OIL RESOURCES AND POLITICAL STABILITY IN SOUTH SUDAN: A CASE STUDY OF PALOCH IN UPPER NILE STATE

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UGANDA CHRISTIAN UNIVERSITY

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DECLARATION

I, REJOICE MATTHEW, declare that this research report is my own original work. It has not been presented for a degree or any other academic award in any university or institution of learning. Where other people's work has been used, due acknowledgement has been made.

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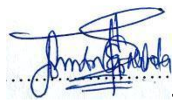
APPROVAL

This research report has been submitted for examination with my approval as the University Supervisor.

Signature: 

05/2026

DR. FETA SIMON

Supervisor,

DEDICATION

This report is dedicated to the communities of Paloch and the broader Upper Nile State, who have fought and resisted the dispossession and conflict, and who continue to inspire hope for just and accountable resource governance in South Sudan.It is also dedicated to my family who gave me the constant support and encouragement to undertake this academic journey.

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ABSTRACT

As the youngest country in the world, South Sudan has continued to experience political unrest since its independence in 2011, although it has some significant oil reserves in the Upper Nile State, especially in the Paloch and Melut Basin areas. This study will deal with the link between petroleum resource governance and political stability in South Sudan, with the main case study being Paloch in Upper Nile State and a time span of 2011 to 2025.

The study sought to examine the role of oil resources in shaping political stability of South Sudan with focus on Paloch, analyse the impact of oil exploration and production activities on local communities in Paloch (economic and socio-political implications) and to examine the relationship between oil related conflicts and political instability in Upper Nile State. A qualitative research design was used, with only secondary sources used such as peer reviewed academic research, institutional and policy reports from the UNMISS, NRGI, Global Witness and the International Crisis group as well as credible media reports. Purposive sampling was used to identify sources that are directly relevant, of analytical quality, and appropriate temporal and geographic scope.

The theoretical framework is a combination of Resource Curse Theory, Rentier State Theory, Social Constructivism, Instrumentalist Theory of Ethnicity, the Security Dilemma framework and Liberal Peacebuilding Theory. They are seen analytically as complementary and are used in combination to provide a multi-level explanation of oil-induced instability which covers elite action, community grievances, identity mobilization and government failure.

The results show that in Paloch, oil has not driven development, but rather it has been a structural driver of conflict, elite predation and governance fragmentation. The oil benefits of the Melut Basin have been diverted from the State of the Upper Nile to the State of Juba, which has resulted in fiscal centralisation, thereby fostering grievance structures within the Collo (Shilluk) communities, the Dinka Padang and the Nuer communities. Oil extraction has been a dispossession to communities in Paloch, and the impacts of this activity have been felt in the following ways: dispossession of ancestral lands, disruption of riverine livelihoods, environmental contamination, and exclusion from participative governance. Civil war in

December 2013 highlighted these dynamics dramatically, as control of Paloch oil infrastructure was an early target for armed groups. Previous peace agreements (ARCSS (2015) and R-ARCSS (2018) have failed to achieve sustainable peace due to the fact that they failed to tackle the issue of elite power-sharing but did not address the problem of sub-national contestation regarding the distribution of oil revenue and community benefits.

The study argues that instability in Paloch is a systematic result of a political economy designed to focus the benefits of oil revenues in the hands of national and sub-national elites, and exclude producing communities. It suggests the creation of a sub-national oil revenue governance mechanism for Upper Nile State, building the transparency of oil revenue into peace agreement implementation benchmarks, addressing community land rights in the Melut Basin, reform of the Petroleum Revenue Stabilisation Fund, and development of livelihood programmes for communities affected by oil that are conflict sensitive.

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NRGI	Natural Resource Governance Institute
PSA	Production Sharing Agreement
R-ARCSS	Revitalised Agreement on the Resolution of the Conflict in South Sudan
RJMEC	Reconstituted Joint Monitoring and Evaluation Commission
SPLM	Sudan People's Liberation Movement
SPLA	Sudan People's Liberation Army
SPLA-IO	Sudan People's Liberation Army — In Opposition
SSHRC	South Sudan Human Rights Commission
SSPDF	South Sudan People's Defence Forces
TGoNU	Transitional Government of National Unity
UCU	Uganda Christian University
UNMISS	United Nations Mission in South Sudan
UNOC	Uganda National Oil Company

CHAPTER ONE

BACKGROUND TO THE STUDY

1.0 Introduction

This chapter contains the study's background, problem statement, purpose, objectives, research questions, scope, significance, justification, conceptual framework, and arrangement.

1.1 Background to the Study

The youngest country in the world with a history of civil conflict and a long struggle to gain independence, South Sudan became an independent state on July 9, 2011. The country is blessed with large deposits of oil, most especially in the Upper Nile State, and the Paloch region is one of the key areas of oil production. The oil industry contributes more than 90 percent of the revenue of South Sudan and is therefore a highly important economic driver (Patey, 2021). Nonetheless, depending on this one resource has made the country susceptible to external market shocks and internal wrangles. Kulang (2021) states that the political instability in South Sudan can be traced to the colonial legacies and ethnic divisions. The existence of the British and Egyptian colonial rule worsened tensions between the mainly Muslim north and the mostly Christian and animist south, preparing the ground of future conflicts (Elmukashfi, 2020). The First and Second Sudanese Civil Wars illuminated the attempt to gain independence and the thirst to have self-determination, which culminated in the Comprehensive Peace Agreement of 2005, which opened the door to independence (Aleu, 2020). Although this was a milestone, power politics especially among the major political leaders in the country, characterized the post- independence period, which culminated into civil war in December 2013.

These power struggles have been fuelled in the Paloch region where oil has been discovered. The control of oil resources has become the subject of a conflict as various groups and ethnicities are fighting to gain access to oil resources (Olanrewaju et al., 2020). Local communities are usually sidelined in the fortunes of oil extraction and grievances thus arise to create further instability. South Sudanese government has had challenges in managing oil revenues effectively resulting in corruption and failure to invest in services to the people (Kibe et al., 2023). This correlation between oil resources and political stability is critical to comprehend the current issues facing

South Sudan, especially in such regions as Paloch, where the potential of economic development is ruined by conflict and mismanagement.

1.1.1 Historical Perspective

Miller (2021) argues that it was only in the early 20th century that Oil has become a vital element of industrialisation and military strength. The change started in the early 1900s when the discovery of large oil fields in Texas and the Middle East heralded the start of a new era. This new resource spurred the automobile industry to rise, which fundamentally changed transportation and urban planning (Marx, 2022). The growth of mechanized warfare in World War I also contributed significantly to the demand of oil, as the countries learned that modern warfare needed large amounts of oil. The nations started to realize the strategic significance of obtaining stable oil supplies to sustain both military and economic activities (Yuan et al., 2023). The geopolitical changes that occurred during the interwar period were triggered by the search of oil that has led to the major geopolitical changes that have reshaped world power dynamics. The decision to go into Iran and establish the Anglo-Persian Oil Company (today BP) and the subsequent discovery of huge oil reserves in Saudi Arabia highlighted how oil could be used to impact international relations (Khazaee, 2020). With oil being a key factor in colonial expansion, some of the wealthiest countries of the Middle East and North were keen to establish their empires, particularly in oil-rich regions (Gökay, 2021).

The World War II further highlighted the importance of oil as a strategic resource. The control over oil resources played a crucial role in military success; both the Allies and the Axis powers understood the importance of ensuring the accessibility of oil resources to continue their war efforts (de Vries, 2022). The US and its partners were concerned with a domination of strategic oil fields which led to military actions in such regions as North Africa and the Middle East (Long, 2019). The war showed that oil is able to determine the direction that conflicts are going to take and how countries are going to strategize. The formation of the Organization of the Petroleum Exporting Countries (OPEC) in 1960 signaled the beginning of a change in the world oil market. OPEC was established in order to coordinate the production and pricing of oil by the member countries, allowing them to gain more control over their resources and have an impact on oil prices around the world (Roeben, 2024). This change has enabled the oil rich countries to use their resources to gain political and economic advantages and this has created much tension between oil producing and oil consuming countries.

The oil crises of the 1970s, which were occasioned by the oil embargo which was initiated by OPEC in response to western support of Israel during the Yom Kippur War, further demonstrated the geopolitical strength of oil. This gave rise to skyrocketing prices, recessions in the Western economy, and the reconsideration of the energy policy on the global scale (Sun et al., 2024). The oil-related geopolitical environment has been continuously changing in recent decades, with emerging economies such as China and India becoming significant consumers, affecting international oil markets and changing traditional patterns in the balance of power (Bukhari et al., 2024).

Abushrenta (2022) indicates that the discovery of the first major oil reserves in Africa took place in Libya in 1959 and in Nigeria in the mid-1960s. The oil revolution in Libya has turned the country into a major player in the global oil market, where the National Oil Corporation (NOC) has become a force to reckon with (Bughrara, 2021). In much the same manner, the Oloibiri oil field, discovered in 1956, which gave birth to the Nigerian oil industry, would later become the backbone of its national economy argued by Edo et al (2024). By the 1970s, oil revenues had soared, especially during the global oil crisis resulting in unprecedented economic growth of many of the oil producing countries. As Adeola et al. (2022) emphasize, Nigeria became the biggest oil producer in Africa, with its oil exports significantly contributing to its GDP. Nonetheless, this prosperity tended to create wealth inequality, as most citizens remained poor despite the wealth accumulated on their territories (Adewunmi, 2019). The geopolitical role of oil in Africa is immense, especially during the cold war when the strategic role of oil reserves was of great interest to superpowers. The United States and the Soviet Union sought influence in the resource-rich areas (often supporting the authoritarian regimes in their interests). This relationship was clearly observed in Angola, where the two super powers supported opposing parties in a long time civil war that was supported by the control of oil resources.

Over the past decades, the emergence of new economies, especially China, has transformed the oil landscape in Africa. The energy requirement in China has resulted in the massive investment in the African oil infrastructure that is often accompanied by less stringent political requirements than those enforced by the Western countries. This shift has enabled African countries to diversify their partnerships, although it has raised concerns about potential neocolonial practices and local resource exploitation (Yueh, 2019). In addition to its economic potential, oil has also been a contributor to the major social problems and conflicts in Africa. The so-called resource curse has afflicted most of the oil-rich countries, where plenty of oil brought corruption, mismanagement as well as civil unrest. In Nigeria, the Niger Delta is a region abundant in oil reserves, but which has experienced violent conflicts between the local communities, government forces, and multinational oil corporations (Udoh, 2020). These tensions have been worsened by environmental degradation caused by oil extraction, with oil spills, gas flaring, and pollution destroying the local ecosystems and livelihoods (Babatunde, 2020). Nigeria provides a good case study of these complexities; even though the country is one of the largest oil producers in Africa, its oil wealth has failed to translate to widespread development in the country. Niger Delta is still poor with a history of environmental degradation and health problems, intercommunal conflicts between the local communities and the oil companies, including Shell, continue to worsen the situation (Babatunde, 2020). The oil boom in Angola, which began after the civil war in the country ended in 2002, has led to a significant economic growth in the country, however, the benefits of this economic growth have not been evenly distributed across the country and as a result, a significant proportion of the population in the country remains in poverty. The government and the economy are also dependent on oil revenues, which has prevented the diversification of the economy, making Angola vulnerable to fluctuations in the world oil price (Garwi, 2023).

South Sudan, the youngest country in the world gained its independence on July 9, 2011, after decades of civil war and relentless struggle to gain independence. The origin of this quest lies in the colonial period when the division between the South (mainly Christian and animist) and the North (mainly Muslim) worsened, leading to systematic marginalization of the South (Thomas and Chesworth, 2022). Soon after the independence of Sudan in 1956, the First Sudanese Civil War erupted in 1955 when Sudan was on the verge of independence, and the southern Sudanese demanded independence. This was a violent conflict until the Addis Ababa Agreement in 1972, which permitted certain self-governance. Nevertheless, this independence was not long-lasting, and in 1983 the Sudanese government reinstated the Islamic law, which sparked the Second Sudanese Civil War (Barton, 2020). In 2005, the signing of the Comprehensive Peace Agreement

(CPA) would provide a framework on an independence referendum, which would occur in January 2011 (Johansson, 2025). Even after gaining independence, South Sudan was not spared in the challenges of nation-building as the country suffered the immediate consequences of internal power struggles involving President Salva Kiir and former Vice President Riek Machar. These tensions culminated into a civil war in December 2013, which has resulted into large-scale humanitarian crises and ethnic violence, mostly involving the Dinka and Nuer groups.

According to Srinivas et al. (2020), Paloch, which is in the Upper Nile area, summarizes the intricate historical and political processes of oil resources in South Sudan. It is situated on a strategic location in one of the richest regions of the country in terms of resources. The region also hosts a number of ethnic groups, such as the Shilluk, Dinka and the Nuer who were traditionally involved in subsistence agriculture, fishing and pastoralism.

Bjornlund et al. (2020) argue that the area was relatively independent and self-sufficient prior to the arrival of colonial powers, with the local communities having control over their resources and the ability to trade. In the 19th century, however, Paloch was brought under the control of the Ottoman Khedive of Egypt, who subsequently became a part of the Mahdist State and later the Anglo-Egyptian Sudan. This was a time of little development and integration into central governance, which has contributed to local marginalization, an attitude enhanced by oil discovery (Johnson, 2016). It changed the situation at the end of the 20th century when large oil deposits were discovered. The central Sudanese government favored the interests of the entire country over the needs of the local communities who felt they were not benefiting in the same way as the entire Sudanese nation was benefiting due to the oil exploitation. During the Second Sudanese Civil war, (1983-2005), there were tensions and the SPLA opposed the control of the central government on oil fields in the south including those near Paloch. Through the conflict, there was a massive displacement and interference with traditional livelihoods (Adeba, 2021). Foreign investment and especially foreign Chinese investment have been instrumental in the South Sudanese oil industry (Jureńczyk, 2021). Such a dependency poses a question of local control and fair distribution of revenues. In oil producing countries, communities tend to feel marginalized, as they do not seem to be enjoying much of the fruits of their riches. This has caused economic volatility due to the absence of infrastructure and the ability to effectively handle the oil revenues. The changing prices of oil put the economy of South Sudan at risk, worsening the situation and instability further (Seid et al., 2021). Paloch experiences a lot of socio-economic problems. They continue to experience cycles of poverty as they continue to access basic services, including education and healthcare. Oil extraction has also contributed to environmental degradation which has raised concerns on land and water pollution which adversely affects agriculture and fishing which are key to the livelihood of the locals (Eriegha and Sam, 2020). The continuing conflicts make any attempts to stabilize and develop more difficult. Nevertheless, communities in Paloch demonstrate an amazing resilience despite these challenges. Local organizations and leaders are also in action to make sure that the voices of residents are heard when it comes to discussing the strategies of managing and developing resources (Kasimba and Lujala, 2019). Educational, healthcare, and sustainable resource management initiatives are essential in promoting stability and encouraging local empowerment. Respecting local rights and encouraging involvement in decisions-making processes is crucial to creating a more just and sustainable future of Paloch (Bashir et al., 2023).

1.1.2 Theoretical Perspective

The Resource curse theory, also referred to as the paradox of plenty, explains that countries are often less economically developed, less democratic and the development outcomes of such countries are worse compared to the development outcomes of countries with fewer resources. Sachs and Warner (1995) are among the earliest theorists to explicitly state this theory by arguing that resource wealth may instead of prosperity, lead to economic instability and conflict.

With the presence of oil in South Sudan especially in Paloch, there is no stable governance and equitable development. Rather, it has intensified civil conflicts that are going on and increased social differences. As Douma (2022) highlights, the competition to gain control over valuable resources may exacerbate the existing tensions, resulting in the violent conflict and political instability. Another aspect mentioned by Usman and Landry (2021) is that the dependence on one commodity, e.g., oil, may impede the economic diversification and innovation. This dependency predisposes to the changes in the world oil prices and destabilizes the economy and exacerbates inequality between the various social groups. According to the theory, instead of being used to catalyze the development, resource wealth will merely contribute to a cycle of conflict and corruption, which undermines democratic institutions.

According to the theory, the influx of resource wealth may result in what is termed as Dutch Disease whereby other sectors of the economy decline as a result of over-dependence on resources. Such effect may suffocate an attempt to develop a diversified and sustainable economy. Using this theoretical framework, the research will examine how the oil wealth of Paloch has impacted local governance, as well as contributed to the ongoing conflict and the overall socio-political landscape of South Sudan.

1.1.3 Conceptual Perspective

In this section, the operationalization of the concepts of oil resources and political stability to match the objectives of the research is carried out. The independent variable is the oil resources and the dependent variable is the political stability. Both of the variables are established through the use of existing literature which gives insight into how the two variables relate to one another.

Oil Resources:

Oil Resources can be defined as the natural reserves of crude oil that can be tapped to carry out economic activities (Atil et al., 2020). This is an important concept to comprehend the political environment of the oil-rich countries and most importantly in the oil-rich country that is also prone to conflict such as South Sudan. Adams et al. (2019) argue that Oil can stimulate economic growth and increase national revenue, yet it is often associated with adverse political and social consequences. The struggle to have control over such resources regularly results in a fight, especially in weak states. In South Sudan, especially in the Upper Nile State, the control over oil resources directly impacts the political stability (Elnourani et al., 2024). Although South Sudan is rich in oil, its wealth has not led to stability and prosperity of its people. The conflict between various groups has intensified, as was the case with the bloody conflict that erupted following independence in 2011, over the various differences that arose in relation to the oil incomes and territorial dominance.

The Resource Curse Theory is a statement made by Richard Auty (1993) and it suggests that resource-rich countries may have less political stability because of mismanagement, which results in corruption and conflict. This theory can be seen in South Sudan where oil wealth has failed to bring the good governance. The results of Auty indicate that in most cases the economic benefits of the resource wealth do not reach the rest of the population causing resentment and dissatisfaction. Paul Collier et al, (2004) continues to look into how rich natural resources could escalate the chances of a civil war. They suggest that economic incentives that relate to resource wealth may make groups of people to carry out violent acts to acquire dominion over such resources. This is especially evident in South Sudan where different groups fight over the control of the oil-producing areas. The Political Economy approach looks at the role of oil wealth in the politics of power and the organization of power. In South Sudan, power is centralized among the elites who control oil resources to the exclusion of other groups as well as creating social tensions. According to Geddes (2023), the connection between resource wealth and state capacity is embedded, and there is a risk that weak institutions will result in mismanagement and conflict. Weak governance institutions in South Sudan have enabled corruption to thrive, which has aggravated inequalities.

Oil resources may be a source of conflict in situations where two or more parties are competing to control oil resources. Vakulchuk et al, (2020) argues that the strategic importance of oil usually makes it a center of conflict, with different groups seeking to establish dominance over the same. To mediate the relationship between oil wealth and political stability, effective governance is necessary. Weak institutions and accountability will be a hindrance in equitable management of resources, thus leading to unrest. Li and Huang (2023). highlights that, to achieve stability in resource rich countries, it is important to address the underlying issues. Governance systems that enhance transparency and citizen involvement are crucial in ensuring that oil wealth is used to their advantage by the larger population.

Political stability:

Political stability is defined to be the lack of violent conflict and proper governance. Easton (2024) assumes that the stability is a result of a balance between different elements of the political system. South Sudan, the contest of oil resources can frequently result in violent conflict, which weakens stability. There should be good governance to address tensions that are associated with oil exploitation.

In politics, social cohesion plays a crucial role in ensuring political stability. There is a great amount of trust between various ethnic groups, which leads to the stability. According to Sempijja and El Hassani (2024), conflict can arise because of social fragmentation, particularly in the resource-rich regions. Good governance can help open the gaps existing between communities and encourage dialogue and collaboration. Institutional strength is also a key factor in bringing about political stability. Carlisle and Gruby (2019) suggest that strong institutions are a precondition to good governance and conflict resolution. In South Sudan where institutions tend to be weak, effective governance can enable negotiations among diverse actors in the oil sector, and ensure that resources are used to benefit the whole population. Alhamran et al, (2022) who opines that economic conditions are strictly linked to political stability argues that this is particularly true in oil-dependent economies. An oil industry that is flourishing would provide employment opportunities and help alleviate poverty, and economic slowdown may result in unrest. Collier and Hoeffler (2004) point out that to reduce tensions, it is important to address the economic disparities.

The relationship between oil and politics in South Sudan is dynamic and intricate. The proper management of oil resources can be used to curb any form of conflict before it breaks out into violence. According to Minko (2024), the capacity of the parties to negotiate and come up with mutually beneficial agreements is often the key factor in successful conflict resolution. In the case of Paloch, good governance is critical in dealing with tensions between the local communities and the government as concerns the allocation of resources.

1.1.4 Contextual Perspective

South Sudan has a history of colonial interventions, which have intensified ethnic divisions and established power imbalances. Under the British colonial regime (1899-1955), there were policies that favored the northern elite and marginalized the southern populations in a systematic way (Norrby, 2024). The British governance resorted to a divide and rule policy whereby the interest of the northerners were favored to the disadvantage of the south in terms of socio-economic development. This policy created a sense of resentment among the southern communities and planted the seeds of ethnic discord which, in the future, would result in a violent conflict (Kulang, 2021.). The introduction of foreign forms of governance even further estranged the southern populations who felt unrelated to the political processes that governed their lives. This disenfranchisement and unavailability of resources contributed to a feeling of disenfranchisement, and gave rise to future grievances about political representation and resource allocation (Yusuf, 2024). As a new Sudanese government emerged in 1956, continuing this legacy of marginalization, it gave rise to a long-standing civil war that lasted decades (Weiss, 2020). The civil wars, which followed independence, were marked by cruel violence and mass suffering with the southern people being the worst hit in the war. Both the first civil war (1955-1972) and the second conflict (1983-2005) were driven by the desire to have autonomy, cultural identity and a just distribution of resources. The South Sudanese did not just fight to gain independence, but also against a system that continued to marginalize them (Nyaba, 2019).

This finally culminated into the formation of South Sudan as an independent state in 2011 as a result of the Comprehensive Peace Agreement (CPA) of 2005. But the legacies of conflict and division did not fade away with the independence. In their place, unresolved ethnic rivalry and resource competition issues remained and created a volatile environment where further conflict is possible (Mangok, 2022).

The finding of oil in Paloch in the late 20th century was a crucial turning point in the path of South Sudan. There was a time when oil resources were viewed as a possible blessing to the economic growth; however, soon oil resources turned into an object of dispute between different groups. The strategic value of oil increased the stakes in the continual power games with various groups struggling to control these valuable resources (Mikdashi, 2019). Oil wealth has turned out to be a hotbed of conflict, as it is based on long-held grievances of the region. Different interest groups such as ethnic groups and political parties have attempted to use oil revenues to their advantage, most of the times at the expense of the local communities.

The result of this competition has been violent conflict, and further entrenched internal divisions that further increase existing tensions and make it harder to establish a unified national identity (Kleppe, 2022). The power and control of oil wealth is a reflection of what is going on in the rest of society, such as ethnic and political differences and economic inequalities. This inability to establish inclusive governance systems which acknowledge and deal with these inequalities has continued to perpetuate cycles of violence and instability. With different groups struggling to have an upper hand, the prospects of conflict are high, frustrating attempts to reconcile and develop sustainably (Atanang et al., 2022). Additionally, oil wealth has not been able to translate into better living standards of most people in society. Rather, in most cases, local communities are either marginalized or disenfranchised and a sense of injustice is permeated. This lack of connection between oil riches and the well-being of communities has contributed to resentment and social unrest, making the socio-political environment in South Sudan more challenging (Leek, 2023). Lack of transparency and corruption are widespread in the South Sudanese government, considerably decreasing the level of trust within the population and making the issue of fair distribution of resources complicated. Poor spending of oil revenues has left the local communities in need of basic services and created a culture of impunity among political elites. Such a corrupt environment contributes to making it even more challenging to institute effective governance strategies that could enhance stability and development (Fu and Jian, 2021).

Corral et al. (2020) argue that the political environment is characterized by poor institutions and ineffective governance frameworks that are not able to respond to the immediate needs of the citizens. The lack of robust institutions that can effectively manage resources of the country has led to a gap in governance whereby power politics have dominated the welfare of the people. With different groups competing to get hold of the oil wealth, the tendency to focus their attention on resource extraction may often overshadow the pressing need to develop socially and economically (Howe, 2019). The greatest victims of the spillover of these conflicts are local communities who are often dependent on agriculture and traditional livelihoods. This is because of the environmental degradation caused by the process of oil extraction which further endangers their sustenance and economic security as they deal with socio-economic challenges further compounded by the effects of environmental degradation caused by the process of oil extraction. The lack of correlation between oil-generated wealth and real life situations of the ordinary people has resulted in a culture of widespread injustice. Some of them complain about being left out in the benefits of oil wealth which has made them unable to access basic services and have no opportunities to advance economically (Mohammed et al., 2022). Such dissatisfaction may turn into social unrest, as oppressed groups are demanding more responsibility and equal access to resources. Environmental degradation, economic marginalization, and the perception of injustice has contributed to the social unrest in Paloch and other regions, making it difficult to foster peace and security (Tabassum, 2019).

1.2 Problem Statement

South Sudan, the youngest country in the world, is very much reliant on oil revenue since it makes up almost all the government revenue. The main oil-producing zone of the country is the oil-rich region of Paloch, in the Upper Nile State. Although oil resources can lead to the growth and development of the economy, it has also been associated with political instability, conflict, and governance problems (Adams et al., 2019). The oil riches have failed to bring peace to South Sudan, as the country is still experiencing political unrest, ethnic tensions, and economic hardships, casting doubt on the resource curse phenomenon (Thor, 2019).

The issue of the oil resources and political stability in South Sudan is still controversial and thorny. The history of oil revenues control and distribution has become a source of power struggles among the political elites, which has contributed to the existing divisions, and led to violent conflicts. Militarization, forced migration, and conflict between the local people and the state are some of the effects of competition over oil resources in Paloch. Moreover, lack of transparency, corruption and poor institutional structures have precluded the process of transforming oil wealth into sustainable development and peace.

In spite of the importance of this problem, there is a lack of empirical studies that examine the specific effects of oil resources on the political stability of South Sudan, especially of Paloch.

Policymakers, international players and scholars need to be mindful of this phenomenon, promoting peace, governance and equitable resource management. For this reason, this paper will focus on analysing the impact of oil wealth on political stability in South Sudan, and will draw on the Paloch experience to explore the issues, tensions, and governance structures of oil wealth.

1.3 Purpose of the study

This study is aimed at investigating the correlation between oil resources and political stability in South Sudan; focusing on Upper Nile State, Paloch district.

1.4 Study Objectives

i) To study the effect of oil resources on political stability in South Sudan in the context of Paloch in Upper Nile state.

2) To evaluate the socio-economic effects of the oil industry on the local community of Paloch, highlighting its positive economic aspects and negative socio-political effects.

3) To study the effects of oil-related conflicts on political instability in Polach of Upper Nile State.

1.5 Research Questions

i) How do oil resources influence political stability in the South Sudan, especially in the Paloch, Upper Nile State?

2) How do the effects of oil exploration and production affect local communities in Paloch (economic benefits and socio-political challenges).

3) What is the relationship between oil-related conflicts and political instability in Polach Upper Nile State?

1.6 Scope of the study

The research will be structured into three main areas that include; Content Scope, Time Scope, and Geographical Scope. These sections will indicate the precise focus and restrictions of the study to offer a clear outline to the understanding of the objectives and context of the study.

1.6.1 Content Scope

The study will take the case study of Paloch in Upper Nile State where data will be obtained on the role of oil resources in determining political stability in South Sudan. This research will mainly focus on three objectives, including: to examine of the role of oil resources in influencing political stability in the region, to assess the impact of oil exploration and production on local communities in Paloch, and investigate the relationship between oil-related conflicts and political instability of in polach, Upper Nile State.

1.6.2 Time Scope

The analysis will include the time frame of 2021-2024. This period can be used to analyze major developments in South Sudan within the context of oil exploration and production which became more and more evident during this period.

1.6.3 Geographical Scope

The field work will be carried out in Paloch, Upper Nile State an area in the Greater Upper Nile region of South Sudan. It features oil-related Paloich Airport (also spelled as Palouge Airport) and neighboring Palaque oil field. The research will also take an overall view of the Upper Nile State in order to conceptualize the dynamics of the region and how they affect the political stability.

RICH CLABAUGH/STAFF

Figure 1: Map of Paloch

1.7 Significance of the Study

1.7.1 To the Academia

This study bridges a very important gap in the available literature on the issue of the influence of oil resources on the political stability in South Sudan. The findings will also contribute to the academic literature on the complex interactions between oil exploitation and governance in the sphere of resource management, political economy, and conflict studies, especially in fragile states

1.7.2 to the Government of South Sudan.

The results from this study are very important for guiding policy makers in determining the relationship between oil resource and political stability, particularly in Paloch. The understanding of the local dynamics and challenges will assist the government to develop a more effective governance strategy and a more effective resource management strategy, which will increase stability, economic development and sustainable development in the region.

1.7.3. To the International Community

The paper highlights the socio-political problems and wars that have ensued due to the quest for oil in South Sudan. The lessons learnt out of this study can help international organizations and foreign governments in developing conflict resolution mechanisms and frameworks which focus on the underlying causes of instability.

1.7.4 to the Researcher

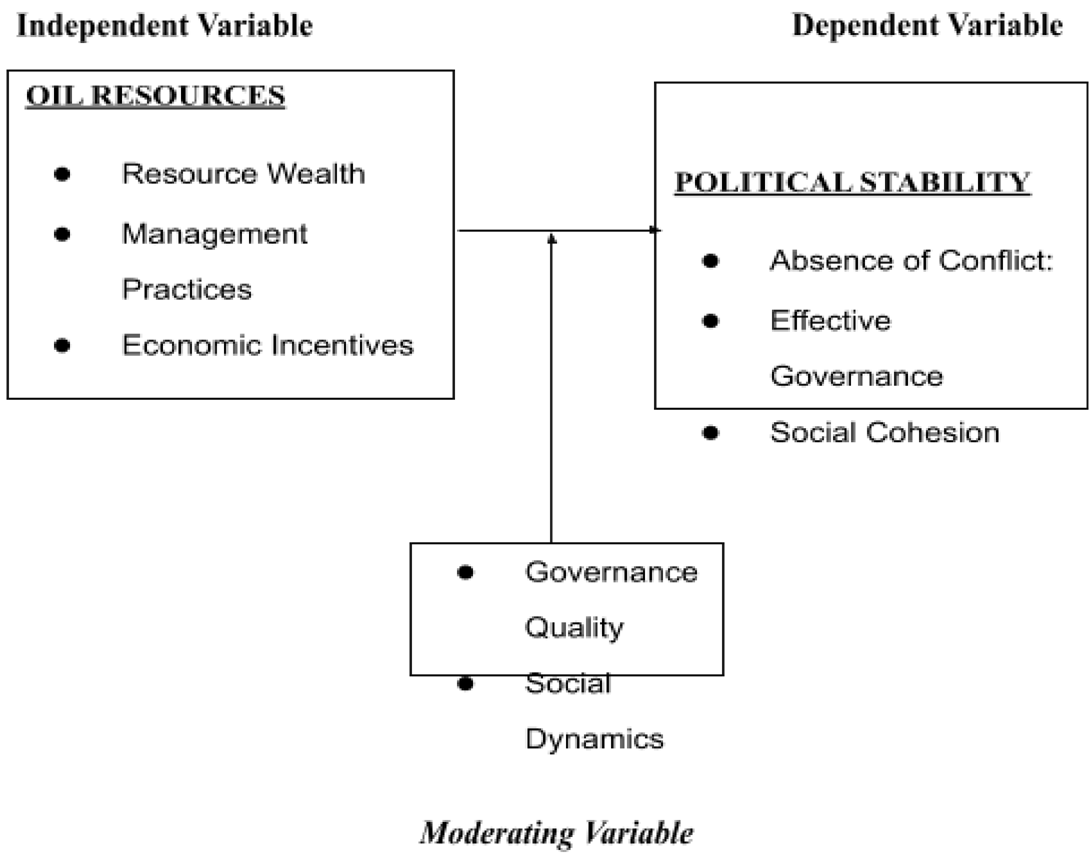
The findings of the present study can form the basis of further research on the complex interrelationship between natural resources and political stability in post conflict context. It also offers a guideline of the future research undertakings that can investigate further the dimensions of resource management, governance, and community involvement.

1.8 Study justification.

The urgency behind this study is that there is a great need to know how the oil resources affect political stability in South Sudan especially in the backdrop of the current conflicts involving the South Sudan government and the armed groups regarding the control of the oil resources. Although a range of programs have been developed to help solve these conflicts, there is still a gap in the available empirical knowledge as to local dynamics and local views.

The particular focus on the case of Paloch, a focal point of oil production, will help shed light on the unique nature of the problems and opportunities that oil wealth presents. It aims to give insights that may inform stakeholders, such as policymakers and local leaders, about the potential of oil resources to be used in the context of sustainable development and stability. The paper will underscore the need to instill the rule of law and good governance in all parts of the world to reduce the risk of conflict due to the exploitation of resources. This study hopes to make a contribution towards a peaceful and prosperous future of South Sudan as it points out the socio-economic advantages of tapping oil resources in a responsible manner.

1.9 Conceptual Framework



Source: (Researcher Conceptualization, 2025).

Above is the conceptual framework which has independent variable as Oil resources and dependent variable as Political stability. Political stability is a dependent variable of the independent variable of oil resources. In addition, there are moderating variables that link the independent and the dependent variables. The independent variable, oil resources, can be manipulated to improve the dependent variable through good management practices that ensure equitable distribution of oil revenues, which in turn can result in greater political stability. Moreover, economic incentives can provide motivation to political stability-enhancing behaviors. Governance quality, social dynamics are moderating variables. The quality of governance can affect the link between oil resources and political stability in a positive or negative way. Community social relations may also play a role in shaping perceptions and distribution of the oil resources, thus influencing stability in the community.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

The literature review conducted in this chapter is an in-depth examination of the literature about the relationship between oil resources and political stability in South Sudan with particular focus on the Paloch region. The review is organized around the specific objectives of the study which are: To study the role of oil resources in the development of political stability in South Sudan, To examine the role of oil exploration and production on the local communities in Paloch and To analyze the relationship between oil related conflicts and political instabilities within the Upper Nile State. The chapter will identify the main constructs used in the chapter, e.g., the construct of oil resources and political stability, as well as will discuss the theoretical frameworks, such as Resource Curse Theory, that will help put the findings in the context of the larger academic discussion on the topic of resource management and conflict dynamics.

2.1 Review of Constructs

Hodges (2011) argues that oil resources in South Sudan is a critical economic resource, especially in Paloch where there are large resources. These resources can be used to bring about massive revenues that can be used to foster development of the country, enhance infrastructure, and improve services offered to people. Nevertheless, it is usually difficult to manage these resources. Hoeffler (2004) points out that mismanagement, corruption and absence of transparency may result in concentration of wealth to a political elite, leaving the rest of the population marginalized and poor. Such a state of affairs may foster discontentment and social instability among the population, which would jeopardize the possible goodwill of oil wealth among the population. As defined by Huntington (1968) political stability is the ability of the government to uphold order and deliver the necessary services without the use of violence. This stability is essential in ensuring that an environment of development and peace is fostered. In

South Sudan, political stability cannot be accomplished easily because of the historical context of the conflict. The politics of control over oil resources have frequently helped to fuel tension between different political and ethnic groups, which in turn have led to competition that has weakened governance and trust. To establish legitimacy and to stabilize the political environment, it is critical that oil revenues be managed in an effective manner. The idea of the resource curse as expressed by Sachs and Warner (1995) presupposes that the country with plenty of natural resources like oil would tend to have more negative economic and political consequences, such as authoritarian rule, civil war, and slower economic growth than resource-poor countries. The resource curse is presented in South Sudan in the form of constant conflicts due to the struggle of oil wealth. Oil resources have in most instances been a dividing factor, which has led to more grievances and instability as Ross (2012) notes. The interaction between these constructs shows that there is a complex relationship in that oil resources can either enhance political stability by enhancing governance or cause instability when mismanaged. The existing literature acknowledges the role of transparency, good governance, and equitable allocation of resources as critical factors that help in reducing the negative impact of the resource curse as postulated by Beblawi (1987).

2.2 Theoretical Review

The Resource Curse Theory, or, as it is also known, the paradox of plenty, is the theory that the countries with the greatest abundance of natural resources, such as oil, tend to have less economic growth, a dictatorial rule, and an increased amount of conflict as compared to the countries with lower amounts of resources. This theory was based on the observations of the economic and political course of the resource-producing countries in the late 20th century, in particular the countries of Africa and Latin America. Studies by Sachs and Warner (1995) revealed the adverse effects of resource wealth on the economic performance arguing that countries with high resources tend to experience sluggish growth due to factors such as corruption, poor governance and economic volatility.

The Resource Curse Theory is especially applicable in the context of South Sudan. The nation, which is blessed with great oil reserves, has not been able to utilize this prosperity into the broad economic development of the country. Rather, the rivalry over control over oil resources have enhanced political tensions and conflict which have weakened stability and governance. This dynamic depicts how the resource curse can result in poor governance and civil unrest, which is in line with the fundamental principles of the resource curse.

According to critiques of the Resource Curse Theory, not all resource-abundant nations have negative consequences. According to scholars, such as Michael Ross (2012) the results are highly dependent on the management of the resources and the institutional structures existing. Other theories focus on how the quality of governance, legal systems, and social contracts can alleviate the impact of the resource curse in resource-abundant nations, and that good governance can improve the results of the resource curse.

Political Economy

The political economy approach offers a critical frame through which it is possible to explain the association between resource wealth and governance. This strategy focuses on the interplay between political institutions, economic systems and power relations in determining the consequences of resource management. It underlines the fact that the allocation of wealth in form of resources can frequently affect political practices and the quality of governance. The political economy perspective in South Sudan is that through oil revenues, it is possible to generate incentives to both cooperate and conflict among the elites. According to Bates (1981), patronage networks can result in the struggle to gain access to oil wealth, which strengthens existing power relations and promotes corruption. Besides, the absence of transparent institutions can further increase the negative impact of resource wealth as the elites may not be interested in serving the interests of the majority but instead pursue personal gain further weakening the political stability (Leite and Weidmann, 1999).

Social Dynamics

To describe the correlation between resources and political stability, it is important to take into account social dynamics, as well as theories regarding social cohesion and conflict. According to these theories, social capital, trust and community involvement are important factors that contribute to stability. In a context that is rich in resources such as South Sudan, the disintegration of society along ethnic and political lines can result into increased tension and conflict in the control of resources. The social cohesion theories put much focus on the aspect of inclusive governance and equal distribution of resources in ensuring stability. Putnam (2000) argues that when communities feel sidelined or not part of the benefits of resource wealth they are likely to express their grievances, which can lead to conflict thus eroding political stability. On the other hand, such risks can be alleviated by promoting social cohesion via inclusive policies, which can consequently increase political stability.

2.3 Review of literature

This section reviews the literature that is available concerning the study objectives in terms of the role of oil resources in shaping political stability in South Sudan with a focus on Polach, Upper Nile State, in the context of assessing the impact of oil exploration and production on the local communities in Polach, including the economic benefits and the socio-political challenges they have experienced. And to examine the correlation that exists between oil related conflicts and political instability in Polach, Upper Nile State.

2.3.1 How oil resources have influenced the political stability in South Sudan.

The contribution of oil resources in the creation of political stability in South Sudan and more so in the Paloch region is one of the areas that have attracted the attention of scholars. Many studies have indicated that oil wealth also significantly contributes to the political arena that is likely to enhance the level of conflict and make the governing process more complex.

2.3.1.1 Economic Vulnerability

Among the most important results of the literature is the economic reliance of South Sudan on oil revenues. The exposition of Hodges (2011) reveals that a significant part of the national economy is oil, since it constitutes over 90% of the government revenue. This extreme reliance generates an unstable economic scenario, in which the changes in oil prices in the world market have a direct effect on the national stability. A case in point is when the budgetary deficits experienced by the government as a result of declining oil prices the people may be affected by an act of unrest and dissatisfaction. This weakness throws light on the fact that the economic forces that are connected with oil can cause political crises.

2.3.1.2 Conflict Dynamics

The issue of control over oil rich states particularly Paloch, has been one of the crucial causes of the current conflicts in South Sudan. Michael Ross (2012) reiterates that groups in the state have violent conflicts in order to gain access to these resources. The struggle to control the oil reserves not only contributes to armed conflict, but also exacerbates the ethnic tensions as different groups fight over the control of the power and the control of the resources. This dynamic forms a cycle of violence which weakens any efforts towards the long-term peace. According to the literature, oil wealth might turn out to become a triggering point of conflict, rather than a means of facilitating stability.

2.3.1.3 Governance Challenges

But the connection between oil wealth and political stability is complicated by governance issues, too. Leite and Weidmann (1999) have found corruption and lack of accountability issues in the management of oil revenues in South Sudan. Public dissatisfaction and lack of confidence in government institutions are the results of misappropriation of funds by the political elites. That's where oil becomes a source of discontent when the citizens perceive that the ruling class is exploiting them with the oil profits and that they are failing to address the needs of the rest of the population. Such undermining of legitimacy may lead to even greater social instability and political turmoil.

2.3.1.4 Local Impact and Environmental Concerns

The local impact of oil mining in Paloch are immense. Although there is a possibility of oil wealth to enhance infrastructure and social services, the truth of the matter is that in most cases there will be a high level of environmental degradation and social displacement. Studies conducted by Mogensen (2015) point out the disruption of the local lifestyles caused by the oil extraction processes, especially affecting the communities that depend on farming and fishing as livelihoods. Land and water pollution may cause health complications and income loss, contributing to the tensions between the local population and the government further. This dissatisfaction can be transformed into a conflict, especially when communities are marginalized and do not get the benefits of resource extraction.

2.3.1.5 Case Studies that exemplify the Dynamics.

There are a number of case studies that have been useful in depicting these dynamics. A case in point is the Paloch oil field, particularly following the civil conflict that resulted in a coup that took place in 2013. The possession of this crucial resource was a strategic interest of both the government and the rebels, which resulted in great violence in the area. The International Crisis Group (2016) claims that the pursuit of oil wealth makes the process of peace difficult, as the parties involved in the conflict are more focused on the control of the resource than on reconciliation. This case highlights the fact that oil wealth may intensify the already existing conflicts and therefore it may be difficult to establish political stability. The other case study that may be relevant is the conflict in Unity State. According to the studies conducted by Väyrynen (2017) the fight for oil reserves in this area has served as an instrument for ethnic tension with bloody conflicts. Many thousands of people have been displaced and local governance systems disrupted by the oil war. The case in point illustrates how a resource-laden situation can cause a volatile political environment making it increasingly harder to govern and cycle of violence continues.

2.4. The effect of oil exploration and production on local communities in Paloch including economic benefits and socio-political challenges.

The development of oil in Paloch, South Sudan, is having significant impacts on South Sudan's local communities, both economically and socially-politically. This intricate relationship is of key importance to addressing the concerns and needs of the residents in the area where oil wealth doesn't always translate to benefits locally. This will investigate the economic advantages of oil production, the socio-political issues that it presents, and the views of the local community to present a complete picture of what is going on.

2.4.1 Economic Benefits

The oil production at Paloch brings some economic benefits, including employment opportunities. Studies show that the oil industry has created many jobs to locals, and this has enhanced household income (Akol, 2015). These are not only jobs that pay more but also improve the standard of living and enable families to educate themselves and buy better healthcare. Job opportunities in the oil industry can trickle up to the community at large, making it more economically viable. In addition to the work, the oil revenues can be dedicated to undertaking some significant infrastructure projects. The World Bank (2017) points out that the local economic activities can be improved by the improved infrastructure, including roads and the public facilities. Investing in infrastructure is beneficial to the oil industry, agriculture and small businesses, and is a way to create a more integrated local economy.

Improved transportation networks, such as, are beneficial in stimulating economic growth and in facilitating future growth. The rise in economic activity, as a result of oil exploration, can boost the local markets. The oil industry supports businesses like catering, transport and maintenance services that can prosper in this environment. Such growth, as Mogensen (2015) notes, not only has contributed to the creation of a dynamic local economy but also has created more jobs, which help to reduce poverty and also improve the quality of life of many residents.

2.4.2 Socio-Political Challenges

Although the oil exploration and production have such economic advantages, there exist serious socio-political issues to the local community. Among the major concerns is the feeling of oppression experienced by most inhabitants. According to a study conducted by Hodges (2011), the government officials and foreign firms usually benefit on oil production profits at the expense of the locals. This marginalization to the wealth of their land breeds resentment and frustration among communities, which do not see much of the proceeds of their land. In addition, the rivalry of dominating the oil resources usually results in violent conflict. Different groups, such as government troops and rebel factions, struggle to gain control over oil-producing regions, leading to violence that directly affects the local population (International Crisis Group, 2016). These conflicts pose threats to the safety and security of the residents, economic activities of the region and increase instability in the region. The other major challenge related to oil extraction is environmental degradation. Environmental effects of oil production such as pollution and habitat destruction subject the local populations to dire threats as they rely on fishing and agriculture as a source of livelihood. Studies by Vayrynen (2017) show that pollution may pollute water sources and degrade land quality, rendering the economic feasibility of these conventional livelihoods to be undermined. The resultant economic instability may also contribute to tensions in communities as the citizens increasingly vie over the available limited resources.

2.4.3 Community Perspectives

To fully grasp the extent of influence oil production has on the lives of the local communities, it is necessary to capture the views of the local communities. Organizations such as Sudanese Network for Democratic Elections (2018) also provide surveys and interviews conducted among residents, which show that most residents are not satisfied. Others complain about not seeing any tangible benefits due to oil revenues and the negative impact on their environment. Such a lack of connection between the product created by oil and the reality of the life of local communities explains the necessity of inclusive policies. Traditional lives and social fabric have been broken by oil production. Local interviews reveal issues like social cohesion with a mass of workers and outside forces changing local dynamics. Most residents complain of feeling marginalized and unheard in the debate about managing oil (Mogensen, 2015), which leads to the feeling of marginalization and loss of cultural identity. The fluctuation of relations in the community and among various ethnic groups can be caused by the rapid changes brought about by oil production. To address these issues, other members of the community have rallied around to seek more accountability and transparency on oil revenues. Local lobbying groups have also arisen, demanding increased fairness in the sharing of oil wealth, and the implementation of more effective environmental protection measures. Their work can be seen as a reflection of a more and more popular desire to make the voices of locals heard in the processes of oil production (Akol, 2015). This kind of activism will be critical in instilling a sense of agency in the residents and ensuring that the residents' concerns are addressed.

2.5 The relationship between oil-related conflicts and political instability in Upper Nile State

The discovery of the oil reserves in the Upper Nile State, South Sudan, has become a crucial issue in the political instability in the region since the country became independent in 2011. This research will seek to examine the role played by oil related conflicts in creating political instabilities by reviewing the existing literature on the nature of such conflicts as well as carrying out a comparative analysis with other oil-abundant countries facing similar predicaments.

2.5.1 Conflict Dynamics

Paloch oil deposits have been a major source of conflict, which in most cases has resulted into bloody confrontations between different groups. Government forces, rebel groups and local militia groups typically enter into fierce conflict over the control of these lucrative oil rich regions. The fact that oil revenues and political power are competing zones which contributes to the fact that the existing ethnic tensions in the region are exacerbated by the fact that oil revenues and political power are competing zones (as highlighted by the International Crisis Group (2016)). It is not just a battle of material wealth but also entails historical grievances rooted in history, identity politics, and a struggle to achieve autonomy among the marginalized groups of people.

The combination of the control of resources and the ethnic identity forms a fragile environment, the conflicts within it can very easily get out of control. In Paloch, local communities tend to get caught in the crossfire of bigger political conflicts, resulting in large scale violence, displacement and insecurity. The instability everywhere erodes the local governance, disruption of the basic provision further reduces the living conditions of people. Bad governance and high level of corruption are key issues that enhance the dynamics of conflict in Paloch. A study conducted by de Waal (2014) points out that lack of transparency in the management of oil revenue is a source of deep distrust to the locals. The communities of Paloch feel that they are not included in the decision-making processes on oil revenues and as a result they are highly grieved. This omission is sometimes reinforced by the thought that elites in power are embezzling the wealth that is produced through the local resources. When the locals feel that the fortunes that the resources they possess bring in are poorly managed or stolen by the corrupt officials, frustration sets in. This dissatisfaction may result to violent conflicts as the marginalized groups want to exercise their rights as well as demand their fair share of the oil revenues. Not only does the misallocation of oil revenues contribute to the creation of a favorable climate in which conflict is likely to occur, but also serves to breed dissatisfaction. The presence of external players makes the conflict situation in Paloch difficult. Oil companies and the neighboring countries tend to have a vested interest in the region. They can use local divisions to their advantage as observed by Väyrynen (2017). When foreign corporate interests are aligned with certain groups, the competition and violence may intensify, fueling local conflicts. As an illustration, foreign corporations might focus on short-term profits, at the expense of sustainable development, resulting in environmental degradation and social displacement. Such an outside force can intensify the already existing gripes of communities since the local people feel like their needs and rights are being taken away so as to allow the foreign interest to take its course. The resultant hatred may be the catalyst to further instability as communities take action against what they consider wrong.

2.5.2 Comparative Analysis

In order to have a full grasp into the correlation between oil-related conflicts and political instability in Paloch, it is necessary to make a comparison with other countries with oil reserves and have the same challenges. An interesting case study is the Niger Delta of Nigeria where violent conflicts and social instability have been experienced over the oil wealth. In both scenarios the local communities tend to be seen as marginal and excluded in the wealth generated by oil extraction which breeds conflict (Watts, 2007). The situation in Nigeria has resulted in militant groups becoming active in the country, in an effort to capture the attention of the international community to their plight. Likewise, in Paloch, the dissatisfaction may result in an organized opposition towards the government and foreign powers that are perceived to be exploitative. Such lack of connection between the needs of the local people and profits made through the use of natural resources may cause many people to be dissatisfied and unrestful as the communities demand to be heard and the resources distributed among everyone fairly. There are significant differences between Paloch and other oil-rich countries that should be taken into consideration. Compared to Nigeria, with a more established civil society and advocacy groups that pressurize the government to enact reforms, the current civil war in South Sudan severely limits the ability to organize resistance and engage in dialogue (Akol, 2015). The division of political parties and lack of a civil society that is united make the advocacy of fair political governance and management of resources difficult. The ethnic aspects of conflict in Paloch are thus especially accentuated and this makes peace and reconciliation attempts harder. The combination of ethnicity and control over resources presents some special issues that require special strategies to resolve conflicts. Unlike Nigeria, where several ethnic groups struggle to gain power, the ethnic situation in South Sudan is highly intertwined with the control of resources, which gives rise to complexities in the process of negotiating peace agreements.

It will be useful to study the experience of other countries that are rich in oil that can be helpful to Paloch. Inclusive governance and equitable allocation of resources has been highlighted in some of the countries such as Angola and Iraq where similar conflicts have been experienced due to oil wealth. The risks of conflict can be reduced with the help of strategies that focus on the engagement of the local population and transparency in governance (Collier and Hoeffler, 2019). In illustration, communities can be empowered by providing mechanisms of local participation in the decision making process on oil revenues, and this induces a sense of ownership. Moreover, by making sure a reasonable portion of oil revenues is directed to local development projects, one will be able to reduce grievances and eliminate tensions. The development of trust between the local communities and the governmental authorities is vital as the sense of mutual benefit of oil resources is to be developed in the long run. Community-driven programs that support dialogue and reconciliation may also be critical towards solving the root causes of conflict**.**

2.6 Empirical Studies

In South Sudan, the complexity of the link between oil wealth and political stability is discussed by Fisher (2015). The role played by the arrival of oil revenues in fueling competition between different political groups in the country is emphasized. This competition can sometimes lead to increased tensions, indicating that oil wealth may have a destabilizing effect on politics.

The findings by Fisher highlight one of the main contradictions in the area of resource wealth that although the resources available could be used for the betterment of the country, they may actually result in political instability in the region. Another study conducted to supplement Fisher's findings is conducted by Akol (2017), who explores the views of the local communities residing in Paloch. Akol finds that these people feel left out in the resource wealth of the community, resulting in a sense of marginalization among them. The inclusion of these communities in any discussion regarding the resources is important in order to minimize conflicts, as they may feel aggrieved towards both the government as well as the corporations present in the area.

Furthermore, Mogensen (2015) studies the environmental impact caused by oil extraction in the region of Paloch. It was found that there were significant instances of pollution of water as well as land resources in the region. These environmental implications cause serious issues for the agriculture and fishing activities carried out by the local community living in Paloch.

Transparency International (2020) provides empirical proof of the challenges faced in oil revenue governance in South Sudan. These are corruption and the lack of transparency that characterize the oil sector, making the achievement of good governance impossible. Such misgovernance causes a loss of public trust and leads to political instability. Hence, the importance of having good governance cannot be understated because without good governance, the oil wealth does not contribute to the betterment of society as a whole. Naanen (2015) makes a comparison in his study by providing examples from Nigeria and Angola. It becomes clear from the study that the nature of resource-based conflict that occurs in the mentioned nations is similar in many ways to what happens in South Sudan. Naanen proves that the same lessons can be learned about effective resource governance strategies by comparing various nations and learning about what works and what does not work.

2.7 Research Gap

While there exists a considerable body of research on oil resources and political stability, important research gaps continue to exist in relation to South Sudan and the Paloch region in particular. While Fisher (2015) and Akol (2017), among others, contribute important insights into the oil wealth in the region, as well as local perceptions, there has been no systematic empirical study that examines the dynamic relationship between these two variables. Current research tends to focus on either political stability at the macro level or impacts on the micro level in terms of socio-economic aspects of oil exploitation. The longitudinal evolution and impact of such phenomena as public health concerns, displacement of local population, and sustainable nature of economic development require more attention.

Another important gap relates to the gender aspect of the oil issue in question: while other research studies, such as those by Transparency International (2020), provide useful information in relation to political stability in South Sudan, they do not pay due consideration to the differences between the impact of oil wealth on the lives of men and women in terms of economic and political activity. Besides, while comparisons with other countries are helpful, the specific local context should

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter discusses the methodological strategy for studying the governance of the oil resource and its impacts on political stability in Paloch, an Upper Nile State in South Sudan. Methodology encompasses the research design, geographical and thematic focus, sources of data, data sampling, collection and processing, quality assurance, and ethics. All decisions made regarding methodology are based on three main goals of the study: to analyze the governance of oil revenues at the national and subnational levels in the Paloch-Melut Basin; to analyze the implications of the dynamics of resource governance in Upper Nile State for political stability; and to analyze the impact of the external actors (international oil firms and neighboring states) on the dynamics between resources and conflicts. This chapter provides a rationale for the choice of a qualitative research strategy as being more appropriate in light of the nature of the research problem.

3.1 Area of Study

Geographically, the location of this study is the town of Paloch in Melut County, Upper Nile State in north-eastern South Sudan. Paloch is an exemplary case to analyse oil governance and political stability because the town serves as the operations base of the Paloch oil fields, which together with the surrounding Melut Basin oil fields constitute one of the most productive oil fields in South Sudan. GNPOC and subsequently DPOC operate the oil fields. The main shareholders are CNPC, Petronas from Malaysia, and Nilepet from South Sudan. Upper Nile State borders the countries of Ethiopia, Jonglei, Unity State, and Sudan. Its capital is Malakal, which has been the historic administration capital of the region.

There are various reasons for focusing on Paloch and Upper Nile State as the main case study. For one, Paloch is the site of the most strategic oil infrastructure facilities that are still functioning despite the shutting down of oil production in Unity State during the 2013–2018 civil war; hence, this location represents the most relevant site where management of oil revenues and state political stability are interrelated. Secondly, Upper Nile State is characterised by high levels of political instability marked by frequent military clashes between forces of the government and the opposition and also by Shilluk militia fighting each other under the SSDF and other groups aiming to control or dispute Paloch's oil infrastructure facilities. Thirdly, issues pertaining to subnational politics in Upper Nile State – namely, the marginalisation of oil-producing communities, the militarisation of oil infrastructure, and ethnic politics concerning resource access constitute a relatively understudied area compared to the focus of current research on Juba-based elites.

3.2 Sources of Information

This research relies solely on secondary sources. Conducting first-hand research in Paloch, as well as in the wider Upper Nile State, was not possible due to the limitation of time, resources, and security issues. Access to the Paloch oil region continues to be a highly sensitive area, with access strictly limited during the course of this research due to the continued presence of fighting, sabotage, and insecurity. Research relying on secondary sources is a common practice in the field of conflict studies when access to the field is limited for security reasons.

The first category includes peer-reviewed academic literature on topics such as governance of oil resources, the resource curse, political economics of conflicts, state fragility and peace-building in South Sudan and analogous settings. This category comprises the core theory and evidence base underlying the research, which include seminal works authored by scholars such as Patey, Rolandsen, de Waal, Pendle, and Johnson. The second category includes policy papers from international organizations that have been working in South Sudan for a while now, such as United Nations Mission in South Sudan (UNMISS), Office of the United Nations High Commissioner for Human Rights (OHCHR), United Nations Office for the Coordination of Humanitarian Affairs (OCHA), Reconstituted Joint Monitoring and Evaluation Commission (RJMEC), and African Union High-Level Implementation Panel (AUHIP).

These sources have an empirical account of cases of violence and displacement, and of developments in the peace process.

The third set comprises the output of special research/policy organizations like the Small Arms Survey South Sudan project, Global Witness, Natural Resource Governance Institute (NRGI), International Crisis Group (ICG), and Sudd Institute. The information provided by these organizations comes from field studies and interviews that are usually out of bounds for outside researchers. The fourth set includes reliable journalistic information from Reuters, The New Humanitarian, Radio Tamazuj, Eye Radio, and the Associated Press covering events in the ongoing Upper Nile conflict and humanitarian situation in Paloch through 2026. This set of sources serves as a secondary reference point to verify the conclusions obtained from the previous three sets.

3.3 Population and Sampling Techniques

In the case of qualitative research utilizing secondary data sources, the term "population" does not mean humans but documents and literature used in the analysis. The population in this case will be all the information available in print media concerning the issues of governance of oil resources, political stability, and conflict dynamics in South Sudan, with particular focus being made on Upper Nile State and the region around the Paloch-Melut Basin. This will cover the period from 2011, when South Sudan gained its independence, to 2025. Purposive sampling was then used to extract information sources that would contribute to the analysis of the issues at hand.

Purposeful sampling, also referred to as criterion-based sampling or judgmental sampling, is defined by the selective choice of sources on the basis of their relevance, analytical quality, and ability to offer insights regarding the research question and objectives. Purposeful sampling is an appropriate methodology in this case since it enables selection of materials that can produce analytically substantive content, as opposed to selecting materials based solely on their representational value.

The criteria that were used to choose the sources for this study included relevance, analytical quality, and other factors as indicated below. The first criterion was direct relevance; the source had to deal with the issues of oil resource governance, the political economy of conflict, state-building, and fragility or political stability in South Sudan, preferably in Upper Nile State, the Melut Basin, Paloch, and the ethnic groups inhabiting the oil resource region. Analytical quality was the second criterion that was used; academic peer-reviewed sources were preferred, but institutional or policy reports that satisfied established standards of methodological rigor were acceptable.

Third, consideration was given to the temporal span of the source material, with priority placed on sources whose coverage included the years 2011 through 2025, the period for the primary study, but which also provided valuable theoretical perspectives on the topic through their treatment of previous eras. Finally, diversity among disciplines represented by source materials was sought, as sources from political science, international relations, resource economics, conflict studies, and humanitarian studies were included to provide a multifaceted perspective on the analysis.

Identification and selection of appropriate sources proceeded through systematic searches of the major academic journals available in such databases as JSTOR, Google Scholar, and university libraries' catalogs, as well as institutional archives and credible online sources. A secondary means of locating relevant material was through citation tracing, the method of examining the bibliography of each of the sources found and discovered through initial searches and identifying any other relevant literature that may have been overlooked. Once theoretical saturation was reached and the literature searches could not provide anything of additional analytic value to the research purposes, sources that did not fulfill criteria set out above were eliminated from the study.

3.4 Research Tool Design

This research uses a structured approach for the analysis of secondary data that would enable the researcher to systematically gather, organize, and critically analyze the information available in documentary sources since no collection of primary data takes place in this research. This tool acts as the instrument through which the researcher analyzes the existing documentation in relation to the research objectives and concepts.

This tool has been developed according to three research objectives and related conceptual dimensions. Each objective is defined by certain analytical questions. The first group of analytical questions will help in analyzing oil revenue governance on the national level—how revenues are collected, allocated, and distributed via the ministries of petroleum, bank, and revenue of the Republic of South Sudan.

This last one considers the involvement of other external parties, the actions taken by the Chinese, Malaysian, and Indian oil companies, the power of regional states (Sudan, Uganda) and how successful international governance interventions have been.

The moderating variables within the conceptual framework—the institutional capacity of a state, international pressure for accountability, and the impact of ethnicity on access to resources—offer an additional analytical dimension which can be employed anytime the analysis of the sources suggests a relationship based upon identity and/or politics affecting resource stability. The tool works via a thematic extraction matrix divided by both objective and moderating variables, identifying the arguments and evidence contained within each source. Importantly, the tool is used interpretatively analytically and not merely as a theme counter.

3.5 Data Collection

For this study, the data collection technique used was systematic documentary analysis with 3 stages. Firstly, a large-scale search in academic libraries, institutions repositories, and trusted web archives was conducted. The key search terms used are South Sudan oil governance, Upper Nile oil dispute, Paloch oil field, resource curse in South Sudan, Melut Basin development, oil income and political stability, CNPC South Sudan, Petronas Upper Nile, DPOC Paloch, community resource rights, Shilluk oil exclusion, petroleum transparency, South Sudan peace accords, and major actors such as UNMISS, RJMEC, NRGI, the Sudd Institute, and Global Witness.

The second step was rigorous evaluation of all the possible data sources with regard to the specified sampling criteria. Data sources which fulfilled the set requirements were retained and those that did not were discarded. Citation tracking was used as a secondary approach to source identification, and was used to locate other articles that may not have been detected in the initial searching of the database. This procedure was continued until theoretical saturation was attained.

Thematic extraction then comprised the third stage of the process, using thematic extraction matrices based on the analytical framework. The matrices recorded arguments, facts, and events according to the objectives of research and the moderators used. More importance was placed on the empirical recording of specific events, actors, and processes in the Upper Nile State and Paloch, in order to ground broad arguments in concrete cases. Consistencies and inconsistencies between the sources were noted, as well as areas where evidence was lacking, and this is seen in the engagement with literature throughout the analysis.

3.6 Quality Control of Error

A number of quality controls were put into place in order to maintain the credibility, reliability, and sound analysis of the study. Source triangulation was primarily used; all analytical statements made by the author in the research are backed up by at least two separate sources. This was particularly important where statements relating to controversial issues such as numbers regarding income, displaced persons, production, and casualties, which are difficult to document within a conflict zone.

There was uniformity in source critique. All sources were critically evaluated using aspects such as methodology, institutionally, potential bias, and evidence-base. Sources that were obviously partisan were examined more carefully, and only included if they could be substantiated from other sources. Academic sources were also analyzed for their methodological strength, and a preference was given to articles that discussed alternative theories that had been peer-reviewed.

There was also reflection, in the sense that the theory employed would shape the research questions; for instance, the theoretical paradigm: resource curse theory, rentier state theory, horizontal inequalities theory, would create the research questions that would be asked. In the analysis chapter the thesis of institutional strength, agency of elites, and even international factors as causal factors of instability were not just rejected, but discussed. Lastly, there was a rigid standard, with all sources being authentic, correctly cited and properly dated and supporting the argumentation stated in the thesis statement.

For data analysis the information gathered from secondary sources was arranged in relation to the themes used in the research objectives and the theoretical framework. Analysis of information was done under three major themes, corresponding to the three research objectives, which were oil revenue governance, the link between resource distribution and political stability at the sub-national level and the role of external players, as well as cross-cutting themes of institutional strength, accountability pressures and ethnicity.

The analytical method is critical thematic analysis which belongs to qualitative interpretivist tradition. Thematic analysis involves identifying patterns of meaning in the textual information, in a systematic way. The analysis in this instance is not descriptive but critical, however. This entails challenging the assumptions of the assertions in the sources, evaluating the quality of evidence that is presented, and developing an independent analytical perspective with an alternative perspective.

The analysis process was a series of interrelated steps. First, we explored individual sources to uncover their main arguments and evidence, as well as the causal assumptions on the resource-conflict nexus in South Sudan. Second, cross-source syntheses were carried out to look at those parts of the sources that had converging information on similar issues and to look at information that had diverging information and/or conflicting information. Third, gaps in existing literature were identified, namely the research gaps that address neglected aspects of the issue that need to be explored, particularly the sub-national particularities of resource management in Upper Nile and Paloch. Finally, the explanatory synthesis combined the insights from cross-source syntheses and gap analyses into a single coherent explanation of how the dynamics of oil management influenced political stability in the study site, following the framework of analysis.

It was important at every point to distinguish facts revealed by the sources, arguments supported by scholars, and new interpretations given by the present author on his own analysis of the sources. This is important in the overall intellectual honesty of the research that is built upon the work of others and seeks to bring a new dimension to the debate through a more data-driven approach to the Upper Nile and Paloch case.

3.8 Ethical Considerations

Ethics for research are not only those that deal directly with human research participants. The ethics applied in the present study to the secondary research on active warfare, political violence as a result of resource interests and target population of the violence are conscientiously discussed.

The initial ethical concern pertains to accuracy and academic honesty. Secondary research into oil governance and political violence in South Sudan has practical applications: false statements could lead to confusion, influence policy debates, and cause actual damage to the involved populations. Accuracy of facts within this study is paramount and includes verification of all sources, acknowledgment of evidentiary ambiguities, and fair reporting of levels of confidence in the presented data based on the existing evidence base.

Secondly, the ethical obligation relates to the representation of the affected communities. The Shilluk, Dinka Padang, and other communities of the Upper Nile State, especially those in Paloch and Melut, are not mere analytical variables but actual populations that have been subject to long-term displacement, livelihood disruption, environmental pollution, and insecurity as a result of both oil production activities and conflicts. This dissertation recognizes these communities as having analytical dignity and does not simplify their lived realities into instrumental analytical variables and examines the political rhetoric justifying the marginalization of oil-rich communities.

Thirdly, the use of institutional documentation poses its own set of ethical responsibilities. Many of the sources in this project come from UNMISS, OHCHR, OCHA, NRGI, and Global Witness. It is acknowledged that these organizations are working according to their mandates and are themselves limited by their politics. Hence, their documentation of information should be seen as mediated versions of objective reality and not necessarily unbiased accounts of events. It is for this reason that critical evaluation of sources is addressed as part of the quality control aspect of this work.

Fourthly, the ethics of dealing with sensitive political information need to be considered. In this case, the study addresses the behaviour of identifiable political actors, such as the South Sudan government officials at higher ranks, leaders in the opposition and the armed factions, and executives in international oil corporations with regards to failures in the governance of resources, violent acts, and obstruction of accountability measures. Assertions about specific individuals can be made only when there is credible information that has been independently verified through analysis without bias. The research does not advocate for anything but seeks to understand the conflict in terms of academic knowledge due to its heavy human toll.

Fifthly, the ethics of academic integrity must be considered. Academic integrity involves meeting the academic requirements of an institution, which entails proper and correct citation of ideas and arguments that have been used or referenced from previous literature and lack of plagiarism. It also includes an acknowledgment of the limitations faced by the researcher as a result of conducting research using secondary sources. It should be noted that academic integrity goes beyond procedural issues but also substantive.

Chapter Summary

The above methodology has been used in this chapter to explore the topic of oil resource governance and political stability in South Sudan, specifically in Paloch, Upper Nile State. The chapter has provided justification on why the best approach would be the application of a qualitative secondary research design in studying complicated political economy and governance. The scope and organization of the topic under study has been discussed including how the sources have been organized and their purposes for the research. The method used in the selection of the samples for analysis has been clearly stated along with the criteria. A discussion of the analytical framework that has been used as the major instrument in the study has been provided and data collection procedures, data processing and analysis methods have been outlined.

CHAPTER FOUR

FINDINGS AND DISCUSSIONS

4.0 Introduction

This chapter discusses the findings from the analysis of secondary data presented in Chapter Three. It is organized along the lines of the research questions formulated for the study and stated below:

The first objective is to investigate the linkages between the governance of oil resources and political stability in South Sudan.

The second objective is to analyze the role of oil revenue in fostering political conflict and elite behavior.

Finally, the third objective is to examine the effects of oil dependence on the process of peace building and post-conflict reconstruction.

All three objectives are analyzed through an assessment of the theoretical and empirical studies, as well as documented occurrences, which have influenced the political economy of oil in South Sudan, particularly focusing on the Poloich oil field as a case study.

4.1 THE CASE OF POLOICH OIL FIELD

Oil Resources and Political Stability:

South Sudan was conceived as a petrostate, Upon attaining its independence in July 2011, South Sudan took on about 75 percent of Sudan's oil resources, with crude output expected to be 350,000 barrels per day (bpd) prior to the crisis of 2013 (International Crisis Group, 2015). Almost all of the government's budget income and two-thirds of the country's GDP came from petroleum, giving rise to an economy highly dependent on natural resource exports and shaping the course of politics in the years to come (Patey, 2014). The Poloich oil field, which was situated in Upper Nile State close to Sudan's borders, would prove to be one of the key strategic assets in relation to oil extraction between 2013 and 2025.

The effect of oil resources on political stability in South Sudan is not predictive, though. Auty (1993) and Ross (1999) have outlined a resource curse theory that suggests that oil rich regions with weak institutions will lead to authoritarianism, corruption and civil war. This is more or less true for South Sudan, but the assumptions of the classical process do not apply here. In Poloich's case, ownership of the field fluctuated between different hands between 2013 and 2025, one of which implied a shift in power and political leverage for the rival elites.

The sub-national political economy of oil extraction in South Sudan has not been sufficiently explored in the existing literature. Poloich should be seen not as an exception, but as part of the trend whereby peripheral regions with oil riches are becoming sites for ethnic conflict, militarisation and patronage, all to the detriment of the local population and in benefit of the elites. This Chapter aims to address this lacuna by systematically analyzing the impact of the oil resource (Poloich) on the three dimensions of the analytical framework of political stability.

4.2 OBJECTIVE ONE

The Relationship between Oil Resource Management and Political Stability

Oil Dependency as a Structural Condition of Instability

The first research objective was concerned with the association between oil management and political stability in South Sudan. The literature review indicates an unequivocal causality between high dependence on oil revenues and ongoing political instability in the country. Bramston (2025) states that high dependence on oil revenues, along with hyperinflation and currency collapse due to oil production disruption, generated conditions of economic hardship, leading to political dissatisfaction and increased attractiveness of recruitment by rebel groups among youth who lacked employment prospects.

Patey (2014) gives the most comprehensive assessment of South Sudan's oil economy during its early years after independence. He argues that the sudden increase in revenue generation turned the state into a predatory system where political elites did not struggle to establish institutions but to appropriate resources. Such findings align with the larger resource curse theory, yet Patey also presents a unique perspective on South Sudan's political economy. While the resource curse theory suggests that state militarization would restrain elite predation, Patey explains how the legacy of militarized structures inherited from the liberation war intensified predation tendencies due to the centralized nature of oil revenue generation.

This idea has been further supported by Kulang (2021) when he highlights how the distribution of oil money turned out to be an ethnic issue. Even though it is true that such revenues are collected through national budgeting mechanisms, the real scenario in South Sudan was different, as it showed that the distribution of oil wealth was actually an ethnicity-based process that was conducted within the framework of the presidency and ruling Sudan People's Liberation Movement (SPLM). The example of Poloich field can be presented, which refers to the area where local Nuer population lived; however, its control belonged to the forces dominated by Dinka, so they extracted oil from there and got revenues in Juba that were unaccountable to the locals.

The Poloich Field as a Strategic Asset and Conflict Driver

Poloich oil field, along with the nearby Paloch and Adar Yale oil fields, is part of the Melut Basin oil production complex in Upper Nile state. Prior to the December 2013 outbreak, the production of the three oil fields was estimated at 150,000 to 200,000 barrels per day, accounting for a significant share of South Sudan's total production (Small Arms Survey, 2016). Apart from the size of production, the importance of Poloich oil field was determined by its proximity to the border of Sudan, which made the area vulnerable to disruption and a site of military competition.

The link between the oil production at Poloich oil field and political stability involved three interrelated processes described in the literature. First, access to the oil field enabled the ruling regime to generate income required to finance its patronage networks, military salaries, and counter-insurgency campaigns. Disruption of the oil production at Poloich had an adverse impact on the government's ability to maintain cohesion within its ranks and military efficiency, allowing the opposition to capitalize on the situation (Roach, 2024).

Secondly, the Poloich oil fields became a military target of the opposition. In 2014-2016, the SPLM-IO led by Riek Machar carried out several attacks on oil-producing regions in Upper Nile, including Poloich. The motives of those attacks were not financial – the SPLM-IO did not have resources to transport the oil elsewhere – but rather to deprive the government of revenues and create better bargaining power in the course of subsequent peace talks (International Crisis Group, 2015).

Lastly, oil extraction increased tensions in the ethnically contentious areas, since it attracted additional armed groups who were responsible for defending it. Poloich is situated in an area where land claims overlap between the communities of Nuer, Dinka, and Shilluk ethnicities. By sending SSDPF units, predominantly Dinka, to defend the oil infrastructure, the government raised a notion of ethnic occupation that could be used by other armed groups, such as the White Army, in their interests (Kindersley & Rolandsen, 2019).

Management Failures: Transparency, Accountability, and Local Benefit

There have been tremendous levels of transparency and accountability failures when it comes to the management of oil resources in South Sudan, particularly in Poloich. Despite the international promotion of the extractive industry transparency principle via the Extractive Industry Transparency Initiative (EITI), there have been few implementations in South Sudan. For instance, although the country started the process of candidacy for EITI in 2012, the implementation of transparency principles such as the publication of production numbers, revenue flows, and beneficial ownership has been unsuccessful up until 2025 (Global Witness, 2020).

Management failures in the use of oil resources have far-reaching implications for political stability. In situations where money does not pass through transparent mechanisms, individuals lack the ability to hold the government responsible for how resources have been distributed. Elites would find it easier to engage in rent-seeking activities since they can hide such acts under opaque systems. Abdalla & Yahya (2021) point out that elites strategically create opacity in order to facilitate rent-seeking behavior. The case of Poloich is not an exception since the locals have experienced little gain from the oil extraction operations in their locality. There have been no employment opportunities and infrastructure development initiatives. Failure to create a legal structure on the distribution of revenue between the central and subnational government has been especially destabilizing. While the Transitional Constitution of South Sudan (2011) includes provisions for revenue distribution, the same is dependent on legislation which has not been passed in the country. Due to this gap, oil producing states such as Upper Nile, Unity, and

Jonglei are not entitled to any share of revenue earned from the sale of oil, resulting in dissatisfaction among political elites and communities.

4.3 OBJECTIVE TWO

The Role of Oil Revenues in Fuelling Political Conflict and Elite Behavior

Oil Revenues as Enablers of Elite Fragmentation

The second research objective analyzed the role of oil revenues in fuelling political conflict and elite behavior. There is a lot of evidence to support the conclusion that oil revenues have been one of the main enablers of elite fragmentation and violent political competition in South Sudan. This result contradicts the perception, which is occasionally promoted by scholars of resource curse that oil wealth brings about authoritarian stability. In South Sudan, oil revenues have yielded the converse: a very unstable political system where control of the state apparatus provides access to enormous wealth, creating incentive to engage in violent competition, instead of collaboration within the political system.

To explain this process, Cessay and Asmorowati (2025) introduce the concept of fragmentation as controlled by the elite. They contend in their analysis of the Revitalized Agreement on the Resolution of the Conflict in South Sudan (R-ARCSS) that it is precisely the ethnic division and institutional weakness that ruling elites have preserved which ensure that they continue to have access to oil revenues. A cohesive state with robust institutions would allocate resources more fairly and hold the elite actions to accountability; a fragmented state where the ruling elite has control in the distribution of resources will allow the elite to reward their supporters and punish their opponents along ethnic lines.

Roach (2024) builds on this argument by illustrating how oil revenues facilitate what she refers to as unruly elite behaviour. In weak states like South Sudan, the elites are seeking short term gains of power as opposed to long term goals of peace because the returns to controlling the state apparatus, specifically, access to oil revenues, is so high that no other arrangement can offset this. It was a rational calculation that explains the failure of peace agreements time and again: the expected value of defection (reversion to conflict) is greater than the expected value of compliance (implementing peace provisions that would reduce elite control over oil revenues).

The Poloich Field as a Reward in Competition among Elites.

The Poloich field has been a direct prize in high-quality political competition in the 20132025 period. As the December 2013 crisis erupted, SPLM-IO forces were hastening to take control over oil production areas in the Upper Nile including Poloich. As of early 2014, the opposition controlled large areas of the oil fields, which reduced government production to no more than 160,000 bpd compared to an estimated 220,000 bpd (International Crisis Group, 2015). This loss of revenue necessitated the government to have to depend on borrowing and selling of assets to keep up the military operations, which created financial strain that influenced the further direction of the conflict.

The military operation to reclaim Poloich and other nearby fields was a government priority throughout 2014-2015. With the assistance of the Ugandan troops as a result of a bilateral security agreement, the government forces launched several offensives to recover the control of oil infrastructure. In early 2015, the recapture of Poloich turned the tide in the conflict, restoring government revenues and improving the bargaining position of the government in the peace negotiations mediated by the IGAD, which led to the August 2015 ARCSS (Patey, 2016).

What the literature has not sufficiently highlighted is how the Poloich field turned into an area of intra-faction, as well as inter faction, elite bargaining. The ability to control oil infrastructure enabled commanders at all levels to extract their own rents by informal taxation of oil workers, control of supply chains serving oil operations and direct theft of crude oil. This disaggregation of the oil revenue capture in the government coalition established new centres of elite power that could resist central control when their interests clashed. Poloich had therefore not only contributed to the inter-factional conflicts but also contributed to the undermining of the hierarchical control within the government itself.

Oil, Ethnicity and the Political Economy of Violence.

Political economy of armed group formation mediates the relationship between oil revenues and ethnic violence in South Sudan. The resources are weapons, ammunition, vehicles, communications equipment, and cash payments to fighters, which sustained armed groups over time, are provided by oil revenues. However, the causal chain can be moving both directions:

that is, the causal chain of the oil revenues facilitating violence is bidirectional as well, and vice versa.

Poloich is a good example of such a two-way relationship. The ongoing resupply of government forces on the field created a highly profitable contracting environment of military suppliers, who were frequently also politically connected. The opposing forces seeking to take over the field would require equipment and weapons which could be financed by the money contributed by the patrons in the area including Sudan which had strategic interests in destabilising the oil production in South Sudan. This military rivalry resulted in chronic violence in the surrounding communities in Poloich, with reported cases of human rights violations, such as extrajudicial murders, forced displacement, and sexual violence (UNMISS & OHCHR, 2020).

Stringham and Forney (2017) make a delicate analysis of the influence of material resources in the ethnic mobilisation in the conflicts in South Sudan. They claim that ethnic identity comes in to play, not due to primordial loyalties but because material insecurity, the loss of access to oil revenues to the communities that depend on government patronage, etc. makes ethnic solidarity a rational survival strategy. In Poloich, communities around the field became reliant on the armed groups that monitored their area both in terms of security and access to resources, which further strengthened ethnic identification as the main axis of political affiliation.

Oil resources contribute to the exacerbation of the ethnic security dilemma as theorised by Posen (1993) and applied to South Sudan by Rolandsen (2015). Communities that were perceived to be on the losing side, faced threats of retaliation, displacement, and exclusion of oil related economic opportunities when Poloich changed hands between the government and the opposition forces. This set of realistic threats made the process of inter-ethnic trust unsustainable, and created structural pressure toward ethnic rearmament even when peace agreements between ethnic elites were nominally in place.

The Rentier State Mechanism and Political Stasis

South Sudan has the classic characteristics of a rentier state, which is defined by Beblawi (1987) as a state wherein the government receives high revenues based on external sources (in this case, oil exports) without requiring the taxation of the domestic economic activity. The rentier state model predicts that governments that have high levels of external revenues will be less accountable to citizens, less institutionally developed as well as more inclined to patronage politics. South Sudan fits these expectations, but the Poloich example demonstrates other processes.

To begin with, since the money that the people receive as a result of oil revenues flows through the central government, but is not counterbalanced by the taxation of the population, the citizens have little ability to demand accountability or policy change. This is not an idol, but a kept idol: the attempts to diversify the economy in order to avoid oil dependency, including the development of agriculture and the investment in infrastructure have been actively underinvested compared with security spending, indicating that the preferences of the elite are biased towards preserving the rentier structure (Bramston, 2025).

Second, the rentier state mechanism produces what Ross (1999) refers to as the rentier effect: less pressure to pursue democratic change since citizens are not demanding representation in exchange of taxation. The militarisation of the state has increased this effect in South Sudan. The struggle between politics occurs not through the electoral struggle, but through the struggle through armed forces to gain control over the revenue-generating state apparatus.

Third, the rentier structure has incentives to maintain what Kulang (2021) terms as institutional stasis: because institutional weakness maintains elite discretion over resource allocation. This is the case of the management of Poloich; despite several internationally funded attempts to enhance the governance of the oil sector including technical assistance of the World Bank and African Development Bank, some of key governance provisions remain unimplemented because their implementation would minimize elite capture of the oil revenues.

4.4 OBJECTIVE THREE

The Impact of Oil Dependency on Peace building and Post-Conflict Reconstruction

The Paradox of Oil-Funded Peace Agreements

The third research objective determined the effects of oil dependency on peace building and post-conflict reconstruction. The results indicate a paradox in the very core of the peace processes in South Sudan: oil revenues are at the same time required to finance the peace implementation and are structurally incompatible with the political changes that the peace is in need of.

Both the ARCSS (2015) and R-ARCSS (2018) assumed that the power-sharing arrangements, integration of the security sector, and post-conflict reconstruction would be funded by the oil revenues. Chapter 4 of the R-ARCSS covers the economic and financial management, including the transparency of oil revenue and the establishment of the Petroleum Revenue Management Fund. But, as Ceesay and Asmorowati (2025) show, these provisions have been intentionally not implemented. The fact that there is no effective oil revenue management structure implies that the resources that are necessary to implement the peace will be at the discretion of the very elites whose compliance the peace agreement demands.

Using the Peace Accords Matrix methodology to the R-ARCSS, Joshi (2025) finds the lowest rates of implementation of any chapter in the agreement are those relating to economic and financial provisions. This is no accident but a structural thing: the elites who control oil revenues, have no incentive to expose oil revenues to transparency and accountability mechanisms that the implementation of peace would entail. The Poloich field, still under state control most of the time during the post-2018 era, was the revenue generating field that enabled the government to keep military advantage even though it would nominally adhere to the power-sharing provisions of the peace agreement.

Oil, Spoiler Politics, and the Failure of DDR.

The ability of armed groups in the environs of Poloich to continue their activities despite signing nominal peace accords is an example of the mechanism of spoiler politics. A key element of both ARCSS and R-ARCSS, Disarmament, Demobilization, and Reintegration (DDR) programmes have failed in oil-producing regions many times because armed actors have a strong incentive to retain their ability to challenge oil infrastructure.

Abdalla and Yahya (2021) outline three factors that lead to the failure of the DDR in the resource-rich zones of conflict. To begin with, the economic benefits of that control of oil infrastructure are so enormous that no DDR package can compensate armed actors to forgo the capacity to challenge that control. Second, since the oil economy can be tapped by different groups at different points along the production and export chain, even small armed groups can extract substantial resources out of the oil economy, which creates distributed incentives to behave in a spoiled manner. Third, the existence of oil provides external patrons, in the case of South Sudan, Sudan, China, and regional players, who have strategic interests in supporting armed groups that can disrupt or protect oil production.

All of the three mechanisms are attested in the Poloich case. Local armed groups operating around the field including elements of the White Army, and SPLM-IO-aligned militias continued to operate throughout the period of the implementation of the R-ARCSS including attacking oil infrastructure, kidnapping of oil workers, and extorting local communities. These groups did not follow the national-level politics of competition between Kiir and Machar but the local economic opportunities that the continued conflict provided. DDR programmes at the national level which concentrated on government and SPLM-IO forces completely overlooked these local armed actors, who were not part of the framework of the peace agreement.

Transnational Oil Politics and Regional Stability

The transnational aspects of oil dependency in South Sudan have immense implications on the prospects of peacebuilding. The oil of South Sudan is landlocked, and must be exported by pipeline across Sudan to Port Sudan on the Red Sea. This geographical fact provides Sudan with high leverage over the oil economy of South Sudan and consequently, over its political stability. During the years of 2013-2025, Sudan swapped between facilitating and hindering the South Sudanese oil exports based on its strategic calculations and using oil transit fees as a source of income and political instrument (Patey, 2014; International Crisis Group, 2015).

The fact that the Poloich field was close to the Sudanese border also made it particularly susceptible to cross-border influence. Sudanese armed forces and militias that supported them periodically intervened in the Poloich area in support of opposition forces where such intervention served their strategic interests in Sudan of weakening the South Sudanese government. This outside interference added more layers of complexity to peacebuilding as the South Sudanese government could not be sure of the security of oil infrastructure without securing the cooperation of the South Sudanese.

In his argument, Levi (2025) asserts that the oil economy in South Sudan has under-theorised the transnational aspect of the oil economy. The peace agreements negotiated by IGAD was on the assumption that the regional actors would act as guarantors of the implementation, but in practice, the regional states pursued their own interests, which often came at the cost of South Sudanese stability. The role of Sudan as a transit state and a strategic competitor is a good example of this tension: Sudan benefits in the sense that stability ensures that oil flows through its territory, but also in the sense that stability gives Sudan leverage in its bargaining over oil transit fees, border demarcation, and backing of opposition groups.

Reconstruction and the Oil Revenue Trap

What can be called the "oil revenue trap" is that the same revenues that can be used to finance reconstruction are the very revenues that have created a trap where their collection continues to perpetuate conflict in South Sudan. This trap functions in several ways that were found in the literature and proved in the Poloich case.

First, since oil revenues do not require strong domestic economic activity to generate, there is no incentive to develop productive non-oil sectors that will create employment, generate tax revenues, and decrease reliance on unstable oil prices. Bramston (2025) records that non-oil economy of South Sudan collapsed within the year 2013-2025 period, with agriculture, livestock and small scale trade shrinking as violence displaced people and disrupted the markets. Rebuilding this non-oil economy would take a long-term investment and policy focus that the oil-reliant state has failed to offer.

Second, the boom-bust cycles of oil prices that have been experienced undermine any reconstruction planning that may be undertaken. With high prices of oil, revenues are high and governments are able to fund reconstruction projects; with low prices, revenues are low and governments cannot afford reconstruction projects. In the 2013-2025 period, South Sudan had experienced various price spikes, including the 2014-2016 price meltdown that slashed oil prices up to over $100 per barrel down to less than $30 per barrel. Such shocks rendered long-term planning of reconstruction impossible and made elite interests in short-term capture of revenues at the expense of long-term institutional development.

Third, oil production is capital-intensive, which implies that the reconstruction process does not create many jobs among the most conflict-affected populations. Oil activities of Poloich hire few and highly qualified workers and almost none of them is recruited in the local community. The local economic advantages of oil production are, therefore, negligible whereas the local costs, which include, but are not limited to, militiarisation, displacement, environmental degradation. This tendency of extracting resources without any local goodwill creates just the resentment that reconstruction is supposed to eradicate.

4.5 DISCUSSION

Oil as a Weapon of War and an Obstacle to Peace

Throughout the three goals that are discussed in this chapter, a similar theme becomes apparent: oil resources in South Sudan, and, more specifically, the Poloich field, serves both as an instrument of war and a hindrance of peace. Oil revenues, as a weapon of war, finance military operations, enable patronage networks that sustain armed groups, and create the material conditions in which ethnic mobilization becomes a rational survival strategy. Oil revenues as a barrier to peace decrease incentives held by elites to implement peace agreements, finance spoiler behavior by armed actors, and create structural conditions rentier state mechanisms, institutional stasis, transnational dependencies that cannot be transformed without resort to negotiation alone.

This two-fold role has been under-valued within the peace building literature about South Sudan. Most of the analyses assume that oil is an enabling condition of conflict, that is, something that makes the violence more inclined or more violent, but do not look at how the oil actually structures the political arena in a way that resists peace. The Poloich case serves to demonstrate that oil is not just a resource, to which factions are competing to control; it is a resource that reforms the rules of political competition itself. Accountability relations are also inverted when the state is not funded by taxes, but by oil revenues, the accountable state becomes accountable to the capital-owning elites and to the international oil companies, rather than to the citizens. When armed groups are able to capture oil revenues at different points along the production chain, armed groups become self-funding and therefore less reliant upon patron states or external supporters, which limits the leverage that peace negotiators can have.

Sub-National Oil Politics in South Sudan: Theorizing.

This chapter has presented a theoretical case to explain the significance of sub-national analysis to understand oil-conflict linkages. The Poloich case demonstrates dynamics which cannot be seen at the national level of analysis: the very mechanisms through which local communities fail to enjoy the benefits of oil, the fracturing of revenue capture between multiple armed actors at different levels of operational analysis, and the transformation of ethnic identities through differentiated access to oil-related economic opportunities.

Abrahamsen (2020) found the absence of sub-national analysis as one of the gaps in South Sudan literature. This chapter has bridged this gap by demonstrating that Poloich is not only a local manifestation of national processes but a place where processes operate which cannot be reduced to any national level of explanation. The SPLM-IO campaign to seize Poloich was not merely an avowal of the Kiir-Machar conflict but a strategic reason concerning the best way to deny the government revenues. The local armed forces which remained around Poloich during the peace process was not driven by national political interests but by local economic interests. The ethnic resentments that organised the communities around the Poloich area did not arise out of primordial hatreds but through the particular pattern of extraction that lacked benefit to the communities it operated in.

Levi (2025) recommends empirically-based sub-national studies on the conflicts in South Sudan. This chapter has answered that call by offering systematic analysis of how oil-conflict dynamics play out at the field level based on the available documentary and institutional resources to trace causal mechanisms that national-level aggregate analyses do not detect.

There are implications of the practice on Peace building.

The results of this chapter have direct implications on the peace building practice in the South Sudan and other resource-rich conflict-afflicted states. The fact that the ARCSS and R-ARCSS failed to provide the oil-related conflict dynamic frameworks, which imply that peace agreements should go beyond the provision of elite power-sharing frameworks to provide the structural political economy of resource extraction.

To start with, the peace arrangements should have binding clauses on transparency and accountability of oil revenues. The lack of such provisions in the R-ARCSS enabled the elites to carry on with the use of oil revenues to finance patronage networks and military operations during the implementation period. The international guarantors such as the IGAD, the African Union, and the United Nations should make the next round of support to the implementation of peace conditional to establishment of verifiable oil revenue management mechanisms.

Second, the DDR programs should be restructured to reflect the economic gains that militant groups in oil-producing countries survive on. The contemporary DDR strategies presuppose that armed actors become members of groups due to political reasons or survival at subsistence levels. However in Poloich and other locations where armed group membership can offer access to high economic rents, in the form of control of oil infrastructure, extortion of oil workers, and capture of supply chains. DDR packages that neglect these higher-level economic motivations will not be able to demobilize armed actors that are able to capture significant resources through on-going conflict.

Third, the reconstruction in oil-producing regions should incorporate the local benefits mechanism that establishes the positive incentives to create peace. The trend of mining without a local goodwill that defines Poloich creates discontents that breed conflict. This trend has to be reversed not by revenue sharing with the sub-national governments- an important reform but not sufficient by itself- but direct investment in local economic development, creation of jobs, and development of infrastructure that the communities can view as the tangible benefits of peace.

4.6 SUMMARY

The chapter has explored the connection between oil resources and political stability in south Sudan based on the poloich oil field case study, and structured around three research objectives.

First, on the effect of oil dependency on peace building: oil-funded peace agreements face a paradox whereby the implementation revenues are controlled by the same elites whose compliance must be achieved, creating incentives to not implement. Poloich exemplifies how local armed groups persisted through the peace process because oil provided economic opportunities that could not be addressed by the national DDR programs.

The poloich case reveals that oil-conflict dynamics will not work at national level alone, as it disregards local and regional processes.

The oil-related conflict of poloich can only be solved by going beyond the elite power-sharing, to enforcing transparency, DDR programs that explain the political economy of armed groups, and reconstruction that provides concrete benefits locally to marginalized communities.

CHAPTER FIVE

DISCUSSION, CONCLUSION, AND RECOMMENDATIONS

5.0 Introduction

The chapter gives an account of the findings of the study by way of thematic discussion, which is structured around the three research questions, and given a reflective conclusion and specific recommendations. The research aimed to investigate how oil resource governance is related to political stability in South Sudan and specifically in Paloch, Upper Nile State. Using a theoretical framework that combines the resource curse thesis, rentier state theory and political ecology, the above chapters have shown that the oil in Paloch is not just an economic variable but a constitutive dimension of the political order, that is, the structure of state-community relations, the structure of elite incentives, the dynamics of armed groups, and the prospects of stable peace. This chapter considers implications of these findings, theoretical and policy implications and recommendations that are based on the analytic contributions of the study and any gaps identified.

5.1 Discussion of Findings

Oil Resources and architecture of political instability: the Paloch Case.

The main focus of this research was to examine how governance of oil revenues of the Paloch/Melut Basin has contributed to political stability in the Upper Nile State. As the collected evidence has shown in the Chapters Two and Four, the role of oil, in both South Sudan, in general, and Paloch, in particular, has at worked not as an engine of development but as a structural incentive to conflict, elite predation and the fragmentation of governance in South Sudan in general and Paloch in particular. This observation will fit the set of initial assertions of the resource curse literature, as expressed by Auty (1993) and later operationalised in the context of Africa by Karl (1997), Collier and Hoeffler (2004) and Ross (2012) though needs to be significantly qualified in the South Sudanese context.

In its classical formulation, the resource curse framework considers oil as a variable that undermines the institutional development through the creation of rents that decrease the sense of state accountability towards its citizens and incentive elite capture. These dynamics exist at Paloch, although the causal processes are more rooted at the macro-level than the macro-level resource curse literature implies. The Dar Petroleum Operating Company (DPOC) operations in the Melut Basin has generated substantial export revenues -revenues that, following independence in 2011, were channeled through Juba instead (through the institutions of the Upper Nile State) of through channels located in the capital highlands. Oil extraction, however, and without equal measure of service delivery, development of infrastructures and participatory governance, has resulted in the grievance institutions that international conflict theorists identify with resource-based instability.

Beblawi and Luciani (1987) further developed the rentier state model, which was applied to sub-Saharan African petrostates by Yates (1996). The post-independence government of South Sudan displayed classic rentier behavior: the oil revenues, which were a source of patronage networks in the country, and which constituted over ninety percent of government revenues at independence, underwrote patronage networks rather than institutional capacity, military loyalty rather than security sector professionalism, and ethnic coalition maintenance rather than national integration. The implausible logic of rentierism in the Upper Nile State was manifested through the selective dispensation of oil-based patronage into the political and military elites that were aligned with the Dinka-dominated SPLM networks, and marginalized Collo traditional leadership and Nuer political leaders whose historical claim to the Paloch region precedes the oil era.

These dynamics were revealed and hastened by the civil war in December 2013. The occupation of Paloch oil facilities became an immediate strategic goal of both SPLA-Government and SPLA-IO forces, which confirms the thesis of Le Billon (2001) that resource geography predetermines conflict geography: armed forces are interested in controlling the revenue-generating objects not only as a collateral value but also as the main objective of the war. The resourced control motivation that overlaps with ethnic and political grievances that cannot be adequately addressed by either a pure resource war model or a pure ethnic conflict model can be seen in the case of the battle of Paloch in 2015 and the subsequent contestation of Upper Nile State by multiple armed factions, including Agwelek forces loyal to Collo King Kwingo Dak Padiet.

Oil Governance, Community Displacement, and the Political Ecology of Paloch

The second research question was to test how the activities of oil extraction impact the communities of Paloch and Upper Nile State. This aspect of the analysis relies on the political ecology, especially the frameworks of Watts (2004) and Peluso and Watts (2001), to place the community displacement, environmental degradation, and resource conflict within the larger frameworks of political economy. The results affirm that oil development within the Melut Basin has created what Watts calls an oil complex: a conglomeration of transnational capital, state power, and military coercion that generates social and environmental externalities that are concentrated among host communities but are exported to political centres distant to the sites of extraction.

Settlements in Paloch and other locations of the Melut County oil infrastructure development have been forcibly displaced to their ancestral lands, disturbed in riverine livelihoods, and had their water sources contaminated with oil infrastructure development-related grievances widely documented by Human Rights Watch (2012) and the Internal Displacement Monitoring Centre (2016). Such effects have been enhanced by lack of proper community development agreements which can be enforced, environmental standards which can be enforced and participatory benefit-sharing mechanisms. The Community Development Fund formally instituted under South Sudanese petroleum legislation has been both inconsistently operationalised and disbursed to communities of the Upper Nile State in a manner that is opaque, captured by elites, and lacking regular timing patterns consistent with Shaxsons analysis (2007) of the failures of oil fund governance in the African resource states.

The political ecology dimension of this analysis goes beyond the resource curse framework by showing that not only is instability in Paloch a by-product of mismanagement of resources at the national level but also that instability in Paloch is a result of the local politics of land, displacement, and communal authority. The political marginalisation of the Collo Kingdom since the 2015 administrative reorganisation, which effectively removed Malakal, the historical seat of Collo identity, as a part of their administrative jurisdiction, is a conflict of political ecology: a struggle over the spatial organisation of power, resources and belonging that oil development has intensified but not created. Kindersley (2019) rightly notes that redrawing internal boundaries in South Sudan is a tool of resource politics, and the Paloch case is a vivid example of such dynamics.

Oil Revenue Governance and the Failure of the Peace Process in Upper Nile State.

The third research question evaluated how oil revenue governance is related to the application of peace agreements in the Upper Nile State. These results are some of the most policy-relevant results of the study. As it is shown in the analysis, the failure of the Agreement on the Resolution of the Conflict in South Sudan (ARCSS, 2015) and the Revitalised ARCSS (R-ARCSS, 2018) to bring about lasting stability in the Upper Nile State cannot be explained by the fact that the diplomacy failed or that international pressure was not strong enough. Instead, it is an outcome of the peace architectures that have addressed the issue of elite power-sharing, but failed to address the underlying problem of contestation over the distribution of oil revenues, distribution of benefits of community and governance of the natural resources in the producing states.

The framing of peace agreements in South Sudan at the elite level, as reported by de Waal (2014) and Johnson (2016), has always been prioritised towards maintaining rent-sharing arrangements among senior political and military figures rather than towards structural reforms to revenue governance. Institutional responses to this problem were the provisions of the R-ARCSS to a Reconstituted Joint Monitoring and Evaluation Commission (RJMEC) and a National Revenue Authority, but, as confirmed by RJMEC monitoring reports (2019-2023), implementation has been protracted, selective, and subject to elite obstruction, especially when it comes to transparency of oil sector payments and the reactivation of stalled oil fields in Upper Nile State following the infrastructural damage sustained during the civil war.

The consequences of Paloch are immediate. The oil fields of the Melut Basin have been a thorny issue of conflict between armed groups precisely because the peace process has failed to generate an agreed framework of revenue distribution between the national government and the producing states as well as a mechanism of community-level benefit-sharing which will reduce the incentive to engage in armed control over extraction infrastructure. This is by analogy equivalent to the analytical finding of Humphreys (2005) that the problem of resource revenue disputes are among the most enduring impediments to the implementation of peace agreements and extends it to the sub-national level by showing that questions of oil governance that have not been resolved at the Paloch level do have a direct feedback effect on the viability of national peace frameworks.

Theoretical Integration: The Paloch Case and Multi-Level Resource Politics

In this work, it has been argued that the resource curse thesis, rentier state theory, political ecology and liberal peacebuilding theory are not mutually exclusive analytical approaches. The eclectic theoretical approach used to explain Paloch show that a combination of theoretical approaches is needed to explain the multi-dimensional nature of the oil-driven instability in Upper Nile State. The resource curse theory describes the existence of a macro-structural connection amidst oil dependence and institutional weakness. The theory of rentier states describes the incentives of the ruling elite in South Sudan. Political ecology describes the effects on the local community of oil extraction and the land-based conflicts that the infrastructure development has created. Critical liberal peace building theory describes why international negotiated agreements have not met the resource governance aspects of conflict.

The most important theoretical addition of this work is the insistence of the analytical distinctiveness of the sub-national, producing-community level. What the existing body of literature on the oil conflict in South Sudan has been is largely national in nature: focused on revenue sharing between the Juba and Khartoum in the lead up to independence, and between warring elite groups thereafter. The Paloch case illustrates how the politics of oil is both a national elite struggle and a local politics of land, identity, displacement and authority. The political process of extracting oil through the engagement of the Collo Kingdom, the alignment of the Dinka Padang with the national SPLA-Government structures, and the strategic contestation of extraction infrastructure by the Nuer armed group are all sub-national resource political processes that have been systematically underspecified by national-level analyses. It is a development of existing literature which reflects, in the resource governance field, the discovery by Abrahamsen (2020) of the sub-national analytical gap in South Sudan conflict studies more generally.

5.2 Conclusion

The rationale behind this study was to answer the question how the governance of oil resources has contributed to political stability in South Sudan, in particular, in the Paloch region of the Upper Nile State, between 2011 and 2025. This study shows that the instability in Paloch is not a mere by-product of oil dependency, or a symptom of intractable ethnic rivalry over resources. It is the institutionalized product of a political economy in which the control of oil revenues has been structured in such a way that it concentrates benefits to national and sub-national elites, marginalizes producing communities, incentivises armed struggle in opposition to extraction infrastructure and weakens the enforcement of peace agreements.

The three research questions have been addressed comprehensively in terms of theoretical and empirical. Rentier state features are apparent in oil governance in South Sudan, but intensified by the unique context of post-independence state fragility, civil war, spatial concentration of oil production in contested regions, such as the Upper Nile State. Oil development in communities in Paloch has taken the form of dispossession as opposed to development. Equipped actors have made control of Paloch oil infrastructure a strategic priority during the period of the civil war. And peace accords have not solved the underlying oil governance conflicts that has rendered Paloch a chronic war zone.

There are limitations to this study. Because it relies on secondary sources, whereas it is analytically rigorous given the restrictions of the field research in an active conflict zone, the community-level accounts of oil, land and displacement in Paloch will have to be recreated using institutional and scholarly sources instead of primary testament. Such empirical grounding as is identified as being needed by this analysis will be provided by future research that is able to conduct fieldwork in Upper Nile State Collo, Dinka Padang, and Nuer communities. The study has, too, a cut-off in early 2026, and is not to speak of events in the oil sector or the political process after that date. The current transitional period and the December 2026 national elections are critical junctures to the dynamics this study describes.

5.3 Recommendations

Suggestions on how to resolve oil governance, marginalisation of the community, and political instability in Paloch and Upper Nile State.

5.3. 1: Develop equitable process of sharing oil revenue with Upper Nile State.

With the support of the IGAD, the African Union, and bilateral donors, the Government of South Sudan needs to create a legal framework that clearly outlines the way in which oil money in Paloch is divided between the national government and the Upper Nile State. This framework should incorporate a clear formula, a viable Community Development Fund within Melut County with the input of the local community, and independent monitoring of DPOC payments.

5.3 2: Transparency of oil revenue should be an obligatory component of the peace agreements monitoring.

Transparency in oil revenue should be added by international monitors (RJMEC and UNMISS) as a specific and measurable benchmark to gauge progress under the R-ARCSS peace agreement. IMF and World Bank must also insist on improvement of oil governance as a prerequisite to economic programmes in South Sudan.

5.3. 3: The community land rights in Melut Basin are to be reviewed and safeguarded.

The Government of South Sudan in collaboration with Collo, Dinka Padang and Nuer traditional leaders, must carry out a complete, independent review of land rights and past agreements in the Melut County, Maban County and the Melut Basin as a whole. This review should come up with binding community development agreements, which must have environmental protection, compensation of displaced people, and benefit sharing. The World Bank and African Development Bank must insist on free, prior and informed consent of the communities affected by oil infrastructure funding before the banks are allowed to fund such infrastructure.

5.3. 4: Issue complete disclosure of the Petroleum Revenue Stabilisation Fund and independent its board.

The Government of South Sudan, with technical assistance of Natural Resource Governance Institute, must release audited reports of the Petroleum Revenue Stabilisation Fund between 2011 and the present. It should also change the current fund board with an independent board, which incorporates the civil society and representatives of sub-national governments.

5.3.5: Develop livelihood programmes to the oil-impacted communities that need inter-ethnic cooperation.

The humanitarian and development organisations serving in the Upper Nile State (UNMISS, UNDP and international NGOs) should develop and fund livelihood programmes to the communities affected by the oil extraction operations in the Melut County. Such programmes should demand joint involvement of Collo, Dinka Padang, and Nuer communities in activities like agriculture, fishing or in small business.

5.3.6: Initiate new primary research on the local politics economy of oil in the Upper Nile State.

Research funders (such as the Social Science Research Council and African research institutions) should prioritize and fund original field work in the Upper Nile State that collects community opinions on the development of oil, distribution of oil revenues, and the cooperation of communities in the Melut Basin.

APPENDICES

APPENDIX A: DATA EXTRACTION MATRIX

This matrix presents the structured analytical tool used to organise and interrogate secondary source material in relation to each of the three research objectives. Each objective is operationalised through guiding analytical questions, with corresponding sources, key arguments, and analytical relevance documented systematically.

Research Objective	Guiding Analytical Question	Primary Sources Consulted	Key Arguments/Evidence	Analytical Relevance
Objective 1: Examine role of oil in shaping political stability in South Sudan / Paloch	How have oil revenues from the Paloch–Melut Basin been managed and distributed at national and sub-national levels?	Patey (2014); Ross (2012); Rolandsen (2015); Global Witness (2014); NRGI Reports; RJMEC Monitoring Reports (2019–2023)	Oil revenues channelled through Juba; rentier logic; fiscal centralisation; elite patronage networks; lack of transparency	Establishes structural foundation of instability; links governance failures to resource curse theory
Objective 2: Assess impact of oil on local communities in Paloch	To what extent have communities in Melut County and surrounding areas derived material benefit from oil extraction?	Mogensen (2015); Akol (2017); Human Rights Watch (2012); IDMC (2016); Shaxson (2007); South Sudan Human Rights Commission (2018)	Displacement; environmental contamination; disrupted livelihoods; Community Development Fund failures;	Grounds macro-level resource curse analysis in concrete community-level outcomes; political

Research Objective	**Guiding Analytical Question**	**Primary Sources Consulted**	**Key Arguments/Evidence**	**Analytical Relevance**
			absence of participatory governance	ecology dimension
Objective 3: Investigate relationship between oil-related conflicts and political instability in Upper Nile State	How have oil revenue disputes shaped the implementation of peace agreements in Upper Nile State?	de Waal (2014); Johnson (2016); International Crisis Group (2016); UNMISS Reports; Humphreys (2005); Lederach (1997)	ARCSS and R-ARCSS failed to resolve sub-national oil governance; control of Paloch as armed faction strategic objective; elite-level peace framing excludes communities	Links oil governance failures to peace process failure; supports sub-national analytical contribution of study

APPENDIX B: KEY CONCEPTS AND DEFINITIONS

The following definitions are provided to ensure conceptual clarity and consistency in the use of key terms throughout this study. Definitions are drawn from the academic literature cited in the main text.

Concept / Term	**Definition and Contextual Application**
Resource Curse	The paradox whereby countries rich in natural resources such as oil tend to experience lower economic growth, more authoritarian governance, and higher levels of conflict compared to resource-poor states. Foundationally articulated by Sachs and Warner (1995) and developed in the African context by Karl (1997) and Ross (2001; 2012). Applied in this study to the relationship between oil abundance and instability in South Sudan.
Rentier State	A state in which the government derives a dominant share of its revenues from the export of natural resources (rents) rather than from taxation of

Concept / Term	Definition and Contextual Application
	citizens. Theorised by Beblawi and Luciani (1987). In rentier states, governments can maintain legitimacy without accountability, generating institutional decay and elite predation. Applied in this study to South Sudan's post-independence political economy.
Political Stability	The capacity of a government to maintain order, deliver essential services, and sustain governance without resorting to coercion or violence. Following Huntington (1968), political stability encompasses the absence of violent conflict, effective governance, social cohesion, and institutional legitimacy. Used in this study as the dependent variable whose variation is explained by oil governance dynamics.
Oil Resources	Crude oil deposits and the associated economic, political, and social structures of their extraction, processing, and revenue generation. In this study, oil resources specifically refers to the petroleum reserves of the Paloch–Melut Basin in Upper Nile State, the governance arrangements surrounding their extraction, and the revenue flows they generate.
Political Ecology	An interdisciplinary framework that analyses environmental conflicts and resource governance through the lens of political economy, attending to questions of power, access, and the distribution of environmental costs and benefits across social groups. Applied in this study — following Watts (2004) and Peluso and Watts (2001) — to explain how oil extraction in Paloch has generated community displacement and environmental harm.
Security Dilemma	A situation in which the defensive measures of one actor are interpreted as offensive threats by another, generating counter-mobilisation and paradoxically reducing the security of all parties. Extended to intra-state resource conflicts by Posen (1993) and Lake and Rothchild (1996). Applied in this study to explain the armed contestation of Paloch oilfields.
Liberal Peacebuilding	An approach to post-conflict reconstruction that promotes democratic governance, rule of law, market liberalisation, and civil society development as the foundations of sustainable peace. Critically engaged in

Concept / Term	Definition and Contextual Application
	this study through Richmond (2011) and Mac Ginty (2011), who identify its limitations in resource-governance contexts such as South Sudan.
Sub-National Resource Governance	The institutional arrangements, political processes, and power dynamics through which oil revenues are distributed between national governments and producing states, local authorities, and communities. Identified in this study as an analytically underspecified dimension of the South Sudan conflict literature.
Instrumentalism (Ethnicity)	The theoretical position that ethnic identities are not primordial or naturally given but are politically constructed and strategically deployed by elites to mobilise constituencies, justify resource claims, and advance material interests. Theorised by Bates (1983) and Brass (1991). Applied in this study to the ethnic dimensions of resource mobilisation in Upper Nile State.
Production Sharing Agreement (PSA)	A contractual arrangement between a government and an oil company in which the company finances exploration and production in exchange for a share of the oil produced. The terms of PSAs significantly shape the distribution of oil revenues between the state and corporate operators. Relevant in this study to the operations of DPOC and GNPOC in the Paloch area.

APPENDIX C: KEY ACTORS AND INSTITUTIONS IN OIL GOVERNANCE IN SOUTH SUDAN

This appendix provides a reference overview of the principal actors and institutions referenced throughout this study in connection with oil governance and political stability in South Sudan and Upper Nile State.

Actor / Institution	Type	Role in Oil Governance / Conflict Dynamics
Dar Petroleum Operating Company (DPOC)	Oil Consortium	Primary operator of the Paloch–Melut Basin oil fields post-2011; consortium includes CNPC (China), Petronas (Malaysia), and Nilepet (South Sudan). Central to oil revenue generation in Upper Nile State.
Greater Nile Petroleum Operating Company (GNPOC)	Oil Consortium	Predecessor consortium operating in Unity State and portions of Upper Nile State; involved CNPC, Petronas, Sudapet. Associated with environmental damage in Paloch-area communities.
Sudan People's Liberation Movement (SPLM)	Political Party / Ruling Government	Ruling political movement of South Sudan post-independence. Its internal divisions — particularly the 2013 Kiir-Machar split — triggered the civil war and contestation of oil infrastructure including Paloch.
SPLA — In Opposition (SPLA-IO)	Armed Faction	Armed faction aligned with Riek Machar following the 2013 political split. Competed militarily for control of oil-producing areas including Paloch and Upper Nile State infrastructure.
Agwelek Forces	Militia / Community Armed Group	Forces aligned with the Collo (Shilluk) Kingdom; contested control of Malakal and surrounding areas in response to marginalisation of Shilluk communities from oil governance and territory.
Government of South Sudan (GoSS)	State Actor	Central government responsible for oil revenue management; concentrated petroleum revenues in Juba rather than distributing equitably to producing states. Key actor in rentier

Actor / Institution	Type	Role in Oil Governance / Conflict Dynamics
		dynamics documented in this study.
Ministry of Petroleum, South Sudan	State Institution	Primary regulatory body for oil sector governance; responsible for PSA negotiation, revenue oversight, and sector policy. Characterised by limited institutional capacity and political interference.
Natural Resource Governance Institute (NRGI)	International Research/Policy Organisation	Produced critical analytical reports on South Sudan's oil revenue transparency and governance failures. A key secondary source for this study.
International Crisis Group (ICG)	International Research/Policy Organisation	Produced detailed conflict analysis reports on Upper Nile State dynamics, Shilluk Kingdom engagement, and oil-conflict linkages. Extensively cited in Chapters Two and Four.
UNMISS	UN Peace Mission	United Nations Mission in South Sudan; responsible for civilian protection and monitoring of peace agreement implementation. Reports used as empirical documentation in this study.
RJMEC	Peace Process Monitoring Body	Reconstituted Joint Monitoring and Evaluation Commission; mandated to monitor R-ARCSS implementation. Monitoring reports (2019–2023) document governance failures and delayed institutional reform.
Shilluk (Collo) Kingdom	Traditional / Community Authority	Traditional governance institution of the Collo people; Reth (King) Kwongo Dak Padiet issued formal demands for community representation in peace negotiations affecting Upper Nile State. Key sub-national actor.
Global Witness	International Advocacy Organisation	Documented failures of the EITI process in South Sudan and oil sector revenue mismanagement; key source on transparency deficits in South Sudan's oil governance.

APPENDIX D: TIMELINE OF MAJOR EVENTS RELEVANT TO THE STUDY

This timeline presents key events in the political history of South Sudan and the oil sector in Upper Nile State that are directly relevant to the analytical arguments of this study.

Year	Key Event
1983	Outbreak of the Second Sudanese Civil War; Sudan People's Liberation Movement (SPLM) formed; oil fields in southern Sudan become strategic conflict objectives.
1999	Greater Nile Petroleum Operating Company (GNPOC) begins commercial oil exports from Blocks 1, 2, and 4, including areas of Upper Nile State; China National Petroleum Corporation becomes the dominant stakeholder.
2003–2005	Intensive oil extraction in Paloch–Melut Basin commences; communities report early land displacement and environmental harm from GNPOC operations.
2005	Comprehensive Peace Agreement (CPA) signed between Government of Sudan and SPLM; revenue sharing formula established between Khartoum and Juba; independence referendum scheduled.
2009	South Sudan's Environment Management Act mandates Environmental Impact Assessments for extractive projects; enforcement remains negligible through independence period.
2011	South Sudan achieves independence on 9 July; oil revenues — over 90% of government income — concentrated through Juba government; Upper Nile State becomes South Sudan's primary oil-producing region; Dar Petroleum Operating Company (DPOC) established for Melut Basin operations.
2012	South Sudan shuts down oil production in dispute with Sudan over transit fees; significant revenue loss; Petroleum Revenue Management Act enacted, establishing the Petroleum Revenue Stabilisation Fund.

Year	Key Event
2013	Oil production resumes; in December, armed conflict erupts in Juba following political split between President Kiir and former Vice President Machar; conflict rapidly spreads to Upper Nile State; control of Paloch oilfields becomes a strategic military objective.
2014–2015	Intense fighting in Upper Nile State; multiple armed factions contest Malakal and Paloch; Shilluk Kingdom issues formal demands for community representation in peace negotiations; Agwelek forces emerge as a Collo community armed group.
2015	Agreement on the Resolution of the Conflict in South Sudan (ARCSS) signed; provides elite power-sharing framework; fails to address sub-national oil revenue governance; Upper Nile State remains unstable; Dar Petroleum operations disrupted by conflict.
2015–2016	Administrative reorganisation of South Sudan into 28 states effectively removes Malakal from Shilluk administrative jurisdiction; community land rights in Paloch area further contested.
2016	July fighting in Juba collapses ARCSS; South Sudan returns to civil war; Paloch oilfields again subject to armed contestation; some DPOC operations suspended due to insecurity.
2018	Revitalised Agreement on the Resolution of the Conflict in South Sudan (R-ARCSS) signed; establishes RJMEC and National Revenue Authority; oil revenue transparency provisions included but implementation remains delayed; Collo community demands not substantively addressed.
2019–2022	R-ARCSS implementation monitored by RJMEC; reports document systematic delays in oil governance reforms; Petroleum Revenue Stabilisation Fund remains opaque; DPOC revenues continue without transparent sub-national distribution mechanism.
2023–2025	Continued fragility in Upper Nile State; periodic armed incidents near Paloch oil infrastructure; community displacement ongoing; RJMEC monitoring reports

Year	Key Event
	document persistent revenue transparency failures; national elections repeatedly postponed.

Sources: Compiled from Patey (2014), International Crisis Group (2016), de Waal (2014), Johnson (2016), RJMEC Monitoring Reports (2019–2023), and UNMISS reporting.

APPENDIX E: MAP OF THE STUDY AREA

Figure E1: Paloch–Melut Basin Study Area, Upper Nile State, South Sudan

[Map of Paloch and Melut Basin, Upper Nile State, South Sudan — to be inserted here]

Map Placeholder: Please insert an official map showing the Paloch oil fields, Melut County, major settlements, oil infrastructure including DPOC facilities, the White Nile corridor, and key transport routes. The map should indicate bordering states (Unity State to the west, Jonglei State to the south, the Republic of Sudan to the north, and Ethiopia to the east).

Map Notes:

The study area encompasses the Paloch–Melut Basin in north-eastern South Sudan, located in Melut County of Upper Nile State. The area borders Ethiopia to the east, Jonglei State to the south, Unity State to the west, and the Republic of Sudan to the north. The state capital, Malakal, is located approximately 150 km south of Paloch. The Paloch oil infrastructure, operated by the Dar Petroleum Operating Company (DPOC), constitutes the primary site of analysis for this study and includes operational oilfields, the Paloich Airport, pipeline infrastructure connecting to the Port Sudan export terminal in Sudan, and associated worker facilities in Melut County.

Recommended Map Sources:

• United Nations Office for the Coordination of Humanitarian Affairs (OCHA) — South Sudan: https://www.unocha.org/south-sudan

• Natural Resource Governance Institute (NRGI) — South Sudan Country Page: https://resourcegovernance.org/countries/south-sudan

• Small Arms Survey South Sudan Project: http://www.smallarmssurveysudan.org/