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POLICY BRIEF

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The Question of Big Government, and Financial Viability: The Case of South Sudan

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Executive Summary

With oil revenue as its mainstay, from 2006 forward the government of South Sudan derived 98% of its budget from that single source. Now that the oil is shut down, however, the fiscal status quo in South Sudan is proving unsustainable, a fact that led the National Assembly to pass Austerity Measures that called for drastic cuts across the board. As these measures go into effect, the hardest hit by the national belt-tightening are the police, the educational sector, wildlife, entry-level position civil servants and the poorest segment of the population.

While salary or allowance cuts are necessary until South Sudan is out of the budget crisis, comparative data analysis suggests that an essential means of readjusting the budget is to reduce the overall size of the government. Gathering data from various sources such as the World Factbook (2012), including selected East African countries and the three most populous nations in the world, I have calculated the ratios of the number of Members of Parliament (MP) and Cabinet Ministries to the total population of each country. This research reveals the following:

- South Sudan has the highest number of MPs per population, underscoring the fact that the population is over-represented compared to populations in other countries, both in East Africa and in the world's largest economic powers;
- South Sudan also has the second highest number of cabinet ministries per one million people; and
- Compared to reference countries, MPs in South Sudan are underpaid. This might have partly account for recent legislative under-performance (passing a smaller number of laws in a given years) and the weakness of the system of checks and balances (too much reliance on the mercy of the executive branch of the government and the fact that bills originate outside the assembly, the

process which is plagued by the delays by Ministry of Justice and Council of Ministers).

Since there is no such a thing as free lunch, large government—when measured by the size of its parliament and cabinet ministries—imposes a fiscal burden on the country in terms of huge governmental wage bills (Gallaway & Vedder, 1998). In calling for reducing the size of the government of South Sudan, this paper is an argument for safeguarding the nation's financial viability, with the following policy actions specifically recommended:

- Reduce the size of South Sudan Bicameral Parliament to 170 MPs;
- Reduce the number of federal ministries to 20, thus clamping down on government wage bills and enhancing savings;
- Channel these realized savings as transfers to states to create employment and enhance social programs, and alternatively,
- Raise the annual pay of MPs to US$ 60,000. Given that their present pay is the lowest in the region, a pay rise may improve representative's work morale.

Since South Sudan has the largest government in the region, a reduction comes with two additional advantages: 1) the freeing of resources for other pressing development needs, and 2) the saving of the nation from a debt crisis down the road. These savings will be used to support the increase in MP salaries as well as the development of social programs and employment opportunities in the ten states. These investments in the people of South Sudan can enhance the spread of peace and security in the country. This paper's objective is thus in line with that of The Sudd Institute, whose primary goal is a 'research for a peaceful, just and prosperous South Sudan.'

1. Introduction

Recent years have seen an upwelling of interest in issues surrounding state bureaucracy and fiscal health, especially the problems and resistance that arise when a state begins to tackle budget crisis (Ward, 2012). This paper, which is intended for policymakers in South Sudan, is an investigation into two main questions: what is the relative size of South Sudan government and how large should its parliament be? This research comes at an opportune time when the nation is trying to figure out how to manage the fiscal crisis as a result of oil shutdown. Hence, its significance cannot be overemphasized.

There is a huge variation across the world countries in terms of parliament size. The National People's Congress of China is the world's largest parliament, with about 3,000 members. The world's smallest parliament is the 18-member unicameral parliament of Republic of Nauru, euphemistically called the Pleasant Island (IPU, 2012). Other countries fall on the spectrum in between. With its bicameral parliament, South Sudan has 382 members, while its national government comprises 29 ministries. In terms of representatives per million people, South

Sudan’s Parliament is larger than the regional average (see Table 1). Additionally, South Sudan is third in the region in terms of absolute numbers of cabinet ministries. As Assenov and Le Van (2009) argue, public demand for political inclusion has risen and so is the size of bureaucracy in many countries in Africa.

Given that South Sudan has the largest government and yet her MPs are underpaid, reducing the size of parliament while raising the pay for MPs is appropriate for several reasons. Such reduction will lead to savings, which could be channeled to states to create jobs and stability, while a pay raise is likely to boost MP’s morale and competitive legislative output. In the efficiency wage model, which Shapiro and Stiglitz (1984) developed; firm managers can increase productivity through higher wages. Their seminal paper shows that wages above the market clearing price tends to discourage shirking and minimize workers’ turnover. Efficiency wage theory is not limited to firm behavior; theory also says that paying politicians better have positive effective on quality of elected officials and how they manage public finance (Gagliarducci & Nannicini, 2009). Increasing wages takes pressure off from MPs from engaging in other activities such as moonlighting, running businesses and not devoting enough time to policy-making. Hence, paying MPs reasonable salaries is rational because it reduces incentive to shirking or rent seeking endeavors.

In light of the above bureaucratic realities, President Salva Kiir Mayardit has said time and again that he would favor a leaner -- yet more effective -- government. Although he did not fulfill this promise in 2011, when forming the first cabinet of the Republic, the notion of a lean government regained momentum earlier this year after the oil shutdown and the resultant passage of the Austerity Measures. As these measures go into effect, the hardest hit by the national belt-tightening are the police, the educational sector, wildlife, entry-level position civil servants and the poorest segment of the population. If public opinion is anything to go by, South Sudan citizens welcome the idea of such a reduction and are waiting for the president to deliver on it.

The idea that a smaller government will free resources for other development projects makes sense. The Senegalese government (2012) recently cut its parliament for the same reasons. Ensuring that these resources go to the states, and reduce the salary bills of government representatives that are draining South Sudan meager resources is common sense. Another rationale for reduction in the size of South Sudan’s government is that public institutions tend to grow larger and larger, and ongoing political resistance makes it harder and harder to downsize them (Gallaway & Vedder, 1998). It is better, then, to start small and grow with population needs. The larger question is whether South Sudan has the resources to meet the demands of big government now that the oil is not flowing and the production may not come to a full capacity even if it starts immediately according to oil analysts.

On the other hand, it must be stressed that with oil or no oil flowing, the answer seems to be that the country is better off transferring some of the government salary budget elsewhere for social services in the state.

Section II of this paper provides a brief background on the size of government in South Sudan, while Section III is a discussion of the causes of the oil shutdown and the consequent questions of the country's financial viability. Section IV outlines policy recommendations and Section V concludes.

2. Brief Overview: The Size of South Sudan Parliament and Cabinet

The Transitional National Constitution, which was written after the referendum and before independence, gave the President the power to form a cabinet and bicameral parliament in post-independence South Sudan. At this point President Salva Kiir was caught between a rock and hard place. Before restructuring parliament and forming his cabinet, he faced such questions as what to do with MPs who were previously in the National Assembly in Khartoum, how many new MPs would be appointed, and who would be included in the first cabinet.

As the answers to these questions took shape, President Salva Kiir issued an order appointing 50 members to the Council of States and 66 new MPs. Another 96 MPs came from the National Assembly in Khartoum after secession. Added to these appointed MPs were the 170 MPs who were in the former Southern Sudan Legislative Assembly, for a total of 382 members of the current South Sudan Legislative Assembly (SSLA). I see three main reasons for this large government:

2.1. Oil Bonanza

During the interim period, the Government of Southern Sudan (GoSS) and the Government of National Unity (GoNU) in Khartoum shared oil revenues on a 50-50 basis after allocating 2% of the revenues to the oil-producing state. In the South, such a share of oil resources came to make up about 98% of the government budget. It is plausible to argue that these oil revenues made it easy for the government in Juba to accommodate comrades or fellow "liberators" in the cabinet or parliament. At the same time, it was falsely assumed that, when South Sudan attained independence, production would boom and the result would be more revenue. In other words, the prospect of future earnings could have provided impetus for an over-sized government. Many policymakers, however, did not see the oil shutdown coming or as de Wall (2012) puts it as becoming "South Sudan's Doomsday Machine" in his New York Times article.

2.2. The Big Tent Philosophy

While oil revenues played a role in forming such a relatively big government, the need to appease and accommodate everyone was overriding. Accommodating anyone who might cause trouble, instigate ethnic fighting or spoil the chance of holding a referendum as united people was paramount. Under the "Big Tent" philosophy, President Salva Kiir was able to sign peace declarations with former militias and absorb them into the army or civilian forces. The Juba Declaration with the late General Paulino Matip and the offering of general amnesty to renegade rebels such as the late George Athor, were meant to recognize that South Sudan was large enough for all of her children. This philosophy, though laudable, played a role in increasing the size of the government as well as increasing spending in general. In the words of Ambassador Stephen Wondu, the rationale for this 'super-sized' parliament and cabinet was that it would buy peace.

2.3 Multiparty Politics Make-Believe

The elections in 2010 also contributed to the increase in the size of the government in South Sudan. Because the nominations of candidates were done by the Electoral College, majority of them and elected representatives ended up being from the SPLM party. Therefore, to appear democratic and in pursuit of multiparty democracy, the president had to appoint representatives from other political parties, hence, increasing the size of parliament.

What evidence suggests that the government in South Sudan is bloated? In working to answer this question, I will use as crude indicators the ratio of the number of MPs and Cabinet Ministries to the total population (see Table 1):

Table 1: East Africa and South Sudan MPs per Population, 2012

Country Name	Population (2012 Estimate)	Members of Parliament	MPs per Million People
South Sudan	10,625,176	382	36.0
Eritrea	5,581,000	150	26.9
Burundi	10,557,259	167	15.8
Uganda	32,939,800	386	11.7
Tanzania	43,188,000	357	8.3
Ethiopia	84,320,987	547	6.5
Kenya	42,749,000	224	5.2

Source: Author's calculations, based on data from World Factbook (2012) and parliamentary sources.

One thing is certain from the above ratios: South Sudan has the largest number of MPs per population in the region. There is about 36 MPs per million people in South Sudan in contrast to 5 MPs per million in Kenya. To be sure, some critics would say that these MPs are representing nobody in the first place because they have neither passed any meaningful laws nor have they worked hard to bring services to the electorate or to rein in the overpowering executive. Whilst South Sudanese MPs may not be representing the electorate in the truest sense of the words, however, this ratio does tell us that the population is 'over-represented' in parliament in terms of sheer numbers of MPs, and that reducing these numbers might save us several million pounds per annum. Some hypothetical calculations in Section III will underscore this point.

The same point is made when you compute the same ratios of the three largest countries by population in the world and compare them with that of South Sudan (see Table 2):

Table 2: Top Three Populous Countries and South Sudan MP-to- Population Ratios, 2012

Country Name	Population Estimate, 2012	Members of Parliament	MPs per Million People
South Sudan	10,625,176	382	36.0
China	1,347,350,000	2987	2.2
USA	314,047,000	535	1.7
India	1,210,193,422	790	0.7

Source: Author's calculations, based on data from World Factbook (2012) and Government Sources.

Moreover, dividing the number of cabinet ministries of each country by its population reveals that South Sudan falls behind only one country in the region, Eritrea. Some might argue that this is a country South Sudan should not emulate, because of her oppressive policies of "personal rule and political sultanism" which are characteristics of Africa's political crisis (Ogbazghi, 2011), but the comparison is unsettling (Table 3):

Table 3: Reference Countries and South Sudan Cabinet Ministries per Million People, 2012

Country Name	Population Estimate, 2012	Cabinet Ministries	Cabinet Ministries per 10 Million People
Eritrea	5,581,000	17	30.5
South Sudan	10,625,176	29	27.3
Burundi	10,557,259	20	18.9
Kenya	42,749,000	31	7.3
Tanzania	43,188,000	30	6.9
Uganda	32,939,800	19	5.8
Ethiopia	84,320,987	20	2.4

Source: Calculations, based on data from the World Factbook (2012) and Government Sources.

Table 3 indicates that there are more than 10 times as many ministries per person in South Sudan as there are in Ethiopia, the third most populous nation in Africa.

We cannot talk about the size of the government without making mention of the salaries and their impact on the nation. Salaries for MPs or Ministers differ from one country to another. Take for example, the United States. This advanced economy pays $400,000 per year to its president; the Speaker of the House of Representatives and the Majority and Minority leaders are paid about $225,000 and $196,000 respectively, while an average senator or congressperson gets paid $176,000 annually. In the UK, the average pay for MPs is £65,000 (pounds sterling); in Kenya, $122,000. In South Sudan, MPs are paid an annual salary of $38,000. Thus in nominal terms, MPs in South Sudan are under-paid compared to their regional counterparts. I argue in the subsequent section that we can viably raise the pay of MPs and reduce their numbers as well. This line of reasoning makes both economic and sociological sense (Shapiro & Stiglitz, 1984; Akerlof & Yellen, 1990).

However, the real question is: what portion of the national budget is used for salaries of MPs and Ministers of these selected nations? While I have had difficulty in procuring these data for MPs and Ministers for the selected nations, I do have some data for South Sudan and Kenya. In expressing the annual pays for MPs as a percent of government budget, I find the following:

Table 4: Reference Countries and South Sudan MP Pays Relative to National Budget, 2011

Country Name	Government Budget (in billion US$)	Total MP Salaries (in billion US$)	MP Salaries as % of Budget
South Sudan	2.3	0.014325	0.623
Kenya	13.5	0.027328	0.202
USA	2314	0.09416	0.004

Source: Author's calculations, based on data from Phone Enquires and other searchable Sources.

Again, South Sudan tops the list even though her MPs are underpaid. It is not surprising to see that Kenya is second because Kenyan MPs are among the highest paid in the world (The Economist, 2010). Table 4 reveals that what matters is not the size of the economy but size of bureaucracy and how much out of national budget goes to meeting salaries.

3. Can South Sudan Afford Its Current Government?

Even though the salary per MP in South Sudan is smaller than that of Kenya, reducing the size of government still offers two attractions:

3.1 The Oil Shutdown

South Sudan government shut down its oil production on 15 January 2011 as result of disagreements with Khartoum over outstanding post-secession issues. For South Sudan to continue using facilities and transporting its oil through Port Sudan, Khartoum demanded an exorbitant fee of $36 per barrel. When the demands were not met, Khartoum began to illegally confiscate some tanks as in-kind-payments for unpaid fees while stealing another portion through hidden fees. Juba had calculated these unilateral actions of Khartoum's confiscation of its oil amounting to $815 million worth (Akongdit & Mohamed, 2012). These actions compelled Juba to order complete shutdown. Akongdit and Mohamed (2012) summarize this swift action well by saying:

> *Therefore, the government of South Sudan determined that, from its perspective.*
> *It would rather see the nation's wealth sit in the ground, until a sustainable Agreement with Sudan is reached or an alternative mechanism for export is secured (p. 9).*

While the public supports South Sudan government on its decision to shut down oil production, independent voices thought that it was irrational, at the time. Alex de Waal (2012) calls this decision 'suicidal.' Others contended that the SPLM would soon realize the economic consequences of shutdown and would turn on the oil tap. The pressure to start oil production mounted and in early July last year both countries made positive steps on oil negotiations, and on 27 September 2012, they settled nine agreements, including an oil deal (Conley, 2012) and controversial security arrangement of demilitarization of the 14 Mile area. To many, these negotiations between the two Sudans produced some glimmer of hope of saving their economies. The reported figure for transporting oil through Sudan stands at US$20.10. This figure is broken down to $9.10 and $11 per barrel for processing, transit and transport fees for Greater Nile Petroleum & Petrodar Company, respectively.

However, in early November 2012, Khartoum placed additional demands on Juba. In addition to aerial bombardments at Kiir Adem which killed and displaced civilians in violation of the Cooperation Agreement, Khartoum wants Juba to do the impossible: disarm the SPLM-N. Now, it is not clear when and if the actual production will start.

When the talks seem to head nowhere, South Sudan Lead Negotiator, Mr. Pagan Amum had this to say: "The only way out of this is to abandon all ideas about oil flowing through Sudan and build refineries inside South Sudan and build alternative pipelines to the Indian Ocean" (Masho, 2012).

3.2 Fiscal Burden

From the time the government of South Sudan was set up, through Independence Day, many did not see the financial distress coming. While oil money was flowing into its coffers, the government was busy employing fellow liberators. The government wage grew by leaps and bounds. Then, after independence, new realities set in: Khartoum demanded exorbitant transit fees, and Juba refused to cave in to Khartoum's demands. A stalemate resulted in the oil shutdown. With the lifeline of South Sudan cut, Juba was compelled to pass Austerity Measures that unambiguously called for cuts in salaries and allowances.

However, because reducing the bureaucracy after allowing it to explode is not easy, Juba is finding itself fiscally burdened with trying to meet the salaries, while ignoring the development needs of the country, especially at the level of states and counties. Continued use of the little reserves available is not enough. By now, this fiscal burden has become an open secret. South Sudan is on the verge of running out of cash reserves; credible sources, such as the World Bank, have hinted at this looming danger. This warning was recently confirmed by the Finance Minister, Hon. Kosti Manibe, when, on 21 July 2012, he reported that the Treasury holds only about SSP 1 billion, which is much smaller than the SSP 6 billion needed to fund the Austerity Measures.

Despite the recent oil deal and uncertainty over production date, South Sudan is still in a financially precarious situation. That is why I think this analysis is relevant. The shutdown shows that the South Sudan fiscal capacity is highly vulnerable to a breakdown in relations with Khartoum. The future breakdown in relations with Khartoum is probable. Worst still, the alternative means of transporting oil through port of Lamu is not yet fully operational.

Second, reducing the size of the government is long overdue because Sudanese public had wanted to see reduction in government since independence. While the oil deal has been signed, the actual production of oil may not commence soon and even if it does, it may take a year or more to reach full capacity. Putting it differently, oil production will not resume in time to rescue South Sudan from current financial woes; trimming the government may be timely. Of course, if South Sudan runs out of reserves and oil production does not start, it can borrow from financial institutions but it will be prudent to use that wisely in development projects than maintaining an oversized bureaucracy.

Third, South Sudan's tax system is so poor that it cannot fill the revenue shortfall. Theory tells us that whenever spending rises, a rise in the tax rate can balance it out (Feldstein, 1997). In practice, a tax hike cannot do much for South Sudan at this time, and if revenue falls and spending remains constant, the shortfall must be debt or equity-financed. Given the lack of a securities market, this latter option is ruled out. Since we cannot afford efficient tax collection or equity to finance the shortfall, our policymakers may be forced to borrow their way out, hence burdening the next generations with debt. It is true, without reserves or oil flow, tax collection and borrowing would be the only source of revenue.

3.3 Financial and State Viability

To manage this crisis and avoid borrowing its way out of this situation, Juba must reduce the size of the government. Assistance from the IMF or the World Bank will not help – and in fact it is crucially important that our politicians in Juba not take the loan bait. According to an AFP article on 28 August 2012, South Sudan has qualified for the IMF's Poverty Reduction and Growth Trust. This inclusion may sound sweet, but we can learn from other countries that have gone down this road of excessive borrowing and found themselves facing further unpleasant consequences, one conspicuous example being Greece. These kinds of loans open the door for other interest-bearing loans. We must tread wisely, after carefully taking into account the cost-benefit calculus of any loan.

Continued accommodation of politicians in the government will be detrimental to the infant economy of South Sudan. An over-sized government means that salaries constitute a large portion of the national budget, very little of which trickles down to the states. Moreover, it can be argued that the lack of employment opportunities in the states is leaving youth with no choices but to engage in aggressive, conflict-inducing activities such as cattle rustling and interethnic warfare.

To ensure the fiscal viability of the nation, we must take two steps: (1) reduce the size of the cabinet ministries to 20 through eliminating or combining some into a ministry. The sheer size of the cabinet ministries takes up large portion of the national budget for salaries, maintenance and allowances, (2) wait for elections in 2015 and then reduce the number of MPs to 170. After that reduction, raise MP pay to $60,000/MP to boost their morale and otherwise hold them accountable to enact meaningful laws.

Reducing the size of the parliament or cabinet is not a new concept; some countries have done it before. Whereas some countries, such as the United States, have a fixed number of members of the representative legislature, others—including Uganda—reserve options to change the size of parliament when population growth or political whims dictate. Because the total number of MPs is not written in stone, this is one more reason to reduce the number of MPs when the next elections come around in 2015.

'Small is better' is an attractive concept. Experience has shown that as the GDP rises, government tends to spend more, and so the debt-to-GDP ratio rises. It is therefore effective to start with a smaller government.

3.4 The Hypothetical Size of Parliament in South Sudan and Resultant Savings

Assuming that political representation is based on a geographical constituency and some affirmative action considerations for women, a simple formula indicates that South Sudan ought to have 170 MPs in total. Before independence, Southern Sudan Legislative assembly was 170 MPs. We can maintain that figure and get rid of 212 seats. At the early stage of our political development, politics is still a domain for males, and since there is a *de rigueur* need for political equality, these opportunities will accord women a voice. 25% requirement must meet or apportioned out of 170. We will have to create new constituencies within the same county in more populated counties and combine constituencies where population size is small.

Suppose we reduce the size of parliament from 382 to 170 MPs in the next general elections. At a salary rate of US$37,500/MP, the savings from eliminating 212 MPs is $7.95 million/year. Such a savings could do much if channeled to the states.

Also, suppose there is a persuasive reason, partly due to the efficiency wage argument, to raise pay for the MPs from US$37,500, say, to US$60,000 per year. Coupled with the reduction in numbers of MPs, the result still would be a savings. At the same time, the rising income for those who hold office after this reduction in the size of government may boost those MPs' sense of national responsibility and moral obligation to serve, while also making them more independent of executive influence. The government can easily finance this pay raise from the realized savings listed above. Nonetheless, it must be stressed that this latter recommendation is still contested, for example, Kenyan MPs are among the highest paid in the world (The Economist, 2010) but their pay has not singlehandedly made them more productive.

So, excluding perks or other unreported monetary privileges, the combined annual pay for all 170 MPs at the annual rate of $60K comes to $10.2 million. Again, this figure results in a savings of $4.125 million dollars annually.

In other words, reducing the size of the parliament and raising annual pay per MP to boost their morale and competitive output are plausible steps in the strengthening of South Sudan's fiscal health, and hence its economic and political position. There are some practical ways of increasing MPs productivity: with fewer MPs, we can build offices for them in their constituencies and in Juba, so they can stay in their offices and serve their constituents when they are not deliberating on bills in the assembly. The nation still saves money and theoretically improves the legislative output on the production possibilities frontier.

3.5 Policy Recommendations,

As explained in Section II, there was a real need to accommodate different factions/interests under the big tent philosophy. Better ways exist to pursue this objective than simply creating a bloated number of MPs and ministers. Instead of accommodating more politicians, a better way to foster inclusion or broad-based economic development is to channel scarce government resources into projects and programs that provide health, education and employment to all sectors of the country's population. Consideration of the above data on the size of governments in various countries, together with a reasoned analysis of recent political history in East Africa, leads to three recommendations:

3.5.1 Reduce the Size of the Parliament to 170 MPs

Reducing the size of the parliament lessens the fiscal burden on the state. Even though the oil tap may be turned on later, the government will not be under pressure to channel more resources into salaries, while improving service delivery efforts at grassroots. Meanwhile, the government will not be compelled to borrow its way out in order to meet salaries. Reducing the size of the parliament is not a new idea; many countries have done it before, and there is no reason for South Sudan not to do it, especially in the face of fiscal difficulties.

Given the complexities involved in parliament reduction, wait for elections in 2015 and then reduce the number of MPs to 170. After that reduction, raise MP pay to $60,000/MP to boost their morale and otherwise hold them accountable through electoral process to enact meaningful laws.

3.5.2 Reduce the Size of Cabinet to 20 Ministries.

A radical reduction would leave South Sudan with 15 ministries while a conservative estimate calls for 20. Because it is not easy to reduce the size of the government after allowing it to outgrow, this paper calls for conservative reduction.

Due to a complex political economy of a nation emerging out of war, the paper calls for elimination of 9 ministries or combining others. This will also save South Sudan huge resources; some institutions are redundant in the sense that they can be combined into one, reduced to a commission or eliminated altogether. Examples of ministries that can be entirely eliminated or combined include: eliminate the Office of the President; combine Agriculture, Water Resources, Irrigation, Forestry and Environment as one ministry; lump Bridges and Roads, Transport, Electricity and Dams as Infrastructure Ministry; create Ministry of Education with General Education and Higher Education, Science and Technology as directorates; make Humanitarian Affairs and Disaster Management into a commission; put Housing, Physical Planning, Gender, Child and Social Welfare under Special Program Ministry; and Wildlife Conservation, Tourism, Animal Resources, and Fisheries into one ministry.

Making these changes now will help a lot in reducing the government wage bill from 29 to 20 ministries.

3.5.3 Create Programs to Engage the Idle Population, Especially the Youth in the States

The savings of $4 million (or $7. 15 million if you do not raise MPs pay) from eliminating 212 MPs and savings that can be realized from eliminating 9 ministries, can do a lot of good. By creating more projects for youth in the states, these funds, if properly reallocated, can lure them away from other insecurity-prompted endeavors such as cattle rustling. The multiplier effect of such projects or programs could be felt throughout the country in terms of job creation and improved security. Examples of youth initiatives may include:

(a) Trauma Centres: with trauma being a product of war or its related incidents, having a centre where counseling and advocacy work for peace is done can go a long way to teach youth danger of violence and benefits of harmony.

(b) Work for youth programs (similar to Kazi Kwa Vijana in Kenya, initiated by the national government in 2009). The objective is to provide opportunities for temporary employment for doing community works in areas such garbage collection, and water drainage system.

(c) Youth Empowerment Programs: These programs aim to equip youth with necessary skills such as leadership, organizational and other employable skills such as trade.

USAID, the World Bank and UK Save the children are potential source of long term funding for these projects.

3.5.4 Increase the Pay of the MPs to US$60K Annually

Comparison of salaries for South Sudan MPs to those of Kenya or advanced economies, show immediately that the former are underpaid. This underpayment is detrimental to production quality. Underpayment may correlate with underperformance. To break this cycle, it is wise to increase MP pay to some more significant figure. While I have chosen an arbitrary number, US$60K, it is on track with legislative salaries for the region. This pay raise may also boost legislators' independence from executive tentacles, thus bolstering the system of checks and balances between parliament and the President's office. More broadly, raising the pay for an MP gives the MP incentives to serve the electorate and not be subservient to the other branches of government.

4. Conclusions

South Sudan will benefit substantially from a leaner, stronger government, one requiring the service of a more reasonable number of representatives, who are paid better salaries. It will also benefit from the shifting of other funds, i.e., the former salaries of legislative seats that have now been eliminated, away from the legislative chambers and toward real economic, social, educational and professional development.

Even in a more oppressive policy setting like Zimbabwe, public did demand that more resources go toward citizens or rural areas than being devoted for enhancing political loyalty (Knight, 1991). Furthermore, the idea of reducing the size of the government should not lose its currency just because South Sudan is currently engaged with Khartoum over starting production. Since production will not resume soon, and if it does, oil revenues may not come in time to save South Sudan from potential collapse in any case. Even if oil starts, reduction is necessary. The current reduced revenue stream is constricted further by our government's size, which—when measured by the number of MPs and Cabinet Ministries—is too large, as the above computations demonstrate.

Of course, governments are known for serving many useful functions such as protecting property, the weak against the stronger/bully, and sovereignty (Gallaway & Vedder, 1998). However, as they grow bigger, they cost more to finance. Hence, there is an argument for government, which is not too big but not too small to deliver necessary services.

As a matter of principle, a smaller, more responsible, and more efficient government would free resources for development. Devoting these resources to the maintenance of an over-sized bureaucracy is no longer a viable way for South Sudan to buy peace and to advance its own economic growth.

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The Sudd Institute is an independent research organization that conducts and facilitates policy relevant research and training to inform public policy and practice, to create opportunities for discussion and debate, and to improve analytical capacity in South Sudan. The Sudd Institute's intention is to significantly improve the quality, impact, and accountability of local, national, and international policy- and decisionmaking in South Sudan in order to promote a more peaceful, just and prosperous society.

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