Dedication

To my family ...

My father ...

To the soul of my mother

To the soul of my best friend

Seid Ahmed

Acknowledgement

First of all, I would like to thank my supervisor Dr. Ahmed. A. Ahmed, for his continuous support and valuable guidance and comments during the whole work with this dissertation, there is no doubt in my mind that without his continued support and counsel I could not have completed this process.

A special thanks goes to Dr. Khaled. H. Billy for his inspiring and encouraging way to guide me to a deeper understanding of knowledge and his tireless efforts and encouragement.

I would also like to acknowledge the support and assistance given me by Dr. Saifeldeen. D. Abdelrahman, he has been very generous in his support of my academic pursuits and many of my co-workers have contributed ideas, feedback and advice.

I will also give a special thanks to Mohamed A. Khaled (Keek) for assistant in data entry

I am also very grateful to everyone who has read parts of the manuscript, especially Dr. Babeker. M. Mussa. Special thanks to all my friends, colleagues and students in Al-Sharg Ahlia College particularly batches eight and nine who patiently helped me in the data collection. Last but not least, I am greatly indebted to my family for their support during the entire period of my study.

Abstract

The objective of this research is to study the effect of macroeconomic policies in the development process in Sudan through public spending particularly pro-poor spending on basic humanitarian development indicators (health and education) to building a human capital in Kassala State. The study used descriptive statistics approach in addition to applied econometrics approach to analyze the primary data obtained from the health and education situation survey in Kassala State. The study examined the following main contentions: determining the factors that led to initializing basic services provided by the government under liberalization policies particularly excluding poor. With availability of the services, who to benefit and the equality of distribution of these services among individuals remain questions to be answered taking into consideration the standard of living of individuals

It is found that Kassala State considered as the poorest state in Sudan, and the poor particularly in El-Gash and Hamashkoraib are the worst in attainment of the basic services, where the results indicate to the deterioration of income of those people and its amount less than 2500 Dinars per month, this situation affects them negatively in satisfying their basic needs add to that the spending on Health and education, taking into account the hugeness of this cost which makes household favor the participation of their Children in family income instead of sending them to school, as known the opportunity cost of sending Children to school increases under the deteriorated economic circumstances. The policy implication of this result is that the social spending policies should be directed towards the poorest regions.

Also it is found that utilizing health services is better to urban household than rural because of increase of the quality of services provided in urban areas compared to rural areas. Moreover, the majority of workers in public sector utilize the services that (is provided by health insurance. The conclusion is that the policies should focus on seeking a mechanism that may lead to enroll informal sector particularly in rural areas in Health insurance and increase the public spending particularly pro-poor spending.

مستخلص الدراسة

حاولت هذه الدراسة معرفة أثر سياسات الاقتصاد الكلي في التنمية الاقتصادية في السودان وذلك من خلال الانفاق العام - تحديدا الانفاق الموجه للفقراء - وأثر تلك السياسات في المتغيرات الرئيسة لتنمية الموارد البشرية (الصحة والتعليم). ذلك لتكوين رأس المال البشري بولاية كسلا. واعتمدت الدراسة على المنهج الوصفي الاحصائي والتطبيقي القياسي لتحليل البيانات الأولية المتحصل عليها بواسطة استبانة مسح الوضع الصحي والتعليمي للأسر بولاية كسلا. فحصت الدراسة الجوانب الأساسية الآتية: تحديد العوامل التي تؤدي الى عدم الانتفاع من الخدمات الاساسية التي تقدمها الحكومة في ظل سياسات التحرير الاقتصادي وخاصة إقصاء الفقراء، مع وجود الخدمات الاساسية، من الذي يتمتع بها، وهل هنالك عدالة في توزيع هذه الخدمات مع الأخذ في الاعتبار الوضع المعيشي لكل افراد المجتمع.

توصلت الدراسة الى أن الولاية تعتبر من أفقر ولايات السودان وأن الفقراء وخاصة في محليتي القاش وهمشكوريب هم الاسوأ في الحصول على الخدمات الاساسية حيث تشير النتائج الى تدهور مستويات الدخل لهؤلاء حيت يتراوح بأقل من 250 جنيها في الشهر مما يدل على عجزهم في الايفاء بالاحتياجات الأساسية المتعلقة بالاكل والشرب، أضف الى ذلك الحاجة الى الصرف على التعليم والصحة، عند الاخذ في الاعتبار ضخامة هذه التكاليف فان أرباب الأسر يفضلون مشاركة الابناء في دخل الاسرة بدلا عن الذهاب الى لمدرسة كما هو معلوم فان تكلفة الفرصة البديلة لارسال الابناء الى المدارس للتعليم تزيد في ظل الظروف الاقتصادية السيئة التي يمرون بها، مما يتطلب زيادة الانفاق الاجتماعي عامة الموجه للفقراء تحديدا مع ابتكار سياسات أكثر ترغيبا لزيادة الانقاع.

فيما يتعلق بالانتفاع من الخدمات الصحية فقد اوضحت الدراسة ان سكان الحضر اكثر المستفيدين من هذه الخدمات في مقابل سكان الريف ، وذلك لإرتفاع نوعية الخدمات المقدمة مقارنة مع الريف، حيث ان الموارد الموجهة الى القطاع الصحي لا تكفي بمقابلة كل الاحياجات في الولاية لذلك حتى في الحضر نجد ان معظم العاملين في القطاع الحكومي منتفعون من الخدمات التي تقدم من خلال التأمين الصحي، مما يتطلب ضرورة ايجاد آلية من شأنها ان تؤدي الى استيعاب القطاعات غير المنظمة وخاصة في الريف في التامين الصحي حتى تتم عملية النتمية الاقتصادية المبنية على بناء راس المال البشري.

Table of contents

Contents	Page
Dedication	iii
Acknowledgement	iv
Abstract	V
Abstract (Arabic)	vi
Table of contents	viii
List of Tables	xi
List of Figures.	xiv
Chapter One: introduction	
1-1: Introduction and Background	1
1-2 : Problem of the Research	
1-3 :The Importance of the Research	3
1-4: The Objective of the Research	3
1-5: Research Questions.	4
1-6: Methodology Approach	5
1-6-1: Methods of Data Collection	6
1-6-2: Data Sources and Types	6
1-6-3 Sampling, Size and Methods	7
1-6-3-1: Socio-Economic features of the selected sample	9
1-6-3-2-1 Adequacy of Income	11
1-6-3-2-2:Education level of the sample	
1-6-3-3:-3:Housewife Education Level	13
1-7:Description of the Research	14
Chapter Twee Development Strategy in LDCs	
Chapter Two: Development Strategy in LDCs 2-1 Introduction	15
2-2 The Concept of Development.	
2-3 Sustainable Development	20 21
2-4 Human Resources Development	_ 1
2-5 Millennium Development Goals (MDGs)	
2-5-1 Development Thinking in the Millennium	26
2-5-2 Change Perspective	27
2-5-3 Change Objectives and Reflections in the Past	28
2-5-4 The New Perspective	29
2-6 Structural Adjustment Program as a Development Tool in LDCs	30
2-6-1 The Case of Structural Adjustment	32
2-6-2 the Assumption and Context of Structural Adjustment	34
2-6-3 Adjustment and Growth	38
2-6-4 The Macroeconomic Effectiveness of Adjustment program	38
2-6-5 Adjustment and Poverty Reduction	41

2-7 The Impact of Macro policies on Poverty Reduction in LDCs	45
Chapter Three: Health and Education Status in LDCs	
3-1 Introduction	50
3-2 Education Status in LDCs	50
3-2-1 Education, Development and Macroeconomic Adjustment	56
3-2-2 Education Supply	59
3-2-3 Education Demand.	60
3-2-4 Education and Development Issues and Options	61
3-2-5 Education and Economic Growth	62
3-2-6 Education, Inequality and Poverty	63
3-2-7 Education, migration and fertility	64
3-3 health Status in LDCs	65
3-3-1 Health and Inequality	75
3-3-2 Malaria as An endemic Disease in Sub-Saharan Countries	79
3-3-2-1 The Economic Burden of malaria	80
3-3-2-2 Approaches to Estimating the Economic burden of Malaria	81
3-3-2-3 The Effect of Malaria in Schooling	83
3-3-2-4 The Effect of Malaria in Migration	83
3-3-2-5 The Effect of Malaria in Saving	84
3-3-3 Health Expenditures and Health Status in SSA and MENA	85
3-3-4 Health Insurance in Developing Countries	90
3-3-4-1 The Concept of Health Insurance	92
3-3-4-2 Community Health Insurance in Sub-Saharan Africa	93
Chapter Four: The Performance of Sudan Economy Indicators	
4-1 The Main Features of Sudan Economy	94
4-1-1 The Performance of Macroeconomics Indicators	94
4-2 Status of Education in Sudan.	106
4-2-1 Basic Education Enrollment.	108
4-2-2 Regional Disparities and Special Needs for Internally Displaced.	109
4-2-3 Out-off-school Children	112
4-2-4 Inadequate Provision of Financial resources	113
4-2-5 High Proportion of Untrained Teaching Force	116
4-2-6 Education in Sudan Macro and Micro	117
4-3 Government Expenditure on health services under SAPs	118
4-3-1 User Fees in Sudanese Health Services System	120
4-3-2 Finance of the Health services.	127
4-3-2 Health Policy in Sudan	128
4-3-4 Status of the Health Sector in Sudan	130
4-3-5 Health Resources.	131
An endemic Diseases in Sudan	137

Chapter Five: Analytical Framework	
5-1 Introduction and Background	139
5-2 Kassala State: Administrative Set-up, Population and Services	139
5-2-1 Service Delivery and Social Development in Kassala State	142
5-2-2 Social Services and the Poor in Kassala State	143
5-2-3 Factors Affecting Availability of Social Services	144
5-3 Education Status in Kassala State	145
5-3-1 Sources of Schools Finance	154
5-3-2 Gap Analyses in Education in Kassala State	155
5-4 Distribution of Subsidies through Public Health Services	157
5-2-5 Gap Analyses in Health in Kassala State	159
5-5 Results of Household Survey	161
5-5-1 The Utilization of Education Services	161
5-5-2 The Utilization of Health Services	172
Chapter Six: Conclusion and Policy Implications	
6-1 Summary	184
6-2 Findings	185
6-3 Recommendations.	187
References	
Appendices	

List of Tables

Table No	Title	Page
Table (1-1):	Distribution of Selected Sample	7
Table (1-2):	Income distribution of sample size (in 1000 S. D)	10
Table (1-3):	Adequacy of income	11
Table (1-4):	Household Education Level	12
Table (1-5):	Housewife Education Level	13
Table (2-1):	Sub-Saharan Africa: Social Indicators 1973-85-91	45
Table (3-1):	Gross enrolment ratio by region, 1999\2000	52
Table (3-2):	Estimated adult illiteracy rates (2000)	54
Table (3-3):	Faster\ Lowest progress :adult literacy rate in	
	developing countries (1970-1995), (per cent, age 15 and over)	
T-1-1- (2, 4).		55
Table (3-4):	Health Expenditure, Access to Health Services and	
	Risk Factors in Health in SSA and other Regions of	
	the World	86
Table (3-5):	Indicators of Health Status in SSA and other regions.	88
Table (4-1):	Some Macroeconomic Indicators of Sudan 1970-	
	1978	07
Table (4-2):	Some Macro-Economic Indicators of Sudan 1979-	97
1 abic (4-2).	1989	
	1707	99
Table (4-3):	Share of government Expenditure in GDP and Share	
	of Social services in Current Expenditure	100
Table (4-4):	Some Macroeconomic Indicators of Sudan 1990-1996	100 102
Table (4-4):	Total government expenditure Federal and states'	102
14010 (4-3).	actual recurrent and capital expenditure, (%GDP)	
	actual recurrent and capital expenditure, (700D1)	103
Table (4-6):	Sudan and Neighbours – Basic Development	105
	factors	
Table (4-7):	Grade 1 enrolment by region 1984/85-2003/04	110
Table (4-8):	GER and Completion Rates, Comparison Countries	
		111
Table (4-9):	Evolution of Average Salary of Primary Education	111
1 autc (4-9).	teachers (Multiple of GDP per capita) between 1975	
	and 2000(Countries with a per capita GDP lower than	
	2000 \$US)	
TP 11 (4 10)		115
Table (4-10):	Sudan current expenditures on Basic Education by	116
TD 11 (4 11)	States Governments, 1999-2003	
Table (4-11):	Expenditure in education in Sudan during 1997-2002	117
Table (4-12):	Sudan Federal Expenditure on Health Sector	122

Table (4-13): Table (4-14):	The Share of Health Sector of Sudan Federal Expenditure (in percentage of GDP)	123 133
Table (4-15): Table (5-1): Table (5-2):	Health Human Resources per 100000 1999-2003 Kassala Basic Indicators Average of Daily and Monthly Household Income and Cost of Living in El Gash Locality (by Dinar equivalent to 260 US\$) in 2005	136 136 140
Table (5-3): Table (5-4):	Number of Children Age 6 – 14, Pupils and Population in Kassala State (2005 – 2006)	145
Table (5-5):	Number of Children enrolled in Grade one in Kassala State (2005 – 2006)	147 147
Table (5-6):	Number of Children enrolled in the Grade One and Eight by the end of the first year (2005 – 2006)	147
Table (5-7): Table (5-8):	Number of schools and Teachers in Kassala State Percentage of Locality State Population and Population School Ratios	149 150
Table (5-9):	Total Recurrent Spending in Education Sector in 2005 – Kassala State	150
Table (5-10):	Analysis of schools status and teachers in Kassala State	155
Table (5-11):	Current Situation of Buildings for Basic Education in Kassala State 2006	156
Table (5-12):	Summary of Health Expenditure – Kassala State (2006)	159
Table (5-13): Table (5-14): Table (5-15): Table (5-16): Table (5-17): Table (5-18):	Health Cadre Coverage – Gap Analysis Type of Education Institution Reasons for Attending Public Education Reasons for not Attending Schools Reasons for absence from School The Distribution of Private Expenditure on Education (the mean of the different items)	160 160 162 163 164
Table (5-19): Table (5-20):	Receive subsidies from government The reason for not received subsidies	166 168

Table (5-21):	Quality of education services	169
Table (5-22):	OLS Estimates on Quality of Education with Respect	
, ,	to Number of Student, teacher's qualification,	
	Number of Teachers, and School Environment	170
T 11 (7 00)		170
Table (5-23):	The cases of consulting doctors	170
Table (5-24):	Type of health institution	172
Table (5-25):	The main reason of selecting the institution	173
Table (5-26):	The difficulties face the individual in health unit	174
Table (5-27):	The Private Expenditure on Health (the mean of the	
	different localities)	
		175
Table (5-28):	The sources of providing fees treatment	176
Table (5-29):	The difficulties Face Individual in Attainment	176
	Subsidies from Social Guarantee System	
Table (5-30):	Reasons for non-visit to health facilities	178
Table (5-31):	Response for Subscribing in Health	179
	Insurance	
Table (5-32):	Response for Paying Mechanism to Subscribe	180

List of Figures

Figure (1-1): Distribution of selected sample	8
Figure (1-2): Income distribution of sample size (in 1000 S. D)	10
Figure (1-3): Adequacy of income	.11
Figure (1-4): Household Education Level	.13
Figure (1-5): Housewife Education Level	.14
Figure (2-1): A Schematic Representation of Adjustment Policy	37