Insights from Surveys on Business and Enterprises in South Sudan: Jobs, Recovery, and Peacebuilding in Urban South Sudan – Technical Report IV

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INSIGHTS FROM SURVEYS ON BUSINESS AND ENTERPRISES IN SOUTH SUDAN: JOBS, RECOVERY, AND PEACEBUILDING IN URBAN SOUTH SUDAN – TECHNICAL REPORT IV

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KEY MESSAGES

This report is one of a set of studies on urban jobs outcomes. This study is one of a four reports covering different aspects of jobs in urban South Sudan. Readers may refer to the respective companion reports on the macroeconomic environment for jobs (World Bank, 2020b), markets and market-linked agriculture (World Bank, 2020c), and jobs in businesses and NGOs (World Bank, 2020d). A synthesis report summarizes and contrasts findings from all four studies (World Bank, 2020e).\(^1\)

Summary

The business community is typical of a low-income post-conflict country, but with a particularly weak productive sector and an outsize importance of NGOs and foreign-owned businesses.

Across the towns of South Sudan, some 14,000 businesses and NGOs employ about 72,000 workers. Of these jobs, about 78% are held by South Sudanese nationals – about 56,000 jobs. The type of modestly established or permanent businesses captured in our data thus employ about 6% of the labor force in towns – though they are a much more important employer in Juba, where they provide one in every four jobs.

Juba is the center of much more business activity and employment than any of the other towns. About every other business (51%) is listed in Juba, and these businesses together employ two-thirds (66%) of all workers. The concentration of businesses in Juba is likely to have risen since before independence, when in 2010, about one third of businesses were headquartered in the capital. Juba is also home to the largest community of manufacturing businesses. Beyond the capital, there are sizeable communities of agribusiness workers in Renk, and communities of manufacturing workers in Wau, and Rumbek.

As is typical for a low-income post-conflict country, few businesses mature into large firms, micro businesses are most common, but a few very large businesses employ about half of all workers. The distribution of business sizes is typical for low-income fragile countries. Most businesses are very small, and the median business employs three workers (counting owners). At the same time, a few large businesses contribute nearly half of all employment. There is a ‘missing middle’ of medium-sized businesses, indicative of limited growth opportunities.

Even by the standards of a low-income fragile country, there is very little manufacturing, and commerce and basic services strongly dominate. Commerce and basic services account for most (88%) of jobs and businesses. Commerce is the largest employer (26% of jobs, excluding NGOs), followed by hospitality (17%), ‘other’ services (13%), and a category that mainly captures private security services (13%). By way of contrast, only about 8% of workers are active in transformation or production – some 4,000 workers. For a sense of proportion, private security firms alone employ about four times as many workers as businesses active in manufacturing, and hospitality employs about six times as many. Incomes per worker are also lower for businesses in production than in commerce (a finding consistent with daily incomes reported in a 2019 jobs survey), and such businesses are less hopeful than others about their future prospects.

Businesses are notably young, and NGOs as well as foreign-owned businesses play a truly outsize role as employers. South Sudanese businesses are usually young: three in five commercial businesses (59%) have started operations since the beginning of the civil war, and at the median, businesses have been operating for five years (NGOs tend to have been in business longer). NGOs and foreign-owned businesses have an outsize role as employers. About 400 NGOs operating employ 15,000 workers, 22% of all workers in businesses.

Two in five commercial businesses are foreign-owned, and they employ far more South Sudanese than foreign nationals. Nearly all of these foreign-owned businesses are owned by citizens of South Sudan’s neighbors, including half of foreign business owned by Sudanese (Khartoum). These foreign-owned enterprises play a major

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role in hiring: they provide nearly half (47%) of all jobs in commercial businesses. They employ 28% of all South Sudanese who work for businesses or NGOs and hire about three South Sudanese workers for every two foreign owners or workers.

**Men outnumber women by four to one among both business owners and workers.** Among businesses owned by South Sudanese, about one in four (23%) is run by a woman. Similarly, among workers employed by any type of business, about one in four (23%) is a woman, with a higher share (32%) in NGOs. Women’s participation varies greatly across towns, and business activities. Thus, women represent about two in every five workers in hospitality (44%), health (39%), and administration and security services (37%), while they account for only one in every nine workers in commerce (11%).

**Business obstacles focus on insecurity, lack of demand (including due to inflation), no access to finance, and electricity; lack of skills is not a prominent concern cited by businesses**

**Businesses clearly and consistently identify four constraints as being most important to them: insecurity, market access, finance, and electricity.** About two in every five businesses say that each of these constraints is a serious or very serious problem – far more than for other types of challenges. Businesses of different types and in different towns are remarkably consistent in identifying these four constraints as being the main challenges. Insecurity stands out among the four constraints in that it affects nearly all businesses. Lack of market access is notable given that the next most commonly mentioned constraints also relate to the ability to take products to customers: the availability of roads, and of transport facilities.

**Conflict has affected virtually all surviving businesses in South Sudan.** There are only two businesses among the more than 4,000 surveyed that report not having been affected by the armed conflict. Businesses have most commonly suffered loss of customers (80%), followed by loss of assets (50%), closures (43%), and barriers to investment (37%). By some measures, the four localities with the largest business communities – Aweil, Juba, Rumbek and Wau – have been less affected than some smaller towns which have experienced more disruption. While conflict has calmed, about one in every five businesses (22%) reported having been a victim of conflict in the year preceding May 2019.

**Hardly any businesses take formal loans, even among large firms.** About two in five businesses (44%) have a bank account, and account ownership has risen significantly since before independence. However, firms essentially do not use the formal financial system to access finance. Hardly any firms (3%) have taken a bank loan over the past three years, and even among large firms, this share is only six percent. Similarly, businesses say they cover losses from shocks through loans or gifts from family and friends (67%) or using earnings or cutting salaries (30%). A mere seven percent said they had borrowed from a bank, again with no higher use of credit among large firms.

**Inflation poses a tough challenge to businesses, particularly through its impact on demand and business risk.** While the main business dataset did not ask about the impact of inflation, polling among foreign-owned businesses shows that most (87%) consider inflation to have been one of their main challenges. The large majority (70%) feel that the impact of inflation had worsened over the year leading up to June 2019. Results from a survey of market traders market survey (World Bank, forthcoming) confirm this observation. Businesses indicated that inflation mostly affected them through a drop in demand (73%), and worries about incurring losses from their regular activities (68%). To limit risk, most businesses limited their activities (70% of businesses).

**Workers in businesses are quite well educated compared to the overall workforce, and few businesses view hiring as a problem.** About two fifths of workers in businesses have tertiary or vocational education (43%), and one third (33%) have completed secondary education. Hence, workers in businesses and NGOs are much better educated than is typical for the work force in the towns of South Sudan, among whom 26% have secondary education, and 5%, further education (World Bank, forthcoming). Among owners, only 9% view hiring as a serious problem (9th in the list of issues). Similarly, both foreign and domestically-owned business by a large margin find it easier to hire South Sudanese than foreigners (although the minority who do experience difficulty point to a scarcity of available talent). Labor supply is therefore unlikely to be a significant constraint on businesses. That
said, in the longer term it is important to ask how the breakdown in schooling will affect the employability of young South Sudanese.

**Despite the obstacles, businesses in 2019 were optimistic about their future.** Business data was collected in the middle 2019, after a short period of relative stability in the country. A large majority of businesses expected the security situation to improve (83%), its impact on their business to subside (74%), and demand for their goods and services to increase (79%). Even businesses that rely on aid organizations as major customers expected an improvement in their business if security were to improve and the aid presence to reduce.

*Foreign-owned businesses are important employers of South Sudanese workers; they source some inputs locally, but could become more important customers*

**Most foreign businesses hire South Sudanese workers, though they are no more likely to hire for higher-skilled positions than domestic businesses.** Four in five foreign-owned businesses (80%) employ South Sudanese workers. Because of the importance of commerce and casual services, typical positions are shopkeepers (30%) or salespeople (29%), followed by casual manual workers (8%) and workers in the service sector (7%). Only seven percent employ workers in higher-skilled positions such as artisans or mechanics.

**Foreign businesses compete with South Sudanese, and believe they benefit from greater business acumen and access to funds, while relationships with government and customers pose challenges.** Most (89%) foreign businesses say that they compete directly with South Sudanese businesses. This share is somewhat lower among the large firms (75%). However, businesses are much more likely (82%) to say that their toughest competitors are other foreign-owned businesses. Owners feel that South Sudanese competitors have an advantage in better relations with government and customers. However, they believe that foreign business owners have greater technical and business skills while being more used to competition and having greater funds.

**While many foreign-owned firms rely on imports, a significant number source some agriculture products locally.** Many foreign-owned firms re-sell goods or provide services that require inputs not produced in South Sudan (e.g. manufactured consumer goods, food such as refined sugar, soda and alcoholic beverages). Of those who buy any agricultural crops for processing, a bit more than half (54%) buy South Sudanese goods. This means that many businesses import goods that they could in principle find in South Sudan, due to lower cost (63%) and availability in bulk of imports (74%). However, it reflects a significant engagement of foreign-owned firms as buyers at a time when markets have been significantly disrupted. Similarly, the data (with caveats) indicates that foreign-owned businesses contribute about one and a half times more to demand for services than South Sudanese businesses.

**UN and aid agency procurement is a minor source of demand for businesses in Juba, but a major factor in smaller markets, in particular for food and personal services.** We have direct data for UN and aid agencies as customers only for foreign firms, among whom half sell to the UN or aid agencies (50%). Very few in Juba (6%) derive majority of their revenue from such sales (although UN and aid agency employees likely contribute significantly to demand), but many do in the other towns (42%). Similarly, respondents to the foreign businesses survey believe that among the larger business community in their town, the UN and aid agencies are a significant customer for 74% of businesses outside of Juba, and for 39% in Juba. Respondents see such agencies as a customer for retail (92%) and wholesale (66%) food purchases, and for personal services (64%).

**Policy implications**

**Greater security is the single most important condition for more business activity.** Conflict has affected nearly all surviving businesses in South Sudan, and it continues to pose obstacles directly and indirectly through poor access to market and low demand. Progress toward peace at the local level can lift this burden.

**Depressed demand poses a very important business obstacle, and there is promise in local programs to stoke demand as well as national policy to lighten burdens.** Businesses consistently complain about low and uncertain customer demand. In towns outside of Juba, the UN and aid agencies are important customers, and could be able to make a difference in reviving activity. There are also excellent opportunities to use national policy to restore demand, notably through monetary stabilization, payment of public sector wage arrears, and reallocation of resource revenue.
In the short-run, it may be more viable to foster a recovery of household productive activities, and to focus on manufacturing businesses only where there is a sufficient baseline of activity. With very little business activity in manufacturing, it will be difficult to generate many jobs in productive businesses outside of Juba, Renk (in the case of agribusiness), and perhaps some other towns. It may be easier to reach scale in reviving small household productive activities.

With minimal use of bank loans, grant financing is likely to be the more reasonable approach for broad business support in the short run. Hardly any firms – large and small – take loans, and businesses make clear that they operate in markets where demand is low and risk high. For early recovery, outright grant funding is therefore likely to be more viable at scale than access to finance support. In the longer term, the relatively broad use of bank accounts and arrival of mobile money may provide leverage for more sustainable approaches.

It makes sense to embrace the foreign business community as a large source of employment for South Sudanese workers, and to foster their ability to source products locally. Foreign-owned businesses are a very important source of employment for South Sudanese, and many source some goods and services locally. Policy can seek to expand demand from foreign-owned businesses.

Skills are not an immediate priority concern for business recovery, though they matter greatly in the long term. Few businesses today worry about poor worker skills as an obstacle to hiring. While policy must counteract the longer-term damage conflict is doing to education, skills training is not a priority when the goal is to help business recovery in the short term.

I. Introduction

In a low-income economy affected by conflict, it is useful to analyze a broad range of informal and casual business activities to understanding the state of wage jobs. Years of conflict and macroeconomic turmoil has taken a heavy toll on all economic activity in South Sudan, and including businesses of all kinds. Much business activity is informal and casual in nature – but such establishments offer much of the waged work available outside of the public sector. Therefore, to understand the current state of wage employment, analysis must cover a broad range of businesses. Similarly, formulating policy that grows the entire business base must take full account of the obstacles informal and casual businesses face.

This report assesses a relatively broad range of informal and formal businesses; household business activities and market trade are covered in complementary studies. Unusually good data permits us to analyze a broad stratum of businesses, namely those that have a degree of permanence – a place of business and a business name. This definition captures many businesses, but still only a relatively small part of overall employment – about six percent of all jobs in urban areas. Notably, it does not business activities in the markets, or the many casual business activities households conduct. It also does not cover the self-employed activities that provide most employment. Companion pieces to this report study these activities, namely a study of markets and market-linked agriculture (World Bank, 2020c), and of jobs outcomes (World Bank, 2020a). This report also does not discuss the macroeconomic environment for business activities, recently summarized in (World Bank, 2020b).

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In an economy shaped by conflict, foreign-owned businesses and NGOs deserve attention as important sources of wage employment. The profound disruption of the economy over the past decade has been met with a vigorous humanitarian response. Businesses from South Sudan’s neighboring countries have also established a large presence. In recognition of this reality, this report therefore studies employment in NGOs in addition to jobs in commercial businesses. It also seeks to understand the role of foreign-owned businesses as employers, and the degree to which they are integrate with economy as buyers and sellers.

**Box 1: The impact of the Covid-19 pandemic on livelihoods**

The Covid-19 pandemic has had an impact on livelihoods through the increased burden of disease, lockdown measures and trade disruptions, as well as macro-fiscal challenges. As of June 28, 2020, the WHO reported nearly 2,000 confirmed cases of Covid-19 in South Sudan; with very low testing capacity, however, the actual burden of disease is almost certainly higher. Between late March and early May 2020, South Sudan imposed lock-down policies similar to those used in many countries to control the spread of Covid-19. Juba was under curfew, and non-essential businesses were closed (while these measures were intended to be nation-wide, anecdotally, other towns experienced less change). Borders have remained open for goods; however, rules on quarantine and turnaround times have slowed imports and raised prices. The prices of staple grains rose precipitously during the early pandemic response, between 20 percent and 40 percent, though inflation may have slowed recently.³

The fall in oil prices has put severe pressure on the government’s budget. The fall in global oil prices from nearly USD70 a barrel in early January 2020 to about USD40 at time of writing is putting pressure on the Government’s budget, with worrisome implications for market demand for goods and services. The fiscal deficit is projected to more than triple, to USD510m, complicating an already difficult budget execution. There is a risk that deficits may be monetized, reigniting inflation. Unrealized spending on capital investment, further arrears in paying civil servants, and slower service delivery are constraining demand, growth, and jobs. Before the crisis, development assistance and remittances were the first and second-largest foreign currency flows, both exceeding oil revenue. Remittances are likely to have fallen, and it is not known whether NGOs and intergovernmental agencies have fully maintained their activities.

Job activities have been lost due to Covid, especially in non-farm self-employed activities, but as of June 2020, the scale was limited. The World Bank conducted phone surveys in June 2020 to monitor the impact on livelihoods of Covid-19 and measures to contain the pandemic.⁴ Unless indicated, results in this text box reflect findings from these surveys. One in eight households (13%) reported having lost all income.

³ For instance, Mayai et al. (2020) report that the price of wheat flour rose by 27 percent and the price of rice by 25 percent over the month of March, while the University of Juba measured increases in the price of rice, sorghum, and wheat flour by 40 percent, 27 percent, and 19 percent between February and March.

⁴ World Bank (2020f), *Monitoring Covid-19 impacts on households in South Sudan*, and World Bank (2020g), *Monitoring Covid-19 impacts on businesses in South Sudan*. Surveys were implemented between June 9 and July 3, 2020. Respondents included 1,213 mostly urban households, 118 market traders, and 612 businesses. Of the respondent households, 75% live in urban areas. Inherently, the phone survey reflects only households that own a cellphone and live where there is coverage. In the 2019 Youth Jobs Survey, 83 percent of urban households owned a cellphone. Of those that did, 12 percent were in the lowest asset wealth quintile, compared to 45 percent of those that did not. Demographics and labor market outcomes in the tracking survey are similar to those observed in earlier in-person surveys. Thus, household-level results are best interpreted as reflecting outcomes for a large stratum of urban households, with some under-representation of the most marginal.
from their main job activity at some point since the onset of the pandemic in early April. Losses were
largest among the households that depend primarily on non-farm self-employed business activities.
Among these households, one in five have lost all income from their primary activity (20%). Household
businesses mostly attributed their losses to a lack of demand (52%) and to usual places of business being
closed (49%). Among market traders, one in seven (15%) reported having lost their business, due to travel
restrictions due to Covid (33% of those no longer active), but also a broad range of other issues both
related and unrelated to the pandemic. Hardly any businesses reported having closed permanently (0.3%),
and very few remained temporarily closed as of end-June (5%). However, measuring permanent business
closure is difficult, and businesses do report that they know a direct competitor who has gone out of
business (47%), and that they considered closing at some point (35%). Activities in Juba seem to have been
particularly affected, with higher loss of activity among market traders (31%), and more businesses
considering closing (52%) and having competitors who closed (58%).

With widespread poverty and a history of shocks, households are looking to replace lost income
opportunities. The real but limited extent to which activities have been lost may be expected, given that
households and businesses have lived through many shocks, and that generating income is an immediate
question of survival for many households. It is worth recalling that, since 2013, conflict led to the loss of
primary activities for 47% of households, that 50% of businesses lost assets and 43% had to temporarily
close (World Bank 2020e). While the disruption due to Covid-19 is harmful, it is thus not unheard of. By
June 2020, respondents also reported some potential signs of recovery. About one in five households that
lost their main activity (22%) reported that they had started a new activity by the time they were surveyed.
Similarly, while some traders had stopped their activities, respondents were about twice as likely to say
that on balance, the number of traders in the market had increased since April than to say that it had
decreased. Both market traders and businesses also reported a modest increase in the number of workers
they employed since April, although the rate of hiring has slowed substantially among businesses.

Market activity has reduced, and loss of revenue and income is pervasive. While few job activities have
stopped outright, many respondents report losing income from their main activities. This is true of every
other main household activity (52%), and of three in five market traders (59%). Traders who offer
consumer commodities reported larger declines in revenue (a 35% drop at the median) than food traders
(a 25% drop), consistent with temporary closures of non-food markets and a loss of consumer disposable
income. Among businesses, four in five (81%) reported a decrease, including 59% who say income has
declined by half or more.

The main obstacles to business activities reported today remain the same as reported in 2019, but they
have tightened. When surveyed in mid-2019, households, market traders, and businesses consistently
identified insecurity, bad roads, access to funding, and low demand as their main obstacles. They flagged
the same constraints when re-surveyed now, but were likely to say that the constraints had become more
difficult to navigate – perhaps with the exception of insecurity, where businesses were more likely to
report an improvement (44%) than a deterioration (28%). Surveys in 2019 did not directly ask about
inflation as an obstacle, while in 2020, inflation was the third-most frequently cited obstacle among
market traders, and the second-most frequently cited among businesses.

Sourcing goods has become more difficult, but is rarely considered a key business obstacle. Border
closures and movement restrictions have raised transport cost and slowed down sourcing. Among market
traders who source agricultural products from Juba or abroad, 85% say buying supplies has become more
difficult since the onset of the pandemic. At the same time, while traders mention poor availability of inputs (8%) and transport cost (13%) as obstacles, they give less prominence to them than to other constraints. Similarly, nearly four in five businesses (79%) say that since April, it has become more difficult to buy goods to re-sell or use as inputs. Yet, transport cost is mentioned less frequently as an obstacle than a lack of funds, high inflation, and low demand, and very few point to poor availability of inputs.

Low market demand already posed an important obstacle before the pandemic, and it has further declined due to the crisis. Even before the pandemic, businesses of all sizes viewed constrained demand for goods and services as a key obstacle. Respondents across all three surveys agree that demand has further tightened. Among the households who were unable at some point during the pandemic to buy staple cereals (46% of all households), most say that this was due to a lack of funds (44%), rather than to traders being out of stock (7%) or price changes (11%). Majorities of market traders explain that they have fewer customers on a typical market day (63%), and that customers buy less (60%). Businesses agree: most (73%) say that demand for their products has declined, and half (52%) say that it has dropped by half or more.

II. Data description

A recent and broad data set from the National Bureau of Statistics’ Integrated Business Enterprise Survey allows us to analyze current business activity in South Sudan’s towns. The Integrated Business Enterprise Survey (IBES) data available from the National Bureau of Statistics (NBS), collected in April and May 2019, has distinct strengths that are unusual for business data from a post-conflict environment: (i) it is not limited to large or formal enterprises, and rather, covers a very broad range of more permanent business activities, even when they are small; (ii) it is of unusually high quality for a conflict environment.

The 2019 IBES data has records for more than 4,000 businesses and NGOs, and is representative of a broad range of ‘established’ businesses in the main towns. The listing conducted for the IBES data covered 13,674 businesses active in June and July 2018. This covers firms that employ only the owner-operator, and both firms considered ‘formal’ and ‘informal’ by the survey team. The sampling note observes that in an earlier 2010 IBES survey, formality was defined as “businesses operating from a fixed structure and that have a business name” – an unusual approach, but one that makes salient a meaningful distinction in how businesses operate in South Sudan. The 2019 IBES defines formality as “a business that have tax registration number and keeps books of accounts”. We assume that the universe of firms sampled still is limited to those that have a fixed place of business and a name, as was the case in the earlier survey. This would exclude casual household business activities in the markets, but represents a broad definition of businesses to include, for instance, street-side stalls. In this chapter, we refer to this type of business as an ‘established’ business, to emphasize the contrast with ‘casual’ business activities. The survey also covers NGOs; because they contribute significantly to employment, we include them in the analysis where appropriate. Where we want to distinguish for-profit businesses from NGOs, we refer to the former as ‘commercial businesses.’

The large presence of foreign firms led the team to conduct a small sample phone survey to better understand how much such firms interact with the South Sudanese economy. While the IBES collects rich data on businesses, it is worth asking additional questions on how the many foreign-owned firms in
South Sudan interact with other economic actors – in particular, in employing South Sudanese, buying South Sudanese products, selling to South Sudanese, and competing with South Sudanese-owned businesses. To ask such questions, a phone survey of 240 foreign-owned businesses was conducted in June and July, 2019, a few weeks after the completion of the IBES survey. It focused on eight towns, the same ones covered in the IBES, but excluded Maridi, Kuacjok, Tonj, and Nimule. The sample was drawn from the 1,432 foreign-owned commercial businesses surveyed in the IBES, with stratification by town and firm size. The stratification scheme roughly approximates optimal stratification based on the variance of hiring variables in the IBES. To this end, it oversamples micro businesses (because larger businesses were heavily oversampled when in the IBES) and lightly oversamples some small towns. The resulting sample is small, but representative of the 5,085 foreign-owned commercial businesses estimated to be active in South Sudan.

We draw some comparisons to the state of businesses just prior to independence, as reflected in the 2010 IBES survey. In 2010, the year before South Sudan’s independence, the NBS collected predecessor data to the 2019 IBES. While both survey rounds focus on towns, coverage differs; eight out of the 2019 IBES survey’s 12 localities were also represented in the 2010 survey.\(^5\) The overlap in coverage between the two IBES surveys extends to Aweil, Bor, Juba, Kuacjok, Rumbek, Torit, Wau and Yambio.\(^6\) The earlier dataset comprises 2,000 observations. It is likely to be representative of a similarly broad set of businesses, although the documentation does not allow us to fully assess comparability.

### III. The state of businesses in South Sudan

#### 1. Overall characteristics of businesses and employment

**Across the towns of South Sudan, some 14,000 established businesses and NGOs employ about 72,000 workers.** The IBES data lists nearly 14,000 businesses in twelve of the largest towns of South Sudan. We estimate that these employ about 72,000 workers, including owner-operators. This is six percent of the estimated labor force in the main towns.\(^7\) Thus, having a job in businesses is the rare exception, even when the definition of businesses includes some of the more modest activities. Of these jobs, about 78% are held by South Sudanese nationals – about 56,000 jobs.

**As is common in low-income countries, most businesses are small, but a few large businesses contribute nearly half of all employment, and there is a ‘missing middle’ of medium-sized businesses.** Most established businesses are very small: microenterprises (no more than three workers, including potentially the owner) make up about three-quarters (72%) of all businesses (Figure 1). The median business employs three, including potentially the owner (the mean number of workers is five). Small businesses of four of five workers make up an additional 18% of the total, and medium sized and large firms together make up less than 10%. At the same time, as is usually the case, large firms contribute a large share of employment, with just about half of all jobs. Microenterprises contribute about one quarter

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\(^5\) The 2010 survey focused on ten state capitals. Common locations are: Aweil, Bor, Juba, Kuajok, Rumbek, Torit, Wau, and Yambio.

\(^6\) Bentiu and Malakal were in the 2010 sample but not the 2019 sample. Maridi, Nimule, Renk and Tonj were in the 2019 sample but not the 2010 sample.

\(^7\) Using 2019 county population projections provided by the NBS, scaled by the ILO modeled share of working-age population and rate of labor force participation.
of all jobs. This distribution of firm sizes and employment is quite typical of low-income fragile contexts. It speaks to the proliferation of small, subsistence-oriented business activities, the prominent role of a small number of very large businesses, and a ‘missing middle’ of firms on a steady growth trajectory.

**The majority of businesses started operating since the beginning of the civil war; most NGOs have been active for longer.** Three in five commercial businesses (59%) have started operations since the beginning of the civil war, and at the median, businesses have been operating for five years (Figure 2). Before independence, businesses were even younger, with nearly 70% no more than two years in operation. Both surveys thus suggest a great amount of churn, with businesses closing and opening. It is noteworthy that, while there are somewhat more foreign-owned businesses that have opened recently, they have largely evolved on a similar timeline as South Sudanese-owned outfits. By way of contrast, a much larger share of NGOs has been operating in South Sudan since before independence, in addition to those that have established a presence since the beginning of the civil war. As is to be expected, larger firms are more likely to have been operating for longer.

*Figure 1 Number of businesses and number of jobs by firm size*

![Chart showing distribution of businesses and jobs by firm size](chart.png)

*Source: IBES 2019.*
Men outnumber women by four to one among business owners and workers. Women in South Sudan are much less likely to own a business or work for a business than men. Among businesses owned by South Sudanese, about one in four (23%) is run by a woman (Table 1). The share is somewhat lower for NGOs (19%), and much lower for businesses owned by nationals of other countries (10%). Among workers employed by any type of business in South Sudan, about one in four (23%) is a woman, with a higher share (32%) in NGOs. Women’s participation in ownership varies substantially across towns, with about one in seventeen South Sudanese-owned businesses run by a woman in Renk (6%), for instance, but about two in every five in Rumbek (38%) and Bor (44%). It also depends quite distinctly on the business activity. Women are a majority of workers as well as owners in hospitality (64% and 67%, respectively), and represent a significant share of owners and workers in the ‘other services’ category (37%) (Figure 3). Perhaps unusually, they account for only one in every seven workers in commerce (15%) – the share of women among market traders is much higher (World Bank 2020c).

Table 1 Women’s ownership and employment

<table>
<thead>
<tr>
<th></th>
<th>Share of owners</th>
<th>Share of workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>All businesses</td>
<td>17%</td>
<td>23%</td>
</tr>
<tr>
<td>South Sudanese-owned businesses</td>
<td>23%</td>
<td>27%</td>
</tr>
<tr>
<td>Foreign-owned businesses</td>
<td>10%</td>
<td>16%</td>
</tr>
<tr>
<td>NGOs</td>
<td>19%</td>
<td>32%</td>
</tr>
</tbody>
</table>

Businesses headquartered in Juba account for two-thirds of all jobs, but the share of workers based in Juba is likely somewhat lower. About every other business (51%) is listed in Juba, and these businesses together employ some 46,000 workers, two-thirds (66%) of the total (Figure 4). The concentration of businesses in Juba is likely to have risen since 2010: when the earlier IBES data was collected, about one third of businesses were headquartered in the capital. The 2019 IBES data records where businesses are headquartered, not where their workforce is employed. Therefore, we cannot estimate precisely how many workers established businesses employ in the different towns. However, Juba also makes up for half (52%) of all employment in established businesses with fewer than ten employees – arguably, a group of businesses among which few will have a significant workforce away from the place where they are headquartered. It is therefore safe to conclude that Juba is by far the most important center of employment by established businesses. That said, such businesses still employ considerable numbers of workers in the smaller towns, including nearly 5,000 in Rumbek, and about 4,500 in Wau.

Source: IBES 2019.
While the available surveys only offer a limited amount of information on incomes and wages, it is clear that firms typically are not very productive. Data related to productivity has significant flaws, but it clearly suggests that most firms do not generate much income. As is commonly the case, the available survey data on business incomes is problematic, due to noise as well as a high number of missing values and difficulty in distinguishing true zeros (no income) from mis-coded entries where no data was available. Using the data as carefully as possible, the median annual income among all businesses is reported to be 250,000 SSP; about the equivalent of USD 800-1,000 at survey time (Table 2). The median income per worker is 100,000 SSP, about USD 300. Wage data is not available in the IBES, but the foreign businesses survey shows that respondents expect to pay about the equivalent of 4 USD per day (SSP 1,300) to unskilled workers, with typical payments between 1,000-1,500 SSP (range between the 25th and 75th percentile). While there are some sizeable differences between towns, the sample size is very small, and it is not sensible to over-emphasize observed discrepancies (especially in the presence of high inflation).
Table 2 Income from business activities (SSP), by size of business

<table>
<thead>
<tr>
<th>Size of Business</th>
<th>Median</th>
<th>25th percentile</th>
<th>75th percentile</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large (10 or more)</td>
<td>1,600,000</td>
<td>355,000</td>
<td>5,800,000</td>
<td>13,900,000</td>
</tr>
<tr>
<td>Medium (6-9)</td>
<td>500,000</td>
<td>100,000</td>
<td>2,600,000</td>
<td>18,500,000</td>
</tr>
<tr>
<td>Small (4-5)</td>
<td>400,000</td>
<td>90,000</td>
<td>1,000,000</td>
<td>2,349,669</td>
</tr>
<tr>
<td>Micro (3 or fewer)</td>
<td>200,000</td>
<td>56,000</td>
<td>700,000</td>
<td>2,261,199</td>
</tr>
<tr>
<td>Owned by men</td>
<td>280,000</td>
<td>70,000</td>
<td>800,000</td>
<td>2,980,092</td>
</tr>
<tr>
<td>Owned by women</td>
<td>100,000</td>
<td>36,000</td>
<td>360,000</td>
<td>1,057,622</td>
</tr>
<tr>
<td>All</td>
<td>250,000</td>
<td>65,000</td>
<td>900,000</td>
<td>3,300,112</td>
</tr>
</tbody>
</table>


2. Areas of business activity

**Commerce and services strongly dominate among business activities, even by LIC standards.** It is common in low-income countries for commerce and to dominate among business activities. However, their share among South Sudanese businesses is very high, even compared to similar economies (analysis here focuses on for-profit entities, and excludes NGOs). Together with other service activities, commerce accounts for nearly nine in ten businesses and jobs (88%; Figure 5). Commerce alone accounts for 43% of businesses and 26% of jobs in businesses. After commerce, hospitality is the second-largest employer (17% of all jobs in businesses). ‘Other’ services show as a large employer in the data (13%). In surveys similar to the IBES, this category is usually dominated by personal services such as housekeeping or repairs. However, visual inspection of firm names listed under other services suggests that this category may include a lot of missclassified entries from other activity types, from hospitals to transport, traders, restaurants, and professionals. It may therefore be best thought of as a ‘catch all’ category that does not shift much the distribution of jobs among other activities. ‘Public administration and defense’ – which among private firms is nearly exclusively private security – contributes some 13% of employment, followed by health services (7%), and financial services (5%) as the next biggest sources of jobs.

**NGOs employ workers in roughly equal shares in education, health, and other services.** NGO employment patterns inherently do not speak to where there is a market demand for goods and services. But they do give some information on the skills and experience of the South Sudanese work force. Of the 15,000 NGO workers, a bit more than one third work in outfits dedicated to education (37%) and those supporting health and human services (34%) (Table 3). A bit less than one in three (29%) work in other services.

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8 Regrettably, commerce as a category of activities is in the data unintuitively lumped together with mechanical repairs.
There is remarkably little transformation and production, and less employment in construction than might be expected. Overall, about 8% of businesses say that they are active in transformation or production, and they employ about 8% of the work force in established businesses, some 4,000 workers (Figure 5). Of these, manufacturing contributes about 3% of employment – some 1,625 jobs. Agribusiness adds another 2%, and forestry businesses, 1%. For a sense of proportion, it is useful to consider that private security firms alone employ about four times as many workers as businesses active in manufacturing, and hospitality employs about six times as many. Similarly, as many businesses provide financial services as are active in agribusiness. It is also notable that construction businesses make a very small contribution to employment (2%). This is somewhat surprising, given that the construction sector is often a significant source of employment in post-conflict environments. However, it is worth recalling that the survey may not capture all construction activity, since it may not cover handymen or builders who do not maintain a fixed place of business.

Source: IBES 2019.
Household activities in processing and artisanship provide far more employment in production than similar activities in businesses. In a 2019 youth employment survey conducted in five towns, transformation of agriculture products and artisanal production were the primary activity of 3% and 2% of households, respectively, and a secondary activity for an additional 8% and 2%. We estimate that these activities employ about 76,000 family workers in processing, and 10,000 in artisan production (full-time equivalent). While income data is not good enough to compare productivity between household and business activities in production, it is worth noting that household activities thus currently employ an order of magnitude more workers.

Across towns, commerce and hospitality are always important employers. A look at activities by locality shows some commonalities, as well as some pronounced differences. Figure 6 graphs sector employment shares in commercial business, showing separately those sectors that contribute at least 10% of jobs in any town. It is evident that commerce is always an important employer. It is a particularly dominant source of jobs in Tonj (52%), Yambio (50%), and Rumbek (46%). Because Juba contributes so much to overall employment in businesses, the largest communities of workers in any activity are found in Juba. For traders, there about 6,700 active in the capital. Outside of Juba, the largest communities of traders are found in Rumbek (1,800) and Wau (1,400). Across towns, hospitality adds around one in every five or six jobs in commercial businesses, even more consistently than commerce. The importance of employment in private health, education, and security services varies by town. As we have already noted, an important number of workers are listed as being employed in security services in Juba (6,700). It is possible that some of these workers are employed by Juba-based firms, but active in other towns. Health and education add significant employment in some localities. In Juba, security sector firms are a significant employer (12%) (as noted above, a number of these jobs are likely held by workers outside Juba). The health sector – private clinics and pharmacies – contributes a little more than one in ten jobs in some towns.

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9 The survey is described in detail in World Bank (2020a). It was conducted in Bor, Juba, Malakal, Rumbek, and Wau.
10 Accounting for the number of household workers in the activity, its seasonality, and whether it is full-time, part-time, or casual in nature.
11 Coincidentally, the count of workers is nearly identical for those in commerce and security services in Juba.
In addition to Juba, there are sizeable communities of manufacturing businesses in Wau and Rumbek, and a significant community of agriculture businesses in Renk. With the exception of Renk and Maridi, agribusiness (including forestry and fishing) and manufacturing contribute a small share of employment in businesses, compared to other activities. For context, it is important to note that this data does not include production that is done casually at home, without having a fixed place of business. Renk, which has a long tradition of commercial and mechanized agriculture, stands out through the large share of workers employed in agricultural businesses (29%; Figure 7). Looking at the size of the business communities in different towns, there are sizeable communities of agribusiness workers in Juba and Renk, and to a lesser extent in Aweil (Figure 8). Substantial communities of manufacturing workers are found in Juba, Wau, and Rumbek. (The pattern is similar when we look at the number of businesses, instead of the number of workers.)
Businesses active in commerce and repairs may have higher returns than those in manufacturing and agriculture. We have indicated above that IBES income data has some weaknesses, and must be interpreted with caution. With this caveat, it is notable that income among businesses in a category that aggregates those in commerce and those offering mechanical repairs is nearly twice as high at the median as among those active in manufacturing, agribusinesses, or hospitality (controlling for size and foreign ownership; Figure 9). The impression of low return in such productive activities also aligns with results.
from a youth survey that showed that daily income from household market activities are lower in processing and artisanal work than in commerce (World Bank, forthcoming).

Figure 9 Medan annual business income, by activity

\[
\text{Median business income in different activities}
\]

Source: IBES 2019.

IV. The role of NGOs, UN agencies, and foreign-owned businesses

1. Foreign businesses and NGOs as employers

NGOs and foreign-owned businesses have an outsize role as employers. Decades of conflict and instability in South Sudan have so profoundly disrupted the economy that NGOs have taken on an important role as employers. In addition, foreign-owned businesses have proliferated, catering in part to this international presence. To illustrate this point anecdotally, it is worth looking at the ten largest employers in South Sudan, who among them account for 15% of all employment in established firms. Of these, the two largest employers are security firms, with more than 6,000 employees between them; they are partially foreign-owned. All the other entities among the ten largest employers are NGOs; they employ some 4,400 workers between them.

About 400 NGOs operating South Sudan employ 15,000 workers. Few of the entities surveyed in the 2019 IBES (3%) are NGOs or other aid organizations – an estimated 400 entities throughout the country. However, these entities typically are much larger than for-profit businesses. The employ 18 workers at the median, and 37 workers on average – compared to two at the median, and four at the mean for commercial businesses. Therefore, NGOs account for 22% of all employment – a total of an estimated 15,000 jobs (Figure 10). The contribution of non-profits to jobs in established businesses varies substantially between towns, from about one-twentieth to one-quarter of all jobs (Figure 11).

\[\text{Figure 10 Median business income in different activities}\]

Source: IBES 2019.

12 For this observation, we use the listing conducted for the IBES 2019 survey. This allows us to make a statement about all employers in South Sudan, rather than those in our sample.
Two in five commercial businesses are foreign-owned, including a surprising number of micro enterprises. About two out of every five firms (43%) are foreign-owned. Their share varies by town, but is largely between one-third and one-half of all firms. It is perhaps surprising that foreign-owned firms are smaller at the median (two workers including the owner, as compared to three among South Sudanese-owned firms), and have a higher share of micro firms (77% as opposed to 67% among domestically owned firms). At the same time, due to the presence of some very large entities, the mean number of workers is slightly higher in foreign-owned firms (4.6 compared to 3.9 workers).
Foreign-owned enterprises play a major role in hiring, and employ far more South Sudanese than foreign nationals. Foreign-owned businesses provide nearly half (47%) of all jobs in commercial businesses (Figure 10). Among these workers, 42% more are South Sudanese (14,998) than foreign nationals (10,540 – including owners). In Juba, the share of South Sudanese among workers in foreign-owned businesses is 65% (Figure 12). In other towns, it is significantly lower. This is in part because foreign businesses (as well as others) outside of Juba are smaller, and the foreign owner-operators employ fewer workers overall.

Foreign businesses that do not employ South Sudanese tend to be small or family-run. Of the foreign-owned businesses interviewed for our subsidiary survey, 80% employ South Sudanese workers. Most of those who do not employ South Sudanese workers have never tried to hire one. They mostly explain that this is because they work with family or because their business is small (recall that the median foreign-owned business has only two workers).

South Sudanese employees mostly carry out activities in commerce and casual services. They only infrequently say that they prefer to work with their compatriots for any specific reason. Among businesses that employ any foreign nationals, about three in five (61%) say that they mostly employ workers from the owner’s home country. It is perhaps surprising that this number is not higher. The functions in which foreign businesses employ South Sudanese workers mirror the kinds of activities businesses pursue – and the types of activities carried out are largely similar between domestically and foreign-owned firms. A bit less than one third of surveyed firms employ South Sudanese as shopkeepers or salespeople (Table 4). This is followed by casual manual workers (8%) and workers in the service sector (7%). About seven percent employ workers in higher-skilled positions as artisans or mechanics – in line with the overall shares of employment in these different activities.

<table>
<thead>
<tr>
<th>Functions in which foreign firms employ South Sudanese workers (share of foreign firms)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shopkeeper 30%</td>
</tr>
<tr>
<td>Salesperson 29%</td>
</tr>
<tr>
<td>Casual workers 8%</td>
</tr>
<tr>
<td>Artisans and mechanics 7%</td>
</tr>
<tr>
<td>Casual services 7%</td>
</tr>
</tbody>
</table>


Nearly all foreign-owned businesses are owned by citizens of South Sudan’s neighbors. About half of foreign business owners are Sudanese (Khartoum) by nationality (Figure 13). Businessmen from other neighboring countries as well as Eritrea and Somalia also have a significant number of activities. Together, these countries are home to 95% of foreign business owners. As we discuss further, below, the presence of large business communities from the region presents opportunities as well as obstacles.

13 With some exceptions: for-profit businesses in education are mostly South Sudanese-owned, and foreign-owned businesses account for most of the employment in private security services.
Foreign ownership of businesses in South Sudan has risen since independence. The 2010 IBES, taken before independence, makes no distinction between South Sudanese and Sudanese ownership. Therefore, the most appropriate comparison between ownership patterns in 2010 and 2019 is to compare the share of businesses owned by neither South Sudanese nor Sudanese. A comparison of the eight locations common to both the 2010 and 2019 IBES surveys reflects an increase of the share of businesses owned by nationals of South Sudan’s neighbors. In Juba, for instance, the share of businesses run by foreign nationals other than Sudanese has increased from 21% to 28%; Yambio has recorded the largest
rise, from 5% to 20% (Appendix 1). In addition, as noted, there are many businesses owned by Sudanese (Khartoum).

**Businesses compete in the same markets regardless of ownership, but foreign-owned businesses view each other as their toughest competition.** Most foreign businesses interviewed in-depth (89%) say that there are South Sudanese businesses that compete with them (Table 5). This share is somewhat lower among the large firms (75%), and particularly high among microbusinesses (91%) – not surprisingly, given that most micro businesses are active in commerce and basic services. Almost all (96%) say that they have competition from other foreign-owned businesses, and respondents are much more likely (82%) to say that these are their toughest competitors. Foreign businesses in Juba (23%) and microbusinesses (21%) are somewhat more likely to say that South Sudanese businesses are their strongest competitors. This speaks to the more competitive market in Juba and among the activities carried out by microbusinesses.

*Table 5 Views on competition among foreign-owned firms*

<table>
<thead>
<tr>
<th></th>
<th>All</th>
<th>Juba only</th>
<th>Other towns only</th>
<th>Micro only</th>
<th>Large only</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have South Sudanese competitors</td>
<td>89%</td>
<td>89%</td>
<td>89%</td>
<td>91%</td>
<td>75%</td>
</tr>
<tr>
<td>Have foreign competitors</td>
<td>96%</td>
<td>99%</td>
<td>91%</td>
<td>96%</td>
<td>98%</td>
</tr>
<tr>
<td>Face tougher competition from</td>
<td>82%</td>
<td>77%</td>
<td>90%</td>
<td>79%</td>
<td>96%</td>
</tr>
<tr>
<td>foreign competitors</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source: Foreign businesses survey 2019.*

**Foreign business owners feel that South Sudanese competitors have an advantage in better relations with government and customers.** Among the few foreign-owned firms who view South Sudanese-run businesses as their main competitors, most feel that competitive pressure is to do with South Sudanese businesses having greater ease in dealing with customers, the government, and the businesses environment (Table 6). Others feel that South Sudanese businesses have better access to land and natural resources.  

**Access to funding and goods may give foreign-owned businesses an edge, along with skills and experience operating under intense competition.** Five out of six foreign-owned firms feel that their peers are their main competitors, for a variety of reasons. Many point to technical skills (18%), business skill (10%), or soft skills (4%). It is worth recalling that many of the respondents are engaged in commerce or services such as hospitality. Many others argue that foreign firms put particular competitive pressure on each other since there are many active in similar activities in the same markets (18%), or make related comments about price pressure (8%) or aggressive pursuit of customers (4%). Another set of answers relates to the view that other foreign businesses operate at larger scale (9%) than their South Sudanese peers, that they have greater funds to draw upon (13%), and better access to goods, inputs, and tools (8%).

---

14 While other reasons are mentioned, respondents are always much more likely to feel that they compete with other foreign businesses on the issue – for instance, while two respondents mention that their toughest competitors are South Sudanese firms due to their ability of access goods, inputs, and tools, respondents are six times more likely to feel that, for the same reason, foreign businesses are their main competition.
Table 6 Views among foreign-owned businesses on why local or foreign-owned businesses are tougher competitors

<table>
<thead>
<tr>
<th>Why do you face tougher competition from…</th>
<th>… South Sudanese-run businesses? (18% of all respondents)</th>
<th>… foreign-run businesses? (82% of all respondents)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Language, lower tax, loyalty, security, fewer government hassles and restrictions</td>
<td>48%</td>
<td>Technical skills</td>
</tr>
<tr>
<td>Access to land and natural resources</td>
<td>9%</td>
<td>Many competitors engaged in same business</td>
</tr>
<tr>
<td>Soft skills</td>
<td>9%</td>
<td>Access to funds</td>
</tr>
<tr>
<td>Access to goods, inputs, and tools</td>
<td>6%</td>
<td>Business skills</td>
</tr>
<tr>
<td>Aggressive in pursuing customers</td>
<td>6%</td>
<td>Scale, diversification, IGOs and government as customers</td>
</tr>
<tr>
<td>Scale, diversification, IGOs and government as customers</td>
<td>6%</td>
<td>Access to goods, inputs, and tools</td>
</tr>
<tr>
<td>Business skills</td>
<td>3%</td>
<td>Price competition</td>
</tr>
<tr>
<td>Funding</td>
<td>3%</td>
<td>Quality of goods/services</td>
</tr>
<tr>
<td>Quality</td>
<td>3%</td>
<td>Aggressive in pursuing customers</td>
</tr>
<tr>
<td>Price competition</td>
<td>3%</td>
<td>Soft skills</td>
</tr>
<tr>
<td>Many competitors engaged in same business</td>
<td>3%</td>
<td></td>
</tr>
</tbody>
</table>


2. Foreign businesses, NGOs, and UN agencies as sources of demand for goods and services

Foreign-owned businesses and aid agencies contribute significantly to demand for goods and services, especially outside of Juba. Because aid agencies and foreign businesses have a large presence in South Sudan, it is important to understand whether they contribute to demand for goods and services from South Sudanese suppliers, or whether their operations are so insulated from the economy that their presence creates few opportunities. The data shows that aid agencies contribute to the demand for services, and are important customers for food products, especially outside of Juba. Foreign-owned businesses contribute to demand for services, and source some agriculture products from South Sudanese producers, although there is potential to move further from imports to local production.

Despite data weaknesses, it is clear that foreign businesses and NGOs account for a significant share of aggregate business demand for services. IBES data on businesses spending is problematic and should be
interpreted with care. Looking only at spending on variable cost (which is available for barely 20% of firms), businesses generate most demand for transport and travel, as well as maintenance and fuel for vehicles (Figure 14). Together, these categories account for half (50%) of aggregate demand in variable cost categories. Utilities and communication (20%), security (10%), and supplies (9%) are the next largest categories. Foreign businesses and NGOs contribute very significantly to this demand: according to the available data, they make up about two thirds of all spending. For instance, NGOs and foreign businesses together account for about three quarters of spending on transport (73%); foreign businesses generate as much demand in utilities and communications as domestic businesses; and unsurprisingly; and NGOs account for by far the largest share of spending on security (78%).

*Figure 14 Business spending on variable cost, by type of spending and type of business*

About half of foreign businesses who use agricultural inputs source them locally, but fewer buy other goods locally. Of foreign-owned businesses, four in five (80%) buy goods in order to re-sell them without transformation. Of those who do buy any goods for re-sale, one in five (22%) report that they buy any products that are produced in South Sudan. This is a low share, but not surprising given that many businesses re-sell consumer products that are not manufactured in South Sudan. Fewer businesses buy inputs that they transform into other products – about one in four (26%). Among those, more than two out of five (44%) say that they buy South Sudanese goods. Perhaps most importantly, of those who buy any agricultural crops for processing, a bit more than half (54%) buy South Sudanese goods.

Businesses point to price and availability as reasons for buying abroad. Foreign businesses most commonly say they do not purchase goods in South Sudan because they are not available in bulk (74%). Nearly two in three respondents also say that buying abroad and transporting to town is cheaper than buying locally. Given the poor roads and high transport cost in the country, this is a striking illustration of the degree to which local markets have broken down. Far fewer businesses say that products are not available at all (19%), or are of poor quality (9%). These findings give reason to hope that a recovery of
agricultural production would be met with some additional demand from foreign businesses. A resumption of aggregation activities could also help potential customers access South Sudanese-grown products in bulk.

Very few foreign-owned businesses in Juba rely on UN and aid agency procurement for sales, but many businesses in the other towns do. Among foreign-owned businesses, nearly all (98%) sell to individual customers, more than three out of four also sell to government entities (77%), and half sell to other businesses and the UN or aid agencies (50%; Figure 15). Individual customers are the primary source of demand for most businesses (78%). There are very great differences in how much businesses depend on the UN and aid agencies for their revenue between foreign businesses based in Juba and those based in the other towns in the survey. Among businesses in Juba, a mere six percent say that they derive a majority of their revenue or all of their revenue from sales to these agencies; among businesses in other towns, more than two out of five businesses do (42%; Figure 16). Large businesses (of ten or more workers) rely much more on the UN and aid agencies as customers (57%) than smaller businesses. Among smaller businesses, the UN and aid agencies are important sources of demand in towns outside of Juba, where 38 percent derive most of their revenue from such contracts. Virtually none of the smaller businesses in Juba (3%) do.

*Figure 15 Importance of different types of customers for business sales*

![Bar chart showing the importance of different types of customers for businesses](chart.png)

*Source: IBES 2019.*
Foreign firms outside of Juba are similarly much more likely than those in the capital to report that the larger businesses community in their town depends on sales to aid agencies. A similar picture emerges when we ask foreign businesses their beliefs on whether the UN and aid agencies are an important income source for businesses at large in town. About six out of seven respondents (85%) felt that they could give an opinion on whether the UN and other partners were an important source of income to the business community (Figure 17). Businesses based outside of Juba tend to view the UN and other aid organization as a very significant (48%) or somewhat significant (26%) source of income for local businesses. In Juba, far fewer businesses share this view (9% and 30%, respectively). About three in four respondents (76%) felt they could give a view as to what kind of goods the UN and other aid organizations buy from local businesses. Nearly all respondents (92%) say that aid agencies buy food in retail from local businesses. About two thirds say that there are wholesale purchases of food for aid (66%), and for personal services (64%).

**Figure 17 Views among foreign-owned businesses on UN and aid agencies as sources of demand**

**Views on UN and aid agencies as source of demand**

Are the UN and aid agencies an important source of income to businesses?

What do the UN and aid agencies buy from local businesses?


**Foreign businesses primarily look for reliable demand from UN and aid agencies, rather than a price markup.** Regardless of whether or not they heavily rely on the UN and aid agencies as customers, those who do any business with them tend to feel that the advantage of these organizations as a customer relates to how much demand they generate (Figure 18). They emphasize that the UN and aid organizations are always willing to buy (82% among those who derive most revenue from such sales), can pay without delay, and make bulk purchases. Substantially fewer businesses mostly think of being able to obtain a price premium over the market price.

**While the Juba business community does not rely on humanitarian procurement, the many relatively well-paid UN and NGO employees in Juba are likely an important source of demand.** NGOs alone directly provide one in every four jobs in Juba, not counting employees of UN organizations, and not counting other workers employed by those on the UN and NGO payroll. While we have no comparative wage data, it is also very reasonable to assume that UN and NGO workers on average have higher incomes than those working for many for-profit businesses. It therefore stands to reason that aid agency workers are an important source of demand for goods and services in Juba, even though direct agency procurement is not a major factor.
V. Business obstacles and expectations

1. Self-reported business obstacles

Across different towns and firm types, businesses clearly identify four constraints as being most important: insecurity, market access, finance, and electricity. Four constraints emerge with unusual clarity and consistency as being more important than a broad range of other obstacles. Insecurity is the leading issue cited as a ‘serious’ or ‘very serious’ problem (40%), in line with the nearly universal experience of conflict impacts on businesses (Figure 19). (The picture is very similar when the analysis is done with ‘severe constraints’ only.) Nearly as many firms (39%) complain about a lack of market access, and a similar number about poor access to finance (37%) and electricity (36%). These are followed by a set of concerns related to infrastructure (roads, transport facilities, working space, water) that are important to many firms, but mentioned substantially less frequently (15-20%). To appreciate the importance of market access as an obstacle, it is useful, however, to consider that the next most commonly mentioned constraints also relate to the ability to take products to customers: the availability of roads, and of transport facilities. Looking across towns, roads and transport facilities are the only other constraints that ever register as among the top four\(^\text{15}\). Only three are ever mentioned as the top constraint: insecurity, finance, and electricity.

Before independence and conflict, the chief concerns of businesses revolved around poor access to infrastructure, and corruption. Analysis of the earlier IBES shows that by far the most pressing obstacle facing businesses in 2010 was a lack of access to a reliable source of electricity (3 out of every 4 firms).

\(^{15}\) With the single exception of Nimule, where waste disposal is the fourth-most frequently cited obstacle.
This was followed by lack of a clean and reliable supply of water, poor road networks, and insecurity as the most serious obstacles reportedly faced by firms. Insecurity was a serious or very serious concern for 4 out of 10 firms in 2010 (a similar proportion to 2019), while issues around market access (including transport facilities) were more often cited as serious constraints in 2019 than they were in 2010. In 2010 just over half of firms reported that corruption was one of the major obstacles to the growth of the business. By 2019 this proportion had risen to two out of every three firms. In 2019 corruption as a major constraint to growth was noted as being particularly high in Wau, Aweil and Torit.

Different types of firms share the same set of key obstacles, although they have some distinct priorities among these constraints. The set of the four most prominent concerns holds across different types of firms. Within this set of four, differences in how they view the obstacles they face are intuitive. As is common, small firms are somewhat more likely to view access to markets and finance as a severe constraint, while large ones (of more than ten workers) are much more likely to view access to electricity as a severe issue (as 47% of them do), and somewhat more likely to find insecurity hard to handle (Figure 20). Domestic and foreign firms are very similar in the constraints they experience, with the exception that South Sudanese-owned firms are 11ppt more likely to complain about a lack of financing. Firms that produce goods are quite a bit less likely (21%) to be concerned about electricity access than re-sellers (36%) and service providers (43%). They are, however, considerably concerned about access to machinery and tools (23%). (These results reflect univariate correlations. Multivariate analysis shows a qualitatively similar picture.)

Figure 19 Main business obstacles - all commercial businesses

Source: IBES 2019.
2. Conflict impact

In addition to closing many businesses, conflict has affected virtually all businesses that still survive in South Sudan, through loss of customers and assets, closures, and barriers to investment. There are literally no more than two businesses among the more than 4,000 surveyed that report not having been affected by the conflict over the three years preceding the survey. By far the most pervasive impact is loss of customers, which four out of five businesses have experienced (80%; Figure 21). Half of all businesses (50%) have lost assets (aggregating two separate questions on capital and assets), and a bit more than two in five (43%) have had to periodically close. Somewhat fewer businesses report having been unable to invest (37%). It is perhaps not surprising that the share of such firms is lower: few firms may have planned to invest in the first place and have viewed the conflict as interfering with their plans (we therefore set this impact aside in the following analysis). Nearly two-thirds of businesses report that they have been (64%) affected in more than one way. To appreciate the true impact of the conflict, it is important to note that the survey only captures the experience of businesses that survived the conflict; many others will have closed.
Figure 21 Impact of conflict on businesses

Source: IBES 2019.

Figure 22 Impact of conflict on businesses, by town

Source: IBES 2019.
Most businesses in every locality have lost customers, but towns differ in whether many firms have lost assets or have had to close periodically. Conflict impacts have affected small businesses as much as large ones, as well as businesses across all kinds of different activities. But how much businesses have been impacted does vary pronouncedly by location, in line with the intensity of fighting in different parts of the country. Loss of customers is pervasive, and has affected between three-fifth of businesses and nearly every business in different localities (Figure 22). There is much more variation between localities in how many businesses have had to close periodically, from about one in five in Aweil (15%) and Rumbek (22%) to about four in five in Yambio (79%) and Maridi (90%). Similarly, the share of businesses that have lost capital or assets ranges from one in five in Torit (22%) and two in five in Aweil (38%) to nine out of ten in Tonj (90%) and Maridi (89%).

While businesses in all towns have been affected, the largest business communities have experienced comparatively lesser impacts. One way of assessing the overall severity of conflict impacts in different towns is to note that in four towns, the share of firms affected is below the median in all of the three categories of loss of customers, loss of assets, and periodic closure. These four localities Aweil, Juba, Rumbek and Wau – are also the towns with the largest business communities both in terms of the number of businesses and in terms of workers. By way of contrast, there are four towns in which the share of businesses affected is above the median in all three categories, Maridi, Nimule, Tonj, and Yambio, all in the south of the country.

Despite greater stability, one in five businesses reported a conflict-related shock in 2018-19, and two in five reported a shock due to crime. While conflict has calmed, about one in every five businesses in South Sudan (22%) reported that they had been victim of a conflict-related shock over the year preceding the survey – that is, in between May 2018 and May 2019 (Figure 23). About twice as many businesses (40%) say that they have been victim of crime including theft, robbery, and vandalism. Among women who own businesses, half (49%) say they have been victims of crime, compared to 39% of men who run businesses. Women who work as traders are also exposed to harassment at checkpoints and border posts. Before independence, the most common shock experienced by firms according to the 2010 IBES was also theft, though the prevalence was lower in 2010 than it was in 2019 (33 percent versus 40 percent). Shocks due to conflict were not recorded in the 2010 survey. All other shocks in the earlier IBES were prevalent at a similar rate (around 5 percent of firms) Overall, more than half of all businesses (56%) have experienced a shock over the year preceding the 2019 survey, including also accidents and natural hazards. The recent incidence of conflict-related shocks as well as crime varies greatly by locality, from no or virtually no businesses affected by conflict-related incidents over the past year in towns like Bor (none) and Aweil (3%) to close to half of all businesses in Tonj (48%) and Rumbek (44%; Figure 24). Crime correlates strongly with conflict-related incidents (0.55) at the level of towns, but as one would expect, crime occurs even in towns where there are no conflict-related incidents.
Figure 23 Incidence of shocks over the year preceding the survey, all businesses

Source: IBES 2019.

Figure 24 Incidence of conflict-related shocks over year preceding survey, by town

Source: IBES 2019.
3. Inflation

Inflation poses a tough challenge to businesses, particularly through its impact on demand and business risk. While the IBES data does not ask about inflation as a business constraint, we explore the issue in the foreign businesses survey. Most respondents to the survey (87%) report that inflation has been one of the main challenges they have been facing (Figure 25). Businesses cite a number of ways in which inflation has affected them, but those mentioned by far the most frequently are a drop in demand (73%), worries about incurring losses from regular business activities (68%), followed by difficulty finding suppliers (55%). Businesses are somewhat less likely to be concerned about trouble agreeing on contracts (37%), hiring workers (43%), or keeping track of their company’s finances (45%).

To limit inflation risk, businesses reduce their activities. Businesses explain that they largely cope by reducing their activities (70% of businesses). This is consistent with a situation in which uncertain and depressed demand is the chief obstacle and causes the risk of running a loss with regular activities. About one in three businesses also report that they have changed their activities (36%), or suspended their businesses temporarily (32%; Figure 26). A similar share of businesses has switched to carrying out additional transactions in foreign currency (30%). This comes before the background of limited use of hard currency: hardly any foreign businesses (4%) report that they use foreign currency to pay workers, and very only about one in seven (15%) use foreign currency to pay suppliers. However, about half of the respondents report that they use foreign currency for some other large expenditures.

Despite reporting that inflation has slowed, respondents feel that inflation takes an increasingly heavy toll on their businesses. The Central Bank of South Sudan reports that inflation has slowed from 123% in the year up to July 2018 to 47% in the year up to March 2019. In light of these trends, it is perhaps surprising that the large majority of foreign businesses (70%) feel that the impact of inflation on their activities has worsened in the year preceding the survey. Very few (5%) feel that it has improved. Note that the survey question asked “over the past year, has the impact of inflation changed” that is, it asked businesses about the gravity of the impact of inflation, rather than asking them to assess he speed of inflation itself. This was intended to avoid any confusion for respondents between to the price level (which has increased) and the rate of change (which has slowed).
Figure 25 Business impacts of inflation, foreign-owned businesses


Figure 26 Strategies for coping with inflation, foreign-owned businesses


4. Access to finance

About two in five businesses have a bank account, but hardly any have taken a bank loan over the past three years. Somewhat more than two in every five commercial businesses (44%) have a current or savings account (Figure 27). Given the profound suffering and disruption caused by the civil war, this is not an insignificant share of access to banking – all the more because at time of writing, there were no
functioning mobile money services, despite progress in putting a framework in place.\textsuperscript{16} Most of these are held in SSP, with 10\% of businesses holding accounts in a foreign currency. However, few of these businesses (13\%) feel that they could access financial services such as loans. Fewer than one in ten businesses (8\%) say they have sought to take a loan over the three years preceding the survey, but this number includes many businesses that borrowed from friends and family. About two of three who sought a loan received it (64\%) – and among this group, half (51\%) borrowed from commercial banks or the central bank. The other half borrowed from friends or family (44\%) or NGO and government programs (2\%). Thus, the share of businesses that successfully borrowed from a bank over the three years is a mere 2.6\%. Half of all businesses (51\%) say they would have access to some collateral – mostly land (22\%) and equipment (20\%).

\textit{Figure 27 Access to banking and use of loans, by ownership}

\textbf{Business access to banking and loans}

\begin{center}
\begin{tabular}{|c|c|c|c|}
\hline
 & South Sudanese-owned & Foreign-owned & \\
\hline
Large (10 or more) & 0.05 & 0.07 & \\
Medium (6-9) & 0.05 & 0.11 & \\
Small (4-5) & 0.10 & 0.24 & \\
Micro (3 or fewer) & 0.02 & 0.34 & \\
\hline
\end{tabular}
\end{center}

\begin{flushleft}
\textbf{Source: IBES 2019.}
\end{flushleft}

\textbf{Larger firms have better access to banking, but are still very unlikely to have taken any loans.} Access to banking correlates with business characteristics in intuitive ways: large firms are much more likely to have a bank account than small ones, and while foreign-owned businesses are no more likely to have access to banking or loans, they are about twice as likely to hold a foreign currency account as South Sudanese businesses. Notably, however, borrowing is very rare even among large firms. Women-owned businesses are much less likely than others to have access to banking (16 ppt less likely to have any bank account, and seven ppt less likely to have a foreign currency account, controlling for other business characteristics).

\textbf{Far more businesses had bank accounts in 2019 than in 2010.} The share of businesses with an active current account grew rapidly between 2010 and 2019. Despite this growth, however, the only town in which more than half of firms reported having a current account in 2019 was Bor (58 percent of firms).

\textsuperscript{16} World Bank (2019). Mobile Money Ecosystem Survey in South Sudan.
The share of firms in Juba with a current account rose from one in four to four in ten over the period, while the rate of growth in Wau was particularly strong (from 5 percent to 25 percent of firms).

**Most businesses look to family and friends or own earnings to cover losses due to shocks.** Given the very low level of access to credit, it is unsurprising businesses that experience a loss due to shocks are vastly more likely to look to loans or gifts from family and friends to cover their losses (67%), use own earnings or cut the salaries of employees (30%; Figure 28). A mere seven percent of businesses subject to a shock said they had borrowed from a bank or (in very few cases) received insurance payouts. What is perhaps even more telling is that large firms (despite their access to bank accounts) were no more likely to have used bank loans or less likely (i.e. not statistically significantly different) to have used funds from family and friends.

![Figure 28 Business strategies for coping with shocks](image)

**Source:** IBES 2019.

**Reluctance to borrow must be viewed in light of the pervasive risk businesses face.** It seems inevitable to conclude that the near-absence of bank credit is likely driven by the immense risk both lenders and borrowers face in a market beset not only by ongoing conflict, but also uncertain consumer demand. Anecdotal evidence confirms this conjecture. There is very little information in the IBES that could directly shed light on why businesses don’t borrow. The few businesses (2%) that have given information on borrowing from family and friends tend to stress that they preferred borrowing from them because of the greater ease of accessing a loan (62%). Relatively few microbusinesses say their decision was driven by looking for the most favorable interest rate (19%), but 30% of larger businesses say so – perhaps because they are more likely to consider the alternative of borrowing from commercial banks. Unsurprisingly, those who borrowed from friend and family paid much less interest on average than those who borrowed from commercial banks (9% and 15%, respectively). Yet, the available sample of 55 businesses is vanishingly small, and results should be viewed as merely anecdotal.
5. Availability and skill level of labor

Workers in South Sudanese businesses are quite well-educated. About two fifth of workers active in businesses in South Sudan have tertiary or vocational education (43%), and one third (33%) have completed secondary education (Figure 29). As one would expect, smaller businesses are less likely to employ highly educated workers. For instance, only about one in every four owner-operators (26%) have more than secondary education (Figure 30). Conversely, NGOs are far more likely than commercial businesses to employ highly educated workers – more than half (56%) have completed tertiary education.

Source: IBES 2019.
Most businesses do not view hiring as difficult, and both foreign and domestically-owned business by a large margin find it easier to hire South Sudanese than foreigners. Most businesses do not report that it is ‘difficult’ (as opposed to ‘easy’ or ‘moderately difficult’) to hire South Sudanese workers. More businesses report that it is difficult to hire a skilled worker than an unskilled one; and foreign-owned firms are more likely to find it difficult than domestically-owned ones (Figure 31). What is far more obvious is the difference in how businesses view the ease of hiring South Sudanese or foreign workers. For instance, fewer than a quarter of South Sudanese businesses find it hard to hire skilled South Sudanese workers, but more than half find it difficult to hire skilled foreigners. This difference is smaller among foreign firms, but they still report that it is substantially easier to hire South Sudanese. Overall, this is encouraging news both from the businesses’ point of view (labor is relatively available), and from the point of view of demand for South Sudanese labor (obstacles to hiring foreigners are greater, as they should be).

Figure 31 Share of commercial businesses that view hiring as difficult

Source: IBES 2019.

Hiring difficulties vary substantially between towns. Businesses in different towns vary substantially in how difficult they find it to hire workers. (Figure 32; the graph omits Maridi for readability.) First, it is reassuring that in no location, a meaningfully larger share of businesses find it hard to hire South Sudanese than find it hard to hire foreigners. Secondly, hiring any skilled worker is clearly a harder exercise in Torit and Nimule than in other towns. Finally, while the other localities do not differ that much in how many firms experience difficulty hiring South Sudanese, there is a much greater range in how many find it difficult to hire foreigners. Notably, few firms in Wau and Renk report having difficulties, but many in Aweil, Bor, and Kuacjok do.
The minority of businesses that find it difficult to hire skilled South Sudanese point to scarcity of available workers as the chief obstacle. The IBES data asks businesses to report why they find it difficult to hire workers – but only as it relates to skilled South Sudanese. Because earlier reports have pointed to the importance of high wage expectations in making labor markets clear, among responses that
mentioned ‘other’ reasons, we parse out those that relate to wage expectations. While the answer options are not entirely easy to interpret, the data suggests that the chief obstacle is a lack of skilled workers looking for jobs. Thus, 39% of businesses that experience hiring difficulties say these are due to the fact that workers “do not need a job”, and 19% say workers are “not available” (Figure 33). A variation on the same underlying reason is that available workers are thought to have high wage expectations (13%). This observation is consistent with the significant presence of foreign skilled workers. It may indicate that some of these workers are being hired due to a lack of suitable South Sudanese candidates (rather than because they are better qualified in some way), which could be encouraging news for policies to help more skilled workers enter the labor market.

Two thirds of foreign-owned businesses do not find hiring South Sudanese difficult, but those who do point to soft skills and wage expectations as potential obstacles. It is reassuring that two thirds of foreign-owned businesses that employ South Sudanese say that they do not find it difficult to hire South Sudanese workers (Figure 34). Those who do find it challenging clearly point to two obstacles in particular: weak soft skills, and high wage expectations. Soft skills are an obvious requirement for businesses that mostly employ workers as shopkeepers, sales people, and service workers. Wage expectations are an analytically difficult issue, since we have contradictory information on whether they are an obstacle to hiring – and under what circumstances. It is worth mentioning that, when we ask all respondent businesses (not only those who view hiring as difficult) what they believe to be the advantages of hiring foreign workers, they mention a range of potential issues, but no potential upside is very strongly felt.

Figure 34 Perceived obstacles to hiring South Sudanese workers, among foreign businesses


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17 Based on an inspection of the open-ended answers to the question asking respondents to specify obstacles, we use the search terms “wage, demand, huge, high, and pay”.

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6. Business expectations for the coming years

At the time the IBES survey was collected between and, businesses had generally very positive expectations for the coming three years. IBES data was collected in April and May 2019, when there was a sense of increasing stability in South Sudan. In line with this overall perception, businesses had rather positive expectations for the coming three years. A large majority of businesses expected the security situation to improve (83%), its impact on their business to subside (74%), and demand for their goods and services to increase (79%; Figure 35). A majority of businesses expects such improvements in each town. These expectations were similar among businesses of different types. Large businesses, who already view market access as less of a constraint than smaller ones, were somewhat more likely (5-7 ppt) to expect an increase in demand than smaller ones. Perhaps regrettably, however, businesses that have activities in production or transformation were somewhat less hopeful about increases in demand (10ppt less likely to expect improvement than re-sellers and service providers). Expectations for better security do not correlate significantly with whether firms currently view security as a major issue, nor do demand expectations correlate with whether market access is a big obstacle. There is therefore little reason to suspect that only those who currently experience particular hardship believe that things can improve.

Most foreign businesses expect an improvement in their business and would look to stay in South Sudan if security were to improve and the aid presence to reduce. In the foreign business survey, we ask respondents to consider their business outlook in a hypothetical situation in which the security situation improves, but the presence of aid organizations diminishes in turn. The majority of foreign businesses (53%) feel they would definitely stay in South Sudan, and a large majority (69%) would expect their revenue to increase (Figure 36). There is virtually no difference in expectations for revenues between firms that derive the majority of their revenue from the UN and NGOs and others. However, those that rely heavily on the UN for their business are less likely to be determined to stay: 47% of them are planning to ‘definitely’ or ‘probably’ stay, as opposed to 77% of other firms. That said, very few of those who do a lot of business with the UN say they would ‘probably not’ stay – rather, many (51%) say that they are undecided.

*Figure 35 Business expectations for the coming years*
VI. Policy implications

Markets in South Sudan are profoundly disrupted, and one must consider second-best measures to help early recovery that may be different from what will be right and sustainable once peace stabilizes. Conflict has taken a very heavy toll on businesses in South Sudan. Very few businesses today look the way one would like them to look as part of a sustainable recovery. Thus, many say they operate below scale, very few are active in production, hardly any use finance, and many rely on imports. This state of affairs need not be the future of businesses in South Sudan. But because the baseline for recovery is so low, it is particularly important to be realistic about the kinds of support likely to be realistic in the immediate term, and to allow for some second-best solutions until more sustainable approaches become viable.

1. Greater security is the single most important condition for more business activity. Conflict has affected nearly all surviving businesses in South Sudan, and it continues to affect many businesses directly (through loss of life, clients, and assets) and indirectly through poor access to market and low demand. Progress toward peace at the local level can lift this burden.

2. Depressed demand poses a very important business obstacle, and there is promise in local programs to stoke demand as well as national policy to lighten burdens. Businesses consistently complain about lack of demand for their products and services. This is the legacy of years of conflict and macro-fiscal mismanagement. Local initiatives to stoke demand hold real promise. In towns outside of Juba, the UN and aid agencies are important customers, and could be able to make a difference in reviving activity. There are also excellent opportunities to use national policy to restore demand, notably through monetary stabilization, payment of public sector wage arrears, and reallocation of resource revenue.
3. In the short-run, it may be more viable to foster a recovery of household productive activities, and to focus on manufacturing businesses only where there is a sufficient baseline of activity. Very few businesses are active in production. This is a profound concern for the longer term, and must be addressed. At the same time, because there is such a minimal baseline of activity, it will be difficult to generate many jobs in productive businesses outside of Juba, Renk (in the case of agribusiness), and perhaps some other towns. It may be easier to reach scale in reviving small household productive activities.

4. With minimal use of bank loans, grant financing is likely to be the more reasonable approach for broad business support in the short run. Hardly any firms – large and small – take loans for business activity or to deal with shocks, although they view an absence of finance as an important concern. Businesses also make clear that they operate in markets where demand is low and risk high. For early recovery, outright grant funding is therefore likely to be more viable than access to finance support, if the goal is to operate at scale with many businesses. At the same time, the relatively broad use of bank accounts and arrival of mobile money is an asset in helping businesses manage.

5. It makes sense to embrace the foreign business community as a large source of employment for South Sudanese workers, and to foster their ability to source products locally. Foreign-owned businesses are a very important source of employment for South Sudanese. Despite the disruption in markets, many also already source some goods and services locally. It is reasonable to expect that programs to expand local sourcing could expect some interest from foreign firms. A limitation to the potential is that foreign businesses largely engage in the same commerce and services activities as South Sudanese-owned businesses, so that they are unlikely to be the vanguard of higher-skill sectors.

6. Skills are not an immediate priority concern for business recovery, though they matter greatly in the long term. Few businesses of any kind worry about obstacles to hiring workers. It is crucial to address the longer-term consequences of the dire toll conflict has taken on education of young South Sudanese, and it is important to recall that if and when IDP and demobilized fighters re-enter the labor market, the skills mix will change. However, skills training has no place as a priority action when the goal is to help business recovery.
Appendix: additional statistics on differences between businesses in 2010 compared to 2019

Share of foreign ownership by town

Obstacles viewed as serious or very serious problems
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