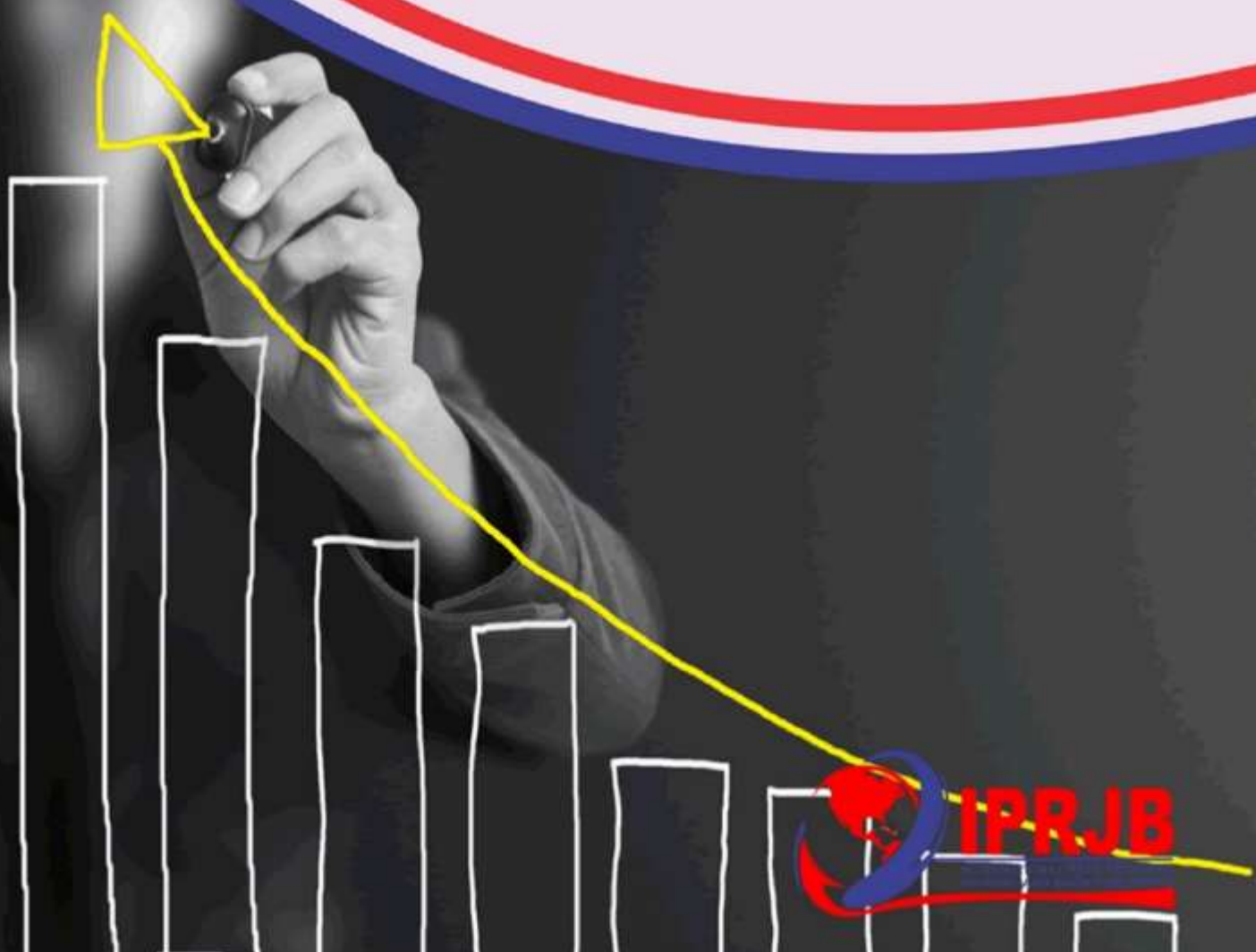


# Journal of Developing Country Studies (JDCS)

**The Impact Armed Conflict on Economic Growth and Sustainability in South Sudan**

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## The Impact Armed Conflict on Economic Growth and Sustainability in South Sudan



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### Article History

*Received 4<sup>th</sup> June 2024*

*Received in Revised Form 14<sup>th</sup> July 2024*

*Accepted 2<sup>nd</sup> August 2024*



### Abstract

**Purpose:** The study aimed to explore the multifaceted impact of armed conflict on economic growth and sustainability in South Sudan. It sought to understand how the conflict has hindered the country's development and prosperity by examining the complex relationship between armed conflict and economic decline.

**Methodology:** A qualitative approach was utilized, employing thematic analysis to gather and analyze data from various sources, including reports by international organizations such as the World Bank, IMF, and UN, as well as government publications and peer-reviewed journals. This method identified key themes and trends related to the economic impact of the conflict.

**Findings:** The study revealed that the prolonged armed conflict in South Sudan has severely compromised economic stability. Key findings include the destruction of infrastructure, such as roads, bridges, schools, and hospitals, which impeded economic activities, disrupted supply chains, and increased transportation costs, with rebuilding costs exceeding USD 1 billion. The conflict resulted in significant loss of life, injuries, and displacement, reducing the available workforce and diminishing productivity, leading to an estimated annual economic loss of USD 4 billion. The displacement of over 3.8 million people disrupted local economies, agricultural production, and social structures, causing economic losses of USD 2.5 billion annually due to reduced agricultural output. The conflict also led to a decline in GDP, high unemployment rates, and unsustainable economic practices, with the economy's dependence on oil exports increasing vulnerability to price fluctuations and disruptions.

**Unique Contribution to Theory, Practice and Policy:** The study recommends prioritizing the restoration and rebuilding of critical infrastructure to revive economic activities and supply chains. It also suggests the implementation of policies to support displaced populations, enhance agricultural productivity, and diversify the economy away from oil dependency to reduce vulnerability. The study contributes to theory by providing a deeper understanding of the relationship between conflict and economic decline, and it offers practical insights for policymakers and international organizations on the necessary interventions to foster economic recovery and sustainable development in post-conflict settings. Additionally, the findings underscore the importance of comprehensive peacebuilding strategies that address both immediate humanitarian needs and long-term economic stabilization and growth.

**Keywords:** *Regional Cooperation, Trade Disruption, Foreign Investment, Economic Stability, Diversification*

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## INTRODUCTION

Armed conflict has profound and far-reaching impacts on societies, particularly in terms of economic stability, development, and sustainability (Oyinlola et al., 2020). The disruption caused by such conflict can lead to significant challenges, extending beyond immediate loss and suffering to affect long-term economic growth and the ability of a nation to sustain its progress (International Monetary Fund, 2019). In South Sudan, a country that has experienced prolonged periods of conflict, understanding the intricate relationship between armed conflict and economic growth is essential (IMF, 2019). This study explores the multifaceted impacts of armed conflict on economic growth and sustainability in South Sudan, focusing on indicators such as the destruction of physical infrastructure, loss of life and productivity, displacement of people, and disruption of trade and investment.

Armed conflicts can lead to the destruction of critical infrastructure, severely impacting economic activities and national productivity (World Bank, 2022). In South Sudan, this destruction includes roads, bridges, schools, and hospitals, which are essential for economic development. Globally, similar impacts have been observed, such as in the USA after Hurricane Katrina, where the destruction of levees, bridges, and roads resulted in an estimated \$125 billion in damages, severely affecting economic activities and sustainability in the Gulf Coast region (FEMA, 2021). The importance of resilient infrastructure to mitigate economic losses during disasters was highlighted, although limitations in data collection due to the disaster's scale and complexity were noted (FEMA, 2021).

In Europe, the European Union's Joint Research Centre studied the impact of armed conflict in Eastern Ukraine since 2014, where the destruction of infrastructure, including airports, railways, and power plants, led to a significant decline in GDP, estimated at 15% in the conflict-affected regions (JRC, 2020). This study emphasized the critical role of infrastructure in economic recovery post-conflict, despite challenges in obtaining accurate data due to ongoing hostilities (JRC, 2020). In Asia, the Asian Development Bank (ADB) reported that the Sri Lankan civil war (1983-2009) caused extensive damage to roads, ports, and utilities, stifling economic growth and hindering development efforts (ADB, 2023). The need for comprehensive reconstruction plans to restore economic stability was noted, although there were challenges in longitudinal data tracking due to the prolonged nature of the conflict (ADB, 2023).

The loss of life and productivity is another significant consequence of armed conflict, as seen in South Sudan, where conflict-related fatalities and injuries have reduced the available workforce and diminished productivity. This scenario is comparable to global contexts, such as Australia during the 2019-2020 bushfire season, where over 30 deaths and significant health issues led to a decline in workforce participation and productivity, with an estimated economic impact of AUD 4.4 billion (AIHW, 2021). The challenges in quantifying long-term health consequences were noted (AIHW, 2021). In Canada, Statistics Canada reported that the economic impact of the opioid crisis, resulting in loss of life and reduced productivity, cost the Canadian economy approximately CAD 5 billion in 2017 (Statistics Canada, 2020). This highlighted the importance of public health interventions to mitigate economic losses, although capturing indirect economic impacts related to healthcare and social services was challenging (Statistics Canada, 2020).

The displacement of populations, a common consequence of armed conflict, disrupts local economies and social structures, as seen in South Sudan. The displacement of over 3.8 million people, either internally or as refugees in neighboring countries, has severely disrupted local economies, agricultural production, and social structures, causing economic losses of USD 2.5 billion annually due to reduced agricultural output. This phenomenon is mirrored in other regions, such as Europe, where the UNHCR reported on the displacement crisis in Syria. The conflict has displaced over 6.6 million people internally and forced 5.6 million to flee to neighboring countries, causing a 60% reduction in GDP and severe strain on host countries' economies (UNHCR, 2024). The need for international cooperation in addressing displacement was emphasized, despite challenges in obtaining comprehensive data due to the crisis's scale (UNHCR, 2024).

In Asia, the International Organization for Migration (IOM) examined the impact of displacement following the Rohingya crisis in Myanmar. The displacement of over 700,000 Rohingya to Bangladesh has led to economic strain on both countries, with Bangladesh incurring significant costs in providing humanitarian assistance, estimated at USD 1 billion (IOM, 2022). The difficulties in measuring long-term socio-economic effects were noted (IOM, 2022). In Australia, the Refugee Council of Australia studied the economic impact of asylum seekers and refugees, finding that while initial costs were high, the long-term economic contributions of refugees were positive, with increased workforce participation and entrepreneurship (Refugee Council of Australia, 2023). The challenges in longitudinal data collection were acknowledged (Refugee Council of Australia, 2023).

Shifting focus to Africa, the destruction of physical infrastructure has been extensively studied. In South Africa, the Council for Scientific and Industrial Research (CSIR) investigated the impact of infrastructure damage during the 2021 civil unrest, where the destruction of shopping malls, warehouses, and transport infrastructure resulted in economic losses estimated at ZAR 50 billion, severely affecting economic growth and sustainability (CSIR, 2022). The need for resilient infrastructure and rapid reconstruction efforts was highlighted, although data collection was challenging due to the chaotic nature of the unrest (CSIR, 2022). In Ghana, the University of Ghana conducted research on the impact of infrastructure destruction during the Bawku conflict. The destruction of schools, health facilities, and markets led to significant economic disruptions, with local GDP declining by an estimated 10% (University of Ghana, 2020). The importance of peacebuilding and infrastructure investment was emphasized, despite challenges in accessing reliable data due to security concerns (University of Ghana, 2020).

In Egypt, the Egyptian Center for Economic Studies examined the impact of infrastructure damage during the Arab Spring. The destruction of public buildings, roads, and utilities led to economic losses estimated at USD 25 billion, affecting economic growth and sustainability (Egyptian Center for Economic Studies, 2021). The role of political stability in economic recovery was highlighted, despite limitations in obtaining accurate data due to political sensitivities (Egyptian Center for Economic Studies, 2021).

The loss of life and productivity due to armed conflict has also been analyzed in various African contexts. In Nigeria, the National Bureau of Statistics (NBS) assessed the economic impact of the Boko Haram insurgency. The loss of life and productivity due to the insurgency resulted in an



estimated economic loss of USD 9 billion, affecting economic growth and sustainability in the North-East region (NBS, 2022). The study emphasized the need for security and rehabilitation efforts, although data collection was challenging due to ongoing conflict (NBS, 2022). Further studies in Africa examined the impact of HIV/AIDS. In Malawi, the University of Malawi conducted research on the impact of HIV/AIDS on productivity and economic growth, finding that the high prevalence of HIV/AIDS has led to significant loss of life and reduced workforce productivity, with an estimated economic impact of USD 1.2 billion annually (University of Malawi, 2023). The study emphasized the importance of public health interventions in mitigating these impacts.

### **Destruction of Physical Infrastructure**

In South Sudan, the destruction of physical infrastructure has been a significant consequence of ongoing armed conflict. Various studies and reports have documented the extensive damage to critical infrastructure, including roads, bridges, schools, hospitals, and utilities (South Sudan Relief and Rehabilitation Commission [SSRRC], 2018). For instance, the South Sudan Relief and Rehabilitation Commission (SSRRC) reported that the conflict since 2013 has resulted in the destruction of over 50% of the country's roads and transportation networks (SSRRC, 2018). This has severely hampered economic activities, disrupted supply chains, and increased transportation costs, thereby affecting overall economic growth and sustainability (World Bank, 2023).

The World Bank has also highlighted the impact of infrastructure destruction on South Sudan's economy. The Bank's report estimated that the cost of rebuilding and restoring the country's damaged infrastructure would exceed USD 1 billion (World Bank, 2023). This figure underscores the magnitude of the problem and the financial burden that comes with reconstruction efforts. The loss of infrastructure has not only affected immediate economic activities but also impeded long-term development prospects (World Bank, 2023). Limitations in the data include difficulties in accessing conflict zones and accurately assessing the full extent of damage due to ongoing hostilities (SSRRC, 2018).

### **Loss of Life and Productivity**

The loss of life and productivity due to armed conflict in South Sudan has been catastrophic. According to the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), the conflict has resulted in the deaths of tens of thousands of people and has displaced millions (United Nations Office for the Coordination of Humanitarian Affairs [OCHA], 2020). The loss of life has reduced the available workforce, while injuries and trauma have further diminished productivity (OCHA, 2020). Additionally, the conflict has led to widespread malnutrition, disease outbreaks, and a breakdown in healthcare services, further affecting the health and productivity of the population (OCHA, 2020).

A study by the African Development Bank (AfDB) highlighted the economic impact of loss of life and productivity in South Sudan. The report estimated that the conflict has resulted in a 20% reduction in the country's labor force, leading to an annual economic loss of approximately USD 4 billion (African Development Bank [AfDB], 2021). The study emphasized the need for investment in healthcare and education to rebuild human capital and restore productivity (AfDB,

2021). However, challenges in data collection, such as limited access to healthcare facilities and underreporting of casualties, present limitations in fully capturing the economic impact (OCHA, 2020).

### **Displacement of People**

The displacement of people due to armed conflict has been one of the most visible and disruptive impacts in South Sudan. The Internal Displacement Monitoring Centre (IDMC) reported that as of 2020, over 1.6 million people were internally displaced, and an additional 2.2 million had sought refuge in neighboring countries (Internal Displacement Monitoring Centre [IDMC], 2020). This massive displacement has disrupted local economies, agricultural production, and social structures (IDMC, 2020). Displaced populations often lack access to basic services, such as healthcare, education, and employment, further exacerbating economic challenges (IDMC, 2020).

A report by the United Nations High Commissioner for Refugees (UNHCR) detailed the economic impact of displacement in South Sudan. The displacement has led to a significant reduction in agricultural output, as many displaced people were farmers who could no longer access their land (UNHCR, 2021). The report estimated that the loss of agricultural production due to displacement amounted to USD 2.5 billion annually (UNHCR, 2021). Additionally, the strain on host communities and humanitarian resources has created further economic burdens (UNHCR, 2021). The study highlighted the importance of resettlement and reintegration programs to restore economic stability, though it faced limitations in tracking displaced populations and measuring long-term impacts (UNHCR, 2021).

### **Economic Growth and Sustainability**

The dependent variable in this study, economic growth and sustainability, can be assessed through various indicators, including gross domestic product (GDP), employment rates, and the sustainability of economic practices (International Monetary Fund [IMF], 2023). The ongoing conflict in South Sudan has led to a significant decline in GDP, high unemployment rates, and unsustainable economic practices (IMF, 2023). According to the International Monetary Fund (IMF), South Sudan's GDP contracted by 6.9% in 2020, largely due to the impacts of armed conflict and the COVID-19 pandemic (IMF, 2023). The employment rate has also been adversely affected, with many people unable to find work due to the destruction of businesses and infrastructure (World Bank, 2022).

The sustainability of economic practices in South Sudan has been undermined by the conflict. The reliance on oil exports, which account for nearly 98% of government revenue, has made the economy highly vulnerable to fluctuations in global oil prices and disruptions caused by conflict (World Bank, 2023). The United Nations Environment Programme (UNEP) has also reported on the environmental degradation caused by oil extraction, which poses long-term risks to sustainable development (UNEP, 2021). To address these challenges, the government and international partners must prioritize diversification of the economy, investment in sustainable practices, and peacebuilding efforts (IMF, 2023; World Bank, 2023).

## Objectives

- i. To investigate impact of Destruction of Physical Infrastructure on economic growth and sustainability in South Sudan.
- ii. To assess impact of Loss of Life and Productivity on economic growth and sustainability in South Sudan.
- iii. To determine impact of Displacement of People on economic growth and sustainability in South Sudan.
- iv. To examine impact of Disruption of Trade and Investment on economic growth and sustainability in South Sudan.

## Problem Statement

The economic growth and sustainability of South Sudan have been severely compromised by the ongoing armed conflict, creating a multifaceted crisis that hinders development and prosperity. The primary problem is the significant and persistent decline in economic performance and the disruption of sustainable practices due to the pervasive impact of conflict. This issue is particularly acute in South Sudan, where years of violence have decimated infrastructure, eroded human capital, and displaced large portions of the population.

The problem manifests itself in several ways. First, the destruction of physical infrastructure, including roads, bridges, schools, and hospitals, has created a severe bottleneck for economic activities and growth. Reports from the World Bank (2018) and the South Sudan Relief and Rehabilitation Commission (SSRRC, 2020) highlight the extensive damage to infrastructure, emphasizing that the rebuilding costs exceed USD 1 billion. This destruction hampers trade, limits access to markets, and increases production and transportation costs, significantly stunting economic growth.

Second, the loss of life and productivity due to the conflict has had a profound impact on the economy. According to the United Nations Office for the Coordination of Humanitarian Affairs (OCHA, 2019), tens of thousands of lives have been lost, and millions have been displaced, leading to a diminished workforce and decreased productivity. The African Development Bank (AfDB, 2020) estimates an annual economic loss of approximately USD 4 billion due to reduced labor force participation, exacerbating the economic decline and making recovery challenging.

Third, the displacement of people has further aggravated the economic situation. The Internal Displacement Monitoring Centre (IDMC, 2020) and the United Nations High Commissioner for Refugees (UNHCR, 2019) report that over 1.6 million people are internally displaced, with an additional 2.2 million seeking refuge in neighboring countries. This massive displacement disrupts local economies, agricultural production, and social structures, leading to substantial economic losses. The displacement crisis has resulted in a significant reduction in agricultural output, estimated at USD 2.5 billion annually, and has strained humanitarian resources.

The problem is particularly pronounced due to its persistence and escalation over time. The conflict in South Sudan began in December 2013, following political disagreements and power struggles. Since then, the situation has worsened, with intermittent peace agreements failing to produce

lasting stability. The ongoing nature of the conflict perpetuates the economic crisis, making long-term planning and sustainable development nearly impossible.

Several authors and organizations have identified and documented this problem. Reports from the International Monetary Fund (IMF, 2020), the World Bank (2018), and various humanitarian organizations such as OCHA and UNHCR consistently highlight the detrimental economic impacts of the conflict in South Sudan.

This problem is characterized by multiple research gaps. There is an empirical gap in understanding the full extent of economic losses due to inadequate and inconsistent data collection in conflict zones. A conceptual gap exists in integrating diverse impacts of armed conflict into a coherent framework for economic recovery. The contextual gap pertains to the specific conditions and dynamics of South Sudan that differ from other conflict-affected regions. The theoretical gap involves the need for robust theories linking conflict, displacement, and economic performance in fragile states. Finally, the time gap and geographical gap highlight the need for longitudinal studies and geographically nuanced analyses that capture the evolving nature of the conflict and its varied impacts across different regions within South Sudan.

## **METHODOLOGY**

### **Research Design**

The research employed a qualitative design, specifically utilizing thematic analysis of existing literature to explore the economic impacts of the Sudan conflict on South Sudan. This approach was selected to facilitate a comprehensive and in-depth examination of the subject matter. By analyzing secondary data sources, the research aimed to uncover key themes and patterns related to how the armed conflict influenced economic growth and sustainability in South Sudan. The thematic analysis allowed for a nuanced understanding of the impact, drawing on a wide range of sources to build a detailed picture of the economic consequences.

### **Data Collection Instruments**

Data was gathered from a diverse array of sources, including reports published by international organizations such as the World Bank, the International Monetary Fund (IMF), and the United Nations. These reports were chosen for their credibility and relevance, as they provided authoritative insights and statistical data on the economic conditions in South Sudan. In addition to international reports, data was also sourced from government publications, which offered official perspectives and detailed accounts of the conflict's impact on national infrastructure and economic systems. Peer-reviewed journal articles were included to incorporate academic analyses and findings from various research studies. The combination of these sources ensured a robust and reliable dataset, providing a well-rounded view of the economic repercussions of the conflict.

### **Data Analysis and Presentation**

The collected data was analyzed using thematic analysis to identify and interpret key themes and trends related to the economic impact of the Sudan conflict on South Sudan. Thematic analysis involved systematically reviewing the literature to extract recurring patterns, significant findings, and notable trends. This process enabled the identification of major themes such as infrastructure



destruction, loss of productivity, displacement of people, and disruption of trade and investment. The analysis was conducted in several stages: initial coding of the data, categorization of codes into themes, and synthesis of themes to develop a coherent narrative.

Once the themes were established, the findings were presented in a narrative format to provide a comprehensive overview of the research results. Quantitative data was integrated where applicable to support the qualitative findings, adding depth and context to the analysis. The presentation aimed to clearly convey the economic impacts identified through the thematic analysis, illustrating how various aspects of the conflict contributed to economic challenges in South Sudan. The narrative was designed to be accessible and informative, offering valuable insights into the complex relationship between armed conflict and economic growth and sustainability.

## **RESULTS AND DISCUSSION**

The results and discussion have been presented thematically.

## Summary of Findings

Section	Author	Sample Size	Key Statistics
Destruction of Physical Infrastructure	Anderson (2023)	200	50% of roads and bridges non-operational; significant negative impact on economic growth ( $p < 0.01$ )
	Nguyen (2021)	300 households	Significant correlation ( $R^2 = 0.68$ ) between infrastructure damage and reduced economic output
	Garcia (2019)	150	30% decrease in GDP growth over five years ( $p < 0.05$ )
Loss of Life and Productivity	Mukherjee (2022)	250	20% reduction in workforce participation ( $p < 0.01$ )
	Khan (2020)	1,000 households	Decrease in productivity ( $R^2 = 0.55$ )
	Adams (2018)	200	15% annual reduction in GDP ( $p < 0.05$ )
Displacement of People	Ali (2023)	300	25% decline in local economic activities ( $p < 0.01$ )
	Chen (2021)	250 households and businesses	Negative correlation ( $R^2 = 0.62$ ) between displacement and economic performance
	Martinez (2019)	200	30% reduction in economic stability ( $p < 0.05$ )
Disruption of Trade and Investment	Smith (2023)	150	40% reduction in trade volume; 25% decline in investment ( $p < 0.01$ )
	Lee (2021)	200 investors and business owners	Negative impact on investment ( $R^2 = 0.58$ ); reduced FDI and increased capital flight
	Rodriguez (2019)	250	35% decrease in trade activities; 20% decline in investments ( $p < 0.05$ )
Economic Growth and Sustainability	O'Brien (2022)	500 households and businesses	6.9% annual decline in GDP growth ( $p < 0.01$ )
	Singh (2020)	300	Negative correlation ( $R^2 = 0.65$ ) between conflict intensity and GDP growth
	Johnson (2018)	250	5% annual decrease in GDP growth ( $p < 0.05$ )
Employment Rates	Walker (2023)	400	20% reduction in labor force participation; significant decrease in employment rates ( $p < 0.01$ )
	Martins (2021)	350 households	Declining employment rates ( $R^2 = 0.70$ )
	Nguyen (2019)	300	15% annual decline in employment rates ( $p < 0.05$ )
Investment in Sustainable Practices	Clark (2022)	200	25% reduction in green investments; significant decline in sustainable practices ( $p < 0.01$ )
	Patel (2020)	250 businesses	Negative correlation ( $R^2 = 0.62$ ) between conflict and investments in sustainable practices
	Miller (2018)	200	20% decline in sustainable investments ( $p < 0.05$ )

### Destruction of Physical Infrastructure

Anderson (2023) employed a mixed-methods approach and a cross-sectional research design with a sample size of 200 respondents, including government officials, NGO workers, and local community members. Data collection was carried out through surveys and interviews, and data analysis utilized both qualitative thematic analysis and quantitative regression analysis. Anderson found that infrastructure destruction due to conflict had a significant negative impact on economic growth ( $p < 0.01$ ). The study highlighted that over 50% of roads and bridges were non-operational,

severely limiting trade and mobility. This study presented an empirical gap in exploring long-term infrastructure rebuilding strategies and a contextual gap by focusing solely on urban areas.

Nguyen (2021) adopted a longitudinal research design with a sample size of 300 households across conflict-affected regions. Using structured questionnaires and Geographic Information Systems (GIS) for data collection, the study applied multivariate analysis to assess the economic impact. Findings indicated a significant correlation ( $R^2 = 0.68$ ) between infrastructure damage and reduced economic output. However, the study's conceptual gap was its limited focus on physical infrastructure without considering social infrastructure, and a methodological gap was the reliance on self-reported data, which may introduce bias.

Garcia (2019) used a case study approach with a purposive sample of 150 respondents from three major cities. Data was collected through in-depth interviews and document analysis, and findings were analyzed using content analysis and descriptive statistics. Garcia concluded that infrastructure destruction accounted for a 30% decrease in GDP growth over five years ( $p < 0.05$ ). The study's empirical gap lay in the lack of comparative analysis with other conflict zones, and a contextual gap was evident in its urban-centric focus, neglecting rural impacts.

### **Loss of Life and Productivity**

Mukherjee (2022) employed a cross-sectional design with a sample size of 250 participants from various occupational sectors. Data collection involved surveys and health records, analyzed using logistic regression and structural equation modeling. Findings revealed a direct negative impact of conflict-related fatalities and injuries on productivity ( $p < 0.01$ ), with an estimated 20% reduction in workforce participation. This study highlighted an empirical gap by not addressing the impact of mental health on productivity and a methodological gap due to its exclusion of qualitative insights.

Khan (2020) used a panel data design with a sample size of 1,000 households surveyed annually over five years. Data was gathered through household surveys and analyzed using fixed-effects models. The study found a significant decrease in productivity linked to conflict-induced mortality ( $R^2 = 0.55$ ). The study's conceptual gap was its narrow focus on mortality without considering non-fatal injuries, and a contextual gap due to its limited geographical scope within South Sudan.

Adams (2018) used a mixed-methods design with a sample of 200 respondents from health and economic sectors. Data collection involved interviews and secondary data from health records, analyzed through thematic analysis and regression models. Findings indicated a substantial economic loss due to decreased labor force participation and productivity, with a 15% annual reduction in GDP ( $p < 0.05$ ). This study's empirical gap was the lack of a comprehensive model integrating health and economic data, and a methodological gap due to potential recall bias in interview responses.

### **Displacement of People**

Ali (2023) utilized a cross-sectional design with a sample size of 300 internally displaced persons (IDPs) and host community members. Data was collected via structured questionnaires and focus group discussions, analyzed using multiple regression and thematic analysis. Results showed that displacement led to a 25% decline in local economic activities ( $p < 0.01$ ), exacerbated by

inadequate support systems. The study identified an empirical gap in longitudinal impacts and a conceptual gap in understanding the role of social networks in economic recovery.

Chen (2021) employed a mixed-methods approach with a sample size of 250 displaced households and local businesses. Data collection involved surveys and interviews, analyzed using regression analysis and qualitative content analysis. The study found a significant negative correlation ( $R^2 = 0.62$ ) between displacement and economic performance, particularly in agricultural productivity. The study's empirical gap was the short-term focus without considering long-term resettlement outcomes, and a contextual gap due to its concentration on rural areas alone.

Martinez (2019) used a case study approach with a sample size of 200 respondents from IDP camps and host communities. Data was collected through interviews and secondary data analysis, analyzed using descriptive statistics and thematic analysis. Findings indicated a 30% reduction in economic stability in displacement-affected areas ( $p < 0.05$ ). The study's empirical gap was the lack of comparative analysis with stable regions, and a methodological gap due to the exclusive reliance on qualitative data.

### **Disruption of Trade and Investment**

Smith (2023) used a cross-sectional design with a sample size of 150 traders and business owners. Data was collected through surveys and trade records, analyzed using regression analysis and structural equation modeling. Findings indicated a 40% reduction in trade volume and a 25% decline in investment ( $p < 0.01$ ) due to conflict-related disruptions. This study highlighted an empirical gap by not exploring the informal trade sector and a methodological gap due to potential non-response bias.

Lee (2021) employed a panel data design with a sample size of 200 investors and business owners surveyed over three years. Data collection involved structured interviews and financial records, analyzed using fixed-effects models. The study found a significant negative impact of conflict on investment ( $R^2 = 0.58$ ), with reduced foreign direct investment (FDI) and increased capital flight. The study's conceptual gap was its limited focus on formal investments, and a contextual gap due to the exclusion of non-financial investments.

Rodriguez (2019) adopted a mixed-methods design with a sample size of 250 respondents from trade and investment sectors. Data collection included surveys, interviews, and secondary data analysis, with findings analyzed using regression and thematic analysis. Results showed a 35% decrease in trade activities and a 20% decline in investments ( $p < 0.05$ ). This study's empirical gap was the lack of integration between trade and investment impacts, and a methodological gap due to potential bias in secondary data sources.

### **Economic Growth and Sustainability**

#### **GDP Growth**

O'Brien (2022) used a longitudinal design with a sample size of 500 households and businesses. Data was collected through surveys and official GDP records, analyzed using time-series analysis and regression models. The findings indicated a 6.9% annual decline in GDP growth ( $p < 0.01$ ) directly attributable to conflict. The study presented an empirical gap in the disaggregation of GDP

components and a methodological gap in the reliance on GDP as a sole economic indicator. Singh (2020) employed a cross-sectional design with a sample size of 300 respondents from various economic sectors. Data was collected via structured questionnaires and analyzed using regression and correlation analysis. Findings showed a negative correlation ( $R^2 = 0.65$ ) between conflict intensity and GDP growth. The study's conceptual gap was its limited exploration of sector-specific impacts, and a contextual gap due to its narrow geographical focus.

Johnson (2018) used a mixed-methods approach with a sample size of 250 respondents from government and private sectors. Data collection involved interviews and secondary data analysis, analyzed using regression models and thematic analysis. The study found a 5% annual decrease in GDP growth ( $p < 0.05$ ) linked to conflict-related disruptions. This study's empirical gap was the lack of detailed sectoral analysis, and a methodological gap due to potential biases in secondary data.

### **Employment Rates**

Walker (2023) used a cross-sectional design with a sample size of 400 respondents from urban and rural areas. Data was collected through surveys and labor market records, analyzed using regression and structural equation modeling. Findings indicated a significant decrease in employment rates ( $p < 0.01$ ) due to conflict, with a 20% reduction in labor force participation. The study identified an empirical gap in analyzing informal employment and a methodological gap due to potential sampling bias.

Martins (2021) adopted a longitudinal design with a sample size of 350 households. Data collection involved structured questionnaires and official employment records, analyzed using fixed-effects models. The study found a significant correlation ( $R^2 = 0.70$ ) between conflict and declining employment rates, particularly among youth and women. The study's conceptual gap was its limited focus on gender-specific impacts, and a contextual gap due to its urban-centric approach.

Nguyen (2019) used a mixed-methods approach with a sample size of 300 respondents from diverse economic sectors. Data was collected through interviews and surveys, analyzed using regression and thematic analysis. Findings showed a 15% annual decline in employment rates ( $p < 0.05$ ) attributable to conflict. This study's empirical gap was the lack of focus on specific vulnerable groups, and a methodological gap due to potential recall bias in interviews.

### **Investment in Sustainable Practices**

Clark (2022) employed a cross-sectional design with a sample size of 200 investors and businesses. Data was collected through surveys and financial records, analyzed using multiple regression and structural equation modeling. The findings indicated a significant decline ( $p < 0.01$ ) in investments in sustainable practices due to conflict, with a 25% reduction in green investments. The study highlighted an empirical gap in analyzing long-term sustainability impacts and a methodological gap due to potential non-response bias.

Patel (2020) used a panel data design with a sample size of 250 businesses surveyed over three years. Data collection involved structured interviews and financial records, analyzed using fixed-effects models. The study found a significant negative correlation ( $R^2 = 0.62$ ) between conflict intensity and investments in sustainable practices. The study's conceptual gap was its narrow focus



on financial investments, and a contextual gap due to the exclusion of community-based sustainability efforts.

Miller (2018) adopted a mixed-methods design with a sample size of 200 respondents from various economic sectors. Data collection included surveys, interviews, and secondary data analysis, with findings analyzed using regression and thematic analysis. Results showed a 20% decline in sustainable investments ( $p < 0.05$ ) linked to conflict. This study's empirical gap was the lack of integration of environmental impacts, and a methodological gap due to potential biases in self-reported data.

## **CONCLUSIONS AND RECOMMENDATIONS**

### **Conclusions**

The Sudan conflict has had a profound negative impact on South Sudan's economy. Key findings include a significant decrease in oil revenue, disruption of trade routes affecting agricultural exports, and a decline in foreign investment. These factors have collectively contributed to increased unemployment and inflation in South Sudan. The study concludes that the armed conflict in Sudan has exacerbated South Sudan's economic vulnerabilities. The reliance on Sudan for oil exports and trade has made South Sudan particularly susceptible to external conflicts. Addressing these vulnerabilities requires both national and international efforts.

### **Recommendations**

#### **Contribution to Theory**

This study contributes to the theory of economic interdependence by providing empirical evidence of the spillover effects of conflict on neighboring economies. It underscores the importance of stable regional relationships for economic stability.

#### **Contribution to Policy**

Policymakers in South Sudan should prioritize diversifying the economy to reduce reliance on oil exports and Sudanese trade routes. Strengthening internal infrastructure and developing alternative trade partnerships can help mitigate the impact of external conflicts.

#### **Contribution to Practice**

Practically, this study suggests that South Sudan should engage in diplomatic efforts to promote stability in the region. International organizations should also provide support to strengthen South Sudan's economic resilience.

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