

FOREIGN DIRECT INVESTMENT AND EMPLOYMENT:

**"A CASE STUDY OF THREE SELECTED FOREIGN
DIRECT INVESTMENTS IN JUBA COUNTY"**

BY

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**A RESEARCH REPORT SUBMITTED TO THE SCHOOL OF
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DECLARATION

I AKUEI KUERENG AWAI hereby declare that this research report is of my own work. It has never been submitted else where for any other degree or qualification. I have acknowledged all the secondary sources used in this study.

Signature:



Researcher: AKUEI KUERENG AWAI

Date: 4/08/2011

DEDICATIONS

I have dedicated this work to my wife Mary Akech Kuol, My Children; Joseph Yai Akuei, Daniel Atem Akuei, Late Rebecca Bor Akuei , Chol Akuei, father late Kuereng Awai D' Akuei and mother Mrs. Martha Nyariak Awer D' Anyang.

APPROVAL

This research report has been under my guidance and supervision and its ready for submission and examination as a university Supervisor

Signature: .....

Supervisor: MS. FARIDAH NAKAWUNGU

Date: .....

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ABSTRACT

The research examines and establishes the relationship between foreign direct investment (FDIs) and employment opportunities in the case study Juba County, South Sudan. It was based on the following objectives at ways of attracting the FDIs, how government benefits from FDIs and how FDIs also benefit from their business. Lastly, challenges facing the FDIs in the area were also looked into.

In the literature review, what different authors and theories have stated have been analyzed such that objectives can easily be understood. In the research methodology, the study employed descriptive design where both qualitative and quantitative approaches were employed and the study population consisted of the employees of the FDIs selected, local government administrators, students and natives of Juba County. Ninety respondents were sampled through random and purposive sampling techniques. Both questionnaire and interview methods were used to collect data.

The findings of the study reveal that foreign direct investment has been instrumental in creating employment opportunities to the people of South Sudan. The confirmation from the secondary data also confirmed that each FDIs selected for this research employs more than 60 percent of the local population as skilled, semi-skilled and unskilled employees. The government uses strategic ways to attract and sustain the activities of foreign investors in the country.

In conclusion, it was established that there is a significance relationship between the foreign direct investment and employment opportunities in Juba county South Sudan

The researcher therefore recommended that the government needs to continue enacting favorable policies and stable and favorable political environment besides developing social and economic infrastructures hence promoting and developing FDIs for more job creation.

CHAPTER ONE

INTRODUCTION

1.0 Overview

This chapter presents the background information of the study, the problem statement, the main objective, and specific objectives, and research questions, scope of the study and the significance of the study.

1.1 Background of the study

The advent of Millennium Development Goals (MDGs) is said to have given birth to several development strategies among which is the Foreign Direct Investment (FDI). This means that in order to seek the highest of return for capital, economists tend to favor the free flow of capital across national borders. It is against this backdrop that multinational companies seek investment in the foreign countries. Through this process, Morrisset (2000) clearly pointed that FDI has been viewed as one of the major stimulus to economic growth and development in developing countries as well as creating employment opportunities.

In the works of Piana (2005) for example, the author perceived FDI as the ability to deal with major obstacles to economic development such as shortages of financial resources, technology, and managerial skills hence making it the fundamental centre for policy makers in developing countries such as Africa, north America and Asia

According to Radebaugh and Sullivan (2001), FDI refers to investment made to acquire a lasting management interest (usually at least 10 % of voting stock) and acquiring at least 10% of equity share in an enterprise operating in a country other than the home country of the investor. In trying to be quite detailed, the author indicated that FDI can take the form of either "Greenfield"

investment (also called "mortar and brick" investment) or merger and acquisition (M&A), depending on whether the investment involves mainly newly created assets or just a transfer from local to foreign firms.

Piana (2005) stipulated that most investments have taken the form of acquisition of existing assets rather than investment in new assets ("Greenfield"). Merger and Acquisitions have become a popular mode of investment of companies wanting to protect, consolidate and advance their positions by acquiring other companies that will enhance their competitiveness in South Sudan

Based on forms of FDI (2008) raise particular concerns for developing countries on how they bring new resources to the economy, the denationalization of domestic firms, unemployment reduction, increase in technological assets, and increased or wider market concentration with implications for the restriction of competition in South Sudan.

Additionally, research conducted by UNCTAD for the World investment Report 2000 revealed that, if not taken carefully, the benefits of FDI for the host country are lower and the risks of negative effects are greater especially at the time of entry over the short term.

In a similar way, the research report by Radebaugh and Sullivan, (2001) also noted that FDI through Merger and Acquisitions (M&As) correspond to a smaller productive investment than Greenfield as the financial resources do not necessarily go into increasing the capital stock. In the authors deeper analysis, he noted that FDI through M&As is less likely to transfer new or better technologies than Greenfield investment, do not generate employment at the time of entry into the host economy, and may lead to lay-offs as the acquired firm is restructured.

In supporting the views of Radebaugh and Sullivan (2001), Aliber, (1970) indicated that FDI through M&As can reduce competition, and may be used deliberately to reduce or eliminate competition and over the longer term, cross-border M&As are often followed by sequential investment that do increase the capital stock. This suggests that ideally the purpose of Foreign Direct Investment is to benefit both the investing company and the host economy.

Whatever the case, the various research findings reveal the effects of FDI, this study attempted to establish the effect of FDI on the employment opportunities in Juba County, Southern Sudan.

1.2 Problem Statement

The Eighth United Nation's Millennium Development Goals for Africa emphasizes the need for economies to attract substantial amount of Foreign Direct Investment (FDI) to stimulate growth by investing in essential development infrastructures and provide employment opportunities. However, Piana, (2005) indicated that FDI is less likely to transfer new or better technologies, do not generate employment at the time of entry into the host economy, and may lead to lay-offs as the acquired firm is restructured. It is therefore because of this controversial background that this study will examine the applicability and investigation to unearth the effect of FDI on employment opportunities in Juba County, Southern Sudan.

1.2 Purpose of the Study

The purpose of this research is to establish the relationship between the Foreign Direct Investment and employment opportunities in Juba County, South Sudan.

1.4 Research Objectives

This research is based on the following objectives:

- (i) To find out the relationship between foreign direct investment and employment opportunities in Juba County, Southern Sudan.
- (ii) To establish ways of attracting foreign direct investment on employment opportunities in Juba County, South Sudan.
- (iii) To investigate the benefits of foreign direct investment in Juba County, South Sudan.
- (iv) To identify the challenges facing foreign direct investments on employment opportunities in Juba County, South Sudan.

1.5 Research Questions

This research seeks to answer the following questions:

- (i) What is the relationship between foreign direct investment and employment opportunities in Juba County, Southern Sudan?
- (ii) What are the ways of attracting the foreign direct investment on employment opportunities in Juba County, Southern Sudan?
- (iii) What are the benefits of foreign direct investment on employment opportunities in Juba County, Southern Sudan?
- (iv) What are the challenges facing foreign direct investments on employment opportunities in Juba County, Southern Sudan?

1.6 Research Scope

As regards the geographical scope of this study, it was carried out in some of the selected FDIs in Juba County, Southern Sudan. The selected FDIs in Juba County included the Kenya Commercial Bank, Equity Bank and Commercial Bank of Ethiopia.

The content scope of this study dwelled on the relationship between foreign direct investment and employment opportunities in Juba County, South Sudan (S.S). In doing so, study established the initiatives taken to attract foreign direct investment in Juba County, Southern Sudan, reasons for foreign direct investment in Juba County, and lastly, different forms of foreign direct investments in Juba County were established.

Furthermore, this study was carried out within a period of five years; that is to say from 2006 to 2010. As the researcher contended, this time frame was sufficient enough to gather all the necessary information for the study.

1.7 Significance of the Study

This research will be significant in the following ways:

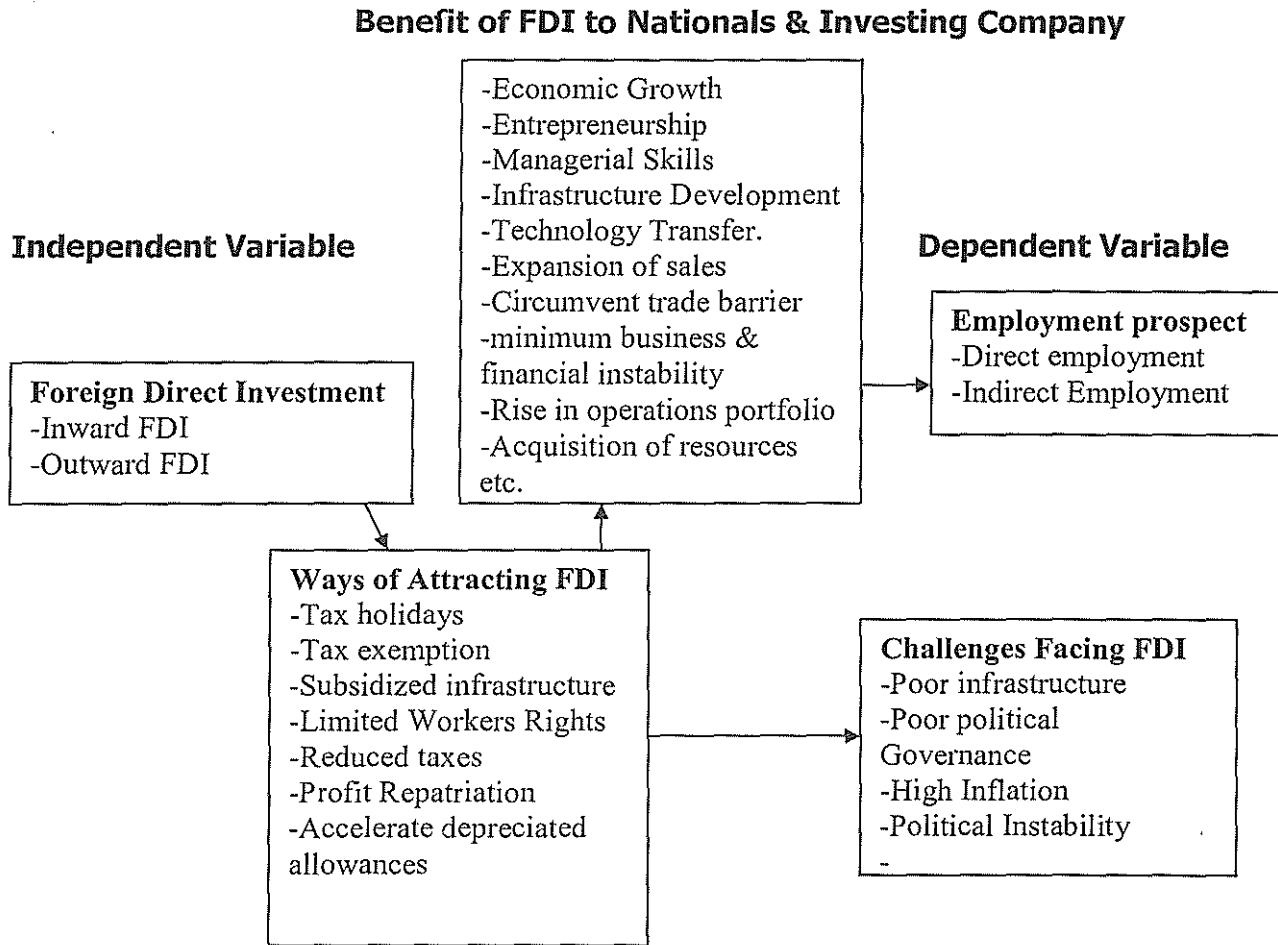
Information provided in this research may help policy makers in formulating strategic policies that will help to attract foreign investors to establish businesses in Juba County, South Sudan. This study will significantly help to boost economic growth and provide employment opportunities to the local population in Juba County, South Sudan

The findings in this research will furthermore help the political administration of the county to be well equipped and determined to control some of the vices brought about by FDI, especially M&As that tend to deprive the nationals of the privileges that should have been brought about by foreign direct investment.

This research will be useful to the domestic owned enterprises with some strategies that may assist them to cope up with the challenges brought by foreign direct investment. Hence, this will enable DOES to withstand the challenges and compete favourably with the foreign owned firms.

The research findings will contribute to the existing theories on the relationship between foreign direct investment and employment opportunities especially in the case of Juba County, Southern Sudan. This means that the study will act as a source of reference hence contributing to academic career of the researcher.

Figure 1.1: Conceptual Framework



Source: Author

Figure I.I, shows that Developing countries attract Foreign Direct Investment under both inward and outward using various ways such as tax reduction, tax exemption, limiting workers rights, allowing profit repatriation and tax holidays among others. If the established FDI's face limited challenges, both the government and the investing company benefit enormously and this encourages further expansion and growth of FDI and may also encourage diversification in business hence creating more employment opportunities in both direct and indirect ways. Direct employment here means people who are employed to work in these FDI's while indirect employment means people whose jobs are created because of the existence of the FDI's but do not work in these FDI's. Challenges therefore act as intervening variables affecting either employment positively or negatively.

CHAPTER TWO

LITERATURE REVIEW

2.0 Overview

This chapter seeks to address what scholars revealed about issues regarding foreign direct investment on the employment opportunities in South Sudan. It first presented relationship between foreign direct investment and employment opportunities and then established initiatives taken by countries to attract foreign direct investment, reasons for foreign direct investments and lastly, challenges facing foreign direct investment.

2.1 Relationship between FDI and Employment Opportunities in South Sudan.

According to the work by Morrisset (2000) it was noted that although most of the FDI come along with their expertise and skilled personnel, they still employ great and massive of the local population of semi-skilled and unskilled to participate in some of the different operational activities hence boosting employment opportunities for the people in the host country especially in the areas of manufacturing, marketing, sales, and technical support.

According to the socio-economic impact assessment on the FDI Benito & Gripsrud, (1992) revealed that the country had come short of the expectations in terms of the DFI programs in terms of employment opportunities to be created. According to the authors report it was found out that the government anticipated of creating 25 000 jobs by the end of 1999 could not be achieved as only 400 actual number of jobs were created at the time of the study hence leaving the credibility of FDI in job creation doubtful.

The study carried out by Humes, (1993) revealed that although good numbers of jobs have been created for the African people through the foreign direct

investment in their various countries, poor labor conditions prevailing in the jobs created are quite regrettable. Giving a specific example with one of the Chinese owned textile company producing for the US market, the author revealed that the company had two strikes within months of each other and this was simply due to poor working conditions and poor salaries, typical conditions that prevail.

Another research on FDI in Africa by Ragazzi, (1973) also illustrated clearly that in many of the countries, a quarter of FDI programs expands employment, a third contracts employment. Citing a clear example, the author indicated that most FDI investment went into the mining industry that reduced its workforce from 14000 to 5000 during the past 12 years. This therefore challenges believe in people that FDI creates employments opportunities to the local population.

Another finding by Graham and Spaulding (2004) on FDI especially in South Africa indicated that FDI has greatly helped to transfer managerial skills to local managers. The scholars showed in his research that this has helped many local workers to take places of management when foreign investors set up new plants, acquire companies or outsource to local subcontractors.

In another research by Jaunch and Endresa (2000) the authors pointed out that international experience has shown that FDI was hardly accompanied by substantial employment creation, and in some cases may even lead to job losses. Another problem with employment through FDI was the kind of employment created.

As it can be seen from the above literature, it can some how be noted that FDI has somehow been challenged in the area of job creation. This will have to be looked into in the case Juba County, in Southern Sudan.

2.2 Ways of Attracting FDI in Developing Countries

As a matter of fact, different developing countries employ various initiatives to attract FDI. Giving an example with Namibia in Africa, Jauch and Andersen (2000), noted that in order to attract foreign investors to establish businesses in the country, the governments of Developing countries offer incentives such as tax holidays, exemptions on export and import duties, subsidized infrastructures, and limits on workers rights. Through this process, many foreign investors have established investment programs in the country hence improving the economic growth and development of the country.

In a similar way, WIR, (2002) also indicated that many of the African countries have improved their regulatory frameworks for FDI by opening their economies, permitting profit repatriation and providing tax and other incentives to attract investment. In the author's deeper analysis, he noted that improvements in the regulatory framework for FDI have been stressed in many countries through the conclusion of international agreements on FDI. In the reports by UNCTAD, (1999) it was also noted that most African countries have concluded bilateral investment treaties with countries whose main aim is the protection and promotion of FDI.

Another report on FDI also indicated that some developing countries especially to those in Africa resort to reduced tax rates, tax holidays, subsidies, exemptions from import duties, accelerated depreciation allowances, investment and reinvestment allowances, specific deductions from gross earnings for national income tax purposes, deductions from social security contributions that truly entice foreign investors (Dupasquier and Osakwe, 2005).

According to Benito and Gripsrud (1992), one of the strategies to attract foreign direct investment is entering into investment treaties, both bilateral investment

treaties and multilateral ones. In the authors analysis he stressed that through bilateral investment treaties, favorable investment climate between two countries is established by providing assurance and guarantees to investors. The author also stressed that through foreign investment treaties, fair and equitable treatment for foreign investors in terms of applications for investment approval and setting up their businesses; specific provisions on expropriation and non-commercial losses and compensation for the same, and dispute or conflict settlement mechanism is constantly ensured (CUTS, 2001).

Another research by Anand and Kogut (1997) also indicated that more and more countries developing world are engaging in pro-active policies to attract FDI. As for Anand and Kogut (1997) they stressed that most countries have established investment promotion agencies (IPA) whose main purpose is to attract FDI and to look after foreign firms once they have set operations. Giving some example with those countries in Africa, the authors noted that many African countries still suffer from a negative image. This makes the marketing role of IPAs extremely important. Investment promotion agencies usually fulfill a dual role such as acting as a one stop for investors to deal with regulatory and administrative requirements and changing or modifying investor perception of the country by attending and organizing investor fairs and by distributing materials.

Although many other ways or initiative might be used by developing countries to attract FDI, the above outlined are the one ones reviewed in the literature. More of these will be looked in to especially with the case of Juba County, South Sudan.

2.3 Importance of Foreign Direct Investment

According to the literature reviewed, Foreign Direct Investment benefits both the foreign investing company and the hosting country. These will be treated differently.

2.3.1 Benefits of FDI to the Hosting Country

Basing on the Economic Report on Africa by the United Nations Economic Commission for Africa, it was stipulated that FDI is the key to solving Africa's economic problems. Bodies such as the IMF and the World Bank have indicated that by attracting large inflows of FDI, the program has result in economic development. Although the report did not clearly illustrate the degree of economic development resulting from FDI, at least it mentioned that there is economic development (Chen and Chen, 1998).

Another report on the FDI in Sub-Saharan African governments also indicated that developing countries do attract FDI in order to generate employment. The same report portrays that through FDI greater competition has been promoted and search for foreign capital to fill the resource gap has to some extent been witnessed.

Accordingly, it has also been Bouma (1996) through attracting and permitting FDI many developing countries have been to some extent to overcome scarcities of resources such as capital, entrepreneurship; access to foreign markets; efficient managerial techniques; technological transfer and innovation; and employment creation. This has pushed their socio-economic development.

UNCTAC (1999) also illustrated that in the attempt to attract FDI, many developing countries, African countries in particular have designed and implemented policies; build institutions; and sign investment agreements. This has helped to improve their institutional and infrastructural development

Additionally, Reid (1991) also indicated that in many developing countries, FDI is seen as an important source of capital formation particularly when the capital base is low. Through this process, capital inflow has helped to create a surplus in the capital account of the balance of payments or to make up for the deficit on the current account.

Additional analysis by the Consumer Unity and Trust Society (CUTS) (2001) in Southern Africa points out that FDI have led to transfer of technologies. In clear analysis of this report, it was noted that because foreign companies use technology from their home country, their technology is diffused with spill-over into the local production process, and that technology is in most cases adopted and adapted by local enterprises for an economy to improve since quality technological upgrading is crucial.

Strange, (1993) used a panel data approach for 29 African countries to examine the main determinant of FDI and found that good government policy, growth in GDP and trade openness have significant positive relationship with FDI. This means that countries with FDI and are witnessed by good governance experience growth in their GDP.

2.3.2 Benefits of FDI to the Investing Company

According to Radebaugh, & Sullivan, (2001) although there are risks involved in FID, there are some significant objectives for foreign direct investment that actually outweigh the risks involved in the business.

In the works of Graham & Spaulding, (2004) for example, the author noted that one of the major business objectives for FDI is to expand sales. In the analysis of the author, the author indicated that through FDI, investors increase their competitiveness in foreign markets. By having a physical presence in those

markets, foreign investors manufacturing and service provisions are preferred to those local investors. The authors also indicated that through physical presence in different forms, investors have a great way to circumvent trade barriers, official and hidden, to the new market (Graham & Spaulding, 2004).

Additional objective of FDI according to Jaunch and Endresen (2000) is to decrease transportation costs from the country of manufacturing to the market, save on the human resources employment compensation in all areas of the company operations (manufacturing, marketing, sales, and technical support). This suggests that the company is likely to save great amount of money that can also be reinvested other business or to expand business opportunities.

WIR report on FDI (2002) established that through FDI, foreign companies easily acquire resources. As for this report, through resources acquisition, company's potential savings through vertical FDI is emphasized, and the firm establishes its manufacturing facilities, deliberately allocating different stages of production in different countries. These types of investment are developed based on the differences across countries in input costs and availability of the appropriate trained employees. This benefits the country in which the investment is established in a way that it equips that hosting country with well skilled personnel that can boost extractive industry (WTO, 1996).

Additionally, Dupasquier and Osakwe (2005) also indicated that FDI enhances general capability to increase total production capacity, increasing the operations portfolio, and gaining government incentives (sometimes, significant) for establishing business presence in these countries. As for the authors this boosts and inspires home based business companies to healthily compete with the international companies hence, promoting entrepreneurship capacity.

Morrisset (1999) also noted that through FDI, risks of business and financial instability can be minimized especially through the approach of diversification. According to Morrisset (1999) diversification might appear in different forms but the common one the author mentioned is product diversification, when one company is purchasing another company doing somewhat different activities than the purchaser, to seize new opportunities (Piana, 2005). Spreading its area of expertise for the wider application base, organization has better abilities to be flexible and survive unstable market demands for the particular products. Additionally, the author mentioned that FDI through diversification of customer base, allows leveraging the profits and risks throughout different customer clusters, saving company from severe hits that might be caused by recession and market saturation in one stand-alone country.

According to the business report by WTO, (1996) some of the serious reasons in favor of FDI are tightly related to host government political and economic regulations. The FDI might also be driven by trade barriers, either existing measures - "tariff-jumping" FDI - or with the intention of reducing the probability of future protectionist measures, the so-called "*quid pro quo*" FDI (WTO, 1996).

Additional advantages might be gained, if the consumers on the host market are having certain, not very positive, sentiments towards the particular foreign product manufacturers, or the manufacturing nations. In these cases, local market penetration through locally produced and localized products will allow to improve the company's product recognition and acceptance. There is a complicated interactive relationship between consumers and manufacturer. It is not manufacturer only, who make adjustments to the product in order to follow the consumer demand and capture the customer needs, but by introducing its goods in the daily life of the people, it changes their perception towards the manufacturing firm to some degree.

2.4 Challenges Facing Foreign Direct Investment in South Sudan

Although FDI has been viewed as an opportunity for economic growth and development in many developing countries, some scholars establish that the program still faces a lot of challenges.

Dupasquier and Osakwe (2005) for example in their study on FDI on African countries indicated that although it has been claimed that FDI benefits greatly from the presence of abundance natural resources in the African countries, these natural resources are not easily accessible due to the poor or inadequate existing infrastructures. This point has been pointed as an obstacle to the proper achievement of FDI especially in Africa.

Anand and Kogut (1997) also studied the performance, promotion and prospects of FDI in Africa and in their explicit analysis the authors pinpointed that FDI in the case of Africa are highly affected by political instability that in most cases tend to lead to low business growth and in some cases destruction of goods, services and structures hence putting the foreign investing companies at a higher risk.

As for WTO (1996) foreign direct investment is greatly challenged by poor governance. As for the author, poor governance encourages macroeconomic instability and sometimes also inhospitable regulatory environment that does not favor the foreign investors in some cases.

Aliber, (1970) for his part blamed the ill- conceived investment promotion strategies in many African countries. As for him, ill- conceived investment promotion strategies in these countries highly affects conscientious at national, regional and international level to promote the African market.

Another great challenge that has been faced by foreign investors in African countries according to Piana (2005) is the inflation. In the explanation of the

scholar, he noted that due to high levels of inflation in many of the African countries, investment and growth have been deterred while trade openness and human capital have been inconsistent and insignificant in explaining the relationship between FDI and growth in these countries.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter dealt with the research design, sampling procedure which included simple random and purposive sampling, sample size, method of data collection which included interviews and questionnaire, and the method of analysis.

3.1 Research design

A descriptive survey design was used in this study. This design was chosen as appropriate because the study investigated the relationship between foreign direct investment and employment opportunities in Juba County, Southern Sudan.

The design was also chosen because case studies are suitable for intensive investigations and analysis of a single phenomenon structure or group being studied.

3.2 Population

The target population for this study was 150. This comprised of 24 managers of FDI's in Juba, 42 staff members from the three selected FDI's, 32 local administrators, 26 students and 26 natives of Juba County. The selected the above outlined category of people in order to provide appropriate, relevant, sufficient and realistic information about the topic under study.

3.3 Sample Framework

3.3.1. Sampling Design and Size

In this study, the researcher employed both simple random sampling and purposive sampling methods. These designs were chosen in sense that the researcher could carefully select key respondents that are relevant for the study. This suggests that random sampling and purposive sampling methods helped in

selecting informants who were capable of providing sufficient and topic related data for the study.

Based on the research proposal of Amin (2005), the researcher sampled 90 respondents from a total population of 150. This suggests that more than 10 percent of the total population was selected. In break down, 45 respondents were selected from a population of 66 staff members of FDI, 17 respondents were sampled from a population of 32 local administrators, 14 respondents were sampled from a population of 26 students and natives respectively. Respondents of different socio-demographic characteristics were selected in this.

3.3.2. Sample Procedure

In using simple random sampling, the researcher first gathered the names of intended subjects from the responsible personnel in Juba County and the three selected FDIs in the County. The selection of the respondents was done from the surnames that start with the letters G, A, D and N. Since the people with their surnames started with letters G, A, D and N had been many, the researcher then employed purposive sampling method to select the number that fits the sample size. In using purposive sampling, the researcher employed the cases of experience, age range and educational level seriously. This is because the researcher believed that experience, some age range and education level are incapable of revealing the required information for the study.

3.4 Data Collection Tools and Procedures

While carrying the study, the researcher employed a variety of methods among which included questionnaires, interviews and observation.

3.4.1. The Questionnaire

Questionnaires were used because they could collect information from many respondents in a projected timeframe. All respondents were asked the same questions except in technical circumstances. Ninety five copies of questionnaires were used to collect data from respondents. Forty five of them went to the management and the staff members of some companies owned by foreigners; 17 to the local administrators; 14 to students and 14 remaining went the local people in the county. These questionnaires composed of both close-ended and open ended part. Close ended questions were preferred because they were easy to answer and score, while open ended questions were intended to give respondents a chance to support their opinions in a free atmosphere in addition to predetermined choices.

3.4.2. Interviews

Both formal and informal interviews were conducted with some managers of foreign companies and their staff members. Guiding questions were used for interviews but during the course, other questions were asked depending on the responses by the respondents. Results from interviews were helpful in complementing information that would be obtained from questionnaire. During interviews, clarification on some of the statements that were made by informants took place enabling the interviewee to reveal his or her view point. Information that could not be revealed through questionnaire method was obtained through interview technique.

3.5. Reliability and Validity of Data Collection Tools

The validity of the questionnaire was established by expert judgment method proposed. The research supervisor acted as an expert to judge the research instruments. The researcher adjusted the materials according to the supervisor's recommendation and analysis.

3.6 Research Procedure

An introduction letter was secured from the Kampala International University, department of Business Administration to enable the researcher to visit the respective respondents in Juba County to inform them formally about the forthcoming study. A list of employees in the companies owned by foreigners and local county administrators was then obtained from their respective places of work.

Permission to conduct the study was then obtained from the relevant authorities at in the county. With the help of research assistants, the researcher administered questionnaires to the respondents and additionally, interviews organized. Information from respondents was recorded and used to derive conclusions about impact of foreign direct investment on the employment opportunities of the local population. The study respected human dignity and concealed the identity of respondents in the study. Only informed consent was required.

3.7. Data Analysis and Presentation

Both qualitative and quantitative data analysis techniques were used in the data analysis and presentation. The findings were discussed, analyzed and presented in form of tables, charts and other descriptive methods that were backed by frequency and percentage presentation. The researcher ran all the data presentation and analysis by use of Microsoft word and excel.

3.8 Limitations

Some informants demanded money for what they were asked to do, that is, filling in the questionnaire. They claimed that filling in the questionnaire does entail the use of brain power and personal time which could be used to make money somewhere else. Although this was somehow challenging to the

researcher, he struggled and managed to convince many of such informants to fill in the questionnaires freely without any pay.

Some people in high positions from whom the researcher thought he would get enough information about the topic under study claimed they had no time to fill in the questionnaires or to be interviewed. However, some of them indeed responded to my appeal and gave detailed information for the study.

There was also a shortage of money to have access to some of the important materials such as newspapers, internet, journals and other documents for more information, since they were very scarce and costly in the area of the study. However, the researcher had to borrow some money from her friends and relatives to finish up this work.

CHAPTER FOUR

DATA PRESENTATIONS, INTERPRETATION AND ANALYSIS OF THE FINDINGS

4.0. Introduction

The researcher establishes the findings of the study, the analysis and discussions of the results in this chapter. The findings presented in this chapter are all based on information collected through questionnaires, interviews and secondary data from the field study hence, findings were based on the literature reviewed and research objectives.

4.1. Demographic Information of Respondents

4.1.1 Age group

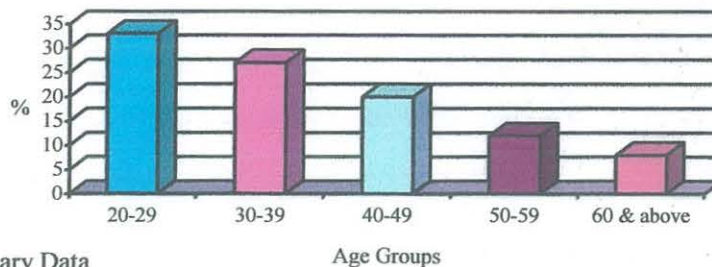
Respondents ticked their relevant age interval as indicated in table 4.1.1.

Table 4.1.1: Age Distribution of Respondents

Age Group	Frequency	Percentage Frequency
20-29	30	33
30-39	24	27
40-49	18	20
50-59	11	12
60-above	07	8
Total	90	100

Source: Primary Data

Figure 4.1.1: Age Group of Respondents Derived from Table 4.1



Source: Primary Data

According to Figure 4.1.1, most of the respondents (33 %) were at the age of 20 to 29, followed by the age group of 30 to 39 (27 %), then 40 to 49 (20 %), 50 to 59 (12 %), while the oldest, that is from the age of 60 and above formed 8 % of the respondents and were the least participants in the study. Youth (20 to 39) formed the greatest part of respondents (63 %) because most of the workers at the three selected FDIs in Juba County were the youth as the political insurgency that has been in the Southern Sudan for the last few decades left most of the elderly population dead and the most of the few remaining ones were illiterate so incapable of working in the FDIs or the county. With an intention to select educated or literate respondents capable of responding, analyzing and interpreting effectively to the research questions, the researcher ended up selecting mostly the youth.

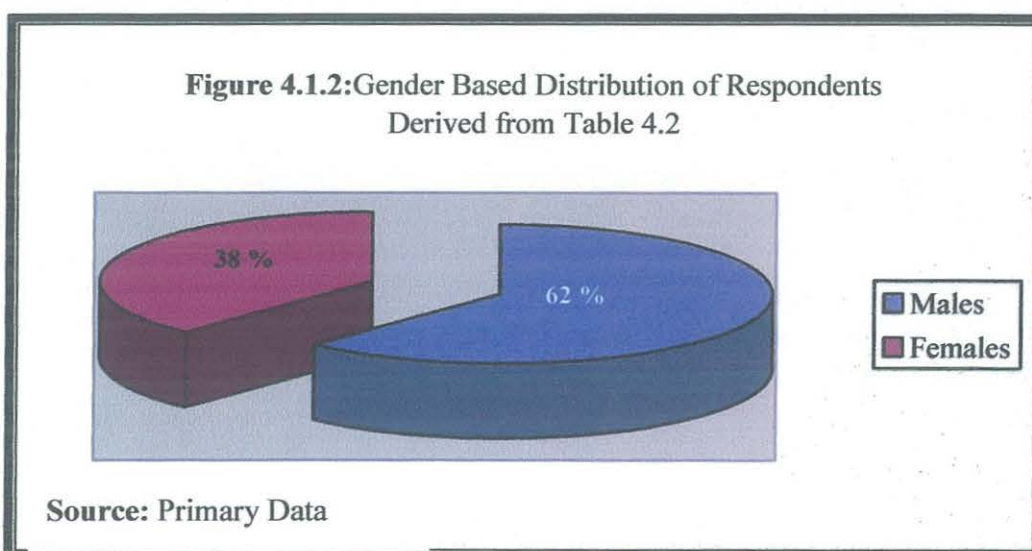
4.1.2 Gender

Respondents were also asked to tick their appropriate gender during the study process. Table 4.1.2 illustrates the summary on the gender of respondents.

Table 4.1.2: Gender-Wise Distribution of Respondents

	Male Freq	%	Female Freq	%	Total %
Gender	56	62	34	38	100

Source: Primary Data



As shown on Figure 4.1.2, females formed 38 percent of the respondents while males formed 62 percent. There was somewhat wide gender gap between men and women as respondents because most of the staff members and clients in the three selected FDIs and Juba County border were males. Asking some respondents on why there were few women working in the selected FDIs in Juba County, many of the respondents mentioned the aspect of culture that has all along been detrimental to the education of women. However, information from the few female respondents was very vital in complimenting the information given by the male counterpart. In other terms, information that was not delivered by one gender during the study process was revealed by the other gender. This therefore helped in provision of detailed, fair information on the topic under study.

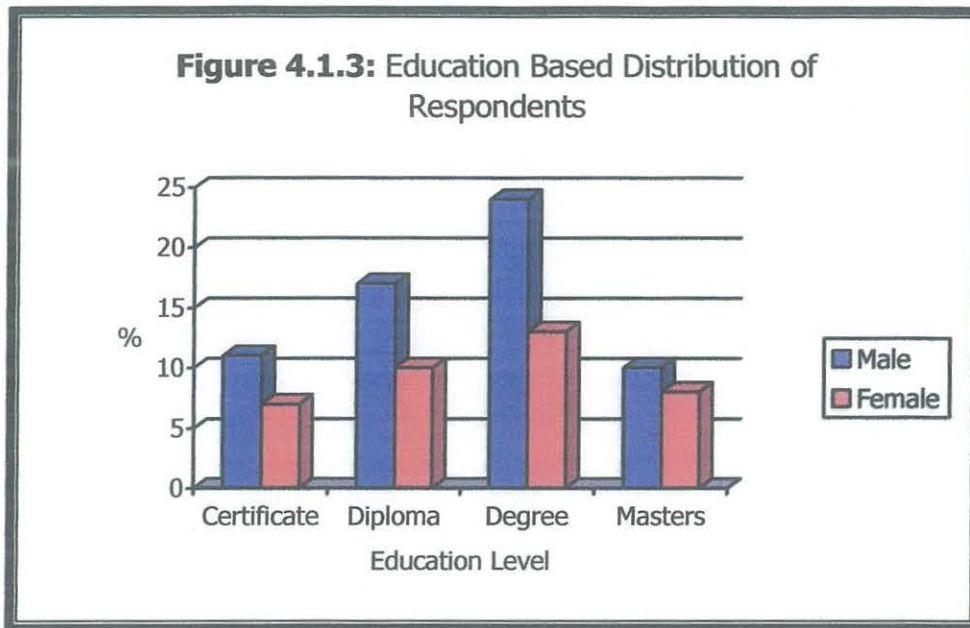
4.1.3 Education Level

Education level of respondents was also investigated in the field. The summary of this is presented in table 4.1.3.

Table 4.1.3: Education Based Distribution of Respondents

Level of education	Male Freq	%	Female Freq	%	Total %
Certificate	10	11	06	07	18
Diploma	15	17	09	10	27
Degree	22	24	12	13	37
Masters	09	10	07	08	18
Total	56	62	34	38	100

Source: Primary Data



Source: Primary Data

Table 4.1.3 shows that a big number of respondents (37 %) attained their first degree and this was followed by (27 %) of respondents who attained diploma. The respondents who attained certificates were 18 percent while those who completed their masters' degrees formed 18 percent of the respondents. This suggests that the selected respondents were literate enough to reveal relevant information needed for the study.

4.1.4 Category of Respondents

One of the important aspects that were also investigated on the demographic characteristic of respondents was their category based on what they do or their position example as managers or employees of FDI or as local government of Juba County. The summary on this is presented on the Table 4.1.4.

Table 4.1.4: Position or Titles of the Respondents

Titles	Frequency	Percentage
Managers of FDI	12	13
Staff of FDI	30	33
Local Administrators	20	22
Students	14	16
Natives	14	16
Total	90	100

Source: Primary Data

As it can be seen in Table 4.1.4, category of respondents based on their position and titles was done. Most (46 %) percent of the respondents selected were those working in the FDI's (manager and the staff), 22 percent of the respondents were the local government administrators from which people have to get recommendations before applying for various jobs in FDI's and natives and students formed 32 percent of the respondents. Categorizing respondents according to their titles and positions was helpful in that it helped to find out whether FDI's have been instrumental in providing employment opportunities or not.

4.1.5 Experience of Respondents

The time interval in which the respondents have been working in the selected FDI's and in which respondents have been in touch with those FDI's was also considered in this research. The researcher was interested in finding the time interval of respondents because he believed that those who have been in touch or working in the selected FDI's must have had more knowledge in the issues concerning FDI's and employment opportunities of people of Juba. This latter on helped the researcher in the analysis and discussion of data collected. The summary on this is presented in Table 4.1.5.

Table 4.1.5: Experience of Respondents

Experiences	Frequency	Percentage
1-3 Years	27	30
4-6	38	42
7-and above	25	28
Total	90	100

Source: Primary Data

As it can be seen in Table 4.1.5, 70 percent of the respondents had been working in or been in touch with the selected FIDs for over four years. This suggests that most of the respondents selected for this research were capable and knowledgeable as concerns aspects of employment and FIDs in the case of Juba County, South Sudan.

4.2 Relationship between FDI and Employment Opportunities in Juba County, South Sudan.

Before establishing the relationship between FIDs and employment opportunities in the case of South Sudan, the researcher asked whether the selected FIDs in Juba County have been in place to employ most of the local people or not. The summary about this matter is illustrated in Table 4.2.1.

Table 4.2.1: Whether FIDs Employ Mainly the Local People or Not

Response	Frequency	Percentage
Yes	88	98
No	02	02
Total	90	100

Source: Primary Data

As it can be seen in Table 4.2.1, 98 percent of the respondents asserted that the FIDs in South Sudan, specifically those in Juba County have most percentage of their employees the nationals while 2 percent of them refute the matter. Although 2 percent of the respondents had different positions, the research aligns with the majority of the respondents. This finding was similar that of

Morrisset (1999) AND Graham and Spaulding (2004) who contended that that FDI has greatly helped many in developing countries by transferring managerial skills to local managers.

In establishment of the relationship between the variables, the researcher based himself mostly on the secondary data obtained from all the three selected FDIs for this study. The summary of this is established below.

Table 4.2.2: Employees Recruitment Record in Three FDIs

EMPLOYEES' RECRUITMENT RECORD IN THE THREE SELECTED FDIS															
FROM THE YEAR 2006-2010															
	2010			2009			2008			2007			2006		
	N	O	T	N	O	T	N	O	T	N	O	T	N	O	T
KCB	12	4	16	8	3	11	12	5	17	10	4	14	14	6	20
EQUITY BANK	14	5	19	10	4	14	13	6	19	15	5	20	14	5	19
CBE	12	6	18	12	8	20	13	7	20	12	5	17	12	5	17

Source: Employees' Recruitment Record from the FDIs in the last 5 years

Keys: **N**-Number of Nationals Recruited in Particular Year

O-Number of Foreigners Recruited in Particular Year

T-Total Number of Employees Recruited in Particular Year

As it can be seen on 4.2.2, out of 53 employees recruited in 2010, 38 were nationals while 15 of them were non-national, in 2009; a total 45 employees were recruited in the three FDIs, 30 of them were national while 15 of them were non-nationals, in 2008; a total of 56 employees were recruited, 38 of them were nationals while 18 of them were non-nationals; in 2007, total number 51

employees were recruited, 37 of these were national while the remaining 14 employees were non-nationals; in 2006, a total number of 56 employees were recruited, 40 of the employee were nationals while 16 of them were non-nationals.

From the above presentation, it can be noted that the FDI's have been instrumental in providing employment opportunities to people of South Sudan. According to information from some of the managers of the FDI's selected, they tend to most of the opportunities to the nationals because their intention is not to deprive the country but to work together and ensure that the country prospers both economically and in human resource. As such, they give the reason of mostly employing the nationals as a way forward to build and increase the number of skilled and expertise in the country.

A question on why the investors could not fill all the places with the nationals was asked and according to most of the managers consulted, their institution needed highly skilled and expertise technocrats to avoid getting into higher business risk and to manage through the competitive business. This suggests that they employ some non-nationals who are highly skilled and expertise so as to withstand business risks.

However, some of the respondents consulted lamented that it is the government policy that the number nationals recruited in any of the FDI must be more than the double of non-nationals recruited.

Additional information about the number of skilled, semi-skilled and unskilled employees among the nationals was also investigated. According the record from the management, 30 percent of the nationals working in the selected FDI's work as skilled workers, 32 percent of them work as semi-skilled workers and 38 percent of them work as unskilled. Although nationals work in various categories, the researcher still contends that at least many nationals have been employed in by the FDI's in the country.

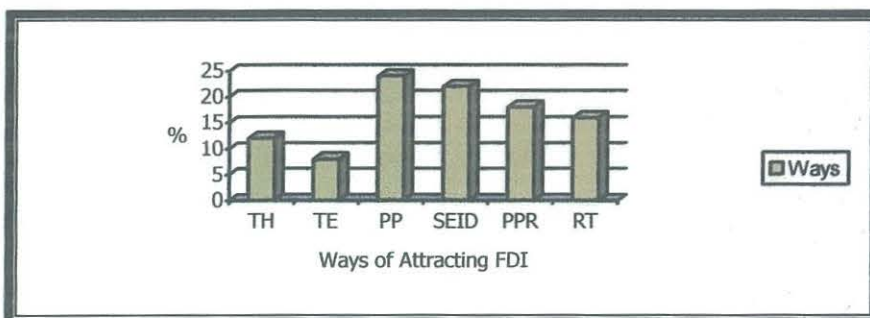
Although some of the local employees complained of not taking the higher positions in the selected FDI's and low payments as compared to non-nationals, the researcher believes that the top positions were mostly in hands of foreigners because they were highly qualified for the positions and had considerably good number of experience as compared to many of the nationals. The researcher therefore believes that this could have been the reason for the non-nationals to get relatively higher payments than their counterparts. In general, many of the respondents contented that the treatment of employees at the FDI's was satisfactorily.

According to additional investigation with some of the managers of the banks, the institutions are likely to expand some of their wings and create more jobs for the nationals as well as training more human resource that will help to gear the development process of the country.

4.3 Ways of Attracting FDI to Promote Employment in Sudan

This was one of the main aspects under investigation in this research. Respondents were asked to tick appropriately and list some of the ways in which the government of South Sudan is persuading the FDI's in the country. The summary on this is illustrated in 4.3.1.

Figure 4.3.1: Summary on Ways of Attracting FDI's in Juba County, South Sudan



K Source: Primary Data

TH-Tax Holidays

TE-Tax Exemption

PP-Peace Promotion

SEID-Social and Economic Infrastructure Development

PPR-Promoting Profit Repatriation

RT-Reduced Taxes

As it can be seen in Figure 4.3.1, the government of South Sudan has taken a multi-lateral approach to entice the FDI in the country.

One of the commonest approaches used by the government of South Sudan that forms 24 percent of all approaches is by building and promoting peace in the country. According to respondents, no business man would like to invest in a country that is hard hit by political instability since many business men consider the safety of the business seriously. According to these respondents, the government at the moment has built up well trained and established army and police that is keeping law and order and protecting people's business venture. Through this system, some FDIs have been able to come and establish business ventures in the country. The point of peace building and reconciliation was not indicated by scholars articulated in the literature. The researcher suggests that it may uniquely for the case of South Sudan or countries that face similar challenges.

Another commonest approach that forms 22 percent of all the approaches used by the government of South Sudan according to respondents is by developing and improving both the social and economic infrastructure in the country. Most of these respondents believed that in the last few years of political insurgency in the country, almost all the social and economic infrastructures were demolished and damaged and yet economic development and attract FDIs, better and improved social and economic infrastructure is needed. Demanding some of the social and economic infrastructure that have been developed by the government

of South Sudan, some of the respondents mentioned the development of roads, commercial centers, banks and hospitals as some of the infrastructures the government has developed and is still developing. The case of infrastructure to attract foreign investors was also cited by Jauch and Andersen (2000) and as for him he noted that subsidized infrastructure has greatly helped African countries to attract FDI.

The researcher also agrees with the respondents since through infrastructural development transportation of goods and services are made easier and people are able to keep their money banks, hence making businesses men assured of their business capital.

Besides developing social and economic infrastructure, the government of South Sudan has also permitted profit repatriation to all those interested in undertaking business. According to respondents, this approach forms 18 percent of all approaches the government uses to attract foreign investors. According to respondents, many business men have been attracted by this method since apart from transforming the economy of the country and serve the people of South Sudan, the investors are able to take back part of their profit to develop their home countries. This finding is in line with that of WIR, (2002) who also noted the issue of permitting profit repatriation as regulatory frameworks by developing countries to attract FDI.

According to respondents, the government of South Sudan in some incidences also reduces taxes to boost and promote foreign investment in some vital sectors that can prompt social and economic development easily. According to respondents, this approach forms 16 percent of all the methods used by government to attract FDIs. Respondents mentioned that health sector businesses, agricultural development businesses among others have been some of the FDIs benefiting from reduced taxes policy of the government. Although respondents could not establish the percentage of tax that has been cut off for these FDIs, they asserted that this method has attracted good number of foreign

investor to establish such related businesses and generate employment opportunities to the local people. This finding supports the study by Morrisset, (2000) that indicated reduced taxes for FDI as a way of attracting them.

Tax holiday was also one of the approaches revealed by respondents through which the government is trying to persuade FDI into the country. According to respondents this approach forms 12 percent of all the approaches and it is given as an appreciation to FDI who have been operating in the country for quite good numbers of years. As respondents contended, this kind of approach is intended to persuade FDI to continue operating in the country and employ some of the unemployed youth in the country. Some of the FDI that were cited to have benefited from this approaches included most of the firms that have been in the country for over five years and those mostly engage themselves in agricultural production and health sector. Morrisset, (2000); WIR, (2002) and Jauch and Andersen (2000) were some of the scholars who also indicated tax holidays as enticing strategy by developing countries.

The last approach mentioned by respondents through which has all been attracting and retaining some of the FDI in the country is by tax exemption. According to respondents, this policy forms 8 percent of all the methods used by the government of Sudan to lure foreign investors in to the country. Here, firms that have been operating in the country for quite good time are exempted from paying some forms of taxes. This is to boost production capacity of such firms encourage many others to continue operating in the country. Although respondents could not mention some of the FDI that have benefited from tax exemption, many of them strongly believed that this approaches is functioning in the country. This research finding is in line with that of Jauch and Andersen (2000) who noted tax exemption on export and import duties as a technique for attracting FDI.

Investigation of respondents on the government policy to attract FDIs in the government was done and over 80 percent of them had positive attitudes about all government approaches as they believed that such FDIs can act as source of inspiration to the local firms and enable the local firms to set up a standard to match the foreign standards.

Additionally, some of them believed that persuading FDIs in the country is one of the vital actions taken by the government to recover the economy of the country and provide employment opportunities in the country that was damaged by the insurgency in the last few decades.

4.4 The Benefits of FDI to the Government of South Sudan and Foreign Companies

This was one of the crucial issues investigated in this research. Respondents were all asked about the benefits of FDI to the government of South Sudan and the foreign companies. This is explained below.

4.4.1 *FDIs and the Government of South Sudan*

Results of the investigations on the benefits of Foreign Direct Investment to the Government of South Sudan were done. The findings are illustrated in Table 4.8.

Table 4.4.1: Benefits of FDIs to the Government of South Sudan

Benefits	Frequency	Percentage
Employment Opportunities	36	40
Increased Tax Base	19	21
Encouraging Peace Building	14	16
Talent Development Programs	13	14
Building and recovery of economy	8	9
Total	90	100

Source: Primary data

As it can be seen in Table 4.4.1, forty percent (40 %) of the respondents asserted that the governments of South Sudan together with FDI have been able to generate and provide employment opportunities to the skilled, semi-skilled and unskilled youth in the country. This suggests that the government has benefited in sense that it has lightened some of the pressure on it to provide employment opportunities. This data was supported by the secondary data from the Human Resource Department of the three selected FDI on the employee recruitment that stipulated that foreign companies in the South Sudan employ over 60 percent of the nationals as compared to their counterparts. This finding in the case of South Sudan confirms that of Graham & Spaulding, (2004) and WIR (2008), who also articulated that FDI in Sub-Saharan African governments generate employment to the poor both directly and indirectly.

Additionally, 21 percent of the respondents also noted that the government of the South Sudan also benefits from the FDI through taxation. As it was revealed by those interviewed and noted by those administered through questionnaire, all the FDI operating in the South Sudan are taxed. This suggests that the government gets some of its revenue by taxing these FDI. According to some of the local government officials in Juba, they get over 20 percent of their development fund from the taxing the FDI in the county. This means that these FDI in the county have acted as source of government revenue for development. CUTS (2001) also established that tax base of developing countries has greatly improved due to FDI's presence.

According to 16 percent of the respondents consulted, FDI in Juba County have also been in collaboration with the government in forging peace process in the country. This has been through sponsoring and facilitating some of the organizations involved in peace building process. According to the data from the managements of three FDI investigated in this research some of the local

government officials, FDIs spend over three million Sudanese Pounds each annual in peace building process. This has also eased the burden on the government. The involvement of FDIs in peace building process was not indicated in the literature reviewed. The researcher therefore believes that it may be a new finding in the case of South Sudan or may have been done by other researchers but the researcher did not come across it. This means that more consultation is needed.

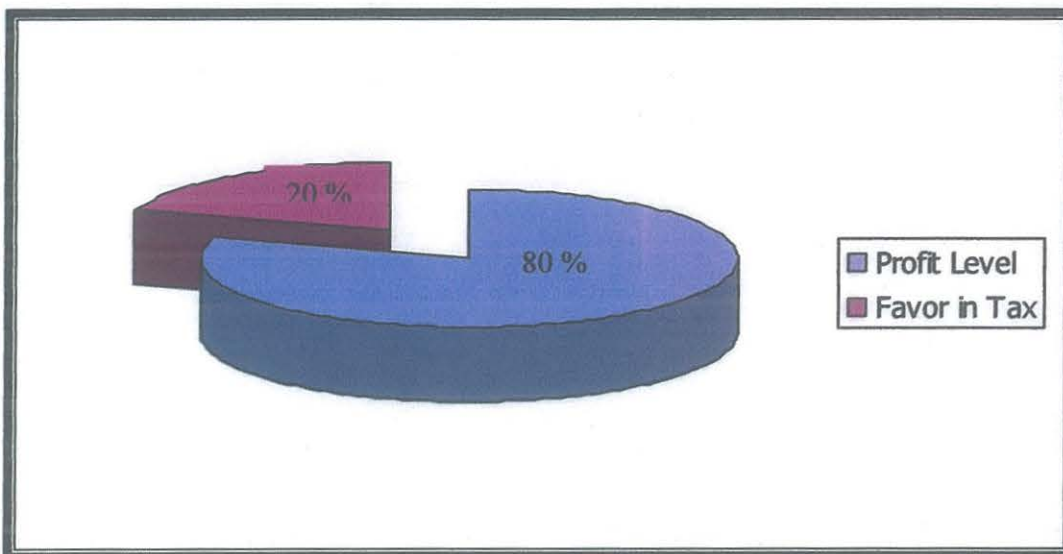
Besides helping the government in financing some of peace building projects, 14 percent of the respondents contended that FDIs have been reported to have supported the Government of South Sudan in talent development programs such as sports. According to information got from some of the managers and local government officials, FDIs have been injecting a lot of money annually in sports. This has helped to reduce boredom in some of the youth and build on talent. Further investigation regarding this revealed that two of the football clubs in Juba were sponsored by KCB and Equity bank. The finding regarding talent development was not also articulated in the literature reviewed. The researcher believes that this may be a new finding in the case of South Sudan. However, the literature reviewed may have also been limited so more consultation is required. As for 9 percent of the respondents, Foreign Direct Investments have also benefited the government of South Sudan in sense that it has been instrumental in building and recovery of the economy of the country that got collapsed in the periods of insurgency. Through FDIs, the citizens of the country have been able to borrow money as capital to begin their businesses. According to information from the management of the three selected FDIs, the financial institutions have over one thousand clients who borrow money for investment purposes. Something the government would not have done in such a short time. Most of the borrowers invest the money borrowed in profit generating projects hence, improving the economy of the country. This finding is in line with that of

Radebaugh and Sullivan (2001) that also emphasized economic development as a result of FDI in developing countries.

4.4.2 Foreign investing Companies

Much as the government of the South Sudan benefits from the FDI, it can also be said that the FDI in Juba County as business institutions also benefits from their businesses. Figure 4.4.1, indicates respondents view regarding the benefits of FDI to the foreign companies investing in the country.

Figure 4.4.1: Benefit of FDI to the Investing Companies



Source: Primary Data

As it can be seen in Figure 4.4.1, the benefit of FDI to the investing companies was summarized in two that is, profit reaped from the sale of their products and winning government favor in terms of tax.

According to over 80 percent of the respondents, FDI reaps a lot of profits from their businesses as they are like pioneers of such businesses in the area. As some respondents contended, most of the few big commercial companies in the area are FDI. It therefore because of this that respondents believed that FDI monopolize most of the businesses and sell their products relatively at higher prices. This leaves the nationals with no choice but to buy the products. This has

enabled the FDIs to grow rapidly and expand their wings all over. The point regarding increased profit was indicated by WTO, (1996); Piana, (2005); Morrisset (1999); and Dupasquier and Osakwe (2005) as they indicated resource availability, no barriers, cheap labor and government favors as the source of profit.

According to 20 percent remaining respondents of the respondents consulted again, most of the FDIs in South Sudan receive a lot of favor from the government in terms of tax reduction, exemptions and holidays that enables them to increase their production and develop. Some respondents believed that the government is somewhat more lenient to FDIs than the home investors in terms of tax and policies among others. This suggests that the favorable investment climate for FDIs has enabled them to expand their business wings, repatriate profits among others. Studies by Graham & Spaulding, (2004) and Jaunch and Endresen (2000) also made the same remark.

As it can be seen, both the government and the FDIs have all benefited from the FDI activities. This suggests that the government needs the FDIs and the FDIs also need the government intervention to prosper.

4.5 Challenges Facing the FDIs in Juba County

Challenges facing FDIs in Juba County formed an important aspect of this research. Respondents were asked to tick and mention some of the challenges facing FDIs in the County. The summary on challenges facing the FDIs is presented below.

Table 4.5.1: Summary on Challenges Facing FDIs in Juba

Challenges	Freq	%
Poor social and economic infrastructure	21	23
Poor political governance	14	16
Political instability	17	19
High inflation	15	17
Illiteracy	20	22
Others	3	3
Total	90	100

Source: Primary Data

As it can be seen in Table 4.5.1, one of the greatest challenges consisting of 23 percent of all the challenges facing the FDIs in Juba County according to respondents is poor social and economic infrastructure. As it was noted, the social and economic infrastructure such as roads, health facilities, banking sectors, education sector among others is still down the earth. This according to respondents makes mobilization and transportation of resources and clients very difficult. Another challenge that consists of 22 percent of all the challenges facing FDIs in Juba County is illiteracy among the nationals. Respondents especially those from the financial institutions selected for this research noted that most of their products are marketable among people who are literate. Since most of the people in South Sudan are still illiterate and have little or no knowledge about their products, it becomes very hard to convince them hence expanding services becomes quite hard.

Furthermore, 19 percent of the challenges facing the FDIs in Juba County is the issue of political instability. According to many of the respondents investigated, although peace is coming to the county, there are still a lot of illegal possessions of guns. Illegal possession of guns still presents challenges to economic development and investing companies at higher business risk. As one of the managers of KCB revealed, the company has lost millions of money in the last few years due to insecurity of the place.

Inflation forms 17 percent of the challenges facing the FDIs in Juba County. According to respondents currently the country the level of inflation is above 10 percent hence affecting banking services since many clients find it very hard to save and borrow money. This has been troublesome to the banking institutions and somewhat affecting their growth. Besides inflation, respondents believed that weak political governance in the country in general forms about 16 percent of all the challenges facing the FDIs. According to respondents, most of the government leaders are still new, insufficient in skill and lack considerable experience for governance. This therefore presents a lot of challenges in sense that some of the policies they put in place are ineffective for operation of FDIs.

CHAPTER FIVE

DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS OF THE FINDINGS

5.0 Introduction

In this chapter, the researcher summarizes the major findings and then discusses each and every point summarized. Conclusions on the major issues discussed in the previous chapters are drawn and recommendations on how FDIs may curb the challenges they are facing and increase employment opportunities are established.

5.1 Discussion of Major Research Findings

Summary of the research is based on the demographic characteristics of respondents, the relationship between FDIs and employment opportunities in the Southern Sudan, ways of attracting the foreign investors in South Sudan, benefits of FDIs to the government of South Sudan, how FDIs benefit from their businesses in Sudan and some of the challenges facing the FDIs in Juba County, South Sudan.

The demographic characteristics of the respondents indicated that the greatest participants in this study were those aged 20 to 29 (33 %) followed by 30 to 39 (27 %), then 40 to 49 (20 %), 50 to 59 (12 %) and those from 60 and above (8 %) formed the least. Concerning the gender of respondents, 62 percent of the respondents were males were females formed 38 percent of the population. Respondents who attained degrees were 37 %, those with master's degree were 18 %. Most of the respondents (46 %) of the respondents were employees of the FDIs, 22 % of them were local administrators, while both students and natives formed 16 percent each. Concerning the experience of the respondents, 30 percent of them had 1-3 years of experience with the FDIs, 42 percent of

them had 4-6 years of experience and 27 percent of the respondents had 27 percent of experience with FDIs.

From the demographic characteristics of respondents, the researcher noted that respondents sampled were cooperative, realistic and willing to give all that they know regarding the subject under investigation.

Finding reports indicated that FDIs have greatly contributed to employment opportunities in the South Sudan. This is evidenced by the fact that most of the FDIs consisted of over forty percent of South Sudanese as their employee. South Sudanese formed part of skilled, semi-skilled and unskilled employees in all the FDIs selected for this research (refer to Table 4.7 for details).

The researcher strongly contented that the relationship between FDIs and employment opportunities in the South Sudan that is, tariffs and government revenue productivity are indivisible. Hence, leaving out FDIs will make several nationals unemployed.

Findings regarding ways of attracting FDIs indicated that the government of the South Sudan employs several techniques to attract FDIs. Some of these include tax holidays, tax exemption, tax reduction, peace promotion, social and economic infrastructure development and profit repatriation. The researcher observed that these policies are effective enough not only to attract FDIs but also encourage their long term existence and expansion in the country hence creating more employment opportunities.

It has also been observed that both the government and FDIs benefit from the activities of foreign direct investment. The government benefits in the way that FDIs support its economic and social development of the country, the government receives revenue from the FDIs in form of taxations, FDIs have hugely sponsored talent development projects in the country beside peace building projects among others. On the other way, FDIs also benefit from their

government since they get a lot of government support in form of tax holiday, tax exemptions in long run, tax holidays, provision of security, monopolizing the markets due to their high standards of services provided in the country among others. This suggests that both the hosting country and the investing companies benefit in one way or another.

The researcher contents that FDI and the government all need each other for survival in such kind of business since all of them equally benefit from each other.

FDIs still face some challenges in their business. Some of these challenges include high inflation rates, political instability, weak political governance, illiteracy and poor social and economic infrastructures among others. that are both out-sourced and in-sourced. These challenges tend to slow down the progress and development of FDIs hence needs to be solved.

The researcher however observed that with the help of the current government body at least some of the challenges have been minimized.

5.2 Conclusion

Since FDIs provide government with revenue inform of tax and facilitate and finance some of the development programs of the government of the South Sudan, the researcher believes that more strategies need put in place to attract and sustain more FDIs to create more employment opportunities, create export base, build peace among others.

5.3 Recommendations

The researcher recommends that government should continue enacting appropriate policies to attract more FDIs in to the South Sudan and sustain those ones that have been there. This is because if inappropriate policies are put in place, more development will be witnessed in South Sudan in short run.

In efforts to boost economy and create export base, government should laid down and prioritize policies and favor some of the FDIs. If this is done, some of the sectors such as agriculture among others are likely to be promoted and export base is likely to be promoted

The government should also link itself with other governments in other countries. If this is done, some of the favorable policies of other countries may be borrowed and effectiveness of FDIs' management is likely to be witnessed.

The government should continue collaborating with other stakeholders to fight illiteracy since it will be the only way through which millennium development goals can be achieved. If this is to be done, products of FDIs will be marketable and expansion and development of FDIs is likely to take place and more jobs will be created.

The FDIs should be more service provider than profit maximization institutions. If FDIs can do this, then people are likely to see FDIs as friendly institutions and develop need for their services.

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APPENDICES

APPENDIX A: Interview Guide

1. What Foreign Direct Investments do operate in Juba County?
2. Have these foreign companies being able to employ the local people of Juba?
3. According to your answer to question 2, why is this so?
4. Do you think there is high hope for these companies to boost more employment to the local people?
5. According to your answer to question 4, why do you think so?
6. In what ways does the government of Southern Sudan attract the FDI?
7. How does FDI benefit the government of Southern Sudan?
8. What is the advantage of FDI to the companies involved?
9. What Challenges are faced by FDI in this county?
10. How do the FDI cope up with the challenges facing them?
11. What other thing would you like to say about FDI and employment opportunities in this county?

APPENDIX B: Questionnaire to Local People, Students and Local Administrators

I Akuei Kuereng Awai is carrying out this research for Bachelors Degree student of Kampala International University. I am carrying out this study to investigate and analyze **the impact of Foreign Direct Investment (FDI) on Employment Opportunities in Juba County, South Sudan**. This research work is one of the requirements for the award of Bachelors Degree in Economics of the above University. The information given here is purely for academic purposes and will be treated with utmost confidentiality.

Part I: The Socio-Demographic Information

1. Sex:

Male Female (tick one)

2. Marital status (please tick one)

Single Married Divorced widowed

3. Age Group: (Tick one)

15- 20 21- 25 26- 30

31- 40 41- 50 51- Above

4. Education level: (Tick one)

Certificate Diploma

Degree Masters

5. Position: a) Local Administrator b) Natives c) Students

PART II: FDI AND EMPLOYMENT OPPORTUNITY

6. Which Foreign Direct Investments (FDI) have you seen in Juba County?

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.....

7. Have these FDI's employed most of the local people or not?

Yes

No

8. According to your answer to question 7, give reasons to support your answer?

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.....
.....
.....

9. If you were to estimate the percentage of the local people as compared to the foreign people working in these foreign based companies, how would you rate the percentage of the local people working in these companies?

a) Below 24 % b) 25-49 c) 50-74 d) 75-100

10. What do you say about the treatment of these employees and their salaries?

a) Satisfactory b) Fairly satisfactory c) Not satisfactory

11. Do you think FDI can boost employment opportunities in the near future?

Yes

No

12. According to your answer to question 11, why do you think so?

.....
.....
.....
.....

13. What ways have been used by the government of Southern Sudan to attract the FDI in the region?

a) Tax holidays

e) Permitting profit repatriation

b) Tax exemptions

f) Reduced taxes

c) subsidized infrastructures

g) Accelerated depreciation allowances

d) Limiting workers rights

h) Others (please specify them):

.....
.....
.....

14. What is your take on these policies?

- a) Good b) Bad

15. According to your answer to question 14, give reasons to support your answer.

.....
.....

16. Explain some of the benefits of FDI to:

a) The government of Southern Sudan?

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.....
.....

b) To the foreign companies?

.....
.....

17. What challenges do face the foreign companies in Juba County?

a) Poor social and economic infrastructure

b) Poor political governance

c) High inflation rate

d) Political instability

e) Others (please specify them):

.....

18. What other thing would you like to say about FDI and employment opportunities in Juba County?

.....

Thanks for responding positively to these questions.

APPENDIX C: Questionnaire to Workers and Managers of FDI

Akuei Kuereng Awai who is carrying out this research is Bachelors Degree student of Kampala International University. I am carrying out a study to investigate and analyze **the impact of Foreign Direct Investment (FDI) on Employment Opportunities in Juba County, Southern Sudan.** This research work is one of the requirements for the award of Bachelors Degree in Economics of the above University. The information given here is purely for academic purposes and will be treated with utmost confidentiality.

Part I: The Socio-Demographic Information

1. Sex:

Male Female (tick one)

2. Marital status (please tick one)

Single Married Divorced widowed

3. Age Group: (Tick one)

15- 20 21- 25 26- 30

31- 40 41- 50 51- Above

4. Education level: (Tick one)

Certificate Diploma

Degree Masters

5. Position: a) Manager of FDI b) Staff of FDI

PART II: FDI AND EMPLOYMENT OPPORTUNITY

6. Which Foreign Direct Investments (FDI) are you working with?

.....

7. What other FDI do you know in Juba County?

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.....

8. Have these FDIIs employed most of the local people or not?

Yes No

8. According to your answer to question 7, give reasons to support your answer?

.....
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.....

9. If you were to estimate the percentage of the local people as compared to the foreign people working in these foreign based companies, how would you rate the percentage of the local people working in these companies?

a) Below 24 % b) 25-49 c) 50-74 d) 75-100

10. What do you say about the treatment of these employees and their salaries?

a) Satisfactory b) Fairly satisfactory c) Not satisfactory

11. Do you think FDI can boost employment opportunities in the near future?

Yes No

12. According to your answer to question 11, why do you think so?

.....
.....
.....
.....

13. What ways have been used by the government of Southern Sudan to attract the FDI in the region?

a) Tax holidays e) Permitting profit repatriation
b) Tax exemptions f) Reduced taxes
c) subsidized infrastructures g) Accelerated depreciation allowances
d) Limiting workers rights h) Others (please specify them):

.....
.....

14. What is your take on these policies?

a) Good b) Bad

15. According to your answer to question 14, give reasons to support your answer.

.....
.....

16. Explain some of the benefits of FDI to:

a) The government of Southern Sudan?

.....
.....
.....

b) To the foreign companies?

.....
.....
.....

17. What challenges do face the foreign companies in Juba County?

a) Poor social and economic infrastructure

b) Poor political governance

c) High inflation rate

d) Political instability

e) Others (please specify them):

.....
.....

18. What other thing would you like to say about FDI and employment opportunities in Juba County?

.....
.....

Thanks for responding positively to these questions.

APPENDIX D: BUDGET

Particular	Rates (UGX)
Stationary	50,000
Computer Typing and printing	70,000
Flash Disks	25,000
Library and Internet	50,000
Travels	80,000
Airtime	30,000
Meals	50,000
Bidding	40,000
Research Assistants (to collect data)	100,000
Miscellaneous	40,000
Total	585,000 UGX

APPENDIX E: TIME FRAME

PARTICULARS	DURATION
Selecting and Approval of Topic	September 2010
Secondary Data Collection	October 2010
Writing Proposal	October-November 2010
Primary Data Collection	December 2010-February 2011
Analyzing and Compiling Data Collected	March-April 2011
Editing the Work	May 2011
Presentation of the Final Work	June 2011



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SCHOOL OF ECONOMICS AND APPLIED STATISTICS

10th Sept. 2010

TO WHOM IT MAY CONCERN

Re: INTRODUCING AKUEI KUERENG AWAI – BEC/10001/81/DF

This is to introduce to you the above mentioned, a 3rd year student at Kampala International University pursuing a Bachelor of Arts in Economics. He is carrying out a research study on **Foreign Direct Investment and Employment Opportunities in Juba County, South Sudan.**

You are requested to offer him the necessary assistance that will enable him collect the required data so as to complete this research project.

Yours sincerely,

TINDYEBWA WILBERFORCE
ASSOCIATE DEAN