report, 1998 and 1999.

From the above table we note that Sudan has the lowest per capita income (\$290) compared to Qatar (\$18,079) or Kuwait (\$14,054). Moreover, the human development index in Sudan is also very low (0.475) compared, for example, to Malaysia (0.834) or Kuwait (0.833). In addition, Sudan is also listed as the lowest country to have access to safe water for the whole population, although it has the longest river in Africa. Furthermore, life expectancy at birth in Sudan is still low (55 years) compared to Kuwait (75 years) or Qatar (74 years).

Moreover, poverty in Sudan threatens the environment since it causes desertification, poor sanitation and unsafe water. It has been reported that in 1993 (Salih, 1998, pp.31-32), the area affected by desertification in Sudan was about 12,259,800 square kilometers, which is almost 50% of the total area of the country. And the people who were affected by desertification are estimated to be 82% of the total

population in 1993. This is due to the fact that most of the wooded areas around towns have been stripped for many reasons. For example, poor people usually cut down trees for wood and charcoal and sell them as fuel as part of making their living. Besides, large areas of forests have been transformed into farmland, which resulted in increasing desert areas. Moreover, breeding animals over grazing lands also causes desertification. In addition, many people in rural areas use trees to build their houses and fences (Cater, 1986, p.8). All this has resulted in the loss of trees, forests and shrubs acting as buffers against dry weather which can lead to severe droughts. In addition, the way people live in rural areas also threatens the environment as they lack sanitation and safe water supplies. For example, most of the poor people in the rural areas are settlers in squatters and slum settlements situated near dumps and drainage areas due to poor infrastructure. Moreover, the great difficulty in getting adequate supplies of clean water forces them to store it in open containers for their daily use. This, however, affects their health as stagnant water kept in open containers for a long time increases the risk of pollution. In addition, the use of unsafe water causes communicable diseases such as diarrhea which has increased the incidence of mortality (El-Tijani, 1995, p.54).

### **2.3. Macroeconomic Imbalance in Sudan**

The economy of Sudan is classified as developing since it depends totally on the agricultural sector which, in turn, depends on traditional means. Being an agriculture-based economy, this sector is the most important among all other economic activities. Since gaining independence in 1956, Sudan has practiced different economic systems: the socialist, the communist and the capitalist in order to develop the country and alleviate poverty depending on this sector. However, despite practising these different economic systems, Sudan is still one of the developing countries which has suffered from a sluggish economic performance, high rates of inflation, trade deficit, low levels of income and foreign debt crisis. The beginning of the 1990s witnessed the implementation of the Islamic law as the only system which can improve the situation. This system shows slight progress towards developing the country and alleviating its poverty.

As Sudan is famous for its abundant water and arable land, most of the development programs which have taken place in Sudan were concentrated on the agricultural sector at large. The total

concentration of the successive governments on the agricultural sector deprived other sectors, such as the industrial, services and social sectors, from any further development. In addition, lack of domestic savings and foreign investment slowed the growth of the economy. The economic problems in Sudan started in the 1970s with the beginning of the economic development programs which were meant to develop the agricultural sector on a large scale and the industrial sector on a small scale enough to process the agricultural items. The main objective of these development programs was to improve Sudan's position so as to become "self-sufficient" in food and to feed the Arab countries. Thus, in due course, this would decrease Sudan's imports of food from abroad and increase its exports to other Arab countries, which, in turn, would increase its hard currency reserves. To fulfill these programs, heavy borrowing from foreign countries started from the beginning of the 1970s. Due to political as well as administrative and weather problems, Sudan continued to borrow from abroad till the debt became a heavy burden on the shoulders of the Sudanese Government (Awad, 1992, pp. 74, 111-114. Jabi, 1984, pp.9-31). As can be seen from Table 3, in 1973, the debt was only about \$564.4 million. It continued to increase as the development program continued till it reached more than \$16 billion in 1995. Furthermore, with the coming of each new government and with the intention of developing the country, more foreign capital was borrowed again. It has been estimated that by the end of the year 2000 the total external debt reached \$20 billion (Taqwim, 1999, p.211) due to the increment of interest on loans and the increase of imports of equipment for refining oil, in addition to the continuation of funding development programs such as constructing new highways, improving the railways and the airport, and building more hospitals.

**Table 3: Sudanese External Debt**  
(Million U.S. Dollars)

	1973	1975	1980	1985	1995	2000
External debt	564.4	1,598.5	5,163.2	9,17.2	16,326.0	20,000

Source: World Tables (London: The Johns Hopkins University Press, 1995), 623-631. The World Bank, World Development Indicators, (U.S.A.: The World Bank, 1999), 256.

The inability of the Sudanese Government to repay its debts allowed the International Monetary Fund (IMF) to interfere in Sudanese policies in 1978. Thus, it forced Sudan to devalue its national currency by 25% against the hard currencies (Hussein, 1988, pp. 54-65, Awad, pp. 111-114). As this devaluation continued, the Sudanese Pound deteriorated against the hard currencies. Table (4) shows that the exchange rate of the Sudanese Pound per U.S. Dollar deteriorated from 0.35 in 1975 to 2.30 in 1985. In 1990, the exchange rate deteriorated to 4.50, and it continued to do so till it reached 2,500 in the year 2000. The big jump in the exchange rate in the last decade was due to the liberalisation of the Sudanese Pound against the U.S. Dollar and the liberalisation of all commodity prices. Moreover, the rate of inflation increased from 0.80% in 1987 to 100% in 1989 (El-Tijani, 1995, p.1) and up to 150% in 1994 (Global Studies, 123). This caused a wide gap between incomes and prices.

**Table 4: Sudanese Pound per U.S. Dollar from 1975 to 2000**

	1975	1980	1985	1990	1995	2000
Exchange rate	0.35	0.50	2.3	4.50	580.8	2,500

Source: International Monetary Fund, International Financial Yearbook, (Washington, Publication Services, IMF, 1998). 812-815.

In addition, the trade balance of Sudan recorded deficits over the last two decades. As shown in Table (2.5), the trade balance deficit was \$ 438.0 million in 1980 and continued to increase to more than \$ 1.3 billion in 1998.

**Table 5: Trade Balance from 1977 to 1998**  
(Million U.S. Dollars)

	1977	1980	1985	1990	1995	1998
Exports	--	689.4	444.2	326.5	555.7	595.7
Imports	--	1,127.4	579.0	648.8	1,066.0	1,924.6
Trade balance	14.1	-438.0	-134.8	-322.3	-510.3	-1,328.9

Source: International Monetary Fund, International Financial Statistics Year Book, (Washington, Publication Services, IMF, 1998), 814-815.



The deterioration of the trade balance, as shown above, was due to the decrease in exports of agricultural products from \$ 689.4 million in 1980 to \$ 326.5 million in 1990. This was attributed to natural conditions which occurred within this period and which affected the agricultural sector at large. Despite the increase in exports from \$ 326.5 million in 1990 to \$ 595.7 million in 1998 due to the improvement in the agricultural sector which took place during the last decade and to the recent discovery of gold (Economic Report of Sudan, 1997, p.165), trade balance continues to record deficits. This is because the import of machinery and refinery equipment for the extraction of oil increased the value of imports from \$ 658.8 million in 1990 to \$ 1,924.6 million in 1998, which exceeded exports and hence led to a trade deficit.

Another major problem which added to the economic crisis in Sudan, was the political unrest in the southern part of the country, which was created by the British colonialism. The continuation of this situation for the last decades has destroyed most of the resources in the rural area of the south, besides rendering entire communities homeless. Some of them have crossed the border into neighboring countries such as Ethiopia, Zaire, Uganda and Kenya, while others have escaped to the northern part of Sudan (El-Tijani, p.2). This adds another burden to the economic problems in Sudan since the Government has to spend most of its budget on this war.

A further problem, which also deepened the economic situation in Sudan, was the drought which hit the northern as well as the eastern parts of the country. In the 1980s, this drought affected almost 90% of the country's agricultural crops (Ibid, 1). In addition, it accelerated migration to urban areas. This, in turn, reduced the labor force in the agricultural sector from 77% of the total population in 1970 to 73% in 1980 and further to 70% in 1990 (Ibid, 30. Taqwim, p. 253), and increased their number in the urban areas, as we mentioned above, a matter which created another problem to accommodate them.

### **3. PROBLEMS IN KEY SECTORS IN SUDAN**

The economic problems mentioned above contributed to the reduction of the Government's budget. This, in turn, affected other key sectors such as the agricultural, industrial, social and services sectors.

### 3.1. Agricultural Sector

The agricultural sector in Sudan is the most pioneering of all economic activities employing about 70% of the labour force (Moneim, p. 117). Its contribution to the Gross National Product (GNP) reached 48% in 1998 (Ibid, 257). Exports of this sector increased to 75% of which cotton, sesame, arabic gum, sorghum, sheep and lamb constituted the most (Ibid, 117. Economic Report of Sudan 1992.93, pp.45-54). The main destinations of Sudanese exports are Saudi Arabia, United Kingdom, Egypt, Italy, Germany, USSR and China (E.I.U. 1992).

The types of agriculture in Sudan are classified into three groups: mechanised, irrigated and traditional. The total area under the mechanised scheme is about 10 million feddans, the irrigated agriculture scheme about 4 million feddans and the traditional scheme about 17 million feddans of cultivated areas (Al-Harran, pp. 166-70).

Even though most of the attention of all governments in Sudan was given to promoting and developing the agriculture sector in order to meet the demand of the Arab countries, this sector failed to reach its targets. Between 1982 and 1985, the rates of agriculture growth recorded negative values of -7.6%, -2.5% and -23.6% respectively (Ibid, p.164). Due to the implementation of a new policy to enhance this sector, the rate of growth was shifted from negative to positive. During 1990-1998, it recorded rates of 4.2%, 31.5%, 26.4%, 13.1%, 17.8%, 9.3%, 9.7%, 12.2% and 8.3% respectively (Economic Report of Sudan, 1996, p.55). This success made Sudan self-sufficient in food. However, due to a number of problems, which still face this sector, we note that the rate of growth decreased from 31.5% in 1991 to 8.3% in 1998.

Although Sudan has a very large area of fertile land of about 200 million feddans, only 60 million of them are cultivated. Besides, there should be no problem of irrigation since Sudan has the longest river in Africa, the "Nile". But due to many problems, which face this sector, only a small quantity of water is used to irrigate this small portion of cultivated land. Some of the major problems which face this sector are the shortage of funds for developing it. For example, the shortage in the maintenance of the basic irrigation facilities aggravated the situation. This in turn decreased cultivation in the irrigated land from 4 million feddans in 1986-87 to 2.5 million feddans in 1988-89 (Taqwin, p.252).

This sector also faces difficulty in distributing the agricultural products due to bad infrastructure facilities such as inadequate transportation and insufficient storage facilities (Ibid, pp. 251-52). Moreover, difficulties in marketing agricultural products, due to lack of research centers to assist the farmers to improve their management, also decrease profits and production (Ibid, see also al-Suba'I, 1987, p.20). In addition, the shortage of agricultural machinery has encouraged traditional methods (Taqwim, pp.251-52. The World Bank, 1999, p.126) to be used and hence weakened the productivity in this sector. Furthermore, the migration of farmers during bad weather conditions also affected cultivation, since large areas of fertile lands were left uncultivated.

### **3.2. Industrial Sector**

In Sudan, the industries are mostly in the small-scale sector and they provide the intermediary and industrial needs of manufactured goods. The contribution of this sector to the GNP was 15% in 1973. However, due to the economic problems which faced Sudan in general and the industrial sector in particular, the contribution of the industrial sector to the GNP fell to 8% in 1981 and dropped further to 5% in 1985 (Moneim, p.99). This sector employs only 10% of the labor force (Economic Report of Sudan 1996, p.22) while in Egypt it employs 22% and in Malaysia 23% (United Nations, 1999).

The present government succeeded in enhancing this sector during the last decade by implementing different policies, such as importing material needed in the process of manufacturing, in order to meet local consumption needs and export the surplus. This again increased the contribution of the industrial sector to 17.5% of the GNP in 1992 (Taqwim, p.321). Among the most important industries are sugar, textiles, vegetable oil, soap, cement, shoes and, lately, petrol refining and electronic equipment such as telephones, radios, videos and televisions (Ibid, pp. 325-333). However, due to the problems facing this sector, its contribution to the GNP decreased to 16.4% in 1993 and further to 15% in 1997 (Ibid, pp.321-322, see also Economic Report of Sudan, 1997, p.54). Among the major problems which faced this sector were: lack of production input and spare parts, electrical shortage, lack of skilled workers due to either scarcity of technical education or the migration of skilled workers to Arab countries.

### 3.3. Social Sectors (Health and Education)

In Sudan, there is also a greater realisation of the urgent need to improve efficiency in the social sectors such as health care and education. Despite the policies which the present government adopted in the beginning of the 1990s to improve these sectors they still face problems.

First, Sudan is one of the developing countries which suffer from poor health care. Although the present Government has paid much attention to this sector, the latter still faces many problems that require more attention from both people and Government. Due to the new policy, which came in during the 1990s to strengthen this sector, the number of general hospitals increased from 215 in 1992 to 261 in 1996. Specialised hospitals increased from 19 in 1992 to 23 in 1996. Health centers increased from 470 in 1992 to 667 in 1996. X-ray units increased from 50 in 1992 to 67 in 1996. Blood banks increased from 33 in 1992 to 39 in 1996. Clinics increased from 1344 in 1992 to 1453 in 1996 (Economic Report of Sudan, 1997, p.23, Taqwim, p.45). Moreover, the number of medicine industries increased from 7 in 1990 to 14 in 1998 (Taqwim, 455). Regardless of all these improvements, health care in Sudan is very weak for many reasons. Life expectancy at birth in Sudan increased from 42 years in 1970 to 55 years in 1997. Yet this increase is still considered as average. The infant mortality rate decreased from 107 per 1,000 live births in 1970 to 73 per 1,000 live births. The under-five mortality rate also decreased from 177 per 1,000 live births in 1970 to 115 per 1,000 live birth in 1997, which is still high. Maternal mortality rate was 660 per 100,000 live births in 1990. Moreover, underweight children under the age of five made up 34% of the population from 1990 to 1997 (For statistic please refer to Human Development Report 1999 and World Development Indicators, 1999).

Another serious problem regarding the health sector in Sudan is that this sector is the responsibility of the government alone. And if the government suffers from limited funds, this will automatically be reflected in a decrease in budget for this sector. The insufficiency of funds in this sector has created many problems. First, migration of doctors and nurses to Arab countries where they get higher salaries and lead a better life. This creates a situation where for every 10,000 patients there is one general doctor and 7 nurses, and for every 50,000 patients there is one specialised doctor (see, Human Development Report, 1999, 147 and Al-Ard al-Iqtisadi 1997, 22). Second, the lack of qualified

doctors as witnessed by the recent doubling of students in Sudanese medical universities (Adil Bayomi, "Looking After a Nation: Health and the Economy", Sudanow, Nov. 1998, 34). Third, shortage in hospital beds. For example, for every 400 patients there is only one bed (Ibid). Fourth and above all these, the poor standard of living of people is the main cause of the health problems. For example, people in the rural areas live in straw and mud houses which provide the right conditions for breeding mosquitoes, carriers of malaria. Moreover, 30% of the population lack access to health services and 49% lack good sanitation. In addition, 27% of the population lack access to a safe and clean water supply. This forces them to store water in containers for a long period of time until the water becomes stagnant and contaminated (Al-Tijani, p.54. Human Development Report, 1999, p.147). All these indicate serious problems facing the health sector in Sudan especially the health of the poor.

Second, education in Sudan is classified into general education, which includes kindergarten, primary and secondary schools, and higher education which includes colleges, higher institutes, and universities. The new regime tried in 1990 to enhance the education sector and eradicate illiteracy by declaring the aim of achieving education for all by 2000. It succeeded in that endeavour to a certain extent, however, there remain some of the problems that need to be tackled. The beginning of the 1990s witnessed many conferences which were conducted to improve the education system in Sudan at all levels. The aim of these conferences was to make education possible for all the Sudanese regardless of their age. This new policy succeeded in reducing illiteracy from 72% in 1992 to 47% in 1997 (Taqwim, p.434).

The steps that have been taken by the present Government to improve the education system in Sudan are: first, education at the primary level has become a must in all states of Sudan and consequently increased the number of acceptance of students, in both public and private schools, to 90%. This has been accompanied by the demand for more schools and teachers. As the number of students increased from 2 million in 1989 to more than 3 million in 1997, the number of schools increased from 7720 in 1989 to 13219 in 1997, and that of teachers increased from 51520 in 1989 to 106894 in 1997 (Ibid, p.442). Second, for the secondary level which is divided into academic and art education (public and private), the number of students, schools and teachers also increased. The number of academic schools increased from 578 in 1989

to 1382 in 1997, and art schools increased from 65 in 1992 to 89 in 1996. The number of teachers in academic schools increased from 6766 in 1989 to 13637 in 1997, and the number of teachers in art schools increased from 663 in 1992 to 1333 in 1996. The number of students in academic schools increased from 251074 in 1989 to 409079 in 1997, and that of students in art schools increased from 20763 in 1992 to 27333 in 1996 (Ibid, p.448). Third, for the higher education, which includes private as well as public education, the number of acceptance of students increased from 6080 in 1989 to 40310 in 1997 in the 48 universities, higher institutes and colleges all around the states of Sudan (Ibid, pp.425-430).

Though the Government succeeded in increasing the number of schools, students and teachers at all levels of education, this sector still faces many problems. These can be grouped into four points. First, public education is the responsibility of the Government, and at the same time the Government suffers from a shortage of funds. This has created many problems, especially when the Government was forced to cut expenditure in this sector to meet the needs of urgent problems such as natural crises. This has reduced school budgets that, in turn, reflected on the reduction of teachers' salaries and the inability to provide good education facilities (Cater, p.28). Second, the migration problem of both students and teachers. Due to natural and political problems in Sudan, thousands of students travelled from affected areas to the capital city searching for security, shelter, food and education (Wol, p.47). Moreover, the emigration of skilled teachers abroad (Taqwim, p.429), due to low salaries, has lowered the standard of education. Besides, the shortage of education centers to train teachers is obvious since there are only 7 education centers all over the states of Sudan (Ibid). Third, the doubling of students in higher education, as mentioned above, has created a situation where the majority of the students are deprived of the chance to be well educated.

### **3.4. The Services Sector**

The services sector is the second most important in the economy of Sudan after the agricultural sector. It provides the basic infrastructure services, such as transport facilities, electricity and communication, to the country. Although the present Government played a great role in improving this sector, the latter's contribution to the GNP decreased

from 44% in 1992 to 37% in 1997 (Economic Report of Sudan 1992.1993-1997, pp. 81 and 82). This was due to many problems, inherited from previous periods. Transportation in Sudan includes a variety of modes of transport, such as railway transport, river and sea transport, and transport by air. Although the Government tried to enhance this sector in recent decades, it still needs more to be done. For example, it suffers from shortage of capital, which is reflected in poor infrastructure facilities such as bad transport facilities and lack of paved roads. According to the World Bank (World Development Indicators, 1999, p.304), only 36.3% of the roads in Sudan are paved with asphalt, which is a very low percentage if compared to the United Kingdom (100%), the United Arab Emirates (100%) or Singapore (97%). This means that Sudan has a long way to go in paving its highways in order to connect all regions and make transport by road easier. Moreover, the lack of qualified labor worsens the situation in this sector and the lack of storehouses to store transported or imported goods adds a further burden (Economic Report of Sudan, 1997, pp.84-86).

Although the Government is trying to enhance this sector by establishing a new company known as "Sudatel", it still faces many problems such as lack of funds and the inability to attract investors (Ibid, 94). This is reflected in the lack of adequate communication facilities. For example, Sudan has a shortage in one of the most important communication facilities. In 1997, it was reported that there were only 4 main telephone lines per 1,000 people which is a very small number compared with Saudi Arabia which had 117 lines per 1000 people or the United Kingdom which had 540 or Singapore which had 543 in the same year. Also fax machines in Sudan amounted to only 0.4 per 1,000 people and personal computers to 1.1 while in Saudi Arabia these numbers amounted to 8.2 and 43.4 and in the United Kingdom 33.8 and 242.4, respectively (World Development Indicators, 1999, p.308). All this indicates the need to introduce advanced information technology to the country if Sudan wants to explore its economic activities much further than presently.

Electricity in Sudan is generated by heat energy and kinetic energy. Due to the improvements which have been made during the last decade, electricity generated by heat energy increased from 466kw/h in 1990 to 109698kw/h in 1997. Electricity generated by kinetic energy increased from 958 in 1990 to 105357 kw/h in 1997 (Economic Report of Sudan,

1997, p. 75). However, there is a persistent problem of electrical power shortages. This problem is due to the following reasons: shortage of funds, lack of spare parts and necessary oil and a shortage of qualified labor (Ibid, p.76). The natural problems, such as drought or flood add another burden to this sector. For example, during drought periods, the level of water decreases thus affecting the generation of electricity. During flood periods, the mud also affects the generation of electricity, and hence electric power cuts come about. The problem of electric power cuts has affected all Sudanese sectors and this, in turn, has contributed to the reduction in productivity in each sector which has consequently affected the economy as a whole.

#### **4. CONCLUSION**

We note, from the above, that the Sudan is suffering from major economic problems such as unemployment, urbanisation, trade deficit, shortage of funds, and problems facing all sectors. It is not possible for the government to tackle all these problems alone. The experience within the last decade shows that although the present Government tried to solve these problems many obstacles are still hindering the development of all sectors.

Keeping in mind the Islamic obligation to improve the standard of Muslim society, the Government and the people should be involved in one way or another in the process of improving their economy and their standard of living. So to minimise, if not to overcome all these problems, we believe that the institution of waqf can play a major role in this regard since its historical background shows how much this institution contributed to the Islamic civilisation by contributing to the agricultural, the industrial, the social and the services sectors. Moreover, experience in the developed countries shows how the non-profit and the private sectors succeeded in contributing to the employment, social as well as services sectors.

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