King Mswati III dreams

While Swaziland collapses

Swaziland is on the brink of economic collapse yet its royal leaders live in a fantasy world of first-world opulence. **Sikelela Dlamini** describes a deeply impoverished country where a terrifying 40% of the population is HIV positive.

Swaziland's economy has all but collapsed. According to the *Times of Swaziland* (20/08/10), 'the country faces a serious cash flow problem…'

The Minister of Finance, Majozi Sithole, also told parliament that Swaziland's recent application for a loan from the African Development Bank (ADB) had stalled because the ADB demanded written backing from the International Monetary Fund (IMF) and the World Bank. This was not immediately forthcoming because these bodies doubt the country's fiscal recovery programme. The two financial watchdogs have constantly criticised Swaziland's ever-bulging public Wage Bill, which has pushed the budget deficit to a frightening 13% of GDP in 2010/2011.

Swaziland's cash flow crisis arises from a sharp reduction of annual receipts from the Southern African Customs Union (Sacu), from about E6-billion (E= Emalangeni, which as the same value as the rand) in 2009 to a tiny E1.9-billion in 2010. Sacu receipts have accounted for around 70% of the country's total revenue for years.

Falling Sacu revenue necessitated a mandatory 14% budget cut across government departments this year which seriously constrained virtually non-existent public service delivery. Poor service delivery can be seen in the chronic drug shortages in public health institutions and government's embarrassing failure to pay school fees for orphaned and vulnerable children (OVC) in 2010.

The Swaziland government has consistently overlooked expert financial advice to downsize its public workforce in order to reduce the excessive Wage Bill. Government's reluctance to comply is because of its desire to preserve existing jobs to stem escalating unemployment. For instance, when Sappi Usutu Pulp Mill, a multinational company that contributed 4% to Swaziland's GDP, closed down in January 2010, unemployment statistics shot above the 40% mark.

CORRUPTION

Prime Minister Barnabas Sibusiso Dlamini has repeatedly reported the theft of E16-million from three government ministries over a period of just six months in the early 2010 fiscal year.

Not so long ago, his Minister of Finance also reported to a stunned Parliament that Swaziland currently loses a whopping E40-million per month through corruption.

Corruption has continued to spiral out of control despite the establishment in recent years of an Anti-Corruption Commission (ACC). But so toothless is this anti-graft body that parliament, whose own oversight function is seriously curtailed by the lack of an official political opposition, has recently recommended the disbanding of the largely token ACC.

The difficulty in dealing with corruption in Swaziland is that the all-powerful monarchy is often involved in these malpractices. Almost all cases are traceable to the royal family and ruling elite, which makes it extremely hard to hold culprits to account for their misdeeds.

For instance, when Sappi Usutu closed down, government swore to do everything in its power to find an alternative investor to ensure that the mill resumed operations in time for laid-off Swazis to resume active employment. This August, however, the media revealed that a local business consortium's bid in 2009 to take over SAPPI to the tune of E600-million, creating some 3 000 jobs in the process, had been botched. The reason? The disgraced Minister for Justice and Constitutional Affairs, Ndumiso Mamba, had, together with six cabinet colleagues, presented a counter-bid worth E450-million, through New Forest Company. SAPPI Usutu remains closed.

The SAPPI Usutu saga gets even more disturbing with fresh revelations that Ndumiso Mamba and his unnamed colleagues were not the only players nor were they the owners of the prospective new SAPPI Usutu. It is disturbingly alleged, that the ministers were only fronting for the personal business interests of King Mswati III.

It is further alleged that the SAPPI Usutu takeover is not the first or last of King Mswati III's shady business interests. Ex-minister Mamba, in particular is said to have been the King's closest business partner in secret local and offshore business manoeuvres.

ROYAL FAMILY TAKES ALL

The royal family also has its fingers in many internal business activities.

For instance, King Mswati III is a well-known major shareholder in MTN Swaziland, a monopoly mobile phone operator for over ten years. The monopoly allows MTN to charge probably the highest tariffs in Africa despite 70% of the Swazi population living below the subsistence level of $1 (about E7.50) per day.

The King also holds in trust for the nation the multi-billion Emalangeni financial conglomerate, Tibiyo TakaNgwane. Tibiyo, which was established by the late King Sobhuza II, Mswati's father, using the taxes of ordinary Swazis. This was originally for the purpose of buying back concession land from white South Africans who had controversially acquired a third of Swaziland during the colonial era.

A royal charter converted Tibiyo into an investment fund in 1968. Tibiyo has since then owned a significant slice of nearly every major Swazi business and industry such as sugar used by Coca Cola which accounts for up to 40% of Swaziland's GDP, mobile phones such as MTN Swaziland, all mines, media such as *Swazi Observer*, and tourism.

Today Tibiyo is in effect an investment bank for the exclusive use of the royal household; although it pays no tax nor does it account to parliament for the billions worth of taxpayers' liquid and fixed assets at its disposal. The West's softer stance on Mswati's human rights abuses is attributable largely to his enthusiasm for neo-liberalism and multinational corporations such as Coke.

Meanwhile King Mswati III fantasises about Swaziland's first-world status.

If it wasn't so dangerously warped, King Mswati III's first-world status pipedream for impoverished Swaziland would be ludicrous. The king has for some time now been harping on his wondrous vision for a first-world Swaziland by the year 2022. By that time the king envisions a Swaziland with no informal settlements or unpaved roads.

Instead, he sees skyscrapers such as a Swazi City to be constructed with money sourced from oil-rich Gulf nations, Swaziland's economic allies of choice since her increasing estrangement from the West which continually nag the king about democratisation.

The king also dreams of a Swaziland state-of-the-art Science and Technology Park (STP), which will also be financed from either Taiwan or the Gulf. The idea behind the STP is to provide the much-needed technological impetus to drive an Information Age economy required for first-world status despite Mswati's bitter antipathy towards freedom of expression.


ma-schamba

King Mswati III – the royal family has its fingers in many internal businesses.

UNPACKING KING'S FANTASY

Allow me to unpack this royal dream against the reality on the ground in order to appreciate the fantasy that it represents.

For starters, in terms of the UN 2009 Human Development Index (HDI), a critical determinant of a country's categorisation as a Developed, Developing, or Underdeveloped nation, how does Swaziland fare?

The HDI rates Developed nations in terms of a long healthy life. Swaziland has the highest HIV prevalence rate in the world, which averages 40% of the population. The HIV/Aids pandemic has reduced life expectancy from 65 years in 2000 to a pitiable 33.2 years in 2010.

Powerful people connected to the royalty mouth reckless statements about HIV/Aids. The influential Chief Logcogco, the chair of King Mswati III's Advisory Council, Liqoqo, who also chairs the board of directors at Tibiyo, recently told the *Times of Swaziland* that he's 'not scared of HIV whose impact has been exaggerated for commercial purposes'. This after he had impregnated an underaged girl out of wedlock. This does not help Swaziland's ability to curb the scourge and ultimately turn around life expectancy. Given that Aids kills 1% of the 1.1 million population annually, projections are that life expectancy will be further reduced come 2022.

The HDI also ranks countries in terms of the education level of the population, which is measured by adult literacy and gross enrolment in education.

Swaziland's census surveys in both 1997 and 2007 stated that the country enjoys an 80% literacy rate. However, apart from stating that people aged 15 years and above can read with understanding simple statements about their lives (World Bank 2005), surveys are silent on what else counts as literacy or how else people put literacy to use.

Research shows that while Swazis aren't an absolute oral society, many people still go about their daily lives without recourse to literacy. For instance, Swazis do not use shopping lists when they go shopping nor do they require a written recipe to guide their cooking.

Many school teachers are the most backward in terms of Information Communication Technology (ICT). Government has attempted to circumvent the negative impact of HIV/Aids on education by enrolling orphans in schools through a designated fund and the Free Primary Education (FPE) initiative. However, the OVC fund has dried up following the forced budget cuts while the FPE project has been accompanied by overcrowding and unworkable teacher-pupil ratios.

Quality education provision has been the hardest hit and there seems to be no viable remedy in the short to medium term. Swaziland therefore realistically cannot expect to have the highly developed human resources that goes with first-world rating.

The HDI also ranks nations in terms of their decent standard of living, which is measured by their purchasing power parity.

HIV/Aids has reduced life expectancy in impoverished rural Swaziland to 33.2 years.

At present Swaziland is 70% rural and some 70% of its population live in abject poverty owing in large part to a feudalistic land tenure system and primitive agricultural practices. It is hard to imagine that a local middle class will emerge to drive sustained economic development to first-world levels under these debilitating conditions.

Swaziland's monarchy does not even have the courage to allow the development of a vibrant and productive working class through unionisation with the power for collective bargaining. All these things are indispensable ingredients for a first-world economy.

Instead the labour federations have become in effect a political opposition. They fill up the void left by the banning of political parties since 1973 although some can now exist as long as they do not contest power!

Over-taxation, shown by the proposed 3% tax for the low-income bracket in a desperate effort to shore up a faltering economy, has realised almost zero growth in recent years. This means that most Swazis have virtually no buying power given high commodity prices and skyrocketing inflation levels.

Swaziland's flattering GDP per capita of over $2 000 annually on the surface justifies the country's classification as a middle-income economy. Such statistics, however, conceal the seriously unequal distribution of national resources.

King Mswati III can afford his fantasies because he leads a first-world existence already. The king's personal worth stands at around $200-million according to *Forbes Magazine 2008/2009*. He and his enormous household live in marble palaces, and his ever-expanding harem go on multimillion Emalangeni annual shopping sprees to the Gulf states and Europe. His children go to US and European schools.

The pro-democracy movement inside Swaziland has however gained unprecedented momentum after years of attracting little global solidarity. The Swaziland Democracy Campaign has hosted international guests who joined Swazi masses in two historic protest marches through Mbabane and Manzini between 6 and 8 September 2010. There was no better demonstration of the Swazi people's resolve to seek a return to multiparty democracy. LB

Sikelela M Dlamini is secretary to the Swaziland Chapter of the Swaziland Democracy Campaign and a freelance writer and independent researcher.