Swaziland crisis: Last days of *Tinkhundla*

The crisis in Swaziland is a result of the *Tinkhundla* political economy which excludes the majority of the people. The only solution is to find an alternative system, writes **Bongani Masuku**.

At the time of Swaziland's independence in 1968, the royal minority inherited a highly skewed colonial economy. The edges of the skewed nature of the economy were further sharpened through a royal 'bourgeoisification' process, with the establishment of a 'royal fund' through the vehicles of Tibiyo and Tisuka TakaNgwane. To date, royalties from mining as well as land held by the monarchy for the Swazi nation (utilised by the major sugar and forestry estates), accrue to the royal family through these institutions, and not to the state, lesser still to the people.

This system is designed to ensure that the parasitic royal family maintains their huge, highly unproductive and unfettered share from government in the form of the Swazi National Treasury (SNT), an entity separate from central treasury. According to the Swazi Royal Emoluments and Civil List Act (enshrined in the Constitution of 2005), parliament should legislate a limit to the money going to royal institutions. However, this law has been ignored over the decades, handing the royal family 5% of the annual budget to spend as they please.

TINKUNDLA POLITICAL ECONOMY

The Swazi economy was integrated into the global capitalist economy as a minor part of it, more as a supplier of raw materials and cheap labour. It also guaranteed access to markets for goods of the developed countries in which the countries decided on the terms of trade. That is why even after the end of colonialism this role continued under the strict supervision of new royal elite that acted in the interests of international capital or as a neo-colonial satellite of global imperialism.

The *Tinkhundla* political economy is made up of economic development patterns which identify some areas as centres of concentrated development and others as zones of total neglect and underdevelopment. The economy is characterised by extreme inequalities and growth that benefits a few in the selected centres of development serviced by the labour reserves and natural resources from the underdeveloped areas. The structure is also known for its deep levels of poverty and unemployment; of whom the worst affected are women who carry the heavy burden of the crisis.

It is a monopoly type of economy that is highly concentrated and founded on the basis of economic exploitation, political oppression and deliberate exclusion of the majority. The poor majority are knowingly excluded from economic participation by being denied support that is necessary for meaningful production to take place.

Tinkhundla development is based on an unsustainable and destructive model of growth that ruthlessly exploit the country's natural resources and degrades the environment without due regard for the needs of future generations. *Tinkhundla* economic management also lacks innovation, has built an economy that does not have productive and redistributive capacity and suffers from backwardness and technical rot, hence the massive structural inefficiencies.

Thus the dual character of the Swazi economy reproduces class inequalities, structural inefficiencies and systematic underdevelopment designed to serve a particular group or class, particularly the royal family and elements of international capital.

The post-colonial economic evolution has seen a steady process of royal 'bourgeosification', in which the traditional aristocracy was transformed into a bourgeois class in collaboration with international capital through Tibiyo. The royal elite positioned as economic mercenaries in the accumulation process, suffocate real possibilities for growth and development as they engage in limitless plunder and looting of the economy for their own narrow interests.

The labour market is highly fragmented, which has resulted in the further division of the working class. Informalisation, outsourcing, and casualisation are common. So are the selective provision of skills to some and the denial to the vast majority of workers who end up un-skilled. As a result, the unskilled are highly exploited and have no job security.

The crisis of *Tinkhundla* has resulted in high levels of skills-mismatch. In this case skills not needed by the economy or country's development are produced in abundance; hence the growing levels of unemployed graduates. This is made worse by an economy that is neither growing nor creating jobs.

The *Tinkhundla* system has no vision for the economic future of the country or its people. Owing to its poor leadership and management of the economy, it has run the country down into a ghost that feeds off the plight of the poor and working masses. The royal worms fed off the fruits, then the leaves and now the roots of the remains of what used to be a potentially prosperous country with rich natural resources.

PARASITIC ECONOMY

Swaziland is Southern Africa's second-smallest economy after Lesotho and is suffering from a combination of low investment, falling international opportunities, low productivity levels, decreasing trade receipts and low domestic resource capacity. This is worsened by years of poor growth levels, which have deepened poverty and unemployment. Even worse is the alarming impact of HIV and AIDS with a prevalence rate of 32.4%.

Swaziland ranks as one of the most unequal societies in the world and two key factors contribute to this. Firstly, the deliberate designs of the *Tinkhundla* royal regime to monopolise national resources to the exclusion of the suffering majority. Secondly, the inability to translate the economic growth experienced in the 1980s and 1990s into effective development for the benefit of the majority of the people instead of pursuing a neo-liberal policy framework.

The royal family uses about 5% of the annual budget, while 70% of Swazis live below the poverty line of US$1 per day. This reality exists despite the fact that Swaziland qualifies as a middle-income state due to a flattering per capita GDP. Swaziland is therefore not poor in strict economic terms. However, the country's glaringly skewed politics of distribution certainly are.

Neo-liberal economic policies remain a large part of the problem. Any structural adjustments would have and will still hurt the ordinary citizen while temporarily cushioning the interests of big businesses. Are these not the same policies responsible for the total collapse of the global economy?

The Swazi economy is therefore in the hands of a tiny minority with land in the hands of a few (largely members of the royal family who are unable to use it for productive purposes). The economy is largely agro-based, with semi-feudal relations frustrating its development potential. The majority produce for their landlords rather than for national or for their own benefit.

There are high and unsustainable levels of poverty, which are made worse by the loss of jobs and the absence of new ones. As the economy is no longer expanding, excess dependence on the Southern Africa Customs Union (SACU) revenues has exposed leadership weaknesses and lack of foresightedness on the part of the regime, who have looted without regard for the future sustainability of the economy. The economic crisis is deep and a problem of the political system.

In 1999 Swaziland was regarded as a middle-income country with a GNP per capita of US$1,360. This global economic ranking illustrates the weakness of the neo-liberal model of economic measurement, as it disregards the huge inequalities and resorts to an artificial or narrow, technical means of economic categories. The standard of living for the majority of Swazi nationals has been steadily and gradually declining since the royal regime's rise to power in 1968.

According to the United Nations Development Programme (UNDP), the Swazi economy is known for its huge unequal distribution of income and living conditions. Inequalities are also found in property income and land ownership, upward mobility is uneven and favouritism rife in social opportunities. Unequal access to safe and clean water and sanitation facilities, massive rural and urban poverty and landlessness are also common.

The enormity of the current crisis is exposed by the following: life expectancy is now at 31.88 years, 30% all children are orphaned or vulnerable due to living with a critically ill parent, only 6% of the national budget is allocated to health and 2.4% to social services, 69% of the population live in extreme poverty, while 25% survive on food aid donations. Unemployment is estimated at over 40%. Meanwhile, the king has an estimated personal fortune of US$200-million.

William Matlala

Swazi women march at COP17: Rural women are at the receiving end of Tinkhundla.

ECONOMY IN TROUBLE

According to a media commentary, 'It is estimated that the Swaziland government is overspending by 30-million Emalangeni a month (4.2-million US dollars) and is using its foreign currency reserves to pay bills.' There was also suspicion that 'development aid' destined for Swaziland doesn't go where it is needed, but instead is siphoned off by King Mswati to pay for his palaces, Mercedes Benz cars and his general lavish lifestyle.

'Additionally, there is little chance of selling bonds or assets or securing loans, and a potentially unsympathetic international community.'

The question is where does all this spending go, and who benefits from it?

Finance Minister Majozi Sithole said that government revenues are so low that 'non-Sacu' revenues are not enough to pay the government wage bill. The extent of the crisis is further explained by the revelations that, 'the government needs income and it needs it quickly. It is trying all the usual tricks of economists to stay afloat, such as seeking loans, selling assets, issuing bonds'.

However, there is little, if any success from these actions. The World Bank and the International Monetary Fund (IMF) have refused to offer Swaziland a US$500-million loan from the African Development Bank, citing that the government was spending too much for a kingdom of its size. And more recently the government made a commitment to the IMF to cut 7,000 jobs in the public sector to help it qualify for a loan.

Given this situation, the sale of assets is a last resort. Shamefully, the Swazi monarchy (estimated to be wealthier than the country as a whole), is unwilling to release its resources (ill-gotten and belonging to the people anyway) to better the situation. Notwithstanding that the real source of the problem is the *Tinkhundla* system which is a fraud.

As early as 1989 the regime began to realise what the implications of the end of apartheid in South Africa meant for Swaziland. For a long time, the royal regime openly flirted with the apartheid regime, benefitting from the sanctions against apartheid South Africa and acting as a sanctions buster by collaborating with Pretoria and other such global forces. Swaziland was seen as an alternative destination, with apartheid South Africa products being branded as originating from Swaziland. Further, the civil war in Mozambique added to the notion of Swaziland being a rather 'peaceful and stable' investment destination.

With democracy, peace and stability descending on South Africa and Mozambique, Swaziland's competitiveness against a relatively stable Mozambique and a post-apartheid South Africa disappeared. Investors preferred the developed infrastructure in South Africa, access to the sea in both countries, population sizes, and the geo-economic spaces on offer.

The early 1990s marked a consistent decline in the Swazi economy's growth rates, though not much in the consumption rates by the ruling elite. Despite this, and in the midst of deepening poverty levels, expenditure on military and security increased.

The health and education budget for members of the royal family using expensive institutions outside the country continues to skyrocket, whilst education and health facilities in the country deteriorate and collapse. Social expenditure, national development and the interests of ordinary people suffered as royal projects such as state-of-the-art villas and clinics received priority funding. This explains the deepening inequalities in income and opportunities for the poor majority, particularly for women, and those living in rural areas.

The decline in the economic growth rate led to the ruling regime introducing neo-liberal economic reforms in the form of the so-called medium-term intervention, the Economic and Social Reform Agenda (ESRA), and a long-term scenario mitigation or planning programme called the National Development Strategy (NDS). Both these programmes have failed. There are now new emerging initiatives that seek to replace these, without an open acknowledgement of the failures of past policies.

According to an Organisation for Economic Co-operation and Development (OECD) report, 'the country's manufacturing sector is hard hit, with virtually all significant manufacturing sub-sectors (cement, agricultural machinery, electronic equipment, refrigerator production, footwear, gloves, office equipment, confectionery, furniture, glass and bricks) affected by the global slowdown in trade. Further, forest fires that destroyed timber supplies impacted on the wood-pulp industry. Equally, the apparel industry was hit as it is dependent on preferential trade arrangements with the United States through the African Growth and Opportunity Act.'

TAXING THE POOR

Whilst the economy is in a free-fall, there are no credible measures being taken in the medium term to normalise the situation. Instead, the government has engaged in underhanded tactics aimed as fleecing citizens of their last penny. Examples include: a new 3% tax for low income earners, forcing the adoption of new car registration plates, aggressively dealing with traffic offenders through expensive fines or bail, new travel documents, the prime minister and finance minister's unilateral 'home grown Fiscal Adjustment Roadmap' recently presented to the IMF, World Bank, and EU, and others. While these stern measures negatively affect the ordinary taxpayer, they do nothing to tackle the big-time tax evaders.

In fact, for some time now, the Swazi regime has been involved in an exercise to expand the tax base by targeting all those things upon which the poor and working masses rely for their livelihoods; including trees, domestic animals and other such basics.

Budget estimates point to about 68% of the budget being allocated to security services. This bears testament to the priorities of the Swazi regime, which is essentially about protecting the privileged few and keeping the rest in conditions of starvation.

The government seems unfazed by the gravity of the situation, with unwarranted expenditure continuing. For example, plans for a 25th anniversary for King Mswati III are going ahead. Wasteful and fruitless expenditure associated with the royal family and high expenditure on functions meant to buy patronage and popularity such as the annual Reed Dance continues. Furthermore, despite the crisis there are salary increments for politicians and civil servants as well as hefty handshakes for retiring top politicians and too much funding for security forces.

In essence, Swaziland's economy is suffering from a lack of a clear national development plan or growth path aimed at supporting strategic sectors. Among other things, a plan can enforce a redistributive capacity to ensure the effective and full participation of all the people in the development of the country.

CONCLUSION

It is clear from the foregoing that Swaziland is suffering from a democracy deficit in its governance system. Democracy in Swaziland will ensure that credible institutions tasked with properly managing the affairs of the state are put in place. In this regard, multiparty democracy holds the only promise for the reform of the Swazi state, both to keep the monarchy in check and to ensure the establishment of credible institutions with strong checks and balances to run state affairs efficiently. LB

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