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BRIEFING ON SWAZILAND

Presentation by the Deputy Director-
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to the Portfolio Committee on
International Relations and Co-
operation, 8 May 2013



international relations
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Department
International Relations and Cooperation
REPUBLIC OF SOUTH AFRICA

Introduction

- Swaziland continues to face socio-economic and political challenges.
 - The year 2010 saw a somewhat compounded situation as the political challenges were accompanied by economic difficulties.
 - The global economic downturn had a negative impact in the economies of the SACU countries as evidenced by the reduced SACU revenues.
 - As a result, Swaziland, which is heavily dependent on SACU revenues, started to experience serious economic problems. Over 60% of Swazi annual budget comes from SACU revenue allocation.
 - This situation has made the Swazi society restless as manifested by occasional protests and strikes by public servants. An improved economic situation, mainly as a result of increased SACU revenues in 2012/13, has not alleviated the political situation.
 - 2013/14 SACU Revenues are expected to improve even further, which would further lessen economic pressure.
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SYSTEM OF GOVERNMENT

- The constitution of Swaziland determines the system of government for Swaziland.
- It is a participatory, tinkhundla-based system which emphasizes devolution of state power from central government to tinkhundla areas, and individual merit as a basis for election or appointment to public office.
- The system is non-partisan since the constitution does not recognize political parties; although section 25 of the constitution allows for freedom of assembly and association.
- Individuals are directly elected.



SYSTEM OF GOVERNMENT

- There are two chambers of parliament, the House of Assembly and the Senate.
- Of the 65 members of the House of Assembly, 10 are chosen by King Mswati and 55 are elected by the people.
- In the Senate, King Mswati chooses 20 of the 30 places. The other 10 are chosen by members of the House of Assembly. None are elected by the people.



2013 ELECTIONS

- Swaziland is scheduled to host elections in August/September 2013.
 - No election announcement has been made yet.
 - In 2008 the poll was announced for September, leaving only three days for people to declare their candidacy with no voter's roll to determine who was eligible to vote or not. (Optimum Mark Recognition was used to prevent double voting)
 - The 2008 SADC Election Observer Mission (SEOM) declared the elections to be "free, peaceful, transparent and credible"
 - The SEOM recommended improvement of the electoral system, in particular the secrecy of the vote; extension of the period between primary and secondary elections; use of transparent ballot boxes and improved civic education.
 - It is expected that SADC will again be invited to observe the elections.
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POLITICAL SITUATION

- The Swazi political problems can be traced to the 1973 decree which banned political parties and more recently, the 2006 Constitution which also bans political parties.
- The continued banning of the political parties as well as the occasional arrests of opposition party and civil society leaders has led to an escalation of tensions in the country.
- The opposition political formations are made up of the Peoples Democratic Movement (PUDEMO); the National Constitutional Assembly (NCA); the Ngwane National Libratory Congress (NNLC) and SIVE SIYANQOBA.
- Chief among their demands is the call for the unbanning of political parties and the call for democracy.

POLITICAL SITUATION (Cont)

- In response to the demands of the opposition parties, the Swazi authorities have over the years promulgated various security legislations including the Anti-Terrorism and Sedition legislations.
- The Swazi authorities tend to resort to the use of force to clamp down on the protests.
- The political situation remains calm but tense.
- The Swazi political situation has also attracted international attention with calls on South Africa to assist the country to deal with its challenges.

RECENT POLITICAL DEVELOPMENTS

- It reported that about 60 police officers broke up prayers at the cathedral in Manzini on Saturday 16 February 2013.
- Police spokesperson Inspector Khulani Mamba said they were acting on information that the prayers were a meeting to plan to disturb forthcoming national elections. The prayer meeting was organised by the Swaziland United Democratic Front (SUDF) and the Swaziland Democracy Campaign (SDC).
- Journalist Bheki Makhubu, was arrested and convicted for ‘scandalising the courts’ by printing articles critical of the Swazi Judiciary . He was given the option of paying a R400 000 fine or jail.



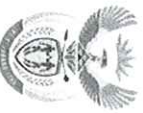
RECENT POLITICAL DEVELOPMENTS

- Police have also reportedly cracked down on workers celebrating May Day. Most notably, Mr Mario Masuku, leader of the People's United Democratic Movement was taken into custody for reportedly ignoring house arrest.
- The Swaziland National Association of Teachers (SNAT) Secretary General and also Trade Union Congress of Swaziland (TUCCOSWA) Second Deputy Secretary Muzi Mhlanga has also been placed under house arrest.
- Notwithstanding the security clampdown, the banned political parties are continuing to call for the boycotting of the 2013 elections.



ECONOMIC SITUATION

- Apart from the fact that Swaziland's currency is pegged to the South African Rand and thereby subsuming the country's monetary policy to South Africa, Swaziland receives 85% of its imports from South Africa and sends almost 74% of its exports to South Africa.
- Swaziland's main export commodities include asbestos, coal, cotton, cut diamonds, minerals, paper and timber.
- The main import commodities include manufactured goods, animals, automobiles, chemical products, energy and edible oils, etc.



ECONOMIC SITUATION (cont)

- The economic crisis presented a serious and real challenge to the country's stability as evidenced by strikes.
- The 2008/9 global economic crisis has had severe impact on the country's economy. This was followed by a dramatic reduction of the SACU revenue allocations during the financial year 2010/2011.
- For example, Swaziland received R1,9 billion revenue allocation in 2010/2011 compared to the R5,1 billion in 2009/2010.
- For 2012/13, the SACU revenue allocation to Swaziland increased to R7.1 billion, thus cushioning the country from a potential economic collapse.
- However, this may not be sufficient to cover all government expenditure as well as previous financial commitments.

ECONOMIC SITUATION (cont)

- In response to this situation, Swaziland approached the International Monetary Fund (IMF) for financial assistance.
- The IMF has made a set of recommendations to the Swazi authorities.
- Swaziland has subsequently developed an intervention strategy called Fiscal Adjustment Roadmap (FAR).
- However, the Kingdom has only implemented a few recommendations, namely collection of tax and introduction of VAT and fuel levy.

RECENT ECONOMIC DEVELOPMENTS

- Swaziland has not met the key targets set by the IMF for the implementation of FAR namely:
 - Reduction of the wage bill by reducing and freezing salary increases.
 - Merging of certain ministries.
 - Reduce King's household spending.
 - Despite the improved economic situation due to increased SACU revenues, the country needs to implement IMF's recommendations in order to improve its governance and fiscal management systems (tax and VAT collection, PFMA, etc)
 - Swaziland will also need to pursue economic diversification and industrialisation.
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ECONOMIC SITUATION (cont)

- Swaziland turned to South Africa for a loan request.
 - The two countries concluded and signed in June 2012 a R2.4 billion loan agreement.
 - South Africa had built in key conditions to the loan agreement including a demand for an inclusive political dialogue and economic reforms.
 - The loan was to be paid in three tranches (August 2012, October 2012 and January 2013).
 - Swaziland informally indicated in January 2013 that they will no longer pursue this loan.
 - For South Africa, the loan is still on the table. Only if Swaziland implements the required conditions and submits documents like loan book as requested by the National Treasury and Reserve Bank.
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IMPLICATIONS OF THE FAR

- The implementation of FAR may have negative implications as it relates to proposed job cuts in the public service, thus could exacerbate the current over 40% unemployment rate in Swaziland with huge socio-economic ramifications.
- South Africa could face increased flow of economic and illegal migrants which could have a negative impact on the country's social and security situation.



Conclusion

- From the foregoing, it seems Swaziland will continue to face severe political and economic challenges which admittedly the country may not be able to overcome on her own.
 - Therefore, there is a need for some external support (mediation or facilitation) from SADC preferably.
 - South Africa will also need to consider an engagement strategy to help Swaziland overcome her political challenges.
 - In keeping with South Africa's philosophical approach to conflict resolution, this will be subject to a formal request to extend such assistance.
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THANK YOU

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