



## **Sudan Country Study**

A part of the report on Informal Remittance Systems in Africa, Caribbean and Pacific (ACP) countries (Ref: RO2CS008)

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## **I. Introduction**

This study first outlines the social, economic and cultural frameworks underlying Sudanese migrants' propensity to remit funds, and gives details on the target population and the purported purposes for which money is remitted.

Second, an analysis is given of the informal remittance systems in which Sudanese migrants are immersed. It addresses general dimensions of the remittance process such as the range of informal methods used to transfer funds; however, also examined is the applicability of the informal/formal distinction.

Third, the study explores to what extent Sudanese remittances may be leveraged for development. What will be argued in this preliminary study is the lack of any indication of a "development" capacity for contemporary migrant remittances.

The main causes seem to be the considerable and ongoing responsibilities shouldered by migrants that take the form of personal financial obligations. Moreover, both northern and southern Sudanese in the diaspora have cultural, social and religious priorities that have a strong monetary dimension. It is most likely that a change such as an increase in income will not have the intended impact – that of diverting or expanding remittances to the development realm.

Data for this paper was gathered from a number of sources. Published articles and books and unpublished material (i.e. working papers and reports) were the main documentary sources consulted. Because of the paucity of literature on Sudanese informal remittances and contemporary remittance activity in general, the study incorporated additional methods into the data-collection process. These included informal discussions carried out with scholars and practitioners knowledgeable about Sudanese migration, development and remittances. A case method was also employed in order to gain a better understanding of the informal remittances of Sudanese migrants. Discussions were carried out with Sudanese migrants in Greater London about their remittance activity. One-on-one interviews were also conducted with two key professionals involved in the coordination of money transfers to Sudan. On this note, I am grateful to Mr Mukhtar Osman and Mr Mohamed Abdalla for the extensive time they spent with me and the information imparted to this end.

## **2. Sudan: population, history and politics**

Sudan's population is extremely diverse, reflecting some 400 different languages and dialects and over 150 ethnic groups. It is difficult to obtain exact statistics on the overall number of Sudanese. A census undertaken in 1993 placed the population at 26 million. The Dinka have often been quoted as the largest ethnic group in Sudan, with a population based on early 1980 estimates close to two million (Ethnologue 2004). The figures of 32 million (US Bureau of African Affairs 2004; UK Foreign and Commonwealth Office 2004, World Bank 2004) and 34.5 million (Al-Jumhuriyya as-Sudan 2004) are the most recent estimates given for the Sudanese resident population as a whole.

Any figures quoted should be taken with caution. The number of casualties arising from violent conflict, food shortages, illnesses and other calamities that have occurred over the last two decades are likely not to be fully represented in these statistics. It can also be assumed that the large cross-border population movements, especially since the renewal of civil war in 1983, remain outside the grasp of official calculations. Close to one million

people are known to have fled to neighbouring countries since the turmoil began; return and recurring migration have also taken place. Whether the massive out-migration that occurred in the mid-1970s and 1980s of Sudanese to the Gulf States or the hundreds of thousands of foreign-origin refugees living in Sudan are considered in the estimates is also not clear. Some 30 per cent of the Sudanese population is believed to reside in the country's urban areas. Conversely, considerable changes have taken place over the last ten years as a result of the increase in asylum-seeking by migrants displaced in the north, and other types of movement.

The majority of Sudanese from the northern part of Sudan are Arabs of Muslim faith, while the southern population comprises non-Arab Africans with Christian religious orientations. These features, however, have been the basis for the long history of racial, social and economic stratification that has characterized relations between the two groups (see Johnson 2003; Jok 2001). Successive northern Sudanese rulers considered the southern black Africans inferior, leading to centuries of exploitation and hegemonic influence.

There is, of course, a risk in oversimplifying ethnic and identity categories for such a diverse population as the Sudanese. Some groups do not fit neatly into these classifications. The Nuba Mountain peoples of Kordofan and the Uduk and Ingessana of Southern Blue Nile have Muslims and non-Muslims among them. Arab and non-Arab Muslims make up the communities of Darfur in western Sudan, the product of a centuries-long tradition of Arabization and Islamization throughout the Nile Valley (Makris 2000: 23-26). The resultant ethnic differences, among other factors, have been a major underlying cause of the hostilities observed in the region. On the other hand, a good deal of integration has occurred (Verney et al. 1995: 29), defying any attempts to rely on clear-cut ethnic distinctions.

Nevertheless, with respect to migrant remittances these anomalies do not appear to be particularly problematic. First, representation among these groups is believed to be rather small in the European context. Moreover, religious, ethnic and political affiliations seem to operate as a strong basis for allegiances and social networks forged between members of these communities and the respective northern and southern Sudanese amalgams (e.g. Christian Nubas with southern Sudanese, Darfur Muslims with northern Sudanese).

Sudan is a country rich in natural resources including oil, gas, gold, copper and many other raw minerals. It is one of the largest producers of gum arabic in the world and has a sizeable export base in sugar, sorghum (*dhurra*), cotton, gum arabic, sesame seeds, livestock and hides, peanuts and other production goods. Sudan's agricultural economy represents 40 per cent of the gross national product (GNP). However, commercial production of oil has taken on a greater role in recent years with petroleum discoveries in Upper Nile province.

In spite of this abundant resource base, Sudan has one of the most stricken economies of developing nations and its inhabitants are some of the poorest and deprived in the world. By 2003, Sudan's foreign debt rose to US\$ 24 billion, far exceeding the gross domestic product (GDP) of US\$ 13 billion. Yet it is difficult to separate current economic conditions from political history when exploring the causes for Sudan's economic problems. For instance, development within the country and improvements in the economy have been stifled by gross fiscal mismanagement and a rising international debt, as well as two costly long-running civil wars, excessive military spending and other political events and changes.

During Colonial Rule (1898–1955) in Sudan, southerners were at a distinct disadvantage. Effectively, by the time of Sudan’s independence in 1956 much of the infrastructure set up by the British was handed to the north and its elite, which controlled the government. After further repressive measures taken by the northern government, a brutal civil war ensued that lasted approximately 16 years.

The Addis Ababa Agreement that ended the war in 1972 gave certain rights to southern Sudanese in the areas of political and economic autonomy and development, to exercise religious and other freedoms and to receive fair integration in Sudan’s national administrative structures. However, these rights quickly became highly circumscribed. Stricter Islamic laws were imposed on the country’s business, political and social affairs, and attempts by the southern people to gain fairly from Sudan’s development endeavours were continually subverted.

By 1983, the deepening deprivations and biases felt by Southerners led to another armed rebellion of the Sudan People’s Liberation Movement and Army (SPLM/A). The Sudanese population found itself embroiled in another devastating civil war that only recently abated with fragile and as yet incomplete third-party peace negotiations.

By the late 1980s, instability and turmoil in Sudan reached a zenith. Economically, a debt crisis had mounted that became unmanageable. The famines that occurred in the western and southern part of Sudan have been attributed to the economic and political crises that had evolved by that time (De Waal 1989).

Widespread disenchantment across the Sudanese populace, particularly with the introduction of the strict *shari’*a ‘september’ laws, led to the overthrow of Nimeiri in 1985. The Arab-led governments that succeeded him, however, unleashed a much more entrenched form of Islamization, Arabization and militarized violence in the country. The escalating war, especially the government’s stepping-up of its offensive across the south with intensive aerial and ground bombardments, and its sponsorship of violent raids in mainly Dinka villages, led to an unprecedented number of deaths, and mass uprooting and displacement.

These tactics, additional fighting within southern factions and other calamities have resulted in a level of devastation not known before. By the mid-1990s, some 1.8 million southerners (Hutchinson 1996: 6) fled northward to Sudan’s capital. Similar numbers of the country’s war-affected population became displaced within the southern war zone, or fled from the region into neighbouring countries where refugee camps were set up on their behalf.<sup>1</sup> There has been a significant rise over the last decade in the number of people seeking sanctuary across Sudan’s northern border in Egypt. Within the last ten years, more than 20,000 Sudanese men, women and children have fled across Sudan’s northern border into Egypt in search of asylum (UNHCR 2002).<sup>2</sup>

### **3. Early trends in remittances**

During the 1970s, Sudan experienced its first financial crisis. Coupled with the fact that the economy had shrunk to the point that “real incomes declined” (Brown 1992: 116). One

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<sup>1</sup> On this point, see for instance, UNICEF/Zutt (1994).

<sup>2</sup> Migration to other nearby countries such as Syria and Lebanon has also taken place.

consequence of this was that an increasing number of northern inhabitants sought income-earning opportunities abroad, particularly to the oil-rich Gulf States. This migratory flow continued through the 1980s leading to a corresponding increase in remittances.

“Salary and wage remittances of Sudanese Nationals Working Abroad (SNWA) became an increasingly important source of income and foreign exchange for the country, particularly for the private sector” (Brown 1992: 116).

There are considerable differences between estimates of the number of Sudanese migrant workers in the Gulf, but all the numbers are nevertheless quite substantial (from 45,000 to 200,000).<sup>3</sup> The same is true for the magnitude of official remittances. For instance, the IMF gave the figure for 1978 of US\$ 63 million, while the World Bank estimates were significantly higher at US\$ 221 million.

However, a later study involving extensive surveys with Sudanese labour migrants in the region found that in fact very little (about 15 per cent) of migrants’ remittances was official or recorded. In other words, most of the money they were sending back to Sudan did not pass through any banking system, limiting the degree to which the Sudanese government could seek to gain leverage over the large cash surpluses that were entering the country, such as for development-related expenditures. Research on Gulf remittances found that most of the money transported back home from abroad went towards “domestic consumption and investment” – spending on housing, weddings and consumer durables and non-durables (Harris 1986 and Gelaleldin 1985 cited in Brown 1992: 218/287). As Brown explains:

“[R]elatively little of the additional income that flowed into the private sector in the form of migrants’ remittances was used to enhance the supply of goods ... either through imports, or through increased domestic investment and output. In this sense, the increased income channelled into the private sector from migrants’ remittances did not adequately compensate for the lack of resources available to the state for domestic investment in the economy” (Brown 1992: 117).

There were very few Sudanese in Europe prior to the early 1980s. One long-time resident of Britain recalled that at any given time “There were only a small handful of people—perhaps ten or so here and there”. Most who arrived during the 1970s and until the mid-1980s had come for university study or supplementary vocational training, taking advantage of quotas that enabled a certain number of Sudanese annually to take up a period of study or training in the UK.<sup>4</sup> Statistics are not currently available, but evidently both northern and southern Sudanese were represented, with the large number believed to be from the north.

According to early settlers, remittances to Sudan at that time were also very minimal: remittances from abroad do not seem to have figured in these survival mechanisms and strategies employed to supplement the family’s wealth. As one southerner residing for twenty years in Britain (a homeowner) said

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<sup>3</sup> For the latter figure, see Gelaleldin (1985). Calculations by the World Bank put the number of Gulf migrants in 1985 at ca. 500,000 (Brown 1992: 116).

<sup>4</sup> I am aware of a similar relationship that had been underway in the late 1970s and early 1980s between Sudan and Egypt that enabled Sudanese to study in Egyptian universities.

“Back then, the financial burden was minimal. The war, of course, triggered an increase in money sent back home, but this did not happen right away. People knew the war was coming but in its early stages not everyone was affected in the same way like we are seeking now. In the beginning, sometimes you would send money to an uncle, someone who raised you, maybe to buy cows for a marriage. When people really started to suffer, and when they lost everything, that was when we became more involved.”

Problems with communication and the lack of contact with family members have acted as barriers to remittance activity. A migrant who came to Britain for a training course in 1982 but who remained after learning that his village had been destroyed, remarked how difficult it was to reach people and “to find a way to support them”. The situation worsened during the 1980s and 1990s with the intensification of violence and the commotion of flight. It has taken many people years to learn about the fate and whereabouts of their kin. Most out of reach have been those who have either remained within the war zone or have found themselves uprooted, many more than once, and ultimately comprising the hundreds of thousands of people living displaced in and on the periphery of urban areas and in far-flung camps.

With a large number of people displaced in Khartoum, there were some early attempts by migrants to develop their own money transfer systems. For instance, in 1992, a middle-aged Nuer in political exile in Britain since 1988 tried to help other refugees send funds. He established a small money transfer enterprise with a close friend located in Khartoum, who at the time was running a successful business and agreed to act as an intermediary for the distribution of funds. Together they devised an “informal value transfer system” (Blackwell and Seddon 2004: 3) in which funds did not physically travel between locations. The cash remittances were given to the Nuer partner in Britain, who deposited the funds into his friend’s UK bank account. A fax would then be sent to the Khartoum colleague with the recipients’ details and the amounts to be disbursed. The Khartoum businessman used his local funds for distribution. The Khartoum associate travelled once or twice each year to Britain and, according to my Nuer informant, would use the money accumulated in his British bank account to pay for his stay and conduct other business, sometimes transporting additional cash back to Khartoum upon his return. Neither the remitters nor the receivers incurred any charges for the assistance provided. Unfortunately, within two years the system broke down, because some recipients in Khartoum began pre-empting the process by demanding money from the businessman prior to their relative abroad having authorized the remittance. Out of frustration, the Khartoum colleague decided to stop all services.

#### **4. The current Sudanese migrant population in Europe**

It should first be mentioned that the number of Sudanese migrants in European countries is not substantial compared to other foreign migrant populations and to Sudanese residing in other industrialized Western nations. The countries with the largest populations of Sudanese are those that over the last approximately ten years have increased their quota for African refugees, particularly Sudanese, Somalis and other Northeast Africans, under UNHCR’s durable solution mechanism. Those with the highest number are the United States (18,000 Sudanese refugees), Canada (7,000) and Australia (5,000) (UNHCR 2002).<sup>5</sup>

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<sup>5</sup> These numbers do not include Sudanese who are now citizens or those found under other categories.

For North America, added to the number of refugees are the many (mostly northern) Sudanese who belong to the early immigrant communities and the scores of people who found their way to the continent initially in search of economic opportunities and as relocating professionals (see Abusharaf 2002: 17–45). Australia has also increased its support to an additional 4,000 refugees for the 2003–04 period, many of whom are Sudanese resettling from Egypt and Kenya.

The total population of Sudanese migrants in Europe has been difficult to substantiate. The most readily available statistics are those in the asylum-seeker and refugee categories. As a gauge, Table I shows European countries with Sudanese refugee populations of more than 150.<sup>6</sup>

**Table I: Sudanese refugees In European countries, 2002**

Country	Population
The Netherlands	3,404
Great Britain	2,555
Germany	612
Norway	438
France	292
Denmark	284
Italy	190
Switzerland	189
Bulgaria	158

Source: From UNHCR 2002, End of Year Statistical Report

One may also add to these figures persons already in the country currently seeking asylum who have not been given permanent status, which in some regions may amount to a similar if not larger number, and the many who are now citizens of the respective countries. An estimate of the number of Sudanese for each country becomes even more difficult when considering secondary migration within Europe. Within the last few years, there has been an observable trend in Sudanese leaving continental Europe for settlement in Britain, particularly to the Greater London area. Some tertiary movement has also occurred involving relocation from eastern European countries to western Europe, with Britain as the final destination. The main reasons for leaving include: difficulties with integration (i.e. employment prospects and social/cultural integration) and the desire to rejoin relatives already residing in Britain. Sudanese I spoke with were unequivocal that Britain has the highest number of Sudanese migrants in Europe with northern Sudanese appear to be in the majority. Estimates ranged from 7,000 to as high as 30,000, although the more often cited and likely figure, which includes western and Nuba Sudanese Muslims, is approximately 7,000. My own familiarity with the Southern Sudanese population enables me to estimate their number to be around 1,200, with the Dinka being the largest ethnic group.

## 5. Economic background of migrants

The economic status and employment backgrounds of Sudanese migrants vary. For example, northern Sudanese cite lawyers, medical doctors and academics among their population

<sup>6</sup> It is not known whether these are “individuals” or “cases,” which in the latter would include under-age and other dependents.



(one community elder gave the figure of approximately 3,000 for the number of doctors and medical graduates in Britain). Members are employed in civil service positions, as teachers, in factories, and quite a few men work as bus drivers. They have small shops and businesses, including travel agencies and food stores, and, as we shall see below, money transfer businesses. Women are also included in some of the occupations listed.

A few women in the southern Sudanese community have followed up their roles in the household with college coursework, training or employment, but families tend to be large, making it difficult for these women to pursue occupations other than as mothers and housewives. The community also boasts a small number of currently employed doctors, teachers, senior humanitarian-aid workers and other qualified professionals. Yet in general, it appears that in the southern population there is undoubtedly a strongly dependent on state benefits.

Some children of Sudanese migrants have now reached adulthood. They are in college, working or receiving benefits and are also known to be sending remittances to their families in Sudan, regardless of occupation, income sources, or sex. In a household, it is often the case that the man and the woman have combined and separate obligations to support their relatives financially.

Although not addressed in this discussion, there are other population groups in Europe not of Sudanese origin who are likely involved in remitting funds to Sudan on an informal basis. Some 415,000 foreign-born individuals (UNHCR 2001), mainly refugees from Ethiopia, Eritrea and Somalia, and migrants from Nigeria and other African countries, reside in Sudan and may be receiving remittances from family members based in European countries. A more in-depth study could explore the remittance activities of these populations.

## **6. Reasons for remittances**

Sudanese migrants remit primarily to their kin, although friendships and community links also serve as a basis for remittance activity. In most Sudanese communities, kinship and everyday relatedness extend beyond the immediate family following the lines of descent and marriage, and these relations serve a number of important functions and entail different degrees of reciprocity and mutual obligations. The extended kin group is involved in the organization of marriages and the payment and receipt of bridewealth. Family and lineage elders play a central role in settling disputes; during crises and times of need it is one's relations to whom a person normally turns for assistance.

Notions of respect, honour and dignity are also intertwined in the maintenance of familial and broader kinship ties. In many Sudanese societies, particularly those that emphasize blood ties such as the Nilotic Nuer and Dinka, close lineage members are collectively responsible for remedying any damage by providing material compensation, now often paid as cash, to victims for crimes committed by their kin. Ties of kinship, or ethnic and territorial background also entail obligations to contribute to community-based activities, burial expenses and funeral proceedings. Sometimes funds are pooled to help cover the costs of urgent medical treatment for respected and elder members of the community.

War, famine and flight have splintered families, leaving them with little upon which to survive. Humanitarian assistance has not been able to reach all sectors of the population, especially in the countryside. Subsequently, what has evolved is a greater reliance on

remittances from migrants in the West. For many resettled refugees and other migrants, these financial obligations represent pressures and predicaments that are not easy to resolve in their current circumstances (Riak Akuei 2002, 2004).

A very large number of people displaced are located in urban areas or camps close to cities. Many of these are outside Sudan. The largest burden placed upon migrants comes from kin located on Sudan's periphery, where they have few opportunities to improve their refugee status or economic situation. As a result they continue to be dependent upon remittances. This has become a problem because in Cairo and other peripheral cities, limitations have been placed on both asylum-seekers and refugees as to their rights to employment, social benefits and other mainstream services. Although these responsibilities are associated with remittances to Egypt and other nearby countries and not Sudan and are normally sent using formal methods of transfer such as Western Union and MoneyGram, it seems vital that these remittances be considered in the conclusions of this study.

This part of the discussion has focused on the experience of southern Sudanese. However, northern Sudanese are not without similar pressures although they may seem less urgent. One informant speaking for the wider community in Britain was keen to note that "we would be one of the richest migrant communities here if we did not have to send so much money back home to our families!".

Most of the funds sent by southern Sudanese go towards basic subsistence, to pay for food, clothing and rent, and to cover the costs of medical treatment of an urgent nature. As noted, money for funerals and marriages is particularly important. Remittances also go towards fines incurred by kin.<sup>7</sup> A major expense in the Sudan context is the cost of asylum-seeking. Unlike northerners, southern Sudanese migrating to Egypt must pay a significant amount of money amounting to hundreds of dollars to Arab "middlemen" who "run" the business of migration, in order to obtain a visa, travel documents and to cover the costs of government "departure" taxes and *jihad* fees. For special events and occasions such as cultural festivals or civic meetings held in the home or asylum location organized by members of one's ethnic group, migrants do what they can to support these initiatives.

Northern Sudanese also provide financial support for events such as weddings, engagements, funerals and other social occasions. They indicated sending additional amounts of money to their families during the Islamic religious holidays of Eid and Ramadan. Like their counterparts in the Gulf region, funds are mainly remitted for the purposes of domestic consumption and investment. Money is sent to improve the family home (e.g. to buy household appliances, furniture and for remodelling), to purchase new homes, or to buy property and construct a new building. Migrant remittances enable the purchase of automobiles, although it is not clear whether the vehicles are intended for business ventures. Funds are also sent to pay for a family member's education or non-urgent healthcare needs.

## **7. The informal remittance systems**

This section outlines characteristics of the ways Sudanese migrants remit funds – the businesses and other entities facilitating the movement of money to Sudan, estimated amount of transfers, frequency, costs and other dynamics of the remittance systems. First, it

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<sup>7</sup> The most common crime seems to be adultery.

is necessary to describe some of the general dimensions of this process and to scrutinize the validity of a key element; namely, the informal/formal distinction in the Sudan context.

Sudanese in Europe remit funds with great regularity and frequency, at minimum on a monthly basis to one location or another. However, in following the current mainstream definitions of and distinctions between “formal” and “informal” remittances, focusing strictly on “informal” transfers becomes problematic in the Sudan context.

There are cases that may be classified as purely “informal” remittances. For instance, Sudanese travel to Sudan and hand deliver money to their kin. Asking others to transport and deliver the funds for them is another method used. This normally occurs with remittances to Khartoum. Arrangements are made on a personal basis, but a common scenario among northern Sudanese is to simply go to the airport and ask someone flying to Khartoum to deliver money for them. As one contact clarified who uses this system often and knows others who do:

“You just check the schedule of departures, go to the airport and wait to find someone leaving to ask to take the money for you. This is very common. You can give the money to practically anyone.”

Southerners I spoke with were not aware of the “airport” method of organizing remittances to Sudan. For many it would be highly impractical for them to utilize this system, although some southerners do travel to Khartoum to request or receive remittances sent by other means. Comparatively few southern Sudanese are able to travel to Khartoum from other parts of Sudan. The sheer desperation of such a significant number of people makes this difficult. Moreover, unless it is an immediate relative or close friend, southerners said that they would not normally be inclined to approach another member of the community to carry and deliver money for them.

Another problem with this informal method of hand carriage and expenses affecting all Sudanese relates to the additional financial burden that some people incur at official points of entry (e.g. airports, northern border zones). Anyone with a Sudanese passport returning to the country through these channels must pay on arrival a considerable amount of money for taxes for each year they have been out of the country.<sup>8</sup> Only persons with a passport from another country or studying abroad with a valid student ID are exempt. This situation acts as another deterrent to personal travel and one other reason given for wanting to wait to make a visit until citizenship is obtained from the host country.

Churches and non-governmental organizations have also been facilitators of remittances to Sudan. It has not been uncommon for churches to act as filtering devices for funds to locals.<sup>9</sup> Aid workers of international NGOs have also assisted by carrying money back to areas

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<sup>8</sup> I learned of these circumstances only towards the end of the data gathering period. It should be confirmed, but the amount taxed is appears quite high to the tune of US\$1,000 for each year out of the country.

<sup>9</sup> Information from Tim Allen, London, 28 June 2004. I have not seen this in operation, but according to Allen churches in Uganda and Kenya have functioned as intermediaries for the receipt of funds to the local refugee population, some of whom may be involved in transporting the funds further across the border into Sudan.

where they are working.<sup>10</sup> Resentment and jealousy can arise among persons who are not recipients of funds (see Van Hear and Sørensen 2003).

### *The formal/informal distinction*

It was found on the whole that very few transactions that are characterized as informal are fully so when considering the composite steps involved in remitting money to Sudan. For instance, the lack of state controls along Sudan's southern border zones opens up certain possibilities for remittances to kin and community in the south; yet, it is here where the informal/formal distinction becomes blurred. A common way of remitting money into the south is by transferring funds to a relative or friend located in a neighbouring country such as Kenya or Uganda who plans to travel to the region (such as a returning SPLA soldier or indigenous aid worker) and will transport the funds by hand to their beneficiaries. However, for funds to reach the intermediary, they have to be sent by migrants through a money transfer agency such as Western Union or MoneyGram, entities that currently fall under the rubric of formal transfer systems.

Somali transfer services that are associated with informal systems exist in these regions, but their operations do not appear to be very popular among Sudanese. Although a substantial amount of remittances flow through Nairobi, Kampala, Addis Ababa and other major cities, people have complained about the dangers of using their services. The main risk is robbery. For instance, in Cairo people trying to collect their money have been attacked and robbed.

The injection of Western Union, MoneyGram and other formal systems into the remittance process is not the only example. There are in fact certain stages in the transmission process where banks, or in the case of Somali transfer enterprises something akin to a bank, are very much involved.

Interestingly, southern Sudanese in London explained that prior to the September 11th attacks that occurred in the United States in 2001, a bank was used to transfer money to Khartoum (HSBC, previously Midland Bank). Midland Bank wired money for a flat fee of £15 (now £21) to a so-called "Ivory Bank" in Khartoum whose founding director was a southern Sudanese. At the time, on both sides of the transaction, customers did not have to be account holders. It took approximately two to three days for the funds to arrive, which were then paid out to the recipient in local Sudanese currency. But, according to my local informants and confirmed by a current HSBC Bank representative, following the September 11th attacks, the Bank of England instituted a new legislation in that only persons with an account at the bank could utilize the service. It was at that point that my informants turned to Somali enterprises for their remittances to Khartoum.<sup>11</sup>

In effect, this sector of Sudanese remittances went from being "formal" to "informal" based on existing definitions. This information is also useful for understanding the implications of broader security changes and restrictions affecting money transfers over the last few years. From the side of the government and other institutions, the change reflected the increased

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<sup>10</sup> J. Ryle, personal communication, London, 20 August 2004.

<sup>11</sup> I have received conflicting information about whether the Ivory Bank is still in existence. What was confirmed is that at some point the Southern director was removed, the funds or shares people had invested in the bank to that point were lost and the Sudanese government now holds the majority of shares in the company. This information, however, needs further verification.

scrutiny over international money transactions and the related concern for terrorist activities. In the minds of remitters, however, the transformation had a positive outcome: The informal system has been perceived as much more efficient in terms of cost and transfer time. Also, the business premises they use are numerous, conveniently located and appear to be very reliable.

#### *Money transfer businesses: remittances to Khartoum*

It appears that the majority of migrant remittances to Sudan are directed to Khartoum. However, this does not necessarily mean that remittances to Khartoum remain there or are intended for use locally. Particularly in the home country and where refugee camps exist, cities can function as “weigh stations” for money for people elsewhere. I have already explained how money is transferred to cities in countries on Sudan’s periphery aimed for the rural area. With Khartoum, moreover, there are cases in which rural men make the risky journey north to Khartoum expressly to contact relatives abroad for money or for the purpose of retrieving funds sent to them which they take back to the rural area. Of course, these situations have depended upon periodic improved security conditions such as the introduction of ceasefires and the reduction in violence against travellers en route to and from the capital.<sup>12</sup> It would also be useful to explore further the extended trajectory of remittances.

It is clear, however, that a substantial amount of remittances are destined for Khartoum, and that they have been facilitated chiefly by the establishment over the last few years of indigenous African companies offering money transfer services to places like the Sudanese capital not normally well serviced by other, formal types of money transfer operations such as Western Union and American Express. American Express has had an outlet in Khartoum, but from what is known so far, Sudanese have been less inclined to utilize this option: they consider it “much too dangerous”. The recent clampdown on terrorist-related activities (Sudan is still on the US Justice Department’s list of terrorist-sponsoring countries) was the main reason given. Migrants also cite the higher fees as compared to the charges levied by the other money transfer agencies.

Remittances to Khartoum are funnelled to their recipients mainly through two sets of transfer enterprises, either Sudanese- or Somali-run businesses, with the former used mainly by northern Sudanese and the latter by the southern migrant population.

#### *Northern Sudanese money transfer businesses*

Northern Sudanese use their own money transfer establishments to send funds to Sudan. In London, these businesses are located in the section of the city where many northerners and other Arabs and Muslims reside (i.e. Bayswater, Edgware Road/Maida Vale, Paddington). Southerners who live elsewhere were in fact largely unaware of the existence of Sudanese money transfer offices.

Some companies have been set up expressly as money transfer outlets, while others offer these services as a supplement to or alongside the main function of the business, i.e. travel

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<sup>12</sup> These examples come from the Dinka whose areas are closer to the North than those of other southern communities. Also, I am only aware of men travelling. The region remains volatile, but for some people it is the only way they can receive cash money from abroad.

agent, food vendor, convenience store and so on. They are registered businesses and have a large turnover of remittances to Khartoum. I became aware of four different firms, but there are likely to be more.

The shop from which data for this study was collected was set up in 2002 explicitly for the purpose of transferring money to Sudan, although unlike many Somali operations, there was no physical indication of the business establishment or its activities. The business was set up by two friends who remain involved in the day-to-day activities of the business. The majority of customers are northern and western Sudanese (no southern Sudanese). They claim to have between 10 and 15 customers a day, sending on average £100, but quite a few transactions are larger, in the £200–£400 range. In special circumstances – expensive medical treatments or religious holidays – much more money is remitted.

The majority of clients are repeat customers (90 per cent). A file is kept for each person who requests a transfer. It contains their personal details and transaction histories. Anyone sending money must show valid identification such as a passport and provide the name, address and telephone number for themselves and the intended recipients of funds. In the case of Sudanese names, the owner added emphatically that “all four” must be given; otherwise they will not transfer the money.<sup>13</sup> A stand-alone computer is used to log all transfer activity. The system is characterized by a dual process involving, on the one hand, fax notification for the Khartoum agent of the remittance value and personal details, and on the other, a delayed money transfer occurring usually on a bi-weekly basis following the accumulation of approximately two weeks of remittances.

The fee to send money to Sudan through this channel is £5 regardless of the amount. Upon receipt of funds in London, a fax is sent to the office’s agent in Khartoum. Payout usually occurs within twenty-hours in local currency. It was difficult to get detailed information on what happens to the money received in London. Apparently, some type of cash transfer does occur. The cash is taken by hand to a person who works for a large company with foreign interests in Khartoum (e.g. a subsidiary). He specified the process further: “We bring the money to the businessman about every two weeks who works for the company. Then we notify our agent who goes to the subsidiary to pick it up”. It was not revealed whether a bank or other type of transfer is made or if this segment of the remittance process is a legitimate part of the company’s operations. The system is nevertheless perceived as very efficient and economical.

Some beneficiaries of remittances reside outside Greater Khartoum. In order for funds to reach these recipients in towns like Dongola, Gedaref, Port Sudan and Kassala (“We service all the areas”), the agent in Khartoum makes a domestic bank transfer, apparently without any fees deducted.

### *The Somali money transfer business*

There are now several, possibly hundreds of money transfer agencies in operation around Europe that have been set up by Somali migrants. Information in this section stems from data collected from a company used frequently by southern Sudanese in London – Dalsan

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<sup>13</sup> The main reason is because there are too many similarities in names. It is thus necessary to include first names and the subsequent birth names that normally follow those of one’s immediate paternal descendants.

International Transfer Services (Wakiilka Xawaaladda) – whose main premises are located in close proximity to where a large number of southern Sudanese families and individuals reside (Camden/Kentish Town). Dalsan has been in business since 1996. Its proprietor, Mr Mukhtar Osman, cited 26 offices around Britain which work in concert with Dalsan businesses in other parts of the world that are also Somali managed.

Dalsan has one office in Sudan, which is located in Khartoum. There are other Somali-run money transfer businesses that operate in the country (he estimated nine), some of which service outlying cities and towns. Dalsan's office in Khartoum was set up initially to serve the city's Somali migrant population, not Sudanese. For them, it was seen as "a favour" according to Osman. Also, in his analysis, Dalsan's Sudanese clients "are almost all from the South".

The company does not set a minimum for transfers, but a ceiling has been established for Sudan of £2,000 (for other countries, £3,000 is the maximum for a single daily transaction). The reason given is that "We don't want any problems". Dalsan's accounting and tracking system is elaborate and it is possible through the database to detect when someone is sending larger amounts on a repeated basis. Since September 11th there has been more enforcement and monitoring by authorities, and this information needs to be at hand.

Dalsan follows the motto of "KYC—Know Your Customer" for organizing transfers. To send money, clients normally need to provide proof of identification such as a passport or driver's licence, and a utility bill to confirm the address. The full name and telephone number of the person to whom the money is being sent must also be submitted with the request. All of this data is stored in Dalsan's computerized database.

Transactions initiated by Sudanese are estimated to be in the range of 20–30 per month. Eighty per cent involve amounts of £50–£100 and the remaining 20 per cent of transfers are over £100, between £150 and £300. Dalsan has a small number of clients who send much more money on a less frequent basis, approximately £1,500 or more. These include professionals with higher earnings. The fees for remitting vary. The charge up front is 6 per cent on amounts up to £1,000 (no fees are incurred upon receipt of money). The fee is reduced to 4 per cent after that, but it was noted that for remittances above £1,000 it is possible to negotiate a different fee. The majority of Dalsan's customers are returning clients who remit funds on a regular monthly basis. The trajectory of the remittances in the Somali system is different from that of Sudanese Amir. Below is an illustration, albeit very simplified, showing this process as it was explained to me by Dalsan's proprietor. Funds are accumulated in Dubai, which operates apparently as a sort of "holding tank" for the sum of remittances. They are then redirected periodically to the consortium of offices in countries with remittance recipients.

A general feature of both the Sudanese and Somali remittance systems is that occasionally problems arise in arranging for funds to reach the people for whom they are intended. These have been attributed to difficulties agents sometimes have in contacting the recipients. Telephone numbers are not always working, the numbers are wrong or there is no answer. This results in occasional delays in distributing funds.

## **8. Development leverage of informal remittances**

Sudan was listed among the five largest remittance-receiving countries in Africa for the year 2001 (Sander 2003 cited in Sørensen 2004). While it is not clear whether this estimate includes both formal and informal types of transactions, it is most likely that informal remittances will continue to form the bulk of money transfers to Sudan. The impact of these funds on development seems limited, however. There are a number of reasons for this.

First, it has been shown that migrants have a wide range of remittance responsibilities that are centred upon their personal obligations. Although remittance responsibilities have put enormous stress on migrants economically and emotionally, remittances are important social gestures that are a vital part of their sense of wellbeing and collective belonging.

One may argue that these culture-based priorities could be translated into development-oriented initiatives in the home region. Such efforts, though, require adequate disposable income of remitters. Sudanese migrants simply do not have the money needed for the kind of support needed for development projects, at least not in any sustained way.

With continued resettlement of Sudanese from asylum host countries, it may be assumed that the burden of remittances would lessen. A cursory exploration into the effects of these changes reveals that some people have experienced less pressure, while others seemingly in the majority are aware of more requests for support coming from other regions with family members in need. In sum, it seems that as long as significant political and economic reforms are not undertaken in Sudan and policy-wise in asylum host regions, migrants will continue to have sizeable remittance obligations.

There are, of course, a few migrants who have achieved very substantial incomes, and the question naturally arises as to whether the increase might have an impact on development. I was told of some cases in which wealthier northern migrants have pursued development initiatives, but as far as I am aware funds have been channelled through the formal realm. As for southerners, there are a very few cases of towering wage bases, but these also point to the role played by altruism. The former basketball player Manut Bol, a Dinka, at the height of his career in the 1990s provided significant financial backing to the rebel cause amounting to some US\$3 million. As recently as 2002, Bol gave the proceeds from a boxing win, some US\$ 30,000, to a programme organized by the Ring True Foundation that assists children in need in southern Sudan (Grossfeld 2004). These gestures and the people who are able to make them, however, are rare exceptions.

The development potential of migrant remittances has also been explored from the perspective of community associations and their capacities, which can have a positive impact on economic and other infrastructures in the home country (Sørensen 2004: 17). What role have these played in the remittances of Sudanese migrants?

#### *A role for community organizations?*

From the data collected for this study, there is no evidence of any major role played by community associations in the informal remittance activity of Sudanese migrants. Northern Sudanese in London hold regular, widely attended meetings. Yet, when asked whether their associations have been involved in pooling funds for Sudan, they agreed that very little activity of this kind has taken place. One of the more recent foci has been the Darfur crisis, but these funds are directed towards desperately needed humanitarian assistance rather than development projects.



The case is similar for southern Sudanese. There has been some sporadic activity involving collective contributions of persons in the same territorial-ethnic group for one-off purposes of a more serious nature such as medical treatment for someone known and respected within the community, or for special conferences and meetings where support from “the diaspora” is expected and needed.

Generally speaking, southern-based community organizations have not had a strong backing in the UK and Europe overall. A number of registered associations have cropped up over the years, but they are very loosely organized and activities sponsored by them are minimal. The one exception is the Sudanese Women’s Association (SWA) in London. It has been in existence for a number of years now and has a place for women and children to gather on a weekly basis. Yet, their activities thus far have been limited to small, informal social gatherings or the sponsorship of local cultural events. Conversely, recent donor support has enabled the organization of a set of workshops for women that focus on the topic of women and development. One meeting was already held in July 2004 and there are no plans as yet for the subsequent workshops. The outcome of these activities also remains to be seen. A number of association members I spoke with were less hopeful about their role in the development of the South. The main reason cited was the lack of funds to meet their own local and remittance needs.

This presents a rather grim outlook on the development role of remittances. There have been a few slightly more hopeful prospects cultivated by Sudanese migrants elsewhere that indicate a possible potential for directing remittances to development. A considerable amount of money has been accumulated over the years – some US\$ 40,000 – by Sudanese Nuer refugees in the USA who have had the intention of allocating the funds for small development projects (such as a school or teaching materials) in Nuer displaced areas in the south.<sup>14</sup> Also in 2001, a number of meetings were organized by southern Sudanese refugees in San Diego, California (Riak Akuei 2004b) wherein some participants had tried to muster support from the local community for contributions towards a national pool of funds aimed at helping people “back home”. In the end, however, the process was stymied by internal quandaries, specifically the concern about who could be trusted to deliver the funds and whether the money would actually reach the intended beneficiaries.

What will be useful in the Sudan context is a monitoring of changes occurring in the political realm that might lend themselves to transformations in the scope of remittances and the systems used for their transmission that could be linked to development goals. The Darfur crisis has brought a new dimension to the humanitarian problems facing Sudanese and the country’s infrastructure. On the other hand, recent conferences and meetings held by the SPLA rebel leader John Garang on the status of the current peace negotiations and the creation of a “New Sudan” have stressed the need for a “more engaged diaspora”, a population that can be profitably integrated into the process of reconstruction and development.<sup>15</sup> This may have different outcomes depending upon whether a peace ever comes to fruition in Sudan, and if the appropriate support is made available to Sudanese migrants in the diaspora to improve their conditions in a way that would enable them to participate monetarily and occupationally in the future of a transformed nation.

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<sup>14</sup> G. Deng, Personal communication, San Diego, California, 7 July 2004.

<sup>15</sup> In one of these meetings, the discussion surrounded the possibility of diaspora members paying taxes to the New Sudan/SPLA to support reconstruction.

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