Central Banks Policies for Inflation Control Process: As Case Study Bank of South Sudan

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Abstract
The study clear objective is to investigate how South Sudan central bank is able to formulate its policies of inflation control for exchange rate. The research explained the important of price stability and another purpose of central bank is advising government on macroeconomic growth for the country. The article has defined central bank as an institution which is responsible for managing and construction of the volume of money in the interest of public. Moreover, evolution of historical beginning development of central banks system up to present era is dominated by technology in dealing with bank activities and is explained. The study has taken into consideration the definition of inflation as declining of purchasing power of local Currency as goods prices are increasing on daily basis. Also, the research has articulated the functions of central bank, monetary policies for inflation control, and measures used in inflation control. The organizational structure of central bank that indicate the administration governing board and lines of decision making is clearly shown. On the other hand, the research has explained the types of inflation, and its cause. Also the article has explained the role of central bank in controlling inflation, economics growth, and the employment. Meanwhile, The trend of data analysis for study indicate that, the majority respondents are all aware of important for formulation of inflation control policies and stabilized the exchange rate in the market. On other development, the article indicate challenges facing central bank and its solution. The researcher has given his opinion and suggestions for how central bank can conduct its business activities as the way forward.

Keywords: Central Banks Policies and Inflation Control process; as a factor of price Stability

1. Introduction

This study try to investigate how the inflation control policies is taking place in South Sudan Central Bank. This is because inflation control policies is the most important macroeconomic objective which tasked with price system stability in economic prospective and monetary policies of the country. This activities are the main work of Central Banks. Central Bank is the bank in any country which has been entrusted with the work of regulating the volume of Currency and credit in that country. Central Bank as posted by Kent: is defined as an institution which is charge with responsibility of managing the expansion and construction of the volume of money in the interest of general public welfare. Kent (2015)

Historical development of banking System is well articulated as reported by Amon O. Adwok (2023) and quote, that development of banking system is back dated to ancient Mesopotamia, where temples, royal palaces, and some private houses served as warehousing facilities for valuable commodities such as grain, the ownership of which could be exchange by ways of written receipts. There are accounts of credits by the temples of Babylon as early as 2000 BCE; temples were considered especially safe depositories because, as they were sacred places watched over by gods, their contents were believed to be protected from theft. Amon O. Adwok (2023)

Companies of traders in ancient times provided banking services that were connected with the buying and selling of good; Andrew Beatie (2003) and Lindsey Stefanka (2022). Also early banking practicing was being witness in ancient Egyptian in the Town of Ptolmaic in (222 B c) during which Egyptian kingdoms were using Banks for collecting taxes. But bank of England was the world's first effective central bank that was established in 1694; as per the resolution passed in Brussels financial conference, 1920, all the countries should established a central bank for interest of world cooperation. Andrew Beatie (2003) and Lindsey Stefanka (2022).

The contemporary development of central bank is a more recent approach to bank management synthesizes the asset – and liability management approaches; known as risk management. This approach essentially treats bank as bundles of risk. The primary challenge for bank managers is to establish acceptable degrees of risk exposure. Its means bank managers must calculate a reasonably reliable measure of their bank's overall exposure to various risks and then adjust the bank's portfolio to achieve both an acceptable overall risk level and the greatest shareholder value consistent with that level. Moreover the exchange banks were important as in their day, the period of their activity had generally passed by the last half of the 19th/century.

As banking activities is going on banks are faced with inflation problems as money value is eroded and purchasing power is reduced. Inflation according to Jason Fernando (2023) is a raise in prices, which can be translate as the decline of purchasing power over time. The rate at which purchasing power drops can be reflected in the average price increase of a basket of selected goods and services over some period of time.

The rise inprice, which is often expressed as a percentage, means that a unit of currency effectively buys less than it did in prior periods. Inflation can be contrast with deflation, which occurs when prices decline and purchasing power increases. Jason Fernando (2023) www. investopedia.

On the other hand, price stability in the words of DN Dwivedi (2013) is when price remain largely stable, and there is rapid inflation or deflation. Price stability is not necessarily the same as zero inflation, but instead levels of low-moderate inflation is often regarded as ideal. It is worth noting that prices of some goods and services often falls as a result of productivity improvements during period of inflation, as inflation is only a measure of general price levels. However, inflation is a good measure of price stability. D N Dwivedi (2013).

On other part, a policy is defined as a set of ideas or plans that is used as a basis for making decisions, especially in politics, economics, or business. It is the course of action chosen in order to guide people in making decisions. Policies statement is a document that contains the agreement made by institution or company, "an overall plan, principle, or guideline that shape" institution's plan. Also policies is definite course or method of action selected from among

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alternatives and in light of given conditions to guide and determine present and future actions; according to Thomas R. Dye (2011) central bank as mentioned above has it mandate of regulating volume of currency and management of exchange rate. It has functions which are considered as traditional functions, primary functions, Nontraditional functions, secondary functions. Thomas R. Dye (2011).

2 . The research Background

During Industrial Revolution where trading in manufactured goods was very active; the same was financial institutions were starting to be active in providing financial services' trade. As such central bank were formed and the origin of beginning was from private banking institutions, which were performing the functions of Commercial banking system. This bank were owned and managed by private companies. Their motive was profit entity. However, this had changed as the entire concept of central banking was formed and evolved into what was known to day. Central Bank now is meant to support and advise government on economic policy. Central bank is an organ of government and forms part of the government machinery. Its administration is done by executive official known as governor appointed by government and has mandate to control and regulate the operations of all financial companies in the country. They are powerful people who shape policies for the Central banks in their respective countries.

Generally, the activities of Central Banks, in modern era for monetary policy making, has three goals that is; price stability, sustainable economic growth, and financial stability. Financial stability is mostly obtained through the stabilization of long-term interest rates to achieve an efficient system of payments and the prevention of financial crises. In the twentieth century central banks were established for management of gold standard and for obtaining financial stabilization. This study, however, will identify whether the central bank of South Sudan is doing it mandate on economic development. Zahra Afshari&FaternehDaraei (2018).

Central Bank according to Gerald Espstein (2005) is an agents of economic development focusing on inflation which means that central bank should not be centennial willing for other goals such as promoting full employment, supporting industrial policy or allocating credit to sectors of special need such as housing, Neither should the central bank attempt to manage exchange rates through monetary policy, and certainty policy not through using control on capital flows. The use of credit allocation techniques such as subsidized interest rates, credit ceiling and capital controls to affect either the quantity or the allocation of credit. These tenets are being promoted not on! In developed countries, but also with vigor in the developing World. Gerald Esptein (2005)

Central banks controls the uses of money and credit by an appropriate monetary policy. Thus, in an underdeveloped economy, the central bank should control the supply of money in such a way the price level is prevented from rising without affecting investment and production adversely.
(Saunders and Cornett (2004)

3. Statement of the Problem

This research is conducted to investigation how Central bank can make inflation control policies, which contribute to stabilization of prices in the market exchange rate. This is in the end can support financing of other productive resources such as agricultural products, as base tool to foster economic development in the particular country. On other hand, central bank plays an important role in the modern economic worldwide. Banks collect the saving of the individuals and lend out to business sectors, manufacturers, and loans to facilitate commerce in the country for economic growth. Most of the expert has explained essential means of operations for central bank specially conducting monetary policy to manage the foreign exchange and price level with other economic activities. The aim of study is to consider inflation policies that ensure economic recovery and sectors that affecting the economic growth. Jaime Caruana. (2014)

3. Objectives

3.1. The general objectives of the study:

The purpose of this study is to examine the role of Central Bank policies for inflation control; and possible ways for enhancing this policies control as factors that affect the price stability. .

3.2. Specific objectives of the study are:

3.2.1.To investigate the effectiveness of central Bank policies for inflation control.

3.2.2. To find out the roles of Central Bank inflation policies that can control price stability in the country monetary market management

3.2.3.To identify factors that affecting Central Bank policies for inflation control.

3.2.4. To assess the main challenges facing Central Bank performance in controlling inflation for exchange rate in marketing daily activities

4 - Research Questions

The following are Research Questions

4.1. What are the impact of Central Bank policies for inflation control?

4.2. How can South Sudan Central Bank policies for inflation control enhance price stabilization in market exchange?

4.3. What are factors affecting Central Bank policies for inflation management control in exchange market?

4.4. What are the solutions for the hyperinflation in Juba market for Dollars exchange rate?

5. Materials

The materials that is use in this study include organization structure for central bank that explain the structures of Central bank management

5. Area of the study

The area of study considered is South Sudan Central Bank. The study is to look at how Central bank formulate its policies on inflation control and management of financial activities in the country.

6. Methods of Data Collecting

There are two methods of data collection, Primary and secondary**.**.

6.1. Primary data:

Primary data refer to the first-hand information collected directly from origin source. This data collection of information which is done through Questionnaire, survey through interviewer researcher's observation. It is important to note here the access of primary data is private until the researcher published it.

6.2. Secondary data

Secondary data refers to the data collection of information from studies that others have done for different purposes. This data are drawn from various source, such as books, Journals, and articles, Company records. The aim of collecting secondary data information can be understood as process of acquiring necessary knowledge to get a deeper understanding about the research topic and using it for research. Metcalf(2017).

7. Central Bank of South Sudan Establishment

Initially Central Bank of South Sudan is like any other financial institution in the world, its main purpose is to regulate financial institutions and exchange rate system. Therefore the central bank of South Sudan is the financial Corporate of the Republic of South Sudan. It was established in July 2011 by an act of Parliament (the Bank of South Sudan act 2011); it replaced the now defunct Bank of Southern Sudan, a branch of the central of Sudan. Which serve as the Central Bank of Southern Sudan, during the period of February 2005 until July 2011.

The bank is fully owned by the Government of South Sudan. It has in principle been established as an autonomous body with the primary objective to the main monetary and domestic price stability. Other objectives that are subordinated to this primary objective include: foster the liquidity, solvency and effective functioning of a stable market –based financial system, and promote a safe, sound, and efficient national payment system; which aims to maintain the stability of financial system as a whole. The bank also is entrusted with the objective of supporting the general economic policies of the government of South Sudan (GRSS) and promoting sustainable economic growth of South Sudan.

The management of Central Bank of South Sudanis composed of Board of Directors, executive management, and professional official. Board of Directors is the governing body that is charged with responsibility of the bank in formulating the planning policies, regulation, programs, and guideline for running the bank day-to –day business. After that the execution or implementation of these policies is the mandate of governor and his Deputies who passed them down to technical professional as directives for final practical execution. As bank is charge with economic welfare they make evaluation for plans and activities whether they meet it high need of implementation and achieved its goals. Also South Central Bank has branches, apart from Main Branch and Head Quarters (HGS) in Juba, Malakal branch, Wau branch, and yai branch. These branches takes responsibility of work of Central Bank in their capacity of mandate where they operate.

7.1. - Capacity Building in Central bank of South Sudan

Central bank of South Sudan (BSS) also has a policy of capacity building for its staff; for that Bank built the capacity of the BSS leadership and management which enhance their decision making, monitoring and evaluation skills. Their capacity building is done through training in enforcing rule of law; and, their ability in deploying staff and aligning the operations and day-to-day activities to the mission, vision and strategies of BSS is ensured. The enhancement of staff capacity building in various technical areas, building their service delivery capabilities; and continuously developing their creativity, work culture, team work, commitment, ethics, time management, and performance activities are also maintained. Bank of South Sudan the strategic Plan 2018 - 2022

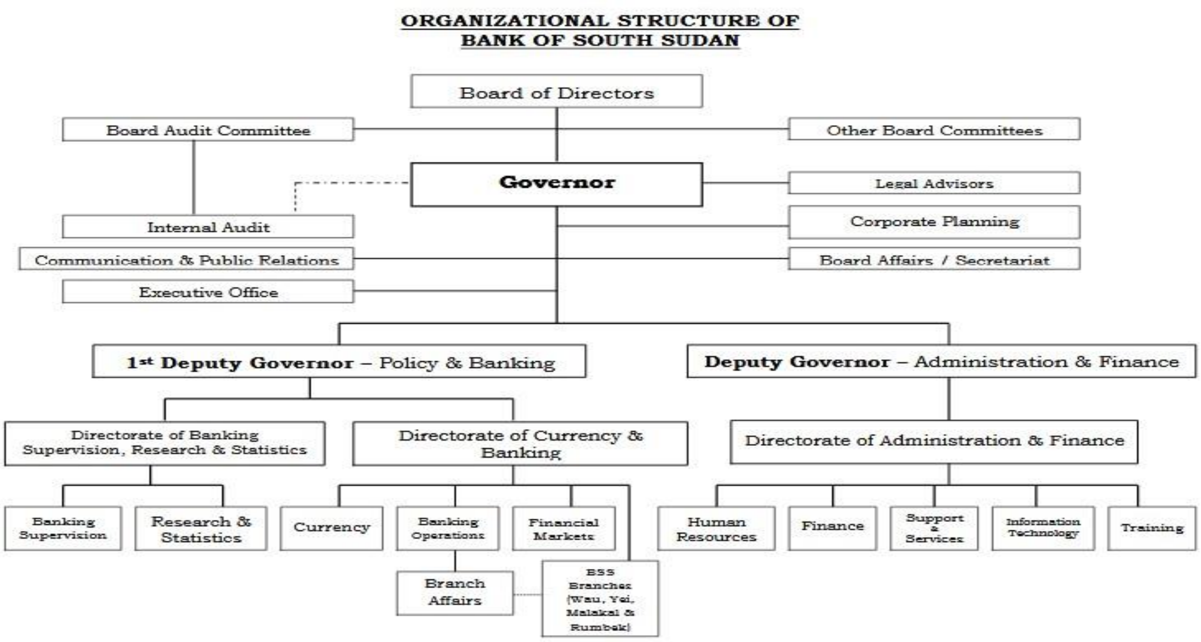
7.2. - Central bank of South Sudan Functions

Central bank of South Sudan like any other has it functions in executing its mandate. These functions involve; **Regulator of Currency:** It is the most important function of central bank, because it has authority of issuing Currency for circulation which is legal tender money.

In addition Central bank of the Country **acts as the Banker fiscal agent and advisor to the Government**. As a banker it keeps the deposits of the central and state governments and makes payments on behalf of government. It keeps the stock of gold of the country. As a fiscal agent, that makes short-term loans to the government for a period not exceeding Ninety days. Moreover, Central bank has a function of a **custodian of cash reserve of the Commercial banks;** in that commercial banks are required to keep certain percentage of their cash reserve in central bank; on the basis of these reserves the central bank transfer funds from one bank to another to facilitate the clearing of cheques.

And lastly central bank is the **controller of the credit;** this function is to control the credit creation power of commercial banks in order to control inflationary pressures within the economic activities; the basic and important needs of credit control in the economy is to encourage the overall growth, keep a check over the channelization, and achieve the objective of controlling inflation and deflation and boost economy by facilitating the flow of adequate volume of bank credit to different sectors, for economic growth.

In consideration of all the implementation is seen through the organizational structure of management as here under Figure No (1)



Source: Bank of South Sudan the strategic Plan 2018 – 2022.

Vol. 8, No.02; 2024

ISSN: 2456-7760

8. Monetary Policies in Central Bank:

Central Banks as mentioned above is charge with responsibility formulating plans and policies that direct central bank activities, therefore, there is need to know what is policy?. Policy is defined, according to Thomas R, Dy (2011) as whatever governments choose to do or not to do. Government do many things. They regulate conflict within society; they distribute a great variety of symbolic rewards and material services to members of the society. Thus public policies may regulate behavior, organize bureaucracies, distribute benefits, or extract taxes –or all these things at once. Thomas R.Dy (2011)

8 .1 Policy Measures to Control Inflation

There are several methods for controlling inflation, but one effective method is that central bank used as articulate by D N DwivEdi (2013) is monetary measures, which are widely used to control inflation that include:

(i) Bank rate policy: Bank rate or more appropriately called, ‘central bank rediscount rate’ is that rate which central bank buys or rediscount the eligible bills of exchange and other approved commercial papers presented by the Commercial banks for building reserves. The central bank performs this function as the ‘lender of the resort’. In general, bank rate policy used even during the period of inflation as main instrument of monetary control.

(ii) Variable Reserve Ratio (CRR): Commercial banks are required to maintain a certain proportion of their total demand and time deposits in the form of cash reserves, called cash reserve ratio (CRR) the cash reserve ratio is generally determined and imposed by central bank which uses as weapon to control inflation, it reduces the lending capacity of the commercial banks. In the process, it halts the rise in prices to the extent it caused by the banks credits the public.

(iii) Open Market Operation: It refers to sale and purchase of the government securities and bonds by the central bank. To control inflation, central bank sells the government securities to the public through the authorized commercial banks. The sale of government bonds through banks reduces credit creation capacity of the commercial banks because it decreases their total deposits. Therefore, money supply with public is reduced a multiple of sale proceeds of the treasury bills through a process of reverse money multiplier. As a result inflation is controlledto the extent money supply with public decreases. This method is more effective than other methods of monetary control. In addition to the above measures central bank used also there is other methods such as targeted credit policy, capital requirement. And exchange rate intervention.
D N DwivEdi (2013)

9. The Inflation and its Types.

Inflation is the increase in the price of goods and services over time. Inflation causes buying power to erode, meaning that the same amount of money today buys less in the future which a concern is because it makes money saved today less valuable tomorrow. For example, if an investor earned 6% from investments in stocks and bonds, but the inflation rate was 3%, the investor only earned 3% in real terms. Inflation has been running hot globally with many countries witnessing an inflation rate at multi-decadal highs. To control persistent high inflation has been the primary objective for all Central Banks globally this year and many have resorted to

Vol. 8, No.02; 2024
ISSN: 2456-7760

stringent policy tightening measures. Here themajor causes of inflation and other implications around is highlight..
Accordingly there are various factors that can drive prices or inflation in an economy. Inflation results from an increase in production costs, an increase in demand for products and services or due to an expansionary fiscal policy as explain here under:
9.1. Demand-pull Inflation: Demand-pull inflation occurs when an increase in the supply of money and credit stimulates the overall demand for goods and services to increase more rapidly than the economy's production capacity. When people have more money, it leads to positive consumer sentiment leading to higher spending, which pulls prices higher. It creates a demand-supply gap with higher demand and less flexible supply, which results in higher prices.
9.2. Cost-push Inflation: Cost-push inflation occurs when prices increase due to increases in production costs, such as raw materials and wages. The demand for goods is unchanged while the supply of goods declines due to the higher costs of production. Furthermore, the supply side shocks such as shortage of shipping containers, shortage of key raw materials, etc. also leads to rise in prices.
9.3. Built-in Inflation: Often referred to as a wage-price spiral, built-in inflation is related to people’s expectation that current inflation rates to continue in the future. As the price of goods and services rise, workers demand higher wages to keep up with rising living costs. This in turn causes businesses to raise their prices in order to offset their rising wage costs, leading to a self-reinforcing loop of wage and price increases. Inflation classification terminology types differ from different Economist to another, the following are also types of inflation in addition to the above-mentioned: Moderate inflation, Galloping Inflation, Hyper Inflation, and Suppressed Inflation.

10- Inflation Factors and causes

There are the other important factors that drive inflation they include; increase in money supply: The Central Banks printing more money and increasing the money supply could result in inflation, particularly demand-pull inflation because there will be too much money chasing the same amount of goods. Expansionary monetary policy by lowering interest rates is a way of increasing money supply.
10.1. Expansionary fiscal policy: Lower tax by the governments increases the amount of discretionary income for both businesses and consumers which might lead to demand-pull inflation.
10.2. Higher taxes: If the government increases taxes, such as VAT and excise duty, this will lead to higher prices, and therefore increase in consumption price level.
Currency devaluation: Devaluation leads to a decline in the value of a currency making exports more competitive and imports more expensive. Expensive imports lead to cost push inflation on account of direct increase in imported inflation. Furthermore, if exports are cheaper there will be more exports and if the economy is close to full capacity then higher demand will cause inflation. Note: Expansionary monetary and fiscal policy has been a key driver since Covid resulting in the current decadal high inflation. Melissa ling investopedia (2019).

Vol. 8, No.02; 2024

ISSN: 2456-7760

11. Central Banks Role of Controlling inflation, Economic growth, and Employment

Central Banks globally aim to maintain an optimum level of inflation in a desirable range which helps stimulate the overall economic growth. High inflation is generally considered bad for an economy, while very low inflation is also considered harmful. The accelerated tightening measures coupled with the withdrawal of pandemic related stimulus is leading to liquidity being sucked out from capital markets, increase in cost of borrowing which might impact demand, lower corporate profitability, etc. which is leading to economic slowdown with fears of an impending recession. Historically, recession has always been able to bring down inflation over a period of time. During a recessionary environment there is a slowdown in the overall economic activity and the demand from consumers also weakens which ultimately brings down inflation.

Central bank in a developing countries aims at the promotion and maintain or an increasing level of production, employment, and real income in the country. This could be realized through the primary policy, which Central banks consider the roles of achieving the objective of controlling inflation as well as economic growth, and employment. This is done inform of controlling Money supply in the economy. According to Wayne L. Winston (2011) a central bank expands or contracts it supply of the base money to affect macroeconomic variables and ultimately achieve its desired goals including the achieving inflation targets, economic growth and employment creation. By expanding money supply more rapidly than usual, the credit market will increase; as a result it causes a decline in the interests' rate. Therefore, people's desire to hold money increases.The decrease in the interest rate causes also an increasein investment and thereby increase in the level of income. The increase in income causes a rise in consumption expenditure.The rise investment and consumer expenditures increases aggregate demand, aggregate supply remaining the same. This rise in aggregate demand is exactly proportional to rise in money stock. The rise in aggregate demand, given the aggregate supply, causes increase in the general price level, which may be inflationary. On the other hand fluctuation in price level can cause social problems and industrial disputes. Moreover fluctuation in prices can be perceived as macroeconomic instability and render the economy vulnerable to chocks, which can in turn lead to fluctuations in investment, output, and employment. Winston (2011).https: // www.amaznCom> Micros, and D N DwivEdi (2013)

12. Data presentation, analysis, and finding

The data **presentation**, analysis, **a**nd finding; indicate the opinion of various participants for the study. Data collection starting from their ages, level of education, and answers to questions that ask about Central Bank inflation policies control. Such question like; do you agree that Central Bank can raise the standard of living through inflation policies control that stabilized prices of exchange rate in the market? As shown under.

ISSN: 2456-7760

Table No (12.1 :) Ages of participants in Central Bank of South Sudan

S/No	Age of respondents	Frequency	Percentage
1 -	18 - 28years	14	35 %
2 -	28 – 38 years	10	25%
3 -	38 - 48 years	8	20%
4 -	48 – 58 years	6	15%
5 -	58 - Above years	2	. 5%
	Total	40	100

Source: field survey, 2024

The table No (12.1) above, indicate the participants who are in the range of age group (18-28)have (35%) (14) People, followed by the range of age group (28- 38) years 25%, of (10) people and (20%) (8) People of the range (38-48) years. While those who are from age group of (48- 58) years is 15% (6) respondents. Moreover (58 and above) is 5% represent (2) peoples. All the ranges for those who participated in data collection for Central Bank are people who are capable of making plans, policies and strategies.

Table No (12.2.) Shows level of education attainment

S/No		Frequency	Percentage
1 -	Master Degree	8	20 %
	Bachelor Degree	16	40%
2 -	Diploma	12	30%
3 -	Secondary School certificate	4	10%
4 -	Total	40	100%

Source: field survey, 2024

The analysis results in table No (12.2.) above shows that bachelor holders degree formed the majority with percentage of 40% (16) participants of the study, while 30% of (12) are Diploma holder followed by 20% (8) are master degree holder. Moreover 10% of (4) participants are from secondary school certificate. Most the participants that were involved in this study have acquired bachelor degrees in various fields; followed by diploma holders. This indicate generally as shown by data analysis that, the employee of Central bank have good capacity of formulating policies and strategies that could pave the future of bank for inflation control policies. .

Table No (12.3.)Do you agree that Development of inflation policies control is the task that Central Bank should undertake?

S/No		Frequency	Percentage
1 -	Agree	10	25 %
2 -	Strongly Agree	18	45%
3 -	Disagree	6	15%
4 -	Strongly Disagree	4	10%
5 -	Not sure	2	5%
	Total	40	100

Source: field survey, 2024

Vol. 8, No.02; 2024

ISSN: 2456-7760

The table No (12.3) above, articulate that 25% (10) of the respondents agreed with question Do you agree that Development of inflation policies control is the task that Central Bank should undertake? On the other hand (45%) (18)Respondents strongly agreed with the question. And some of participants (15%) (6) People disagreed; While10% (4) Participants strongly disagreed; also5% of (2) People answer that they are not sure. Most of sample size who participated in the study are aware of development of inflation policies control which could benefit bank planning process development.

Table No (12.4.) Do you agree that Central Bank can raise the standard of living through inflation control that stabilized prices of exchange rate in the market?

S/No		Frequency	Percentage
1 -	Agree	14	35%
2 -	Strongly Agree	20	50%
3 -	Disagree	4	10%
4 -	Not Sure	2	5%
	Total	40	100%

Source: field survey, 2024

Base on the table No (12.4) above, shows that (35%) participants of (14) people has agreed with the question; do you agree that Central Bank can raise the standard of living through inflation control that stabilized prices of exchange rate in the market**?**. In addition, 50% of (20) participants strongly agreed. While the percentage for those who disagreed is 10% (4) respondents; and those who are not sure were 5%of (2) peoples. This implies that, most of participants are aware that, it is necessary for central bank to raise the standard of living through inflation control and stabilization of prices in the market.

Table No (12.5.) Isit important for Central Bank inflation policies control to reform economic growth in the country?

S/No		Frequency	Percentage
1 -	Yes	24	60%
2 -	No	6	15%
3 -	Not sure	10	25%
	Total	40	100%

Source: field survey, 2023

As indicated by the table (12.5) above, majority of the respondents (60%) of (24) people have answered yes to the question,Is it important for Central Bank inflation control to reform economic growth in the Country?, while those who has answered no were only (15%) of (6) people. In addition to some respondent gave answered of not sure 25% of (10) participants. In light of their view, this show that most of respondents have voiced their concern for economic growth which help in inflation stabilization.

Vol. 8, No.02; 2024

ISSN: 2456-7760

Table (12.6) Central Bank may contribute to the society welfare with the following under

S/No		Frequency	Percentage	Cumulative percentage
1 -	Raise the standard of living	24	60%	60%
2 -	Stabilized prices in the market	10	25%	85%
3 -	None of the above	6	15%	100%
	Total	40	100%	

Source: field survey, 2024

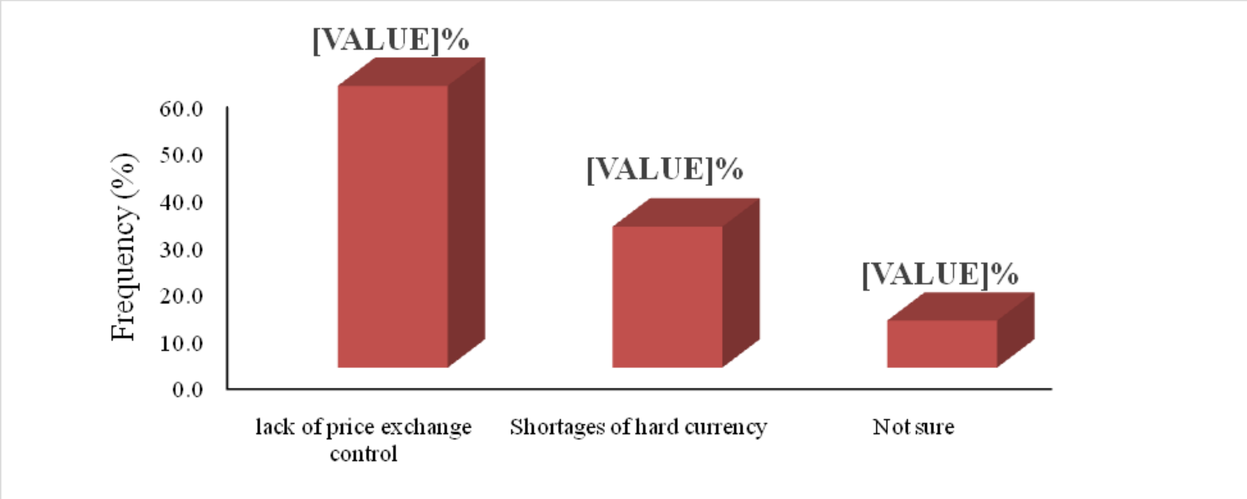
Table No (12.6) above show that (6o %) of participants agreed that central bank may contribute to the society welfare and raise the standard of living. While 25% of (10) respondents agreed that stabilized prices in the markets can help for society welfare. Only 15% of (6) people answered with none of the above. This indicate that through right policies of controlling rate of inflation Central Bank can contribute to the welfare of the whole society.

Table (12.7) what are economic factors that affect Central Bank inflation control policies?

S/No		Frequency	percentage
1 -	lack of price exchange control	24	60%
2 -	Shortages of hard currency	12	30%
3 -	None of the above	4	10%
	Total	40	100%

Source: field survey, 2024

Figure No. (2.)Indicate Characteristics of Economic Factors that Affect Central Ba**nk inflation Control Policies?**



Source: Field survey, 2024

Vol. 8, No.02; 2024

ISSN: 2456-7760

Base on table (12.7) and Figure No (2) above indicate that 60% of (24) respondents has agreed that economic factors can affect Central Bank inflation policies control. While shortages of hard currency as a factors has obtained 30% of (12) peoples and 10% of (4) participants answered with none of the above. This shows clearly that economic factors can influence the performance of Central Bank inflation control policies; the management of economic productivity
that should ensure economic growth factor that can make central bank to be effective in inflation control policies.

13. Consideration of Ethics

Ethics in business study refers to the set of behavioral principles and norms acceptable by society. As such ethics consideration in this research is that source of information is acknowledge, and the information provided for the research: are treated with high confidentiality for academic purposes; and are protected for anonymity of organization or individuals. Saharan (2003).

14 - Challenges Facing Bank of South Sudan

Central Bank of South Sudan is conducting its financial business during the period of digitalization, whereas all operation for banks are being done with electronic device technology; as such the bank is faced with following difficulties.

14.1. Consistent innovation: because Central Bank of South Sudan is making business in the world of technology applications. Bank is undergoing a radical transformation. The shifts include changing business models, disruptive technologies, and compliance pressures. The emergence of non-bank startups, which is also referred to as fin techs, is altering the competitive landscape in the banking industry. It has forced traditional institutions to reorganize the way of conducting bank business.

14.2. Customer retention: Financial service clients expect meaningful and personalized experiences through intuitive and straightforward interfaces on any device, anywhere, and at any time. While customer experience can be tricky to quantify. Client turnover is substantial, and client loyalty is rapidly becoming an endanger idea. Client loyalty is a product born through sturdy relationships that start by comprehending the client and their expectation

14.3. Increasing Expectations: Today Clients are savvier**,** smarter, and more informed. They expect a high degree of convenience and personalization out of their financial service experience. Altering client demographics plays a vital role in these heightened expectation, each new generation of financial service clients is having a better understanding of technology.

14.4. A cultural Shift: Thermostats that allow you to head the surrounding to artificial intelligences enabled wearable's that monitor the user's health is the technology that has been embedded in our culture. The same has extended to the banking industry. The digital world had no access to manual system and processes. The banking industry needs to figure out innovation-based resolutions to financial industry problems. Therefore, financial organizations must promote a culture filled with technology.

14. 5. Increase Competition: Financial industry is facing threats that target the most crucial areas of the service. These threats have force many financial organizations to go after partnerships as a stop-gap precaution. To sustain a competitive edge, credit unions and traditional banks need to devise substantial measures that will counter threats to their service.

14. 6. Regulatory compliance: this is the most vital financial industry challenges, because of dramatic increase in regulatory fees has steered it Compliance with various set regulations that can significantly strain financial institutions as they gather resources; bank of South Sudan is the most affected.

14.7. Altering Business Models: The cost that is link with compliance management is among the numerous financial service challenges forcing banking institutions to alter the manner they conduct business. This elevated cost of capital integrated with unrelenting low-interest rates, decrease proprietary trading, and decreasing return on equity, are all pressurizing on traditional source of financial profitability.

15 - Solutions to resolve the challenges:

15. 1 - Targeting ads based on location: Convenience is among the top factors that a customer considers when choosing a bank relationship, they want the branch to be near where they live or where they work. You need to deliver your message of convenience to people around your branch. And you do this by gee- targeting your ads based on card phone GPS data. That include

a). Local search optimization.

b). Smart use of social media.

15.2. More work with local community about banking: Encourage eachof central bank branches to explore ways they could work with the local merchants**.**

15.3. Use of smarter Authentications process for banking: As the risks as opiated with cyber frauds has increased, authentication strategies have grown in complexity. One of the ways of simplifying the process is to use risk-based authentication. This approach is built on the fact that the risk associated with different operations is mitigated**.**

15.4. Rise in Mobile Banking and commerce: As many newcomers are slicing up them-commerce space by providing to the customers what they need,is the banks are launching pilot projects to stay relevant.

15.5.Shopping services from banking apps: Banks provide a way to make payments, but that is just one function of bank. Modern customers want more. They are interested in shopping on their mobile phones. So, many banks have started converting payments into shopping- banking and this can be done by integrating shopping catalogue into the bank's approval. Some banks are already doing this with payback where you can shop by using the rewards you earn by using your bank's card.

15.6. Innovation labs: Banks are generally considered to be too large to be enough to experiment with technology. This is fast changing as many of the banks are building in-house innovation labs. An innovation lab is a place where a bank can build new customer experiment without worrying about the negative impact if the experiment fails. Bank services could be done through what is called Taller Kiosk is to set as self- service, and interactive tools which is banking online

Vol. 8, No.02; 2024

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16. Researcher Opinion and suggestions:

16.1. There should be close monitoring and evaluating exchange trading market rate. For the bank to be able to monitor inflation trend in the market bank should plan how to formulate inflation control policies

16.2. Central bank should have National economic production knowledge, through its planning and research department that is charge with compiling and analysis of economic activities.

16.3. As South Sudan has no stock trading exchange market established up to now. Then South Sudan Central bank authority should advise National Government for the establishment of that important financial institution.

16.4. Although there is good strategic plan policy made by central Bank management it's seem that, there is lack of implantation and follow up by authority of the bank because no effect is realized in term of inflation control policy.

16.5. The attitudes of frequent changes of senior management in central bank administration by high authority of the country has a negative impact on bank business and affect decisions made for inflation control policy.

16.6. There should be financial evaluation and auditing of central bank activities by creditable audit firm which is necessary for central bank to be evaluated and find out whether bank regulations, policies and plan are executed as plan; which make authority to know the strength and weakness. This will lead the management to formulate appropriate decisions of creating the conducive situation and turn the weakness into strengths.

16.7. Employment process is another factor that can affect the quality work in central bank, when employment is done according to rule and regulations it will enhance the employment of qualify staff, but if the employment is done through nepotism and relative; as what taking place in South Sudan; this will encourage the recruitment of unqualified people and lower management effectiveness.

16.8. There should be continuous training in technological work and information technology; which is paramount as the work of financial management is becoming highly electronic that is changing continuously couple with level of criminology through electronic system development.

16.9. The only important mean to control and avoid inflation is to increase the production of non-oil goods such agricultural products, forestry, livestock, and fisheries. This increases in production will lead to extra more products which could be exported, and the country will gain hard Currency; this will strengthen the value of local Currency, then the exchange rate stabilize. Which in the end reduces the prices of consumption goods, so the inflation rate is controlled.

17. Conclusion

The study conclude with a summary of the whole research manuscript which focuses mainly on the South Sudan Central Bank activities about the inflation control policies. The study explained the establishment of the banking system of South Sudan and indicate what Central Bank is in general. How it is advising government on Macroeconomics growth. The main functions of central banks, tools used for monetary policy of inflation control, and objectives are explained; including the highlight **of** challenges facing central banks and suggested solutions. The finding of data analysis shows the majority of respondents agreed for the important of measures taken for inflation control. Moreover researcher has considered opinion and suggested ways forward; for the main mandate of central banks as viewed by Bhattacharyya, K. (2012),differ from developed countries which is confined to narrow mandate of price stability, but for developing countries monetary policies often aims at achieving multiple objectives. Bhattacharyya K. (2012).

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