

**OVERVIEW OF THE DEVELOPMENTAL SITUATION IN SOUTH SUDAN
(2005-2015)**

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ABSTRACT: *This study has given much consideration and concern to overview the current developmental situation in South Sudan during 2005-2015. Despite the efforts that have been made for economic development during the period the result did not fulfil the objectives of outset sustainable economic development of the country. Therefore, the basic question of this study that needs to be answered is that why economic development programmes did not succeed during the period 2005-2015? While significant bilateral and multilateral developmental assistance have been donated to the region since the signing of Comprehensive Peace Agreement (CPA) in 2005; in addition huge financial resources were generated from oil revenues. The key objective of the study is to highlight the role of economic planning as one of the important tools in economic development. The study has relied on combine methodology that comprises from quantitative and qualitative methods for data collection and analysis. The logic behind this combined methodology is to minimize various defects of each method in data analysis. Different techniques have been used in data collection, among them close-ended questionnaire, focus group discussion, and interview technique. In data analysis, descriptive statistics particularly the Statistical Package for Social Science (SPSS) have been used as a tool to obtain logical and precise results and conclusions. The most obvious results of this study are that scientific and innovative researching can enhance economic growth and development since it could provide the needed information for development; diversification of economic and financial resources through economic integration and sound allocation of economic and human resources can improve the condition of financial resources to finance development. The extreme poverty levels could be reduced through elimination of unemployment and underemployment and creation of job opportunities and social security programmes to sustain and reduce families' vulnerability; the government of South Sudan expected to pursue powerful policies, strategies and plans to successfully mobilize new private and public investments from local and international financial markets; and to have sound resources management towards fulfilling the desirable sustainable development of the country.*

KEYWORDS: Sound policy, capacity building, capital formation

INTRODUCTION

The civil wars since 1955 and other factors have been made South Sudan underdeveloped. But in January 2005, an agreement known as Comprehensive Peace Agreement (CPA) was signed and South Sudan has gained semi-autonomy administrative system. South Sudanese government has inherited a territory without reliable roads, healthcare facilities and schools and completely missing formal state structures. The Government and various developmental partners achieved some improvements in the establishment of formal state structures such as legislative, judicial and executive bodies at the national and state levels. All these institutions face enormous challenges in terms of lack of qualified staff. The majority of the top officials lack hard and soft skills to run political and economic development process. Due to the lack of qualified human resources, the lack of public services provision is given and not surprising. The large majority of the population suffers from extreme poverty, particularly in remote and affected areas by conflicts. In South Sudan several areas experienced armed conflicts and civilians are getting poor protection (BTI, South Sudan Report, 2014. pp. 2-4).

South Sudan actually is at the tail end of the most underdeveloped countries in the world. The progress which has been made during the interim period in basic services delivery was not enough. The steady influx of returnees (refugees and internally displaced persons) that represented 25% of the total population required expanded, better and quality services. The government has prioritized development process in its budgets, but available resources for development were insufficient and external assistance is required. The government has very limited capacity to carry out the work. Priorities were given to basic services provision, livelihood and employment. Humanitarian assistances were concentrated on conflicts, drought, floods and food insecurity. Sustainable development is a complex process which needs cooperation among various actors. Thus civil society organizations, international and local non-governmental organizations, women based organizations, churches and other organizations were required to play a role in development process. Development process needs to be inclusive based on the participation of the population by which stability goes hand in hand with development (Multi Annual Strategic Plan, 2012-2015. pp. 6-7)

South Sudan is facing significant development challenges including political instability, inter-tribal conflicts, poor infrastructure, over-dependence on oil production, strong import dependence, lack of manufacturing, lack of commercial agriculture, extremely low human capital with the lowest adult literacy (27%), high poverty, weak health and sanitation indicators and a large pastoralist non-formal economy, with over 80% of population living in rural areas (UNESCO, TVET Policy, 2014, P. 10).

South Sudan has the worst human development indicators in the world. At least 80% of the population is income-poor, living on less than USD 1 per day; one-third of the population faces food insecurity and at least 20% of households cannot support their food needs; one out of three children is moderately or severely stunted because of malnutrition and at least 47% of the population is undernourished; 16% of adult women are literate and half of all children attend school. Less than 40% of the population has access to healthcare services and only one out of five children is immunized. Infant mortality rate is one of the ninth highest countries, while the maternal mortality rate is the highest in the world. Half of the population has improved sources of clean drinking water, while sanitation remains a considerable issue

with less than 20% of the population having use of basic facilities. Disparate access to resources and services has created significant inequality among and within states and between urban and rural areas (UNESCO, Document, 2014-2016. p, 8).

South Sudan has received unprecedented international efforts for post-conflict development in the modern history. Billions of dollars from bilateral and multilateral aid were donated. A large focus of these developmental efforts was given to capacity building of the government. During the interim period, the international donors' community has quickly laid the foundation of governing institutions. The donation was approximately estimated USD 1 billion of international assistance that has received in 2006-2010. The United States of America (USA), United Kingdom (UK) and Norway "Sudan Troika" was the leading donor. But other donors have joined the effort after independence in 2011. The total aid in the first year after independence was USD 1.4 billion (Greg, WIDER Working Paper, 2013. pp, 3-5).

Statement of Research Problem

The key problem of this study is that why development did not occur in 2005-2015? It also tends to highlight the role of economic, financial, and technical prospective policies, strategies, and planning in economic development. Despite the current challenges and difficulties facing development process, South Sudan has considerable potential economic development. This is because it currently contains huge amount of oil reserves, and best quality agricultural land. With available significant oil revenues and resources, South Sudan has a major advantage to overcome the current situation of underdevelopment, if oil wealth has been economically utilized to promote diversification of non-oil resources. South Sudan has the potential to have strong economy; but for this to become a reality, South Sudan shall maintain an open economy with close ties to neighbouring countries. The Government of South Sudan shall remove unnecessary barriers to trade, and rules shall be made as simple and transparent as possible. The Government of South Sudan shall recognise that foreign investment and participation in the economy with properly and transparently regulation can increase employment opportunities for South Sudanese as well as broadening the tax base to decrease dependence on oil revenues.

Importance of the Research

This study is an important work, because it tends to suggest the vital developmental policies and strategies that can eliminate such the constraints to development and encourage economic growth and development in South Sudan. It is an academic document that provides useful information and can be used by academicians and researchers who are interested in conducting studies in this area. The importance of this study comes from its original problem that it tends to investigate. It also possesses the most scientific qualities of social science research including objectivity, dependability, acceptability, universality, and clarity that leads to a tangible contribution to the existed knowledge especially in the sphere of economics. This research have a great impact on the developmental aspects in South Sudan as it gives a clear understanding to the contemporary constraints on sustainable development. It will help policymakers and developmental partners to set short-term, medium-term and long-term policies, plans and strategies for development.

Objectives of the Research

This work was conducted to assess the developmental efforts and attempts in 2005-2015; record in minute details the situation of economic development; highlight the importance of planning (policies, plans, and strategies) as vital tool to eliminate constraints to development; and to provide philosophical, logical, and scientific conclusions, results, recommendations and suggestions which will be helpful to the government and other development actors.

Research Hypothesis

The key hypothesis of this paper is that sustainable economic development can occur in South Sudan if sound economic, financial, and technical policies, plans, and strategies have been pursued and implemented

METHODOLOGY OF THE STUDY

In this study combined methodology has been used in data collection and analysis. It consists from the following:

Quantitative Survey Method

Quantitative method is based on the assumption that anything exists in quantity and can be measured. It ensures objectivity, generalization, transparency, and reliability; and produces quantifiable reliable data. It employs precise, concise, systematic, cumulative, and repeatable procedures for data collection and analysis and for findings to be confirmed or disconfirmed and to produce useful knowledge. It is the most popular and common tool through which researchers generate data from population/sample which possess at least one common characteristic, by asking questions relevant to the subject under the investigation. It allows a large number of people to be questioned quickly and cheaply; and their specific and limited responses can be systematically quantified and analyzed. It is a useful descriptive method in data collection on phenomena that cannot be directly observed to assess attitudes and characteristics of a wide range of subjects. Due to these advantages of the quantitative method, the researcher has made choice to use it as one of the appropriate tools for this study.

Qualitative Survey Method

Generally, qualitative method refers to the technique of knowledge generation through face-to-face contact between the researcher and the subject of research. It employs techniques such as structured, semi-structured and unstructured interviews, observations, focus group discussion/rapid appraisals. The semi-structured interview is a technique adopted by the researcher in which a sketchy checklist of important issues designed and used in an informal conversation with selected number of elite/experts or public people who have adequate knowledge on the subject under the study. In the light of these advantages of qualitative method, the researcher of this work has decided to use it together with the quantitative method to eliminate the defects of each method, and to deepen the analysis and interpretation of data.

Rationality of the Methodology

The logic behind the use of both quantitative and qualitative methods simultaneously in this study is that both quantitative and qualitative methods are related to each other. They are the two forms of logic that complementarily and correlatively help in the establishment of truth. The combination of the two methods is helpful in generalization of facts, indirect verification of hypotheses, and in confirmation of conclusions drawn through quantitative method by qualitative method and vice versa.

Sources and Types of Data

There are two types of sources for data in researching in which the researcher relies on and they are as under:

1- Secondary Sources of Data: The secondary sources of data could be either published or unpublished materials that include academic books which are textbooks, handbooks, anthologies, dictionaries, encyclopaedias, thesaurus, and can be found in university libraries, bookshops and other books stores; scholarly journals; monographs; internet; conference papers that have been organized and presented at conferences, seminars and workshops by professional experts, non-governmental organizations, governments, academic departments and research centres; and unpublished materials such as research projects, dissertations, theses and essays. In this study, various books have been used as sources of information particularly in the chapters which depend on secondary data; the researcher has also relied on social science based journals which contain useful information and data needed in this study. He has cited much information from different internet websites and has consulted and reviewed papers. In this work, various unpublished sources have been used too.

2- Primary Sources of Data: According to Prof. Adam Azzain (2008, p, 37) "primary data are the raw data that the researcher becomes their first user. The researcher uses them for first time". The main sources of such data include archival materials, questionnaire results and personal diaries and recodes. Such primary information could enable the researcher to produce an original work which has a greater impact and tangible contribution to the existed knowledge in the relevant discipline. In the same way, C. B. Gupta and Vijay Gupta (2001, p, 44) stated that " primary data refers to the statistical materials which the investigator originates for the purpose of the inquiry in hand". This research has concentrated on primary sources such as close-ended questionnaire, semi-structured interview questionnaire, and focus group discussion in data collection that have made it an original work.

Area of the Study: Generally, the entire South Sudan is the targeted area of this study, but for the purpose of this study, the capital city namely; Juba City was selected as the main site for data collection. The researcher has selected Juba City for questionnaire forms to be distributed to the informants, interview and group discussion to be conducted; this is because Juba is the right place in which government officials and other organizations can be found in good number as well as the most educated persons. In Juba City 280 questionnaire forms were distributed. The main target group were especially university graduates who can give reliable answers to the statements of the questionnaire and the questions of the semi-structured interview questionnaire forms.

LITERATURE REVIEW AND DEVELOPMENTAL POLICIES AND STRATEGIES

(a) Literature Review: According to Dr. Raphael Koba (ND), the main strategies for development of South Sudan were categorized into pre-independence policy and the Southern Regional Government strategy. The aim of pre-independence development strategy was to change the South from shifting cultivation to fixed agriculture, and due to this strategy, efforts were directed to cotton growing for exports. The main assumption of the strategy was that Southern Sudan must be self-sufficiency and self-supporting in terms of basic commodities and exports. The Southern Regional Government strategy has especially focused on large-scale and capital-intensive agricultural projects, such as irrigated sugar, kenaf, rice plantations and mechanized rain-fed schemes were planned to generate high income and impoverished traditional farmers and livestock holders. The Government was pursued two strategies; first the emphasis on development of traditional agriculture and livestock raisers to strengthen their capacity through provision of the necessary inputs like improved quick yield seed, agricultural tools, assistance in marketing of surplus crops, provision of credit and agricultural extension services. In the case of livestock raisers vaccination and veterinary medical care was provided. Second self-sufficiency policy in food production was given definite priority. But because of the sever limitation in capacity, the government was heavily depended on the organizations to implement the strategy through contribution to the rural sector.

The main findings of his work were that Southern Sudan is blessed with significant amounts of natural resources that ranging from agricultural products, like sorghum, millet, groundnuts, maize, beans, cassava, rice, vegetables and different sorts of fruits, as well as various cash crops such as tea, coffee and tobacco; some forestry products in terms of timber, wild fruits and gum Arabic; and fisheries. There is a huge amount of animals like cattle, sheep and goats. Light industries have been excised in form of agro-industries such as textile industry and edible oil processing, coffee processing, fruit and vegetables canning as well as beer products. South Sudan is well endowed with bulk of minerals found in commercial quantities like oil, gold, uranium, copper, manganese and iron ore. In South Sudan there are numerous water resources. The country is the poorest region in terms of both socio-economic and physical infrastructure development, because of long civil war; acute manpower problems in terms of lack of skilled, technical and professional cadres in all fields, in addition to its remoteness and land-locked character that has banned South Sudan to be connected with the rest of the world.

Furthermore, Addis Ababa Othow (2013) has mentioned that political stability as one of strategies for development is an important factor to foster economic growth and development. Thus due to Comprehensive Peace Agreement (CPA) in 2005, South Sudan has achieved significant development within the last seven years. According to him, political stability has a great effect on economic growth and the level of investment as it increases investors' confidence and gives a degree of safety to their investments. But contrary political instability undermines businesses and reduces investment level as well as the speed of economic development. Long sustainable economic growth depends on ability to raise accumulated physical and human capital rate, efficient use of productive assets, and provision of accessible finance to all investors and business people. According to this study, corruption is a major obstacle to economic development and causes low-income and critical and sever poverty. It sands the

wheels of development and makes economic and political transitions so difficult. Corruption increases inequality that generates psychological frustration to unprivileged ones, reduces productivity growth, investment levels, and job opportunities, and reduces return of productive activities. This is because corruption favours particular classes of people, shrinking opportunities, and leads to frustration and socio-political instability. The natural resources dependency has negative effects on economic growth rates but natural resources endowment has positive impacts on economic growth. Conflicts affect financial sector at macroeconomic and microeconomic levels as they disrupt general economic confidence by destroying the key financial institutions and disrupt social relationships which are essential for financial transactions. Armed conflicts contribute to significant financial instability, increase military expenditures, reduce government revenues, affect economic outputs through destruction of human and physical capital, and shift public spending and private investments as well as disruption of economic activities and social life. Governance is the exercise of economic, political and administrative authorities to manage a country affairs at all levels and a precondition for economic development, because economic development without good governance is impossible. Therefore, good governance is not only a key factor to the promotion of human rights and protection of civil liberties, but it highly related with economic development and potential improvements in living standards of people. It is clear that economic and political freedom is essential for economic growth and development and nation transformation. On the other hand, poor governance has negative effects on economic growth and development.

Gaps: The gaps that did not fill by the previous studies and have been involved in the current research are as under.

First Gap: The previous studies were conducted to investigate the impact of political, financial, and administrative constraints to development in South Sudan such as political instability, insecurity, lack of integrated comprehensive planning, lack of coordination of projects and financial resources, greater distance from world business and trading centres, lack of good roads and transport infrastructure. But the current research has investigated in minute details various constraints including technical, economic and financial, political, administrative and legal as well as socio-cultural constraints on economic development in South Sudan.

Second Gap: The previous studies have concentrated on some developmental policies and strategies such as political stability, satisfaction of basic needs, self-sufficiency in food production and distribution, provision of adequate shelter, health and expansion of money economy, and capacity building that should fully make the administration well equipped, materially, financially and logistically to implement such development programmes and plans. While this study has covered all the prospective political, administrative, legal, technical, economic, financial, and socio-cultural policies, plans, and strategies for economic development in South Sudan.

Third Gap: The previous studies have used only qualitative method, while this study has used combine method of both quantitative and qualitative methods in collection, analysis, and interpretation of the data.

(b) Policies and Strategies of Development: In these section two major categories of economic development policies and strategies namely economic policies which include fiscal and monetary policies in addition to trade and industrialization strategies which are exports promotion, imports substitution and flying geese strategies are all discussed in details as follow.

Economic Policies: As knows by every economist, the conventional economic policies are fiscal and monetary policies. These two policies have been focused to in this part as the following:

1- Fiscal Policy: In underdeveloped countries, the governments could accelerate the rate of economic growth and thereby remove poverty and underdevelopment. To meet the huge expenditure to be made on developmental activities and projects of capital formation included in the plans, the governments of underdeveloped countries require a large amount of financial resources. The problem of financing developmental expenditure in underdeveloped countries is more acute, because of the very low level of per capita income in these countries. The governments can raise the resources to finance its expenditure for the purpose of economic development by the following instruments or means:

Taxation: Taxation is an important method of raising resources by the government. Taxation increases the amount of collective savings by restricting domestic consumption. Both direct and indirect taxes can play a part in financing the government expenditure to be spent on developmental activities. For best result, taxes should be imposed on unearned income and luxury consumption. But the taxation of unearned income may not yield a substantial volume of development finance, because most of the income of the vast majority of the people in undeveloped countries is devoted to the consumption of necessities. Thus the need to raise an adequate volume of development finance makes the governments to extend the coverage of indirect taxes to include the commodities of mass consumption. Moreover, the taxation of agriculture products has to play an important part in the mobilization of resources for the public sector in developing economies. Taxation as a method of development finance has some difficulties. As forced savings increased, voluntary savings may diminished, since individuals may reduce their voluntary savings in order to maintain their former consumption levels. This may reduce the resources going to the private sector. Another difficulty is its negative effects on incentives. For example, taxes on wage-earners can diminish their incentive to work hard, taxes on profits of the higher income groups can reduce their incentive to save and to make investments in new enterprises, and taxes on the output. Income or inputs of the farmers diminish the incentive to improve agricultural techniques (Ahuja, 1982, pp.295-296).

Government Borrowing (Public Debt): Borrowing by the government is another method by which the savings of the community may be mobilized. But there exist a number of obstacles which hinder the success of borrowing policy in underdeveloped countries. In many such countries there are no adequate or well organized money and capital markets and in those where such markets available, they constitute a very small proportion of the whole money market of the country. Besides, there is no any organic relationship between the organized and unorganized parts of these markets. Moreover, the resources of the organized capital markets may be too inadequate to fulfil the needs both of the private and of the public sectors. Further, in the capital markets the competition for funds between the government and the private sectors could raise the rate of interest which in turn would cause a highly disincentive effect on

the expansion of investment in private sector. For the government to have a successful borrowing policy, financial institutions must be developed and extended into rural areas of such economies in order to build the concept of the saving in these communities and mobilize such resources for productive purposes, instead of unproductive investments such as real estate, gold, jewelries. Suitable techniques of borrowing must be developed. For example, bonds of large denomination and long maturity issued by the government may be offered to the institutions, whereas those of small denomination and short maturity may be reserved for the public (Ibid, pp. 296-297).

Public debt plays an important role in economic development of a country in the following ways:

(a) Capital Formation: Borrowing from the public can be another important source of capital formation in underdeveloped countries. It is better than taxation because borrowing is just voluntary while taxation 100% means forced or involuntary saving and tax payers are not happy in paying taxes, for they do not expect to get the money back, but a lender, on the other hand, gives his/her money on loan of his/her own accord to receive it back along with interest after a certain period of time. Unlike taxation, borrowing adversely does not directly affect incentives to save and invest.

(b) Anti-Inflationary: Public borrowing acts as anti-inflation measure by mobilizing surplus money in the hands of the people. A successful public borrowing program can be a useful tool of economic development by diverting resources from unproductive channels to productive channels. Public borrowing is resorted to for specific development projects like power generation plants, irrigation works, roads, railroads, and so on. Thus it is a useful method for financing of development.

(c) Compulsory Saving: When there are no sufficient funds from voluntary loans, the government may have to resort to compulsory borrowing for the mobilization of resources for capital formation. Compulsory public borrowing is, therefore, justified in undeveloped countries where taxation and voluntary borrowing fail to bring adequate funds for development. Significant sections of the population in underdeveloped economies could waste a larger amount of their income in unproductive activities. The government may force them to subscribe to government bonds (Jhingan, 2012, p. 649).

Foreign Capital: The importance of foreign capital in accelerating economic development is undoubted. Foreign capital coming to Less Developed Countries (LDCs) in various forms can play an important role in economic development in the following ways:

(a) Raising the Rate of Saving: Because the rate of domestic saving in underdeveloped countries cannot be raised substantially for the reason that people are already at subsistence or near-subsistence level and there is no scope for further reduction in consumption, so in such situation foreign capital supplements domestic capital (saving), raises the total capital formation above the static level and generates economic growth. A higher level of savings can be ensured by the inflows of foreign capital.

(b) Attaining a Higher Level of Investment: When development has been planned, prepared and executed, a higher level of investment is needed. This high level of investment cannot be attained with domestic savings, not only because these savings are inadequate but also because of the new investments which are not unfamiliar and the local investors cannot be induce to invest in such investments, thus

there is a gap in resources and this gap could only be filled by the foreign capital which in turn higher level of investment can be attained by and with the help of foreign capital.

(c) Providing Venture Capital: At macro level, there is a need to increase the total amount of investment. This need should be fulfilled by foreign capital. The establishment of heavy industries in underdeveloped countries is something which cannot be undertaken by local private entrepreneurs/enterprises, but these heavy investments for local private investors can be light investment for foreign investors. Therefore, such investments can be left to foreign investors.

(d) Building up of Infrastructure: The underdeveloped economies require the building of economic infrastructure in the form of railways, roads, bridges, water supply schemes, electricity and power plants, irrigation projects and so on, in addition to social infrastructure such as schools, colleges, research centres, and hospitals. Both economic and social infrastructures are precondition for economic development and its absence is a major constraint to the development. Therefore, an underdeveloped country which is in the position to attract foreign capital in such areas would overcome this major difficulty. Moreover, foreign capital, accompanied by technical know-how, can play a vital role in these areas.

(e) Development of Basic and Key Industries: There are several industries like iron and steel, cement, heavy electronics, heavy chemicals, machine and tools, which are basic in the sense that they provide the foundation for the entire industrialization of the country. They are keys to development and also to the control of the private sector of the economy, for they can act as market makers. The establishment of these industries involves large amounts of capital, long period for installation of plants and a large-scale of production with level of technology and skills. These requirements can best be met by foreign capital.

(f) Creating Employment Opportunities: The investment of foreign capital in the economic and social infrastructures directly creates employment opportunities. There is widespread unemployment and underemployment in undeveloped countries. As labour is cheap in undeveloped countries, capital borrowing from international agencies like World Bank could be utilized in labour-intensive schemes; construction works including railways, roads, irrigation and in rural area schemes because these projects have good potential employment that can absorb jobless and seasonal unemployed labour forces. Also to the extent foreign capital invested in such areas, has capacity to create employment opportunities directly and indirectly because it raises the rate of economic growth and development.

(g) Filling the Foreign Exchange Gap: Foreign capital contributes to economic development by filling the resource gap between targeted investments and locally mobilized savings; it also contributes to development by filling the foreign exchange gap. The gap between targeted foreign exchange requirements and those derived from net export earnings plus net foreign aid has always been wide. Thus, under such circumstances, an inflow of foreign capital cannot only alleviate the existing deficit but can function to remove such deficit on a long-term basis if it generates new export potential. Moreover, most developing countries are facing balance of payments problems because their import requirements are growing while their exports do not grow at an adequate rate. Thus these countries need

capital goods and intermediate goods for industrialization, food, edible oils and so on for the growing population, in addition to other consumer goods which people want but not domestically produced. Also the repayment of earlier debts and interest on borrowings, royalties, profits claims a sizable share in the export earnings of such countries. And because these countries export primary products having inelastic demand, their earnings do not increase enough, so in such situation foreign capital can help in removal of all these difficulties.

(h) Raising Government Revenue: Foreign capital can cause an increase in the government's revenues. If the government adapts a policy that allows multinational corporations and concerns to function in the country, this would avoid importing and start import substitution program which can contribute to development and at the same time government can get share in their profits, in addition to the revenues from taxes of these multinationals.

(i) Developing Human Resources: When foreign capital especially private foreign capital comes into a country, is in a form of plant, machinery, and equipments. They are not only providing financial resources and new factories to the poor countries, but also provide a package of resources including managerial experiences, entrepreneurial abilities and technological skills. All these are transferred directly or indirectly to the local managers, technicians, and entrepreneurs through actual work experience and in-job-training. Also local managers can learn from them to establish relations with overseas institutions, diversify markets, propagate the quality of their products and in general, become more familiar with better international trade relations. When modern machinery and equipments are transferred to Less Developing Country (LDCs), technological benefits are also transferred which causes the improvement of production process in the country.

(j) Creating Industrial Culture: Socio-cultural values have their own place in economic development of a country. The industrial culture is something different from what the Less Developing Countries (LDCs) are familiar with. Foreign capital can bring new values; new ways of life, working time programs and discipline in operations, the ways of working of foreign firms have effects on local firms and entrepreneurs as well as the workers. Thus, foreign capital can bring new values and attitudes which are basic to economic development (Mahajan, 1992, pp. 219-223).

Deficit Financing: According to Dr. Mukund Mahajan (1992, p. 190-191) "Deficit financing generally refers to an excess of current expenditure over current revenue of the government. Thus deficit financing means the total borrowing of the government from the central bank and commercial banking system, in addition to spending from the hoardings or balances with the government and printing additional new amount of the currency notes". Deficit financing is another source of capital formation in developing countries. New additional amount of money has to be printed out to match with increase in the aggregate of real output under the planned development which leads to the increase in the demand for money as the monetized sector of the economy expands at the expense of the non-monetized or subsistence sectors. Another reason to pursue deficit financing policy is to use the existing unemployed and underemployed labour in schemes with quick yield results so that the inflationary potential may be neutralized by an increase in the supply of output in the short time. Deficit financing can play a significant role in economic development through the following ways:

(a) Economic Revival: By the practice of deficit financing, depression can be done away with and recovery can be achieved, because an immediate increase in the level of employment is possible. Thus deficit financing serves as the starting point of the recovery of an economy.

(b) Economic development: As a result of deficit financing, increases can occur in the aggregate demand which in turn stimulates the production process. Government can undertake investment by itself in desired and essential fields, which can be conducive to the economic development. In addition, the slight increase in prices of goods and services that resulting from deficit financing can be helpful for economic development for it leads to an increase in the level of investment.

(c) Meeting the Growing Demand for Money: Due to the monetization process of non-monetized sectors, increasing real incomes, and an increasing want of people to hold money, are the causes of an increase in the demand for money in undeveloped countries. Thus deficit financing is useful in meeting this demand for additional money.

(d) As a Source of Finance: When income from taxation, borrowing, foreign aid and other sources reaches its limitation, additional funds can be generated only by deficit financing which can raise prices in short-run, but would return to their normal level once the output has increased.

(e) Increase the Rate of Investment: When there is deficiency in private investment, it is possible for the government to raise the rate of investment by printing new additional amount of the currency notes especially in the time of depression as well as in the time of development.

(f) Financing Economic and Social Overheads: New additional amount of currency can be printed to finance construction of economic and social overheads like roads, schools, hospitals, supply of electricity, supply of water, provision of technical education, research in laboratories and so on and as a result the production as well as the supply of various commodities in the market increases (Mahajan, 1992, pp. 192-193).

Profits of Public Undertakings/Investments: In undeveloped countries, the scope of the public sector has progressively expanded in the spheres of industrial, financial and commercial sectors that in which a large amount of resources should be generated and mobilized. The state trading organizations which conducting any domestic or foreign trade should suitably adjust their price policy to mobilize resources in the form of trading profits (Ahuja, 1982, p. 297).

Public Expenditure: The role of development expenditure in underdeveloped countries lies in increasing the growth rate of the economy, providing more employment opportunities, raising income and standard of living, reducing inequalities of income and wealth, encouraging private enterprises, and bringing about regional balance in the economy. This role of expenditure can be highlighted as the following:

(a) Heavy and Basic Goods Industries: Public expenditure on development can be use for establishment of heavy and basic goods industries to increase the growth rate of the economy while investment in the capital goods sector increases the production in the long-run.

(b) Consumer Goods and Raw Materials: For the purpose of meeting the immediate needs in developing economy, public expenditure should be directed towards agriculture production to meet the growing demand for goods and raw materials, and to increase the supply of consumer goods by encouraging the establishment and expansion of the small industries sector which may also provide sufficient employment opportunities. The growth rate of the economy can be increased only when public expenditure fulfils the short-term and the long-term objectives of the development plan. Public expenditure can be also used to prevent inflation within the economy by securing balance between demand for and supply of goods.

(c) Economic Overheads: Economic overheads are such public works like roads, railways, canals, power plant projects, and so on. When government spends on such projects, it can provide employment opportunities to the people. The provision of such public works helps to increase production, trade, and commerce as well as the incomes and employment.

(d) Social Overheads: Public expenditure is used on social overheads as schools, hospitals, housing, and education and so on. These infrastructures accelerate the development of the country.

(e) Allocation of Resources: Public expenditure helps in the allocation of resources towards the desired channels as agriculture sector in order to remove shortage in food products. Government can use public funds to open fair price shops or may subsidize food for the working classes to maintain their health and efficiency. Government through trading can encourage more production.

(f) Public Enterprises: To increase the production of certain essential commodities and to end private monopoly in various spheres of the production, and to supplement private, the government may start public enterprises and public expenditure can be directed to provide public utility services to develop and conserve natural resources, to establish basic and key industries like heavy electrical, chemicals, fertilizers, machine tools and defence productions.

(g) To Stimulate Private Enterprises: Public expenditure helps in stimulating of private enterprises through the establishment of state-owned financial institutions to provide cheap or low interest credit to farmers, small and large industries. It also encourage the agricultural and industrial sectors of the economy by means of grants, subsidies, tax exemptions and so on. Moreover, the public expenditure of government on economic and social overheads paves the way for the establishment and expansion of the private sector.

(h) To Remove Inequalities: Developing countries are characterized by extreme inequalities of income and wealth. Through public expenditure on education, health and medical facilities that help in human capital formation, government would lessen the inequalities and as a result, the earning power of the working population is enhanced. Rising public expenditure causes rapid economic development which leads to removal of the barriers of mobility of production factors, expansion and spread of occupations, provision of more jobs to the people, with the attained skills the level of wages tends to rise within the economy. Moreover, industrialization increases the share of wages and decreases the share of profits in national income in the long run, thus the gap between higher and lower income is narrowed.

(i) To Remove Regional Imbalance: If economic affairs have left to the market forces, the main activities would concentrate in some regions, and the rest may be in a situation of backwardness. Through public expenditure regional imbalances could be removed, because less developed areas and backward regions can be developed by starting certain projects like building of dams, digging of canals, establishment of new industries which will not only promote but also secure larger employment opportunities, increase per capita output and income of such regions or areas in the developing economies (Jhingan, 2012, pp. 636-637).

2- Monetary Policy: In underdeveloped countries, monetary policy is used to maintain price stability, to prevent the occurrence of business cycle or fluctuations in an economy, to accelerate economic growth of the country, and to remove poverty and unemployment in addition to bridge the balance of payments deficit. There are three instruments which are taken under the monetary policy. First instrument is the changes in the bank rate. When there is a depression in the economy the central bank overcomes it by lowering the bank rate and as a result the fall in bank rate leads to the fall in market rates of interest which in turn causes rise in investment which brings about the increase in aggregate demand and helps to remove depression. On the other hand when there is inflation in the economy or rising prices, the rate is raised so as to push up the market rates of interest and with the rise in the market rates of interest, both investment and consumption are discouraged which cause the fall in aggregate demand and brings to reduction in the price level. Second instrument is the open market operations. When the economy is in the depression, then the purchase of financial instruments by the central bank from the open market is called for. As a result of the purchasing of the government securities from open market at time of depression, the quantity of cash at the commercial banks would go up and they will be in the position to expand credit for investment by business people; and with the increase in investment, the aggregate demand will increase which will help to cure depression. When the economy is in the situation of inflation, the central bank could sell the government securities to the commercial banks in the open market, and as a result of this, the quantity of cash in such banks would be reduced and the banks will restrict the credit to the investors which can lead to the fall of the aggregate demand which in turn checks the inflation. Selective or qualitative credit control can be used to regulate the amount of bank credit for particular purposes, to stimulate, restrict or stabilize the bank credit for specific investment schemes (Ahuja, 1982, pp. 288-290).

Trade and Industrialization Policies: Roughly 75% of the world population lives in the low-income or middle-income developing countries. These countries are characterized by low per capita Gross Domestic Product (GDP), high levels of illiteracy, high birth rates and inadequate sheltering and sanitation. The majority of these countries devote a larger share of their economy to agricultural production than do by the industrialized countries. These countries are characterized by shortage of physical capital. Their exports tend to be focused on only a few items, usually primary products, such as agricultural goods, crude oil and minerals, or basic manufactures like textiles and shoes. For undeveloped countries to improve the circumstances and to encourage industrialization of their economies, they have relied on the intensive use of the following trade policies and industrial strategies:

1- Primary-Export-Led Development Policy: A primary-export-led development strategy involves government programs designed to exploit natural comparative advantage by increasing production of a few export goods mostly related to the countries' resource base, and exporting them in return for manufactured goods produced elsewhere. The hope is that standard of living could rise due to specialization along the line of comparative advantage. In addition to this usual static gain from trade, there are several benefits to the primary-export-led development policy which including the quite possible underutilization of factors in the absence of trade. For instance, without international trade, a country with large amount of fertile land might not put all of its land into cultivation. This would mean that the country would be at a production point inside its production possibility curve. Trade would encourage more intensive use of existing production factors. Other benefit of such policy is that it serves to entice the inflow of foreign capital. Foreign firms could locate in the country to help it to expand its export sectors. When development occurs, other foreign investment might situate in related sectors, thereby helping to facilitate the development of other industries. The inflow of foreign capital would cause the production possibility curve of the developing country to shift out. Also this policy has linkage effects which refer to the benefits to other industries or sectors of underdeveloped economy that occur as one industry expand. For example, the growth of large-scale mining sector could encourage the development of a local mining-equipment industry. Other linkage effects would occur when the development of an export sector leads to the provision or development of economic infrastructure, such as roads, railways, harbours, telecommunications, electricity, and the like. Such development of infrastructure serves to lower the costs of other industries operating in that country which in turn causes further development. Despite the benefits of primary-export-led policy, there are many problems facing it. The world markets for primary products do not grow fast enough to support development, because the largest markets for primary products are the industrialized countries and as these countries grow, their demand for primary products grow too, but not at the same rate. So over time, primary products would represent a declining share of industrialized countries' imports. Other problem is that the exporters of primary products face secular deterioration in their terms of trade; this is because over time the price of primary product exports relative to manufactured goods imports will tend to fall. This fall could occur from two reasons, first, if the demand for primary goods sluggish in industrialized countries, there will be downward pressure on the growth of primary product prices, second, if the governments of developing countries pursue export-expansion policies, the supplies of these products will rise in the world markets, then this will cause fall in their prices (Husted and Melvin, 2010, pp.271-273).

2- Import-Substitution Development Policy: This policy seeks to promote rapid industrialization and therefore development by erecting high barriers to foreign goods to encourage local production. This approach to development applies the infant industry argument for protection to one or more targeted industries in underdeveloped economies. The government determines those sectors best suited for local industrialization, raises barriers to trade on the products produced in these sectors so as to encourage local investment and lowers the barriers over time as the industrialization process takes place. If the government has targeted sectors correctly, the industries in these sectors survive even when the protection comes down. In this policy corporate managers who used to convince politicians that protection should be imposed in the first place recognize the strong like between profits and protection.

Countries that follow import-substitution strategies tend to be characterized by high barriers to trade that grow over time.

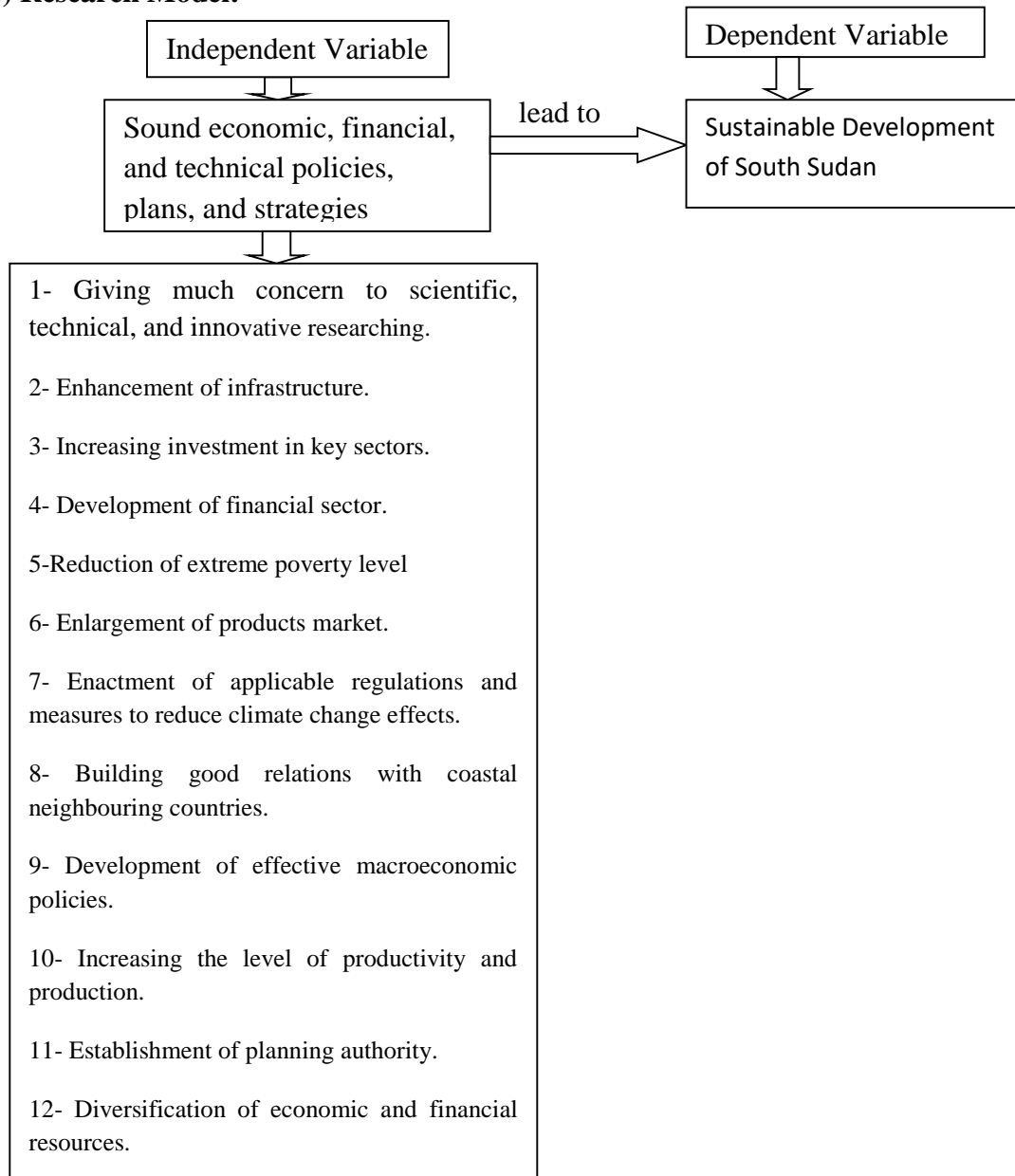
According to Robert J. Carbaugh, (2011, p. 280), import-substitution policy has several advantages. These include, low risks of establishing a home industry to replace imports, because the home market for the manufactured goods are already exist. Another advantage is that protection process for local industries against imports is so easy for undeveloped countries, than to force advanced countries to reduce their trade restrictions on products exported by them. Also there is the advantage of that foreigners could have an incentive to locate manufacturing plants in underdeveloped countries which provide job opportunities for local workers. Import-substitution policies have many problems. First they tend to limit the development of industries that supply inputs to the protected industries, because managers of these protected industries almost seriously opposed any government policy that increased the costs of their inputs, they tend to oppose protection policy for other industries. Local managers utilized relatively capital-intensive production techniques which lower the growth of employment in the newly industrialized sectors. Once the whole development strategy depends upon the choices made by government officials, the import-substitution strategy encourages corruption, because government officials are bribed which represent additional economic waste over and above the usual costs of production. And the resources used in bribery activities could have been devoted to productive enterprises.

3- Outward-Looking Development Policy: Instead of pursuing import-substitution policies, some developing countries have adopted outward-looking development strategies. The policy involves government targeting of sectors in which the country has potential comparative advantage. For instance, if a country is well endowed with low-skilled labour, the government would encourage the development of labour-intensive industries in the hope of promoting exports of these products. This type of strategy includes government policies such as keeping relatively open markets so that internal prices reflect world market prices, maintaining an undervalued exchange rate so that export prices remain competitive in world markets, and imposing only minimal government interference on factor markets so that wages and rents reflect true scarcity. In addition, successful exporters often enjoy additional benefits, including special preference for the use of port facilities, communications networks, and lower loan and tax rates (Ibid, p. 276).

4- Flying-Geese Development Policy: This policy has pursued particularly in East Asia economies in which countries gradually move up in technological development by following in the pattern of countries ahead of them in development process. For instance, Taiwan and Malaysia take over leadership in apparel and textiles from Japan as Japan moves into higher-technology sectors of automotive, electronic, and other capital goods industries. Later when Taiwan and Malaysia have been able to upgrade to automotive and electronic products, apparel and textile industries move to Thailand, Vietnam and Indonesia. The flying-geese development strategy is a result of many market factors like labour abundant which let such countries to be globally competitive in labour-intensive industries, such as footwear and graduate to more capital-intensive or skill-intensive industries as savings and education deepen the availability of capital and skilled workers. East Asian governments have utilized several versions of an

export platform such as bonded warehouses, free trade zones, joint ventures, and strategic alliances with multi-national enterprises. The governments supported these mechanisms with economic policies that aided the incentives for labour-intensive exports (Carbaugh, 2011, pp. 285-286).

(4) Research Model:



Source: developed by the researcher

(5) Materials and Methods: In this study a combined methodology of quantitative and qualitative methods have employed for collection and analysis of data.

Population and Sample of the Study: In this section the population and the size of the sample of the study are fully explained in minute details as under.

1- Population of the Study: Kombo and Tromp (2011, p, 76) have put it very clear that "a population is a group of individuals, objects or items from which samples are taken for measurement. Population refers to an entire group of persons or elements that have at least one thing in common. It refers also to the larger group from which the sample is taken (derived). It is important for the researcher to find out as much as possible the study population". Theoretically the population of a study is a specified aggregation of the study elements that the researcher actually focuses on and drives from it the sample of the study for the purpose of investigation. The population is referred to as the universe, which can be defined by the researcher taking into account the specificity of units being sampled, the geographical location and the temporal boundary of the population. In the light of this definition, the entire population of South Sudan which amounted 8, 260,490 persons according to fifth population and housing census in 2008 is the actual targeted population to be studied by this research.

2- Sample of the Study: Abu Ahmed (2014, pp. 42-43) stressed that "Qualitative researchers usually work with small samples of people so as to study them in-depth whereas quantitative researchers tend to work with larger numbers to look for statistical significance. Qualitative samples are usually purposive and diverse, while quantitative samples tend to be random and representative". According to Prof. Azzain (2008, p. 29) "...The type of sample depends on research problems and research objectives. If the researcher wants to use sample findings to talk about the entire population of which it was drawn, then the researcher needs to use a random sample. Random sample refers to the manner in which elements are selected. Therefore each element could be given an equal chance to be selected". The sample size of this study has been determined statistical by employment of a specific equation which according to Khadra Hassan Ali Saddig (2013, PhD Thesis No: 459, pp,136-137)" The sample size of any population could be determined by the following statistical formula: $S = \frac{X^2 NP(1-P)}{d^2 (N-1) + X^2 P(1-P)}$ where: S = the required sample size, X^2 = is the table value of Chi-square for (1) degree of freedom at the desired confidence level which is (3.841), N = is the population size, P = is the population proportion which assumed to be (0.05) since it would provide the maximum sample size, and d^2 = is the degree of accuracy expressed as a proportion which assumed to be (0.05)". Based on such formula the sample size of this study has been calculated as the follow: $S = (3.841)^2 \times 8,260,490 \times 0.05(1-0.05) \div (0.05)^2(8,260,490 - 1) + 3.841 \times 0.05 (1 - 0.05) = (14.753281 \times 8,260,490 \times 0.05 \times 0.95) \div (2.5 \times 8,260,489) + (3.841 \times 0.05 \times 0.95) = 5,788,653,027 \div 20,651,222.5 + 0.1824475 = 5,788,653,027 \div 20,651,222.68 = 280.305583$. This can be approximated to 280. SO the sample size of the population under investigation in this study is 280 respondents.

Table (1): Sample of the Study according to Regional Affiliation:

Name of the Region	Frequency of the respondents	Percentage (%)
Greater Bahr el-Ghaz	71	25.40%
Greater Equatoria	70	25.00%
Greater Upper Nile	139	49.60%
Total	280	100.00%

Source: Constructed by the researcher from the data collected through the questionnaire.

Tools of Data Collection: The term data collection refers to gathering of specific information and facts. In data collection, the researcher shall have a clear understanding of what and how to obtain the needed data and shall have a clear vision of the instruments to be used for data collection, the respondents and the selected area of the study. The main data collection tools in this study are the below:

1- Close-Ended Questionnaire: According to Yusuf M. Adamu and others, (2006. Pp, 130-131), the questionnaire is one of the survey techniques that aim at eliciting information on a particular subject of research by using a form which contains predetermined questions for individual responses and answers. The closed-ended questionnaire is type of questionnaires which strictly guided questions and does not allow respondents to expatiate on their response by restricting them to alternative answers. It provides both questions and answers for the respondents to select. It does not make any provision for further details, whether respondents have some other information to add or any personal opinion to elucidate certain issues under investigation. In this study the researcher has designed a close-ended questionnaire with specific statements and five scales (strongly agree, agree, neutral, disagree, and strongly disagree). The quality of the questionnaire was checked by academicians working at various Sudanese Universities.

2- Semi-structured Interview Questionnaire: Yusuf M. Adamu and others, (2006. pp, 138-139), have stated that “interview is a face-to-face interaction between researcher and respondents to generate answers from them by asking a series of relevant questions to the subject under investigation that designed by the researcher for the purpose of the study. The interview serves as a rich source of primary data from the respondent's experiences, opinions, aspirations and feelings on the subject of research. The respondent's answers constitute raw data that could be analyzed by the researcher. It can take place through telephone or through email”. In this study, a semi-structured interview questionnaire was designed and used to produce primary data from knowledgeable South Sudanese individuals working in various institutions in South Sudan.

3- Focus Group Discussion: Focus group discussion is a technique that involves a semi-structured discussion on a selected topic by a group of six to fifteen people in maximum to generate responses from participants on particular issues based on their personal views, knowledge and experiences. Discussions base on selected topic but take informal format. However, in focus group discussion, the researcher acts as a facilitator in keeping the discussion focused on the selected issue. The focus group discussion is more restricted in terms of themes for discussion and time allotted. A good focus group discussion requires a proper composition, preparation, an open environment, probing moderator/facilitator, in-depth analysis, and development of key questions to start up discussion, planning and conducting of the sessions. It contributes in promoting useful exchange of ideas between people, educating them about their social and economic realities, and closes the gap of communication between the researcher and the potential beneficiaries of the research. It empowers people to design strategies to overcome identified constraints. Above all, it serves as incubator for people to adopt positive change in their attitude and behaviour, which are preconditions for development. It is an effective tool in extracting useful information from participants based on the practical experiences, feelings and views. It allows participants to learn from each other and alter their attitude and orientations toward particular developmental issues. This method is appropriate for data collection than other tools because of the

benefit derived from the group and the interexchange of information between respondents and the researcher (Ibid, 2006. pp, 45-47).

Data Analysis and Interpretation: In this study data analysis and interpretation involved the following steps:

1- Data Organization: Data organization refers to orderliness in research data, or it refers to putting the data into systematic form. The raw data that has been collected, particularly in survey method needs to be organized and processed before subjecting them to any useful analysis. The management or organization of data includes identification and correction of errors in the data, coding the data, and storing it in appropriate way. The researcher before analyzing the data that collected should make sure that they are well organized. The procedures of data organization are the following:

Data processing: After collection of data the researcher has ensured its processing. The main purpose of this procedure is correction of errors that have been identified in the raw data which involves the elimination of data, in this case if two or more questions have provided the same data, therefore the researcher decided which question is worthy to coding and which one should be discarded, interpretation of ambiguous data, in issue the researcher avoided interpretation of unnecessary data which appeared in interviewing of individuals or focus group discussion or in questionnaire answers, contradictory data or wrong responses related to some questions have been verified and rejected.

Data Coding: After correction of errors which may influence data analysis, the researcher formulated coding process. The core purpose of coding is to create codes scales from the responses. In coding process all possible answers are treated and numerical codes are assigned to the particular responses.

Data Storage: After data coding the researcher decided to store the information, both electrically and non-electrically in form of (SPSS) data matrix, Excel spreadsheet, and Microsoft Word as well as coding questionnaire forms.

Statistical Technique: Descriptive statistics are commonly used in social sciences research to summarize the collected data in form of sum in a few numerical manners. In this study descriptive statistics measures are used to analyze the information collected from the respondents.

2- Data Analysis: Data analysis refers to examining what has been collected in a survey technique and making deductions. It involves extracting of the important variables, detecting any anomalies and testing any assumptions. It includes scrutinizing the acquired information. In this study two methods of data analysis are used to reach final findings and conclusions. In data analysis the researcher relied on confirmatory (quantitative) and exploratory (qualitative) analyses.

Qualitative Data Analysis: Qualitative data analysis is used to discover what the data telling us about the relations between the variables and is using descriptive analysis without calculations. Qualitative method involves summarizing key findings, explanation, and interpretation, and categorizing the related topics or issues.

Quantitative Data Analysis: Quantitative data analysis consists of measuring numerical values from which descriptions are made. This method involves finding out the degree of relationships, predictions and comparing between the variables.

Questionnaire Reliability Test: According to Ahmed, Gaffar Abdalla (2007, p, 145) reliability is the consistency or the degree of the questionnaire to measure in the same way each time it is used under the same condition with the same subjects. When the reliability of the questionnaire is high it means that the measurement is consistent and the questionnaire is fit for the study. The reliability of the total questionnaire is (0.86) and the truth is (0.91). These percentages of reliability test show the suitability, fitness and accuracy of the questionnaire for the aims of this study.

Table (2): Economic, Financial and Technical Policies and Strategies for Economic Development Analysis Result:

No	Statement	Appropriate Answers										Average	K ² – test	Comment
		Strongly Agreed		Agreed		Neutral		Disagreed		Strongly Disagreed				
		frequency	percentage	frequency	percentage	frequency	percentage	frequency	percentage	frequency	percentage			
1	Give much concern to scientific and innovative researching that could provide adequate information for development.	104	37.1	170	60.7	3	1.1	2	0.7	1	0.4	4.34	429	Agreed
2	Enhance infrastructure (transportation system, and power supply) to encourage business sector growth and development.	105	37.5	167	59.6	6	2.1	2	0.7	0	0.0	4.34	416	Agreed
3	Increase investments in key infrastructure such as agriculture, industry, power generation and public social services.	76	27.1	189	67.5	7	2.5	7	2.5	1	0.4	4.19	463	Agreed
4	Development of financial institutions to increase access to financial resources and improve commercial services	106	37.9	139	49.6	15	5.4	15	5.4	5	1.8	4.16	274	Agreed
5	Reduce the level of extreme poverty to promote economic development.	93	33.2	146	52.1	21	7.5	12	4.3	8	2.9	4.09	267	Agreed

6	Enlarge the scope of market for products by exploring locally, regionally and globally new markets and develop market information system.	89	31.8	147	52.5	19	6.8	20	7.1	5	1.8	4.05	261	Agreed
7	Enact applicable regulations and measures to reduce climate change effects on ecosystems and natural resources.	84	30.0	119	42.5	33	11.8	36	12.9	8	2.9	3.84	143	Agreed
8	Build good relations with costal neighbouring countries to minimize the country's landlocked nature effects on access to global market and development.	110	39.3	135	48.2	11	3.9	18	6.4	6	2.1	4.16	270	Agreed
9	Develop effective macroeconomic policies to remove difficulties on development.	95	33.9	151	53.9	15	5.4	17	6.1	2	0.7	4.14	298	Agreed
10	Increase the level of productivity and production to stimulate economic growth and development.	91	32.5	166	59.3	8	2.9	6	2.1	9	3.2	4.16	363	Agreed
11	Establish planning commission (authority) and adopt comprehensive economic planning.	103	36.8	154	55.0	11	3.9	9	3.2	3	1.1	4.23	337	Agreed
12	Diversify economic and financial resources to reduce dependency on insufficient oil revenues and to increase development financial resources.	76	27.1	188	67.1	14	5.0	2	0.7	0	0.0	4.21	458	Agreed

Source: Constructed from the data collected by the questionnaire.

RESULTS AND DISCUSSION

(1) The role of scientific knowledge, technology and innovation in a modern economy is a central role in wealth creation, social welfare and international competitiveness. For South Sudan economy to be a knowledge-led economy, scientific knowledge shall be given much consideration as one of the most critical factors for rapid economic growth. The government shall recognize that knowledge economy is always associated with an increase in science-related and technology-related activities. And to accelerate economic development, technological and scientific progress shall be considered as a major driver for transformation of the economy. Technology and scientific knowledge can accelerate the removal of developmental and trade barriers. Rapid technological and scientific progress and advancing can also reduce the cost of transport and communication and create new opportunities for business and employment. Technology and innovation accelerate and create low-cost, high profit businesses and tackle problems such as lack of sanitation, clean water or affordable healthcare and education.

(2) The government shall bridge the infrastructure gap by building adequate infrastructure with higher quality. This is because good transportation, sufficient power generation and good communication networks are essential to link markets, reduce cost of goods delivery, and help people to move around, remove productivity constraints, generate enough electricity for development of manufacturing and industrial sectors, and enhance overall competitiveness of the economy.

(3) The government shall mobilize adequate amount of new investments in coming decades from potential internal and international financial markets to be invested in basic infrastructure such as irrigation services and water storage for large-scale commercial agriculture and farming development, power generation, inland water transport, airports, and communications. A successful mobilization for huge investment requires governmental guarantees to address potential investor concerns on investment risks such as political, environmental risks and the status of environmental laws and regulations, currency exchange, and social risks. The government shall make efforts to improve operating environment for private investment by addressing potential concerns of investors before the launching, by making a clear contracts and agreements with government entities in which government retains ownership of basic infrastructure and gives one/more assets to private investor for operation and provision of related services; and investments in infrastructure assets that would be used directly by the investor for manufacturing of a product/service. The government shall make early progress on institutional arrangements and development of public financial entities that will enter into partnerships with investors to successes in private funds mobilization.

(4) The government shall foster the promotion of entrepreneurship and financial sector across the country as a vital precondition for development. This is because entrepreneurs are the main engines of economic growth and act as vital agents of change by developing new products and services, implementing more efficient production methods, and create new business models and industries. Small and growing businesses create jobs to sustain families. In South Sudan, promotion and development of local enterprise shall clearly be a key priority to enhance chances for potential development.

(5) The Government shall make efforts to reduce the extreme poverty through elimination of unemployment and underemployment levels, especially among the rural population; and create productive employment for a labour force. The majority of the population must therefore find productive employment opportunities especially in agriculture, forestry and fisheries sub-sectors. Employment is important to improve livelihoods and therefore reduce poverty, as well as maintains peace and security. It shall raise non-oil sectors contribution to gross domestic product (GDP) by 8-9% a year in next decade to reduce poverty and create productive opportunities for a rapidly growing and underemployed work force.

(6) South Sudan is a landlocked country that can only access the sea ports through neighbouring countries notably Sudan, Kenya, and Democratic Republic of Congo (DRC). Being a landlocked country with inadequate and poor transport links to the coasts means much higher transport costs which prevent the country to be integrated to the global market and achieve rapid development. This is because transport costs for a landlocked country depend on the level of investment in transport infrastructure in the coastal neighbouring countries. South Sudan as a landlocked country can potentially benefit from

the good relations with neighbours. It should build good relations with such neighbouring coastal countries to strengthen regional integration, and improve infrastructure to reduce transport costs. The trade between South Sudan and Sudan has historically been strong, but since independence of South Sudan, a number of disputes along the border have badly destroyed the trade between the two countries and has badly and severely affected their economies. Mutual trade and investments can strengthen the regional integration in the region and South Sudan can benefit from being a member of an organization such as Common Market for Eastern and Southern Africa (COMESA) and can join other regional organizations like East African Community (EAC) to minimize the negative effects of its landlocked nature on development.

(7) Comprehensive development planning is believed as a vital tool to overcome obstacles to development and ensure sustained high rate of economic growth. Effective planning is an important factor for development in general, but more important for oil exporting country such as South Sudan. Thus, South Sudan needs a broad, widely shared, national vision of how to use the oil revenues. The government shall develop and implement a possible thorough vision to encourage and facilitate private sector investment. The country shall handle its natural resources well and have a broad vision to guide its policies in long-run, strong economic management, planning capability, build technical capacity and establish planning commission to implement the vision, link it to the everyday policy decisions, and monitor its implementation, and coordination for the purpose of attainment of real economic progress.

(8) South Sudan needs to diversify its economy away from the heavy dependency on oil production. It shall develop its resource-based and naturally endowed sectors such as agriculture, and minerals and utilizes its comparative advantage to generate adequate financial resources for development. It shall accelerate regional integration for financial and economic resources diversification and utilizes its unique opportunities to break its geographical location constraints that negatively affect development through greater regional coherence with other countries, particularly, Sudan and other neighbouring countries. Regional integration is essential for prosperity and booming of regional investment and trade. It is needed to remove obstacles to cross-border business and create markets. Economic progress is being made with the free trade areas, but much more regional integration is needed more quickly.

(9) Enlarge the scope of market for products by exploring locally, regionally and globally new markets and develop market information system.

(10) The government of South Sudan shall protect the environment by enacting applicable regulations and measures to reduce climate change effects on ecosystems and natural resources.

(11) South Sudan shall develop effective macroeconomic policies to remove difficulties on development.

(12) Productivity and production level shall be increased through training and adaptation of appropriate technology to stimulate economic growth and development.

(7) Conclusion: According to this study, economic development can occur in South Sudan when sound developmental policies and strategies have formulated such as scientific and innovative researching to

provide adequate information for development which was confirmed by the respondents as they agreed with percentage of 60.7%; enhancement of infrastructure to encourage business sector growth and the entire development that was agreed with 59.6%; increasing the investments in key infrastructure such as agriculture, industry, power generation and public social services was agreed with 67.5%; development of financial institutions to increase access to financial resources and improve commercial services was found very important as 49.6% of the respondents agreed with; reduction of extreme poverty to promote economic development was agreed by 52.1% of the investigated sample; enlargement of the scope of market for products by exploring locally, regionally and globally new markets and develop market information system was agreed by the investigated sample agreed with 52.5%; enactment of applicable regulations and measures to reduce climate change that has negative effects on ecosystems and natural resources has been found agreed by 42.5%; building good relations with coastal neighbouring countries to minimize the country's landlocked nature effects on access to global market and development was found agreed by 48.2% of the investigated sample; development of effective macroeconomic policies to remove difficulties on development was found agreed by 53.9% of the sample who have been investigated by the researcher; increasing the level of productivity and production to stimulate economic growth and development, such statement was agreed by 59.3% of the respondents; establishment of planning commission or authority and adaptation of comprehensive economic development planning was found agreed by 55% of the investigated sample and the average is (4.23) and the Chi-square is (337); and diversification of economic and financial resources to reduce the heavy dependency on insufficient oil revenues and to increase development financial resources was agreed by 67.1% and the average is (4.21) and Chi-square is (458).

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